



AUGUST 17, 2023

Nordisk Bergteknik Q2

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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 **253m**
ADJ. EBIT Q2 2023 LTM

1 182
OF EMPLOYEES

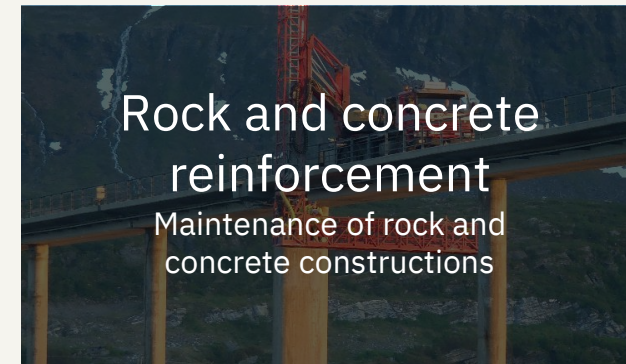
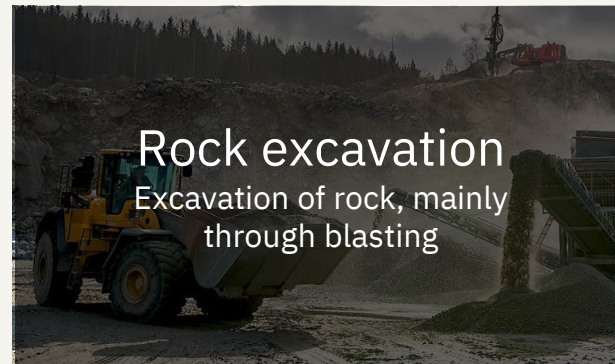
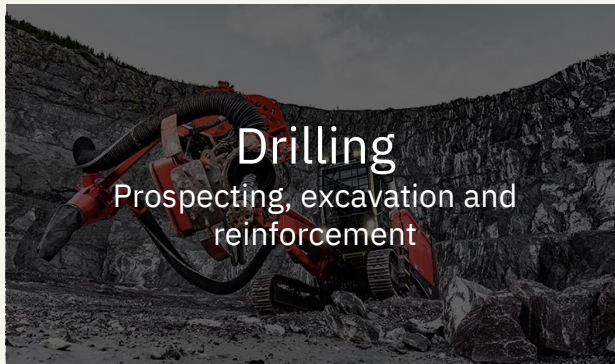
SEK **3,677m**
SALES Q2 2023 LTM

6.9%
ADJ. EBIT MARGIN Q2 2023 LTM

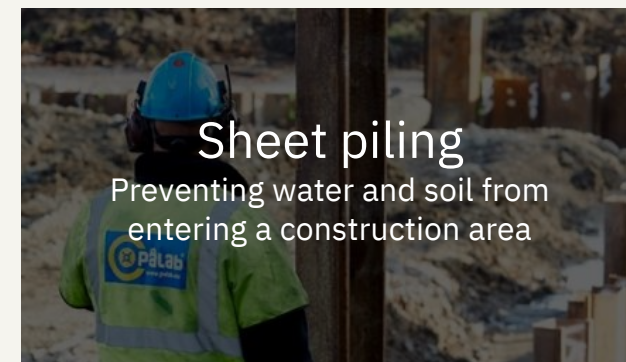
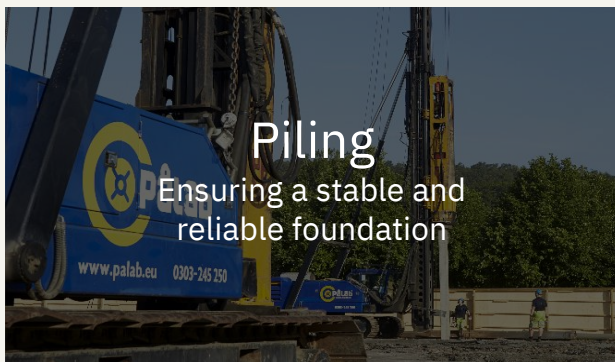
24
OPERATING
SUBSIDIARIES

Areas for our services and solutions

Rock

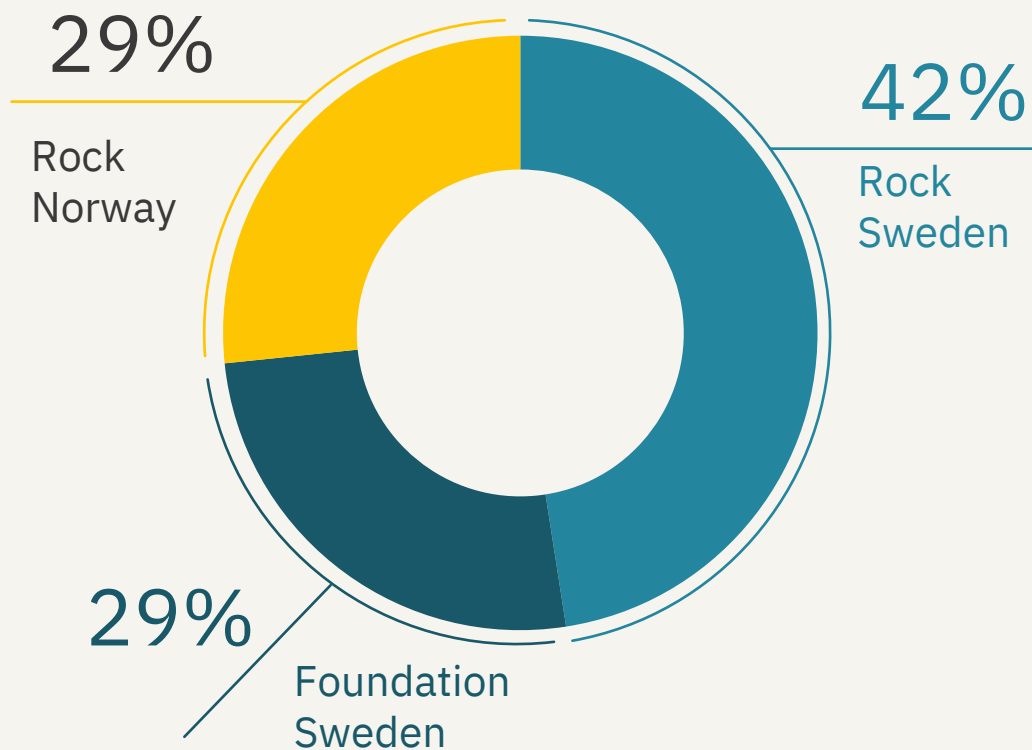


Foundation

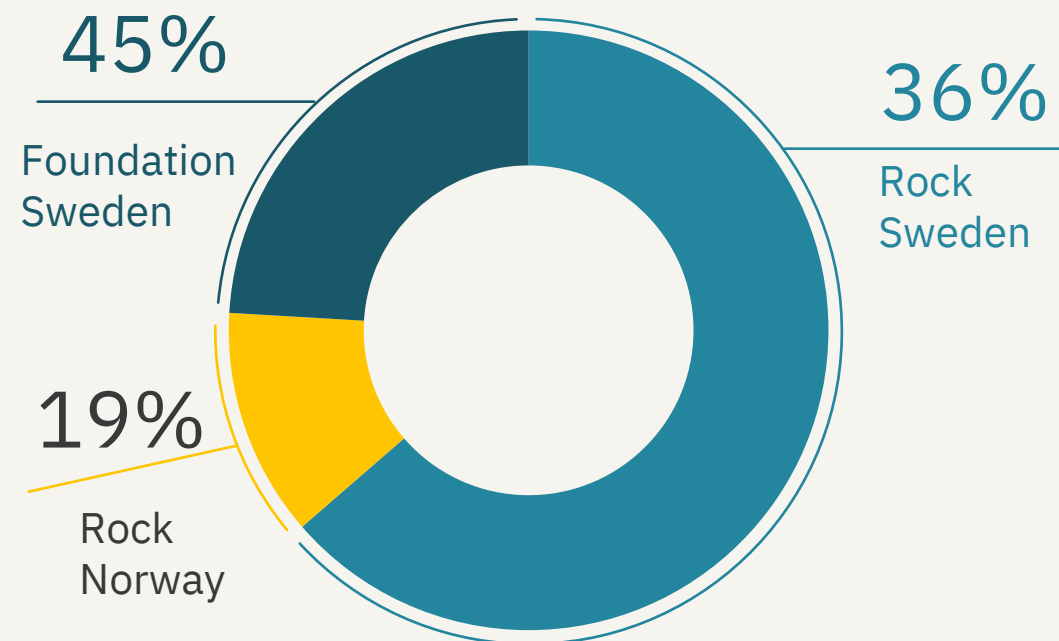


Attractive business mix

REVENUE BY SEGMENT, 2023-06



EBIT PER SEGMENT, 2023-06



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%

Mining and prospect drilling becoming an increased part of the groups sales

~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 Q2

Strong cash flow and advanced positions in the mining industry

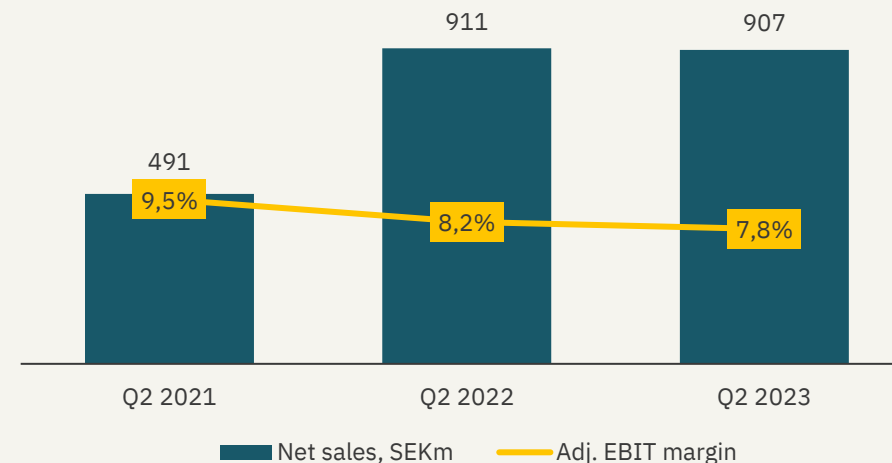
Financial performance (1/2)

April – June

- Net sales were in line with previous year and amounted to SEK 907m (911)
- Organic growth amounted to -10 (25) %
- Adjusted EBIT margin amounted to 7.8 (8.2) %

Comments

- Strong comparable period with high organic growth partly as a result of the transfer of general cost increases to customers, but also because we used a lot of subcontractors in certain projects as a result of a strong demand.
- Continued strong demand for our infrastructure services, while the decline in construction of new housing has been challenging.
- Despite the challenging market climate in the housing market, we were able to deliver adjusted EBIT in line with prior year. This shows that we can maintain stability despite more challenging times and take advantage of business opportunities even in a weaker economy.



SEKm	Q2 2023	Q2 2022	Q2 2021
Net sales	907.1	911.4	490.5
EBITDA	144.9	135.9	71.9
EBITDA margin	16.0%	14.9%	14.7%
Adj. EBITDA	147.9	137.2	82.3
Adj. EBITDA margin	16.3%	15.1%	16.8%
EBIT	67.8	73.2	36.2
EBIT margin	7.5%	8.0%	7.4%
Adj. EBIT	70.8	74.5	46.6
Adj. EBIT margin	7.8%	8.2%	9.5%

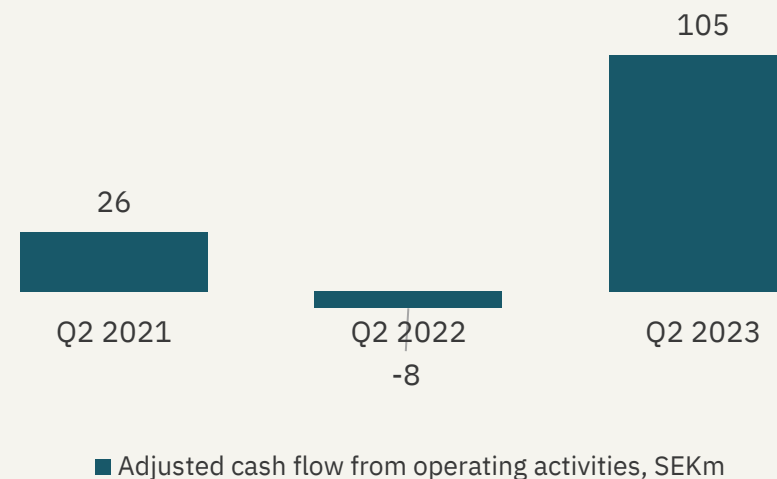
Financial performance (2/2)

Financials

- Adjusted cash flow from operating activities amounted to SEK 105m (-8) during Q2.
- Net debt/adjusted EBITDA amounted to 2.8x (3.4x)
- Cash and cash equivalents at the end of the period SEK 161m (159)
- Unused credit and overdraft facilities amounts to SEK 345m

Comments

- Continued strong cash flow in Q2.
- Strong financial position, which makes us well equipped for continued expansion.

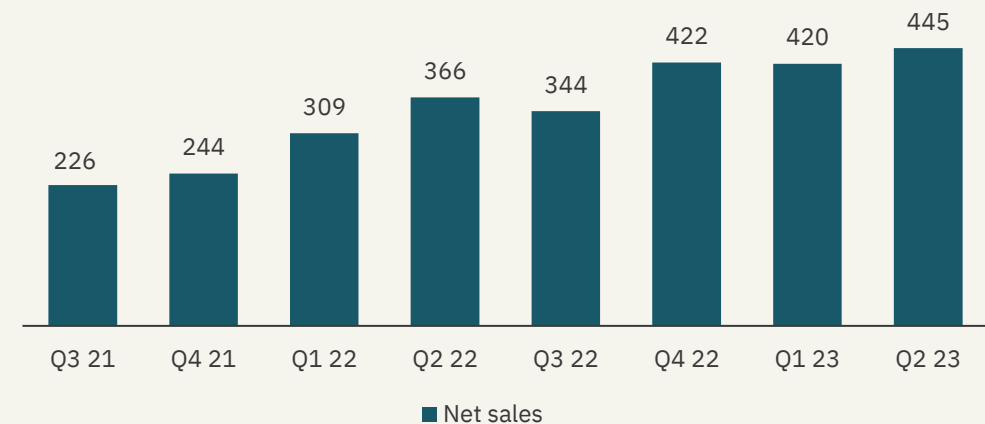


Performance per segment

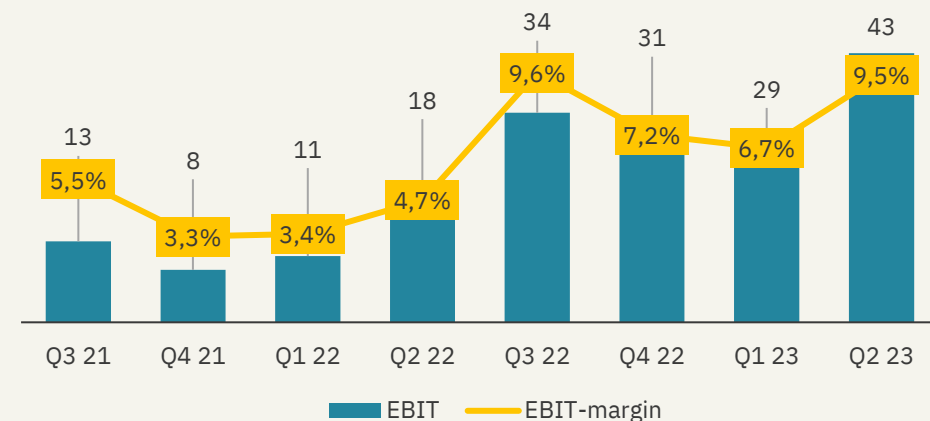
– Rock Sweden

- Rock Sweden's external net sales increased with 22 % and the segments organic growth amounted to 2 %.
- The increase in net sales is primarily related to new acquisitions compared to prior year.
- EBIT margin increased to 9.5 (4.7) % and has been positively affected by acquisitions with a higher margin and several profitable projects during the period, especially within prospect drilling.

SEKm



SEKm

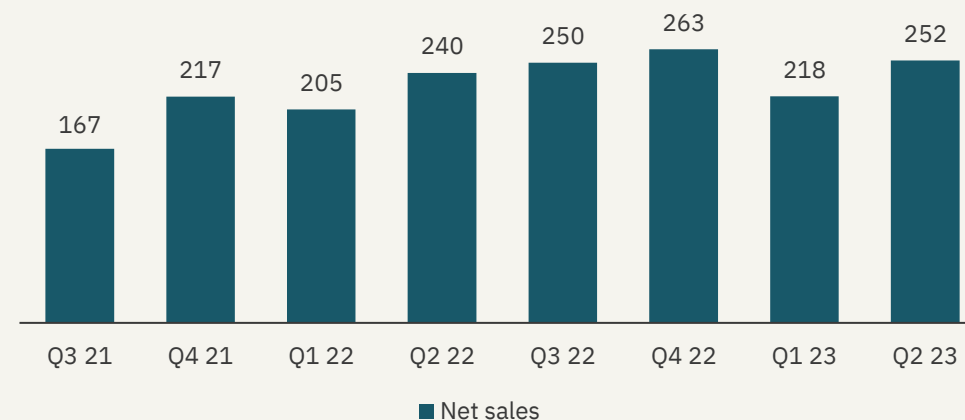


Performance per segment

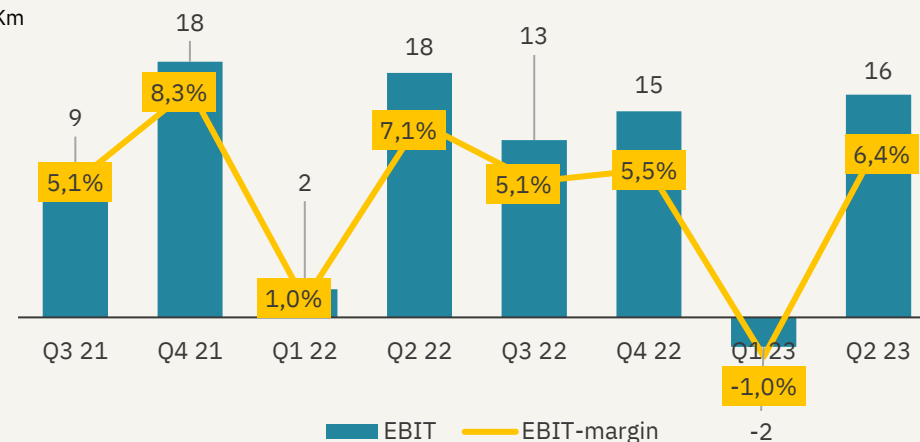
– Rock Norway

- Rock Norway's external net sales increased with 5 % and the segments organic growth amounted to 8 %.
- EBIT margin was in line with prior year and amounted to 6.4 (7.1) %. The lower EBIT margin during the quarter is mainly explained by a project mix with lower profitability compared to the comparable period. During the quarter, a reorganization within the segment was initiated with the goal of improving efficiency and strengthening the offer to customers.

SEKm



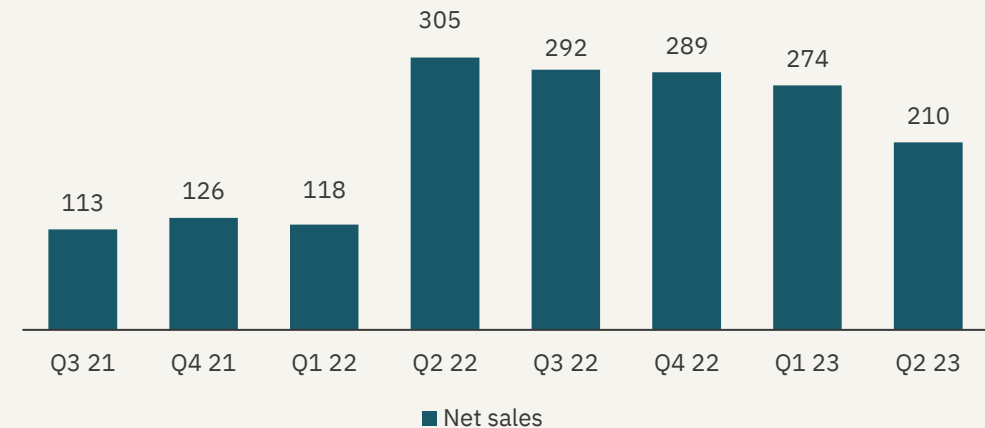
SEKm



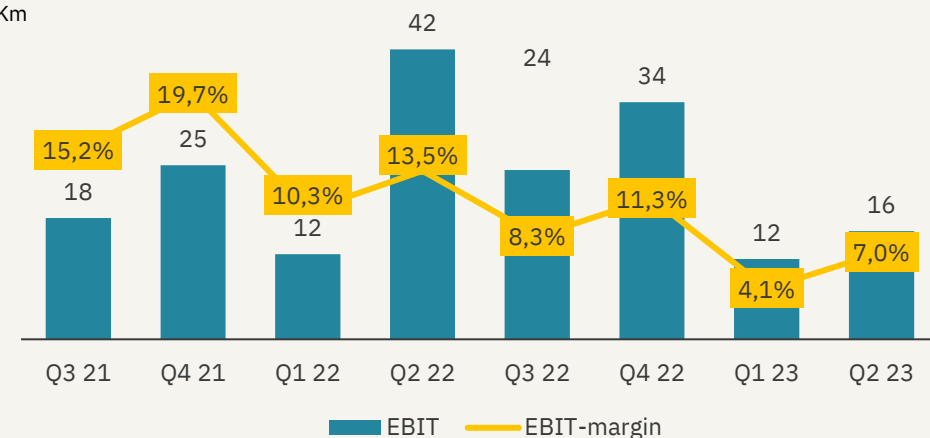
Performance per segment – Foundation Sweden

- Foundation Sweden's external net sales decreased by 31 % and the segments organic growth amounted to -37 %. The current economic situation, with a sharp reduction in housing construction and project starts, has had a negative impact on the segment during the quarter. Other service areas within the segment have continued stable development.
- EBIT margin decreased from last year's strong 13.5 % to 7.0 %. The segment has been negatively affected by the slowdown in housing construction.

SEKm

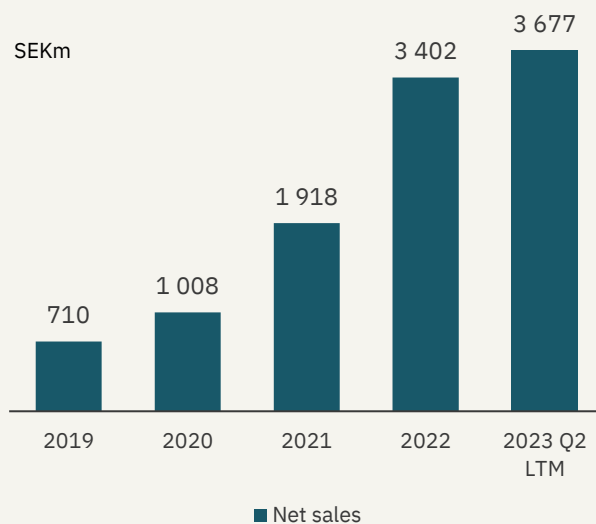


SEKm



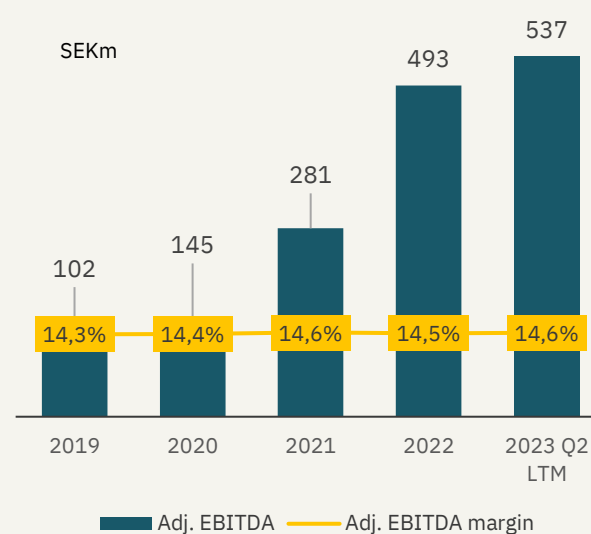
Sustainable financial outlook

NET SALES DEVELOPMENT



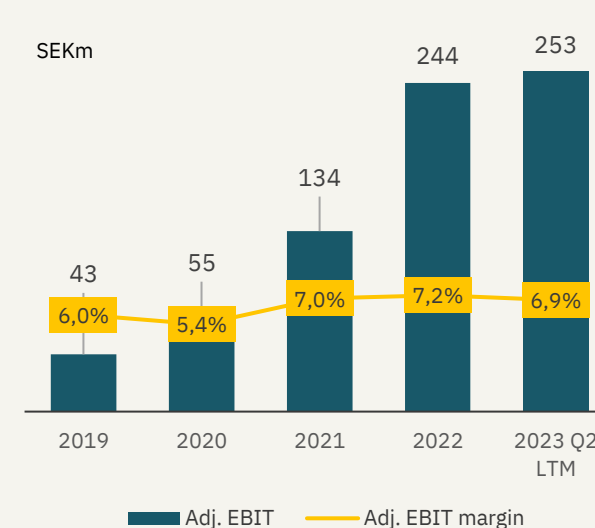
- Strong organic growth over time as a result of Nordisk Bergteknik's capability with a large machine park and extensive in-house competences
- Growth also driven by an active M&A agenda with several acquisitions during the last three years

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

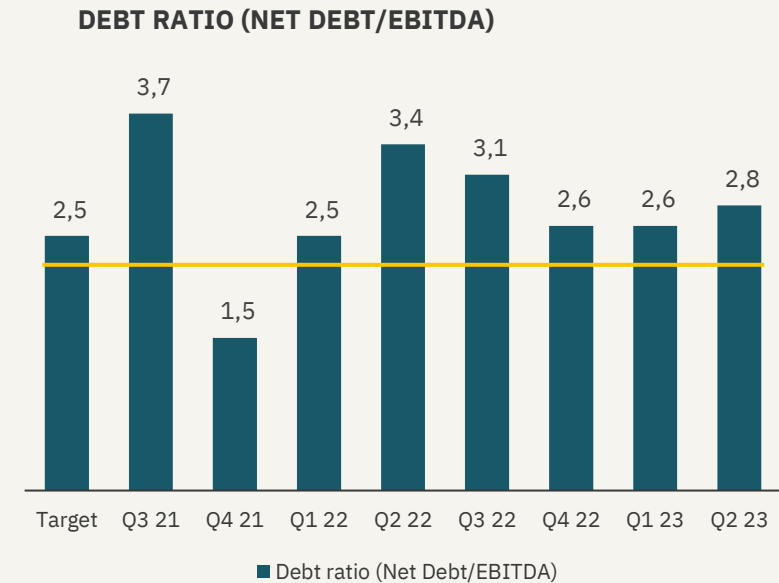
ADJUSTED EBIT DEVELOPMENT



- 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 1,480m (1,249).
- Machine loans amounts to 427m and lease liabilities to 364m.
- Debt ratio (net debt/EBITDA LTM) amounts to 2.8x (3.4x)
- If EBITDA from acquisitions is included LTM debt ratio amounts to 2.6x
- Cash and cash equivalents amounts to SEK 161m
- Available liquidity (cash and unused facilities) amounts to SEK 506m.

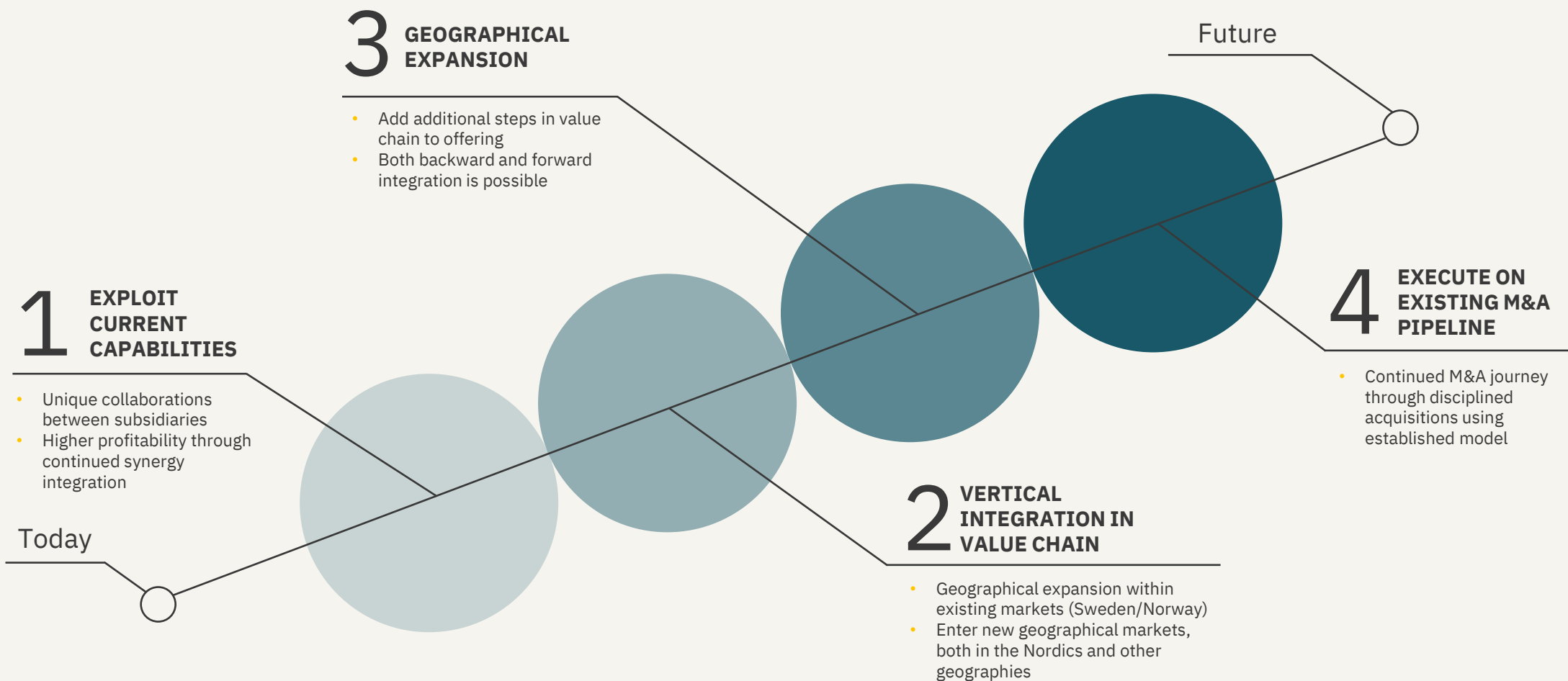


Performance in the Q2 business climate



Strategy and financial targets

Predicted continued growth (1/2)



Predicted continued growth (2/2)

Successful operations in a niche market

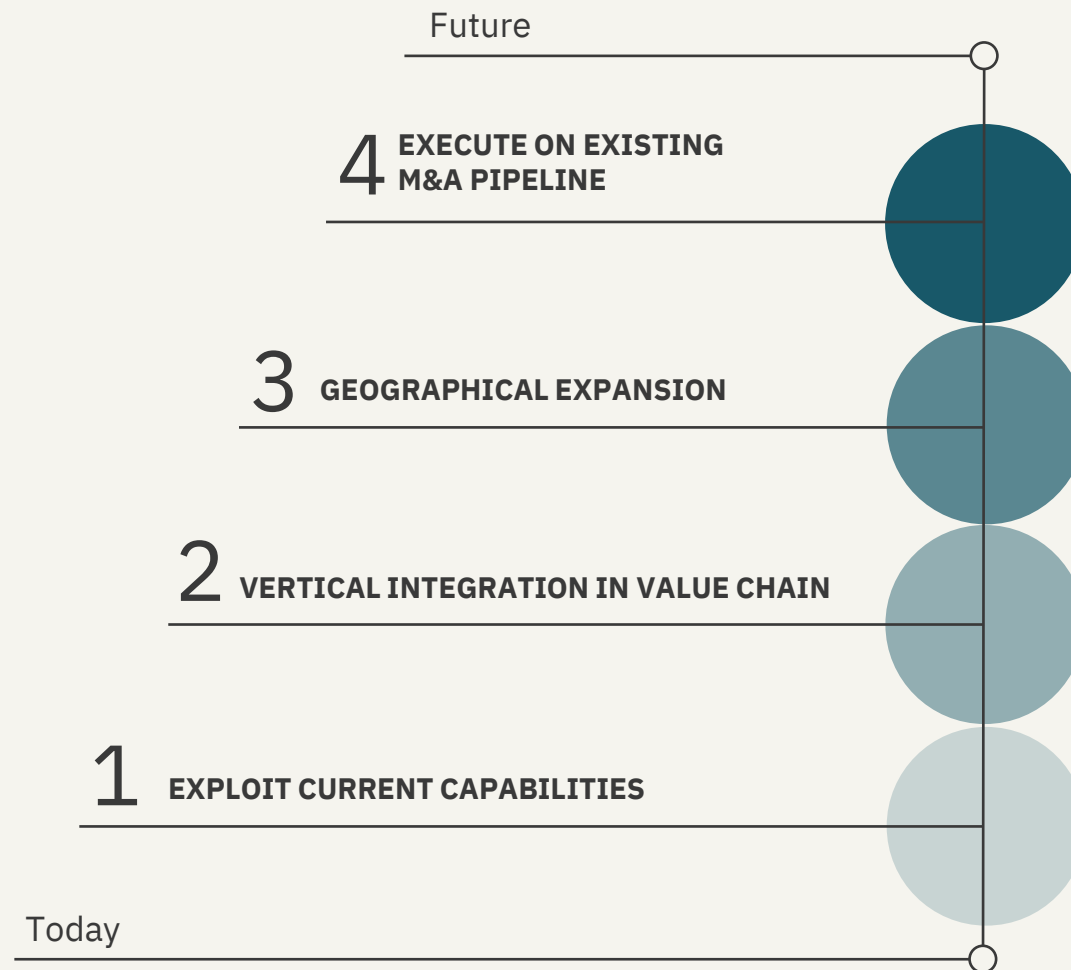
- Limited competition in a niche market with high barriers to entry since operations requires a high level of expertise, specialized equipment and machine capacity
- Additional upside with further materialisation of synergies and continued implementation of effectivization initiatives

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

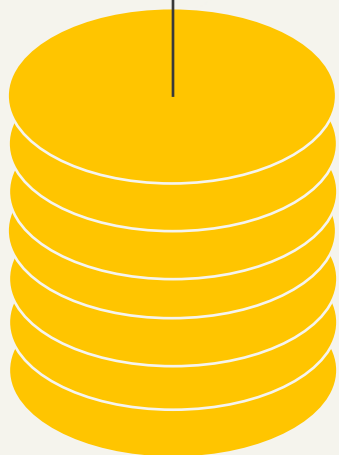
- Leading positions in rock segment. Opportunity to reach higher market share by executing on the short-term acquisition pipeline
- Grow organically by realization of synergies and implementation of optimization initiatives



Four main financial targets

15%

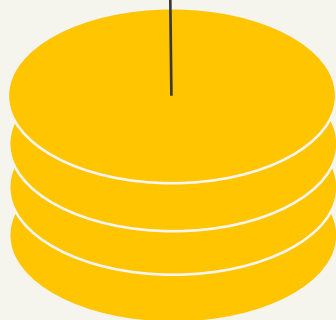
Growth



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%

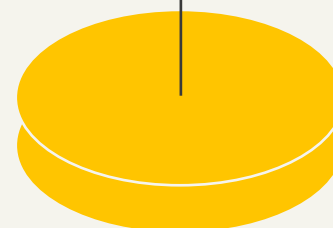
Profitability



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