




# SECOND QUARTER IN LINE WITH EXPECTATIONS, SOLID PERFORMANCE IN DENMARK AND SWEDEN

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1 January – 30 June 2024

 Date 2024.07.17

## 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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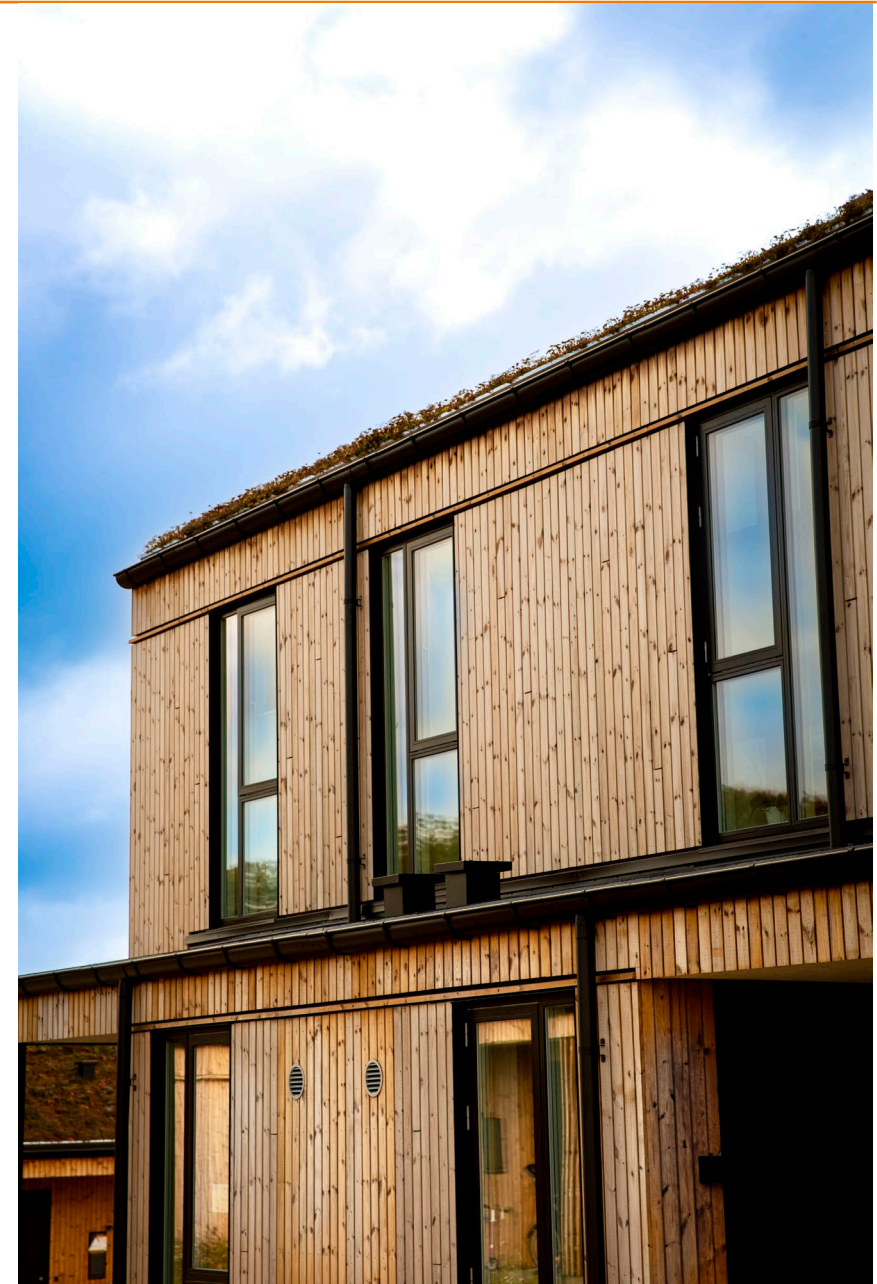
## Second quarter in line with expectations, Solid performance in Denmark and Sweden

- Net sales decreased to SEK 1,196 m (1,292),
  - 1% from acquisitions
  - no currency effects
  - -8% organic development
- EBITDA decreased to SEK 168 m (186)
- Operating profit (EBIT) decreased to SEK 131 m (143)
- Cash flow from operating activities was SEK 126 m (157).
- Net Debt at SEK 881 m (1,131 at 30 June 2023 and 749 at 31 Dec 2023)



## Q2 Highlights and comments 1 (2)

- **Demand** impacted by slowdown in commercial new build, renovation stable while residential new build continued depressed.
- **Bitumen-based waterproofing** operations stable in Sweden and Denmark, market situation more challenging in Finland and Norway.
- Sales for our **EPDM products** slightly below last year, margins somewhat improving.
- **Prefabricated elements**, that has a higher exposure to residential new build, had a positive development in sales on the Danish market while it was negative in Norway. Profitability level unsatisfactory, restructuring programs being executed.
- Our **Green infrastructure** had a decrease in sales due to less roof park projects this year while operating result clearly improved over last year.
- **Installation Services**; roofing in Finland had lower sales and margins due to impact from weaker market conditions.
- Order books for **Installation Services** continue to be on a par with previous year in Finland and Denmark while weaker in Norway





## Q2 Highlights and comments 2 (2)

- Contingency measures are continuously implemented in our operations to mitigate the consequences of the negative volume development.
- 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.



## Q2 Interim report

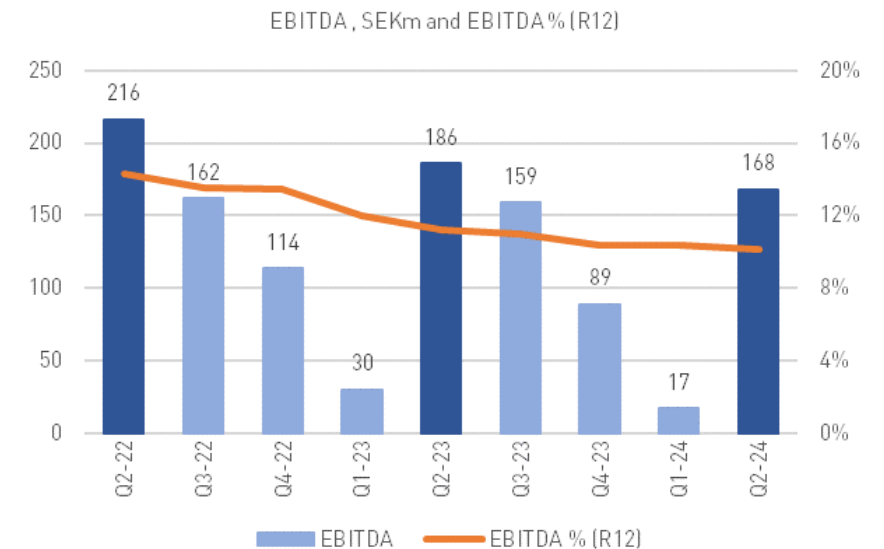
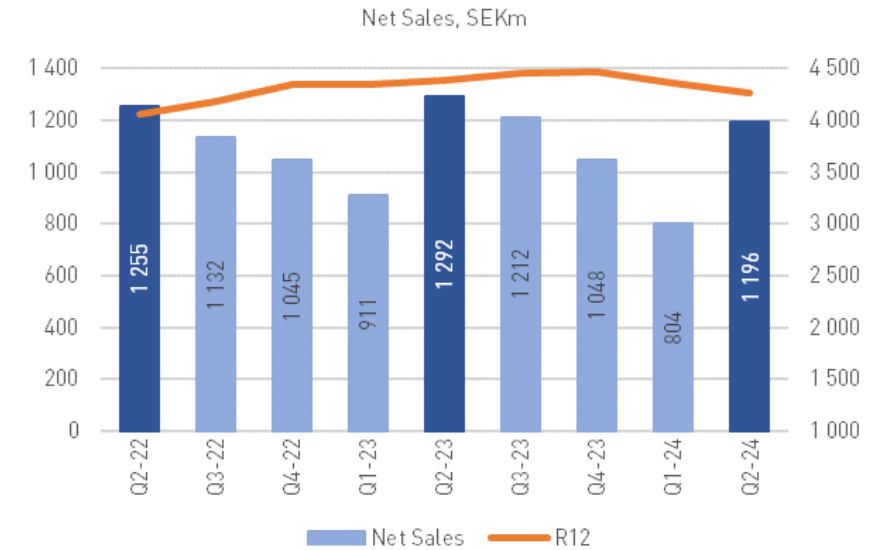
**Net sales decreased to SEK 1,196 m (1,292)**

**Net Sales R12 at SEK 4,259 m**

- Organic development of -8%
- Acquisitions contributed with 1%
- Currency had no impact

**EBITDA decreased to SEK 168 m (186) and  
Operating profit (EBIT) decreased to SEK 131 m (143)**

- EBITDA margin decreased to 14.0 percent (14.4) in the quarter.  
On a R12 basis EBITDA margin at 10.2%



## Income statement

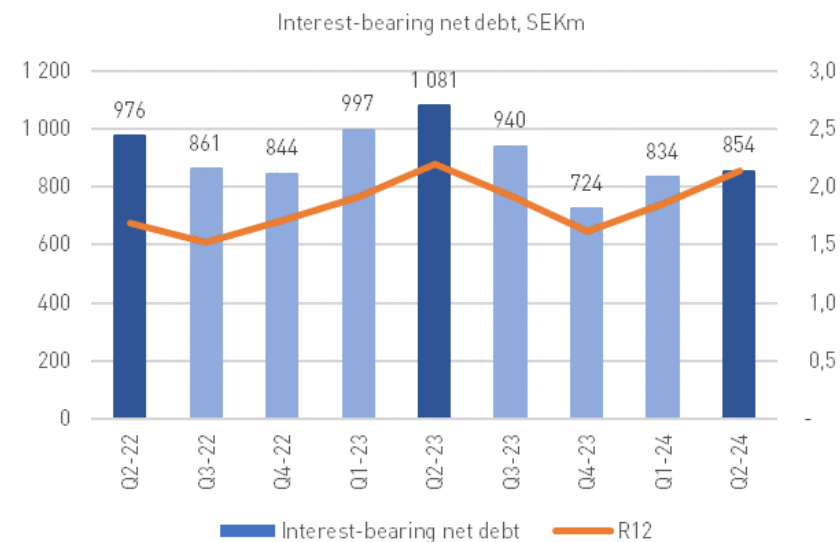
SEKm	Q2-'24	Q2-'23	Change, %	R12 2024	Full-year 2023
Net sales	<b>1,196</b>	1,292	-7%	4,259	4,463
Gross profit	<b>337</b>	349	-3%	1,092	1,114
EBITDA	<b>168</b>	186	-10%	433	464
Operating profit (EBIT)	<b>131</b>	143	-8%	272	293
Net finance items	<b>-16</b>	-9	n/a	-44	-36
Profit before tax	<b>115</b>	133	-14%	228	257
Tax	<b>-26</b>	-30	n/a	-41	-50
Profit for the period	<b>89</b>	103	-14%	187	206

- Gross margin for quarter was 28.2% (27.0%)
- Net financial items in quarter SEK -16 m (-9) whereof interest cost -13 (-11)
- EBIT margin for quarter was 10.9% (11.0%), for LTM 6.4%

## Balance sheet

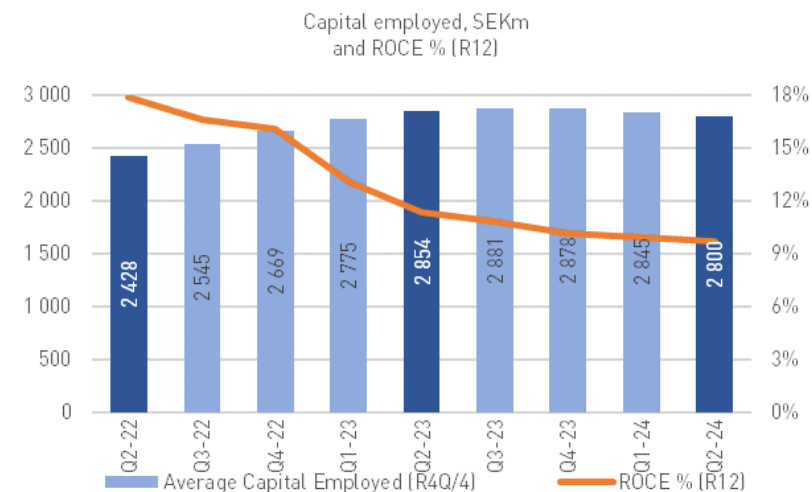
SEKm	2024-06-30	2023-06-30	2023-12-31
Non-current assets	2,070	2,190	2,092
Current assets	1,699	1,850	1,542
<b>Total assets</b>	<b>3,769</b>	<b>4,040</b>	<b>3,634</b>
Equity	1,752	1,726	1,777
Non-current liabilities	1,018	1,083	1,020
Current liabilities	999	1,231	837
<b>Total equity and liabilities</b>	<b>3,769</b>	<b>4,040</b>	<b>3,634</b>
Capital employed	2,762	2,942	2,850
ROCE (R12)	9.7%	11.4%	10.2%
Interest-bearing net debt	854	1,081	724
Equity/assets ratio	46.5%	42.7%	48.9%
Net debt/equity ratio	0.5x	0.6x	0.4x
Net debt/EBITDA	2.0x	2.3x	1.6x

- Continued solid balance sheet, allowing for selective acquisitions.
- Interest-bearing net debt increased to SEK 854 m (724) in a seasonally weak first half year for cash-flow. Value 30 June 2023 at 1,081.
- Equity/asset ratio at 46.5%.
- Net debt/EBITDA-ratio at 2.0x (1.6x), remains well below covenant in financing agreement.



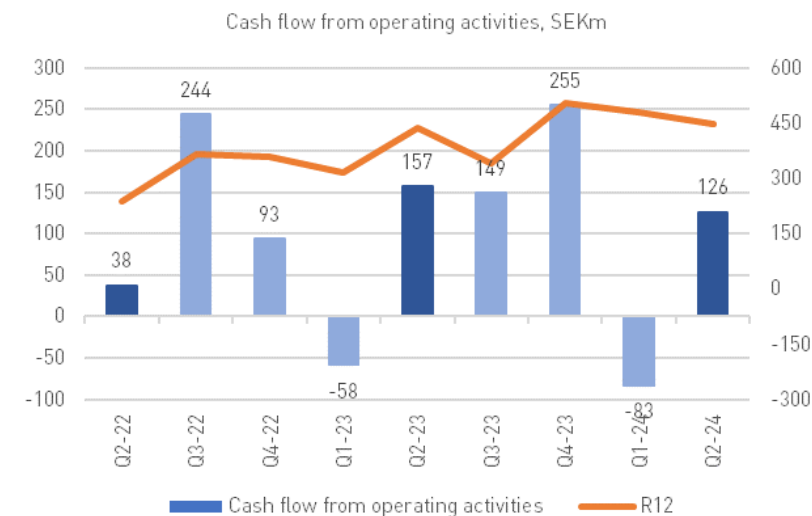
### RoCE 9.7% (10.2%)

- RoCE at 9.7%, slightly below Q4 2023 of 10.2%
- Capital employed development has decreased in recent quarters
- Decrease in RoCE driven by lower operating result



### Cash flow from Operations (R12) at SEK 447 m (437) and Cash conversion on par at 103% (108%)

- Solid cash flow from operations in quarter. Seasonal increase in inventories having negative impact this year.
- Cash conversion continued high at 103% (108%)
- We continue to closely monitor operating receivables





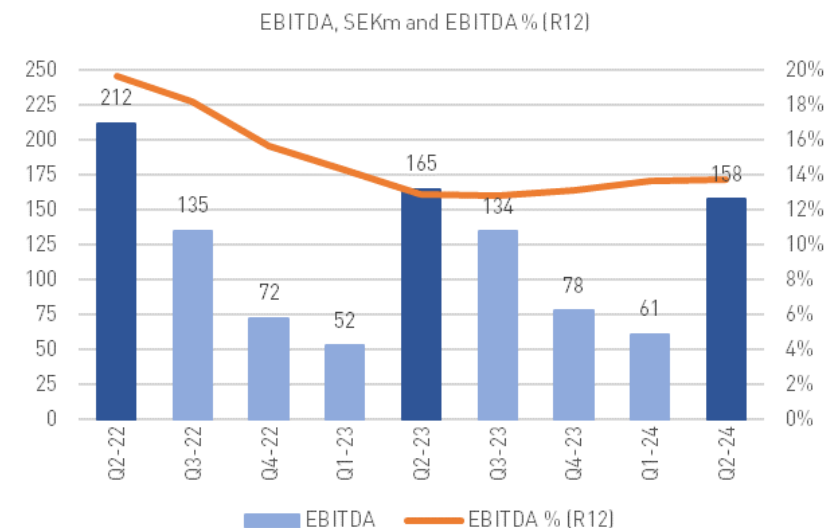
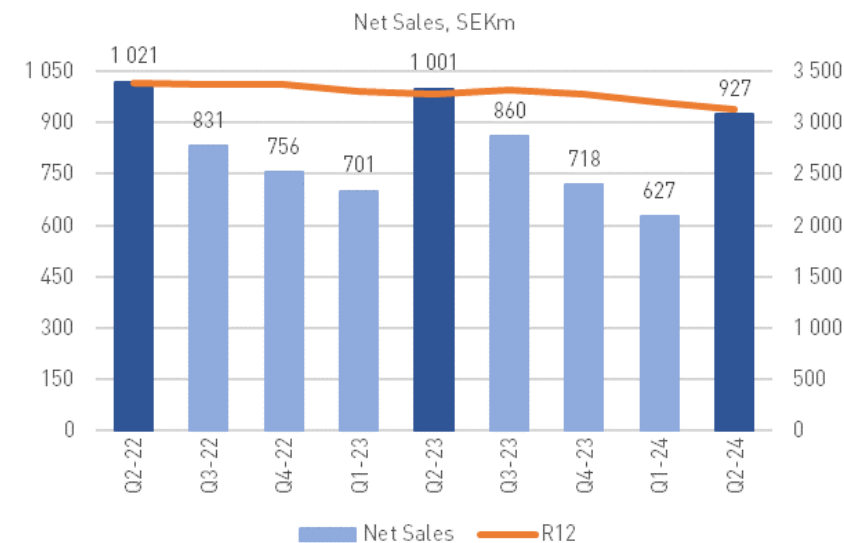
## Products & Solutions

**Net sales of SEK 927 m (1,001), decrease by -7%**

- All development organic, no impact from currency or acquisitions
- Sales in Sweden and Denmark were on par with last year while development in Norway and Finland was negative
- Net Sales R12 at SEK 3,132 M

**EBITDA decreased to SEK 158 m (165) while Operating profit (EBIT) decreased to SEK 129 m (132)**

- EBITDA margin increased to 17.0 percent (16.5) in the quarter.
- Generally, the businesses maintained or improved margins
- Continued unsatisfactory profitability for the Taasinge group, re-structuring initiatives being implemented
- For the latest 12 months the EBITDA margin is 13.8% (12.9).



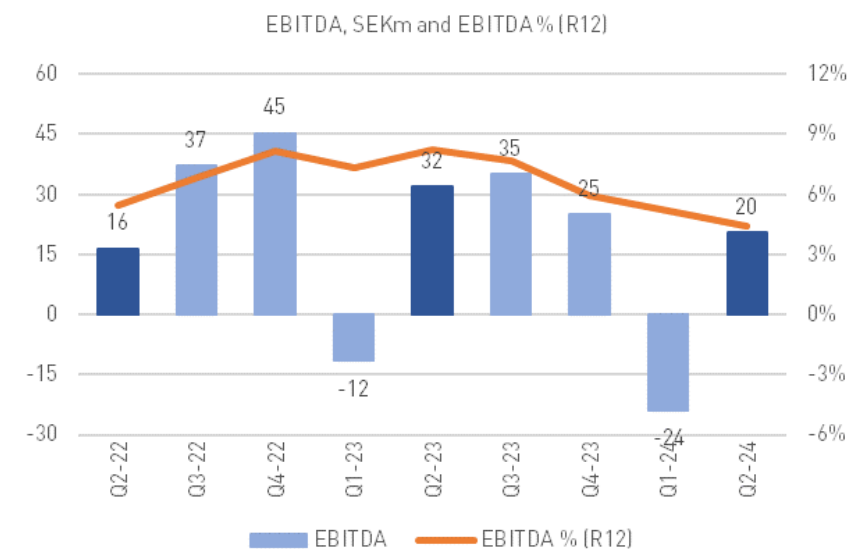
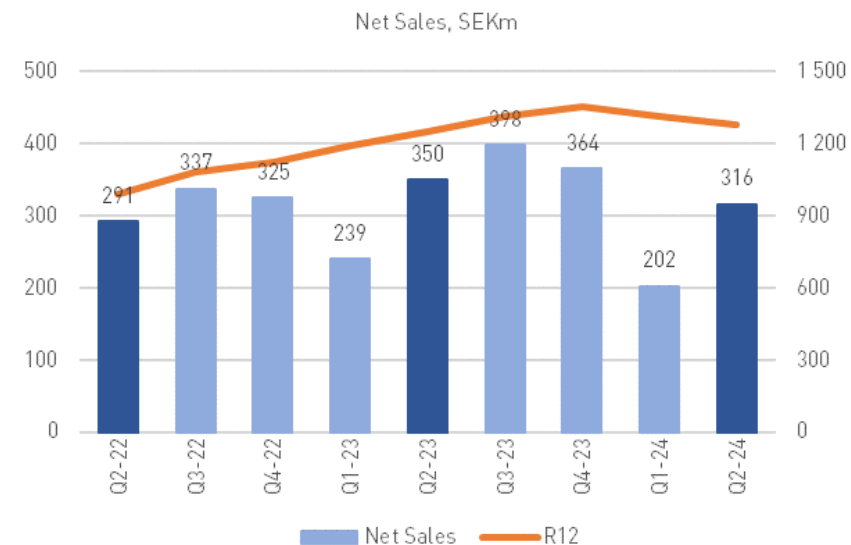
## Installation Services

**Net sales at SEK 316 m (350), decrease by -10%**

- Organic development of -12%
- Impact from acquisitions 2%
- No currency effects.

**EBITDA decreased to SEK 20 m (32) while Operating profit (EBIT) decreased to SEK 12 m (22)**

- EBITDA margin decreased to 6.5 percent (9.1) in the quarter. For the latest 12 months the margin is at 4.4% (8.2).
- Our roofing activities in Finland saw reduced profit levels due to a weaker market.
- Result from the Norwegian entity improved from last year.
- Good result from Danish franchise network, however somewhat below a strong quarter 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**

- 24 October 2024; Interim report January – September 2024

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# APPENDIX

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## Shareholders as per 30 June 2024

Owner	Number of shares	Capital, %	Votes, %
Kingspan Group PLC	8,597,950	35.7%	35.8%
Samson Rock Capital LLP	3,638,638	15.1%	15.2%
TFG Asset Management	3,000,000	12.5%	12.5%
Fidelity International (FIL)	1,203,072	5.0%	5.0%
Dimensional Fund Advisors	532,853	2.2%	2.2%
Carnegie Funds	454,530	1.9%	1.9%
Canaccord Genuity Wealth Management	402,471	1.7%	1.7%
DNCA Finance S.A	265,660	1.1%	1.1%
Avanza Pension	221,754	0.9%	0.9%
Martin Ellis	215,659	0.9%	0.9%
<b>Total 10 largest shareholders</b>	<b>18,532,587</b>	<b>76.9%</b>	<b>77.2%</b>
Other shareholders	5,478,011	22.7%	22.8%
<b>Total number of votes</b>	<b>24,010,598</b>	<b>99.7%</b>	<b>100.0%</b>
Treasury shares	73,337	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 73,337
- Voting & ownership restrictions None
- Current market cap SEK 3,800 million (15 July 2024)
- 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.  
(15,000 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:  
CEO of MT Højgaard Holding A/S. 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 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.  
(5,000 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  
(215,659 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  
(26,805 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.  
(27,416 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  
(17,364 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  
(16,050 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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