



Strong second quarter with earnings growth

1 JANUARY – 30 JUNE 2018

16 August 2018

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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We make waterproofing easy

Strong second quarter with earnings growth

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Continued strong sales growth

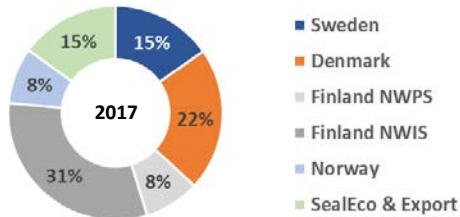
- Net sales SEK 726 m (603)
- Sales growth 22%, of which 16% from acquisitions, 2% organic growth in local currency and 4% from currency effects
- EBITDA before items affecting comparability amounted to SEK 96 m (79)
- Operating profit (EBIT) before items affecting comparability amounted to SEK 79 m (72)
- ROCE in line with our long term target at 15.2% (16.9%)
- Operating cash flow SEK 41 m (-12)
- Earnings per share SEK 2.43 (2.13)



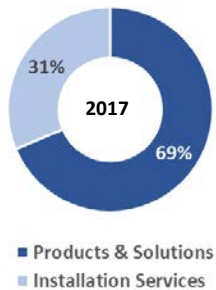
Recap of our footprint

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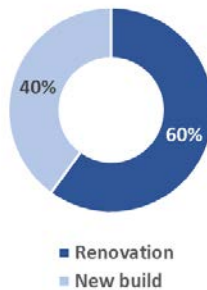
Sales by country



Sales by segment



Sales by category



- Bitumen manufacturing units and sales offices
- Distribution center and sales offices
- EPDM units
- NWIS districts offices
- NWIS franchise companies
- Head offices
- New 2017/2018 members of the Group

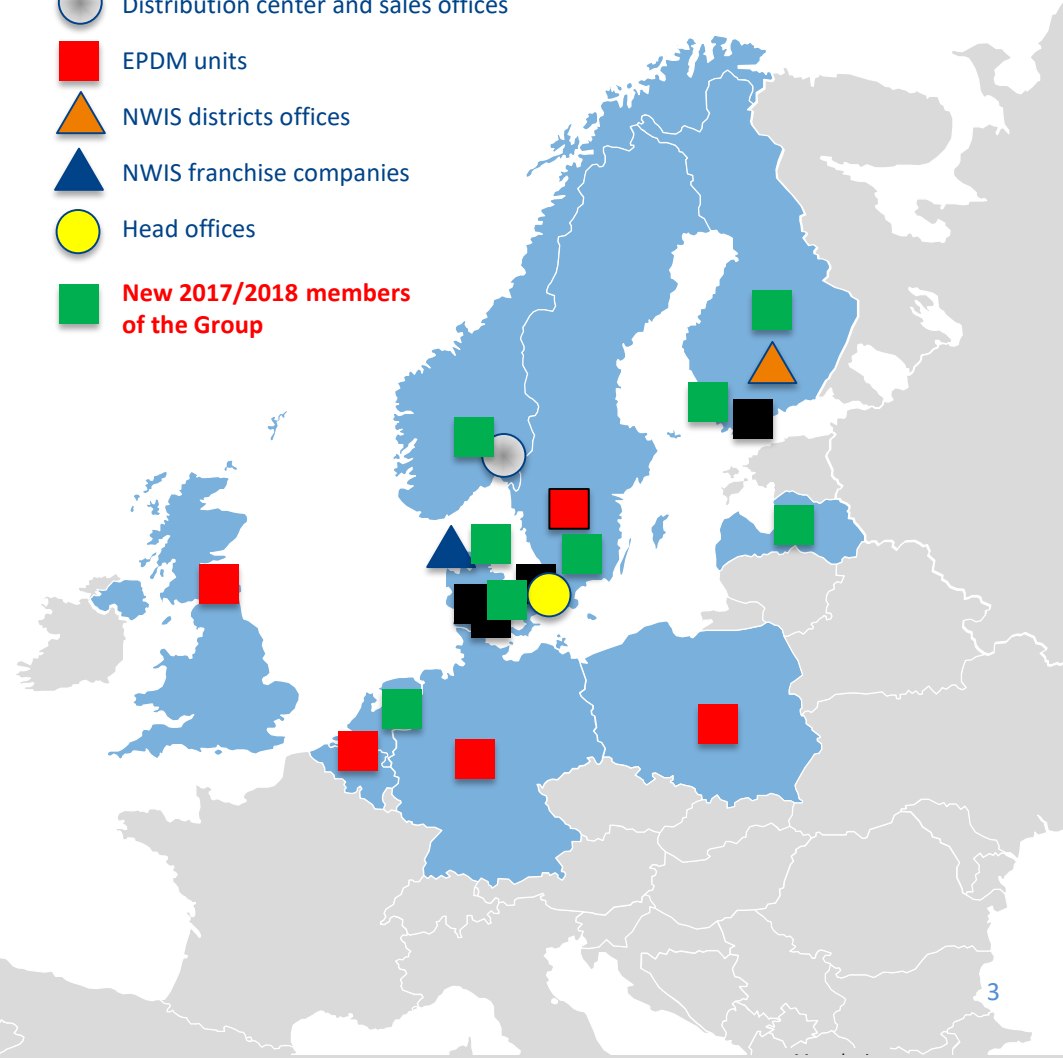
Barriers to entry, core business

Local production capacity

Efficient logistics set-up

Well established brands

Full support service creates customer loyalty



Events after the period

Veg Tech – for greener cities!

- Annual sales of approximately SEK 125 m and 45 employees, consolidated in Products & Solutions from Q3-18
- Strong position within vegetation technology and green roofs – a perfect complement to our current offer of high-quality waterproofing solutions
- Strenghtens our committment for sustainable and environmentally efficient solutions for the building secto
- 83% acquired in July, and currently acquiring remaining minority shares



Veg Tech acquisition

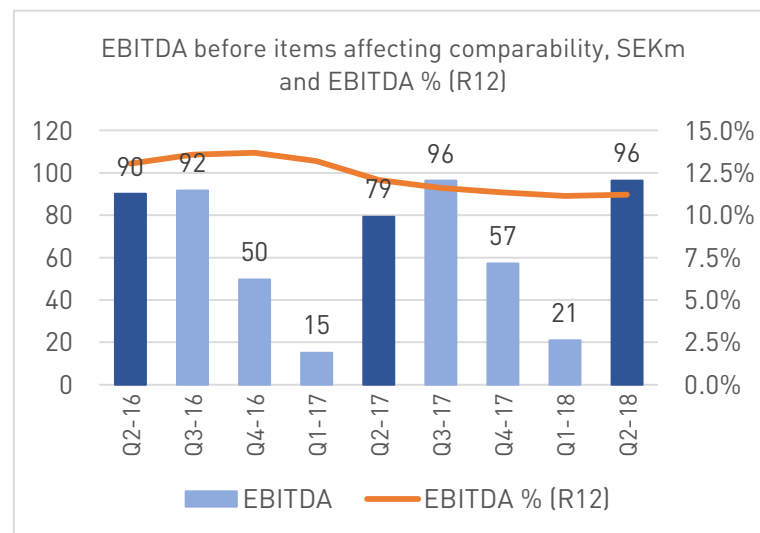
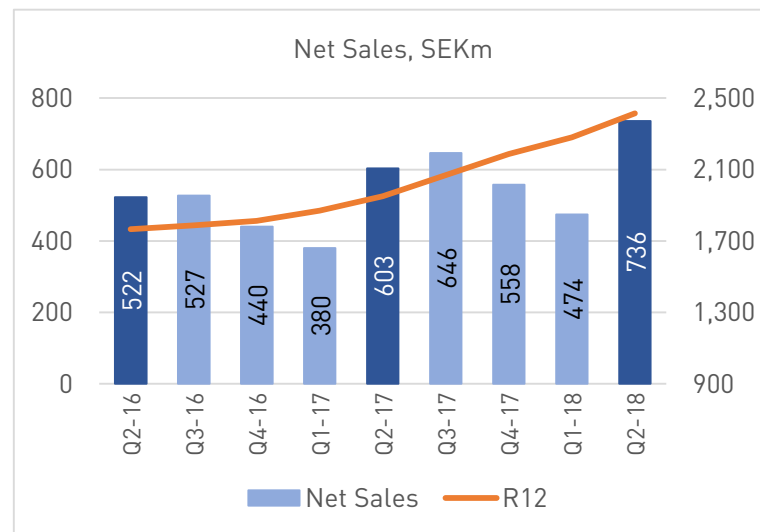
Veg Tech application areas – creative solutions!



Second quarter report

Good contribution from acquisitions

- Net sales of SEK 736 m (603) up 22%, positively affected by acquisitions
- Growth driven by:
 - Denmark +79% (of which acquisitions +64%)
 - Norway +51% (of which acquisitions +47%)
 - Sweden +19%
 - Other Europe +5%
 - Finland -2% (of which acquisitions +1%)
- EBITDA before items affecting comparability increased to SEK 96 m (79)
- Operating profit (EBIT) before items affecting comparability increased to SEK 79 m (72)
 - Affected by IFRS amortizations SEK 7 m, mainly acquired order books in Taasinge, Ugilt and RVT



Good demand in most markets

Organic growth in Q2-18 amounted to 2% in local currency

Changes in net sales	Q2-18 %	Q2-17 %	FY 2017 %
Organic growth	2%	3%	5%
Structural effects	16%	10%	15%
Currency effects	4%	3%	1%
Total	22%	16%	21%

- Organic growth in Products & Solutions was +6%
 - Catch up effects in Sweden and Denmark following winter in Q1
 - Maintaining a strong market position in Denmark
- Organic growth in Installation Services was -8%
 - Deliberate and selective approach towards profitable projects and the execution there-of
- Currency effect
 - Although stable during the second quarter, the Swedish Krona is still weak at the end of Q2-18

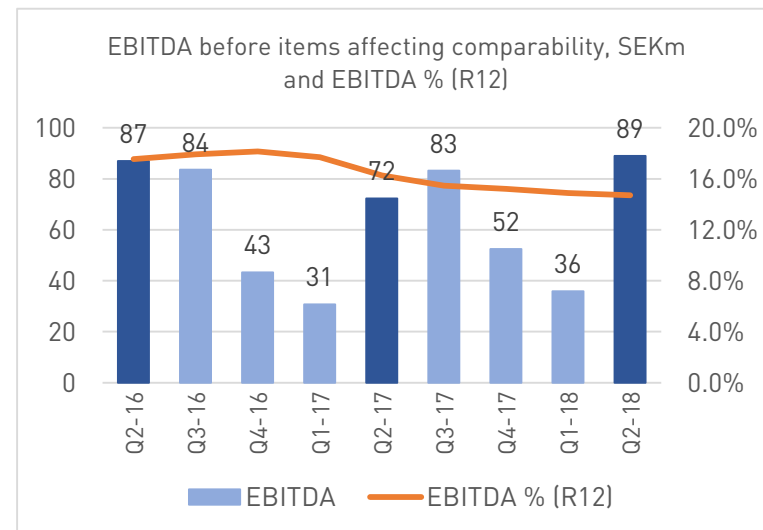
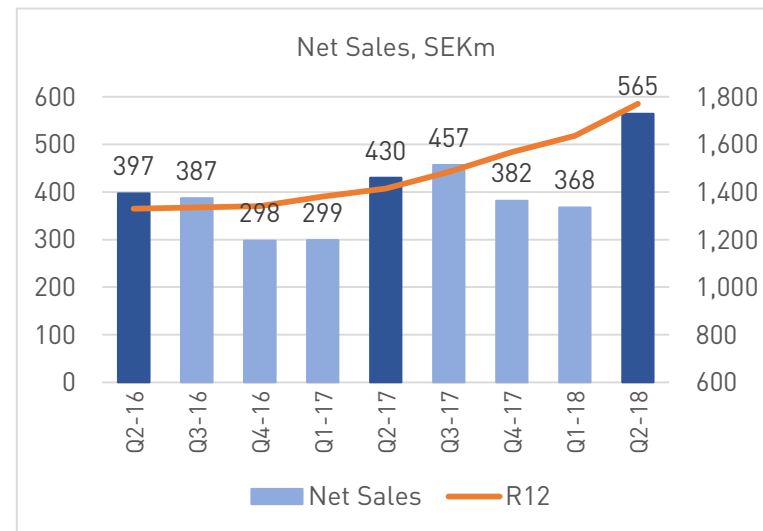
Acquisitions contributed to growth and results

SEKm	Q2-18	Q2-17	Change, %	R12 2018	Full-year 2017
Net sales	736	603	+22%	2,414	2,187
Gross profit	196	171	+15%	612	584
EBITDA before items affecting comparability	96	79	+21%	271	248
Operating profit (EBIT) before items affecting comparability	79	72	+10%	212	208
Operating profit (EBIT)	76	65	+20%	203	194
Net finance items	-5	-3	n/a	-22	-19
Profit before tax	71	62	+16%	181	174
Tax	-12	-11	n/a	-38	-37
Profit for the period	59	51	+16%	143	138

- IFRS amortizations of intangible assets relating to acquisitions affects EBIT by SEK -7 m

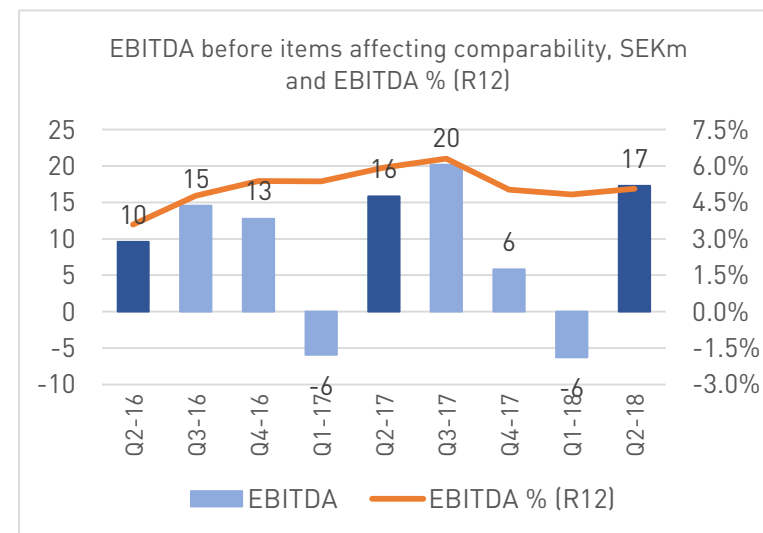
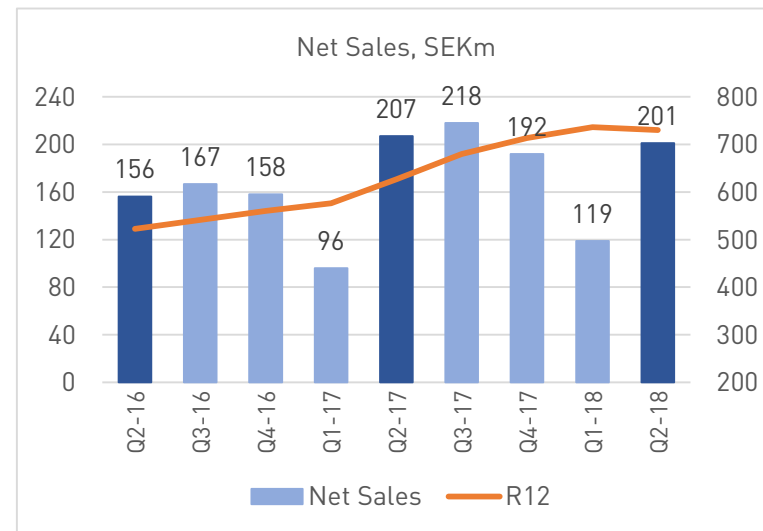
Growth supported by acquisitions

- Net sales increased by 31%
 - Organic growth 6% due to catch up effects and strong markets in Denmark and Sweden
 - Acquisitions contributed with 22%. Prefab elements develop very well enjoying strong order intake
 - A second sales price increase being implemented to adress recent further bitumen price increases
- EBITDA before items affecting comparability increased to SEK 89 m (72)
- Operating profit (EBIT) before items affecting comparability increased to SEK 73 m (66)
 - Implementation of price increases in most markets by the end of Q1-18, and a second price increase is currently being implemented
 - Amortization of intangible assets in acquired companies affects EBIT. Taasinge and Ugilt order books are finalized after Q2-18.



Improved profitability and lower sales

- Sales in Finland decreased 3%
 - Organic growth (LC) and amounted to -8%. Positive exchange rate effect +4% and acquisitions +1%
- Still strong order book
 - Order book end June was up 16%
 - Lower order intake due to profitability focus and a selective project approach
- EBITDA before items affecting comparability increased to SEK 17 m (16)
- Operating profit (EBIT) before items affecting comparability increased to SEK 16 m (15)
 - Profit improvement program effects in Finland visible mid-2018



Balance sheet allowing expansion

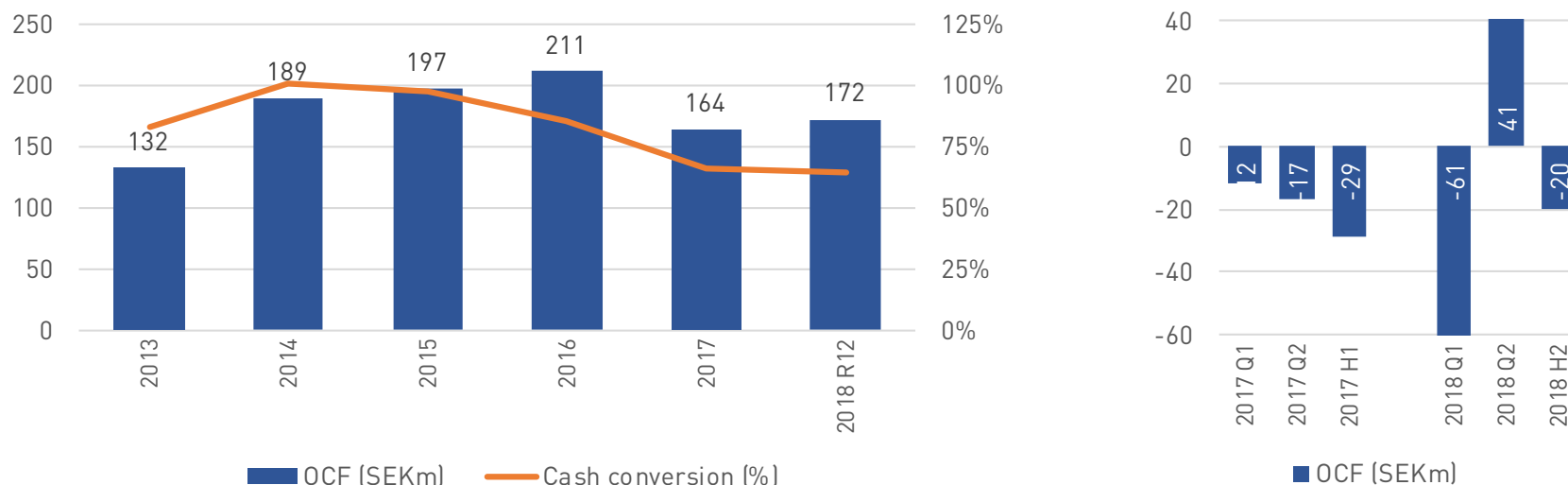
Cash generating operations and available loan facilities

SEKm	2018-06-30	2017-06-30	2017-12-31
Non-current assets	1,166	918	1,057
Current assets	910	731	699
Total assets	2,076	1,649	1,756
Equity	1,048	911	1,010
Non-current liabilities	532	410	456
Current liabilities	496	328	290
Total equity and liabilities	2,067	1,649	1,756
Capital employed	1,529	1,267	1,370
ROCE (before items affecting comparability)	15.2%	16.9%	15.5%
Net debt	430	274	204
Equity/assets ratio	51%	55%	58%
Net debt /equity ratio	0.4x	0.3x	0.2x
Net debt/EBITDA (R12)	1.6x	1.2x	0.8x

- Unchanged cash dividend of 3.75 SEK/share resolved at AGM 2018 and paid end-April
- Equals approximately SEK 90 m, or around 66 percent of net profit
- Veg Tech will be consolidated as from from Q3-18

Operating cash flow

Temporary variations in operating cash flow



- Positive operating cash flow in Q2-18 of SEK 41 m (-12)
 - Lower net working capital increase than usual in the second quarter, due to the temporarily higher net working capital built up already in Q1 following unfavourable weather in March
- Operating cash conversion was 64% (77%)

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

Financial targets and dividend policy

Sales growth

NWG's goal is to exceed the growth in the Group's current markets through organic growth.

In addition, the Group expects to grow through selective acquisitions.



Profitability

NWG's goal is to generate a return on capital employed (ROCE) before items affecting comparability exceeding 15 percent.



Capital structure

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



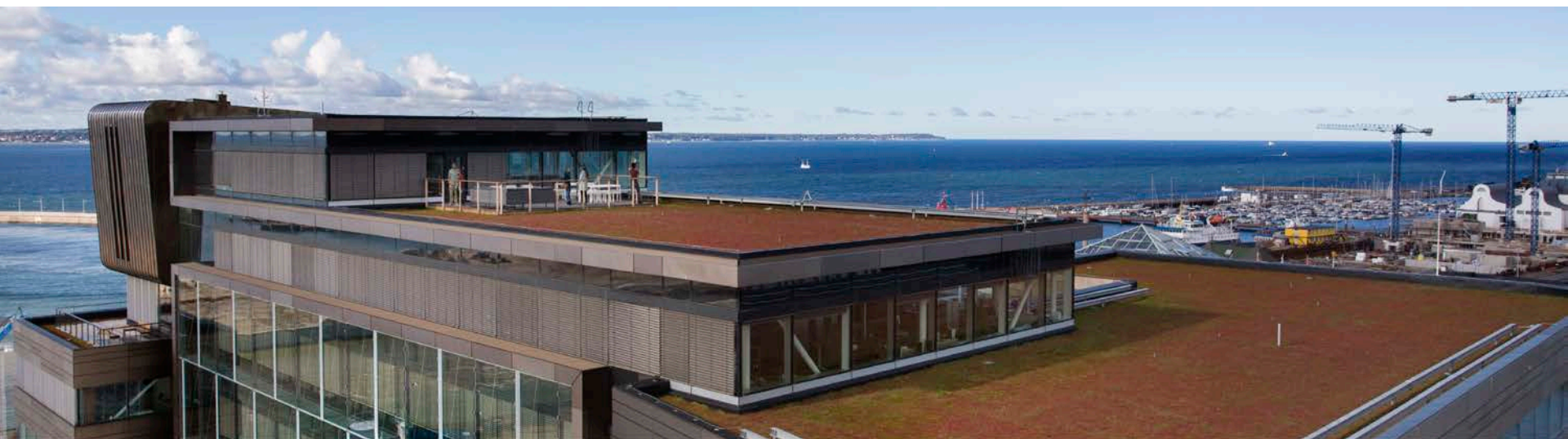
Dividend policy

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.



Outlook 2018 - revised

For the financial year 2018, general demand is expected to be similar as in 2017 in most markets. Nordic Waterproofing expects to meet its financial targets, and the Group's organic net sales growth is expected to exceed the general growth rate where the Group operates. In addition to organic growth, the Group also expects to continue growing through selective acquisitions. EBIT before items affecting comparability is expected to increase (*previously: increase slightly*) compared with 2017.



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Questions

Further information

- Martin Ellis
- Jonas Olin

www.nordicwaterproofing.com

Q3-report, January–September 2018:
Thursday 1 November 2018

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Top ten shareholders

Shareholders as per 30 June 2018

Owner	No. of shares	Capital and votes, %
Mawer Investment Management	2,729,537	11.3
Swedbank Robur Funds	2,187,095	9.1
Carnegie Funds	2,186,505	9.1
Svolder Aktiebolag	1,459,523	6.1
BMO Global Asset Management	1,141,177	4.7
Länsförsäkringar Funds	1,074,336	4.5
Handelsbanken Funds	1,017,159	4.2
Catella Funds	861,031	3.6
Third AP-fund	638,916	2.7
Traction	600,000	2.5
Ten largest shareholders	13,895,279	57.7
Other shareholders*	10,188,656	42.3
Total	24,083,935	100.0

* 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 1,903 million (15 August 2018)
Contact:	CFO & investor relations, Jonas Olin, +46 708 29 14 54 jonas.olin@nordicwaterproofing.com

Experienced Board of Directors

Nordic Waterproofing Holding A/S – Board of Directors



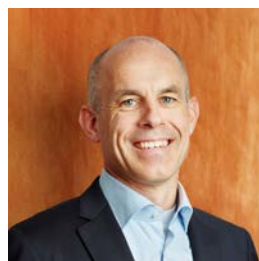
Ulf Gundemark,
Chairman

Relevant experience:
Chairman of Ripasso Energy and Bridge to China. Board member of Papyrus, Lantmännen, Scandi Standard, Constructor Group and AQ Group. (26,500 shares*)



Allan Jørgensen,
Board member

Relevant experience:
President and CEO of Dovista. Board member of OH Industri, Huscompagniet and Pankas. (0 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:
Member of the board of directors, chair of the audit committee and member of the remuneration committee at HKScan Oyj, member of the supervisory committee and deputy chair of the audit committee at OP Cooperative. (3,000 shares)



Mats O. Paulsson,
Board member

Relevant experience:
Member of the boards of WinGroup, Eleda Holding, Nordisk Bergteknik, Modulbetong I Lund, and Bösarps Grus & Torrbruk AB. (15,000 shares)



Kristina Willgård,
Board member

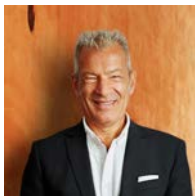
Relevant experience:
CEO of AddLife, Chairman of the board of AddLife Development, member of the board of Medioplast, Serneke Group and assignments as board member and partner in Willgård AB. (0 shares)

* 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 experience as CEO and other leading positions including Icopal and Saint Gobain (366,270 shares)



Jonas Olin, CFO & Investor Relations

Joined NWG in 2007

Previous experience: 20 years of experience as CFO and controller including Trelleborg Waterproofing, Abdon Finax and IKEA Industry (50,010 shares)



Petter Holth, Head of NW Norway

Joined NWG in 2012

Previous experience: 30 years of experience of sales and marketing in the building industry, incl. CEO of Nortett Bygg AS (154,395 shares*)



Mats Lindborg, Head of NW Sweden

Joined NWG in 1986

Previous experience: 30 years of experience of sales and marketing including Trelleborg Waterproofing (61,414 shares)



Esa Mäki, Head of NW Finland

Joined NWG in 2017

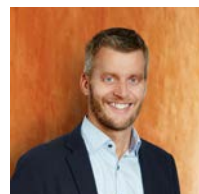
Previous experience: CEO of Nesco Group and various managerial positions of Icopal Finland and other companies in the building material industry. (4,000 shares)



Paul Erik Rask, Head of NW Denmark

Joined NWG in 1992

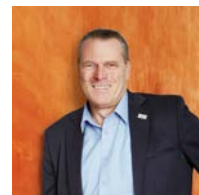
Previous experience: 30 years of experience of leading positions and sales and marketing including Trelleborg Phønix A/S (103,683 shares)



Martin Tholstrup, Head of Taasinge Elementer

Joined NWG in 2017

Previous experience: 20 years of experience from development, sales and prefabrication within the construction industry (19,000 shares*)



Thomas Zipfel, Head of SealEco

Joined NWG in 2009

Previous experience: 20 years of experience of managing positions including Trelleborg Waterproofing Polymeric Membranes (90,504 shares)



Bengt-Erik Karlberg, Head of Veg Tech

Joined NWG in 2018

Previous experience: 20 years of experience of managing positions and sales including Veg Tech and Mekra Lang (6,000 shares)

* Including related parties