



NRC Group

Q2 2016 Presentation

Oslo

18 August, 2016

Disclaimer

Forward Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking. You should not place undue reliance on these forward-looking statements for many reasons.

These forward-looking statements reflect current views with respect to future events and are by their nature subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity or performance will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this presentation, either to conform them to actual results or to changes in our expectations.

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Highlights



Q2 Highlights

High activity in Norway and Sweden

Closed acquisition of the Norwegian signal company Railcap

Selected as subcontractor to Alstom in the coming ERTMS tender process

Building an efficient project organisation for large upcoming projects in Norway and Sweden



Q2 figures

Revenues increased by 103 per cent compared to Q2 2015

Revenues of NOK 553.7 million in Q2 2016 vs NOK 273.1 million in Q2 2015

EBITDA increased by 168 per cent compared to Q2 2015

EBITDA of NOK 43.4 million in Q2 2016 vs NOK 16.2 million in Q2 2015

Strong order backlog of NOK 1,699 million in Q2 2016

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Q2 and first half 2016 pro forma key figures – profit and loss

- Q2 Revenue of NOK 553.7 million (NOK 273.1 million)

- High activity
- Normal situation in Sweden vs Q2 2015

- Q2 EBITDA NOK 43.4 million (NOK 16.2 million)

- High activity

- Q2 EBITDA margin of 7.8 per cent (5.9 per cent)

- Q2 EBIT NOK 33.6 million (NOK 8.3 million)

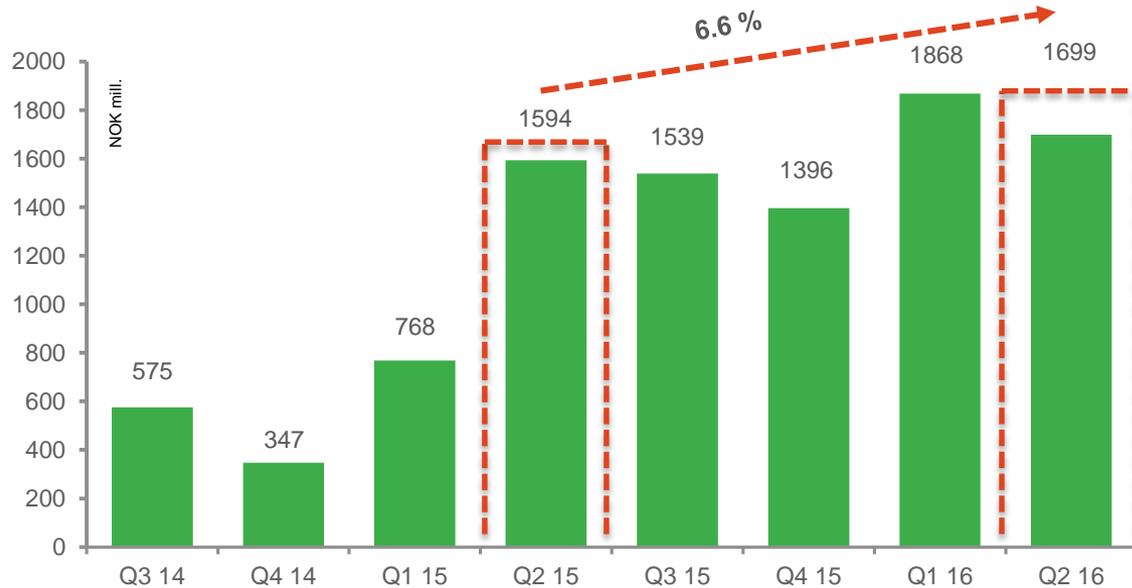
(Amounts in NOK 1 000)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Revenue	553 662	273 067	914 911	448 176
Operating expenses	510 302	256 859	867 154	436 578
EBITDA	43 360	16 208	47 757	11 598
EBITA	37 093	11 884	36 117	3 332
EBIT	33 613	8 321	29 046	-3 793
EBT	31 202	5 794	23 865	-8 858
EBITDA (%)	7,8 %	5,9 %	5,2 %	2,6 %

Includes pro forma figures for 2016 and 2015, adjusted for transaction costs of NOK 2.0 million and one-offs of NOK 10.8 million, and transaction costs of NOK 22 million and one-offs of NOK 12 million, in 2016 and 2015 respectively.

Strong order book

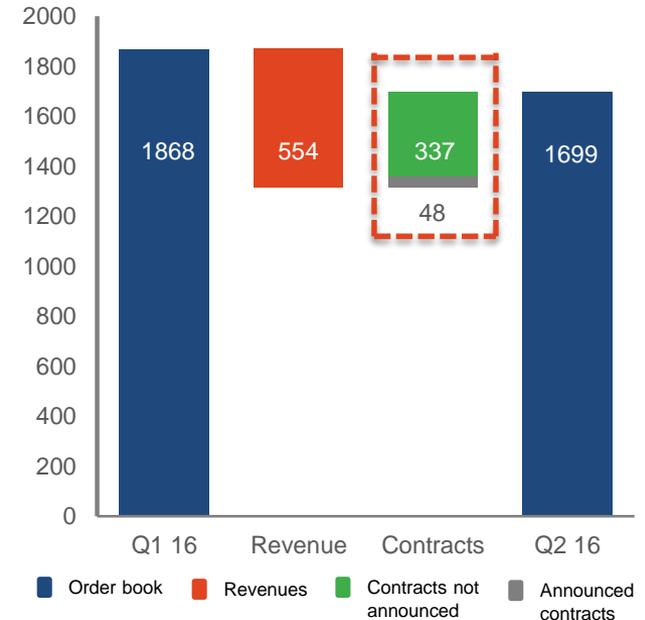
Order book Q3 2014- Q2 2016

In NOK million



Order book development Q1 16 – Q2 16

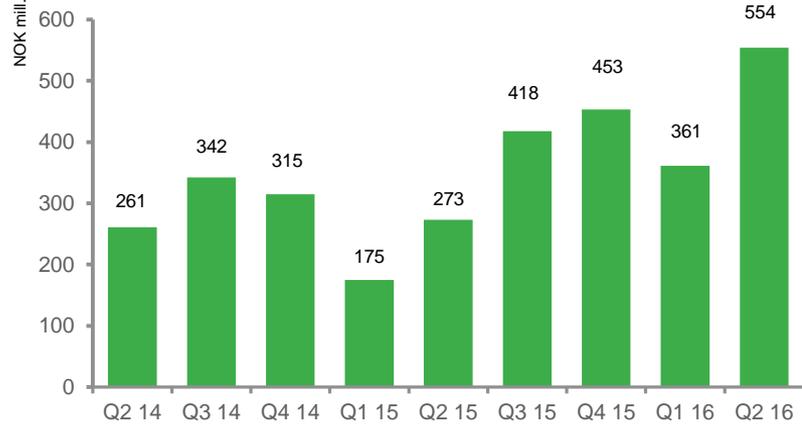
In NOK million



Seasonal fluctuations in earnings

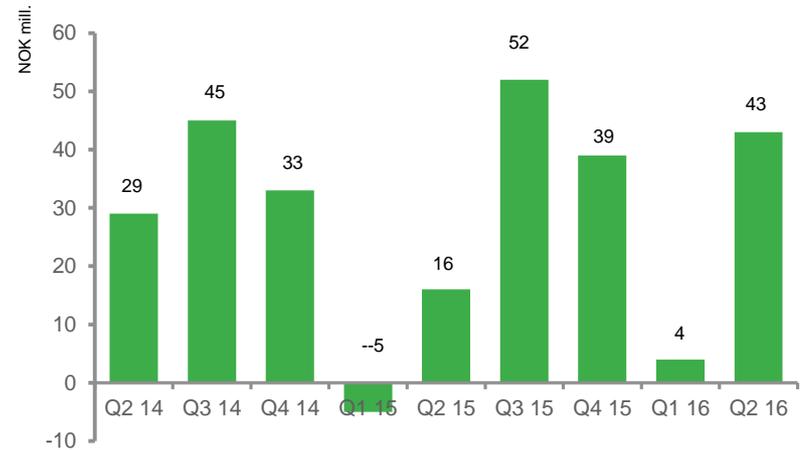
Revenues Q2 2014- Q2 2016

In NOK million



EBITDA Q2 2014- Q2 2016

In NOK million



Q2 and first half 2016 key figures – balance sheet

- Intangible assets of NOK 624.6 million has increased by NOK 9.9 million from 31 December 2015
 - Railcap, f/x adjustments
- Net debt is NOK 67.4 million vs. net cash of NOK 8.3 million as per 31 December 2015
- Equity ratio is 50.2 per cent per 30 June 2016 vs 53.6 per cent per 31 December 2015

(Amounts in NOK 1 000)

ASSETS	30.06.2016	30.06.2015	31.12.2015
Intangible non-current assets	624 554	340 241	614 675
Other non-current assets	117 133	129 557	128 986
Other current assets	490 657	231 596	359 361
Cash and cash equivalents	167 447	56 475	258 229
Total assets	1 399 791	757 869	1 361 251

(Amounts in NOK 1 000)

EQUITY AND LIABILITIES	30.06.2016	30.06.2015	31.12.2015
Total equity	702 521	236 808	729 004
Non-current interest-bearing liabilities	105 437	166 621	162 088
Other non-current liabilities	56 691	23 259	33 006
Total interest-bearing current liabilities	129 624	101 450	87 841
Total other current liabilities	405 519	229 731	349 312
Total equity and liabilities	1 399 791	757 869	1 361 251

Q2 and first half 2016 key figures – cash flow

- Cash balance at NOK 167.4 million per 30 June 2016 vs. NOK 258.2 million per 31 December 2015

- Cash flow from operating activities in Q2 is NOK -10.6 million
 - Increase in working capital due to substantial growth

- Net cash flow from investing activities in Q2 is NOK -29.0 million
 - Railcap and Capex
 - Sale of Blom Nordic

- Net cash flow from financing activities in Q2 is NOK – 12.6 million

<u>(Amounts in NOK 1 000)</u>	<u>Q2 2016</u>	<u>Q2 2015 (Re-presented)</u>	<u>YTD 2016</u>	<u>YTD 2015 (Re-presented)</u>
Profit/loss before tax 1)	17 376	-11 844	10 892	-19 557
Net cash flow from operating activities	-10 578	-2 205	-26 336	-16 425
Net cash flow from investing activities	-29 041	-142 075	-48 722	-143 427
Net cash flow from financing activities	-12 552	163 825	-9 228	163 518
Net change in cash and cash equivalents	-52 172	19 545	-84 286	3 666
Cash and cash equivalents at the start of the period	223 136	36 511	258 228	52 390
Currency translation differences	-3 518	419	-6 496	419
Cash and cash equivalents at the end of the period	167 447	56 475	167 447	56 475

1) Profit/loss before tax for 2015 has been re-presented to reflect the divestment of the Nordic Geo business

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Strong market & several large upcoming projects in Norway and Sweden

- Joint office has been set up in Gothenburg in Sweden
- Recruited and built an efficient project organisation with the competence and experience to be a competitive provider for large projects
- The Follo Line Project (the largest transport project in Norway)
 - NRC appointed to a contract of track works with Obrascón Huarte Lain (OHL)



Flackarp - Lund

- Expansion of the railway to four tracks
- Investments of approx. SEK 5 billion
- From 2017



Hamnbanan Göteborg

- Expansion of the railway to two tracks
- Investments of approx. SEK 1.5 billion
- From 2017



Dingersjö stasjon

- Renewal of rail terminal
- Investments of approx. SEK 600 million
- From 2017



Meråkerbanen

- Electrification of the current tracks
- Investments of approx. NOK 3 billion
- From 2017



Skien driftsbanegård

- Renewal of rail terminal
- Investments of approx. NOK 200 million
- From 2017



Arna – Bergen - Fløyen

- Expansion of the railway to two tracks
- Investments of approx. NOK 450 million
- From 2017

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Summary & outlook

- Significant revenue and profit improvement
- Strong order backlog
- Selected as subcontractor to Alstom in the coming ERTMS tender process
- Building an efficient project organisation for large upcoming projects in Norway and Sweden
- The market sentiment in Sweden and Norway is strong

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20 largest shareholders

Per 30 June 2016

INVESTOR	NO OF SHARES	% OF TOTAL	ACC TYPE	COUNTRY
DATUM AS	5 100 000	14,4 %		NOR
SWEDBANK AB	4 048 441	11,5 %	NOM	SWE
URBEX INVEST AS	3 807 033	10,8 %		NOR
DANSKE BANK A/S	2 864 108	8,1 %	NOM	SWE
DNB NOR BANK ASA EGENHANDELSKONTO	2 104 955	6,0 %		NOR
NORDEA BANK AB	1 983 708	5,6 %	NOM	SWE
CHARLOTTE HOLDING AS	1 928 008	5,5 %		NOR
ARCTIC FUNDS PLC	1 551 783	4,4 %		IRL
SOGN INVEST AS	1 281 046	3,6 %		NOR
ALFRED BERG GAMBA	983 837	2,8 %		NOR
GRANSHAGEN INVEST AS	601 007	1,7 %		NOR
MIDDELBORG INVEST AS	600 000	1,7 %		NOR
STATOIL PENSJON	544 854	1,5 %		NOR
ALFRED BERG NORGE	474 040	1,3 %		NOR
HOLMEN SPESIALFOND	450 000	1,3 %		NOR
KRAG INVEST AS	400 000	1,1 %		NOR
SORA AS	385 000	1,1 %		NOR
MP PENSJON	325 365	0,9 %		NOR
MEITNER AS	319 358	0,9 %		NOR
TORE AAMOT INVEST AS	281 173	0,8 %		NOR
TOTAL NUMBER OWNED BY TOP 20	30 033 716	85,1 %		
TOTAL NUMBER OF SHARES	35 311 362			