

Still benefitting from strong demand

Third quarter of 2019

- Consolidated net sales increased by 16 percent to SEK 901 m (778), of which organic growth amounted to 10 percent. Acquisitions contributed by 4 percent and currency by 2 percent
- Net sales in Products & Solutions amounted to SEK 671 m (575) and Installation Services to SEK 262 m (235)
- EBITDA increased by 35 percent to SEK 137 m (102), whereof SEK 13 m refers to effects from IFRS 16
- Operating profit (EBIT) increased by 27 percent to SEK 109 m (86), whereof SEK 1 m refers to effects from IFRS 16
- ROCE on rolling 12 months basis was 13.1 percent (13.8)
- Operating cash flow amounted to SEK 145 m (123), whereof SEK 13 m refers to effects from IFRS 16
- Earnings per share before dilution were SEK 3.29 (2.97) and after dilution SEK 3.25 (2.97)

January–September 2019

- Consolidated net sales increased by 19 percent to SEK 2,359 m (1,988), of which organic growth amounted to 8 percent. Acquisitions contributed by 9 percent and currency by 2 percent
- Net sales in Products & Solutions amounted to SEK 1,805 m (1,507) and Installation Services to SEK 635 m (555)
- EBITDA increased by 31 percent to SEK 279 m (213), whereof SEK 37 m refers to effects from IFRS 16
- Operating profit (EBIT) increased by 20 percent to SEK 198 m (165), whereof SEK 2 m refers to effects from IFRS 16
- Operating cash flow amounted to SEK 169 m (96), whereof SEK 37 m refers to effects from IFRS 16
- Earnings per share before dilution were SEK 5.64 (5.27) and after dilution SEK 5.59 (5.27)

Financial key ratios *

Amounts in SEKm unless otherwise stated	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change	R12 2019	12M 2018
Net sales	901	778	16%	2,359	1,988	19%	3,051	2,680
Gross profit	243	201	21%	614	505	21%	788	680
Gross margin %	27.0%	25.9%	1.1pp	26.0%	25.4%	0.6pp	25.8%	25.4%
EBITDA	137	102	35%	279	213	31%	341	274
EBITDA margin, %	15.3%	13.1%	2.2pp	11.8%	10.7%	1.1pp	11.2%	10.2%
EBIT	109	86	27%	198	165	20%	245	212
EBIT margin, %	12.1%	11.1%	1.1pp	8.4%	8.3%	0.1pp	8.0%	7.9%
Return on capital employed, %	n/a	n/a	n/a	n/a	n/a	n/a	13.1%	14.0%
Net profit	78	71	10%	135	127	6%	159	152
Operating cash flow	145	123	18%	169	96	76%	253	180
Net debt	745	493	51%	745	493	51%	745	442
Earnings per share before dilution, SEK	3.29	2.97	11%	5.64	5.27	37%	6.69	6.31
Earnings per share after dilution, SEK	3.25	2.97	10%	5.59	5.27	6%	6.62	6.30

*Q3 2019 and 9M 2019 has been affected by implementation of IFRS 16, and comparative figures for previous year have not been restated. For further information, see page 18.

Expectations for financial year 2019 (unchanged)

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. Operating profit (EBIT) is expected to increase compared with 2018, assuming normal winter conditions during the fourth quarter.

Unless otherwise stated, figures within parentheses refer to the preceding year or the corresponding period in the preceding year in respect of income statement and/or cash flow items and the end of the preceding year or the corresponding period in the preceding year in respect of balance sheet items. For definitions and reconciliations of financial and alternative key performance indicators, please see page 23-24.

Message from the CEO

Still benefitting from strong demand

Nordic Waterproofing again delivered a record quarter both in sales and operating profit terms, backed by continued strong demand. Consolidated net sales for the third quarter rose by 16 percent compared with previous year, from SEK 778 m to SEK 901 m. Organic growth was strong at 10 percent, acquisitions contributed with 4 percent and the currency translation exchange rate effect was 2 percent. At SEK 109 m, EBIT was 27 percent above last year's profit of SEK 86 m, and EBITDA was SEK 137 m compared with SEK 102 m in the corresponding period the preceding year.

Our Products & Solutions segment reported a sales increase of 17 percent while Installation Services increased 11 percent. Sales were driven by strong demand in almost all parts of the business.

Veg Tech, which was acquired in the beginning of July 2018, showed strong sales and contributed positively to the organic growth as well as increased profit of the Group in the quarter. As weather conditions were fairly favorable during the third quarter, especially compared with the warm and unusually dry summer previous year, sales within green infrastructure were strong both in Norway and Sweden. In order to secure volumes for coming years, Veg Tech has started local production of sedum in Norway and the first deliveries of Norwegian sedum will take place next year.

As communicated earlier, the customer delays in the Taasinge prefabricated elements business in Denmark have created difficulties in optimizing the production planning leading to lower efficiency and earnings. The situation in Denmark has continued to stabilize during the third quarter, while the Norwegian business in RVT experiences challenges in the installation department due to significantly increased volumes and building site inefficiency.

In July, Taasinge strengthened its position in eco-friendly construction by acquiring a small installation business in Denmark. Taasinge now offers our customers a complete solution, from drawing to assembly at the building site, in order to ensure that both the logistics and the execution are as high in quality as possible. Nordic Waterproofing has the ambition to contribute significantly towards making buildings and infrastructure, as well as the construction process itself, sustainable and climate efficient. We see a strong opportunity for increasing the use of wood in prefabricated building parts. Wood binds significant amounts of carbon dioxide, and its use in building and construction contributes to reducing climate change. Using prefabricated building parts reduces construction time considerably compared to on-site building, generating financial benefits and reducing energy consumption.



Martin Ellis,
President and CEO

Jan-Sep 2019

Net sales:

SEK 2,359 m (1,988)

EBITDA:

SEK 279 m (213)
11.8% (10.7%)

EBIT:

SEK 198 m (165)
8.4% (8.3%)

ROCE (R12):

13.1% (13.8%)

The legacy business within bitumen roofing was strong during the quarter, driven by flat roofing products in all Nordic countries but also sales of geomembranes in Finland. In Norway we continue to experience strong competition and price pressure as the consolidation within builders' merchants is on-going. Our intensified sales and marketing efforts to increase market share continues but has yet to produce increased sales volumes and profitability within the builder's merchants segment. The consolidation within builders' merchants is visible also in Sweden and we see customer movements between different builders' merchants. On the other hand, the flat roofing market remains stable and we still only see a minor impact from the weaker housing market. In Denmark, the flat roofing market is strong although organic growth has been somewhat slower this year. The Finnish builders' merchants market is somewhat weaker with lower volumes than in the corresponding period the preceding year. SealEco and the rubber membrane business developed well also in the third quarter, primarily driven by DistriPond which was acquired earlier this year.

Within the Installation Services segment, activity was higher particularly in the flat roofing business. In general, the outlook and the Finnish market expectations are slightly negative, which makes for a continuously competitive marketplace. However, the order intake during the third quarter was higher compared with previous year with a healthy margin. Our Danish franchise companies continue experiencing a strong market and perform well in the third quarter, with strong order books and an EBIT contribution above the corresponding period last year.

We see current trends continuing for the rest of the year, and our result outlook remains unchanged.

Vejen, 31 October 2019



Martin Ellis,
President and CEO

Conference call

A conference call for investors, analysts and media will be held today, 31 October 2019, at 10:00 a.m. CET and can be joined online at www.nordicwaterproofing.com. Presentation materials for the call will be available on the website one hour before the call.

To participate, please dial:

From the United Kingdom: +44 33 3300 9264

From Denmark: +45 78 15 01 07

From Sweden: +46 8 566 426 92

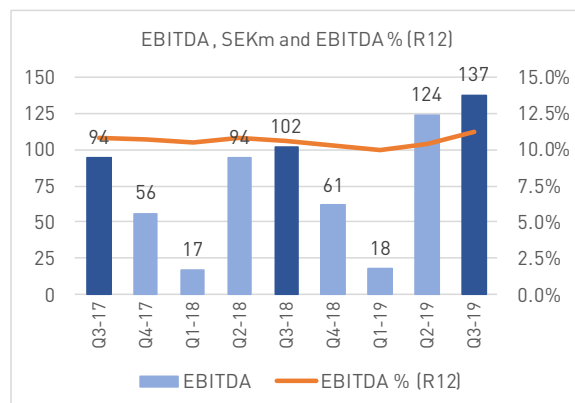
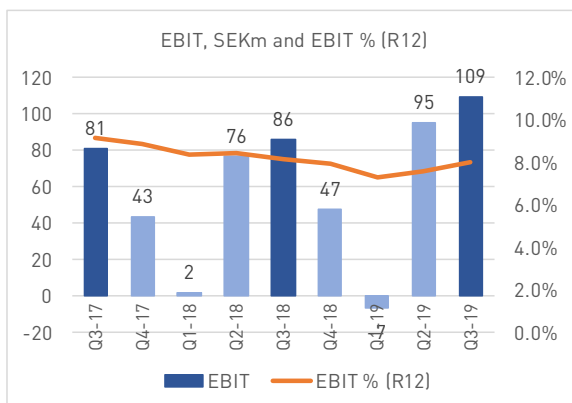
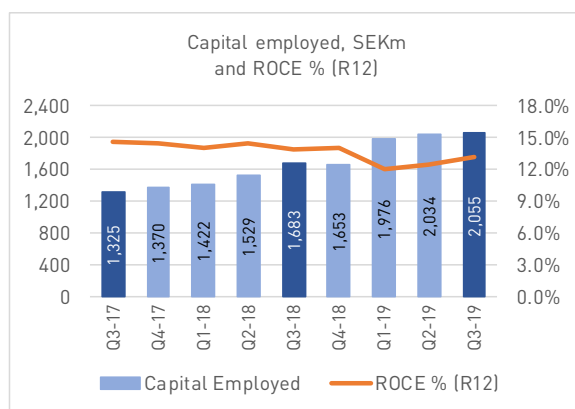
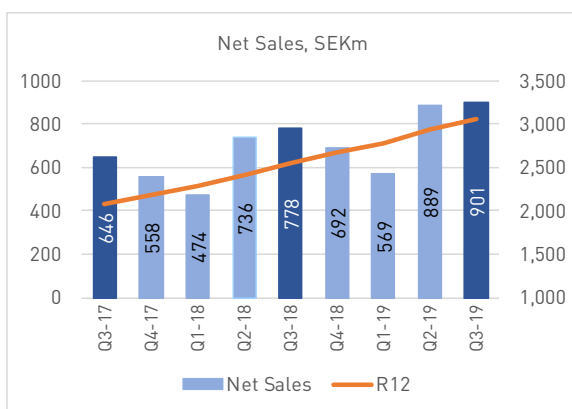
The Group

Net sales

Consolidated net sales for the third quarter increased by 16 percent to SEK 901 m (778). Organic growth was strong at 10 percent. Sales in acquired companies contributed by 4 percent and currency translation effects were positive affecting net sales by 2 percent. Net sales for the period January-September increased by 19 percent to SEK 2,359 m (1,988). Acquisitions contributed with 9 percent, while the organic growth was 8 percent. The currency effects for the period were positive and affected net sales by 2 percent.

Analysis of net sales	Q3 2019 (%)	Q3 2019 (SEKm)	9M 2019 (%)	9M 2019 (SEKm)
Previous period		778		1,988
Organic growth	10%	81	8%	146
Structural effects	4%	31	9%	178
Currency effects	2%	11	2%	47
Current period	16%	901	19%	2,359

Sales in Norway increased by 21 percent in the third quarter compared with the corresponding period in the preceding year. The organic sales growth in Norway in local currency was 22 percent mainly explained by strong sales in the prefabricated elements business. In Sweden, sales increased by 17 percent mainly due to higher flat roofing sales as well as strong sales of green infrastructure in Veg Tech. Sales in Finland increased by 13 percent due to organic growth both in flat roofing products as well as the installation there-of. Sales in Denmark increased by 7 percent in the third quarter. Sales in other Europe increased by 31 percent in the quarter, of which 25 percentage units were related to the acquisition of Distri Pond.



Operating profit (EBIT), EBITDA and ROCE

EBITDA for the third quarter increased to SEK 137 m (102) and the EBITDA margin increased to 15.3 percent (13.1). EBITDA for the period January-September increased to SEK 279 m (213) and the EBITDA margin increased to 11.8 percent (10.7). The implementation of IFRS 16 affected EBITDA positively by SEK 13 m (0) in the third quarter and SEK 37 m (0) for the period January-September.

Operating profit (EBIT) for the third quarter increased to SEK 109 m (86) and the EBIT margin increased to 12.1 percent (11.1). The profit and margin was positively affected by the favourable bitumen prices as a consequence of the hedge agreements from last year, as well as the contribution from our latest acquisitions of Veg Tech and Distri Pond. The EBIT-impact following the implementation of IFRS 16 was insignificant, however depreciation of right-of-use assets amounts to SEK 12 m in the third quarter, of which almost all relate to the Products and Solutions-segment. Earnings were negatively affected by amortizations of customer relations in the acquired companies of SEK 5 m (6). Acquisition-related expenses, previously reported as Items affecting comparability which are no longer disclosed separately, were SEK -1 m (-1) in the quarter. Operating profit (EBIT) for the period January-September increased to SEK 198 m (165) while the EBIT margin increased to 8.4 percent (8.3). Depreciation of right-of-use assets amounts to SEK 35 m (0) for the period January-September.

Return on capital employed (ROCE) on rolling 12 month basis was 13.1 percent (13.8) for the third quarter, in line with our long-term financial target of 13 percent (which has been updated in connection with the implementation of IFRS 16, see page 7).

Net financial items

Net financial items for the third quarter of 2019 amounted to SEK -11 m (-5). The increase is explained by higher interest costs due to the higher leverage following the acquisitions and the effect from IFRS 16. Net financial items for the period January-September amounted to SEK -29 m (-14), of which external interest expenses amounts to SEK -14 m (-8) and the net fair value adjustment of call/put options for the remaining shares in the acquired companies amounts to SEK -3 m (-2).

Profit or loss before and after tax

The profit before tax for the third quarter amounted to SEK 99 m (81) and profit after tax amounted to SEK 78 m (72). Income tax for the third quarter amounted to SEK -20 m (-10). Profit before tax for the period January-September amounted to SEK 169 m (151). Income tax for the period January-September amounted to SEK -35 m (-24) corresponding to an effective tax rate of 20.5 percent (15.9).

Cash flow

Operating cash flow during the third quarter was SEK 145 m (123). The operating cashflow was SEK 22 m higher than in the corresponding period in the preceding year and is primarily explained by higher EBITDA, whereof SEK 13 m refers from effects from IFRS 16.

Cash flow from operating activities during the third quarter was SEK 19 m higher than in the corresponding period in the preceding year, amounting to SEK 142 m (123), following higher EBITDA and a lower decrease in net working capital than previous year.

Cash flow from investing activities during the third quarter was SEK -12 m (-197), due to investments in fixed assets of SEK 13 m (12). The remaining difference compared with previous year is primarily explained by the acquisition of Veg Tech during the third quarter 2018.

Cash flow from financing activities during the third quarter was SEK -79 m (98), due to repayments of loans of SEK -73 m (3) whereof SEK -12 m (0) refers to effects from IFRS 16. The difference is primarily explained by the new bank loan that was obtained in connection with the acquisition of Veg Tech during the third quarter 2018.

Investments and depreciations

Gross investments excluding acquisitions during the third quarter of 2019 amounted to SEK 14 m (16), while depreciation amounted to SEK 11 m (10). Right-of-use depreciations relating to IFRS 16 amounts to SEK 12 m (0). Amortizations of intangible assets amounted to SEK 5 m (6), primarily consisting of amortizations of customer relations in the acquired companies.

Financial position and liquidity

Nordic Waterproofing's principal external financing agreement is valid until June 2021 and was amended and restated in connection with the acquisition of Distri Pond Group in February 2019. The financing agreement contains a EUR 73.0 m term loan facility and a EUR 26.5 m revolving loan facility, of which EUR 14.4 m is allocated to the Group cash pool overdraft facility. The loan and credit facilities bear variable interest and run without requiring repayment in instalments. The financing agreement contains financial covenants that are monitored and followed up on a quarterly basis. Every quarter, Nordic Waterproofing has fulfilled the terms and conditions of the facility agreements.

The consolidated interest-bearing net debt amounted to SEK 745 m (493) at the end of the period, compared with SEK 442 m at the end of 2018. The increase of SEK 252 m for the period January-September is mainly explained by the impact from IFRS16 (SEK 131 m) and the enterprise value of the acquisition of Distri Pond in February (appr SEK 118 m). Consolidated cash and cash equivalents amounted to SEK 132 m (74) at the end of the period. Since no portion of the Group's total overdraft facility of SEK 154 m (148) was utilized at the end of the quarter, the total cash and cash equivalents available amounted to SEK 286 m (222) at the end of the quarter.

Indebtedness calculated as net interest-bearing debt/EBITDA during the most recent twelve-month period was 2.2x (1.8x) at the end of the period, and the net debt/equity ratio was 0.6x (0.4x).

Pledged assets and contingent liabilities

There were no significant changes in contingent liabilities during the period.

Employees

The average number of employees during the third quarter of 2019 (expressed as full-time equivalents) was 1,184 compared with 1,135 during the same period in the preceding year. The increase derives primarily from the acquisition during 2019.

Significant events during the period

No significant events have occurred during the period.

Significant events after the reporting period

Jonas Olin announced in October 2019 that he will leave the position as CFO of Nordic Waterproofing. Jonas Olin is part of the Management Group and will retain his responsibilities as CFO and Head of Investor Relations at Nordic Waterproofing until he leaves his position in April 2020. The company has initiated the process of selecting its future CFO with immediate effect.

Financial targets

The Board of Directors has updated the company's long-term financial targets, effective as of 2 May 2019. Nordic Waterproofing's target for the return on capital employed (ROCE) is at least 13 percent. The interest-bearing net debt/EBITDA-ratio shall not exceed 3.0 times. Both targets, measured for the financial year and at year-end, reflect the impacts of IFRS 16 and the discontinued reporting of items affecting comparability. Both targets are analogue to the previous targets and the ambition level remains unchanged.

The Parent Company

The Parent Company, Nordic Waterproofing Holding A/S, is a holding company that does not conduct any business. The parent company's earnings primarily reflect the net revenues for joint Group services and deductions for salaries, other remuneration and compensation, and similar expenses.

Incentive programs

The 2019 Annual General Meeting in April resolved to authorize the Board of Directors to establish a Long-Term Incentive Program ("LTIP 2019") offered to a maximum of 30 employees of the Group. The participants shall be allotted, free-of-charge, performance share rights entitling them to allocations of shares in the Company. Performance shares may be granted to the individual participant when targets have been met over a period of three years. The target is measured each year and the outcome is set after three years. Performance shares may only be granted to the individual participant if the participant is still employed by the Company and has not given, or been served, notice during the three-year vesting period. Targets for the participants are based on annual growth of operating profit before interest and taxes ("EBIT growth").

The total costs for the 3-year program in accordance with IFRS 2, including social security charges, are estimated to be at most SEK 10 m under the assumption of an average annual growth of operating profit (EBIT) of 10 percent.

No new shares will be issued in the Company due to LTIP 2019. However, the Company will acquire 143,038 treasury shares, corresponding to approximately 0.59 percent of the outstanding shares and votes in the Company in order to secure the provision of shares under LTIP 2019 and to secure and cover social security charges. The costs for the incentive program are expected to have a marginal effect on Nordic Waterproofing Group's key ratios.

In total, the Company has established three incentive programs ("LTIP 2017", "LTIP 2018" and "LTIP 2019"). The total cost, including social security charges, is estimated to be at most SEK 10 m for each program under the assumption of an average annual growth of operating profit (EBIT) before items affecting comparability of 10-12 percent. No new shares will be issued in the Company due to the programs. However, the Company will acquire treasury shares in order to secure the provision of shares and to secure and cover social security charges. The costs for the programs are expected to have a marginal effect on Nordic Waterproofing Group's key ratios. The maximum number of shares that can be granted under the LTIP 2017, LTIP 2018 and LTIP 2019 are 98,843, 140,731 and 143,038 respectively. As of 30 September 2019, the Company has acquired and owns 200,000 (0) treasury shares.

Shares and share capital

As per 30 September 2019, the share capital amounted to DKK 24,084 thousand and the total number of issued shares was 24,083,935. The Company has one (1) class of shares. Each share entitles the holder to one vote at general meetings. As per 30 September 2019, Nordic Waterproofing Holding A/S had more than 3,400 shareholders and owns itself 200,000 treasury shares (0.8% of the total number of issued shares) following the share buyback program in connection with the long-term incentive programs.

There have not been any changes in shares and share capital during the third quarter of 2019.

Ownership structure

The largest shareholders in Nordic Waterproofing Holding A/S, as per 30 September 2019, are stated below.

Owner	Number of shares	Capital, %	Votes, %
Svolder	2,986,780	12.4%	12.5%
Swedbank Robur Funds	2,187,095	9.1%	9.2%
Mawer Investment Management	2,182,837	9.1%	9.1%
Carnegie Funds	1,696,681	7.0%	7.1%
Länsförsäkringar Funds	1,498,145	6.2%	6.3%
Handelsbanken Funds	1,033,044	4.3%	4.3%
Catella Funds	1,019,882	4.2%	4.3%
Prior & Nilsson Fonder	869,873	3.6%	3.6%
Third AP-fund	865,707	3.6%	3.6%
Canaccord Genuity Wealth Management	609,752	2.5%	2.6%
Total 10 largest shareholders	14,949,796	62.1%	62.6%
Other shareholders	8,934,139	37.1%	37.4%
Total number of votes	23,883,935	99.2%	100.0%
Treasury shares	200,000	0.8%	n/a
Total number of shares	24,083,935	100.0%	n/a

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority. Holdings with depositories are reported as "other shareholders".

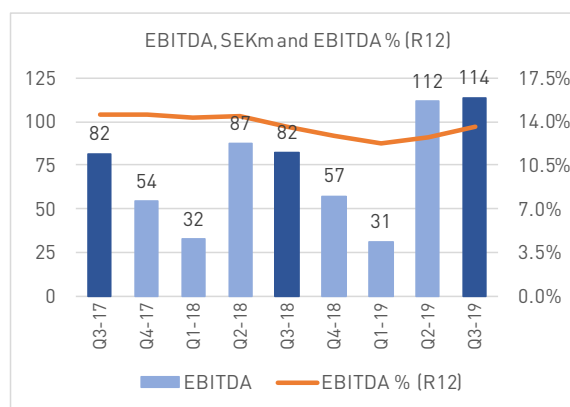
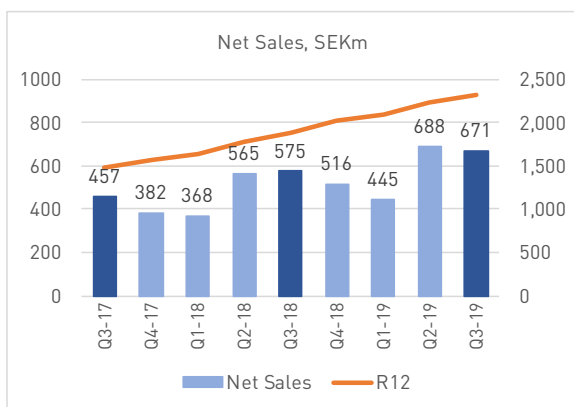
Operating segments

Products & Solutions

Net sales for the third quarter of 2019 increased by 17 percent compared with the corresponding period in the preceding year, amounting to SEK 671 m (575). Organic growth was 10 percent, while acquisitions contributed with 6 percent and the currency effects were positive affecting net sales with 1 percent. Sales in Norway increased by 21 percent. The organic sales growth in Norway in local currency was 22 percent mainly explained by strong sales in the prefabricated elements business. In Sweden, sales increased by 17 percent mainly due to higher flat roofing sales as well as strong sales of green infrastructure in Veg Tech. Sales in Finland increased by 13 percent due to organic growth both in flat roofing products as well as the installation there-of. Sales in Denmark increased by 7 percent in the third quarter. Sales in other Europe increased by 31 percent in the quarter, of which 25 percentage units were related to the acquisition of Distri Pond.

Analysis of net sales, Product & Solutions	Q3 2019 (%)	Q3 2019 (SEKm)	9M 2019 (%)	9M 2019 (SEKm)
Previous period		575		1,507
Organic growth	10%	60	6%	93
Structural effects	6%	31	12%	178
Currency effects	1%	5	2%	27
Current period	17%	671	20%	1,805

EBITDA amounted to SEK 114 m (82) and the EBITDA margin was 17.0 percent (14.3) in the third quarter. Depreciation of right-of-use assets following the implementation of IFRS 16 as from January 1, 2019, relating to the Products & Solutions segment, amounts to SEK -10 m in the third quarter and SEK -29 m for the period January-September. Operating profit (EBIT) for Products & Solutions for the third quarter 2019 amounted to SEK 90 m (69). The EBIT margin was 13.5 percent (12.0).



Installation Services

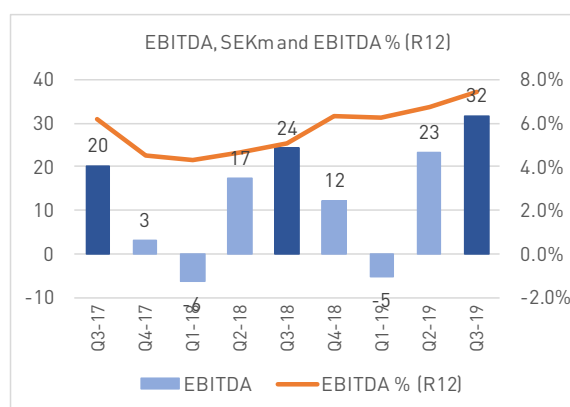
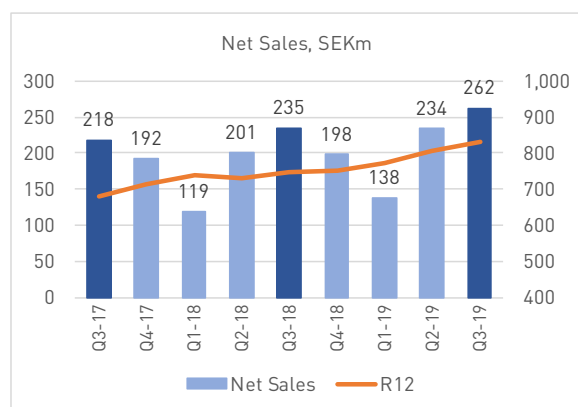
Business in this operating segment is primarily conducted in Finland and through the non-consolidated franchise companies in Denmark. Net sales for the third quarter of 2019 increased by 11 percent compared with the corresponding period in the preceding year, amounting to SEK 262 m (235). Organic growth was 9 percent, while the currency effect were positive affecting net sales by 2 percent.

Analysis of net sales, Installation Services	Q3 2019 (%)	Q3 2019 (SEKm)	9M 2019 (%)	9M 2019 (SEKm)
Previous period		235		555
Organic growth	9%	22	11%	61
Structural effects	0%	0	0%	0
Currency effects	2%	5	3%	19
Current period	11%	262	14%	635

Order inflow during the third quarter increased by 9 percent compared with the preceding year. The order book was 5 percent lower at the end of September 2019, compared with the corresponding period in the preceding year.

Order inflow and order book SEKm, unless otherwise stated	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change
Order inflow in the period	142	130	9%	439	417	5%
Order book at end of period	261	275	-5%	261	275	-5%

EBITDA amounted to SEK 32 m (24) and the EBITDA margin was 12.1 percent (10.3) in the third quarter, and both the Finnish companies as well as our Danish franchise companies continued to perform well in the third quarter. Operating profit (EBIT) for Installation Services for the third quarter amounted to SEK 27 m (23). The EBIT margin was 10.5 percent (9.6) in the quarter.



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

Quarterly data, IFRS and alternative measures

Key figures (SEKm)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Net sales	901	889	569	692	778	736	474	558
EBITDA	137	124	18	61	102	94	17	56
EBITDA margin, %	15.3%	13.9%	3.1%	8.9%	13.1%	12.8%	3.6%	10.1%
Operating profit (EBIT)	109	95	-7	47	86	76	2	43
EBIT margin, %	12.1%	10.7%	-1.2%	6.9%	11.1%	10.4%	0.5%	7.8%
ROCE (R12) , %	13.1%	12.5%	12.0%	14.0%	13.8%	14.5%	14.0%	14.4%
Net profit	78	67	-10	25	71	59	-3	23
Operating cashflow	145	73	-49	84	123	39	-65	88
Operating cashflow (R12)	253	230	196	180	184	163	105	150
Operating cash conversion (R12), %	74%	76%	71%	65%	68%	62%	44%	64%
Net debt	745	870	783	442	493	430	293	204
Earnings per share before dilution, SEK	3.29	2.79	-0.44	1.03	2.97	2.43	-0.13	0.95

Net sales by segment (SEKm)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Products & Solutions	671	688	445	516	575	565	368	382
Installation Services	262	234	138	198	235	201	119	192
Group Items & Eliminations	-33	-34	-14	-22	-32	-30	-12	-16
Total	901	889	569	692	778	736	474	558

Net sales by country (SEKm)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Sweden	164	171	75	121	140	122	58	80
Norway	111	122	79	88	92	86	38	41
Denmark	193	175	142	183	180	192	153	152
Finland	302	271	158	214	267	229	146	207
Europe	129	148	114	83	98	107	78	77
Rest of world	2	3	1	3	0	0	1	2
Total	901	889	569	692	778	736	474	558

EBITDA by segment (SEKm)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Products & Solutions	114	112	31	57	82	87	32	54
Installation Services	32	23	-5	12	24	17	-6	3
Group Items & Eliminations	-8	-11	-8	-8	-5	-11	-9	-1
Total	137	124	18	61	102	94	17	56

EBIT by segment (SEKm)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Products & Solutions	90	87	10	46	69	72	19	44
Installation Services	27	19	-8	11	23	16	-8	1
Group Items & Eliminations	-9	-12	-8	-9	-5	-11	-9	-1
Total	109	95	-7	47	86	76	2	43

*Q1, Q2 and Q3 2019 has been affected by implementation of IFRS 16, and comparative figures for previous year have not been restated. For further information, see page 18.

Management's statement

Today, the Group's Board of Directors and Executive Board have discussed and approved the interim report of Nordic Waterproofing Holding A/S for the period January–September 2019.

The interim report is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish requirements relating to the disclosure of information for interim reports of listed companies.

In our opinion, the interim report gives a true and fair presentation of the Group's assets, shareholders' equity and liabilities, and financial position as at 30 September 2019, as well as of the results of the Group's activities and cash flow for the period January-September 2019.

Furthermore, in our opinion, the review by management provides a true and fair statement of the development of the Group's activities, financial position and profit or loss for the period, and describes the most significant risks and uncertainties faced by the Group.

Vejen, 31 October 2019

Executive Board

Martin Ellis
President & CEO

Board of Directors

Ulf Gundemark
Chairman

Steffen Baungaard

Allan Jørgensen

Riitta Palomäki

Mats O. Paulsson

Kristina Willgård

Independent auditor's report

To the shareholders of Nordic Waterproofing Holding A/S

The Independent auditors' review report on the consolidated interim financial statements

We have reviewed the consolidated interim financial statements of Nordic Waterproofing Holding A/S ("the Group") for the period 01.01.2019 – 30.09.2019, which comprise the condensed statement of profit or loss and other comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of the accounting policies.

Management's responsibility for the consolidated interim financial statements

Management is responsible for the preparation of consolidated interim financial statements that give a true and fair view in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for the interim financial reports of listed companies, and for such internal control as Management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the consolidated interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements do not give a true and fair view of the Group's assets, liabilities and financial position at 30.09.2019 and of its financial performance for the period 01.01.2019 – 30.09.2019 in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for the interim financial reports of listed companies.

Other matter

Our review has not included comparative figures for the period 01.01.2018 – 30.09.2018.

Copenhagen, 31 October 2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Nikolaj Thomsen
State-Authorised Public Accountant
Identification No (MNE) mne33276

Henrik Wolff Mikkelsen
State-Authorised Public Accountant
Identification No (MNE) mne33747

Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q3 2019	Q3 2018	9M 2019	9M 2018	R12 2019	12M 2018
Net sales	901	778	2,359	1,988	3,051	2,680
Gross profit	243	201	614	505	788	680
EBITDA	137	102	279	213	341	274
Operating profit (EBIT)	109	86	198	165	245	212
Net profit	78	71	135	127	159	152
Gross margin, %	27.0%	25.9%	26.0%	25.4%	25.8%	25.4%
EBITDA margin, %	15.3%	13.1%	11.8%	10.7%	11.2%	10.2%
EBIT margin, %	12.1%	11.1%	8.4%	8.3%	8.0%	7.9%
Operating cash flow	145	123	169	96	253	180
Operating cash conversion, %	n/a	n/a	n/a	n/a	74%	65%
Investments in tangible & intangible assets	-23	-15	-52	-38	-85	-56
Total assets	2,755	2,278	2,755	2,278	2,755	2,127
Capital employed	2,055	1,683	2,055	1,683	2,055	1,653
Equity	1,178	1,116	1,178	1,116	1,178	1,106
Net debt	745	493	745	493	745	442
Net debt/EBITDA, multiple	n/a	n/a	n/a	n/a	2.2x	1.6x
Interest coverage ratio, multiple	16.5x	22.0x	10.3x	18.4x	10.8x	17.3x
Equity/assets ratio, %	42.8%	49.0%	42.8%	49.0%	42.8%	52.0%
Net debt/equity ratio, multiple	0.6x	0.4x	0.6x	0.4x	0.6x	0.4x
Return on shareholders' equity, %	n/a	n/a	n/a	n/a	14.2%	14.5%
Return on capital employed, %	n/a	n/a	n/a	n/a	13.1%	14.0%
Return on capital employed excluding goodwill, %	n/a	n/a	n/a	n/a	26.0%	30.1%
Average number of shares before dilution	23,836,334	24,083,935	23,836,334	24,083,935	23,836,334	24,072,325
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	3.29	2.97	5.64	5.27	6.69	6.31
Earnings per share after dilution, SEK	3.25	2.97	5.59	5.27	6.62	6.30
Shareholders equity per share before dilution, SEK	49.44	46.36	49.44	46.36	49.44	45.93
Shareholders equity per share after dilution, SEK	48.93	46.36	48.93	46.36	48.93	45.91
Operating cash flow per share before dilution, SEK	6.07	5.09	7.09	3.98	10.60	7.47
Operating cash flow per share after dilution, SEK	6.01	5.09	7.01	3.98	10.49	7.46
Number of shares before dilution	23,836,334	24,083,935	23,836,334	24,083,935	23,836,334	24,072,325
Number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935

Condensed financial statements

Condensed consolidated statement of profit or loss and other comprehensive income

Amounts in SEKm unless otherwise stated	Q3 2019	Q3 2018	9M 2019	9M 2018	R12 2019	12M 2018
Net sales	900.6	777.6	2,358.9	1,987.7	3,050.9	2,679.7
Cost of goods sold	-657.2	-576.3	-1,745.3	-1,482.3	-2,262.9	-1,999.9
Gross profit/loss	243.4	201.3	613.7	505.4	788.0	679.7
Selling expenses	-97.0	-83.0	-292.3	-231.5	-383.1	-322.4
Administrative expenses	-46.3	-34.6	-139.1	-115.7	-184.3	-161.1
Research and development expenses	-1.2	-1.3	-4.1	-4.8	-6.0	-6.7
Other operating income	3.3	-1.4	7.6	2.2	12.7	7.3
Other operating expenses	-1.2	-0.4	-2.7	-0.9	-6.5	-4.5
Share of profit in associated companies	8.3	5.4	14.9	10.0	24.7	19.8
Operating profit/loss (EBIT)	109.3	86.0	198.0	164.7	245.5	212.1
Net finance items	-10.7	-4.6	-28.9	-13.7	-37.1	-21.9
Profit/loss before tax	98.7	81.4	169.1	150.9	208.4	190.3
Tax	-20.3	-9.9	-34.6	-24.0	-49.0	-38.5
Profit/loss after tax	78.3	71.5	134.6	126.9	159.4	151.8
Other comprehensive income						
Items that are or may be reclassified to profit/loss for the year						
Translation differences for the year in translation of foreign operations	14.9	-10.6	43.1	40.6	34.8	32.4
Gains/losses on hedging of currency risk in foreign operations	0.0	-1.5	-2.3	-7.1	-2.0	-6.8
Gains/losses on raw material hedging	-11.8	18.3	-4.3	36.0	-37.1	3.2
Tax on gains/losses on comprehensive income	2.5	-9.7	1.4	-6.2	8.4	0.8
Total other comprehensive income after tax	5.6	-3.6	37.9	63.4	4.1	29.7
Total comprehensive income after tax	84.0	67.9	172.5	190.3	163.6	181.4
Profit/loss for the year, attributable to:						
Owners of the company	79.0	71.1	135.6	126.7	161.0	152.1
Non-controlling interests	-0.7	0.4	-1.1	0.2	-1.6	-0.3
Total comprehensive income for the year, attributable to:						
Owners of the company	84.6	67.4	172.8	189.7	164.8	181.7
Non-controlling interests	-0.6	0.5	-0.3	0.7	-1.2	-0.3
Average number of shares before dilution	23,836,334	24,083,935	23,836,334	24,083,935	23,836,334	24,072,325
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	3.29	2.97	5.64	5.27	6.69	6.31
Earnings per share after dilution, SEK	3.25	2.97	5.59	5.27	6.62	6.30

Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	30 Sep 2019	30 Sep 2018	31 Dec 2018
ASSETS			
Intangible assets	1,106.2	973.2	975.4
Tangible assets	407.2	270.8	268.1
Financial assets	90.7	54.0	64.0
Other non-current assets	16.8	14.9	16.3
Total non-current assets	1,620.9	1,312.8	1,323.8
Inventories	374.8	358.3	345.8
Trade receivables	514.8	417.8	261.5
Receivables for on-going construction contracts	74.4	41.6	54.3
Tax assets	5.9	4.0	2.4
Other receivables	32.7	69.7	33.5
Cash and cash equivalents	131.7	74.0	105.6
Total current assets	1,134.2	965.2	803.2
TOTAL ASSETS	2,755.1	2,278.1	2,127.0
EQUITY AND LIABILITIES			
Share capital	30.0	30.0	30.0
Treasury shares	-15.6	0.0	-0.8
Reserves	88.0	84.2	50.9
Retained earnings including profit for the year	1,061.0	985.1	1,010.0
Equity attributable to owners of the Company	1,163.4	1,099.3	1,090.0
Non-controlling interests	15.0	17.1	15.6
Total equity	1,178.4	1,116.5	1,105.6
Non-current interest-bearing liabilities	832.0	418.2	416.3
Other non-current liabilities	38.7	44.0	38.1
Provisions	5.8	7.9	5.9
Deferred tax liabilities	84.6	74.4	75.2
Total non-current liabilities	961.1	544.5	535.4
Current interest-bearing liabilities	44.4	148.7	131.0
Trade payable	222.5	216.8	129.2
Payables for on-going construction contracts	33.5	0.0	15.5
Tax liabilities	24.6	15.6	11.7
Other current liabilities	290.6	236.1	198.5
Total current liabilities	615.7	617.2	485.9
TOTAL EQUITY AND LIABILITIES	2,755.1	2,278.1	2,127.0

Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	9M 2019	9M 2018	12M 2018
<i>Equity attributable to owners of the Company</i>			
Opening balance	1,090.0	1,009.4	1,009.4
Total comprehensive income	172.8	189.7	181.7
Transactions with non-controlling interest	0.0	-9.4	-10.0
Dividend	-95.5	-90.3	-90.3
Repurchase of treasury shares	-14.8	0.0	-0.8
Provision for long-term incentive programs	11.0	0.0	0.0
Closing balance	1,163.4	1,099.3	1,090.0
<i>Equity attributable to non-controlling interest</i>			
Opening balance	15.6	0.5	0.5
Total comprehensive income	-0.3	0.7	-0.3
Acquisitions	0.3	16.0	15.4
Dividend	-0.7	0.0	0.0
Closing balance	15.0	17.1	15.6
SUM TOTAL EQUITY, CLOSING BALANCE	1,178.4	1,116.5	1,105.6

Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q3 2019	Q3 2018	9M 2019	9M 2018	R12 2019	12M 2018
Operating activities						
Operating profit (EBIT)	109.3	86.0	198.0	164.7	245.5	212.1
Adjustment for non-cash items etc	20.1	5.4	57.0	33.4	62.4	38.9
Interest received	0.2	0.0	0.8	0.4	1.2	0.8
Interest paid	-5.9	-3.5	-16.5	-7.9	-19.1	-10.6
Dividends received	0.1	0.0	17.9	11.8	18.2	12.1
Income tax paid/received	-11.3	-6.3	-28.5	-26.7	-39.0	-37.2
Cash flow from operating activities before changes in working capital	112.5	81.6	228.8	175.7	269.2	216.1
Changes in working capital						
Increase (-)/Decrease (+) in inventories	35.8	12.0	8.5	-41.2	18.2	-31.5
Increase (-)/Decrease (+) in operating receivables	-14.3	25.0	-240.9	-145.7	-96.9	-1.7
Increase (+)/Decrease (-) in operating liabilities	7.6	4.3	161.5	105.7	57.8	1.9
Cash flow from operating activities	141.5	123.0	158.0	94.5	248.2	184.8
Investing activities						
Acquisition of intangible fixed assets	-0.2	-3.3	-5.1	-9.0	-16.3	-20.2
Acquisition of tangible fixed assets	-13.3	-11.9	-37.5	-28.8	-44.2	-35.5
Divestments of tangible fixed assets	0.4	0.0	1.4	0.0	1.5	0.2
Acquisition of business, net cash impact	-0.3	-177.4	-48.6	-216.0	-60.8	-228.2
Acquisition of participations in associated companies	1.7	-3.2	-34.0	-14.9	-38.4	-19.4
Change in other financial assets	0.0	-0.9	0.0	-1.3	-6.8	-8.1
Cash flow from investing activities	-11.7	-196.7	-123.7	-270.0	-165.0	-311.2
Financing activities						
Amortization of loans	-72.9	2.8	-267.5	-19.3	-343.1	-95.0
Proceeds from loans	-5.3	95.0	367.0	200.4	425.9	259.3
Purchase of own shares	0.0	0.0	-14.8	0.0	-15.6	-0.8
Dividend	0.0	0.0	-95.5	-90.3	-95.5	-90.3
Dividend paid to non-controlling interests	-0.7	0.0	-0.7	0.0	-0.7	0.0
Cash flow from financing activities	-78.8	97.8	-11.5	90.7	-29.0	73.2
Cash flow for the period	51.0	24.0	22.8	-84.7	54.2	-53.3
Cash and cash equivalents at the beginning of the period	80.1	51.0	105.6	156.8	74.0	156.8
Exchange-rate differences in cash and cash equivalents	0.6	-1.1	3.3	1.9	3.5	2.1
Cash and cash equivalents at the end of the period	131.7	74.0	131.7	74.0	131.7	105.6

Notes

Note 1 – Accounting principles

The interim report is presented in accordance with IAS 34 “Interim Financial Reporting”, which has been approved by the EU, and additional Danish requirements relating to the disclosure of information for quarterly reports by listed companies. The Group applies IFRS (International Financial Reporting Standards), which have been adopted by the EU, and the Danish Annual Reports Act. In addition to the financial statements, disclosures in accordance with IAS 34.16A are also presented in other parts of the interim report. The accounting policies applied by the Group and Parent Company correspond to the accounting policies applied in the preparation of the most recent annual report, with the exceptions presented below regarding IFRS 16 Leases. In addition, the disclosure of Items affecting comparability is discontinued as from 2019.

IFRS 16 Leases replaces IAS 17 Leases and is applied as of January 1, 2019. The new standard entails that most leases will be recognized in the balance sheet (hence the difference between operational leases and financial leases is being removed). The Group assesses whether a contract is, or contains, a lease at the beginning of the agreement. The Group recognizes a right-of-use asset and a corresponding lease liability for all leases for which the Group is the lessee, except for short-term leases (leases with a maximum term of 12 months) and for leases in which the underlying asset is of low value. For leases that meet the criteria of exemption rules, the Group recognizes lease payments straight-line over the term of the lease. The lease liability is initially recognized at the present value of the future lease payments that have not been paid at the starting date of the lease, discounted by an incremental borrowing rate that is set quarterly at Group level by country.

Lease liabilities are included on the lines for interest-bearing liabilities in the consolidated balance sheet and are recognized in subsequent periods by the liability being increased to reflect the effect of interest and reduced to reflect the effect of lease payments made. Lease liabilities are restated by a corresponding adjustment of the right-of-use asset in accordance with the rules contained in the standard. The right-of-use asset is initially recognized at the value of the lease liability, with the addition of lease payments made on or before the initial date of the lease and initial direct payments. The right-of-use asset is recognized in subsequent periods at cost less amortization and impairment. Right-of-use assets are amortized over their anticipated useful life, or if it is shorter, over the agreed lease term. If a lease transfers ownership rights at the end of the lease term or if the cost includes the probably exercise of a call option, the right-of-use asset is amortized over its useful life. Amortization commences on the start date of the lease. Right-of-use assets are included on the line for tangible assets in the statement of financial position. The Group applies the principles in IAS 36 for the impairment of right-of-use assets and recognizes this in the same manner as described in the policies for property, plant and equipment recognized in accordance with IAS 16. Variable lease payments that are not dependent on an index or price are not included in the measurement of lease liabilities and right-of-use assets. Such lease payments are recognized as a cost in operating profit/loss in the periods as they arise. The Group applies a practical exemption that entails that service components are not separated from the lease payments for leases that do not pertain to asset classes for office and production premises, unless this is specifically stated in the invoice.

The Group has used the modified retroactive application approach (which means that comparison figures have not been recalculated). As per 1 January 2019, the Group has reported additional leasing liabilities of SEK 137 million, right-of-use assets of SEK 143 million, while prepaid leasing expenses were reduced by SEK 6 million. The right-of-use assets are reported as tangible non-current assets. For the period January-September 2019, EBITDA was positively affected by SEK 37 m, operating profit (EBIT) by SEK 2 m, and net income by SEK -1 m.

The financial statements are presented in SEK, rounded off to the nearest hundred thousand, unless otherwise stated. This rounding off process may mean that the total sum of the sub-items in one or more rows or columns does not match the total sum for the row or column.

Note 2 – Alternative key ratios

The Group presents certain financial measures in the interim report which are not defined according to IFRS. The Group considers these measures to provide valuable supplementary information for investors and the Company's management as they enable the assessment of relevant trends. Nordic Waterproofing's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented in the section "Definitions; Key performance indicators not defined according to IFRS".

Note 3 – Seasonality

Nordic Waterproofing's business is significantly affected by seasonal variations in the construction industry, where almost 60 percent of annual sales generally occur during the second and third quarters. The weakest period is the first quarter of the year, which, due to the winter, has accounted for approximately one-fifth of annual sales for the past three financial years. There is generally a planned inventory build-up, primarily of finished products, during the first six months of the year, which translates into a stock reduction during the third and fourth quarters as a result of increased activity in the market during the autumn. Veg Tech is the most weather dependent and also the most seasonal business, as deliveries and installation rarely take place during the winter months.

Note 4 – Risks and uncertainties

Nordic Waterproofing's business is subject to various risks, which can be divided into operating, financial and external risks. Operating risks include liability under warranties and product liability, key employees, disruptions in production, IT systems, intellectual property rights, product development, restructuring, acquisitions and integration, insurance, and corporate governance. Financial risks primarily include changes in exchange rates and interest rates, and risks relating to losses in respect of accounts receivable, liquidity risk, the capacity to raise capital, financial credit risk and risks relating to goodwill. External risks include risks relating to market trends, competition, prices of raw materials, political decisions, legal disputes, tax risks, environmental risks and weather conditions.

The management of risk at Nordic Waterproofing is based on a structured process for continually identifying and assessing risks, their likelihood and their potential impact on the Group. The focus is on identifying controllable risks and managing the risks to reduce the overall risk level for the business. The risks are described in the Group's 2018 Annual Report. Other than these risks and uncertainties, no significant additional risks or uncertainties have arisen.

Note 5 – Acquisitions of businesses

On 26 February 2019, Nordic Waterproofing Holding A/S's subsidiary Nordic Waterproofing Group AB acquired 100 percent of the shares in Distri Pond Group. Distri Pond is located in Belgium, with the two operating companies Distri Pond NV and Pond Technics & Training BVBA. The company is a leading distributor of pond systems in the Belgium market, with annual sales of approximately SEK 110 m and 23 employees. The purchase consideration amounts to EUR 11.3 m on cash and debt-free basis, and was primarily financed through an extension of Nordic Waterproofing's existing credit facilities. The acquisition is consolidated into the segment Products & Solutions as of February 2019.

The acquired companies' net assets on the acquisition date:

Acquisition analysis SEKm, unless otherwise stated	Feb 2019 Distri Pond
Intangible assets	42
Tangible assets	12
Inventories	27
Trade and other receivables	20
Cash and equivalents	5
Other non-interest bearing liabilities	-29
Interest bearing liabilities	-60
Deferred tax liabilities	-13
Net assets and liabilities	4
Goodwill	59
Consideration	63
of which paid in cash	52
of which deferred, related to vendor note and earn-out	11

The acquisition analysis is finalized. Compared with the preliminary acquisition analysis, the goodwill decreased while intangible assets and deferred tax liabilities increased due to the recognition of customer relations. Tangible assets and interest bearing liabilities include right-of-use assets and lease liabilities of SEK 9 m respectively.

Note 6 – Intangible assets

The Group's intangible assets have primarily arisen in connection with business acquisitions. Other intangible assets primarily include capitalized expenses for software and R&D-projects.

Intangible assets, carrying amounts SEKm, unless otherwise stated	Goodwill	Customer relations	Other	Total
Opening balance, 1 January 2019	879	69	28	975
Investments	0	0	4	4
Acquisitions	65	42	10	117
Amortisation	0	-14	-5	-18
Exchange-rate differences	25	2	1	28
Closing balance, 30 September 2019	969	99	38	1,106

Regarding goodwill from acquisitions, SEK 59 m refers to the acquisition of Distri Pond while the remaining amount is explained by smaller acquisitions.

Note 7 – Financial instruments

Financial instruments measured at fair value in the balance sheet consist of financial derivatives used to hedge the price risk arising from highly probable future purchases of bitumen products. These are recognized in the balance sheet items "Other receivables" and "Other liabilities", and hedge accounting is applied. The fair value of these commodity derivatives has been established through a discount of the difference between the agreed price and future prices at the reporting date for the remaining contract period. As at 30 September 2019, the expected purchases of bitumen for delivery during October to December 2019 were hedged by means of derivatives, equivalent to 6,360 tons or approximately 16 percent of the expected annual purchasing volume (at the corresponding period the preceding year, the expected purchases of bitumen for delivery during January to December 2019 were hedged by means of derivatives, equivalent to 30,480 tons or approximately 76 percent of the expected annual purchasing volume). In October 2019, the expected purchases of bitumen for delivery January to March 2020 were hedged by means of derivatives equivalent to approximately 7,000 tons or approximately 17 percent of the expected annual purchasing volume. The fair value measurements belong to level 2 in the fair value hierarchy in IFRS 13.

Financial instruments SEKm, unless otherwise stated	Carrying amount		Fair value	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
Measurement level 2:				
Assets at fair value	0	36	0	36
Assets at amortized cost	629	489	629	489
Liabilities at fair value	0	0	0	0
Liabilities at amortized cost	1,099	845	1,099	845
Measurement level 3:				
Liabilities at amortized cost	20	10	20	10
Liabilities at fair value	33	38	33	38

Note 8 – Operating segments

Nordic Waterproofing's business and the basis for division into segments are the various products or services delivered by each segment. The Group's operating segments consist of Products & Solutions and Installation Services. Products & Solutions relates to sales of both internally produced and externally purchased products and related services, and Installation Services comprises the Group's wholly-owned and partly-owned contracting operations within roofing. Group Items and Eliminations comprises parent company functions, including the treasury function, as well as the elimination of intra-group sales from Products & Solutions to Installation Services.

Information regarding net sales from external customers, EBITDA and operating profit (EBIT) broken down by segment is set out in the tables on page 11.

Inter-segment transfer pricing is determined on an arm's length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported based on where the assets are located.

Amounts in SEKm unless stated otherwise	Products & Solutions		Installation Services		Group Items and Eliminations		Nordic Waterproofing Group	
	9M 2019	9M 2018	9M 2019	9M 2018	9M 2019	9M 2018	9M 2019	9M 2018
Revenues from external customers	1,724	1,433	635	555	0	0	2,359	1,988
Revenues from other segments	81	74	0	0	-81	-74	0	0
Revenues, total	1,805	1,507	635	555	-81	-74	2,359	1,988
EBITDA	257	202	50	35	-27	-24	279	213
Depreciation & Amortisation	-69	-42	-11	-4	-2	-1	-81	-48
Operating profit (EBIT)	188	160	39	31	-29	-26	198	165
Net finance items							-29	-14
Profit/loss after finance items but before tax (EBT)							169	151
Tax							-35	-24
Profit/loss for the year							135	127
<i>Assets</i>								
Intangible assets (goodwill & customer relations)	963	836	134	128	9	9	1,106	973
Property, plant and equipment	372	258	33	12	3	1	407	271
Participations in associated companies	0	0	81	45	0	0	81	45
Inventory	370	351	5	8	0	0	375	358
Other assets	568	430	142	150	-71	-36	639	544
Non-allocated assets					147	87	147	87
Total assets	2,272	1,876	395	342	89	60	2,755	2,278
<i>Liabilities and Equity</i>								
Equity					1,178	1,116	1,178	1,116
Other liabilities	505	433	102	89	-54	-61	552	461
Non-allocated liabilities					1,024	701	1,024	701
Total liabilities and equity	505	433	102	89	2,149	1,756	2,755	2,278
Investments in tangible & intangible assets	34	30	7	4	1	4	43	38

Note 10 – Transactions with related parties

The Group has related party relationships with the associated companies as stated in Note 16 of the 2018 Annual Report. Transactions with related parties are priced on market terms. No transactions have taken place between Nordic Waterproofing and related parties that have materially affected the Group's financial position and results in the third quarter of 2019. As also stated in Note 16 of the 2018 Annual Report, the Group has transactions with key persons in management positions. These transactions comprise salaries, benefits and pension commitments, as well as participation in the Group's incentive programs.

Definitions

Key performance indicator according to IFRS

Earnings per share	Profit after tax for the period attributable to parent company shareholders divided by the average number of outstanding shares for the period
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Key performance indicators not defined according to IFRS

Capital employed	Total assets less non-interest-bearing provisions and liabilities
EBIT	Operating profit
EBIT margin	EBIT as a percentage of net sales
EBITDA	Operating profit before depreciation, amortization and impairment of tangible and intangible assets
EBITDA margin	Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales
Equity/assets ratio	Shareholders' equity, including non-controlling interests, as a percentage of total assets
Gross margin	Gross profit as a percentage of net sales
Interest cover ratio	Profit after net financial items plus interest expenses in relation to interest expenses
Net debt	Interest-bearing liabilities less cash and cash equivalents
Net debt/EBITDA	Net debt in relation to EBITDA
Net debt/equity ratio	Net debt in relation to shareholders' equity
Operating cash conversion	Operating cash flow as a percentage of EBITDA
Operating cash flow	EBITDA plus dividends from associated companies, less cash flow related from investments in tangible and intangible assets, cash flow from changes in working capital and income from associated companies
Organic growth	Net sales growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days
R12	The most recent twelve months/rolling twelve-month period
Return on capital employed	EBIT as a percentage of average capital employed, calculated as the average of the period's opening and closing balances
Return on capital employed excluding goodwill	Operating profit (EBIT) as a percentage of average capital employed, excluding goodwill, calculated as the average of the period's opening and closing balances
Return on shareholders' equity	Profit after tax attributable to parent company shareholders as a percentage of average shareholders' equity, excluding non-controlling interests

Reconciliations

Key performance indicators not defined according to IFRS

	Q3 2019	Q3 2018	9M 2019	9M 2018	R12 2019	12M 2018
Capital employed						
Total assets	2,755	2,278	2,755	2,278	2,755	2,127
Other non-current liabilities	-39	-44	-39	-44	-39	-38
Provisions	-6	-8	-6	-8	-6	-6
Deferred tax liabilities	-85	-74	-85	-74	-85	-75
Trade payable	-223	-217	-223	-217	-223	-129
Payables for on-going construction contracts	-33	0	-33	0	-33	-15
Tax liabilities	-25	-16	-25	-16	-25	-12
Other current liabilities	-291	-236	-291	-236	-291	-199
Capital employed	2,055	1,683	2,055	1,683	2,055	1,653
EBITDA						
EBIT	109	86	198	165	245	212
Depreciation	23	10	67	26	77	36
Amortization	5	6	14	23	18	27
Impairment	-	-	-	-	-	-
EBITDA	137	102	279	213	341	274
Interest cover ratio						
Profit/loss before tax	99	81	169	151	208	190
Interest expenses	6	4	18	9	21	12
Total	105	85	187	160	230	202
Interest expenses	6	4	18	9	21	12
Interest cover ratio, multiple	16.5x	22.0x	10.3x	18.4x	10.8x	17.3x
Net debt						
Non-current interest-bearing liabilities	832	418	832	418	832	416
Current interest-bearing liabilities	44	149	44	149	44	131
Cash and cash equivalents	-132	-74	-132	-74	-132	-106
Net debt	745	493	745	493	745	442
Operating cash flow						
EBITDA	137	102	279	213	341	274
Share of profit in associated companies	-8	-5	-15	-10	-25	-20
Dividend from associated companies	0	0	18	12	18	12
Change in NWC	29	41	-71	-81	-21	-31
Investments in tangible assets & capitalized expenses	-13	-15	-43	-38	-60	-56
Operating cash flow	145	123	169	96	253	180
Return on capital employed (ROCE)						
EBIT (R12)					245	212
Average capital employed ((OB+CB)/2)					1,869	1,512
Return on capital employed (ROCE), %	n/a	n/a	n/a	n/a	13.1%	14.0%
Return on capital employed (ROCE) excl goodwill						
EBIT (R12)					245	212
Average capital employed ((OB+CB)/2)					1,869	1,512
Goodwill ((OB+CB)/2)					926	806
Return on capital employed (ROCE) excl goodwill, %	n/a	n/a	n/a	n/a	26.0%	30.1%
Return on shareholders' equity						
Profit after tax attributable to parent company shareholders (R12)					161	152
Average shareholders' equity ((OB+CB)/2)					1,131	1,050
Return on shareholders' equity, %	n/a	n/a	n/a	n/a	14.2%	14.5%



About Nordic Waterproofing Group

Nordic Waterproofing is one of the leading providers in the waterproofing market in northern Europe. The Company provides high-quality products and solutions for waterproofing in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom and Germany. Nordic Waterproofing also provides installation services through wholly-owned subsidiaries in Finland and through part-owned franchise companies in Denmark. The Company markets its products and solutions under several brands, all with an extensive heritage, most of which are among the most established and well-recognized brands in waterproofing in their respective markets, such as Mataki, Trebolit, Phønix Tag Materialer, Kerabit, Nortett, SealEco, Distri Pond, SPT-Painting, Taasinge Elementer, RVT and Veg Tech. Nordic Waterproofing Holding A/S is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG.

Business concept

Nordic Waterproofing develops, manufactures and distributes a full range of products and solutions for the protection of buildings and infrastructure.

Our products are characterized by high-quality design adapted to local climate conditions and building standards. Ease of installation, energy and environmental optimization are key components of our offer.

Our excellence in customer service builds on smart logistics, understanding our customers' present and future needs, and the exceptional responsiveness delivered by our team of highly motivated employees.

Financial calendar

Year-end report, January-December 2019	6 February 2020
Annual Report 2019	Week commencing 6 April 2020
Annual General Meeting, in Helsingborg	29 April 2020
Interim report, January-March 2020	4 May 2020
Interim report, January-June 2020	24 July 2020
Interim report, January-September 2020	3 November 2020

Further information can be obtained from

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This information is information that Nordic Waterproofing Holding A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 31 October 2019, 08:00 a.m. CET.

This report contains forward-looking statements which are based on the current expectations of the management of Nordic Waterproofing. Even though management believes that the expectations reflected in these forward-looking statements are reasonable, no assurances can be given that these expectations will be realized. Therefore, the financial results may differ significantly from those indicated in the forward-looking statements due to, among other things, changes in economic, market-related and competition-related conditions, changes to rules and regulations and other governmental measures, exchange rate fluctuations and other factors.

