




STABLE SALES IN A CHALLENGING MARKET, EBITDA MATCHES LAST YEAR'S

1 January – 30 September 2023

 Date 2023.10.26

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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Stable sales in a challenging market, EBITDA matches last year's

- Net sales increase 7% to SEK 1,212 m (1,132),
 - 4% from acquisitions
 - 7% from currency effects
 - -4% organic development, whereof volume -4% and price 0%
- EBITDA on same level at SEK 159 m (162)
- Operating profit (EBIT) decreased to SEK 115 m (128)
- Cash flow from operating activities was SEK 149 m (244).
- Net Debt at SEK 985 m (912 at 31 Dec '22)



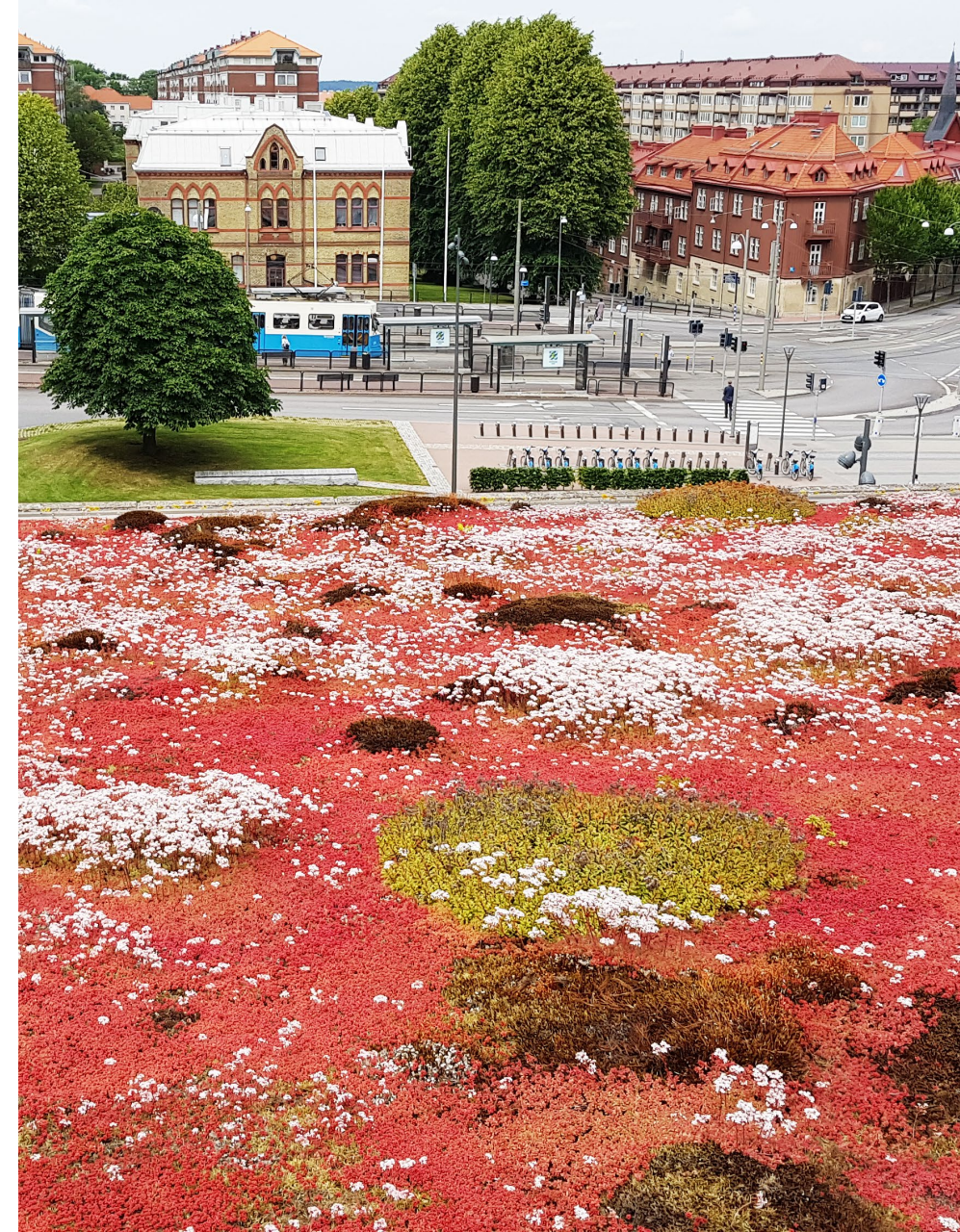
Q3 Highlights and comments 1 (2)

- **Demand** impacted by some slowdown in commercial new build, renovation stable while residential new build continued depressed.
- **Bitumen-based waterproofing** operations stable in quarter. Sales in total on same level as last year with variations between the different markets.
- Weaker sales for our **EPDM products** driven by increased competition at lower prices
- **Prefabricated elements**, that has a higher exposure to residential new build, reduced sales driven by the Danish market while Norway had positive development. Profitability level unsatisfactory.
- Our **Green infrastructure** had another quarter with good development in sales and profit
- **Installation Services** in Finland further improving over last year, while our operation in Norway faces some operational issues and had weaker sales and profitability
- Order books for **Installation Services** continue to be on a par with previous year in Finland and Denmark while weaker in Norway



Q3 Highlights and comments 2 (2)

- Contingency measures have been implemented in our operations to mitigate the consequences of the negative volume development
- We have continued to see slightly deflated costs for most of our input materials.
- Cash flow from operations good in quarter, satisfactory to see inventory levels being reduced as planned
- In a higher interest environment, we have sharpened the focus on our debt level, and adjusted multiples we are prepared to pay for acquisitions.
- Our largest shareholder, Kingspan Group PLC, has made a mandatory offer of SEK 160 per share. The acceptance period is estimated from 23 November to 1 February



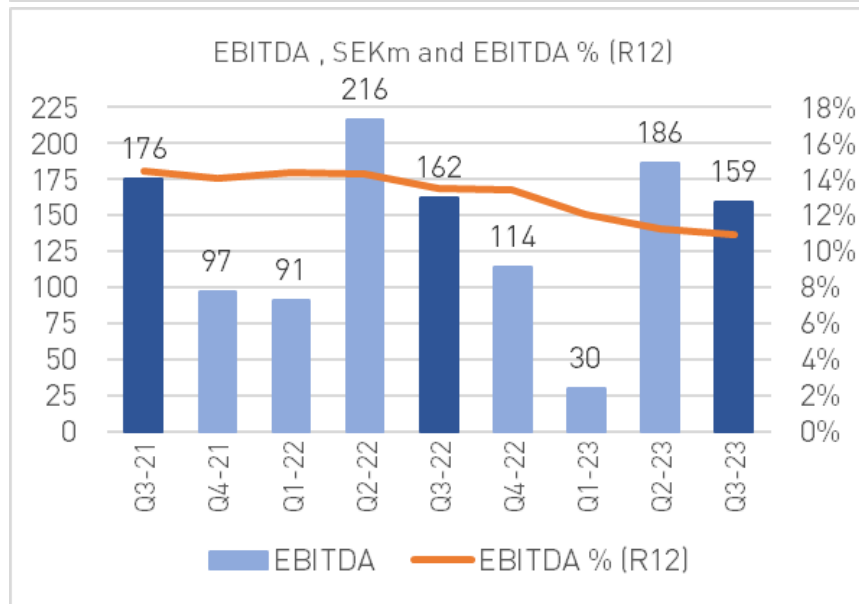
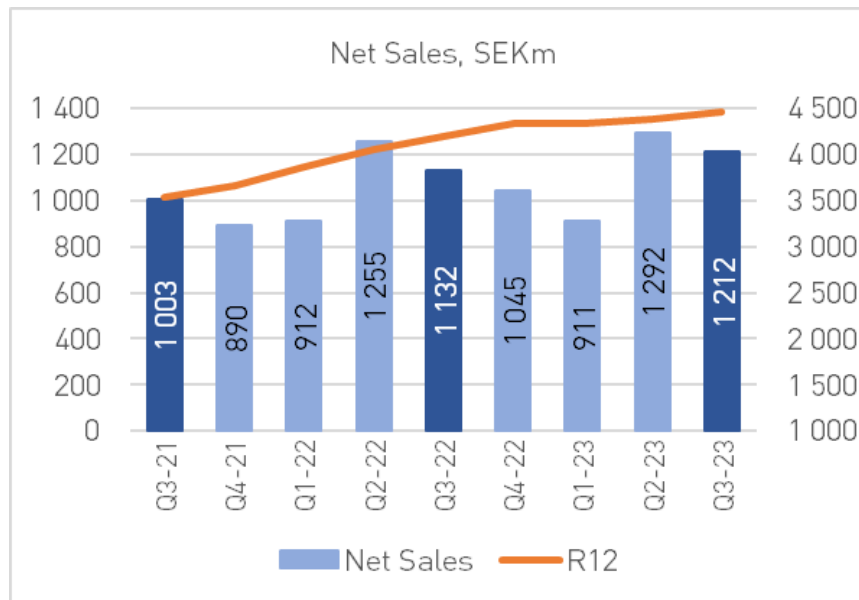
Q3 interim report

Net sales increased to SEK 1,212 m (1,132)

- Organic development of -4%, price levels unchanged while volume -4%
- Acquisitions contributed with 4%
- Currency had an impact of 7%

EBITDA decreased to SEK 159 m (162) and Operating profit (EBIT) decreased to SEK 115 m (128)

- EBITDA margin decreased to 13.1 percent (14.3) in the third quarter. On a R12 basis EBITDA margin at 11.0%



Income statement

SEKm	Q3-'23	Q3-'22	Change, %	LTM Q3 2023	Full-year 2022
Net sales	1,212	1,132	7%	4,461	4,343
Gross profit	306	317	-3%	1,108	1,184
EBITDA	159	162	-2%	489	583
Operating profit (EBIT)	115	128	-11%	312	430
Net finance items	-14	1	n/a	-46	-18
Profit/loss before tax	100	129	-22%	266	413
Tax	-19	-25	n/a	-56	-82
Profit/loss for the period	82	104	-22%	210	330

- Gross margin for quarter was 25.3% (28.0%)
- EBIT margin for quarter was 9.5% (11.3%), for LTM 7.0%
- Increased interest rates had a negative impact on Net finance items

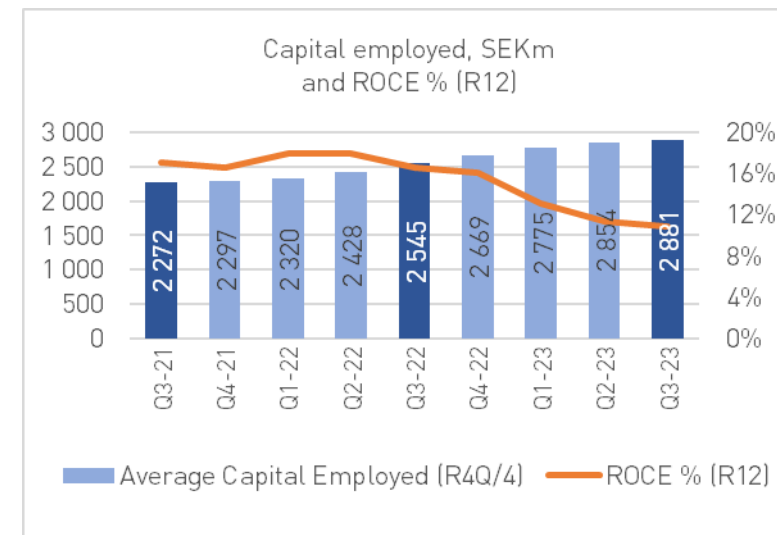
Balance sheet

SEKm	2023-09-30	2022-09-30	2022-12-31
Non-current assets	2,122	1,988	2,103
Current assets	1,857	1,949	1,621
Total assets	3,979	3,937	3,724
Equity	1,777	1,680	1,754
Non-current liabilities	1,060	1,031	1,070
Current liabilities	1,142	1,226	900
Total equity and liabilities	3,979	3,937	3,724
Capital employed	2,872	2,767	2,859
ROCE (R12)	10.8%	16.6%	16.1%
Interest-bearing net debt	940	861	844
Equity/assets ratio	44.8%	42.7%	47.1%
Net debt/equity ratio	0.5x	0.5x	0.5x
Net debt/EBITDA	2.0x	1.6x	1.6x

- Continued solid balance sheet, allowing for selective acquisitions
- Interest-bearing net debt increased to SEK 940 m (844) following a seasonally weaker cash flow in H1 and the distribution of dividend in May.
- Equity/asset ratio at 44.8%, somewhat above Q3 last year
- Net debt/EBITDA-ratio at 2.0x (1.6x), remains below covenants for financing agreement.

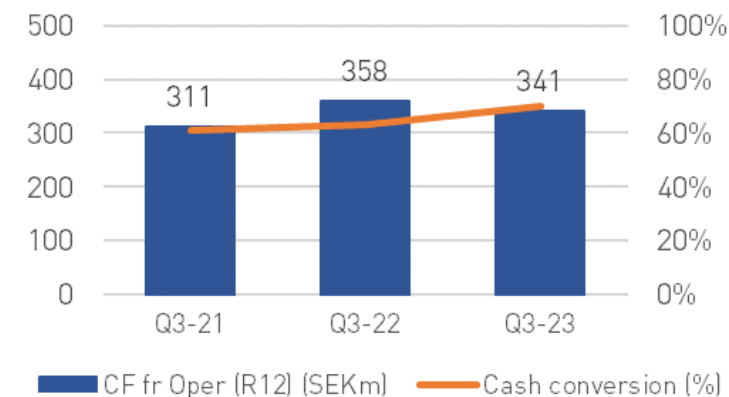
RoCE 10.8% (16.6%)

- RoCE at 10.8%, below Q3 2022 of 16.6%
- Increase in capital employed from weaker SEK and acquisitions
- Decrease in RoCE mainly driven by lower operating result



Cash flow from Operations (R12) at SEK 341 m (358) and Cash conversion increased to 70% (63%)

- Positive cash flow in quarter from reductions in inventory
- Going forward we continue to have potential to reduce inventories, and we closely monitor operating receivables



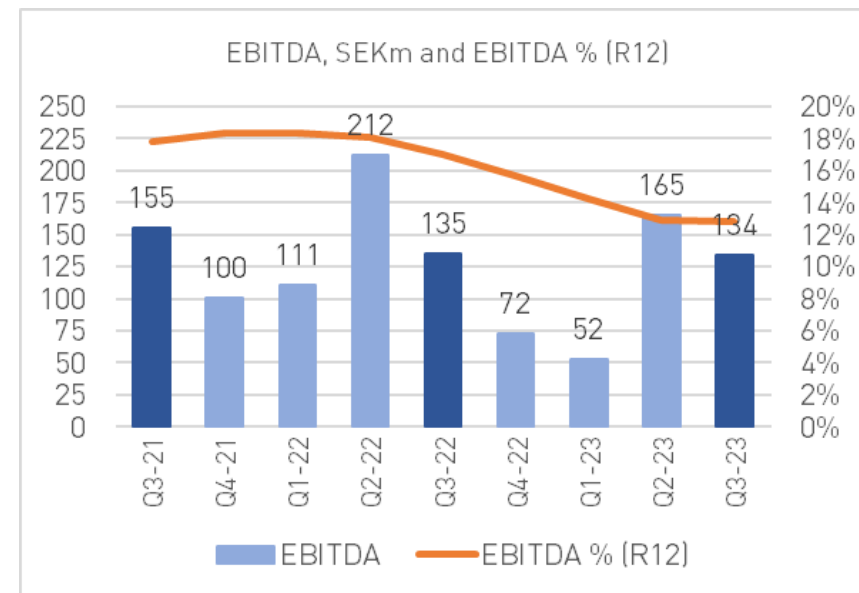
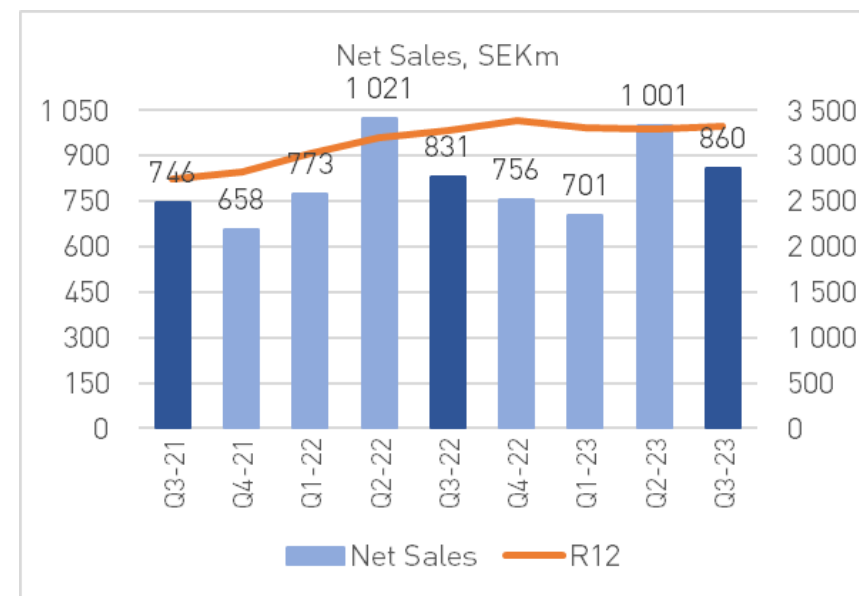
Products & Solutions

Net sales of SEK 860 m (831) up 3%

- Organic development was -4% (whereof price 0% and volume -4%), acquisitions contributed with +3% and the impact from currency was +5%
 - Finland: -2%
 - Denmark -4%
 - Sweden +11%
 - Norway +1%
- Net Sales R12 at SEK 3,317 M

EBITDA flat at SEK 134 m (135) while Operating profit (EBIT) decreased to SEK 102 m (111)

- EBITDA margin decreased to 15.6 percent (16.3) in the third quarter. For the latest 12 months the margin is 12.8% (17.0).



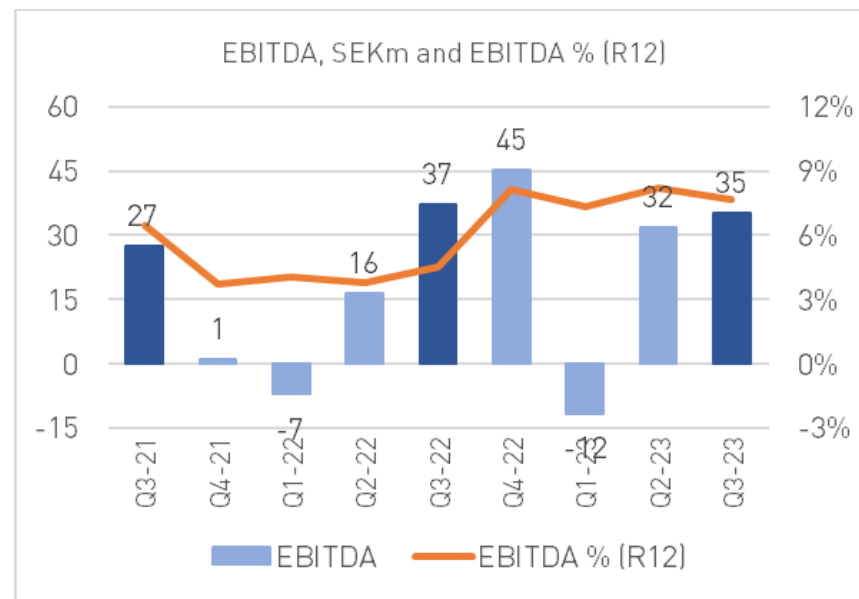
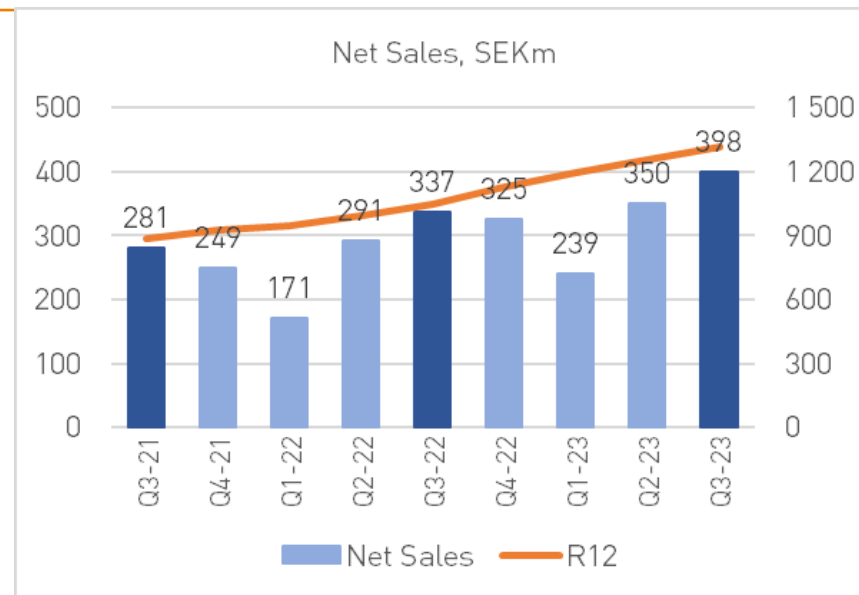
Installation Services

Net sales at All-time-high SEK 398 m (337) increase by 18%

- Organic development of 0%, whereof price impact +2% and volume -2%
- Impact from acquisitions +7% and currency effects +11%.

**EBITDA decreased to SEK 35 m (37) while
Operating profit (EBIT) decreased to SEK 24 m (28)**

- EBITDA margin decreased to 8.8 percent (11.0) in the third quarter. For the latest 12 months the margin is at a strong 7.7% (4.5).
- Our activities in Finland maintained level of Gross profit and EBIT while we saw reduced result in Norway.
- Good result from Danish franchise network, on level with last year.



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

Further information:

Martin Ellis, CEO

Palle Schrewelius, CFO & IR

- 6 February 2024; Full Year report January – December 2023
- 25 March 2024; Annual report 2023
- 25 April 2024; Interim report January – March 2024 and AGM
- 17 July 2024; Interim report January – June 2024
- 24 October 2024; Interim report January – September 2024

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APPENDIX

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Shareholders as per 30 September 2023

Owner	Number of shares	Capital, %	Votes, %
Kingspan Group PLC	7,453,730	30.9%	31.1%
Samson Rock Capital LLP	1,290,454	5.4%	5.4%
Fidelity International (FIL)	1,203,072	5.0%	5.0%
Handelsbanken Funds	762,319	3.2%	3.2%
Avanza Pension	554,379	2.3%	2.3%
Carnegie Funds	548,213	2.3%	2.3%
Dimensional Fund Advisors	526,535	2.2%	2.2%
Canaccord Genuity Wealth Management	447,471	1.9%	1.9%
Danske Invest	340,407	1.4%	1.4%
ODDO BHF Asset Management	318,735	1.3%	1.3%
Total 10 largest shareholders	13,445,315	55.8%	56.0%
Other shareholders	10,546,674	43.8%	44.0%
Total number of votes	23,991,989	99.6%	100.0%
Treasury shares	91,946	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 91,946
- Voting & ownership restrictions None
- Current market cap SEK 3,900 million (25 October 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)

* Including related parties



Steffen Baungard
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)

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
(211,106 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
(25,742 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.
(26,174 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
(16,309 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
(19,748 shares)



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