NRC Group

Q3 2016 Presentation

Oslo 8 November 2016

Disclaimer

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.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity or performance will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this presentation, either to conform them to actual results or to changes in our expectations.

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1. Highlights
2. Financials
3. Market
4. Summary & outlook
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Highlights

Q3 Highlights

- All-time high revenue and profit for the quarter
- High activity, particularly in Sweden
- Strong order backlog of NOK 1,444 million in Q3 2016

Q3 Figures

- Revenues of NOK 645.1 million in Q3 2016 vs NOK 417.8 million in Q3 2015
- EBITDA of NOK 88.9 million in Q3 2016 vs NOK 51.7 million in Q3 2015
- EBITDA margin of 13.8% in Q3 2016 vs. 12.4% in Q3 2015

Key events post Q3

- SEK 180 million extension makes Ludvika-Frövi project the largest contract awarded to date, bringing the total contract value to SEK 295 million
- Sale of Blom UK
- Acquisition of Gravco to strengthen position in tram and metro market
- Dividend policy decided by the Board of Directors

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Q3 2016 pro forma key figures – profit and loss

- Revenue of NOK 645.1 million (NOK 417.8 million)
  - Strong growth in Sweden
- EBITDA NOK 88.9 million (NOK 51.7 million)
- EBITDA margin of 13.8 per cent (12.4 per cent)
- EBIT NOK 75.0 million (NOK 43.5 million)

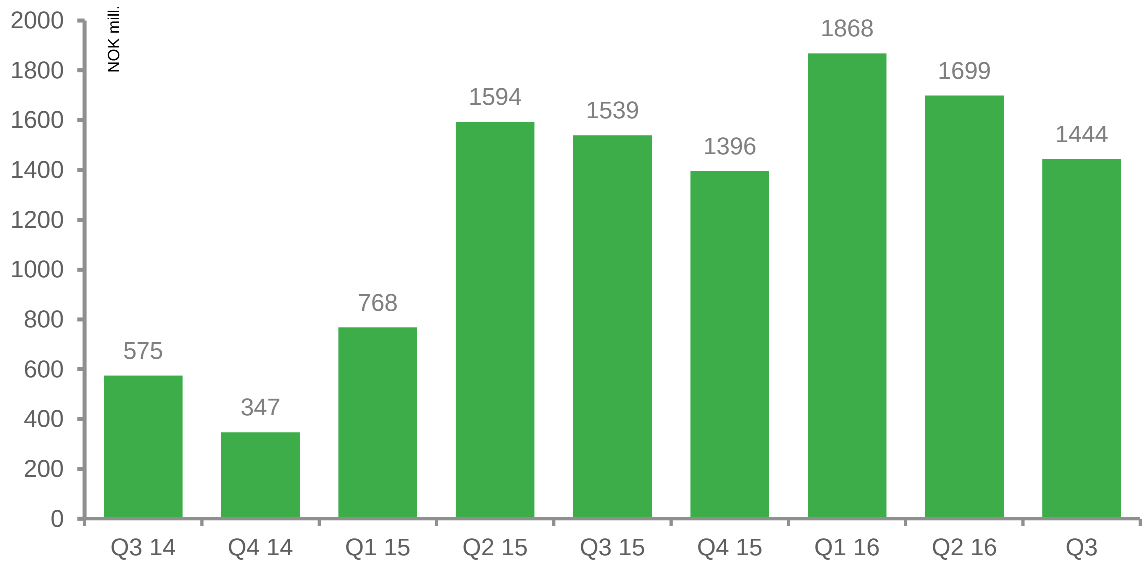
(Amounts in NOK 1 000)	**Q3 2016**	**Q3 2015**	**YTD 2016**	**YTD 2015**
Revenue	645 065	417 835	1 559 976	866 011
Operating expenses	556 176	366 119	1 423 329	802 697
EBITDA	**88 890**	**51 716**	**136 647**	**63 314**
EBITA	**78 442**	**47 116**	**114 560**	**50 448**
EBIT	**74 968**	**43 553**	**104 015**	**39 760**
EBT	**72 818**	**41 342**	**96 684**	**32 484**
EBITDA (%)	13,8 %	12,4 %	8,8 %	7,3 %

Includes pro forma figures for 2016 and 2015, adjusted for transaction costs of NOK 2.0 million and one-offs of NOK 10.8 million, and transaction costs of NOK 22 million and one-offs of NOK 12 million, in 2016 and 2015 respectively.

Order book development

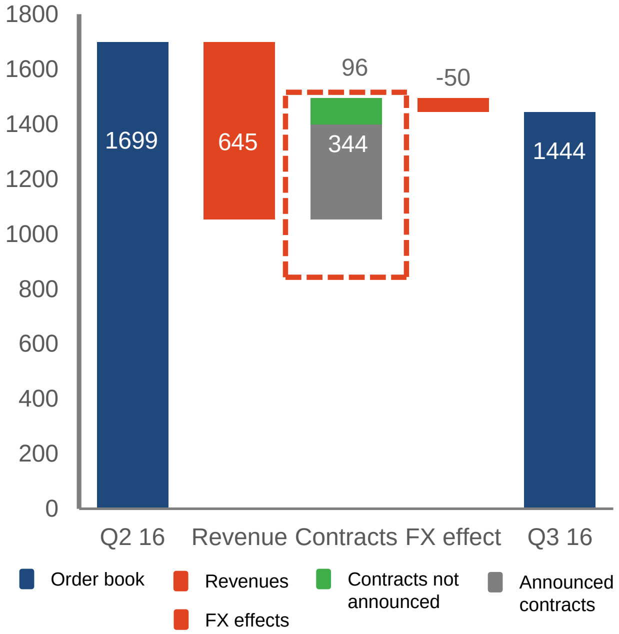
Order book development Q2 16 – Q3 16

In NOK million



Order book Q3 2014- Q3 2016

In NOK million



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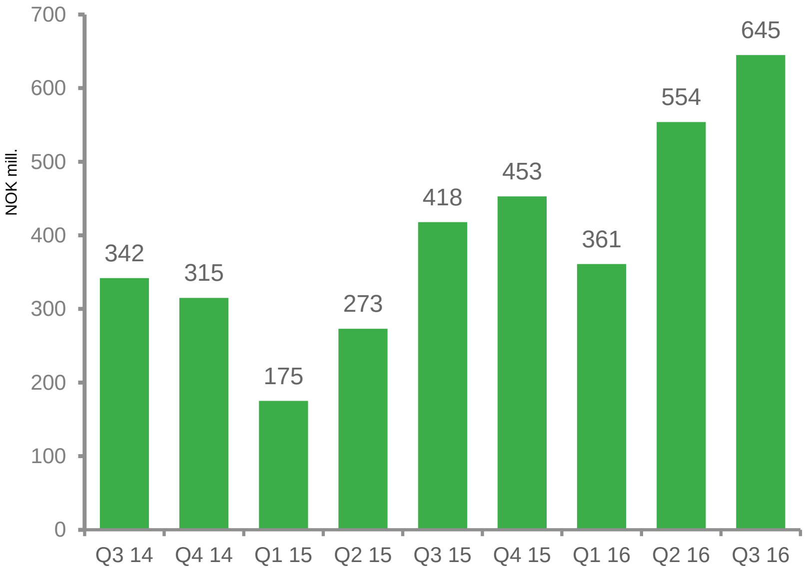
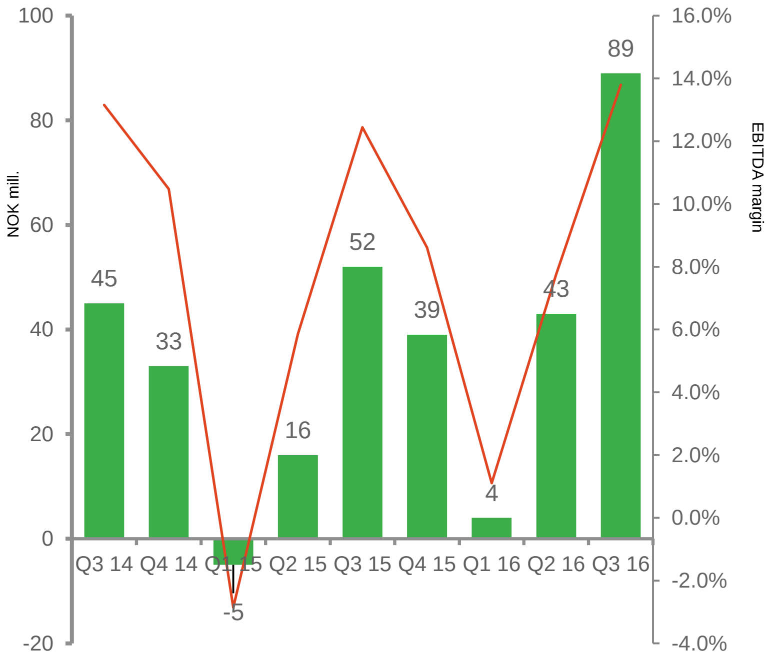
Seasonal fluctuations in earnings

Revenues Q3 2014- Q3 2016
In NOK million



EBITDA Q3 2014- Q3 2016
In NOK million



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Q3 2016 key figures – balance sheet

- Intangible assets of NOK 600.4 million vs. NOK 614.7 million as per 31 December 2015
- Net debt is NOK 49.9 million vs. net cash of NOK 8.3 million as per 31 December 2015
- Equity ratio is 51.9 per cent per 30 September 2016 vs 53.6 per cent per 31 December 2015

(Amounts in NOK 1 000)

ASSETS	**30.09.2016**	**30.09.2015**	**31.12.2015**
Intangible non-current assets	600 380	351 442	614 675
Other non-current assets	134 039	129 790	128 986
Other current assets	505 457	294 045	359 362
Cash and cash equivalents	187 754	127 538	258 229
Total assets	**1 427 630**	**902 814**	**1 361 251**

(Amounts in NOK 1 000)

EQUITY AND LIABILITIES	**30.09.2016**	**30.09.2015**	**31.12.2015**
Total equity	**741 113**	**347 641**	**729 004**
Non-current interest-bearing liabilities	115 563	175 070	162 088
Other non-current liabilities	41 587	31 855	33 006
Total interest-bearing current liabilities	122 119	96 613	87 841
Total other current liabilities	407 248	251 635	349 312
Total equity and liabilities	**1 427 630**	**902 814**	**1 361 251**

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Q3 2016 key figures – cash flow

- Cash balance at NOK 187.7 million per 30 September 2016 vs. NOK 258.2 million per 31 December 2015
- Cash flow from operating activities in Q3 is NOK 80.8 million
- Net cash flow from investing activities in Q3 is NOK -23.1 million
  - Prepayment tamping machine ~ NOK 19 million
- Net cash flow from financing activities in Q3 is NOK -28.5 million

(Amounts in NOK 1 000)	Q3 2016	Q3 2015 (Re-presented)	YTD 2016	YTD 2015 (Re-presented)
Profit/loss before tax	72 881	22 326	83 773	2 770
Net cash flow from operating activities	**80 812**	**1 784**	**54 475**	**-14 641**
Net cash flow from investing activities	**-23 073**	**-19 943**	**-71 795**	**-163 370**
Net cash flow from financing activities	**-28 461**	**83 987**	**-37 689**	**247 505**
A+B+C Net change in cash and cash equivalents	**29 278**	**65 828**	**-55 009**	**69 494**
Cash and cash equivalents at the start of the period	**167 446**	**56 475**	**258 228**	**52 390**
Translation differences	-8 969	5 235	-15 465	5 654
Cash and cash equivalents at the end of the period	**187 754**	**127 538**	**187 754**	**127 538**

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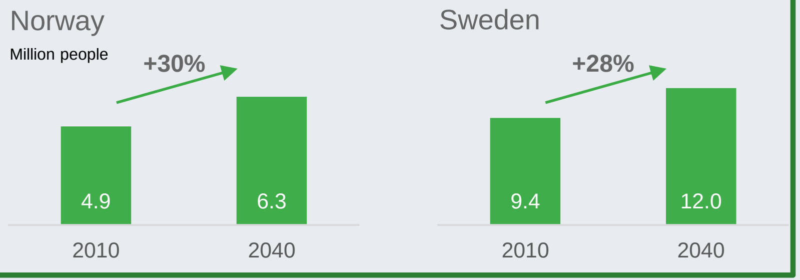
Macro trends driving rail, tram and metro investments

Infrastructure investment drivers

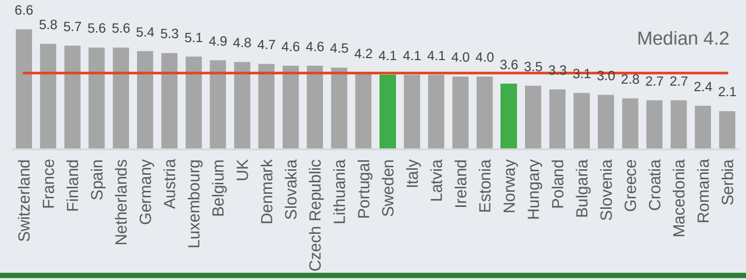
- Population growth
  - Bigger and older population
- Urbanization
  - Strong global trend
- Sustainability
  - Need for environmentally friendly solutions
- Large maintenance backlog
  - Severe underinvestment in public transport systems over the last 30-40 years in Norway and Sweden

Population development



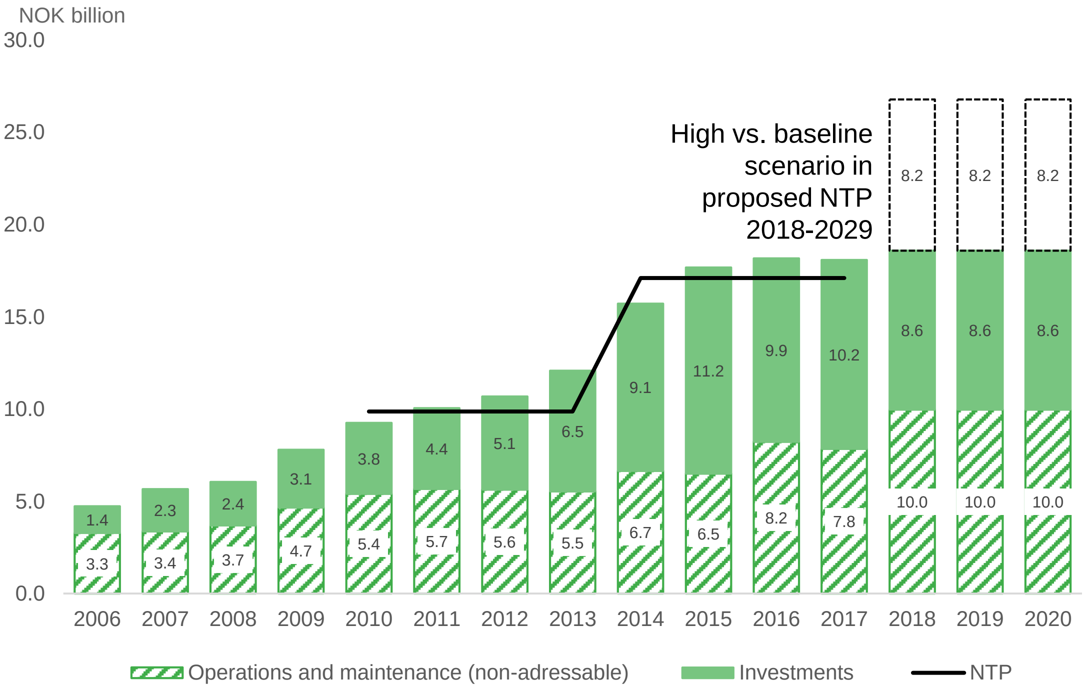
Source: Statistics Norway, Statistics Sweden

Quality of European railway infrastructure



Source: EY / World Economic Forum "Global Competitiveness Index 2015/2016. European assessment of the quality of rail infrastructure grades ranging from 7 (efficient and universally well developed) to 1 (underdeveloped)

Political commitment to long-term railway spending



*)Sources:
2006-2017: The Norwegian national budget and the National railroad authority
From 2018: Baseline scenario vs. high scenario from the proposal to Norwegian National Transport Plan 2018-2029

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A new National Transport Plan (NTP) for 2018-29 is due in 2017

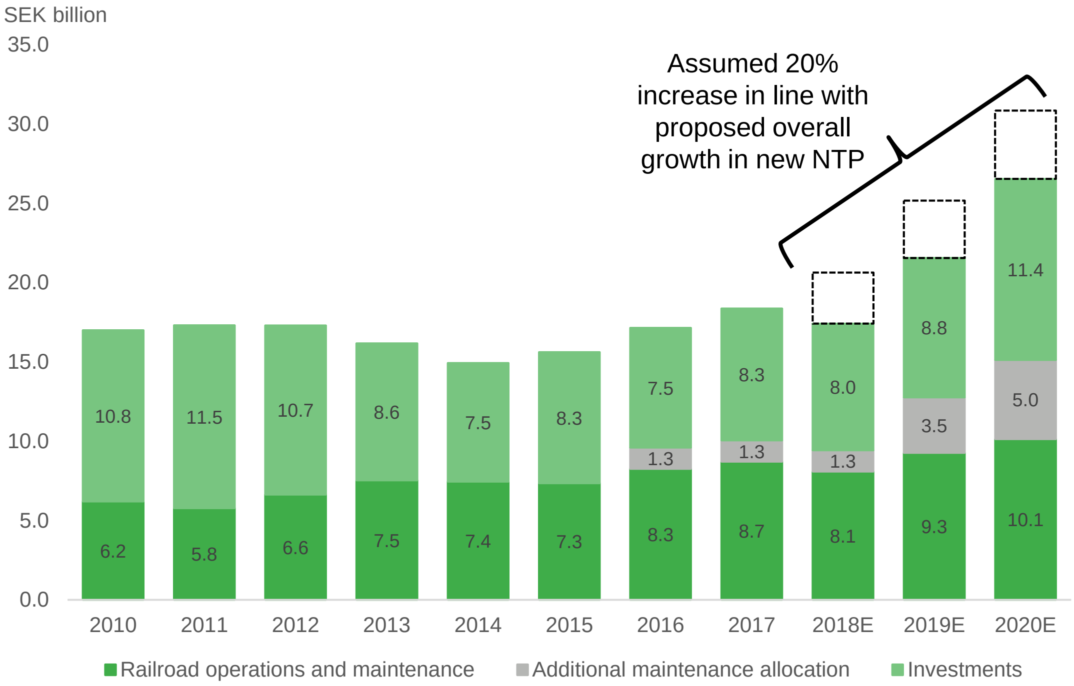
The proposed Medium case indicates an overall increase in annual spending of ~40% from the previous NTP

Spending over the national budget has averaged 7% above the current NTP for 2014-2017

The primary market for NRC Group is considered to be approximately NOK 4 billion per year

Maintenance is carried out by a government owned entity. Primary market is expected to increase to more than NOK 6 billion when maintenance is privatized

Sweden is already accelerating rail investments



Source: The Swedish national budget proposal for 2017, Proposal for new NTP 2018-2029

The addressable Swedish railway market is approximately 4x the size of the Norwegian market and tenders are typically larger

A SEK 623 billion NTP for the period 2018 – 2029 was proposed by the government in October 2016

Representing an increase of 20% from the previous plan period (2014-25)

Including a 47% increase to SEK 125 billion in operations and maintenance spending

The NTP proposal included extra railway maintenance allocations impacting from 2016

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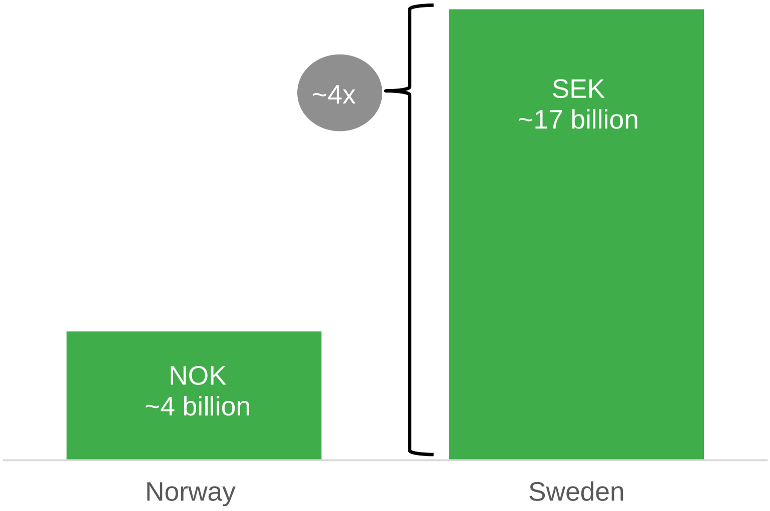
Sweden is the biggest market for NRC Group

NRC Group addressable market



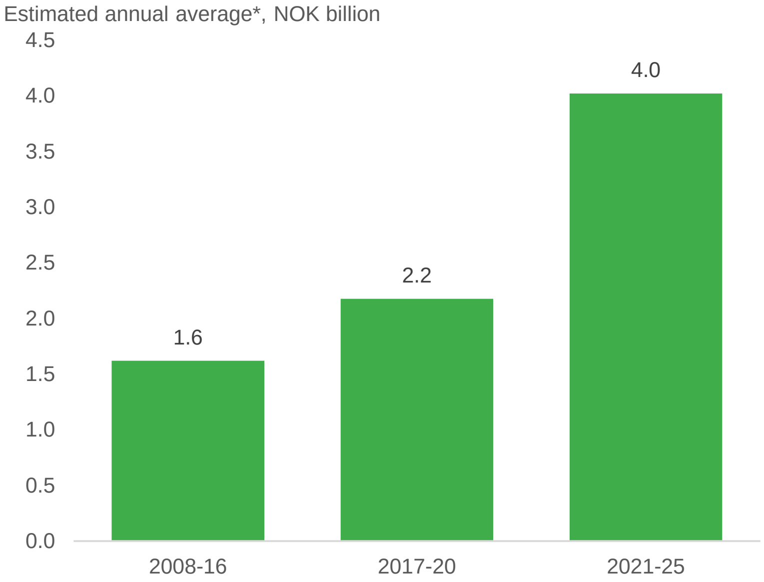
Sources: NRC Group, The Norwegian and Swedish NTP’s and 2017 budget proposals

	Norway	Sweden
Installed railway	4 209 km	12 000 km
Annual railway passenger journeys	74 million	212 million
Annual railway freight volume (tons)	31 million	65 million

Source: Jernbaneverket, Railroad statistics 2015, Trafikvärket

Tram and metro investments to grow significantly

Public transport spending Oslopakke 3



Source: Vegvesenet. Oslopakke 3 Handlingsprogram 2017-20.
Planned spending on investments in and operations of public transport in Oslo and Akershus.
*) The full Fornebubanen investment included with construction assumed executed in the period 2020-2025.
Majorstuen-Bryn tunnel not included

- Large projects are underway and under planning in both Norway and Sweden
- Solves challenges posed by urbanisation and population growth
- An exceptional market opportunity
- NRC Group has the in-house capabilities to execute large tram and metro projects
  - Position is further strengthened by Gravco acquisition

Tramway tenders and awards due in 2017

Overview of key Oslo-package 3 projects

- A number of tramway projects approved for 2017 start-up
  - First tenders expected by end of H1 2017 with completion by end 2020
  - A total of 27 projects planned executed ahead of delivery of 87 new tram wagons being tendered
- The largest projects may range from NOK 200 million to NOK 400 million each
- Selected projects with expected completion by 2019
  - Majorstuen (2017 -2018)
  - Storgata (2017 -2019)
  - Storokrysset (2018 – 2019)
  - Thorvald Meyersgate (2018 -2019)
  - Ekebergbanen (2018 – 2019)
- All of these projects feature a combination of groundworks, rail and water/wastewater

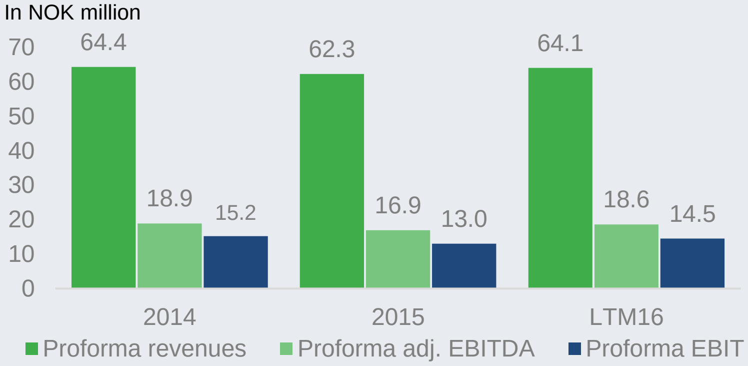
The Gravco acquisition strengthens NRC Group’s position in Norway

Company overview and deal rationale

- Gravco AS is a leading water and wastewater entrepreneur in the Oslo area
  - Established in 1977 with 42 employees
- The acquisition enables NRC Group to bid for and execute upcoming turnkey tramline upgrade contracts including water line related work
- The Oslo tram system will undergo a major upgrade triggering a number of contracts with start-up from 2017 in order to prepare for the delivery of new tram wagons in 2021
- The city of Oslo will in parallel with the tramline upgrades, renew water and wastewater lines
- The enterprise value is NOK 75 million and is based on a guaranteed 2016 and 2017 EBITDA of NOK 15 million

Strengthening position within groundwork

Gravco key financials



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Summary & outlook

- All-time high revenue and profit
- High tendering activity with awards expected through first half 2017
- Reaffirmed Norwegian and Swedish political commitment to increase railway spending
- Increased focus on tram and metro – entered water/wastewater market by acquisition of Gravco
- Dividend policy in place

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20 largest shareholders

Per 7 November 2016

INVESTOR	NO OF SHARES	% OF TOTAL	ACC TYPE	COUNTRY
DATUM	5 100 000	14,44 %		NOR
SWEDBANK	3 903 917	11,06 %	NOM	SWE
URBEX INVEST	3 807 033	10,78 %		NOR
DANSKE BANK	2 864 108	8,11 %	NOM	SWE
DNB NOR MARKETS	2 032 809	5,76 %		NOR
NORDEA BANK	1 988 061	5,63 %	NOM	SWE
CHARLOTTE HOLDING	1 928 008	5,46 %		NOR
ARCTIC FUNDS	1 564 884	4,43 %		IRL
SOGN INVEST	1 281 046	3,63 %		NOR
ALFRED BERG GAMBAK	1 126 210	3,19 %		NOR
GRANSHAGEN INVEST	601 007	1,70 %		NOR
MIDDELBORG INVEST	600 000	1,70 %		NOR
VERDIPAPIRFONDET DNB	570 517	1,62 %		NOR
STATOIL PENSJON	548 141	1,55 %		NOR
ALFRED BERG NORGE	534 040	1,51 %		NOR
HOLMEN SPESIALFOND	450 000	1,27 %		NOR
ENSKILDA SEB	432 064	1,22 %	NOM	LUX
KRAG INVEST AS	400 000	1,13 %		NOR
SORA	390 000	1,10 %		NOR
MP PENSJON	316 008	0,89 %		NOR
TOTAL NUMBER OWNED BY TOP 20	**30 437 853**	**86,18 %**		
TOTAL NUMBER OF SHARES	**35 311 362**			