

## Solid growth and financial performance

### Fourth quarter of 2019

- Consolidated net sales increased by 10 percent to SEK 763 m (692), of which organic growth amounted to 5 percent. Acquisitions contributed by 3 percent and currency by 2 percent
- Net sales in Products & Solutions amounted to SEK 554 m (516) and Installation Services to SEK 232 m (198)
- EBITDA increased by 49 percent to SEK 91 m (61), whereof SEK 12 m refers to effects from IFRS 16
- Operating profit (EBIT) increased by 31 percent to SEK 62 m (47), whereof SEK 0 m refers to effects from IFRS 16
- ROCE on rolling 12 months basis was 14.2 percent (14.0)
- Operating cash flow amounted to SEK 137 m (84), whereof SEK 12 m refers to effects from IFRS 16
- Earnings per share before dilution were SEK 2.56 (1.03) and after dilution SEK 2.54 (1.03)

### January–December 2019

- Consolidated net sales increased by 16 percent to SEK 3,122 m (2,680), of which organic growth amounted to 7 percent. Acquisitions contributed by 7 percent and currency by 2 percent
- Net sales in Products & Solutions amounted to SEK 2,358 m (2,023) and Installation Services to SEK 866 m (752)
- EBITDA increased by 35 percent to SEK 371 m (274), whereof SEK 48 m refers to effects from IFRS 16
- Operating profit (EBIT) increased by 23 percent to SEK 260 m (212), whereof SEK 2 m refers to effects from IFRS 16
- Operating cash flow amounted to SEK 306 m (180), whereof SEK 48 m refers to effects from IFRS 16
- Earnings per share before dilution were SEK 8.19 (6.30) and after dilution SEK 8.13 (6.30)
- The Board proposes a cash dividend of SEK 4.50 (4.00) per share

### Financial key ratios \*

Amounts in SEKm unless otherwise stated	Q4 2019	Q4 2018	Change	12M 2019	12M 2018	Change
Net sales	763	692	10%	3,122	2,680	16%
Gross profit	200	174	14%	813	680	20%
Gross margin %	26.2%	25.2%	1.0pp	26.1%	25.4%	0.7pp
EBITDA	91	61	49%	371	274	35%
EBITDA margin, %	12.0%	8.9%	3.1pp	11.9%	10.2%	1.6pp
EBIT	62	47	31%	260	212	23%
EBIT margin, %	8.2%	6.9%	1.3pp	8.3%	7.9%	0.4pp
Return on capital employed, %	n/a	n/a	n/a	14.2%	14.0%	n/a
Net profit	61	25	146%	196	152	29%
Operating cash flow	137	84	64%	306	180	70%
Net debt	610	442	38%	610	442	38%
Earnings per share before dilution, SEK	2.56	1.03	148%	8.19	6.30	189%
Earnings per share after dilution, SEK	2.54	1.03	146%	8.13	6.30	29%

\*Q4 2019 and 12M 2019 has been affected by implementation of IFRS 16, and comparative figures for previous year have not been restated. For further information, see page 17.

### Expectations for financial year 2020

For the financial year 2020, general demand is expected to be similar to that in 2019 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 be in line with 2019, assuming comparable 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 22-23.

## Message from the CEO

### Solid growth and financial performance

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I am again proud to report our best year ever, both in terms of sales and financial results. Consolidated net sales for the year was SEK 3,122 m, an increase by 16 percent, and EBIT increasing by 23 percent to SEK 261 m. Consolidated net sales for the fourth quarter rose by 10 percent compared with last year, from SEK 692 m to SEK 763 m. Organic growth was 5 percent, acquisitions contributed by 3 percent and currency exchange rate effects was 2 percent.

At SEK 62 m, EBIT was above last year's profit of SEK 47 m, an increase of 31 percent. At the same time, EBITDA increased 49 percent to SEK 91 m compared with SEK 61 m in the corresponding period in the preceeding year.

Our larger acquisition in 2019, Distri Pond, has performed in line with our expectations and contributed to the growth of Nordic Waterproofing's full year sales and results.

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The consolidated net sales growth of 10 percent in the fourth quarter was driven by strong sales in SealEco and Taasinge Group, but also roofing in Finland and Denmark. While our Products & Solutions operating segment reported a sales increase of 7 percent, our Installation Services operating segment increased 17 percent.

As communicated earlier, the profitability challenges in Taasinge Group, our prefabricated elements business, continued during the fourth quarter. A comprehensive profit improvement program is being implemented and organizational adjustments have been made. I am happy to report that both RVT in Norway and Taasinge Elementer in Denmark show strong order books at the end of the year.

Veg Tech, acquired in July 2018, continued to show strong sales with a positive contribution to organic growth as well as increased profit in the quarter. Distri Pond, acquired in February 2019, entered its low season during the fourth quarter but full year performance was in line with our expectations at the time of the acquisition.

The legacy business within bitumen roofing was in line with previous year for the Nordic countries. In Norway we continue to experience strong competition and price pressure as the consolidation within builders' merchants is on-going. The consolidation is also visible in Sweden and we continue seeing customer movements between different builders' merchants. On the other hand, the Swedish flat roofing market remains stable and we still only see a minor impact from the weaker housing market. In Denmark, the flat roofing market remains strong although organic growth has flattened out this year. The Finnish builders' merchants market is somewhat weaker with lower volumes than in the corresponding period the preceeding year. Sales in SealEco and the rubber membrane business increased in the fourth quarter, driven in part by DistriPond which was acquired earlier this year.



**Martin Ellis,**  
*President and CEO*

### Jan-Dec 2019

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Net sales:  
**SEK 3,122 m (2,680)**

EBITDA:  
**SEK 371 m (274)**  
**11.9% (10.2%)**

EBIT:  
**SEK 260 m (212)**  
**8.3% (7.9%)**

ROCE (R12):  
**14.2% (14.0%)**

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Within the Installation Services segment, activity was higher particularly in the flat roofing business but also SPT showed strong sales as a cruise ship project was finalized in the fourth quarter. We are happy to see now a significant effect from last year's profit improvement program within our flat roof installation services business in Finland, including a more selective approach towards roofing projects and the efficient execution of the projects. The outlook on demand in Finland remains slightly negative. The order intake during the fourth quarter was lower compared with previous year, however with a healthy margin. Our Danish franchise companies continue experiencing a strong market and performed very well in the fourth quarter, with strong order books and an EBIT contribution above the corresponding period last year.

In 2020 we will continue to focus on organic growth, profitability and selective acquisitions. Organic growth is expected to come particularly from the development of our recent acquisitions, building on our new platforms in prefabricated elements, Taasinge Group, and green infrastructure, Veg Tech. Regarding acquisitions, we maintain our focus on small to medium sized companies presenting good synergistic potential with our existing businesses.

Last but not least, I want to thank each and every colleague within the Group for the efforts made throughout the year to make our Group successful once again, proving our strong beliefs in our decentralized business model. Our colleagues are all key to the satisfaction level of our customers, a critical element of our success, continuing at a high level, confirmed by Best supplier nominations. The dedication, enthusiasm and creativity of our colleagues therefore remain the keys to making Nordic Waterproofing a great place to work at.

Vejen, 6 February 2020



Martin Ellis,  
President and CEO

## Conference call

A conference call for investors, analysts and media will be held today, 6 February 2020, at 10:00 a.m. CET and can be joined online at [www.nordicwaterproofing.com](http://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 9261

From Denmark: +45 35 44 55 77

From Sweden: +46 8 566 426 92

## Dividend proposal

The Board of Directors will propose that the Annual General Meeting ("AGM") of 29 April 2020 resolve to pay a cash dividend of SEK 4.50 per share, totalling SEK 107 m. This represents around 55 percent of net profit.

## 2020 Annual General Meeting

The AGM of Nordic Waterproofing Holding A/S will be held in Helsingborg, Sweden on 29 April 2020. Information about the nomination committee is published on the Group's website: [www.nordicwaterproofing.com/en/nomination-committee](http://www.nordicwaterproofing.com/en/nomination-committee). The 2019 Annual Report will be available on Nordic Waterproofing's website and at the company's operational headquarters from the beginning of April 2020.

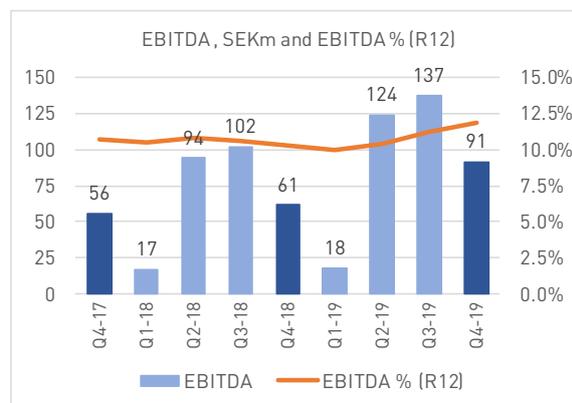
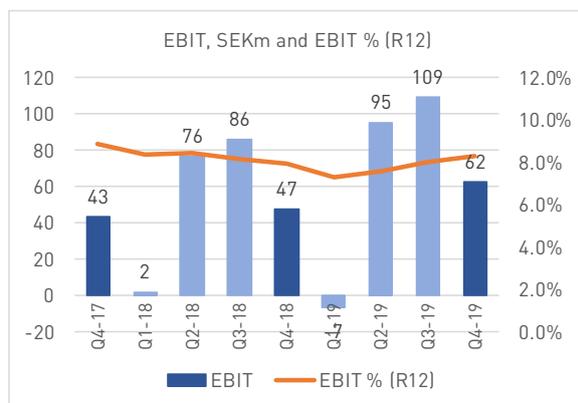
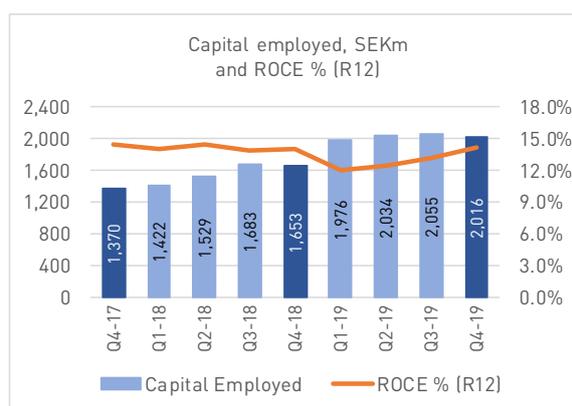
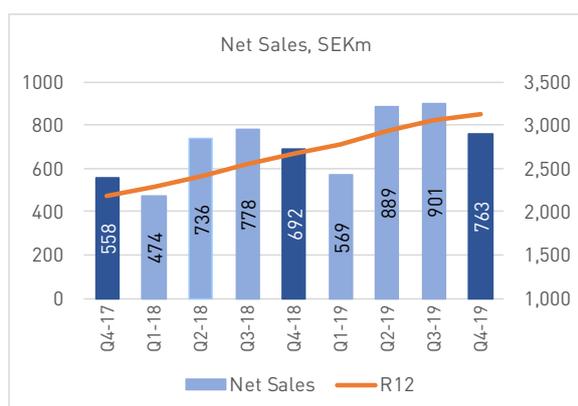
## The Group

### Net sales

Consolidated net sales for the fourth quarter increased by 10 percent to SEK 763 m (692). Organic growth was 5 percent, sales in acquired companies contributed by 3 percent and currency translation effects were positive affecting net sales by 2 percent. Net sales for the period January-December increased by 16 percent to SEK 3,122 m (2,680). Acquisitions contributed with 7 percent, while the organic growth was 7 percent. The currency effects for the period were positive and affected net sales by 2 percent.

	Q4 2019 (%)	Q4 2019 (SEKm)	12M 2019 (%)	12M 2019 (SEKm)
<b>Analysis of net sales</b>				
Previous period		692		2,680
Organic growth	5%	34	7%	181
Structural effects	3%	22	7%	200
Currency effects	2%	15	2%	61
<b>Current period</b>	<b>10%</b>	<b>763</b>	<b>16%</b>	<b>3,122</b>

Sales in Finland increased by 15 percent in the fourth quarter compared with the corresponding period in the preceding year. Sales in Norway increased by 13 percent. The organic sales growth in Norway in local currency was 14 percent mainly explained by strong sales in the prefabricated elements business. Sales in Denmark and Sweden increased by 4 and 3 percent respectively in the fourth quarter. Sales in other Europe increased by 21 percent in the quarter, of which 16 percentage units were related to the acquisition of Distri Pond.



## Operating profit (EBIT), EBITDA and ROCE

EBITDA for the fourth quarter increased to SEK 91 m (61) and the EBITDA margin increased to 12.0 percent (8.9). EBITDA for the period January-December increased to SEK 371 m (274) and the EBITDA margin increased to 11.9 percent (10.2). The implementation of IFRS 16 affected EBITDA positively by SEK 12 m (0) in the fourth quarter and SEK 48 m (0) for the period January-December.

Operating profit (EBIT) for the fourth quarter increased to SEK 62 m (47) and the EBIT margin increased to 8.2 percent (6.9). The profit and margin was positively affected also in the fourth quarter by the favourable bitumen prices as a consequence of the hedge agreements from last year, in addition to the strong sales and further improved project margin in the Finnish installation services. However, the positive development in the roofing business was partly offset by negative effects in the Norwegian prefabricated elements business in RVT due to negative project estimate revisions as well as redundancy costs due to local management changes. Consultancy costs in connection with the examination of the potential re-domiciliation of the parent company from Denmark to Sweden has affected the quarter by 2 MSEK. 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 fourth 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 (4). Operating profit (EBIT) for the period January-December increased to SEK 260 m (212) while the EBIT margin increased to 8.3 percent (7.9). Depreciation of right-of-use assets amounts to SEK 47 m (0) for the period January-December.

Return on capital employed (ROCE) on rolling 12 month basis was 14.2 percent (14.0) for the fourth quarter, exceeding 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 fourth quarter of 2019 amounted to SEK 1 m (-8). The difference is mainly explained by a positive net fair value adjustment of call/put options for the remaining shares in the acquired companies of SEK 2 m (-5), the positive exchange rate difference of SEK 6 m (1), offset by interest expenses of SEK -6 m (-3). Net financial items for the period January-December amounted to SEK -28 m (-22), of which external interest expenses amounts to SEK -19 m (-11) and the net fair value adjustment of call/put options for the remaining shares in the acquired companies amounts to SEK -2 m (-7).

## Profit or loss before and after tax

The profit before tax for the fourth quarter amounted to SEK 64 m (39) and profit after tax amounted to SEK 61 m (25). Income tax for the fourth quarter amounted to SEK -2 m (-15). Profit before tax for the period January-December amounted to SEK 233 m (190) and profit after tax amounted to SEK 196 m (152). Income tax for the period January-December amounted to SEK -37 m (-39) corresponding to an effective tax rate of 15.8 percent (20.2). The lower effective tax rate is primarily explained by the substantial profit increase in Finland where no tax cost is recorded due to tax-loss carry-forwards, as well as increased share of profit in the Danish associated companies, and lower tax non-deductible acquisition-related transaction expenses and fair value adjustments connected to the call/put options for the remaining shares in the acquired companies.

## Cash flow

Operating cash flow during the fourth quarter was strong at SEK 137 m (84). The operating cashflow was SEK 53 m higher than in the corresponding period in the preceding year and is primarily explained by higher EBITDA of SEK 30 m (whereof SEK 12 m refers from effects from IFRS 16) and net working capital decreasing SEK 30 m more than previous year.

Cash flow from operating activities during the fourth quarter was SEK 64 m higher than in the corresponding period in the preceding year, amounting to SEK 154 m (90), following the higher EBITDA and a higher decrease in net working capital than previous year.

Cash flow from investing activities during the fourth quarter was SEK -18 m (-41). Investments in fixed assets was SEK 22 m (18), while acquisition of business was SEK 0 m (12).

Cash flow from financing activities during the fourth quarter was SEK -68 m (-18), due to repayments of loans of SEK -73 m (-76), whereof SEK -12 m (0) refers to effects from IFRS 16. The remaining difference is primarily explained by previous year's utilization of the Group's total overdraft facility during the fourth quarter.

### Investments and depreciations

Gross investments excluding acquisitions during the fourth quarter of 2019 amounted to SEK 8 m (12), while depreciation amounted to SEK 12 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 (4), 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 610 m at the end of the period, compared with SEK 442 m at the end of 2018. The increase of SEK 168 m for the period January-December 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 197 m (106) at the end of the period. Since no portion, SEK 0 m (57), of the Group's total overdraft facility of SEK 150 m (148) was utilized at the end of the quarter, the total cash and cash equivalents available amounted to SEK 347 m (197) at the end of the quarter.

Indebtedness calculated as net interest-bearing debt/EBITDA during the most recent twelve-month period was 1.6x (1.6x) at the end of the period, and the net debt/equity ratio was 0.5x (0.4x).

### Pledged assets and contingent liabilities

There were no significant changes during the period.

### Employees

The average number of employees during the fourth quarter of 2019 (expressed as full-time equivalents) was 1,096 compared with 1,071 during the same period in the preceding year. The increase derives primarily from the acquisitions during 2019.

## Significant events during the 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.

On 10 December 2019, the board of directors of Nordic Waterproofing Holding A/S announced that it has decided to examine the possibilities of a re-domiciliation of the parent company from Denmark to Sweden. The Group's operations will be un-changed and no employees are expected to be affected. The intention is to carry out the re-domiciliation during 2020.

On 11 December 2019, the Group announced that Per-Olof Schrewelius, who is currently CFO of Alligator Bioscience AB, has been appointed as new CFO and Head of Investor Relations. Per-Olof will join Nordic Waterproofing in March 2020 and become a member of Group Management.

On 13 December 2019, Nordic Waterproofing's supplier Nynas AB (publ) filed for company reorganisation. Nordic Waterproofing's initial assessment is that Nynas decision does not affect Nordic Waterproofing's operations. The management of Nordic Waterproofing has for a long time monitored the development of Nynas, an important supplier of bitumen, a raw material used for several of Nordic Waterproofing's key products. The Group has chosen to increasingly supplement with more suppliers to secure deliveries of bitumen in the event that Nynas could no longer fulfill its commitments. Our production is limited during the winter period and the current assessment is therefore that the Group's operations will not be affected as a result of Nynas' decision.

## Significant events after the reporting period

No significant events have occurred after 31 December 2019.

## 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 sales growth target to exceed the growth in the Group's current markets through organic growth, in addition to expected growth through selective acquisitions, is 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 31 December 2019, the Company has acquired and owns 200,000 (11,610) treasury shares.

## Shares and share capital

As per 31 December 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 31 December 2019, Nordic Waterproofing Holding A/S had more than 3,800 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 fourth quarter of 2019.

## Ownership structure

The largest shareholders in Nordic Waterproofing Holding A/S, as per 31 December 2019, are stated below.

Owner	Number of shares	Capital, %	Votes, %
Svolder	3,100,479	12.9%	13.0%
Swedbank Robur Funds	2,187,095	9.1%	9.2%
Mawer Investment Management	2,170,897	9.0%	9.1%
Carnegie Funds	1,705,755	7.1%	7.1%
Länsförsäkringar Funds	1,579,471	6.6%	6.6%
Handelsbanken Funds	1,328,044	5.5%	5.6%
Catella Funds	1,037,205	4.3%	4.3%
Prior & Nilsson Funds	931,156	3.9%	3.9%
Third AP-fund	865,707	3.6%	3.6%
Canaccord Genuity Wealth Management	563,723	2.3%	2.4%
<b>Total 10 largest shareholders</b>	<b>15,469,532</b>	<b>64.2%</b>	<b>64.8%</b>
Other shareholders	8,414,403	34.9%	35.2%
<b>Total number of votes</b>	<b>23,883,935</b>	<b>99.2%</b>	<b>100.0%</b>
Treasury shares	200,000	0.8%	n/a
<b>Total number of shares</b>	<b>24,083,935</b>	<b>100.0%</b>	<b>n/a</b>

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".

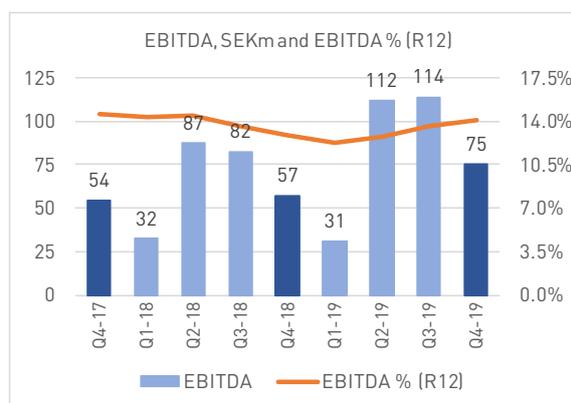
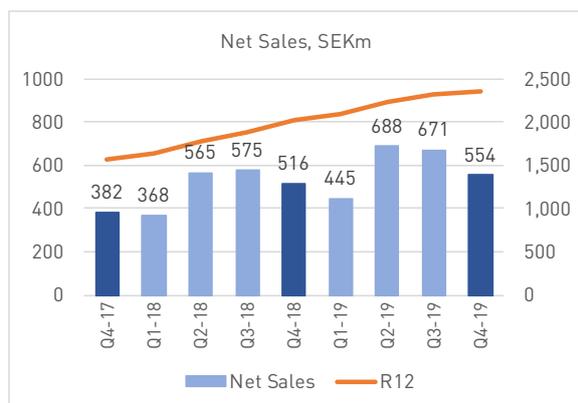
## Operating segments

### Products & Solutions

Net sales for the fourth quarter of 2019 increased by 7 percent compared with the corresponding period in the preceding year, amounting to SEK 554 m (516). Organic growth was 2 percent, while acquisitions contributed with 4 percent and the currency effects were positive affecting net sales with 1 percent. Sales in Norway increased by 13 percent. The organic sales growth in Norway in local currency was 14 percent mainly explained by strong sales in the prefabricated elements business. Sales in Denmark and Sweden increased by 4 and 3 percent respectively in the fourth quarter, while the sales in Finland decreased by 1 percent. Sales in other Europe increased by 21 percent in the quarter, of which 16 percentage units were related to the acquisition of Distri Pond.

<b>Analysis of net sales, Product &amp; Solutions</b>	<b>Q4 2019 (%)</b>	<b>Q4 2019 (SEKm)</b>	<b>12M 2019 (%)</b>	<b>12M 2019 (SEKm)</b>
Previous period		516		2,023
Organic growth	2%	9	5%	101
Structural effects	4%	22	10%	200
Currency effects	1%	7	2%	34
<b>Current period</b>	<b>7%</b>	<b>554</b>	<b>17%</b>	<b>2,358</b>

EBITDA amounted to SEK 75 m (57) and the EBITDA margin was 13.6 percent (11.1) in the fourth 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 fourth quarter and SEK -39 m for the period January-December. Operating profit (EBIT) for Products & Solutions for the fourth quarter 2019 increased and amounted to SEK 51 m (46). The EBIT margin was 9.2 percent (8.8).



## 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 fourth quarter of 2019 increased by 17 percent compared with the corresponding period in the preceding year, amounting to SEK 232 m (198). Organic growth was 13 percent driven by strong sales in roofing, but also in cruise ship floor coating as a larger order was finalized in the fourth quarter. Currency effect were positive affecting net sales by 4 percent.

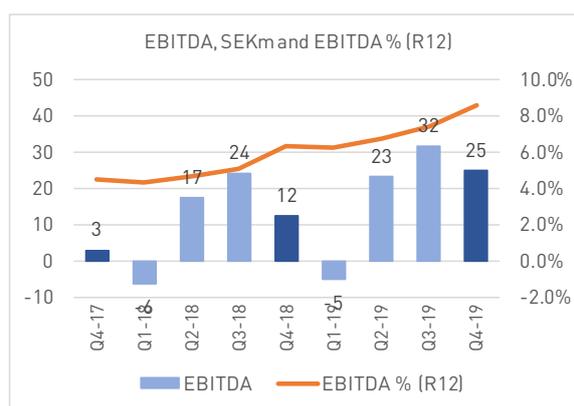
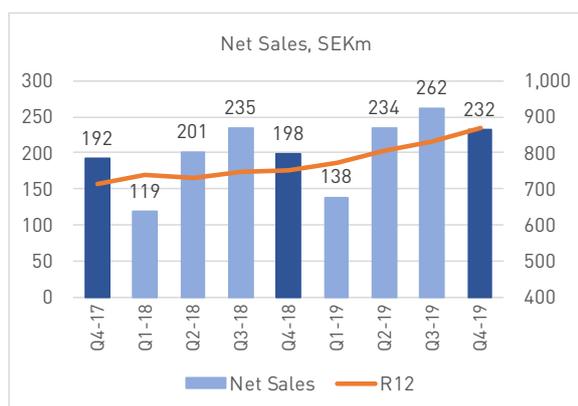
	Q4 2019 (%)	Q4 2019 (SEKm)	12M 2019 (%)	12M 2019 (SEKm)
<b>Analysis of net sales, Installation Services</b>				
Previous period		198		752
Organic growth	13%	26	12%	87
Structural effects	0%	0	0%	0
Currency effects	4%	8	3%	27
<b>Current period</b>	<b>17%</b>	<b>232</b>	<b>15%</b>	<b>866</b>

Order inflow during the fourth quarter decreased by 36 percent compared with the preceding year, and was lower both in roofing and floor coating. The order book was 26 percent lower at the end of December 2019, compared with the corresponding period in the preceding year. The floor coating order book explains 16 percentage units as there is no cruise ship flooring order in SPT at the end of December 2019.

### Order inflow and order book

SEKm, unless otherwise stated	Q4 2019	Q4 2018	Change	12M 2019	12M 2018	Change
Order inflow in the period	75	118	-36%	516	535	-4%
Order book at end of period	177	241	-26%	177	241	-26%

EBITDA was strong and amounted to SEK 25 m (12) and the EBITDA margin was 10.7 percent (6.2) in the fourth quarter. The Finnish companies showed continued improvements, both in project margins as well as profit. Also our Danish franchise companies continued to perform well in the fourth quarter. Operating profit (EBIT) for Installation Services for the fourth quarter amounted to SEK 21 m (11). The EBIT margin was 9.1 percent (5.3) 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)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales	763	901	889	569	692	778	736	474
EBITDA	91	137	124	18	61	102	94	17
EBITDA margin, %	12.0%	15.3%	13.9%	3.1%	8.9%	13.1%	12.8%	3.6%
Operating profit (EBIT)	62	109	95	-7	47	86	76	2
EBIT margin, %	8.2%	12.1%	10.7%	-1.2%	6.9%	11.1%	10.4%	0.5%
ROCE (R12) , %	14.2%	13.1%	12.5%	12.0%	14.0%	13.8%	14.5%	14.0%
Net profit	61	78	67	-10	25	71	59	-3
Operating cashflow	137	145	73	-49	84	123	39	-65
Operating cashflow (R12)	306	253	230	196	180	184	163	105
Operating cash conversion (R12), %	83%	74%	76%	71%	65%	68%	62%	44%
Net debt	610	745	870	783	442	493	430	293
Earnings per share before dilution, SEK	2.56	2.79	-0.44	1.03	2.97	2.43	-0.13	0.95

Net sales by segment (SEKm)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Products & Solutions	554	671	688	445	516	575	565	368
Installation Services	232	262	234	138	198	235	201	119
Group Items & Eliminations	-22	-33	-34	-14	-22	-32	-30	-12
Total	763	901	889	569	692	778	736	474

Net sales by country (SEKm)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Sweden	124	164	171	75	121	140	122	58
Norway	99	111	122	79	88	92	86	38
Denmark	190	193	175	142	183	180	192	153
Finland	247	302	271	158	214	267	229	146
Europe	101	129	148	114	83	98	107	78
Rest of world	1	2	3	1	3	0	0	1
Total	763	901	889	569	692	778	736	474

EBITDA by segment (SEKm)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Products & Solutions	75	114	112	31	57	82	87	32
Installation Services	25	32	23	-5	12	24	17	-6
Group Items & Eliminations	-9	-8	-11	-8	-8	-5	-11	-9
Total	91	137	124	18	61	102	94	17

EBIT by segment (SEKm)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Products & Solutions	51	90	87	10	46	69	72	19
Installation Services	21	27	19	-8	11	23	16	-8
Group Items & Eliminations	-10	-9	-12	-8	-9	-5	-11	-9
Total	62	109	95	-7	47	86	76	2

\*Q1, Q2, Q3 and Q4 2019 has been affected by implementation of IFRS 16, and comparative figures for previous year have not been restated. For further information, see page 17.

## Management's statement

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

The year-end report, which has not been audited or reviewed by the company's auditor, 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 31 December 2019, as well as of the results of the Group's activities and cash flow for the period January-December 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, 6 February 2019

### Executive Board

Martin Ellis  
President & CEO

### Board of Directors

Ulf Gundemark  
*Chairman*

Steffen Baungaard

Allan Jørgensen

Riitta Palomäki

Mats O. Paulsson

Kristina Willgård

## Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q4 2019	Q4 2018	12M 2019	12M 2018
Net sales	763	692	3,122	2,680
Gross profit	200	174	813	680
EBITDA	91	61	371	274
Operating profit (EBIT)	62	47	260	212
Net profit	61	25	196	152
Gross margin, %	26.2%	25.2%	26.1%	25.4%
EBITDA margin, %	12.0%	8.9%	11.9%	10.2%
EBIT margin, %	8.2%	6.9%	8.3%	7.9%
Operating cash flow	137	84	306	180
Operating cash conversion, %	n/a	n/a	83%	65%
Investments in tangible & intangible assets	-13	-18	-65	-56
Total assets	2,536	2,127	2,536	2,127
Capital employed	2,016	1,653	2,016	1,653
Equity	1,210	1,106	1,210	1,106
Net debt	610	442	610	442
Net debt/EBITDA, multiple	n/a	n/a	1.6x	1.6x
Interest coverage ratio, multiple	10.8x	14.0x	10.4x	17.3x
Equity/assets ratio, %	47.7%	52.0%	47.7%	52.0%
Net debt/equity ratio, multiple	0.5x	0.4x	0.5x	0.4x
Return on shareholders' equity, %	n/a	n/a	17.3%	14.5%
Return on capital employed, %	n/a	n/a	14.2%	14.0%
Return on capital employed excluding goodwill, %	n/a	n/a	28.3%	30.1%
Average number of shares before dilution	23,883,935	24,082,000	23,906,146	24,083,451
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	2.56	1.03	8.19	6.30
Earnings per share after dilution, SEK	2.54	1.03	8.13	6.30
Shareholders equity per share before dilution, SEK	50.65	45.91	50.60	45.91
Shareholders equity per share after dilution, SEK	50.23	45.91	50.23	45.91
Operating cash flow per share before dilution, SEK	5.75	3.48	12.82	7.47
Operating cash flow per share after dilution, SEK	5.70	3.48	12.72	7.46
Number of shares before dilution	23,883,935	24,072,325	23,883,935	24,072,325
Number of shares after dilution	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	Q4 2019	Q4 2018	12M 2019	12M 2018
Net sales	762.7	692.0	3,121.6	2,679.7
Cost of goods sold	-563.1	-517.6	-2,308.3	-1,999.9
Gross profit/loss	199.6	174.4	813.3	679.7
Selling expenses	-99.3	-90.9	-391.6	-322.4
Administrative expenses	-46.5	-45.4	-185.6	-160.9
Research and development expenses	-1.5	-2.0	-5.6	-6.7
Other operating income	2.9	5.1	10.5	7.3
Other operating expenses	-1.8	-3.6	-4.5	-4.5
Share of profit in associated companies	8.9	9.8	23.8	19.8
<b>Operating profit/loss (EBIT)</b>	<b>62.3</b>	<b>47.5</b>	<b>260.3</b>	<b>212.1</b>
Net finance items	1.2	-8.2	-27.7	-21.9
<b>Profit/loss before tax</b>	<b>63.5</b>	<b>39.3</b>	<b>232.6</b>	<b>190.3</b>
Tax	-2.3	-14.5	-36.9	-38.5
<b>Profit/loss after tax</b>	<b>61.2</b>	<b>24.9</b>	<b>195.8</b>	<b>151.8</b>
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified to profit/loss for the year</b>				
Translation differences for the year in translation of foreign operations	-29.9	-8.2	13.2	32.4
Gains/losses on hedging of currency risk in foreign operations	0.0	0.3	-2.3	-6.8
Gains/losses on raw material hedging	4.3	-32.9	0.1	3.2
Tax on gains/losses on comprehensive income	-0.9	7.0	0.5	0.8
<b>Total other comprehensive income after tax</b>	<b>-26.5</b>	<b>-33.7</b>	<b>11.4</b>	<b>29.7</b>
<b>Total comprehensive income after tax</b>	<b>34.7</b>	<b>-8.9</b>	<b>207.2</b>	<b>181.4</b>
<b>Profit/loss for the year, attributable to:</b>				
Owners of the company	62.3	25.4	197.9	152.1
Non-controlling interests	-1.1	-0.5	-2.1	-0.3
<b>Total comprehensive income for the year, attributable to:</b>				
Owners of the company	36.2	-7.9	209.0	181.7
Non-controlling interests	-1.5	-0.9	-1.8	-0.3
Average number of shares before dilution	23,883,935	24,082,000	23,906,145	24,083,451
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	2.56	1.03	8.19	6.30
Earnings per share after dilution, SEK	2.54	1.03	8.13	6.30

## Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	31 Dec 2019	31 Dec 2018
<b>ASSETS</b>		
Intangible assets	1,085.0	975.4
Tangible assets	388.9	268.1
Financial assets	102.3	64.0
Deferred tax assets	0.8	0.0
Other non-current assets	21.4	16.3
<b>Total non-current assets</b>	<b>1,598.4</b>	<b>1,323.8</b>
Inventories	382.5	345.8
Trade receivables	273.5	261.5
Receivables for on-going construction contracts	51.5	54.3
Tax assets	1.5	2.4
Other receivables	32.0	33.5
Cash and cash equivalents	196.9	105.6
<b>Total current assets</b>	<b>937.9</b>	<b>803.2</b>
<b>TOTAL ASSETS</b>	<b>2,536.2</b>	<b>2,127.0</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	30.0	30.0
Treasury shares	-15.6	-0.8
Reserves	62.0	50.9
Retained earnings including profit for the year	1,119.2	1,010.0
<b>Equity attributable to owners of the Company</b>	<b>1,195.5</b>	<b>1,090.0</b>
Non-controlling interests	14.1	15.6
<b>Total equity</b>	<b>1,209.6</b>	<b>1,105.6</b>
Non-current interest-bearing liabilities	762.7	416.3
Other non-current liabilities	43.2	38.1
Provisions	5.8	5.9
Deferred tax liabilities	91.1	75.2
<b>Total non-current liabilities</b>	<b>902.8</b>	<b>535.4</b>
Current interest-bearing liabilities	44.2	131.0
Trade payable	130.1	129.2
Payables for on-going construction contracts	20.3	15.5
Tax liabilities	5.7	11.7
Other current liabilities	223.4	198.5
<b>Total current liabilities</b>	<b>423.8</b>	<b>485.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,536.2</b>	<b>2,127.0</b>

## Condensed consolidated statement of changes in equity

Specification of changes in equity (SEKm)	12M 2019	12M 2018
<i>Equity attributable to owners of the Company</i>		
Opening balance	1,090.0	1,009.4
Total comprehensive income	209.0	181.7
Transactions with non-controlling interest	0.0	-10.0
Dividend	-95.5	-90.3
Repurchase of treasury shares	-14.8	-0.8
Provision for long-term incentive programs	6.9	0.0
<b>Closing balance</b>	<b>1,195.5</b>	<b>1,090.0</b>
<i>Equity attributable to non-controlling interest</i>		
Opening balance	15.6	0.5
Total comprehensive income	-1.8	-0.3
Acquisitions	0.3	15.4
Dividend	-0.7	0.0
Shareholder contribution	0.6	0.0
<b>Closing balance</b>	<b>14.1</b>	<b>15.6</b>
<b>SUM TOTAL EQUITY, CLOSING BALANCE</b>	<b>1,209.6</b>	<b>1,105.6</b>

## Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q4 2019	Q4 2018	12M 2019	12M 2018
<b>Operating activities</b>				
Operating profit (EBIT)	58.9	47.5	256.9	212.1
Adjustment for non-cash items etc	36.1	5.4	93.1	38.9
Interest received	0.1	0.4	0.8	0.8
Interest paid	-6.0	-2.7	-22.4	-10.6
Dividends received	0.9	0.3	18.9	12.1
Income tax paid/received	-12.0	-10.5	-40.5	-37.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>78.0</b>	<b>40.4</b>	<b>306.8</b>	<b>216.1</b>
<b>Changes in working capital</b>				
Increase (-)/Decrease (+) in inventories	-13.4	9.7	-4.9	-31.5
Increase (-)/Decrease (+) in operating receivables	252.1	143.9	11.3	-1.7
Increase (+)/Decrease (-) in operating liabilities	-162.6	-103.8	-1.0	1.9
<b>Cash flow from operating activities</b>	<b>154.2</b>	<b>90.2</b>	<b>312.2</b>	<b>184.8</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-14.5	-11.2	-19.5	-20.2
Acquisition of tangible fixed assets	-7.9	-6.8	-45.3	-35.5
Divestments of tangible fixed assets	0.2	0.1	1.6	0.2
Acquisition of business, net cash impact	0.0	-12.2	-48.6	-228.2
Acquisition of participations in associated companies	2.8	-4.4	-31.2	-19.4
Change in other financial assets	0.0	-6.8	0.0	-8.1
<b>Cash flow from investing activities</b>	<b>-18.3</b>	<b>-41.2</b>	<b>-142.0</b>	<b>-311.2</b>
<b>Financing activities</b>				
Amortization of loans	-72.7	-75.7	-340.2	-95.0
Proceeds from loans	3.6	58.9	370.5	259.3
Purchase of own shares	0.0	-0.8	-14.8	-0.8
Dividend	0.0	0.0	-95.5	-90.3
Dividend paid to non-controlling interests	0.0	0.0	-0.7	0.0
<b>Cash flow from financing activities</b>	<b>-68.5</b>	<b>-17.6</b>	<b>-80.0</b>	<b>73.2</b>
Cash flow for the period	67.3	31.4	90.1	-53.3
Cash and cash equivalents at the beginning of the period	131.7	74.0	105.6	156.8
Exchange-rate differences in cash and cash equivalents	-2.1	0.2	1.1	2.1
<b>Cash and cash equivalents at the end of the period</b>	<b>196.9</b>	<b>105.6</b>	<b>196.9</b>	<b>105.6</b>

## 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 probable 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. As per 31 December 2019, leasing liabilities were SEK 111 million, right-of-use assets of SEK 116 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-December 2019, EBITDA was positively affected by SEK 48 m, operating profit (EBIT) by SEK 2 m, and net income by SEK -2 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.

On 13 December 2019, Nordic Waterproofing's supplier Nynas AB (publ) filed for company reorganisation. Nordic Waterproofing's initial assessment is that Nynas decision does not affect Nordic Waterproofing's operations. The management of Nordic Waterproofing has for a long time monitored the development of Nynas, an important supplier of bitumen, a raw material used for several of Nordic Waterproofing's key products. The Group has chosen to increasingly supplement with more suppliers to secure deliveries of bitumen in the event that Nynas could no longer fulfill its commitments. Our production is limited during the winter period and the current assessment is therefore that the Group's operations will not be affected as a result of Nynas' decision.

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
<b>Net assets and liabilities</b>	<b>4</b>
Goodwill	59
<b>Consideration</b>	<b>63</b>
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	10	10
Acquisitions	65	42	10	117
Amortisation	0	-19	-7	-26
Exchange-rate differences	8	0	0	8
<b>Closing balance, 31 December 2019</b>	<b>952</b>	<b>92</b>	<b>41</b>	<b>1,085</b>

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 31 December 2019, the expected purchases of bitumen for delivery during January to March and October to December 2020 were hedged by means of derivatives, equivalent to 15,400 tons or approximately 39 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). 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	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
<b>Measurement level 2:</b>				
Assets at fair value	3	3	3	3
Assets at amortized cost	370	354	370	354
Liabilities at fair value	0	0	0	0
Liabilities at amortized cost	891	734	891	734
<b>Measurement level 3:</b>				
Liabilities at amortized cost	15	10	15	10
Liabilities at fair value	34	32	34	32

## 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	
	12M 2019	12M 2018	12M 2019	12M 2018	12M 2019	12M 2018	12M 2019	12M 2018
Revenues from external customers	2,255	1,927	866	752	0	0	3,122	2,680
Revenues from other segments	103	96	0	0	-103	-96	0	0
<b>Revenues, total</b>	<b>2,358</b>	<b>2,023</b>	<b>866</b>	<b>752</b>	<b>-103</b>	<b>-96</b>	<b>3,122</b>	<b>2,680</b>
<b>EBITDA</b>	<b>332</b>	<b>259</b>	<b>74</b>	<b>47</b>	<b>-36</b>	<b>-32</b>	<b>371</b>	<b>274</b>
Depreciation & Amortisation	-93	-54	-15	-6	-3	-2	-110	-62
<b>Operating profit (EBIT)</b>	<b>239</b>	<b>205</b>	<b>60</b>	<b>41</b>	<b>-38</b>	<b>-34</b>	<b>260</b>	<b>212</b>
Net finance items							-28	-22
<b>Profit/loss after finance items but before tax (EBT)</b>							<b>233</b>	<b>190</b>
Tax							-37	-38
<b>Profit/loss for the year</b>							<b>196</b>	<b>152</b>
<i>Assets</i>								
Intangible assets (goodwill & customer relations)	945	838	130	127	10	10	1,085	975
Property, plant and equipment	355	256	29	12	5	1	389	268
Participations in associated companies	0	0	91	55	0	0	91	55
Inventory	377	339	6	7	0	0	383	346
Other assets	309	279	97	106	-28	-19	378	366
Non-allocated assets					210	117	210	117
<b>Total assets</b>	<b>1,985</b>	<b>1,711</b>	<b>353</b>	<b>308</b>	<b>198</b>	<b>108</b>	<b>2,536</b>	<b>2,127</b>
<i>Liabilities and Equity</i>								
Equity					1,210	1,106	1,210	1,106
Other liabilities	329	309	89	79	-38	-39	380	349
Non-allocated liabilities					947	672	947	672
<b>Total liabilities and equity</b>	<b>329</b>	<b>309</b>	<b>89</b>	<b>79</b>	<b>2,118</b>	<b>1,739</b>	<b>2,536</b>	<b>2,127</b>
Investments in tangible & intangible assets	55	44	8	6	2	6	65	56

## Note 9 – 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 fourth 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

	Q4 2019	Q4 2018	12M 2019	12M 2018
<b>Capital employed</b>				
Total assets	2,536	2,127	2,536	2,127
Other non-current liabilities	-43	-38	-43	-38
Provisions	-6	-6	-6	-6
Deferred tax liabilities	-91	-75	-91	-75
Trade payable	-130	-129	-130	-129
Payables for on-going construction contracts	-20	-15	-20	-15
Tax liabilities	-6	-12	-6	-12
Other current liabilities	-223	-199	-223	-199
<b>Capital employed</b>	<b>2,016</b>	<b>1,653</b>	<b>2,016</b>	<b>1,653</b>
<b>EBITDA</b>				
EBIT	62	47	260	212
Depreciation	24	10	91	36
Amortization	5	4	19	27
Impairment	-	-	-	-
<b>EBITDA</b>	<b>91</b>	<b>61</b>	<b>371</b>	<b>274</b>
<b>Interest cover ratio</b>				
Profit/loss before tax	64	39	233	190
Interest expenses	6	3	25	12
Total	70	42	257	202
Interest expenses	6	3	25	12
<b>Interest cover ratio, multiple</b>	<b>10.8x</b>	<b>14.0x</b>	<b>10.4x</b>	<b>17.3x</b>
<b>Net debt</b>				
Non-current interest-bearing liabilities	763	416	763	416
Current interest-bearing liabilities	44	131	44	131
Cash and cash equivalents	-197	-106	-197	-106
<b>Net debt</b>	<b>610</b>	<b>442</b>	<b>610</b>	<b>442</b>
<b>Operating cash flow</b>				
EBITDA	91	61	371	274
Share of profit in associated companies	-9	-10	-24	-20
Dividend from associated companies	1	0	19	12
Change in NWC	76	50	5	-31
Investments in tangible assets & capitalized expenses	-22	-18	-65	-56
<b>Operating cash flow</b>	<b>137</b>	<b>84</b>	<b>306</b>	<b>180</b>
<b>Return on capital employed (ROCE)</b>				
EBIT (R12)			260	212
Average capital employed $\{[(OB+CB)/2]\}$			1,835	1,512
<b>Return on capital employed (ROCE), %</b>	<b>n/a</b>	<b>n/a</b>	<b>14.2%</b>	<b>14.0%</b>
<b>Return on capital employed (ROCE) excl goodwill</b>				
EBIT (R12)			260	212
Average capital employed $\{[(OB+CB)/2]\}$			1,835	1,512
Goodwill $\{[(OB+CB)/2]\}$			915	806
<b>Return on capital employed (ROCE) excl goodwill, %</b>	<b>n/a</b>	<b>n/a</b>	<b>28.3%</b>	<b>30.1%</b>
<b>Return on shareholders' equity</b>				
Profit after tax attributable to parent company shareholders (R12)			198	152
Average shareholders' equity $\{[(OB+CB)/2]\}$			1,143	1,050
<b>Return on shareholders' equity, %</b>	<b>n/a</b>	<b>n/a</b>	<b>17.3%</b>	<b>14.5%</b>



## 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 Matakı, Trebolit, Phönix 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

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 6 February 2020, 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.

