

3rd quarter 2023



CEO Anders Gustafsson

CFO Ole Gulsvik

INTRODUCTION

Anders Gustafsson

New CEO of NRC Group

- more than 30 years of industrial experience
- various management positions at NCC
- the President and CEO at Svevia from 2017 - 2023
- Master of Science degree in Economics and an Executive MBA from the University of Stockholm
- CEO of NRC Group since October 2023



Capitalising on our unique Nordic position from 2024 to 2028



Solid foundation



Great market opportunities



Demand for critical infrastructure



Strong sustainable profile



NRC GROUP

Sustainable growth going forward

1

Continued margin improvement in Norway

2

Lower, yet sustainable profitability level in Finland

3

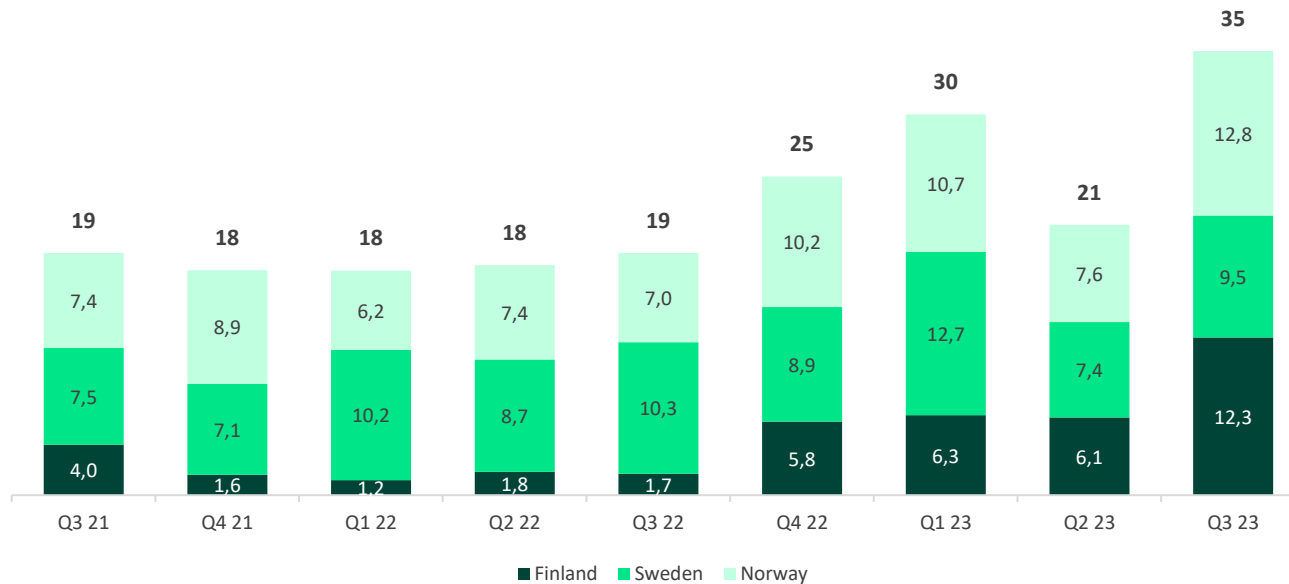
Turnaround in Sweden is on track



High demand for infrastructure - record high tender pipeline

NOK 35 billion tender pipeline in Group¹

BNOK value, # of tenders, next 9 months



Notes

- Increase by NOK 13.5 billion in tender pipeline compared to Q2 23 and an increase by 15.7 bn compared to Q3 22
- Compared to Q2 23 the tender pipeline for Sweden increased by 2.1 billion
- Pipeline increase of NOK 5.2 billion in Norway compared to Q2 23
- The tender pipeline in Finland doubled compared to Q2 23



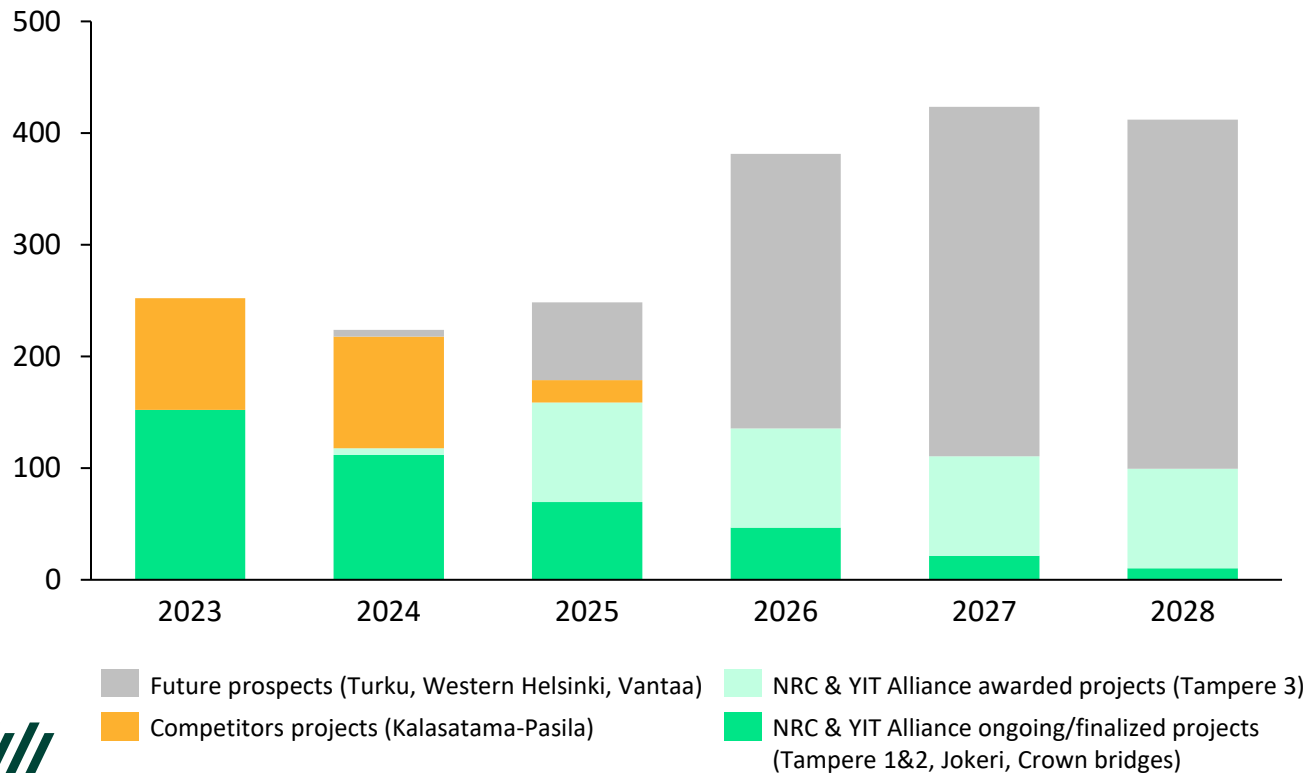
1) NRC Group estimates. Assumes 50% share of alliance contracts in light rail.

FINLAND

Significant opportunities in light rail contracts

Estimated light rail market size

EUR million, NRC Group estimates



Notes

- Tampere phase 3 design phase awarded to NRC Group & YIT alliance. Decision on project execution made during fall 2024
- NRC Group contracted on 6 of 6 light rail projects, i.e. all tenders NRC Group has participated
- New light rail line construction projects executed with alliance model
- 3 upcoming tenders of total value of approx. EUR 1.0 billion with revenue impact mainly from 2025 and onwards



HEALTH AND SAFETY

Committed to providing a safe and secure workplace

LTI¹

6.7

2022: 4.8

TRI²

19.8

2022: 15.3

SICKNESS ABSENCE

3.7%

2022: 4.0%

SERIOUS INJURIES

0

2022: 2



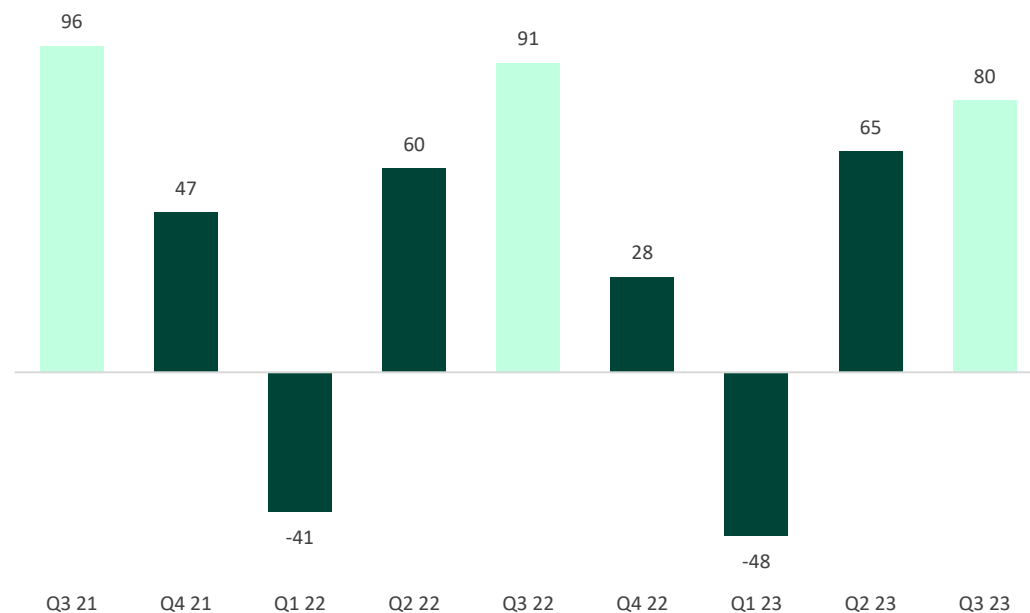
1) LTI: Injuries resulting in absence at least one full day per million man-hours (incl. subcontractors).
2) TRI: Frequency of injuries with and without absence for personnel (employees, rented workers and subcontractors) per million hours worked.
Figures per last twelve months per 30 September 2023 compared with last twelve months per 30 September 2022.

PROFIT & LOSS

Good financials – although below last year

EBIT adj.

NOK million



(Amounts in NOK million)

	Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022	FY 2022
Revenue	1 844	1 988	4 932	5 075	7 030
Operating expenses	-1 711	-1 849	-4 677	-4 821	-6 695
Depreciation and amortisation ¹	-52	-48	-159	-144	-198
EBIT adj.	80	91	96	110	137
EBIT adj. margin	4,3 %	4,6 %	2,0 %	2,2 %	2,0 %
Adjusting items ²	-6	-6	-9	-18	-378
Net financial items	-18	-14	-50	-43	-58
Share of profit from associates and JVs	0	-9	0	-9	-15
Taxes	-7	-15	4	-10	-51
Net profit / loss	49	46	43	30	-364

Notes

- Revenue decreased 7% in Q3, and down 13% organically in local currency
- Reduced EBIT adj. at NOK 80 million, down from NOK 91 million last year
- Operational margin of 4.3% compared to 4.6% in Q3 2022



1) Excluding amortisation and impairment from PPA
2) Adjusting items explained in Appendix

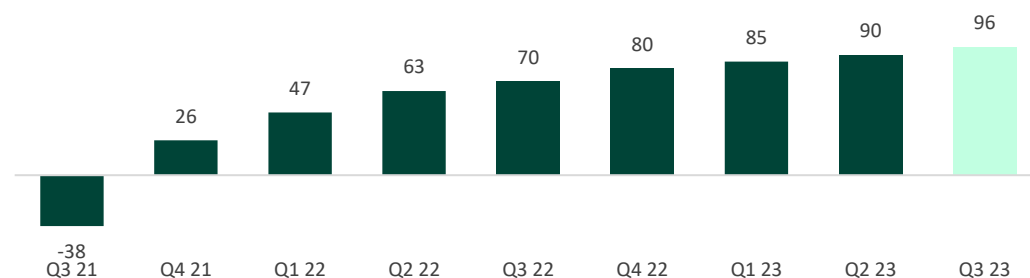


OPERATIONAL REVIEW NRC GROUP NORWAY

Improved profitability – lower backlog

EBIT adj. LTM

NOK million



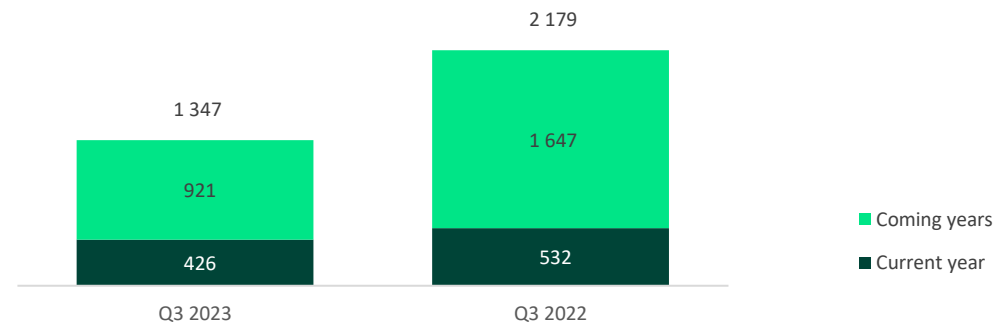
Key Figures

(NOK million)

	Q3 2023	Q3 2022
Revenue	600	554
EBIT adj.	33	27
EBIT adj. margin	5.5%	4.9%
Order intake	273	524

Order backlog (total)

NOK million



Notes

- Revenue growth in the quarter of 8% and organic growth of 12%
- Continued improvement in profitability driven by improved results in Rail and Civil construction. Environment delivered results at same level as last year. Weaker results in the demolition and recycling business was offset by continued strong results from Gunnar Knutsen, the Group's mass transportation company.
- Book-to-Bill at 0.5 in the quarter



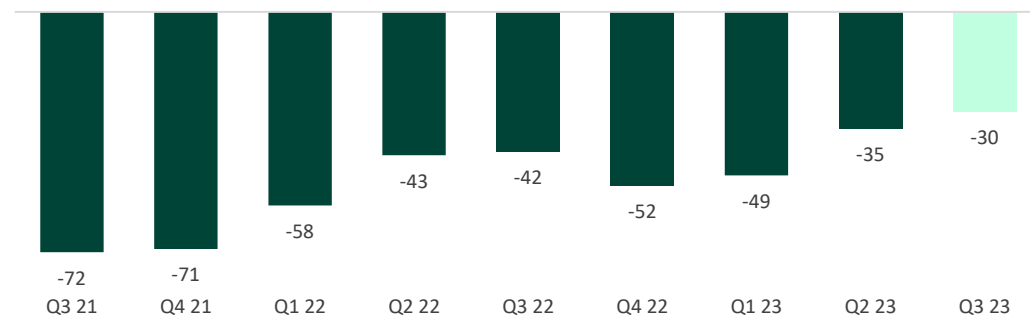


OPERATIONAL REVIEW NRC GROUP SWEDEN

Steady improvement – turnaround on track

EBIT adj. LTM

NOK million



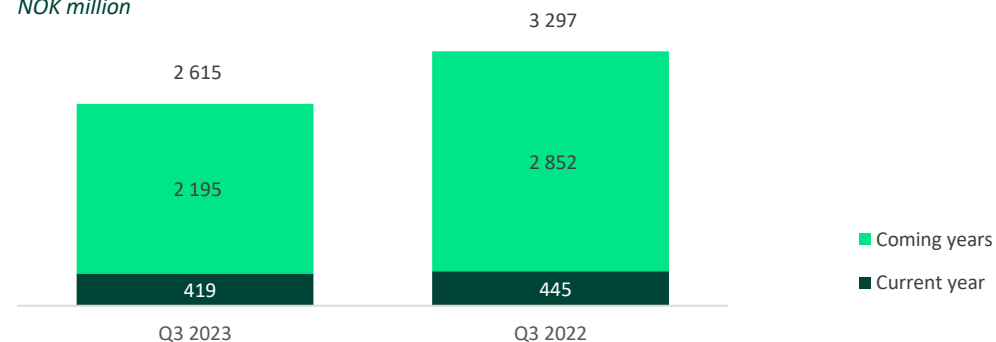
Key Figures

(NOK million)

	Q3 2023	Q3 2022
Revenue	447	630
EBIT adj.	5	0
EBIT adj. margin	1.1%	0.1%
Order intake	170	1 321

Order backlog (total)

NOK million



Notes

- Revenue reduced by 29 % and -24% in local currency
- Improved profitability in Q3, with positive financial momentum
- Turnaround according to plan and actions yield results
- Divestment of Civil operations in Karlstad completed
- Book-to-Bill of 0.4 in local currency



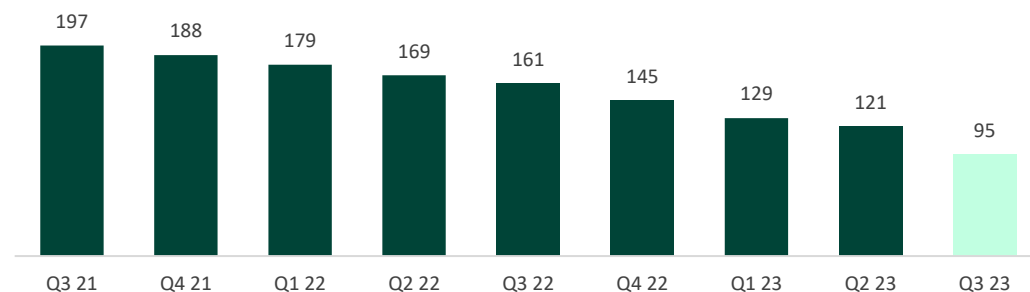


OPERATIONAL REVIEW NRC GROUP FINLAND

Reduced result - strong pipeline

EBIT adj. LTM

NOK million



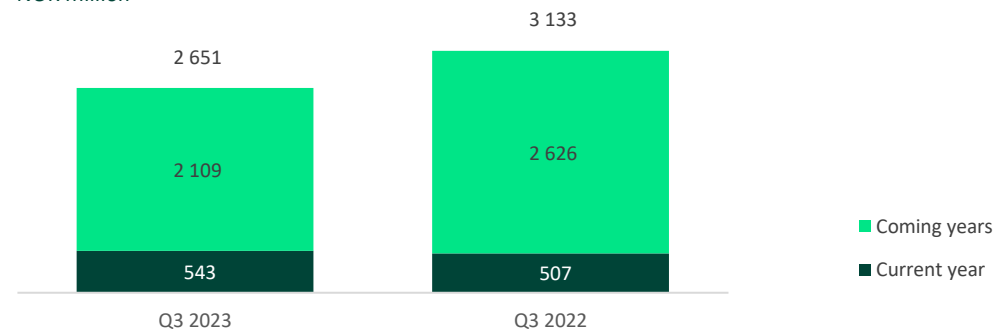
Key Figures

(NOK million)

	Q3 2023	Q3 2022
Revenue	805	804
EBIT adj.	49	75
EBIT adj. margin	6.1%	9.3%
Order intake	338	316

Order backlog (total)

NOK million



Notes

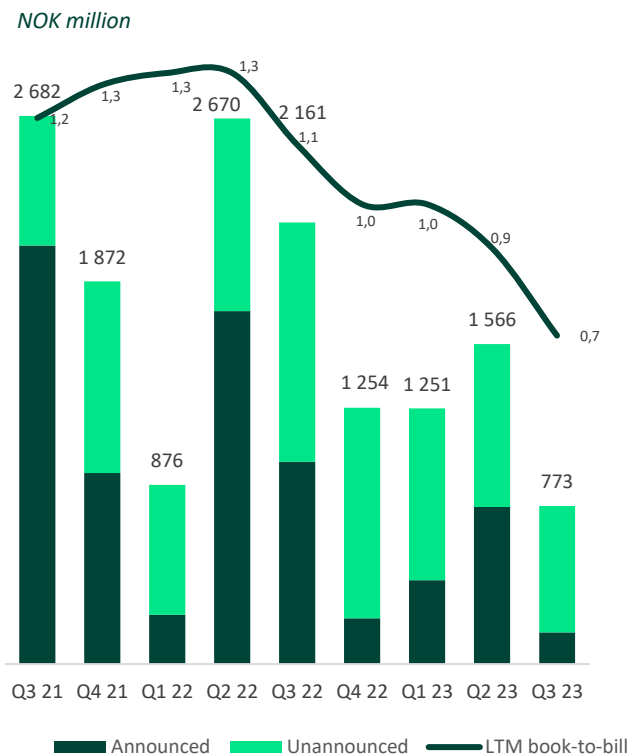
- Revenue growth of 0% and negative -12% in local currency
- Reduced profitability compared to Q3 last year due to reduced margins in Rail construction
- Comprehensive analysis to be conducted during Q4
- Book-to-Bill of 0.4 in local currency



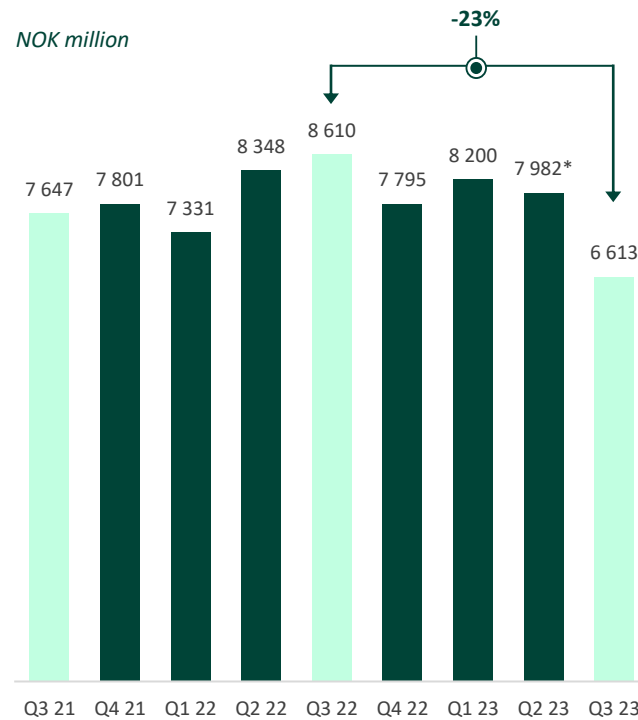
BACKLOG

Low order intake in the quarter

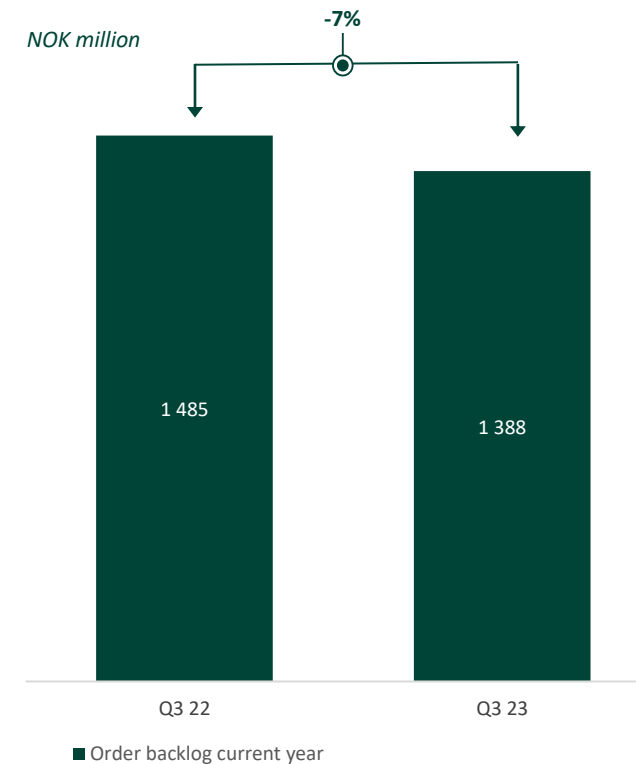
Order intake & Book-to-bill LTM



Order backlog (total)



Order backlog comparison (short-term)



* Order backlog related to the Civil operations in Karlstad (discontinued) amounted to NOK 125 mill

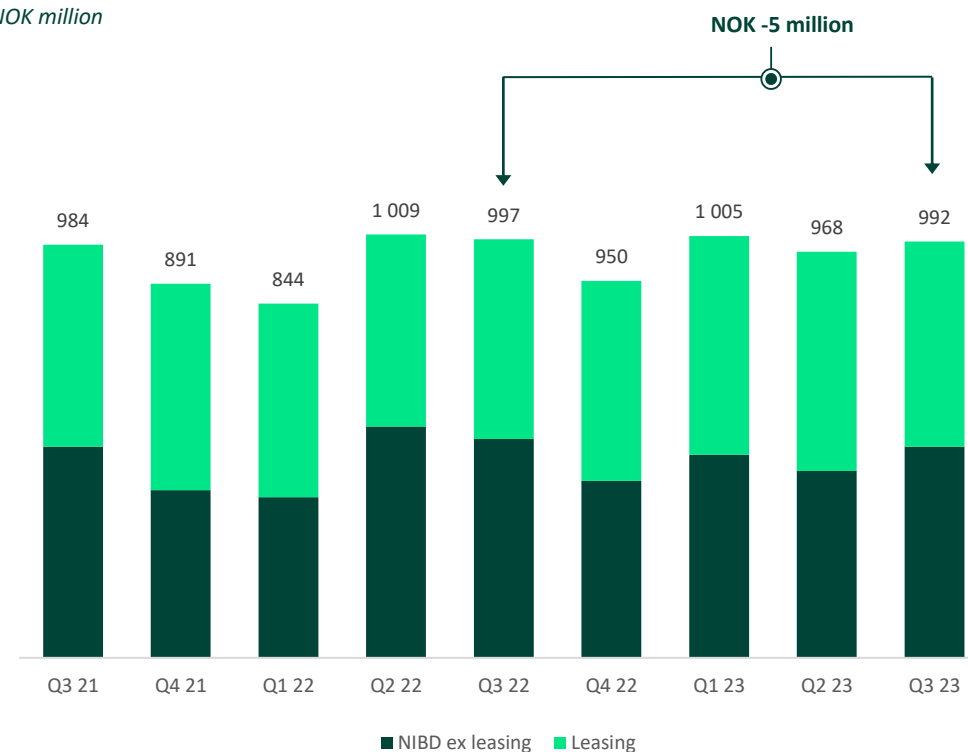
BALANCE SHEET

Net debt position in line with last year

<i>(Amounts in NOK million)</i>	30.09.2023	30.09.2022	31.12.2022
ASSETS			
Intangible assets	2 540	2 907	2 493
Right-of-use assets	528	510	564
Total other non-current assets	176	215	207
Cash and cash equivalents	346	412	472
Other current assets	1 982	1 794	1 454
Total assets	5 571	5 839	5 191
EQUITY AND LIABILITIES			
Total equity	2 447	2 727	2 312
Long-term lease liabilities	325	315	353
Other non-current interest-bearing liabilities	0	780	741
Other non-current liabilities	11	17	11
Short-term lease liabilities	164	161	175
Other interest-bearing current liabilities	849	154	153
Other current liabilities	1 775	1 685	1 445
Total equity and liabilities	5 571	5 839	5 191
Equity ratio	44 %	47 %	45 %

Net interest-bearing debt

NOK million



Net interest-bearing debt ex. leases: NOK 504 million

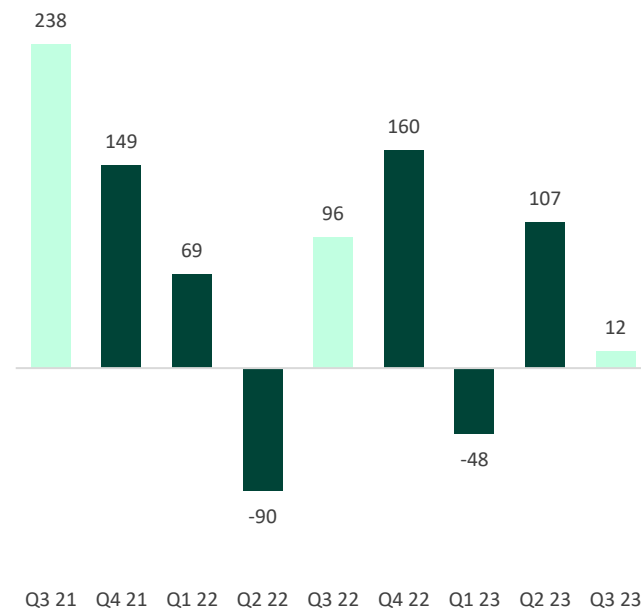


CASH FLOW

Increased net working capital in the period

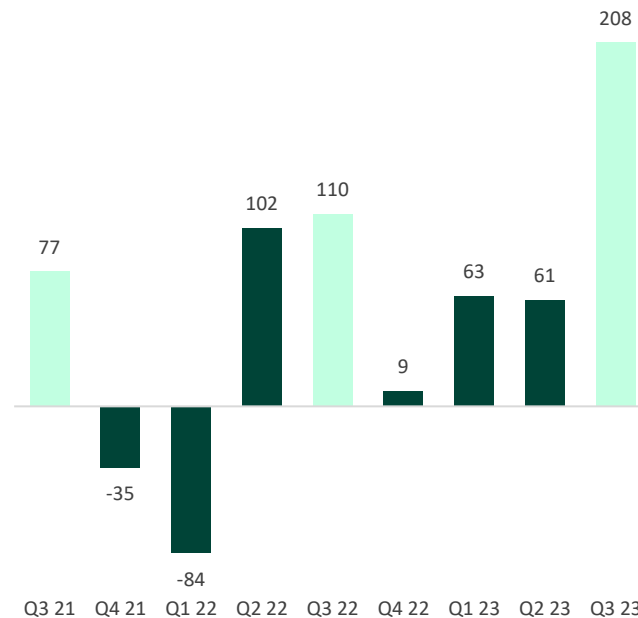
Net cash flow from operations

NOK million



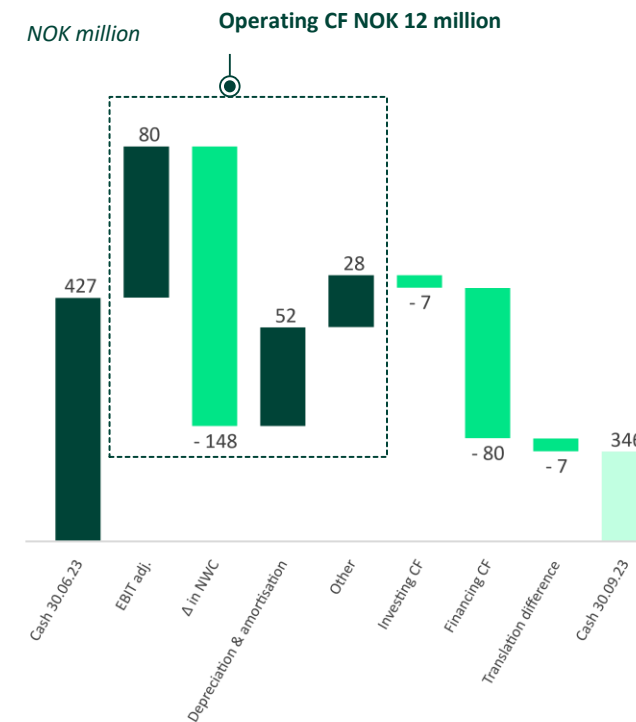
Net working capital (NWC)

NOK million



Change in cash in Q3 23

NOK million



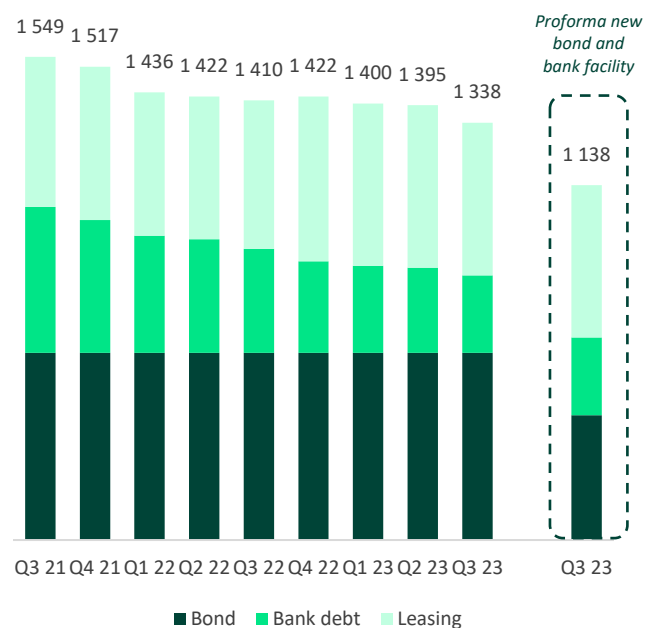
1) The Group has a NIBOR hedge which partly offsets the effects of increased market interest rates.

FINANCIAL POSITION

Refinancing completed after end of quarter

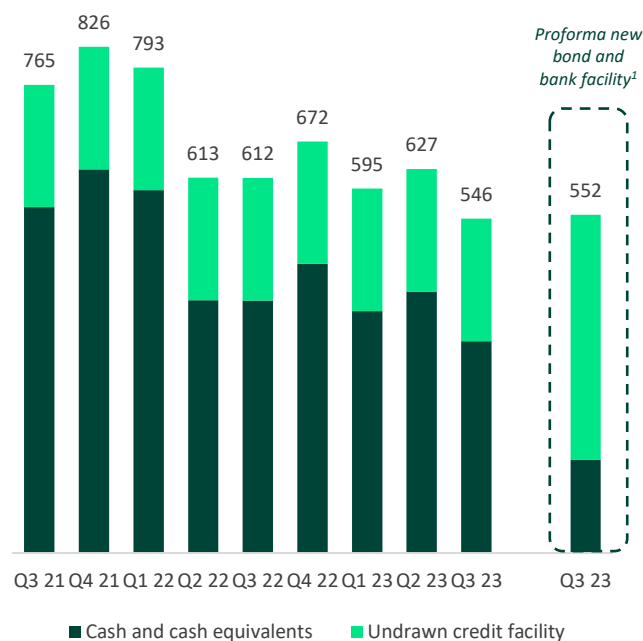
Gross interest-bearing debt break-down

NOK million



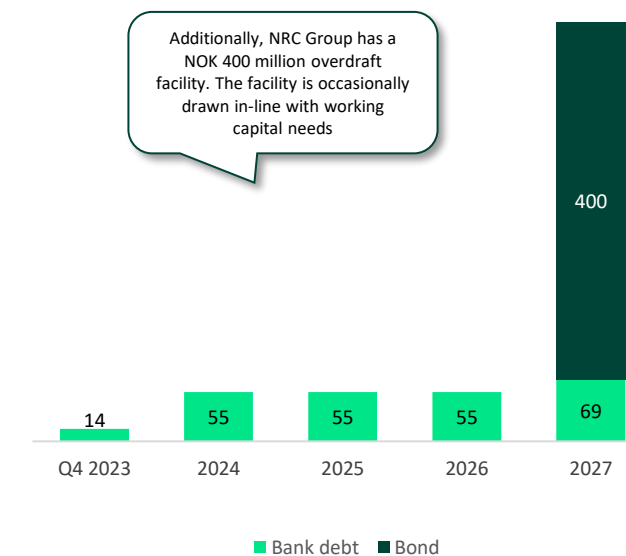
Liquidity

NOK million



Proforma maturity profile post refinancing

NOK million



1) Adjusted for transaction costs (legal costs, bank and bond refinancing fees), NRC01 call premium and estimates of interest rate swap unwinding.

SUMMARY

Q3 in brief

Financials

- Revenues at NOK 1.8 million (NOK 2.0 million)
- EBIT adj. of NOK 80 million (NOK 91 million)

Market

- The market for critical infrastructure continues to be a high priority
- Tender pipeline at record-high level
- Strong sustainable profile

Operations

- Continued improved profitability in Norway – positioning to secure significant contracts
- Lower profitability level in Finland - comprehensive analysis to be conducted
- Improved profitability in Sweden - turnaround well on track

Outlook

- Continued focus on measures to improve profitability - committed to achieving long-term profitability above 5%
- For 2023, NRC Group expects a slight decrease in revenue and an EBIT adj. margin in line with 2022
- Forthcoming strategy period to be presented in a CMU during first half of 2024



Q4 2023 results 27 February



Appendix



Impact of change from EBITA* to EBIT adj.

(Amounts in NOK million)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	FY 2020	FY 2021	FY 2022
Revenue	1 129	1 529	1 698	1 601	1 176	1 912	1 988	1 954	1 291	1 797	1 844	6 449	5 957	7 030
EBITA*	-59	47	102	50	-37	63	94	31	-85	68	76	50	139	151
Amortisations of IT software investments	-6	-15	-6	-4	-3	-3	-3	-3	-4	-4	-3	-25	-30	-13
Restructuring items	0	0	0	0	0	0	0	0	6	1	3	0	0	0
Write-down operations to be discontinued	0	0	0	0	0	0	0	0	35	0	4	0	0	0
EBIT adj.	-65	32	96	47	-41	60	91	28	-48	65	80	25	110	137
<i>EBIT adj. %</i>	<i>-5,7 %</i>	<i>2,1 %</i>	<i>5,7 %</i>	<i>2,9 %</i>	<i>-3,5 %</i>	<i>3,1 %</i>	<i>4,6 %</i>	<i>1,4 %</i>	<i>-3,7 %</i>	<i>3,6 %</i>	<i>4,3 %</i>	<i>0,4 %</i>	<i>1,8 %</i>	<i>2,0 %</i>

Reconciliation of EBIT adj.

(Amounts in NOK million)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Operating profit/loss (EBIT)	73	85	88	91	-240
Adjusting items					
Gain from sale of Gravco	0	0	-40	0	0
M&A expenses	-1	0	0	1	2
Amortisation and impairment from PPA*	0	6	0	18	376
Restructuring items	3	0	9	0	0
Write-down operations to be discontinued	4	0	40	0	0
Adjusting items, total	6	6	9	18	378
EBIT adj.	80	91	96	110	137
Depreciation	49	44	148	135	185
Amortisation of IT software investments	3	3	11	10	13
EBITDA adj.	132	138	255	254	335



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

** PPA (purchase price allocation) refers to merger related fair value adjustments

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