




# SALES LAST 12 MONTHS ABOVE MILESTONE OF SEK 4 B FOR THE FIRST TIME

1 January – 30 June 2022

 Date 2022.07.19

## 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.

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WATERPROOFING



## Sales last 12 months above milestone of SEK 4 B for the first time

- Net sales of SEK 1,255 m (1,067), increase of 18%
  - 11% organic growth (whereof price 13%)
  - 4% from acquisitions
  - 3% from currency effects
- EBITDA increased to SEK 216 m (192), up 13%
- Operating profit (EBIT) increased to SEK 180 m (160), up 13%
- Cash flow from operating activities was SEK 38 m (114).
- Earnings per share SEK 5.82 (4.80)





## Q2 Highlights and comments 1 (2)

- **Demand** has remained stable but limited signs of slowdown in new build have appeared
  - On a good level for the **roofing business** on all markets
  - Order books for **Installation Services** continues to be on a high level
  - Weaker demand from new build expected to impact 2023
- The **bitumen-based** waterproofing business as well as **SealEco** showed double-digit growth.
- **Prefabricated elements** had a flat development in sales compared to last year with a stronger development on the Danish market.
- Our **Green infrastructure** showed strong positive organic growth in the quarter.
- In the **Installation Services** operating segment, where sales are mainly generated in Finland, net sales increased organically by 5 percent.



## Q2 Highlights and comments 2 (2)

- Dramatic input cost inflation has had an effect on both business segments.
  - In Products & Solutions we have to a large extent absorbed these through a series of sales price increases.
  - In Installation Services, we expect a degree of margin compression to remain in the foreseeable future.
  - Within a relatively fluid macro environment, we are seeing a stabilization of input costs and additional signs of somewhat slower construction demand
- We have been able to increase our market share in most of our business units.
- Continued active acquisition drive:
  - **VKP Group (FIN):** A roofing and waterproofing services contractor and service provider located in Kajaani, northeast Finland, was acquired 1 July 2022.
  - Remaining 33% of the shares in SealEco B.V. acquired in April, first tranche acquired in 2017.
  - Remaining 16% of the shares in E. Voutilainen Oy acquired in May, first tranche acquired in 2021.





## Acquisition of VKP Group (VKP)

- VKP provides roofing and waterproofing services and is headquartered in Kajaani in northeast Finland.
- VKP has 75 employees and an annual turnover of EUR 9 m.
- 70% of the shares in VKP was acquired 1 July 2022.
- The acquisition will, together with our existing Installation Services businesses, complete our geographical coverage of roofing services in the Finnish market.



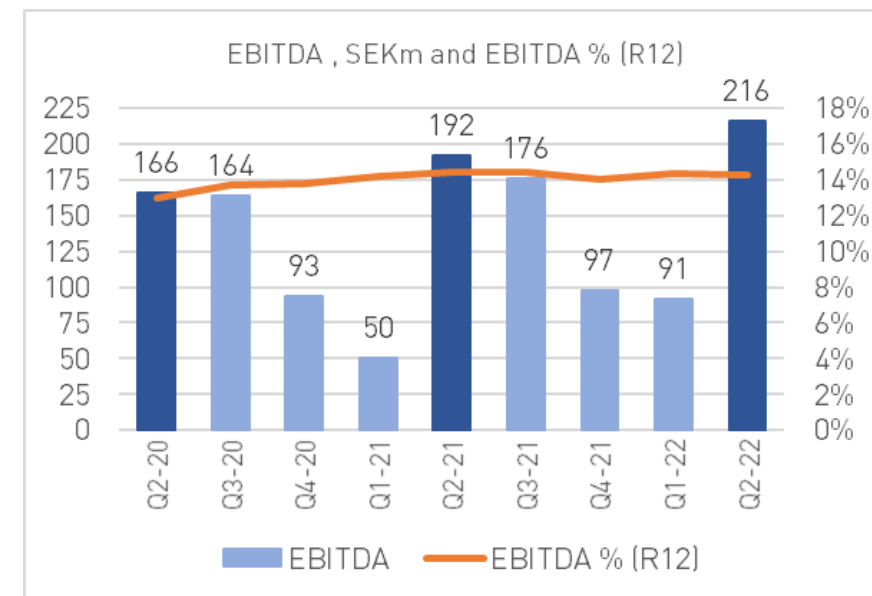
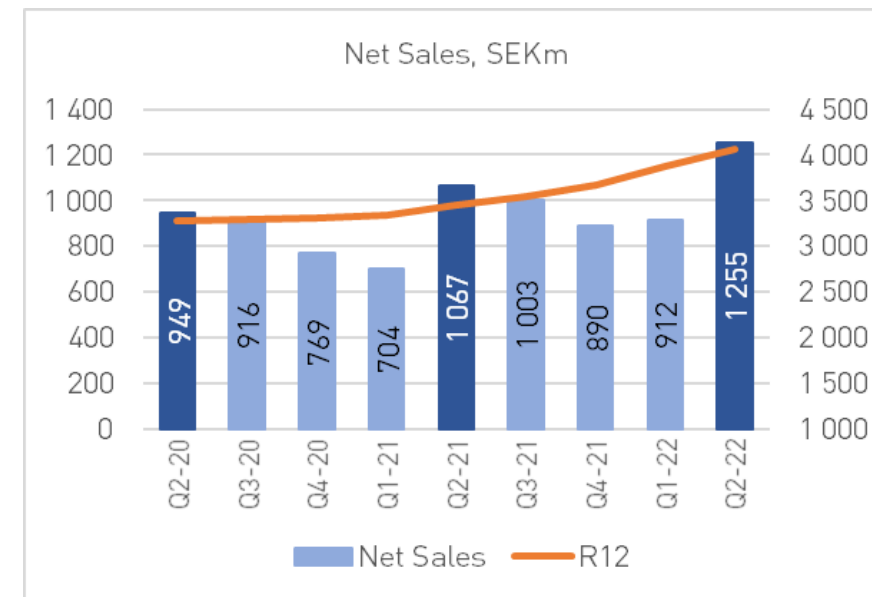
## Second quarter report

### Net sales of SEK 1,255 m (1,067) up 18%

- Organic growth of 11%, positive impact from price increases of 13% while volume -2%
- Acquisitions contributed with 4%
- Currency had an impact with 3%
- Net Sales on R12 basis SEK 4,059 M

### EBITDA increased to SEK 216 m (192) and Operating profit (EBIT) increased to SEK 180 m (160)

- EBITDA margin decreased to 17.2 percent (18.0) in the second quarter. On a R12-basis the margin is 14.3%.
- Increase in EBITDA explained by positive development within Products & Solutions, while the EBITDA for Installation Services was unchanged.



## Income statement

SEKm	Q2-'22	Q2-'21	Change, %	LTM Q2-'22	Full-year 2021
Net sales	1,255	1,067	18%	4,059	3,664
Gross profit	379	327	16%	1,147	1,041
EBITDA	216	192	13%	580	515
Operating profit (EBIT)	180	160	13%	435	382
Net finance items	-5	-9	n/a	-40	-47
Profit/loss before tax	175	152	15%	395	335
Tax	-35	-36	n/a	-87	-78
Profit/loss for the period	140	116	21%	308	256

- Gross margin for quarter was 30.2% (30.6%), for LTM 28.2%
- EBIT margin for quarter was 14.4% (15.0%), for LTM 10.7%
- Low negative value on net financial items explained by revaluation of debt for options

## Balance sheet

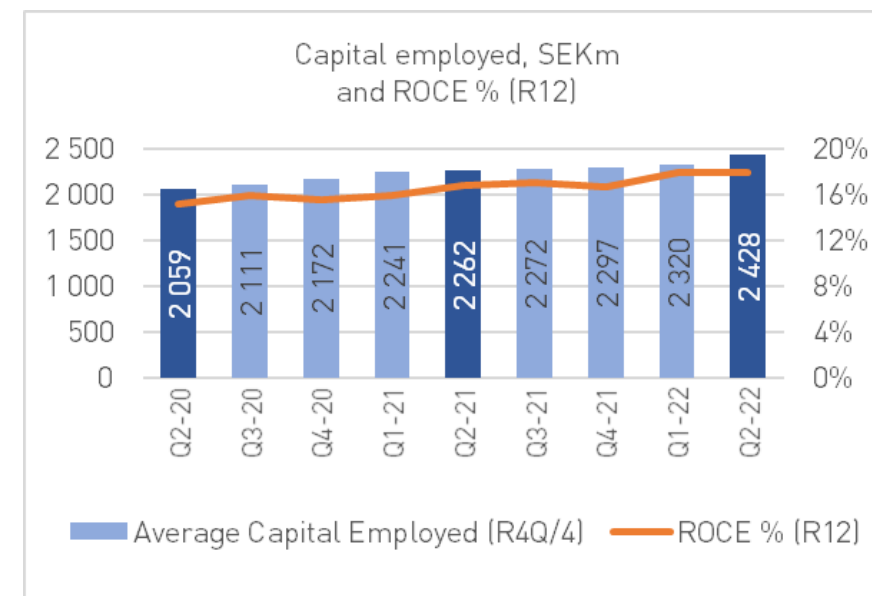
SEKm	2022-06-30	2021-06-30	2021-12-31
Non-current assets	1,877	1,666	1,810
Current assets	1,737	1,389	1,348
<b>Total assets</b>	<b>3,614</b>	<b>3,055</b>	<b>3,158</b>
Equity	1,545	1,333	1,460
Non-current liabilities	1,022	958	1,016
Current liabilities	1,047	764	682
<b>Total equity and liabilities</b>	<b>3,614</b>	<b>3,055</b>	<b>3,158</b>
Capital employed	2,626	2,193	2,364
ROCE (R12)	17.9%	16.8%	16.6%
Interest-bearing net debt	976	662	677
Equity/assets ratio	43%	44%	46%
Net debt/equity ratio	0.6x	0.5x	0.5x
Net debt/EBITDA	1.7x	1.5x	1.5x

- Continued strong balance sheet
- Net debt/EBITDA-ratio at 1.7x (1.5x), in spite of a quarter with seasonally weaker cash flow.
- Interest-bearing net debt increased to SEK 976 m (677), SEK 160 m of credit facility utilized for a short-term loan in quarter.



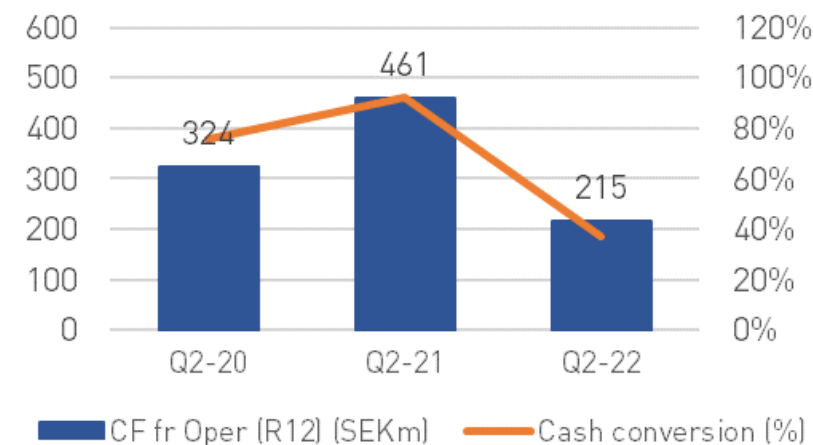
### RoCE 17.9% (16.8%) unchanged from Q1

- RoCE at all-time-high value
- Improvement in RoCE driven by improved operating result
- Increase in capital employed from higher cost and prices, increased activity and acquisitions



### Cash flow from Operations (R12) decreased to SEK 215 m (461) and Cash conversion decreased to 37% (92%)

- Decreased cash flow and cash conversion explained by
  - increased accounts receivable in line with price increases made
  - increased inventory due to securing raw material availability, higher input costs and higher finished product levels to secure our delivery capabilities.
  - Increase in inventory from same time last year of ca SEK 260 m consist of 135 from cost inflation, 85 from volume, 20 from acquisitions and 20 from currency effects.



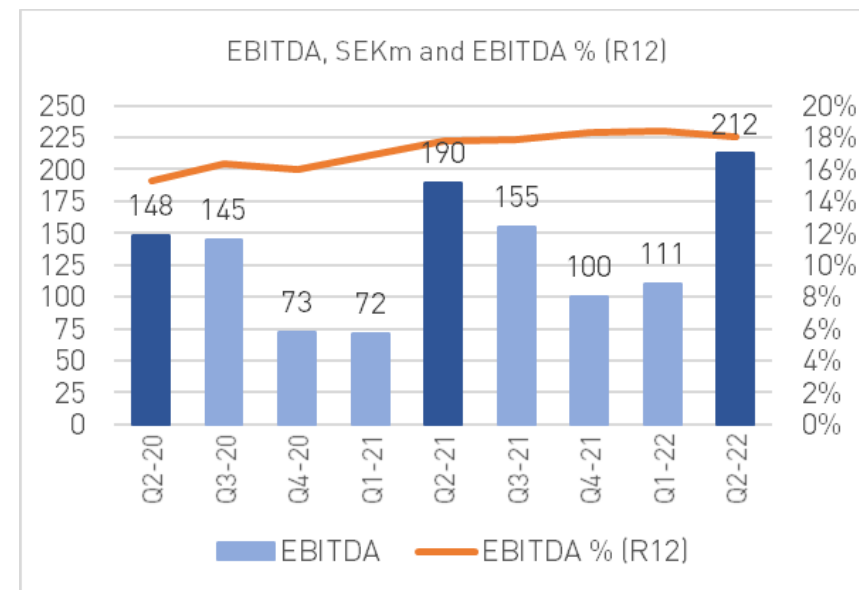
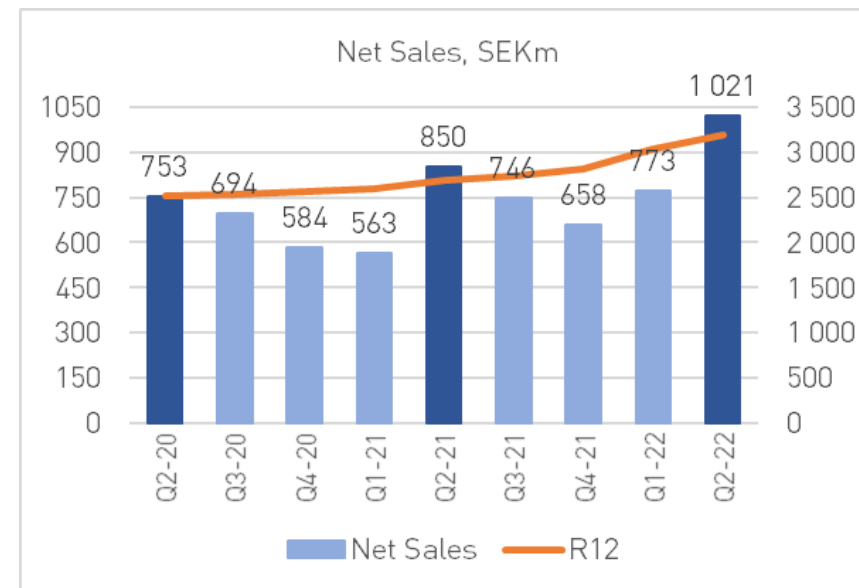
## Products & Solutions

### Net sales of SEK 1,021 m (850) up 20%

- First quarter passing SEK 1,000 m
- Organic growth was 15% (whereof price 14%), acquisitions contributed with 2% and the impact from currency was +3% in the quarter
  - Finland: +16%, organic growth with 12%
  - Denmark +22%: strong in all areas
  - Sweden +15%, continued strong development
  - Norway +7%: strong development in the roofing business
  - Other Europe +17%: good development on all most markets
- Net Sales R12 at SEK 3,199 M

### EBITDA increased to SEK 212 m (190) while Operating profit (EBIT) increased to SEK 184 m (164)

- EBITDA margin decreased to 20.8 percent (22.3) in the second quarter. For the latest 12 months the margin is 18.1%.
- Increase in EBITDA mainly explained by having managed price increases on input materials in a pro-active way.



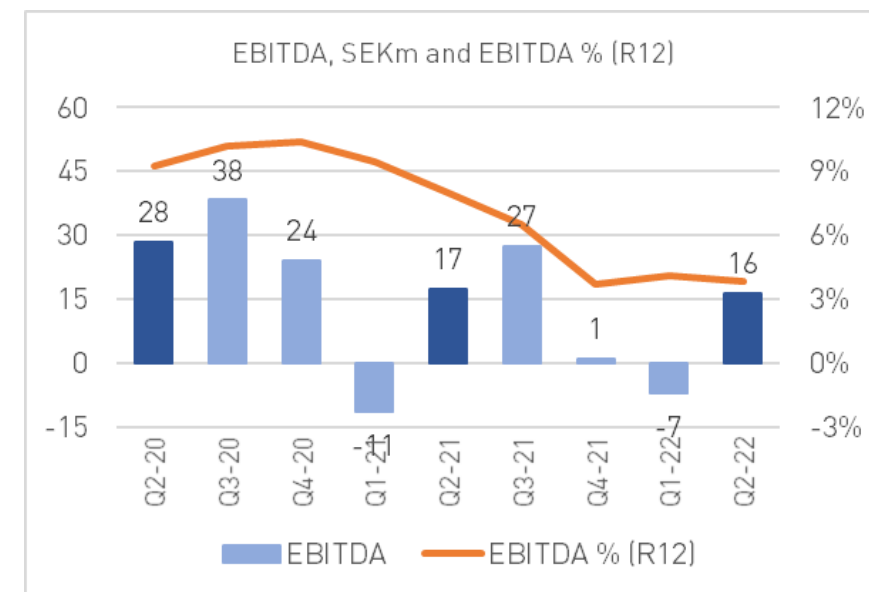
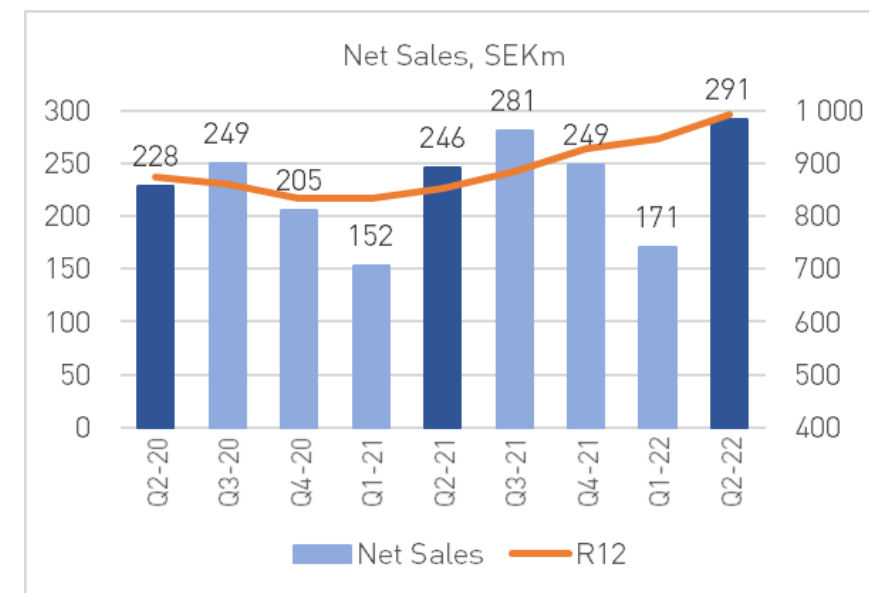
## Installation Services

### Net sales of SEK 291 m (246) increase with 18%

- Organic development of 5%, whereof price impact +7% and volume -2 percent
- Impact from acquisitions 9% and currency effects were positive with 4%.

### EBITDA on same level at SEK 16 m (17) while Operating profit (EBIT) decreased to SEK 9 m (12)

- EBITDA margin decreased to 5.6 percent (7.0) in the second quarter. For the latest 12 months the margin is 3.7%.





## 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**

- 25 October 2022; Interim report January-September '22

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**APPENDIX**

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## Shareholders as per 30 June 2022

Owner	Number of shares	Capital, %	Votes, %
Svolder	3,880,000	16.1%	16.2%
Swedbank Robur Funds	1,925,641	8.0%	8.0%
Handelsbanken Funds	1,598,969	6.6%	6.7%
Third Swedish National Pension Fund	1,200,000	5.0%	5.0%
Alcur Funds	1,117,646	4.6%	4.7%
Carnegie Funds	964,932	4.0%	4.0%
Cliens Funds	713,200	3.0%	3.0%
ODDO BHF Asset Management	700,032	2.9%	2.9%
Danske Invest (Lux)	660,000	2.7%	2.8%
Länsförsäkringar Funds	650,587	2.7%	2.7%
<b>Total 10 largest shareholders</b>	<b>13,411,007</b>	<b>55.7%</b>	<b>55.9%</b>
Other shareholders	10,588,831	44.0%	44.1%
<b>Total number of votes</b>	<b>23,999,838</b>	<b>99.7%</b>	<b>100.0%</b>
Treasury shares	84,097	0.3%	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 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 3,400 million (15 July 2022)
- 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.

(22,017 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

(23,926 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

(6,837 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**

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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