



NRC Group

The fast growing infrastructure specialist

**DnB Markets SME Conference
Thursday 17 March 2016**

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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.

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NRC Group is a fast growing company within the Nordic infrastructure market



Notes: 1) Based on combined financials (revenues) for 2015, and adjusted for divestment of Blom Nordic

Q4 2015 Acquisitions



A full service rail specialist with significant growth and synergy potential

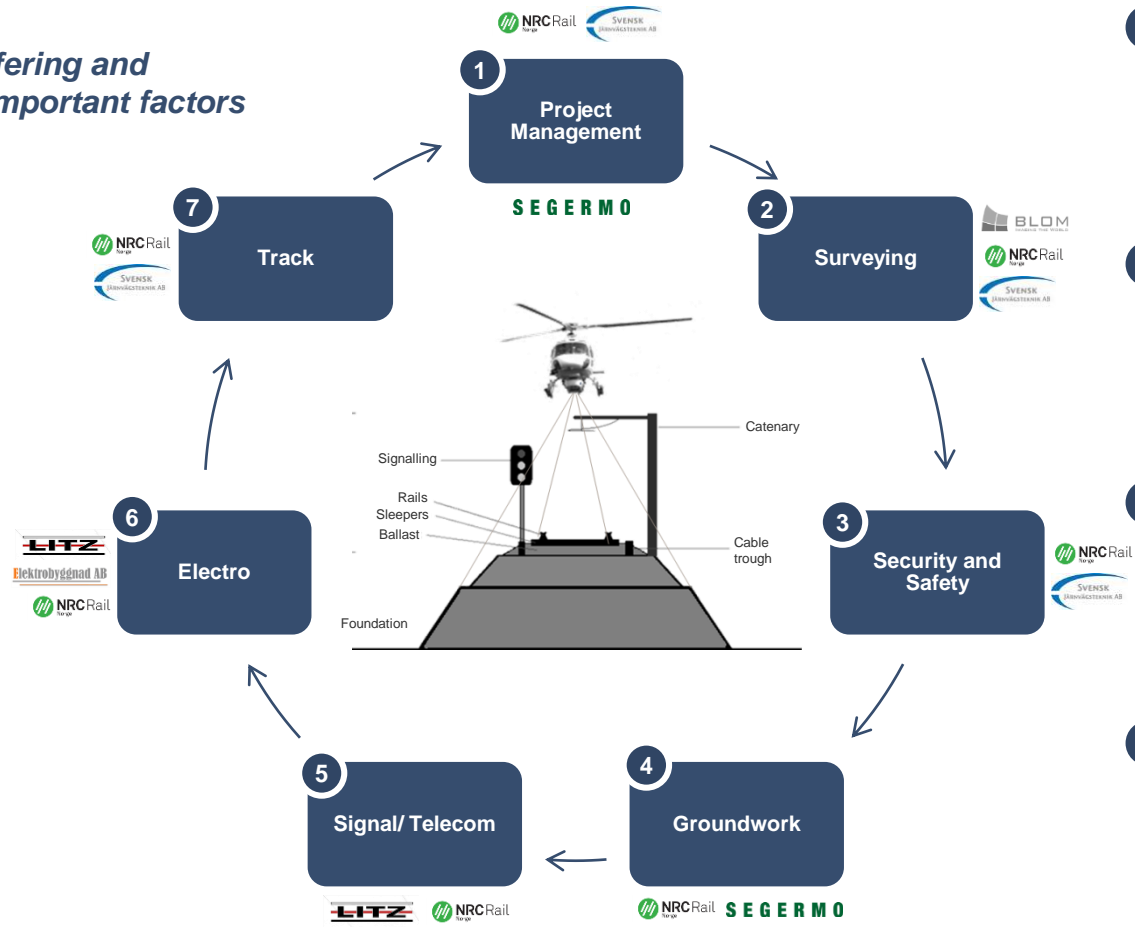
NRC Group has capabilities across the entire spectre of rail services

«Full-service product offering and execution capacity are important factors in a tender process»

- 7**
- All necessary certifications for track workers, UR23, welding and transmitting
 - Available equipment and machinery for track laying

- 6**
- Approvals for engineering, execution and maintenance of technical plants
 - Possessing all tele, high/low-voltage and overhead certifications
 - Recent acquisitions in Sweden

- 5**
- NRC Group has approvals for maintenance, control, modifications and building of interlocking systems
 - Track switching, railway signalling plants etc



- 1**
- Skilled project leaders
 - Significant experience from large multidisciplinary projects
 - Strong competence within planning, management and reporting, QHSE, progress etc.

- 2**
- Trained land surveyor engineers
 - Strong rail and transport experience
 - Performing work within the fields of buildings and plants, tunnels, measurements, land profiling etc.

- 3**
- Possessing all necessary certifications
 - Personnel qualified for electrical safety and security supervision
 - Required for work carried out close to JBV's infrastructure

- 4**
- Class 3 certification for groundwork and construction
 - Specialized personnel and availability of equipment

The Vislanda contract is an excellent example of the effects of consolidation

Comments

- As of 4 January 2016 Trafikverket has appointed NRC as the contractor for track renewal of 70 kilometers on the connection between Vislanda and Mosselund in Sweden
- The contract is valued at approximately SEK 159 million. The project is scheduled for completion in December 2017
- This project is an excellent example on why it has been important to consolidate the companies acquired during 2015. The contract is awarded to NRC - SJT, but all Swedish rail entities will perform work under this contract:
 - SJT will perform work related to project management, safety, track work, telecom and signal
 - Litz will perform work related to signal and electro
 - Elektrobyggnad will perform work related to electro
 - Segermo will perform groundwork
- With all key elements inhouse NRC Group has an competitive advantage when competing for and executing contracts

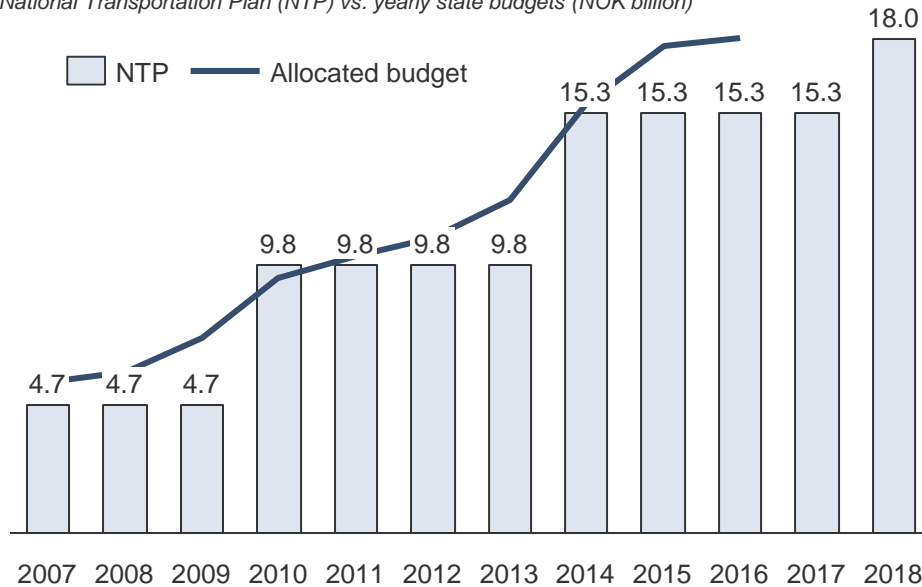
Project elements



Strong underlying growth in Nordic infrastructure markets - especially within rail

Norway

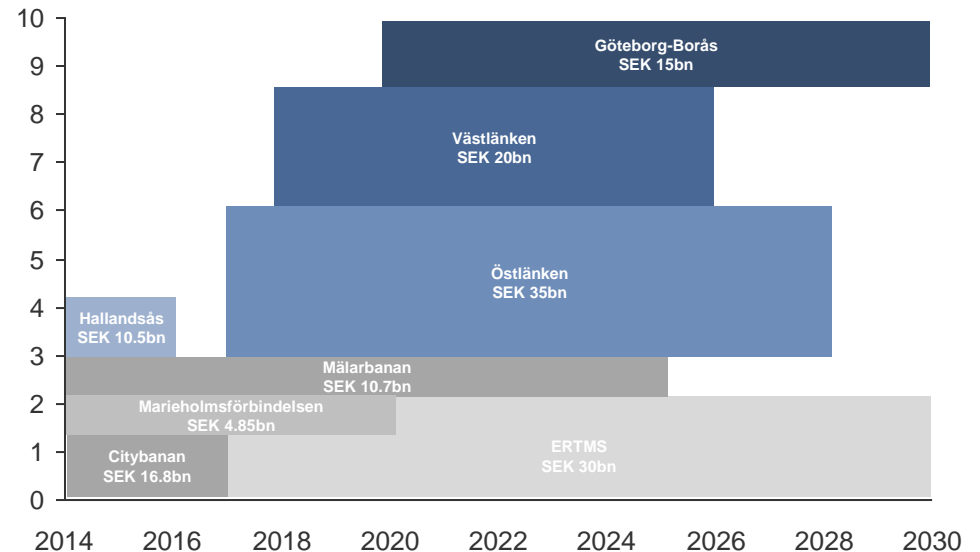
National Transportation Plan (NTP) vs. yearly state budgets (NOK billion)



- In June 2013, the Norwegian Parliament approved a NOK 173 billion NTP for railway 2014-2023, 49 per cent increase from 2013 levels
- The NTP increased spending on railway significantly in 2014, with further step up in spending from 2018
- Historically, the allocated budgets have typically been above the levels outlined in the NTP

Sweden

Overview of Sweden's largest construction projects (SEK billion)

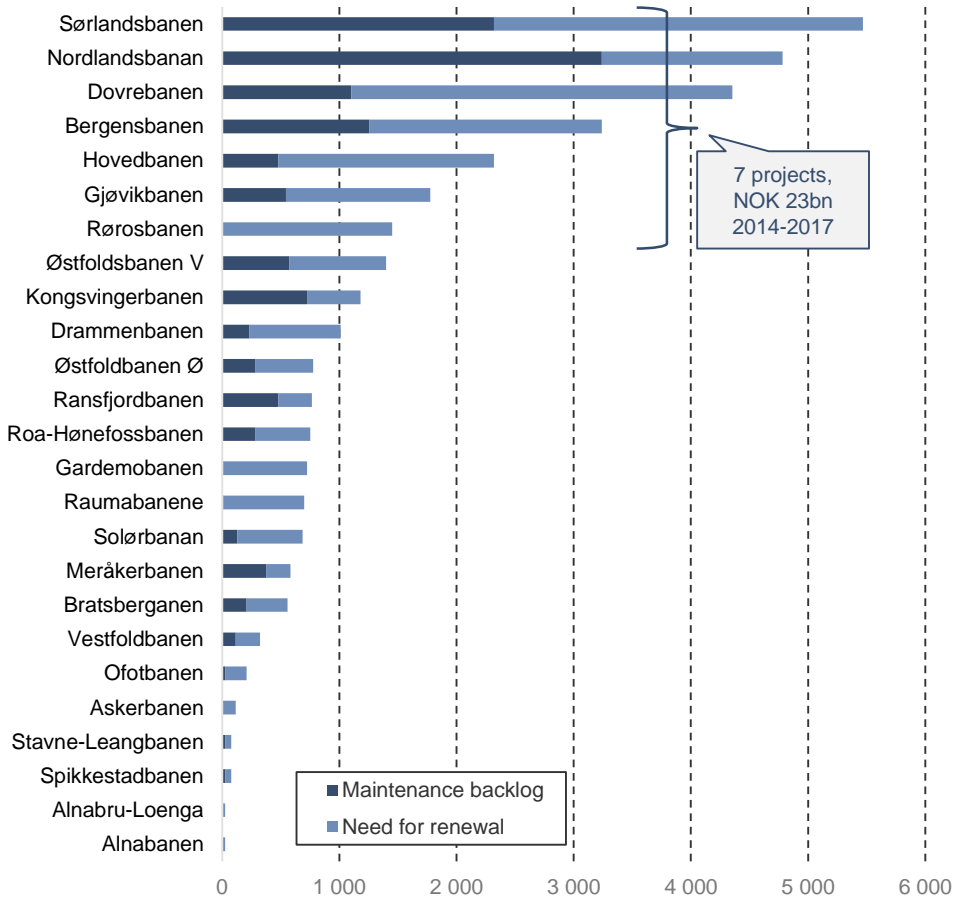


- The Swedish railway market is about 3x the size of the Norwegian market and tenders are typically larger
 - In 2014, Trafikverket acquired services for SEK 17.8 billion
- A SEK 522 billion transportation plan for the period 2014 – 2025 was adopted by the government in April 2014
 - Includes SEK 86 billion for maintenance and reinvestment and SEK 95 billion for large new railway infrastructure projects

Source: NTP, Government budgets, Trafikverket

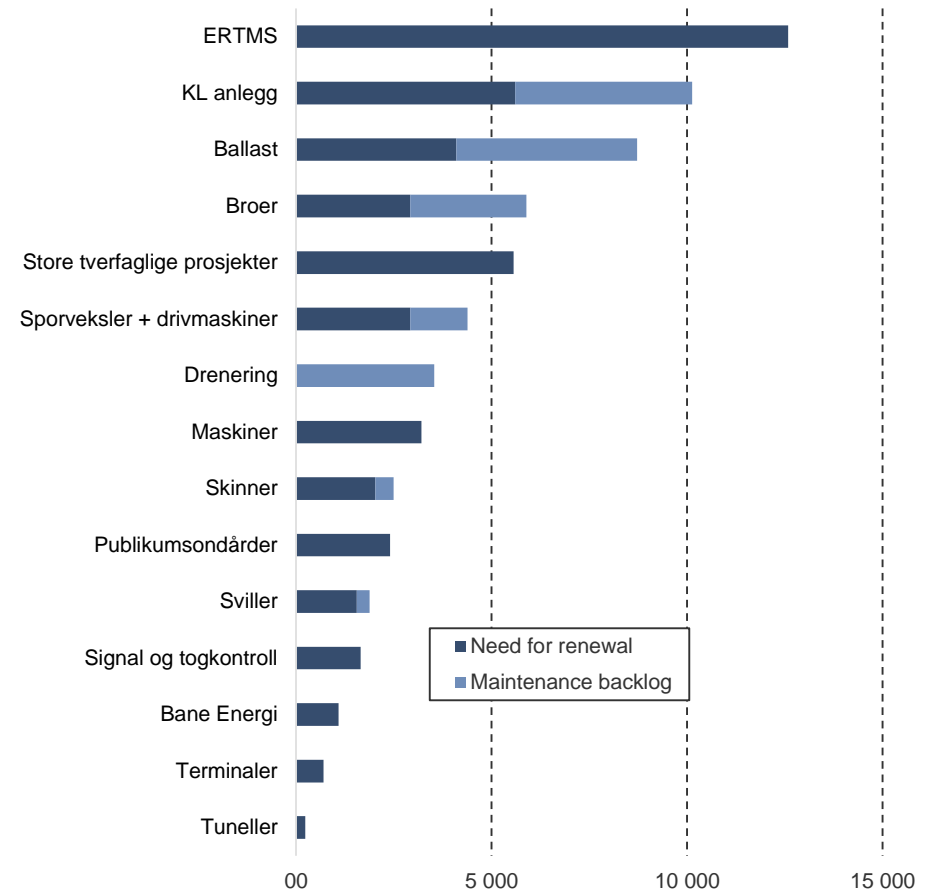
Large maintenance backlog and need for renewal 2014-2027

Several very large projects...



Jernbaneverket: Maintenance backlog and need for renewal 2014 – 2027 (NOK Million)

...with all capabilities needed.



Jernbaneverket: Maintenance backlog and need for renewal 2014 -2027 (NOK million)

Source; Jernbaneverket

Infrastructure continuously high on the agenda with several large projects in the pipeline

Norway



Nytt signalsystem: Det svenske tognet på ERTMS nivå 2. Start skal jernbaneverket ut med arbeid for å oppgi alle norske personstrekninger med den nye signaltakstaden. (1 foto: Ragnvald Oskal)

ERTMS
Slik fungerer systemet som skal fjerne 99 av 100 signalfeil

Vi ble med på testtur i Sverige.

AV: ODD RICHARD VALROT | SAMFERDSEL | PUBLISERT: 20. FEB. 2016 | 10:30

Første kontrakt for elektrifisering i Trøndelag

Jernbaneverket har inngått kontrakt med Sweco som rådgiver for detaljplanlegging i elektrifiseringsprosjektet på strekningene Trondheim - Steinkjer og Hell - Storlien. Dette er den første kontrakten i elektrifiseringsprosjektet i Trøndelag.

En halv jernbanemilliard til nytt signalsystem

Regjeringen bevilger 544 millioner kroner til å få fart på arbeidet med det nye signalsystemet ERTMS, som skal få togene her i landet til å holde ruten.



Comments

- ERTMS project with a total investment need of approximately NOK 12bn towards 2027
- Electrification of the Trønder- og Meråkerbanen of approximately NOK 2.8bn towards 2023

Sweden



TRAFIKVERKET

Languages Talai

Nära dig Körkort Resa och trafik Tjänster Om oss För dig i branschen

Startsida / Nära dig / Skåne / Projekt i länet / Flackarp-Arlöv



TRAFIKVERKET

Languages Talai

Nära dig Körkort Resa och trafik Tjänster Om oss För dig i branschen

Startsida / Nära dig / Västra Götaland / Projekt i länet / Hamnbanan Göteborg, dubbelspår / Eriksberg-Pölsebo

Flackarp-Arlöv, fyra spår



Eriksberg-Pölsebo

Comments

- Connection between Flackarp and Arlöv – Trafikverket will expand the railway to four tracks. Investments of approximately SEK 4 bn towards 2022
- Connection between Eriksberg and Pölsebo - Trafikverket will build a double track in the tunnel. Investments of more than SEK 1 bn towards 2022


Source; NTP, Government budgets, Trafikverket

Rail infrastructure high on the political agenda in Norway

Ketil Solvik-Olsen
20 hrs · 🌐

Vi skal få en bedre jernbane gjennom økt vedlikehold, tydeligere organisering og internasjonalt samarbeid. I dag har jeg vært i Wien for å jobbe frem løsninger for mer gods på jernbane. Del gjerne videre 😊

See translation




Like Comment Share

1.1k Top comments ▾

Ketil Solvik-Olsen
16 February at 22:54 · 🌐

Flåmsbanen 75 år. I dag feiret vi en flott turistopplevelse og lokalt pågangsmott! Gjør det til din destinasjon i år 😊

See translation




Like Comment Share

1k Top comments ▾

Ketil Solvik-Olsen
8 February at 23:01 · 🌐

Det blir flere arbeidsplasser med vår ekstraordinære jernbanesatsing. "Signaler fra Jernbaneverket om at flere store prosjekter vil legges ut for anbud og at arbeidet i større grad vil foregå gjennom hele året gjør at entreprenørselskapet nå tør satse ytterligere."

See translation



Nå varsler de 100 nye arbeidsplasser i Norge ✓

I denne bransjen er det akkurat nå manko på arbeidskraft. - Ordrebøkene er rekordstore og vi ser en betydelig økt satsing på banerelatert infrastruktur.

DN.NO

Like Comment Share

Q4 Pro forma key figures – business segments

- Rail division (includes NRC Rail Norge, SJT, Litz, Elektrobyggnad and Segermo):

- Revenue NOK 415 million (NOK 296 million)
- EBITDA NOK 38 million (NOK 37 million)

- Geo division:

- Revenue NOK 57million (NOK 53 million)
- EBITDA NOK 3 million (NOK 4 million)

(Amounts in NOK 1 000)

Revenue	Q4 2015	Q4 2014	YTD 2015	YTD 2014
Rail	415 297	296 359	1 198 961	1 007 045
Geo	57 458	53 490	232 997	245 966
Business Segments	472 755	349 849	1 431 958	1 253 011

EBITDA	Q4 2015	Q4 2014	YTD 2015	YTD 2014
Rail	38 269	36 484	100 090	125 412
Geo	2 518	4 479	5 983	28 252
Other	-3 936	-2 629	-12 892	-14 543
Business Segments	36 850	38 334	93 181	139 121

Key figures – Q4 balance sheet

- The increase in assets is mainly related to the acquisitions of NRC Rail Norge, SJT, Litz, Elektrobyggnad and Segermo
- The increase in equity is related to the transactions being partly settled in shares, and the equity issues completed during 2015. Equity ratio is 54 per cent.
- The increase in debt is mainly related to financing the acquisition of SJT combined with existing debt in SJT and NRC Rail Norge.
 - Net interest bearing debt is NOK 8 million.

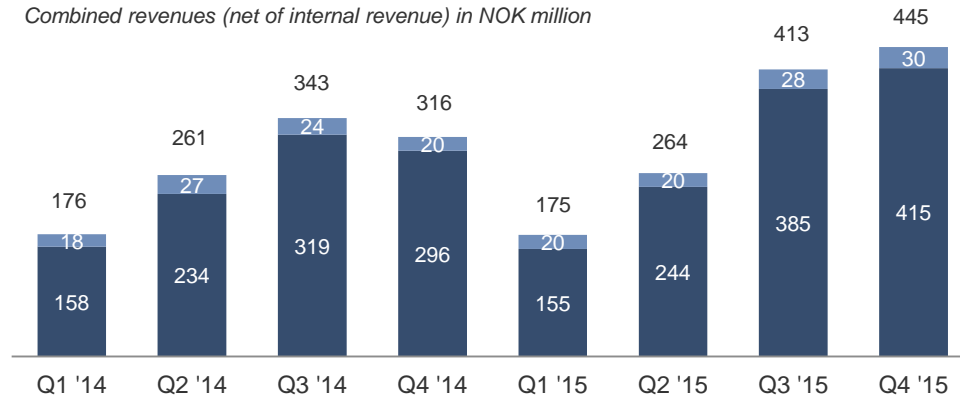
(Amounts in NOK 1 000)

ASSETS	31.12.2015	31.12.2014
Intangible non-current assets	614 675	482
Tangible non-current assets	120 593	19 949
Total inventories	114 302	24 983
Total receivables	245 060	42 371
Assets classified as held for sale	0	4 199
Other current assets	359 361	71 553
Cash and cash equivalents	258 229	51 400
Total assets	1 361 251	147 922
EQUITY AND LIABILITIES	31.12.2015	31.12.2014
Total equity	729 003	74 656
Non-current interest-bearing liabilities	162 088	977
Pension obligations	5 306	4 348
Deferred taxes	27 600	26
Other non-current liabilities	32 906	4 374
Total interest-bearing current liabilities	87 841	648
Total other current liabilities	349 312	63 547
Total equity and liabilities	1 361 251	147 922

Business segments - earnings & order book

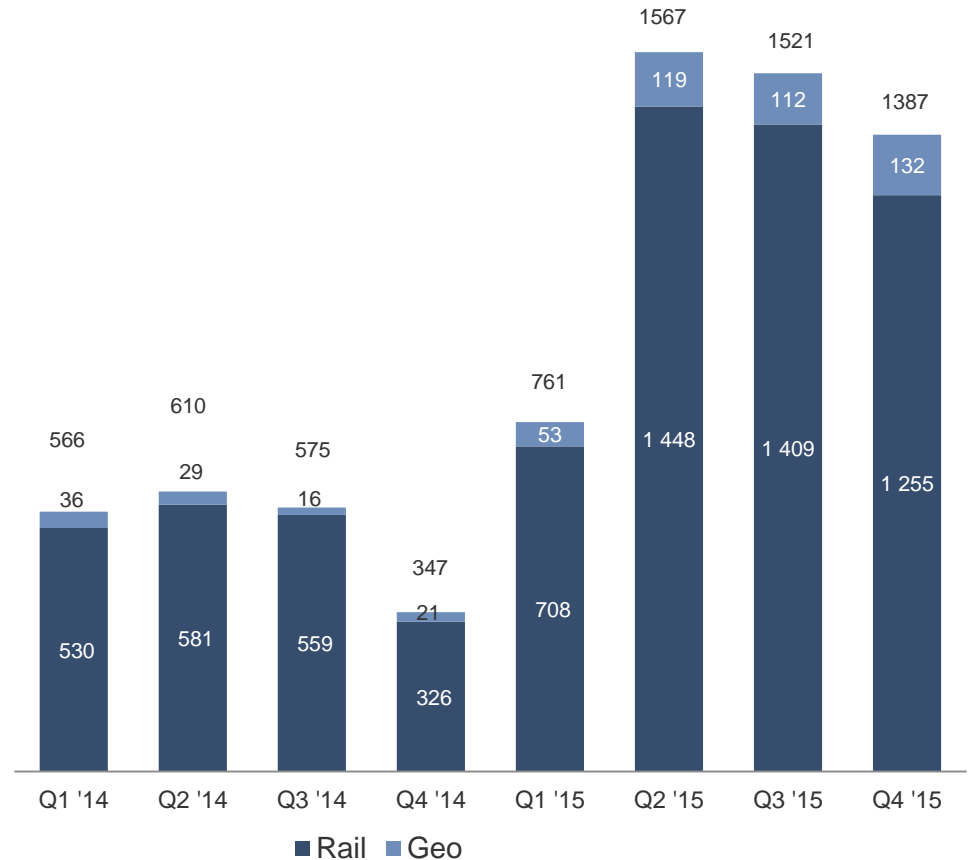
Combined revenue Q1 2014- Q4 2015²⁾

Combined revenues (net of internal revenue) in NOK million



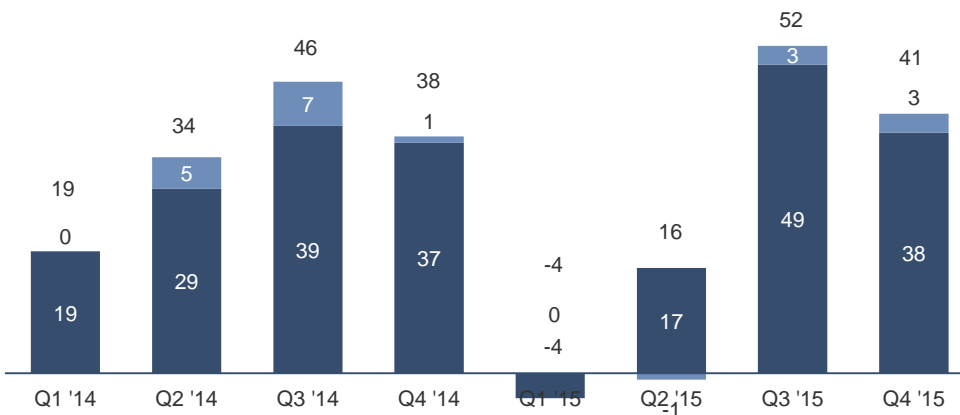
Order book Q1 2014- Q4 2015²⁾

Order book in NOK million for NRC Rail and NRC Geo



Combined EBITDA Q1 2014- Q4 2015¹⁾

Combined EBITDA in NOK million



Notes: 1) Other costs (ASA costs) adjusted for in aggregate EBITDA figures. Adjusted for divestment of Blom Nordic
2) Adjusted for divestment of Blom Nordic

Summary & outlook

NRC Group is uniquely positioned to capture the strong growth in the infrastructure markets

1

Nordic infrastructure and geospatial services markets in strong growth

- Significant investments in railway required to meet national transportation plans approved by the respective governments in Norway and Sweden
- Strong political consensus from an environmental perspective to further increase investments in railway infrastructure
- Development is underpinned by increasing number of tenders for new projects – also larger projects being tendered – in both Norway and Sweden

2

Strong backlog and specialist capabilities in place to realize strong growth

- Specialist railway infrastructure contractor with leading position in the Norwegian and Swedish markets
- Track-record and capabilities to secure all types of projects in the market
- Market with high barriers to entry due to special permits and competences required
- Latest acquisitions has established NRC Group as significant player in the Nordic rail industry

3

Asset light and flexible business model with attractive margins

- In-house specialist competence complemented by partnerships with subcontractors ensures flexibility and capacity for superior project execution
- Asset light organization with limited machinery
- Required machinery sourced through partners secures competitive pricing and limits fixed costs
- Highly attractive margins compared to both railway infrastructure specialists and construction companies

4

Active role in market consolidations

- Consolidation of the market will be driven by increased complexity and size of the projects
- Transactions done by NRC Group have been accretive, while securing continued commitment from the sellers through combination of cash and share transactions
- Synergies through increased utilization of employees, machinery and equipment
- NRC Group has an ambition to take an active role in the further consolidation of the market



NRC Group

The fast growing infrastructure specialist