



STRONG START TO 2020 IMPACT OF COVID-19 TO BE EXPECTED

1 January – 31 March 2020

 Date 2020.05.04

Earnings conference call

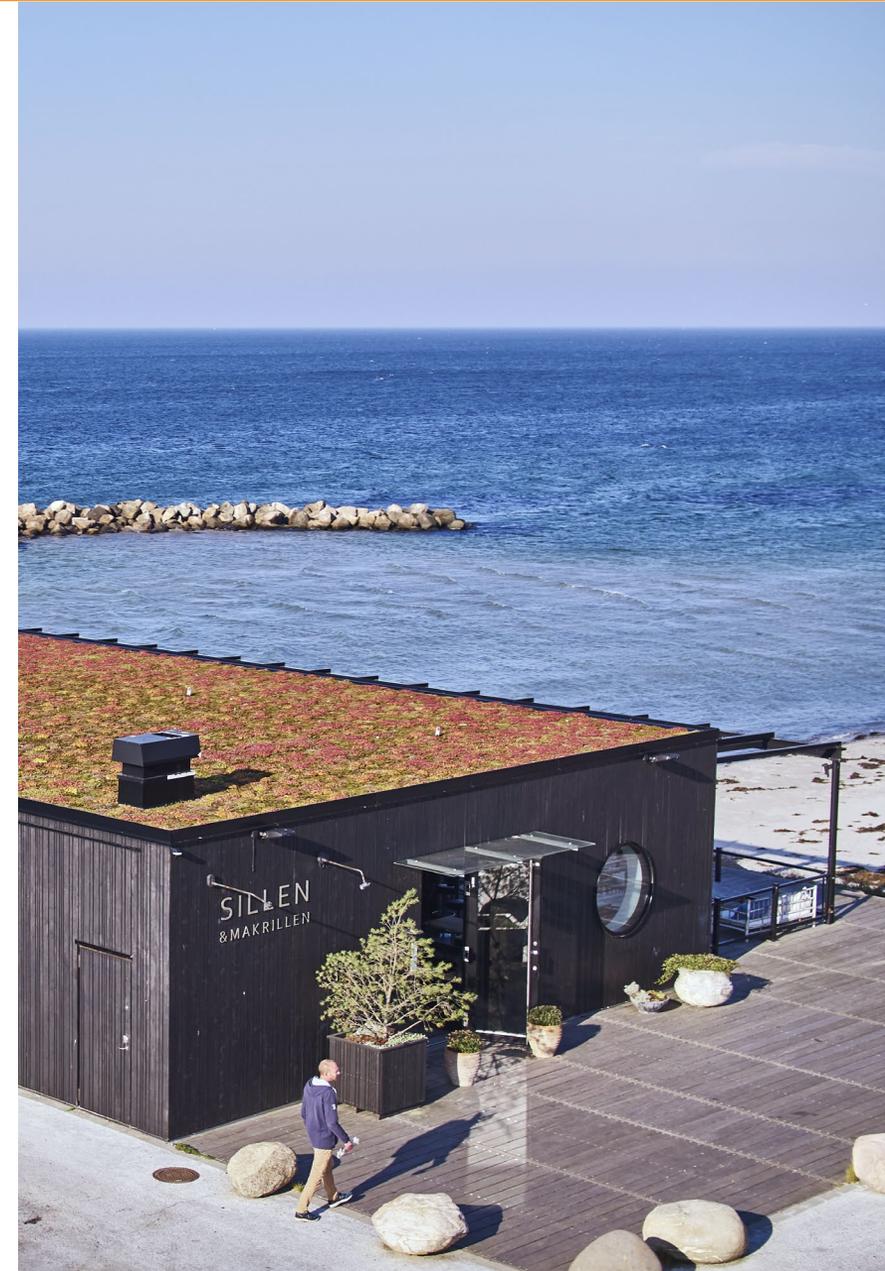
Martin Ellis (CEO) & Per-Olof Schrewelius (CFO & IR)

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

Covid-19 status update

- First priority is the health of our employees and customers
- Single digit number of confirmed cases among our colleagues
- Have been able to operate close to normal in most countries (except UK and Belgium)
- Special focus on customer credit risk, cost control and cash preservation
- The future impact on our business is difficult to assess, but some slowdown should be expected in 6 to 18 months in case of negative GDP development



Strong start to 2020 in the first quarter

- Net sales of SEK 670 m (569), up 18%
 - 14% organic growth in local currency
 - 3% from acquisitions
 - 1% from currency effects
- EBITDA increased to SEK 32 m (18), up 80%
- Operating profit (EBIT) increased to SEK 2 m (-7) , from negative to positive
- Cash flow from operating activities was SEK -86 m (-61)
- Earnings per share SEK -0.37 (-0.44)
- AGM planned for 15 June, Board suggests to be authorized to until the next AGM take a decision to distribute up to SEK 4.50 per share in dividend



Highlights and comments

- Strong sales development with +18% vs LY, whereof 14% organic
- Strong growth from the roofing business in the Nordics, Products and Solutions sales increased 21%
- In general, continued strong markets in all segments. SealEco had negative impact from markets in UK and Belgium closing due to Covid-19
- Profit improvement program in the prefabricated elements business continued, effects not yet materializing
- The impact from bitumen supply has been volatile with lower market price but at the same time additional costs for securing supply
- Nynas, NWG's main supplier of bitumen, has had their general license extended to enable doing business without breaking US sanctions. Restructuring has been extended to 15 June
- The Danish Competition and Consumer Authority decided to finally close the investigation of the roofing felt market.



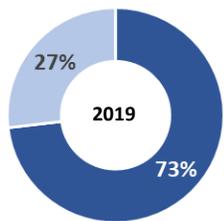
Market situation still favorable, Covid-19 impact to be expected

- The impact from Covid-19 is difficult to estimate, but it will likely have a dampening effect on sales if the pace of construction is slowing down as a result of the general economic development
- Active competition in flat roofing, but Nordic Waterproofing has successfully increased its market shares in the Nordics
- Flat roofing market in the Nordics is still fairly strong with demand overall at healthy levels. Somewhat more cautious markets and market expectations in Finland
- Continued strong market for prefabricated façade elements in Denmark and Norway



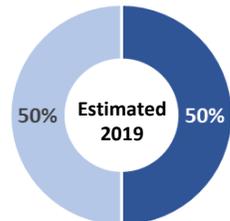
Recap of our footprint

Sales by segment



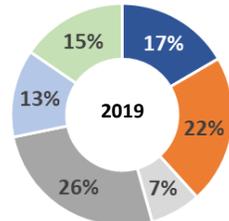
■ Products & Solutions
■ Installation Services

Sales by category



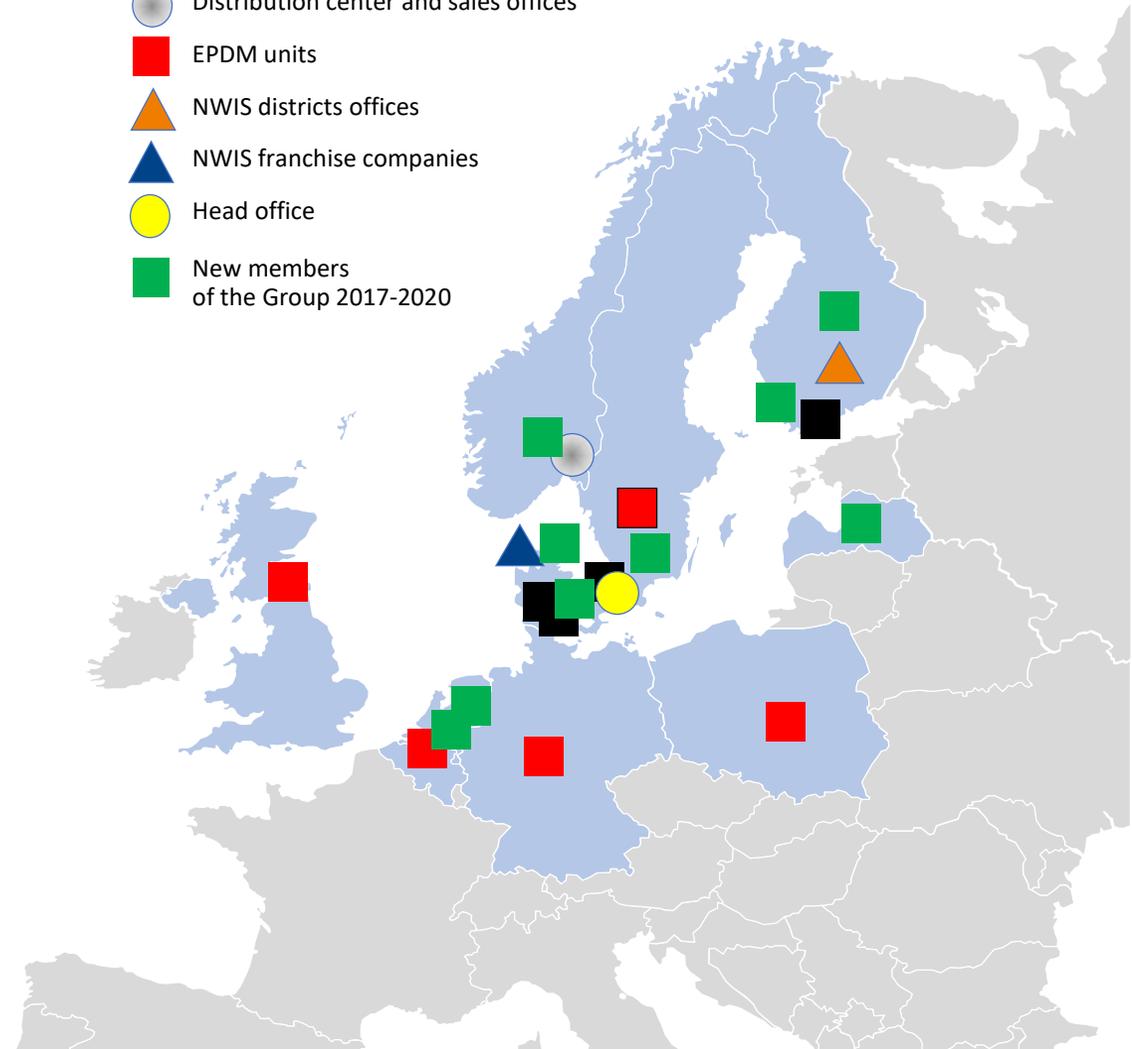
■ Renovation
■ New build

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 of the Group 2017-2020



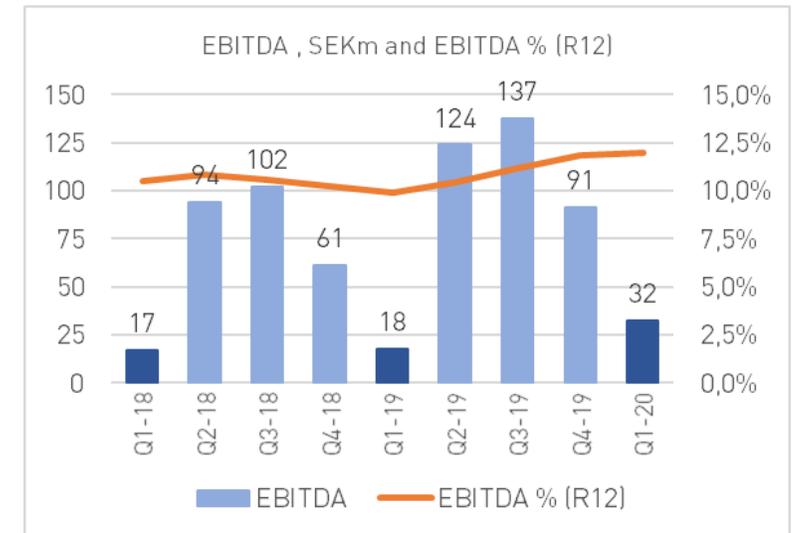
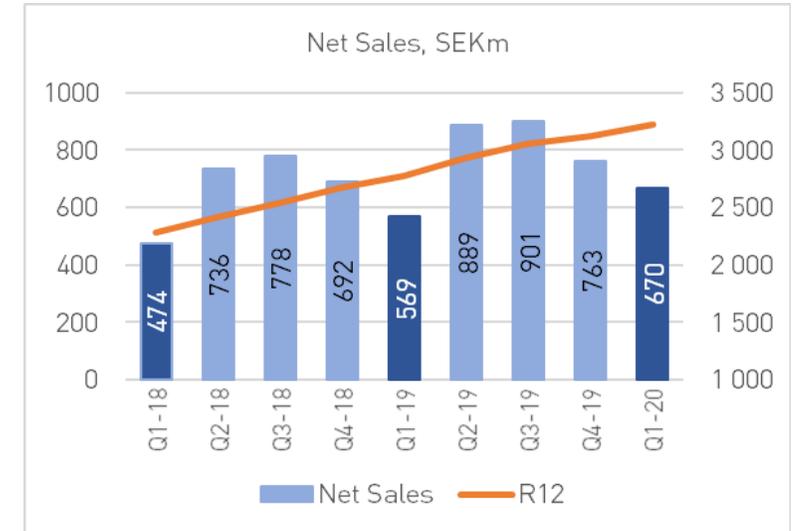
First quarter report

Net sales of SEK 670 m (569) up 18%

- Best first quarterly sales ever
- Organic growth of 14% driven by high activity in roofing in the Nordic countries

EBITDA increased to SEK 32 m (18) while Operating profit (EBIT) increased to SEK 2 m (-7)

- Positive first quarter earnings, mainly driven by volumes
- No material impact vs LY from changes in raw material prices. Market price on oil decreased but the volatile situation with bitumen supply caused additional costs to secure long term supply



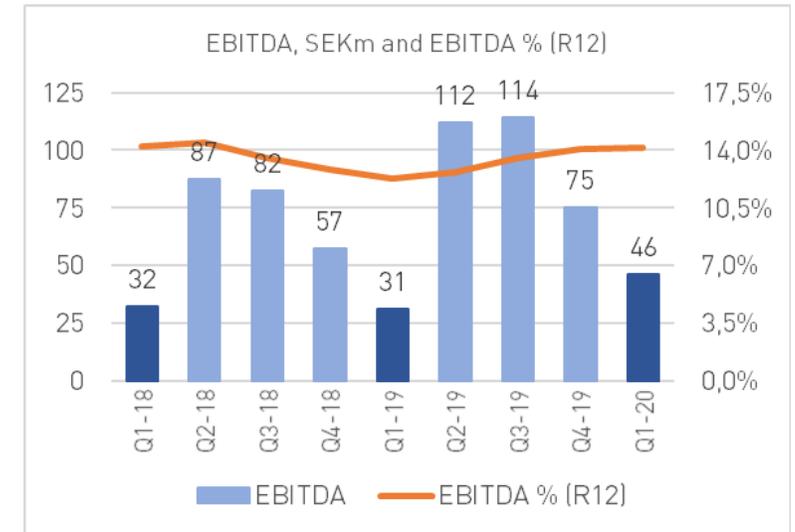
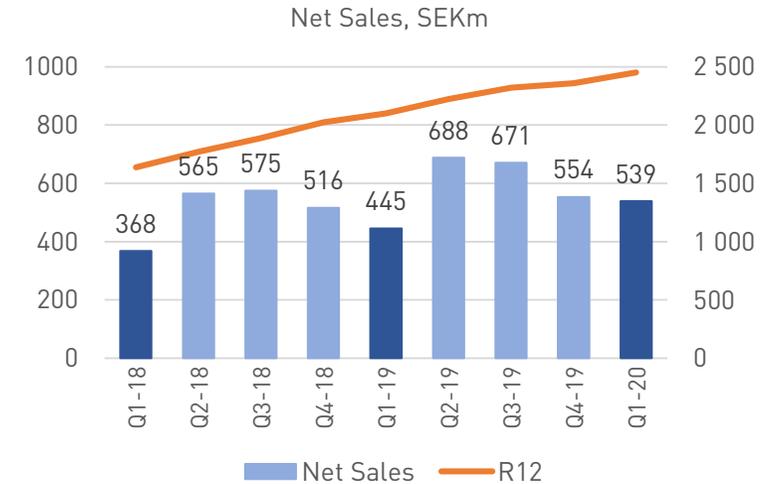
Products & Solutions

Net sales of SEK 539 m (445) up 21%

- Organic growth was 17% and contribution from acquisitions 4% in the first quarter
 - Norway +12%: flat roofing
 - Denmark +26%: flat roofing
 - Sweden +40%: all segments
 - Finland +25%: flat roofing,
 - Other Europe 10%: of which Distri Pond 9%-units

EBITDA increased to SEK 46 m (31) while Operating profit (EBIT) increased to SEK 22 m (10)

- Increase in EBITDA mainly driven by volume growth



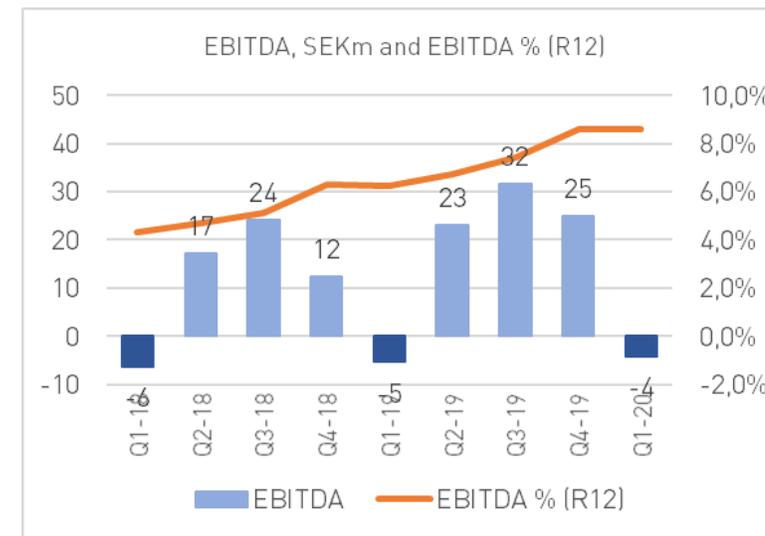
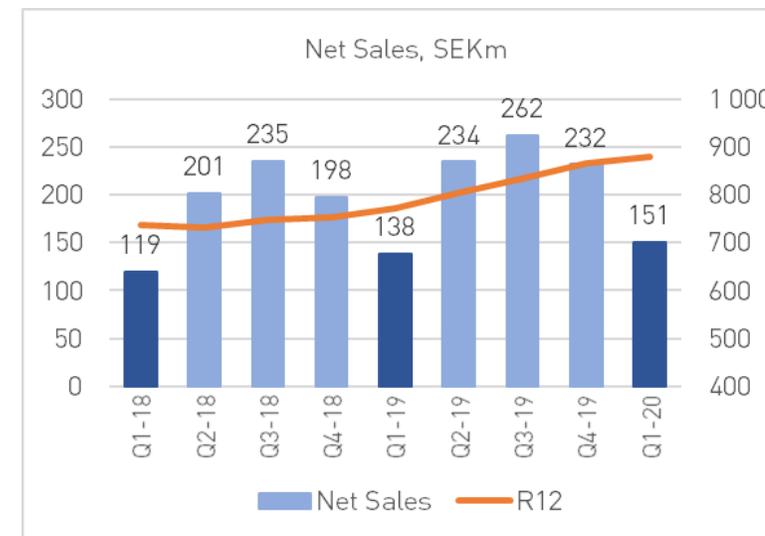
Installation Services

Net sales of SEK 151 m (138) up 9%

- Organic growth 7% from demand in flat roofing. Currency effects were 2%

EBITDA increased to SEK -4 m (-5) while Operating profit (EBIT) was unchanged at to SEK -8 m (-8)

- EBITDA in line with previous year



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

Income statement

| SEKm | Q1-20 | Q1-20 | Change, % | R12 2020 | Full-year 2019 |
|----------------------------|------------|------------|-----------|-------------|-------------------|
| Net sales | 670 | 569 | +18% | 3,122 | 3,122 |
| Gross profit | 158 | 133 | +20% | 813 | 813 |
| EBITDA | 32 | 18 | +80% | 371 | 371 |
| Operating profit (EBIT) | 2 | -7 | n/a | 260 | 260 |
| Net finance items | -13 | -7 | n/a | -28 | -28 |
| Profit/loss before tax | -10 | -13 | n/a | 233 | 233 |
| Tax | 1 | 3 | -50% | -37 | -37 |
| Profit/loss for the period | -9 | -10 | n/a | 196 | 196 |

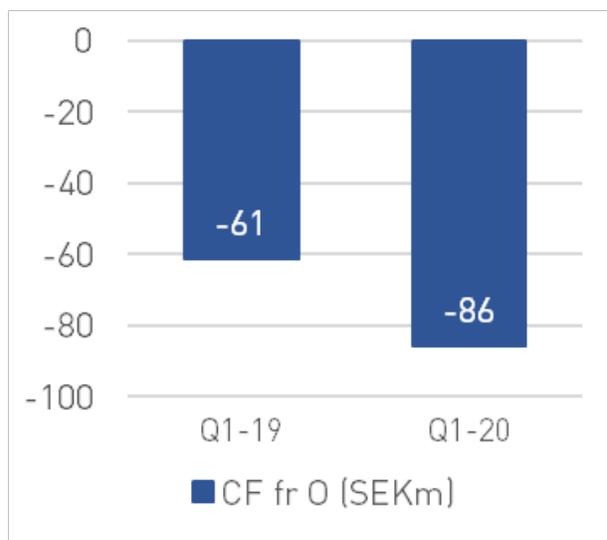
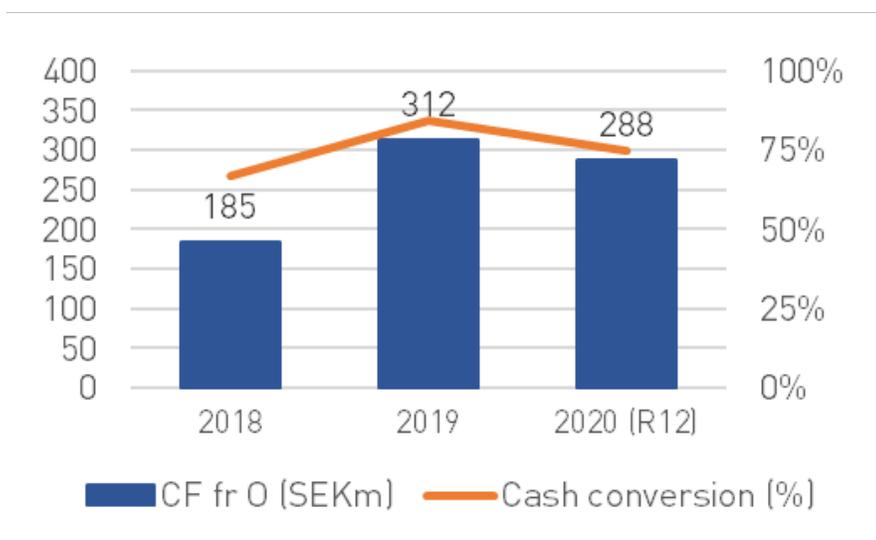
- Distri Pond is consolidated as from February 2019
- Acquisition-related amortizations of intangible assets (customer relations) affects EBIT by SEK -5 m (previous year -4)
- Net financial items amounted to SEK -13 m (-7). The difference is mainly explained by negative exchange rate differences.

Balance sheet

| SEKm | 2020-03-31 | 2019-03-31 | 2019-12-31 |
|-------------------------------------|--------------|--------------|--------------|
| Non-current assets | 1,650 | 1,548 | 1,598 |
| Current assets | 1,036 | 964 | 938 |
| Total assets | 2,686 | 2,513 | 2,536 |
| Equity | 1,232 | 1,112 | 1,209 |
| Non-current liabilities | 911 | 911 | 903 |
| Current liabilities | 543 | 489 | 424 |
| Total equity and liabilities | 2,686 | 2,513 | 2,536 |
| Capital employed | 2,058 | 1,976 | 2,016 |
| ROCE (R12) | 13.2% | 11.9% | 12.9% |
| Interest-bearing net debt | 736 | 783 | 610 |
| Equity/assets ratio | 46% | 44% | 48% |
| Net debt/equity ratio | 0.6x | 0.7x | 0.5x |
| Net debt/EBITDA | 2.1x | 2.8x | 1.8x |

- ROCE is above the long term financial target of 13% due to the strong operating profit latest twelve months
- Net debt/EBITDA-ratio increased to 2,1x during the quarter due to ordinary seasonal variations
- The Board proposal of an ordinary dividend of 4.50 SEK/share, in total SEK 107 m, has been withdrawn, however the BoD will ask the AGM to be authorized to distribute up to this amount at a later date

Cash-flow from operating activities



- Cash-flow from operating activities in Q1-20 of SEK -86 m (-61) following normal seasonal variation, but also increase in A/R due to high sales and increasing inventories to secure supply
- Operating cash conversion (R12) was 75%, compared with 84% for the full year 2019

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.

Updated Outlook 2020

Nordic Waterproofing has the construction industry as its primary customer group. Sales are primarily affected by the activity in Northern Europe, with emphasis on the Nordic countries representing 84 percent of the Group's external sales in 2019. The impact from the outbreak of Covid-19 (the Corona virus) during the rest of the year is difficult to estimate, since we do not know how long each country's efforts will last, but it will likely have a dampening effect on sales if the pace of construction is slowing down as a result of the general economic development. As the potential impact of Covid-19, as described above is unknown at this time, it is currently not possible to provide further guidance on operating profit (EBIT).



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Questions

Further information:

- Martin Ellis, CEO
- Per-Olof Schrewelius, CFO & IR

Annual General Meeting: 15 June 2020

Q2 report, January-June 2020: 24 July 2020

We make waterproofing easy



APPENDIX

Shareholders as per 31 March 2020

| Owner | No. of shares | Capital, % | Votes, % |
|-------------------------------------|-------------------|--------------|--------------|
| Svolder AB | 3,119,000 | 13.0 | 13.1 |
| Swedbank Robur Funds | 2,187,095 | 9.1 | 9.2 |
| Mawer Investment Management | 2,138,342 | 8.9 | 9.0 |
| Länsförsäkringar Funds | 1,741,346 | 7.2 | 7.3 |
| Carnegie Funds | 1,703,931 | 7.1 | 7.1 |
| Handelsbanken Funds | 1,438,044 | 6.0 | 6.0 |
| Third AP-fund | 965,707 | 4.0 | 4.0 |
| Prior & Nilsson Funds | 858,717 | 3.6 | 3.6 |
| Alcur Funds | 711,450 | 3.0 | 3.0 |
| Canaccord Genuity Wealth Management | 563,723 | 2.3 | 2.4 |
| Ten largest shareholders | 15,427,355 | 64.1 | 64.6 |
| Other shareholders* | 8,456,580 | 35.1 | 35.4 |
| 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 2,064 million (27 April 2020)
- Contact Per-Olof Schrewelius, CFO & investor relations
+46 707 82 79 58
per-olof.schrewelius@nordicwaterproofing.com

Experienced board of directors



Ulf Gundemark
Chairman

Relevant experience:
Board member of AQ Group and Opti Group. Previously chairman of Lindab and Ripasso Energy, and board member of Scandi Standard, Solar, Lönne International and Constructor Group.
(39,000 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)



Allan Jørgensen
Board member

Relevant experience:
CEO of Dovista. Board member of OH Industri and Pankas. Previously board member of Hus-Compagniet, CEO of Kemp & Lauritzen.
(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 and Svevia. Board member of BE Group. Previously board member of Acandao, Paroc, Ramirent, BTH Bygg, KEWAB, AKEAB, Mark & Energi byggarna and WinGroup. CEO of Pravida, 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

Experienced 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

(276,270 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

(10,000 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

(38,250 shares*)



P-O Schrewelius, CFO & Investor Relations

Joined NWG in 2020

Previous experience: Different CFO and Finance Manager positions in various industries at, among others, Alligator Bioscience AB, the Getinge group and the Sandvik group (3,000 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.

(14,055 shares)



Thomas Zipfel, Head of SealEco

Joined NWG in 2009

Previous experience: 20 years of experience of managing positions including Trelleborg Waterproofing Polymeric Membranes

(20,000 shares)



Mats Lindborg, Head of NW Sweden

Joined NWG in 1986

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

(19,414 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

(0 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

(17,000 shares)

* Including related parties



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