




NET SALES EXCEEDS 1 BSEK FOR THE FIRST TIME

1 January – 30 June 2021

 Date 2020.07.20

Earnings conference call

Martin Ellis (CEO) & Per-Olof 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

Record Net Sales and improved margins in the second quarter

- Net sales of SEK 1,067 m (949), increase of 13%
 - 8% organic growth in local currency
 - 7% from acquisitions
 - -3% from currency effects
- EBITDA increased to SEK 192 m (166), up 16%
- Operating profit (EBIT) increased to SEK 160 m (137), up 17%
- Cash flow from operating activities was SEK 114 m (114)
- Earnings per share SEK 4.80 (4.51)
- The Covid-19 pandemic has had a limited impact on our operations and business



Highlights and comments 1 (2)

- **Demand** remains strong
 - Good growth from the **roofing business** on all markets
 - **Installation Services** decreased due to slightly weaker demand in **Finland**, outlook remains stable
- **SealEco** had a strong development with double-digit growth
- **Prefabricated elements** had a strong increase in sales and a good turn-around impact in EBIT due to the profit improvement program
- Our **Green infrastructure** had reduced sales (organic) and experienced some competitive margin compression
- **EBIT** in the quarter was well above last year at SEK 160 m (137), EBIT margin 15.0% (14.4%). Improved EBIT is mainly driven by volume growth, good cost management and the profit improvement in prefabricated elements



Highlights and comments 2 (2)

- Input cost inflation continues, has led us to announce and implement corresponding sales price increases. Should input cost inflation accelerate we cannot rule out margin compression in the second half of 2021.
- Risk for delays in job site execution due to shortage of some materials.
- A CSO-role (Chief Sustainability Officer) was established. Susanne Højholt, Group R&D Manager, has taken the position with immediate effect and in combination with her current responsibilities.
- Continued active acquisition drive (YTD six acquisitions completed):
 - Prefabricated wooden elements: **Seikat Oy (Finland)**
 - Liquid floor coating: **E. Voutilainen Oy (Finland)**
 - Metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection: **Rakennusliike Ripatti Oy (Finland)**



Market demand stable at a high level

- Flat roofing market in the Nordics remains strong with demand overall at healthy levels. Somewhat more cautious market expectations in Finland.
- Continued strong growth in prefabricated façade and roof elements in Denmark, Norway and Finland.
- Market for green infrastructure remains strong, but with some price pressure.



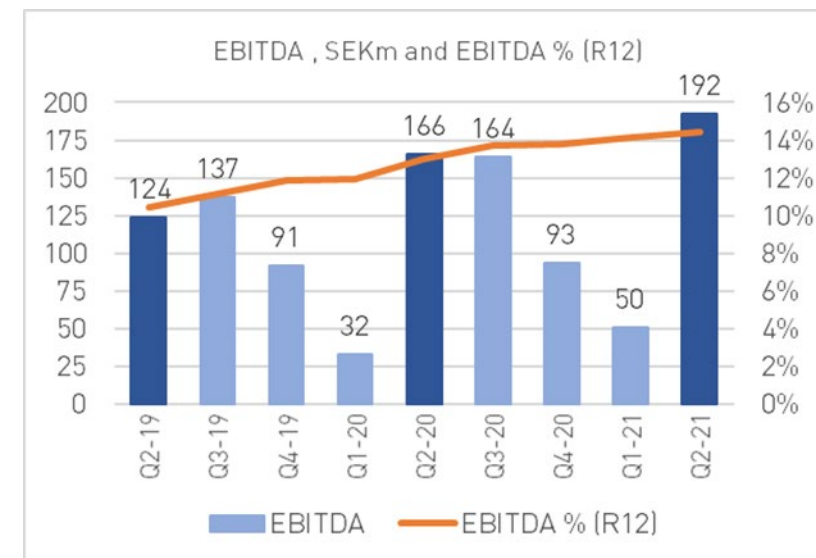
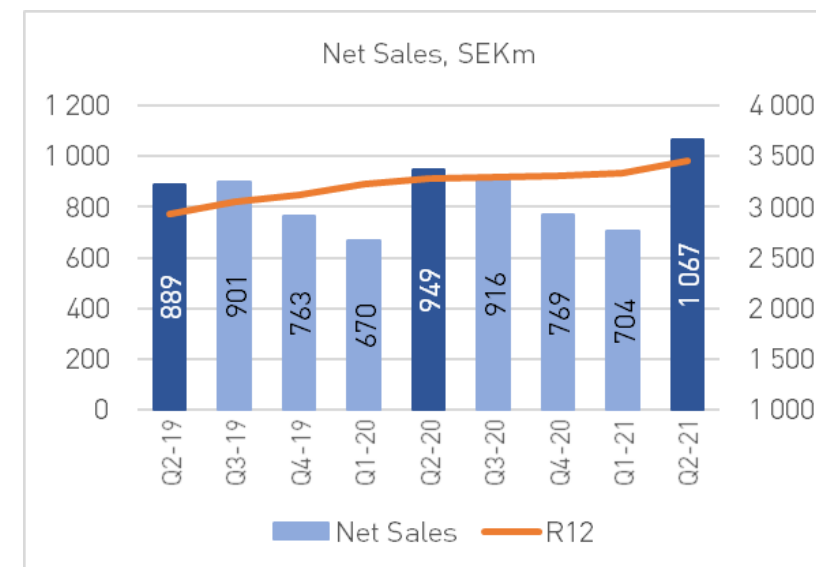
Second quarter report

Net sales of SEK 1,067 m (949) up 13%

- Best quarterly sales ever
- Organic growth of 8% driven by high activity in roofing in general, the SealEco business and pre-fabricated wooden elements
- Structural effects contributed with 7% and currency had a negative impact of -3%

EBITDA increased to SEK 192 m (166) while Operating profit (EBIT) increased to SEK 160 m (137)

- EBITDA margin increased to 18.0 percent (17.4) in the second quarter. On a R12-basis the margin is 14.4%.
- Increase in EBITDA mainly explained by growth, cost management and profit improvement in prefabricated elements
- No material impact from the Covid-19 pandemic



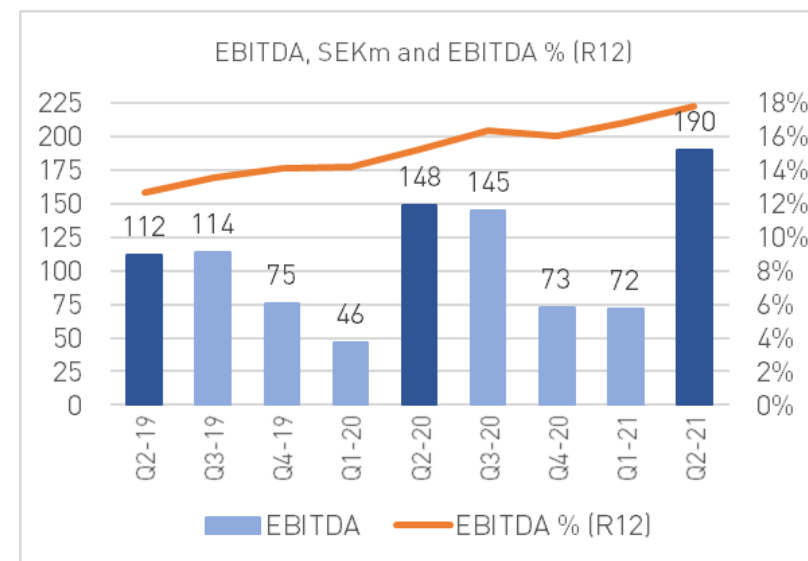
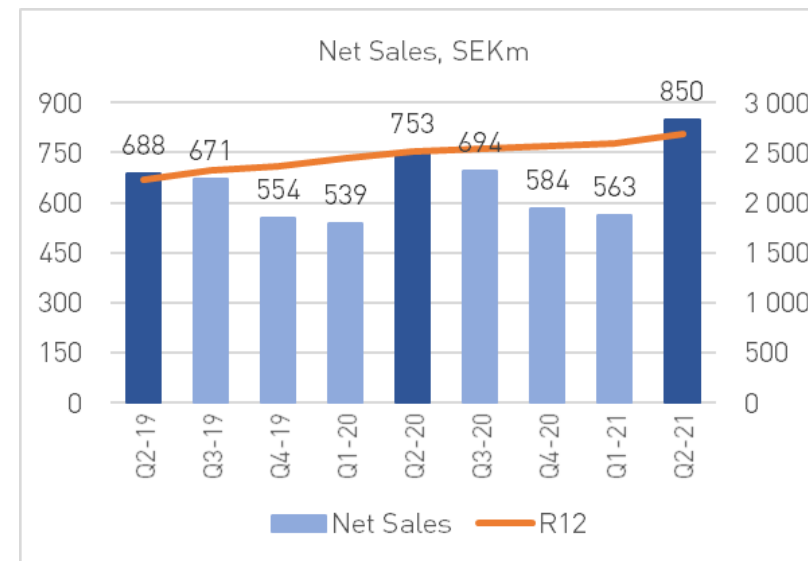
Products & Solutions

Net sales of SEK 850 m (753) up 13%

- Organic growth was 12%, acquisitions contributed with 3% and the impact from currency effects was -2% in the quarter
 - Finland: +20%, acquisitions contributed with 16%
 - Denmark +8%: strong in pre-fabricated wooden elements and roofing
 - Sweden +17%, strong development in the market
 - Norway +30%: strong in both pre-fabricated wooden elements and bitumen-based waterproofing
 - Other Europe +10%: Strong SealEco development on all major markets

EBITDA increased to SEK 190 m (148) while Operating profit (EBIT) increased to SEK 164 m (125)

- EBITDA margin increased to 22.3 percent (19.7) in the second quarter. On a R12-basis the margin is 17.8%.
- Increase in EBITDA mainly explained by growth, cost management and profit improvement in prefabricated elements



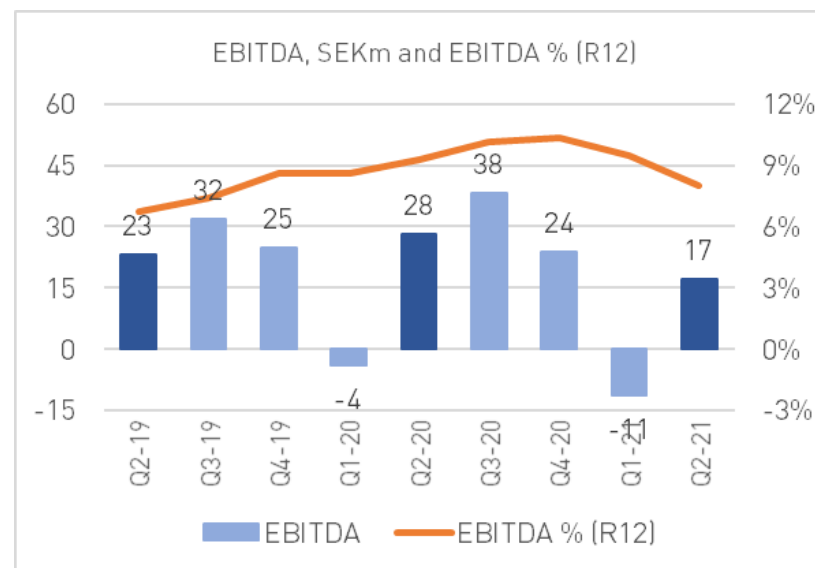
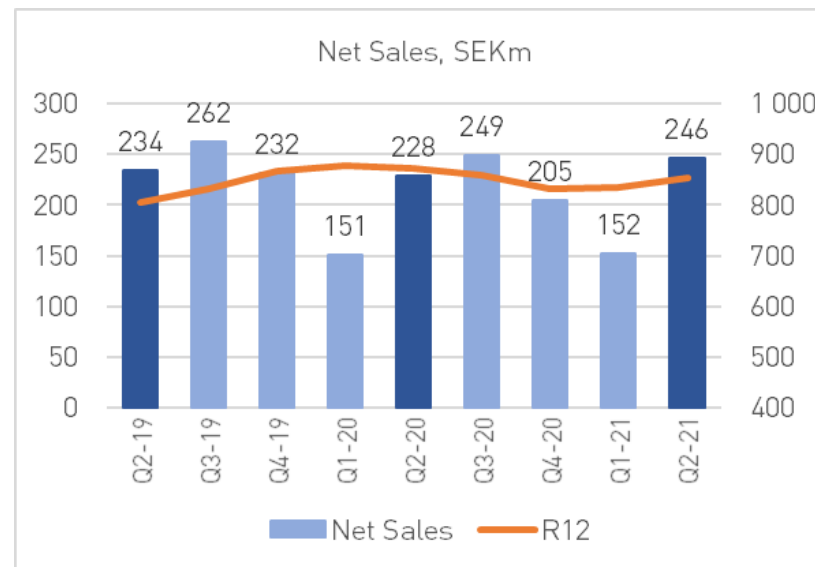
Installation Services

Net sales of SEK 246 m (228) increase with 8%

- Organic development of -6%, mainly caused by lower demand from the market in Finland.
Impact from acquisitions 18% and currency effects were negative with -4%.

EBITDA decreased to SEK 17 m (28) while Operating profit (EBIT) decreased to SEK 12 m (24)

- EBITDA decreased because of the weaker market in Finland, lower profit in the Danish associated companies and low result contribution from recent acquisitions
- EBITDA margin decreased to 7.0 percent (12.4) in the second quarter. On a R12-basis the margin is 8.0%.



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

Income statement

SEKm	Q2-'21	Q2-'20	Change, %	Latest R12 Q2-2020	Full-year 2020
Net sales	1,067	949	+13%	3,455	3,303
Gross profit	327	281	+16%	1,000	929
EBITDA	192	166	+16%	499	455
Operating profit (EBIT)	160	137	+17%	380	337
Net finance items	-9	-2	n/a	-18	-16
Profit/loss before tax	152	135	+13%	362	321
Tax	-36	-27	n/a	-82	-68
Profit/loss for the period	116	109	+6%	280	253

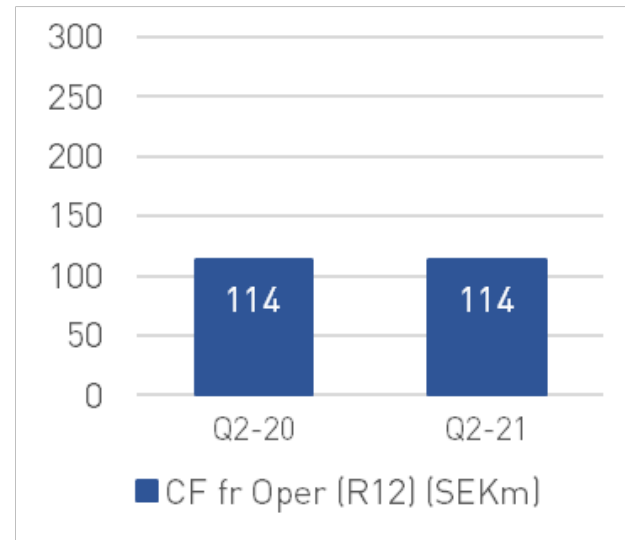
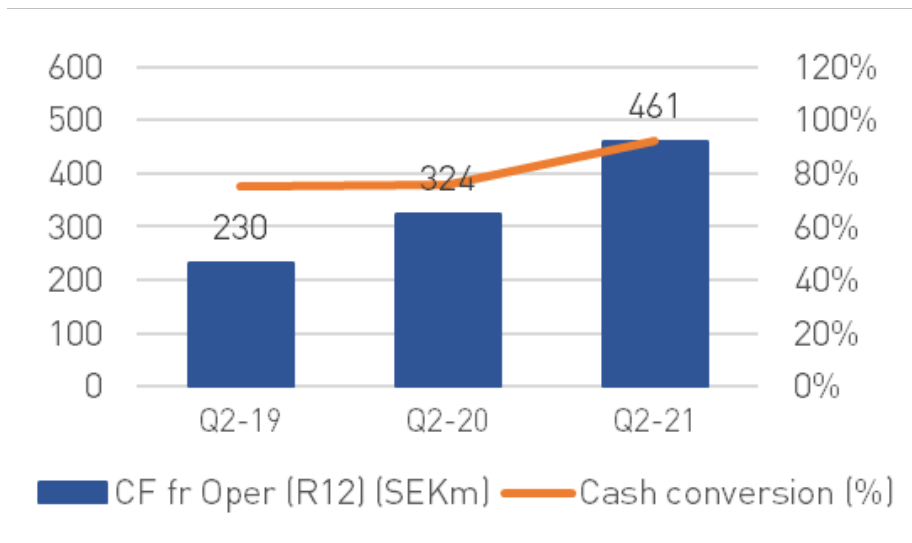
- Gross margin for quarter was 30.6% (29.7%)
- EBITDA margin for quarter was 18.0% (17.4%)
- Acquisition-related amortizations of intangible assets (customer relations) affects EBIT by SEK -9 m (SEK -5 m)

Balance sheet

SEKm	2021-06-30	2020-06-30	2020-12-31
Non-current assets	1,666	1,557	1,539
Current assets	1,389	1,225	1,325
Total assets	3,055	2,782	2,864
Equity	1,333	1,294	1,418
Non-current liabilities	958	878	942
Current liabilities	764	610	504
Total equity and liabilities	3,055	2,782	2,864
Capital employed	2,193	2,092	2,261
ROCE (R12)	16.8%	15.1%	15.6%
Interest-bearing net debt	662	619	238
Equity/assets ratio	44%	47%	50%
Net debt/equity ratio	0.5x	0.5x	0.2x
Net debt/EBITDA	1.4x	1.6x	0.6x

- ROCE is above the long term threshold level of 13% due to the strong operating profit latest twelve months
- Net debt/EBITDA-ratio decreased yoy to 1.4x in spite of acquisitions made and dividend distributed.
- Interest-bearing net debt at SEK 662 m, continued good cash position and a strong balance sheet.

Cash-flow from operating activities



- Operating cash conversion (R12) after Q2 2021 was strong at 92%, compared with 76% a year ago and 75% two years ago
- Cash-flow from operating activities in Q2-21 of SEK 114 m (114), on same level as previous year

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

Interim report, January-September 2021: 2 November 2021

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APPENDIX

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Shareholders as per 30 June 2021

Owner	Number of shares	Capital, %	Votes, %
Svolder	3,542,952	14.7%	14.8%
Swedbank Robur Funds	2,105,641	8.7%	8.8%
Mawer Investment Management	1,591,560	6.6%	6.6%
Handelsbanken Funds	1,530,199	6.4%	6.4%
Länsförsäkringar Funds	1,346,343	5.6%	5.6%
Carnegie Funds	1,135,625	4.7%	4.7%
Alcur Funds	1,002,259	4.2%	4.2%
Third AP-fund	1,000,000	4.2%	4.2%
Canaccord Genuity Wealth Management	481,643	2.0%	2.0%
Avanza Pension	475,420	2.0%	2.0%
Total 10 largest shareholders	14,211,642	59.0%	59.3%
Other shareholders	9,742,347	40.5%	40.7%
Total number of votes	23,953,989	99.5%	100.0%
Treasury shares	129,946	0.5%	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 DK0060738409
- Sector Construction & Materials
- Number of shares of SEK 1.00 24,083,935
- Treasury shares 129,946
- Voting & ownership restrictions None
- Current market cap SEK 4,900 million (15 July 2021)
- 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)



Kristina Willgård
Board member

Relevant experience:
CEO of AddLife, Chairman of the board of AddLife Development, board member of Mediplast, Biolín Scientific, and Biomedica Medizinprodukte. Previously board member of Serneke Group and assignments as board member and partner in Willgård AB. (0 shares)

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 (17,877 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. (17,884 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 (0 shares)



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