

Q1 2019 Result presentation

Oslo, 14 May 2019

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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.

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Operational highlights

Key events

Closed acquisition of VR Track Oy - integration progressing as planned

Strong increase in tendering in Sweden, high activity in Norway and Finland

Henning Olsen appointed new CEO

Appointed to largest ever contract to date of EUR 220 million by City of Espoo and City of Helsinki

Key figures Q1

Revenues of NOK 1,225 million vs NOK 528 million in Q1 2018

Total EBITDA ex M&A costs of NOK 7 million

Satisfying order intake in the quarter, amounting to NOK 1,480 million

Order book of NOK 6,790 million including JVs

Financials

A person in a dark suit and patterned tie is shown from the chest down, holding a white hard hat in their right hand. The background is a city skyline at sunset, with a warm orange and yellow glow from the sun on the right. The word "Financials" is overlaid in a white box on the left side of the image.

Q1 2019 key figures – profit and loss

	(Amounts in NOK million)	Q1 2019	Q1 2018	FY 2018
• Revenue of NOK 1,225 million (+132%)	Revenue	1 225	528	3 176
– Organic growth +10%				
• EBITDA ex M&A of NOK 7 million	EBITDA*	7	2	132
	Depreciation	53	14	75
	EBITA*	-46	-12	57
• Depreciations of NOK 53 million	EBIT*	-65	-18	29
– VR Track acquisition				
– IFRS 16 – mainly rent agreements	Other income and expenses	-48	0	-28
	EBITDA* %	0,6 %	0,3 %	4,2 %
• EBITA ex M&A of NOK -46 million				
	*Excluding M&A costs			
• Amortization 2019 estimated to NOK 76 million				

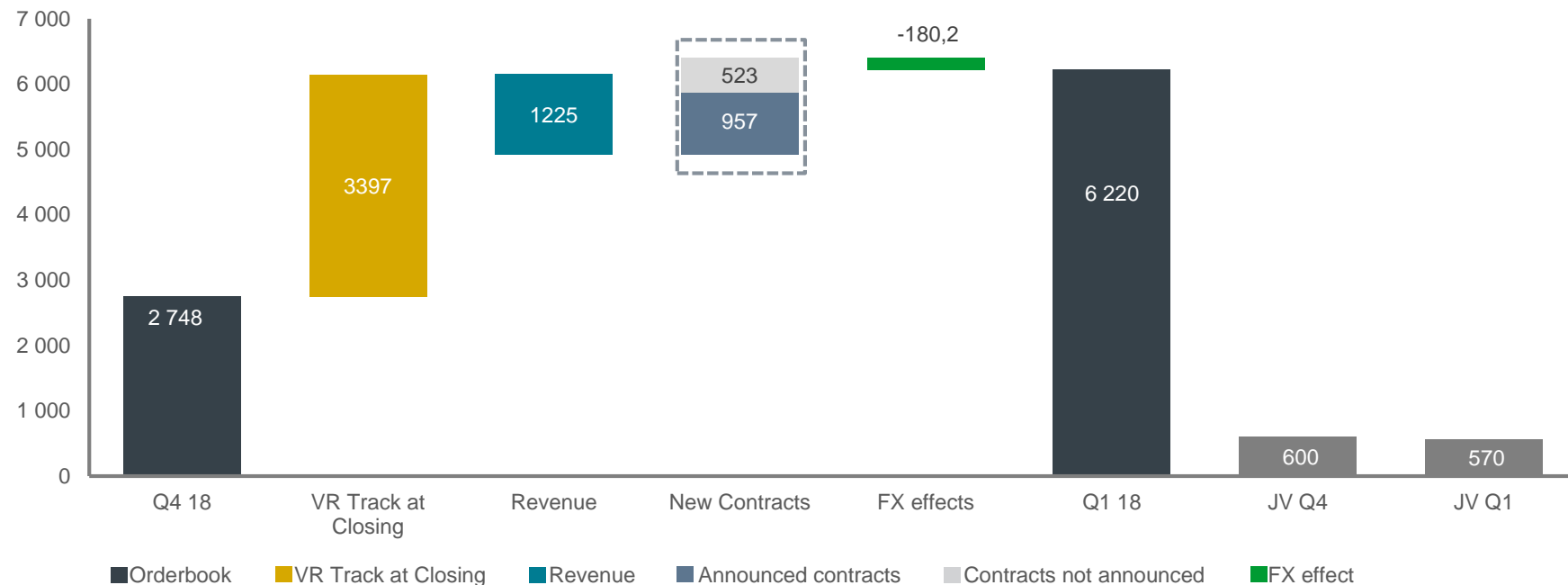
Q1 2019 key figures segments – profit and loss

	Norway		Sweden		Finland		Design	
(Amounts in NOK million)	Q1 19	Q1 18	Q1 19	Q1 18	Q1 19	Q1 18	Q1 19	Q1 18
Revenue	470	212	299	316	361		99	
Organic growth rate	51%		-25%		17%		10%	
EBITDA*	14	-1	-7	9	4		7	
EBITDA %	3.0%	-0.5%	-2.3%	2.9%	1.1%		7.1%	
EBITA*	-5	-7	-20	2	-13		5	
EBITA %	-1.1%	-3.3%	-6.9%	0.6%	-3.6%		5.1%	

*Excluding M&A costs

Order book development

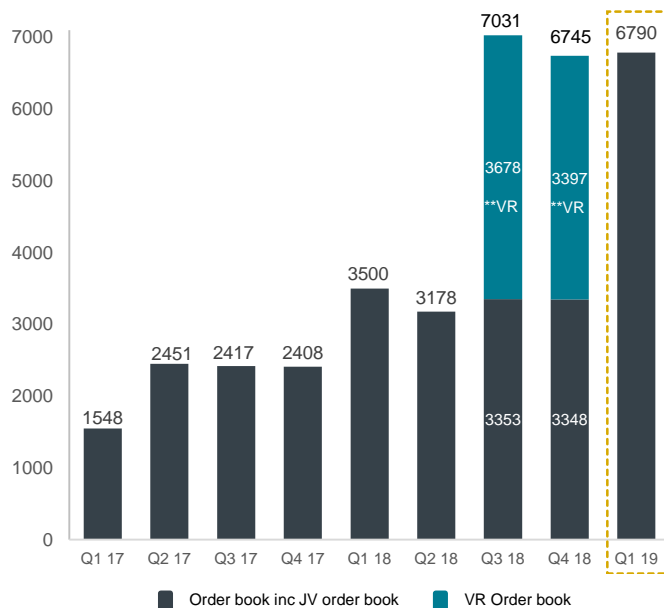
Order book development Q4 2018 – Q1 2019 (MNOK)



Order book development

Order book* Q1 2017 – Q1 2019

In NOK million

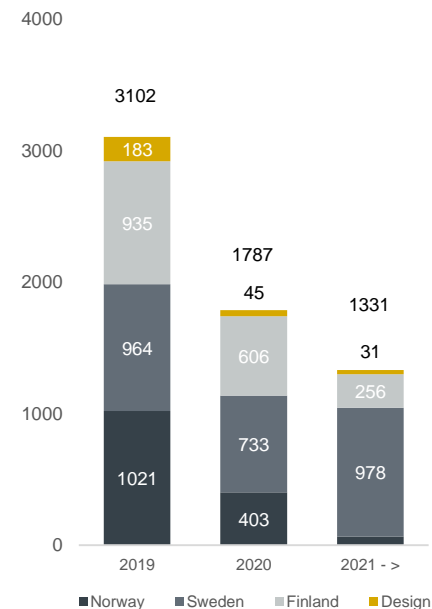


*Including order book from JVs

** VR Track proforma included in Q3 and Q4 2018

Order book own production 2019 – 2021->

In NOK million



Q1 2019 key figures – balance sheet

- Intangible assets of NOK 2,969 million
 - Goodwill from VR Track
 - Intangible assets from VR Track
- Right of use assets of NOK 573 million
 - Financial- and operational leases (IFRS 16)
 - IFRS 16 – mainly rent agreements
- Cash of NOK 439 million
- Net debt excluding operating lease liabilities (IFRS 16) of NOK 1,629 million
 - Increase in debt due to IFRS 16 is NOK 259 million
- Equity ratio of 33%

(Amounts in NOK million)

ASSETS	31.03.2019	31.03.2018	31.12.2018
Intangible assets	2 969	1 012	1 275
Right-of-use assets	573	0	0
Total other non-current assets	319	272	428
Cash and cash equivalents	439	305	396
Other current assets	1 484	682	841
Total assets	5 783	2 271	2 940
EQUITY AND LIABILITIES			
Total equity	1 935	1 300	1 442
Long-term financial lease liabilities	204	72	152
Long-term operating lease liabilities	204	0	0
Other non-current interest-bearing liabilities	995	220	287
Other non-current liabilities	68	23	46
Short-term financial lease liabilities	111	46	89
Short-term operating lease liabilities	55	0	0
Other interest-bearing current liabilities	758	72	86
Other current liabilities	1 453	537	838
Total equity and liabilities	5 783	2 271	2 940

Q1 2019 key figures – cash flow

- Cash flow from operating activities of NOK -40 million
 - Payment of M&A costs: NOK ~ -60 million






- Net cash from investments of NOK -1,253 million
 - Acquisition of VR Track net of cash
 - Capex: NOK -5 million

- Net cash flow from financing activities of NOK 1,347 million
 - Net increase borrowings; NOK 1,392 million
 - Payment of leasing: NOK -33 million
 - Buy back of own shares: NOK -12 million

(Amounts in NOK million)		Q1 2019	Q1 2018	FY 2018
Profit/loss before tax		-130	-21	-10
Net cash flow from operating activities		-40	-69	192
Net cash flow from investing activities		-1 253	2	-141
Net cash flow from financing activities		1 347	-27	-60
Net change in cash and cash equivalents		54	-94	-9
Cash and cash equivalents at the end of the period		439	305	396

Uniquely positioned to serve the Nordic market

KEY MARKET FIGURES

		SWEDEN	NORWAY	FINLAND
	Installed railway	~12 000 km	~ 4 200 km	~ 6 000 km
	Annual railway passenger journeys	219 million	74 million	86 million
	Annual railway freight volume (tons)	68 million	33 million	36 million
	Maintenance backlog* (NOK)	18 billion	19 billion	11 billion
	Employees approximately	600	400	1,450

OUR OFFICES



Source: **Norway:** NTP 2018-29 and 2019 national budget **Sweden:** NTP 2018-29, Trafikverket and 2018 national budget. **Finland:** Finnish Transportation Agency, VR Track estimates.

The Norwegian railway system has not kept up with population and traffic growth

- High tendering activity
- Increased focus on turnkey projects covering several special competencies
- Record 2019 railway budget of NOK 26.4 billion, up 12% from 2018, confirms political commitment
- Spending continue to lag 2018-29 NTP levels and the maintenance backlog is increasing











Swedish market strengthening

- Strong market outlook based on planned spending growth in 2019 national budget
 - SEK 11.4 billion in new investments, up 26% from 2018
 - Maintenance investments of SEK 9.3 billion, up 6%
 - Long-term outlook for increased investments based on new NTP approved in 2018
- Strong increase in tender and award activity
 - Reflected in order intake YTD 2019
 - There will be a lag before new orders come to execution and impact revenue and margin
- The Swedish market declined in 2018 due to reduced investments and the late approval of the state budget
 - Investments decreased 12% in 2018 compared to 2017



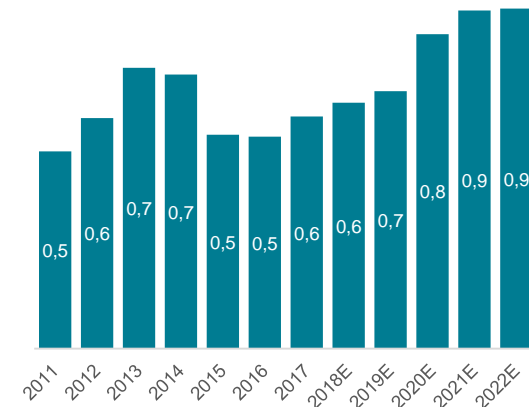
Attractive growth potential in Finland

- Firm market conditions supported forecasted growth of 8% annually for the 2018-2022 period
- Light-rail development the main growth driver
- Stable high maintenance activity
- Decision taken to establish project companies that will promote and enable large-scale rail transport investments

	Trend	Change 2000-2017
 Population		+6%
 Passengers		+56%
 Tons of freight volume		-5%
 Km of railway		+1%

Finland railway spending (EURbn)

■ Project investments and maintenance



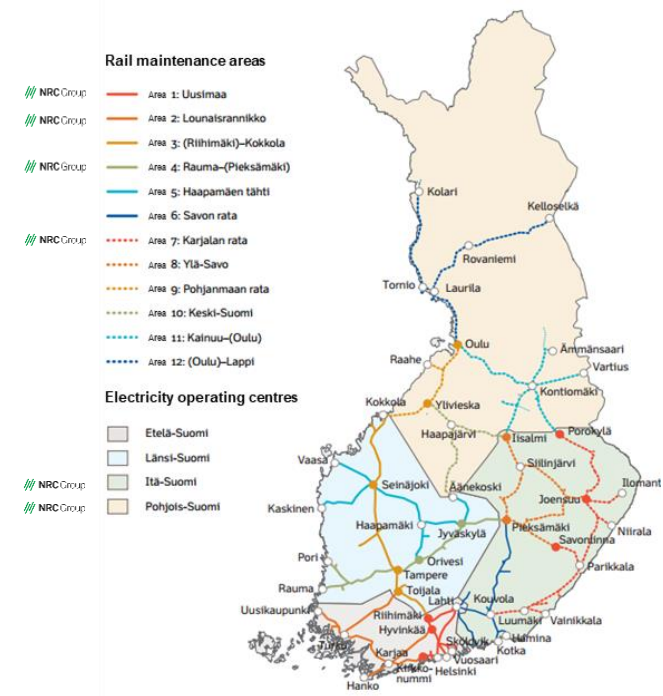
(1) Source: Finnish Transportation Agency, NRC Group estimates

Established market leader in Finland

Market leader within Finnish maintenance market

- 4 out of 12 maintenance area contracts including the largest maintenance area
- 2 out of 4 operating centre contracts (electricity maintenance)
- Regional knowledge and technological capabilities enable high quality service and efficient execution
- Extensive geographical coverage and good availability of services even on a short notice

Rail maintenance areas & electricity operating centers

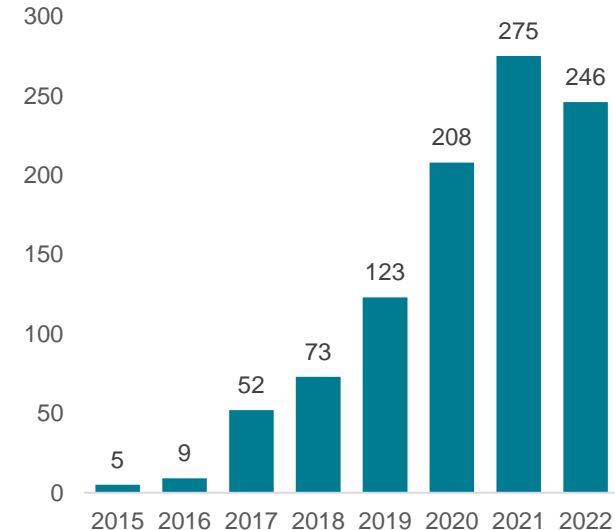


Light rail market driving investment growth in Finland

- Ongoing projects with NRC Group as alliance partner
 - Tampere tramway
 - Southwestern rail network maintenance
 - Jokeri Light Rail
- Approved but yet not awarded projects in the Helsinki area
 - Kruunusillat line in Helsinki, cost estimate ~EUR 300 million (2020- 2026)
 - Kalasatama line in Helsinki, cost estimate ~EUR 280-330 million (2024 completion)
 - ~EUR 60 million renewal program for existing network over next 15 years

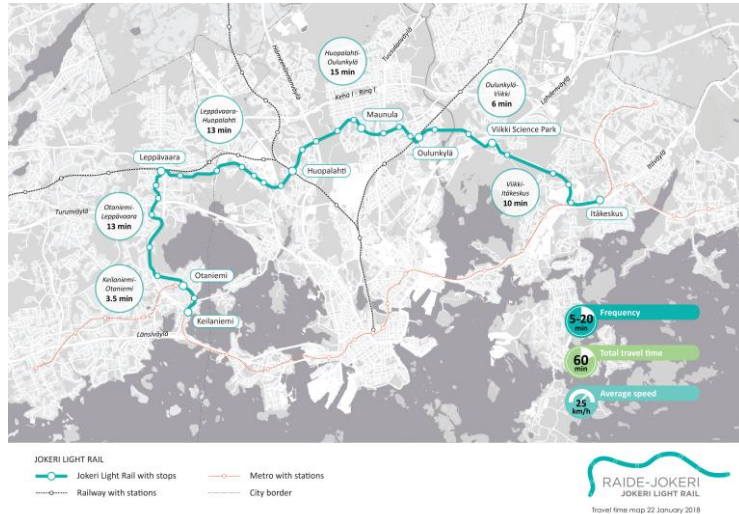
Estimated light rail / tramway investments

EUR million per year



Sources: Finnish Transport Agency 2011-2017 realized spend, Tampere and Helsinki tramway budgets, NRC Group estimates

Leading position in Finland confirmed with record Jokeri Light Rail contract appointment



Jokeri Light rail

- EUR 220 million contract value for NRC Group for construction and design work
- Will upon final confirmation become the largest contract awarded to NRC Group to date
- Alliance contract budget approved by Espoo and Helsinki city councils with formal signing expected on or about 22 May
 - NRC Group and YIT will construct the track together, sharing risks and benefits related to project implementation
 - Consulting companies Ramboll Finland, Sitowise and NRC Group Finland Oy will provide design services
- Track construction is planned to start in June 2019 with project completion in June 2024
 - 25 km light-rail connecting Finland's two biggest cities
 - Significant residential construction planned alongside the new railway line

Unique alliance contract track record

- NRC Group has been involved in all five rail transport related alliance projects in Finland
- Tampere tramway is the largest ongoing alliance project
- The renovation of the Lielahiti - Kokemäki railway was first public infrastructure alliance project in Europe



Jokeri Light rail

Tampere Tramway Alliance

PART ONE:

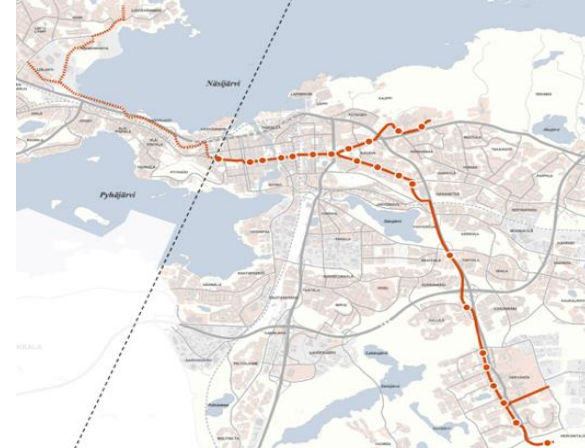
Two lines (15 km, 23 stops, 1 depot)
Construction: 2017–2021
Operation: 2021

PART TWO:

One line (extension) (~ 7 km ~ 10 stops)
Design: 2018-2020
Construction: 2021-2024
Operation: 2024

Alliance organisation

- City of Tampere
- Tampere Tramway Oy
- NRC Group Finland Oy
- YIT Suomi Oy
- Pöyry Finland Oy



The alliance model reduces project risk

Traditional contracts



Risk transfer

Each party has and must fulfill its own separate / individual obligations

Alliance projects



Risk sharing

Nearly all obligations are collective. Some individual obligations (e.g. owner's obligation to pay)

- Early involvement of project owner, designers and contractors
- Common objectives
- Joint organization
- Shared commercial compensation model
- Shared risks and rewards
- Fully open book commercial transactions
- Commitment on cooperation, building trust and continuous improvement

Our entire business revolves around sustainability

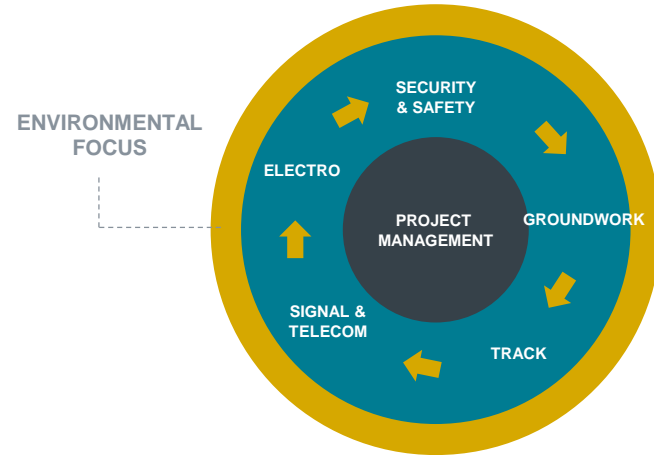
As populations and cities grow, efficient transportation systems with a low carbon footprint are becoming increasingly important across the world. Building such systems is our core business.

Our competence and capabilities cover all phases of the projects. Since we take a holistic view in the planning and execution of the work, our projects are sustainable and create value in both economic and environmental terms.

UN model for sustainable business



Our sustainable business model



Summary & outlook

- High tendering activity in all markets
- Strong market outlook with good project pipeline visibility
- Focus on VR Track integration process
- Regaining normalised profitability in Sweden



Appendix



20 largest shareholders

Per 13 May 2019

INVESTOR	NO OF SHARES	% OF TOTAL	COUNTRY
VR-YHTYMÄ	9 877 953	18,31	FINLAND
DATUM	5 100 000	9,46	NORWAY
ARCTIC FUNDS	2 604 665	4,83	BELGIUM
CARNEGIE INVESTMENT	2 332 014	4,32	SWEDEN
NORDEA	1 976 397	3,66	UK
NORDNET BANK	1 407 033	2,61	SWEDEN
MIDDELBORG INVEST	1 355 509	2,51	NORWAY
GIMLE INVEST	1 329 688	2,47	NORWAY
NORRON SICAV	1 275 483	2,36	LUXEMBOURG
GUNNAR KNUTSEN HOLDING	1 252 677	2,32	NORWAY
LGA HOLDING	1 168 102	2,17	NORWAY
HANDELSBANKEN NORDISKA	1 161 463	2,15	UK
VERDIPAPIRFONDET ALFRED BERG	1 035 169	1,92	SWEDEN
SOGN INVEST	1 018 807	1,89	NORWAY
SVENSKA HANDELSBANKEN	863 500	1,60	SWEDEN
HAUGO RIVING	850 745	1,58	NORWAY
DNB NOR MARKETS	731 169	1,36	NORWAY
AVANZA BANK	714 238	1,32	SWEDEN
E.K HOLDING	668 102	1,24	NORWAY
HSBC TRINKAUS & BURKHARDT	656 964	1,22	GERMANY
TOTALT NUMBER OWNED BY TOP 20	37 379 678	69,30	
TOTAL NUMBER OF SHARES	53 935 630		

Segments – key figures quarterly development

	Reported FY 2016	Reported Q1 2017	Reported Q2 2017	Reported Q3 2017	Reported Q4 2017	Reported Q1 2018	Reported Q2 2018	Reported Q3 2018	Reported Q4 2018	Reported Q1 2019
Norway operations (NOK million)										
Total revenue	604	108	189	255	219	212	335	421	630	470
EBITDA	13	-6	10	19	18	-1	25	45	60	14
EBITA	2	-10	5	13	10	-7	19	36	42	-5
EBIT	-2	-12	2	8	4	-13	16	32	34	-13
Sweden operations (NOK million)										
Total revenue	1 371	233	396	525	460	316	498	433	344	299
EBITDA	173	19	42	96	62	9	45	32	-60	-7
EBITA	160	15	37	89	55	2	38	23	-71	-20
EBIT	136	9	32	84	52	1	37	17	-71	-20
Finland operations (NOK million)										
Total revenue										361
EBITDA										4
EBITA										-13
EBIT										-24
Design operations (NOK million)										
Total revenue										99
EBITDA										7
EBITA										5
EBIT										4
Parent, holding companies and eliminations (NOK million)										
Eliminations	0	0	-3	-3	-5	-1	-5	-3	-3	-3
EBITDA	-34	-8	-9	-4	-10	-6	-6	-19	-21	-12
EBITA	-34	-8	-9	-4	-10	-6	-6	-19	-21	-13
EBIT	-34	-8	-9	-4	-10	-6	-6	-19	-21	-13
Total group segment accounts										
Total revenue	1 975	341	582	776	674	528	827	851	971	1 226
EBITDA	152	6	43	111	70	2	65	58	-21	7
EBITA	128	-3	34	98	55	-12	51	40	-50	-46
EBIT	99	-11	25	89	46	-18	48	30	-59	-65

Segments – key figures quarterly development VR Track Oy

	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported		
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2017	FY 2018
Finland operations (EUR million)										
Total revenue	34	52	60	61	32	55	60	68	207	215
EBITDA	-3	7	10	9	1	6	9	12	24	28
EBITA	-5	5	8	7	-2	5	7	10	16	19
EBIT	-5	5	8	7	-2	5	7	10	16	19
Sweden operations (EUR million)										
Total revenue	15	18	17	15	10	12	13	16	64	50
EBITDA	-1	0	1	-2	-2	-1	0	-2	-2	-4
EBITA	-1	0	0	-3	-2	-1	0	-2	-4	-5
EBIT	-1	0	0	-3	-2	-1	0	-2	-4	-5
Design (EUR million)										
Total revenue	7	8	8	11	9	10	10	12	34	40
EBITDA	0	1	1	2	1	1	1	1	5	4
EBITA	0	1	1	2	1	1	1	1	5	4
EBIT	0	1	1	2	1	1	1	1	5	4
Total TRACK										
Total revenue	56	77	85	86	51	76	83	95	305	305
EBITDA	-3	8	12	10	0	7	10	11,7	27	29
EBITA	-6	6	10	7	-4	5	8	9	17	18
EBIT	-6	6	10	7	-4	5	8	9	17	18

VR Track numbers are based on management accounts with estimated IFRS adjustments on financial lease