



Presentation of 2nd quarter and 1st half year financial report 2015
28 August 2015

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.

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NRC Group - A leading company within the Nordic infrastructure market



Geo division

- Operates within acquisition, processing and modelling of geographic information.
- Holds right to several European databases with collections of maps, images and models.
- Supplies a wide range of mapping and geographic services that satisfy local, regional and international standards and specifications, in addition to custom solutions for specific purposes.

Rail division

- A fully integrated rail infrastructure contractor covering the Norwegian and Swedish market.
- A full-range supplier for the construction of all types of rails including train, tram and subway.
- Main service offerings include specialized track work, power supply and signaling work.



- One of Europe's largest aerial survey companies
- Significant business within infrastructure
- Approximately 380 employees out of which 230 in low-cost production companies



- No 2 market position based on revenues
- ~150 employees (substantial in-hire when required)



- No 3 market position based on revenues
- ~60 employees (substantial in-hire when required)

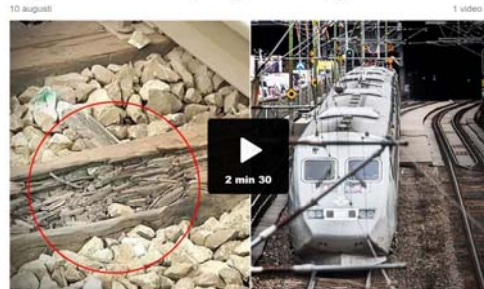
Infrastructure: High on the public agenda



Norsk jernbane: Togtider fra 1970-tallet gjelder fortsatt

Filmsnutten der NSB kappkjører med fly i 1977 er en fleip. Egentlig gikk togene tregt. Men går de fortere i dag? Aftenposten har studert reisetider fra 1970 til i dag. I Norge, Sverige og Sveits.

Ny skandal på järnvägen



I dag kan SVT Nyheter avsløje en ny skandal på den svenska järnvägen. På landets mest trafikerade spår ligger ruttna järnvägssliprar. – Det kan betyda urspårning, säger spårsvetsaren Björn Weidertz.

För en vecka sedan kunde SVT avslöja att mer än 120 mil järnvägsräls



Lokomotiv som har spåret av på Dovrebanen. Banen har i långa perioder vært slengt, og har stadig ballkollbrudd som følge av ras, sølskyng og andre forhold. FOTO: RORO JERNBANEN VEIVISNINGEN I OSLO

Jernbanefornyelse: 65 milliarder

Jernbaneverket kaster frem nye sjokk tall for vedlikehold og fornyelse.

Sveinung Berg Bentzred Ingvid Fjellveit

Publisert: 11. aug. 2015 10:37

Begeistret kikker skuespiller hvordan han ligger an i forbi. Så virr han lokomotivets «gi. Hjemme i stueene i 1977 silt humorprisen under årets Mc. De vet at hverken «hurtig tog 1970-tallet, er kjent for korte



Over 120 mil av skilte lange den svenske jernbanen har produsjonstall og får store langslidende sprekker. Foto: Coran Fall i Banverket

SPREKKER I JERNBANE

Hjemsøkt av feil fra 70-tallet: Svensk jernbane sprekker opp

Var klar over problemet allerede på 90-tallet.

Av Mari Gisvold Garathun (@MariGisvold)



Ved å gå inn med drone fremfor helikopter håper Jernbaneverket på å få toget tilbake i rute tidligere enn tidligere etter ras og skred. Foto: Jernbaneverket

DRONEROVERVÅKING AV JERNBANEN

Ønsker tilbud: Nå vil Jernbaneverket kjøpe droner

Skal hindre forsinkelser på linjene.

Av Mari Gisvold Garathun (@MariGisvold)

Publisert 18. august 2015 kl. 12:32 - Oppdatert 18. august 2015 kl. 14:19



Erna lover tunnel

Erna Solberg lovet i går at staten skal finansiere halve den nye T-banetunnelen sentrum.



Dette er toget som skal kjempe med fly på strekningen Oslo-Stockholm. SJ 2000, eller som det kalles som merkevare: X 2000. FOTO: Kasper Duetli

Racertog skal revolusjonere tog Oslo-Stockholm

Ti ganger så mange tar fly som tog Oslo-Stockholm. Mellom Göteborg og Stockholm tar seks av ti tog. Avstanden er omtrent den samme. Det har også SJ nå funnet ut.

Sveinung Berg Bentzred

Publisert 11. aug. 2015 11:16

Increased infrastructure spending creates solid foundation for growth

NTP railway spending and budget 2007 – 2019 (NOKbn)

Norwegian transport plan (“NTP”) show increased spending

- In June 2013, the Norwegian Parliament approved a NOK 173 billion national transportation plan for railway for the 2014 - 2023 periods.

Swedish transportation spending increasing

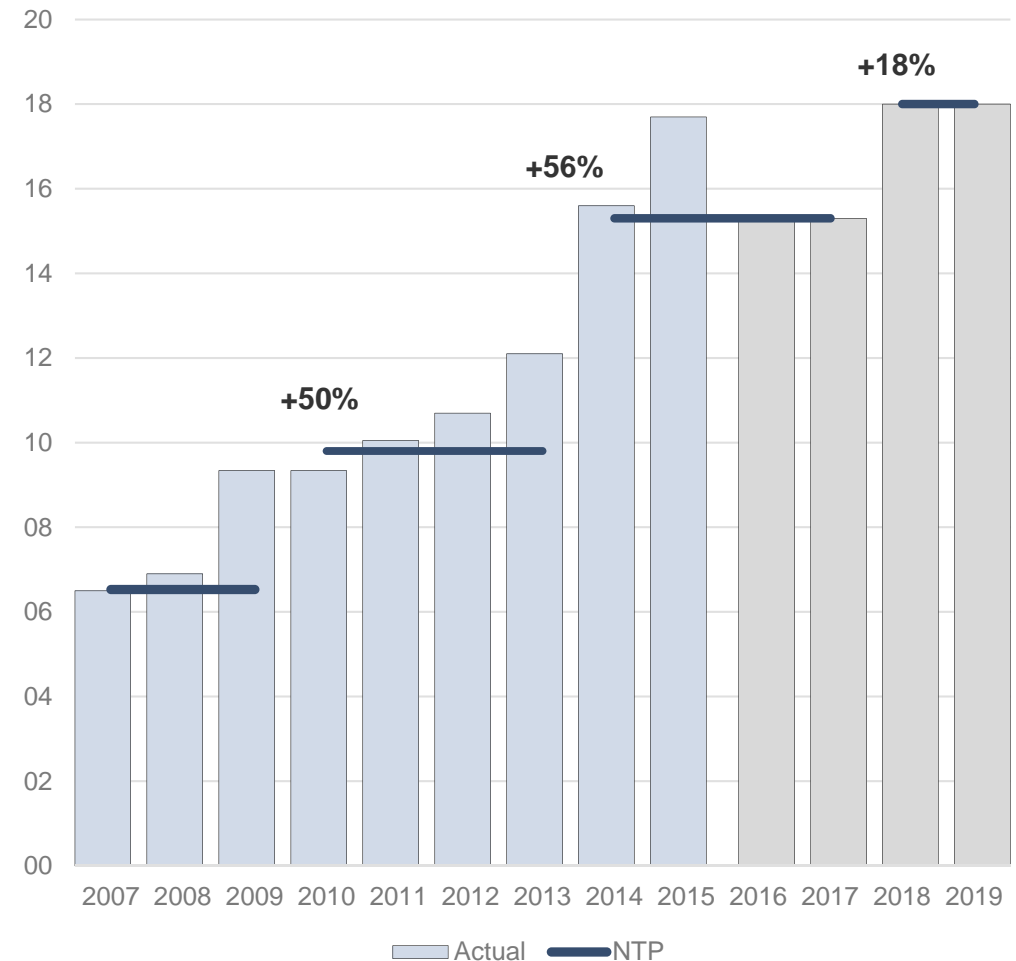
- In Sweden, a SEK 522 billion transportation plan for the period 2014 - 2025 was adopted by the Swedish Government in April 2014.

Increased focus on integrated planning and execution

- Increased focus on integrated planning and execution creates interesting opportunities in the crossings between the Rail and Geo business and will benefit larger players like NRC Rail

Growing demand for geo mapping

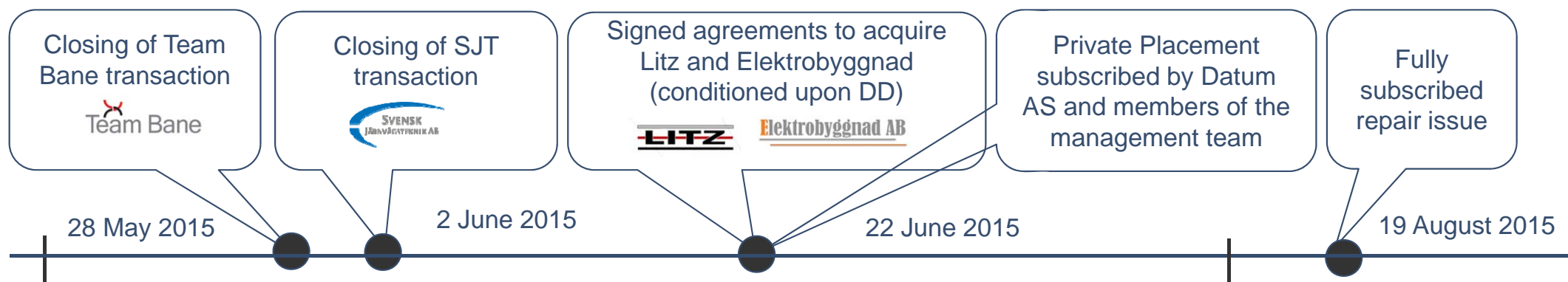
- A wide range of new projects and applications increase the demand for detailed surveying



Source: SSB; NPT; PWC, Trafikverket

Q2 2015 - Highlights

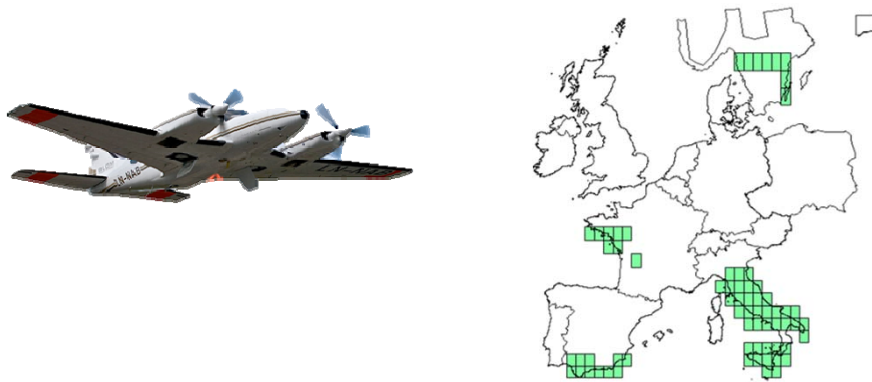
- Significant M&A and capital market activity
- Secured a strong orderbook within Rail and Geo (NOK 1 084m as of Q2 2015 vs. NOK 496m as of Q2 2014)
- Focus on operational integration and synergies
- Results affected by project postponements (Rail in Sweden, Geo) and poor weather conditions (Geo)



Operational update

Geo division

- Poor early summer weather conditions causing data capture shifting into Q3
- European orthophoto project started slow, now progressing at full speed
- Major UK programme for asset information for rail infrastructure has been somewhat delayed
- Cost measures implemented to improve profitability and reduce vulnerability
- Strong growth in order backlog
 - + 42% in the quarter
 - + 74% compared to the same period in 2014



Rail division

- High level of activity at end of Q2
- Optimizing project organization and internal processes
- Operational integration between Team Bane and SJT
- Winning contracts on parameters other than price alone (Team Bane)
 - Focus on Health, Safety and the Environment
- Low supply on sizeable projects to the market in H1 2015 (Norway)
- Strong growth in order backlog
 - + 44% in the quarter
 - + 132% compared to the same period in 2014

Q2 Profit and Loss as reported

- The actual reported figures include Team Bane and SJT for June 2015 only, and NOK 18 million in transaction costs
- Revenue in NOK 135 million (NOK 71 million)
- Net profit NOK 21 million (NOK 1 million)
- Net profit includes recognition of deferred tax assets of NOK 36 million

(Amounts in NOK million)	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Revenue	134,8	71,3	172,4	113,1	246,0
Operating expenses	143,2	66,5	193,3	114,0	232,3
EBITDA	-8,4	4,8	-20,9	-0,9	13,7
EBIT	-13,1	2,4	-27,5	-4,9	5,5
EBT	-14,6	1,8	-29,5	-6,9	4,5
Taxes	35,2	-0,1	35,1	-0,2	-0,7
Profit/loss from continuing operations	20,6	1,7	5,6	-7,1	3,8
Profit/loss from discontinued operations	0,0	-0,9	-2,3	2,8	4,1
Net profit/loss	20,6	0,8	3,3	-4,2	7,9

Q2 Pro forma Key Figures – Profit and Loss

- Pro forma figures include historic figures for Team Bane and SJT:
 - Revenue NOK 216 million (NOK 241 million)
 - EBITDA NOK 4 million (NOK 25 million)
 - EBIT NOK -5 million (NOK 18 million)
 - EBT NOK -8 million (NOK 16 million)

(Amounts in NOK million)	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Operating revenues	215,6	241,4	350,9	392,2	966,1
Operating expenses	211,9	216,8	369,6	362,6	871,1
EBITDA	3,7	24,7	-18,7	29,6	95,1
EBITDA %	2%	10%	-5%	8%	10%
EBIT	-4,9	18,4	-34,3	18,1	67,7
EBT	-8,3	15,7	-40,5	11,7	56,9

The figures include pro forma figures for Team Bane and SJT, adjusted for transaction costs related to the Team Bane and SJT transactions, and one-off of NOK 5 million in the first quarter 2015.

Q2 Pro forma Key Figures – Business segments

- Rail division:
 - Revenue NOK 157 million (NOK 170 million)
 - EBITDA NOK 7 million (NOK 20 million)

- Geo division:
 - Revenue NOK 59 million (NOK 71 million)
 - EBITDA NOK -1 million (NOK 9 million)

(Amounts in NOK million)	Q2 2015 Revenue	Q2 2014 Revenue	Q2 2015 EBITDA	Q2 2014 EBITDA
Rail	156,8	170,2	6,9	19,9
Geo	58,8	71,2	-0,5	8,6
Business segments	215,6	241,4	6,4	28,4

Pro forma figures: Revenues and EBITDA include pro forma figures for Team Bane and SJT, adjusted for transaction costs related to the completion of Team Bane and SJT transactions in the second quarter 2015 and one-off of NOK 5 million in the first quarter 2015 and excluding ASA costs.

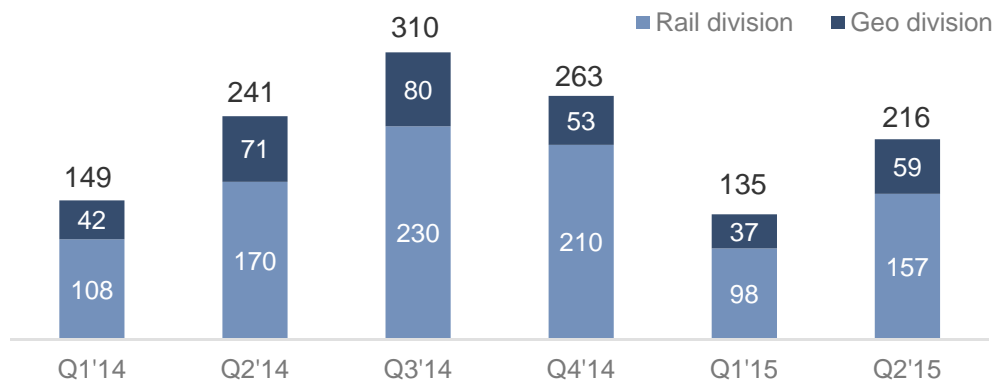
Key Figures – Q2 Balance Sheet

- The increase in assets is mainly related to the acquisitions of Team Bane and SJT completed in the second quarter
- The increase in equity is related to the transactions being partly settled in shares
- After closing of Q2 NRC Group has completed a private placement of NOK 84 million and a subsequent repair issue of NOK 10 million
- These equity issues would as of Q2 had increased the equity ratio to 39%, the current ratio to 1.21 and decreased net interest bearing debt to approximately NOK 120 million

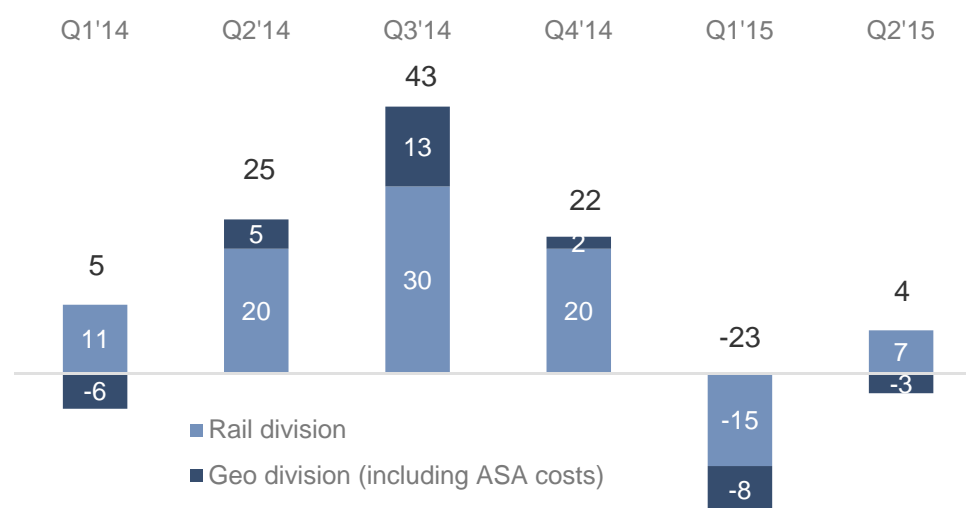
(Amounts in NOK million)	30/06/2015	31/12/2014
Intangible non-current assets	340,2	0,5
Tangible non-current assets	129,6	24,5
Other current Assets	231,6	71,6
Cash	56,5	51,4
Total Assets	757,9	147,9
Shareholders Equity	236,8	74,7
Non-current interest bearing debt	166,6	1,0
Other non-current Liabilities	23,3	4,4
Current interest bearing debt	101,4	0,6
Other current Liabilities	229,7	67,3
Total Equity and Liabilities	757,9	147,9
Net interest bearing debt	211,6	-49,8
Equity Ratio	31%	50%
Current Ratio	0,87	1,81

Seasonality and weak Q2 as expected, but record high orderbook

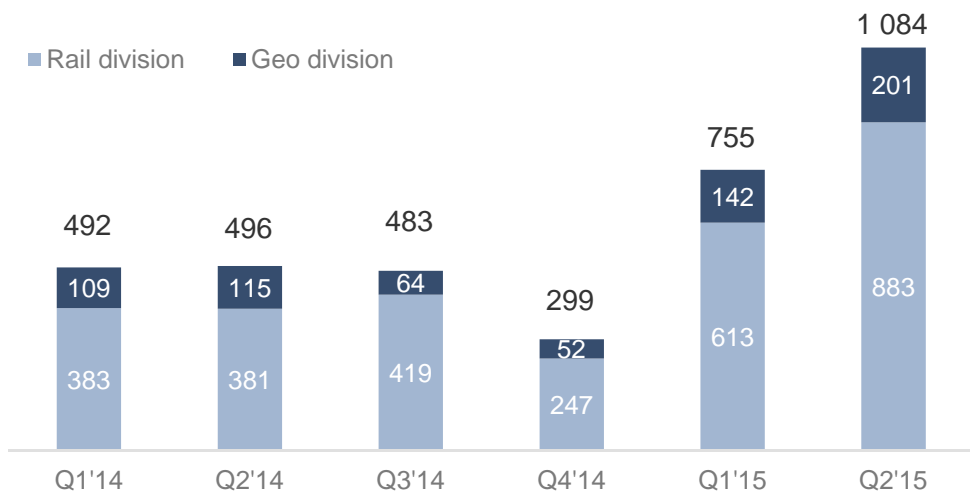
Pro forma revenue Q1 2014 – Q2 2015 (NOKm)



Pro forma EBITDA Q1 2014 – Q2 2015 (NOKm)



Orderbook Q1 2014 – Q2 2015 (NOKm)



- Both divisions has as of Q2 record high orderbook
- The delayed Swedish tender processes are now back on track with start-ups in 2H 2015 and 2016 (after Q2 NRC has announced an additional contract in Sweden of SEK 107m)
- Improving weather conditions increases production in the Geo division

*Pro forma figures: Revenues and EBITDA include pro forma figures for Team Bane and SJT, adjusted for transaction costs related to the completion of Team Bane and SJT transactions in the second quarter 2015 and one-offs of NOK 5 million in the first quarter 2015.

NRC Group - Outlook

- There is political consensus in Norway and Sweden to continue the expansion and modernisation of the railways. Budget and investments are at historic high levels and are expected to increase in the coming years.
- The demand for services within the Rail division is expected to grow significantly and as a full service rail provider NRC Group is very well positioned to capitalize on this growth.
- The demand for Geo services within the infrastructure segment is also expected to increase and developments in technology are creating opportunities for new types of geo products and services.

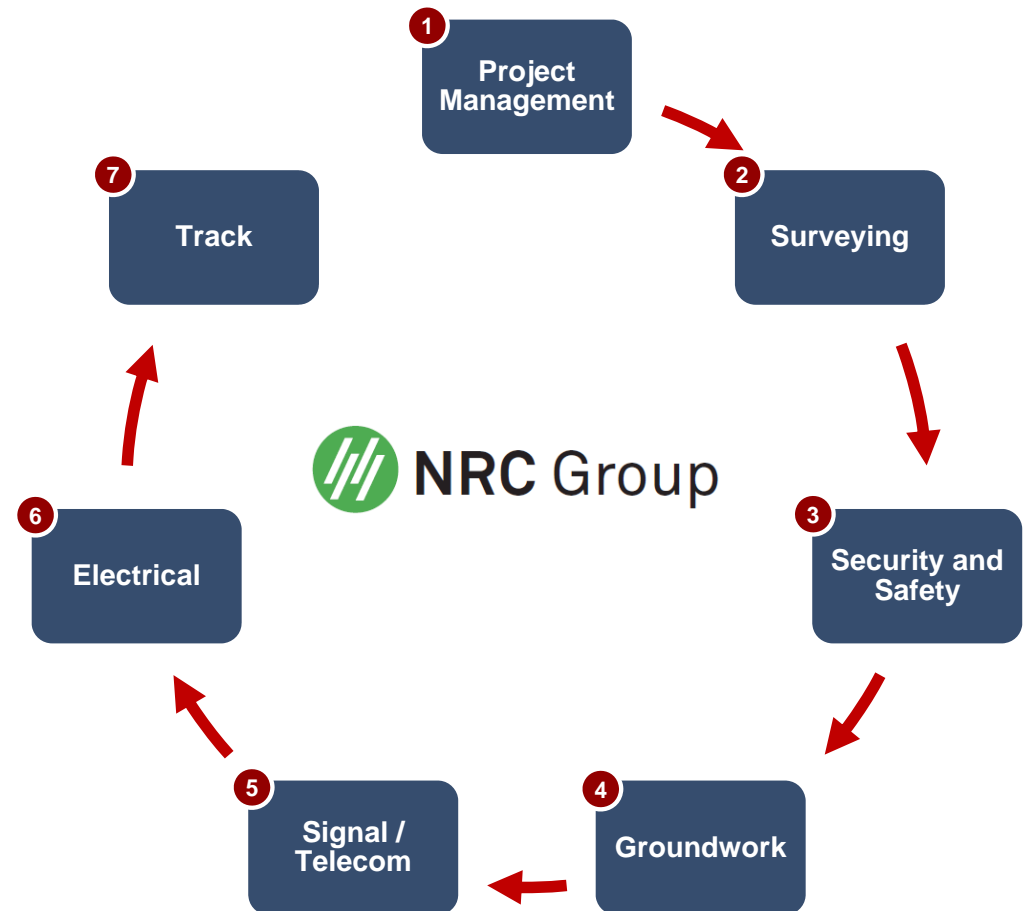
Rail division: Ongoing M&A have significant potential to complement the business offering and create synergies

Ongoing M&A

- Litz and Elektrobyggnad are rail specialist in all railway related electric services, each with focus on there own niche
- In addition Litz has high competence with project management
- Litz and Elektrobyggnad will complement SJT
 - SJT will be a turnkey supplier
 - SJT will strengthen its competitiveness and ability to deliver full-scale projects based on in-house competence
- Expects that the acquisitions will contribute to additional growth in 2016



NRC Group – Rail Business model



Shareholder overview as of 27 august 2015

INVESTOR	NUMBER OF SHARES	% OF TOTAL
URBEX INVEST AS	5 655 848	21,7%
DATUM AS	4 100 000	15,7%
SWEDBANK AB (PUBL)	2 738 451	10,5%
CHARLOTTE HOLDING AS	1 903 008	7,3%
DNB NOR MARKETS, AKSJEHAND/ANALYSE	1 705 981	6,5%
SOGN INVEST AS	1 321 046	5,1%
NORDEA BANK AB (PUBL)	1 160 178	4,4%
GRANSHAGEN INVEST AS	731 007	2,8%
HOLMEN SPESIALFOND	700 000	2,7%
NRC GROUP ASA	396 452	1,5%
DANSKE BANK A/S	380 958	1,5%
SORA AS	360 000	1,4%
MEITNER AS	354 358	1,4%
AAMOT	281 173	1,1%
NORDEA SECURITIES AB	277 778	1,1%
MP PENSJON PK	250 365	1,0%
ARCTIC FUNDS PLC	250 000	1,0%
KRAG INVEST AS	240 000	0,9%
NORWEGIAN RAIL CONSULTING AS	206 567	0,8%
TEAM HOLDING TELEMAR AS	200 000	0,8%
Total number owned by top 20	23 213 170	89%
Total number of shares	26 117 466	100%

- Shareholder overview according to VPS as of 27 august 2015
- Approximately 1 750 shareholders

Any questions?