

1st quarter 2022

CEO Henning Olsen
CFO Ole Gulsvik



KEY FIGURES

Improved results and strong cashflow

REVENUE

↑ **NOK 1.2** Billion

Q1 2021 : NOK 1.1 Billion

EBITA*

↑ **NOK -37** Million

Q1 2021: NOK -59 Million

EBITA* margin

↑ **-3.2%**

Q1 2021: -5.2%

ORDER INTAKE

→ **NOK 0.9** Billion

Q1 2021: NOK 0.9 Billion

OPERATING CASH FLOW

↑ **NOK 69** Million

Q1 2021: NOK 17 Million

ORDER BACKLOG

↑ **NOK 7.3** Billion

Q1 2021: NOK 6.0 Billion



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



HEALTH AND SAFETY

Reduced injury frequency rate

LTI*

5.1

Q1 2021: 9.6

TRI**

14.3

Q1 2021: 20.2

SICKNESS ABSENCE

4.9%

Q1 2021: 4.1%

SERIOUS INJURIES

1

Q1 2021: 0



*LTI: Injuries resulting in absence at least one full day per million man-hours (incl. subcontractors). Previously reported as LTI-1.

**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 31 March 2022 compared with 31 March 2021.

SUSTAINABILITY REPORT 2021

Key results

EU TAXONOMY ELIGIBLE*

87%

EU TAXONOMY ALIGNED*

62%

GHG EMISSION REDUCTION
(SCOPE 1+2)

13.5%

RECYCLING
RATE

96%



* Group's activities in terms of revenue

WAR IN UKRAINE

Long term impact characterised by uncertainty globally

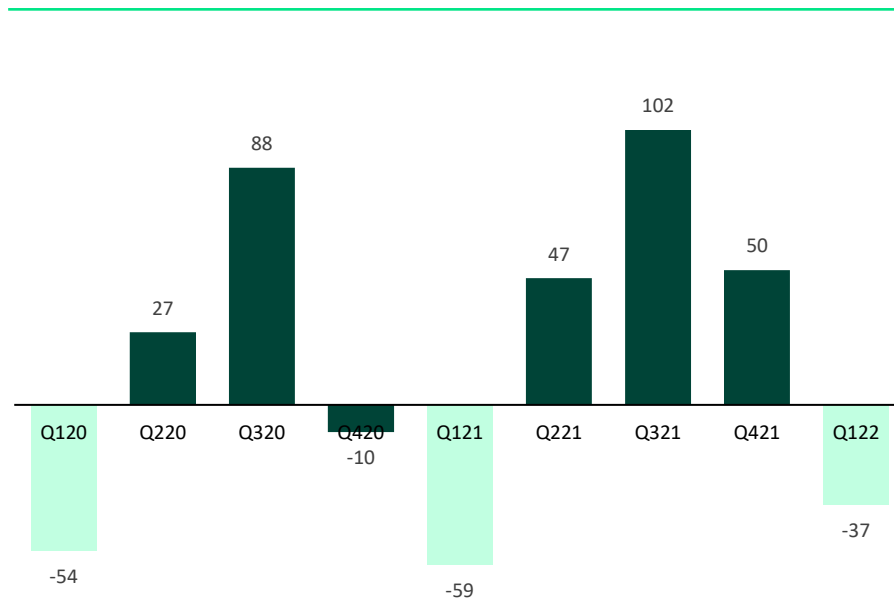
- 1 Limited supplies from Ukraine
- 2 Short term well protected against rise in material and fuel prices
- 3 Continue to manage risks in projects



PROFIT & LOSS

Improved results

EBITA* (NOK million)



(Amounts in NOK million)

	Q1 2022	Q1 2021	FY 2021
Revenue	1 176	1 129	5 957
Operating expenses	1 168	1 139	5 621
Other income and expenses (M&A expenses)	-1	-6	-34
EBITDA	7	-16	302
Depreciation	45	49	196
EBITA*	-37	-59	139
EBITA	-38	-64	105
Amortisation	9	12	64
Operating profit/loss (EBIT)	-47	-77	42
Net financial items	-14	-18	-66
Profit/loss before tax (EBT)	-62	-95	-24

Notes

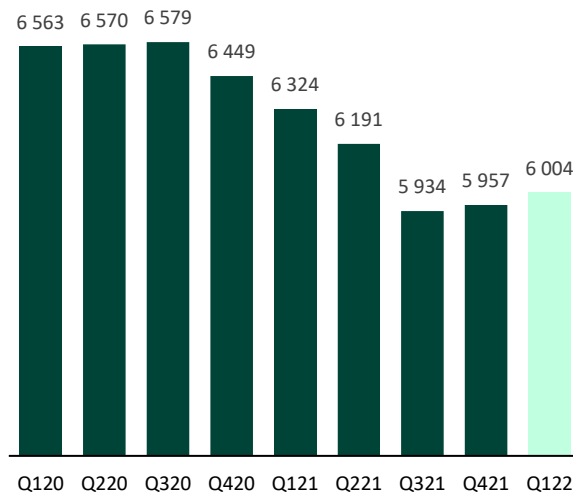
- Revenues +4 % from Q1 21 and +7% adjusted for currency effects
- EBITA* improvement of NOK 22 million compared to same period last year
- EBITA* margin of -3.2% vs -5.2% in a low season quarter



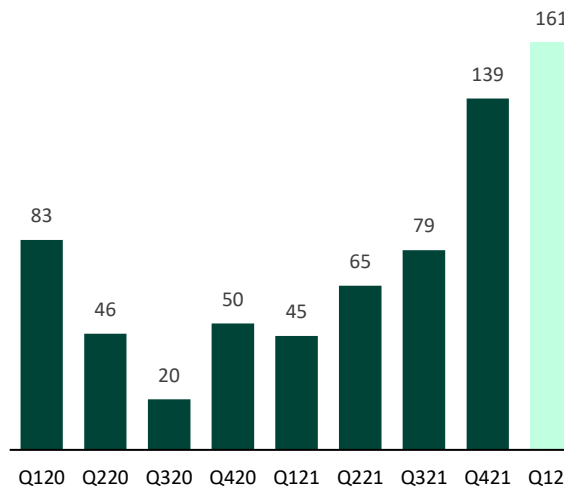
KEY FINANCIAL FIGURES LTM*

Improvement program is yielding results

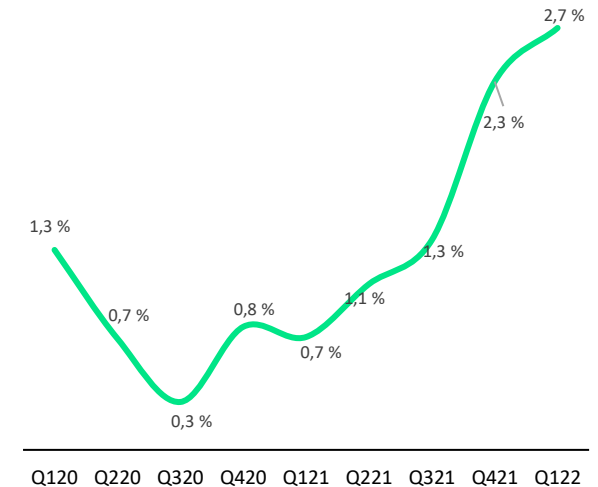
Revenue LTM (NOK million)



EBITA** LTM (NOK million)



EBITA** margin LTM (%)



*LTM = Last twelve months
** Before other income and expenses (M&A expenses)

BALANCE SHEET

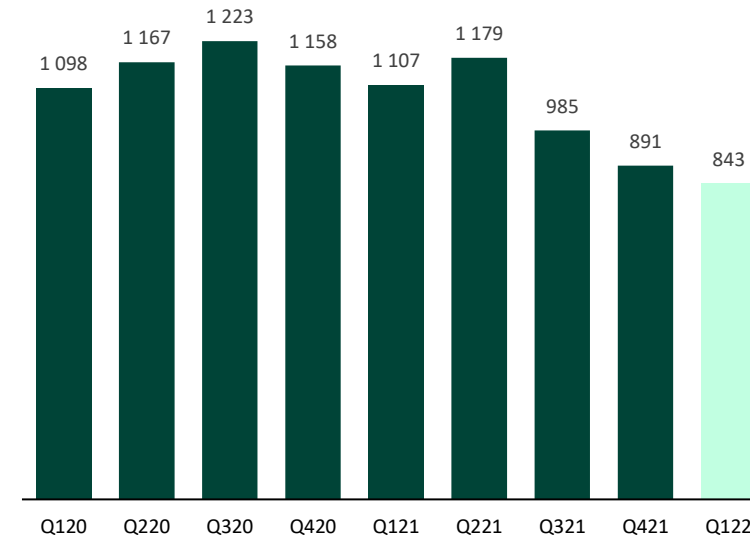
Interest-bearing debt reduced

(Amounts in NOK million) 31.03.2022 31.03.2021 31.12.2021

(Amounts in NOK million)	31.03.2022	31.03.2021	31.12.2021
ASSETS			
Intangible assets	2 797	2 890	2 867
Right-of-use assets	490	541	514
Total other non-current assets	193	217	193
Cash and cash equivalents	593	551	626
Other current assets	1 184	1 208	1 387
Total assets	5 256	5 407	5 587
EQUITY AND LIABILITIES			
Total equity	2 531	2 581	2 622
Long-term financial lease liabilities	217	257	224
Long-term operating lease liabilities	88	91	95
Other non-current interest-bearing liabilities	834	986	880
Other non-current liabilities	20	38	26
Short-term financial lease liabilities	106	123	118
Short-term operating lease liabilities	49	55	55
Other interest-bearing current liabilities	142	146	146
Other current liabilities	1 269	1 129	1 422
Total equity and liabilities	5 256	5 407	5 587

Net Interest-bearing debt (NOK million)

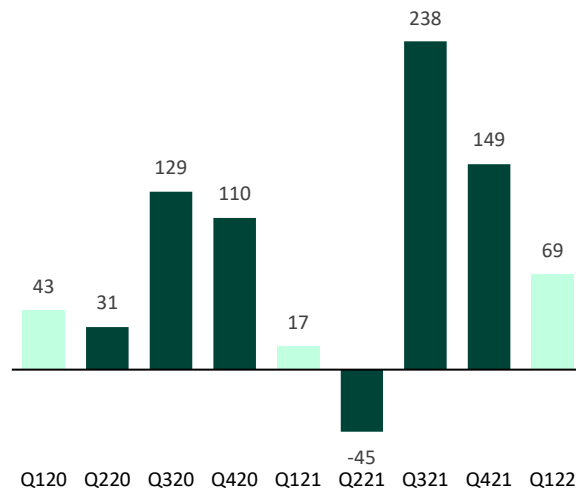
Net Interest-bearing debt ex. Leases: NOK 383 million



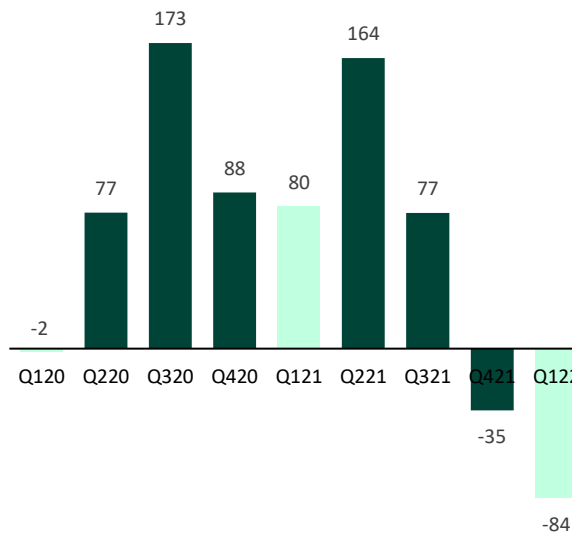
CASH FLOW

Continued good cash flow performance

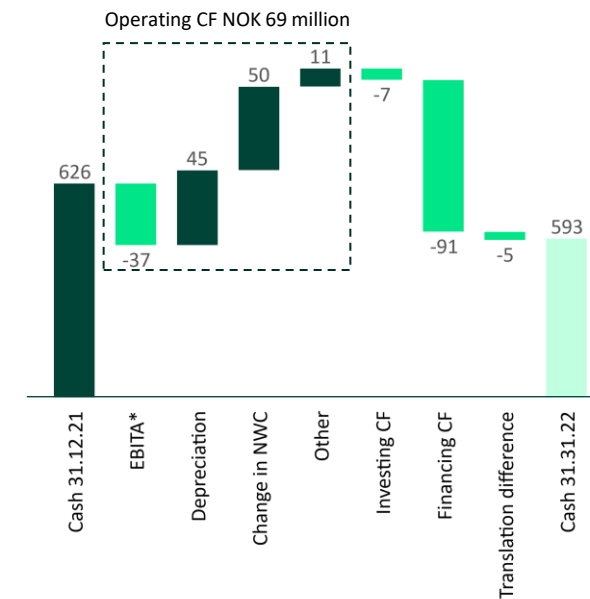
Cash flow from operations
(NOK million)



Net working capital (NWC)
(NOK million)



Change in cash in Q1 22
(NOK million)

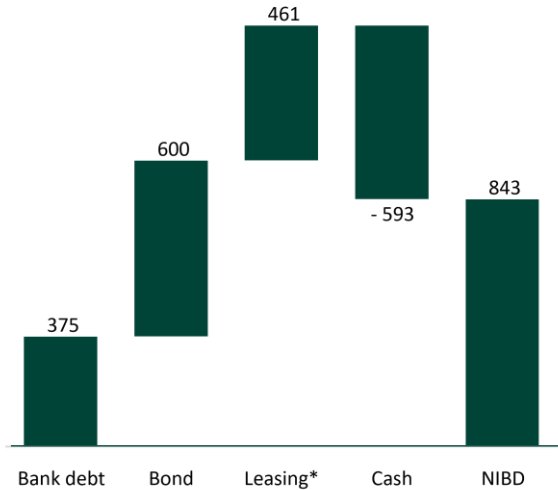


* Before other income and expenses (M&A expenses)

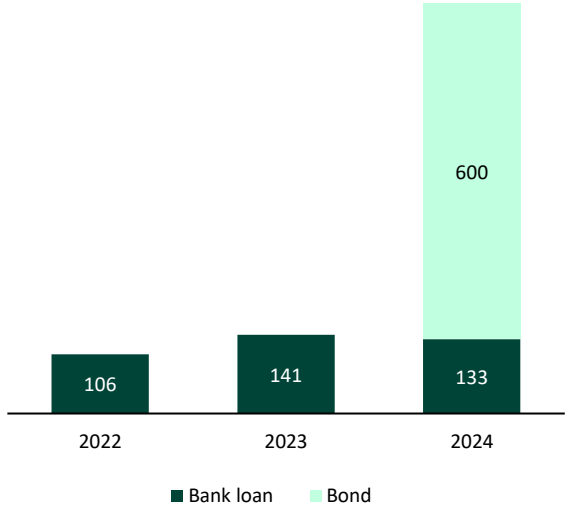
FINANCIAL POSITION

Leverage ratio in line with long term target

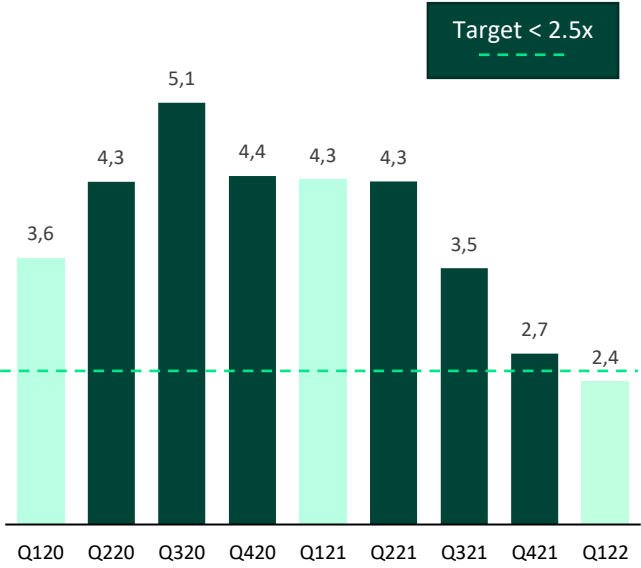
Net interest-bearing debt (NIBD)
(NOK million)



Bank and bond maturities
(NOK million)



NIBD / EBITDA** ratio

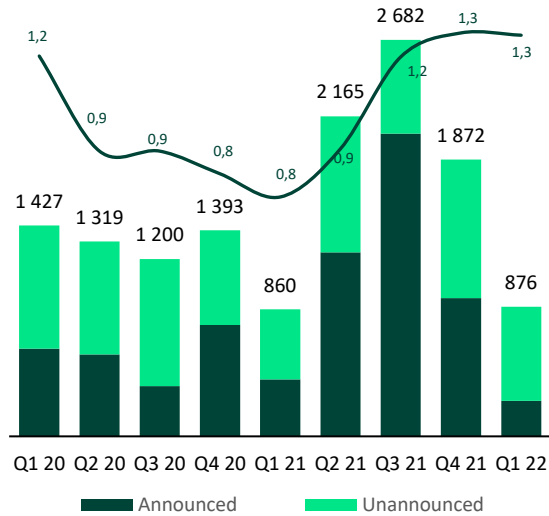


* Before other income and expenses (M&A expenses)

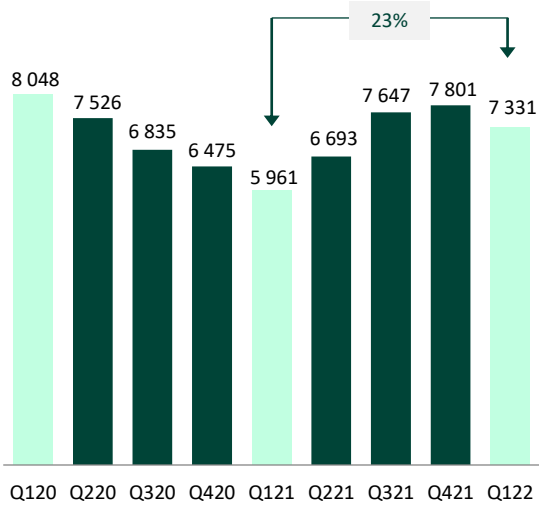
BACKLOG

Good visibility in 2022

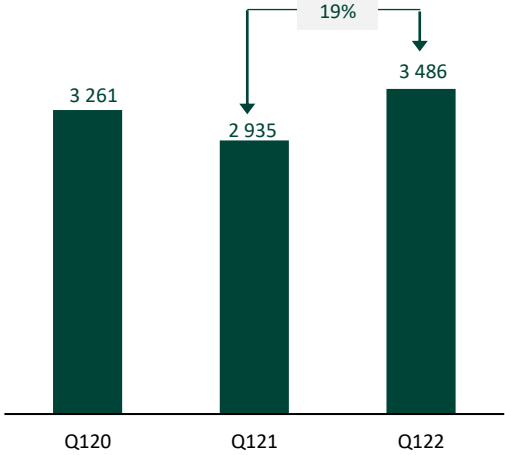
Order intake (NOK million) and Book-to-bill (x) LTM



Order backlog (NOK million)



Current Year (CY) order backlog comparison (NOK million)



FINANCIAL POSITION

Operational review

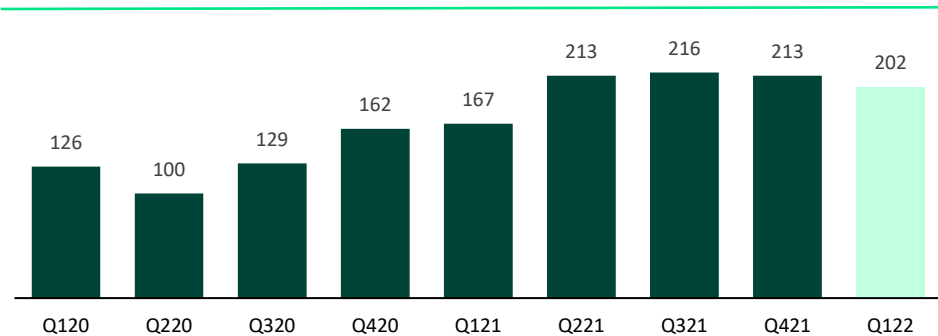




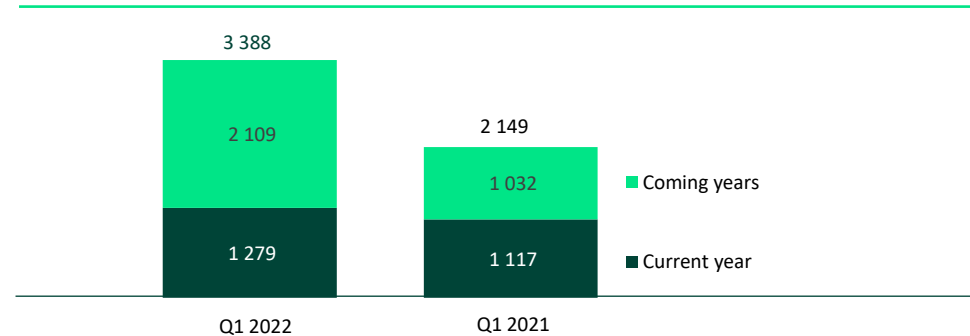
OPERATIONAL REVIEW

Lower activity impact results

EBITA* - LTM



Order backlog (NOK million)



(NOK million)

	Q1 2022	Q1 2021
Revenue	389	446
EBITA*	-9	2
EBITA* margin	-2.2%	0.4%
Order intake	297	138

Notes

- Revenue reduced 10% in local currency - due to lower volumes in Light rail division, partly offset by increased volumes in Rail
- Decrease in profitability due to the lower activity in Light rail
- LTM Book to Bill of 1.5 in local currency



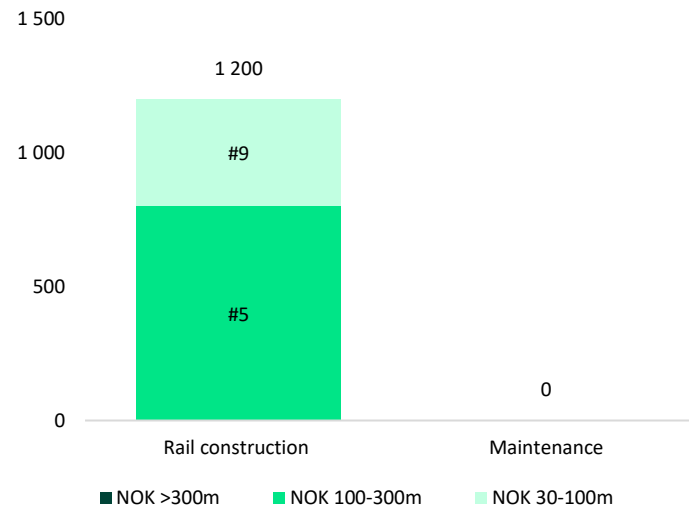
* Before other income and expenses (M&A expenses)



OPERATIONAL REVIEW

Decline in tender pipeline

NOK 1.2 billion tender pipeline¹
NOK million value, # of tenders, next 9 months



Notes

Tender pipeline

Decreased with NOK 0.4 bn from Q421 pipeline and NOK 2.7 bn from same period last year mainly related to maintenance projects which have been awarded in 2021 and early 2022

Budget 2022²

Proposed investments and spending at EUR 1.04 bn
Investments and renewals at high levels, however not visible in tender pipeline

Light rail projects

Continued high investment level expected in the coming years
NRC Group Finland is market leader



1) Finnish Transportation Agency, National Budget 2022, NRC Group estimates

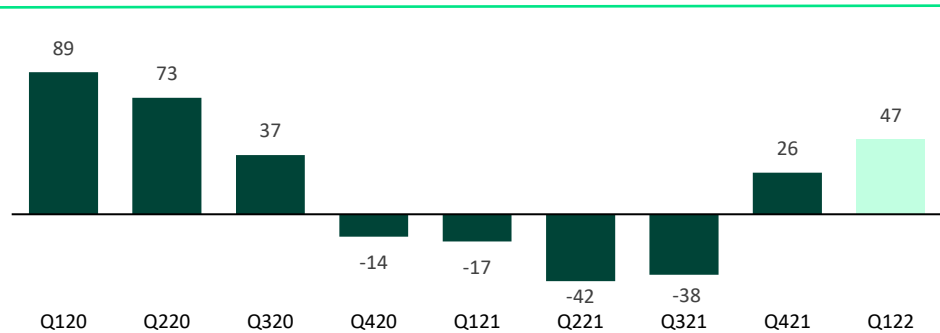
2) National Budget 2022, NRC Group estimates



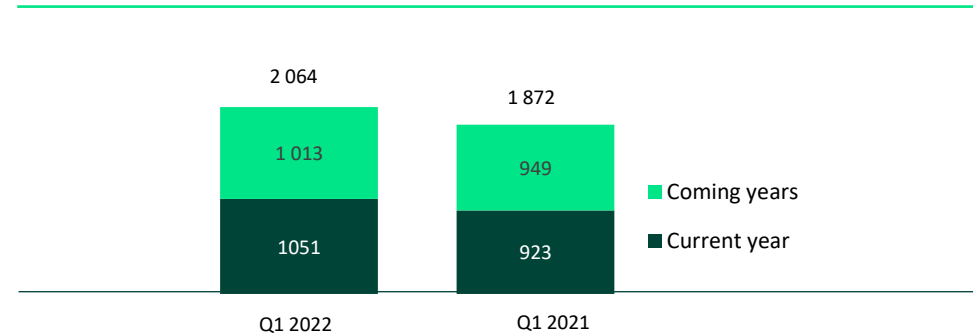
OPERATIONAL REVIEW

Higher activity and improved performance

EBITA* - LTM



Order backlog (NOK million)



(NOK million)

	Q1 2022	Q1 2021
Revenue	499	423
EBITA*	4	-17
EBITA* margin	0.8%	-4.0%
Order intake	365	500

Notes

- Revenue growth of 18% from Rail and Environment division
- Improved profitability driven by operational improvement in the Environment division
- LTM Book to Bill at 1.1



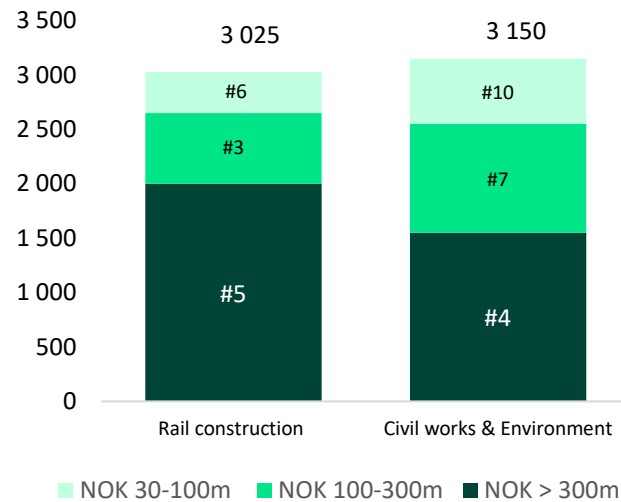
* Before other income and expenses (M&A expenses)



OPERATIONAL REVIEW

High tender activity after decrease in Rail construction

NOK 6.2 billion tender pipeline¹
NOK million value, # of tenders, next 9 months



Notes

Tender pipeline

Decrease of NOK 2.7 bn in tender pipeline vs Q421 and a decrease of NOK 3.0 bn vs last year
Decrease in rail construction

Budget 2022²

NOK 26.7 bn for 2022, at same level as 2021 and National Transport Plan for 2022



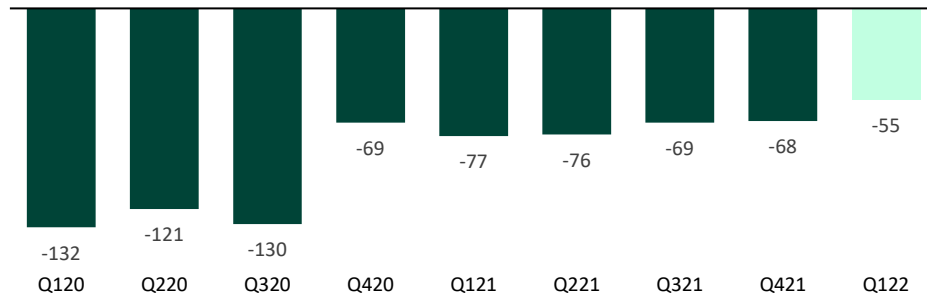
1) NRC Group estimates
2) National budget 2022, prop 1S



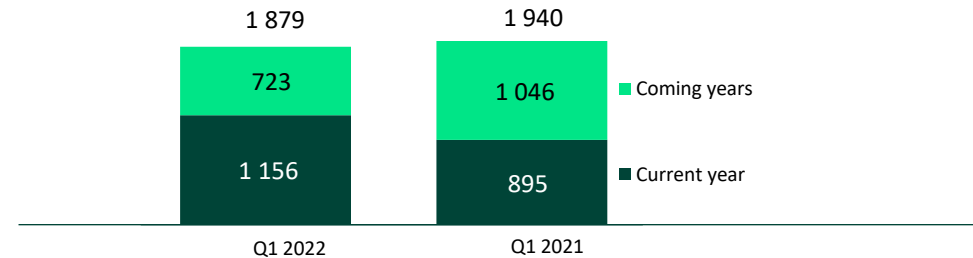
OPERATIONAL REVIEW

Higher activity and improved result

EBITA* - LTM



Order backlog** (NOK million)



(NOK million)

	Q1 2022	Q1 2021
Revenue	289	259
EBITA*	-22	-35
EBITA* margin	-7.6%	-13.4%
Order intake	212	223

Notes

- Revenue growth of 19% YoY in local currency due to increased volumes in Rail construction and Civil
- Improved profitability due to better project margins
- Competition remains high
- LTM Book to Bill at 1.0 in local currency

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

** In local currency the order backlog is up from SEK 1,987 million in Q1 21 to SEK 2,000 million in Q1 22

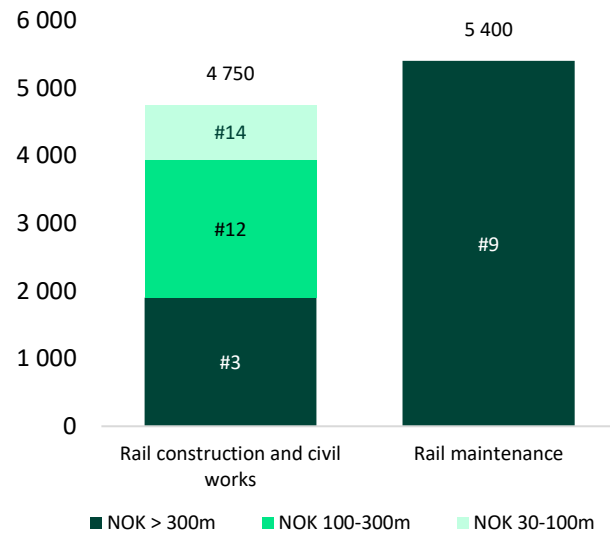




OPERATIONAL REVIEW

Continued high tender activity level

NOK 10.2 billion tender pipeline¹
NOK million value, # of tenders, next 9 months



Notes

Tender pipeline

Increase of NOK 1.6 bn in tender pipeline vs Q421 and NOK 1.0 bn compared to same period last year mainly explained by Maintenance

Budget 2022²

SEK 30.7 bn for 2022, +2% higher than estimated in the NTP



1) NRC Group estimates
2) National Budget 2022

SUMMARY

Q1 in short

Financials

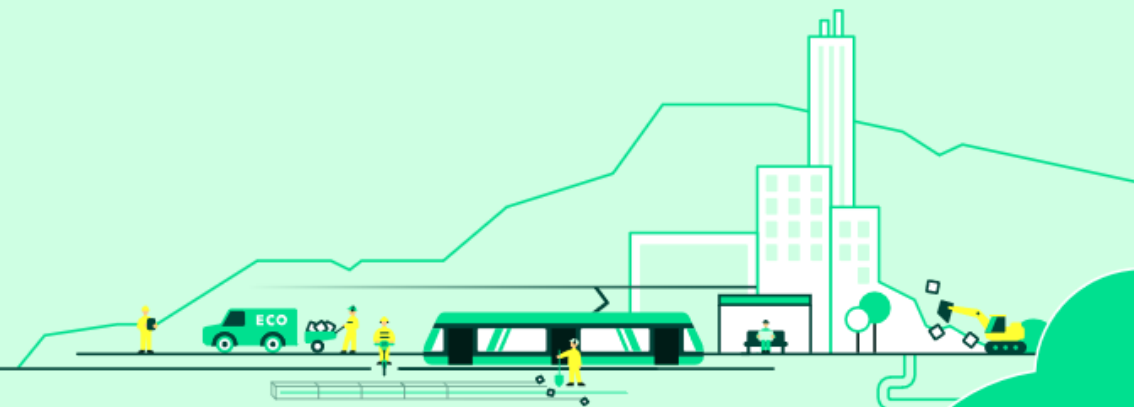
- Improved results and strong operational cash flow
- Revenue growth 7% in local currency

Operations

- Short term well protected against rise in material and fuel prices
- Continued focus on core processes in tendering and project execution
- Focus on profitable growth
- Strong financial and operational improvement in Norway

Unchanged outlook 2022

- Continued positive operational and financial development
- Moderate to strong revenue growth
- Moderate increase in EBITA* margin compared to 2021



Questions?

18 August 2022: Half-yearly interim report – Q2 2022



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