




# SOFT MARKETS LEAD TO PROFIT EROSION, ROCE STABLE

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1 January – 31 December 2024

 Date 2025.02.04

## 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.

NORDIC   
WATERPROOFING

## KINGSPAN ANNOUNCED A CASH OFFER TO THE SHAREHOLDERS IN NORDIC WATERPROOFING

- This morning Kingspan announced a cash offer of 182.50 SEK/share
- The board of directors of Nordic Waterproofing has evaluated the Offer and unanimously recommends the shareholders of Nordic Waterproofing to accept the offer.
- The board of directors has obtained a fairness opinion from Evli, according to which the offer[, from a financial perspective, is fair to the shareholders of Nordic Waterproofing.
- Offer period preliminary starts 6 February and ends 6 March
- Kingspan's holding before the offer amounts to 87.4 percent.

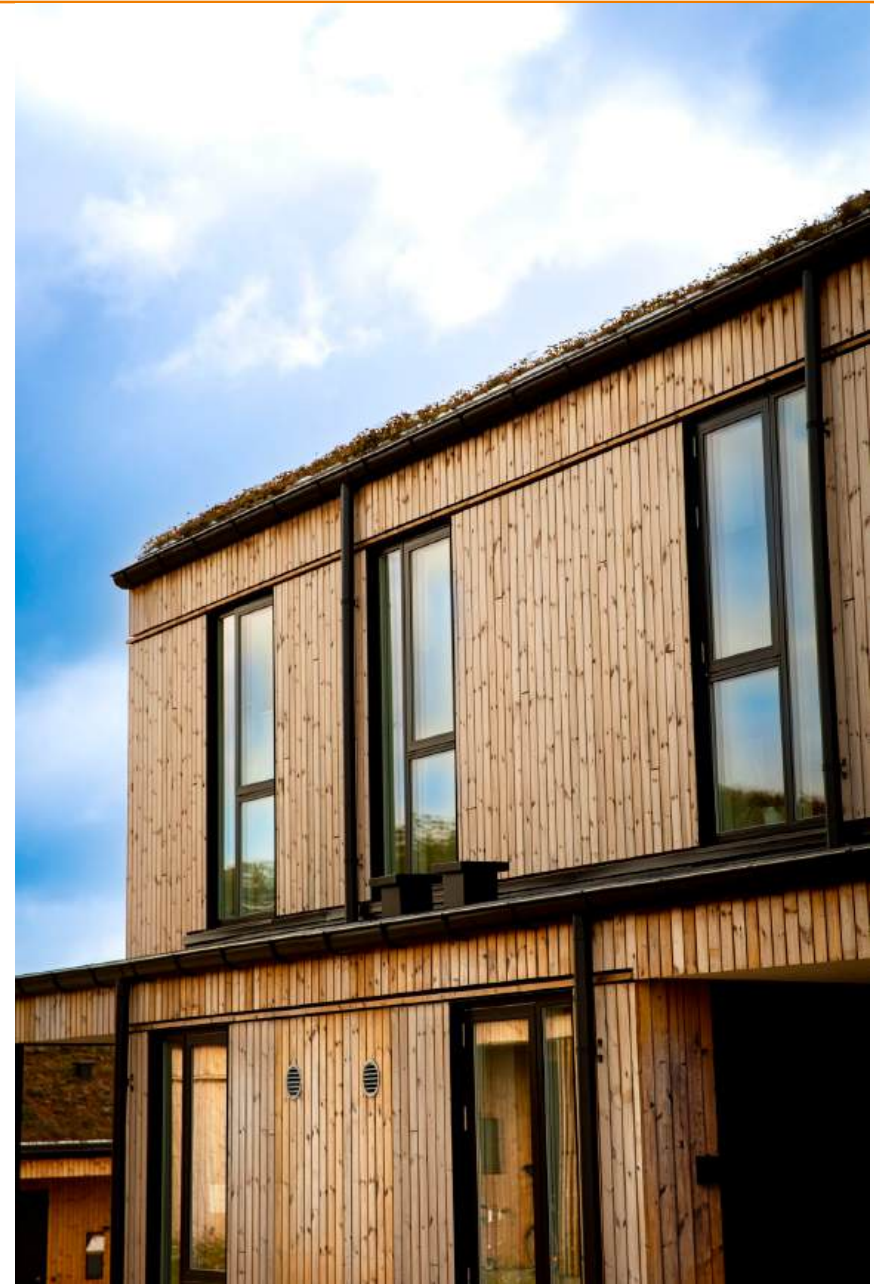
## Soft markets lead to profit erosion, RoCE stable

- Net sales decreased to SEK 925 m (1,048), -12% all organic development
- EBITDA decreased to SEK 71 m (89)
- Operating profit (EBIT) decreased to SEK 28 m (47)
- Cash flow from operating activities was SEK 144 m (255).
- Net Debt at SEK 716 m (749)
- The Board will propose the Annual General Meeting to resolve to pay a cash dividend of SEK 4.00 per share



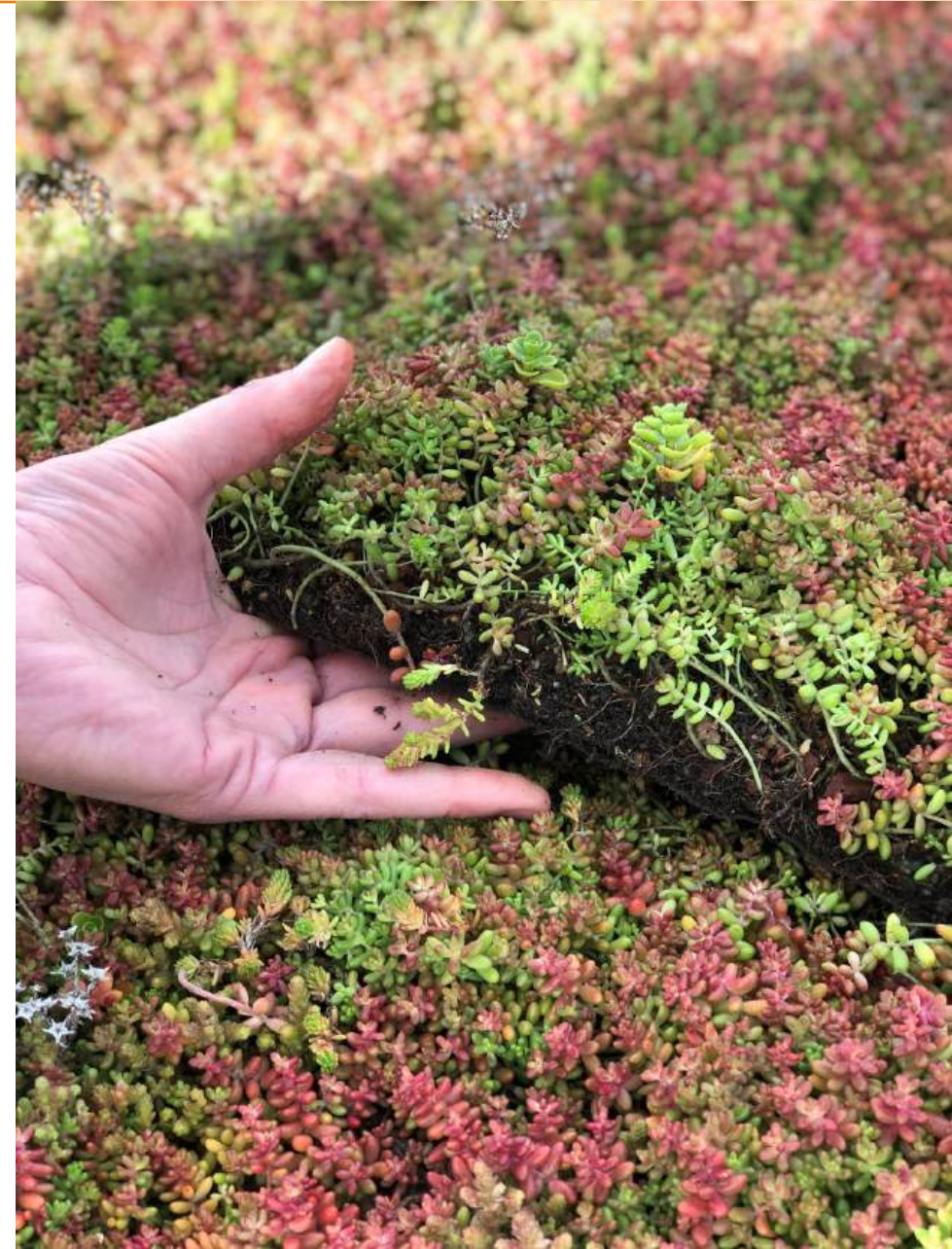
## Q4 Highlights and comments 1 (2)

- **Demand** impacted by slowdown in commercial new build, renovation stable while residential new build continued weak.
- **Bitumen-based waterproofing** operations stable in Sweden, Norway and Denmark, market situation more challenging in Finland.
- Sales for our **EPDM products** slightly below last year, margins improving.
- **Prefabricated elements**, that has a higher exposure to residential new build, had a negative development in sales. Profitability level unsatisfactory, additional programs have been implemented to improve the performance.
- Our **Green infrastructure** had a negative development in sales and operating result.
- **Installation Services**; roofing in Finland had decreased sales with weaker margins. Operating result from franchise units in Denmark on same level.
- Order books for business units within **Installation Services** generally weaker compared to same time last year



## Q4 Highlights and comments 2 (2)

- We continue to see flat or slightly deflated cost development for most of our input materials.
- We have a continued focus on our debt level. In a somewhat softer interest environment, we expect opportunities to emerge to further expand the Group in accordance with our strategic plan.
- Our expectation for commercial new build and renovation demand remains on current level for the beginning of this year. Residential new build will remain depressed in the near future with the exception of Denmark.
- Later in 2025 we expect more favorable market conditions on our main markets with the exception of Finland where overall market conditions are expected to be unchanged.



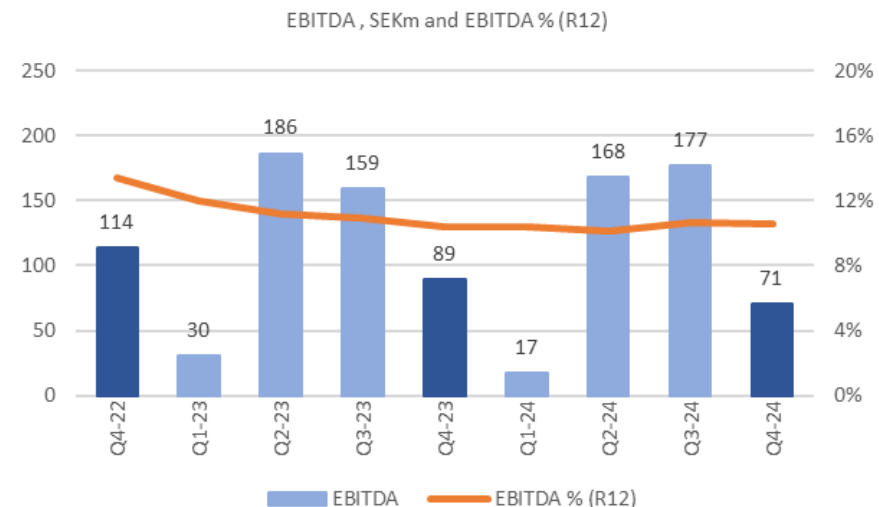
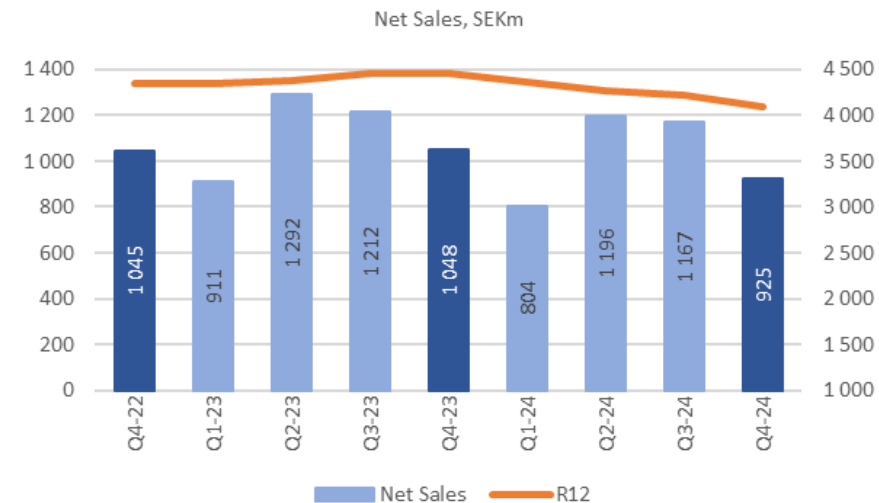
## Q4 Interim report

**Net sales decreased to SEK 925 m (1,048)**  
**Net Sales YTD at SEK 4,091 m**

- Organic development of -12%
- Acquisitions contributed with 0%
- Currency impact -0%

**EBITDA decreased to SEK 71 m (89) and**  
**Operating profit (EBIT) decreased to SEK 28 m (47)**

- EBITDA margin decreased to 7.6 percent (8.5) in the quarter. Full year EBITDA margin at 10.6% (10.4%).



## Income statement

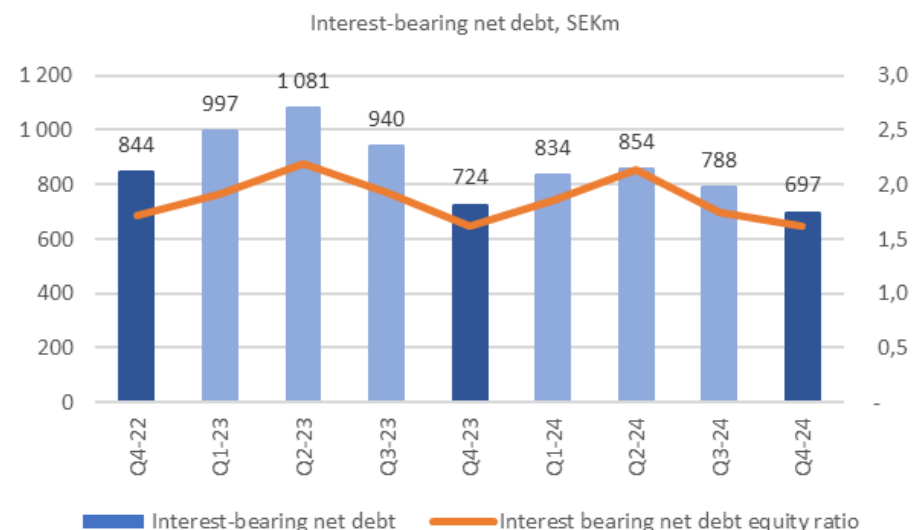
SEKm	Q4-'24	Q4-'23	Change, %	Full-year 2024	Full-year 2023
Net sales	925	1,048	-12%	4,091	4,463
Gross profit	224	257	-13%	1,078	1,114
EBITDA	71	89	-21%	432	464
Operating profit (EBIT)	28	47	-40%	278	293
Net finance items	-1	1	n/a	-49	-36
Profit before tax	28	48	-42%	229	257
Tax	-13	-4	n/a	-60	-50
Profit for the period	14	44	-68%	169	206

- Gross margin for quarter was 24.2% (24.6%)
- Net financial items in quarter SEK -1 m (1) whereof interest cost -12 (-18)
- EBIT margin for quarter was 3.1% (4.5%), for full year 6.8%

## Balance sheet

SEKm	2024-12-30	2023-12-31
Non-current assets	2,108	2,092
Current assets	1,401	1,542
<b>Total assets</b>	<b>3,509</b>	<b>3,634</b>
Equity	1,877	1,777
Non-current liabilities	1,000	1,020
Current liabilities	632	837
<b>Total equity and liabilities</b>	<b>3,509</b>	<b>3,634</b>
Capital employed	2,796	2,850
ROCE (R12)	10.1%	10.2%
Interest-bearing net debt	697	724
Equity/assets ratio	53.6%	49.0%
Net debt/equity ratio	0.4x	0.4x
Net debt/EBITDA	1.7x	1.6x

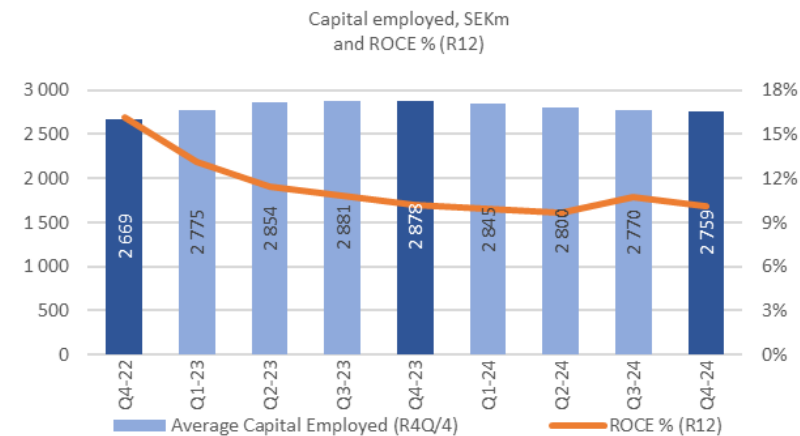
- Continued solid balance sheet, allowing for selective acquisitions.
- Interest-bearing net debt decreased to SEK 697 m (724) in a seasonally strong quarter for cash-flow.
- Equity/asset ratio at 53.6%.
- Net debt/EBITDA-ratio at 1.7x (1.6x), remains well below covenant in financing agreement.





### RoCE 10.1% (10.2%)

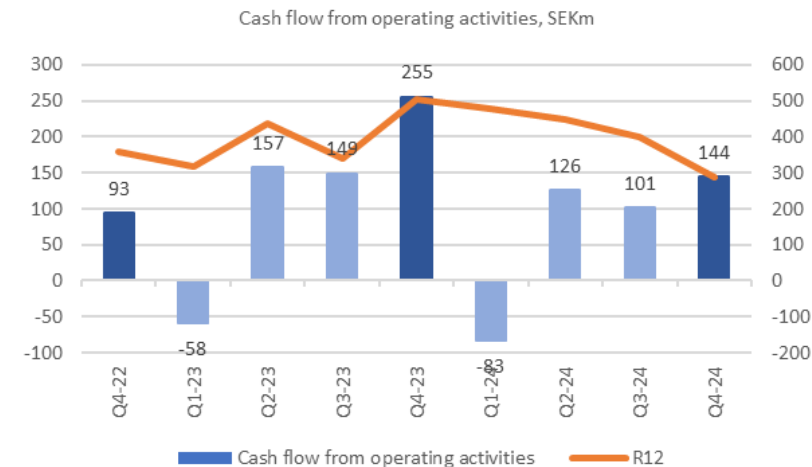
- RoCE at 10.1%, on level with Q4 2023 of 10.2%
- Capital employed development has decreased in recent quarters



### Cash flow from Operations (R12) at SEK 288 m (503)

#### Cash conversion at 67% (108%)

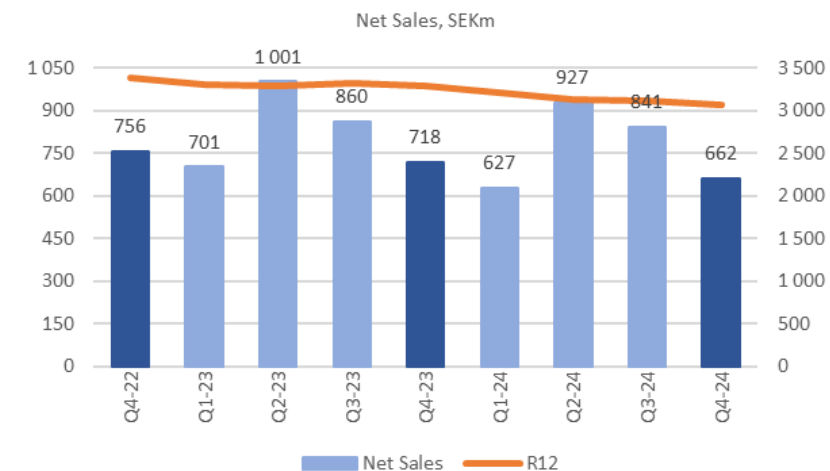
- Solid cash flow from operations in quarter. Normal seasonal changes in working capital this year, last years decrease in inventories throughout the year not repeated.
- We continue to closely monitor operating receivables



## Products & Solutions

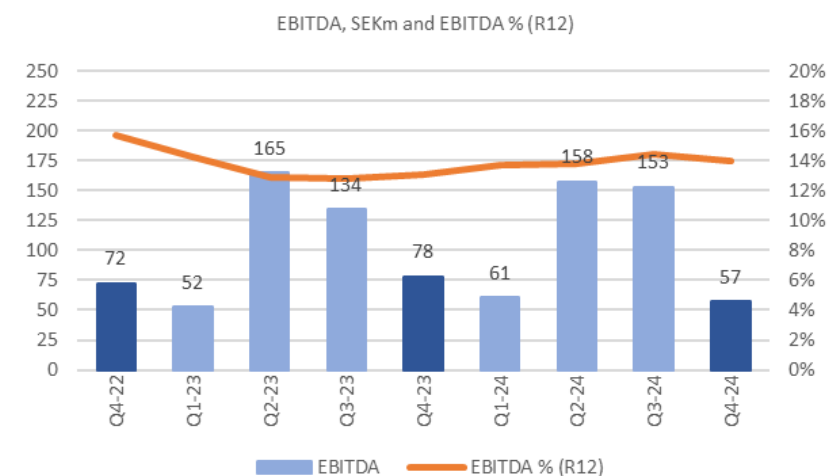
### Net sales of SEK 662 m (718), decrease by -8%

- All development from currency, organic development flat and no acquisitions
- Sales in Denmark increased while we saw a decrease on the other three Nordic markets
- Net Sales YTD at SEK 3,057 M



### EBITDA decreased to SEK 57 m (78) while Operating profit (EBIT) decreased to SEK 26 m (47)

- EBITDA margin decreased to 8.7 percent (10.9) in the quarter.
- Generally, the businesses maintained or improved margins
- Continued unsatisfactory profitability for the Taasinge group, re-structuring initiatives being accelerated leading to impact of -18 MSEK
- For the full year EBITDA margin is 14.0% (13.1).



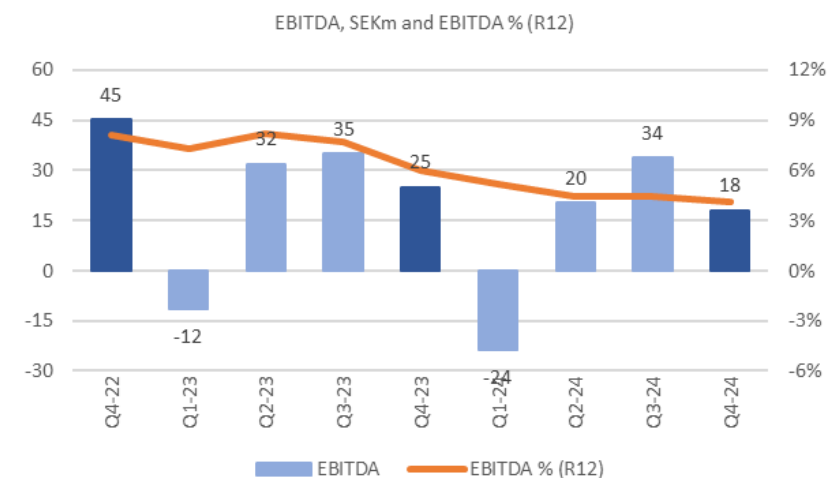
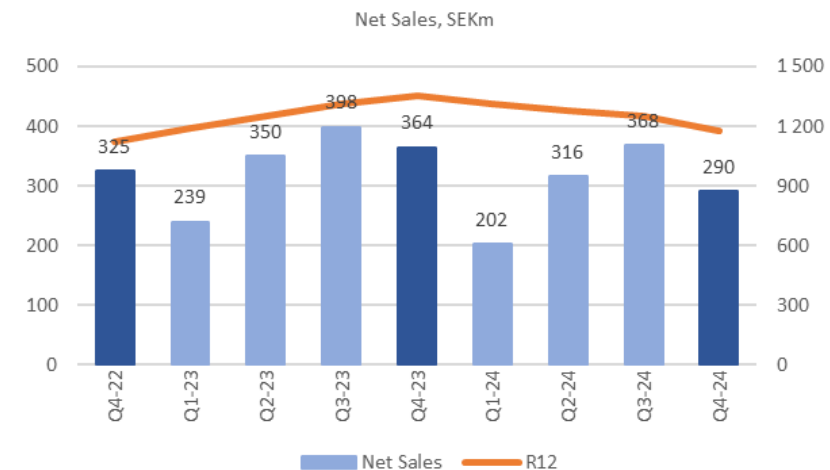
# Installation Services

**Net sales at SEK 290 m (364), decrease by -20%**

- Organic development of -20%
- Impact from acquisitions 0%
- Currency effects -0%

**EBITDA decreased to SEK 18 m (25) while  
Operating profit (EBIT) decreased to SEK 9 m (16)**

- EBITDA margin decreased to 6.2 percent (6.9) in the quarter. For the full year the margin is at 4.1% (6.0).
- Our roofing activities in Finland saw reduced profit levels due to a weaker market.
- Result from the Norwegian entity improved from last year, however still unsatisfactory.
- Danish franchise network maintained result on a good level.



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**

- 28 March Annual report 2024
- 23 April Interim report, January–March 2025
- 29 April Annual General Meeting 2025
- 18 July Interim report, January–July 2025
- 28 October Interim report, January–September 2025

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# APPENDIX

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NORDIC   
WATERPROOFING

## Shareholders as per 31 December 2024

Owner	Number of shares	Capital, %	Votes, %
Kingspan Group PLC	21,042,883	87.4%	87.4%
Dimensional Fund Advisors	525,441	2.2%	2.2%
DNCA Finance S.A	436,637	1.8%	1.8%
Handelsbanken Fonder	152,160	0.6%	0.6%
Avanza Pension	143,948	0.6%	0.6%
Storebrand Fonder	100,122	0.4%	0.4%
Swedbank Försäkring	84,049	0.4%	0.4%
SEB Investment Management	79,499	0.3%	0.3%
Norges Bank Investment Management	76,486	0.3%	0.3%
Kenneth Lindqvist	57,400	0.2%	0.2%
<b>Total 10 largest shareholders</b>	<b>22,698,625</b>	<b>94.2%</b>	<b>94.5%</b>
Other shareholders	1,312,553	5.4%	5.5%
<b>Total number of votes</b>	<b>24,011,178</b>	<b>99.7%</b>	<b>100.0%</b>
Treasury shares	72,757	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 72,757
- Voting & ownership restrictions None
- Current market cap SEK 4,100 million (3 February 2025)
- 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 Nordisk Bergteknik, Svevia, Xpartners Samhällsbyggnad AB and Constech AB. Board member of BE Group. Previously board member of Acandao, Caverion, Paroc, Ramirent, BTH Bygg, KEWAB, AKEAB, Mark & Energi byggarna and WinGroup. CEO of Bravida, Strabag, PEAB Industri.  
(0 shares)



**Hannele Arvonen**  
Board member

Relevant experience:  
Chairman of the board of Silvestica Green Forest AB. Board member of Södra Skogsägarna, Plantvation AB, A Ahlström Oy and Svensk husproduktion AB. Previously CEO and partner of Flooré AB, CEO of Sveaskog and Setra Group, different senior executive positions within Holmen and Metsä Board.  
(0 shares)



**Steffen Baungaard**  
Board member

Relevant experience:  
Chairman of the board of MB Packaging A/S, Frederikshøj Ejendomme A/S, EBK Huse A/S, Enemærke & Petersen A/S and MT Højgaard Danmark A/S  
Board member of Durapor A/S  
Previously CEO of MT Højgaard Holding A/S, CEO and President of Hus-Compagniet. CEO and President NCC Denmark  
(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.  
(0 shares)



**Hannu Saastamoinen**  
Board member

Relevant experience:  
Senior advisor Investment AB Latour i Finland. Owner and CEO of Sandbacka Advisory Services Oy.  
Previously CEO Swegon Group. 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  
(0 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  
(0 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.  
(0 shares)



### **Palle 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  
(0 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  
(0 shares)



### **Thomas Zipfel, Head of SealEco**

Joined NWG in 2009

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



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