



MAY 2022

1st 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

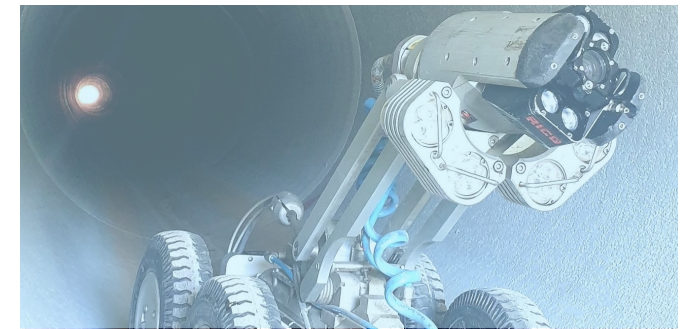
Pressure washing



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

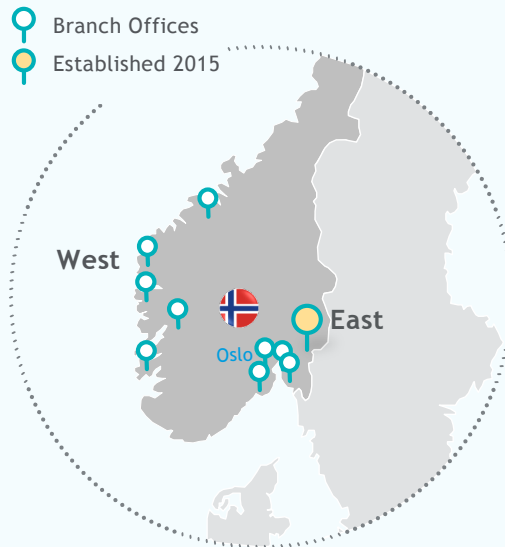
Pipe cleaning of clogged water and waste pipes



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

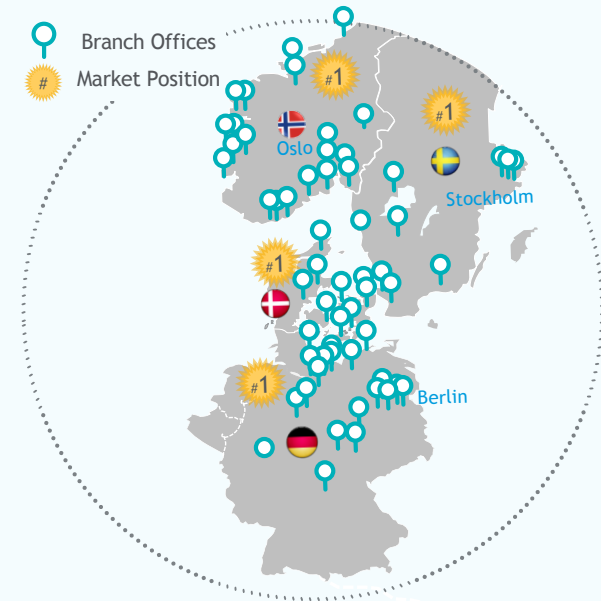
10
Branches

~25k
Jobs
Completed p.a

233
Employees
(FTEs)

Norva24 foundation

Leader in Northern Europe (Today)



Revenue LTM Q1'22: NOK 2.1bn

70
Branches

~300k+
Jobs
Completed p.a

~1,400
Employees

Norva24 as market shaper

Transformation

Professionalisation

Geographic expansion

Digitalisation

Consolidation

Management
reinforcement

Strong organic growth and record high Q1 margin in Norway

Key takeaways from the quarter

- Total operating revenue amounted to NOK 526.4 million (408.9) **+29%**
- Strong currency adjusted organic growth **+13%**
- Solid growth from acquisitions **+18%**
- Adjusted EBITA NOK 43 million **+30%**
- EPS NOK 0.10 (-0.37)

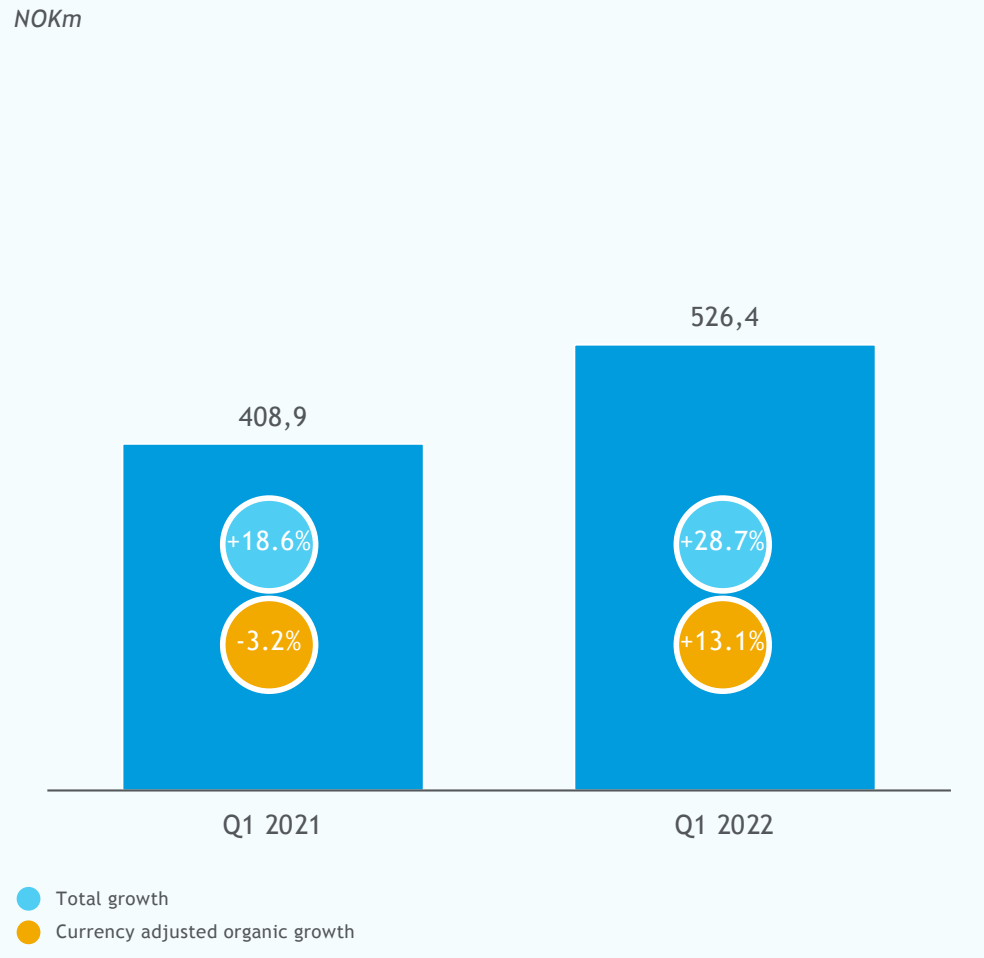
- Strong margin development and organic growth in Norway
- Improvement in Denmark continues - strong organic growth and margins
- Q1 seasonally the weakest quarter
- Germany affected by extraordinary high rates of sick leaves (Covid-19)
- Significant M&A pipeline - 2022 expected to be a strong acquisition year
 - Two new acquisitions in the quarter - Zimmerbeutel and IRG
- Price adjustments offset higher transportation costs in Q1



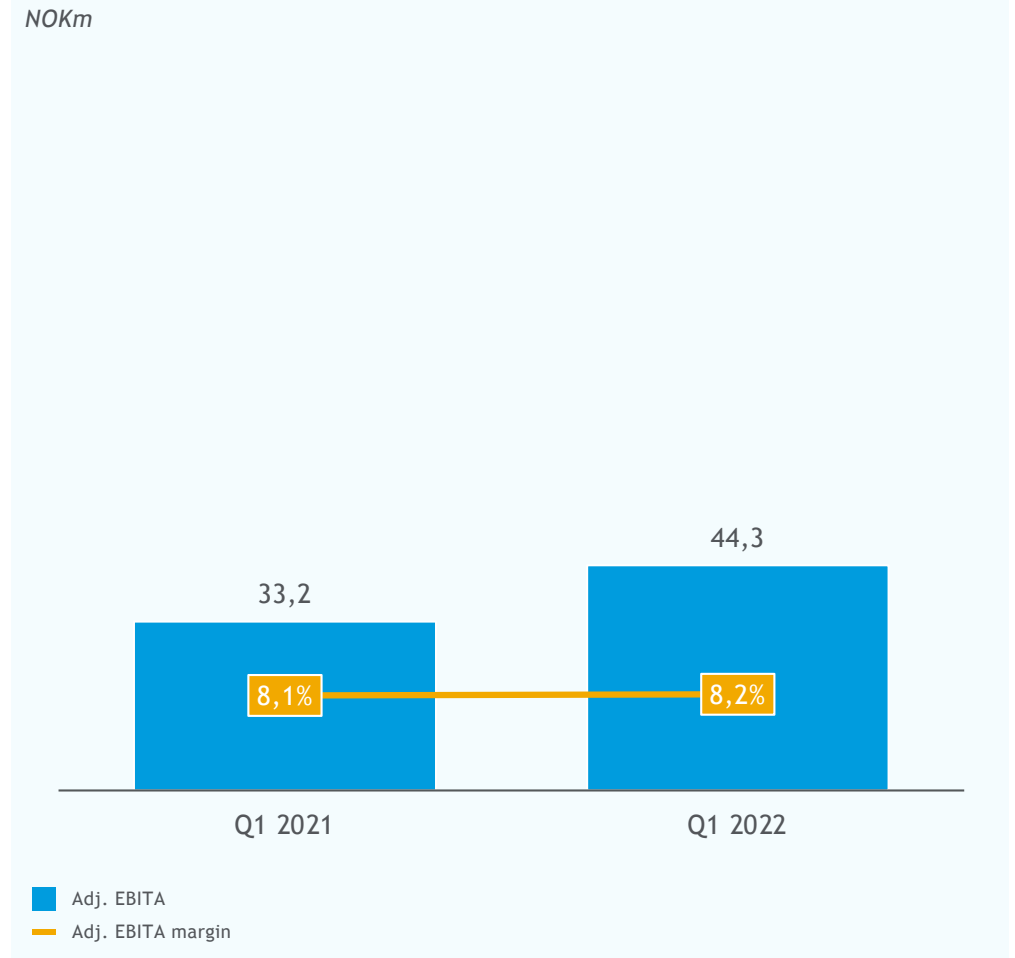
Q1 2022
70 branches

Solid organic growth in most markets during Q1

Operating revenue development



Adj. EBITA development

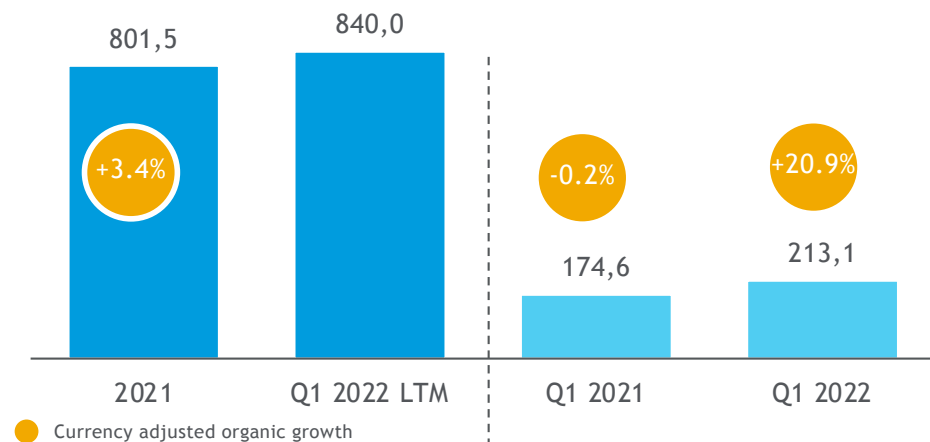


Norway - 21% organic growth and solid margin improvement

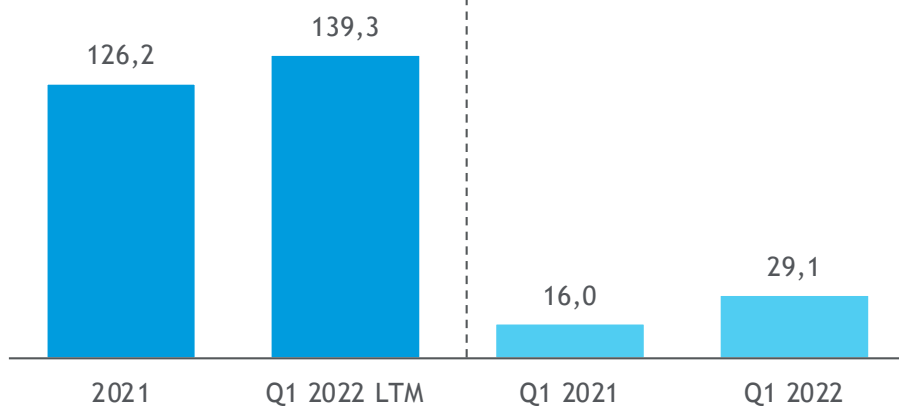


Operating revenue development

NOKm



Adj. EBITA development



Geographical footprint

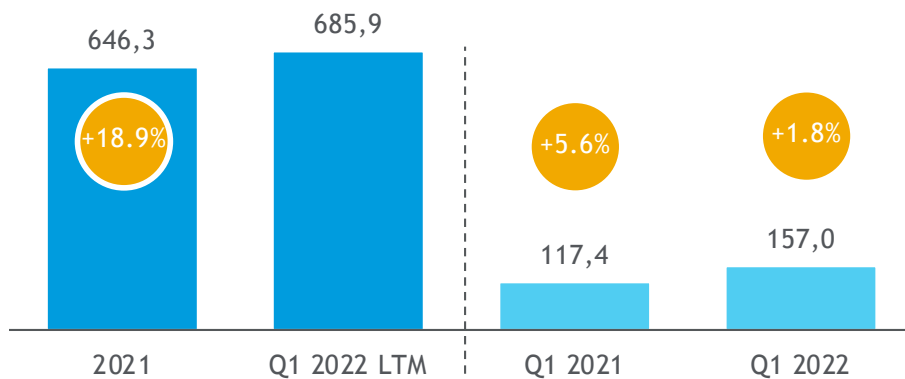


Germany - growth and margins temporarily affected by Covid-19-related sick leave



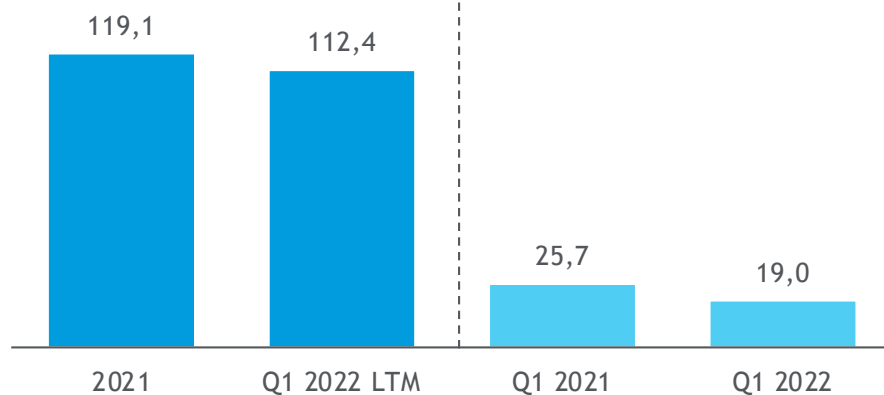
Operating revenue development

NOKm

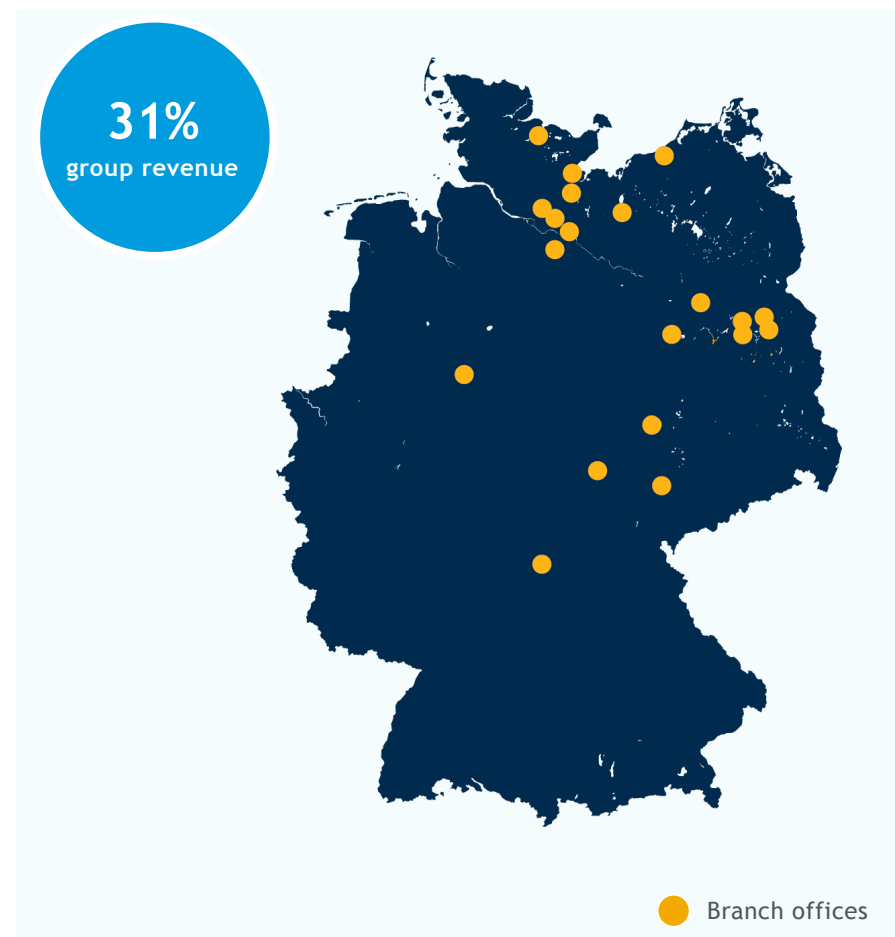


● Currency adjusted organic growth

Adj. EBITA development



Geographical footprint

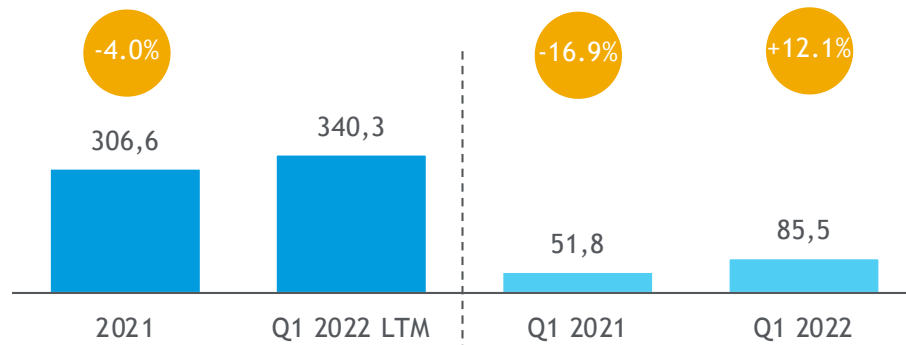


Sweden - very strong total growth of 65%



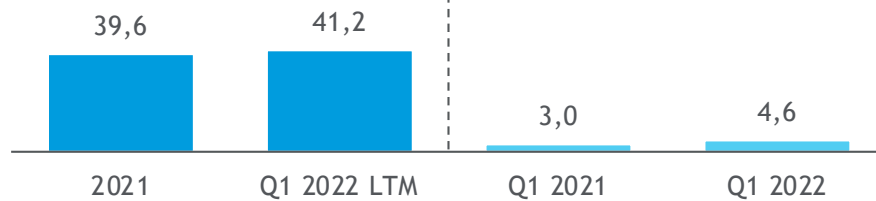
Operating revenue development

NOKm

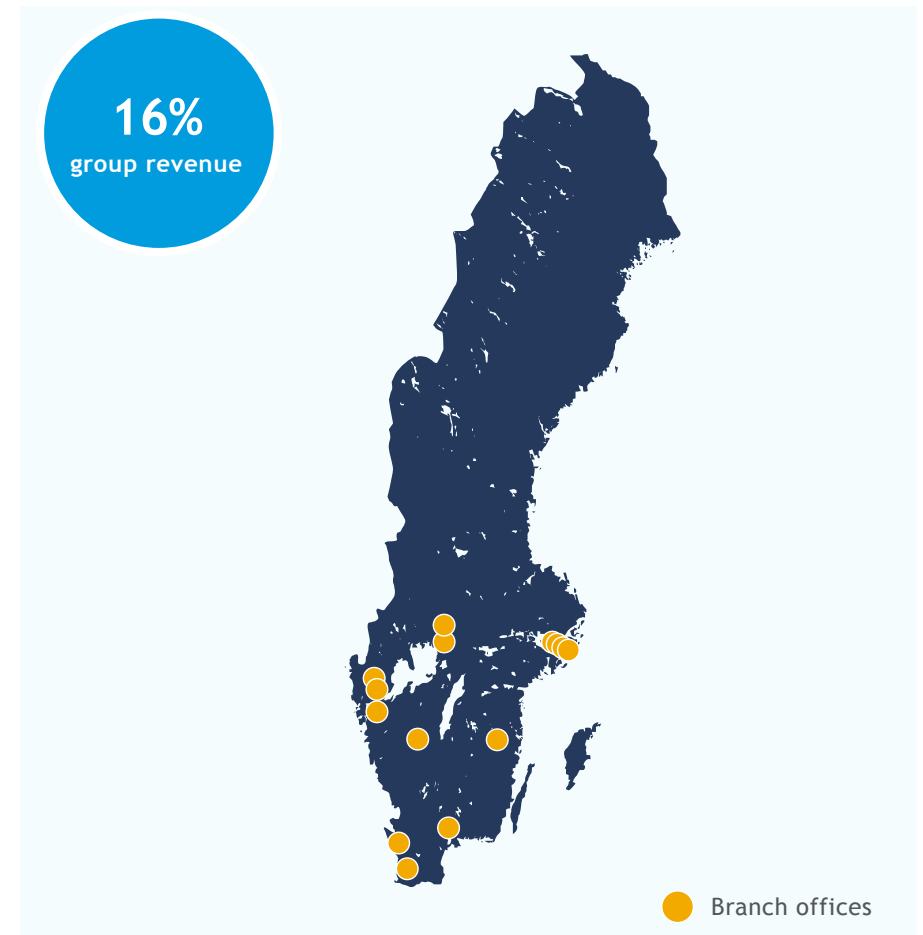


● Currency adjusted organic growth

Adj. EBITA development



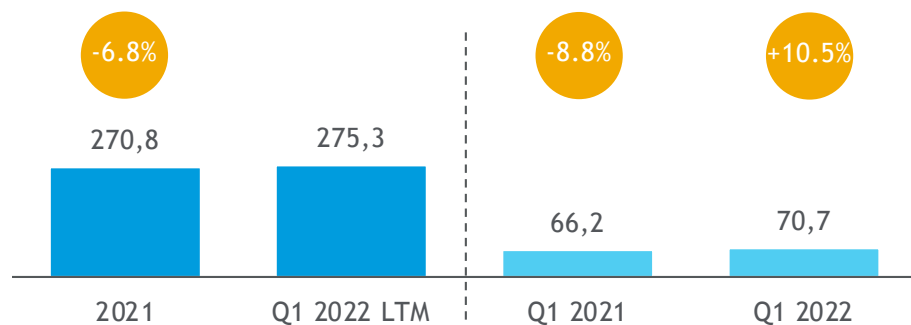
Geographical footprint



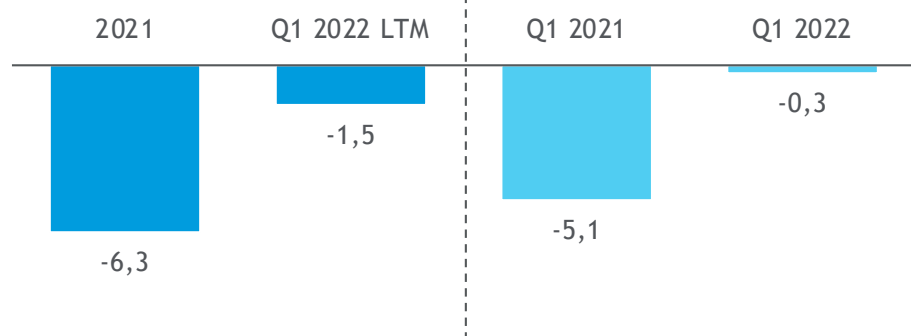
Denmark - 11% organic growth and strong margin improvement



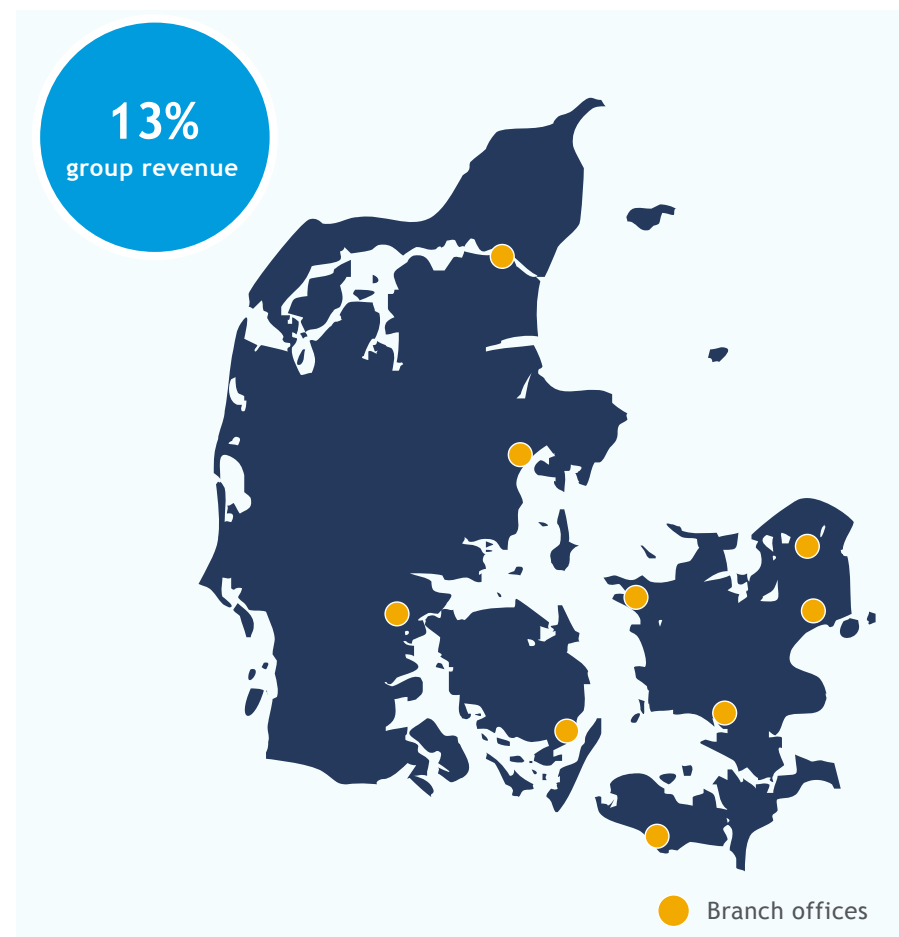
Operating revenue development



Adj. EBITA development



Geographical footprint



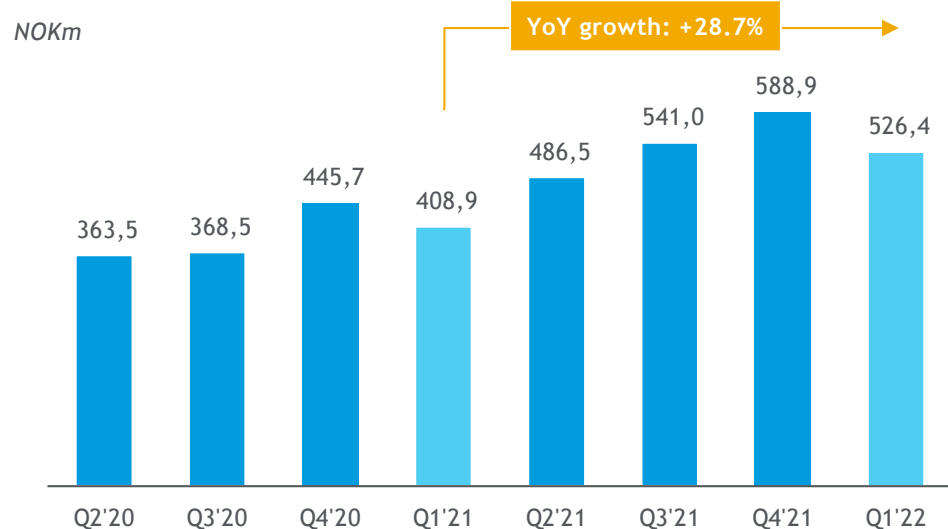
Income statement

Significant improvement in EBT, EBIT, EBITA and EBITDA

Jan-Mar 2022	Jan-Mar 2021	Growth	CONSOLIDATED STATEMENT OF PROFIT OR LOSS NOK million	Apr 2021- Mar 2022	Apr 2020- Mar 2021	Growth
518,2	407,4	27,2%	Revenue from customer contracts	2 117,1	1 577,3	34,2%
8,2	1,5		Other operating income	25,7	9,3	
526,4	408,9	28,7%	Total operating revenue	2 142,7	1 586,6	35,1%
			Operating expenses			
-57,7	-42,4	35,9%	Operational service expenses	-235,6	-178,1	32,3%
-239,4	-191,1	25,2%	Personnel expenses	-927,6	-702,0	32,1%
-77,9	-57,4	35,7%	Vehicle operating expenses	-308,6	-199,2	54,9%
-52,0	-42,6	22,1%	Other operating expenses	-256,1	-154,9	65,4%
-	-		Other gains/losses	40,3	-0,0	
-426,9	-333,5	28,0%	Total operating expenses	-1 687,6	-1 234,2	36,7%
99,5	75,3	32,0%	Earnings before interest, taxes, depreciation and amortization (EBITDA)	455,2	352,3	29,2%
43,3	26,7	61,9%	Earnings before interest, taxes and amortization (EBITA)	238,0	188,8	26,1%
36,3	20,4	78,3%	Earnings before interest and taxes (EBIT)	209,5	169,3	23,7%
-11,6	-26,6		Net financial items	238,0	-76,4	-411,6%
24,7	-6,3		Profit before income tax (EBT)	209,5	92,9	125,4%
-6,5	0,8		Income tax expense	-1,5	-21,6	-93,1%
18,2	-5,4		Profit for the period	109,6	71,3	53,7%
43,3	33,3	30,0%	Adjusted EBITA	484,9	368,2	31,7%
8,2%	8,1%	1,2%	Adjusted EBITA margin, %	22,6%	23,2%	-2,5%

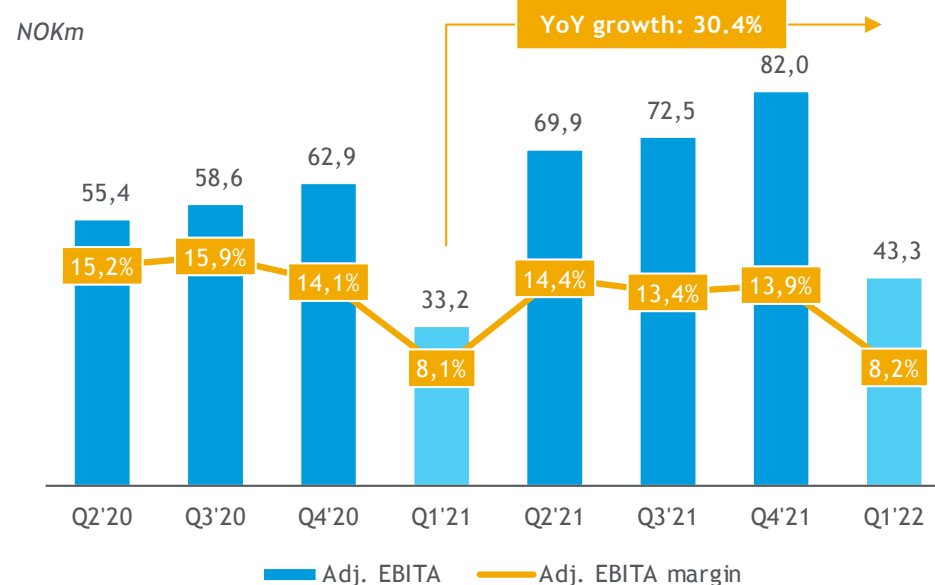
Continued strong quarterly revenue and adjusted EBITA growth

Quarterly operating revenue development



- Organic growth of 10.5% with a currency adjusted organic growth of 13.1 %, above market growth - implying market share gains
 - 18.3% acquired growth
 - Growth and margins in Germany temporarily affected by Covid-19-related sick leave (omicron)

Quarterly adj. EBITA development



- Adj. EBITA growth driven by acquisitions in Germany and Sweden
- Q1 is the seasonally weakest quarter in terms of revenue and margins in the UIM-industry
- Margin slightly up affected by:
 - Record high EBITA margin in Norway
 - Improved margin in Denmark

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 leasing facility (NOK 400m)
 - Net debt of NOK 793,5m in Q1'22, representing a Net debt / Adj. EBITDA of 1.6x.
 - 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 1,199.0m as of 31 March 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	31.03.2022	31.12.2021	31.03.2021
Assets				
Goodwill	A	1 199,0	1 222,6	1 084,6
Intangible assets		110,6	120,4	107,2
Right-of-use assets	B	714,7	724,3	593,5
Property, plant and equipment	C	412,3	429,3	307,3
Investment in shares		1,2	1,3	49,7
Other non-current receivables		4,7	3,5	4,5
Total non-current assets		2 442,6	2 501,3	2 146,7
Inventories		12,9	10,8	2,6
Accounts receivable		270,8	281,4	245,3
Other current receivables		148,4	171,2	63,9
Cash and cash-equivalents		150,1	260,4	145,0
Total current assets		582,3	723,8	456,8
TOTAL ASSETS		3 024,9	3 225,1	2 603,5
EQUITY AND LIABILITIES				
Equity		1 592,5	1 619,6	680,9
Deferred tax liability		23,3	21,2	32,8
Non-current lease liabilities		534,5	543,1	422,4
Non-current loans	D	238,2	264,1	866,4
Other non-current liabilities		11,5	12,2	60,6
Total non-current liabilities		807,4	840,7	1 382,2
Accounts payable		136,3	144,2	99,6
Taxes payable		5,7	25,3	17,0
Current portion of lease liabilities		157,8	155,5	128,2
Current portion of loans		13,1	61,2	93,5
Other current liabilities		312,1	378,6	202,0
Total current liabilities		625,0	764,8	540,4
TOTAL EQUITY AND LIABILITIES		3 024,9	3 225,1	2 603,5

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

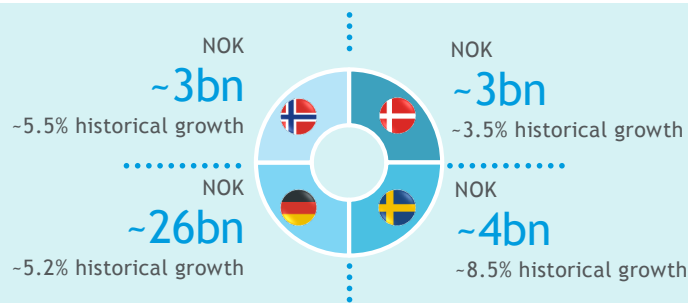
Two acquisitions closed so far in 2022 - strong pipeline for 2022

EXPANSION TO NEW GEOGRAPHICAL MARKETS - EUROPE

NOK ~140bn

TOTAL CURRENT
ADDRESSABLE MARKET

NOK ~36bn



Zimmerbeutel

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



IRG Rörinspektion




Agreement to acquire 100% of the shares in IRG Rörinspektion based on Sweden's west coast.

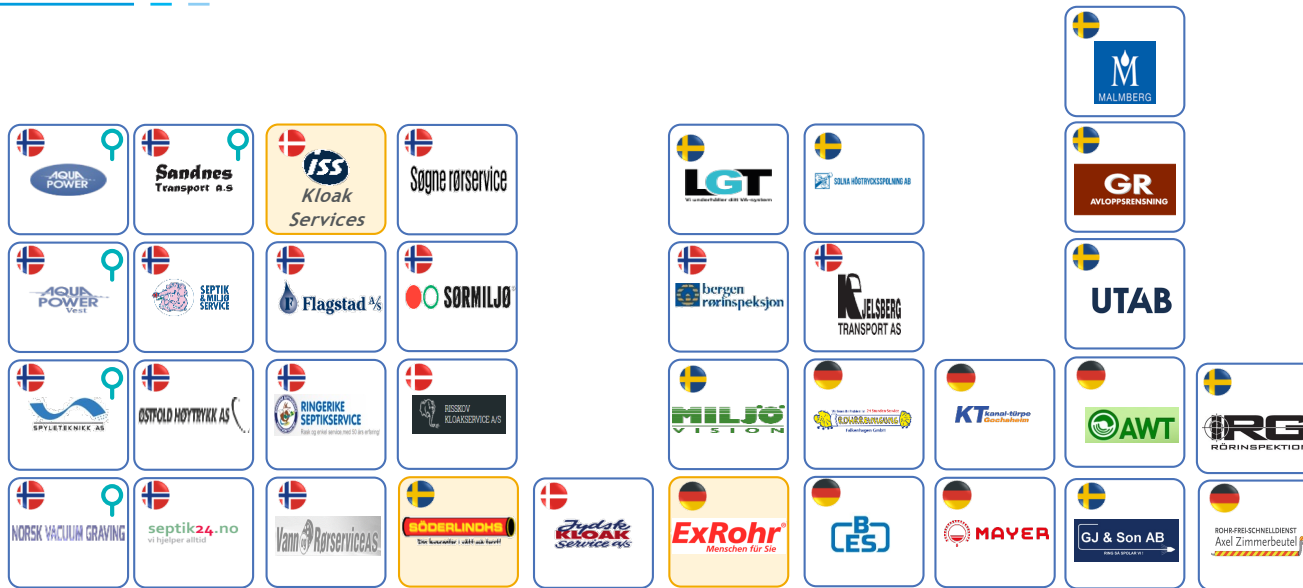
The acquisition is strategically important for Norva24's efforts to develop new technological solutions within IoT, sensor technology and digital monitoring in addition to regular UIM services.

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 35 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	2,143 (LTM)

Rich potential M&A pipeline



1) Sorted to years according to signing date

ESG early mover with a strong green vision -ESG report published

Key highlights CSR 2021

Increase the share of its green services to its clients

Norva24 strives to make it easy for its customers to make green choices, by supporting customers in making more environmentally friendly decisions. A central part is the ambition to continually develop new green services, which is defined as services that are more environmentally sustainable than current alternatives on the market. In 2021, the share of green services was 20 % in Norway and 13,9 % in Denmark. Additional data from Germany and Sweden will be reported as from 2022.

Reduce the relative energy consumption (kWh/revenue)

Since 2021 Norva24 focus on reducing the relative energy consumption from own operations (kWh/operating revenue x 100). In 2021, the relative energy consumption x 100 was 4,90 for the operations in Norway and 6,22 in Denmark.

ENABLING UN SUSTAINABLE DEVELOPMENT GOALS



- Strategic focus
- UIM-driven goal



- Strategic focus
- Differentiator vs. peers



- Large contributor to a sustainable society
- Embedded in business model



- Norva24 is a front-runner taking climate actions
- Business model is supporting this goal

BENEFITS OF BEING AN ESG EARLY MOVER

✔ Contract wins and barriers to entry



✔ Premium pricing



✔ Increased quality and efficiency of work



✔ Supporting local society, business and youth



✔ Attracting and retaining quality talent



 Norva24 key goals

Well capitalized - on track to deliver on financial targets

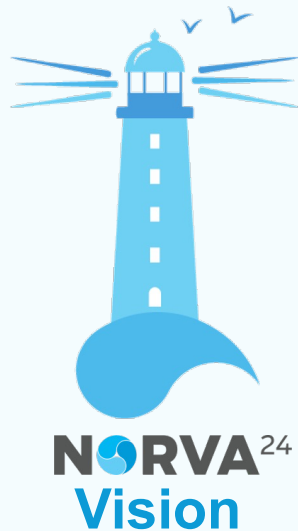
Medium term financial targets

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*”

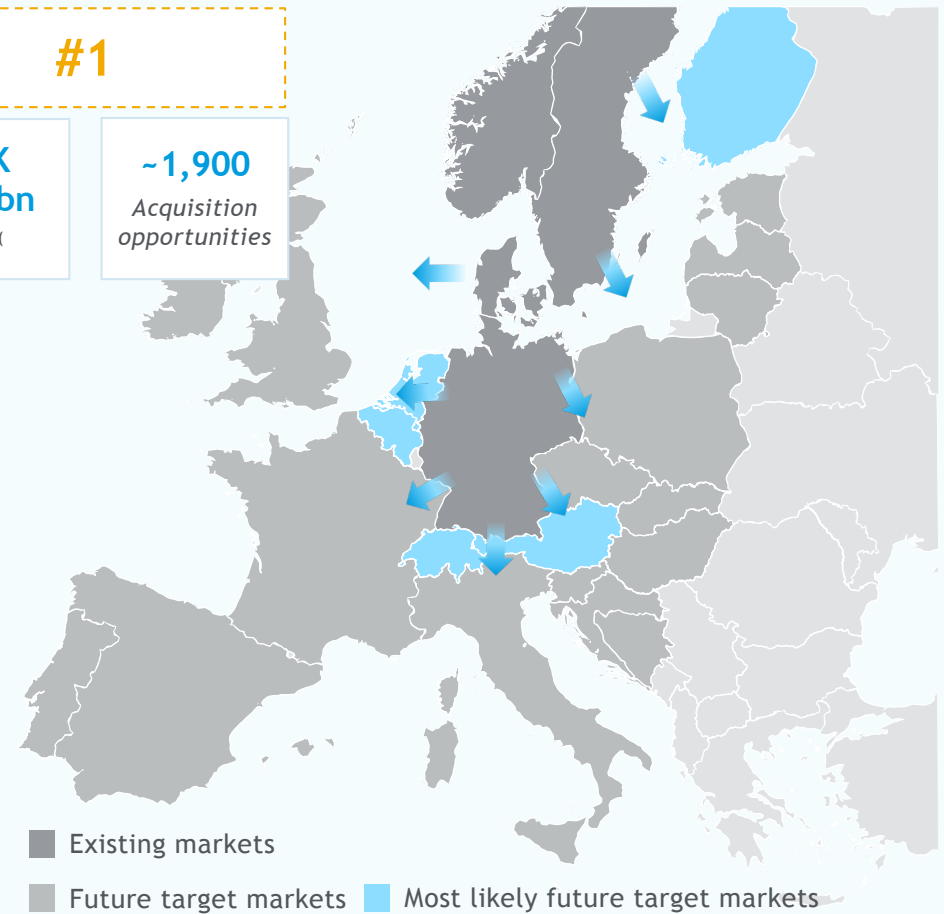


Clear European market leader (Illustrative vision)

#1

NOK
~140bn
TAM⁽

~1,900
Acquisition
opportunities



Q&A

