



FEBRUARY 2023

Nordisk Bergteknik Q4

Table of contents

Nordisk Bergteknik in Q4 2022

- This is Nordisk Bergteknik >
- Diversified project portfolio to lower risks >
- Operational synergies lead to attractive offering and high entry barriers >

Interim report Q4

- Financial performance >
- Performance per segment >
- Sustainable financial outlook >
- Net debt and leverage >
- Successful acquisitions >
- Performance in the Q4 business climate >

Financial targets and strategy to get there

- Predicted continued growth >
- Four main financial targets >

This is Nordisk Bergteknik

Was there a better way of building modern, sustainable societies? We believed so. We also considered that a more consolidated market for rock and foundation solutions was part of the answer. So, in 2016, Nordisk Bergteknik was born.

Today, we lead the market in Northern Europe for those services, with 24 operative subsidiaries and over one thousand employees. But our history began in the 1960s, when one of our founders Wolgan Karlsson, provided services such as drilling, blasting, and tunnelling. That experience constitutes the core of our business model, enabling us to apply traditional knowledge to find new ways forward.

SECTORS

Infrastructure, energy, real estate, mining

THREE FINANCIAL SEGMENTS

- Foundation Sweden
- Rock Sweden
- Rock Norway

TWO BUSINESS AREAS

- Rock handling
- Foundation solutions

OVERALL GOAL

To contribute to the development of modern, sustainable societies

Leading the market in rock and foundation solutions

FOUNDED IN
2016

SEK **244m**
ADJ. EBIT 2022

1 147
OF EMPLOYEES

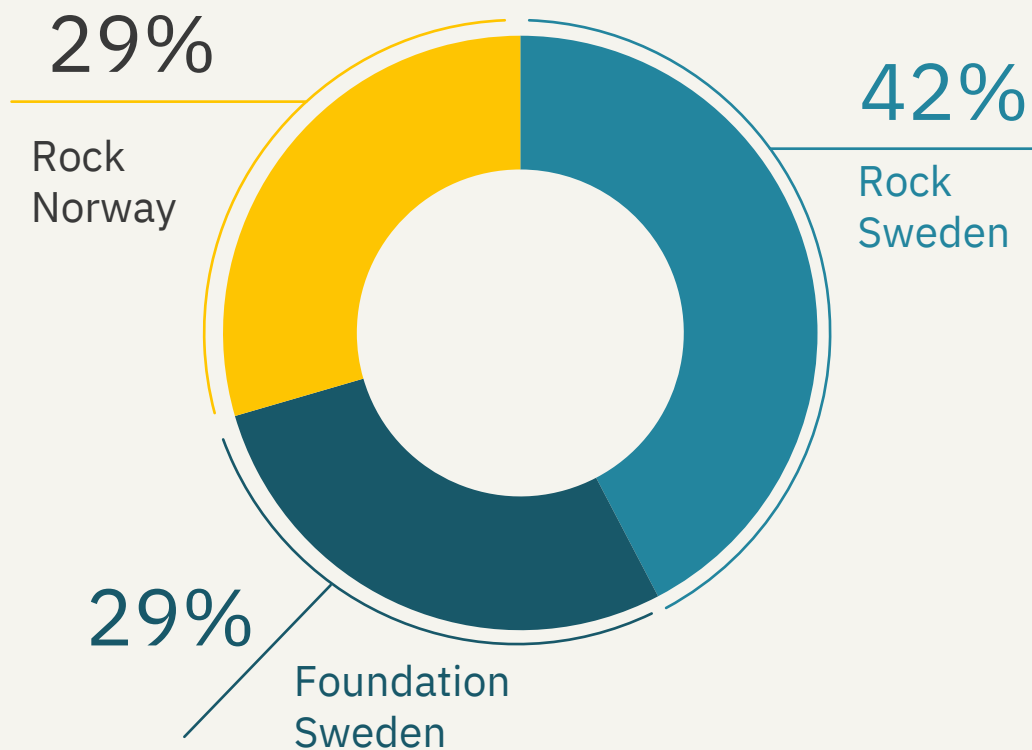
SEK **3,402m**
SALES 2022

7.2%
ADJ. EBIT MARGIN 2022

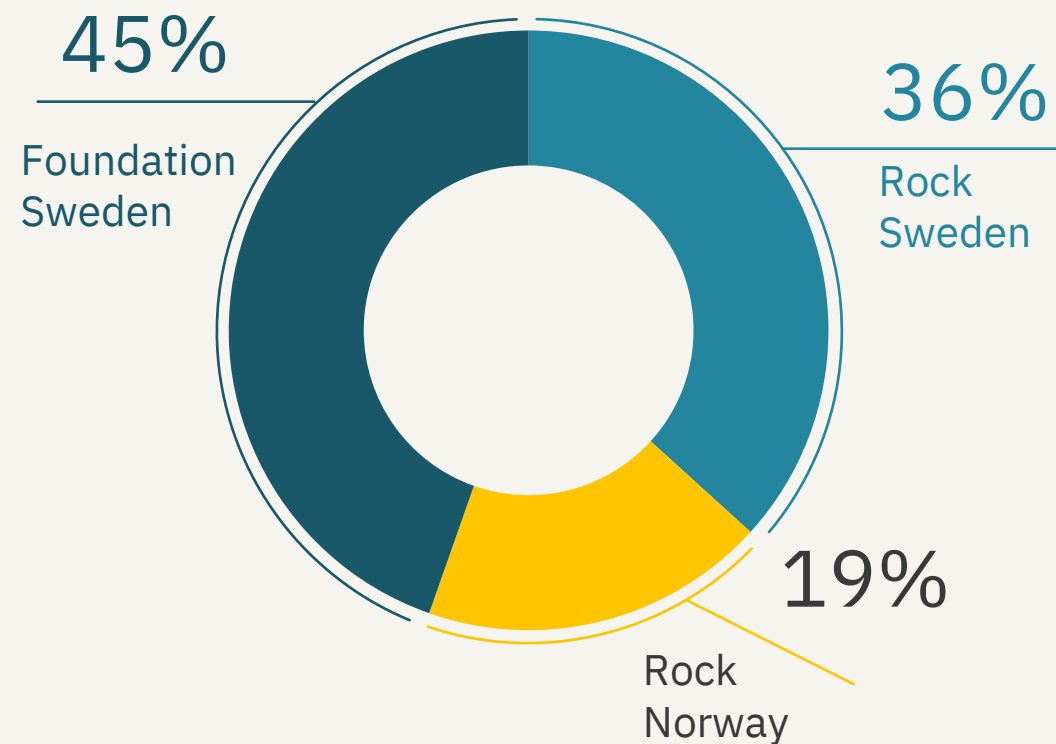
24
OPERATING
SUBSIDIARIES

Attractive business mix

REVENUE BY SEGMENT, 2022



EBIT PER SEGMENT, 2022



Diversified project portfolio lower the risk level

High revenue diversification and few projects with fixed price

Projects yearly

~1500

The largest project accounts
for less than

10%

of the total project value

Exposure to construction
of new housing

~10%

Operational synergies lead to attractive offering and barriers to entry

Synergies

- Knowledge sharing
- Flexible resource and machine allocation
- Centralised sourcing of raw materials and spare parts
- Efficient overhead functions
- Market coordination



Barriers to entry

- Economies of scale
- Strong market position and track record
- Highly experienced employees
- Modern and large machine park
- Local know-how



Interim Report Q4

Continued profitable growth and strong cashflow

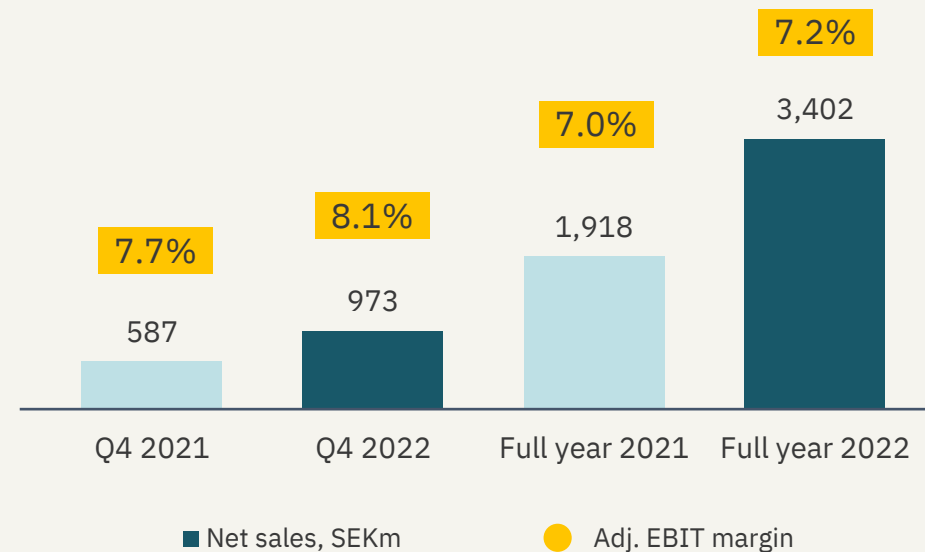
Financial performance (1/2)

October – December

- Net sales grew by 66% to SEK 973m (587)
- Organic growth corresponded to 20%
- Adjusted EBIT margin increased from 7.7% to 8.1%

Impact from acquisitions

- Consolidation of six new acquisitions during 2022 and one signed LOI with some SEK 1,050m in annual sales in total. The LOI is related to the acquisition of Power Mining Oy, which is a first step towards further expansion in Finland, and is expected to be completed in Q1 2023
- If the six consolidated acquisitions had been completed at the beginning of the financial year, net sales for the Group would have amounted to approximately SEK 3,731m in 2022.
- Adjusted EBIT would have amounted to approximately SEK 267m and a margin of 7.2%

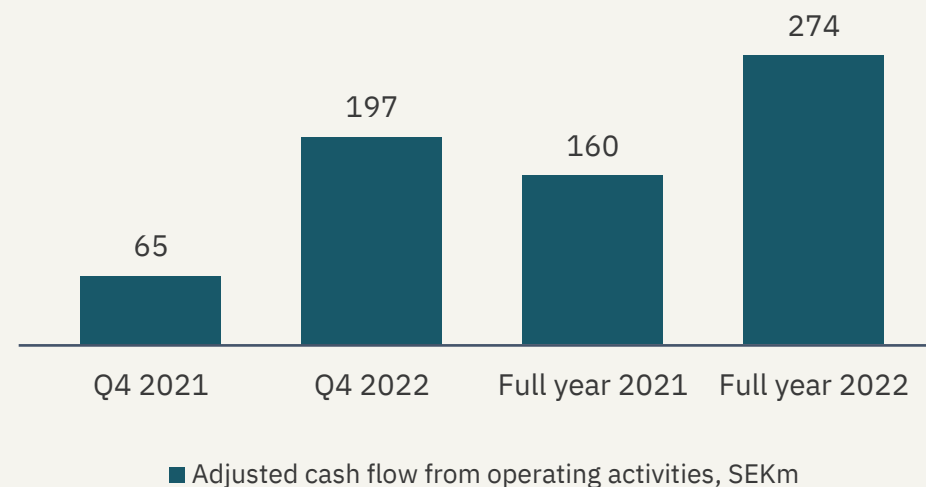


SEKm	Q4 2022	Q4 2021	2022	2021
Net sales	973.0	587.0	3,401.8	1,917.6
EBITDA	147.8	80.8	486.8	264.8
EBITDA margin	15.2%	13.8%	14.3%	13.8%
Adj. EBITDA	148.1	86.3	492.7	280.6
Adj. EBITDA margin	15.2%	14.7%	14.5%	14.6%
EBIT	78.3	39.8	238.4	118.4
EBIT margin	8.0%	6.8%	7.0%	6.2%
Adj. EBIT	78.6	45.3	244.3	134.1
Adj. EBIT margin	8.1%	7.7%	7.2%	7.0%

Financial performance (2/2)

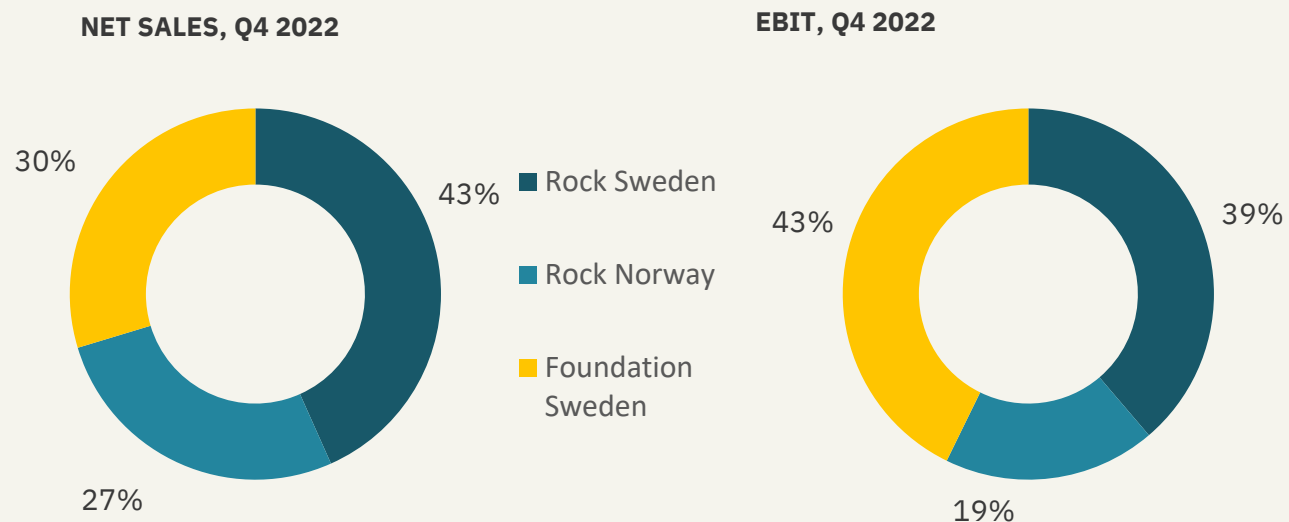
Financials

- Adjusted cash flow from operating activities amounted to SEK 197m (65) during Q4 and SEK 274m (160) for the full year 2022
- Net debt/adjusted EBITDA amounted to 2.6x (1.5x) and decreased significantly from last quarter (3.1x)
- Cash and cash equivalents at the end of the period SEK 263m (451)
- Unused credit and overdraft facilities amounts to SEK 408m



Performance per segment ^(1/2)

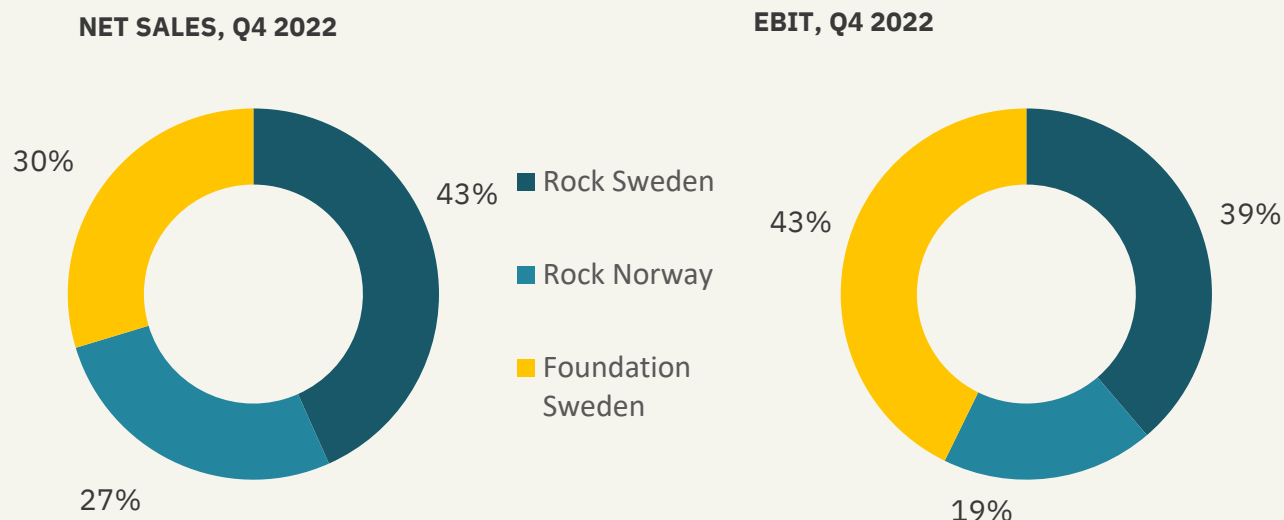
- All segments have experienced growth during the fourth quarter
- Rock Sweden's net sales increased with 73%, of which organic growth amounted to 32%. Profitability for Q4 has been positively impacted by several profitable projects and acquisitions with higher margins during the period. EBIT margin amounted 7.2% (3.3)



SEKm	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Rock Sweden	421.5	243.9	1,439.9	888.8
Rock Norway	262.7	217.4	958.0	640.8
Foundation Sweden	288.7	125.6	1,003.9	387.9
Net sales	973.0	587.0	3,401.8	1,917.6
Rock Sweden	31.0	8.4	92.8	46.6
Rock Norway	14.8	18.4	47.1	31.2
Foundation Sweden	34.2	25.1	112.7	68.1
<i>Total</i>	<i>80.0</i>	<i>51.9</i>	<i>252.6</i>	<i>146.0</i>
Other and eliminations	-1.8	-12.1	-14.3	-27.6
EBIT	78.3	39.8	238.4	118.4

Performance per segment ^(2/2)

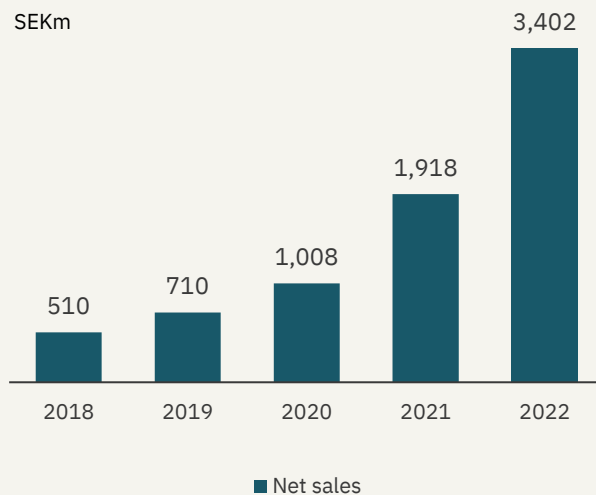
- Rock Norway increased external sales with 21% in the quarter, of which organic growth was 9%. The weaker EBIT margin during the quarter is mainly explained by a project mix with lower profitability compared to prior year. EBIT margin amounted to 5.5% (8.3)
- Foundation Sweden grew organically by 17% in Q4 attributable continued strong demand for services in the segment and several larger projects in the quarter compared to prior year. Total increase in net sales amounted to 130%. The EBIT margin decreased to 11.3% (19.7). Since the comparable period, the segment has grown through acquisitions, which leads to a more normal level of the EBIT margin during the period



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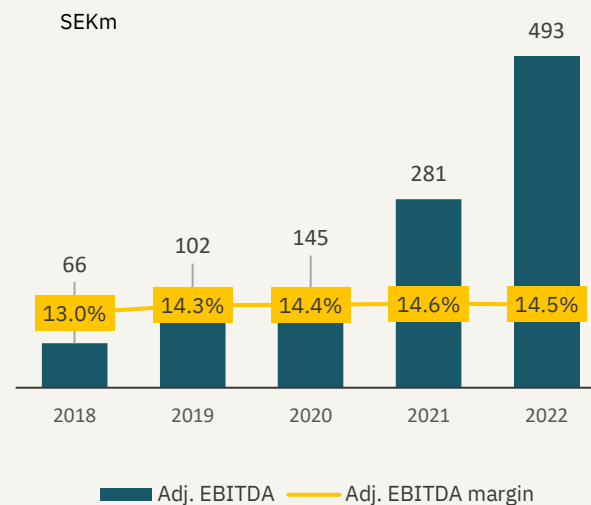
Sustainable financial outlook

NET SALES DEVELOPMENT



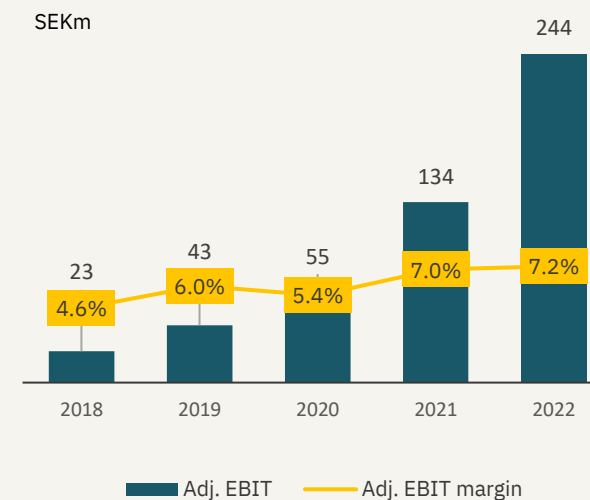
- Strong organic growth over time as a result of Nordisk Bergteknik's capability with a large machine park and extensive in-house competences
- Growth also driven by an active M&A agenda with several acquisitions during the last three years

ADJUSTED EBITDA DEVELOPMENT



- Strong increase in nominal EBITDA with margins stable over 14%
- Successful integrations of acquired companies combined with operational efficiency has allowed for increased growth
- Further potential for economies of scale and synergies over time

ADJUSTED EBIT DEVELOPMENT

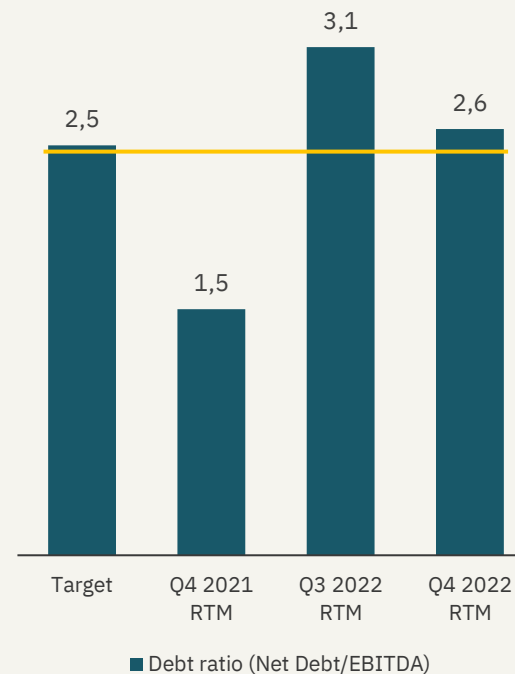


- The increase is mainly driven by an increased volume as well as completed acquisitions and several major projects in Rock Sweden and Foundation Sweden
- Recent acquisitions have contributed with higher margin and lower relatively CAPEX needs

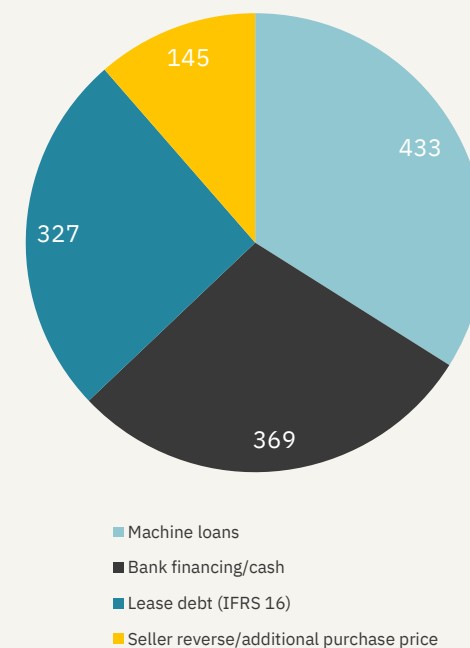
Net debt and leverage

- Net debt amounts to SEK 1,274m
- Debt ratio (Net debt/EBITDA) amounts to 2.6x (1.5x) and has decreased from 3.1x per Q3 2022
- If EBITDA from acquisitions is included full year 2022 debt ratio amounts to 2.5x
- Bank loan facility limit SEK 1,050m, used SEK 642m
- Cash and cash equivalents amounts to SEK 263 m
- Machine loans + IFRS leasing debt approximately SEK 760m

DEBT RATIO (NET DEBT/EBITDA) Q4



CATEGORIES, NET DEBT (SEKm)



Successful acquisitions

Acquisitions completed during Q4 2022

Berg & Betongförstärkning Jarl-Eric Majqvist AB

CONSOLIDATION DATE: 31.10.2022

SEGMENT: Foundation Sweden

ANNUAL SALES: SEK 20m

BENEFIT: Increases our expertise and resources in foundation reinforcement.

Signed LOI during Q4 2022

Power Mining Oy

SEGMENT: Rock Sweden

ANNUAL SALES: SEK 160m

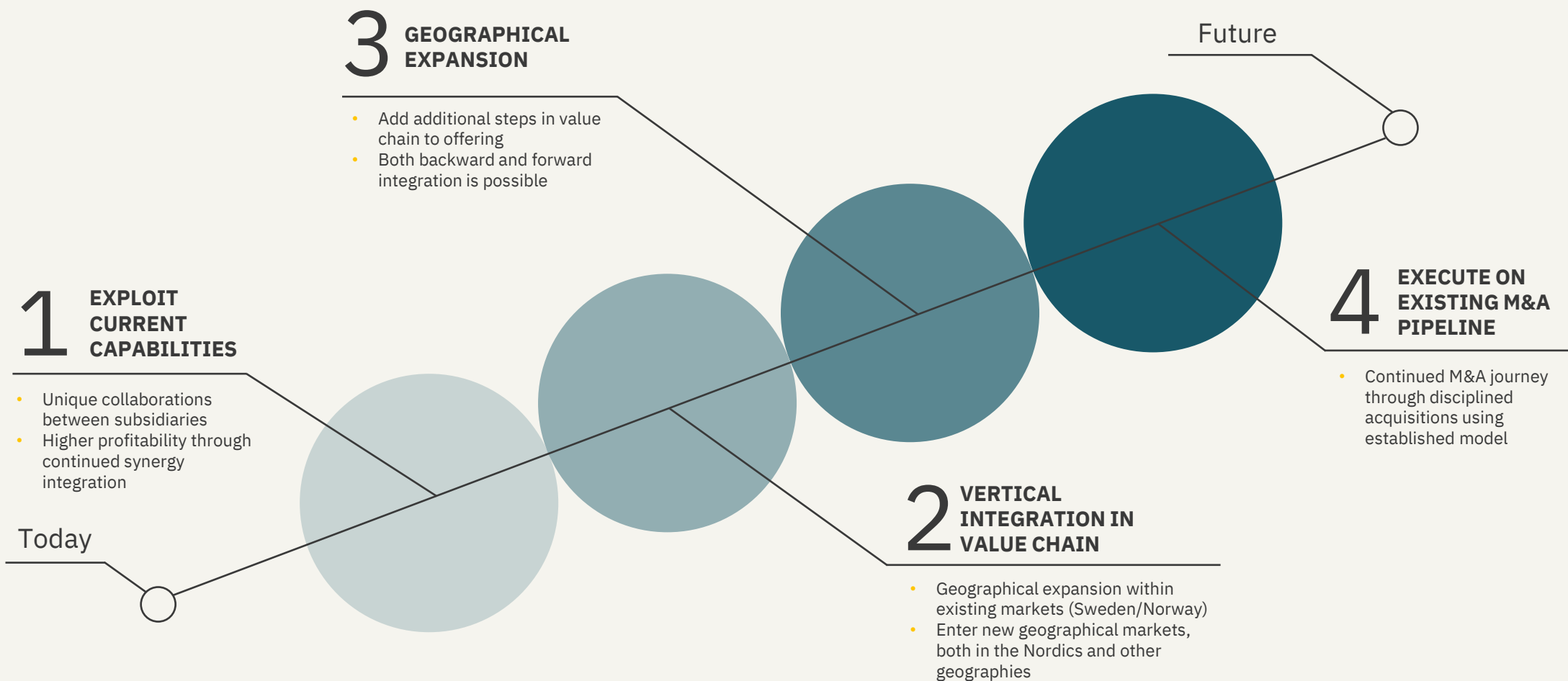
BENEFIT: Establish a presence in Finland which is a natural step in our geographical expansion. Increase our offering within underground rock drilling and excavation services.

Performance in the Q4 business climate



Strategy and financial targets

Predicted continued growth (1/2)



Predicted continued growth (2/2)

Successful operations in a niche market

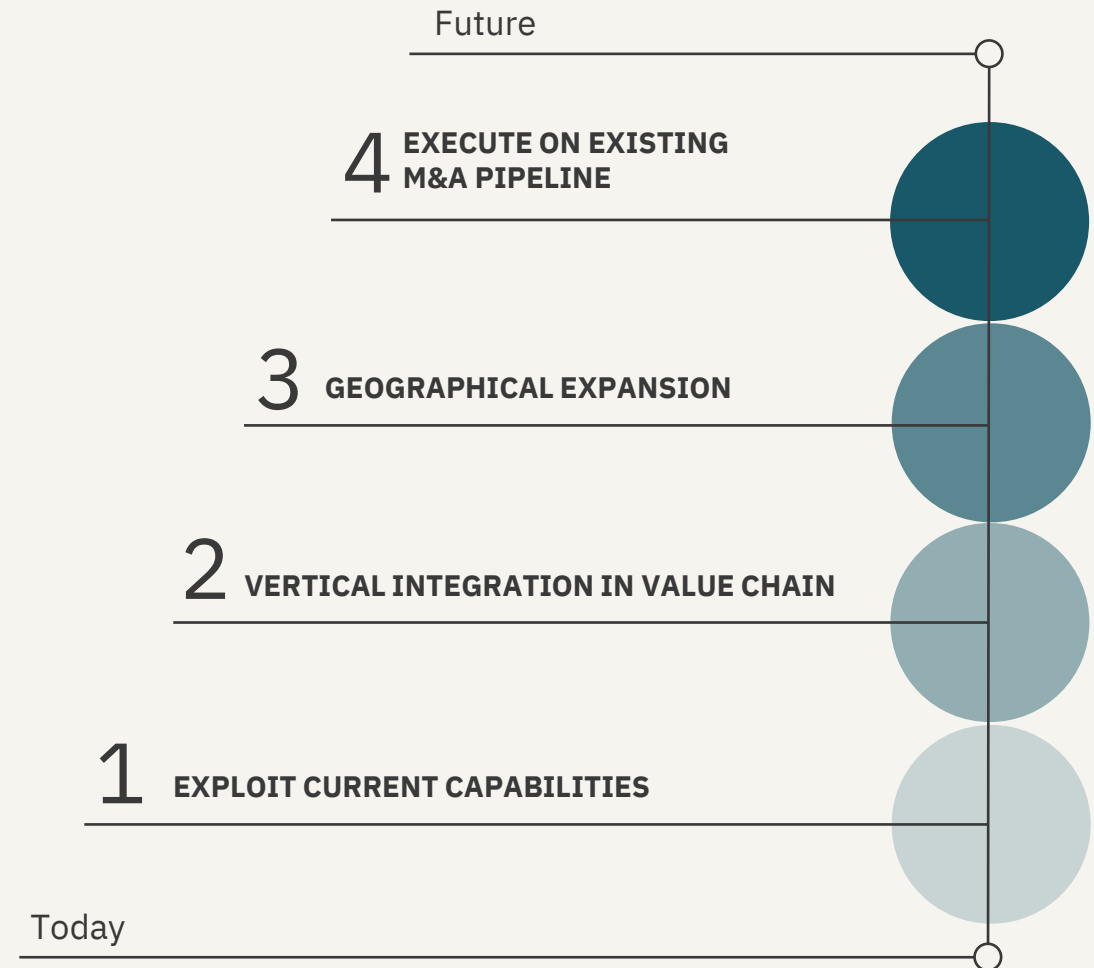
- Limited competition in a niche market with high barriers to entry since operations requires a high level of expertise, specialized equipment and machine capacity
- Additional upside with further materialisation of synergies and continued implementation of effectivization initiatives

Positive market outlook with compelling growth

- Nordisk Bergteknik operates in a niche market that has been growing in recent years
- Market growth is expected to continue growing supported by an attractive infrastructure investment pipeline over the next ten years

Opportunity to continue building a market leader

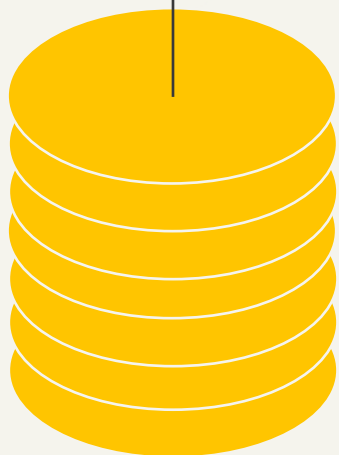
- Leading positions in rock segment. Opportunity to reach higher market share by executing on the short-term acquisition pipeline
- Grow organically by realization of synergies and implementation of optimization initiatives



Four main financial targets

15%

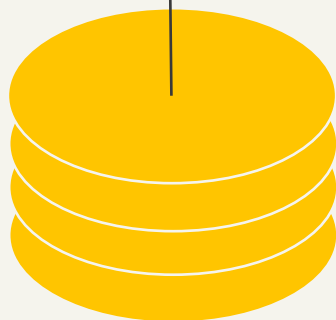
Growth



Achieve annual net sales growth of more than 15 percent over a business cycle. The growth should be achieved through a combination of organic growth and acquisitions.

7%

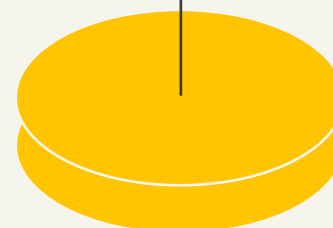
Profitability



The Group targets an adjusted EBIT-margin of 7 percent in the medium term.

<2,5x

Capital structure



The net debt in relation to adjusted EBITDA shall not exceed a ratio of 2.5x. Indebtedness can temporarily be higher, for example in connection with larger acquisitions.

40%

Dividend policy



Nordisk Bergteknik aims to distribute 40 percent of the Group's consolidated net income over time, taking into consideration other factors such as M&A and growth opportunities as well as financial position and cash conversion.



NORDISK
BERGTEKNIK