



# GOOD FINISH TO A STRONG 2020 SOLID FINANCIAL POSITION

1 January – 31 December 2021

 Date 2021.02.09

## Earnings conference call

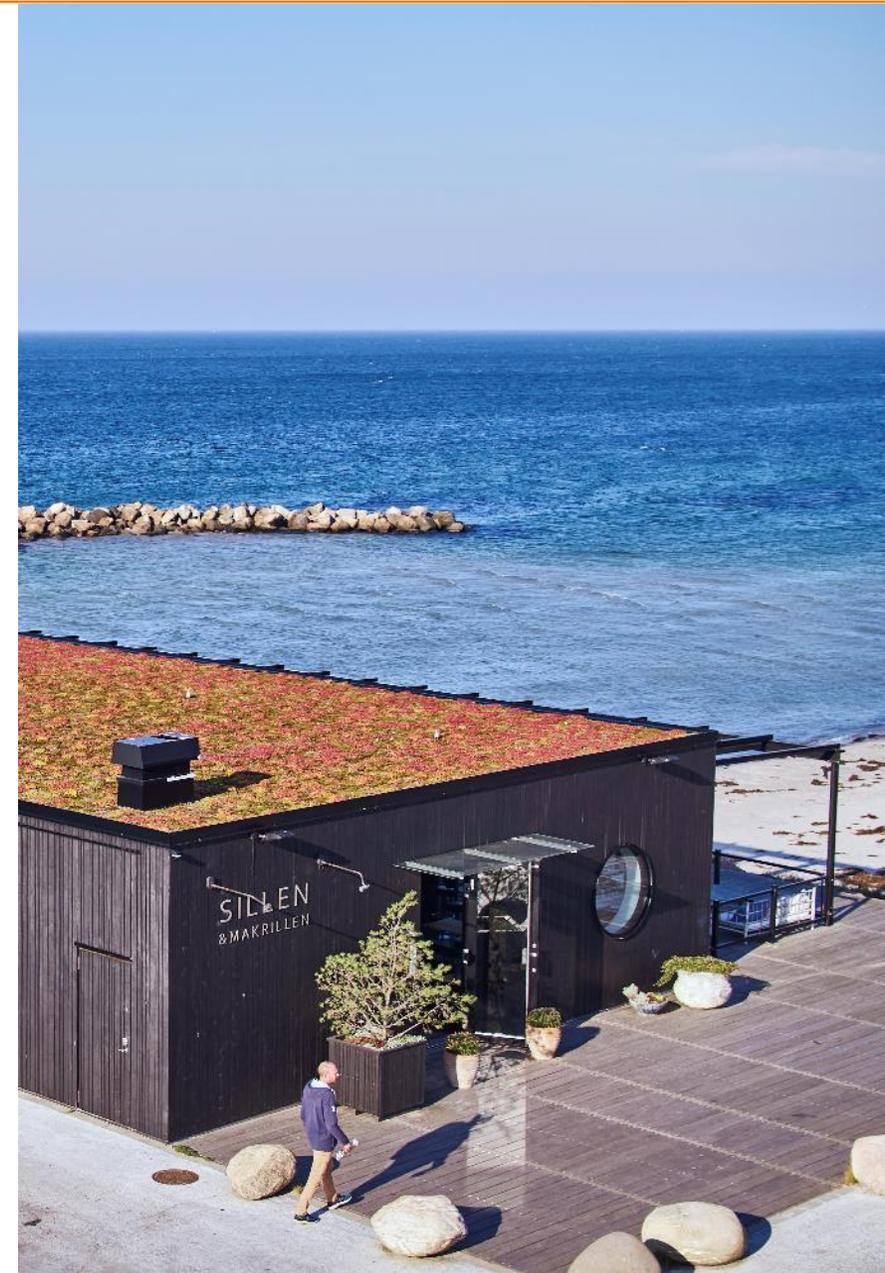
Martin Ellis (CEO) & Per-Olof Schrewelius (CFO & IR)

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**

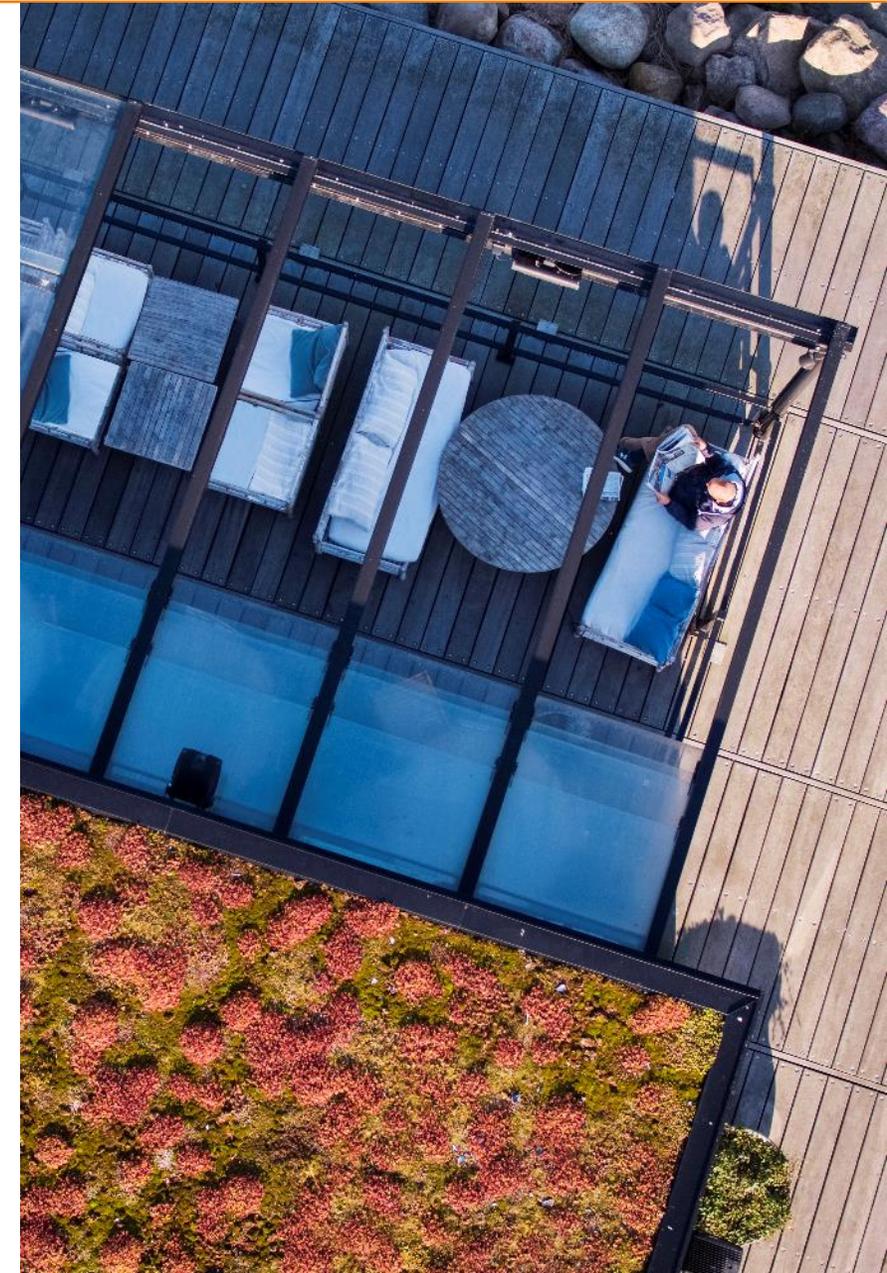
## Covid-19 status update

- 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 focus on customer credit risk, cost control and cash preservation
- Recently we have seen an increased spread of the Covid-19 virus and its different mutations. Further restrictions have been implemented on our main markets. At the time of the publishing the Full year report we have not had any material impact on our operational activity on these markets from this.
- The future impact on our business is difficult to assess, but some slowdown should be expected in case of negative GDP development



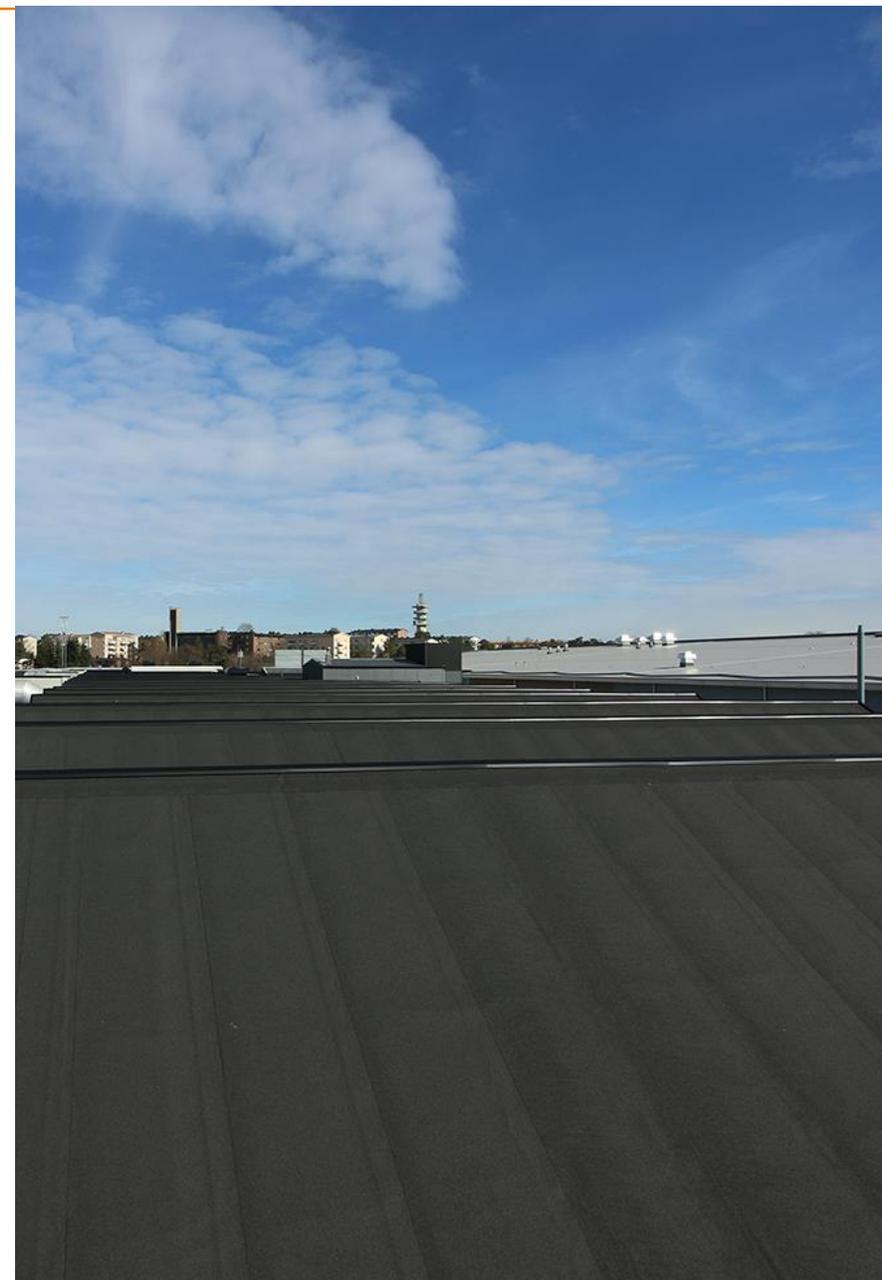
## Solid development of our business in the fourth quarter

- Net sales of SEK 769 m (763), up 1%
  - 5% organic growth in local currency
  - -4% from currency effects
- EBITDA increased to SEK 93 m (91), up 2%
- Operating profit (EBIT) increased to SEK 65 m (62) , up 4%
- Cash flow from operating activities was SEK 183 m (154)
- Earnings per share SEK 2.30 (2.54)
- The Board of Directors suggest the AGM
  - to distribute a dividend of SEK 5.50 per share (in line with the Dividend policy)
  - to distribute an extra dividend of SEK 4.50 per share since no dividend were distributed during 2020



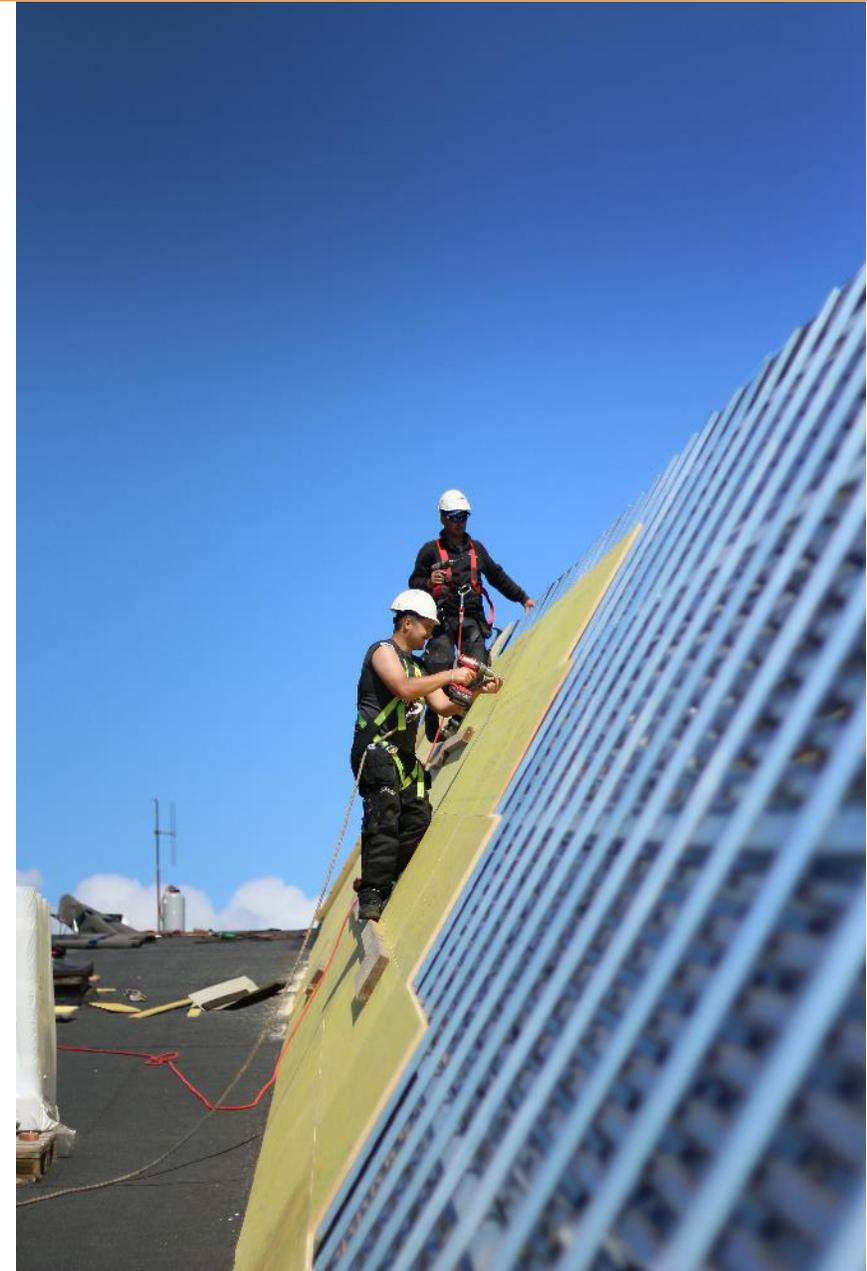
## Highlights and comments 1 (2)

- Continued positive **sales** development with +5% organic development vs LY
- Good **demand** in most segments
  - Good growth from the roofing business in the Nordics, in particular from Norway
  - SealEco had a strong development in most markets. Distri Pond that was acquired in 2019 had another strong quarter
  - Weaker quarter for Veg Tech with increased competition
  - Installation Services decreased in sales due to weather impact in December
- **Prefabricated elements** had strong development in sales and some improvements seen in EBIT due to the profit improvement program
- **EBIT** in quarter was above last year with SEK 65 m (62), EBIT margin 8.4% (8.2%). Improved EBIT is mainly driven by improved margins.



## Highlights and comments 2 (2)

- **Re-domiciling project** completed. Nordic Waterproofing Holding AB now listed on Nasdaq Stockholm
- Renewed acquisition drive:
  - **Norwegian Byggpartner AS**
    - 70% acquired on 28 January
    - A roofing and waterproofing contractor.
    - The acquisition is expected to have a minor positive effect on Nordic Waterproofing's earnings per share in 2021.
  - **Gauris B.V. (Netherlands)**
    - On 4 February it was announced Nordic Waterproofing had acquired 51 percent
    - A company distributing lining solutions for ponds and pools.
    - The acquisition is not expected to have a material effect on Nordic Waterproofing's earnings per share in 2021.



## Market demand stable at a high level

- Flat roofing market in the Nordics remains strong with demand overall at healthy levels. Somewhat more cautious market expectations in Finland, in particular outside the Helsinki area
- Continued strong growth in prefabricated façade and roof elements in Denmark and Norway
- In recent years winters have been mild and favorable for our business. In the beginning of 2021, we have seen more severe winter conditions on our main markets and expect a somewhat slower start for some of our businesses in 2021 compared to previous years.
- Future Covid-19 impact difficult to evaluate



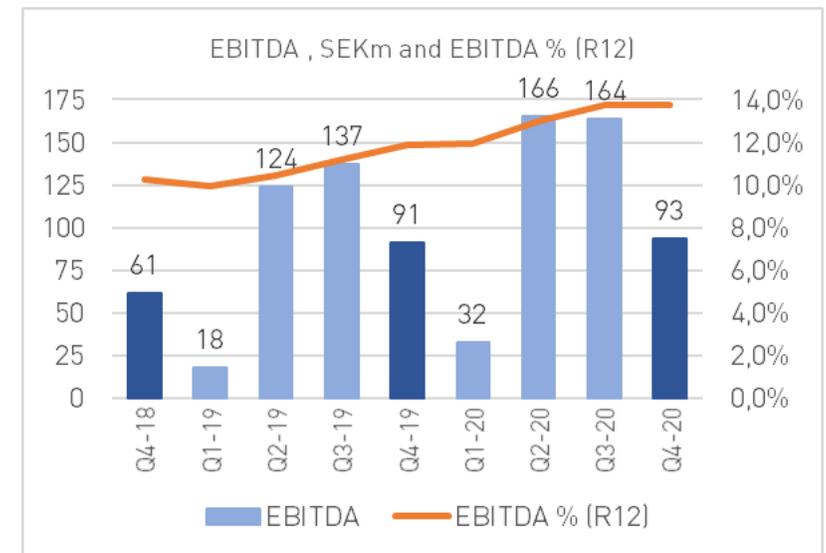
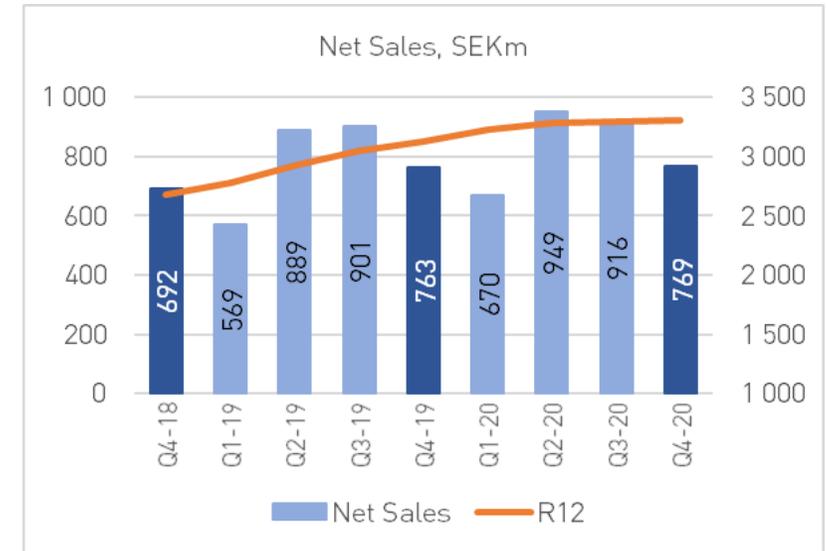
# Fourth quarter report

## Net sales of SEK 769 m (763) up 1%

- Best fourth quarter sales ever
- Organic growth of 5% driven by high activity in roofing in Norway the SealEco business and pre-fabricated wooden elements

## EBITDA increased to SEK 93 m (91) while Operating profit (EBIT) increased to SEK 65 m (62)

- Best fourth quarter EBITDA ever
- Mainly driven by increase in margins
- No material negative impact from the Covid-19 pandemic



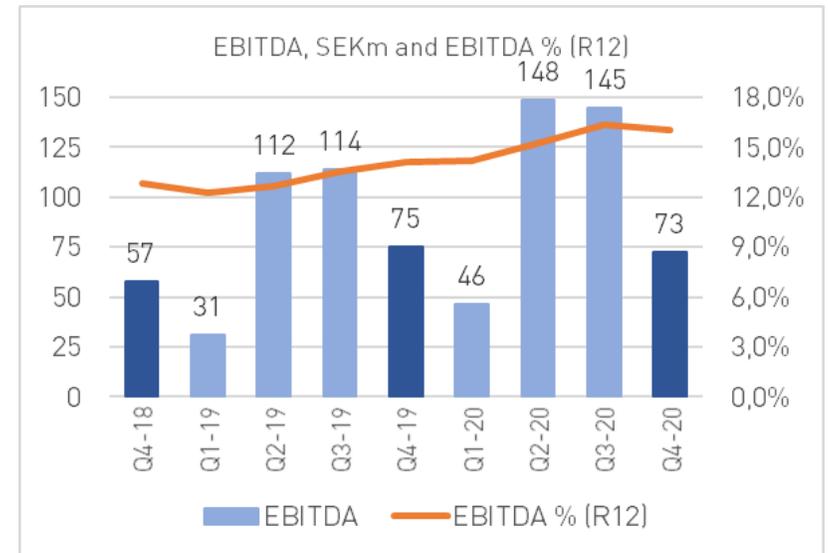
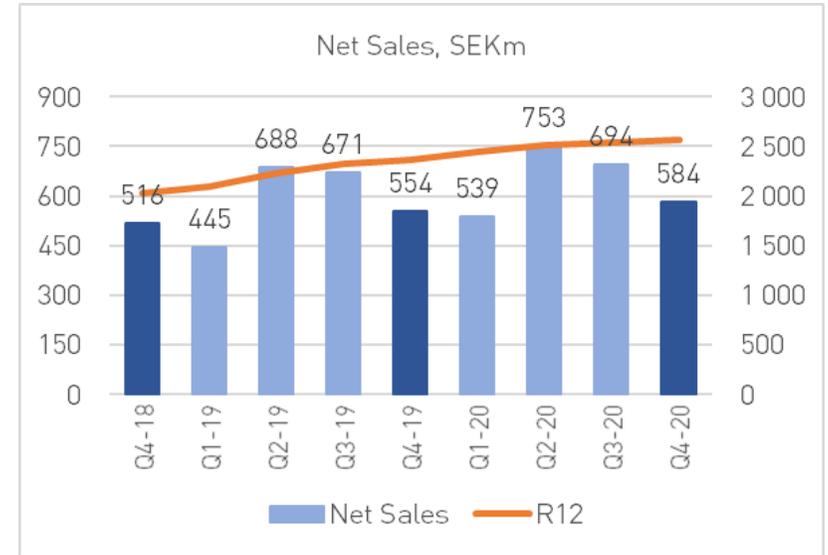
## Products & Solutions

### Net sales of SEK 584 m (554) up 6%

- Organic growth was 10%, no contribution from acquisitions and the impact from currency effects was -4% in the fourth quarter
  - Finland +30%: external sales
  - Denmark +9%: pre-fabricated wooden elements
  - Sweden -1%
  - Norway +1%: (+12% in LC), Builders merchants and flatroofing
  - Other Europe +9%: Distri Pond increased >30%

### EBITDA decreased to SEK 73 m (75) while Operating profit (EBIT) decreased to SEK 50 m (51)

- Decrease in EBITDA mainly explained by somewhat higher expenses in the segment this year



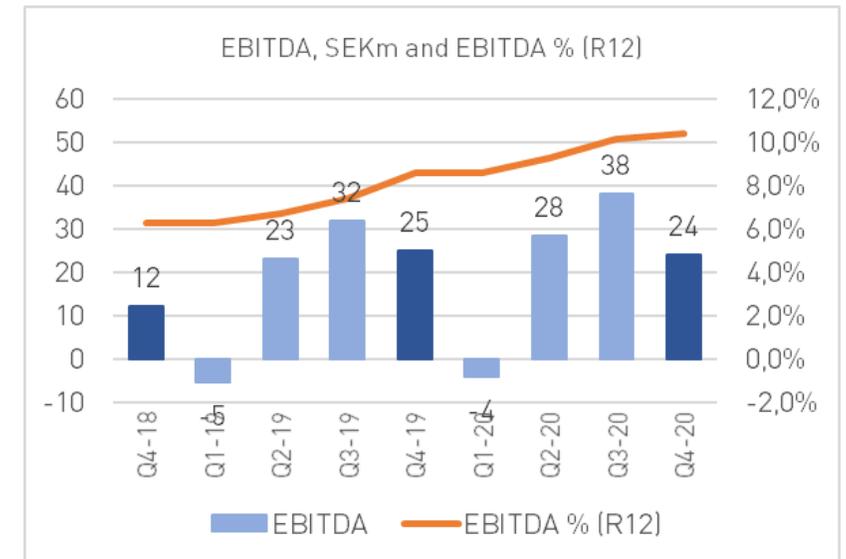
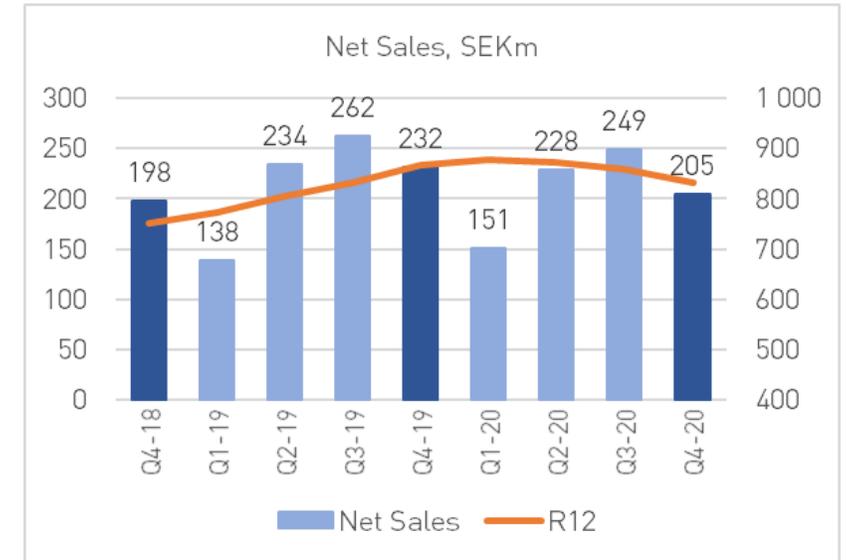
# Installation Services

**Net sales of SEK 205 m (232) down -11% of which currency -3%**

- Organic development -8% from lower demand in the rural areas of Finland. No structure effects, currency effects were -3%.

**EBITDA decreased to SEK 24 m (25) while  
Operating profit (EBIT) decreased to SEK 19 m (21)**

- EBITDA decreased because of the lower volumes at unchanged margin, to some extent compensated by a higher profit in the Danish franchise companies.



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

## Income statement

SEKm	Q4-20	Q4-19	Change, %	Full-year 2020	Full-year 2019
Net sales	769	763	+1%	3,303	3,122
Gross profit	207	200	+3%	929	814
EBITDA	93	91	+2%	455	371
Operating profit (EBIT)	65	62	+4%	337	260
Net finance items	8	1	n/a	-16	-28
Profit/loss before tax	72	64	+14%	321	233
Tax	-17	-2	n/a	-68	-37
Profit/loss for the period	56	61	-9%	253	196

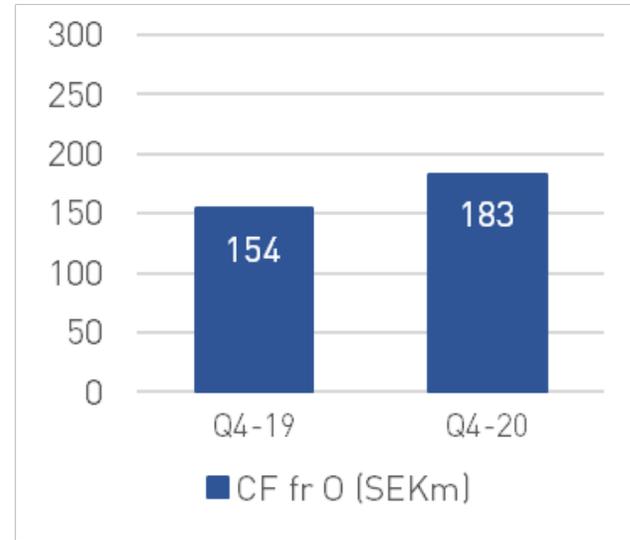
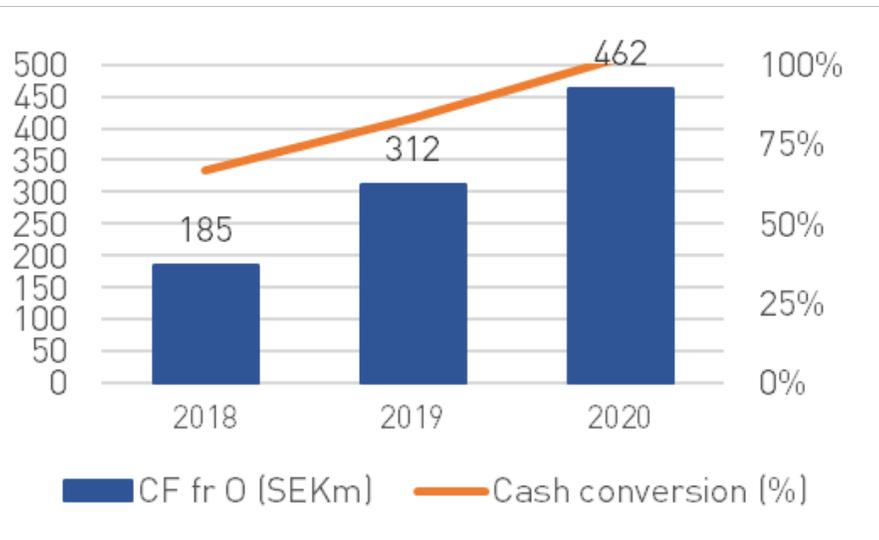
- Distri Pond is consolidated as from February 2019
- Gross margin for quarter was 26.9% (26.2%)
- EBITDA margin for quarter was 12.1% (12.0%)
- Acquisition-related amortizations of intangible assets (customer relations) affects EBIT by SEK -5 m (SEK -5 m)

## Balance sheet

SEKm	2020-12-31	2019-12-31
Non-current assets	1,539	1,598
Current assets	1,325	938
<b>Total assets</b>	<b>2,864</b>	<b>2,536</b>
Equity	1,418	1,209
Non-current liabilities	944	903
Current liabilities	502	424
<b>Total equity and liabilities</b>	<b>2,864</b>	<b>2,536</b>
Capital employed	2,261	2,016
ROCE (R12)	15.6%	12.9%
Interest-bearing net debt	238	610
Equity/assets ratio	50%	48%
Net debt/equity ratio	0.2x	0.5x
Net debt/EBITDA	0.6x	1.8x

- ROCE is above the long term financial target of 13.0% due to the strong operating profit latest twelve months
- Net debt/EBITDA-ratio decreased to 0.6x during the quarter.
- Interest-bearing net debt at SEK 238 m, cash position very good with a strong balance sheet

## Cash-flow from operating activities



- Operating cash conversion 2020 was 102%, compared with 83% for the full year 2019 and 67% for 2018
- Cash-flow from operating activities in Q4-20 of SEK 183 m (154) from strong development in working capital.

## 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

Annual report 2020: 6 April 2021

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

*We make waterproofing easy*





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# APPENDIX

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## Shareholders as per 31 December 2020

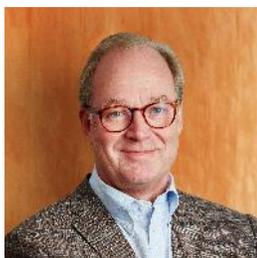
Owner	Number of shares	Capital, %	Votes, %
Svolder	3 169 197	13,2%	13,3%
Swedbank Robur Funds	2 117 589	8,8%	8,9%
Mawer Investment Management	1 999 470	8,3%	8,4%
Carnegie Funds	1 634 528	6,8%	6,8%
Handelsbanken Funds	1 562 159	6,5%	6,5%
Länsförsäkringar Funds	1 402 255	5,8%	5,9%
Alcur Funds	1 281 667	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%
<b>Total 10 largest shareholders</b>	<b>15 593 442</b>	<b>64,7%</b>	<b>65,2%</b>
Other shareholders	8 314 756	34,5%	34,8%
<b>Total number of votes</b>	<b>23 908 198</b>	<b>99,3%</b>	<b>100,0%</b>
Treasury shares	175 737	0,7%	n/a
<b>Total number of shares</b>	<b>24 083 935</b>	<b>100,0%</b>	<b>n/a</b>

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 SEK 1.00 24,083,935
- Treasury shares 175,737
- Voting & ownership restrictions None
- Current market cap SEK 3,465 million (5 February 2021)
- Contact Per-Olof 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)



**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 (184,680 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)



**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 (11,934 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. (11,872 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 (14,313 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 (1,890 shares\*)



**Thomas Zipfel, Head of SealEco**

Joined NWG in 2009

Previous experience: 20 years of experience of managing positions including Trelleborg Waterproofing Polymeric Membranes (1,726 shares)

\* Including related parties



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