




CONTINUED PROFITABLE GROWTH STRONG FINANCIAL POSITION

1 January – 30 September 2020

 Date 2020.11.03

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
Thanks to a very responsible behavior among our colleagues, we have fortunately seen very few cases of Covid-19 among our personnel
- So far, the Covid-19 pandemic has had a limited impact on our operations and business.
- Continued increased focus on customer credit risk, cost control and cash preservation
- In the beginning of the fourth quarter we see an increased spread of the Covid-19 virus and further restrictions are implemented on our main markets. At the time of the publishing the Q3 report we have not had any material impact on our operational activity on these markets from this so called “second wave”.
- 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 development of business continued in the third quarter

- Net sales of SEK 916 m (901), up 2%
 - 5% organic growth in local currency
 - -3% from currency effects
- EBITDA increased to SEK 164 m (137), up 19%
- Operating profit (EBIT) increased to SEK 133 m (109) , up 22%
- Cash flow from operating activities was SEK 250 m (142)
- Earnings per share SEK 4.07 (3.25)



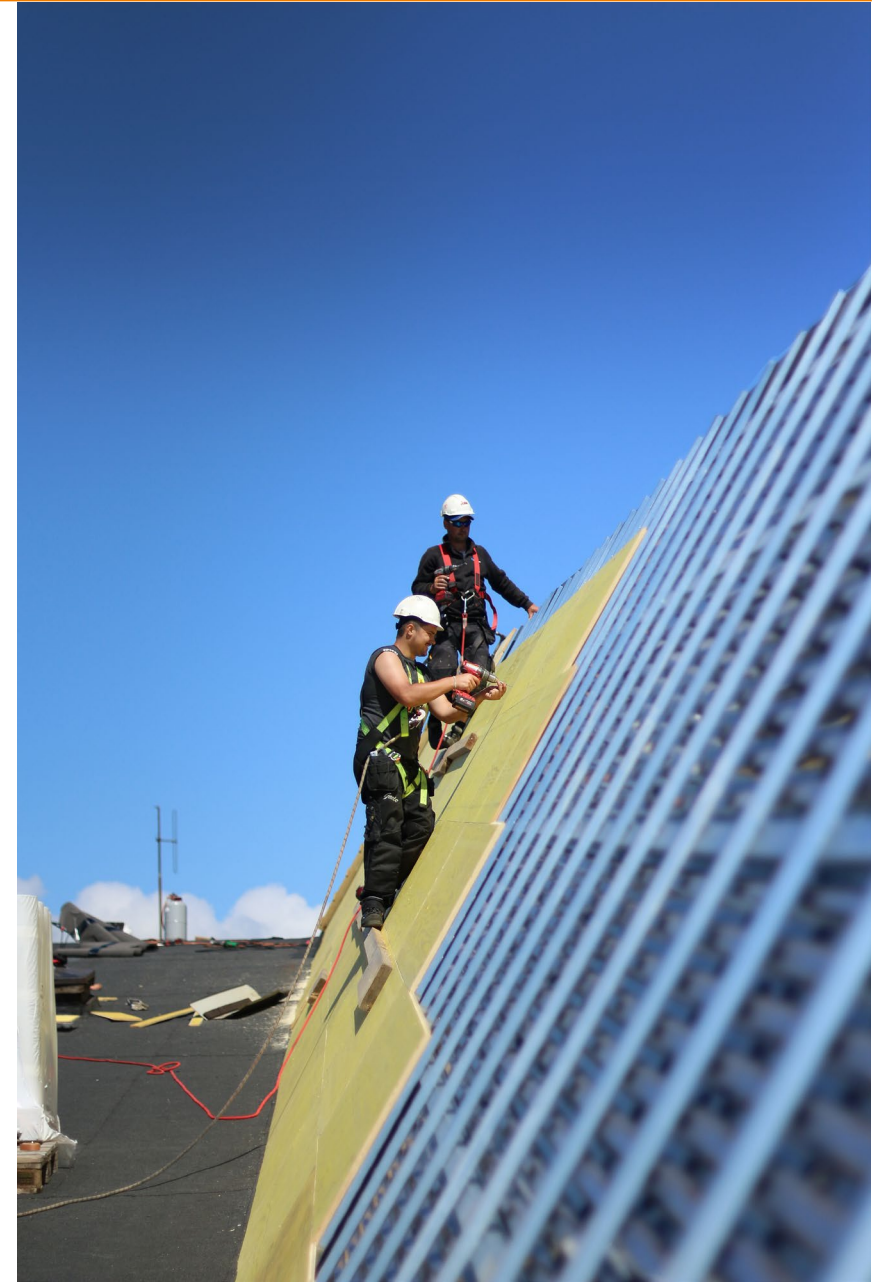
Highlights and comments 1 (2)

- Continued positive sales development with +5% organic development vs LY
- Strong demand in most segments
 - Strong growth from the roofing business in the Nordics, in particular from Norway and Denmark
 - SealEco had a strong development in all markets. Distri Pond that was acquired in 2019 grew >30% in quarter
 - Slightly weaker quarter for the pre-fabricated elements and the Veg Tech business
- Profit improvement program in the prefabricated elements business continued, some improvements seen in EBIT, but still not on a satisfactory level
- Another strong quarter with an EBIT of SEK 133 m (109), EBIT margin 14.6% (12.1%). EBIT benefits from increased volume, good cost control and some cost avoidance due to reduced travelling, but a cost of SEK 12.7 m from the re-domiciling project has a negative impact in the quarter



Highlights and comments 2 (2)

- At an extraordinary general meeting on 15 October it was decided to approve the cross-border reverse merger between the Danish parent company and the wholly-owned Swedish subsidiary Nordic Waterproofing Holding AB. The merger is scheduled to be completed in November after which Nordic Waterproofing Holding AB will become the new Swedish parent company and its shares will be listed on Nasdaq Stockholm in connection with the completion of the merger.
- No acquisitions during the quarter, but pipeline getting stronger, probably leading to acquisitions in the coming months.



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
- 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, in particular outside the Helsinki area
- Continued strong market for prefabricated façade and roof elements in Denmark and Norway



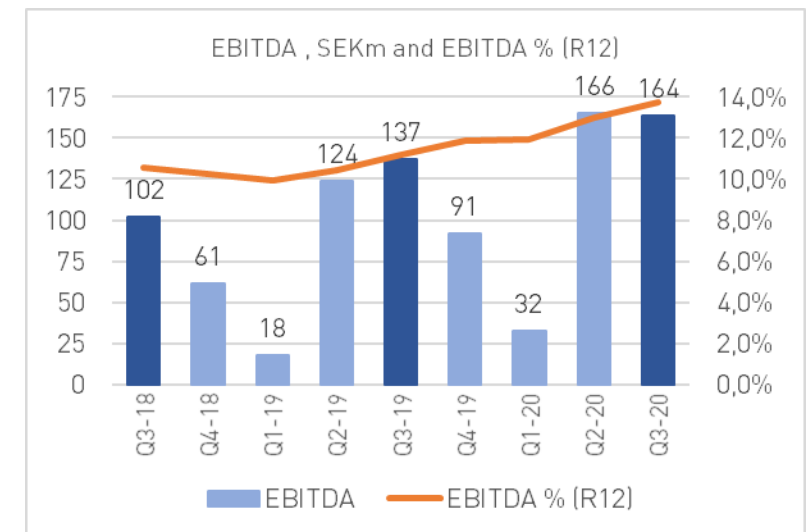
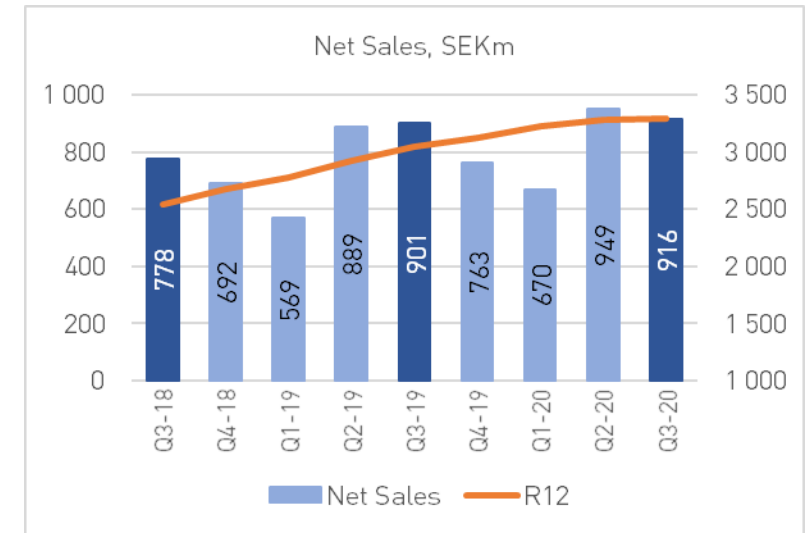
Third quarter report

Net sales of SEK 916 m (901) up 2%

- Best third quarter sales ever
- Organic growth of 5% driven by high activity in roofing in Norway and Denmark and the SealEco business

EBITDA increased to SEK 164 m (137) while Operating profit (EBIT) increased to SEK 133 m (109)

- Best third quarter EBITDA ever
- Driven by increase in volume, good cost control and some cost avoidance due to reduced travelling
- No material negative impact from the Covid-19 pandemic
- Costs for the re-domiciling of the parent company had a negative impact of SEK 12.7 m in quarter.



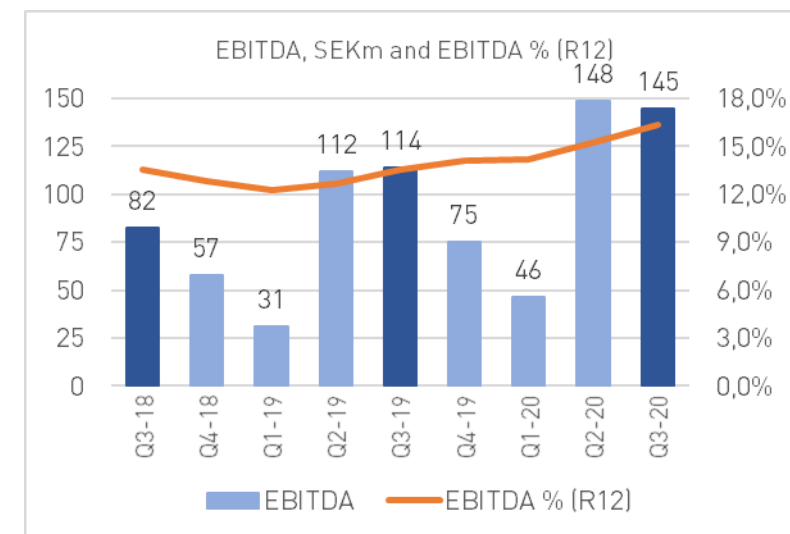
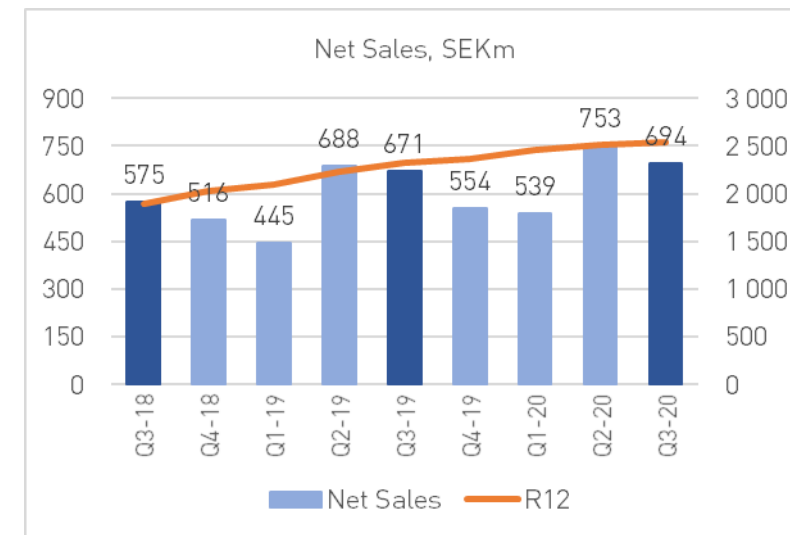
Products & Solutions

Net sales of SEK 694 m (671) up 3%

- Organic growth was 7%, no contribution from acquisitions and the impact from currency effects was -3% in the third quarter
 - Finland -8%: less traded products this year
 - Denmark +9%: flat roofing
 - Sweden +3%: flat roofing
 - Norway -2%: (+9% in LC), Builders merchants and flatroofing
 - Other Europe +15%: Distri Pond increased >30%

EBITDA increased to SEK 145 m (114) while Operating profit (EBIT) increased to SEK 119 m (90)

- Increase in EBITDA driven by volume growth, good cost control and cost avoidance due to reduced travelling



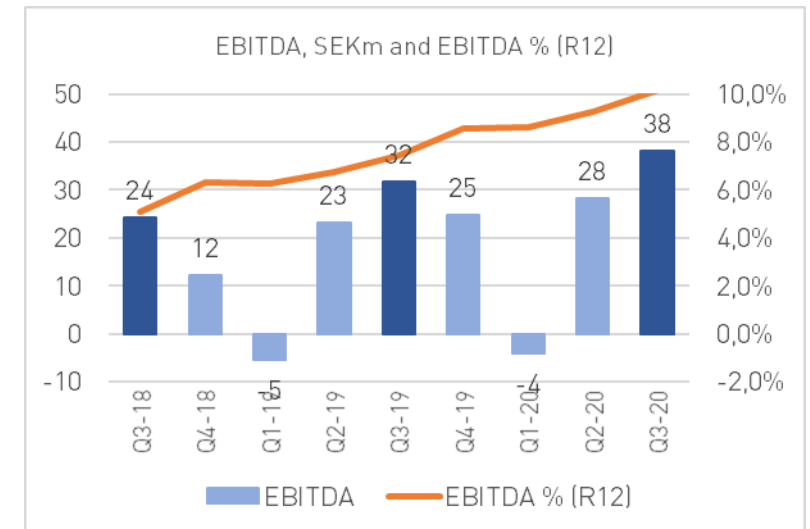
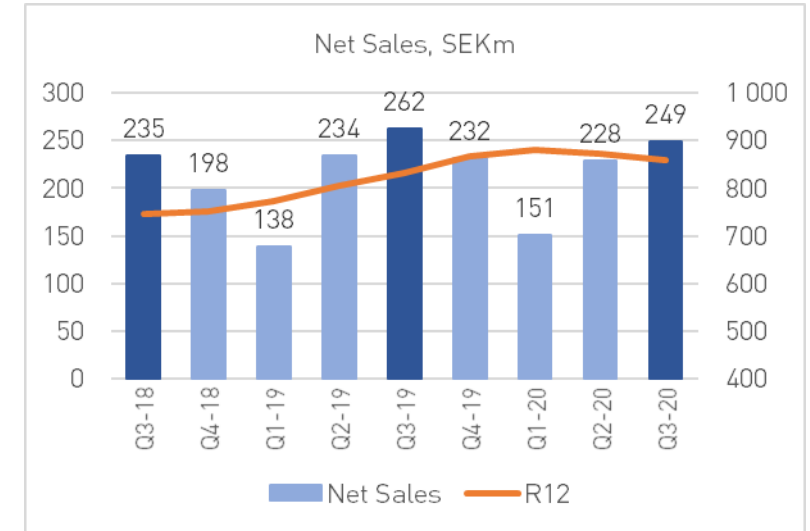
Installation Services

Net sales of SEK 249 m (262) down -5% of which currency -3%

- Organic development -2% from slightly lower demand in the rural areas of Finland. No structure effects but currency effects were -3%.

**EBITDA increased to SEK 38 m (32) while
Operating profit (EBIT) increased to SEK 34 m (27)**

- EBITDA increased from higher profit in the Danish franchise companies and a successful turnaround in Finland with improved margins and good cost control.



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

Income statement

SEKm	Q3-20	Q3-19	Change, %	R12 2020	Full-year 2019
Net sales	916	901	+2%	3,297	3,122
Gross profit	282	243	+16%	923	813
EBITDA	164	137	+19%	453	371
Operating profit (EBIT)	133	109	+22%	335	260
Net finance items	-10	-11	n/a	-23	-28
Profit/loss before tax	124	99	+25%	312	233
Tax	-26	-20	n/a	-53	-37
Profit/loss for the period	98	78	+20%	259	196

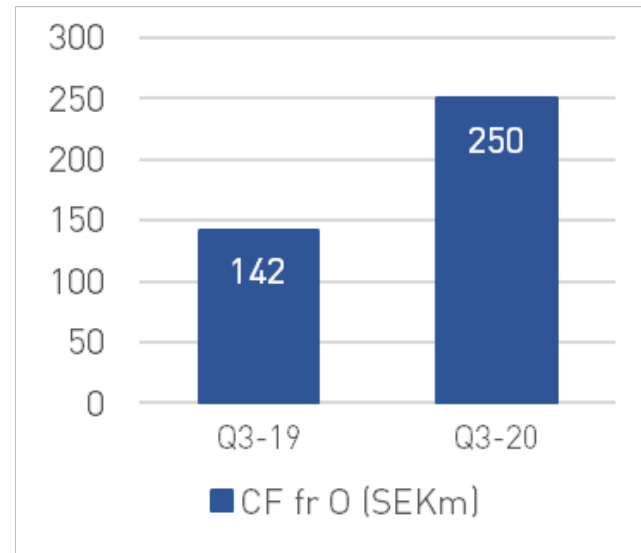
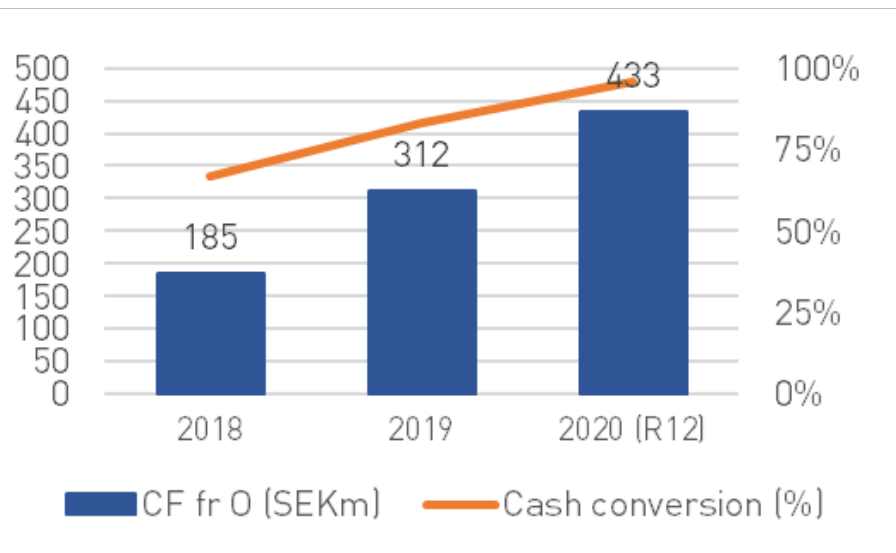
- Distri Pond is consolidated as from February 2019
- Gross margin for quarter was 30.8% (27.0%)
- EBITDA margin for quarter was 17.9% (15.3%)
- Acquisition-related amortizations of intangible assets (customer relations) affects EBIT by SEK -5 m, unchanged

Balance sheet

SEKm	2020-09-30	2019-09-30	2019-12-31
Non-current assets	1,563	1,621	1,598
Current assets	1,444	1,134	938
Total assets	3,007	2,755	2,536
Equity	1,401	1,178	1,209
Non-current liabilities	954	961	903
Current liabilities	651	616	424
Total equity and liabilities	3,007	2,755	2,536
Capital employed	2,261	2,055	2,016
ROCE (R12)	15.9%	12.7%	12.9%
Interest-bearing net debt	383	745	610
Equity/assets ratio	47%	43%	48%
Net debt/equity ratio	0.3x	0.6x	0.5x
Net debt/EBITDA	1.0x	2.3x	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 decreased to 1.0x during the quarter.
- Interest-bearing net debt at SEK 383 m, cash position good with a strong balance sheet

Cash-flow from operating activities



- Operating cash conversion (R12) was 96%, compared with 83% for the full year 2019 and 67% for 2018
- Cash-flow from operating activities in Q3-20 of SEK 250 m (142) from strong operating result and careful monitoring of receivables.

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 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

Year-end report, January-December 2020: 9 February 2020

Interim report, January-March 2021: 27 April 2021

Annual General Meeting: 29 April 2021

Interim report, January-June 2021: 20 July 2021

Interim report, January-September 2021: 2 November 2021

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APPENDIX

Shareholders as per 30 September 2020

Owner	Number of shares	Capital, %	Votes, %
Svolder	3 169 197	13,2%	13,3%
Swedbank Robur Funds	2 117 589	8,8%	8,9%
Mawer Investment Management	1 999 470	8,3%	8,4%
Carnegie Funds	1 634 528	6,8%	6,8%
Handelsbanken Funds	1 562 159	6,5%	6,5%
Länsförsäkringar Funds	1 402 255	5,8%	5,9%
Alcur Funds	1 281 667	5,3%	5,4%
Third AP-fund	1 138 707	4,7%	4,8%
Prior & Nilsson Funds	790 227	3,3%	3,3%
Canaccord Genuity Wealth Management	497 643	2,1%	2,1%
Total 10 largest shareholders	15 593 442	64,7%	65,2%
Other shareholders	8 314 756	34,5%	34,8%
Total number of votes	23 908 198	99,3%	100,0%
Treasury shares	175 737	0,7%	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 175,737
- Voting & ownership restrictions None
- Current market cap SEK 2,919 million (30 October 2020)
- Contact Per-Olof Schrewelius, CFO & investor relations
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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)



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)



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)



Kristina Willgård
Board member

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

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)



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)



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)



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)



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)



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)



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*)



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)

* Including related parties



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