



PROTECTING BUILDINGS AND INFRASTRUCTURE

Durable and sustainable building solutions

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Handelsbanken sustainability trends

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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

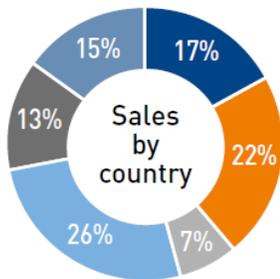
Our business case is built on sustainability - to protect, preserve and contribute

- Durability
- Energy performance
- CO₂-neutral options
- Biodiversity through green infrastructure

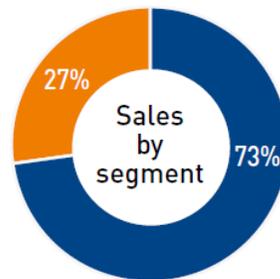


Two segments

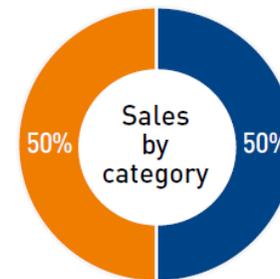
PRODUCTS & SOLUTIONS 73% of net sales for 2019	INSTALLATION SERVICES 27% of net sales for 2019
  	  
   	   
  	



■ Sweden
 ■ Denmark
 ■ Finland Products
■ Finland Installations
 ■ Norway
 ■ SealEco & Export



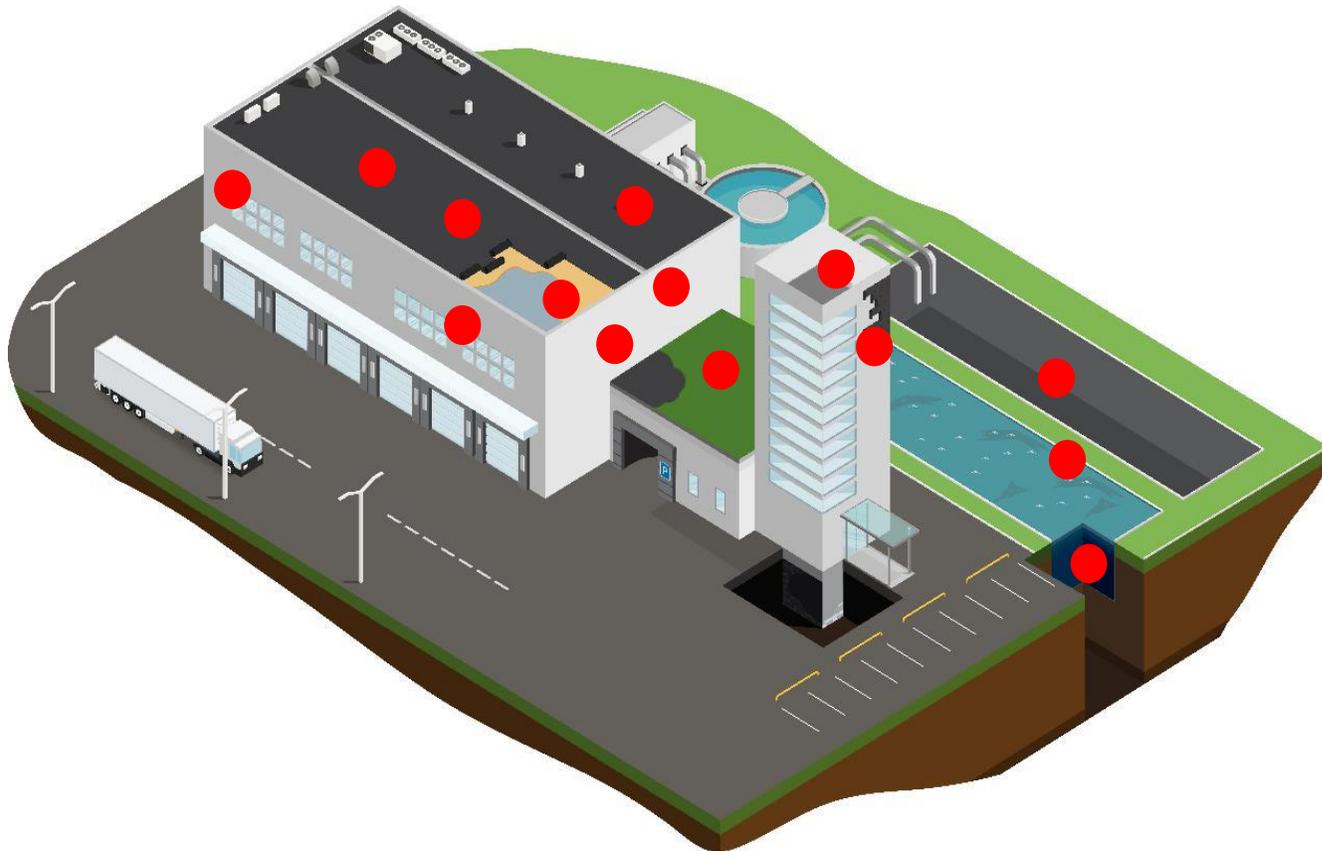
■ Products & Solutions
 ■ Installation Services



■ Renovation
 ■ New build

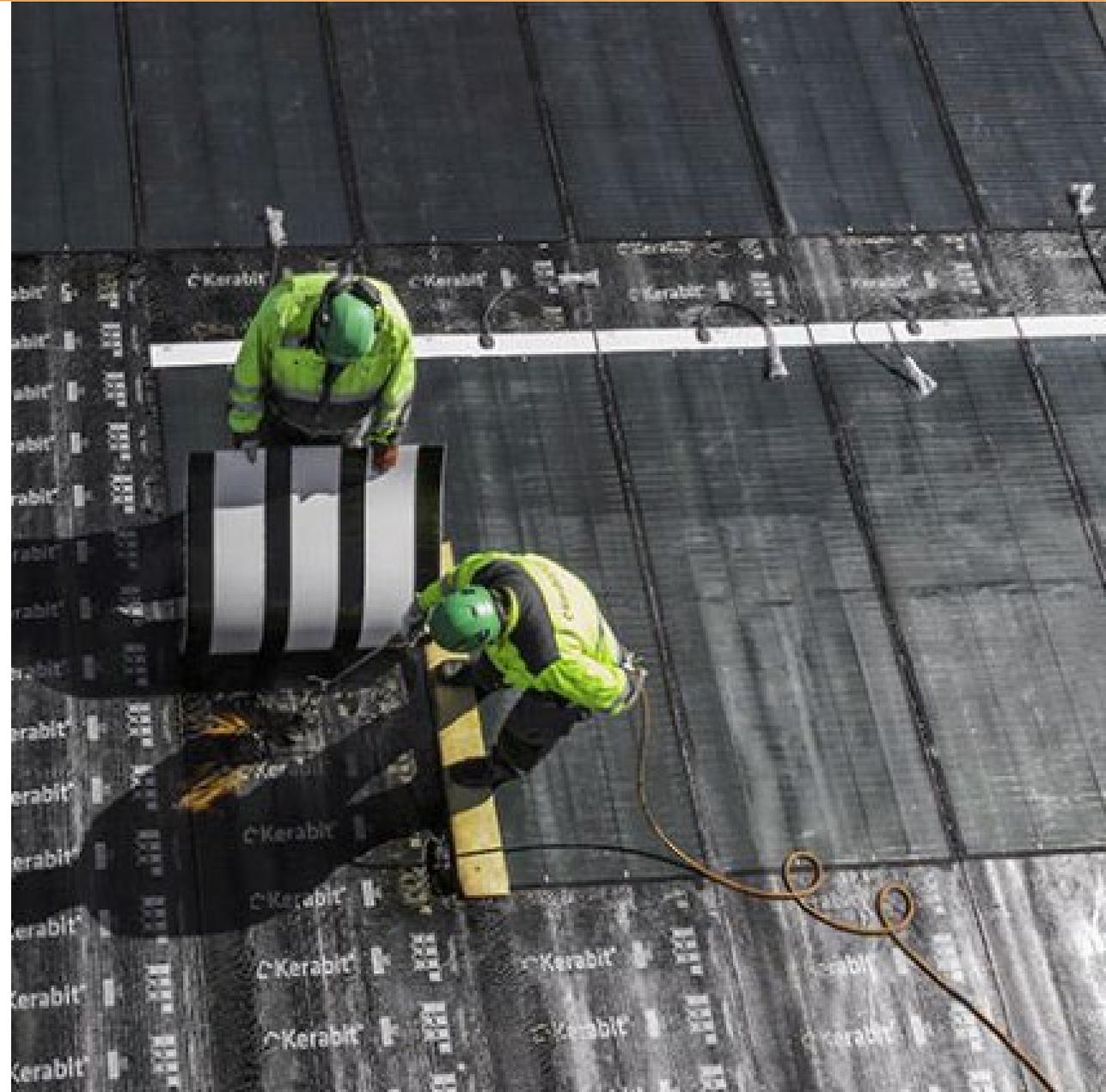
Our products

Wide range of application areas



Our services - installations

- Roofs
 - Installation
 - Maintenance
- Pre-fabricated elements
 - Assembly
- Solar panels
- Green infrastructure



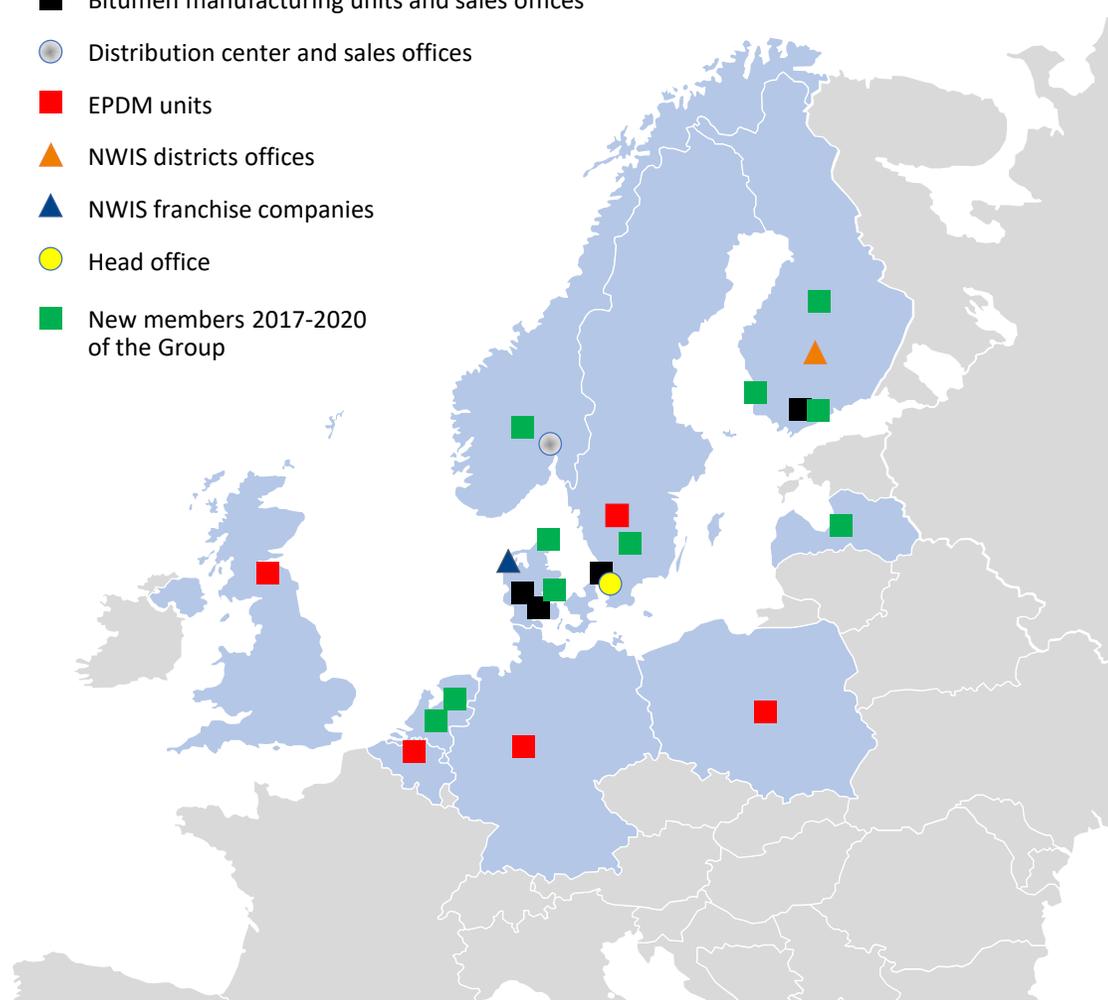
Added value

- Complete solutions in material for protecting buildings and infrastructure
- Easier application on site through prefabrication of building elements and custom-made EPDM rubber membranes
- Increase roofs' functionality apart from protecting the building
 - Green surface
 - Solar panels

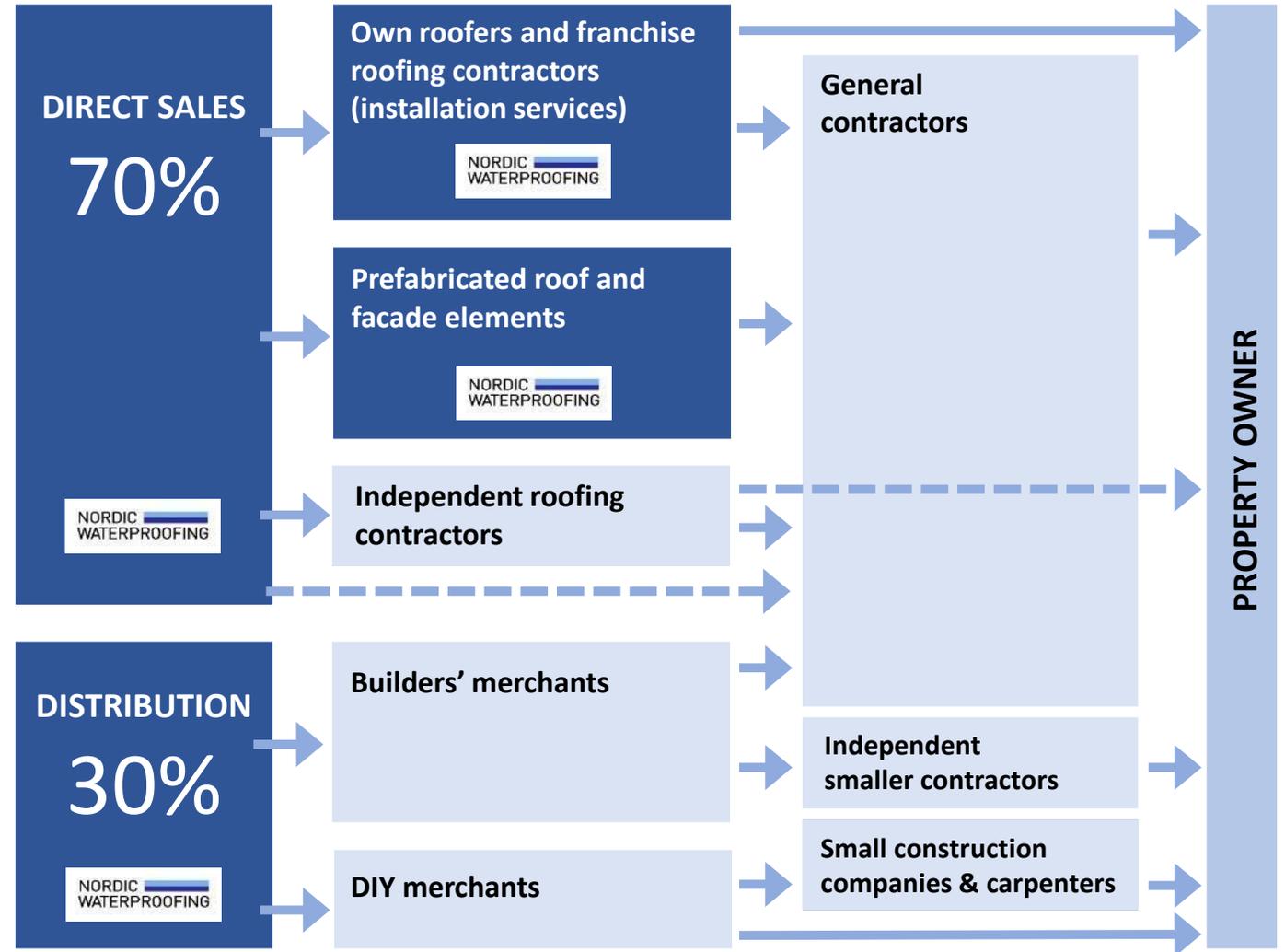
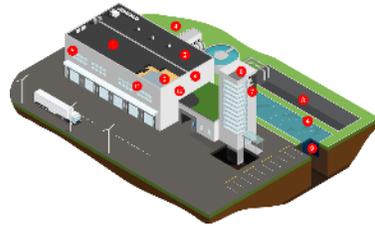


Our presence

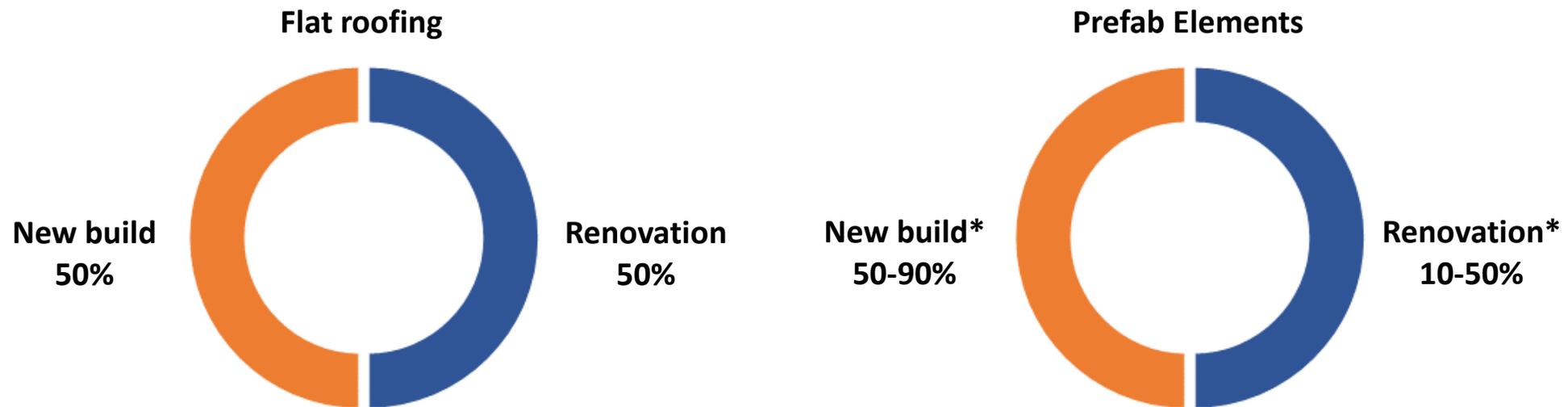
- Bitumen manufacturing units and sales offices
- Distribution center and sales offices
- EPDM units
- ▲ NWIS districts offices
- ▲ NWIS franchise companies
- Head office
- New members 2017-2020 of the Group



Access to market



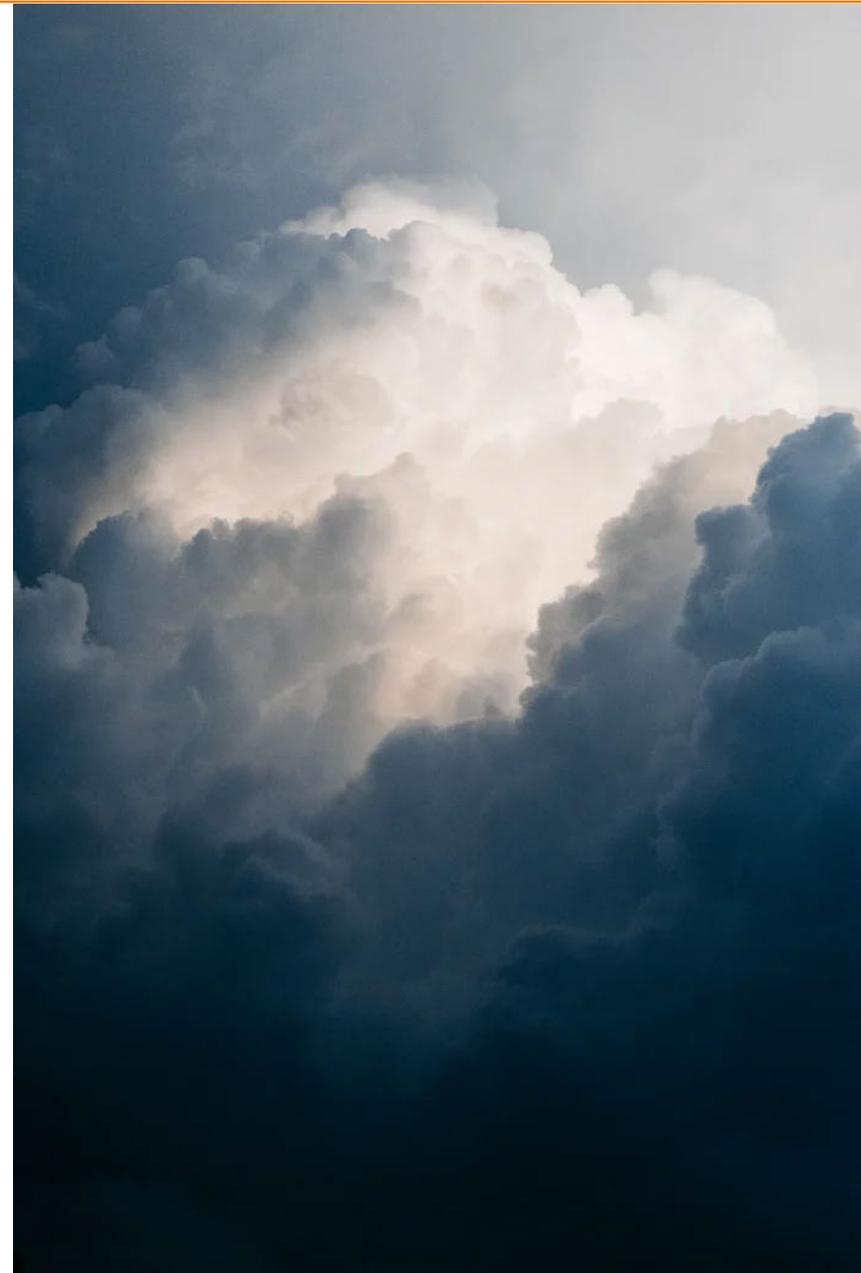
Two-fold market – demand of renovations flatten the business cycle curve



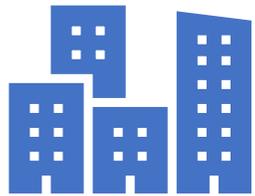
*low/high share in recession

Taking advantage of the market's demands

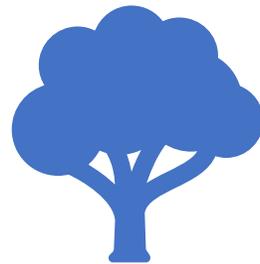
- Products for protection and preservation
- Increasing demand for more sustainable solutions
 - Taking responsibility
 - Renovation of buildings to protect functionality and capital invested
 - Renovation for increased energy efficiency
 - Solutions to mitigate effects from climate change e.g. torrential rain, floods and heatwaves
 - Demand for more CO₂ neutral building materials opens for wood based prefab elements
 - Biodiversity by green infrastructure



... and regulations



EU's Green Deal and
Energy Performance of
Buildings Directive



Green infrastructure is
increasingly demanded by
local authorities in building
plans for higher biodiversity



Acquisitions strategy:

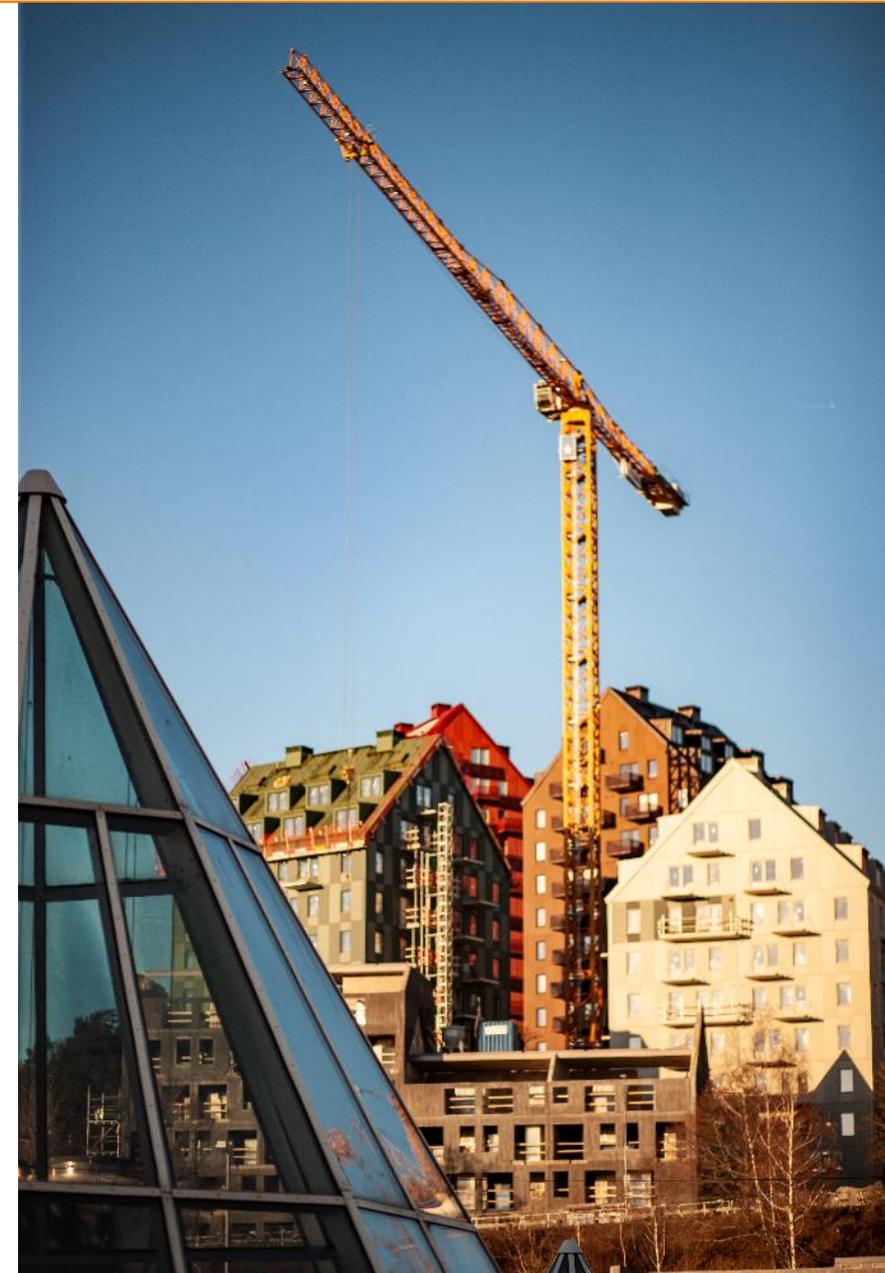
- Sustainable solutions, e.g.
 - wood based constructions
 - green infrastructure
 - solar panels
- Enhance our product and service offering
- Added value through downstream integration

Product and segment expansion done through multiple acquisitions in 2017-2020



Strategy for sustainability – feet on the ground

- Group level
 - Code of Conduct is based on the UN’s Global Compact, signed in 2012
 - A “Whistleblower policy” is established
 - NWG demands its partners to comply with environmental laws and rules in each country
 - A specific Code of Conduct for suppliers has been established
- National level
 - Feet on the ground approach, proactive development for regional preferences
 - Regional stakeholder dialogue ongoing in Denmark for the materiality analysis, other countries will follow suit



Sustainable enterprise



Engagements

- Signed the UN Global Compact
- EPD ECO Platform
Environmental Product Declaration, verified information about the environmental performance of products, seen from a comprehensive life cycle perspective.
- Green Building Council



Transparency through classifications



Huge challenge to replace existing materials

Resources – what is at hand for waterproofing flat roofs :

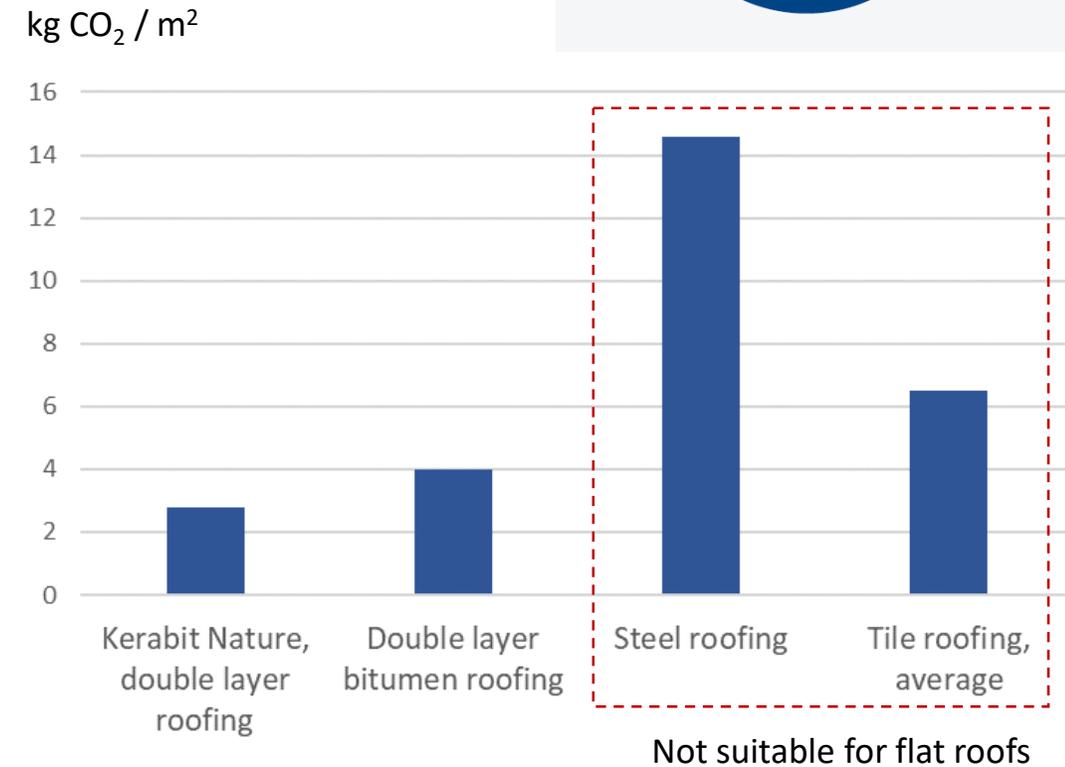
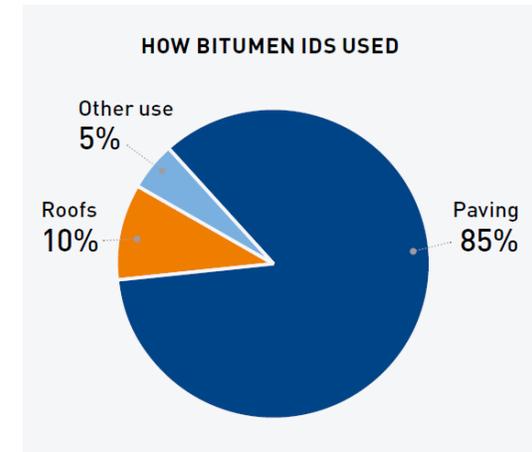
- Bitumen
- EPDM-rubber
- Sedum roof
(Only green option, but still requires underlayer of EPDM or Bitumen)
- PVC*
- TPO* (thermoplastic olefin, a synthetic plastic material)

*Reseller



Long life span of bitumen products

- A residual product from oil refining
 - Doesn't harm man and nature, inert hydrocarbon intended for use in structural materials, no greenhouse gases are emitted
 - Insoluble in water, non-biodegradable and therefore the ideal material for collecting and holding water
 - a life cycle of up to 50 years
 - old layer on roofs is normally kept when a new layer is added
- Recycling options
 - From roof to road, by recycling the bitumen
 - Inceneration with energy production



Green infrastructure – Biodiversity



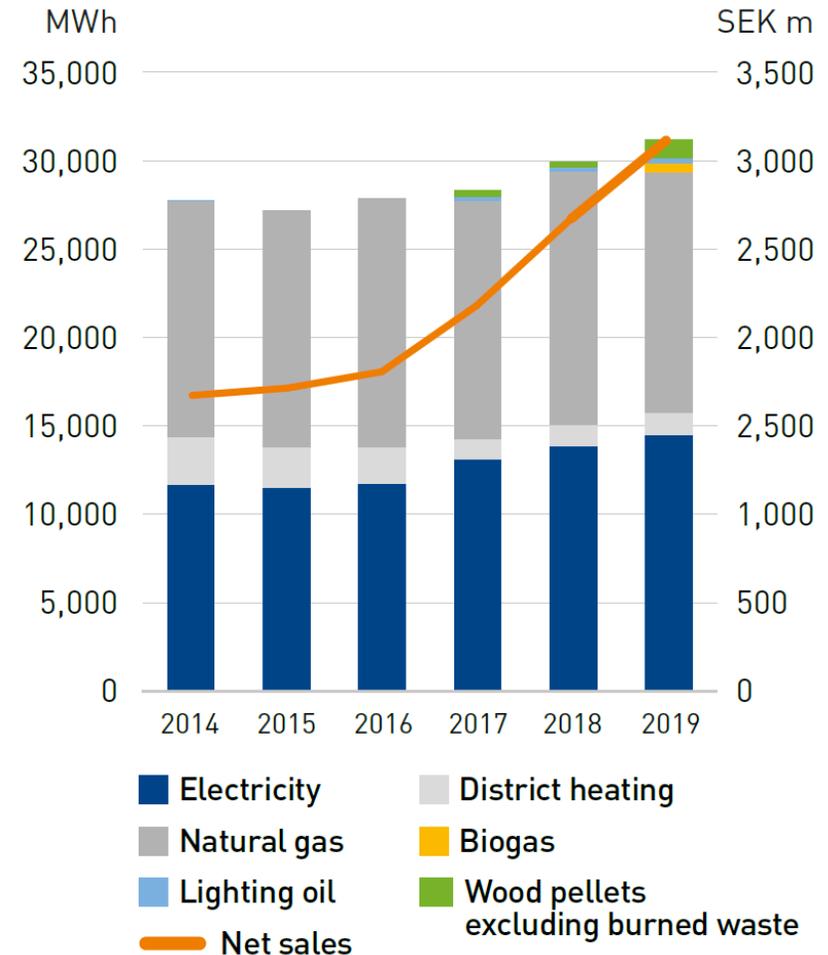
Prefab elements



Energy consumption

- Electricity: 100% renewable in Sweden and Denmark 2020
- Natural gas used mainly in production of bitumen-based products.
- Natural gas replaced by biogas in Sweden 2020 and in Denmark 2021.

ENERGY CONSUMPTION PER ENERGY SOURCE



GHG emissions Group level

- Significant CO₂ reduction within two years
1 092 tons 2020 in Sweden
747 tons 2021 in Denmark
total 1 840 tons*
due to switch to biogas from natural gas

*Based on previous use of natural gas

CLIMATE	2019 tons CO ₂ e	2018 tons CO ₂ e
Scope 1 emissions total	3,587	3,383
whereof Natural gas	2,751	2,898
whereof Lighting oil	81	61
whereof Fuels	755	423
Scope 2 emissions total	2,650	2,261
whereof Electricity	2,617	2,242
whereof District heating	33	18
CO₂ Total	6,237	5,644

Scope 1 covers direct emissions from controlled sources.

Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by NWG.

What's being done

- Broaden NWG's offer in
 - wood based constructions
 - green infrastructure
 - solar panels
- Lower impact in existing products
 - e.g. Lower CO₂ emissions through optimization the products
 - Increasing share of recycled plastics in the felt on which the bitumen blend is applied
 - Change of heating in the roof felt production line from natural gas to biogas (Sweden, Denmark)



R&D for more sustainable solutions

- Continued development, e.g. optimization and thinner layers of Bitumen in roof felt
- Enhancing **Kerabit Nature**® by increasing the partial replacement with tall oil, CTO. neutralises the GWP effect from bitumen (bitumen has already a low GWP of 0,2 kg CO2 ekv./kg).
- Method for application of roof felt without gas torching

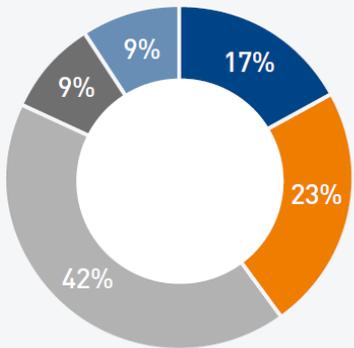


Human resources

1 116 employees 2019

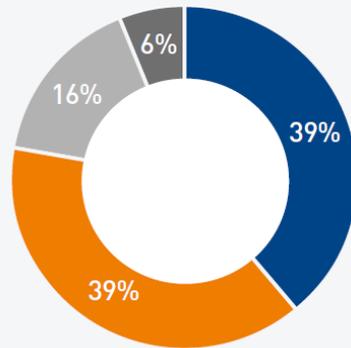


EMPLOYEES BY COUNTRY



■ Sweden ■ Denmark
■ Finland ■ Norway ■ Other

EMPLOYEES BY FUNCTION



■ Installation services ■ Production
■ Sales and marketing ■ Administration

Ethics and values

- Code of Conduct, including the areas of environment, work environment and business ethics
- Our values
 - Enthusiasm
 - Reliability
 - Efficiency

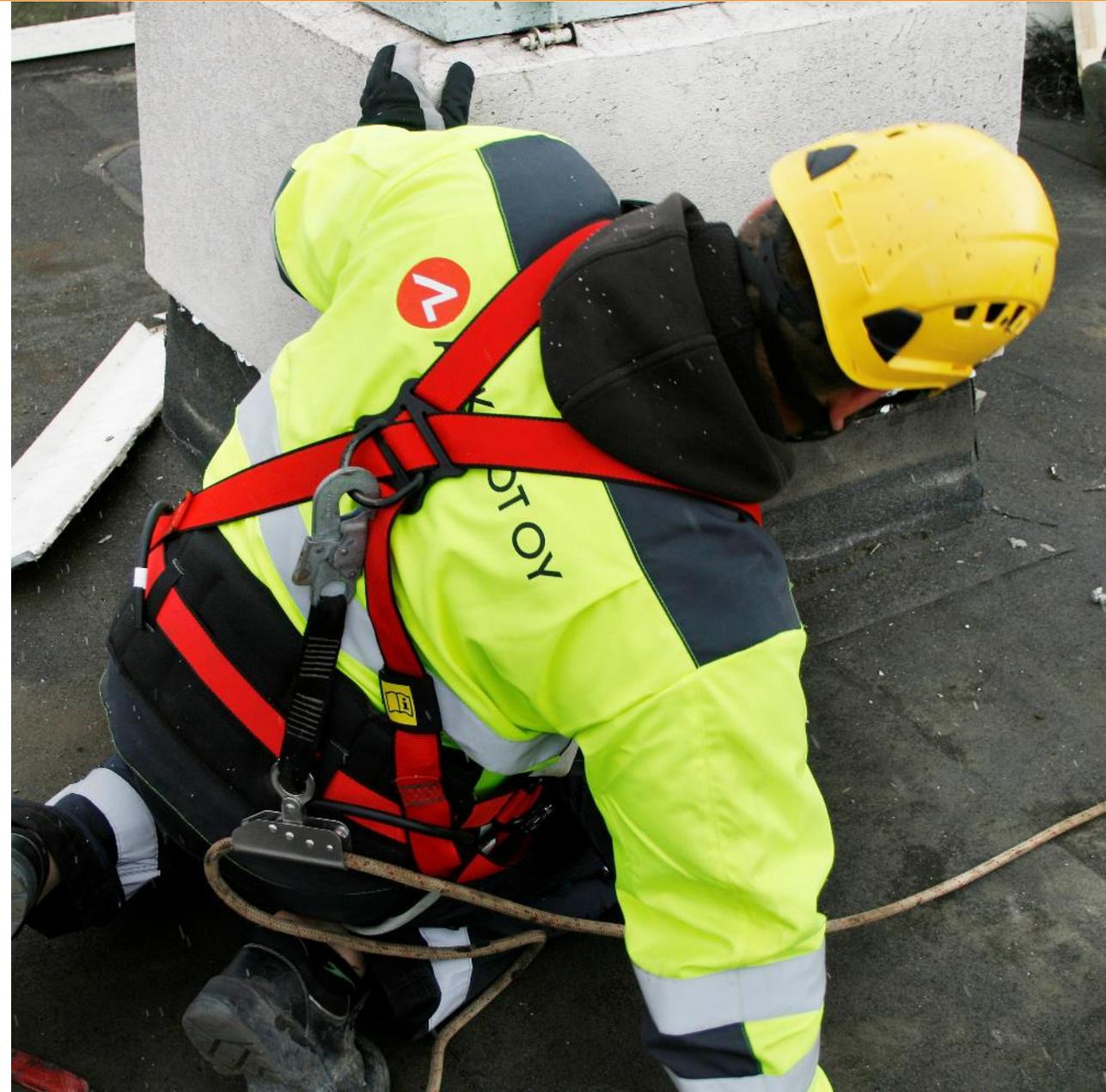
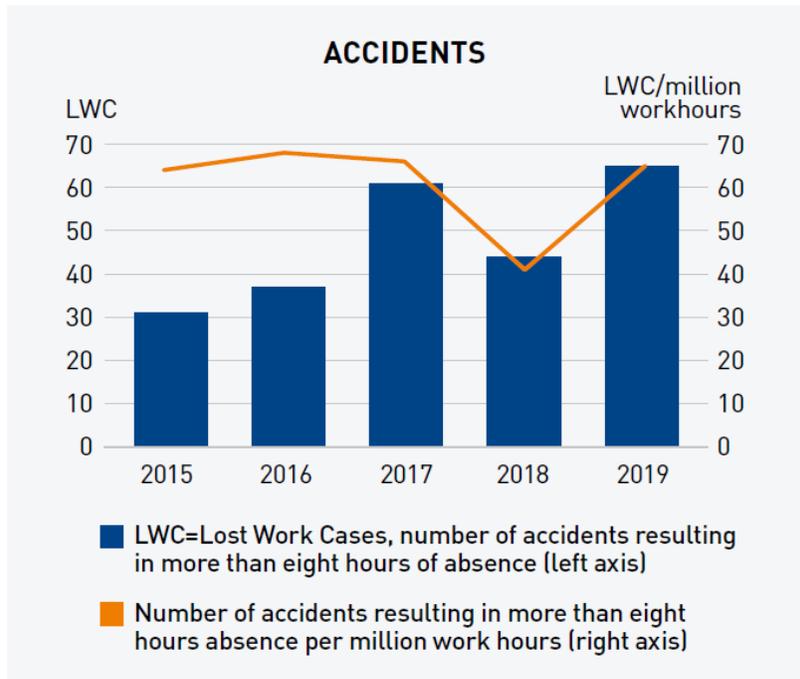


Attracting and retaining staff

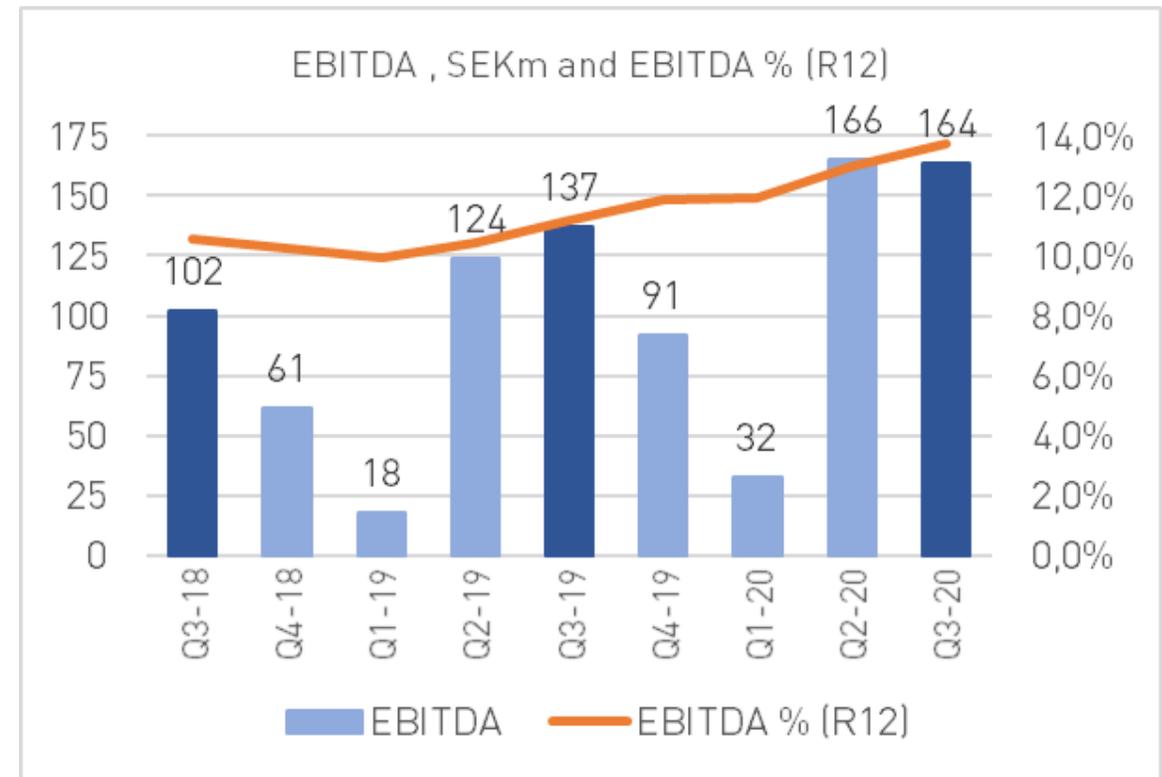
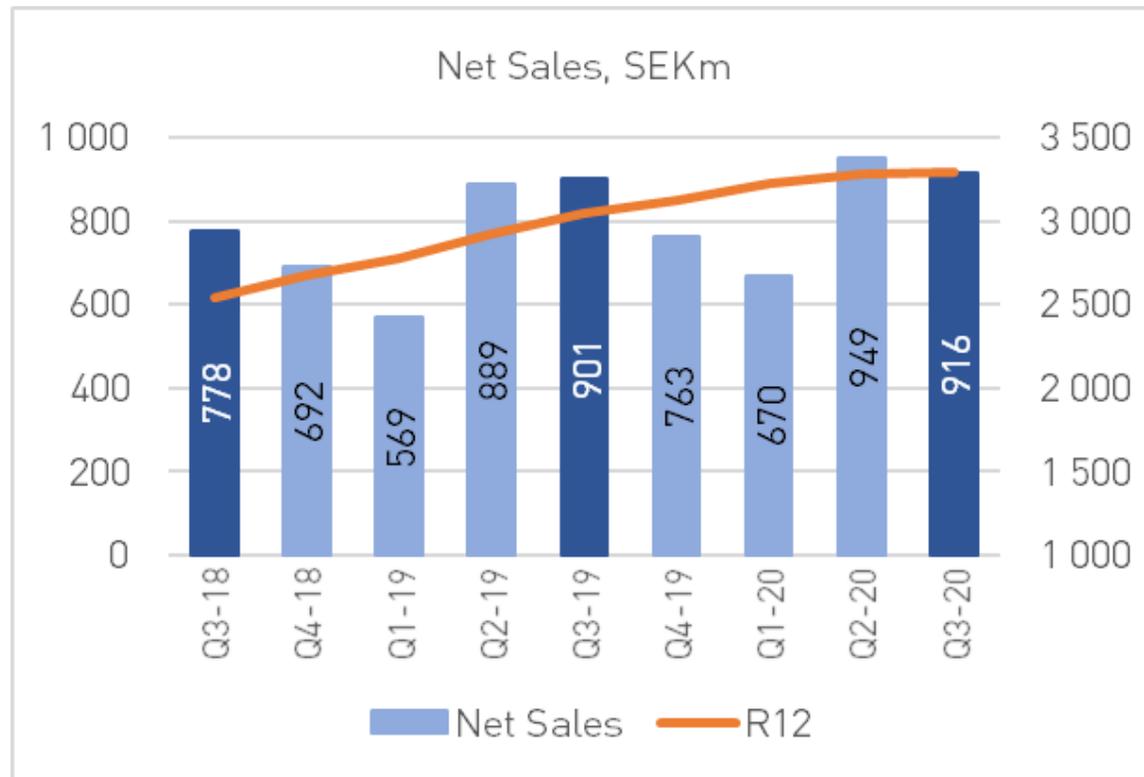
- Employee satisfaction index (different survey methods)
- On boarding programs
- Trainee project in Denmark introducing unemployed school dropouts in the roofer industry →
- Enhanced IT-solutions to keep employees informed, e.g. Apps for the Finnish roofers, “Coffee with Paul-Erik” monthly event in Denmark.



High priority in preventive safety

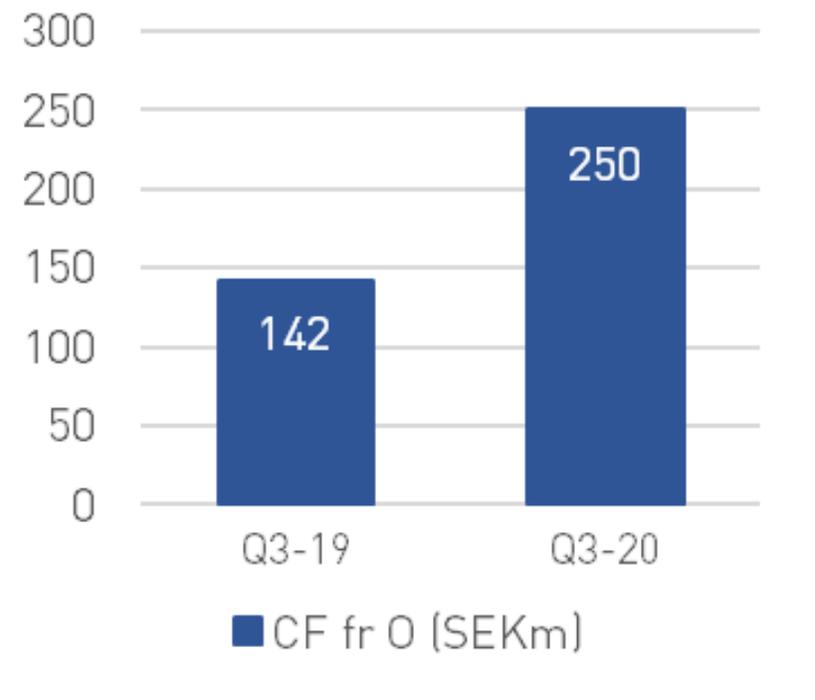
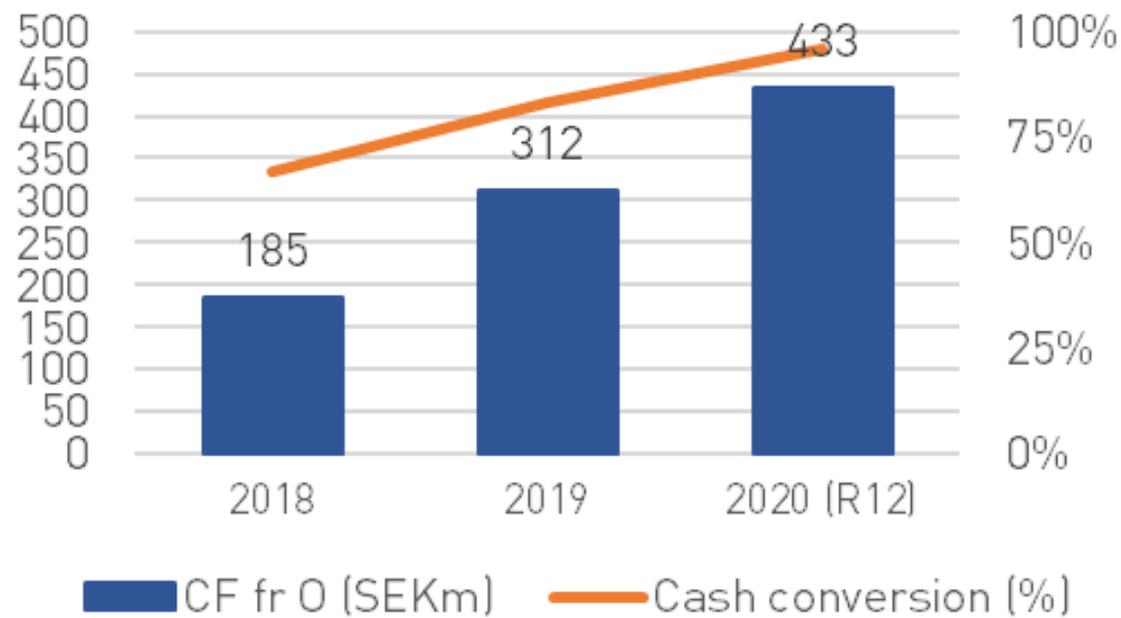


Q3 2020



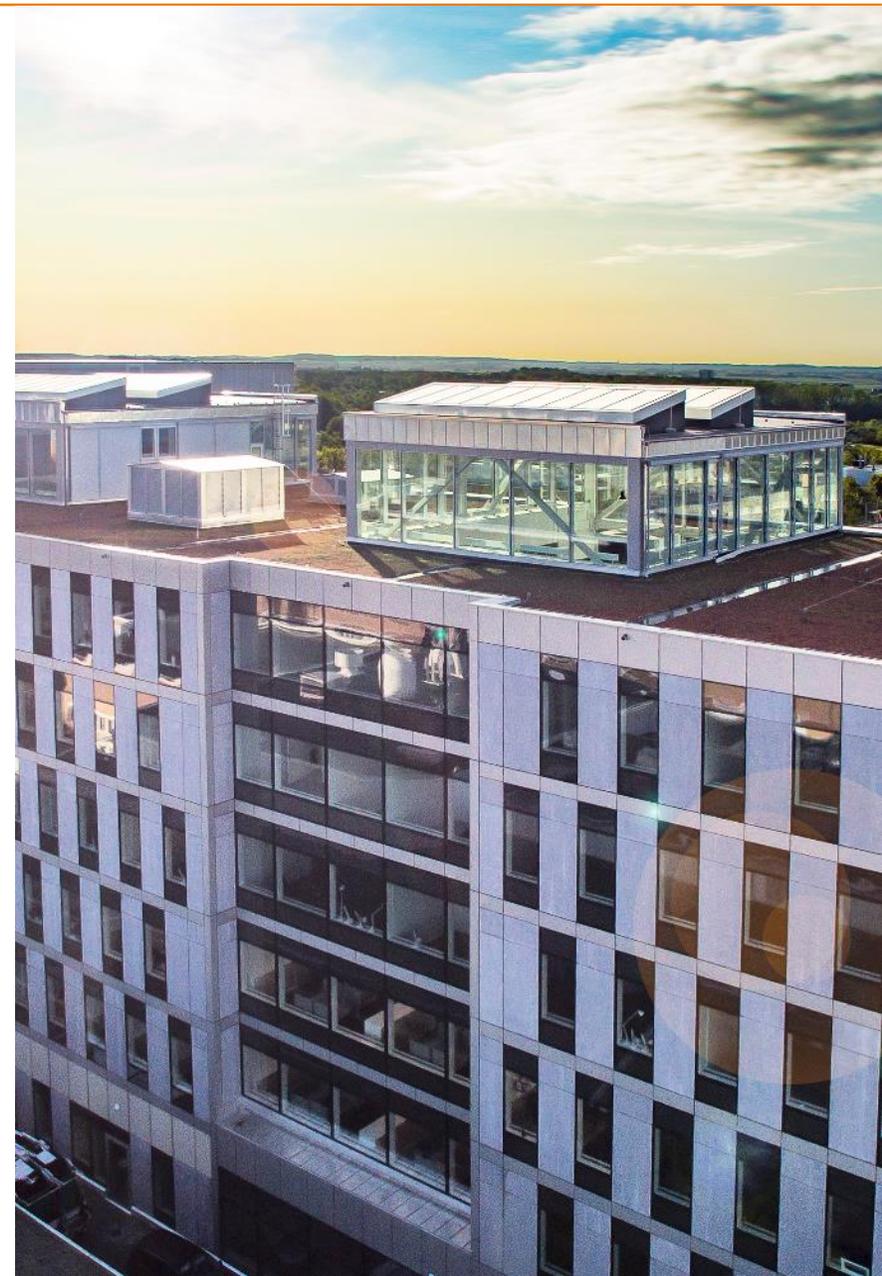
Q3 2020

Cash-flow from operating activities



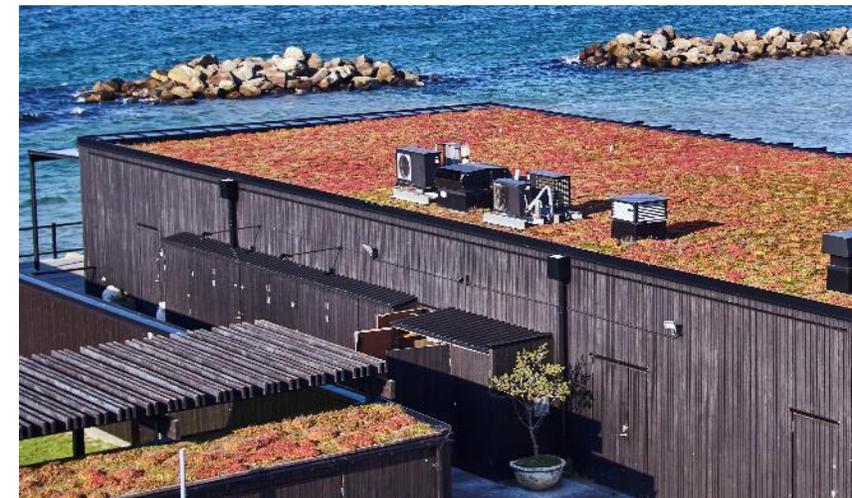
Financial targets and performance

- >SALES GROWTH
 - exceed the average growth in the group's current markets through organic growth
- >13% PROFITABILITY
 - Generate a return on capital employed (ROCE) exceeding 13 percent.
- <3X CAPITAL STRUCTURE
 - Net debt/EBITDA multiple, shall not exceed a multiple of 3 (R12M basis)
- >50% IN DIVIDEND



Outlook 2020

Nordic Waterproofing has the construction industry as its primary customer group. Sales are primarily affected by the activity in Northern Europe, with emphasis on the Nordic countries representing 84 percent of the Group's external sales in 2019. The impact from the outbreak of Covid-19 (the Corona virus) during the rest of the year is difficult to estimate, since we do not know how long each country's efforts will last, but it will likely have a dampening effect on sales if the pace of construction is slowing down as a result of the general economic development. As the potential impact of Covid-19, as described above is unknown at this time, it is currently not possible to provide further guidance on operating profit (EBIT).



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Q&A

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