



Continued improved earnings

1 JANUARY – 30 SEPTEMBER 2016

15 November 2016

Earnings conference call

Presenters: Martin Ellis (CEO) and Jonas Olin (CFO)

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.

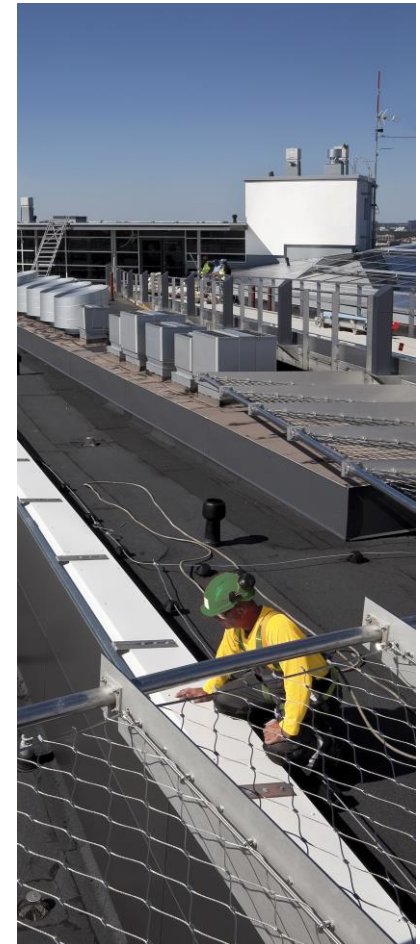
NORDIC 
WATERPROOFING

We make waterproofing easy

Continued improved earnings

Third quarter 2016 – continued organic sales growth

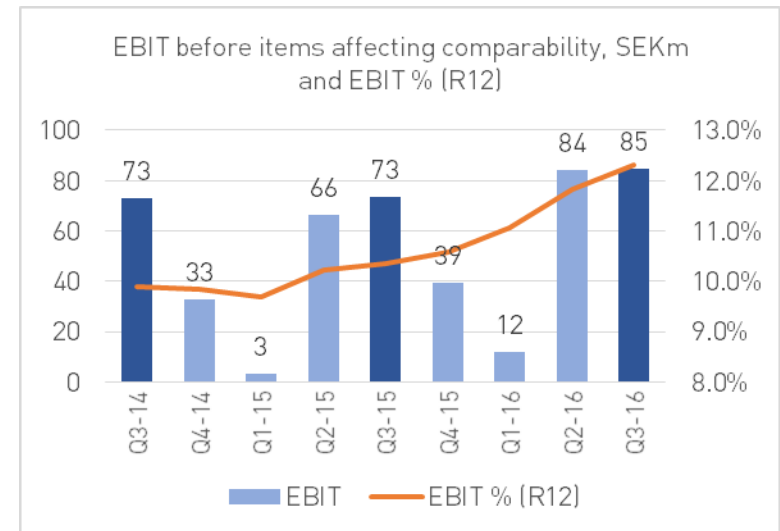
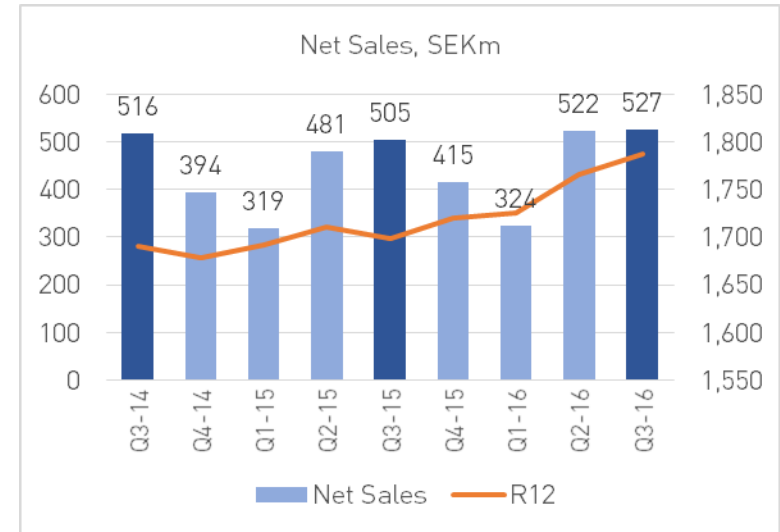
- Nordic Waterproofing Group is a Northern European market leader within the waterproofing market
- Strong brand portfolio consisting of 9 brands with leading market positions
- 4% organic growth. Net sales in Q3-16 amounted to SEK 527 m (Q3-15: 505). 9M-16: SEK 1,373 m (9M-15: 1,305)
- Adjusted EBIT* in Q3-16 amounted to SEK 85 m (Q3-15: 73). 9M-16: SEK 181 m (9M-15: 143)
* EBIT before items affecting comparability
- Operating cash flow decreased to SEK 80 m (Q3-15: 109)
- EPS: SEK 3.04 (1.07). 9M-16: SEK 5.36 (9M-15: 3.09)



Strongest third quarter ever

All-time high

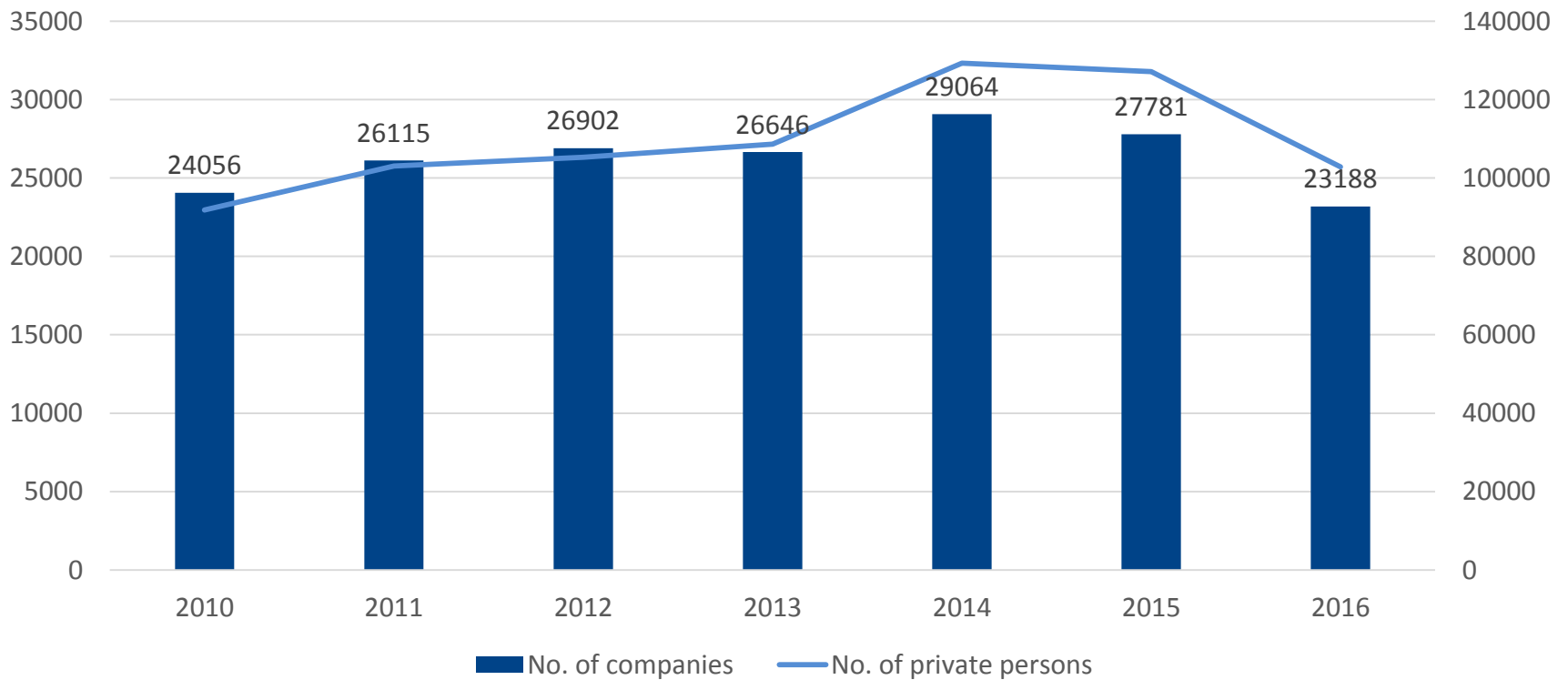
- Organic growth was 4% in Q3-16 in LC. Net sales in Q3-16 amounted to SEK 527 m (+4% vs LY)
- Growth driven by continued good sales in Denmark +14%, Finland +7% and Norway +5 (+6% in LC), but -9% in Sweden meeting very strong figures the previous year
- Operating profit (EBIT) before items affecting comparability increased by 16% vs LY (9M-16: +27%)
- EPS: SEK 3.04 (+184% vs LY)



Demand headwind in Sweden

Decline in demand following change of ROT

Average no. of companies and private persons
(Feb–Jul, 2010-2016)



Increased net sales and improved EBIT

Strongest third quarter ever with organic growth in Q3-16 amounted to 4%

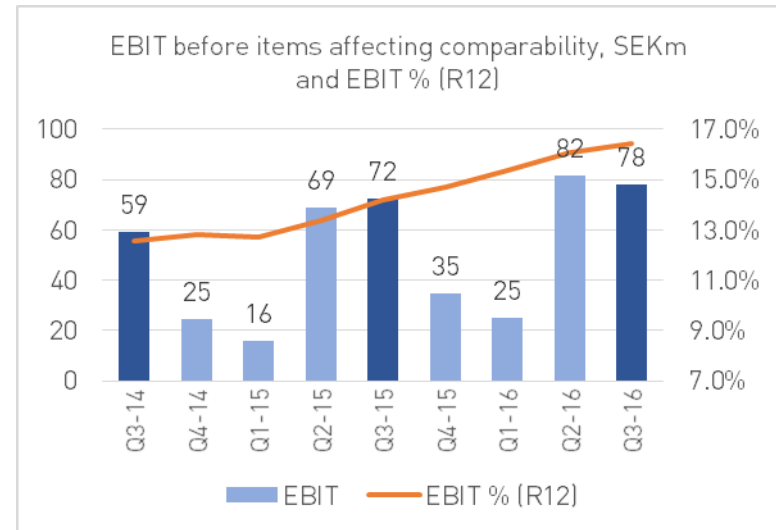
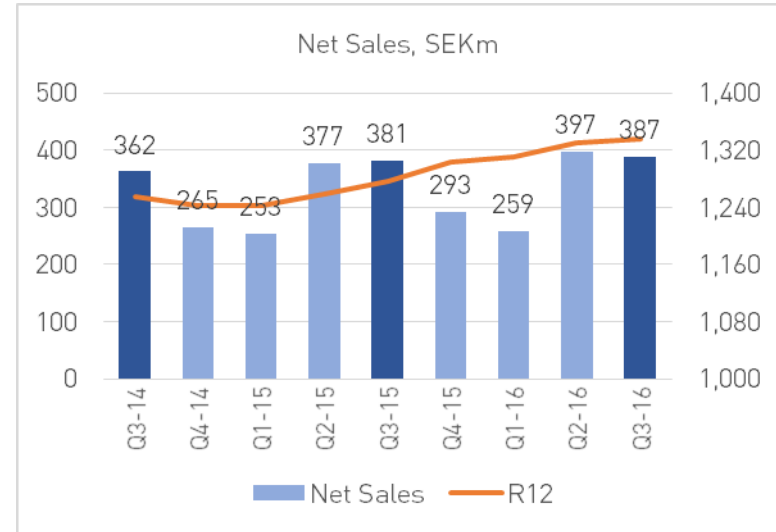
SEKm	Q3-16	Q3-15	Change	R12 2015/2016	Full-year 2015
Net sales	527	505	4%	1,788	1,720
Gross profit	161	136	19%	527	462
Operating profit (EBIT) before items affecting comparability	85	73	16%	220	182
Operating profit (EBIT)	84	42	103%	188	143
Net financial items	2	-4	n/a	-17	-27
Profit before tax	87	38	69%	172	116
Profit for the period	73	26	87%	137	82

- Both operating segments contributing to increased net sales and EBIT
- Strongest operating profit (EBIT) before items affecting comparability ever in a third quarter
- Limited items affecting comparability except expenses connected to IPO
- Net financial items positively affected by intercompany receivable. Unrealized exchange rate gain of SEK 5 m (5) in Q3, and SEK 12 m (-3) YTD.

Products & Solutions

Continued strong sales,
however some decline in Sweden

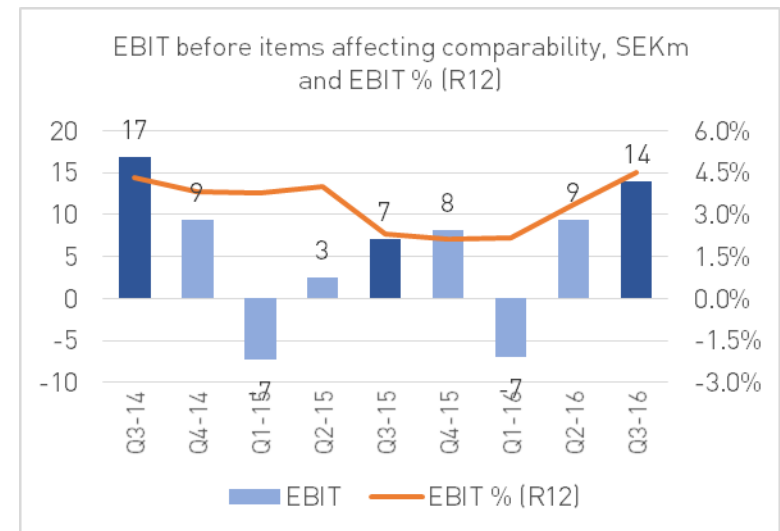
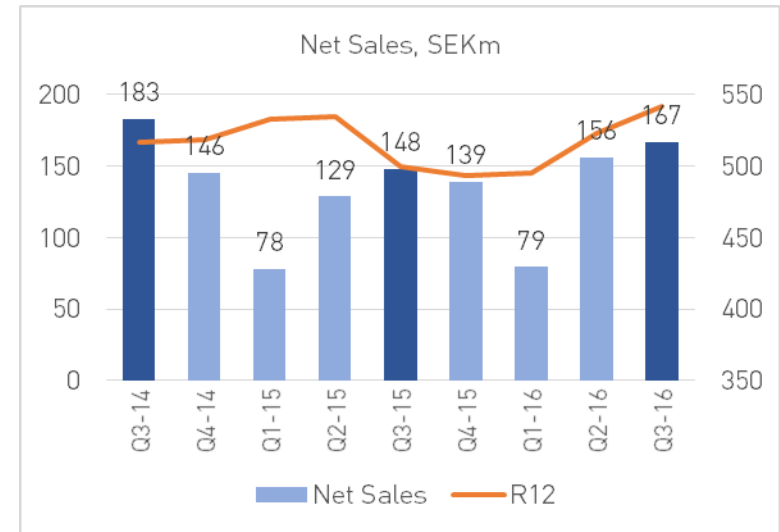
- Strong market presence in the Nordic countries
- Net sales increased by 2% compared with Q3-15
- Operating profit (EBIT) before items affecting comparability up 8% compared with Q3-15



Installation Services

Finland and Denmark

- Finnish market, up 13% compared with Q3-15
- Development driven by larger projects in the Helsinki area
- Finnish order book 18% (15% in LC) above the same period the previous year
- Danish franchise companies show strong performance



Good demand in most markets

Organic growth in Q3-16 amounted to 4%

Changes in net sales	Q3-16 %	Q3-15 %	9M 2016 %	9M 2015 %	Full-year 2015
Organic growth	4	-5	6	-1	1
Structural effects	0	0	0	0	0
Currency effects	0	3	-1	3	1
Total	4	-2	5	2	2

- Organic growth mainly driven by the Nordic countries
 - maintaining strong market position in a market with high demand in Denmark
 - gaining market share in the Norwegian flat roofing segment
 - market recovery from low levels in Finland, primarily in the Helsinki area
- Currency effects following Brexit
 - EUR, DKK and NOK have strengthened during Q3-16, however offset by weaker GBP
 - NOK and GBP weaker on year-to-date basis

Items affecting comparability

Limited items affecting comparability in the third quarter

Items affecting comparability, SEK m	Q3-16	Q3-15	9M 2016	9M 2015
Costs related to exit/listing of Nordic Waterproofing Holding A/S	0	-17	-14	-27
Raw material hedge value adjustment (pre-hedge accounting)	0	-6	0	16
Provision product introduction	0	-8	0	-8
Restructuring	0	0	-1	-2
Other	-1	-1	1	-1
Total	-1	-32	-14	-22

- Only minor items affecting comparability in the third quarter
- Provision regarding product introduction remain unchanged

Seasonal variations

Quarterly swings in Net sales and EBIT

SEKm	Q3-16	Q2-16	Q1-16	Q4-15	Q3-15
Net sales	527	522	324	415	505
Gross profit	161	162	93	110	136
Gross margin, %	30.6%	31.1%	28.7%	26.6%	26.9%
Operating profit (EBIT) before items affecting comparability	85	84	12	39	73
Operating profit (EBIT)	84	75	8	21	42
Net financial items	2	-6	-5	-8	-4
Profit before tax	87	69	3	13	38
Profit for the period	73	56	0	8	26

- Favorable winter weather conditions during winter 2015/2016
- Normal seasonal swings (i.e. winter arrival) during fourth quarter has influence on Net sales and EBIT

Strong balance sheet

Equity increase following the IPO

SEKm	Q3-16	Q3-15	Full-year 2015
Total assets	1,603	1,454	1,345
Capital employed	1,279	1,120	1,071
Equity	924	752	748
Net debt	127	221	141
Equity/assets ratio, %	58%	52%	56%
Net debt /equity ratio, multiple	0.1x	0.3x	0.2x

- Nordic Waterproofing Holding A/S has no outstanding convertible bonds, warrants or other financial instruments
 - Previous long term incentive program finalized in connection with the IPO
 - No changes during the third quarter

Operating cash flow¹

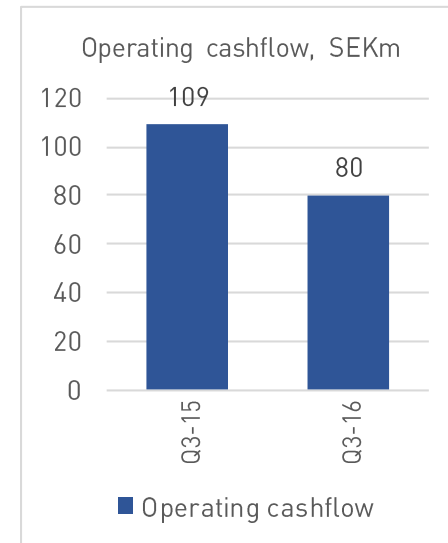
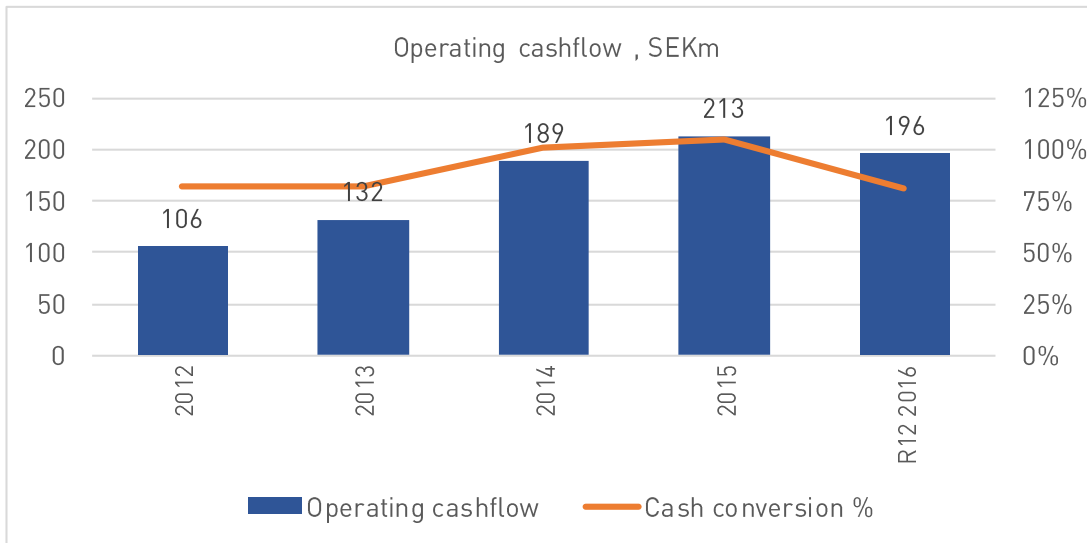
Temporary variations in operating cash flow

In the years 2012-2015 (FY), profitability has improved and cash flow conversion rates have maintained on high levels between 82 and 105%

81% cash conversion 2016 (R12)

Decreased operating cash flow in Q3-16 due to temporary variations:

- EBITDA +13 MSEK
- NWC -31 MSEK
- IPO accruals Q3-15 -11 MSEK



1) Defined as Adj. EBITDA + dividends received from shares in associated companies – capex – Δ NWC – result from shares in associated companies

2) Defined as OCF/Adj. EBITDA

Multiple growth opportunities

Replicate success from Sweden, Denmark and Finland in Norway

1

Grow EPDM platform in relevant European markets

2

Continue to strengthen position in main markets by product portfolio and segment expansion

3

M&A is an integral part of the growth strategy

4

CONTINUOUS FOCUS ON OPERATIONAL EXCELLENCE

Sales growth

NWG's objective is to exceed the growth in the Group's current markets through organic growth. In addition, the Company expects to grow through selective acquisitions.

Profitability

NWG's objective is to have an EBIT margin before items affecting comparability higher than 10 percent.

Capital structure

Net debt in relations to EBITDA before items affecting comparability (R12M basis), excluding temporary deviations, shall not exceed 2.5 times.

Dividend policy

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

Revised in Q3-16

For the full year 2016, Nordic Waterproofing Group expects the general market development to be similar to that in 2015 in most of its markets.

The Group expects to meet its financial target exceeding the growth of its current markets through organic growth.

For the same period, the Group expects an increased operating profit (EBIT) before items affecting comparability of approximately 15 percent (previously: at least 10 percent) compared with the full year 2015.

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Questions

Further information

- Martin Ellis
- Jonas Olin

www.nordicwaterproofing.com

Interim report January–December 2016:
14 February 2017

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