




NORDIC WATERPROOFING

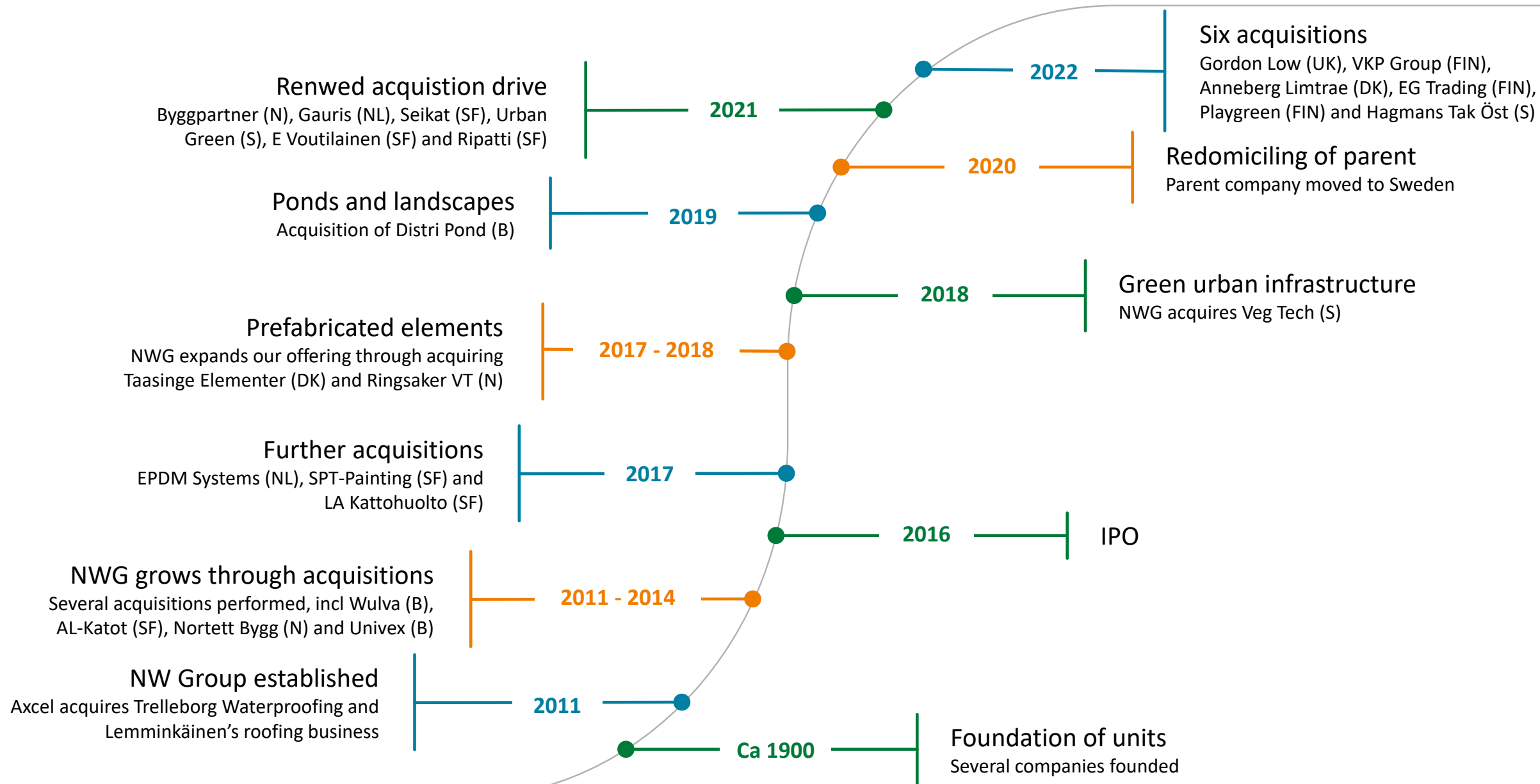
 Date 2023.05.24

ABG Investor Days, Stockholm
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

Our story



Our products

Wide range of application areas



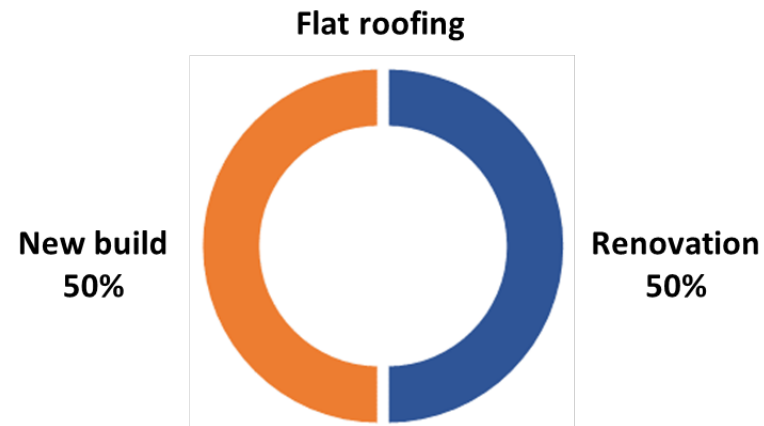
- Waterproofing material, membranes based on bitumen or EPDM
- Pre-fabricated roof and facade elements
- Green infrastructure (green roofs, public areas landscaping)
- Metallic facades and eaves

Our services – installation, contracting and maintenance

- Waterproofing material
- Pre-fabricated roof and facade elements
- Flooring
- Green infrastructure
- Metallic facades and eaves
- Solar panels



Low exposure to cyclicity, even distribution between new build and renovation gives low fluctuations



Our footprint



Our focus is on Northern Europe with generally stable demand levels

Our business case is built on sustainability

- Durability of our materials (50+ years)
- Improved CO₂-balance with wood-based solutions
- Biodiversity through green infrastructure
- Clean energy solutions: solar panels



Acquisition strategy

- Focus on sustainable solutions
- Enhance our product and service offering
- Added value through downstream integration

Renewed acquisition drive in 2021 and 2022

- Waterproofing contracting (Norway, Finland and Sweden)
- Ponds and landscaping (Netherlands and UK)
- Prefabricated wooden elements (Finland) and glulam manufacturing (Denmark)
- Urban green landscaping (Sweden and Finland)
- Solar panel installation (Finland)
- Rounding out the product portfolio (2x Finland, 1x Denmark)

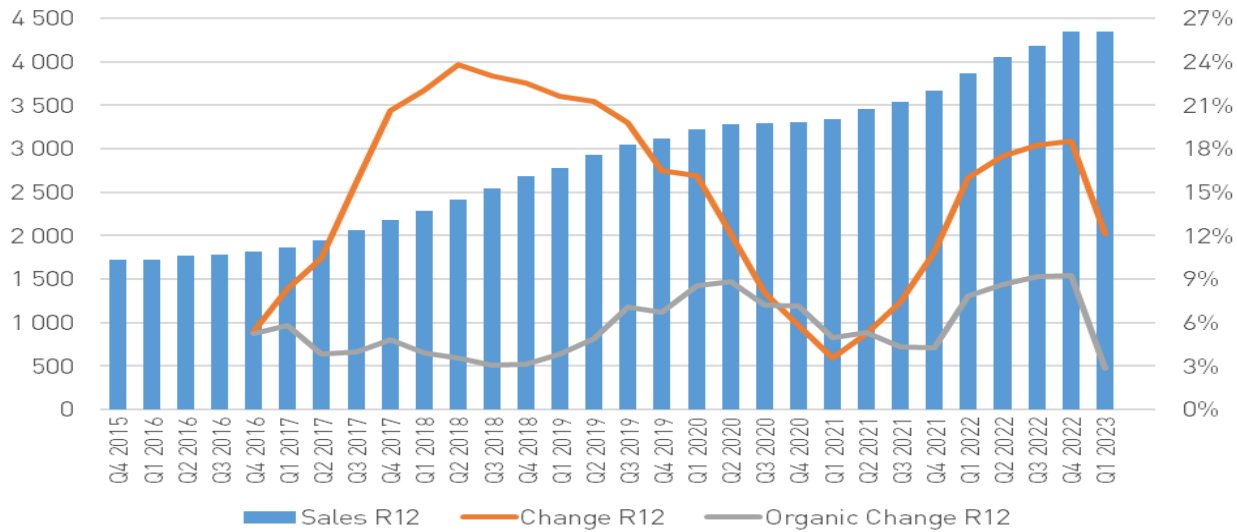
Sustained growth since the IPO (2016)

- 25+ acquisitions since IPO
- Turnover more than doubled



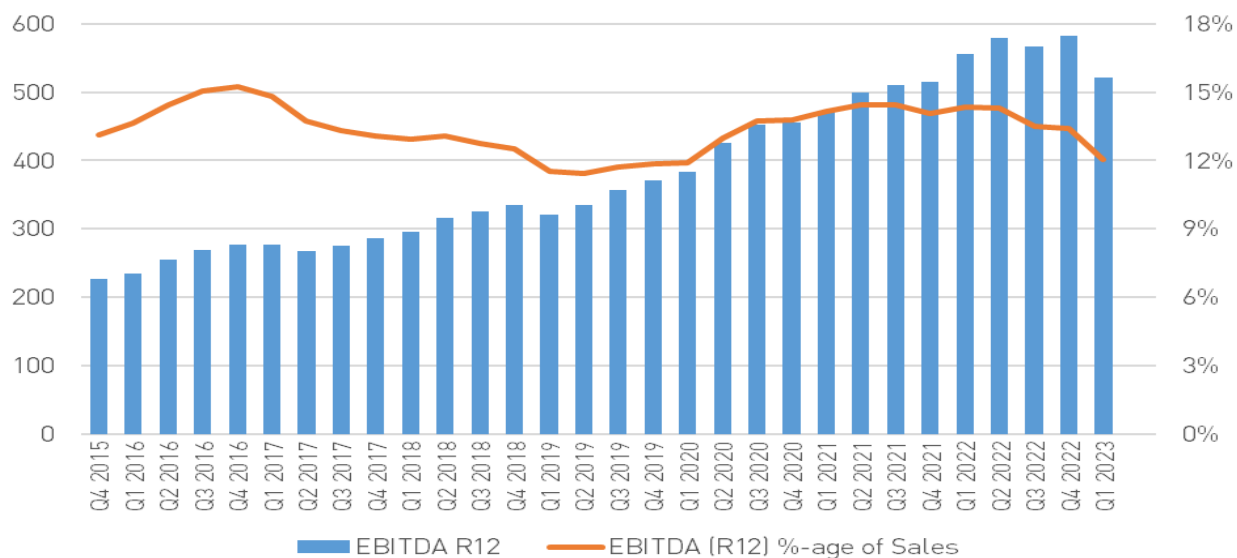
NWG financial development

NWG Net Sales R12, SEKm



- Sales on a R12-basis constantly growing since IPO in 2016, doubled in five years
- Organic development in the period 3 - 9%, recent quarters driven by price increases
- Growth further fuelled by acquisitions

NWG EBITDA R12, SEKm



- EBITDA follows pattern from sales, growing and doubled in five years after IPO
- EBITDA margin fairly stable, varies between 11,4% - 15,2% in the period with an average of 13,4%

Q1 2023

NORDIC 
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Drop versus strong Q1 2022

- Net sales flat at SEK 911 m (912)
 - -10% organic growth, whereof volume -20% and price 9%
 - 7% from acquisitions
 - 3% from currency effects
- EBITDA decreased to SEK 30 m (91)
- Operating profit (EBIT) decreased to SEK -11 m (56)
- Adjusted EBIT, excluding impact from two terminated operations, SEK 7 m
- Cash flow from operating activities was SEK -58 m (-15).
- Earnings per share SEK -0.83 (1.64)



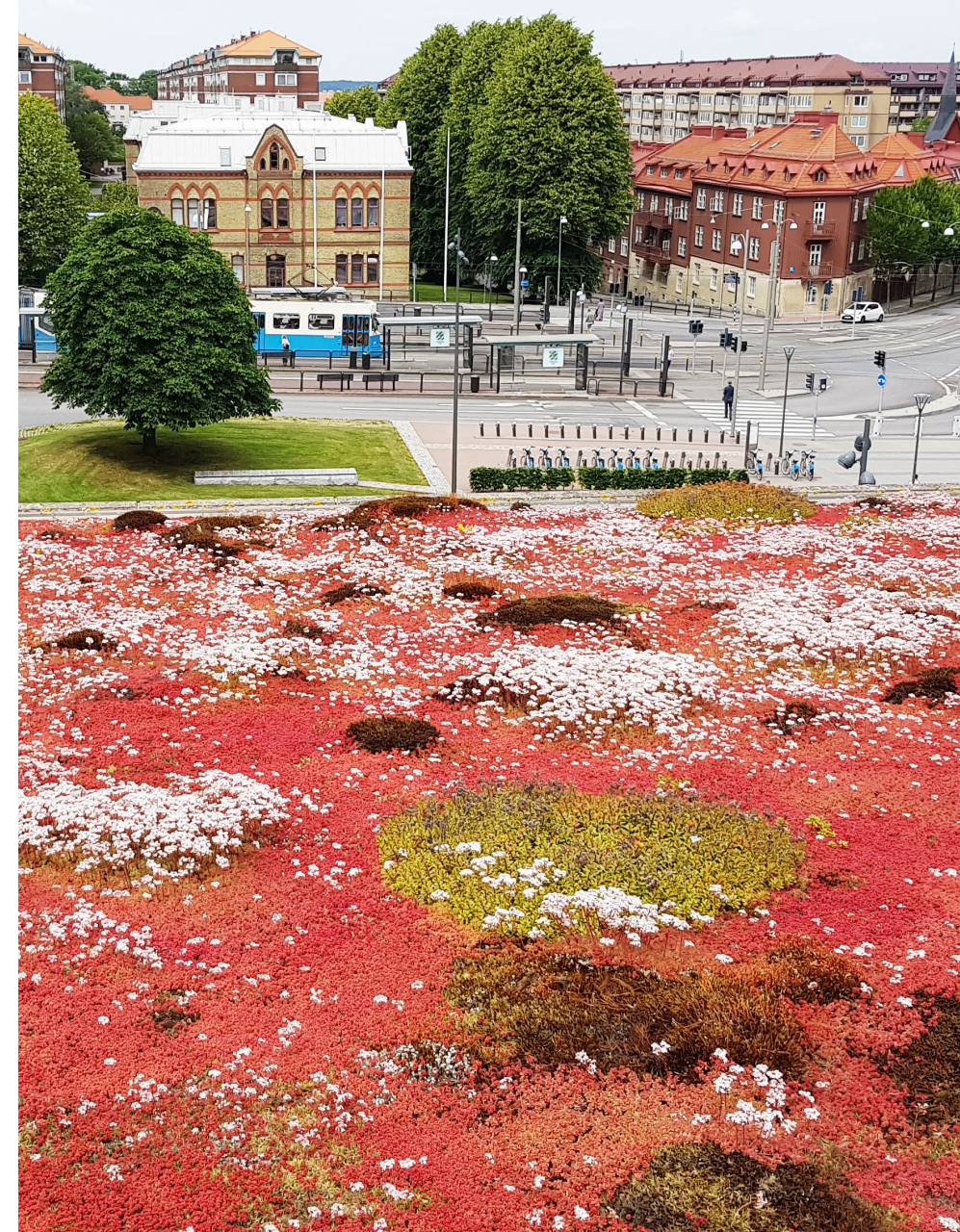
Q1 Highlights and comments 1 (2)

- **Demand** impacted by slowdown in residential new build, with renovation remaining stable. Weaker demand from residential new build expected to continue.
- **Bitumen-based waterproofing** operations negatively affected by harsh weather conditions. In Q1 '22 some positive impact from hoarding ahead of price increases in April
- Weaker sales for our **EPDM products** driven by increased competition at lower prices
- **Prefabricated elements** slightly down in sales, reducing in Denmark and Finland while increasing in Norway.
- Our **Green infrastructure** had a very strong development in a seasonally low quarter.
- Order books for **Installation Services** continues to be on a good level



Q1 Highlights and comments 2 (2)

- The negative development in gross profit and operating profit is mainly explained by:
 - the harsh weather conditions in the quarter for our bitumen-based waterproofing businesses.
 - lower volumes and decreasing margins for our synthetic rubber waterproofing and prefabricated wooden element businesses
 - the SEK -18 m impact from the two entities terminated in the quarter
- Contingency measures are being implemented in our operations to mitigate the consequences of the negative development.
- A weaker cash flow from operations in quarter, driven by the lower operating profit.
- We have seen continued slightly deflated costs for our input materials.
- In a higher interest environment, we have sharpened the focus on our debt level, and adjusted multiples we are prepared to pay for acquisitions.



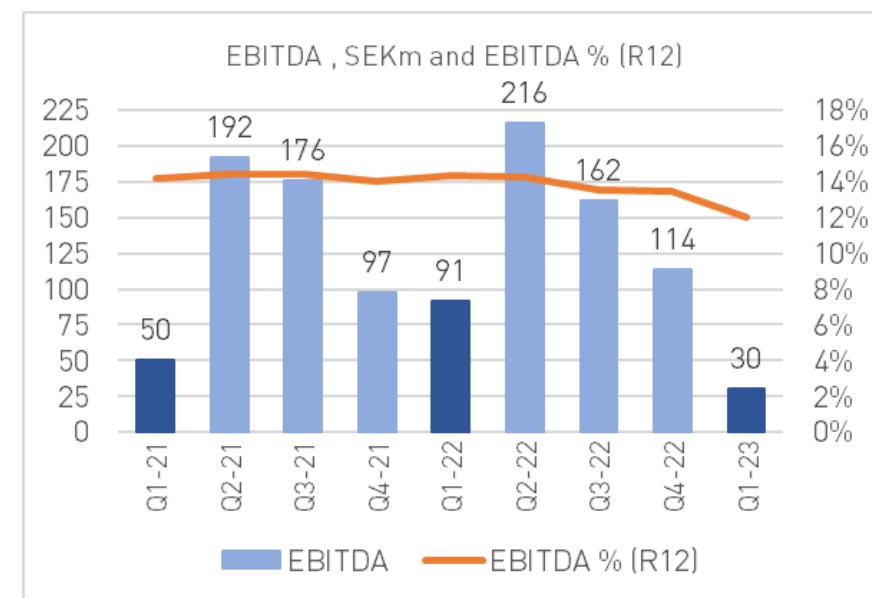
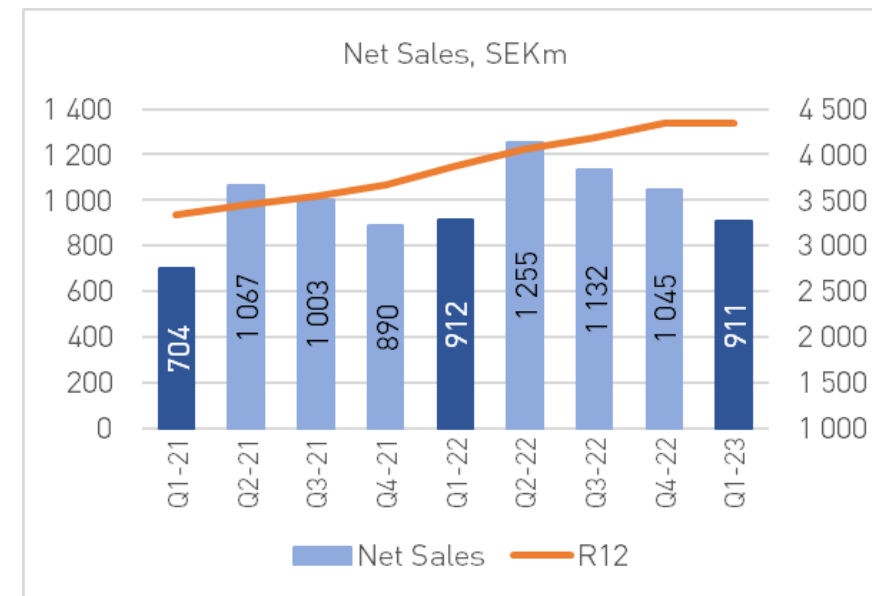
Q1 interim report

Net sales flat at SEK 911 m (912)

- Organic development of -10%, positive impact from price increases of 9% while volume -20%
- Acquisitions contributed with 7%
- Currency had an impact of 3%

EBITDA decreased to SEK 30 m (91) and Operating profit (EBIT) decreased to SEK -11 m (56)

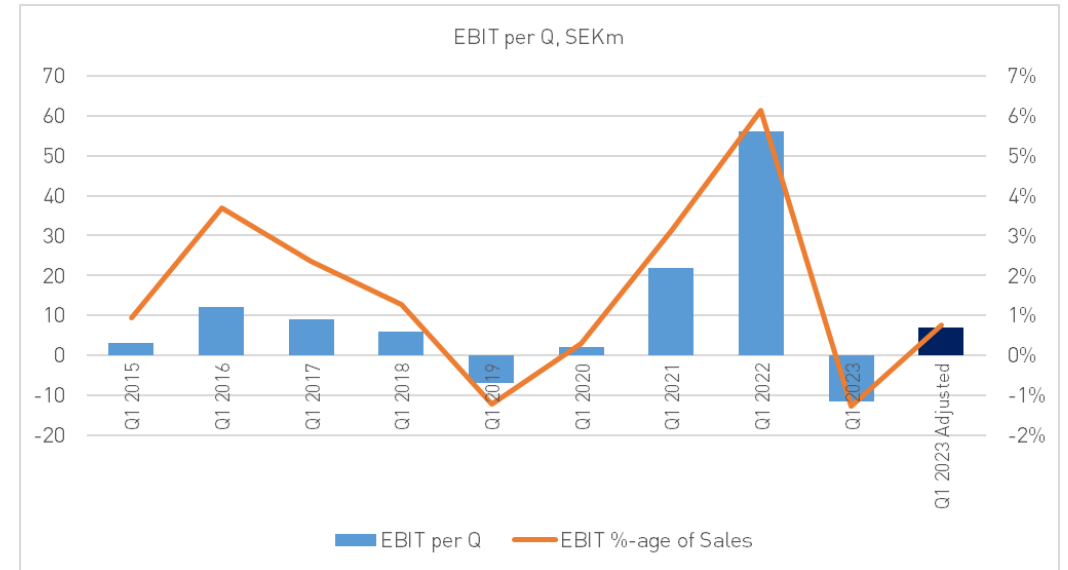
- EBITDA margin decreased to 3.3 percent (10.0) in the first quarter.
- Gross margin and EBITDA explained by
 - the harsh weather conditions in the quarter for our bitumen-based waterproofing businesses
 - lower volumes and decreasing margins for our synthetic rubber waterproofing and prefabricated wooden element businesses
 - the SEK -18 m impact from the termination of two entities



Q1 EBIT history

EBIT of SEK -11 m (56)

- Adjusted EBIT SEK 7 m, after excluding impact from two entities terminated in the quarter
- Comparables for Q1 2022 exceptionally strong
- Adjusted Q1 EBIT similar to most previous years



Income statement

| SEKm | Q1-'23 | Q1-'22 | Change, % | Full-year 2022 | Full-year 2021 |
|----------------------------|--------|--------|-----------|----------------|----------------|
| Net sales | 911 | 912 | 0% | 4,343 | 3,664 |
| Gross profit | 201 | 237 | -15% | 1,184 | 1,041 |
| EBITDA | 30 | 91 | -67% | 583 | 515 |
| Operating profit (EBIT) | -11 | 56 | -119% | 430 | 382 |
| Net finance items | -13 | -4 | n/a | -18 | -47 |
| Profit/loss before tax | -25 | 52 | -148% | 413 | 335 |
| Tax | 3 | -13 | n/a | -82 | -78 |
| Profit/loss for the period | -22 | 39 | -158% | 330 | 256 |

- Gross margin for quarter was 22.1% (26.0%)
- EBIT margin for quarter was -1.3% (6.1%), for LTM 8.4%
- Increased interest rates had a negative impact on net financial items

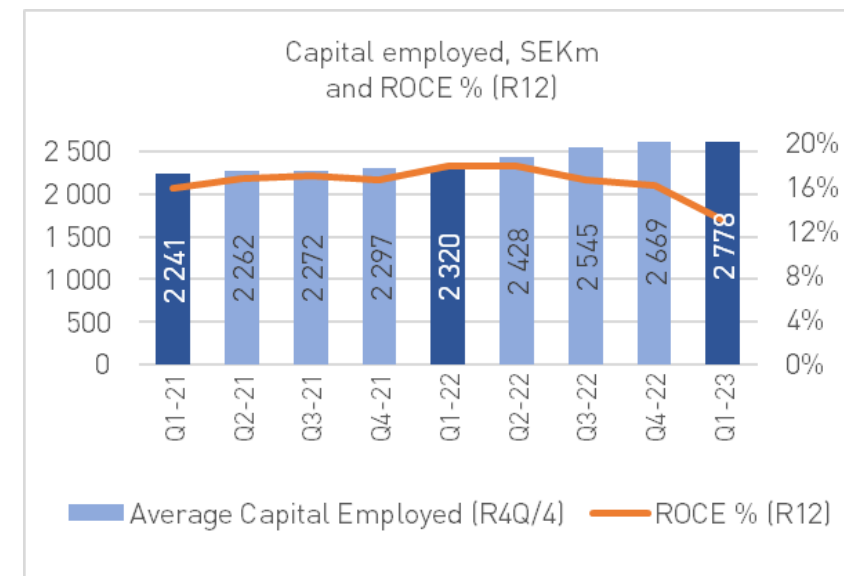
Balance sheet

| SEKm | 2023-03-31 | 2022-03-31 | 2022-12-31 |
|-------------------------------------|--------------|--------------|--------------|
| Non-current assets | 2,142 | 1,841 | 2,103 |
| Current assets | 1,594 | 1,514 | 1,621 |
| Total assets | 3,736 | 3,354 | 3,724 |
| Equity | 1,732 | 1,514 | 1,754 |
| Non-current liabilities | 1,079 | 1,015 | 1,070 |
| Current liabilities | 925 | 824 | 900 |
| Total equity and liabilities | 3,736 | 3,354 | 3,724 |
| Capital employed | 2,850 | 2,424 | 2,859 |
| ROCE (R12) | 13.1% | 16.1% | 16.1% |
| Interest-bearing net debt | 997 | 762 | 844 |
| Equity/assets ratio | 46.4% | 45.1% | 47.1% |
| Net debt/equity ratio | 0.6x | 0.5x | 0.5x |
| Net debt/EBITDA | 2.0x | 1.6x | 1.6x |

- Continued strong balance sheet
- Net debt/EBITDA-ratio at 2.0x (1.6x), remains well below covenants for financing agreement.
- Interest-bearing net debt increased in the quarter to SEK 997 m (844).

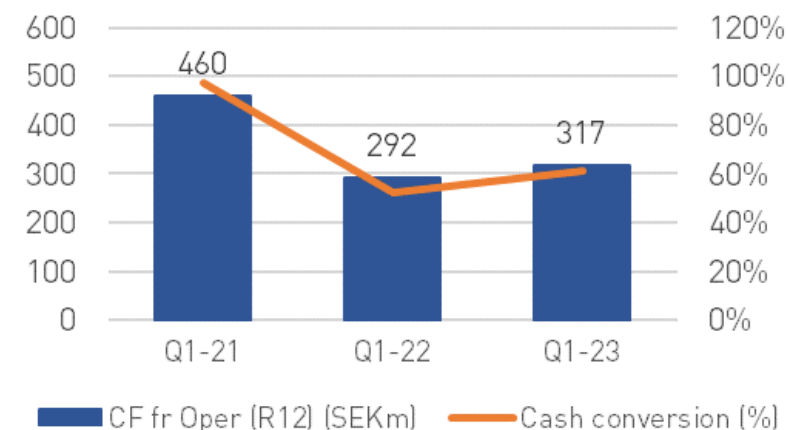
RoCE 13.1% (16.6%)

- RoCE above threshold of 13%
- Increase in capital employed from higher cost and prices, acquisitions contributing
- Decrease in RoCE driven by lower operating result



Cash flow from Operations (R12) increased to SEK 317 m (292) and Cash conversion increased to 61% (52%)

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



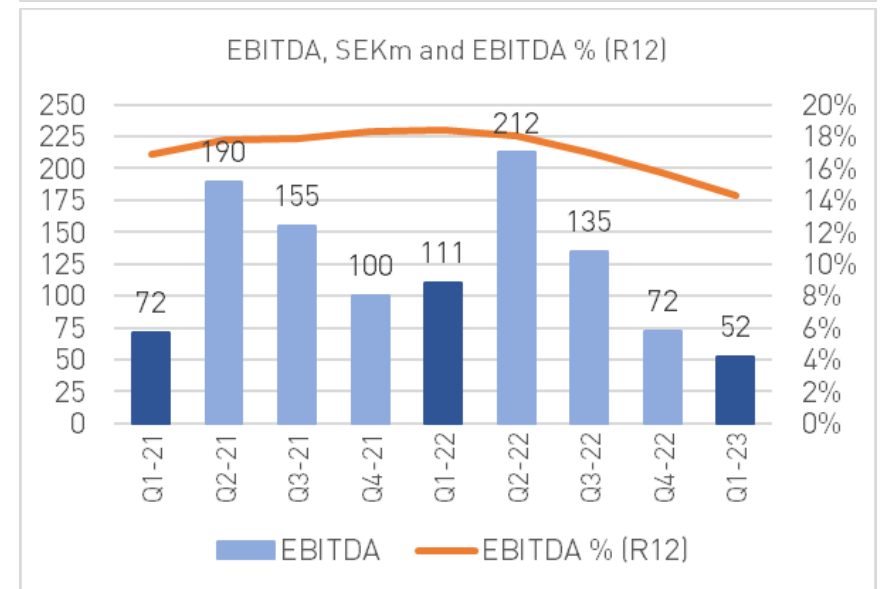
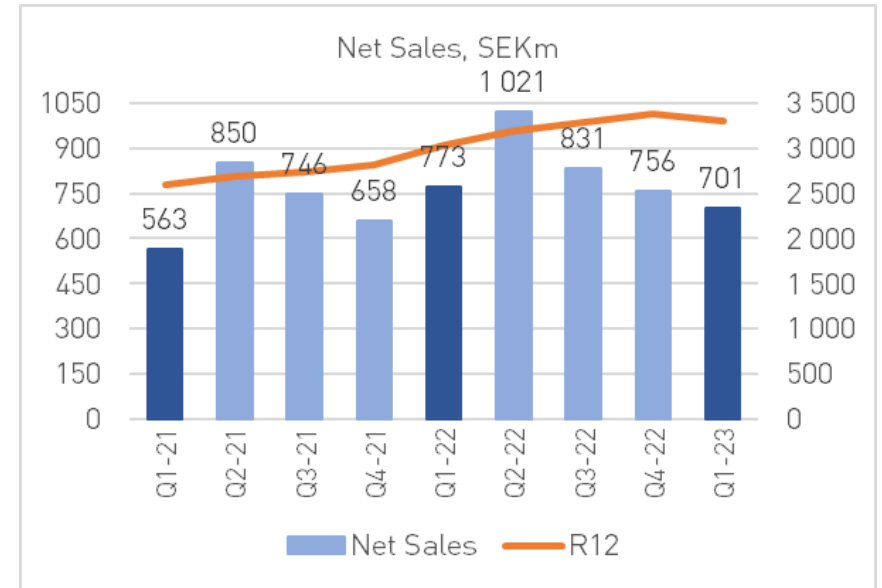
Products & Solutions

Net sales of SEK 701 m (773) down 9%

- Organic development was -14% (whereof price 8% and volume -22%), acquisitions contributed with 2% and the impact from currency was +2% in the quarter
 - Finland: flat, organic development -10%
 - Denmark -13%, organic development -21%
 - Sweden +5%
 - Norway +4%: organic growth with 9%
- Net Sales R12 at SEK 3,309 M

EBITDA decreased to SEK 52 m (111) while Operating profit (EBIT) decreased to SEK 22 m (83)

- EBITDA margin decreased to 7.5 percent (14.3) in the first quarter. For the latest 12 months the margin is 14.3% (18.4).
- Decrease in EBITDA mainly explained by some areas not matching the high volumes and margins they had previous year, lower volumes and margins for prefabricated elements and synthetic rubber membranes and harsh weather conditions in the quarter. The impact in the quarter from terminated operations was SEK -12 m.



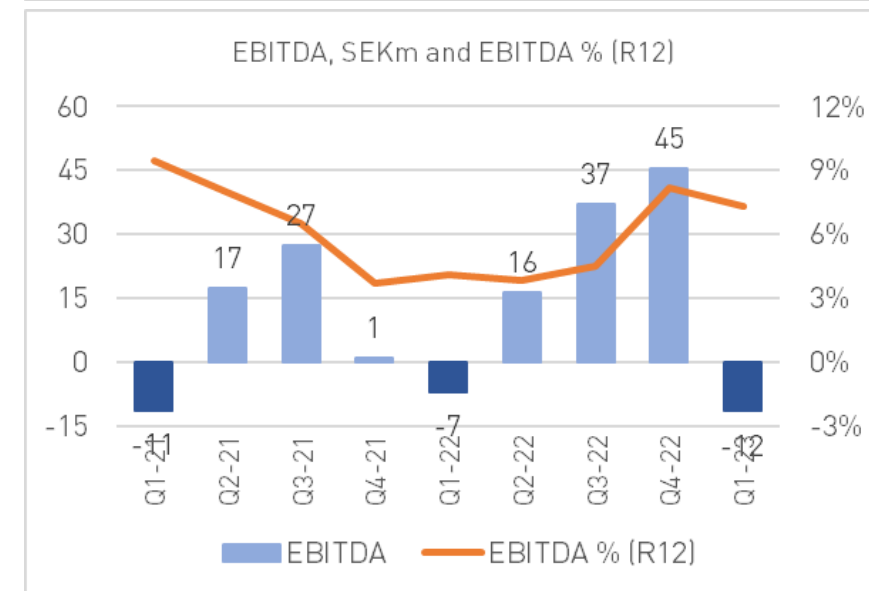
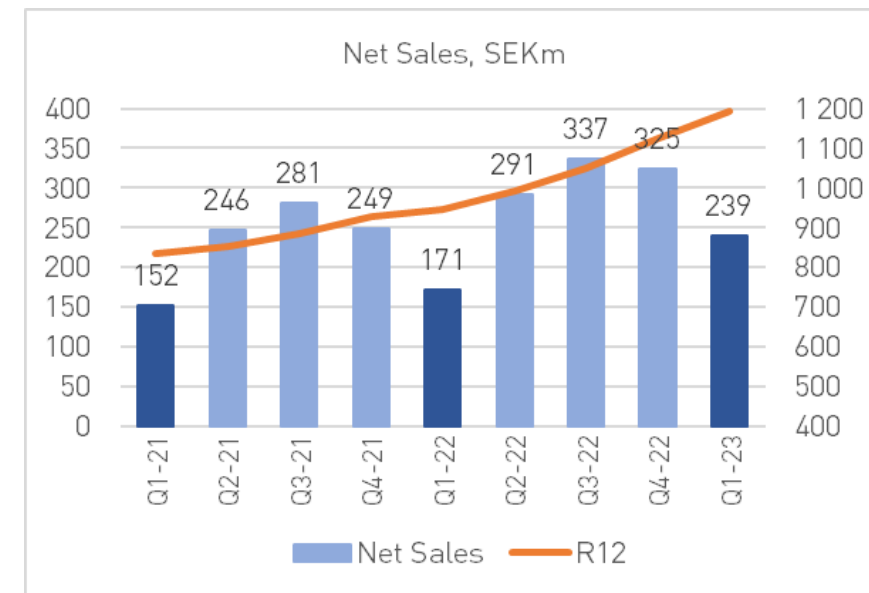
Installation Services

Net sales of SEK 239 m (171) increase by 40%

- Organic development of +6%, whereof price impact +12% and volume -6%
- Impact from acquisitions +30% and currency effects +5%.

**EBITDA decreased to SEK -12 m (-7) while
Operating profit (EBIT) decreased to SEK -22 m (-15)**

- EBITDA margin decreased to -4.8 percent (-4.2) in the first quarter. For the latest 12 months the margin is 7.3% (4.1).
- Seasonal impact from harsh weather conditions having a somewhat negative impact in Finland and Norway, increase in share of profit from associated companies in Denmark in spite of weather conditions.
- The impact in the quarter from terminated operations was SEK -7 m.



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

Palle Schrewelius, CFO & IR

Further information:

- 20 July 2023; Interim report January – June 2023
- 26 October 2023; Interim report January – September 2023

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APPENDIX

NORDIC 
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Shareholders as per 31 March 2023

| Owner | Number of shares | Capital, % | Votes, % |
|--------------------------------------|-------------------|---------------|---------------|
| Kingspan Group PLC | 5,805,641 | 24.1% | 24.3% |
| Handelsbanken Fonder | 1,807,877 | 7.5% | 7.6% |
| Tredje AP-fonden | 1,350,000 | 5.6% | 5.6% |
| Alcur Fonder | 1,000,447 | 4.2% | 4.2% |
| Lannebo Fonder | 991,238 | 4.1% | 4.1% |
| Carnegie Fonder | 930,773 | 3.9% | 3.9% |
| Cliens Fonder | 713,200 | 3.0% | 3.0% |
| Danske Invest | 685,407 | 2.8% | 2.9% |
| Avanza Pension | 644,059 | 2.7% | 2.7% |
| Dimensional Fund Advisors | 527,668 | 2.2% | 2.2% |
| Total 10 largest shareholders | 14,456,310 | 60.0% | 60.5% |
| Other shareholders | 9,450,727 | 39.2% | 39.5% |
| Total number of votes | 23,907,037 | 99.3% | 100.0% |
| Treasury shares | 176,898 | 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 SE0014731089
- Sector Construction & Materials
- Number of shares of SEK 1.00 24,083,935
- Treasury shares 176,898
- Voting & ownership restrictions None
- Current market cap SEK 3,700 million (24 April 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)



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)



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)



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)

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

(187,936 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

(17,926 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

(11,000 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)



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