

4th quarter 2022



CEO Henning Olsen

CFO Ole Gulsvik

KEY FIGURES Q4 22

Strong growth – reduced margins

REVENUE

⬆️ **NOK 2.0** billion

Q4 2021: NOK 1.6 billion

EBITA*

⬇️ **NOK 31** million

Q4 2021: NOK 50 million

EBITA* margin

⬇️ **1.6%**

Q4 2021: 3.1%

ORDER INTAKE

⬇️ **NOK 1.3** billion

Q4 2021: NOK 1.9 billion

OPERATING CASH FLOW

⬆️ **NOK 160** million

Q4 2021: NOK 149 million

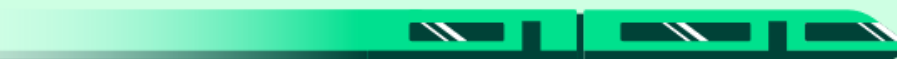
ORDER BACKLOG

➡️ **NOK 7.8** billion

Q4 2021: NOK 7.8 billion



* Before other income and expenses (M&A expenses)



HEALTH AND SAFETY

Fewer injuries resulting in absence

LTI¹

6.0

2021: 6.4

TRI²

17.1

2021: 18.5

SICKNESS ABSENCE

4.2%

2021: 3.9%

SERIOUS INJURIES

2

2021: 0



1) LTI: Injuries resulting in absence at least one full day per million man-hours (incl. subcontractors). Previously reported as LTI-1.
2) TRI: Frequency of injuries with and without absence for personnel (employees, rented workers and subcontractors) per million hours worked. Previously reported as LTI-2.
Figures per YTD 31 December 2022 compared with YTD 30 December 2021.

Summary and Outlook

Key figures 2022

2022

- Strong growth in revenue
- Slight decrease in EBITA* margin
- Order book same level as 2021

Outlook 2023

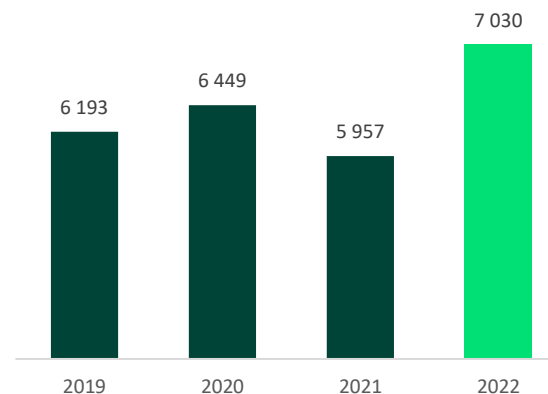
- Continued positive operational and financial development
- Slight decrease in revenue
- Moderate increase in EBITA* margin



* Before other income and expenses (M&A expenses)

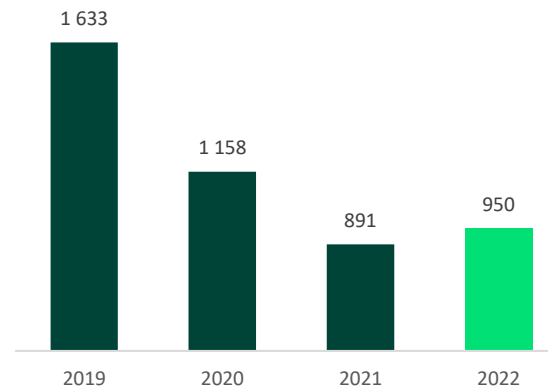
Total revenue

NOK million



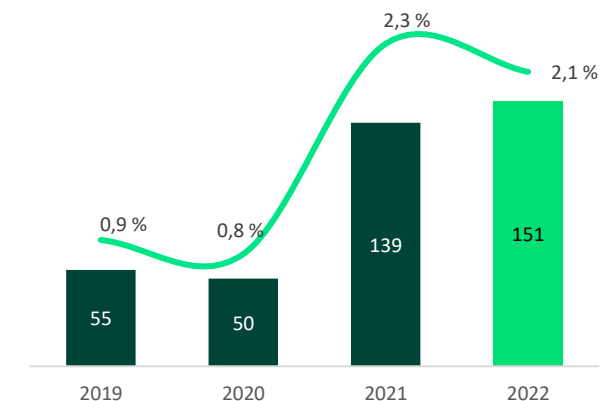
Net interest-bearing debt

NOK million



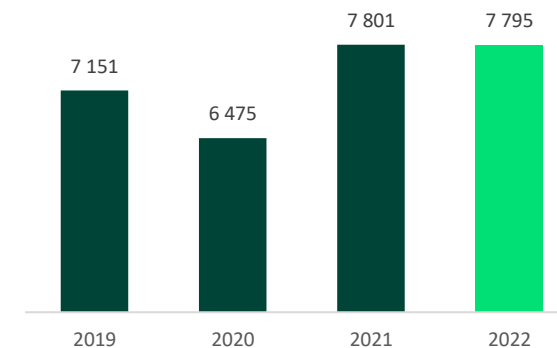
EBITA* & EBITA* Margin

NOK million and percent



Order backlog

NOK million

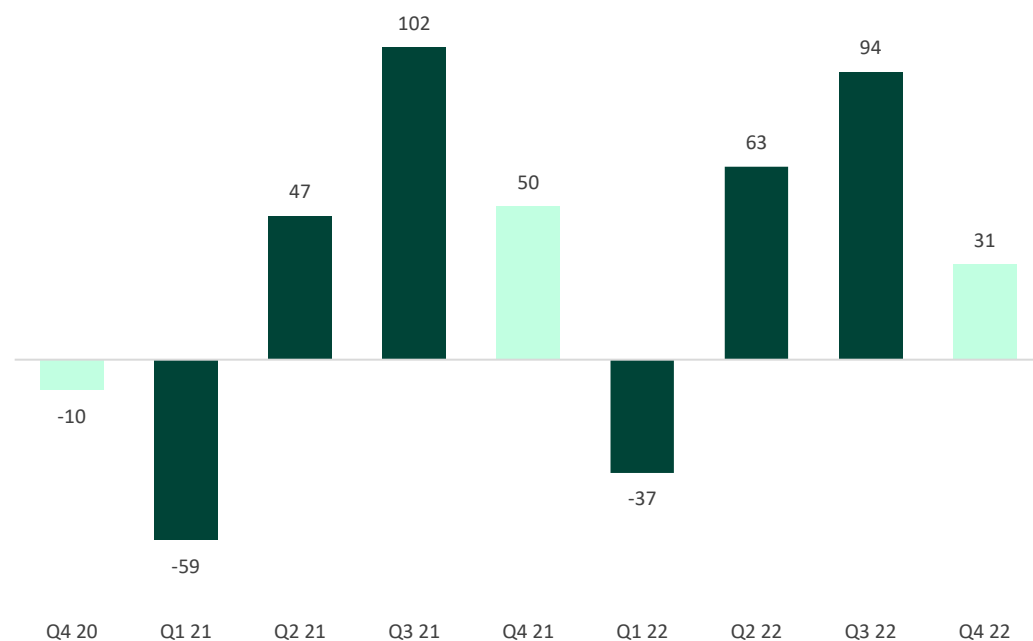


PROFIT & LOSS

Improved operational profits in 2022 despite lower Q4

EBITA*

NOK million



(Amounts in NOK million)

	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenue	1 954	1 601	7 030	5 957
Operating expenses	-1 874	-1 504	-6 695	-5 621
Other income and expenses (M&A expenses)	-1	-22	-2	-34
EBITDA	80	75	333	302
Depreciation	-50	-47	-185	-196
EBITA*	31	50	151	139
EBITA	30	29	149	105
Amortisation and impairment	-361	-19	-389	-64
Operating profit/loss (EBIT)	-332	10	-240	42
Net financial items	-15	-16	-58	-66
Share of profit from associates and joint ventures	-6	0	-15	0
Profit/loss before tax (EBT)	-353	-6	-313	-24

Notes

- Revenues +22% from Q4 21
- EBITA* down NOK 19 million compared to Q4 21
- Goodwill impairment NOK -352 million
- Revenues +18% in 2022 vs 2021
- EBITA* 2022 up to NOK 151 million from NOK 139 million in 2021
- EBITA* margin 2.1% in 2022 vs 2.3% last year



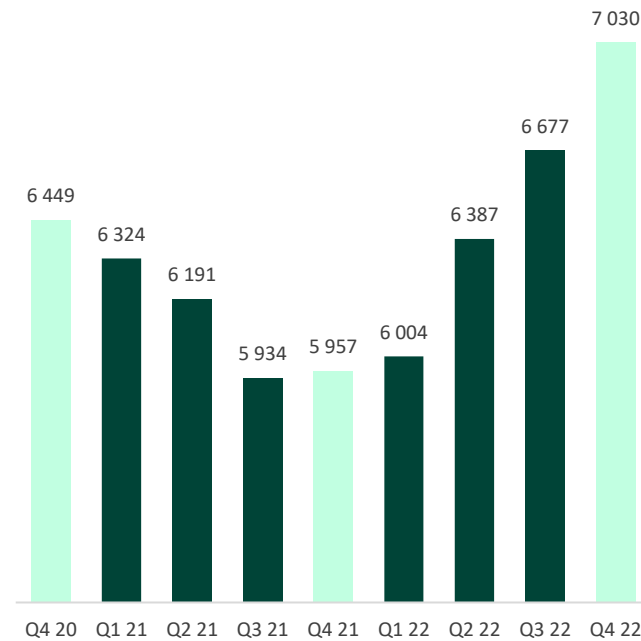
*Before other income and expenses (M&A expenses)

KEY FINANCIAL FIGURES LAST TWELVE MONTHS (LTM)

Strong growth and improved operational profits in 2022

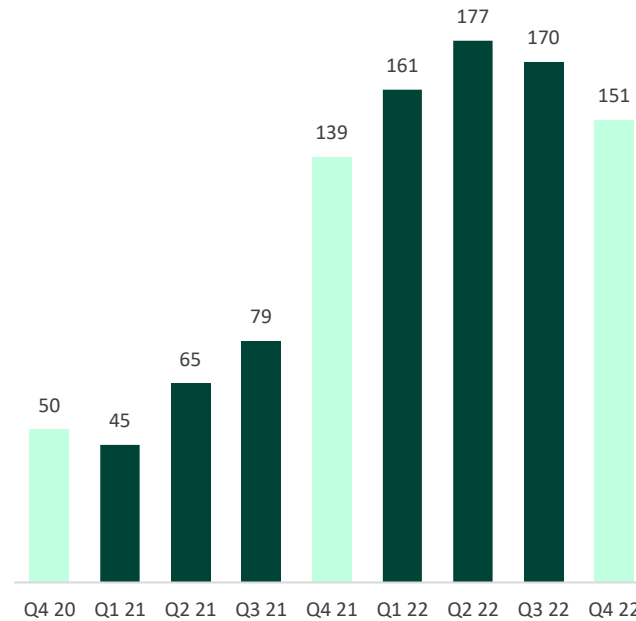
Revenue LTM

NOK million



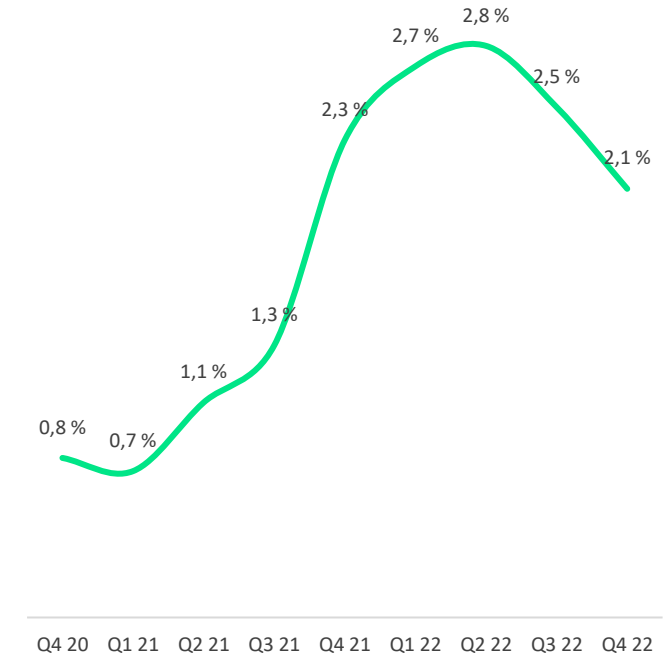
EBITA* LTM

NOK million



EBITA* Margin LTM

Percent



* Before other income and expenses (M&A expenses)

BALANCE SHEET

Solid financial position - equity ratio at 45%

(Amounts in NOK million) 31.12.2022 31.12.2021

ASSETS

Intangible assets	2 493	2 867
Right-of-use assets	564	514
Total other non-current assets	207	193

Cash and cash equivalents	472	626
Other current assets	1 454	1 387

Total assets **5 191** **5 587**

EQUITY AND LIABILITIES

Total equity **2 312** **2 622**

Long-term lease liabilities	353	319
Other non-current interest-bearing liabilities	741	880
Other non-current liabilities	11	26

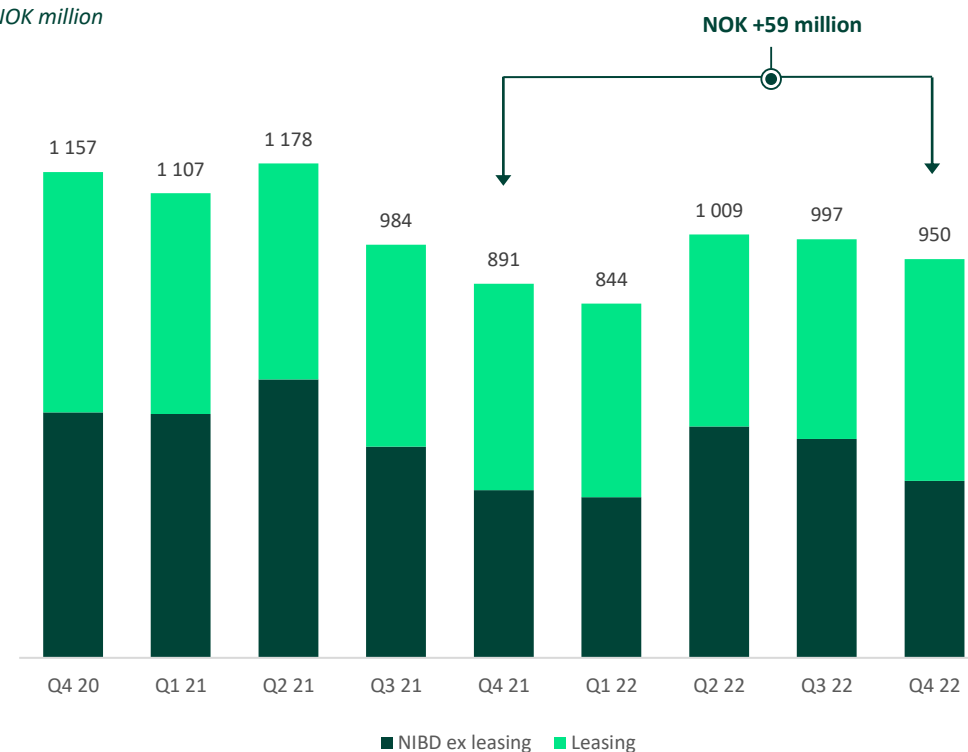
Short-term lease liabilities	175	173
Other interest-bearing current liabilities	153	146
Other current liabilities	1 445	1 422

Total equity and liabilities **5 191** **5 587**

Equity Ratio **45%** **47%**

Net Interest-bearing debt

NOK million



Net Interest-bearing debt ex. leases: NOK 422 million

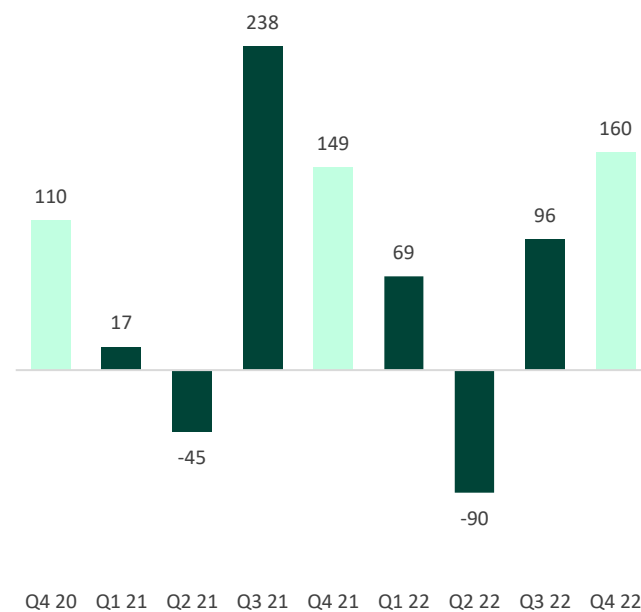


CASH FLOW

Improved cash position

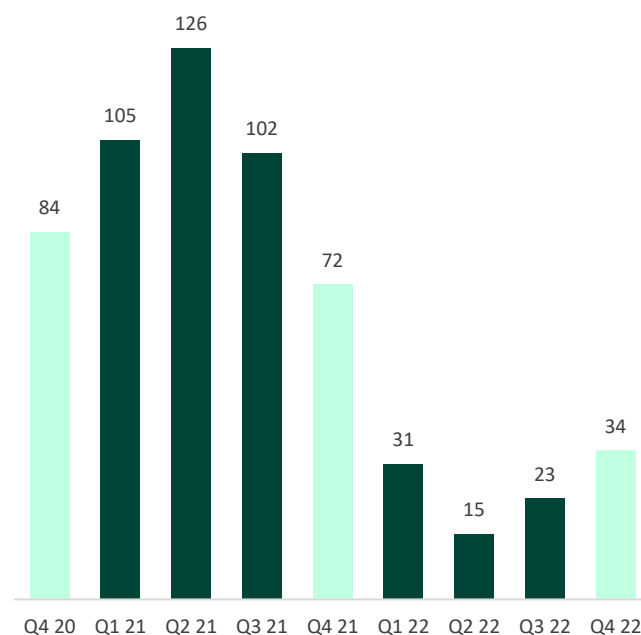
Cash flow from operations

NOK million



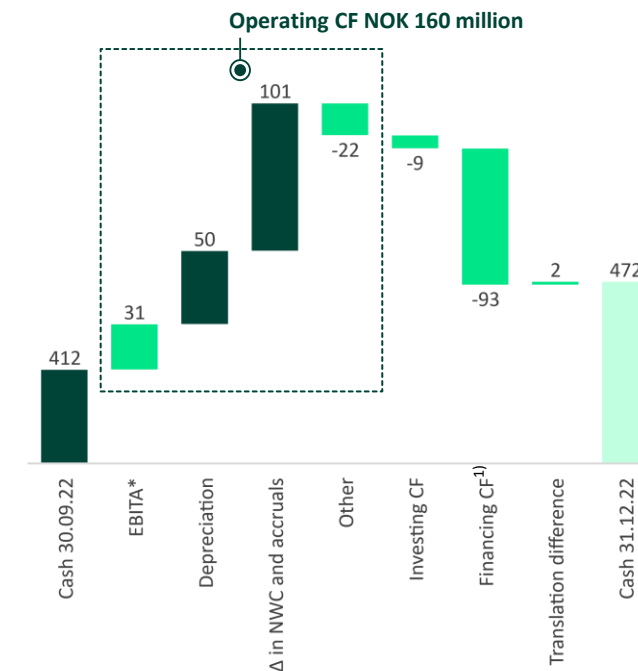
NWC – Average of last four quarters

NOK million



Change in cash in Q4 22

NOK million



* Before other income and expenses (M&A expenses)

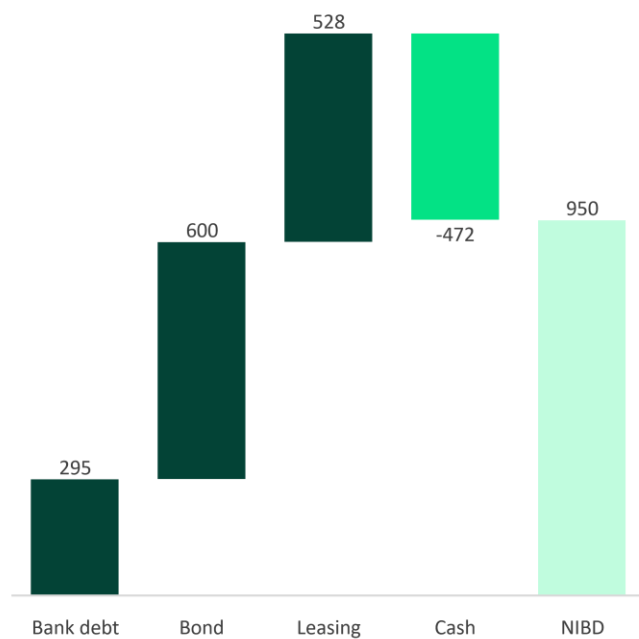
1) The Group has a NIBOR hedge which partly offsets the effects of increased market interest rates.

FINANCIAL POSITION

Financial flexibility remains good – unchanged leverage ratio

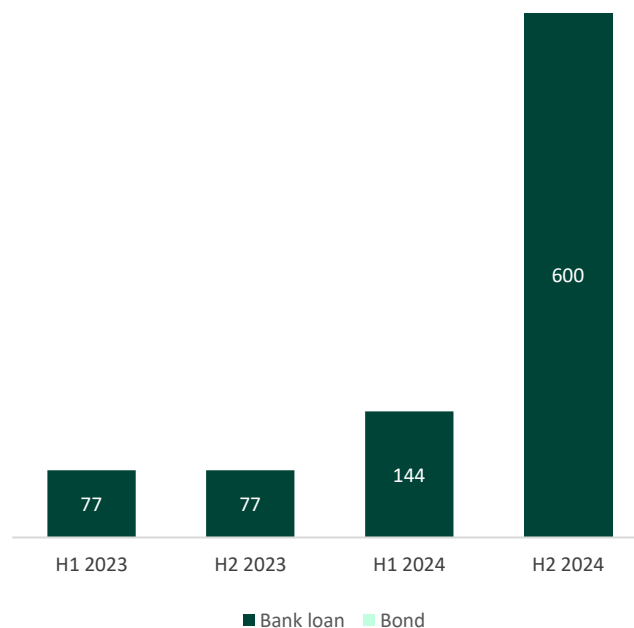
Net interest-bearing debt (NIBD)

NOK million



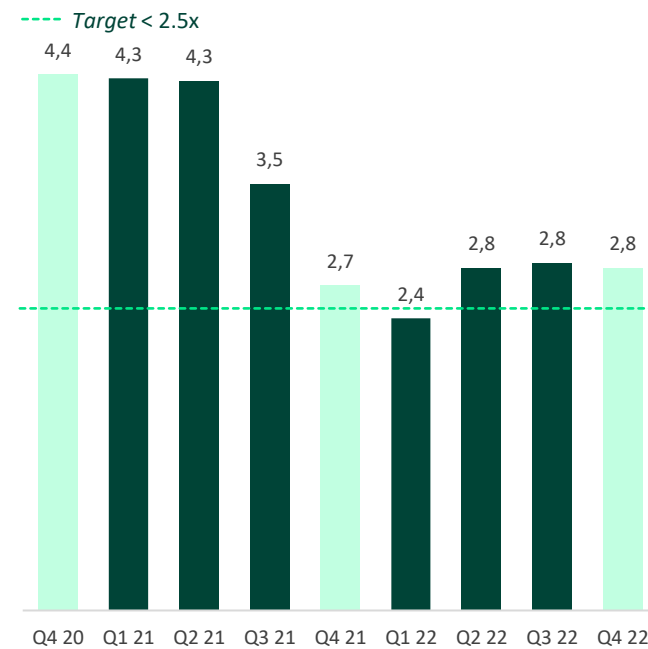
Bank and bond maturities¹

NOK million



NIBD / EBITDA* LTM ratio

Percent



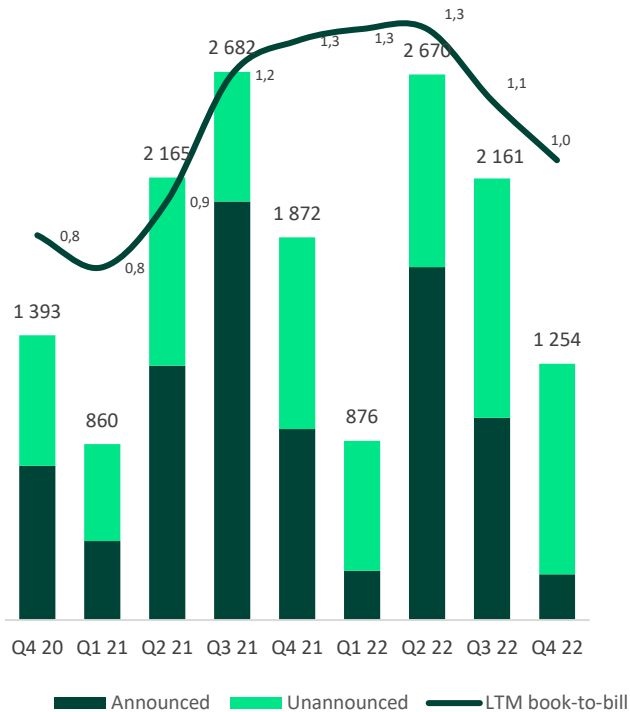
* Before other income and expenses (M&A expenses)
1) The Group has an unused credit facility of NOK 200 million

BACKLOG

Solid long-term backlog

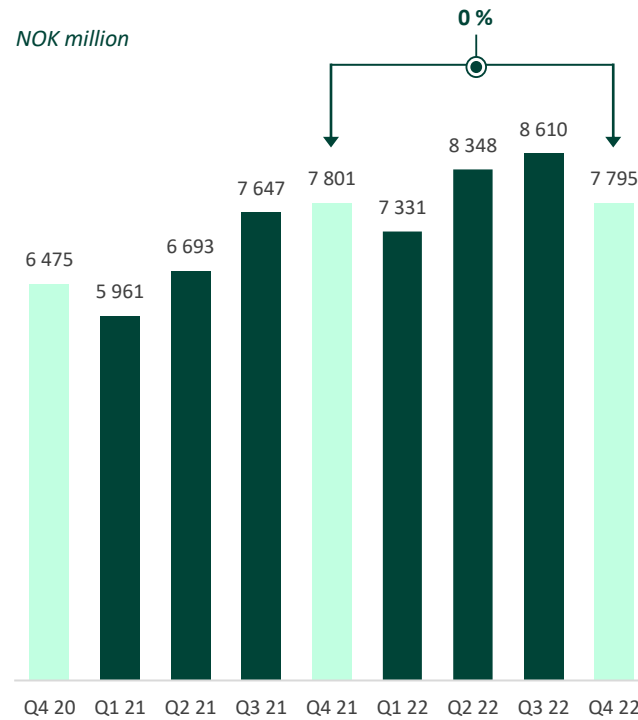
Order intake & Book-to-bill LTM

NOK million



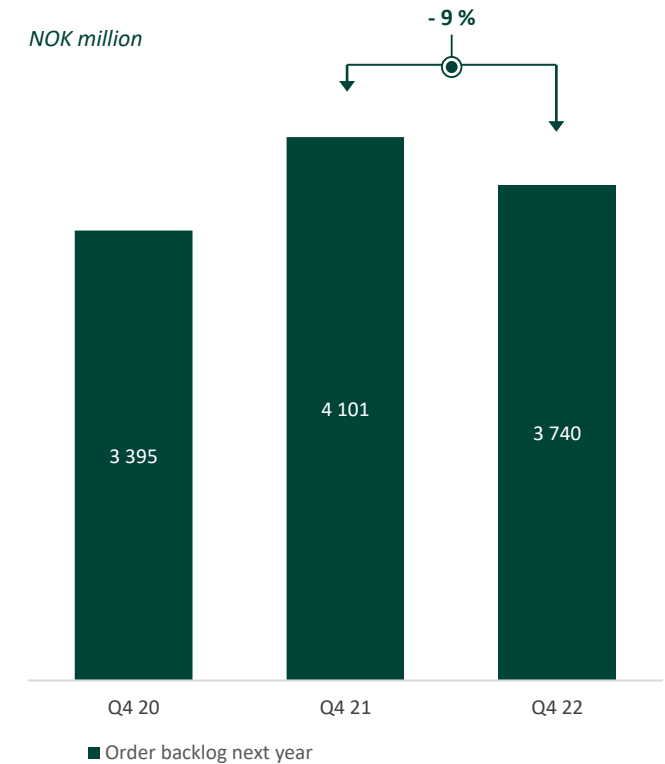
Order backlog (total)

NOK million



Order backlog comparison (short-term)

NOK million



FINANCIAL POSITION

Operational review



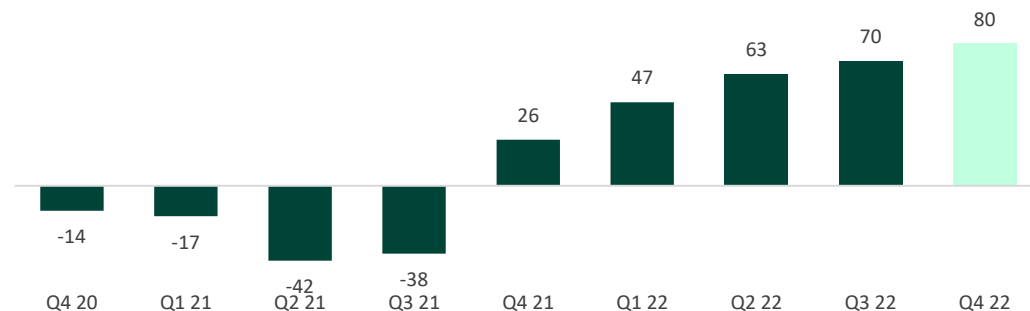


OPERATIONAL REVIEW NRC GROUP NORWAY

Higher activity and improved performance

EBITA* LTM

NOK million



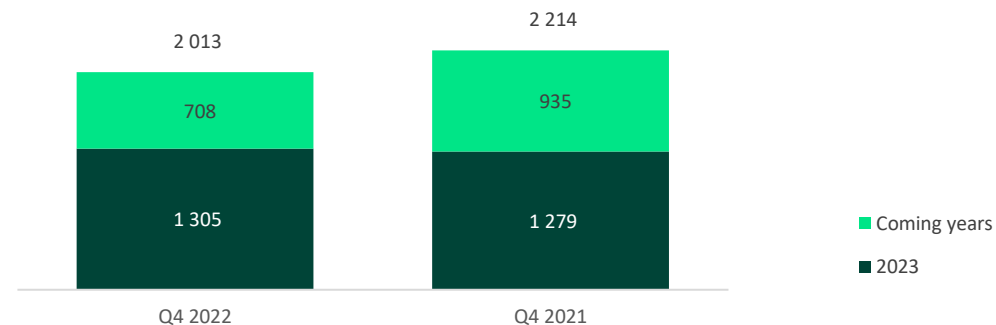
Key Figures

(NOK million)

	Q4 2022	Q4 2021
Revenue	635	508
EBITA*	31	21
EBITA* margin	4.9%	4.2%
Order intake	563	495

Order backlog (total)

NOK million



Notes

- Revenue growth in the quarter of 25% driven by Rail construction
- Profitability driven by continued improved results in Environment and Rail construction
- Book-to-Bill at 0.9 in 2022
- Divestment of Gravco

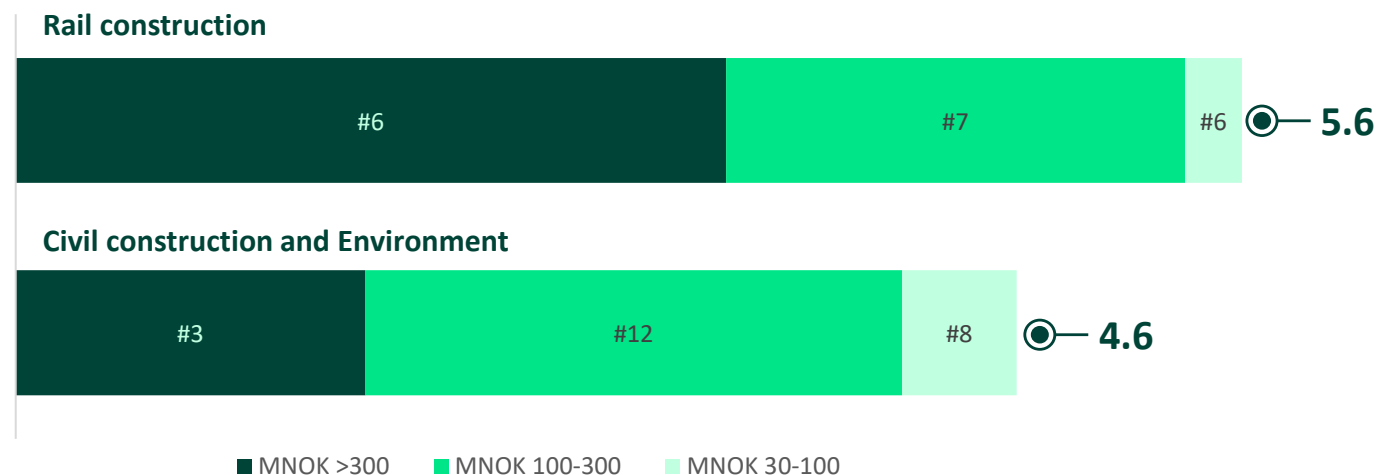


* Before other income and expenses (M&A expenses)

Solid tender pipeline with high number of large projects

NOK 10.2 billion tender pipeline¹

BNOK value, # of tenders, next 9 months



Notes

Increase by NOK 3.2 billion in tender pipeline compared to Q3 22 mainly driven by Rail construction, but also by Civil and Environment

Tender pipeline increase of NOK 1.3 billion vs last year, related to Civil and Environment

NOK 25.3 billion in proposed national budget for 2023 to rail related projects in 2023, with NOK 17.5 to investments and NOK 7.8 billion to operations, maintenance and renewals.



1) NRC Group estimates

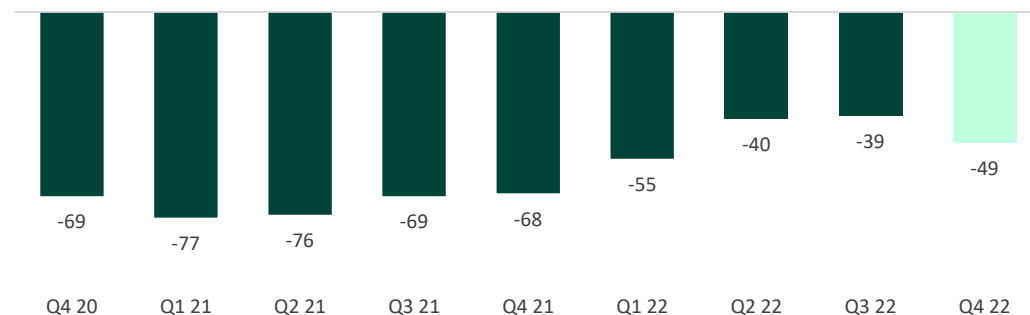


OPERATIONAL REVIEW NRC GROUP SWEDEN

Reduced operational profits

EBITA* LTM

NOK million



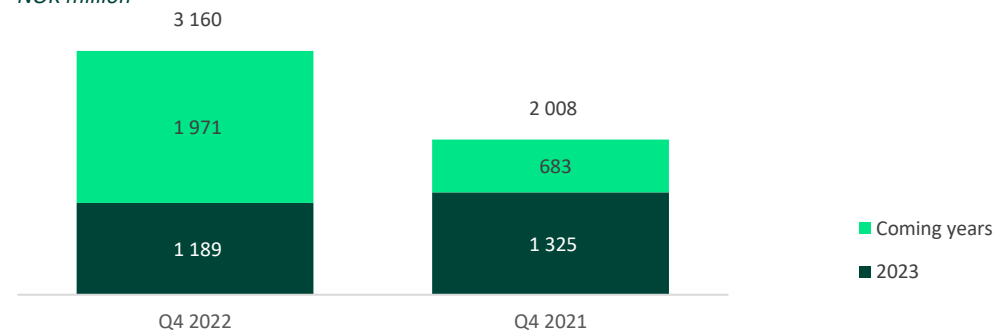
Key Figures

(NOK million)

	Q4 2022	Q4 2021
Revenue	646	398
EBITA*	-30	-21
EBITA* margin	-4.7%	-5.2%
Order intake	499	409

Order backlog (total)

NOK million



Notes

- Revenue growth of 69 % in local currency due to volume increase in Rail construction
- Weak results in Civil, partly offset by improved performance in Rail construction and Maintenance
- Book-to-Bill at 1.6 in local currency for 2022



*Before other income and expenses (M&A expenses)

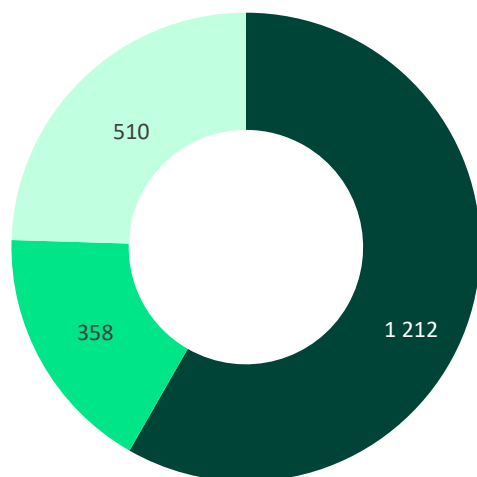


CLOSE-UP ON SWEDEN

Strategic review of Civil construction initiated

Revenue per division LTM

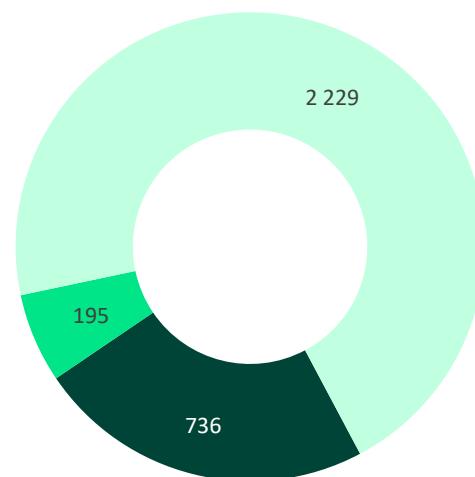
NOK million



■ Rail construction ■ Civil construction ■ Rail maintenance

Order backlog

NOK million



■ Rail construction ■ Civil construction ■ Rail maintenance

Notes

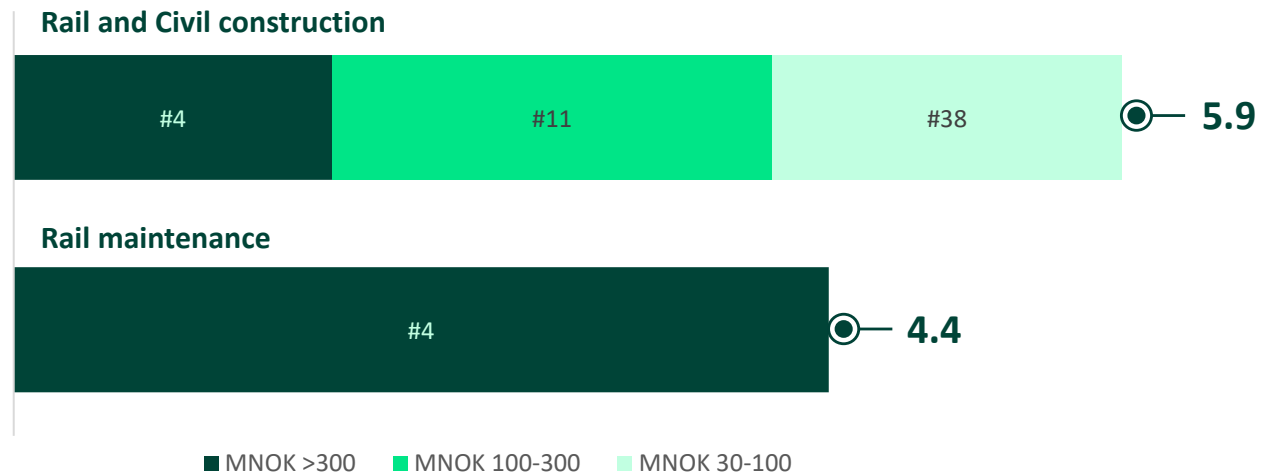
- Strategic review of Civil construction
- Profitable operations and solid long-term backlog in Maintenance
 - Renewed three contracts for 5+2 years
 - Exercised two option years in the fourth contract
 - Won one additional contract for 5+2 years
- Profitable operations in Rail construction
 - Strong growth in revenue and improved results



High tender activity expected to continue

NOK 10.3 billion tender pipeline¹

BNOK value, # of tenders, next 9 months



Notes

Reduction of NOK 2.4 billion in tender pipeline vs Q3 22 explained by both Rail construction and Maintenance

Increase of NOK 1.7 billion compared to same period last year from Rail construction and Maintenance, while Civil construction is relatively unchanged

Pipeline for Rail construction is NOK 4.6 billion, pipeline for Civil construction is NOK 1.4 billion



1) NRC Group estimates

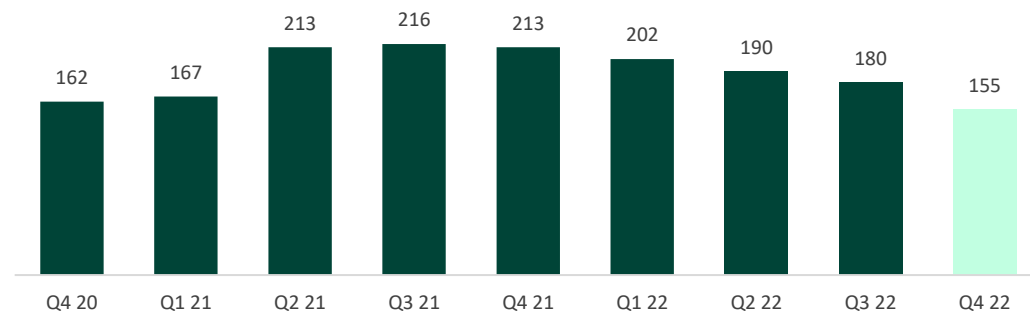


OPERATIONAL REVIEW NRC GROUP FINLAND

Solid performance

EBITA* LTM

NOK million



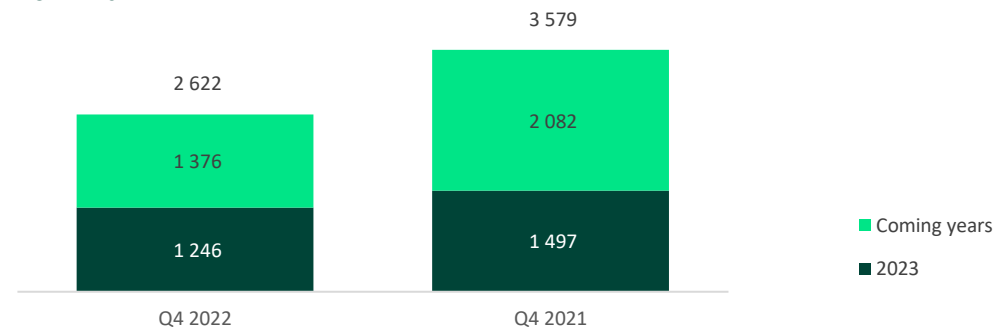
Key Figures

(NOK million)

	Q4 2022	Q4 2021
Revenue	677	706
EBITA*	34	59
EBITA* margin	5.0%	8.3%
Order intake	192	968

Order backlog (total)

NOK million



Notes

- Lower volumes, good growth in Rail construction
- Profitability remains good, but weaker results in Maintenance and NOK 16 million gain in sale of machinery last year
- 2022 Book-to-Bill of 0.6 in local currency

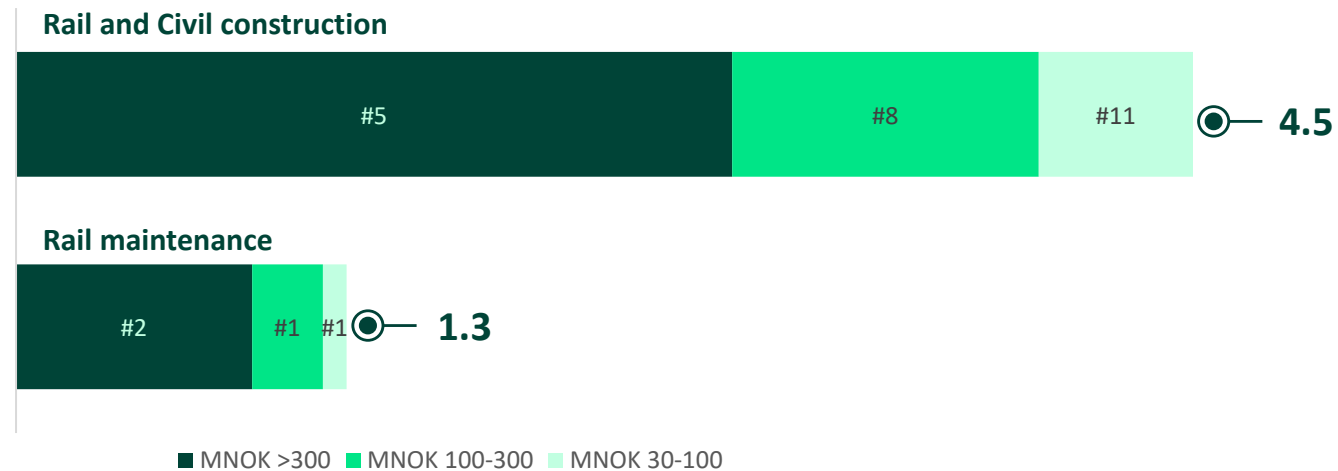


* Before other income and expenses (M&A expenses)

Growth in tender pipeline

NOK 5.8 billion tender pipeline¹

BNOK value, # of tenders, next 9 months



Notes

Increase by NOK 4.1 billion in the tender pipeline from Q3 22 and an increase of 4.2 billion compared to Q4 21.

Increase in Rail construction, Maintenance and tendering of Civil projects.

Continued high investment level expected for Light rail projects in the coming years.

National budget for 2023 is 20% lower than 2022.



1) NRC Group estimates

SUMMARY

2022 and Q4 in brief

Financials

- Strong growth continues with revenue increase of 18% in 2022
- EBITA* of NOK 151 million improved by 8% compared to 2021
- Quarterly result down from same period last year
- Order backlog remains high
- Divestment of Gravco in Q1 2023

Operations

- Good profitability in Finland
- Continued improved results in Norway
- Weak results in Sweden

Outlook 2023

- Continued positive operational and financial development
- Slight decrease in revenue
- Moderate increase in EBITA* margin



* Before other income and expenses (M&A expenses)



Q1 2023 results 24 May



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