



NOVEMBER 2022

**NORVA**<sup>24</sup>

# 3rd Quarter 2022 Presentation

Category leader in the attractive underground infrastructure maintenance service market

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# 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

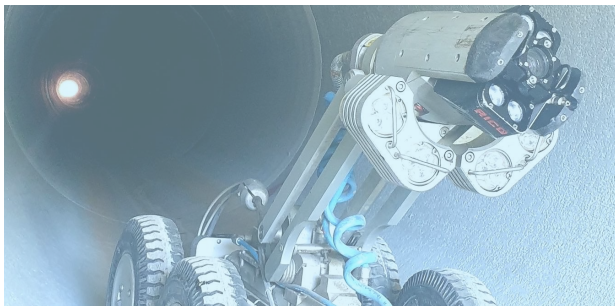
## Pressure washing



### Tank cleaning

High and ultra-high pressure washing

## Pipe services



### Sewerage maintenance

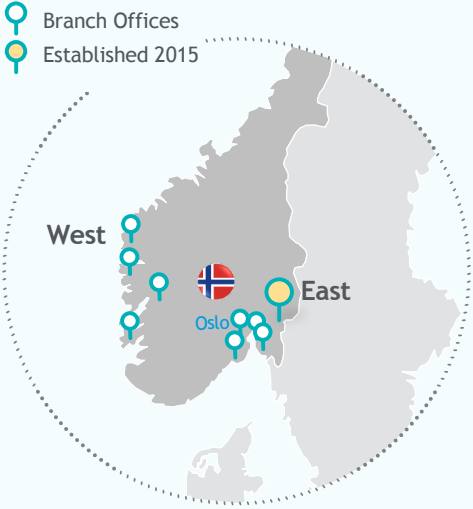
Pressure testing of pipes and pipe inspection  
Pipe relining and point repair  
Leak detection  
Pipe cleaning of clogged water and waste pipes



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)

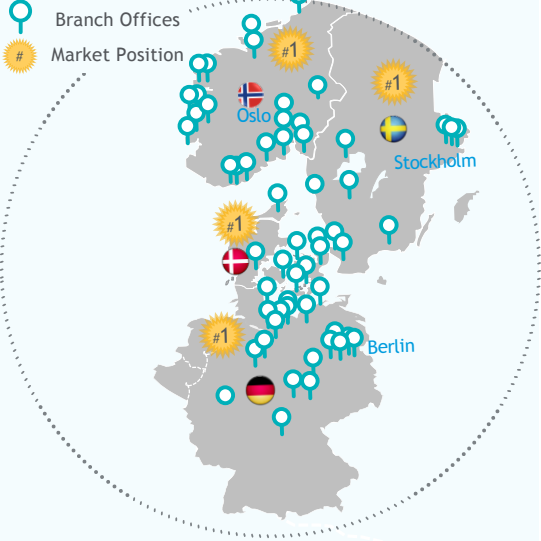


Revenue 2015<sup>(1)</sup>: NOK 146m

<b>10</b> Branches	<b>~25k</b> Jobs Completed p.a	<b>233</b> Employees (FTEs)
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**Norva24 foundation**

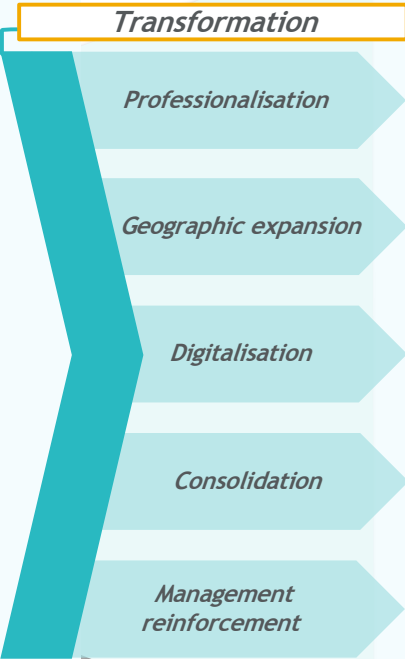
## Leader in Northern Europe (Today)



Revenue LTM Q3'22: NOK 2.3bn

<b>75</b> Branches	<b>~300k+</b> Jobs Completed p.a	<b>~1,600</b> Employees
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**Norva24 as market shaper**



# Good organic growth, solid margins and excellent operating cash flow during the third quarter

## Key takeaways from the quarter

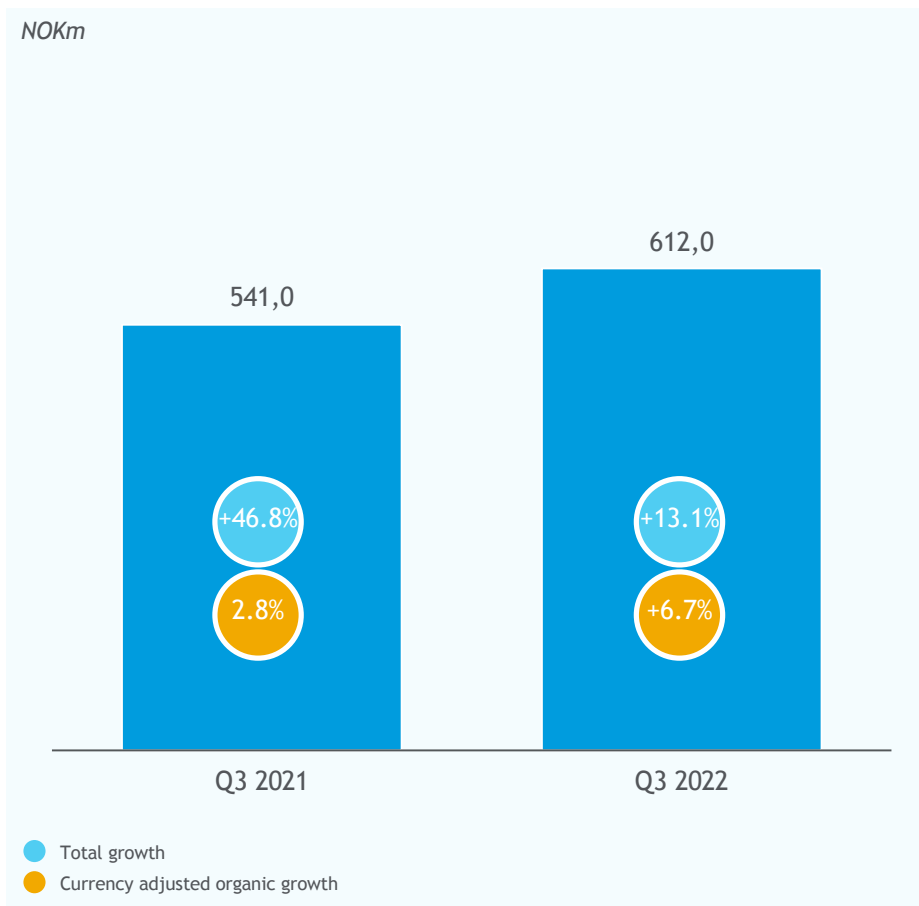
- Total operating revenue amounted to NOK 612.0 million (541.0) **+13%**
  - Good currency adjusted organic growth **+7%**
  - Good growth from acquisitions **+9%**
  - EBIT MNOK 77 **+40%**
  - Adjusted EBITA NOK 87 million **+20%**
  - EPS NOK 0.27 (0.25)
- 
- Improved Group adjusted EBITA margin of 0.8 bp. despite higher energy prices
  - 9% organic growth and adjusted EBITA increased by 41% in Norway
  - Strong currency adjusted organic growth at 13% and continued margin improvement in Denmark
  - Strong total growth in Sweden of 18% (25% in local currency) driven by both 10% currency adjusted organic growth and acquisitions
  - Germany with stable revenues on the back of strong comparative numbers
  - Digitalization continues with around 500 vehicles under fleet management tool
  - Significant M&A pipeline - 2022 will be a strong acquisition year
    - Six acquisitions so far in 2022 two acquisitions announced recently-  
Jutzy and CKS in Berlin
  - Cash flow from operations cover the acquisitions both in Q3 and LTM



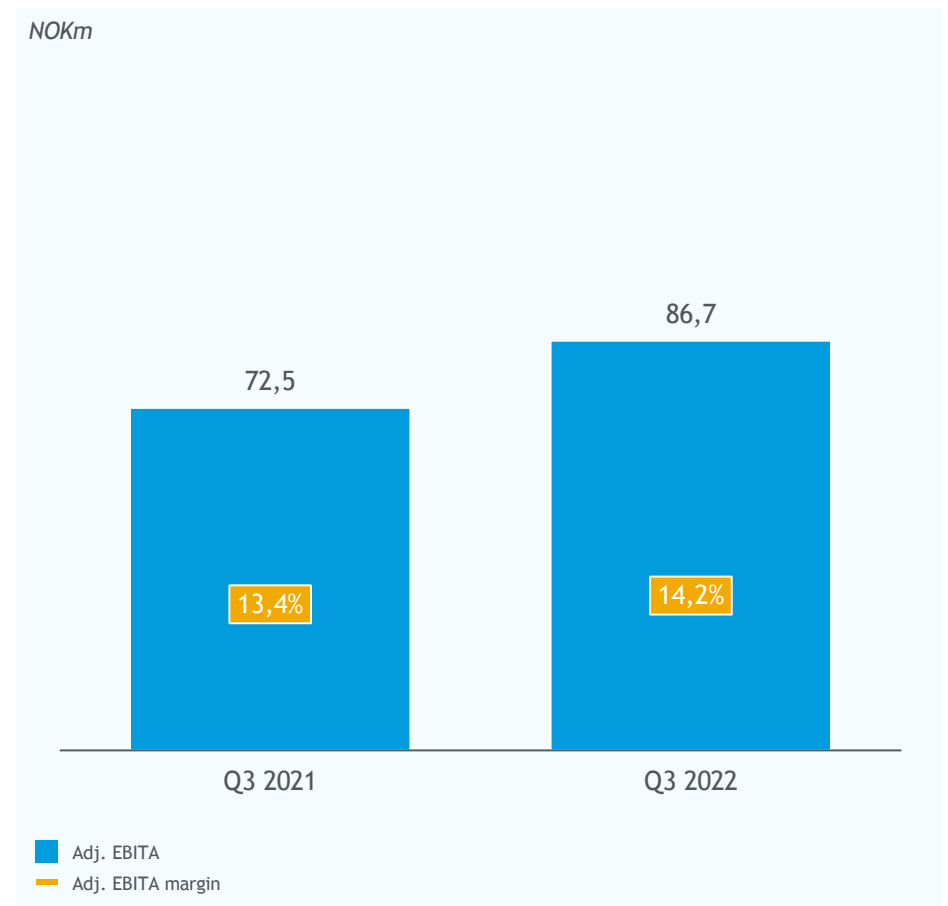
Q3 2022  
75 branches

# Strong total rev. growth of 13% and improved adjusted EBITA of 20%

## Operating revenue development



## Adj. EBITA development

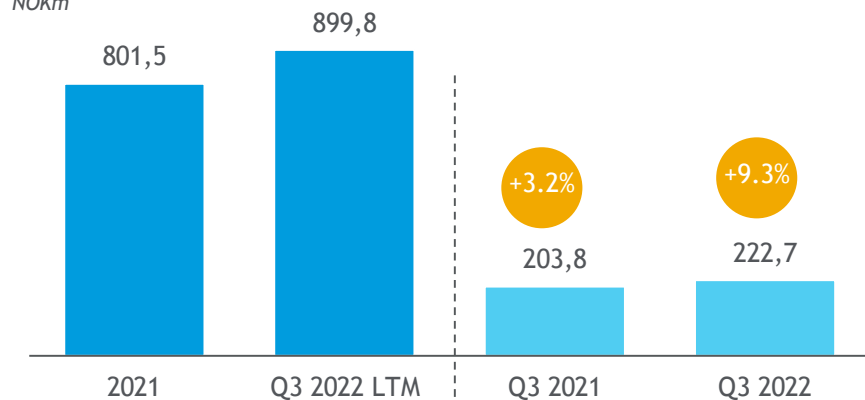


# Norway - 9% organic growth and adjusted EBITA increased by 42%



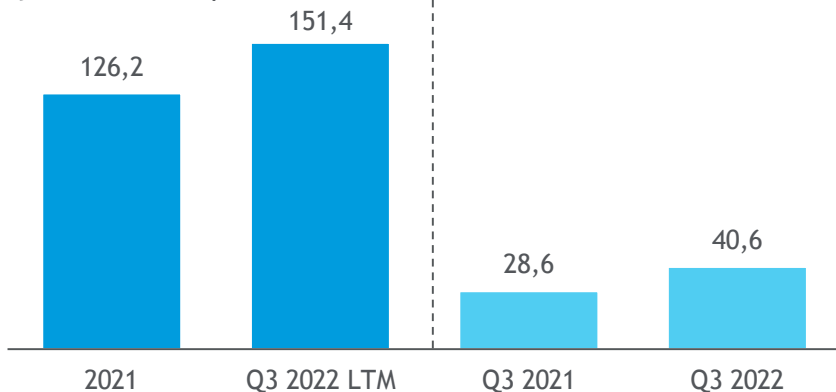
## Operating revenue development

NOKm

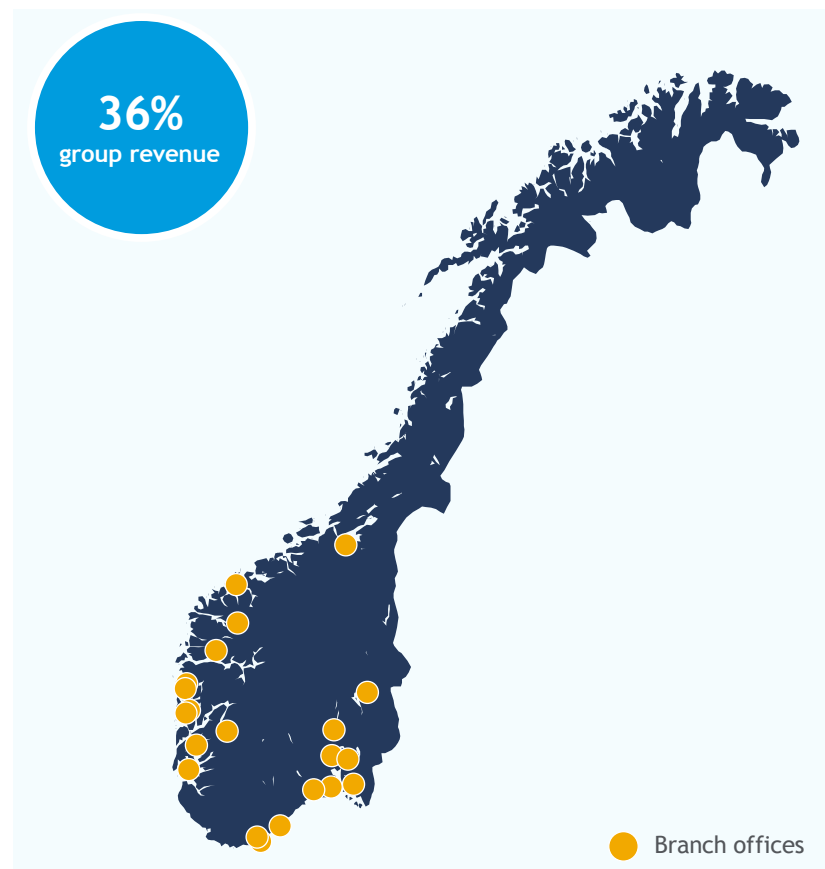


● Currency adjusted organic growth

## Adj. EBITA development



## Geographical footprint

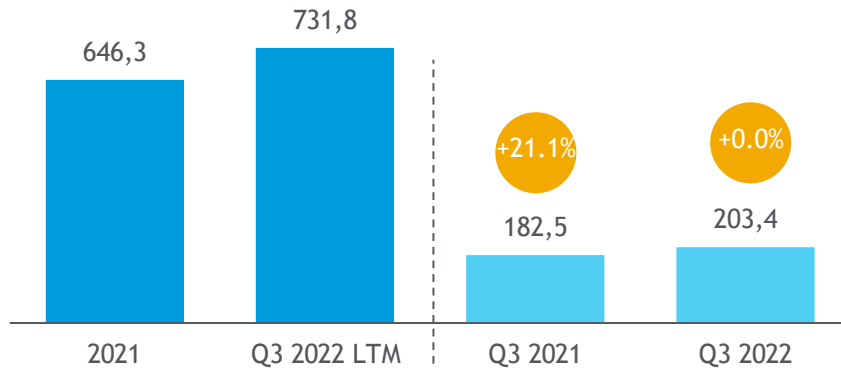


# Germany - continued growth on the back of strong comparative numbers and good EBITA margins



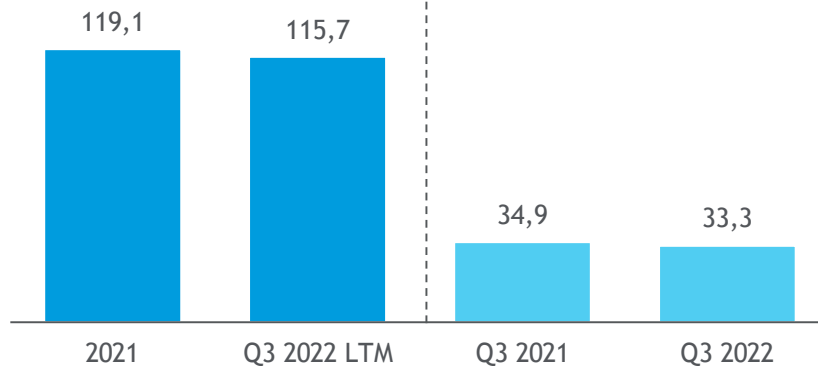
## Operating revenue development

NOKm



● Currency adjusted organic growth

## Adj. EBITA development



## Geographical footprint



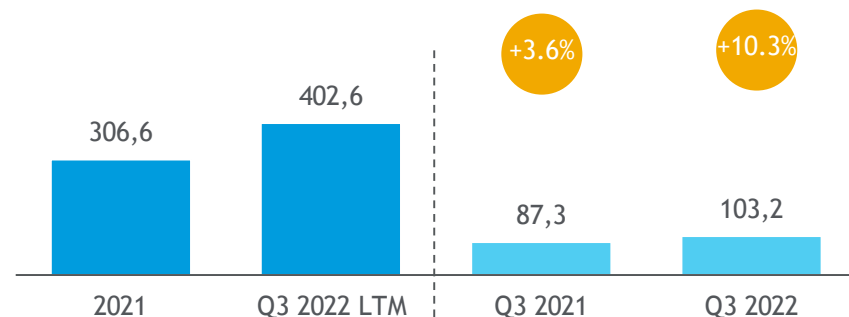


# Sweden - strong total growth driven by 10% curr. adj organic growth and 15% acquisition growth



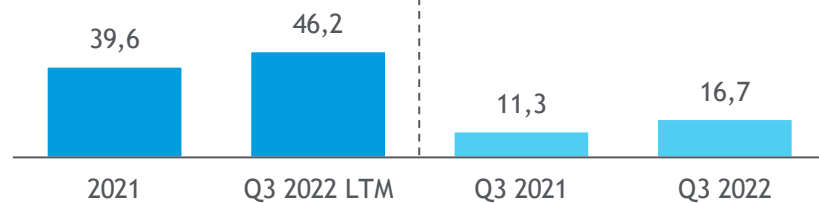
## Operating revenue development

NOKm

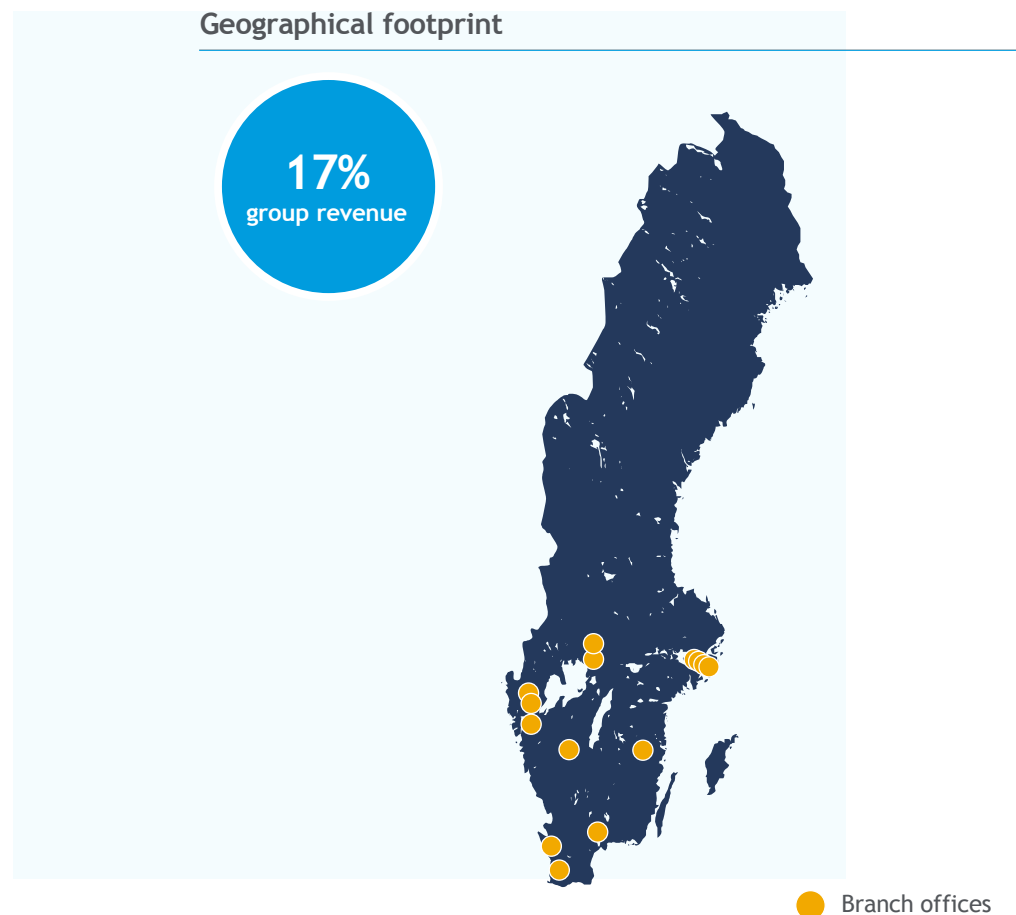


● Currency adjusted organic growth

## Adj. EBITA development



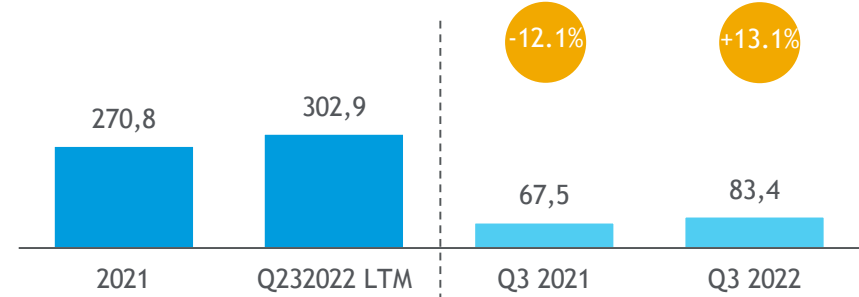
## Geographical footprint



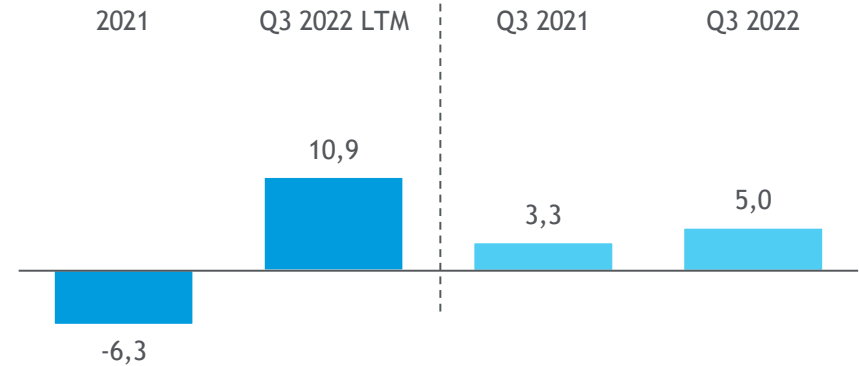
# Denmark - Strong organic growth at 13% and continued margin improvement



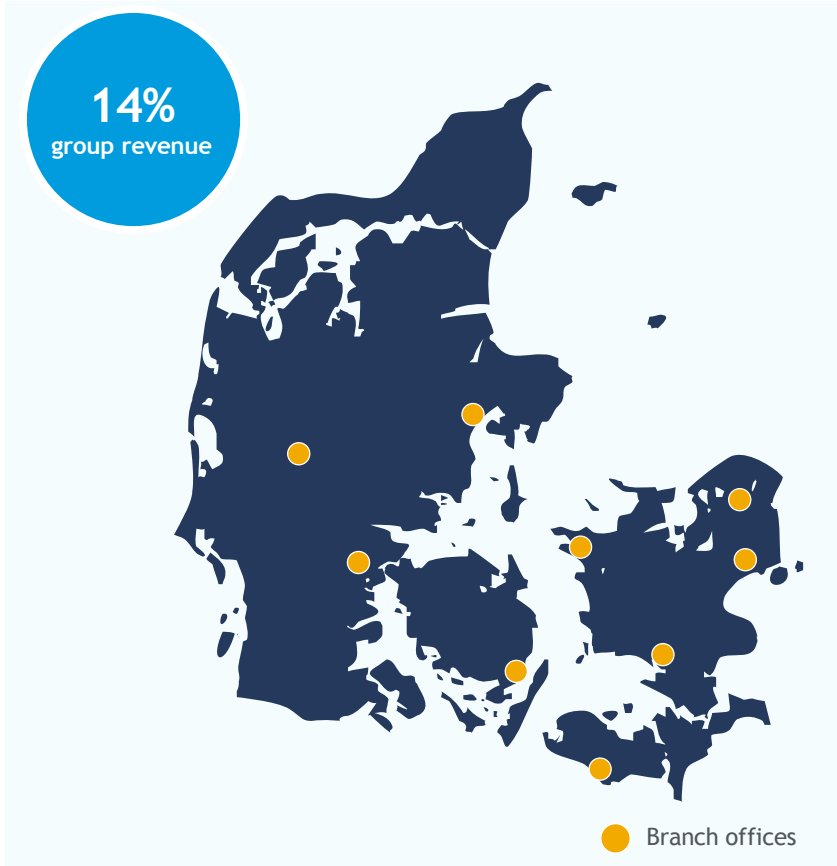
Operating revenue development  
NOKm



Adj. EBITA development



Geographical footprint



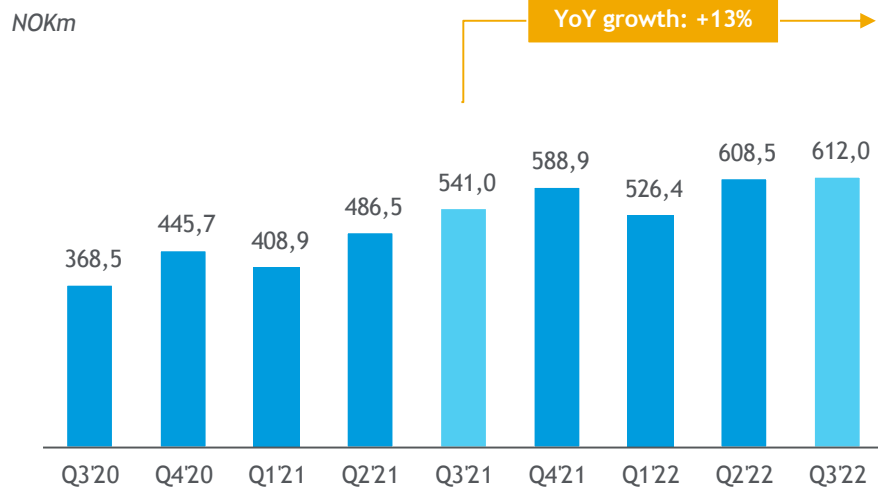
# Income statement

Significant improvement in EBT, EBIT, EBITA and EBITDA

Jul-Sep 2022	Jul-Sep 2021	Growth	CONSOLIDATED STATEMENT OF PROFIT OR LOSS NOK million	Oct 2021- Sep2022	Oct 2020- Sep 2021	Growth
611	532	15 %	Revenue from customer contracts	2 316	1 867	24 %
1	9		Other operating income	19	15	
<b>612</b>	<b>541</b>	<b>13 %</b>	<b>Total operating revenue</b>	<b>2 336</b>	<b>1 882</b>	<b>24 %</b>
-	-		<b>Operating expenses</b>	-	-	
-78	-62	27 %	Operational service expenses	-277	-212	31 %
-248	-230	8 %	Personnel expenses	-1 000	-819	22 %
-96	-80	20 %	Vehicle operating expenses	-360	-246	46 %
-48	-52	-7 %	Other operating expenses	-232	-214	9 %
5	-		Other gains/losses	45	-	
<b>-466</b>	<b>-423</b>	<b>10 %</b>	<b>Total operating expenses</b>	<b>-1 824</b>	<b>-1 492</b>	<b>22 %</b>
146	118	24 %	Earnings before interest, taxes, depreciation and amortization (EBITDA)	512	390	31 %
86	62	38 %	Earnings before interest, taxes and amortization (EBITA)	284	191	48 %
77	55	40 %	Earnings before interest and taxes (EBIT)	252	165	53 %
-7	-27	-73 %	Net financial items	-55	-81	-32 %
<b>69</b>	<b>28</b>	<b>150 %</b>	<b>Profit before income tax (EBT)</b>	<b>197</b>	<b>84</b>	<b>135 %</b>
-19	-8	146 %	Income tax expense	-20	-36	-43 %
<b>50</b>	<b>20</b>	<b>151 %</b>	<b>Profit for the period</b>	<b>177</b>	<b>48</b>	<b>266 %</b>
87	72	20 %	<b>Adjusted EBITA</b>	<b>290</b>	<b>238</b>	<b>21 %</b>
14,2 %	13,4 %	6 %	Adjusted EBITA margin, %	12,4 %	12,7 %	-2 %

# Cash flow from operations cover the acquisitions both in Q3 and LTM

## Quarterly operating revenue development



- Revenue growth of 13% driven by both organic and acquired growth
  - 8,8% acquired growth
  - 6.7% currency adjusted organic growth
  - Currency effect of -2,3%
- Revenues up by 67% vs Q3 2020

## Quarterly adj. EBITA development



- Adjusted EBITA at 86,7 up 20%
- Adjusted EBITA margin + 0.8 pe.
- Adj. EBITA growth driven by improved margin in Norway, Denmark and Sweden, and acquisitions in Denmark, Germany and Sweden
- Inflationary pressure offset through price increases
- Strong cash Conversion at 90% of EBITDA
- Cash flow from operations cover the acquisitions both in Q3 and LTM

# Strong balance sheet and capacity 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 leasing facility (NOK 400m)
- Net debt of NOK 1,083.9m in Q3'22, representing a Net debt / Adj. EBITDA of 2.1x.
  - Over time, the Company targets a Net debt / Adj. EBITDA ratio not exceeding 2.5x, subject to flexibility for acquisitions

- A. Goodwill amounted to NOK 1,467m as of 30 September 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

## Balance sheet highlights

NOKm	Note	30.09.2022	31.12.2021	30.09.2021
<b>Assets</b>				
Goodwill	A	1 467,4	1 222,6	1 238,4
Intangible assets		153,0	120,4	130,2
Right-of-use assets	B	764,7	724,3	713,7
Property, plant and equipment	C	473,0	429,3	423,7
Other non-current receivables		6,1	4,7	4,8
<b>Total non-current assets</b>		<b>2 864,2</b>	<b>2 501,3</b>	<b>2 510,7</b>
Inventories		17,8	10,8	15,3
Accounts receivable		344,2	281,4	299,6
Other current receivables		216,6	171,2	124,0
Cash and cash-equivalents		201,3	260,4	157,7
<b>Total current assets</b>		<b>780,0</b>	<b>723,8</b>	<b>596,5</b>
<b>TOTAL ASSETS</b>		<b>3 644,2</b>	<b>3 225,1</b>	<b>3 107,2</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		1 747,7	1 619,6	709,7
Deferred tax liability		80,2	21,2	67,1
Non-current lease liabilities		568,9	543,1	529,1
Non-current loans	D	533,4	264,1	1 110,7
Other non-current liabilities		48,2	12,2	54,9
<b>Total non-current liabilities</b>		<b>1 230,7</b>	<b>840,7</b>	<b>1 761,9</b>
Accounts payable		206,1	144,2	122,1
Taxes payable		15,6	25,3	1,7
Current portion of lease liabilities		175,9	155,5	155,5
Current portion of loans		7,1	61,2	63,0
Other current liabilities		261,1	378,6	293,3
<b>Total current liabilities</b>		<b>665,8</b>	<b>764,8</b>	<b>635,6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 644,2</b>	<b>3 225,1</b>	<b>3 107,2</b>
<b>Net debt</b>		<b>1083,9</b>	<b>763,6</b>	<b>1700,7</b>
<b>Net debt/Adj. EBITDA</b>		<b>2,1</b>	<b>1,7</b>	<b>3,9</b>

# IRG Rörinspektion






**Business Description**

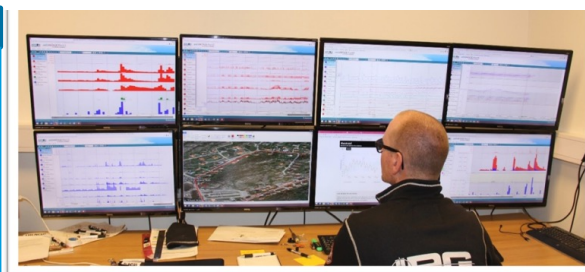
- Headquarters: Gothenburg, Sweden
- Founding year: 1982
- Employees: 30
- Fleet: 25
- Main service offering consists of Pipe Services, including pipe inspection, flow monitoring and measurement, flushing and leakage detection.

**Geographic Presence**



**Service Offering**

		
Emptying Services	Pipe Services	Pressure Washing
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



# Stockholm Relining



Business Description	Geographic Presence	
<ul style="list-style-type: none"> <li>• Headquarters: Stockholm, Sweden</li> <li>• Founding year: 2009</li> <li>• Employees: 7</li> <li>• Fleet: 10</li> <li>• Main service offering consists of Pipe Services, including relining, pipe inspection, flushing and leakage detection etc.</li> </ul>		
Service Offering		
<p>Emptying Services</p> <input type="checkbox"/>	<p>Pipe Services</p> <input checked="" type="checkbox"/>	<p>Pressure Washing</p> <input type="checkbox"/>



# Thornvig Jensen



Business Description
<ul style="list-style-type: none"><li>• <b>Headquarters:</b> Herning, Denmark</li><li>• <b>Founding year:</b> 1919</li><li>• <b>Employees:</b> 22</li><li>• <b>Fleet:</b> 22 (incl. trailers)</li></ul> <p>• Main service offering consists of Emptying Services, Pipe Services and Pressure Washing, including pipe and sewer cleaning, TV inspections and high pressure washing of tanks.</p>

Geographic Presence
A map of Denmark with a red dot marking the location of Herning in the central-western part of the country.

Service Offering		
Emptying Services <input checked="" type="checkbox"/>	Pipe Services <input checked="" type="checkbox"/>	Pressure Washing <input checked="" type="checkbox"/>





# Zimmerbeutel



**Business Description**




- **Headquarters:** Wuppertal, Germany
- **Founding year:** 1995
- **Employees:** 35
- **Fleet:** 26
- Main service offering consists of Emptying Services and Pipe Services, including pipe and sewer cleaning, TV inspections and sewer rehabilitation.
- First Norva24 branch in western Germany/Ruhr area.

**Geographic Presence**

**Service Offering**

Emptying Services	Pipe Services	Pressure Washing
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Business Description	Geographic Presence	
<ul style="list-style-type: none"> <li>• <b>Headquarters:</b> Potsdam, Germany</li> <li>• <b>Founding year:</b> 2002 (1976)</li> <li>• <b>Employees:</b> 78</li> <li>• <b>Fleet:</b> 42 (incl. trailers)</li> <li>• Main service offering consists Pipe Services, including pipe and sewer cleaning and relining.</li> </ul>		
Service Offering		
 <p>Emptying Services</p> <input data-bbox="936 1082 981 1129" type="checkbox"/>	 <p>Pipe Services</p> <input checked="" data-bbox="1137 1082 1182 1129" type="checkbox"/>	 <p>Pressure Washing</p> <input data-bbox="1361 1082 1406 1129" type="checkbox"/>



# CKS Rohr Express



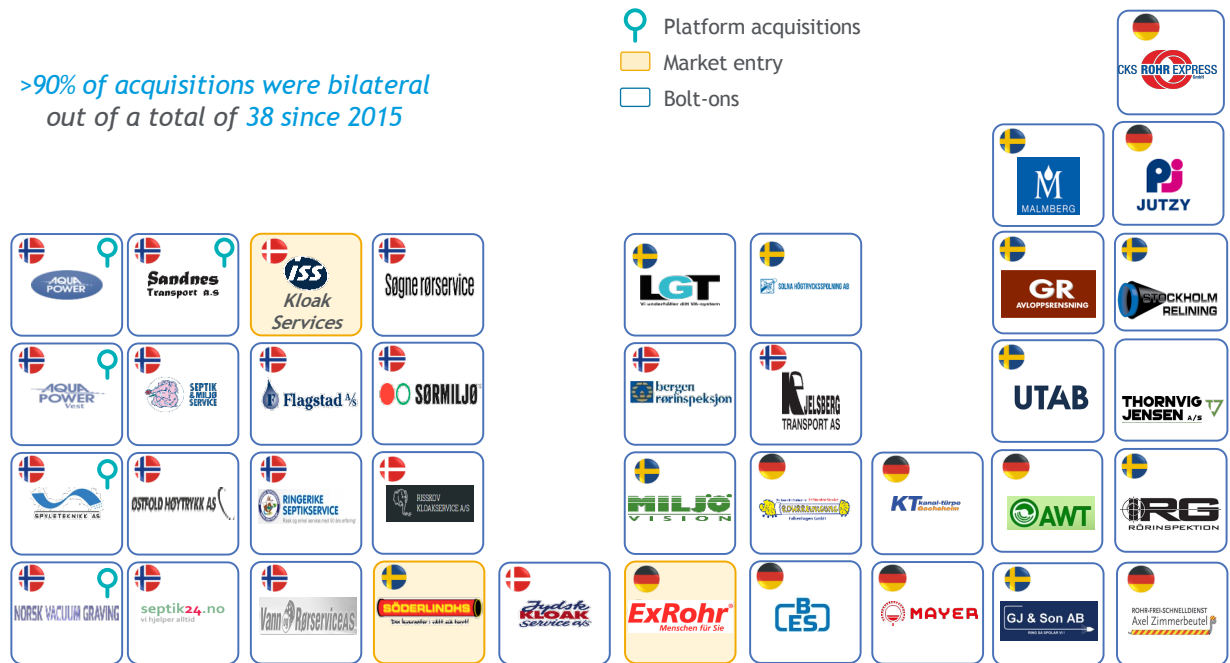
Business Description	Geographic Presence	
<ul style="list-style-type: none"> <li>• <b>Headquarters:</b> Berlin, Germany</li> <li>• <b>Founding year:</b> 1998</li> <li>• <b>Employees:</b> 20</li> <li>• <b>Fleet:</b> 18</li> <li>• Main service offering consists Emptying Services and Pipe Services, including pipe and sewer cleaning, relining, TV inspection and leakage testing.</li> </ul>		
<th>Service Offering</th>		Service Offering
<p>Emptying Services</p> <input checked="" type="checkbox"/>	<p>Pipe Services</p> <input checked="" type="checkbox"/>	<p>Pressure Washing</p> <input type="checkbox"/>



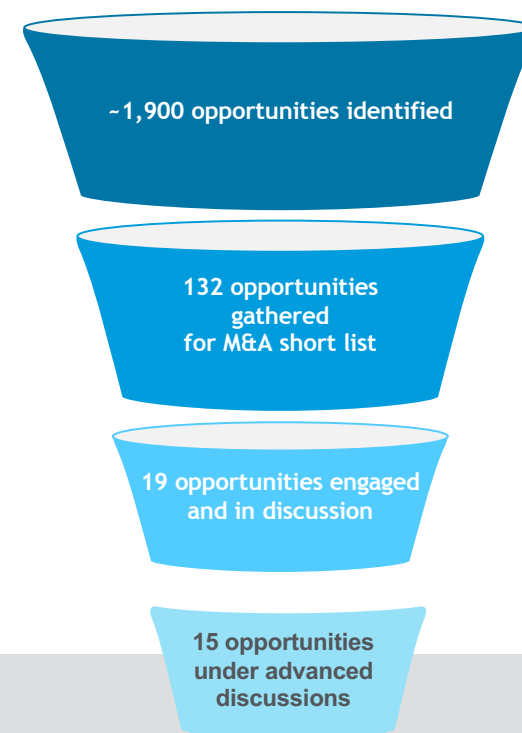
# Six companies acquired in 2022 so far, adding annual revenue of ~NOK 350 million

>90% of acquisitions were bilateral out of a total of 38 since 2015

- Platform acquisitions
- Market entry
- Bolt-ons



## Rich potential M&A pipeline



Statutory group revenue (NOKm)

2015	2016	2017	2018	2019	2020	2021	2022
146	512	902	1,004	1,287	1,523	2,025	2,336 (LTM)

1) Sorted to years according to signing date

# Well capitalized - on track to deliver on financial targets

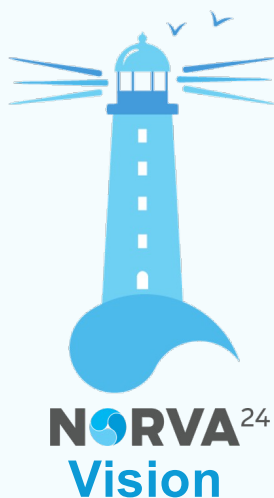
## Medium term financial targets

Operating revenue growth	Organic growth	Target to achieve revenue of around <b>NOK 4.5bn by 2025</b> 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 <sup>(3)</sup> of <b>14-15% in the medium term</b>	
Capital structure	Norva24's capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Target steady state net debt ratio <sup>(4)</sup> (including IFRS16 lease liabilities) of <b>2.5x adj. EBITDA</b> <sup>(1)</sup> 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	

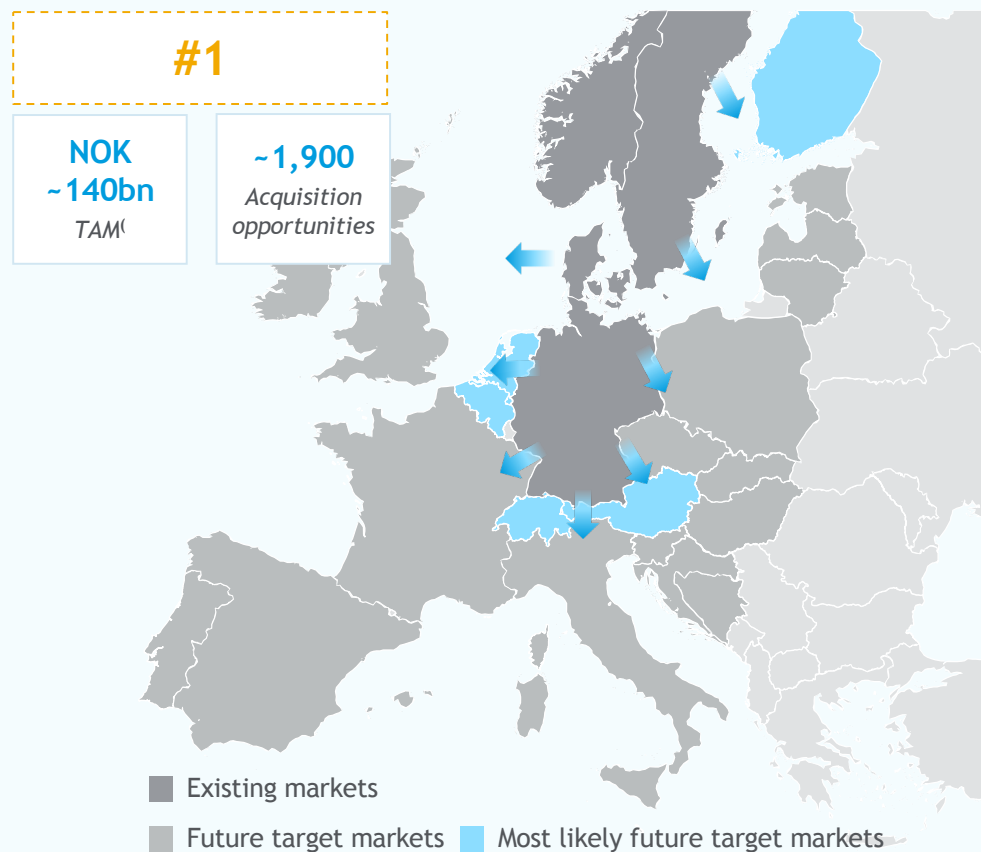
# We are on track towards our vision and journey as the foremost consolidator in the European UIM market

## 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

