



AUGUST 2022

2nd Quarter 2022 Presentation

Category leader in the attractive underground infrastructure maintenance service market

NORVA²⁴

Today's presenters



**HENRIK
DAMGAARD**

Group CEO

PREVIOUS EXPERIENCE

- At Norva24 since 2018
- Previously COO (Denmark) at ISS, Director at JFM and CEO/Head of Division (Nordics) at Nestle



**STEIN
YNDESTAD**

Group CFO

PREVIOUS EXPERIENCE

- At Norva24 since 2017
- Previously CFO/COO at Adevinta and Country Manager Spain/Head of M&A/Head of IR at Schibsted



**STURE
STÖLEN**

Head of IR

PREVIOUS EXPERIENCE

- At Norva24 since March 2021
- Previously Head of IR at SAS and Arion Bank



Comprehensive, mission critical and non-discretionary service offering

Emptying services



Sewerage maintenance

Emptying and inspection of fat / oil separators, underground tanks and sand traps

Sludge drainage

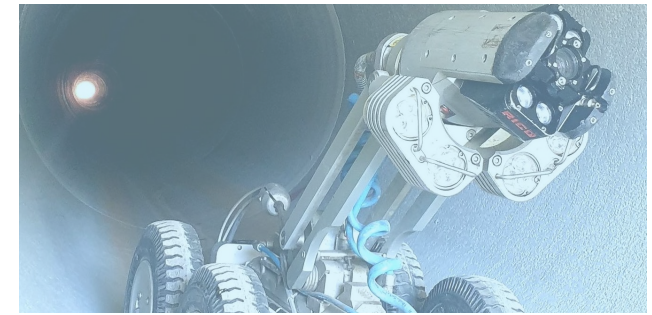
Pressure washing



Tank cleaning

High and ultra-high pressure washing

Pipe services



Sewerage maintenance

Pressure testing of pipes and pipe inspection

Pipe relining and point repair

Leak detection

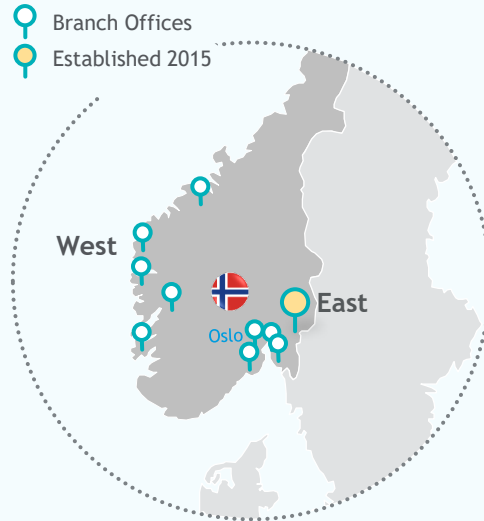
Pipe cleaning of clogged water and waste pipes



A normal job typically encompasses more than one service, leveraging similar capabilities and equipment
Local- and EU-level regulations require most services be conducted at regular intervals during the year

Norva24 has already evolved into a leading Northern European platform

Norwegian Origin (2015)



Revenue 2015⁽¹⁾: NOK 146m

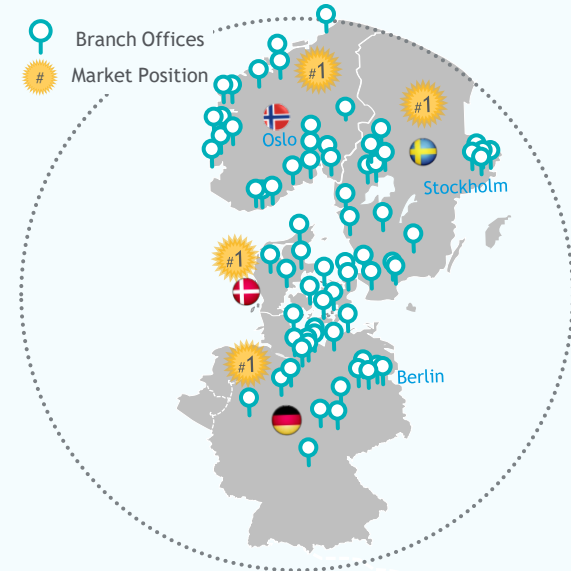
10
Branches

~25k
Jobs
Completed p.a

233
Employees
(FTEs)

Norva24 foundation

Leader in Northern Europe (Today)



Revenue LTM Q2'22: NOK 2.3bn

72
Branches

~300k+
Jobs
Completed p.a

~1,500
Employees

Norva24 as market shaper

Transformation

Professionalisation

Geographic expansion

Digitalisation

Consolidation

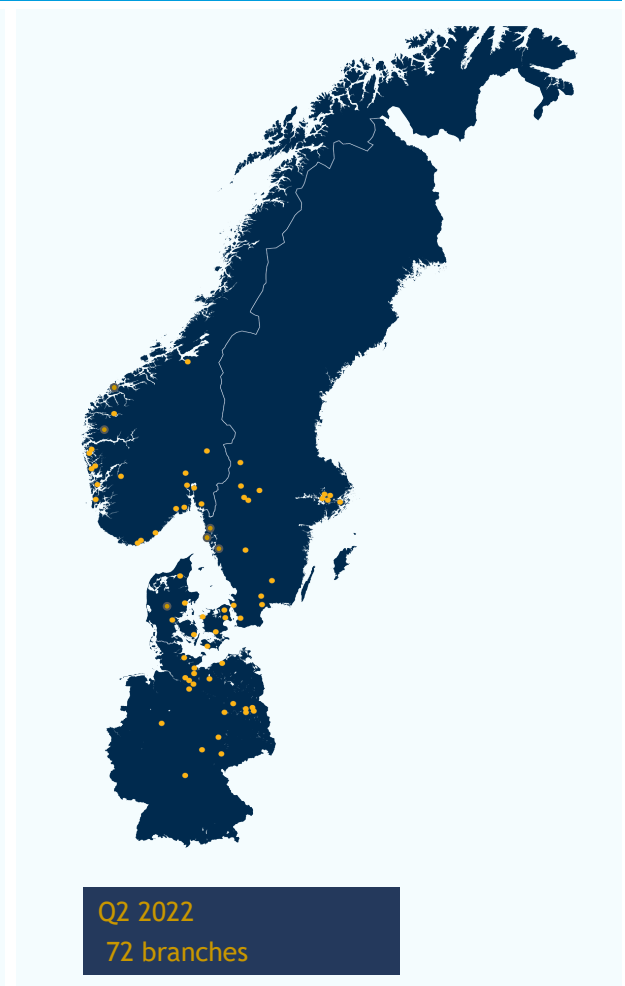
Management
reinforcement

Strong total revenue growth of 25%, supported by an impressive currency adjusted organic growth of 13%

Key takeaways from the quarter

- Total operating revenue amounted to NOK 608.5 million (486.5) **+25%**
- Strong currency adjusted organic growth **+13%**
- Good growth from acquisitions **+13%**
- EBITA MNOK 72 **+44%**
- Adjusted EBITA NOK 78 million **+11%**
- EPS NOK 0.32 (0.28)

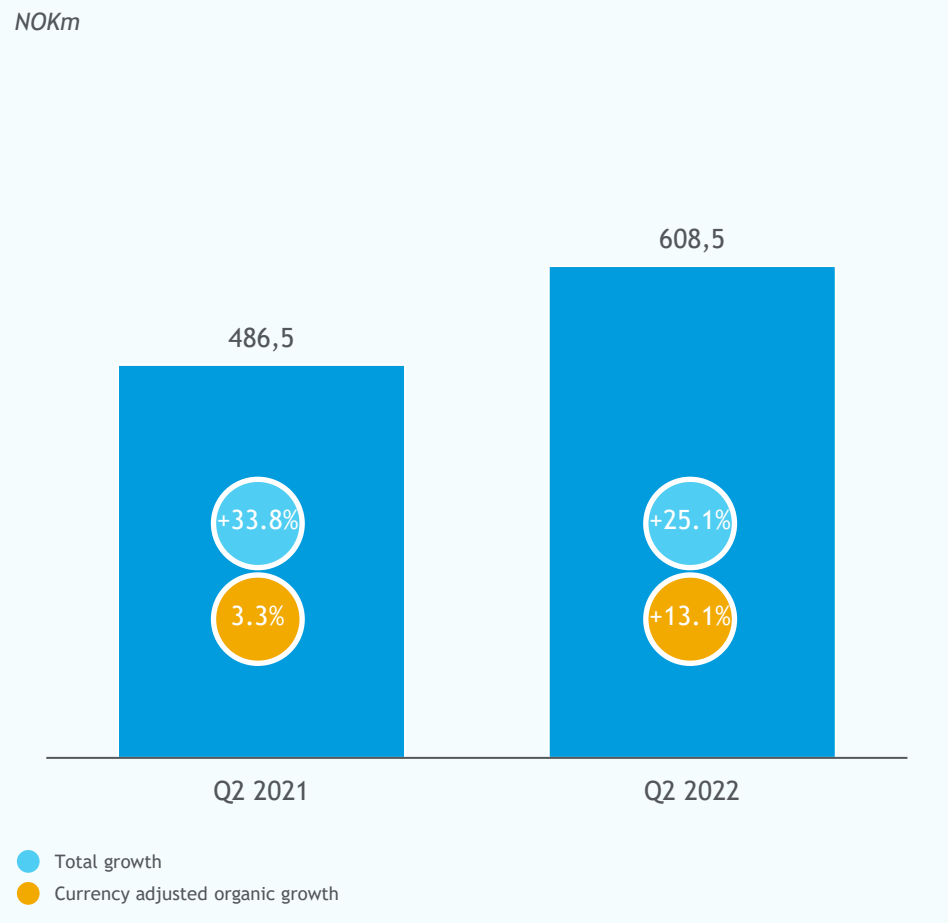
- Strong adj EBITA margin (20%) and organic growth of +20% in Norway
- Improvement in Denmark continues - strong organic growth and adj EBITA margin development
- Very strong total growth in Sweden of +68%
- Germany still temporarily affected by sick leaves (Covid-19)
- Significant M&A pipeline - 2022 expected to be a strong acquisition year
 - Two new acquisitions announced - Thornvig Jensen and Stockholm Relining
 - Four transactions closed since beginning of Q2
- Price adjustments offset higher transportation also costs in Q2
- Dean Zuzic appointed as new CFO



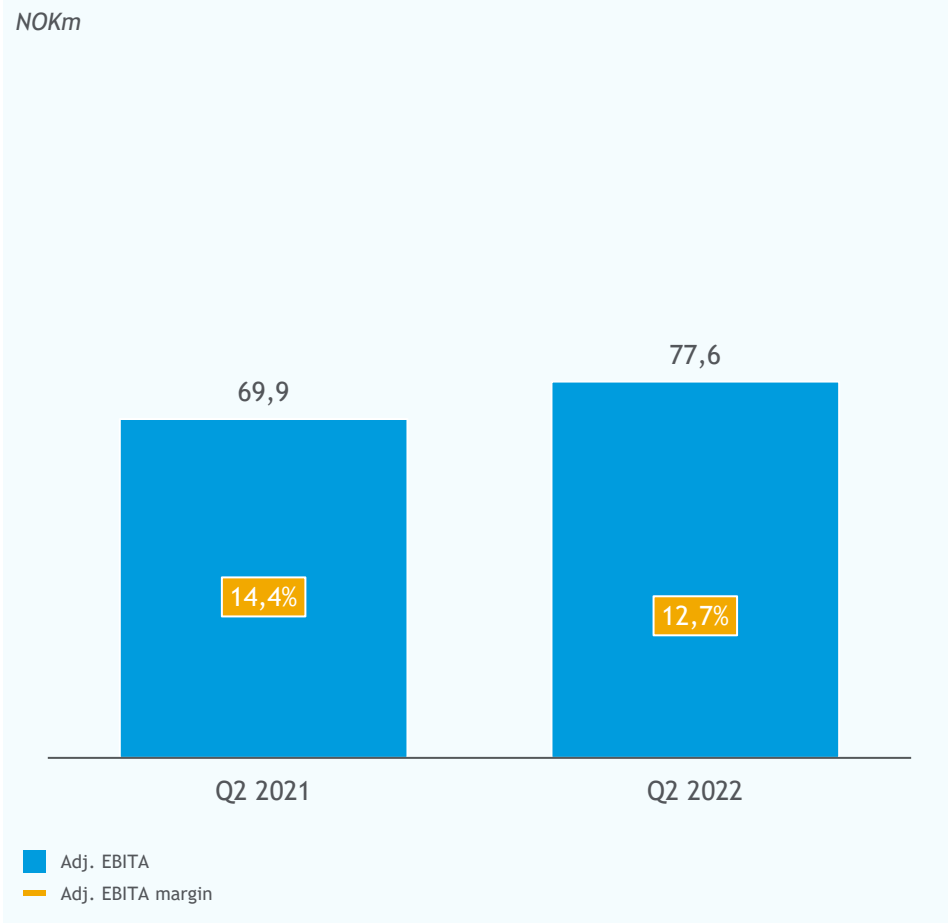
Solid organic growth in most markets during Q2



Operating revenue development



Adj. EBITA development

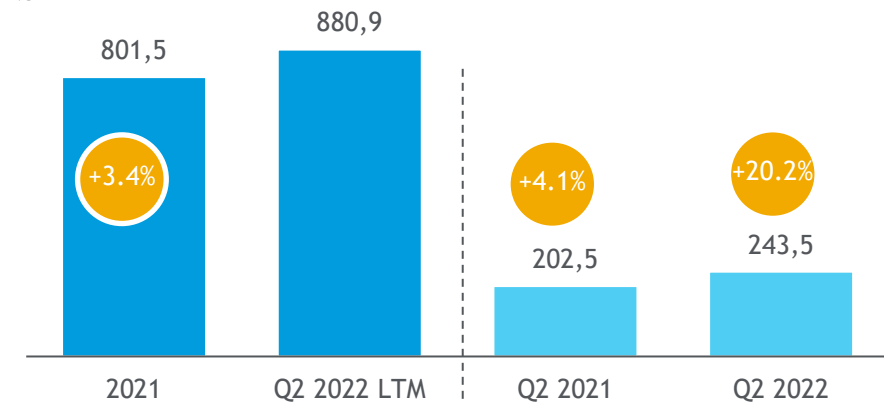


Norway - 20% organic growth and 20% adj EBITA-margin



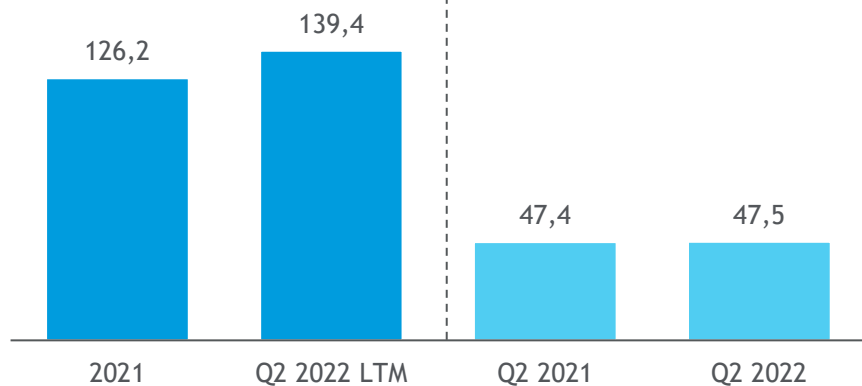
Operating revenue development

NOKm

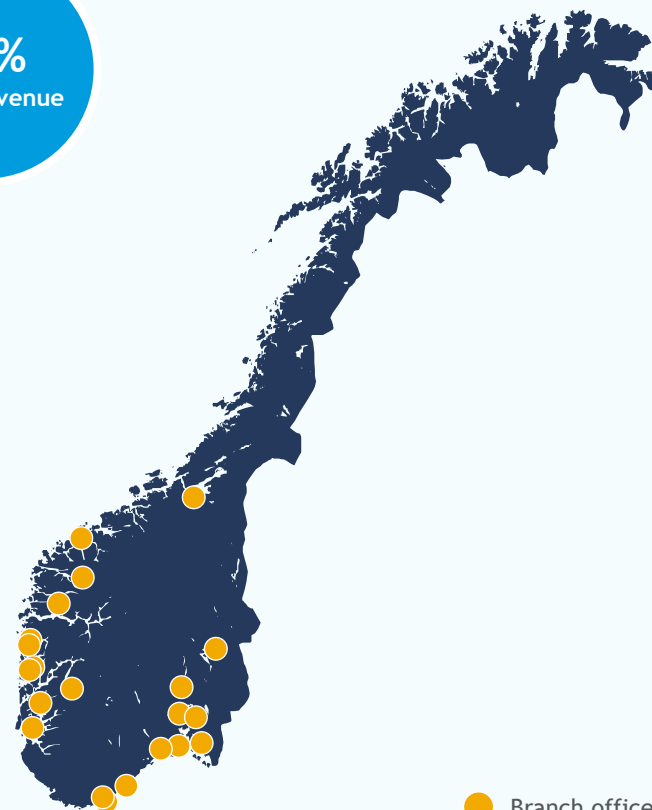


● Currency adjusted organic growth

Adj. EBITA development



Geographical footprint

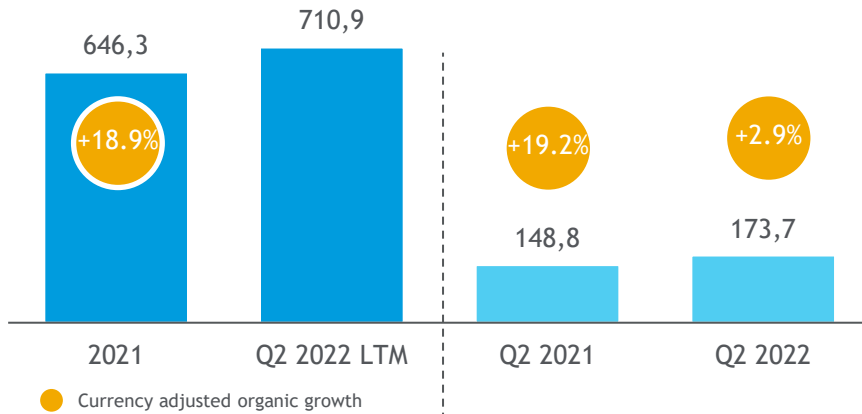


Germany - growth and margins still temporarily affected by Covid-19-related sick leave

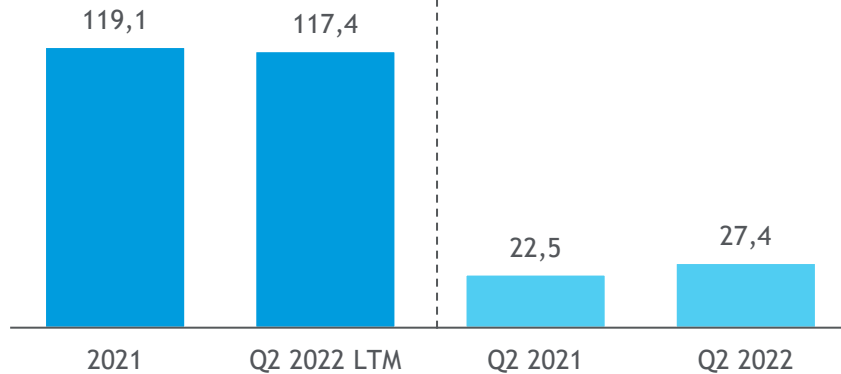


Operating revenue development

NOKm



Adj. EBITA development



Geographical footprint

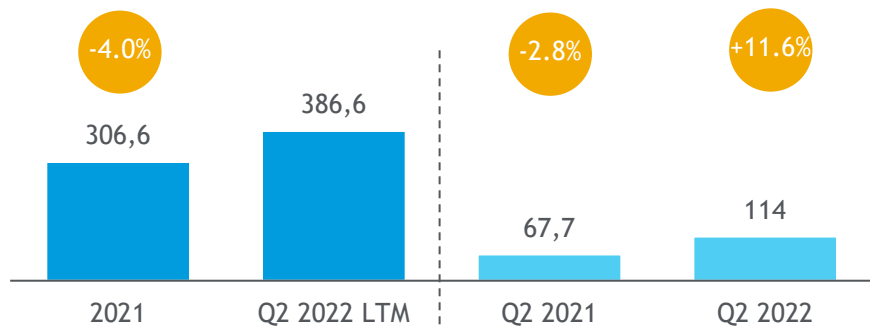


Sweden - very strong total growth of 68%



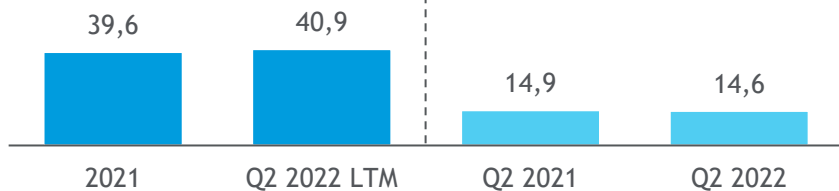
Operating revenue development

NOKm



● Currency adjusted organic growth

Adj. EBITA development



Geographical footprint

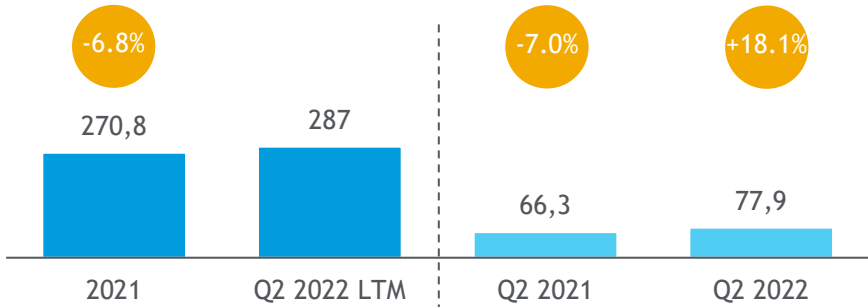


● Branch offices

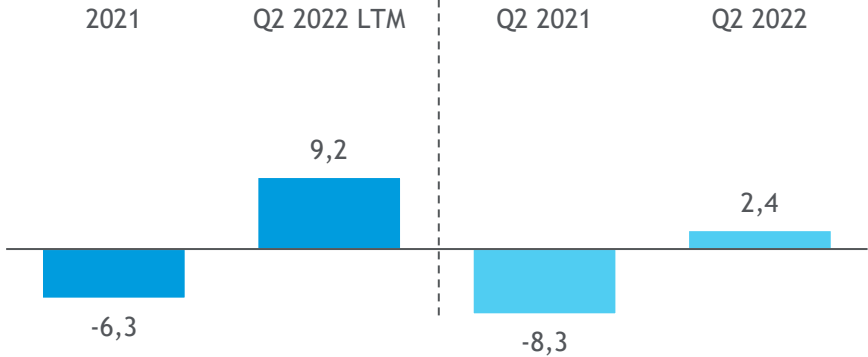
Denmark - Strong organic growth at 18% and adjuted EBITA margin increased by 16 b.p.



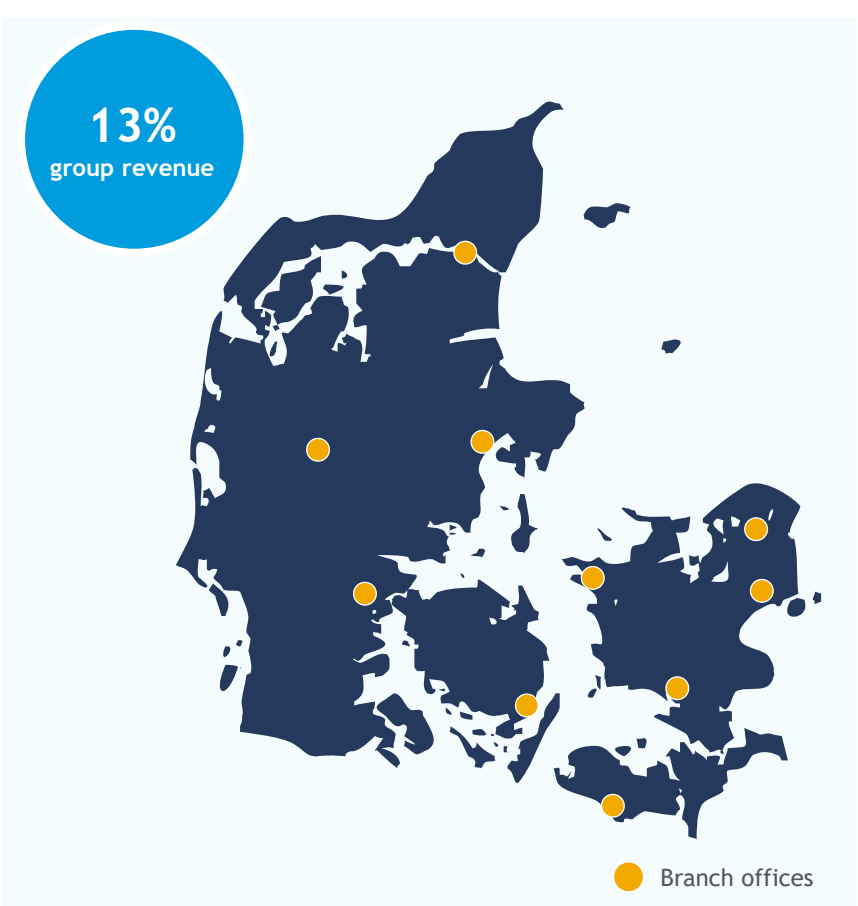
Operating revenue development NOKm



Adj. EBITA development



Geographical footprint



Income statement

Significant improvement in EBT, EBIT, EBITA and EBITDA

Apr-Jun 2022	Apr-Jun 2021	Growth	CONSOLIDATED STATEMENT OF PROFIT OR LOSS NOK million	Jan-Jun 2022	Jan-Jun 2021	Growth
604	483	25 %	Revenue from customer contracts	1 122	890	26 %
5	3		Other operating income	13	5	160 %
609	486	25 %	Total operating revenue	1 135	895	27 %
			Operating expenses			
- 75	- 49	51 %	Operational service expenses	- 133	- 92	44 %
- 261	- 207	26 %	Personnel expenses	- 500	- 398	26 %
- 97	- 63	55 %	Vehicle operating expenses	- 175	- 120	46 %
- 45	- 65	-31 %	Other operating expenses	- 97	- 108	-10 %
-	-		Other gains/losses	-	-	
- 478	- 385	24 %	Total operating expenses	- 905	- 718	26 %
131	102	28 %	Earnings before interest, taxes, depreciation and amortization (EBITDA)	230	177	30 %
72	50	44 %	Earnings before interest, taxes and amortization (EBITA)	115	77	50 %
64	43	48 %	Earnings before interest and taxes (EBIT)	100	63	58 %
12	- 12	-202 %	Net financial items	0	38	-101 %
76	31	143 %	Profit before income tax (EBT)	100	25	303 %
- 17	- 10	72 %	Income tax expense	- 24	- 9	155 %
58	21	178 %	Profit for the period	76	15	392 %
78	70	11 %	Adjusted EBITA	121	103	17 %
12,7 %	14,4 %		Adjusted EBITA margin, %	10,6 %	11,5 %	

Continued strong quarterly revenue and adjusted EBITA growth

Quarterly operating revenue development



- Organic growth of 12,2 % with a currency adjusted organic growth of 13.1 %, above market growth - implying market share gains
 - 12.9% acquired growth
 - Norway and Denmark with organic growth of close to 20 % YoY
 - Sweden with total growth in local currency of 68.3 % YoY, 11.6% organic in local currency
 - Growth and margins still temporarily affected by Covid-19-related sick leave (omicron).

Quarterly adj. EBITA development



- Adj. EBITA up by 11%
 - Denmark with strong adj EBITA margin improvement. Up 16 percentage points
 - Good adj EBITA margin in Germany, increasing by 0.7 percentage points
 - Adj EBITA flat in Norway, due to periodization effects of holiday pay and leasing cost. Will lift margin in Norway in Q3, other things equal.
 - The adjusted EBITA-margin affected by the recent acquisitions

Strong balance sheet and set for continued growth

Comments

- As of IPO, the Company has refinanced its current outstanding debt in order to have a capital structure more suitable for the public domain
 - NOK 900m in proceeds from IPO
 - New facility includes a M&A RCF (NOK 1.1bn) and a new leasing facility (NOK 400m)
 - Net debt of NOK 975,4m in Q2'22, representing a Net debt / LTM Adj. EBITDA of 1.95x
 - Over time, the Company targets a Net debt / LTM adj. EBITDA ratio not exceeding 2.5x, subject to flexibility for acquisitions
 - Levels of investment in PPE and RoU stable giving increased capex efficiency with growth of the group
- A. Goodwill amounted to NOK 1,332.0m as of 30 June 2022, and derive from acquisitions
- B. Right-of-use assets referring to financial and operational leasing
- C. PPE primarily referring to equipment used in the operational business
- D. Non-current loan primarily refers to bank loans related to Zimmerbeutel and IRG Rörinspektion

Balance sheet highlights

NOKm	Note	30.06.2022	31.12.2021	30.06.2021
Assets				
Goodwill	A	1 332,0	1 222,6	1 242,1
Intangible assets		132,1	120,4	137,2
Right-of-use assets	B	720,5	724,3	669,8
Property, plant and equipment	C	463,6	429,3	436,4
Other non-current receivables		2,1	4,7	16,6
Total non-current assets		2 650,1	2 501,3	2 502,1
Inventories		15,8	10,8	12,1
Accounts receivable		345,9	281,4	290,6
Other current receivables		112,5	171,2	83,7
Cash and cash-equivalents		126,9	260,4	128,1
Total current assets		601,1	723,8	514,4
TOTAL ASSETS		3 251,3	3 225,1	3 016,5
EQUITY AND LIABILITIES				
Equity		1 710,4	1 619,6	701,6
Deferred tax liability		34,3	21,2	53,4
Non-current lease liabilities		535,4	543,1	497,3
Non-current loans	D	396,9	264,1	1 139,1
Other non-current liabilities		18,1	12,2	43,9
Total non-current liabilities		984,7	840,7	1 733,7
Accounts payable		116,3	144,2	109,3
Taxes payable		3,6	25,3	3,1
Current portion of lease liabilities		164,5	155,5	138,9
Current portion of loans		5,5	61,2	55,5
Other current liabilities		266,3	378,6	274,4
Total current liabilities		556,3	764,8	581,2
TOTAL EQUITY AND LIABILITIES		3 251,3	3 225,1	3 016,5

Our total addressable market is growing and estimated to NOK 140 billion

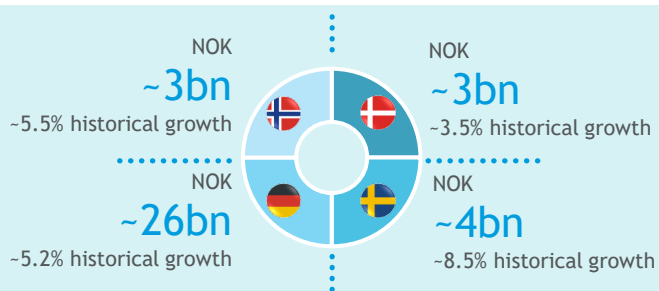
Four acquisitions closed since beginning of Q2 - strong pipeline for remaining of 2022

EXPANSION TO NEW GEOGRAPHICAL MARKETS - EUROPE

NOK ~140bn

TOTAL CURRENT
ADDRESSABLE MARKET

NOK ~36bn



Q2 - Zimmerbeutel ~ 40 MNOK

Acquired the German company Zimmerbeutel, - a leading provider of UIM services in the Rhein/Ruhr area.



Q2 - IRG Rörinspektion ~ 35 MNOK

Acquired the Swedish company IRG Rörinspektion based on Sweden's west coast.



Q3 - Stockholm Relining ~ 25 MNOK

Acquired the Swedish company which provides relining services and other IUM services that complement and strengthen offering in Stockholm area.






Q3 - Thornvig Jensen ~ 40 MNOK

Acquired the Danish company with a history of more than 100 years of operations.

M&A - Set to be a strong acquisition year

Group revenue and number of transactions ¹⁾

>90% of acquisitions were bilateral out of a total of 37 since 2015

-  Platform acquisitions
-  Market entry
-  Bolt-ons



Statutory group revenue (NOKm)

2015	2016	2017	2018	2019	2020	2021	2022
146	512	902	1,004	1,287	1,523	2,025	2,265(LTM)

Rich potential M&A pipeline



1) Sorted to years according to signing date

Well capitalized - on track to deliver on financial targets

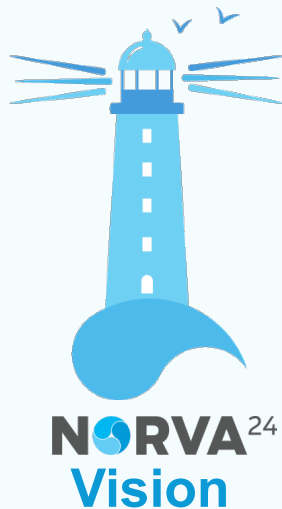
Medium term financial targets

Operating revenue growth	Organic growth	Target to achieve revenue of around NOK 4.5bn by 2025 while achieving an average organic growth per annum of at least in line with market growth
	Total growth	
Profitability		Target to achieve an adjusted EBITA margin ⁽³⁾ of 14-15% in the medium term
Capital structure		Norva24's capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Target steady state net debt ratio ⁽⁴⁾ (including IFRS16 lease liabilities) of 2.5x adj. EBITDA for the last 12 months, temporary increase for M&A
Dividend policy		As a part of Norva24's vision and strategy, it intends to reinvest cash flows into growth and expansion initiatives, including acquisitions, and as such does not expect to pay annual dividends to its shareholders in the medium term

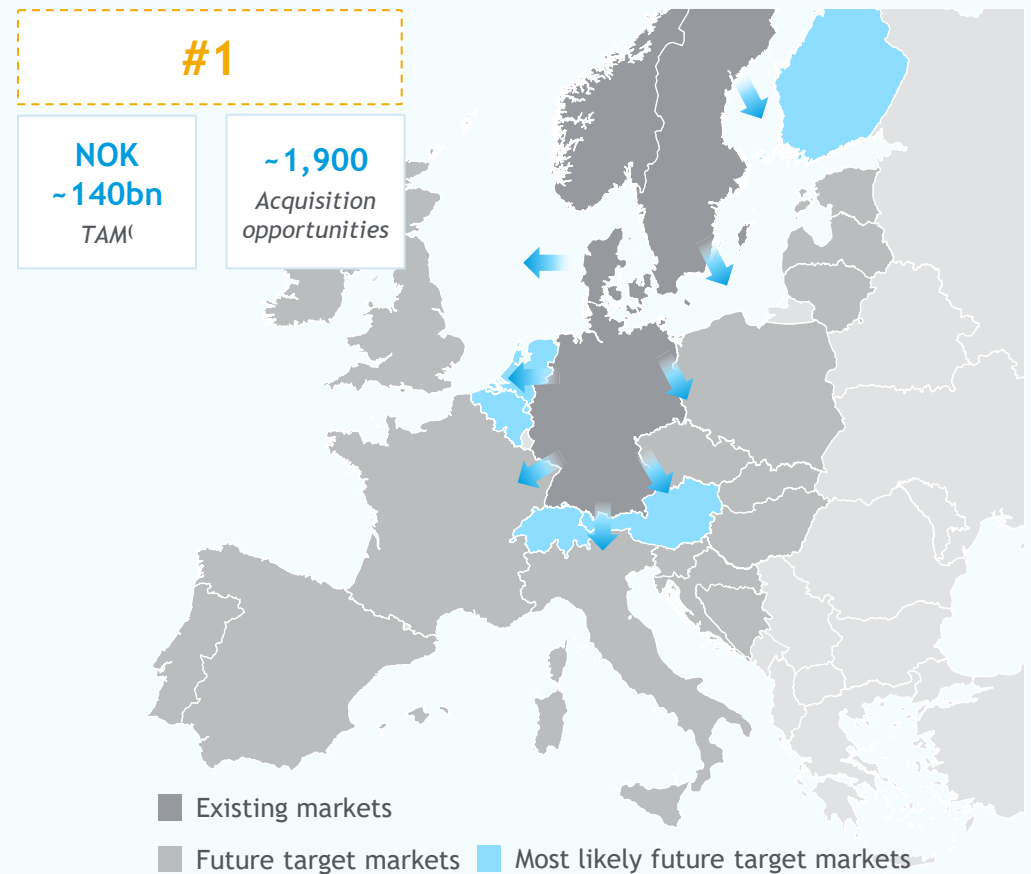
Our vision and journey as the foremost consolidator in the European UIM market

Norva24 vision

“Our long-term vision is to build a *European market leader and lighthouse* in Underground Infrastructure Maintenance (UIM). Norva24’s vision is to become *the leading European operator* in our industry and *an inspiration to the UIM industry development in Europe*”



Clear European market leader (Illustrative vision)



Q&A

