



MAY 4, 2023

Nordisk Bergteknik Q1

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Nordisk Bergteknik in Q1 2023

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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 **256m**
ADJ. EBIT Q1 2023 LTM

1 191
OF EMPLOYEES

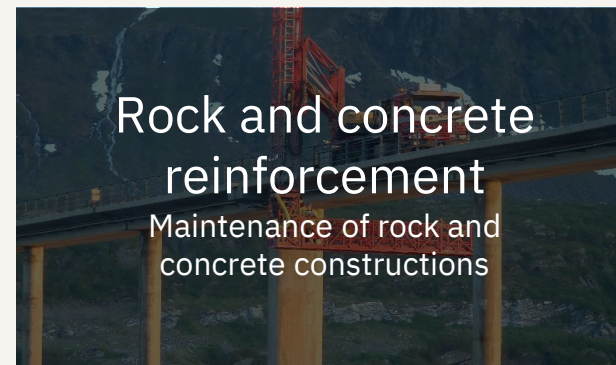
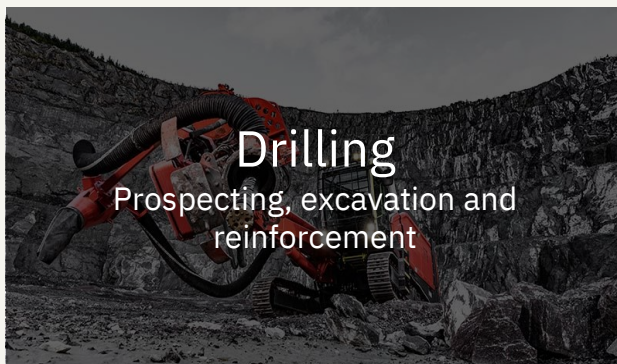
SEK **3,682m**
SALES Q1 2023 LTM

7.0%
ADJ. EBIT MARGIN Q1 2023 LTM

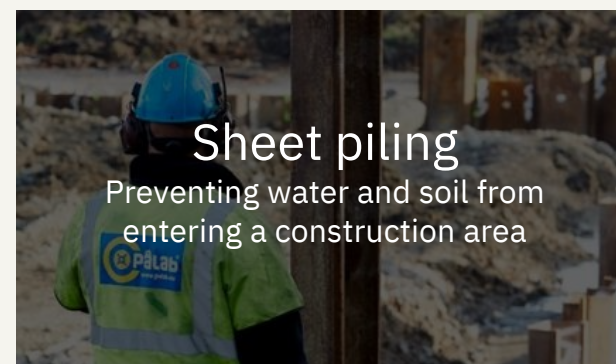
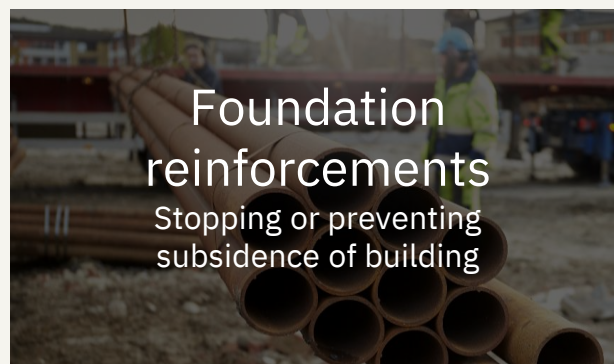
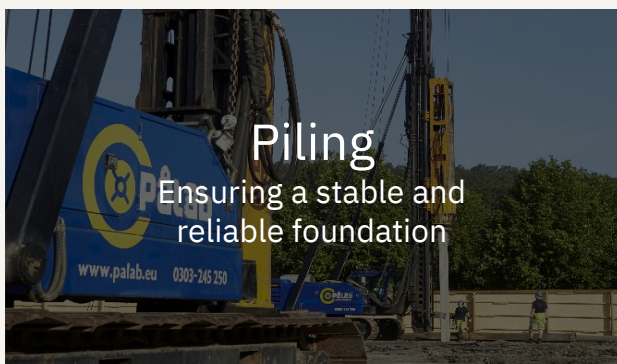
24
OPERATING
SUBSIDIARIES

Areas for our services and solutions

Rock

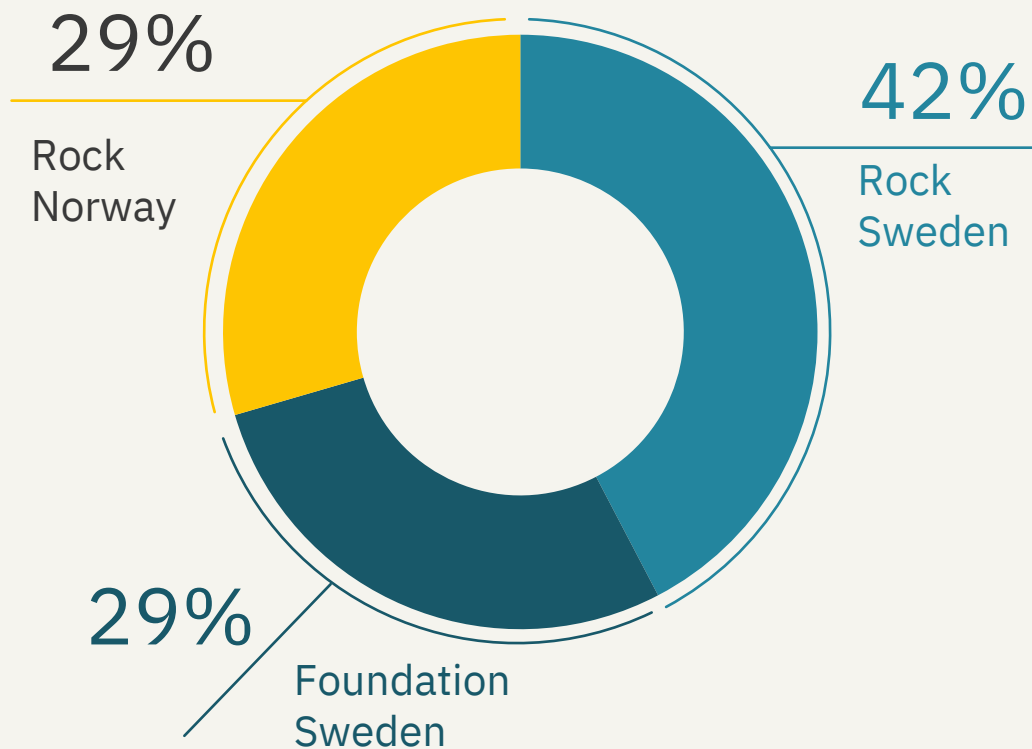


Foundation

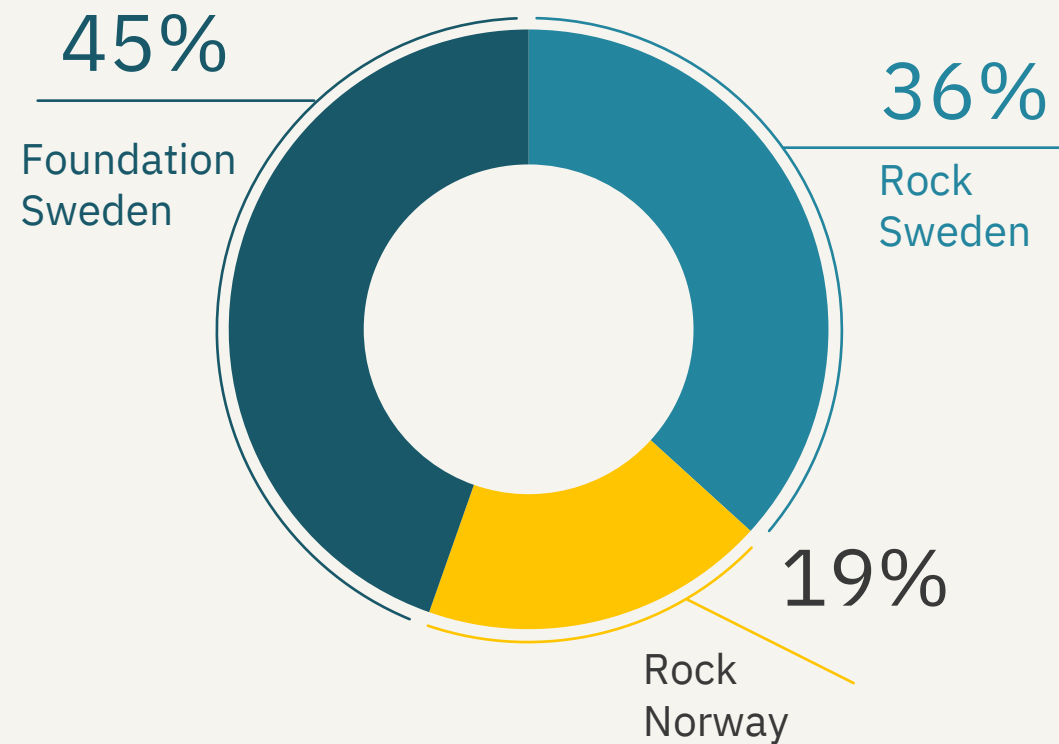


Attractive business mix

REVENUE BY SEGMENT, 2022



EBIT PER SEGMENT, 2022



Diversified project portfolio lower the risk level

High revenue diversification and few projects with fixed price

No of projects yearly

~1 500

Few large projects spread over several years accounts to less than

10%
yearly turnover

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 Q1

Profitable growth and strong cash conversion

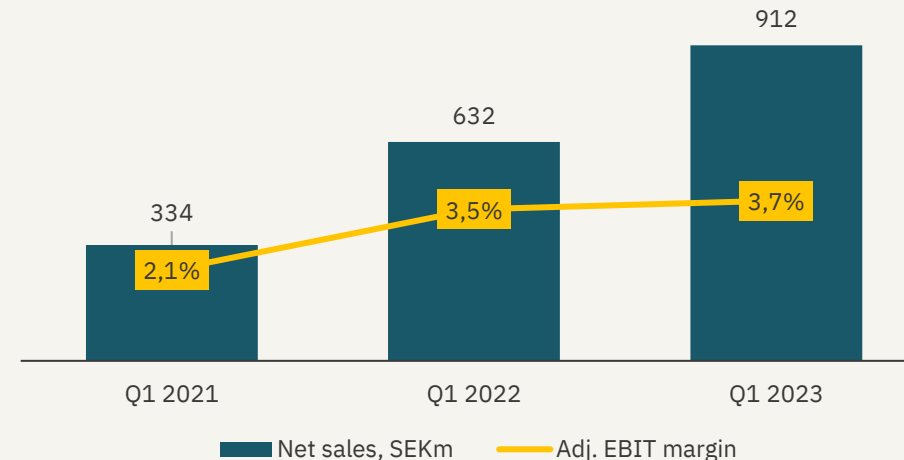
Financial performance (1/2)

January – March

- Net sales grew by 44 % to SEK 912m (632)
- Organic growth corresponded to 21 % (29 %)
- Adjusted EBIT margin increased from 3.5 % to 3.7 %

Comments

- Despite challenging market conditions, all segments grow organically, and manage to do so with improved profitability.
- Continued our work on developing, broadening, and expanding the existing operations. A work that is continuous and many initiatives are currently underway to strengthen operational efficiency, which will contribute to the Group becoming even more stable over time.



SEKm	Q1 2023	Q1 2022	Q1 2021
Net sales	911.7	631.9	334.3
EBITDA	106.3	72.1	40.6
EBITDA margin	11.7%	11.4%	12.1%
Adj. EBITDA	106.7	73.6	37.1
Adj. EBITDA margin	11.7%	11.6%	11.1%
EBIT	33.7	20.5	10.4
EBIT margin	3.7%	3.2%	3.1%
Adj. EBIT	34.2	21.9	7.0
Adj. EBIT margin	3.7%	3.5%	2.1%

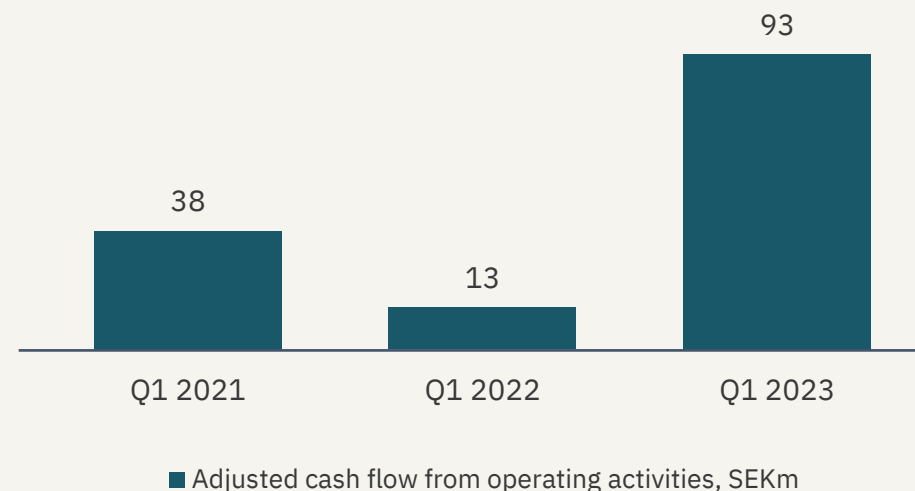
Financial performance (2/2)

Financials

- Adjusted cash flow from operating activities amounted to SEK 93m (13) during Q1.
- Net debt/adjusted EBITDA amounted to 2.6x (2.5x)
- Cash and cash equivalents at the end of the period SEK 240m (303)
- Unused credit and overdraft facilities amounts to SEK 345m

Comments

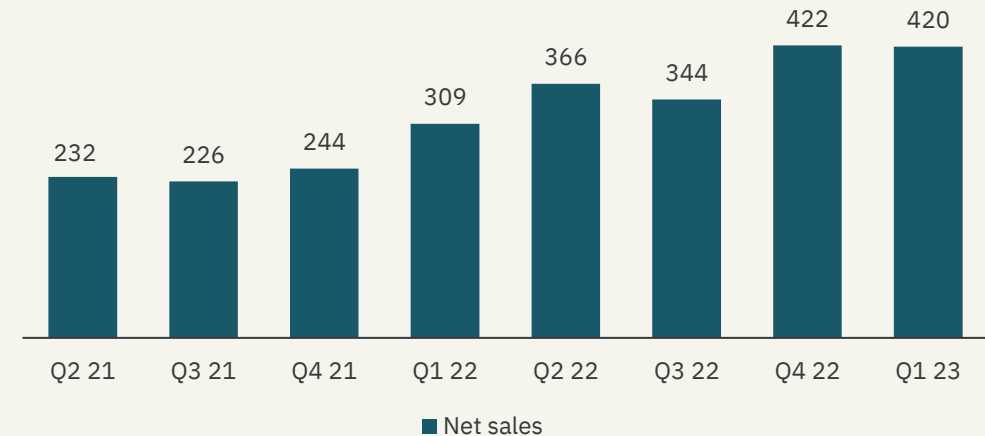
- Despite the high organic growth, continued strengthen cash flow an evidence that the business model is resilient even in worse economic times.
- Strong financial position, which makes us well equipped for continued expansion.



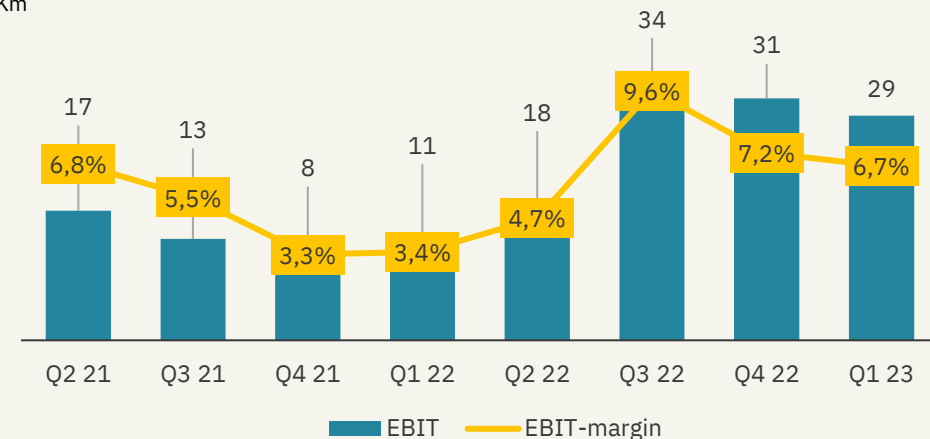
Performance per segment – Rock Sweden

- Rock Sweden's external net sales increased with 36 % and the segments organic growth amounted to 19 %.
- The strong organic growth is mainly attributable to continued large investments in infrastructure, above all connected to northern Sweden and in western Sweden.
- EBIT margin increased to 6.7 (3.4) % and has been positively affected by completed acquisitions that have a higher margin and several profitable projects during the period, not least in underground and tunnelling work.

SEKm



SEKm

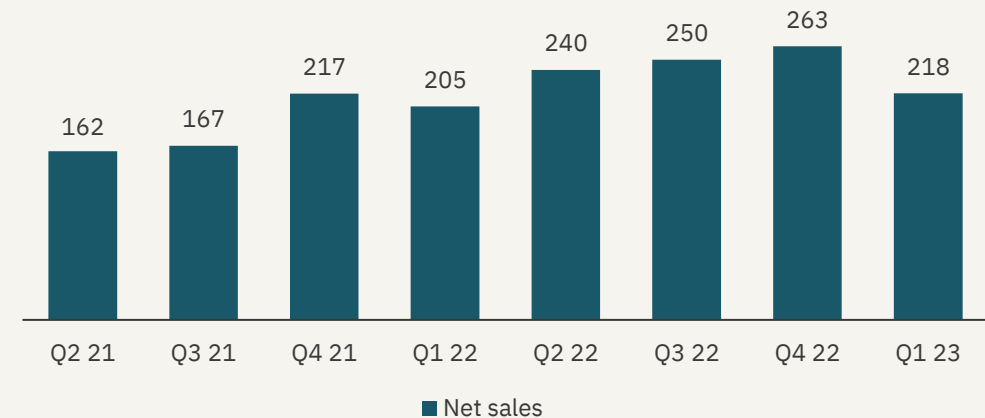


Performance per segment

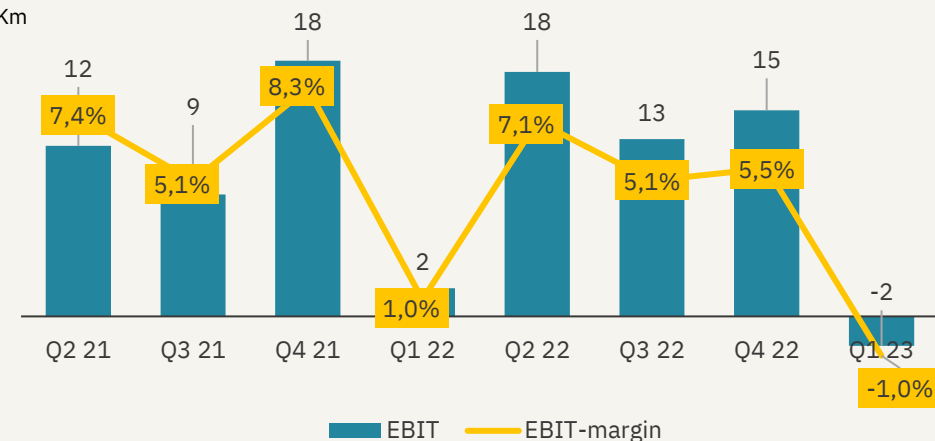
– Rock Norway

- Rock Norway's external net sales increased with 6 % and the segments organic growth amounted to 7 %.
- EBIT margin decreased to -1.0 (1.0) %. The lower EBIT margin during the quarter is mainly explained by a project mix with lower profitability compared to the comparable period. Furthermore, the operations within rock reinforcement have a greater seasonal impact than other service areas within the group, which means that the variations in the EBIT margin can be greater within this segment, especially during the first quarter when the climate and weather conditions sets working restrictions.

SEKm



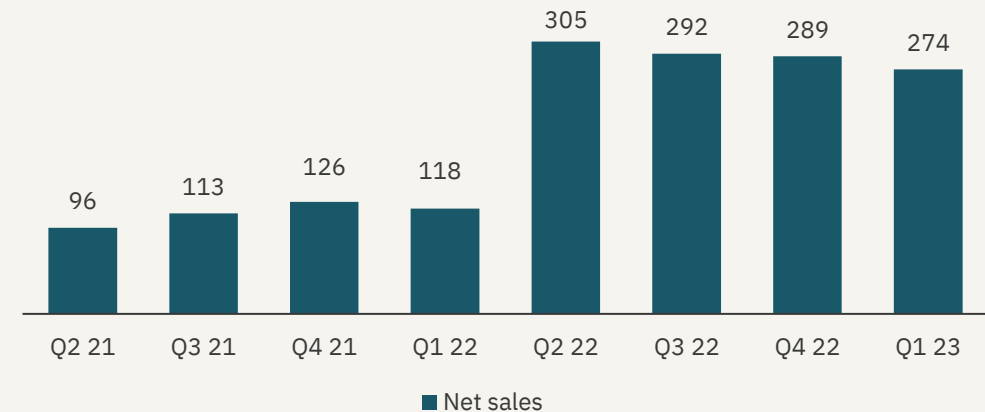
SEKm



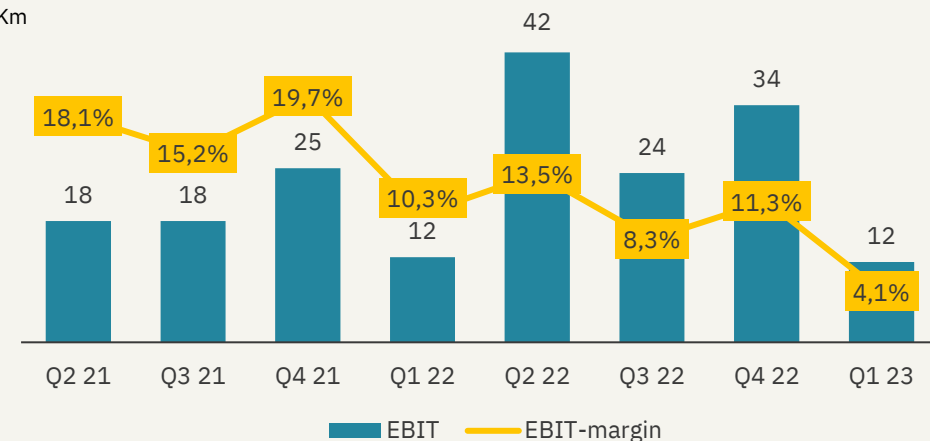
Performance per segment – Foundation Sweden

- Foundation Sweden's external net sales increased with 132 % and the segments organic growth amounted to 49 %. The strong organic growth is primarily explained by continued strong demand and several larger projects in industry and infrastructure compared to the comparable period.
- EBIT margin decreased to 4.1 (10.3) %. The EBIT margin has been negatively affected by a less favorable project mix. The slowdown that occurred in housing construction also had a negative impact on the segment's margin during the quarter.

SEKm

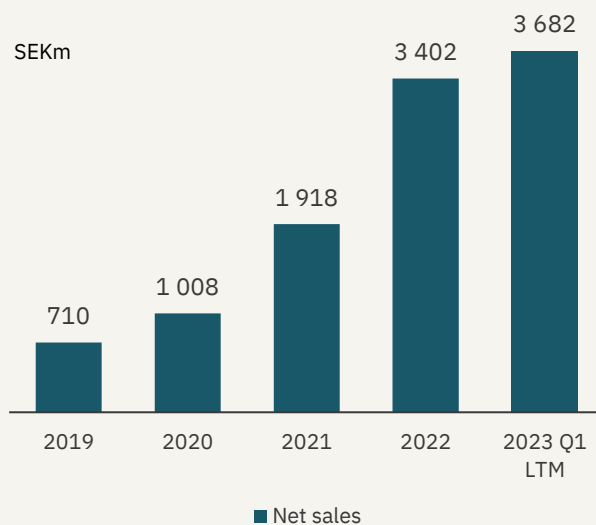


SEKm



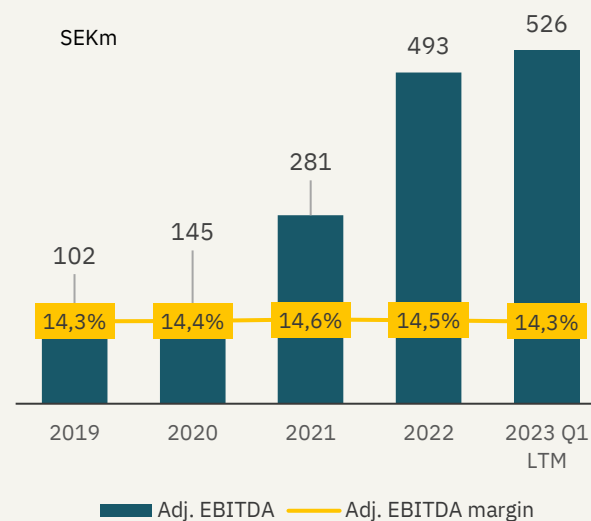
Sustainable financial outlook

NET SALES DEVELOPMENT



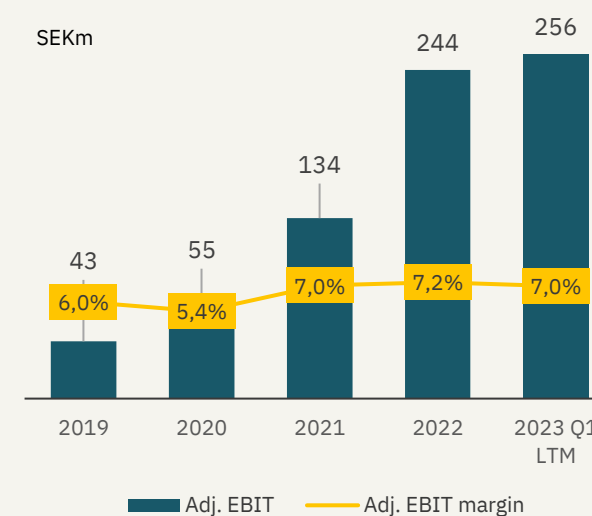
- Strong organic growth over time as a result of Nordisk Bergteknik's capability with a large machine park and extensive in-house competences
- Growth also driven by an active M&A agenda with several acquisitions during the last three years

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

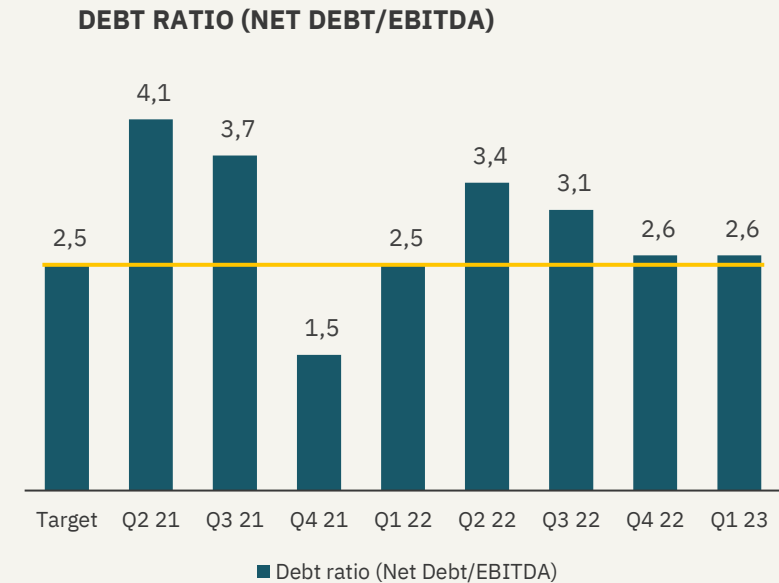
ADJUSTED EBIT DEVELOPMENT



- The increase is mainly driven by an increased volume as well as completed acquisitions
- Acquisitions in the last three years have contributed with higher margin

Net debt and leverage

- Net debt amounts to SEK 1,389m (785).
- Machine loans amounts to 423m and lease liabilities to 342m.
- Debt ratio (net debt/EBITDA LTM) amounts to 2.6x (2.5x) and is the same as in Q4 2022
- If EBITDA from acquisitions is included LTM debt ratio amounts to 2.4x
- Cash and cash equivalents amounts to SEK 240m
- Available liquidity (cash and unused facilities) amounts to SEK 585m.



Successful acquisitions

Acquisitions completed during Q1 2023

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.

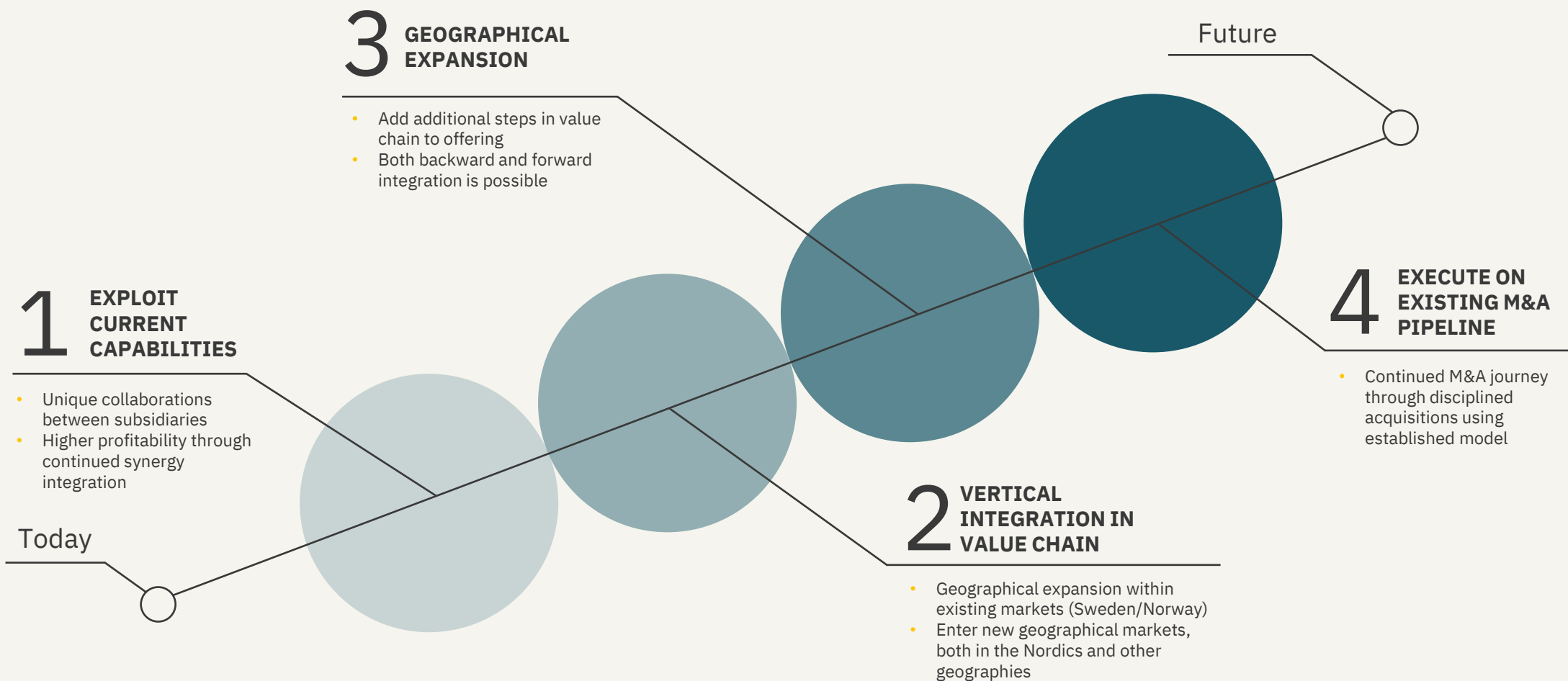


Performance in the Q1 business climate



Strategy and financial targets

Predicted continued growth (1/2)



Predicted continued growth (2/2)

Successful operations in a niche market

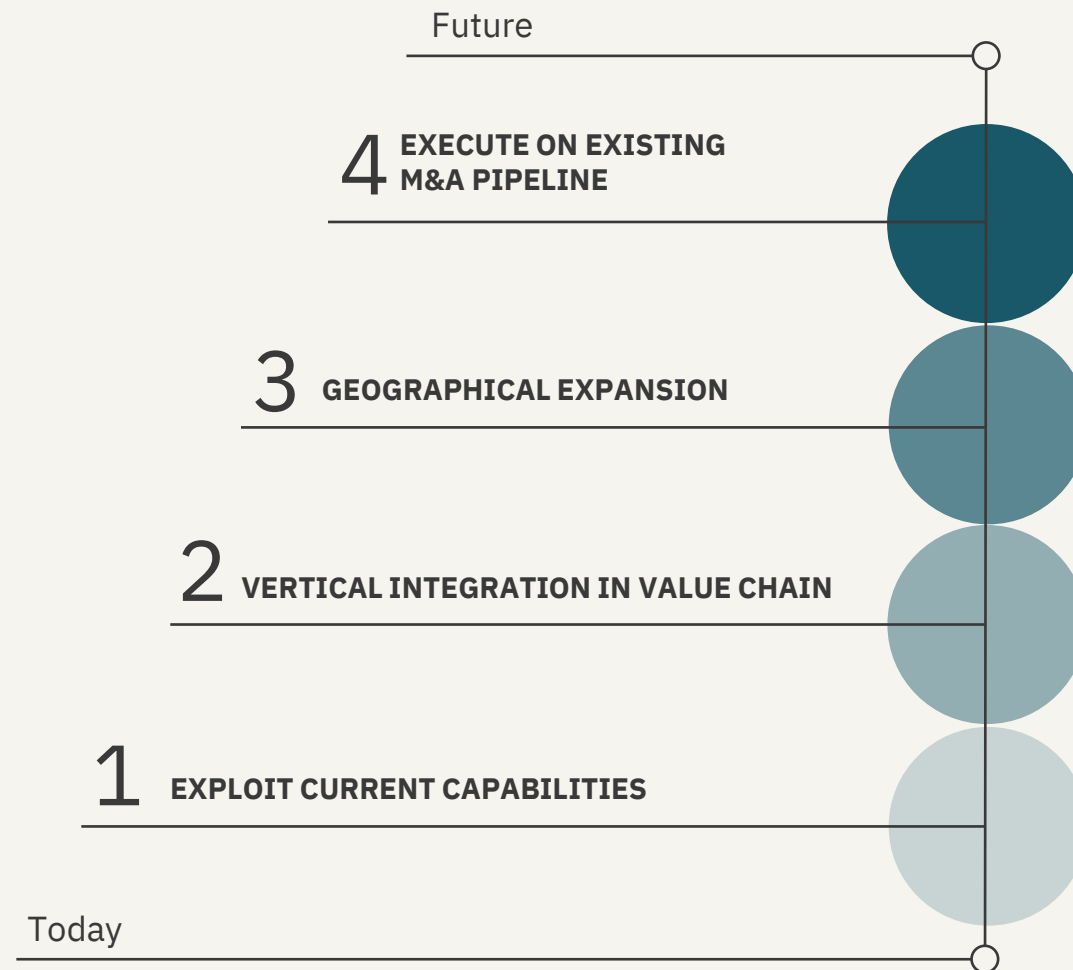
- Limited competition in a niche market with high barriers to entry since operations requires a high level of expertise, specialized equipment and machine capacity
- Additional upside with further materialisation of synergies and continued implementation of effectivization initiatives

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

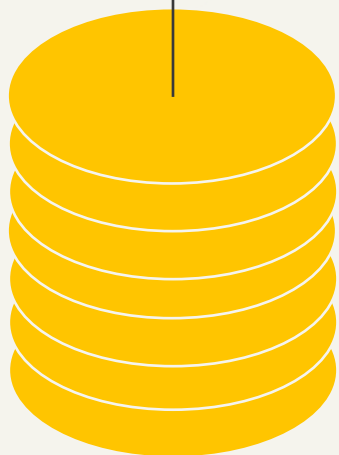
- Leading positions in rock segment. Opportunity to reach higher market share by executing on the short-term acquisition pipeline
- Grow organically by realization of synergies and implementation of optimization initiatives



Four main financial targets

15%

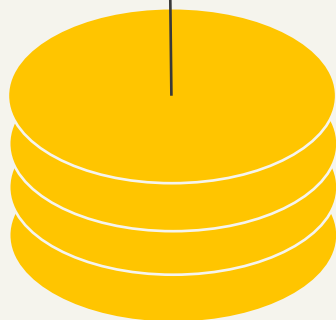
Growth



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%

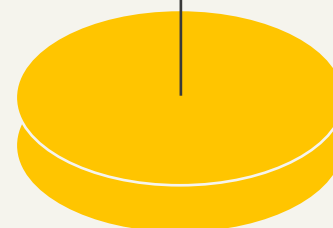
Profitability



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