

Net Sales in quarter exceed 1 BSEK for first time

Second quarter of 2021

- Consolidated net sales increased by 13 percent to SEK 1,067 m (949), of which organic growth amounted to 8 percent, acquisitions with 7 percent and currency had a negative impact of -3 percent
- Net sales in Product & Solutions amounted to SEK 850 m (753) and in Installation Services to SEK 246 m (228)
- Gross profit increased to SEK 327 m (281), Gross margin increased to 30.6% (29.7%)
- EBITDA increased to SEK 192 m (166), EBITDA margin increased to 18.0% (17.4%)
- Operating profit (EBIT) increased to SEK 160 m (137), EBIT margin increased to 15.0% (14.4%)
- ROCE increased to 16.8 percent (15.6)
- Cash flow from operating activities amounted to SEK 114 m (114)
- Earnings per share before and after dilution were SEK 4.84 (4.55) and SEK 4.80 (4.51), respectively

January-June 2021

- Consolidated net sales increased by 9 percent to SEK 1,771 m (1,618), of which organic growth amounted to 6 percent, acquisitions with 7 percent and currency had a negative impact of -3 percent
- Net sales in Product & Solutions amounted to SEK 1,413 m (1,291) and in Installation Services to SEK 399 m (379)
- Gross profit increased to SEK 510 m (441), Gross margin increased to 28.8% (27.2%)
- EBITDA increased to SEK 242 m (198), EBITDA margin increased to 13.7% (12.2%)
- Operating profit (EBIT) increased to SEK 182 m (139), EBIT margin increased to 10.3% (8.6%)
- Cash flow from operating activities amounted to SEK 27 m (28)
- Earnings per share before and after dilution were SEK 5.31 (4.18) and SEK 5.27 (4.14), respectively

Financial key ratios

Amounts in SEKm unless otherwise stated	Q2 2021	Q2 2020	Change	6M 2021	6M 2020	Change	R12 2021	12M 2020
Net sales	1,067	949	13%	1,771	1,618	9%	3,455	3,303
Gross profit	327	281	16%	510	440	16%	1,000	929
Gross margin %	30.6%	29.7%	1.0pp	28.8%	27.2%	1.7pp	28.9%	28.1%
EBITDA	192	166	16%	242	198	22%	499	455
EBITDA margin, %	18.0%	17.4%	0.5pp	13.7%	12.2%	1.5pp	14.4%	13.8%
EBIT	160	137	17%	182	139	31%	380	337
EBIT margin, %	15.0%	14.4%	0.6pp	10.3%	8.6%	1.7pp	11.0%	10.2%
Return on capital employed, %	n/a	n/a	n/a	n/a	n/a	n/a	16.8%	15.6%
Net profit	116	109	6%	127	100	27%	280	253
Cash flow from operating activities	114	114	0%	27	28	-6%	461	462
Net debt	720	665	8%	720	665	8%	720	274
Earnings per share before dilution, SEK	4.84	4.55	6%	5.31	4.18	27%	11.73	10.60
Earnings per share after dilution, SEK	4.80	4.51	6%	5.27	4.14	27%	11.64	10.52

Conference call

A conference call for investors, analysts and media will be held today, 20 July 2021, at 10:00 a.m. CEST and can be joined online at www.nordicwaterproofing.com. Presentation materials for the call will be available on the website one hour before the call.

To participate, please dial:

From the United Kingdom: +44 33 33 00 90 35

From Denmark: +45 78 15 01 08

From Sweden: +46 8 566 427 07

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 in respect of balance sheet items. For definitions and reconciliations of financial and alternative key performance indicators, please see page 25 - 26

Message from the CEO

Net Sales in quarter exceed 1 BSEK for first time

Consolidated net sales in the second quarter increased by 13 percent compared to the previous year, from SEK 949 million to SEK 1,067 million, first time ever exceeding 1 BSEK in a single quarter. Organic growth was 8 percent, the impact from acquisitions was 7 percent and currency translation effects were -3 percent.

EBIT for the second quarter amounted to SEK 160 million, compared to SEK 137 million for the corresponding period last year. The positive development of the operating result is mainly explained by good sales growth, operational efficiency and good cost control. Our Return on Capital Employed at 16.8 percent (15.6) remains above target. Our cash flow from operating activities was in line with the previous year of SEK 114 million (114).

During the second quarter several of our suppliers implemented significant price increases for most of our business units. This has in turn led us to implement sales price increases in most of our businesses. We can not rule out some degree of margin compression in the second half, should input cost inflation accelerate.

During the quarter the group established the CSO-position (Chief Sustainability Officer). Susanne Højholt, Group R&D Manager, has taken the role with immediate effect in combination with her current responsibilities.

We have made another acquisition during the quarter and one early in the third quarter, bringing the total in 2021 to six, while retaining a solid balance sheet.

The net sales organic growth of 8 percent (17) in the first quarter are explained by good sales in the Products & Solutions operating segment, which organically grew 12 percent (10) while the Installation Services operating segment decreased organically by -6 percent (-3).

In the Products & Solutions operating segment, the Bitumen-based waterproofing business showed double-digit growth in Norway and Finland while growth in Denmark and Sweden were on a lower level.

SealEco, our synthetic rubber proofing business, had another strong quarter, with double-digit growth rates in total and on all major markets.

The Taasinge group, our prefabricated wooden elements business had a strong double-digit growth compared to the previous year. The profit improvement program has resulted in a significant turn-around within the Taasinge Group. In both Denmark and Norway, we have a good level in the order books and are fully booked for 2021.

The sales development for our green urban environments businesses, sold under the brands Veg Tech and Urban Green, were organically slightly negative in the quarter.

In the Installation Services operating segment, where sales are mainly generated in Finland, Net sales decreased organically by -6 percent, mainly because of a weaker market. Both floor coverings and roof maintenance showed good growth.



Martin Ellis,
President and CEO

Jan-Jun 2021

Net sales:
SEK 1,771 m (1,618)

EBITDA:
SEK 242 m (198)
13.7% (12.2%)

EBIT:
SEK 182 m (139)
10.3% (8.6%)

ROCE (R12):
16.8% (15.6%)

Our Danish franchisees continue to experience a stable and strong market and during the second quarter had an EBIT contribution similar to last year and an order book well exceeding the level of last year.

As previously, we have not seen any significant effects from the Covid-19 pandemic. Our focus is on protecting the health of our employees, taking responsibility for our communities, and securing our full supply capability for our customers

During the quarter we have closed the acquisitions of E. Voutilainen Oy, a Finnish company being specialist in liquid floor coating, and Seikat Oy, a Finnish company supplying long-span wooden prefabricated elements. Our active acquisition strategy has led to another transaction when we on the 14 July acquired Rakennusliike Ripatti Oy, a specialist in metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection under the brand RipRap. This resulting in a total of six acquisitions so far during 2021.

We continue to focus on organic growth, profitability, sustainability, and selective acquisitions. Our balance sheet is strong, and we continue to have the capacity to carry out acquisitions. We have a strategic focus to promote sustainable building solutions and enhance our service and product portfolio.

Helsingborg, 20 July 2021



Martin Ellis,
President and CEO

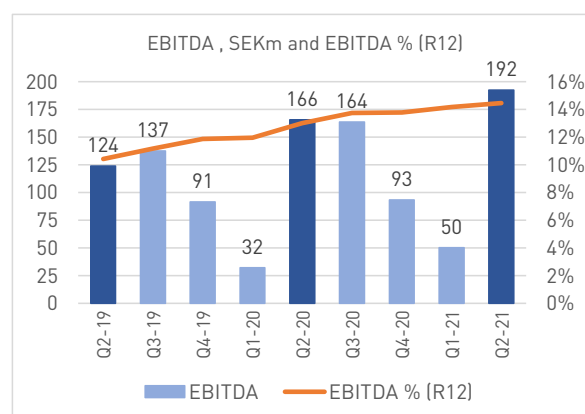
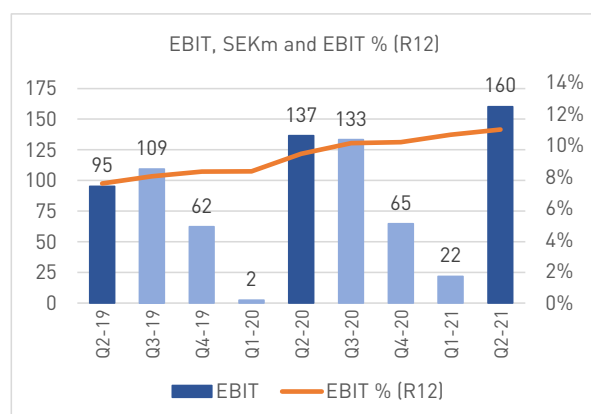
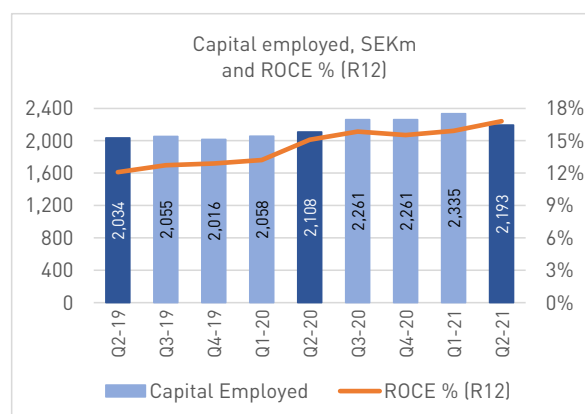
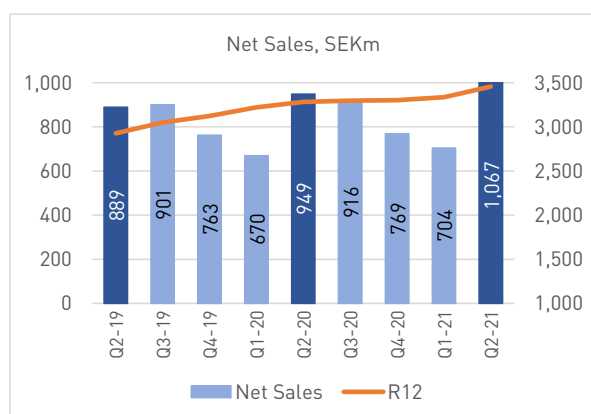
The Group

Net sales

Consolidated net sales for the second quarter increased by 13 percent to SEK 1,067 m (949). Organic growth was 8 percent, impact from acquisitions was 7 percent and currency translation effects were negatively affecting net sales by -3 percent. Net sales for the period January – June increased by 9 percent to SEK 1,771 m (1,618). Organic growth was 6 percent, sales in acquired companies contributed by 7 percent and currency translation effects were negatively affecting net sales by -3 percent.

Analysis of net sales	Q2 2021 (%)	Q2 2021 (SEK m)	6M 2021 (%)	6M 2021 (SEK m)
Previous period		949		1,618
Organic growth	8%	79	6%	93
Structural effects	7%	66	7%	111
Currency effects	-3%	-26	-3%	-52
Current period	13%	1,067	9%	1,771

Sales in Denmark increased by 8 percent in the second quarter compared with the corresponding period in the preceding year. In Finland sales decreased by -6 percent in the quarter, whereof impact from acquisitions was 4 percent while sales in Sweden increased by 17 percent. Sales in Norway increased by 68 percent whereof acquisitions contributed with 38 percent, organic growth 26 percent and currency changes had a negative impact with -4 percent. Both the bitumen-based waterproofing business and the prefabricated wooden element business showed a strong growth. Sales to other countries in Europe increased by 10 percent in the quarter.



Operating profit (EBIT), EBITDA and ROCE

Operating profit (EBIT) for the second quarter increased to SEK 160 m (137) and the EBIT margin increased to 15.0 percent (14.4). Earnings were negatively affected by amortizations of customer relations in the acquired companies of SEK -6 m (-5).

Operating profit (EBIT) for the period January - June increased to SEK 182 m (139) and the EBIT margin increased to 10.3 percent (8.6). Earnings were negatively affected by amortizations of customer relations in the acquired companies of SEK -11 m (-10).

EBITDA for the second quarter increased to SEK 192 m (166) and the EBITDA margin increased to 18.0 percent (17.4), mainly driven by improved margins.

EBITDA for the period January - June increased to SEK 242 m (198) and the EBITDA margin increased to 13.7 percent (12.2).

Return on capital employed (ROCE) on a rolling 12 months basis was 16.8 percent (15.6) after the second quarter, exceeding our long-term financial target of 13.0 percent. The increase is mainly explained by the improved profitability.

Net financial items

Net financial items for the second quarter of 2021 amounted to SEK -9 m (-1). The difference is mainly explained by updates on earn-outs and valuations for the options to buy outstanding shares in not wholly owned subsidiaries. Net financial items for the period January - June amounted to SEK -16 m (-14). The difference is mainly explained by updates on earn-outs and valuations for the options to buy outstanding shares in not wholly owned subsidiaries.

Profit or loss before and after tax

The profit before tax for the second quarter amounted to SEK 152 m (135) and profit after tax amounted to SEK 116 m (109). The effective tax rate was 23.8 percent in the quarter.

The profit before tax for the period January - June amounted to SEK 166 m (125) and profit after tax amounted to SEK 127 m (100). The effective tax rate was 23.5 percent in the first six months.

Effects of Brexit, Covid-19 and reporting of government subsidies

The Group has not recorded any major negative impact on our operations from Brexit, neither are any expected.

Nordic Waterproofing's financials have been affected to very low degree by the Covid-19 pandemic.

For other risks, see note 3.

Cash flow

Cash flow from operating activities during the second quarter was SEK 114 m (114). The good operating activities with increase in sales and strong EBIT was somewhat off-set in the cash-flow from the increase in working capital. Higher accounts receivable, from strong sales, and higher inventory due to increasing safety stock to secure our capabilities to deliver increased the working capital.

Cash flow from investing activities during the second quarter was SEK -54 m (-6). The difference between the years is explained by the acquisitions done during the second quarter 2021.

Cash flow from financing activities during the second quarter was SEK -260 m (-15). In May, a cash dividend was paid to the shareholders in the amount of SEK -239 m (0). No dividend was distributed during 2020. During the quarter has the full EUR 75 m term loan facility been utilized.

Investments and depreciations

Gross investments excluding acquisitions during the second quarter of 2021 amounted to SEK 16 m (8), while depreciation amounted to SEK -12 m (-12). Right-of-use depreciations relating to IFRS 16 amounts to SEK -13 m (-12). Amortizations of intangible assets amounted to SEK -9 m (-5), primarily consisting of amortizations of customer relations in the acquired companies.

Financial position and liquidity

Nordic Waterproofing's principal external financing agreement has final maturity date in June 2024. An option to extend the existing agreement with one year was utilised during the second quarter of 2021. The agreement has an option to extend the existing agreement with +1 year. It contains a EUR 75.0 m (75.0) term loan facility and a EUR 40.0 m (40.0) 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. At the end of the second quarter Nordic Waterproofing is compliant with the covenants as per the facility agreement.

The consolidated interest-bearing net debt amounted to SEK 662 m at the end of the period, compared with SEK 238 m at the end of 2020 and SEK 620 m at the end of corresponding period in the preceding year. The increase in net debt of SEK 424 m compared to the end of 2020 is mainly explained by the normal weak cash flow in the first six month, several acquisitions have been performed and a dividend amounting to SEK 239 has been paid in cash to the shareholders.

Consolidated cash and cash equivalents amounted to SEK 198 m (604) at the end of the period. Since no portion, SEK 0 m (0), of the Group's total overdraft facility of SEK 146 m (141) was utilized at the end of the quarter, the total cash and cash equivalents available amounted to SEK 344 m (745) at the end of the quarter.

Indebtedness calculated as net interest-bearing debt/EBITDA during the most recent twelve-month period was 1.3x (0.5x) at the end of the period, and the net debt/equity ratio was 0.5x (0.2x).

Pledged assets and contingent liabilities

There were no significant changes during the period.

Employees

The average number of employees during the second quarter of 2021 (expressed as full-time equivalents) was 1,318 compared with 1,189 during the same period in the preceding year. The increase is driven by performed acquisitions.

The average number of employees in the parent company has been 1 (0).

Significant events during the period

- On 1 April 2021 it was announced Nordic Waterproofing had acquired 84 percent of the Finnish company Seikat Oy. The company designs, manufactures, markets and installs long-span (15 – 24 meters) wooden prefabricated roof panels to industrial buildings, warehouses, public and commercial buildings. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.

- On April 29 2021, The Annual General Meeting approved all of the Nomination Committee's and the Board's proposals, including an ordinary dividend of SEK 5.50 per share and an extra dividend of SEK 4.50 per share, corresponding to a total dividend of SEK 10.00 per share.
- On 20 May 2021, it was announced that Nordic Waterproofing had acquired 80 percent of the Finnish company E. Voutilainen Oy. The company performs installation and maintenance of liquid floor coating in mainly Eastern Finland. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.
- On 15 June 2021, it was announced that Nordic Waterproofing appointed Susanne Højholt, Group R&D Manager, as Chief Sustainability Officer.

Significant events after the reporting period

- As communicated on 14 July 2021, Nordic Waterproofing Group had signed an agreement to acquire 75 percent of the Finnish company Rakennusliike Ripatti Oy, a company that specializes in metallic façade construction, metal profiling and machining with operations primarily in southern Finland. The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.

Financial targets

Nordic Waterproofing's target for the return on capital employed (ROCE) is at least 13 percent. The outcome after the second quarter of 2021 on a rolling 12 months basis was 16.8 percent.

The interest-bearing net debt/EBITDA-ratio shall not exceed 3.0 times. The outcome after the second quarter of 2021 (R12) was 1.3 times.

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. It is the opinion of the Group that we have outperformed the market growth on our most relevant markets.

The parent Company

The parent Company, Nordic Waterproofing Holding AB, 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 Company has established three incentive programs ("LTIP 2019", "LTIP 2020" and "LTIP 2021"). The total cost, including social security charges, is estimated to be slightly above SEK 10 m for each program, during the period of the 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 2019, LTIP 2020 and LTIP 2021 are 99,455, 99,780 and 76,888 respectively, considering persons having left the Company.

The LTIP 2018 has ended and distribution of shares to participants in the program began at the end of the quarter. As of 30 June 2021, the Company holds 129,946 (175,737) treasury shares.

Shares and share capital

As per 30 June 2021, the share capital amounted to SEK 24,084 thousand and the total number of issued shares were 24,083,935. The Company has one (1) class of shares. Each share entitles the holder to one vote at general meetings.

As per 30 June 2021, Nordic Waterproofing Holding AB had more than 6,100 shareholders and owns itself 129,946 treasury shares (0.5 percent 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 number of issued shares and share capital during the second quarter of 2021. As the LTIP 2018 is being finalized shares are distributed to the participants and as a consequence the number of treasury shares held has reduced from 175,737 to 129 946 during the quarter.

Ownership structure

The number of shareholders has during the quarter increased with ca 200, from ca 5.900 to ca 6.100.

The largest shareholders in Nordic Waterproofing Holding AB, as per 30 June 2021, are stated below.

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".

Operating segments

Products & Solutions

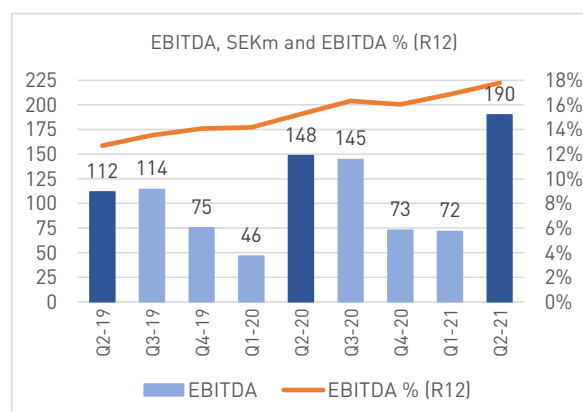
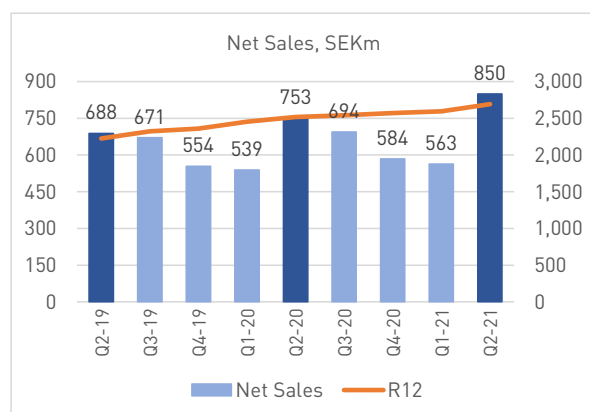
Net sales for the second quarter of 2021 increased by 13 percent compared with the corresponding period in the preceding year, amounting to SEK 850 m (753). Organic growth was 12 percent, while acquisitions contributed with 3 percent and the currency effects were negative with -2 percent.

Sales in Denmark increased by 8 percent in the quarter from the corresponding period in the preceding year, whereof 13 percent organic and a negative currency effect of -5 percent. Sales in Finland increased by 20 percent in the second quarter, whereof organic increase was 10 percent, acquisitions contributed with 16 percent and currency effects were negative with -5 percent. Sales in Sweden increased by 17 percent while sales in Norway increased by 30 percent. The organic sales development in Norway in local currency was 26 percent, the development in Norway is explained by an increase from sales in the Builders Merchant and Flatroofing segments respectively as well as wooden prefabricated elements. Sales in other countries in Europe increased by 10 percent in the quarter.

Analysis of net sales, Product & Solutions	Q2 2021 (%)	Q2 2021 (SEK m)	6M 2021 (%)	6M 2021 (SEK m)
Previous period		753		1,291
Organic growth	12%	89	10%	131
Structural effects	3%	25	2%	27
Currency effects	-2%	-16	-3%	-37
Current period	13%	850	9%	1,413

Operating profit (EBIT) for Products & Solutions for the second quarter 2021 increased and amounted to SEK 164 m (125). The EBIT margin was 19.3 percent (16.6).

EBITDA amounted to SEK 190 m (148) and the EBITDA margin was 22.3 percent (19.7) in the second quarter.



Installation Services

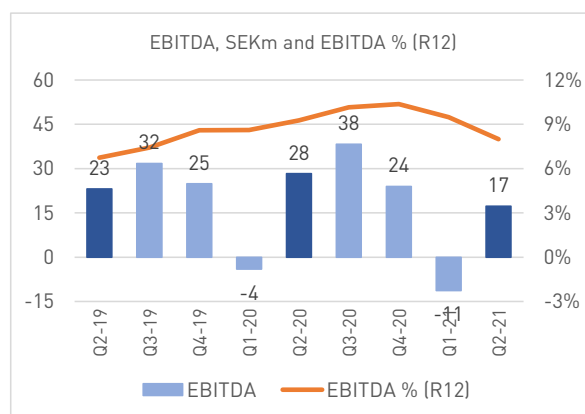
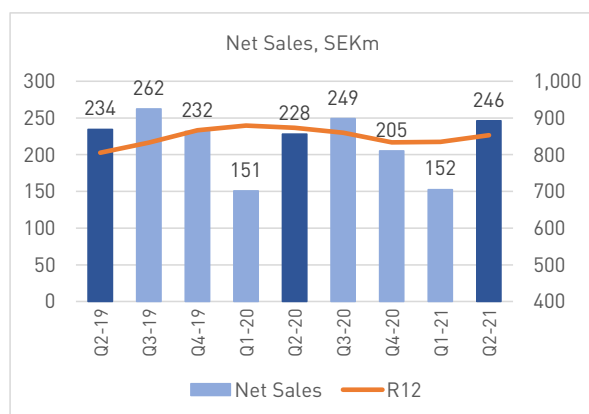
Business in this operating segment is primarily conducted in Finland, through a part-owned company in Norway and through the non-consolidated franchise companies in Denmark. Net sales for the second quarter of 2021 increased by 8 percent compared with the corresponding period in the preceding year, amounting to SEK 246 m (228). Organic development was -6 percent, acquisitions contributed with 18 percent and the currency effects were negative with -4 percent.

Sales in Finland declined with -13 percent consisting of -10 percent organic, 1 percent from acquisitions and negative currency effects with -4 percent.

	Q2 2021 (%)	Q2 2021 (SEK m)	6M 2021 (%)	6M 2021 (SEK m)
Analysis of net sales, Installation Services				
Previous period		228		379
Organic growth	-6%	-14	-13%	-49
Structural effects	18%	41	22%	84
Currency effects	-4%	-9	-4%	-15
Current period	8%	246	5%	399

Operating profit (EBIT) for Installation Services for the second quarter amounted to SEK 12 m (24). The EBIT margin was 4.8 percent (10.6) in the quarter.

EBITDA amounted to SEK 17 m (28) and the EBITDA margin was 7.0 percent (12.4) in the second quarter.



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

Quarterly data, IFRS and alternative measures

Key figures (SEKm)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net sales	1,067	704	769	916	949	670	763	901
EBITDA	192	50	93	164	166	32	91	137
EBITDA margin, %	18.0%	7.1%	12.1%	17.9%	17.4%	4.8%	12.0%	15.3%
Operating profit (EBIT)	161	22	65	133	137	2	62	109
EBIT margin, %	15.0%	3.1%	8.4%	14.6%	14.4%	0.4%	8.2%	12.1%
ROCE (R12), %	16.8%	15.9%	15.6%	15.9%	15.1%	13.2%	12.9%	12.7%
Net profit	116	11	56	98	109	-9	61	78
Cash flow from operating activities	114	-88	183	250	114	-86	154	142
Cashflow from operating activities (R12)	461	460	462	433	324	288	312	248
Operating cash conversion (R12), %	92%	97%	103%	96%	76%	75%	84%	73%
Interest-bearing net debt	662	463	238	383	619	736	610	745
Net debt	720	515	274	431	665	793	665	799
Earnings per share before dilution, SEK	4.84	0.47	2.32	4.10	4.55	-0.37	2.56	3.28
Earnings per share after dilution, SEK	4.80	0.47	2.30	4.07	4.51	-0.37	2.54	3.25
Net sales by segment (SEKm)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Products & Solutions	850	563	584	694	753	539	554	671
Installation Services	246	152	205	249	228	151	232	262
Group Items & Eliminations	-29	-12	-21	-28	-32	-20	-22	-33
Total	1,067	704	769	916	949	670	763	901
Net sales by country (SEKm)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Sweden	221	98	128	169	189	105	124	164
Norway	171	135	101	109	102	85	99	111
Denmark	234	198	206	210	216	179	190	193
Finland	252	131	221	277	268	174	247	302
Europe	188	140	111	148	171	125	101	129
Rest of world	1	2	2	2	2	2	1	2
Total	1,067	704	769	916	949	670	763	901
EBITDA by segment (SEKm)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Products & Solutions	190	72	73	145	148	46	75	114
Installation Services	17	-11	24	38	28	-4	25	32
Group Items & Eliminations	-15	-10	-3	-19	-11	-10	-9	-8
Total	192	50	93	164	166	32	91	137
EBIT by segment (SEKm)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Products & Solutions	164	49	50	119	125	22	51	90
Installation Services	12	-16	19	34	24	-8	21	27
Group Items & Eliminations	-16	-11	-4	-20	-12	-11	-10	-9
Total	161	22	65	133	137	2	62	109

Management's statement

The Board of Directors and the President give their assurance that this interim report provides a true and fair view of the Group's and the Parent Company operations, position and earnings, as well as describing significant risks and uncertainties faced by the Parent Company and the other business units forming the Group.

Helsingborg, 20 July 2021

CEO

Martin Ellis
President & CEO

Board of Directors

Mats O. Paulsson
Chairman

Leena Arimo

Steffen Baungaard

Allan Jørgensen

Riitta Palomäki

Hannu Saastamoinen

This interim report has not been reviewed by the company's auditor.

Condensed consolidated key figures

Amounts in SEKm unless otherwise stated	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
Net sales	1,067	949	1,771	1,618	3,455	3,303
Gross profit	327	281	510	440	1,000	929
EBITDA	192	166	242	198	499	455
Operating profit (EBIT)	160	137	182	139	380	337
Net profit	116	109	127	100	280	253
Gross margin, %	30.6%	29.7%	28.8%	27.2%	28.9%	28.1%
EBITDA margin, %	18.0%	17.4%	13.7%	12.2%	14.4%	13.8%
EBIT margin, %	15.0%	14.4%	10.3%	8.6%	11.0%	10.2%
Cash flow from operating activities	114	114	27	28	461	462
Operating cash conversion, %	n/a	n/a	n/a	n/a	92%	102%
Investments in tangible & intangible assets	-17	-8	-36	-23	-68	-55
Total assets	3,055	2,783	3,055	2,783	3,055	2,864
Capital employed	2,193	2,092	2,193	2,092	2,193	2,261
Equity	1,333	1,294	1,333	1,294	1,333	1,418
Interest-bearing net debt	662	619	662	619	662	238
Interest-bearing net debt/EBITDA, multiple	n/a	n/a	n/a	n/a	1.3x	0.5x
Net debt	720	665	720	665	720	274
Net debt/EBITDA, multiple	n/a	n/a	n/a	n/a	1.4x	0.6x
Interest coverage ratio, multiple	41.1x	19.1x	22.9x	10.4x	21.9x	15.0x
Equity/assets ratio, %	43.6%	46.5%	43.6%	46.5%	43.6%	49.5%
Net debt/equity ratio, multiple	0.5x	0.5x	0.5x	0.5x	0.5x	0.2x
Return on shareholders' equity, %	n/a	n/a	n/a	n/a	21.6%	19.6%
Return on capital employed, %	n/a	n/a	n/a	n/a	16.8%	15.6%
Return on capital employed excluding goodwill, %	n/a	n/a	n/a	n/a	29.5%	27.8%
Average number of shares before dilution	23,915,830	23,883,935	23,912,014	23,883,935	23,908,237	23,894,198
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	4.84	4.55	5.31	4.18	11.73	10.60
Earnings per share after dilution, SEK	4.80	4.51	5.27	4.14	11.64	10.52
Shareholders equity per share before dilution, SEK	55.75	54.19	55.76	54.19	55.77	59.35
Shareholders equity per share after dilution, SEK	55.36	53.74	55.36	53.74	55.36	58.88
Cash flow from operating activities per share before dilution, SEK	4.78	4.77	1.12	1.19	19.23	19.34
Cash flow from operating activities per share after dilution, SEK	4.75	4.73	1.11	1.18	19.13	19.19
Number of shares before dilution	23,953,989	23,883,935	23,953,989	23,883,935	23,953,989	23,908,198
Number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935

Condensed financial statements

Condensed consolidated statement of profit or loss and other comprehensive income

Amounts in SEKm unless otherwise stated	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
Net sales	1,067.4	948.7	1,770.9	1,618.5	3,455.3	3,302.8
Cost of goods sold	-740.3	-667.4	-1,260.4	-1,178.7	-2,455.4	-2,373.6
Gross profit/loss	327.0	281.3	510.5	439.8	999.9	929.2
Selling expenses	-109.2	-99.0	-209.3	-203.4	-409.6	-403.6
Administrative expenses	-63.1	-54.0	-126.3	-106.8	-240.1	-220.6
Research and development expenses	-1.2	-1.2	-2.4	-2.6	-4.2	-4.3
Other operating income	1.9	2.5	5.6	5.3	10.4	10.0
Other operating expenses	-0.2	-0.6	-0.9	-2.5	-3.2	-4.8
Share of profit in associated companies	5.2	7.5	5.2	9.2	27.2	31.2
Operating profit/loss (EBIT)	160.5	136.5	182.4	139.0	380.5	337.1
Net finance items	-8.7	-1.5	-16.2	-14.1	-18.4	-16.3
Profit/loss before tax	151.8	135.1	166.2	124.9	362.1	320.8
Tax	-36.1	-26.5	-39.2	-25.1	-81.6	-67.5
Profit/loss after tax	115.7	108.6	126.9	99.8	280.5	253.3
Other comprehensive income						
Items that are or may be reclassified to profit/loss for the year						
Translation differences for the year in translation of foreign operations	-12.8	-54.4	12.4	-1.8	-33.8	-48.1
Gains/losses on raw material hedging, net	-7.5	6.8	3.8	-21.5	20.3	-5.0
Tax on gains/losses on comprehensive income	1.6	-1.4	-0.8	4.6	-4.3	1.1
Total other comprehensive income after tax	-18.7	-49.1	15.5	-18.7	-17.8	-52.0
Total comprehensive income after tax	97.0	59.5	142.4	81.1	262.6	201.3
Profit/loss for the year, attributable to:						
Owners of the company	114.7	108.8	127.2	102.0	280.8	255.6
Non-controlling interests	0.9	-0.2	-0.3	-2.2	-0.4	-2.3
Total comprehensive income for the year, attributable to:						
Owners of the company	96.4	60.3	142.3	83.6	263.0	204.2
Non-controlling interests	0.6	-0.8	0.1	-2.5	-0.4	-2.9
Average number of shares before dilution	23,915,830	23,883,935	23,912,014	23,883,935	23,908,237	23,894,198
Average number of shares after dilution	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935	24,083,935
Earnings per share before dilution, SEK	4.84	4.55	5.31	4.18	11.73	10.60
Earnings per share after dilution, SEK	4.80	4.51	5.27	4.14	11.64	10.52

Condensed consolidated balance sheet

Amounts in SEKm unless otherwise stated	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Intangible assets	1,119.5	1,074.4	1,027.1
Tangible assets	425.7	376.1	378.9
Financial assets	99.0	91.0	110.4
Deferred tax assets	7.5	0.2	6.5
Other non-current assets	14.0	15.6	15.7
Total non-current assets	1,665.7	1,557.3	1,538.6
Inventories	485.9	446.1	392.4
Trade receivables	591.1	498.9	268.8
Receivables for on-going construction contracts	51.4	38.6	21.4
Tax assets	2.8	13.2	5.4
Other receivables	60.4	50.3	32.7
Cash and cash equivalents	197.7	178.2	604.3
Total current assets	1,389.3	1,225.3	1,325.0
TOTAL ASSETS	3,055.0	2,782.5	2,863.6
EQUITY AND LIABILITIES			
Share capital	24.1	30.0	24.1
Treasury shares	-	-15.6	0.0
Reserves	25.6	43.5	10.5
Retained earnings including profit for the year	1,265.7	1,224.8	1,372.2
Equity attributable to owners of the Company	1,315.4	1,282.6	1,406.8
Non-controlling interests	17.9	11.7	11.2
Total equity	1,333.4	1,294.2	1,418.0
Non-current interest-bearing liabilities	818.3	753.5	801.3
Other non-current liabilities	25.2	42.8	32.9
Provisions	5.9	6.3	5.3
Deferred tax liabilities	108.8	75.5	102.4
Total non-current liabilities	958.2	878.1	941.8
Current interest-bearing liabilities	40.9	44.2	41.3
Trade payable	302.5	217.4	151.9
Payables for on-going construction contracts	18.4	15.5	19.1
Tax liabilities	38.2	24.9	19.9
Other current liabilities	363.5	308.3	271.6
Total current liabilities	763.5	610.2	503.7
TOTAL EQUITY AND LIABILITIES	3,055.0	2,782.5	2,863.6

Condensed consolidated statement of changes in equity

Specifikation till förändring av eget kapital (MSEK)	30 Jun 2021	30 Jun 2020	31 Dec 2020
<i>Hänförligt till moderbolagets aktieägare</i>			
Ingående balans	1,406.8	1,195.5	1,195.5
Periodens resultat	127.2	102.0	255.6
Övrigt totalresultat	15.1	-18.4	-51.4
Transaktioner med innehavare utan bestämmande inflytande	1.0	0.0	0.0
Utdelning	-239.1	0.0	0.0
Avsättning för långsiktiga incitamentsprogram	4.3	3.5	7.5
Organisationsförändringar	0.0	0.0	-0.4
Utgående balans	1,315.4	1,282.6	1,406.8
<i>Innehav utan bestämmande inflytande</i>			
Ingående balans	11.2	14.1	14.1
Periodens resultat	-0.3	-2.2	-2.3
Övrigt totalresultat	0.3	-0.3	-0.6
Förvärv	7.7	0.0	0.0
Transaktioner med moderbolagets aktieägare	-1.0	0.0	0.0
Utgående balans	17.9	11.7	11.2
SUMMA EGET KAPITAL, UTGÅENDE BALANS	1,333.4	1,294.2	1,418.0

Condensed consolidated cash flow statement

Amounts in SEKm unless otherwise stated	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
Operating activities						
Operating profit (EBIT)	160.5	136.5	182.4	139.0	380.5	337.1
Adjustment for non-cash items etc	20.3	24.8	49.3	41.0	96.8	88.5
Interest received	0.2	0.2	0.2	0.2	2.5	2.6
Interest paid	-3.6	-5.1	-6.7	-10.3	-15.5	-19.1
Dividends received	31.3	18.8	31.3	24.2	30.5	23.4
Income tax paid/received	-11.2	-5.3	-21.9	-16.4	-54.3	-48.8
Cash flow from operating activities before changes in working capital	197.4	170.0	234.7	177.8	440.5	383.6
Changes in working capital						
Increase (-)/Decrease (+) in inventories	-32.6	-26.9	-61.1	-66.0	-16.8	-21.7
Increase (-)/Decrease (+) in operating receivables	-139.1	-102.8	-319.2	-240.6	-54.9	23.7
Increase (+)/Decrease (-) in operating liabilities	88.7	73.6	172.5	157.3	91.9	76.7
Cash flow from operating activities	114.4	113.9	26.8	28.4	460.7	462.3
Investing activities						
Acquisition of intangible fixed assets	-0.7	-0.4	-0.9	-3.5	2.6	-0.1
Acquisition of tangible fixed assets	-15.6	-7.5	-34.9	-19.9	-70.0	-55.0
Divestments of tangible fixed assets	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of business, net cash impact	-31.9	0.0	-117.0	0.0	-117.0	0.0
Acquisition of participations in associated companies	-6.7	-4.2	-15.1	-4.2	-15.7	-4.7
Divestments of participations in associated companies	0.0	0.0	0.0	0.0	0.0	0.0
Change in other financial assets	0.6	6.4	3.5	6.5	1.5	4.5
Cash flow from investing activities	-54.4	-5.7	-164.4	-21.2	-198.6	-55.3
Financing activities						
Amortization of loans	-20.0	-12.0	-32.1	-24.5	-74.0	-66.5
Proceeds from loans	7.2	-3.2	7.2	1.7	80.5	75.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Dividend	-239.1	0.0	-239.1	0.0	-239.1	0.0
Acquisition of participations in non-controlling interest	-3.4	0.0	-3.4	0.0	-3.4	0.0
Dividend paid to non-controlling interests	-4.6	0.0	-4.6	0.0	-4.6	0.0
Cash flow from financing activities	-259.9	-15.2	-272.0	-22.8	-240.7	8.5
Cash flow for the period	-199.8	93.0	-409.6	-15.5	21.4	415.4
Cash and cash equivalents at the beginning of the period	399.5	89.9	604.3	196.9	178.2	196.9
Exchange-rate differences in cash and cash equivalents	-2.1	-4.7	3.0	-3.1	-1.9	-8.0
Cash and cash equivalents at the end of the period	197.7	178.2	197.7	178.2	197.7	604.3

The parent company's income statement and other comprehensive income in summary

Amounts in SEKm unless otherwise stated	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
Net sales	2.4	0.0	6.2	0.0	12.8	6.5
Gross profit/loss	2.4	0.0	6.2	0.0	12.8	6.5
Administrative expenses	-4.6	0.0	-9.8	0.0	-41.3	-31.5
Other operating expenses	-0.1	0.0	-0.5	-0.1	-0.5	-0.1
Operating profit/loss (EBIT)	-2.3	0.0	-4.1	-0.2	-29.0	-25.1
Result from financial items						
Result from shares in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other financial items	2.8	10.5	-2.8	-4.7	5.5	3.7
Net finance items	2.8	10.5	-2.8	-4.7	5.5	3.7
Result after financial items	0.5	10.5	-6.9	-4.8	-23.5	-21.4
Appropriations	0.0	0.0	0.0	0.0	20.4	20.4
Profit before tax	0.5	10.5	-6.9	-4.8	-3.1	-1.0
Tax	-0.1	-2.3	1.3	0.9	0.5	0.1
Profit/loss after tax	0.4	8.2	-5.6	-3.9	-2.6	-0.9
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	0.4	8.2	-5.6	-3.9	-2.6	-0.9

The parent company's balance sheet in summary

Amounts in SEKm unless otherwise stated	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Shares in subsidiaries	889.0	889.0	889.0
Deferred tax assets	0.0	0.0	0.0
Total non-current assets	889.0	889.0	889.0
Other current receivables from Group companies	189.1	356.7	148.4
Current tax assets	30.3	8.5	21.6
Other short-term receivables	0.0	2.6	2.1
Cash and cash equivalents	114.0	83.8	530.7
Total current assets	333.4	451.6	703.0
TOTAL ASSETS	1,222.3	1,340.6	1,591.9
EQUITY AND LIABILITIES			
Share capital	24.1	0.1	24.1
Retained earnings including profit for the year	396.6	640.5	641.2
Total equity	420.7	640.6	665.3
Untaxed reserves	91.0	104.8	91.0
Long-term liabilities to credit institue	365.5	300.0	365.7
Total non-current liabilities	365.5	300.0	365.7
Trade payable	0.4	0.0	0.3
Short-term liabilities to Group companies	341.7	293.8	459.9
Tax liabilities	0.0	0.0	1.0
Other current liabilities	3.0	1.4	8.5
Total current liabilities	345.1	295.2	469.9
TOTAL EQUITY AND LIABILITIES	1,222.3	1,340.6	1,591.9

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. Furthermore, The Group applies the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board’s recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups.

The Group applies IFRS (International Financial Reporting Standards), which have been adopted by the EU. In addition to the financial statements and their connected notes, disclosures in accordance with IAS 34.16A are also presented in other parts of the interim report. The Parent Company applies recommendation RFR 2, Accounting for Legal Entities of the Swedish Financial Reporting Board and Chapter 9 of the Swedish Annual Accounts Act, Interim Reports. The accounting policies applied by the Group and the parent company correspond to the accounting policies applied in the preparation of the most recent annual report.

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 – 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 less than 20 per cent 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. Urban Green and Veg Tech is the most weather dependent and also the most seasonal businesses, as deliveries and installation rarely take place during the winter months.

Note 3 – 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. Apart from these risks, the recent development with the Covid-19 pandemic having an impact on the economies in our markets, our customers and the construction business is a risk and an uncertainty for the development of our business.

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 2020 Annual Report.

Other than these risks and uncertainties, no significant additional risks or uncertainties have arisen.

Note 4 – 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	Trade- marks	Customer relations	Other	Total
Opening balance, 1 January 2021	926	0	70	31	1027
Investments	0	0	0	0	0
Acquisitions	69	10	20	0	100
Reclassification	0	0	0	1	1
Amortization	0	0	-11	-5	-16
Exchange-rate differences	7	0	0	0	8
Closing balance, 30 June 2021	1,003	10	79	27	1,120

Note 5 – Financial instruments

Financial instruments measured at fair value in the balance sheet consist of call/put options, contingent considerations from acquisitions and financial derivatives used to hedge the price risk arising from highly probable future purchases of bitumen products. Call/put options and contingent considerations are recognized in the balance sheet items "Other non-current liabilities" and "Other current liabilities". The fair value of the call/put options and contingent considerations is based on probability weighted payments discounted at its present value, see further description in the Group's 2020 Annual Report. The fair value measurements belong to level 3 in the fair value hierarchy in IFRS 13. Financial derivatives 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 of 30 June 2021, no hedges were in place. At the corresponding period the preceding year, the expected purchases of bitumen for delivery during July to June 2021 were hedged by means of derivatives, equivalent to 21,900 tons or approximately 55 percent of the expected annual purchasing volume for 2020 and equivalent to 19,000 tons or approximately 46 percent of the expected annual purchasing volume for 2021. The fair value measurements belong to level 2 in the fair value hierarchy in IFRS 13.

	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Fair value		
						Level 1	Level 2	Level 3
2021-06-30								
<i>Financial assets</i>								
Financial assets	8	-	-	91	99	-	-	-
Other non-current assets	14	-	-	-	14	-	-	-
Trade receivables	591	-	-	-	591	-	-	-
Other receivables ²	-	-	2	58	60	-	2	-
Receivables for on-going construction	51	-	-	-	51	-	-	-
Cash and cash equivalents	198	-	-	-	198	-	-	-
Total	862	-	2	150	1,014	-	2	-
<i>Financial liabilities</i>								
Non-current interest-bearing liabilities	818	-	-	-	818	-	-	-
Other non-current liabilities	2	24	-	-	25	-	-	24
Trade payable	302	-	-	-	302	-	-	-
Current interest-bearing liabilities	41	-	-	-	41	-	-	-
Other current liabilities ²	89	33	-	241	364	-	-	33
Total	1,253	57	-	241	1,550	-	-	57

2020-06-30	At amortized cost	Fair value through profit or loss	Fair Value hedging instruments	Other ¹	Reported value	Fair value		
						Level 1	Level 2	Level 3
Financial assets								
Financial assets	8	-	-	83	91	-	-	-
Other non-current assets	16	-	-	-	16	-	-	-
Trade receivables	499	-	-	-	499	-	-	-
Other receivables ²	-	-	-	50	50	-	-	-
Receivables for on-going construction	39	-	-	-	39	-	-	-
Cash and cash equivalents	178	-	-	-	178	-	-	-
Total	739	-	-	133	872	-	-	-
Financial liabilities								
Non-current interest-bearing liabilities	753	-	-	-	753	-	-	-
Other non-current liabilities	5	38	-	-	43	-	-	38
Trade payable	217	-	-	-	217	-	-	-
Current interest-bearing liabilities	44	-	-	-	44	-	-	-
Other current liabilities ²	100	3	18	187	308	-	18	3
Total	1,120	40	18	187	1,366	-	18	40

¹ To enable reconciliation against items in the balance sheet, items that do not constitute financial instruments that are valued at fair value as well as other assets and liabilities have been included in Other.

² At the time of publication of the report, the information was not fully available to categorize financial instruments correctly.

Note 6 – 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 pages 9 - 10.

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	
	6M 2021	6M 2020	6M 2021	6M 2020	6M 2021	6M 2020	6M 2021	6M 2020
Allocation of revenues external/internal								
Revenues from external customers	1,372	1,239	399	379	0	0	1,771	1,618
Revenues from other segments	41	52	0	0	-41	-52	0	0
Revenues, total	1,413	1,291	399	379	-41	-52	1,771	1,618
Allocation per country								
Denmark	432	395	0	0	0	0	432	395
Sweden	293	278	26	16	0	0	319	294
Norway	225	186	81	1	0	0	306	187
Finland	136	138	288	356	-41	-52	383	442
Europe (excluding Nordic region)	325	291	3	6	0	0	328	297
Other countries	3	4	0	0	0	0	3	4
Total	1,413	1,291	399	379	-41	-52	1,771	1,618
Significant types of income								
Sale of goods	1,160	1,108	0	0	-41	-52	1,119	1,055
Construction contracts	253	184	399	379	0	0	652	563
Total	1,413	1,291	399	379	-41	-52	1,771	1,618
Time of revenue recognition								
At a certain point in time	1,160	1,108	0	0	-41	-52	1,119	1,055
Over time	253	184	399	379	0	0	652	563
Total	1,413	1,291	399	379	-41	-52	1,771	1,618
EBITDA	261	195	6	24	-25	-21	242	198
Depreciation & Amortisation	-48	-49	-10	-8	-2	-2	-60	-59
Operating profit (EBIT)	213	146	-4	16	-27	-24	182	139
Net finance items							-16	-14
Profit/loss after finance items but before tax (EBT)							166	125
Tax							-39	-25
Profit/loss for the year							127	100
<i>Assets</i>								
Intangible assets (goodwill & customer relations)	946	937	169	129	5	8	1,120	1,074
Property, plant and equipment	384	340	39	31	4	5	426	376
Participations in associated companies	0	0	89	81	0	0	89	81
Inventory	472	437	14	9	0	0	486	446
Other assets	638	553	178	131	-99	-81	717	603
Non-allocated assets					218	202	218	202
Total assets	2,439	2,267	489	382	128	134	3,055	2,783
<i>Liabilities and Equity</i>								
Equity					1,333	1,294	1,333	1,294
Other liabilities	645	496	140	103	-95	-60	690	539
Non-allocated liabilities					1,031	949	1,031	949
Total liabilities and equity	645	496	140	103	2,270	2,183	3,055	2,783
Investments in tangible & intangible assets	34	17	2	7	0	0	36	23

Note 7 – Transactions with related parties

The Group has related party relationships with the associated companies as stated in Note 16 of the 2020 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 second quarter of 2021.

As also stated in Note 16 of the 2020 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, and distribution of shares from, the Group's incentive programs. During the second quarter 2021 have shares from the LTIP 2018 been distributed free of charge to key persons in management positions.

Note 8 – Acquisitions of businesses

Acquisitions during 6M 2021

During the first 6 months has five acquisitions been closed. The summarized purchase prices amounted to SEK 131,6 million and was financed through Nordic Waterproofing's existing credit facilities. Acquisition-related costs amounted to a total of SEK 4.4 m in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as administrative expenses in the consolidated statement of profit or loss.

Byggpartner AS

On 28 January 2021 the Group through Nordic Waterproofing AS acquired 70 per cent of the shares in the Norwegian company Byggpartner AS. Non-controlling interests have been valued at the holding's proportionate share of the fair value of identifiable net assets. Byggpartner AS headquartered in Sandefjord and performs installation and maintenance of waterproofing products in the area around Oslo. Byggpartner has 56 employees and an annual turnover of ca NOK 180 m. The acquisition will strengthen Nordic Waterproofing Holding's position and improve the service offering on the Norwegian market. Byggpartner is reported in the segment Installation Services. During the second quarter, an additional 15 percent of the shares in Byggpartner AS were acquired. The acquisition has been reported as a transaction between owners.

Gauris B.V.

On 4 February 2021 the Group through SealEco AB acquired 51 per cent of the shares in the Dutch company Gauris B.V. Nordic Waterproofing has a call option and the minority shareholder has a put option for the remaining 49 percent of the shares. The option gives SealEco AB the right to buy, and the minority shareholder the right to sell, the shares after 1 February 2031. For accounting purposes, the combined call and put option has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the call/put option is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement.

Gauris is a trading and prefabricating company for lining, supplying the segments ponds, pools, roofing, water storage, environmental solutions and civil projects. They offer almost all kind of lining products like EPDM, FPP, LDPE, HDPE, FPO/TPO, geotextiles and PVC with the Netherlands as their main market. Gauris has 7 employees and an annual turnover of ca EUR 1 m. The acquisition of Gauris is an opportunity for continued growth in existing operations and at the same time expand operations within Distri Pond, which was acquired in 2019, to more markets than Belgium. Gauris is reported in the segment Products & Solutions.

Urban Green AB

On 18 March 2021 the Group through Nordic Waterproofing Group AB signed an agreement to acquire 100 per cent of the Swedish company Urban Green AB. The company is headquartered in Stockholm and has production in Vislanda, Småland and provides roofing contracts for green urban environments. Urban Green has 27 employees and an annual turnover of approximately SEK 50 m. The acquisition is part of Nordic Waterproofing's strategy to promote sustainable solutions by creating green environments and roof landscapes. Urban Green is reported in the segment Products and Solutions.

Seikat Oy

On 10 March 2021 the Group through Nordic Waterproofing Oy signed an agreement to acquire 84 per cent of the Finnish company Seikat Oy on April 1 2021. The purchase was financed within Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a binding agreement to purchase the remaining 16 percent in 2023. For accounting purposes, the forward-purchase debt has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the forward-purchase debt is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Ylistaro and designs, manufactures, markets and installs long-span

(15 – 24 meters) wooden prefabricated roof panels to industrial buildings, warehouses, public and commercial buildings. Seikat has 21 employees and an annual turnover of ca EUR 4 m. The acquisition is part of NW's strategy of promoting sustainable, wood-based building solutions. Seikat is reported in the segment Products & Solutions.

E. Voutilainen Oy

On 20 May 2021 the Group through Nordic Waterproofing Oy acquired 80 per cent of the Finnish company E. Voutilainen Oy. The purchase was financed within Nordic Waterproofing's existing credit facilities. Nordic Waterproofing has a binding agreement to purchase the remaining 20 percent in 2023. For accounting purposes, the forward-purchase debt has been classified as a financial liability, and consequently, no non-controlling interest has been recognized. The liability regarding the forward-purchase debt is recognized at fair value as long-term liability level 3 and changes in fair value are reported among financial items in the income statement. The company is headquartered in Imatra and performs installation and maintenance of liquid floor coating in mainly Eastern Finland. E. Voutilainen has ca 15 employees and an annual turnover of ca EUR 1.9 m. The acquisition will, together with our SPT Painting Oy, strengthen our position in the Finnish market. E. Voutilainen is reported in the segment Installation Services.

Acquisitions after the reporting period

Rakennusliike Ripatti Oy

On 14 July 2021 the Group through Nordic Waterproofing Oy acquired 75 percent of the Finnish company Rakennusliike Ripatti Oy ("Ripatti"). The acquisition is financed through Nordic Waterproofing's existing credit facilities. The company is headquartered in Nurmijärvi north of Helsinki and is a specialist in metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection under the brand RipRap. Ripatti has 30 employees and an annual turnover of EUR 7 m. The acquisition will, together with our Installation Services businesses, broaden our offering of roofing services in the Finnish market. At the time of the publication of the report, the presentation of the acquisition was incomplete.

The acquired companies' net assets in total on the respective acquisition dates:

Purchase consideration	6M
SEK m	2021
Cash paid	129.3
Call/put option	19.0
Vendor note and earn-out	2.3
Total purchase consideration	150.7

Acquisition analysis	6M
SEK m, unless otherwise stated	2021
Intangible assets	29.7
Tangible assets	23.1
Financial assets	0.1
Inventories	28.0
Trade and other receivables	48.5
Deferred tax asset	2.1
Cash and equivalents	17.1
Provisions	-0.2
Other non-interest bearing liabilities	-38.9
Interest bearing liabilities	-8.8
Deferred tax liabilities	-8.9
Net assets and liabilities	91.9
Non-controlling interests	-10.8
Goodwill	69.6
Consideration	150.7

Acquisition of business - net cash impact,	6M
Cash consideration	129.3
Less cash balances acquired	-17.1
Less redemption of loans	4.8
Net cash impact - investing activities	117.0

The acquisition analysis is preliminary, meaning that the fair value and the final purchase price allocation analysis has not been conclusively determined for all items. Compared with the previously preliminary acquisition analysis, the goodwill decreased by while intangible assets, inventory and deferred tax liabilities increased due to the recognition of customer relations, trademark and inventory. The final analysis is expected to decrease goodwill and increase intangible assets with customer relations.

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

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.

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
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents
Interest-bearing net debt/EBITDA	Net interest-bearing debt in relation to EBITDA
Net debt	Interest-bearing and non-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	Cash flow from operating activities as a percentage of EBITDA
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
R4Q/4	Average value of the latest four quarter's closing balance
Return on capital employed	EBIT as a percentage of average capital employed, calculated as the average of the last four quarter's 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 latest four quarter's 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
Structural effects	Net sales growth for enterprises acquired and sold off.

Reconciliations

Key performance indicators not defined according to IFRS

	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
Capital employed						
Total assets	3,055	2,783	3,055	2,783	3,055	2,864
Other non-current liabilities	-25	-43	-25	-43	-25	-33
Provisions	-6	-6	-6	-6	-6	-5
Deferred tax liabilities	-109	-76	-109	-84	-109	-102
Trade payable	-302	-217	-302	-217	-302	-152
Payables for on-going construction contracts	-18	-15	-18	-15	-18	-19
Tax liabilities	-38	-25	-38	-25	-38	-20
Other current liabilities	-364	-308	-364	-300	-364	-272
Capital employed	2,193	2,092	2,193	2,092	2,193	2,261
EBITDA						
EBIT	160	137	182	139	380	337
Depreciation	26	24	49	48	97	97
Amortization	6	5	11	10	21	21
Impairment	-	-	-	-	-	-
EBITDA	192	166	242	198	499	455
Interest cover ratio						
Profit/loss before tax	152	135	166	125	362	321
Interest expenses	4	7	8	13	17	23
Total	156	143	174	138	379	344
Interest expenses	4	7	8	13	17	23
Interest cover ratio, multiple	41.1x	19.1x	22.9x	10.4x	21.9x	15.0x
Interest-bearing net debt						
Non-current interest-bearing liabilities	818	753	818	753	818	803
Current interest-bearing liabilities	41	44	41	44	41	39
Minus: Cash and cash equivalents	-198	-178	-198	-178	-198	-604
Interest-bearing net debt	662	619	662	619	662	238
Net debt						
Non-current interest-bearing liabilities	818	753	818	753	818	803
Non-current non-interest-bearing liabilities	25	43	25	43	25	33
Current interest-bearing liabilities	41	44	41	44	41	39
Current non-interest-bearing liabilities	33	3	33	3	33	3
Minus: Cash and cash equivalents	-198	-178	-198	-178	-198	-604
Net debt	720	665	720	665	720	274
Return on capital employed (ROCE)						
EBIT (R12)					380	337
Average capital employed (R4Q/4)					2,262	2,168
Return on capital employed (ROCE), %	n/a	n/a	n/a	n/a	16.8%	15.6%
Return on capital employed (ROCE) excl goodwill						
EBIT (R12)					380	337
Average capital employed (R4Q/4)					2,262	2,168
Goodwill (R4Q/4)					972	954
Return on capital employed (ROCE) excl goodwill, %	n/a	n/a	n/a	n/a	29.5%	27.8%
Return on shareholders' equity						
Profit after tax attributable to parent company shareholders (R12)					281	256
Average shareholders' equity ((OB+CB)/2)					1,299	1,301
Return on shareholders' equity, %	n/a	n/a	n/a	n/a	21.6%	19.6%



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, through a part-owned company in Norway 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 Matakí, Trebolit, Phønix Tag Materialer, Kerabit, Byggpartner, Nortett, SealEco, Distri Pond, SPT-Painting, Taasinge Elementer, RVT, Urban Green and Veg Tech. Nordic Waterproofing Holding AB 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

Interim report, January-September 2021

2 November 2021

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This information is information that Nordic Waterproofing Holding AB 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 20 July 2021, 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.

The English version is a translation of the Swedish original. In the event of any differences, the Swedish version applies.

