



A record year for NWG

1 JANUARY – 31 DECEMBER 2016

14 February 2017

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.

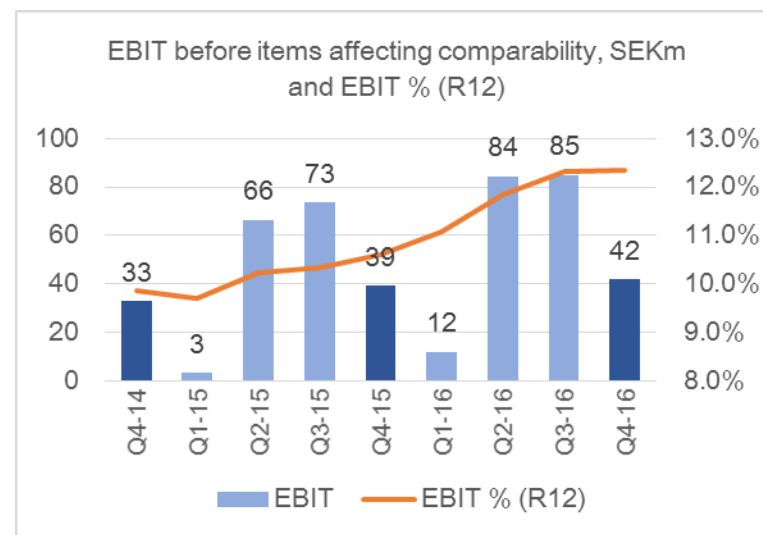
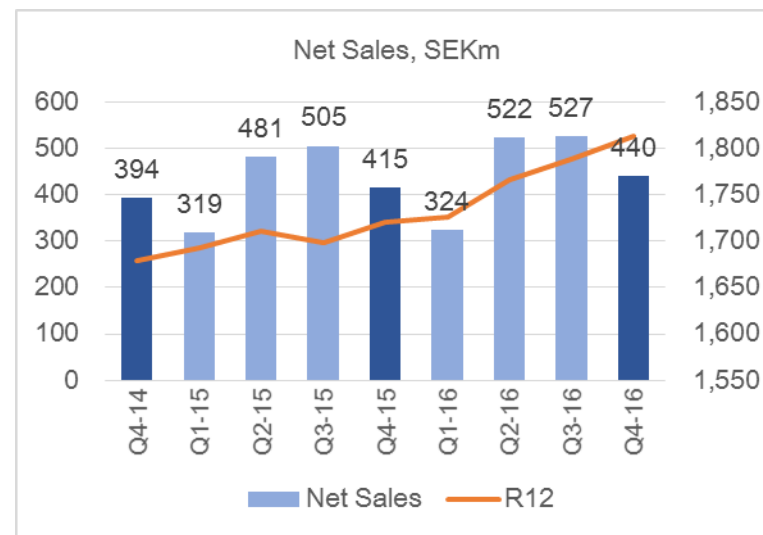
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Strong fourth quarter report

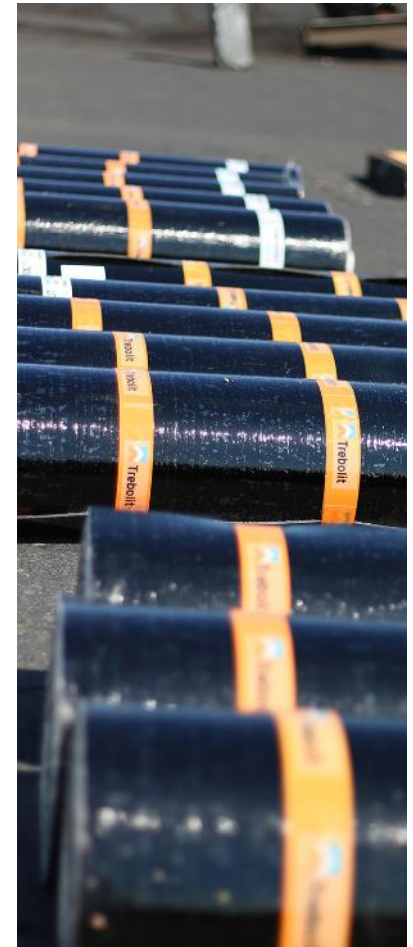
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- 6% organic growth (3% LC)
- Net sales of SEK 440m (415)
- Growth driven by continued good sales in Norway +22% (+14% in LC), Finland +10% (+6% in LC) and Denmark +4%, however -12% in Sweden in comparison with the strong 2015 figures
- Favorable weather conditions
- Operating profit (EBIT) before items affecting comparability increased 8% to SEK 42m (39)
- Operating cash flow amounted to SEK 125m (118)



Best year ever

- 5% organic growth (5% LC)
- Net sales of SEK 1,813 m (1,720)
- Operating profit (EBIT) before items affecting comparability increased by 23% to SEK 224 m (182)
- Operating cash flow amounted to SEK 211 m (197)
- Earnings per share SEK 6.49 (3.40)
- The Board of directors proposes a dividend of SEK 3.75 per share
- Riitta Palomäki elected new member of the Board of directors



Events after the period

Delivering on the external growth commitments

- Acquisition of EPDM Systems in the Netherlands
 - Contribution of annual external sales of approximately SEK 80 million, 34 employees
 - Strong market position as a pre-fabricator
 - Integrated in SealEco as of 1 January 2017
- Acquisition of SPT-Paintings in Finland
 - Total annual sales of approximately SEK 80 million, 20 employees
 - New product categories to our existing customer base. We can now offer floor coating to our roofing contractors
 - Integrated in Installation Services Finland as of 31 January 2017
- Mr. Esa Mäki appointed new head of NWG Finland as of 1 April
 - Jaakko Tuominen to remain available as senior adviser



All areas have been addressed in 2016 and remain active in 2017



Replicate success from Sweden, Denmark and Finland in Norway

- Replicate success in Sweden and Denmark and tap into the flat roofing market
- Expand local product portfolio in line with builders' merchants demand
- Introduce guarantee scheme and partner programmes
- Expand drainage and radon control segment

Grow EPDM platform in relevant European markets

- Well positioned to strengthen position in current EPDM markets
- Enter new markets and strengthen position in markets with minor presence

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

- Strengthen market position further by rolling out additional products via NWG's distribution platform
- Enter additional product (e.g. traded products) segments which present attractive returns with no capital investment

M&A is an integral part of the growth strategy

- Selective acquisitions to support growth and strengthen leadership further
- Opportunity to enter growing niches and new geographical markets
- Proven track record of successful integration and synergy extraction

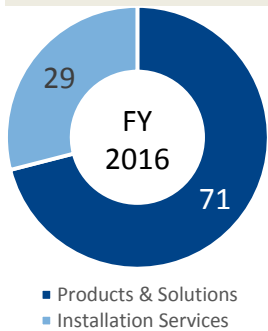
Organic growth

M&A

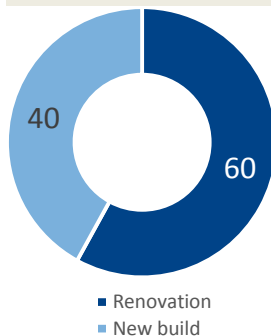
Recap of our footprint

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Sales by segment, %



Sales by category, %



Barriers to entry

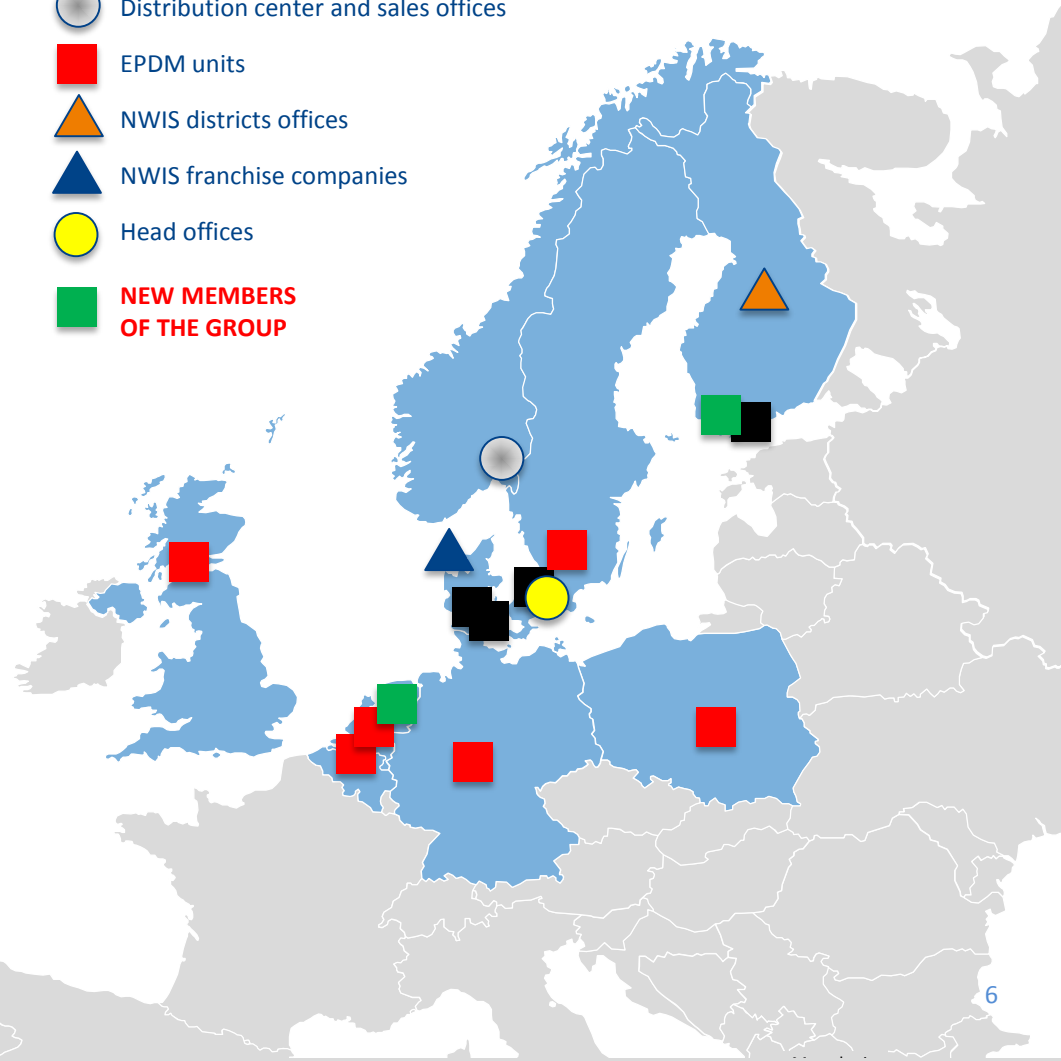
Local production capacity

Efficient logistics set-up

Well established brands

Full support service creates customer loyalty

- Bitumen manufacturing units and sales offices
- Distribution center and sales offices
- EPDM units
- ▲ NWIS districts offices
- ▲ NWIS franchise companies
- Head offices
- **NEW MEMBERS OF THE GROUP**



Increased net sales and improved EBIT

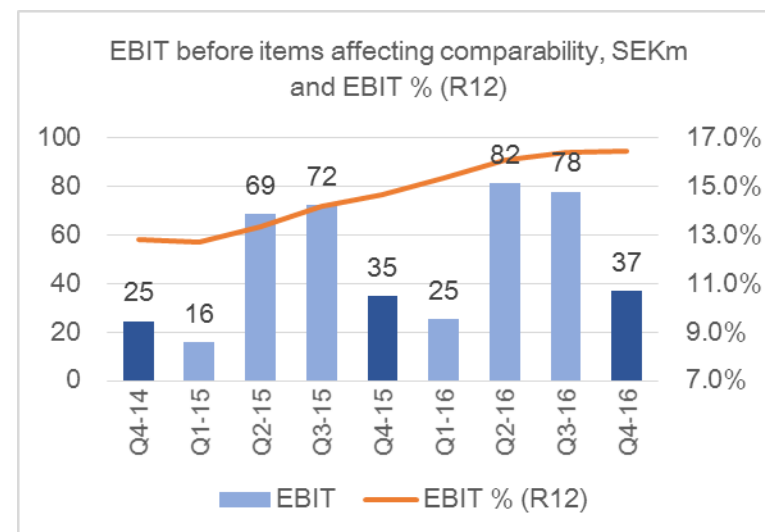
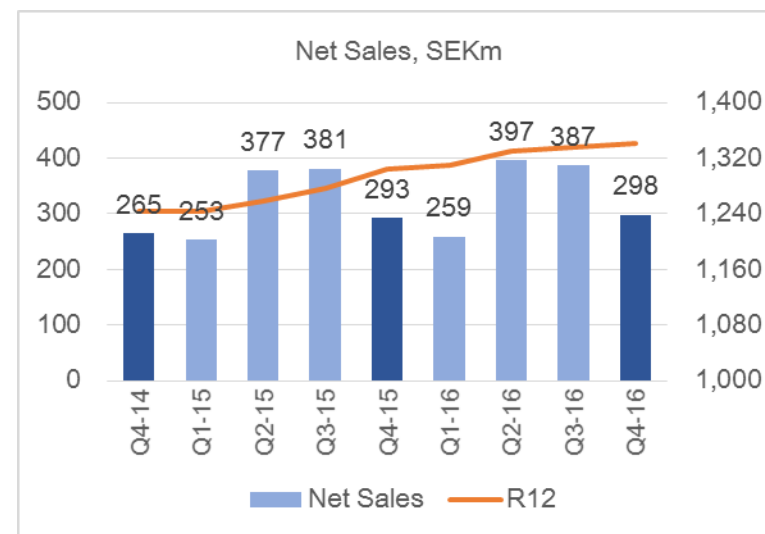
Strongest fourth quarter ever with 3% organic growth over a strong in Q4-15

SEKm	Q4-16	Q4-15	Change, %	Full-year 2016	Full-year 2015
Net sales	440	415	+6%	1,813	1,720
Gross profit	124	110	+12%	540	462
Operating profit (EBIT) before items affecting comparability	42	39	+8%	224	182
Operating profit (EBIT)	39	21	+84%	206	143
Net financial items	-4	-8	-46%	-13	-27
Profit before tax	35	13	+162%	193	116
Profit for the period	27	8	+264%	156	82

- Both operating segments contributing to increased net sales and EBIT
- Strongest operating profit (EBIT) before items affecting comparability ever in a fourth quarter
- Items affecting comparability mainly connected to IPO during 2016

Continued improvements

- Net sales increased by 2% compared with Q4-15
 - Continued growth in Norway and SealEco, but lower sales in Sweden and Finland meeting very strong sales in Q4-15
- Net sales increased by 3% compared with full-year 2015
- Operating profit (EBIT) before items affecting comparability up 5% compared with Q4-15

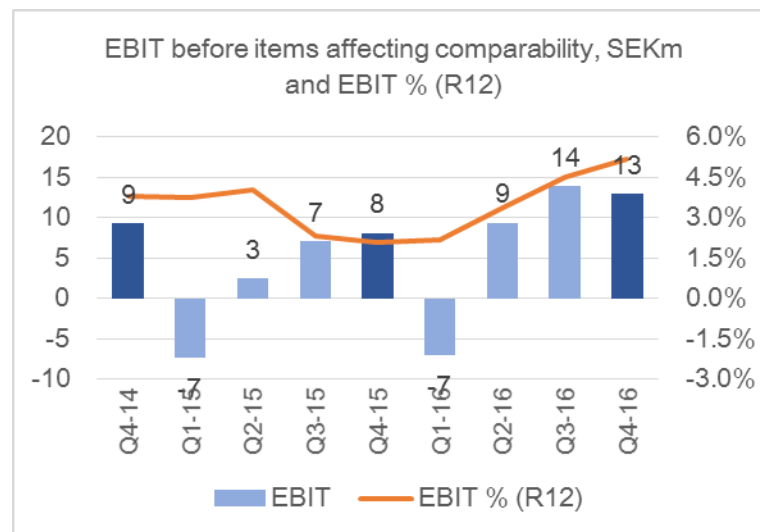
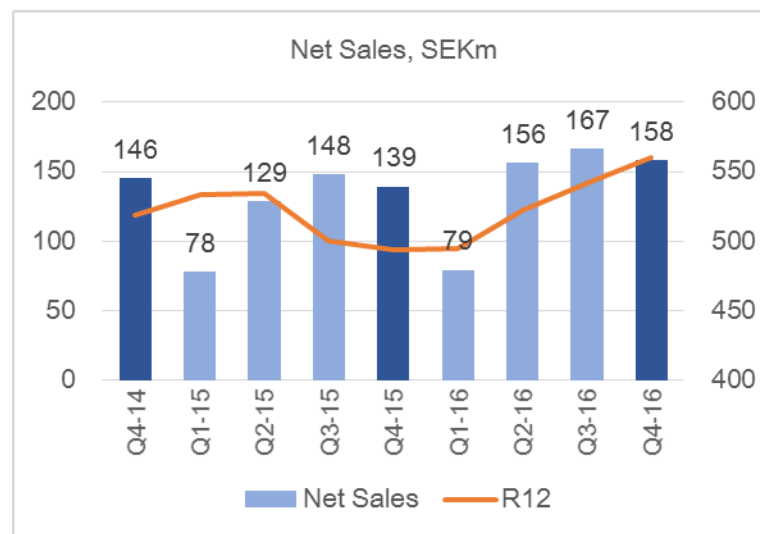


Installation Services

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Strong sales and results

- Sales in Finland increased 13% compared with Q4-15, and 14% compared with full-year 2015
- Development still driven primarily by projects in the Helsinki area
- Finnish order book 17% (21% in LC) below the same period the previous year, as the strong activity during Q4-16 with favorable weather decreases the backlog. In addition, order book is being normalized and compared to the unusually strong order book the previous year, which was affected by the strong order intake when the pick-up started in Finland
- Danish franchise companies show strong performance



Good demand in most markets

Organic growth in Q4-16 amounted to 3% in local currency

Changes in net sales	Q4-16 %	Q4-15 %	FY 2016 %	FY 2015 %
Organic growth	3%	5%	5%	1%
Structural effects	0%	0%	0%	0%
Currency effects	3%	0%	0%	1%
Total	6%	5%	5%	2%

- Organic growth mainly driven by the Nordic countries
 - maintaining strong market position in a market with high demand
 - gaining market share in the Norwegian flat roofing segment
 - market recovery from low levels in Finland, primarily in the Helsinki area
 - SealEco enjoyed good market conditions in fourth quarter
- Currency effects following Brexit and US presidential election
 - EUR, DKK and NOK strengthened during Q4-16
 - NOK and GBP weaker on year-to-date basis

Items affecting comparability

Limited items affecting comparability in the fourth quarter

Items affecting comparability, SEK m	Q4-16	Q4-15	FY 2016	FY 2015
Costs related to exit/listing of Nordic Waterproofing Holding A/S, incl change of CEO	0	-20	-14	-47
Raw material hedge value adjustment (pre-hedge accounting)	0	+5	0	+22
Provision product introduction	0	0	0	-8
Restructuring	0	-3	-1	-5
Other	-3	-1	-2	-2
Total	-3	-18	-17	-40

- Only minor items affecting comparability in the fourth quarter, mainly connected to acquisitions
- Provision regarding product introduction remain unchanged; the provision will be re-assessed during Q3-17/after summer

Quarterly swings in net sales and EBIT

SEKm	Q4-16	Q3-16	Q2-16	Q1-16	Q4-15
Net sales	440	527	522	324	415
Gross profit	124	161	162	93	110
Gross margin, %	28.1%	30.6%	31.1%	28.7%	26.6%
Operating profit (EBIT) before items affecting comparability	42	85	84	12	39
Operating profit (EBIT)	39	84	75	8	21
Net financial items	-4	2	-6	-5	-8
Profit before tax	35	87	69	3	13
Profit for the period	27	73	56	0	8

- Normal seasonal swings (i.e. winter arrival) during fourth quarter has influence on net sales and EBIT
- Favorable winter weather conditions during 2016/2017 has contributed positively

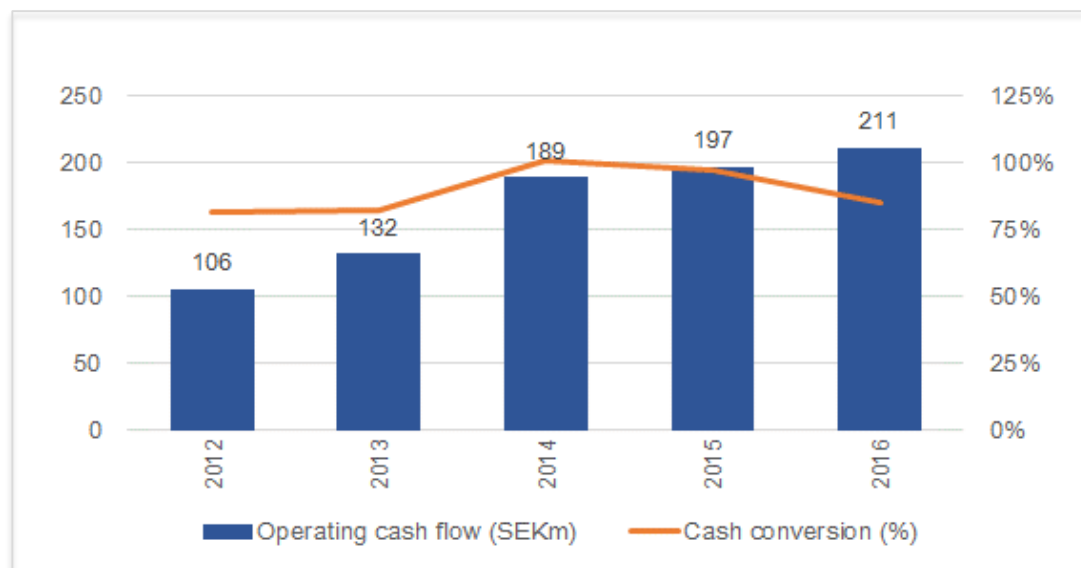
Strong balance sheet

Equity increase following the IPO

SEKm	2016-12-31	2015-12-31
Total assets	1,568	1,345
Capital employed	1,317	1,071
Equity	964	748
Net debt	25	141
Equity/assets ratio, %	62%	56%
Net debt /equity ratio, multiple	0.0x	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 fourth quarter
 - The suggested dividend of 3.75 SEK/share equals approximately SEK 90 m, representing around 58 percent of net profit. Expected to be paid out in May.

Temporary variations in operating cash flow



- Cash conversion rates have maintained high levels, between 82 and 101%
- 2016 cash conversion amounted to 85%, affected by higher net trade receivables due to strong sales during the fourth quarter

Operating cash flow : Adj. EBITDA + dividends received from shares in associated companies – capex +/- Δ Adj.NWC – result from shares in associated companies

Operating cash conversion : OCF/Adj. EBITDA

Sales growth

NWG's objective 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 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 Group's financial position, investment needs, liquidity position as well as general economic and business conditions.

For the full year 2017, Nordic Waterproofing Group expects the general demand to be similar to that in 2016 in most of its markets.

The Group expects to meet its financial targets, exceeding the growth in its current markets through organic growth as well as acquisitions designed to enhance the Group's product portfolio. Higher raw material prices are anticipated for the year, leading towards an increase of our own sales prices.

With the contribution from recent acquisitions, the Group expects to maintain the historically high profit level achieved in 2016 despite the current increase in raw material prices. The operating profit (EBIT) before items affecting comparability is therefore expected to be in line with the full year 2016.

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Questions

Further information

- Martin Ellis
- Jonas Olin

www.nordicwaterproofing.com

Annual General Meeting:
27 April 2017, in Stockholm

Interim report January–March 2017:
9 May 2017

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Top ten shareholders

Shareholders as per 31 December 2016

Owner	No. of shares	Capital and votes, %
Axcel*	3,400,422	14.1
Swedbank funds	1,924,195	8.0
Carnegie Småbolag	1,875,000	7.8
Svolder Aktiebolag	1,042,582	4.3
Lannebo Småbolag	1,000,000	4.2
Catella funds**	877,908	3.6
AMF Aktiefond Småbolag	695,000	2.9
Länsförsäkringar Småbolag SE	684,441	2.8
Handelsbanken funds	603,492	2.5
KIRKBI Invest	599,772	2.5
Ten largest shareholders	12,702,812	52.7
Other shareholders***	11,381,123	47.3
Total	24,083,935	100.0

* Axcel IV K/S, Axcel IV K/S 2, AX Management Invest K/S and AX Management Invest II K/S

** On 7 February 2017, Catella funds announced an increase in their total holdings to a total of 1,209,797 shares, corresponding to 5.02 percent of the total numbers of shares and voting rights in the Company

*** Holdings with depositories are reported within "Other shareholders"

Trading on Nasdaq Stockholm

Ticker symbol	NWG
ISIN code	DK0060738409
Sector	Construction & Materials
Number of shares of DKK 1.00	24,083,935
Own shares	0
Voting & ownership restrictions	None
Current market cap	SEK 2,360 million (13 February 2017)
Contact:	IR-manager, Anders Antonsson, +46 709 994 970 anders.antonsson@nordicwaterproofing.com

Experienced Board of Directors

Nordic Waterproofing Holding A/S – Board of Directors



**Ulf Gundemark,
Chairman**

Relevant experience: Chairman of Ripasso Energy and Bridge to China. Board member of Papyrus, Lantmännen, Scandi Standard, Constructor Group and AQ Group. (20,000 shares*)



**Holger C Hansen,
Deputy Chairman**

Relevant experience: Former CEO of NWG. Chairman of the Board in F. Junckers Industrier. Board member of Driconeq and Scanpharm (100,704 shares*)



**Christian Frigast,
Board member**

Relevant experience: Managing Partner at Axcel. Deputy Chairman of the Board in Pandora and DVCA. (23,000 shares*)



**Jørgen Jensen,
Board member**

Relevant experience: President and CEO of Widex. Board member of DFDS, TCM Group and former Board member of Cheminova (20,976 shares*)



**Riitta Palomäki,
Board member**

Relevant experience: Executive Vice President and CFO of Uponor Oyj, member of the Board of Directors and chair of the Audit Committee at Componenta Oyj. (0 shares)



**Vilhelm Sundström,
Board member**

Relevant experience: Partner at Axcel. Board member of Delete and former board member of Driconeq and LGT Logistics (0 shares)

* Including related parties

Seasoned management team

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Nordic Waterproofing Group – Management team



Martin Ellis, CEO

Joined NWG in 2011

Previous experience: CEO of NWG 2011-2012 and Chairman 2011-2015. 30 years of experience as CEO and other leading positions including Icopal (CEO) and Saint Gobain (President of the Building Materials Division) (316,270 shares*)



Jonas Olin, CFO

Joined NWG in 2007

Previous experience: 20 years of experience as CFO and controller including Trelleborg Waterproofing (Controller), Abdon Finax (CFO) and IKEA Industry (Controller) (45,010 shares*)



Anders Antonsson, Head of Investor Relations

Interim since 2015

Previous experience: More than 25 years of experience of corporate communications and investor relations including Northland Resources (VP – IR) and Intrum Justitia (Director of IR and Corporate Communications) (0 shares)



Mats Lindborg, Head of NW Sweden & Norway

Joined NWG in 1986

Previous experience: 30 years of experience of sales and marketing including Trelleborg Waterproofing (Sales and Marketing Manager) (58,414 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 (CEO) (89,104 shares*)



Jaakko Tuominen, Head of NW Finland

Joined NWG in 1989

Previous experience: 35 years of experience of sales and marketing including Lemminkäinen (Marketing Director) (27,706 shares*)



Thomas Zipfel, Head of SealEco

Joined NWG in 2009

Previous experience: 20 years of experience of managing positions including Trelleborg Waterproofing Polymeric Membranes (Business Unit Director) (83,504 shares*)

* Including related parties