



Q2 2018 Result presentation

Oslo, 14 August 2018

 **NRC** Group

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.

Highlights

Key figures Q2

- Revenues of NOK 827 million in 2018, an increase of 42%
- EBITDA of NOK 65 million in 2018, an increase of 51%
- Order backlog of NOK 3,178 million, an increase of 30%

Subsequent events

- Sustainability requirements create new business opportunities
 - Entering decommissioning market
- Acquisition of NSS Holding AS
 - Sole shareholder of Norsk Saneringservice AS
 - Owner of 70% of the outstanding shares in Miljøvakta AS

Financials



Q2 2018 key figures – profit and loss

- Revenue in Q2 2018 of NOK 827 million (+42%)

(Amounts in NOK million)	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Revenue	827	582	1 355	922	2 373
EBITDA	65	43	67	49	229
EBITA	51	34	39	31	184
EBIT	48	25	30	14	149
EBT	49	23	28	10	144
EBITDA (%)	7,9 %	7,4 %	4,9 %	5,3 %	9,7 %

- EBITDA in Q2 2018 of NOK 65 million (NOK 43 million)

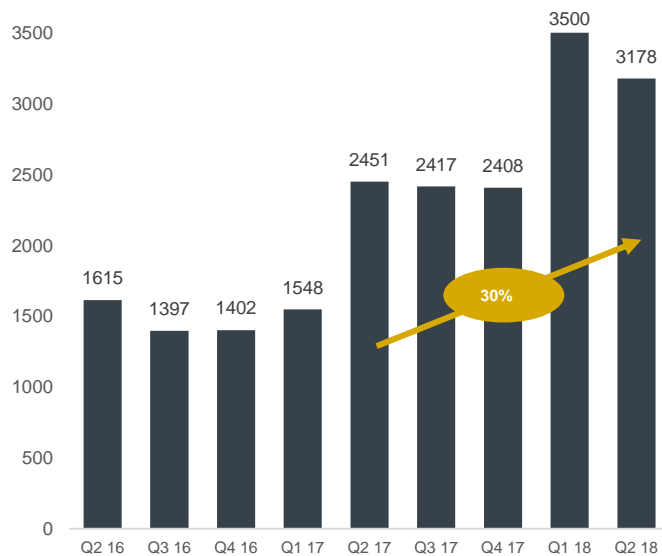
- EBITA in Q2 2018 of NOK 51 million (NOK 34 million)

- EBIT in Q2 2018 of NOK 48 million (NOK 25 million)

Order book development

Order book Q2 2016 – Q2 2018

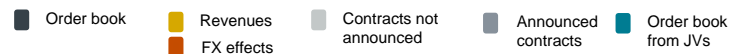
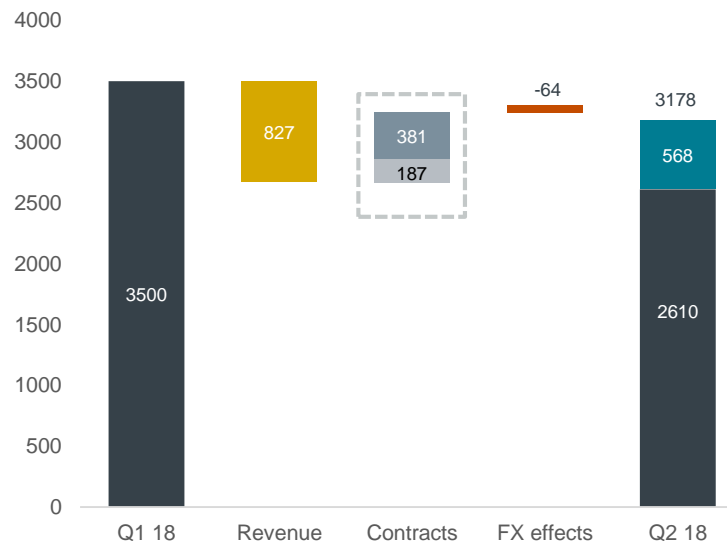
In NOK million



Approximately 40% of the order book is estimated for production in 2018

Order book development Q1 18 – Q2 18

In NOK million



Q2 2018 key figures – balance sheet

- Cash is NOK 221 million
- Net debt is NOK 187 million
- Intangible assets of NOK 996 million
- Equity ratio is 54%

(Amounts in NOK million)

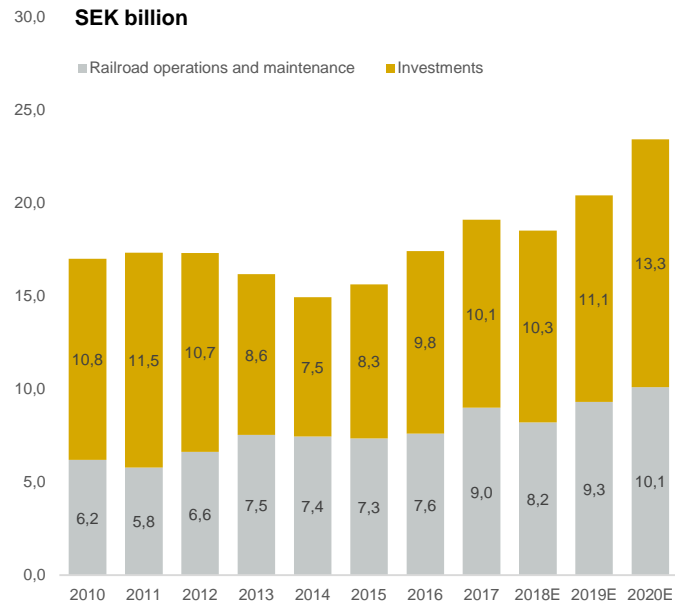
ASSETS	30.06.2018	30.06.2017	31.12.2017
Intangible assets	996	738	1 048
Other non-current assets	282	225	287
Other current assets	828	556	741
Cash and cash equivalents	221	264	408
Total assets	2 327	1 783	2 484
EQUITY AND LIABILITIES			
Total equity	1 246	1 043	1 357
Non-current interest-bearing liabilities	287	175	317
Other non-current liabilities	23	12	27
Interest-bearing current liabilities	121	70	121
Other current liabilities	650	484	662
Total equity and liabilities	2 327	1 783	2 484

Q2 2018 key figures – cash flow

	(Amounts in NOK million)	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
• Cash flow from operating activities of NOK 22 million	Profit/loss before tax	49	23	28	10	144
• Net cash flow from investing activities is NOK -5 million	Net cash flow from operating activities	22	-1	-47	-60	133
• Net cash flow from financing activities is NOK -96 million	Net cash flow from investing activities	-5	-54	-3	-77	-243
– Payment of borrowings and leasing: NOK -23 million	Net cash flow from financing activities	-96	-14	-123	-24	92
– Dividend payment: NOK -73 million	Net change in cash and cash equivalents	-79	-69	-173	-160	-18
	Cash and cash equivalents at the start of the period	305	328	408	418	418
	Translation differences	-4	5	-14	6	8
	Cash and cash equivalents at the end of the period	221	264	221	264	408

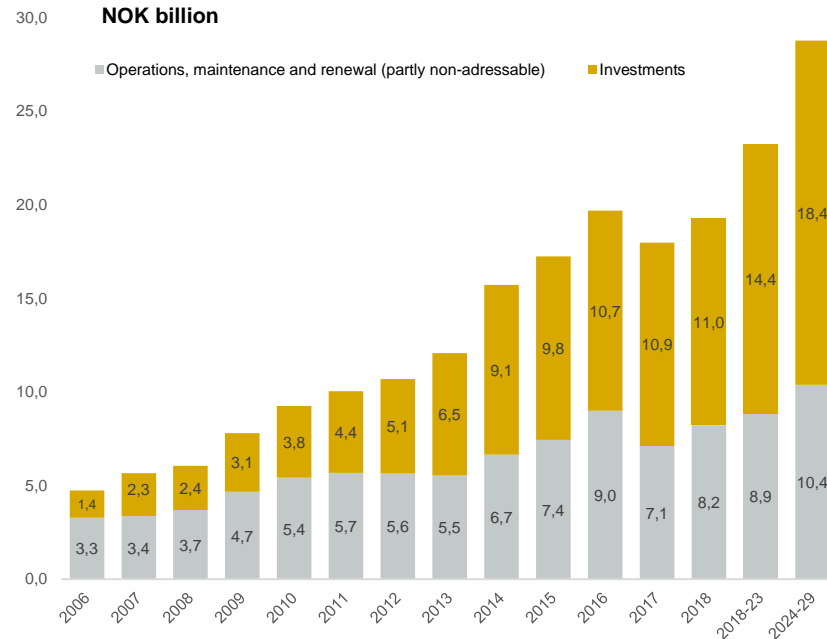
Long-term growth for railway activity

Sweden



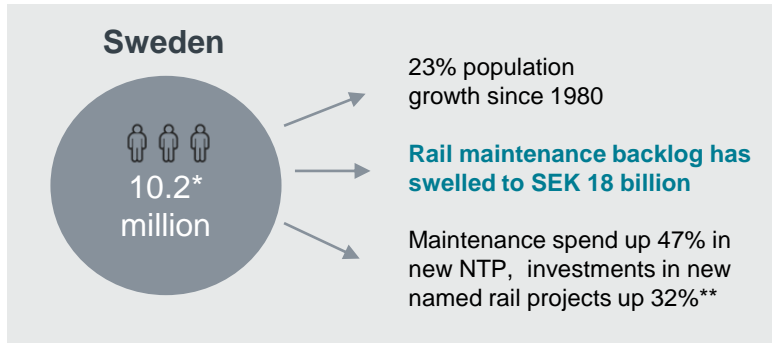
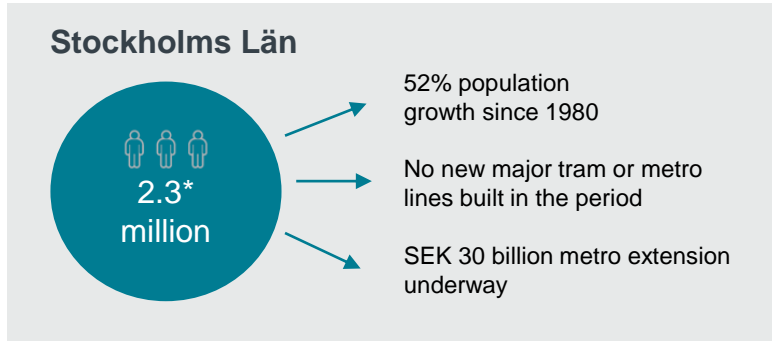
Source: 2006-2020: Swedish national budget: Tables for Investment plan for Trafikverket and Maintenance of the State transport infrastructure

Norway



Source: The Norwegian national budget, national accounts and the most recent NTP

Demographics points to increased investments in Sweden

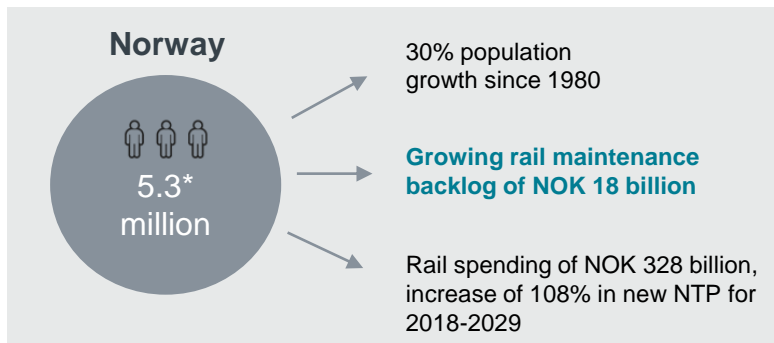
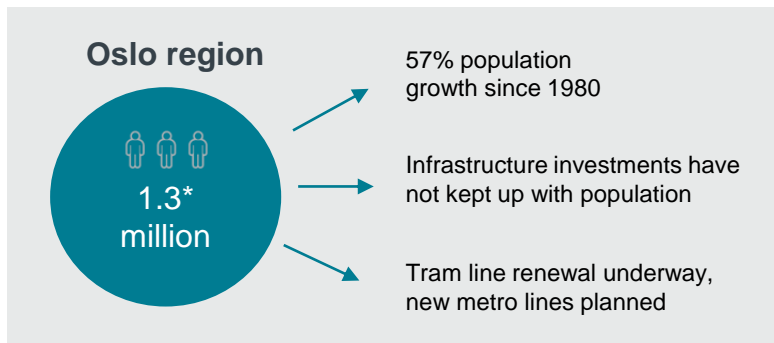


	Trend	Change 2000-2016
 Population		+13%
 Passengers		+91%
 Tons of freight volume		+120%
 Km of railway		+9%

*) 2018 population. SCB and Stockholms Län
 **) 2018-29 NTP. Named projects exceed SEK 100 million of investments

Source: Jernbaneverket - Railroad statistics 2000-2016

Norway has failed to keep up with population- and traffic growth



	Trend	Change 2000-2016
 Population		+18%
 Passengers		+34%
 Tons of freight volume		+49%
 Km of railway		+1%

*) Population 2018. Statistics Norway, Oslo municipality

Source: Jernbaneverket - Railroad statistics 2000-2016

General market summary

Sweden

- Strong growth expected in 2019 and forward
- High tendering activity 2H 18
- Competitive market unchanged
- Introducing more interdisciplinary projects
- Maintenance backlog, delays and environment are high on agenda

Norway

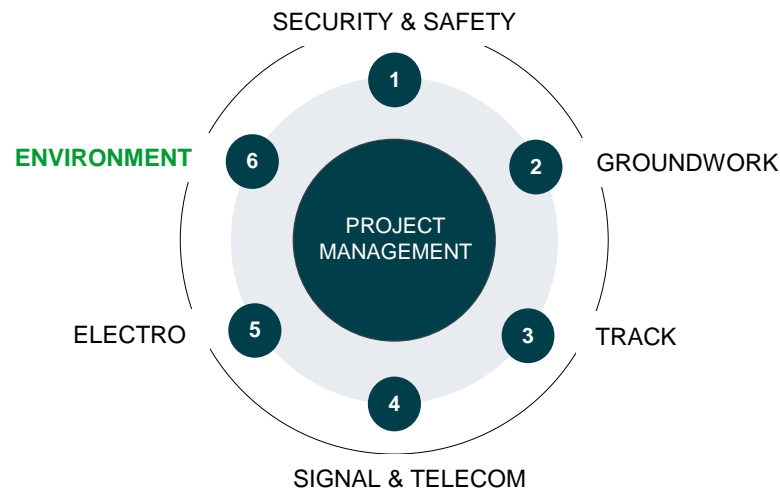
- Strong growth expected in 2019 and forward
- High tendering activity 2H 18
- Introducing more interdisciplinary projects
- High tram activity
- Environment is high on the agenda



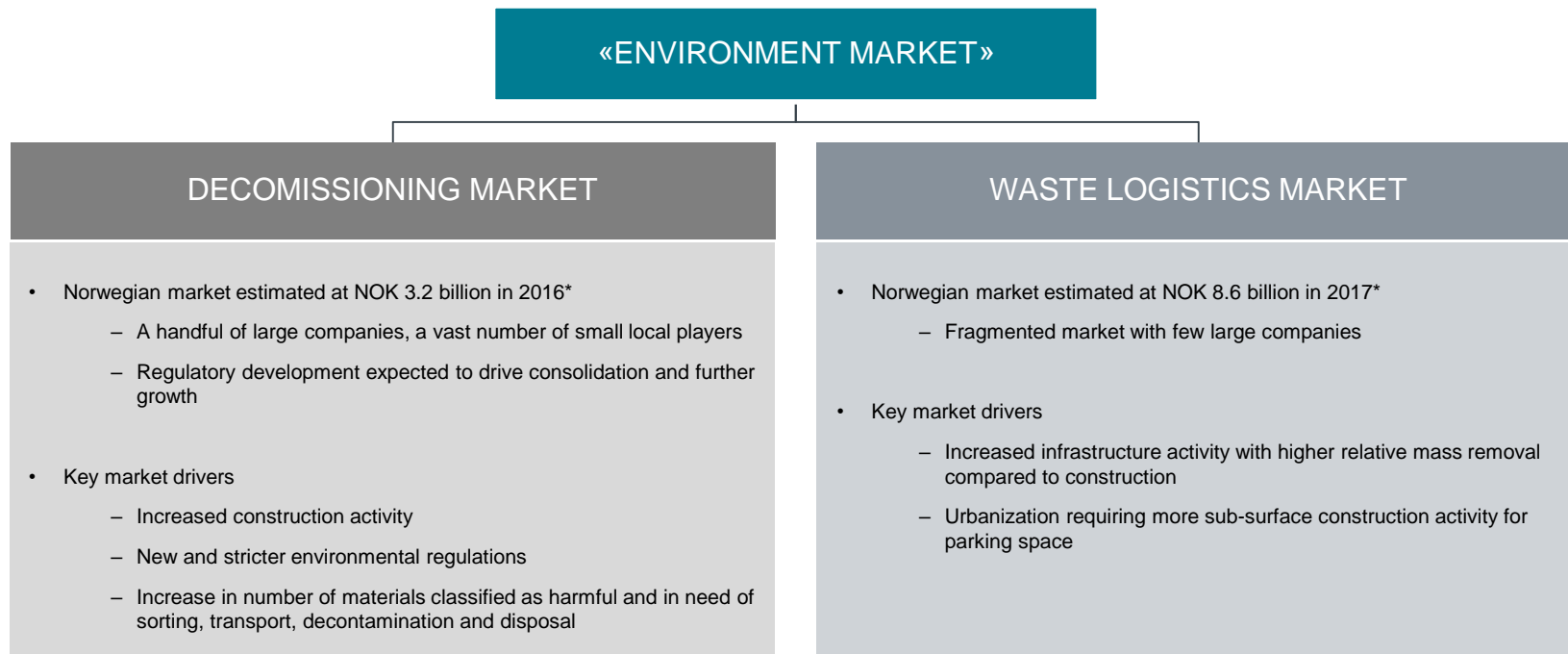
Sustainability requirements create new business opportunities

The NRC Group business model

- “Environment” introduced as a new part of the NRC Group business model
 - Expanding value chain to include decommissioning and waste logistics
 - Builds on an already well established sustainability focus throughout the group
 - Support for both internal and external projects
- Increased focus on environmental impact throughout the infrastructure industry
 - Partly driven by legislation and regulations
 - Reflected in tendering specifications and an increasingly important component of enterprise contracts



Building position in long-term growth markets



* Source: PwC market study

Entering decommissioning market

- Acquisition of NSS Holding AS, the sole shareholder of Norsk Saneringservice AS and the owner of 70% of the outstanding shares in Miljøvakta AS
 - Decommissioning and reclamation specialist founded in 2012
 - HQ in Oslo, nationwide operations
 - Highly experienced key personnel, new and efficient equipment
 - Majority owner of environmental emergency response specialist Miljøvakta
- Core competencies within environmental analysis, planning and project management
 - Decommissioning of all types of buildings and structures
 - Removal and storage of contaminated material
- Tier 1 customers among large private corporations, and state- and municipal companies
- Enterprise value NOK 103 million
 - Paid 50% in cash, remaining in new NRC Group shares
 - Guaranteed EBIT of NOK 20 million in average for 2018 and 2019



Revenue 2017
NOK 243 million



Backlog 1H18
NOK 144 million



Employees
90



Source: Norsk Saneringservice AS



Summary & outlook

- Order backlog of NOK 3,178 million
- Strong market outlook with good project pipeline visibility
- Continue to build order book
- Continued focus on consolidation and M&As



Appendix



20 largest shareholders

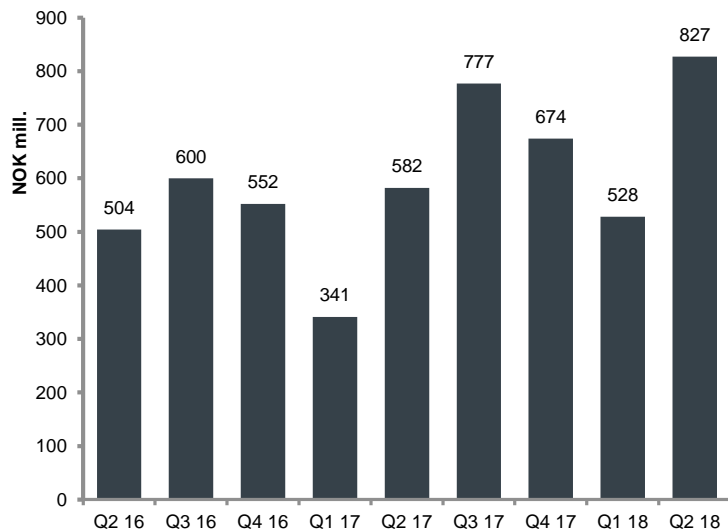
Per 13 August 2018

INVESTOR	NO OF SHARES	% OF TOTAL	COUNTRY
DATUM	5 100 000	12,05	NOR
MIDDELBOG INVEST	4 192 747	9,91	NOR
ARCTIC FUNDS	2 939 384	6,94	IRL
CARNEGIE INVESTMENT	2 024 312	4,78	SWE
DNB NOR MARKETS	1 765 282	4,17	NOR
CHARLOTTE HOLDING	1 328 008	3,14	NOR
NORDNET	1 240 095	2,93	SWE
LGA HOLDING	1 168 102	2,76	NOR
SOGN INVEST	1 103 807	2,61	NOR
NORDEA	1 074 204	2,54	FIN
VERDIPAPIRFONDET ALFRED BERG	975 810	2,31	NOR
NORRON SICAV	937 528	2,21	LUX
DANSKE BANK	873 719	2,06	SWE
JP MORGAN	845 000	2,00	SWE
SKANDINAVISKA ENSKILDA SEB	780 142	1,84	SWE
E.K HOLDING	720 000	1,70	NOR
SWEDBANK	600 940	1,42	SWE
AVANZA BANK	568 634	1,34	SWE
SKANDINAVISKA ENSKILDA SEB	540 869	1,28	LUX
VERDIPAPIRFONDET ALFRED BERG	521 787	1,23	NOR
TOTAL NUMER OWNED BY TOP 20	29 300 370	69,22	
TOTAL NUMBER OF SHARES	42 327 848		

Seasonal fluctuations – reported figures

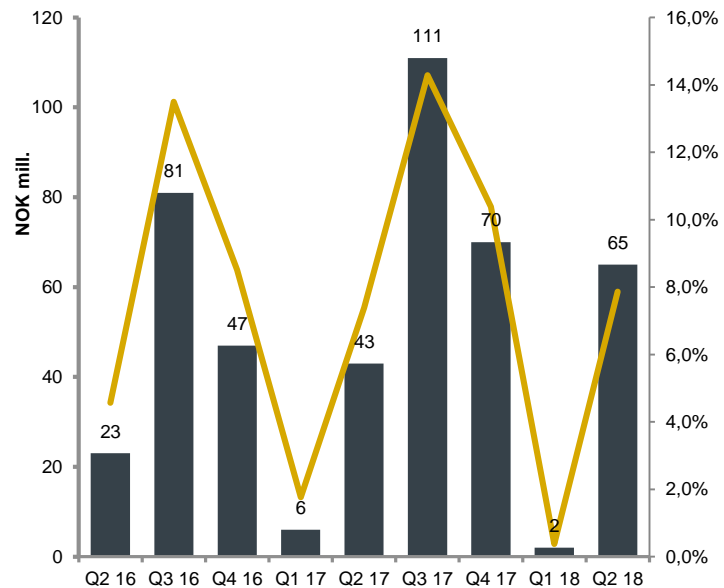
Revenues Q2 2016 – Q2 2018

In NOK million



EBITDA Q2 2016 – Q2 2018

In NOK million



Segments – key figures quarterly development

	Restated Full year 2015	Restated Q1 2016	Restated Q2 2016	Restated Q3 2016	Restated Q4 2016	Reported Q1 2017	Reported Q2 2017	Reported Q3 2017	Reported Q4 2017	Reported Q1 2018	Reported Q2 2018
Norway operations (NOK million)											
Total revenue	349	113	162	161	168	108	189	255	219	212	335
Operating profit/loss before depr. and amort. (EBITDA)	27	-5	6	14	-2	-6	10	19	18	-1	25
Operating profit/loss before amort. (EBITA)	21	-8	3	11	-4	-10	5	13	10	-7	19
Operating profit/loss (EBIT)	19	-9	2	9	-5	-12	2	8	4	-13	16
Sweden operations (NOK million)											
Total revenue	330	207	341	439	384	233	396	525	460	316	498
Operating profit/loss before depr. and amort. (EBITDA)	44	11	34	73	56	19	42	96	62	9	45
Operating profit/loss before amort. (EBITA)	42	9	32	67	52	15	37	89	55	2	38
Operating profit/loss (EBIT)	35	3	26	61	47	9	32	84	52	1	37
Parent, holding companies and eliminations (NOK million)											
Eliminations	0	0	0	0	0	0	-3	-3	-5	-1	-5
Operating profit/loss before depr. and amort. (EBITDA)	-39	-5	-17	-5	-7	-8	-9	-4	-10	-6	-6
Operating profit/loss before amort. (EBITA)	-40	-5	-17	-5	-7	-8	-9	-4	-10	-6	-6
Operating profit/loss (EBIT)	-40	-5	-17	-5	-7	-8	-9	-4	-10	-6	-6