




STABLE RETURNS IN SPITE OF HEADWINDS FROM INPUT PRICE INFLATION AND JOB SITES DELAYS

1 January – 30 September 2021

 Date 2020.11.02

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

Stable returns in spite of headwinds from input price inflation and job sites delays

- Net sales of SEK 1,003 m (916), increase of 10%
 - 1% organic growth in local currency
 - 9% from acquisitions
 - -1% from currency effects
- EBITDA increased to SEK 176 m (164), up 7%
- Operating profit (EBIT) increased to SEK 140 m (133), up 5%
- Cash flow from operating activities was SEK 101 m (250)
- Earnings per share SEK 3.56 (4.07)



Highlights and comments 1 (2)

- **Demand** remains strong
 - On a stable level for the **roofing business** on all markets
 - **Installation Services** decreased due to delays on job sites due to component shortages, and a disciplined approach towards not accepting lower margin business
- **SealEco** sales was on level with Q3 last year. The Distripond-business had a weaker development due to shortage of materials
- **Prefabricated elements** had a strong increase in sales and a turn-around impact in EBIT due to the profit improvement program
- Our **Green infrastructure** had reduced sales (organic) and experienced some competitive margin compression
- **EBITDA** in the quarter was above last year at SEK 176 m (164), EBITDA margin 17.5% (17.9%).



Highlights and comments 2 (2)

- The positive development of the operating result is explained by:
 - the implementation of our turnaround plan in the Prefabricated Elements business
 - in spite of some margin compression due to input price inflation in other parts of our Products & Solutions segment and
 - in spite of lower returns in the Installation Services segment.
- Dramatic increases in input prices have had a negative effect on both business segments.
 - In Products & Solutions we are in the process of absorbing these through a series of sales price increases, albeit with a time lag of several weeks.
 - In Installation Services, we expect a degree of margin compression to remain in the foreseeable future.
- Continued active acquisition drive (YTD seven acquisitions completed):
 - Metallic façade construction, metal profiling and machining and pre-made eaves system with integrated fall protection: **Rakennusliike Ripatti Oy (Finland)**



Market demand stable at a high level

- Flat roofing market in the Nordics remains strong with demand overall at healthy levels.
- Continued strong growth in prefabricated façade and roof elements in Denmark, Norway and Finland.
- Demand for green infrastructure remains strong, but with continued price pressure.



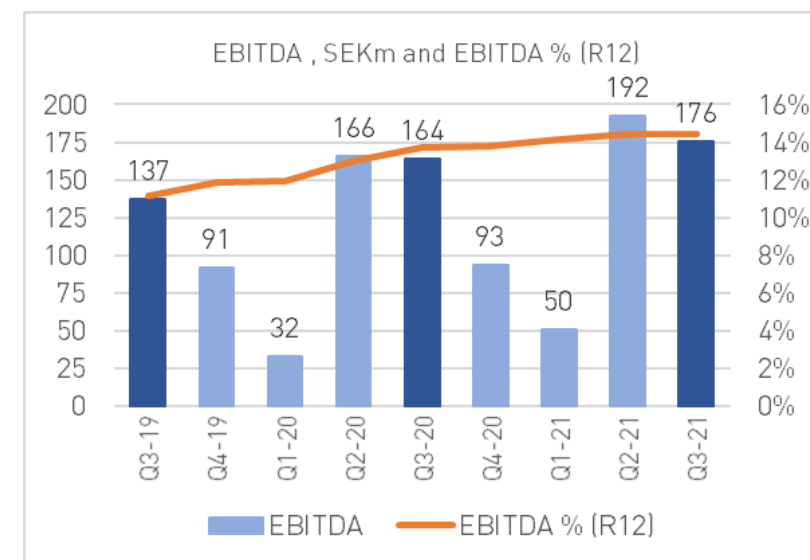
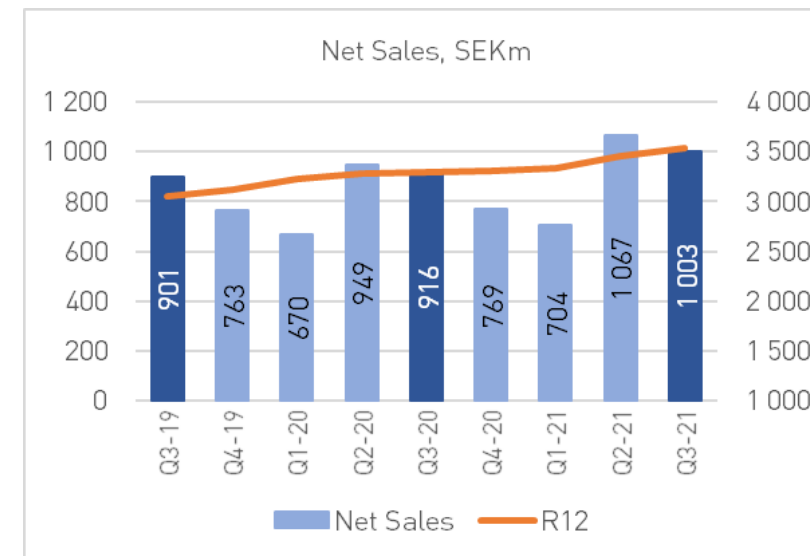
Third quarter report

Net sales of SEK 1,003 m (916) up 10%

- Organic growth of 1%, positive impact from price increases meaning underlying volume development negative
- New acquisitions contributed with 9% and currency had a negative impact of -1%

EBITDA increased to SEK 176 m (164) while Operating profit (EBIT) increased to SEK 140 m (133)

- EBITDA margin decreased to 17.5 percent (17.9) in the third quarter. On a R12-basis the margin is 14.4%.
- Increase in EBITDA explained by cost management and profit improvement in prefabricated elements



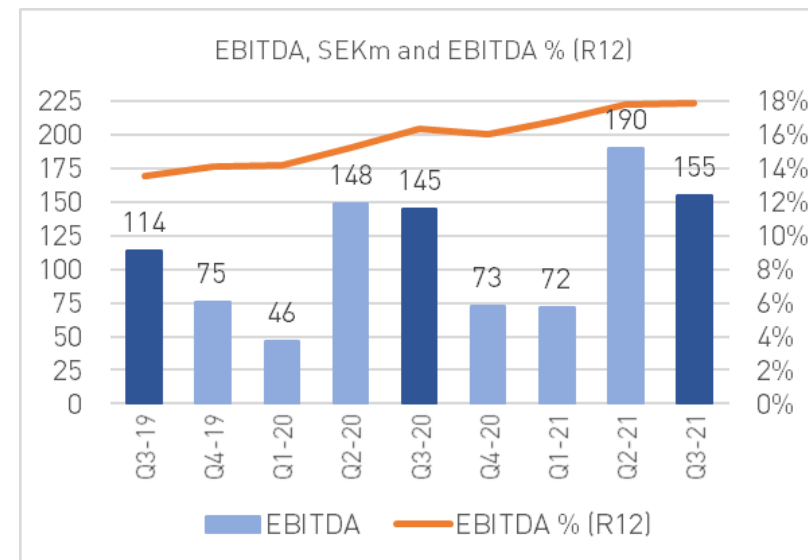
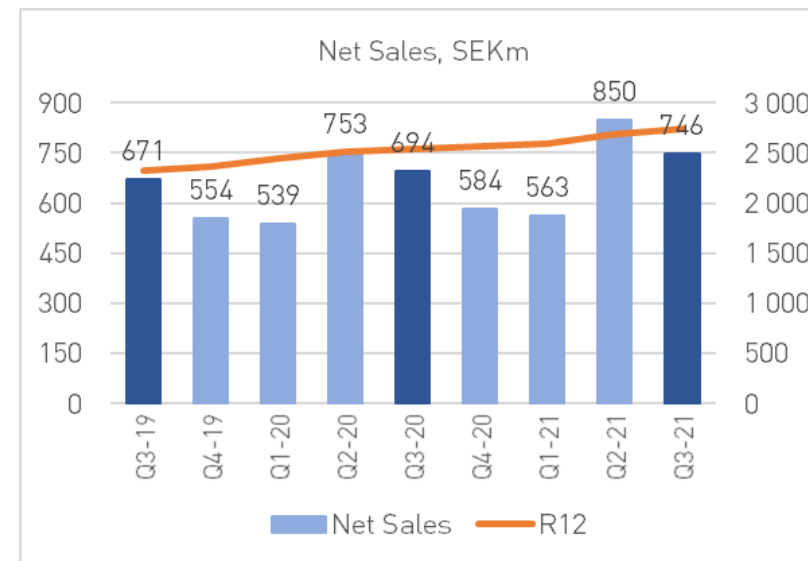
Products & Solutions

Net sales of SEK 746 m (694) up 7%

- Organic growth was 4%, acquisitions contributed with 4% and the impact from currency was neutral in the quarter
 - Finland: +24%, acquisitions contributed with 21%
 - Denmark +8%: strong in pre-fabricated wooden elements
 - Sweden +20%, strong development in the market
 - Norway +2%: organic development neutral
 - Other Europe -1%: negative development related to shortage of material
- Organic growth all due to price increases, volume development slightly negative

EBITDA increased to SEK 155 m (145) while Operating profit (EBIT) increased to SEK 128 m (119)

- EBITDA margin remained on 20.8 percent (20.8) in the third quarter. On a R12-basis the margin is 17.8%.
- Increase in EBITDA mainly explained by cost management and profit improvement in prefabricated elements



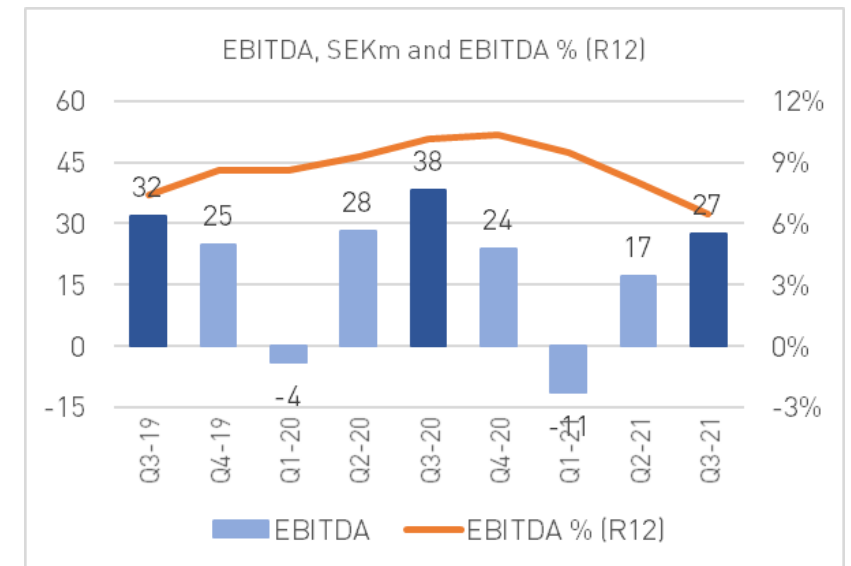
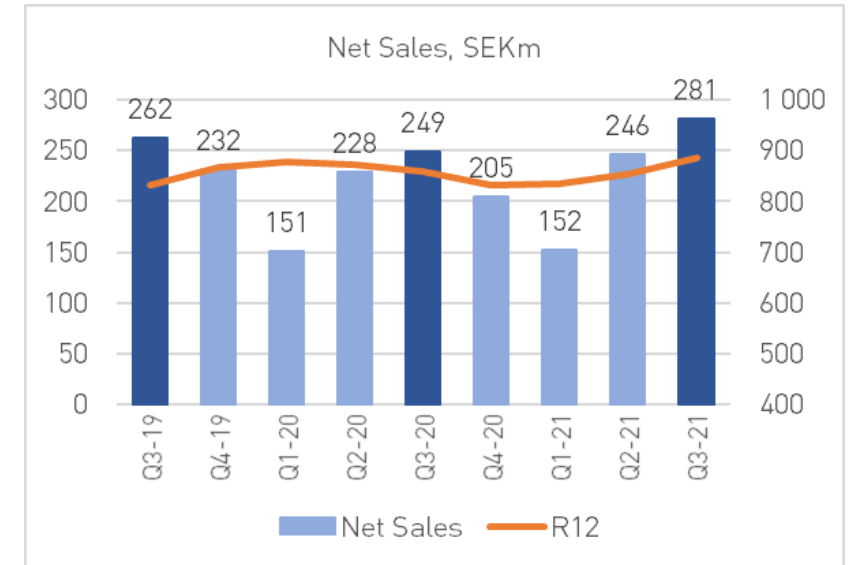
Installation Services

Net sales of SEK 281 m (249) increase with 13%

- Organic development of -8%, mainly caused by delays on job sites due to component shortages, and a disciplined approach towards not accepting lower margin business.
- Impact from acquisitions 23% and currency effects were negative with -1%.

EBITDA decreased to SEK 27 m (38) while Operating profit (EBIT) decreased to SEK 20 m (34)

- EBITDA margin decreased to 9.7 percent (15.3) in the third quarter. On a R12-basis the margin is 6.5%.
- EBITDA decreased because of delays on job sites and lower profit in the Danish associated companies



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

Income statement

SEKm	Q3-'21	Q3-'20	Change, %	Latest R12 Q3-2020	Full-year 2020
Net sales	1,003	916	+10%	3,542	3,303
Gross profit	298	283	+6%	1,016	929
EBITDA	176	164	+7%	511	455
Operating profit (EBIT)	140	133	+5%	387	337
Net finance items	-28	-10	n/a	-36	-16
Profit/loss before tax	113	124	-9%	351	321
Tax	-27	-26	n/a	-83	-68
Profit/loss for the period	86	98	-12%	268	253

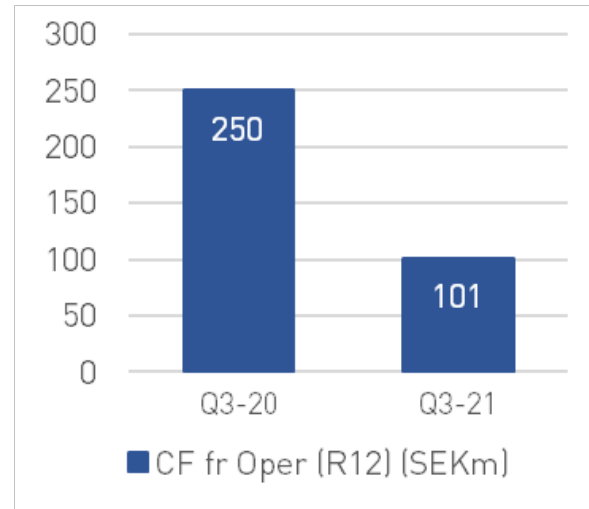
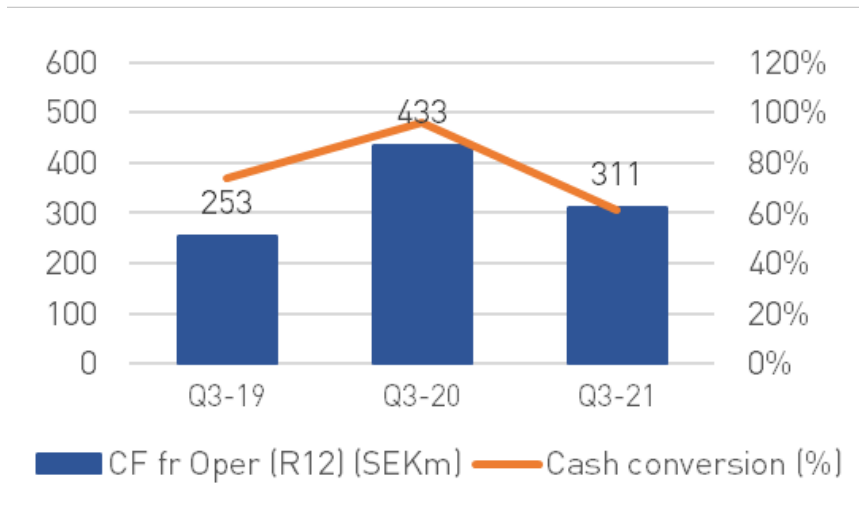
- Gross margin for quarter was 29.8% (30.9%)
- EBITDA margin for quarter was 17.5% (17.9%)
- Negative development of net financial items explained by updates on earn-outs and valuations for the options to buy outstanding shares in not wholly owned subsidiaries.

Balance sheet

SEKm	2021-09-30	2020-09-30	2020-12-31
Non-current assets	1,759	1,563	1,539
Current assets	1,458	1,444	1,325
Total assets	3,218	3,007	2,864
Equity	1,428	1,401	1,418
Non-current liabilities	989	954	942
Current liabilities	802	651	504
Total equity and liabilities	3,218	3,007	2,864
Capital employed	2,298	2,261	2,261
ROCE (R12)	17.1%	15.9%	15.6%
Interest-bearing net debt	675	383	238
Equity/assets ratio	44%	47%	50%
Net debt/equity ratio	0.5x	0.3x	0.2x
Net debt/EBITDA	1.5x	1.0x	0.6x

- ROCE is above the long-term threshold level of 13% due to the strong operating profit latest twelve months
- Net debt/EBITDA-ratio on a strong 1.5x, in spite of acquisitions made and dividend distributed.
- Interest-bearing net debt at SEK 675 m, continued good cash position and a strong balance sheet.

Cash-flow from operating activities



- Operating cash conversion (R12) after Q3 2021 was at 61%, compared with 96% a year ago and 74% two years ago
- Cash-flow from operating activities in Q3 2021 of SEK 101 m (250). Reasons for reduction
 - Very strong cash flow in Q3 2020 in particular changes in working capital
 - Increase in inventory due to higher input cost, delays in deliveries and to secure capability to deliver

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

- 8 February 2022; Full year report January-December '21
- 29 March 2022: Annual report '21
- 26 April 2022; Interim report January – March '22
- 19 July 2022; Interim report January – June '22
- 25 October 2022; Interim report January-September '22

We make waterproofing easy





Disclaimer: This presentation has been prepared by Nordic Waterproofing Holding AB solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.

Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially and adversely affected by other factors such as the effect of economic conditions, exchange-rate and interest-rate movements, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of Nordic Waterproofing, or any of its principal shareholders or subsidiary undertakings or any of such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

APPENDIX

Shareholders as per 30 September 2021

Owner	Number of shares	Capital, %	Votes, %
Svolder	3 742 952	15,5%	15,6%
Swedbank Robur Funds	1 925 641	8,0%	8,0%
Handelsbanken Funds	1 661 750	6,9%	6,9%
Länsförsäkringar Funds	1 066 404	4,4%	4,4%
Mawer Investment Management	1 043 131	4,3%	4,3%
Third AP-fund	1 000 000	4,2%	4,2%
Alcur Funds	940 456	3,9%	3,9%
Carnegie Funds	877 285	3,6%	3,7%
Futur Pension	483 329	2,0%	2,0%
Canaccord Genuity Wealth Management	481 643	2,0%	2,0%
Total 10 largest shareholders	13 222 591	54,9%	55,1%
Other shareholders	10 774 112	44,7%	44,9%
Total number of votes	23 996 703	99,6%	100,0%
Treasury shares	87 232	0,4%	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 87,232
- Voting & ownership restrictions None
- Current market cap SEK 6,500 million (1 November 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)

* 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

(211,402 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)



Mats Lindborg, Head of NW Sweden

Joined NWG in 1986

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

(12,877 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.

(15,384 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

(16,374 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

(22,740 shares*)



Thomas Zipfel, Head of SealEco

Joined NWG in 2009

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

(8,848 shares)

* Including related parties



We make waterproofing easy