




STRONG START TO 2022, DISTURBANCES LATER IN THE YEAR CANNOT BE RULED OUT

1 January – 31 March 2022

 Date 2022.04.26

Earnings conference call

Martin Ellis (CEO) & Palle Schrewelius (CFO & IR)

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

NORDIC 
WATERPROOFING

Strong start to 2022, disturbances later in the year cannot be ruled out

- Net sales of SEK 912 m (704), increase of 30%
 - 19% organic growth (whereof price 13%)
 - 6% from acquisitions
 - 4% from currency effects
- EBITDA increased to SEK 91 m (50), up 81%
- Operating profit (EBIT) increased to SEK 56 m (22), up 151%
- Cash flow from operating activities was SEK -15 m (-88).
- Earnings per share SEK 1.60 (0.47)



Q1 Highlights and comments 1 (2)

- **Demand** remains solid
 - On a stable level for the **roofing business** on all markets
 - **Installation Services** decreased due to a later arrival of spring in Finland this year, and a disciplined approach towards not accepting lower margin business
- The **bitumen-based** waterproofing business as well as **SealEco** showed double-digit growth.
- **Prefabricated elements** had a single digit increase in sales compared to last year with a stronger development on the Danish market.
- Our **Green infrastructure** showed strong positive organic growth in a seasonally weak quarter.
- In the **Installation Services** operating segment, where sales are mainly generated in Finland, net sales decreased organically by -6 percent.



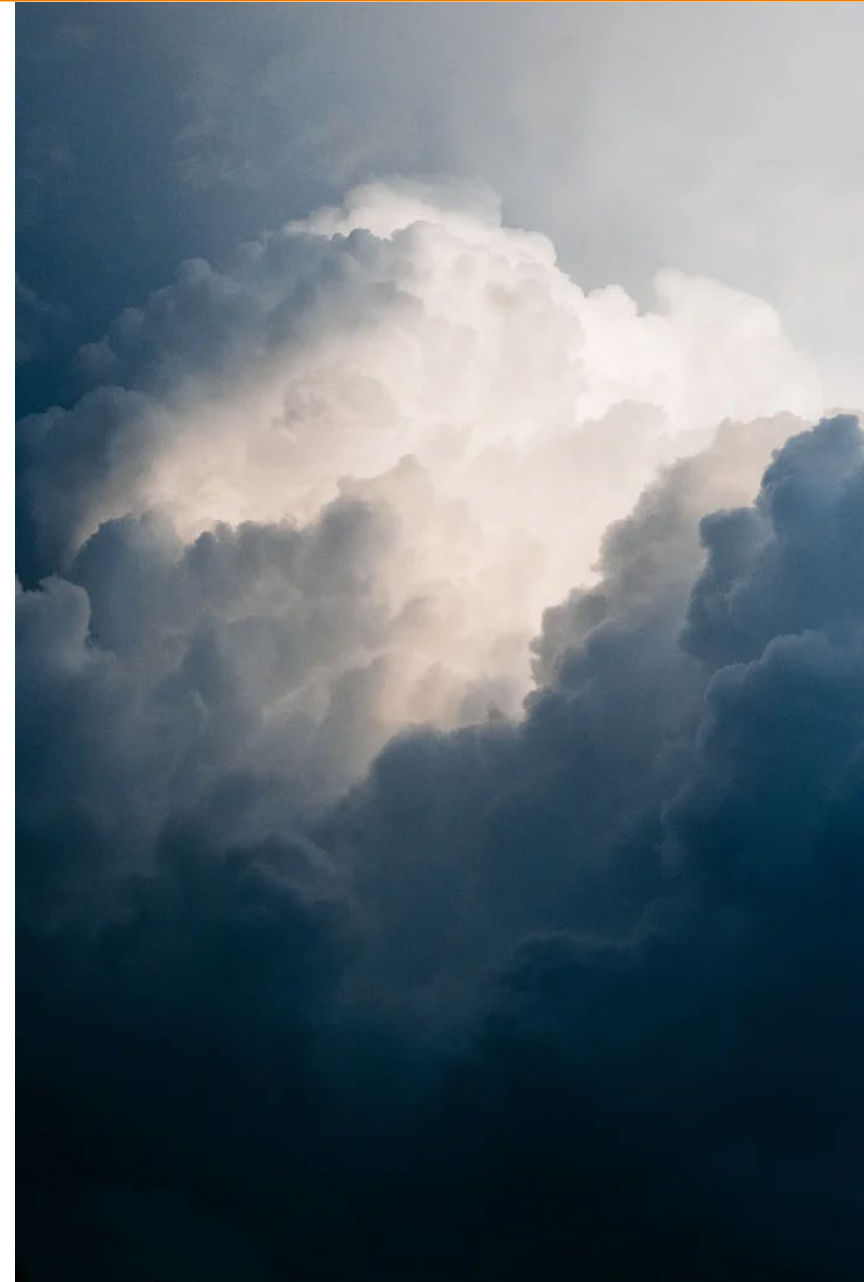
Q1 Highlights and comments 2 (2)

- Dramatic input cost inflation has had an effect on both business segments.
 - In Products & Solutions we have absorbed these through a series of sales price increases.
 - In Installation Services, we expect a degree of margin compression to remain in the foreseeable future.
- Continued active acquisition drive (seven acquisitions completed during 2021):
 - **Gordon Low Ltd (UK):** A leading specialist fabricator and distributor of pond liners and other waterproofing membranes for the aquatic, landscaping, commercial water containment and agriculture sector was acquired 1 February 2022.
 - Remaining 33% of the shares in SealEco B.V. acquired 8 April, first tranche acquired in 2017.



NWG and the RU vs UA war

- We have no subsidiaries or employees in either country
- Our sales exposure to the area was limited (0.4% of total sales) in 2021 and we have cut exports at this time
- Input material supplies relying on Russian raw material discontinued
- We expect an acceleration of input cost inflation which in the medium term might lead to softer demand for construction.
- We cannot rule out mid-term impact on our supply chain and capability to deliver to our customers.
- Supporting refugees from Ukraine by donations from employees and subsidiaries



Market demand stable at a high level

- Flat roofing market in the Nordics remains strong with demand overall at healthy levels.
- Market for SealEco products remains strong with good demand.
- Continued strong growth in prefabricated façade and roof elements in Denmark, Norway and Finland.
- Demand for green infrastructure remains strong.



Acquisition of Gordon Low

- A specialist fabricator and distributor of lining solutions and water proofing membranes acquired 1 February 22.
- They offer several kinds of lining products like EPDM, Butyl and PVC with the UK as their main market.
- The company was founded 35 years ago and is headquartered in Bedfordshire.
- Gordon Low has ca 20 employees and an annual turnover of ca GBP 5 m.
- This acquisition allows us to extend the Distripond and Gauris concept to the UK.



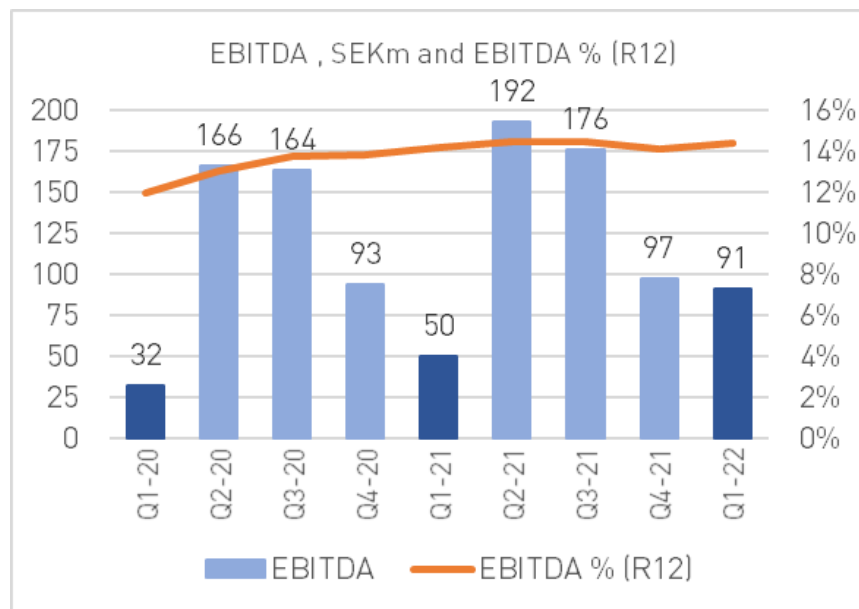
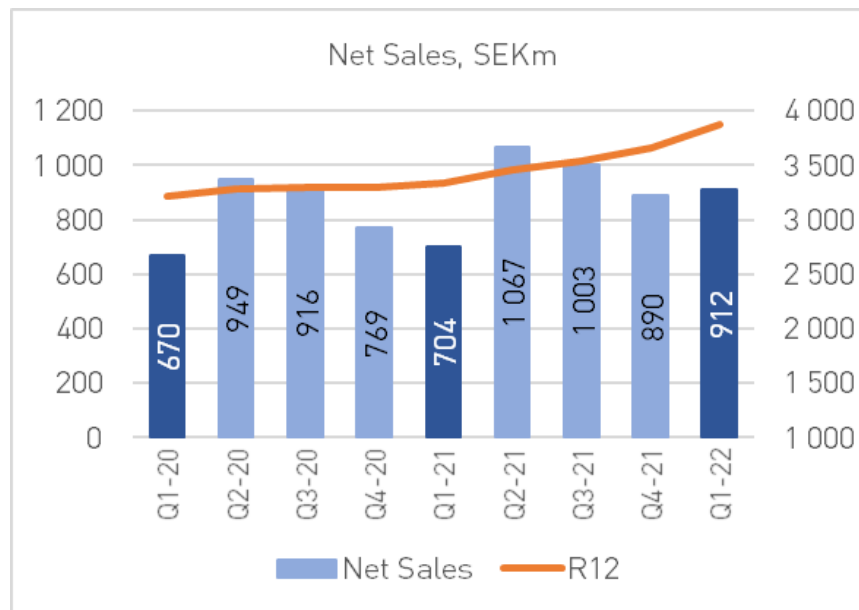
First quarter report

Net sales of SEK 912 m (704) up 30%

- Organic growth of 19%, positive impact from price increases of 13%
- New acquisitions contributed with 6%
- Currency had an impact with +4%
- Net Sales on R12 basis SEK 3,872 M

EBITDA increased to SEK 91 m (50) and Operating profit (EBIT) increased to SEK 56 m (22)

- EBITDA margin increased to 10.0 percent (7.1) in the first quarter. On a R12-basis the margin is 14.4%.
- Increase in EBITDA explained by positive development within Products & Solutions, while the EBITDA for Installation Services was unchanged.



Income statement

SEKm	Q1-'22	Q1-'21	Change, %	LTM Q1-'22	Full-year 2021
Net sales	912	704	30%	3,872	3,664
Gross profit	237	183	29%	1,095	1,041
EBITDA	91	50	81%	556	515
Operating profit (EBIT)	56	22	151%	415	382
Net finance items	-4	-8	n/a	-43	-47
Profit/loss before tax	52	14	360%	372	335
Tax	-13	-3	n/a	-88	-78
Profit/loss for the period	39	11	243%	284	256

- Gross margin for quarter was 26.0% (26.1%), for for LTM 28.3%
- EBIT margin for quarter was 6.1% (3.1%), for LTM 10.7%
- Low negative value on net financial items
- Tax increases, in line with result

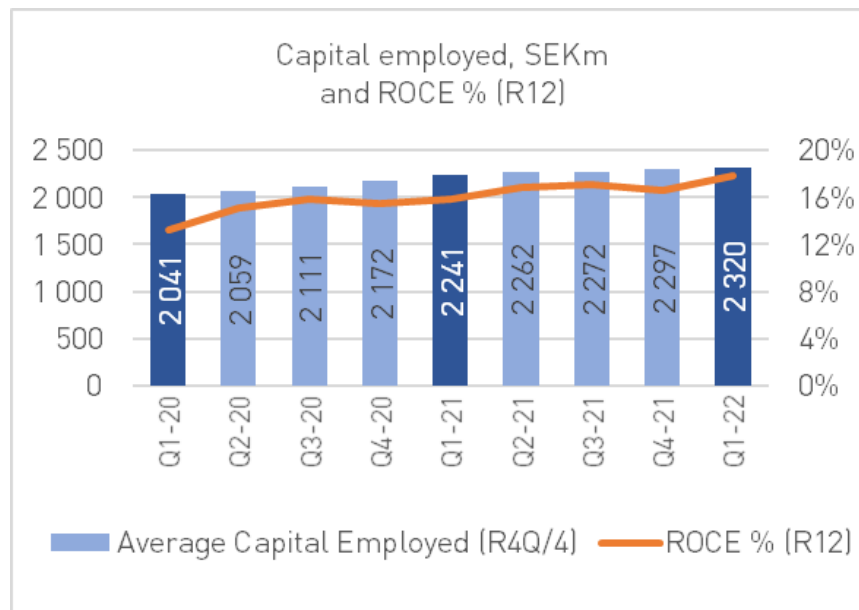
Balance sheet

SEKm	2022-03-31	2021-03-31	2021-12-31
Non-current assets	1,841	1,659	1,810
Current assets	1,513	1,425	1,348
Total assets	3,354	3,084	3,158
Equity	1,515	1,473	1,460
Non-current liabilities	1,015	978	1,016
Current liabilities	824	633	682
Total equity and liabilities	3,354	3,084	3,158
Capital employed	2,424	2,335	2,364
ROCE (R12)	17.9%	15.9%	16.6%
Interest-bearing net debt	762	463	677
Equity/assets ratio	45%	48%	46%
Net debt/equity ratio	0.5x	0.3x	0.5x
Net debt/EBITDA	1.5x	1.1x	1.5x

- Net debt/EBITDA-ratio on a strong 1.5x (1.1x), in spite of a quarter with seasonally weaker cash flow.
- Interest-bearing net debt at SEK 762 m (677), continued solid cash position and balance sheet.

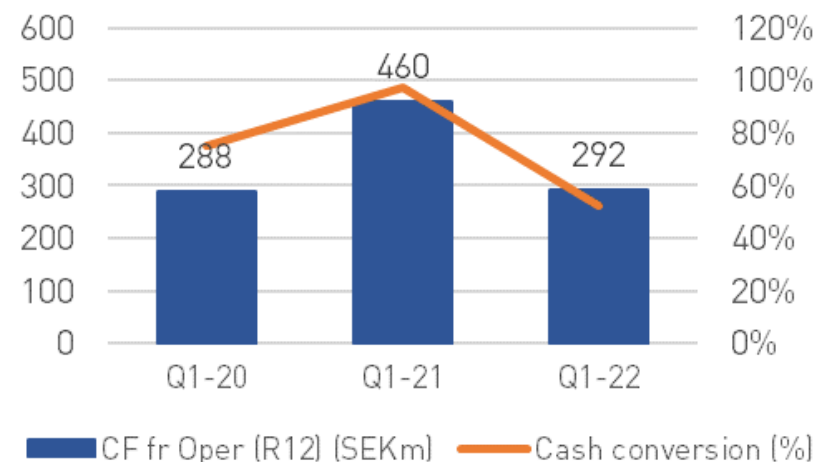
RoCE 17.9% (15.9%) up 2.0 %-pts since Q1 2021

- RoCE at all-time-high value
- Improvement in RoCE driven by improved operating result
- Increase in capital employed from increased activity and acquisitions



Cash flow from Operations (R12) decreased to SEK 292 m (460) and Cash conversion decreased to 52% (97%)

- Decreased cash flow and cash conversion explained by
 - increased accounts receivable because of increased sales
 - increased inventory due to securing raw material availability, higher input costs and higher finished product levels to secure our delivery capabilities



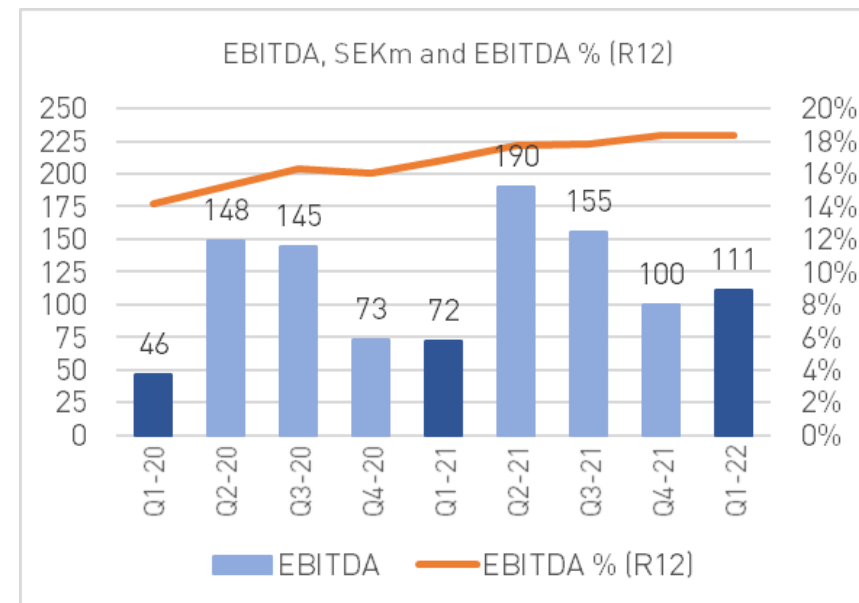
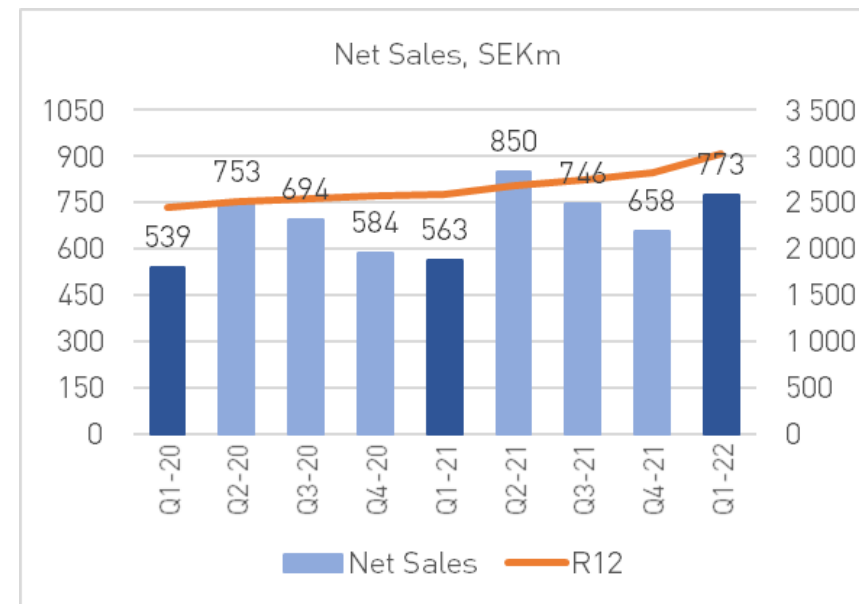
Products & Solutions

Net sales of SEK 773 m (563) up 37%

- Organic growth was 30% (whereof price 13%), acquisitions contributed with 4% and the impact from currency was +4% in the quarter
 - Finland: +35%, acquisitions contributed with 18%
 - Denmark +38%: strong in all areas
 - Sweden +42%, strong development in the market
 - Norway +15%: currency impact +8%
 - Other Europe +37%: good development on all major markets
- Net Sales R12 at SEK 3,028 M, first quarter above SEK 3,000 M

EBITDA increased to SEK 111 m (72) while Operating profit (EBIT) increased to SEK 83 m (49)

- EBITDA margin increased to 14.3 percent (12.7) in the first quarter. For the latest 12 months the margin is 18.4%.
- Increase in EBITDA mainly explained by having managed price increases on input materials in a pro-active way.



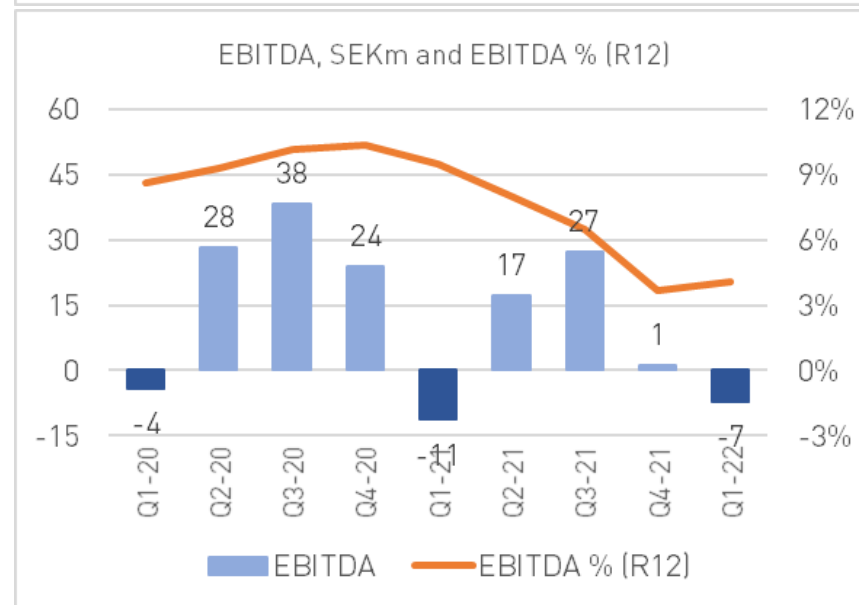
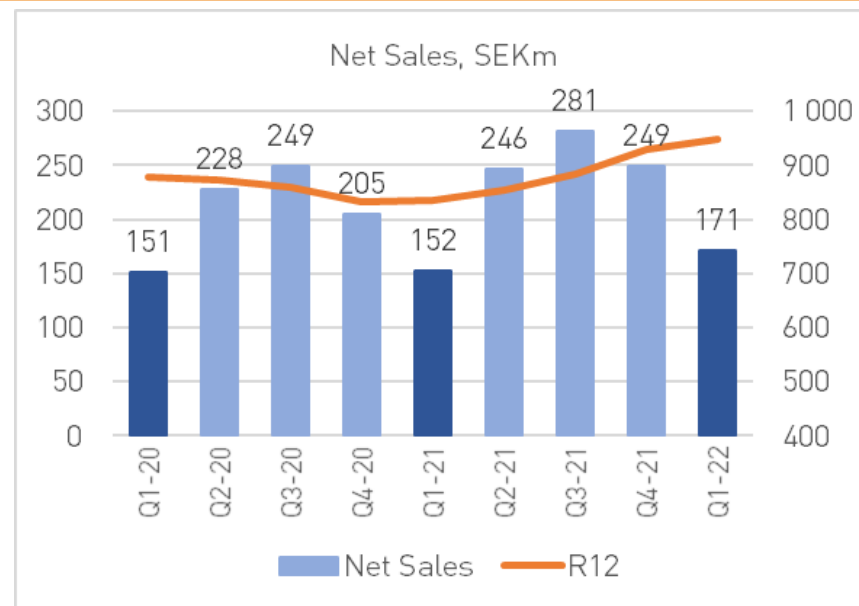
Installation Services

Net sales of SEK 171 m (152) increase with 12%

- Organic development of -6%, whereof price impact +11%, mainly caused by later arrival of spring in Finland and a disciplined approach towards not accepting lower margin business.
- Impact from acquisitions 14% and currency effects were positive with 4%.

EBITDA increased to SEK -7 m (-11) while Operating profit (EBIT) increased to SEK -15 m (-16)

- EBITDA margin increased to -4.2 percent (-7.4) in the first quarter. For the latest 12 months the margin is 4.1%.
- EBITDA increased in a quarter with seasonally low activities.



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

Financial targets

Sales growth

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

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



Profitability

NWG's goal is to generate a return on capital employed (ROCE) exceeding 13 percent for the financial year



Capital structure

Net interest-bearing debt in relation to EBITDA shall not exceed 3 times at year-end



Dividend policy

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



Questions

Further information:

Martin Ellis, CEO

Per-Olof Schrewelius, CFO & IR

- 19 July 2022; Interim report January – June '22
- 25 October 2022; Interim report January-September '22

We make waterproofing easy





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APPENDIX

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Shareholders as per 31 March 2022

Owner	Number of shares	Capital, %	Votes, %
Svolder	3,880,000	16.1%	16.2%
Swedbank Robur Funds	1,925,641	8.0%	8.1%
Handelsbanken Funds	1,686,235	7.0%	7.1%
Third Swedish National Pension Fund	1,200,000	5.0%	5.0%
Länsförsäkringar Funds	1,042,108	4.3%	4.4%
Carnegie Funds	961,252	4.0%	4.0%
Alcur Funds	940,115	3.9%	3.9%
Danske Invest (Lux)	780,000	3.2%	3.3%
ODDO BHF Asset Management	715,139	3.0%	3.0%
Avanza Pension	504,389	2.1%	2.1%
Total 10 largest shareholders	13,634,879	56.6%	57.0%
Other shareholders	10,272,722	42.7%	43.0%
Total number of votes	23,907,601	99.3%	100.0%
Treasury shares	176,334	0.7%	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".

Share details

- Ticker symbol NWG
- ISIN code SE0014731089
- Sector Construction & Materials
- Number of shares of SEK 1.00 24,083,935
- Treasury shares 176,334
- Voting & ownership restrictions None
- Current market cap SEK 4,000 million (25 April 2022)
- Contact Per-Olof Schrewelius, CFO & investor relations
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per-olof.schrewelius@nordicwaterproofing.com

Experienced board of directors



Mats O. Paulsson
Chairman

Relevant experience:
Chairman of the board of Caverion, Nordisk Bergteknik and Svevia. Board member of BE Group. Previously board member of Acandao, Paroc, Ramirent, BTH Bygg, KEWAB, AKEAB, Mark & Energi byggarna and WinGroup. CEO of Bravida, Strabag, PEAB Industri.
(15,000 shares)



Leena Arimo
Board member

Relevant experience:
CFO of the Finnish subsidiary of the listed Swedish group Bravida, which provides installation and service of systems in properties and facilities
Previously Senior Vice President, Finance, at Lemminkäinen, Managing Director at Lemcon Network
(0 shares)



Steffen Baungaard
Board member

Relevant experience:
Board member of Arkil Holding, Carl Ras and M.B. Packaging. Previously CEO and President of Hus-Compagniet.
(0 shares)



Allan Jørgensen
Board member

Relevant experience:
CEO of Dovista. Board member of OH Industri and Pankas. Previously board member of Hus-Compagniet, CEO of Kemp & Lauritzen.
(0 shares)



Riitta Palomäki
Board member

Relevant experience:
Member of the supervisory committee and deputy chair of the audit committee at OP Cooperative. Previously member of the board of directors, chair of the audit committee and member of the remuneration committee at HKScan Oyj, and CFO of Uponor.
(5,000 shares)



Hannu Saastamoinen
Board member

Relevant experience:
CEO of the indoor climate group Swegon, a wholly owned subsidiary of the listed Swedish investment company Investment AB Latour. External board positions in VEHO Group, Rototec Oy, MTC Flextek Oy.
Previously Senior positions in, among others, Munters, Huurre Group, TAC Svenska, Carrier Refrigeration and Electrolux
(0 shares)

* Including related parties

Experienced management team



Martin Ellis, CEO

Joined NWG in 2011

Previous experience: CEO of NWG 2011-2012 and Chairman 2011-2015. 30 years experience as CEO and other leading positions including Icopal and Saint Gobain (211,402 shares)



P-O Schrewelius, CFO & Investor Relations

Joined NWG in 2020

Previous experience: Different CFO and Finance Manager positions in various industries at, among others, Alligator Bioscience AB, the Getinge group and the Sandvik group (9,000 shares)



Mats Lindborg, Head of NW Sweden

Joined NWG in 1986

Previous experience: 30 years of experience of sales and marketing including Trelleborg Waterproofing (12,877 shares)



Esa Mäki, Head of NW Finland

Joined NWG in 2017

Previous experience: CEO of Nesco Group and various managerial positions of Icopal Finland and other companies in the building material industry. (15,384 shares)



Paul Erik Rask, Head of NW Denmark

Joined NWG in 1992

Previous experience: 30 years of experience of leading positions and sales and marketing including Trelleborg Phønix A/S (16,374 shares)



Martin Tholstrup, Head of Taasinge Elementer

Joined NWG in 2017

Previous experience: 20 years of experience from development, sales and prefabrication within the construction industry (22,740 shares*)



Thomas Zipfel, Head of SealEco

Joined NWG in 2009

Previous experience: 20 years of experience of managing positions including Trelleborg Waterproofing Polymeric Membranes (8,848 shares)



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