



FEBRUARY 13, 2024

Nordisk Bergteknik Q4

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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 23 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 **173m**
ADJ. EBIT 2023

1,195
OF EMPLOYEES

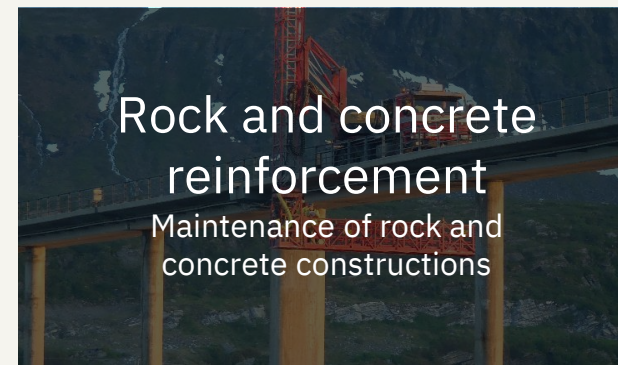
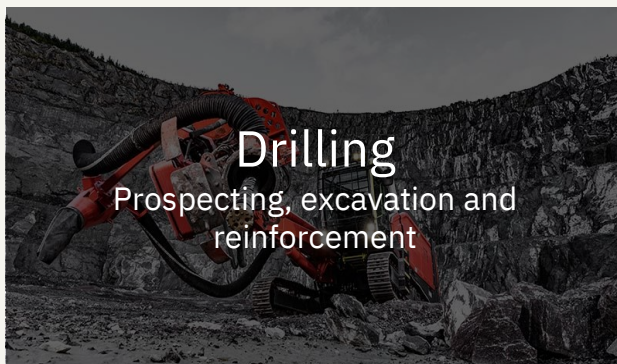
SEK **3,526m**
SALES 2023

4.9%
ADJ. EBIT MARGIN 2023

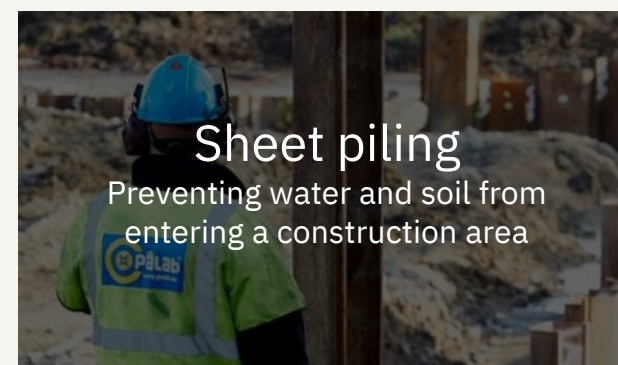
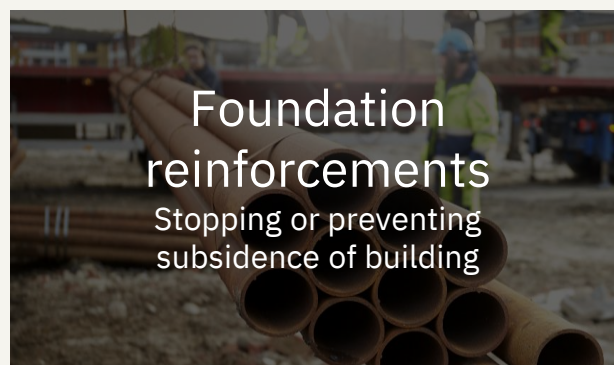
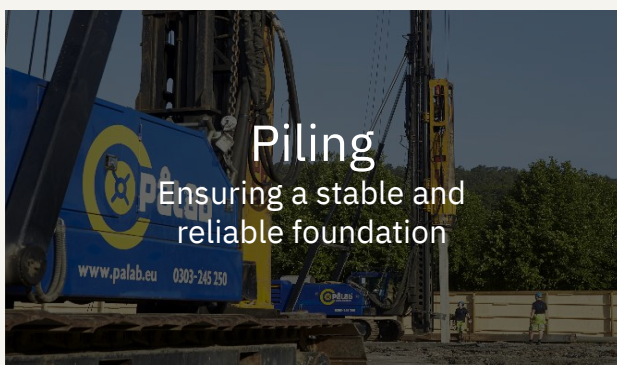
23
OPERATING
SUBSIDIARIES

Areas for our services and solutions

Rock

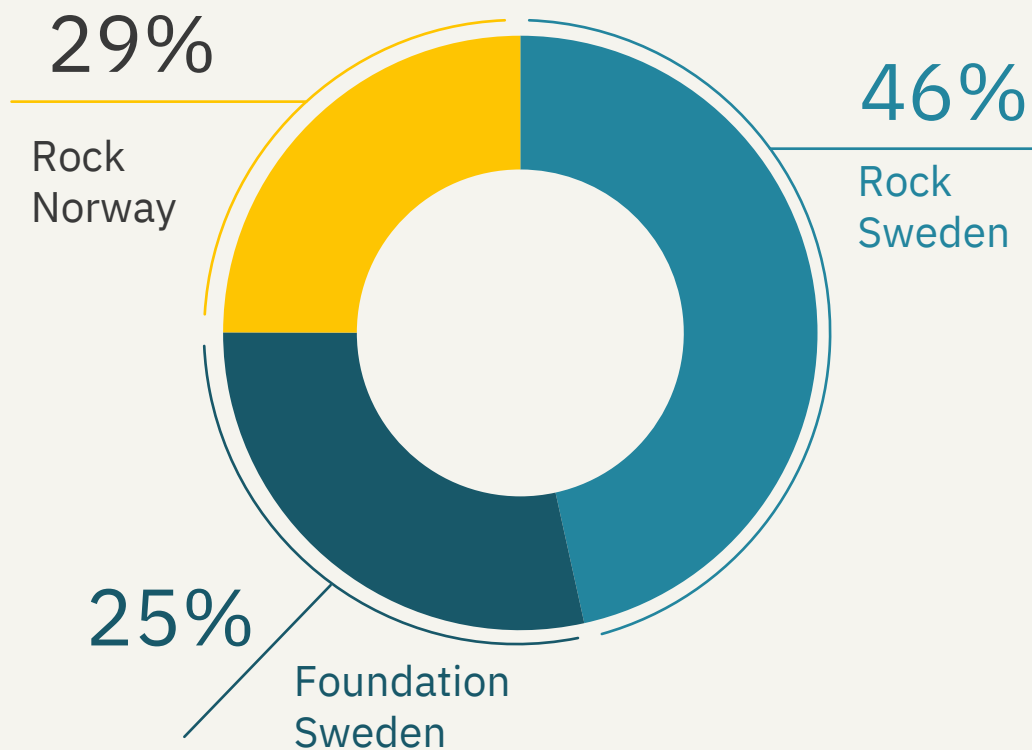


Foundation

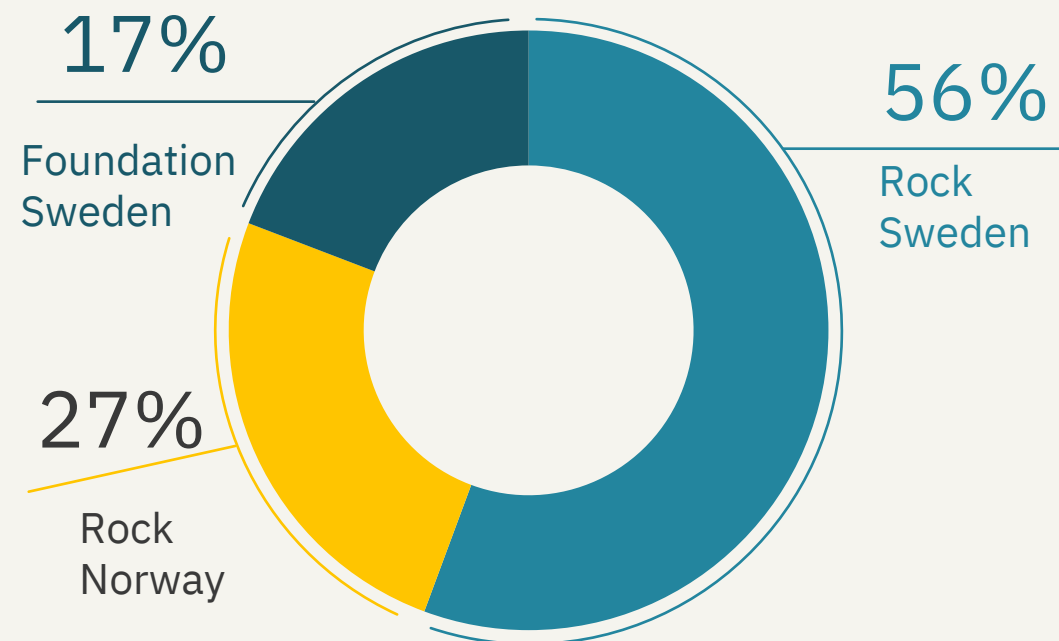


Attractive business mix

REVENUE BY SEGMENT, YTD 2023



EBIT PER SEGMENT, YTD 2023



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

Direct exposure to construction of new housing

~10%

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

~15%

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

Strong cash flow and activities to adapt the operations to the current market climate and improved profitability

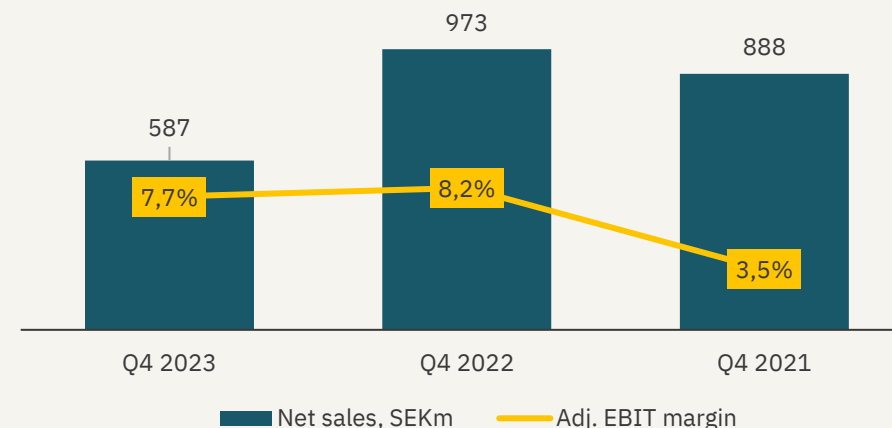
Financial performance (1/2)

October – December

- Net sales decreased by 9% and amounted to SEK 888m (973)
- Organic growth amounted to -15 (20) %
- Adjusted EBIT margin amounted to 3.5 (8.1) %

Comments

- Higher revenue and improved margins compared to the third quarter.
- Continued low activity in housing construction during the fourth quarter which also impacts local infrastructure negatively.
- Nordisk Bergteknik have and will continue to gradually adapt the business to the current market climate without compromising our competence and ability to act aggressively when the market turns.
- As a leading player in the Nordic region, Nordisk Bergteknik have a strong position in the market and are well positioned to capitalize on business opportunities even in a weaker market climate.
- Nordisk Bergteknik's diversified project portfolio and close customer relationships enable us to meet varying conditions in different geographies and segments and still deliver profitability in line with the Groups goals over time.

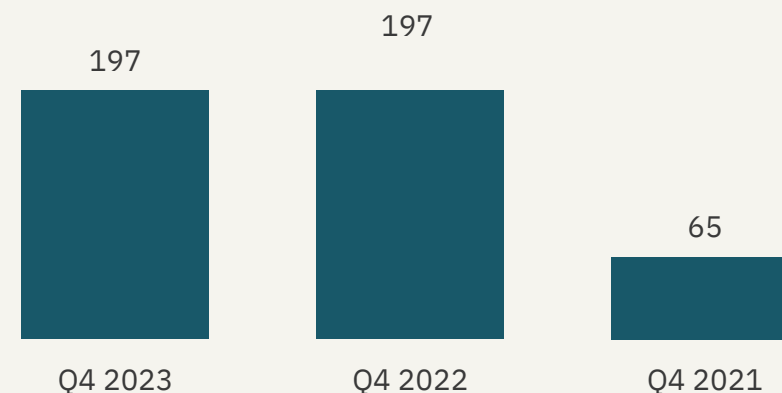


SEKm	Q4 2023	Q4 2022	Q4 2021
Net sales	888.0	973.0	587.0
EBITDA	103.2	147.8	80.8
EBITDA margin	11.6%	15.2%	13.8%
Adj. EBITDA	107.5	148.1	86.3
Adj. EBITDA margin	12.1%	15.2%	14.7%
EBIT	26.4	78.3	39.8
EBIT margin	3.0%	8.0%	6.8%
Adj. EBIT	30.7	78.6	45.3
Adj. EBIT margin	3.5%	8.1%	7.7%

Financial performance (2/2)

Financials

- Adjusted cash flow from operating activities amounted to SEK 196m (197) during Q4.
- Net debt/adjusted EBITDA amounted to 3.2x (2.6x).
- Cash and cash equivalents at the end of the period SEK 115m (263).
- Unused credit and overdraft facilities amounts to SEK 324m.



■ Adjusted cash flow from operating activities, SEKm

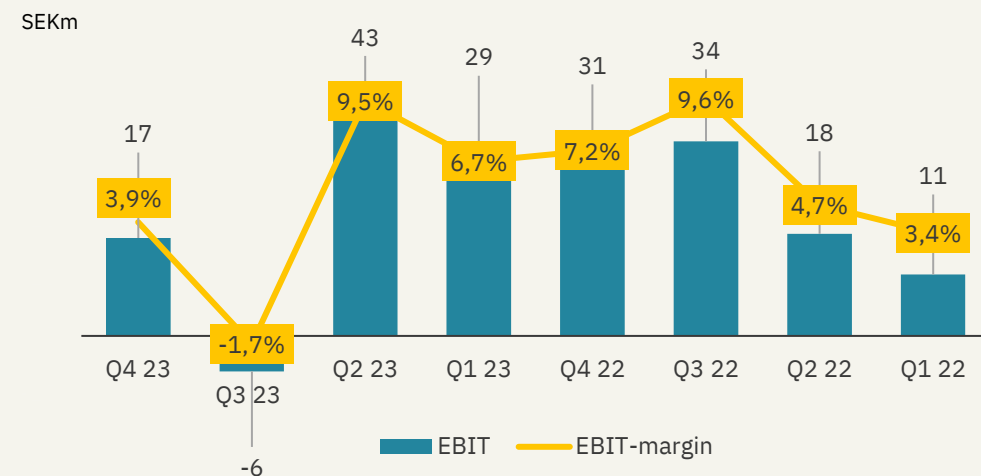
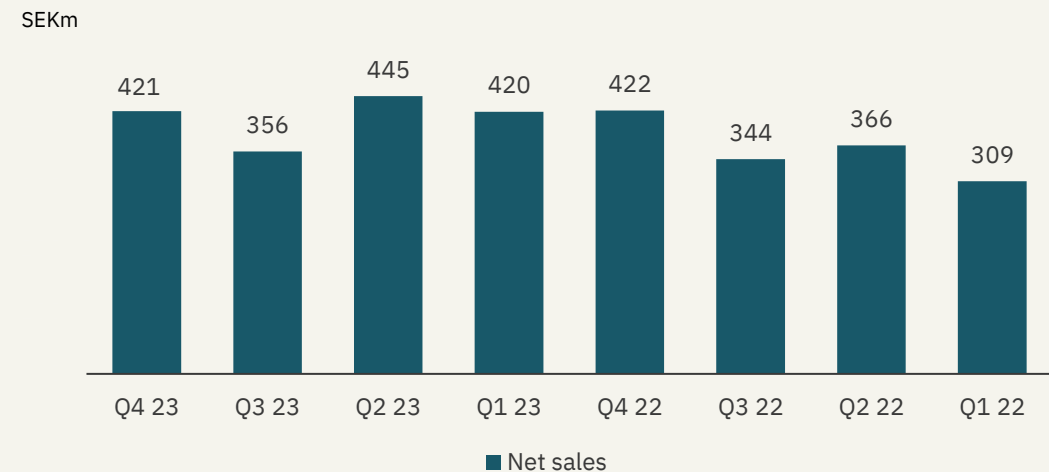
Comments

- The cash flow from operating activities was very strong, amounting to SEK 195 million, similar to the fourth quarter of 2022, driven mainly by reduced receivables and to some extent by a decrease in working capital in ongoing projects.

Performance per segment

– Rock Sweden

- Rock Sweden's external net sales were in line with prior year and the segments organic growth amounted to -17%.
- During the quarter, the segment continued to be negatively affected by the decline in housing construction, which also impacts local infrastructure, as well as delays in major national infrastructure projects, resulting in negative organic growth.
- EBIT margin decreased from 7.2% the previous year to 3.9%. The EBIT margin has been negatively impacted by a provision for potential credit loss and restructuring costs, totalling SEK 3.2 million in the quarter. Additionally, lower volumes and project mix have negatively impacted the EBIT margin.

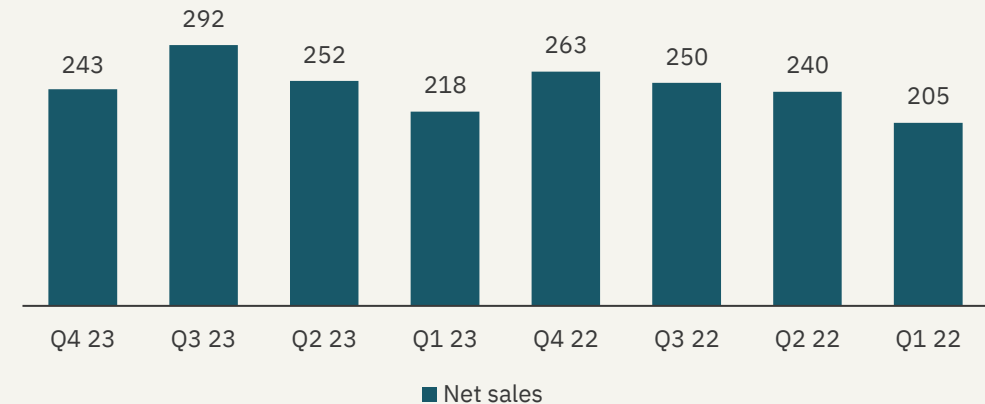


Performance per segment

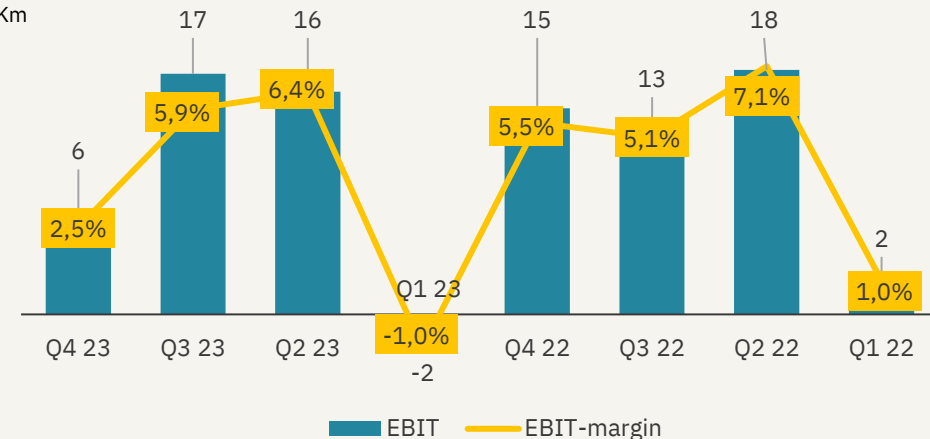
– Rock Norway

- Rock Norway's external net sales decreased with 8 %, primarily attributable to currency effects. The organic growth amounted to -1%.
- The EBIT margin amounted to 2.5 (5.5) %. The segment has been negatively affected by the cold climate at the end of the quarter, which primarily impacts the rock reinforcement operations. Additionally, restructuring costs amounting to SEK 1.2 million have negatively impacted the margin for the quarter.

SEKm



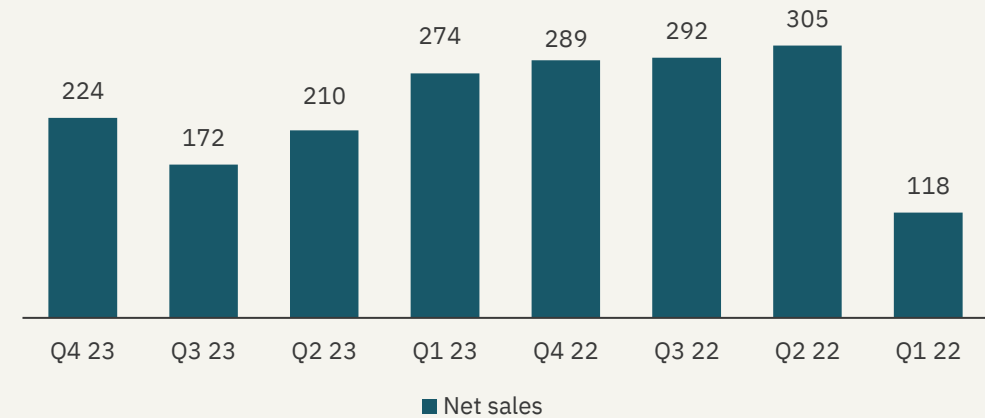
SEKm



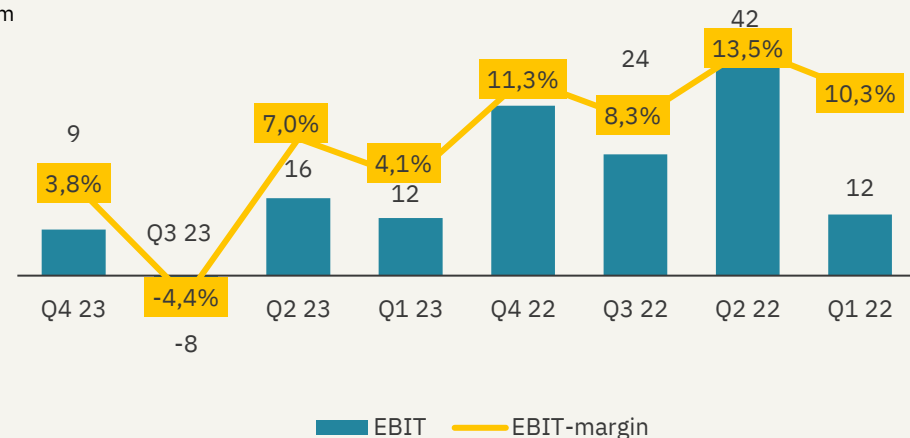
Performance per segment – Foundation Sweden

- The external net sales during the fourth quarter decreased by 22% and amounted to SEK 224.3 (288.7) million. The organic growth amounted to -23%. The current economic situation, with a sharp reduction in housing construction and project starts within the local infrastructure, has continued to negatively impact the segment during the quarter.
- EBIT for the fourth quarter amounted to SEK 9.2 (34.2) million. The segment has been negatively affected by the decline in housing construction and its surrounding effects on local infrastructure, resulting in a lower EBIT margin of 3.8 (11.3) %.

SEKm

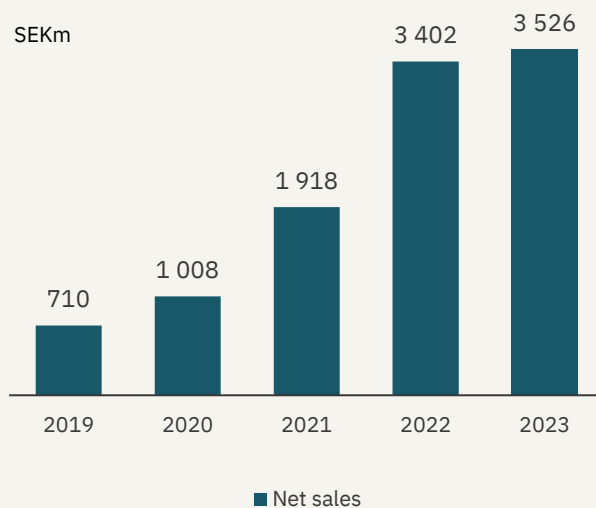


SEKm



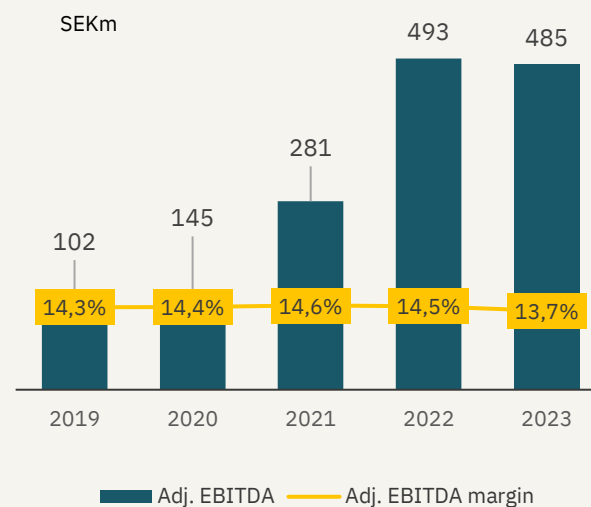
Sustainable financial outlook

NET SALES DEVELOPMENT



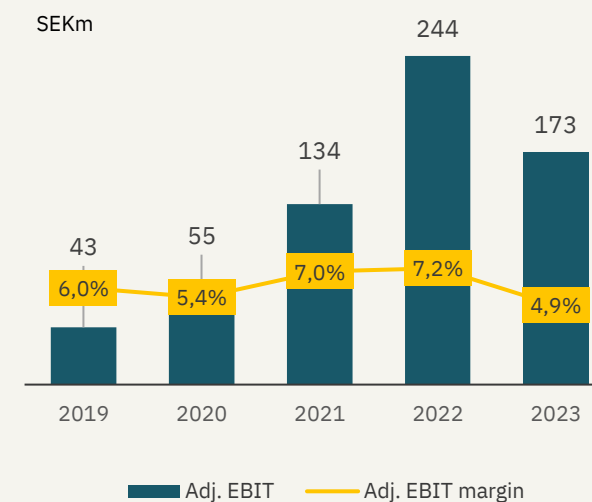
- Strong organic growth over time as a result of Nordisk Bergteknik's capability with a large machine park and extensive in-house competences.
- Growth also driven by an active M&A agenda with several acquisitions during the last three years.

ADJUSTED EBITDA DEVELOPMENT



- Strong increase in nominal EBITDA with margins stable around 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.

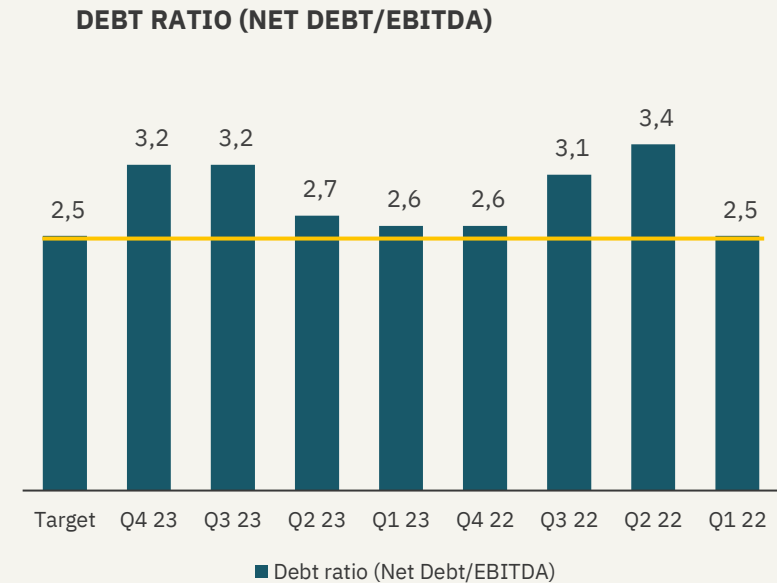
ADJUSTED EBIT DEVELOPMENT



- Completed acquisitions have given a positive contribution to the margin development.
- Current market climate has negatively affected EBIT during 2023.

Net debt and leverage

- Net debt amounts to SEK 1,558m (1,274).
- Machine loans amounts to 442m and lease liabilities to 366m.
- Debt ratio (net debt/EBITDA LTM) amounts to 3.2x (2.6x).
- Cash and cash equivalents amounts to SEK 115m (263).
- Available liquidity (cash and unused facilities) amounts to SEK 439m (671).

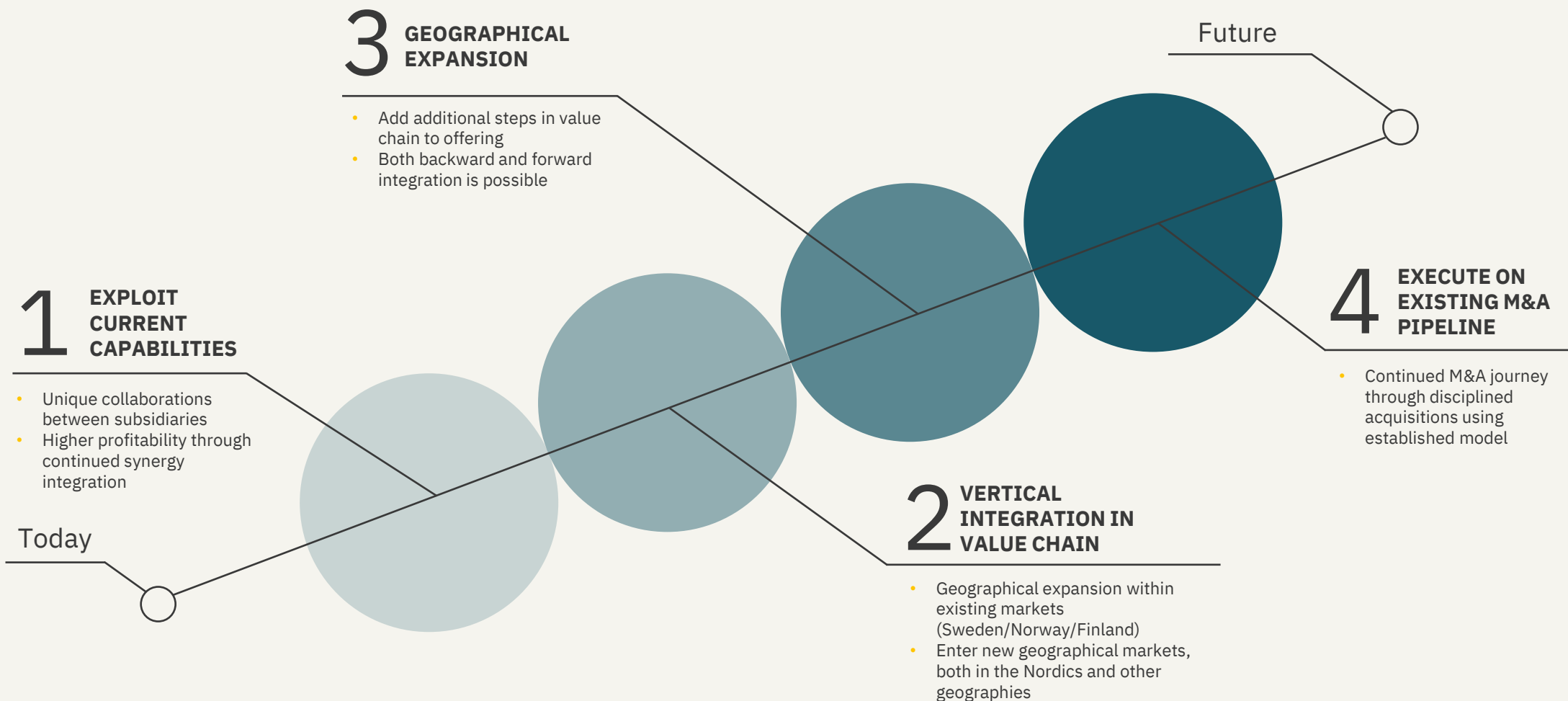


Performance in the Q4 business climate



Strategy and financial targets

Predicted continued growth (1/2)



Predicted continued growth (2/2)

Successful operations in a niche market

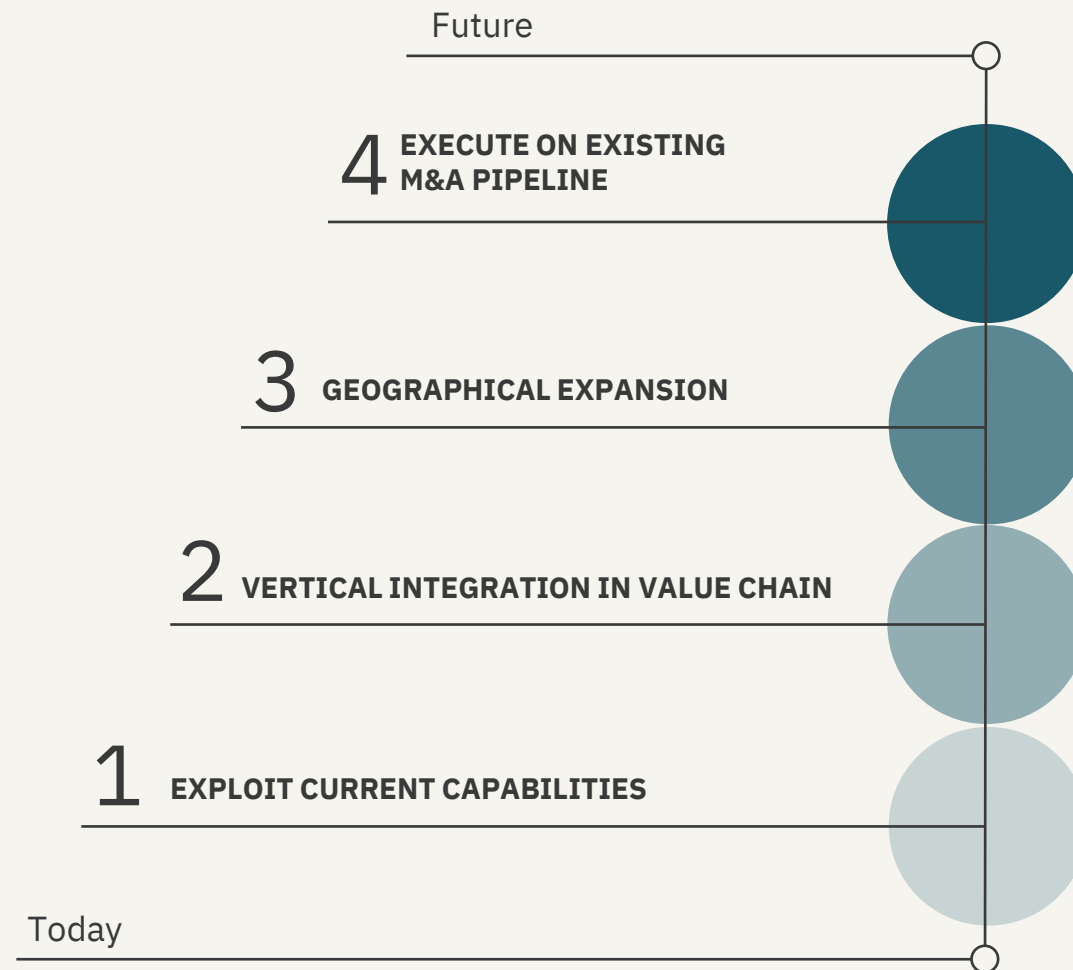
- Limited competition in a niche market with high barriers to entry since operations requires a high level of expertise, specialized equipment and machine capacity
- Additional upside with further materialisation of synergies and continued implementation of effectiveness initiatives

Positive long-term market outlook with compelling growth

- Nordisk Bergteknik operates in a niche market that has been growing in recent years
- Long-term 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

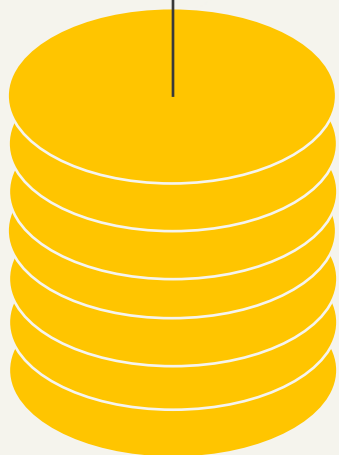
- Leading positions in rock segment. Opportunity to reach higher market share by executing on the short-term acquisition pipeline
- Grow organically by realization of synergies and implementation of optimization initiatives



Four main financial targets

15%

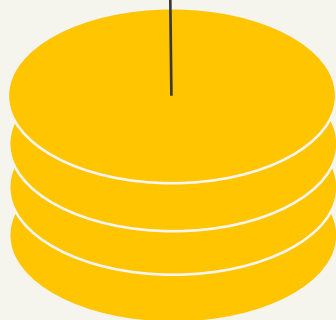
Growth



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%

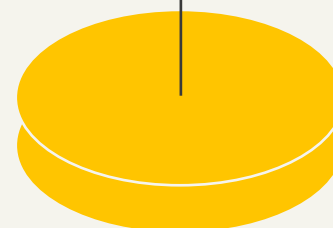
Profitability



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