

STILL BENEFITTING FROM STRONG DEMAND

1 January – 30 September 2019

 Date 2019.10.31

Earnings conference call

Martin Ellis (CEO) & Jonas Olin (CFO & IR)

The statements about the future in this document contain an element of risk and uncertainty, both in general and specific terms, and this means that actual developments may diverge considerably from the statements about the future.

NORDIC 
WATERPROOFING

Still benefitting from strong demand

- Net sales of SEK 901 m (778), up 16%
 - 10% organic growth in local currency
 - 4% from acquisitions
 - 2% from currency effects
- EBITDA increased to SEK 137 m (102)
- Operating profit (EBIT) increased to SEK 109 m (86)
- Operating cash flow was SEK 145 m (123)
- Earnings per share SEK 3.29 (2.97)



Market status and perspective

- Continued consolidation within builders merchants in all Nordic countries, primarily affecting Nordic Waterproofing in Sweden and Norway
- The decreased private housing building starts in Sweden have not affected our sales
- Active competition in flat roofing, but Nordic Waterproofing has successfully increased its market shares in Norway and Sweden
- Flat roofing market in the Nordics is still fairly strong with demand overall at healthy levels but with local variations. Somewhat more cautious markets and market expectations are slightly negative for instance in Finland
- Continued strong market for prefabricated façade elements in Norway
- Currently fairly stable raw material prices



Strategic update – continued focus on organic growth and profitability

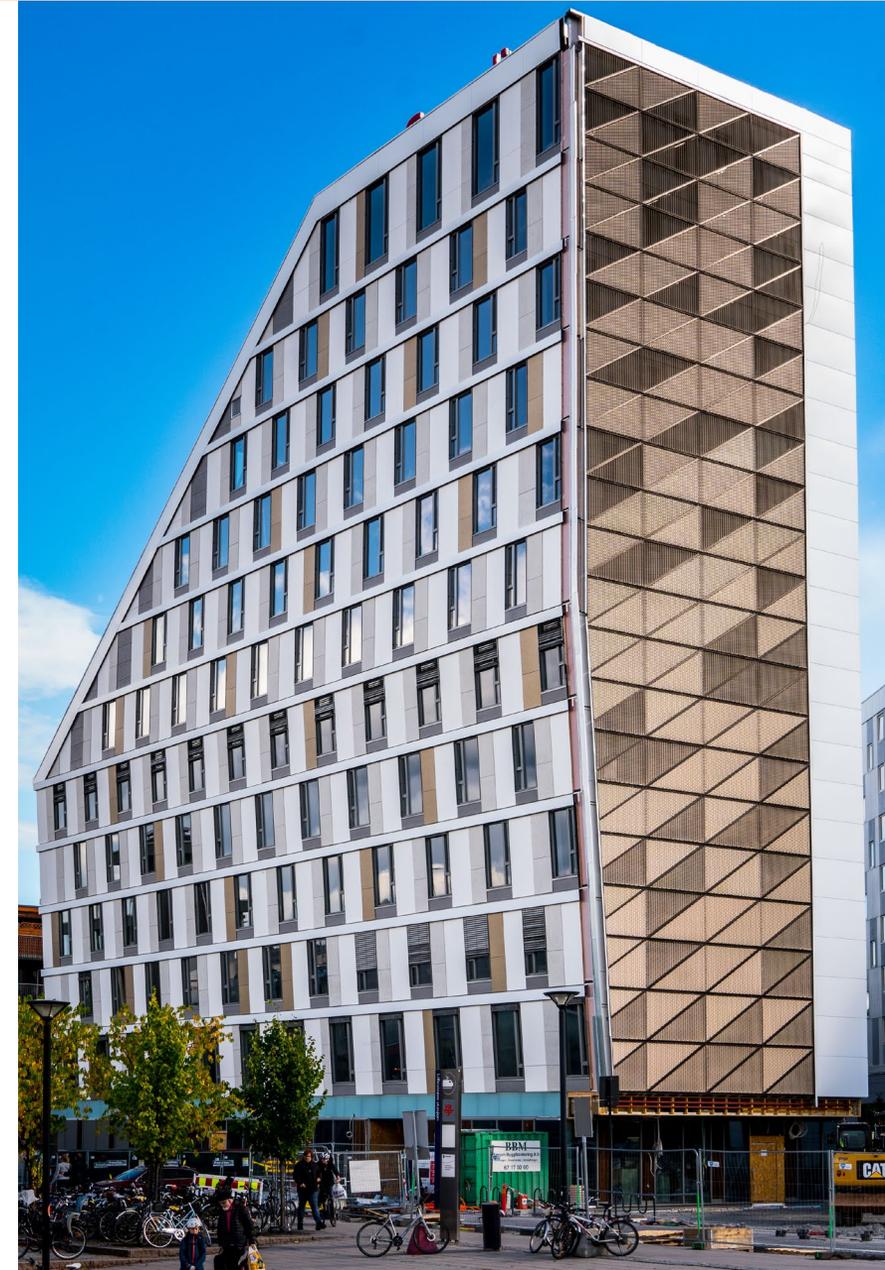
Organic growth from the development of our recent acquisitions, building on our new platforms in prefabricated elements and green infrastructure

Regarding acquisitions, we maintain our focus and selective approach on small to medium sized companies presenting good synergistic potential with our existing businesses, in order to

- enhance our product and service offering
- benefit from mega trends in the construction industry
- forward integrate to increase exposure to end customers

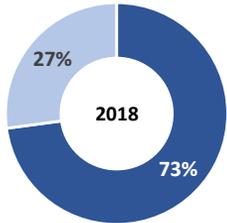
Promoting sustainability remains a key focus, exemplified by Taasinge strengthening its position in eco-friendly construction by acquiring a small installation business in Denmark in July

Taasinge now offers customers a complete solution, from drawing to assembly at the building site, ensuring high quality logistics and execution



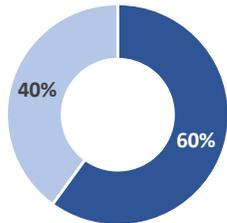
Recap of our footprint

Sales by segment



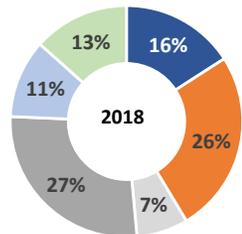
■ Products & Solutions
■ Installation Services

Sales by category



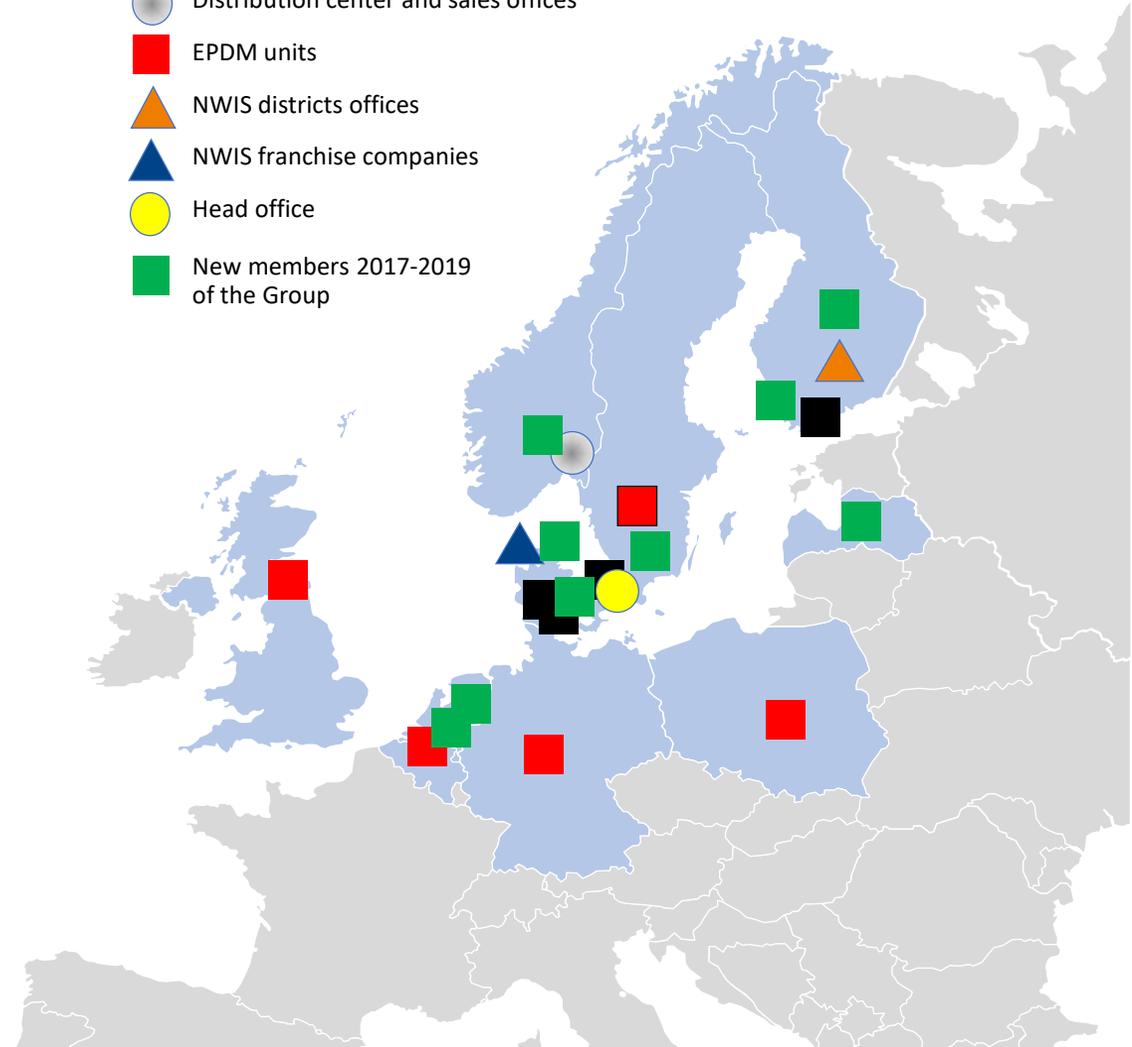
■ Renovation
■ New build

Sales by country



■ Sweden
■ Denmark
■ Finland NWPS
■ Finland NWIS
■ Norway
■ SealEco & Export

- Bitumen manufacturing units and sales offices
- Distribution center and sales offices
- EPDM units
- ▲ NWIS districts offices
- ▲ NWIS franchise companies
- Head office
- New members 2017-2019 of the Group



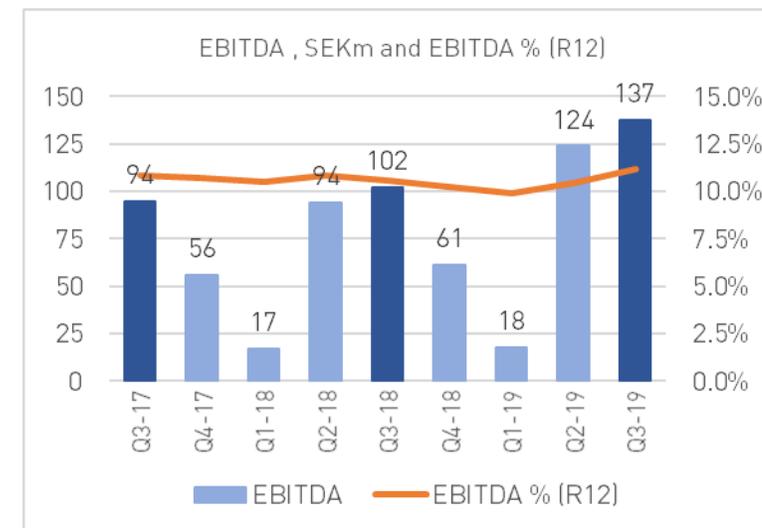
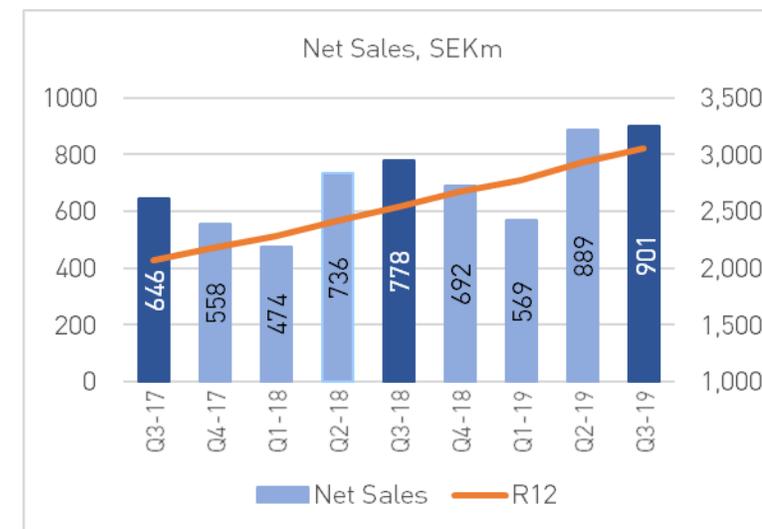
Third quarter report

Net sales of SEK 901 m (778) up 16%

- Best quarterly sales ever
- Strong organic growth of 10% driven by high activity in almost all business units
- Significant sales growth in prefabricated elements in RVT in Norway

EBITDA increased to SEK 137 m (102) while Operating profit (EBIT) increased to SEK 109 m (86)

- Best quarterly earnings ever, driven by bitumen flat roofing as well as green infrastructure in Veg Tech
- Prefab elements business has stabilized in Denmark while RVT in Norway performed below targets due to installation inefficiencies on the building sites



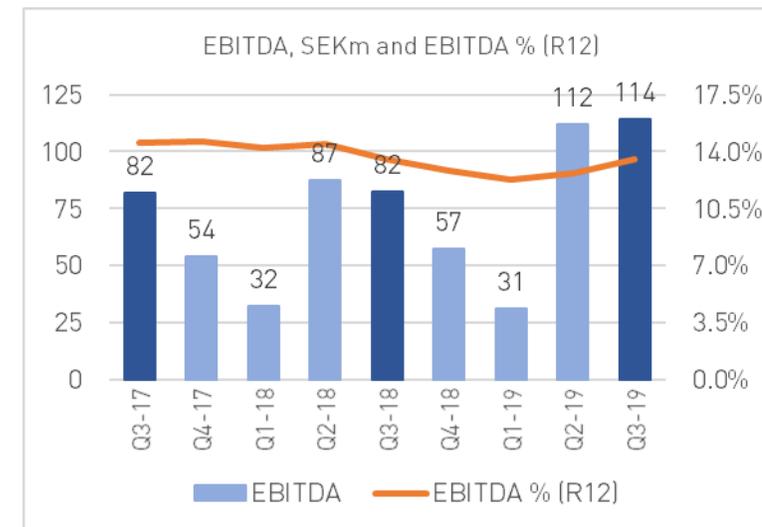
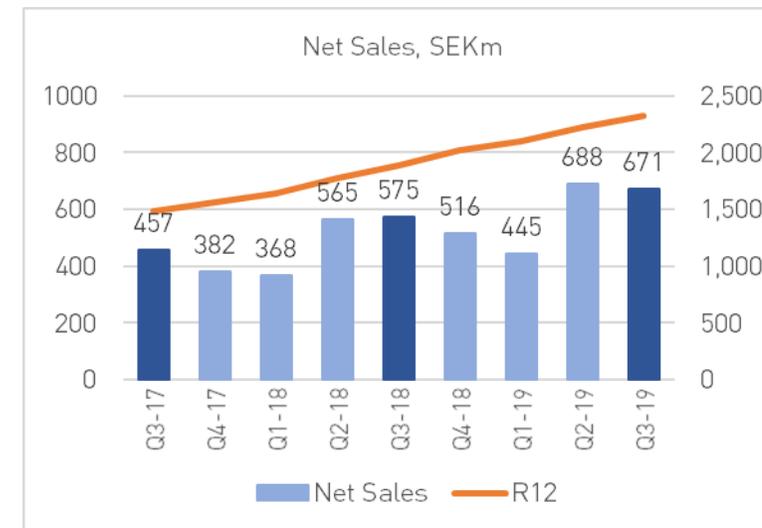
Products & Solutions

Net sales of SEK 671 m (575) up 17%

- Continued strong organic growth 10% and contribution from acquisitions 6% in the third quarter
 - Norway +21%: mainly prefabricated elements
 - Sweden +17%: both flat roofing and green infrastructure
 - Finland +13%: flat roofing and geomembranes
 - Denmark +7%: flat roofing
 - Other Europe +31%: of which DistriPond 25%-units

EBITDA increased to SEK 114 m (82) while Operating profit (EBIT) increased to SEK 90 m (69)

- Favourable raw material prices in 2019 due to bitumen hedge agreements
- Positive contribution from recent acquisitions of Veg Tech and Distri Pond



Installation Services

Net sales of SEK 262 m (235) up 11%

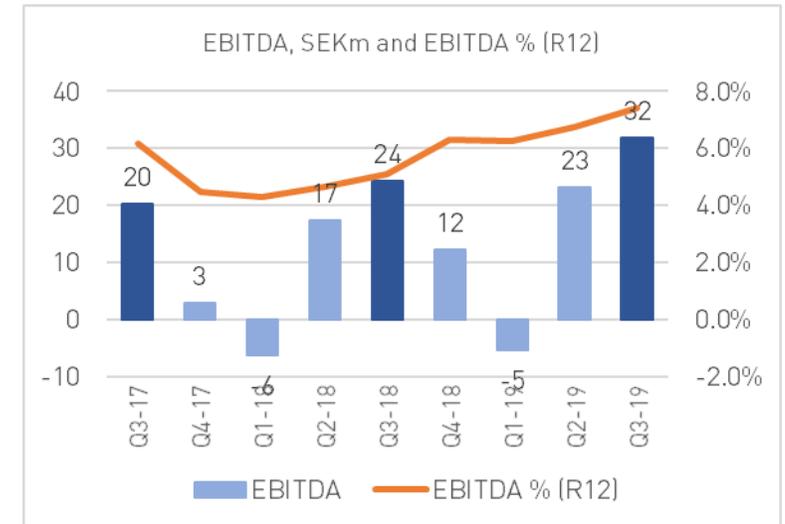
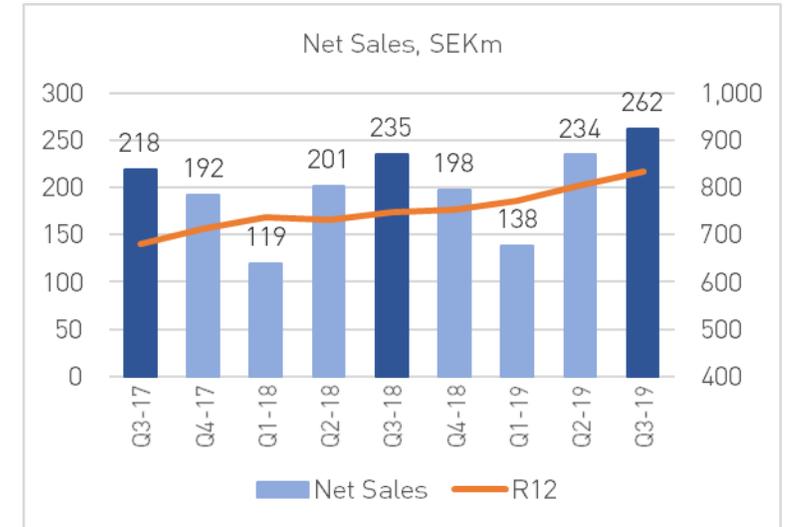
- Organic growth 9% mainly coming from demand in flat roofing while currency effects were 2%

Reasonable order book

- Order intake increased 9% in the quarter
- Order book end of September was 5% below previous year due to previous year's cruise ship flooring order

EBITDA increased to SEK 32 m (24) while Operating profit (EBIT) increased to SEK 27 m (23)

- The Finnish roof installation as well as the Danish franchise units continued to perform well in the third quarter



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

Income statement

SEKm	Q3-19	Q3-18	Change, %	R12 2019	Full-year 2018
Net sales	901	778	+16%	3,051	2,680
Gross profit	243	201	+21%	788	680
EBITDA	137	102	+35%	341	274
Operating profit (EBIT)	109	86	+27%	245	212
Net finance items	-11	-5	+132%	-37	-22
Profit/loss before tax	99	81	+21%	208	190
Tax	-20	-10	+105%	-49	-38
Profit/loss for the period	78	72	+10%	159	152

- IFRS 16 has affected third quarter
 - EBITDA by SEK +13 m
 - EBIT SEK +1 m, and
 - Net profit/loss by SEK 0 m
- Acquisition-related amortizations of intangible assets affects EBIT by SEK -5 m (-6)
- Net finance items is mainly affected by increased interest costs due to the higher leverage following the acquisitions as well as the effect from IFRS 16

Balance sheet

SEKm	2019-09-30	2018-09-30	2018-12-31
Non-current assets	1,621	1,313	1,324
Current assets	1,134	965	803
Total assets	2,755	2,278	2,127
Equity	1,178	1,116	1,106
Non-current liabilities	961	545	535
Current liabilities	616	617	486
Total equity and liabilities	2,755	2,278	2,127
Capital employed	2,055	1,682	1,653
ROCE (R12)	13.1%	14.4%	14.0%
Net debt (interest bearing)	745	493	442
Equity/assets ratio	43%	49%	52%
Net debt/equity ratio	0.6x	0.4x	0.4x
Net debt/EBITDA	2.2x	1.8x	1.6x

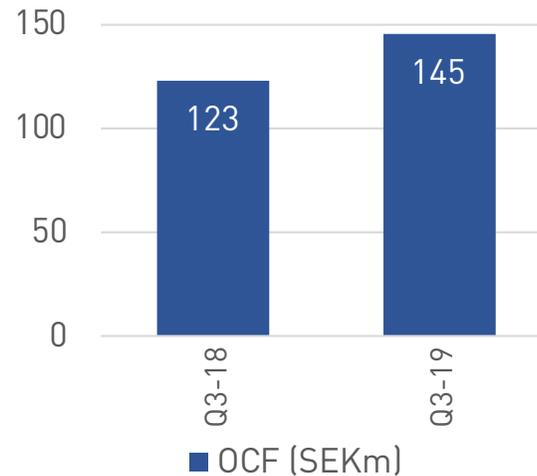
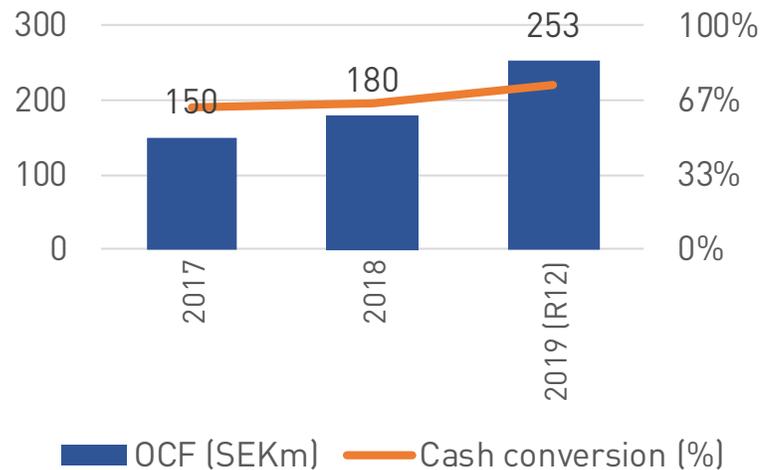
- Distri Pond is consolidated as from February 2019
- IFRS 16 has increased capital employed end-Q3 by SEK 131 m
- ROCE is in line with the long term financial target of 13% due to the strong operating profit in the third quarter
- Net debt/EBITDA-ratio was 2.2x and decreased due to strong cashflow and increased profit

IFRS 16 impact

SEK m	9M-19 incl IFRS16	9M-19 excl IFRS16	Difference
Net sales	2,359	2,359	0
EBITDA	279	242	37
EBITDA margin (%)	11.8%	10.3%	1.5pp
Operating profit (EBIT)	198	196	2
EBIT margin (%)	8.4%	8.3%	0.1pp
Net debt (interest bearing)	745	614	131
Net debt/EBITDA (R12)	2.2x	2.0x	0.2x
Capital employed, end of period	2,055	1,924	131
ROCE (R12)	13.1%	13.5%	-0.4pp

- IFRS 16 has year-to-date affected EBITDA by SEK +37 m, while only marginal effect on EBIT and Net profit
- Capital Employed and Net Debt have increased by SEK +131 m
- ROCE decreased -0.4%-units

Operating cashflow



- Operating cash flow in Q3-19 of SEK 145 m (123) following normal seasonal variation
- Higher EBITDA and net trade receivables increasing less than previous year but also lower inventory level
- Operating cash conversion (R12) was 74%, compared with 65% for the full year 2018
- IFRS 16 has year-to-date affected OCF by SEK +37 m and +3%-units effect on cash conversion

Financial targets

Sales growth

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

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

Profitability

NWG's goal is to generate a return on capital employed (ROCE) exceeding 13 percent for the financial year

Capital structure

Net interest-bearing debt in relation to EBITDA shall not exceed 3 times at year-end

Dividend policy

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

Outlook 2019 (unchanged)

For the financial year 2019, general demand is expected to be similar to that in 2018 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 in the markets in which the Group operates. In addition to organic growth, the Group also expects to continue growing through selective acquisitions. Operating profit (EBIT) is expected to increase compared with 2018, assuming normal winter conditions during the fourth quarter.



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Questions

Further information:

- Martin Ellis, CEO
- Jonas Olin, CFO & IR

Full-year report, January-December 2019:
6 February 2020

We make waterproofing easy



APPENDIX

Shareholders as per 30 September 2019

Owner	No. of shares	Capital, %	Votes, %
Svolder AB	2,986,780	12.4	12.5
Swedbank Robur Funds	2,187,095	9.1	9.2
Mawer Investment Management	2,182,837	9.1	9.1
Carnegie Funds	1,696,681	7.0	7.1
Länsförsäkringar Funds	1,498,145	6.2	6.3
Handelsbanken Funds	1,033,044	4.3	4.3
Catella Funds	1,019,882	4.2	4.3
Prior & Nilsson Funds	869,873	3.6	3.6
Third AP-fund	865,707	3.6	3.6
Canaccord Genuity Wealth Management	609,752	2.5	2.6
Ten largest shareholders	14,949,796	62.1	62.6
Other shareholders*	9,134,139	37.9	37.4
Total number of votes	23,883,935	99.2	100.0
Treasury shares	200,000	0.8	n/a
Total number of shares	24,083,935	100.0	n/a

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority. * Holdings with depositories are reported as "other shareholders".

Share details

- Ticker symbol NWG
- ISIN code DK0060738409
- Sector Construction & Materials
- Number of shares of DKK 1.00 24,083,935
- Treasury shares 200,000
- Voting & ownership restrictions None
- Current market cap SEK 2,090 million (30 October 2019)
- Contact Jonas Olin, CFO & investor relations
+46 708 29 14 54
jonas.olin@nordicwaterproofing.com

Experienced board of directors



Ulf Gundemark
Chairman

Relevant experience:
Board member of AQ Group, Opti Group, Ripasso Energy and Lantmännen.
Previously chairman of Lindab and Ripasso Energy, and board member of Scandi Standard, Solar, Lönne International and Constructor Group.
(34,000 shares*)



Allan Jørgensen
Board member

Relevant experience:
President and CEO of Dovista. Board member of OH Industri and Pankas.
Previously board member of Hus-Compagniet, CEO of Kemp & Lauritzen.
(0 shares)



Steffen Baungaard
Board member

Relevant experience:
Board member of Arkil Holding, Carl Ras and M.B. Packaging.
Previously CEO and President of Hus-Compagniet.
(0 shares)



Riitta Palomäki
Board member

Relevant experience:
Member of the supervisory committee and deputy chair of the audit committee at OP Cooperative.
Previously member of the board of directors, chair of the audit committee and member of the remuneration committee at HKScan Oyj, and CFO of Uponor.
(5,000 shares)



Mats O. Paulsson
Board member

Relevant experience:
Chairman of the board of Caverion, Nordisk Bergteknik, KEWAB, AKEAB, and Mark & Energibyggarna.
Previously board member of Acandao, Paroc, Ramirent, BTH Bygg and WinGroup.
CEO of Bravida, Strabag, PEAB Industri.
(15,000 shares)



Kristina Willgård
Board member

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

* Including related parties

Seasoned 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)



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

(134,395 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*)



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)



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.

(12,055 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)



Mats Lindborg, Head of NW Sweden

Joined NWG in 1986

Previous experience: 30 years of experience of sales and marketing including Trelleborg Waterproofing

(64,414 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

(98,493 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

(15,000 shares)

* Including related parties



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