



May 2, 2024

# Nordisk Bergteknik Q1

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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 **146m**  
ADJ. EBIT Q1 2024 LTM

**1,174**  
# OF EMPLOYEES

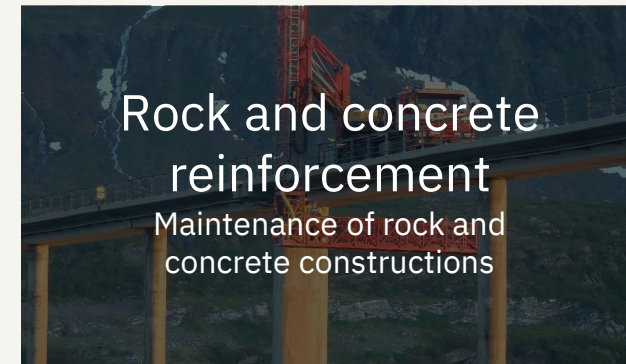
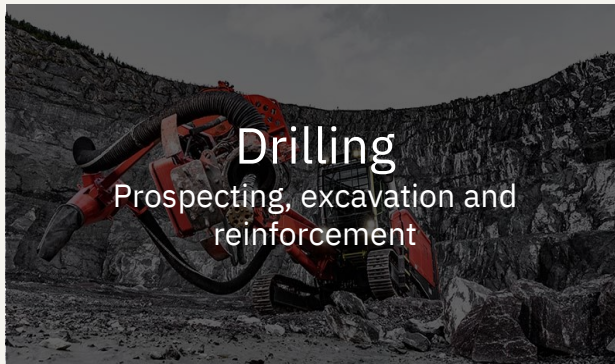
SEK **3,366m**  
SALES Q1 2024 LTM

**4.3%**  
ADJ. EBIT MARGIN Q1 2024 LTM

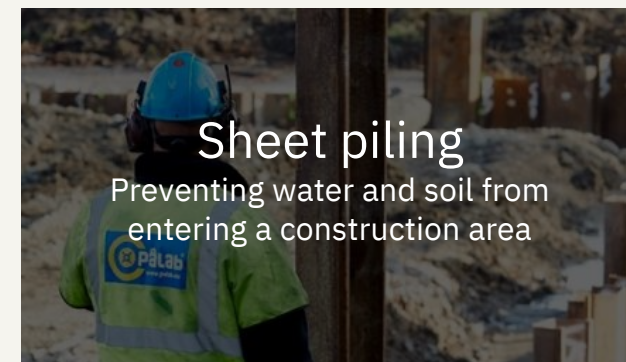
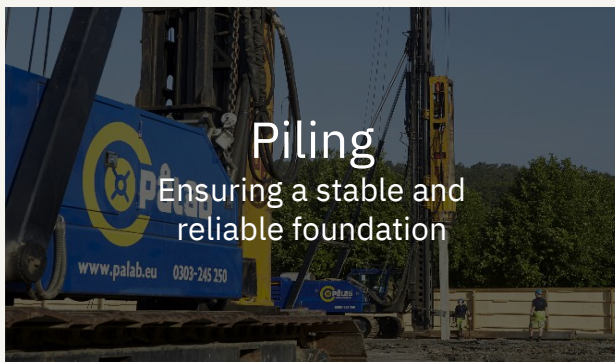
**23**  
OPERATING  
SUBSIDIARIES

# Areas for our services and solutions

## Rock

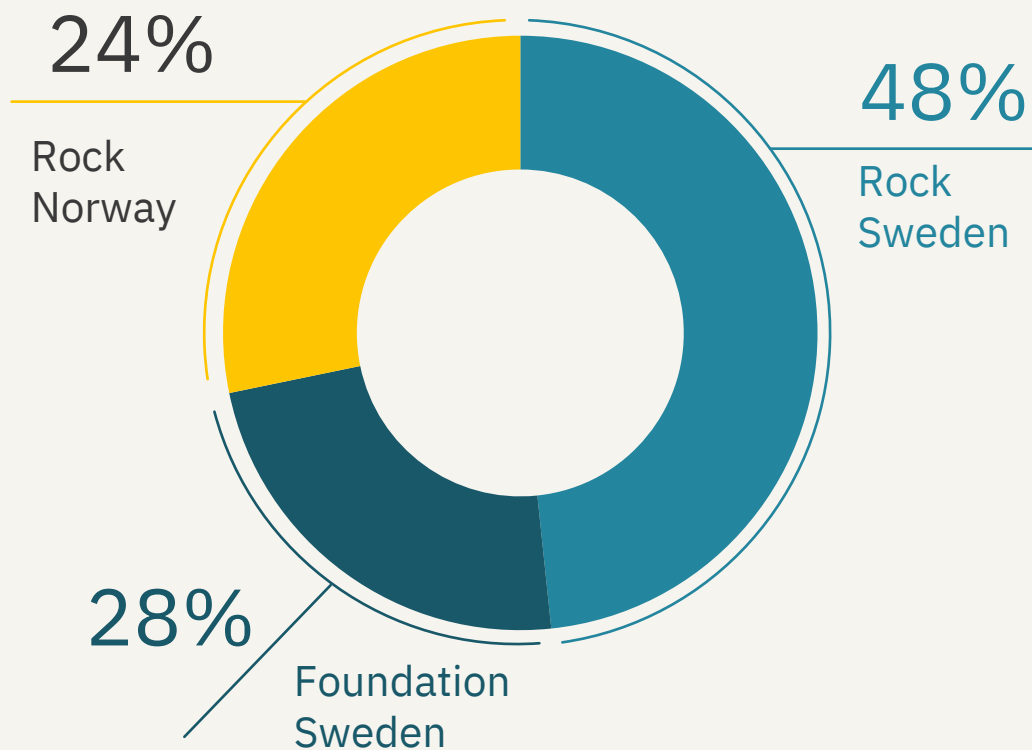


## Foundation

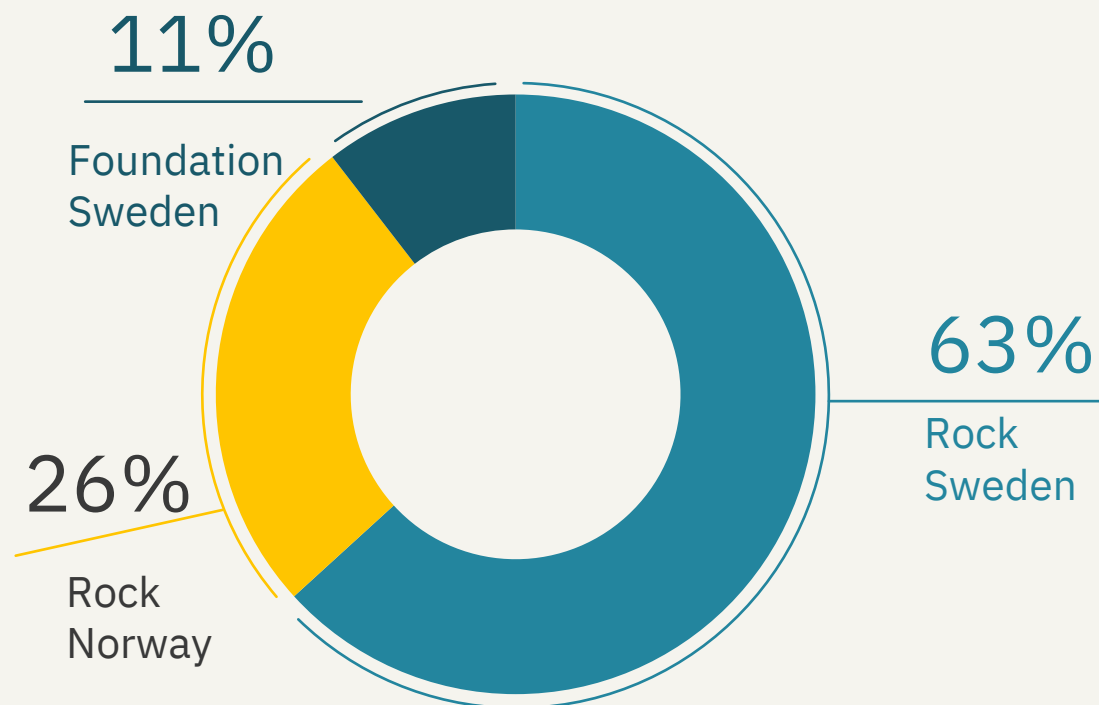


# Attractive business mix

REVENUE BY SEGMENT, LTM Q1 2024



EBIT PER SEGMENT, LTM Q1 2024



# Diversified project portfolio lowers 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 account to less than

10%  
yearly turnover

Direct exposure to construction of new housing

~10%

Mining and prospect drilling becoming an increased part of the group's 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 Q1

Strong development within Rock Sweden and  
positive effects of cost adaptations

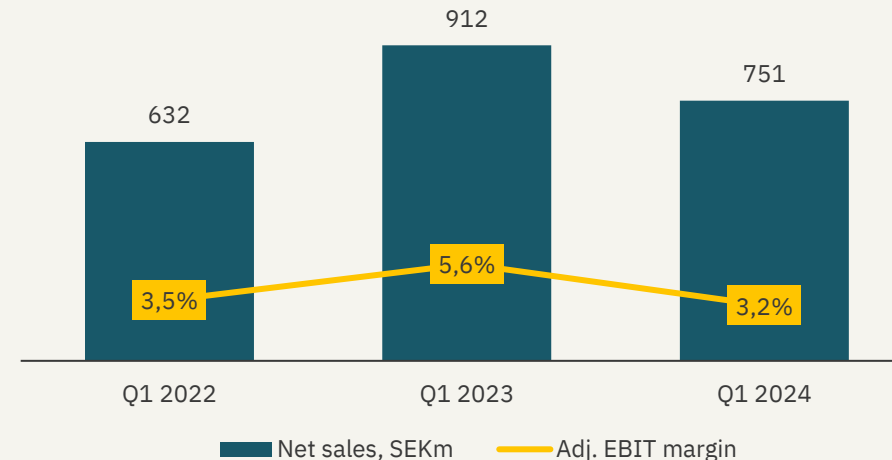
# Financial performance (1/2)

## January – March

- Net sales decreased by 18% and amounted to SEK 751m (912).
- Organic growth amounted to -21 (21)%
- Adjusted EBIT margin amounted to 3.2 (5.6)%.

## Comments

- Positive trend in Rock Sweden with improved margins compared to last quarter.
- Continued low activity in housing construction and tough weather conditions had a negative impact.
- Completed and initiated activities to restructure and streamline Rock Norway and Foundation Sweden have resulted in a positive outcome.
- Our previous assessment that there is a significant underlying need for infrastructure investments, as well as an increasing demand for operation and maintenance services in existing transportation networks and other infrastructure, remains unchanged. Additionally, there is a pronounced demand for several of our services as the green transition continues to be realized.



| SEKm               | Q1 2022 | Q1 2023 | Q1 2024 |
|--------------------|---------|---------|---------|
| Net sales          | 631.9   | 911.7   | 751.4   |
| EBITDA             | 72.1    | 106.3   | 105.2   |
| EBITDA margin      | 11.4%   | 11.7%   | 14.0%   |
| Adj. EBITDA        | 73.6    | 123.4   | 106.5   |
| Adj. EBITDA margin | 11.6%   | 13.5%   | 14.2%   |
| EBIT               | 20.5    | 33.7    | 22.7    |
| EBIT margin        | 3.2%    | 3.7%    | 3.0%    |
| Adj. EBIT          | 21.9    | 50.9    | 24.1    |
| Adj. EBIT margin   | 3.5%    | 5.6%    | 3.2%    |

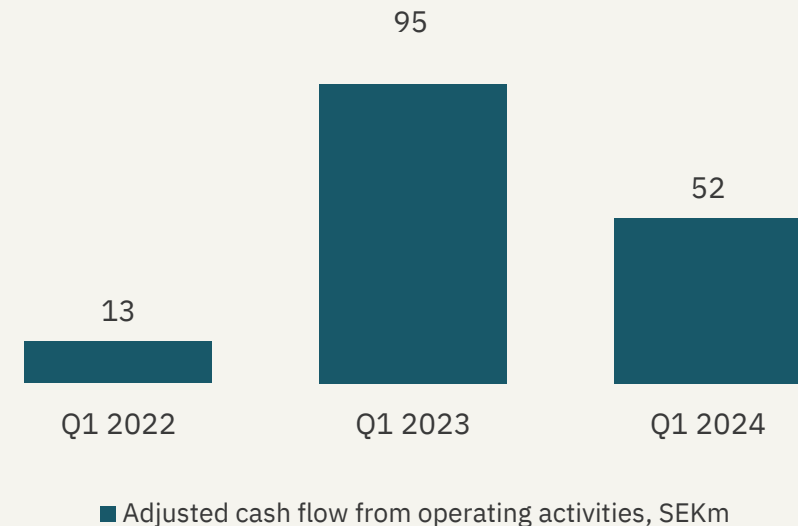
# Financial performance (2/2)

## Financials

- Adjusted cash flow from operating activities amounted to SEK 52m (95) during Q1.
- Net debt/adjusted EBITDA amounted to 3.5x (2.6).
- Cash and cash equivalents at the end of the period was SEK 80m (240).
- Unused credit and overdraft facilities amounts to SEK 312m.

## Comments

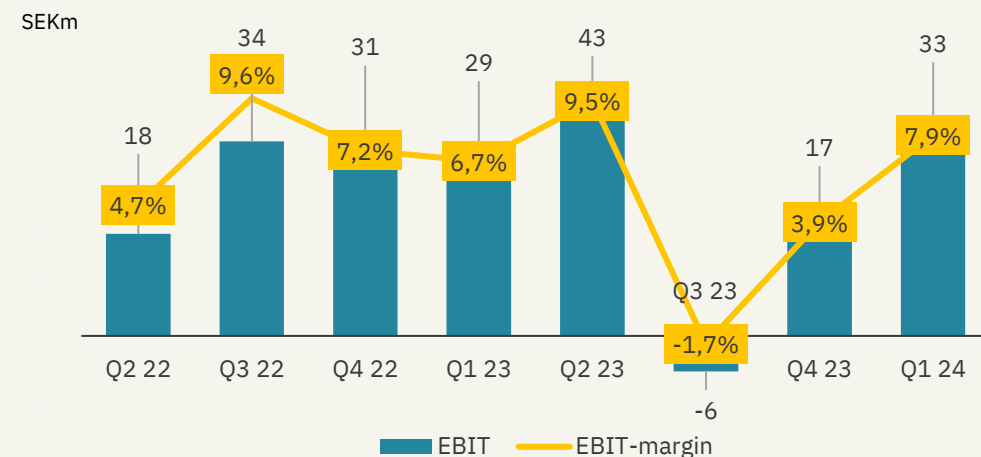
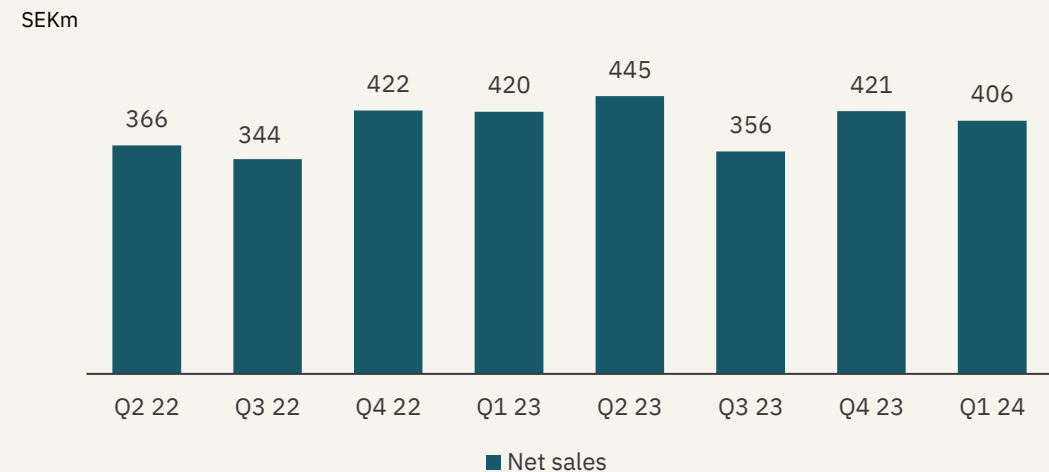
- Decreased cash flow from operating activities due to lower earnings and higher capital tied up in working capital.



# Performance per segment

## – Rock Sweden

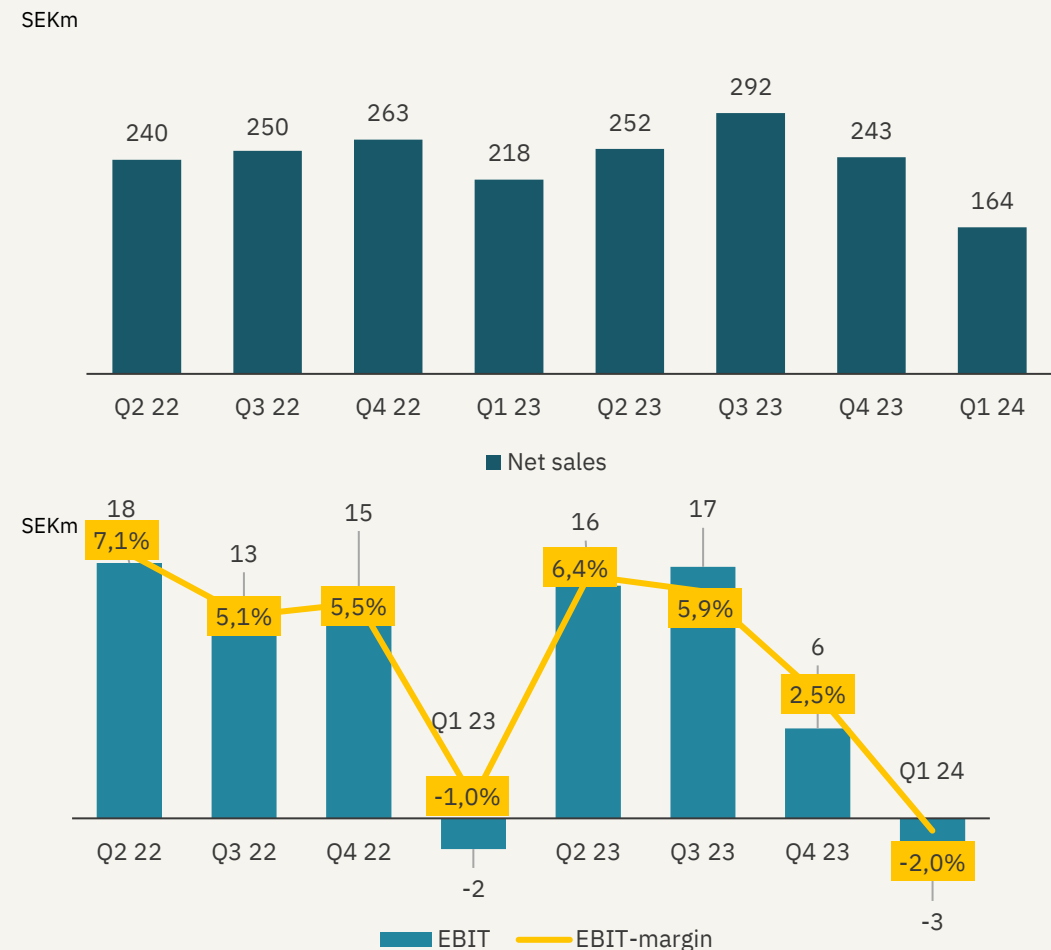
- Rock Sweden's external net sales decreased with 3% and organic growth amounted to -12%.
- Increased EBIT margin despite decreased volume.
- The segment has seen an increased number of inquiries recently, and several new major assignments have been obtained, along with renegotiations of several existing contracts with positive outcomes.



# Performance per segment

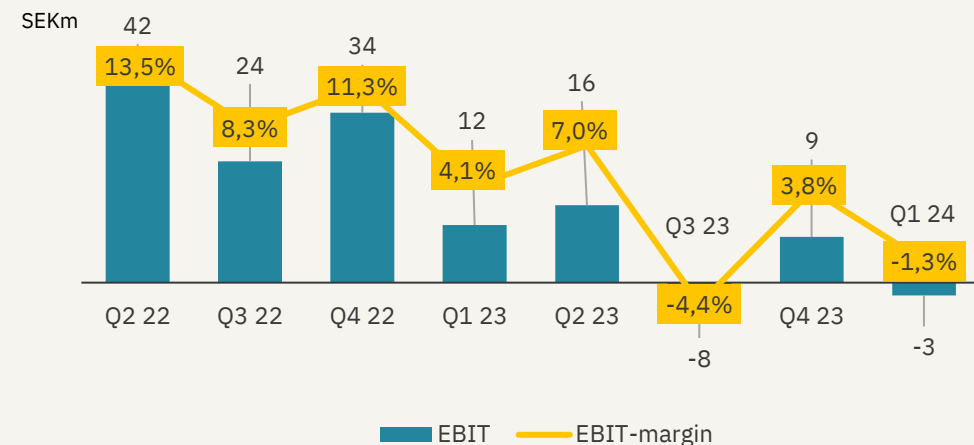
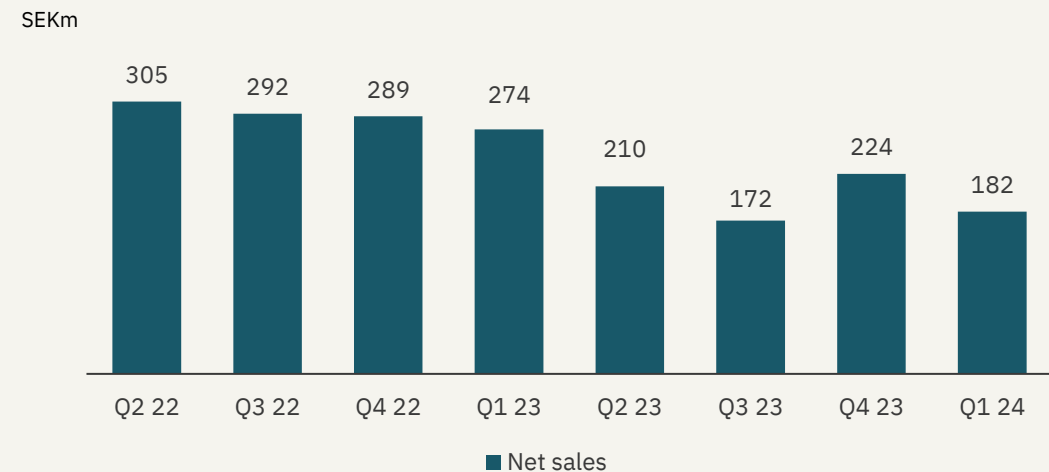
## – Rock Norway

- Rock Norway's external net sales decreased with 25%. The organic growth amounted to -22%.
- The EBIT margin amounted to -2.0 (-1.0)%.
- The segment has been negatively affected by the cold and snowy winter at the beginning of the quarter, which primarily impacts the rock reinforcement operations. Additionally, restructuring costs amounting to SEK -1.0 million have negatively impacted the margin for the quarter.



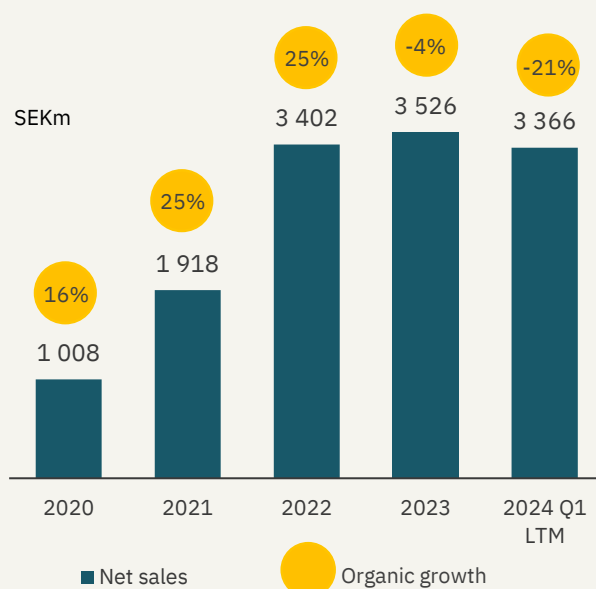
# Performance per segment – Foundation Sweden

- The external net sales during the first quarter decreased by 34%. The organic growth amounted to -34%. 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 first quarter amounted to SEK -2.6 (11.6) 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 -1.3 (4.1)%.



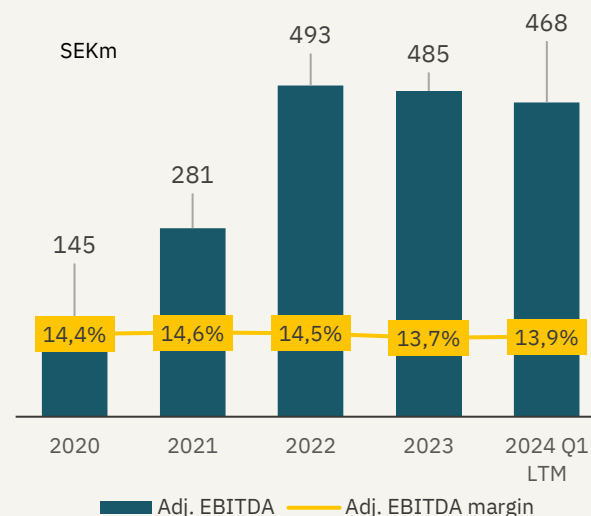
# Sustainable financial outlook

## NET SALES DEVELOPMENT



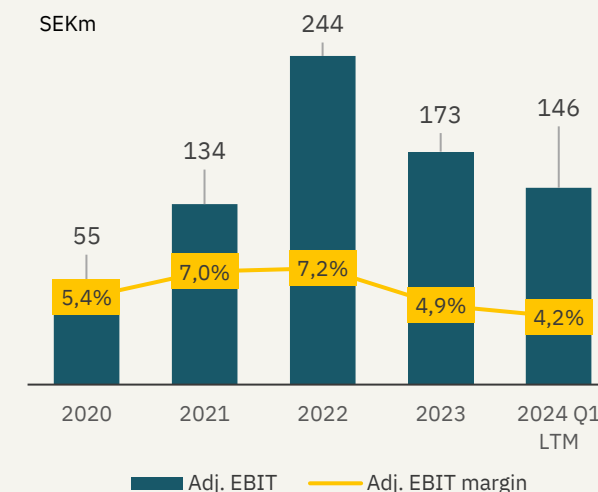
- Strong organic growth over time as a result of Nordisk Bergteknik's capability with a large machine park and extensive in-house competences. Current market climate has slowed down the organic growth.
- The average organic growth between the period 2020-2023 amounts to 16%.
- Growth has also been driven by an active M&A agenda with several acquisitions during the last three years. Current market climate has slowed down the M&A agenda.

## 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.

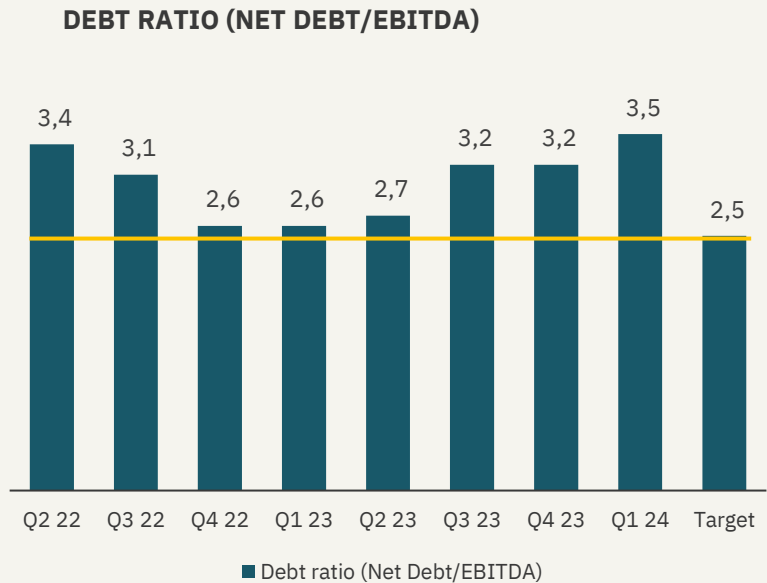
## ADJUSTED EBIT DEVELOPMENT



- Completed acquisitions have given a positive contribution to the margin development.
- Current market climate has negatively affected EBIT during 2023 and 2024.

# Net debt and leverage

- Net debt amounts to SEK 1,614m (1,389).
- Machine loans amounts to 446m and lease liabilities to 363m.
- Debt ratio (net debt/EBITDA LTM) amounts to 3.5x (2.6).
- Cash and cash equivalents amounts to SEK 80m (240).
- Available liquidity (cash and unused facilities) amounts to SEK 356m (585).



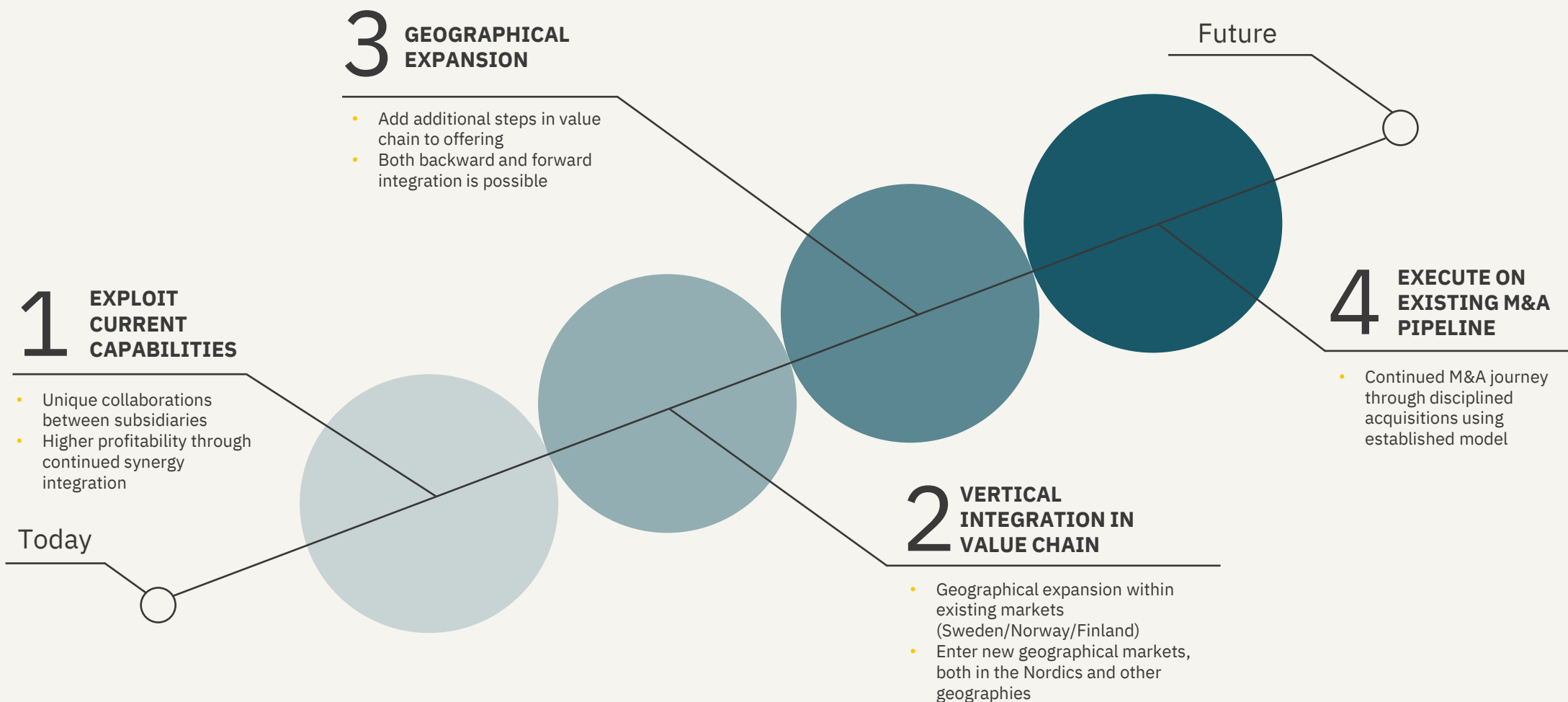


# Performance in the Q1 business climate



# Strategy and financial targets

# Predicted continued growth (1/2)



# Predicted continued growth (2/2)

## Successful operations in a niche market

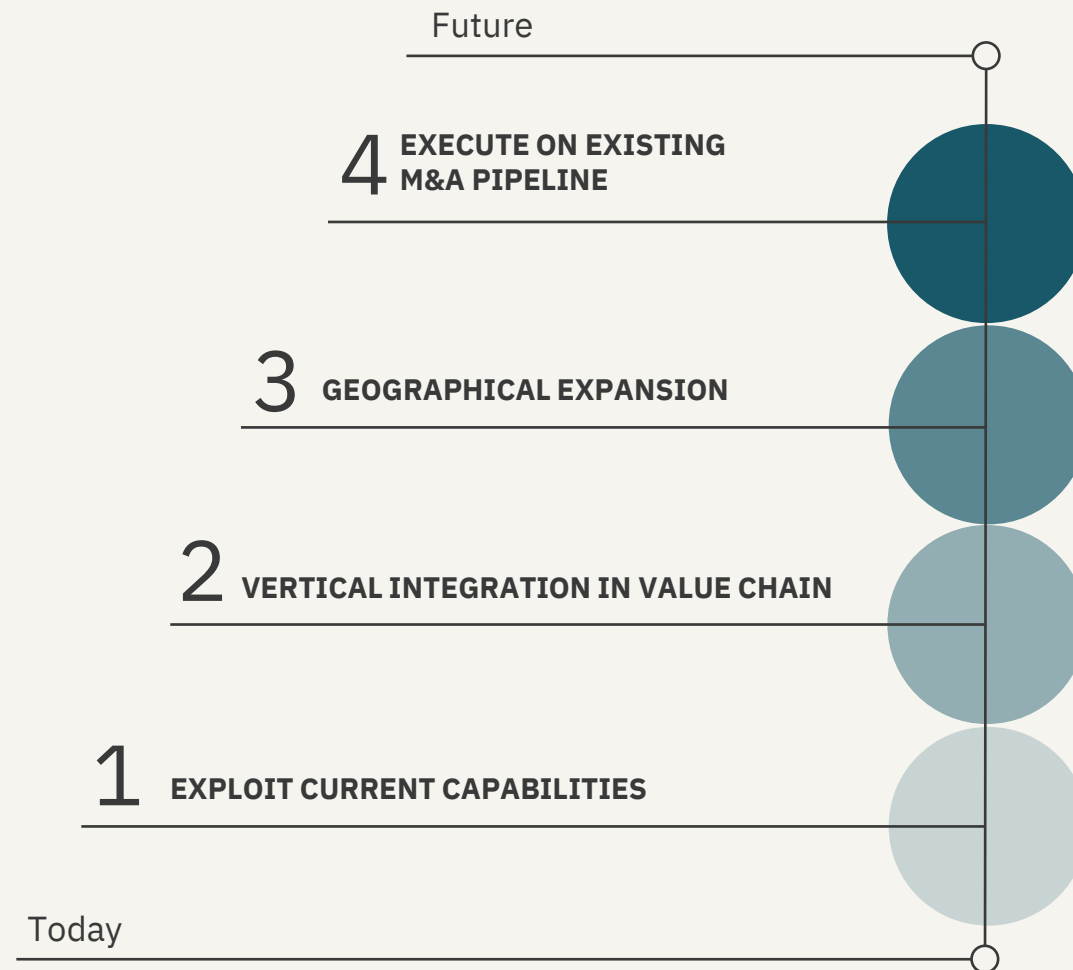
- Limited competition in a niche market with high barriers to entry since operations requires a high level of expertise, specialized equipment and machine capacity
- Additional upside with further materialisation of synergies and continued implementation of effectiveness initiatives

## 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

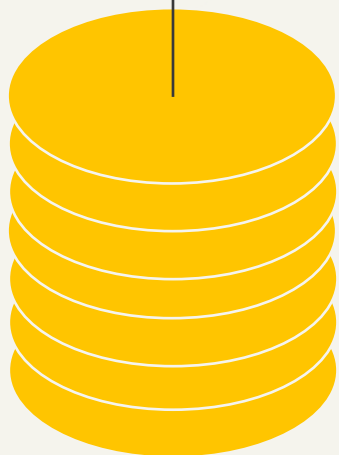
- Leading positions in rock segment. Opportunity to reach higher market share by executing on the short-term acquisition pipeline
- Grow organically by realization of synergies and implementation of optimization initiatives



# Financial targets and dividend policy

15%

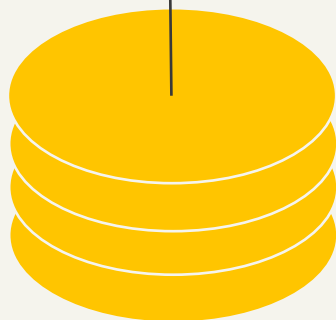
Growth



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%

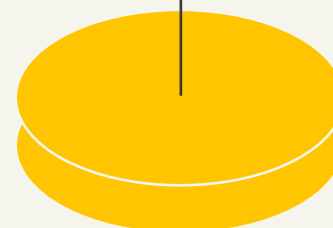
Profitability



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

<2,5x

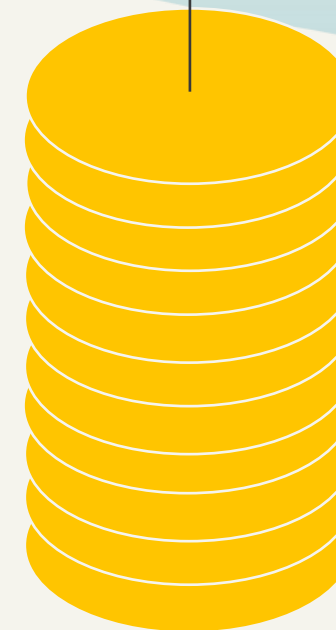
Capital structure



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