



August 14, 2024

Nordisk Bergteknik Q2

Table of contents

Nordisk Bergteknik at a glance

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

Interim report Q2

- Financial performance >
- Performance per segment >
- Sustainable financial outlook >
- Net debt and leverage >
- Performance in the Q2 business climate >

Financial targets and strategy to get there

- Predicted continued growth >
- Financial targets and dividend policy >

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 **120m**
ADJ. EBIT Q2 2024 LTM

1,216
OF EMPLOYEES

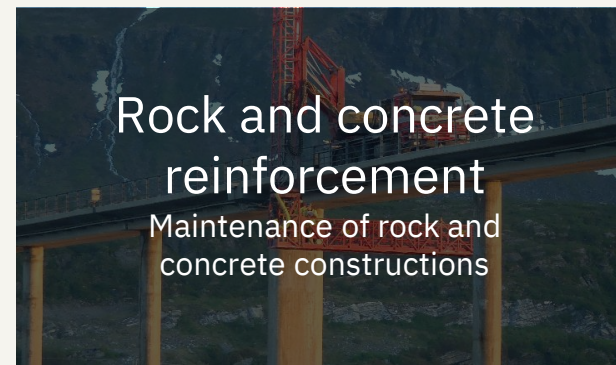
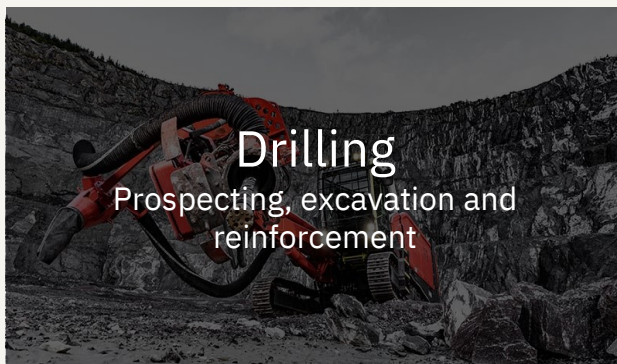
SEK **3,317m**
SALES Q2 2024 LTM

3.6%
ADJ. EBIT MARGIN Q2 2024 LTM

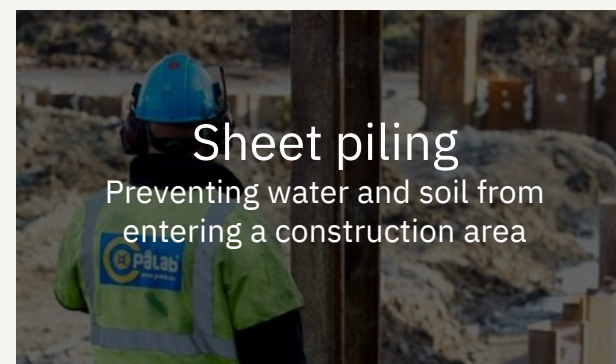
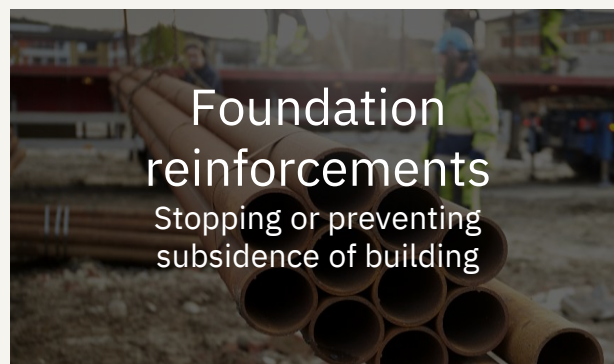
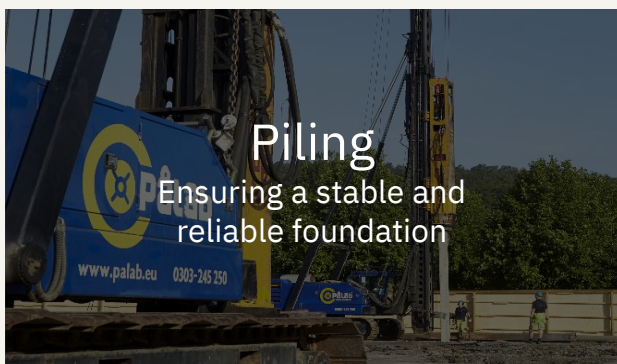
23
OPERATING
SUBSIDIARIES

Areas for our services and solutions

Rock

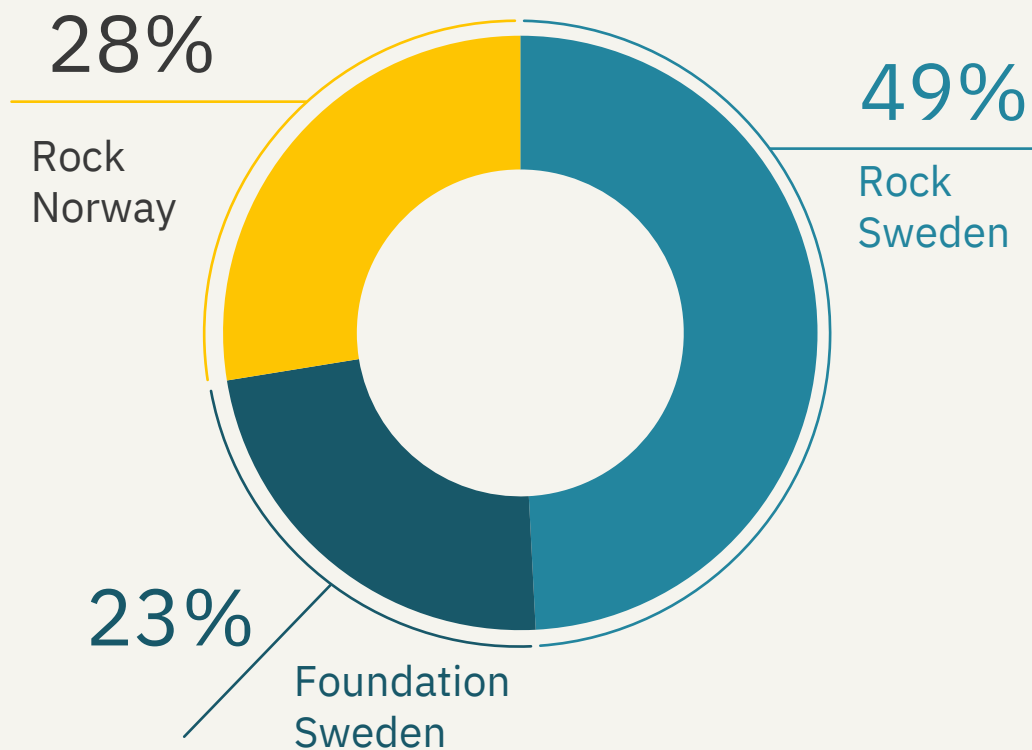


Foundation

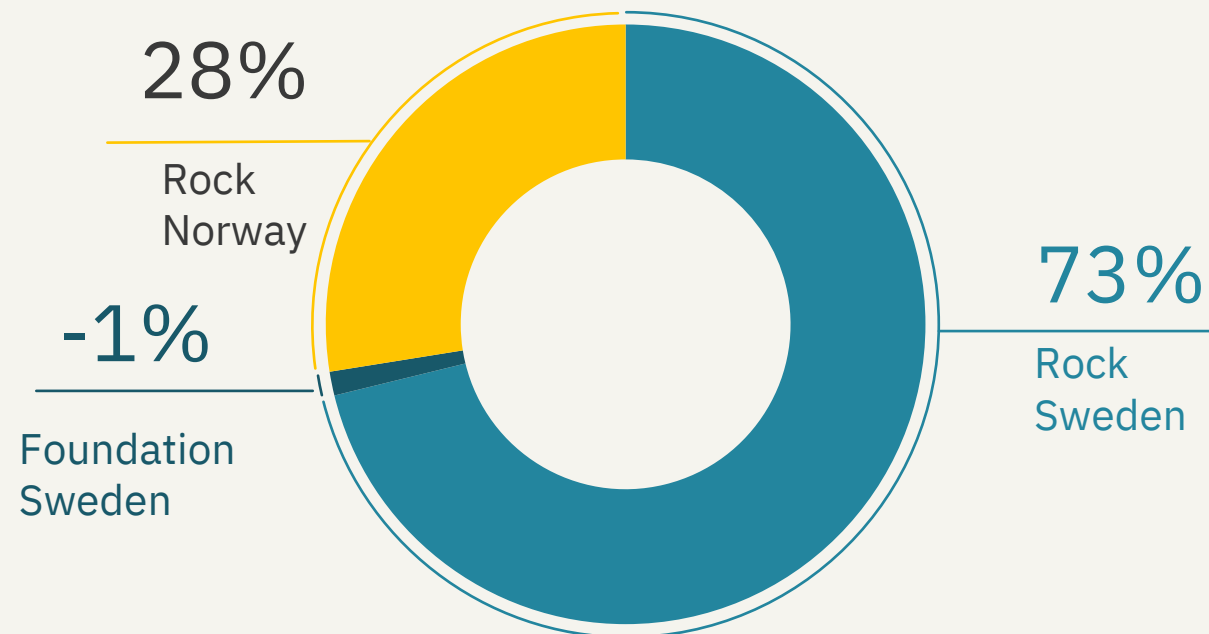


Attractive business mix

REVENUE BY SEGMENT, LTM Q2 2024



EBIT PER SEGMENT, LTM Q2 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 Q2

We see a number of signs that the worst is now behind us

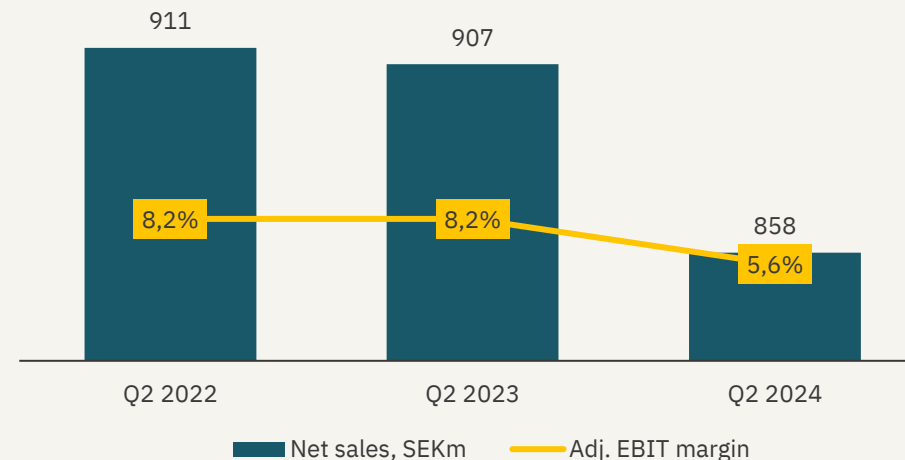
Financial performance (1/2)

April – June

- Net sales decreased by 5% and amounted to SEK 858m (907).
- Organic growth amounted to -6 (-10)%
- Adjusted EBIT margin amounted to 5.6 (8.2)%.

Comments

- The positive trend we have seen in Rock Sweden since the fourth quarter continues.
- Continued low activity in housing construction and hesitant Norwegian market activity affecting Foundation Sweden and Rock Norway.
- Completed and initiated activities to restructure and streamline Rock Norway and Foundation Sweden have resulted in a positive outcome.
- There is a significant underlying need for new infrastructure investments and probably an even greater need to maintain and renovate existing transportation networks and other forms of infrastructure in society. Investments in infrastructure will benefit us and further develop the group as a strategic and significant player over time.



SEKm	Q2 2022	Q2 2023	Q2 2024
Net sales	911.4	907.1	858.1
EBITDA	135.9	144.9	130.0
EBITDA margin	14.9%	16.0%	15.2%
Adj. EBITDA	137.2	151.4	131.4
Adj. EBITDA margin	15.1%	16.7%	15.3%
EBIT	73.2	67.8	46.8
EBIT margin	8.0%	7.5%	5.5%
Adj. EBIT	74.5	74.3	48.1
Adj. EBIT margin	8.2%	8.2%	5.6%

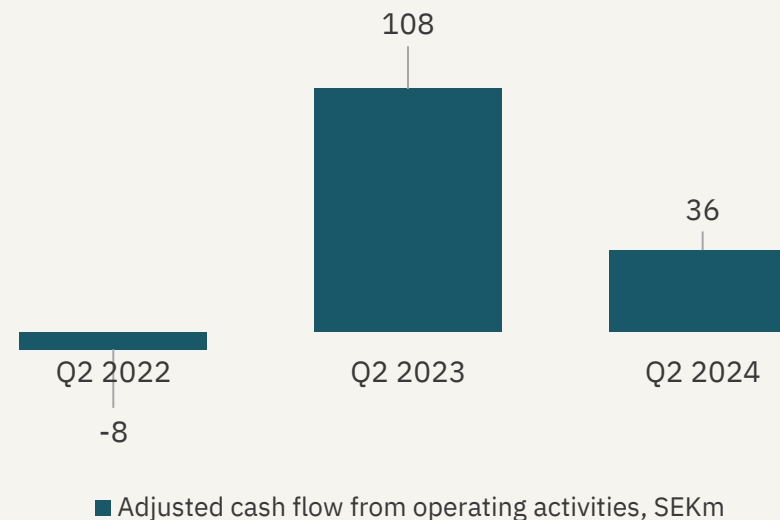
Financial performance (2/2)

Financials

- Adjusted cash flow from operating activities amounted to SEK 36m (108) during Q2.
- Net debt/adjusted EBITDA amounted to 3.6x (2.7), mainly due to lower earnings.
- Cash and cash equivalents at the end of the period was SEK 28m (161).
- Unused credit and overdraft facilities amounts to SEK 214m.

Comments

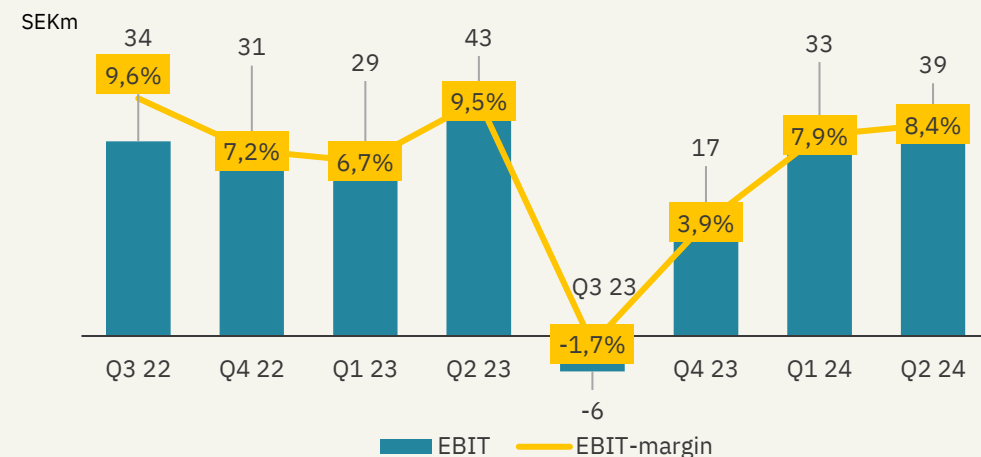
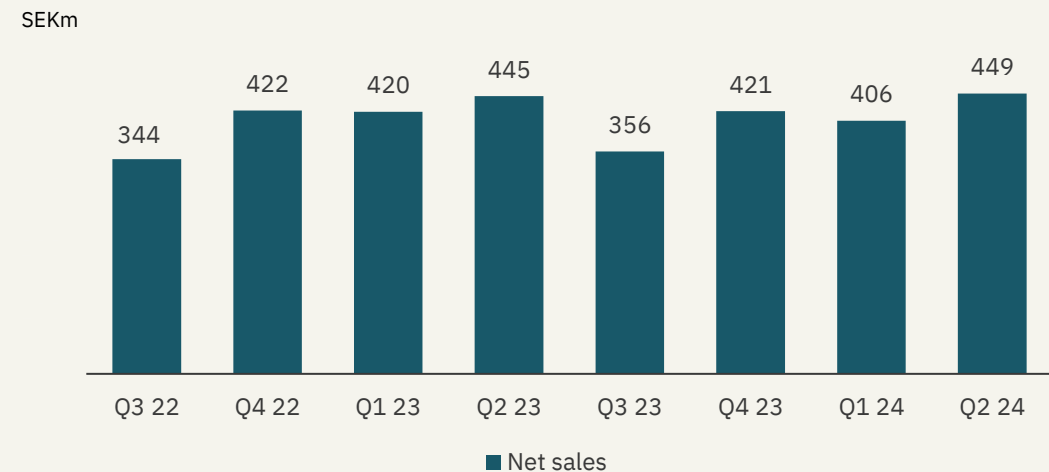
- Decreased cash flow from operating activities due to lower earnings and higher capital tied up in working capital.



Performance per segment

– Rock Sweden

- Rock Sweden's external net sales increased with 1% and organic growth amounted to -2%.
- The EBIT margin is lower than the comparison quarter, but it still remains at a healthy level for the current quarter.
- The segment has seen an increased number of inquiries recently, and several new larger assignments have been obtained, along with renegotiations of several existing contracts with positive outcomes.
- The general activity in the Norwegian market has been lower during the quarter. However, we managed to deliver satisfactory profitability within the segment under the current conditions. This is clear evidence that the structural changes and cost-saving measures we have implemented are yielding results.

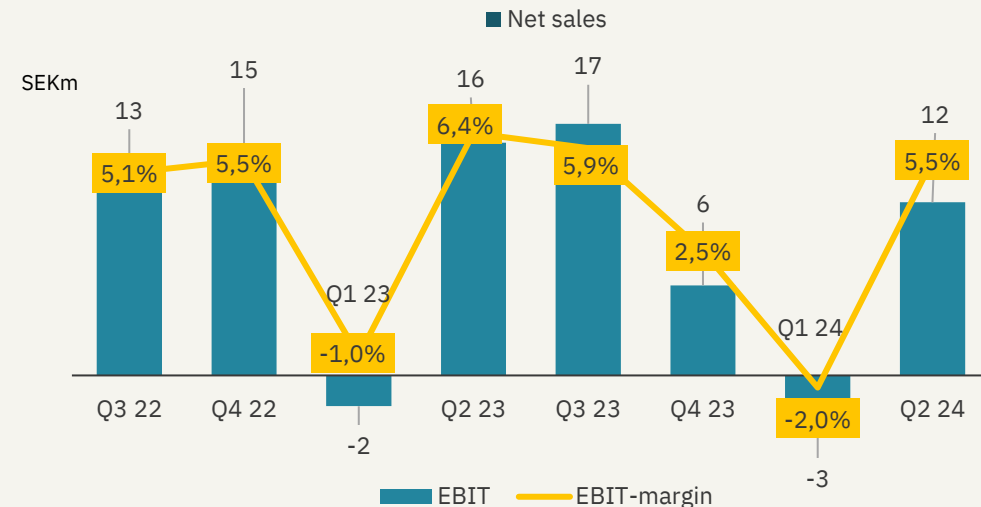
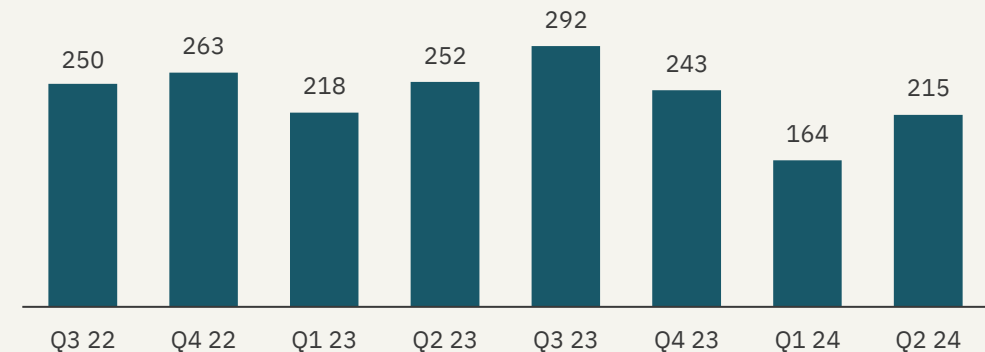


Performance per segment

– Rock Norway

- Rock Norway's external net sales decreased with 15%. The organic growth amounted to -14%.
- The EBIT margin amounted to 5.5 (6.4)%.
- We are continuing to restructure and consolidate the Norwegian operations into fewer units, and to adapt the business to the current market conditions.

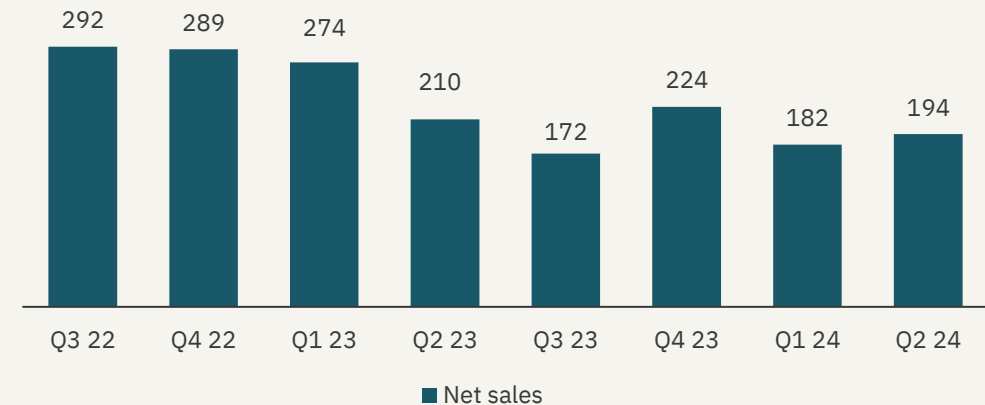
SEKm



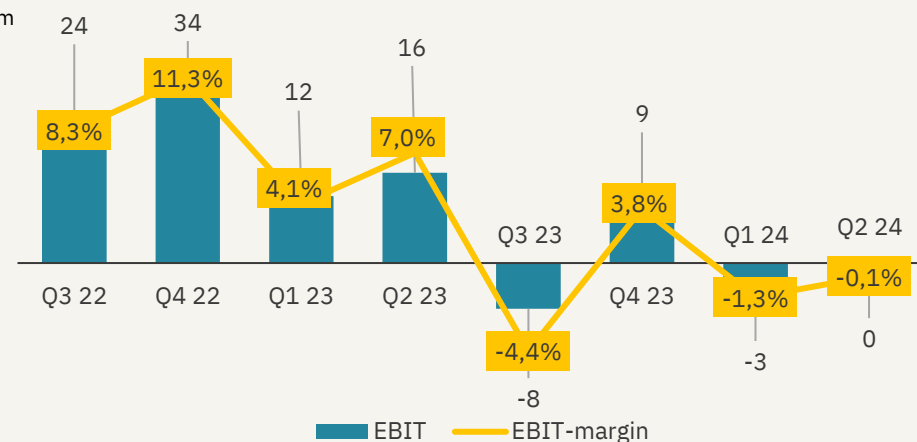
Performance per segment – Foundation Sweden

- The external net sales during the second quarter decreased by 8%. The organic growth amounted to -8%. 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 second quarter amounted to SEK -0.3m (15.6). 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 -0.1 (7.0)%.

SEKm

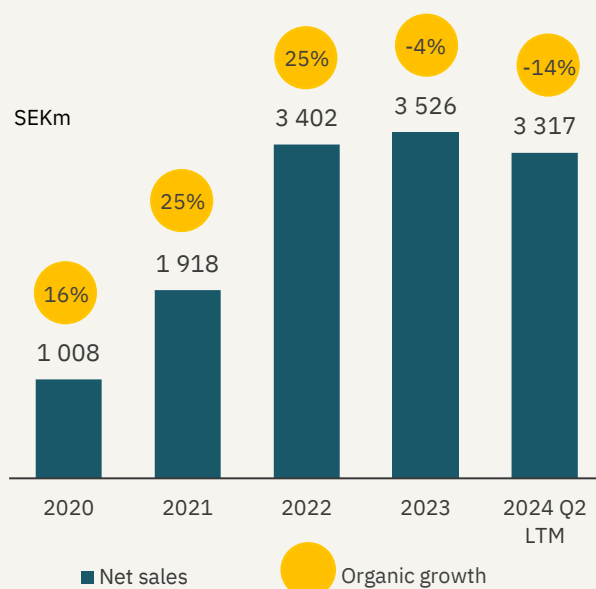


SEKm



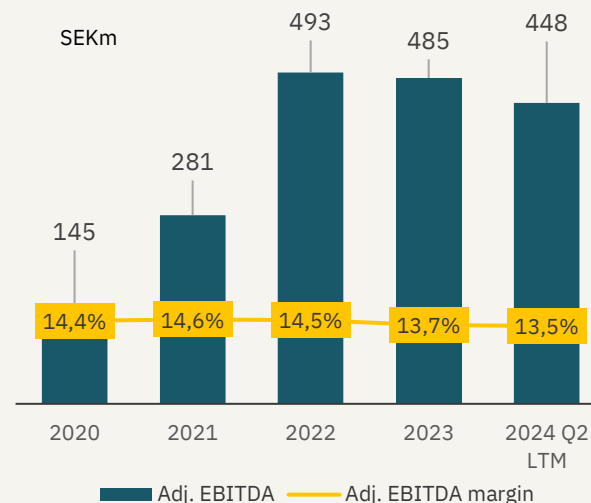
Sustainable financial outlook

NET SALES DEVELOPMENT



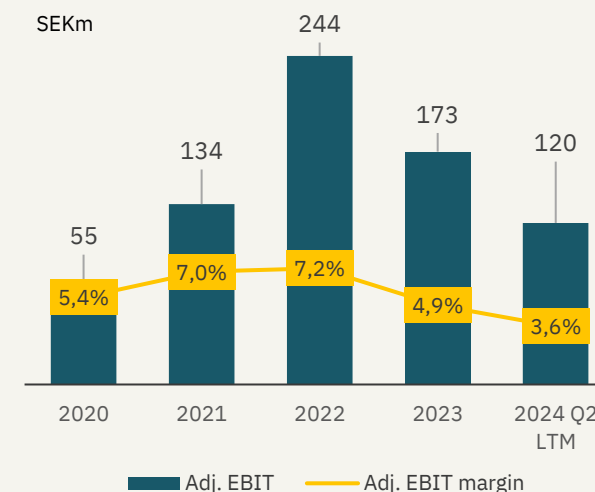
- Strong organic growth over time as a result of Nordisk Bergteknik's capability with a large machine park and extensive in-house competences. Current market climate has slowed down the organic growth.
- The average organic growth between the period 2020-2023 amounts to 16%.
- Growth has also been driven 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

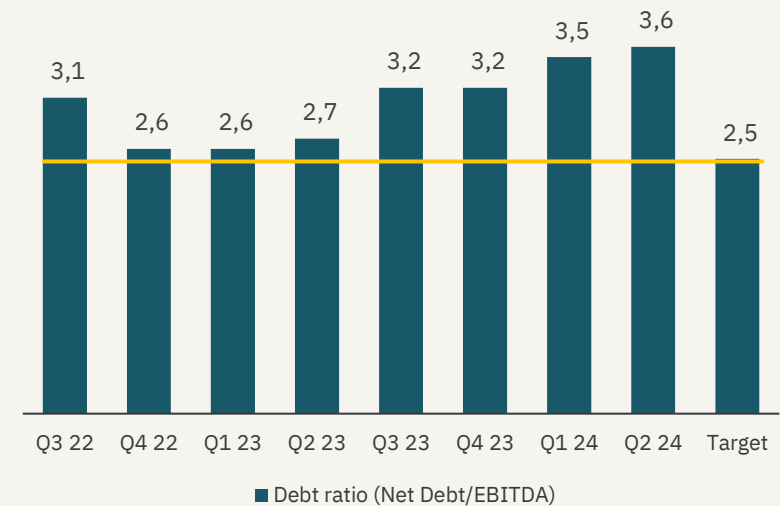


- Completed acquisitions have given a positive contribution to the margin development.
- Current market climate has negatively affected EBIT during 2023 and 2024.

Net debt and leverage

- Net debt amounts to SEK 1,600m (1,480).
- Machine loans amounts to SEK 437m and lease liabilities to SEK 339m.
- Debt ratio (net debt/EBITDA LTM) amounts to 3.6x (2.7).
- Cash and cash equivalents amounts to SEK 28m (161).
- Available liquidity (cash and unused facilities) amounts to SEK 242m (506).

DEBT RATIO (NET DEBT/EBITDA)

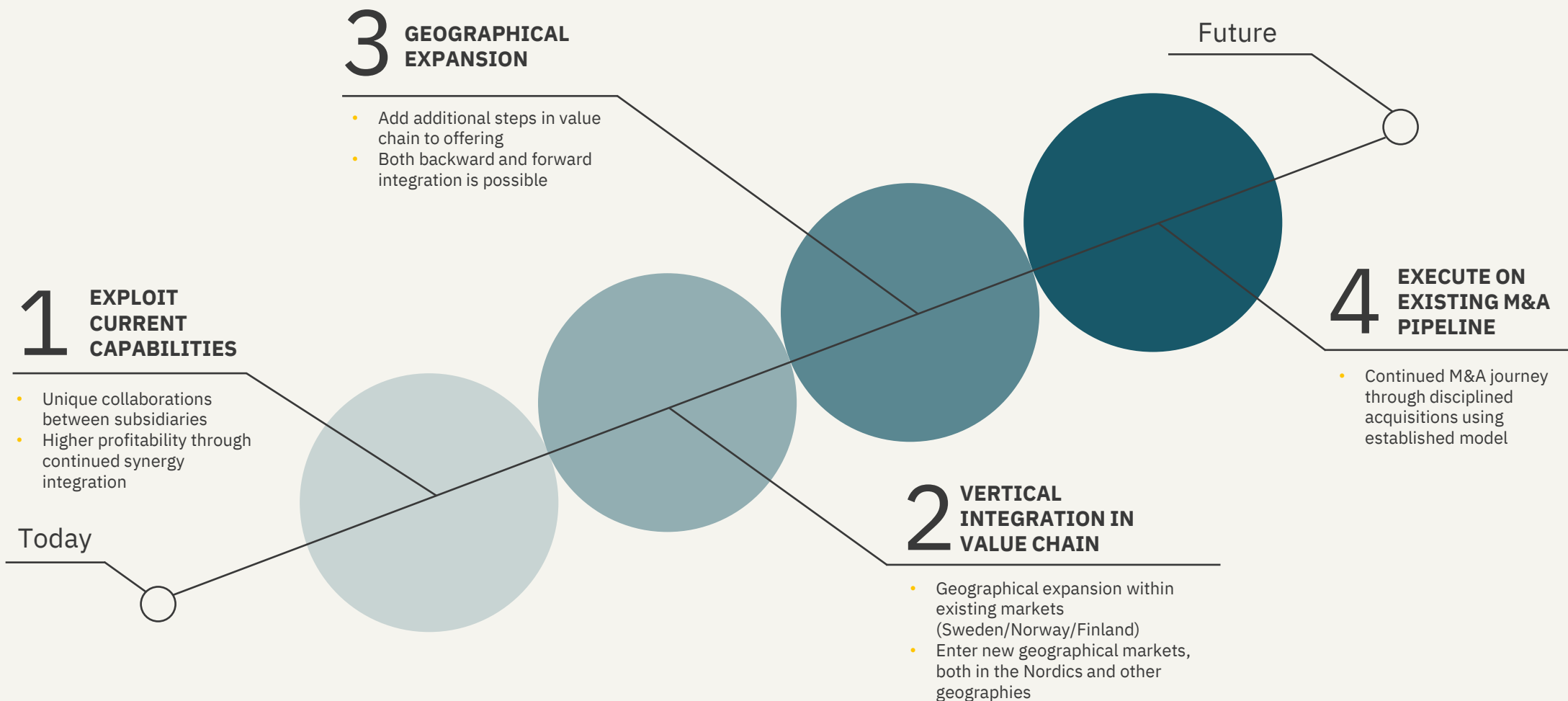


Performance in the Q2 business climate



Strategy and financial targets

Predicted continued growth (1/2)



Predicted continued growth (2/2)

Successful operations in a niche market

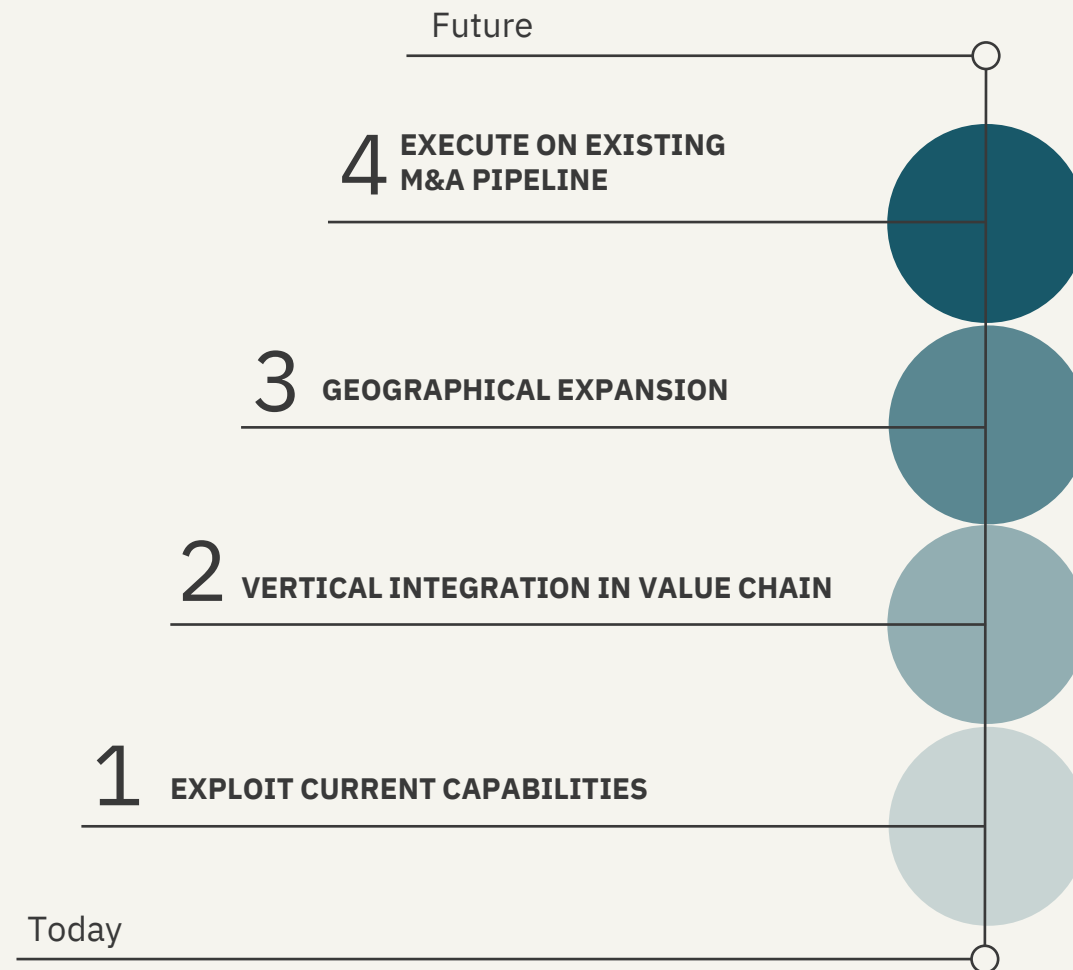
- Limited competition in a niche market with high barriers to entry since operations requires a high level of expertise, specialized equipment and machine capacity
- Additional upside with further materialisation of synergies and continued implementation of effectiveness initiatives

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

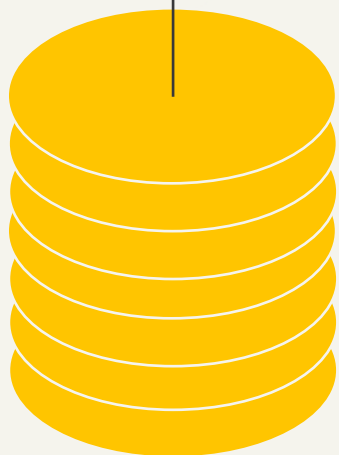
- Leading positions in rock segment. Opportunity to reach higher market share by executing on the short-term acquisition pipeline
- Grow organically by realization of synergies and implementation of optimization initiatives



Financial targets and dividend policy

15%

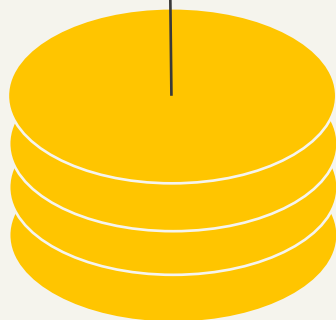
Growth



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%

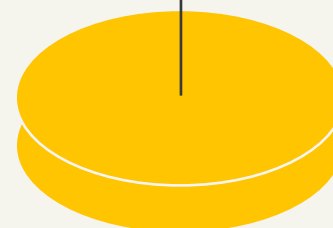
Profitability



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