




SOLID FINISH TO 2022

1 January – 31 December 2022

 Date 2023.02.07

Earnings conference call

Martin Ellis (CEO) & Palle 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

Solid finish to 2022

- Net sales of SEK 1,045 m (890), increase of 17%
 - 6% organic growth, whereof volume -7% and price 13%
 - 6% from acquisitions
 - 6% from currency effects
- EBITDA increased to SEK 114 m (97), up 17%
- Operating profit (EBIT) increased to SEK 66 m (59), up 12%
- Cash flow from operating activities was SEK 93 m (92).
- Earnings per share SEK 1.96 (1.81)



Q4 Highlights and comments 1 (2)

- **Demand** slightly impacted by slowdown in residential new build, with renovation remaining stable
 - On a good level for the **roofing business** on the Nordic markets
 - Weaker demand for our **EPDM products**
 - Order books for **Installation Services** continues to be on a high level
 - Weaker demand from residential new build expected to also impact 2023
- **Prefabricated elements** slightly down in sales, reducing in Denmark while increasing in Norway and Finland.
- Our **Green infrastructure** had a very strong development in the quarter.
- In the **Installation Services** operating segment, where sales are mainly generated in Finland, net sales increased organically with 6 percent.



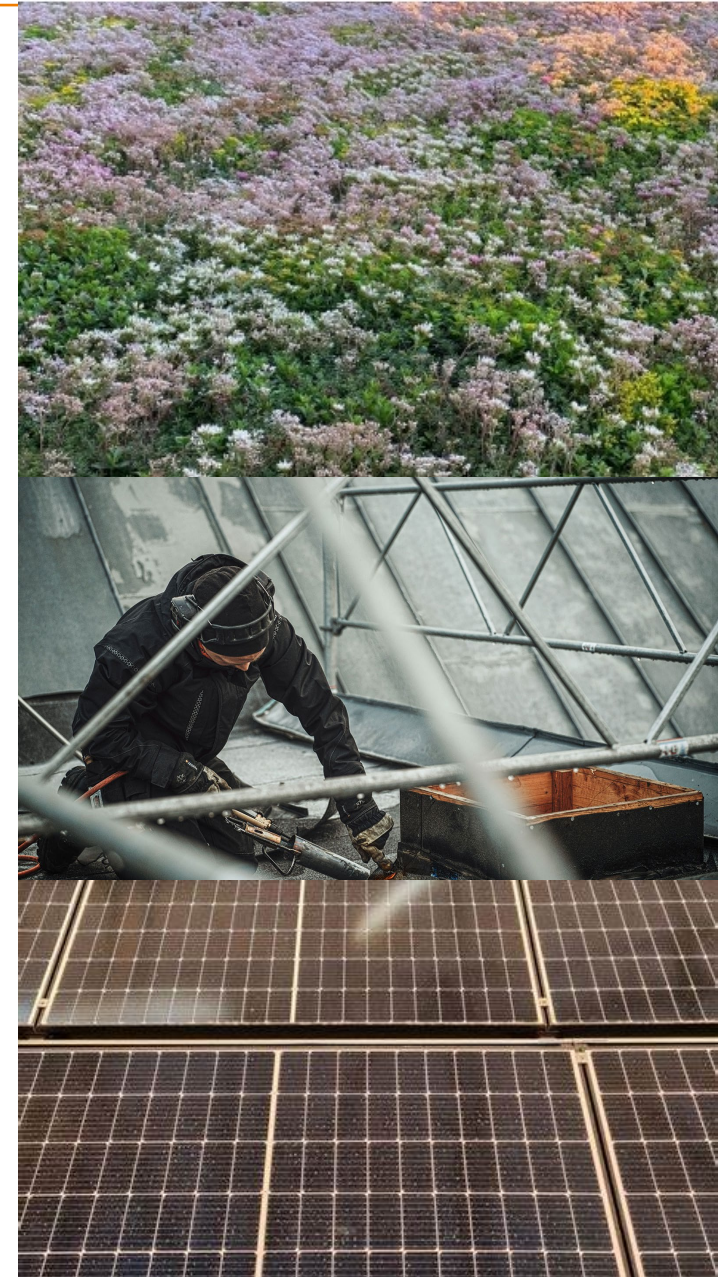
Q4 Highlights and comments 2 (2)

- Input costs have slightly deflated while transportation and energy costs remain on a high level.
- Good cash flow from operations in quarter, our focus on operating receivables and reducing inventory contributed to the positive cash flow.
- We maintain a strong focus on sustainability throughout the Group and remain on track to reach our emission reduction targets. The Group has driven improved data collection and CO₂ footprint reduction initiatives. Our units have completed and published seven EPDs (Environmental Product Declarations).
- In a higher interest environment, we have sharpened the focus on our debt level, and adjusted multiples we are prepared to pay for acquisitions.
- The Board proposes the AGM a dividend of SEK 7.00 per share



Acquisitions in the quarter

- On 3 October we acquired 70 percent of the shares in EG Trading, a company headquartered in Tammisaari in southern Finland growing sedum and offering a wide variety of different landscaping products. The acquisition extends our geographic presence in the green infrastructure solutions.
- On December 1, we acquired 100 percent of the shares in Hagmans Tak Öst AB, a company that provides roofing and waterproofing services. The acquisition expands our offering to customers in Sweden and is part of our ambition to integrate downstream in the Swedish market.
- On December 7, we acquired an additional 31 percent of the shares in Playgreen Oy, a Finnish company mainly active in the design, sales and installation of solar energy solutions, and now hold a total of 64 percent of the shares in the company with an option to acquire the remaining 36 percent.



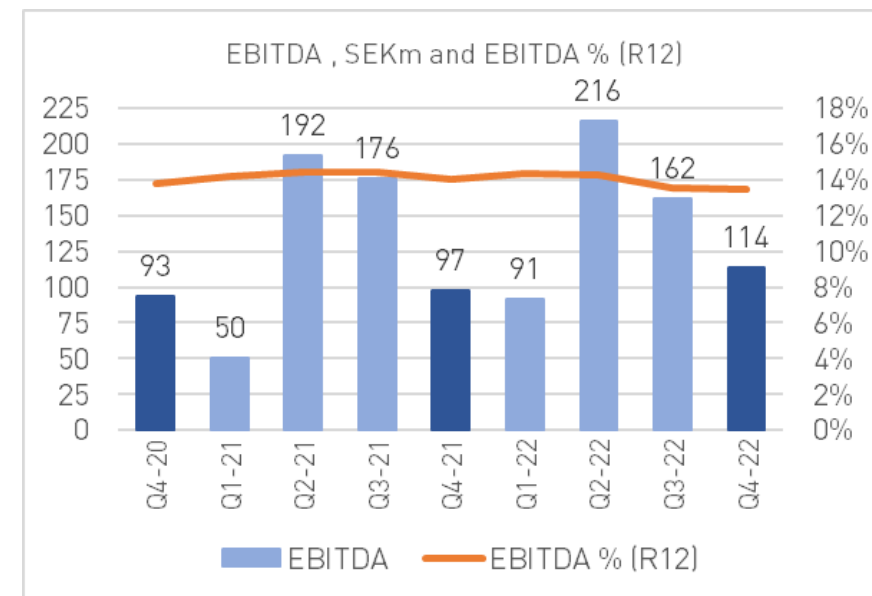
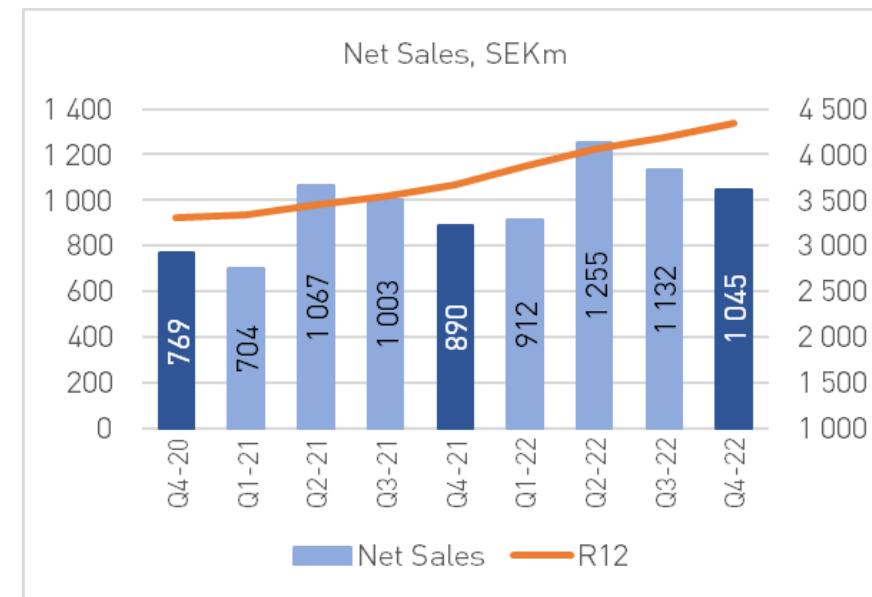
Full year report

Net sales of SEK 1,045 m (890) up 17%

- Organic growth of 6%, positive impact from price increases of 13% while volume -7%
- Acquisitions contributed with 6%
- Currency had an impact of 6%
- Net Sales for 2022 reached SEK 4,343 M

EBITDA increased to SEK 114 m (97) and Operating profit (EBIT) increased to SEK 66 m (59)

- EBITDA margin unchanged on 10.9 percent (10.9) in the fourth quarter.
- EBITDA explained by certain areas within Products & Solutions not matching the historically high margins of last year, while Installation Services saw a significant profit improvement.



Income statement

SEKm	Q4-'22	Q4-'21	Change, %	Full-year 2022	Full-year 2021
Net sales	1,045	890	17%	4,343	3,664
Gross profit	252	232	8%	1,184	1,041
EBITDA	114	97	17%	583	515
Operating profit (EBIT)	66	59	12%	430	382
Net finance items	-9	-3	n/a	-18	-47
Profit/loss before tax	57	56	2%	413	335
Tax	-10	-12	n/a	-82	-78
Profit/loss for the period	47	44	8%	330	256

- Gross margin for quarter was 24.1% (26.1%), for full year 27.3% (28.4%)
- EBIT margin for quarter was 6.3% (6.6%), for LTM 9.9%
- Increased interest rates had a negative impact on net financial items

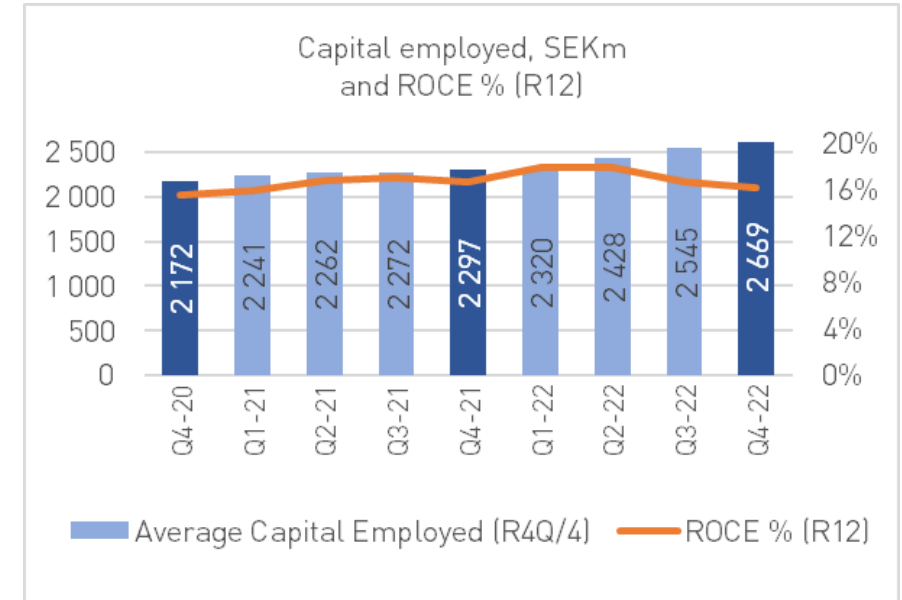
Balance sheet

SEKm	2022-12-31	2021-12-31
Non-current assets	2,103	1,810
Current assets	1,621	1,348
Total assets	3,724	3,158
Equity	1,754	1,460
Non-current liabilities	1,070	1,016
Current liabilities	900	682
Total equity and liabilities	3,724	3,158
Capital employed	2,859	2,364
ROCE (R12)	16.1%	16.6%
Interest-bearing net debt	844	677
Equity/assets ratio	47.1%	46.2%
Net debt/equity ratio	0.5x	0.5x
Net debt/EBITDA	1.6x	1.5x

- Continued strong balance sheet
- Net debt/EBITDA-ratio at 1.6x (1.5x), remains well below covenants for financing agreement.
- Interest-bearing net debt decreased in the quarter to SEK 844 m (677).

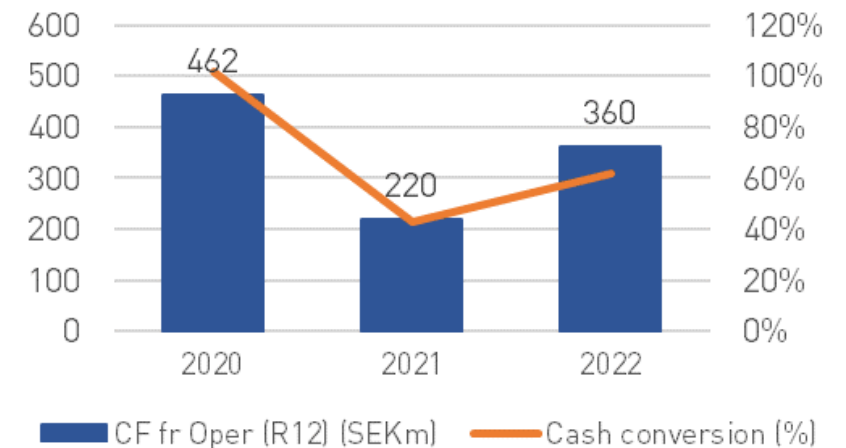
RoCE 16.1% (16.6%)

- RoCE well above threshold of 13%
- Increase in capital employed from higher cost and prices, increased activity and acquisitions



Cash flow from Operations (R12) increased to SEK 360 m (220) and Cash conversion increased to 62% (43%)

- Improved cash flow and cash conversion from improved working capital
- Going forward we continue to focus on inventory reduction and operating receivables



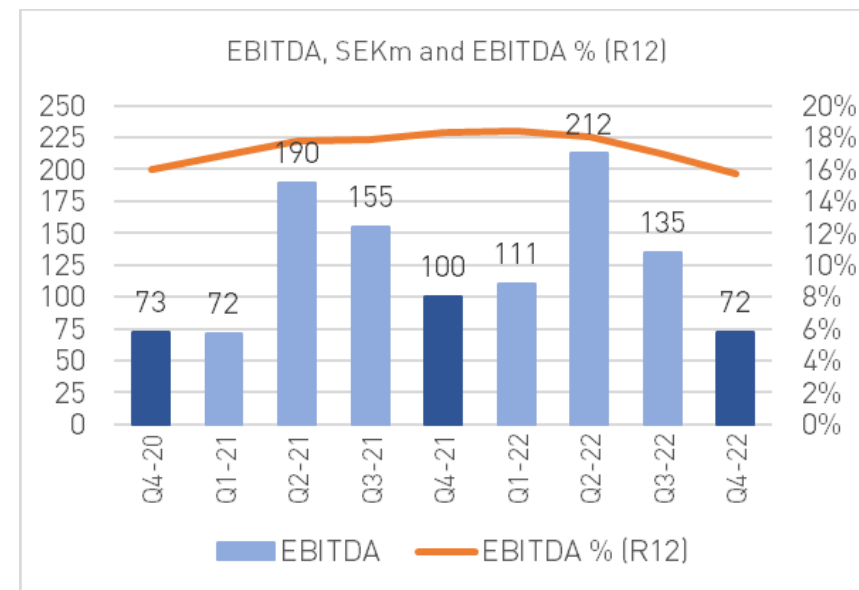
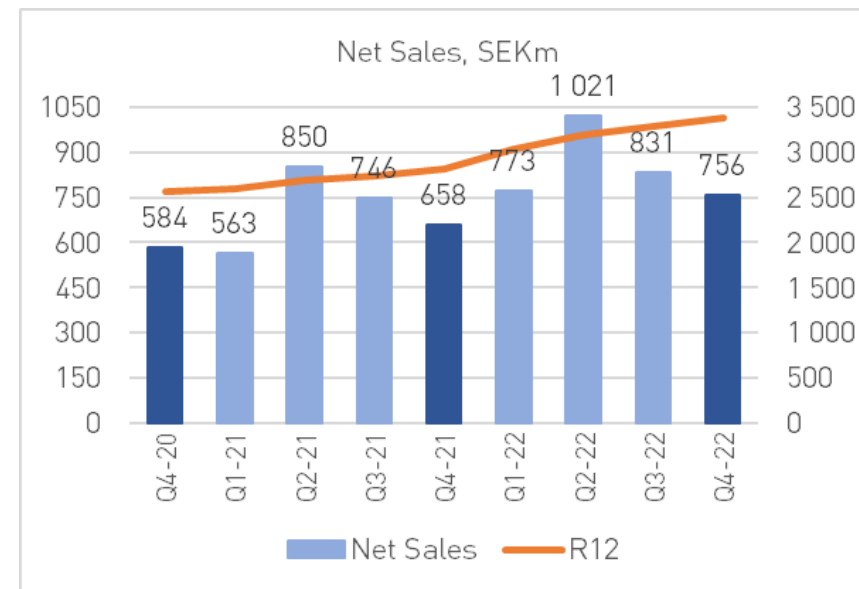
Products & Solutions

Net sales of SEK 756 m (658) up 15%

- Organic growth was 6% (whereof price 15% and volume -10%), acquisitions contributed with 4% and the impact from currency was +5% in the quarter
 - Finland: +49%, organic growth with 15%
 - Denmark +/- 0: stronger for waterproofing membranes
 - Sweden +22%, strong development for green infrastructure
 - Norway +31%: organic growth with 26%
- Net Sales R12 at SEK 3,381 M

EBITDA decreased to SEK 72 m (100) while Operating profit (EBIT) decreased to SEK 35 m (72)

- EBITDA margin decreased to 9.6 percent (15.2) in the fourth quarter. For the latest 12 months the margin is 15.7% (18.3).
- Decrease in EBITDA mainly explained by some areas not matching the historically high margins they had previous year and low volumes and margins for prefabricated elements.



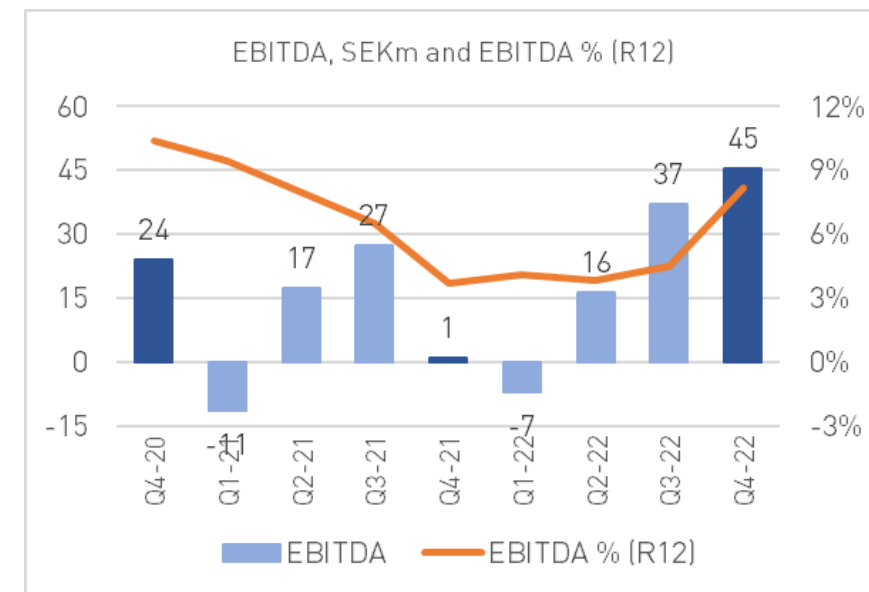
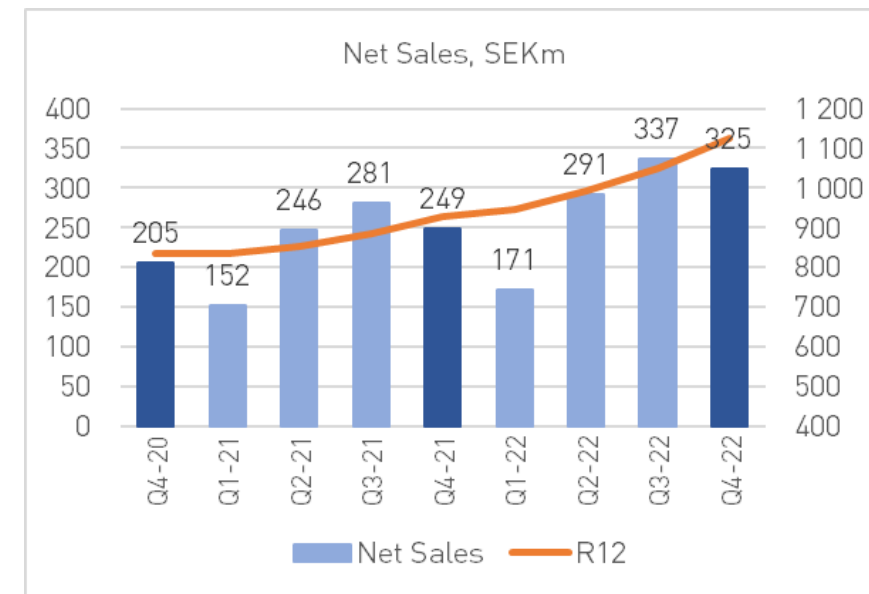
Installation Services

Net sales of SEK 325 m (249) increase by 30%

- Organic development of +13%, whereof price impact +6% and volume 7%
- Impact from acquisitions +9% and currency effects +8%.

EBITDA increased to SEK 45 m (1) while Operating profit (EBIT) increased to SEK 36 m (-8)

- EBITDA margin increased to 13.9 percent (0.4) in the fourth quarter. For the latest 12 months the margin is 8.2% (3.7).
- Good development in all areas, including Finland, Norway and share of profit from associated companies in Denmark.



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

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.



Questions

Further information:

Martin Ellis, CEO

Per-Olof Schrewelius, CFO & IR

- 30 March 2023; Annual report 2022
- 25 April 2023; Interim report January – March 2023
- 27 April 2023; AGM
- 20 July 2023; Interim report January – June 2023
- 26 October 2023; Interim report January – September 2023

We make waterproofing easy





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APPENDIX

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Shareholders as per 31 December 2022

Owner	Number of shares	Capital, %	Votes, %
Kingspan Group PLC	5,805,641	24.1%	24.2%
Handelsbanken Funds	1,797,132	7.5%	7.5%
Third Swedish National Pension Fund	1,350,000	5.6%	5.6%
Alcur Funds	1,230,816	5.1%	5.1%
Carnegie Funds	928,011	3.9%	3.9%
Danske Invest	725,407	3.0%	3.0%
Clients Funds	713,200	3.0%	3.0%
Avanza Pension	582,675	2.4%	2.4%
ODDO BHF Asset Management	580,967	2.4%	2.4%
RAM Rational Asset Management	546,961	2.3%	2.3%
Total 10 largest shareholders	14,260,810	59.2%	59.4%
Other shareholders	9,739,028	40.4%	40.6%
Total number of votes	23,999,838	99.7%	100.0%
Treasury shares	84,097	0.3%	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 SE0014731089
- Sector Construction & Materials
- Number of shares of SEK 1.00 24,083,935
- Treasury shares 84,097
- Voting & ownership restrictions None
- Current market cap SEK 4,100 million (6 February 2023)
- Contact Palle Schrewelius, CFO & investor relations
+46 707 82 79 58
per-olof.schrewelius@nordicwaterproofing.com

Experienced board of directors



Mats O. Paulsson
Chairman

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 Bravida, Strabag, PEAB Industri.
(15,000 shares)



Leena Arimo
Board member

Relevant experience:
CFO of the Finnish subsidiary of the listed Swedish group Bravida, which provides installation and service of systems in properties and facilities
Previously Senior Vice President, Finance, at Lemminkäinen, Managing Director at Lemcon Network
(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)



Hannele Arvonen
Board member

Relevant experience:
CEO and partner of Flooré AB, board member of Södra Skogsägarna
Previously CEO of Sveaskog and Setra Group, different senior executive positions within Holmen and Metsä Board.
(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)



Hannu Saastamoinen
Board member

Relevant experience:
CEO of the indoor climate group Swegon, a wholly owned subsidiary of the listed Swedish investment company Investment AB Latour. External board positions in VEHO Group, Rototec Oy, MTC Flextek Oy.
Previously Senior positions in, among others, Munters, Huurre Group, TAC Svenska, Carrier Refrigeration and Electrolux
(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

(237,936 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.

(20,017 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

(21,926 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

(9,000 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

(13,137 shares)



Thomas Zipfel, Head of SealEco

Joined NWG in 2009

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

(14,439 shares)



Mats Lindborg, Head of NW Sweden and Norway

Joined NWG in 1986

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

(20,433 shares)

* Including related parties

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