

NRC Group

Q4 2019 result presentation

Oslo, 13 February 2020

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Highlights Q4

Revenue

NOK 1.66 bn, +71%
Organic growth of -6%. YTD: +2%

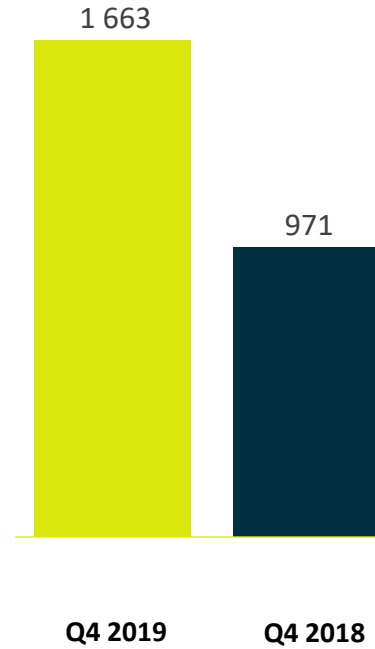
EBITA

EBITA* of NOK -32 million
Strong performance in Civil and Environment in Norway
Net adjustments of project margins NOK -110 million
- Mainly in Sweden and in Rail construction in Norway

Orders

Order intake of NOK 1.9 bn in Q4
Order backlog of NOK 7.15 bn

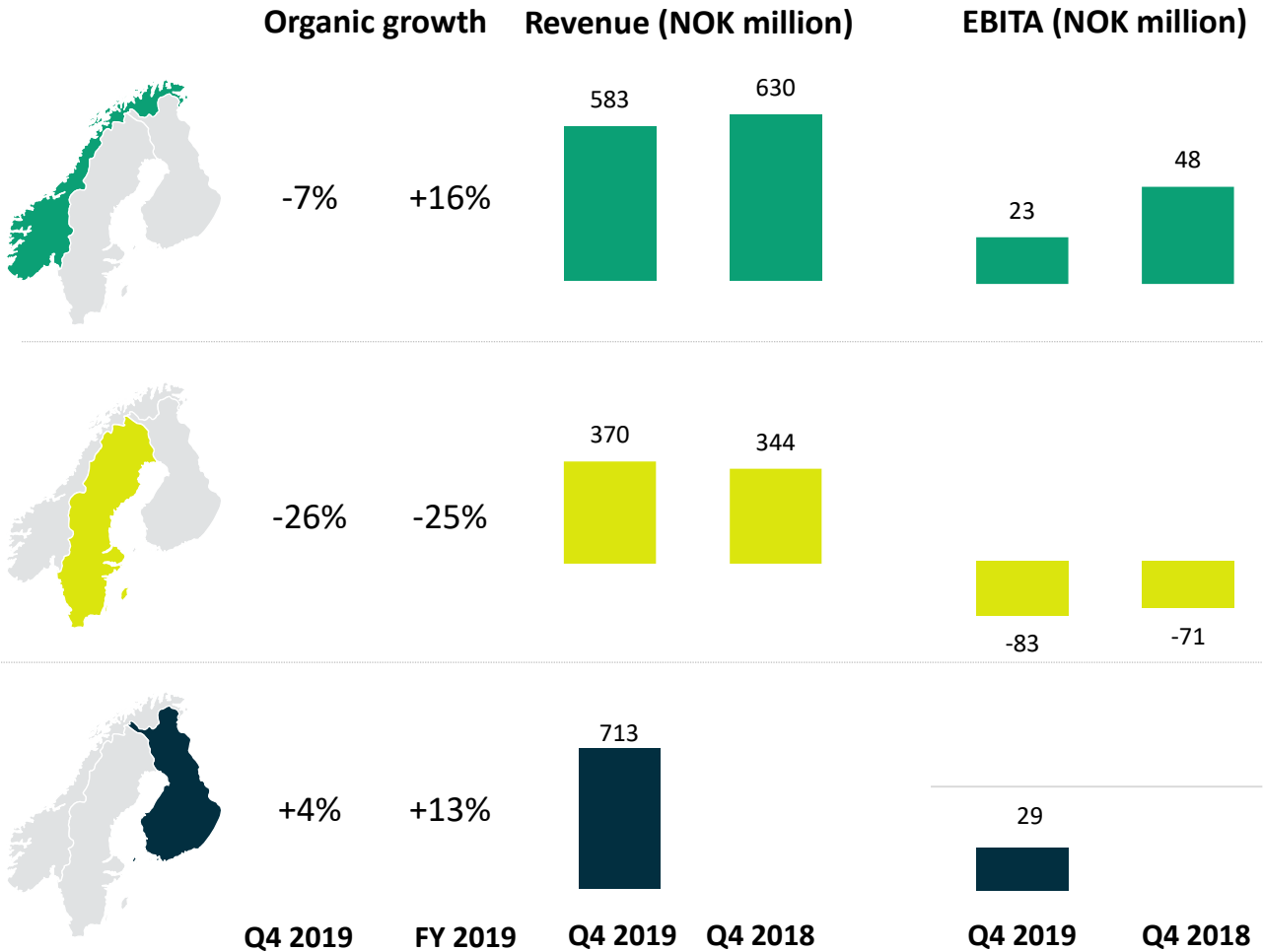
Revenue (In NOK million)



EBITA* (In NOK million)



Quarterly revenue and EBITA* per country



- Solid margins in Civil and Environment
- Net adjustments of project margins in Rail of NOK -50 million
- Several measures taken to improve profitability in Rail division in Norway
- Strong organic growth in 2019 with +16%

- Net adjustments of project margins in Rail- and Civil construction projects of NOK -80 million
- Several measures taken to restore profitability
- Increased activity but high price competition in the tender market in Q4, strong tender pipeline in 2020

- Continued solid growth in Rail construction
- Reduced margins due to project write downs in bridge construction and maintenance area 1
- Additional depreciations of approximately NOK 10 million (one-off)
- Strong organic growth with +13% in 2019

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



Q4 key figures – profit & loss

- Revenue in Q4 2019 of NOK 1,663 million
- EBITA ex M&A in Q4 2019 of NOK -32 million
- M&A cost NOK -32 million;
 - Subsequent adjustment of contingent consideration of NSS
- Depreciations of NOK -60 million during Q4 2019
 - Additional depreciations of approximately NOK 10 million in Finland (one-off)

(Amounts in NOK million)	Q4 2019	Q4 2018	FY 2019	FY 2018
Revenue	1 663	971	6 193	3 176
Operating expenses	1 635	977	5 912	3 044
EBITDA before other income and expenses	28	-7	281	132
Other income and expenses	-32	-14	-91	-28
EBITDA	-4	-21	191	104
Depreciation	60	29	212	75
Operating profit/loss before amortisation (EBITA)	-64	-50	-21	29
Amortisation	17	9	70	28
Operating profit/loss (EBIT)	-80	-59	-91	1
Net financial items	-20	-5	-73	-11
Profit/loss before tax (EBT)	-100	-64	-163	-10
Taxes	26	12	23	10
Net profit/loss from continuing operations	-74	-52	-140	0
Net profit from discontinued operations	65	0	80	0
Net profit/loss	-9	-52	-61	0

Q4 2019 key figures – balance sheet

- Sale of Design completed in Q4
- Goodwill and other intangible assets: NOK 2 796 million
- Cash of NOK 154 million
- Interest bearing debt excluding leasing is NOK 1 262 million
 - Bond: NOK 600 million
 - Bank debt: NOK 662 million
- Leasing liability of NOK 525 million
 - Including operational lease of NOK 188 million
- Net Debt incl. total leasing: NOK 1 633 million
- Equity: 38%

(Amounts in NOK million)

ASSETS	31.12.2019	31.12.2018
Intangible assets	2 796	1 275
Right-of-use assets	522	0
Total other non-current assets	301	428
Cash and cash equivalents	154	396
Other current assets	1 648	841
Assets classified as held for sale	0	0
Total assets	5 420	2 940
EQUITY AND LIABILITIES		
Total equity	2 044	1 442
Long-term financial lease liabilities	214	152
Long-term operating lease liabilities	125	0
Other non-current interest-bearing liabilities	1 161	287
Other non-current liabilities	34	46
Short-term financial lease liabilities	123	89
Short-term operating lease liabilities	63	0
Other interest-bearing current liabilities	101	86
Other current liabilities	1 555	838
Liabilities classified as held for sale	0	0
Total equity and liabilities	5 420	2 940



Q4 2019 key figures – cash flow

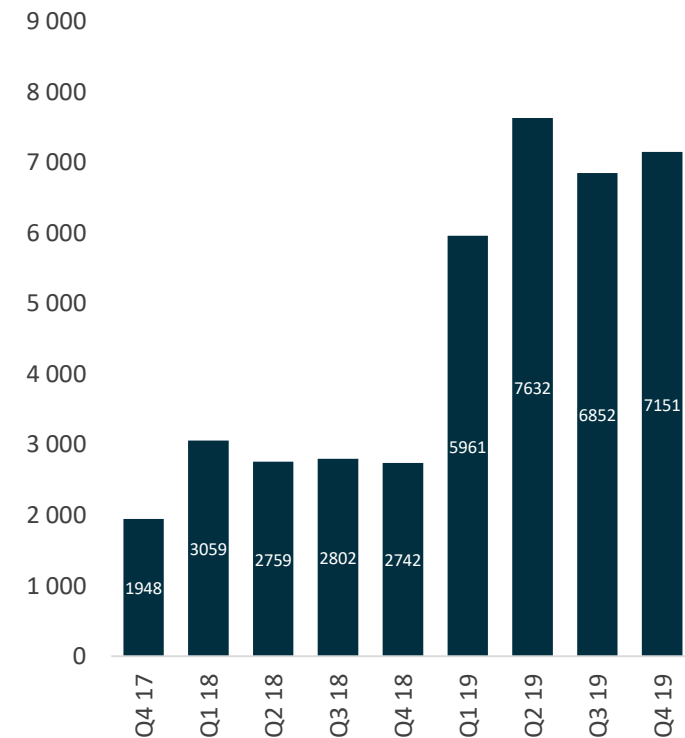
- Cash flow from operating activities of NOK 122 million
- Net cash from investments of NOK 427 million
 - Capex net : NOK -4 million
 - Gross proceeds sale of Design: NOK 431 million
- Net cash flow from financing activities of NOK -481 million
 - Net repayment of borrowings NOK -394 million
 - Payment of leasing NOK -55 million
 - Interest NOK -25 million

(Amounts in NOK million)	Q4 2019	Q4 2018	FY 2019	FY 2018
Profit/loss before tax	-100	-64	-163	-10
Net cash flow from operating activities - continuing operations	68	242	-32	206
Net cash flow from operating activities - discontinued operations	54	0	109	0
Net cash flow from operating activities	122	242	77	206
Net cash flow from investing activities	427	0	-937	-140
Net cash flow from financing activities	-481	-46	628	-76
Net change in cash and cash equivalents	69	197	-232	-10
Cash and cash equivalents at the end of the period	154	396	154	396

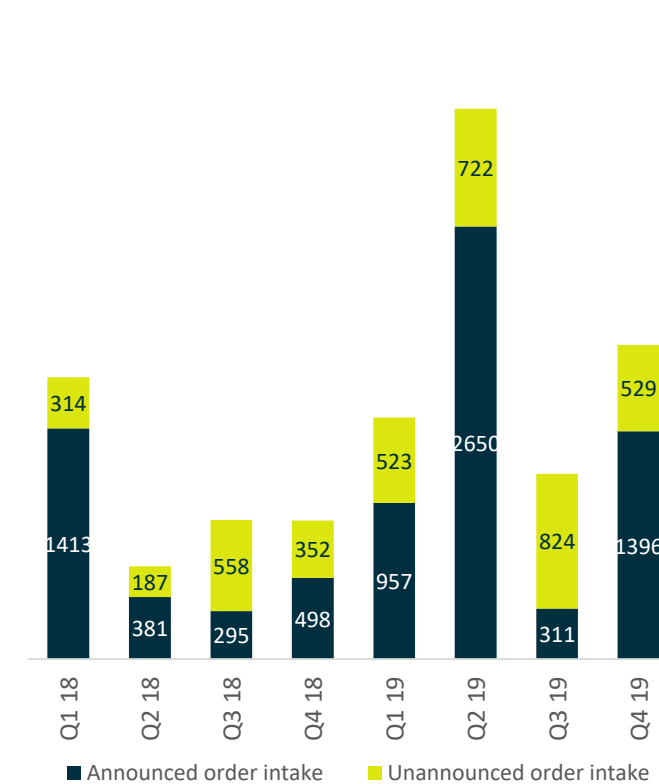


Strong order intake in Q4

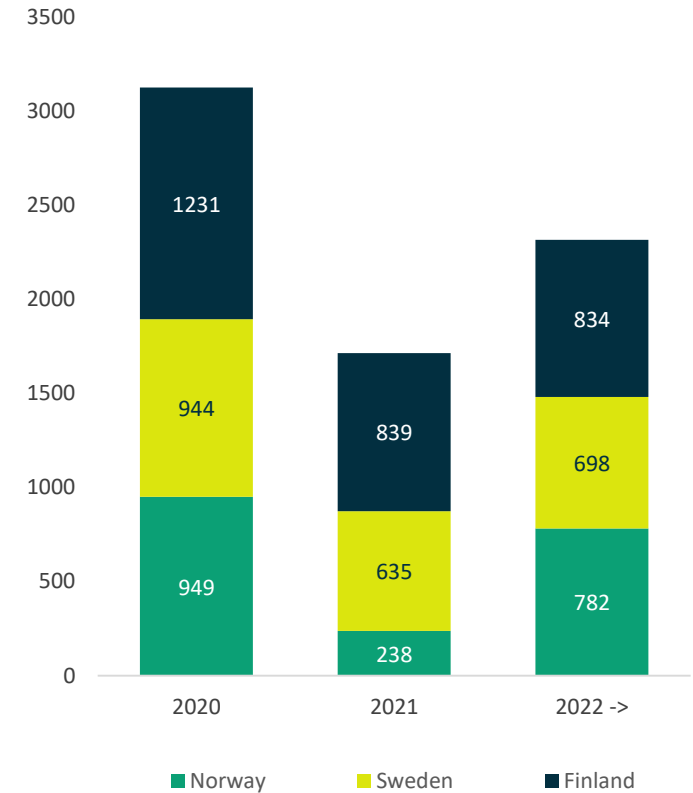
Order book (NOK million)



Order intake (NOK million)



Backlog distribution (NOK million)



Appendix



Segments – key figures quarterly development

	FY 2016	FY 2017	FY 2018	Reported Q1 2018	Reported Q2 2018	Reported Q3 2018	Reported Q4 2018	Reported Q1 2019	Reported Q2 2019	Reported Q3 2019	Reported Q4 2019	FY 2019
Norway operations (NOK million)												
Total revenue	604	771	1 598	212	335	421	630	470	545	683	583	2 281
EBITDA*	13	43	136	-1	26	46	65	14	65	75	47	200
EBITA*	2	21	96	-7	19	36	48	-5	43	52	23	112
EBIT*	-2	5	75	-13	16	33	39	-13	35	45	17	84
Sweden operations (NOK million)												
Total revenue	1 371	1 613	1 591	316	498	433	344	299	411	460	370	1 539
EBITDA*	173	221	27	9	46	32	-60	-7	-13	14	-71	-77
EBITA*	160	198	-8	2	38	23	-71	-20	-24	2	-83	-125
EBIT*	136	179	-16	1	37	17	-71	-20	-24	2	-83	-125
Finland operations (NOK million)												
Total revenue								361	601	712	713	2 388
EBITDA*								4	64	70	53	191
EBITA*								-13	45	55	29	116
EBIT*								-24	35	45	19	75

*excluding M&A costs