NRC Group

3rd quarter 2024

CEO
Anders Gustafsson

CFO
Åsgeir Nord

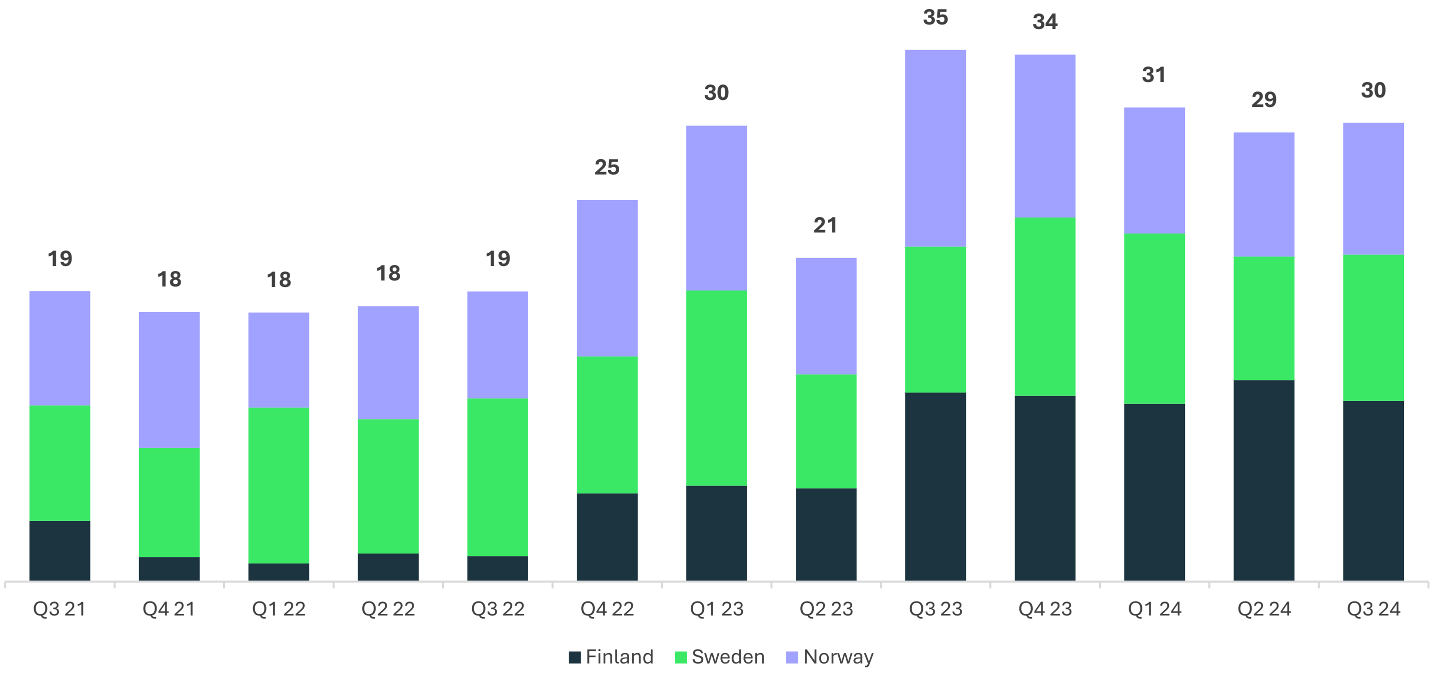
Summary from CEO

- Quarter according to our expectations
- Strengthened our financial platform
- Increased investments in Nordic infrastructure, especially in Norway
- Expecting mediation (ETM) to resume beginning of 2025
- Tender pipeline across all three countries is promising
- Two major wins for light rail in Finland after end of quarter
- 2024 is expected to be on negative side as previously communicated
- Forecast minimum 2% EBIT margin for 2025

High demand for infrastructure – continued robust tender pipeline

NOK 30 billion tender pipeline in Group[1]

BNOK value, next 9 months (submission)



Notes

- Continued high tender pipeline across all countries
- Foundation for future profitable growth for NRC Group
- Governmental support to upgrade and build sustainable infrastructure, presents significant opportunities (10 years National Transportation Plans)

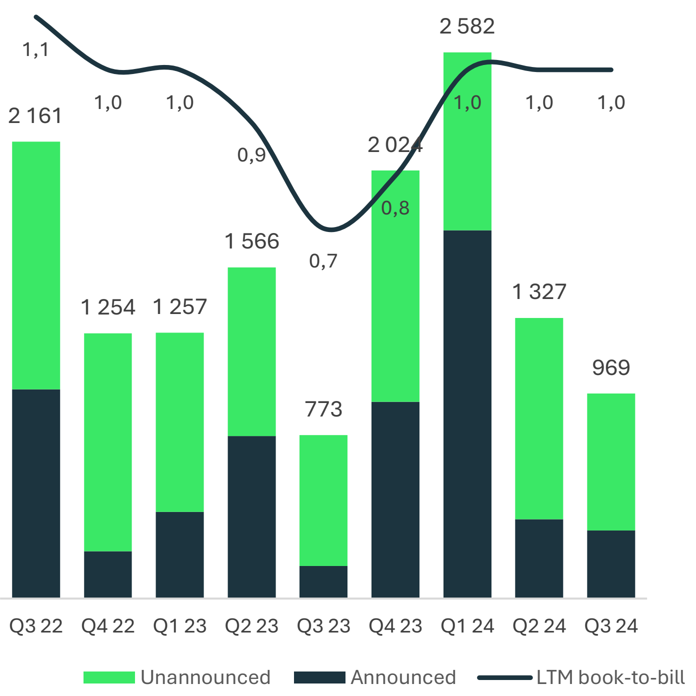
1. NRC Group estimates. Assumes 50% share of alliance contracts in light rail.

Order backlog in line with 2023

Backlog

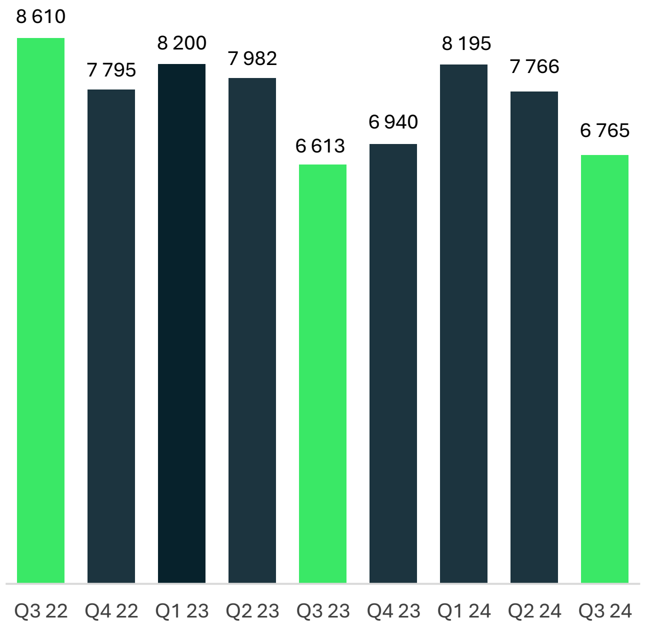
Order intake & Book-to-bill LTM

NOK million



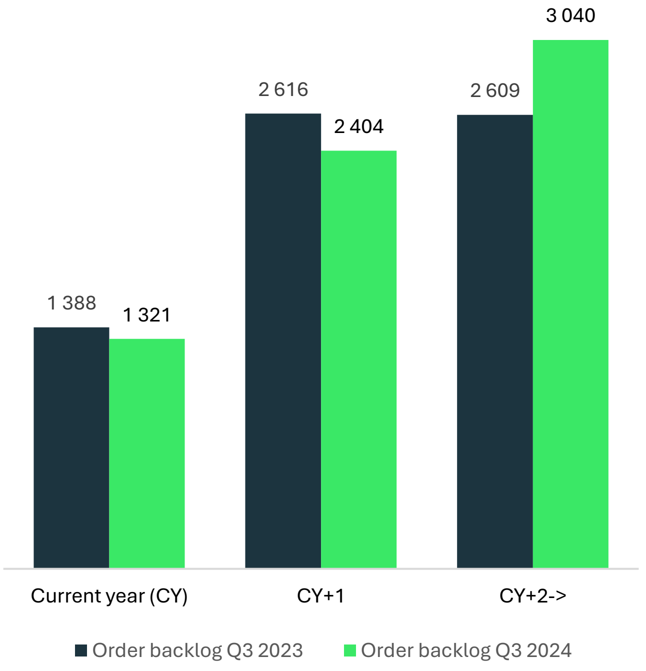
Order backlog (total)

NOK million



Order backlog execution

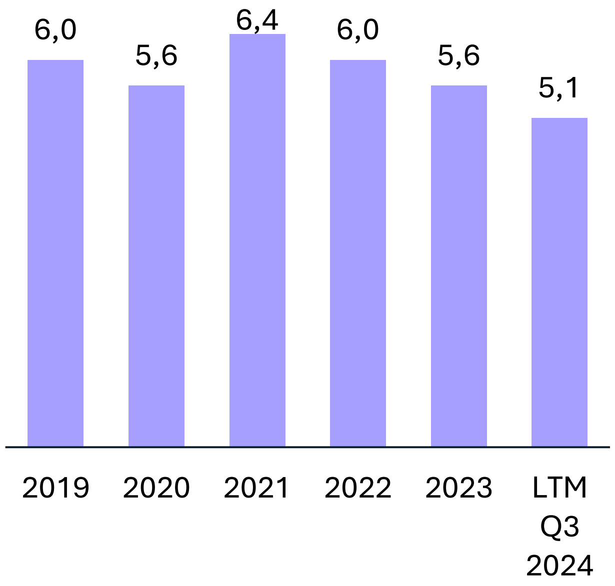
NOK million



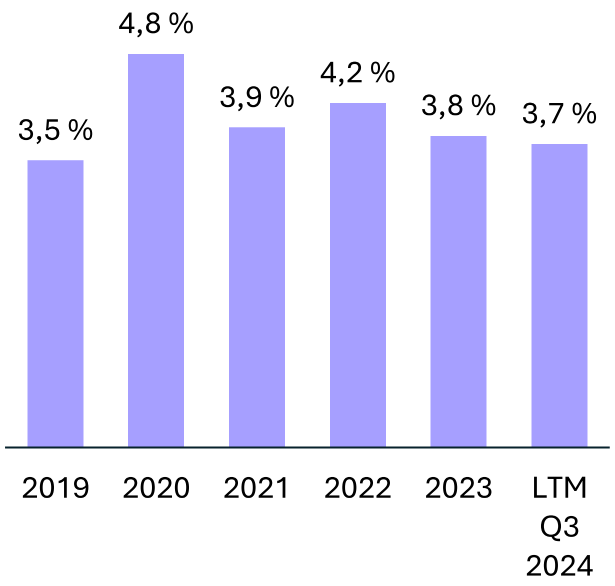
Committed to providing a safe and secure workplace

Health and safety

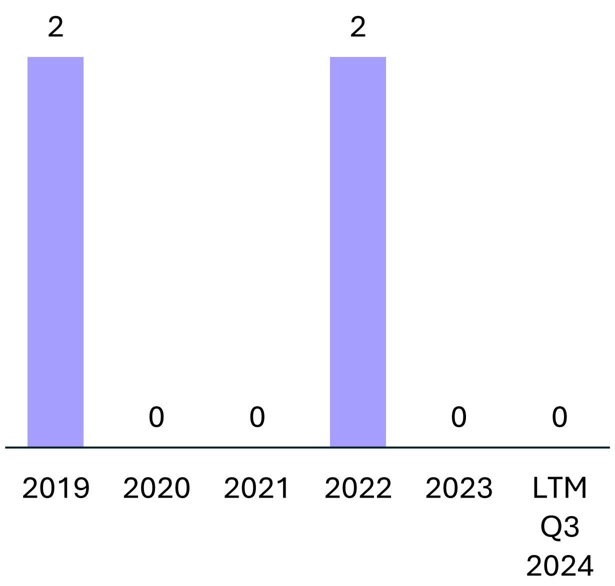
LTI[1]



Sickness absence



Serious injuries[2]



1. LTI: Injuries resulting in absence at least one full day per million man-hours (incl. subcontractors)
2. Injury that results in prolonged disability

Quarter aligned with previous expectations

Key figures Q3 2024

Revenue	EBIT adj.	EBIT adj. margin
NOK 2.1 billion	NOK 40 million	1.9%
Q3 2023: NOK 1.8 billion	Q3 2023: NOK 80 million	Q3 2023: 4.3%

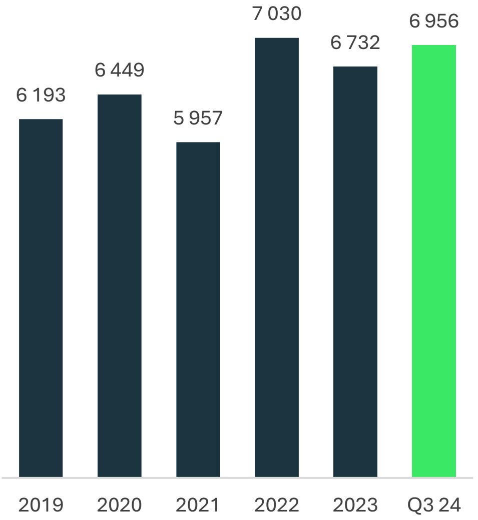
Order intake	Operating cash flow	Order backlog
NOK 1.0 billion	NOK -48 million	NOK 6.8 billion
Q3 2023: NOK 0.8 billion	Q3 2023: NOK 12 million	Q3 2023: NOK 6.6 billion

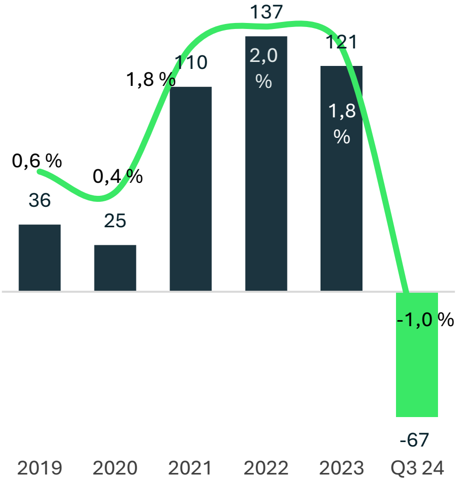
High activity level, profitability according to expectations

Profit & loss

Revenue and EBIT adj. LTM

NOK million and percent





(Amounts in NOK million)	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	FY 2023
Revenue	2 103	1 844	5 156	4 932	6 732
Operating expenses	-2 015	-1 711	-5 104	-4 677	-6 400
Depreciation and amortisation[1]	-48	-52	-142	-159	-211
EBIT adj.	40	80	-91	96	121
EBIT adj. margin	1.9 %	4.3 %	-1.8 %	2.0 %	1.8 %
Adjusting items[2]	0	-6	-709	-9	-16
Net financial items	-20	-18	-62	-50	-59
Share of loss from associates and JVs	-18	0	-18	0	-2
Taxes	-11	-7	-6	4	-8
Net profit / loss	-9	49	-887	43	37

Notes

- Revenues improved from same quarter last year, due to high activity level especially in one rail project in Sweden
- EBIT adj. at NOK 40 million, down from NOK 80 million last year, according to expectations, full year expected to be on the negative side
- LTM profitability dominated by NOK 160 million write down in Q2
- NOK 258 million of increase in operating expenses due to project activity, consisting of subcontractor and material costs
- Correcting for NOK 160 million downward adjustment in Q2, the EBIT adj. margin LTM would be 1.3%

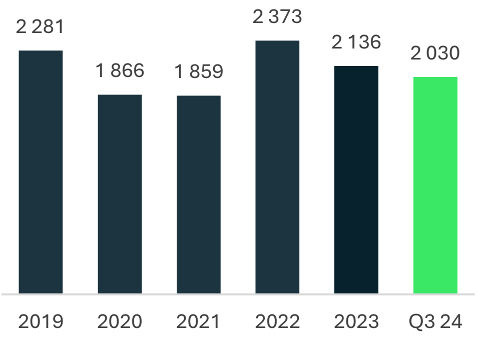
1. Excluding amortisation and impairment from PPA
2. Adjusting items explained in Appendix

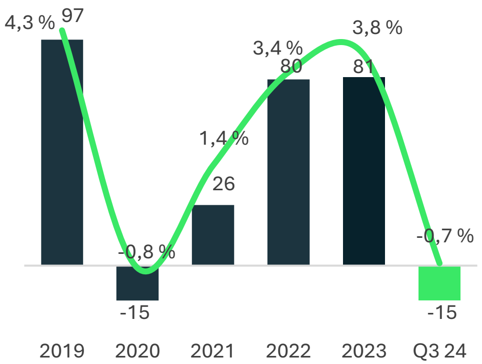
Mediation in the ETM project expected to resume in January

Operational review NRC Group Norway

Revenue and EBIT adj. LTM

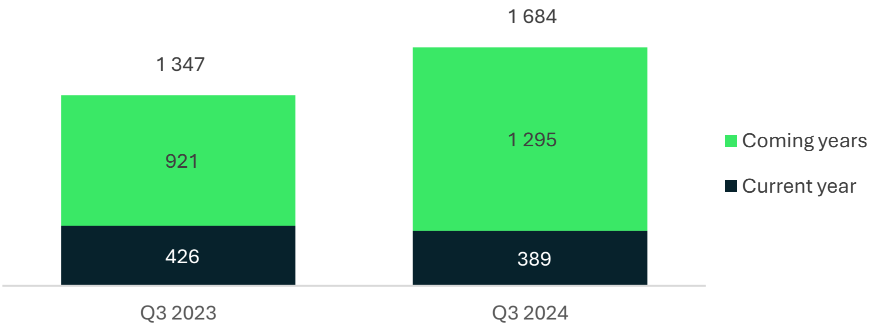
NOK million and percent





Order backlog (total)

NOK million



Key figures

(NOK million)	*Q3 2024*	*Q3 2023*
Revenue	569	600
EBIT adj.	13	33
EBIT adj. margin	2.2 %	5.5 %
Order intake	282	273

Notes

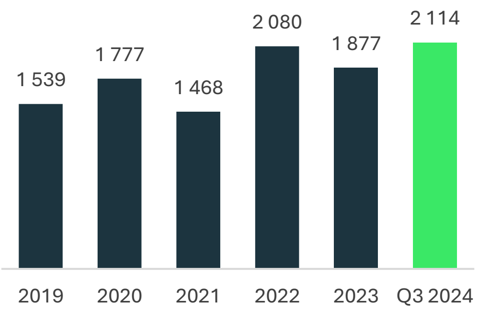
- Documentation for claims in ETM project been submitted to Bane NOR, expecting mediation to resume in January 2025
- Revenue 5% lower than last year, order backlog improved
- Secured an important contract for Stange railway station valued at NOK 179 million

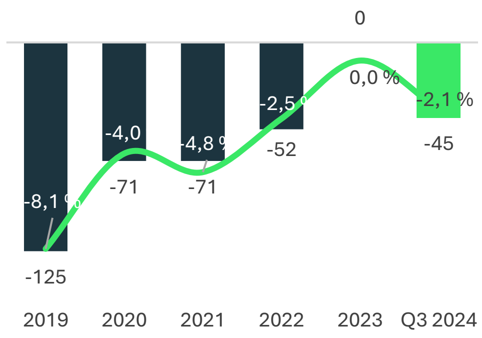
High activity level impacted revenue, underlying margin recovery

Operational review NRC Group Sweden

Revenue and EBIT adj. LTM

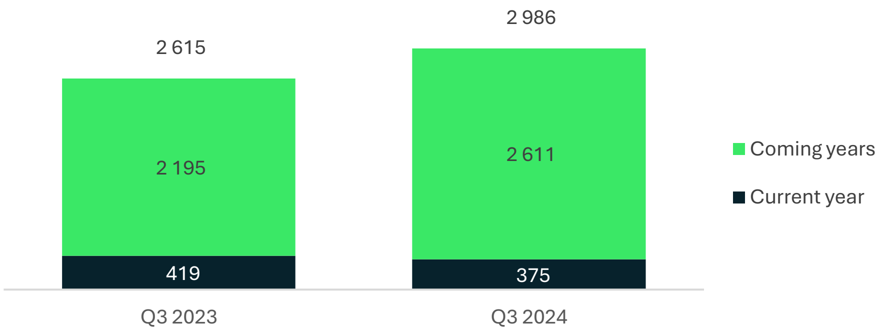
NOK million and percent





Order backlog (total)

NOK million



Key figures

(NOK million)	*Q3 2024*	*Q3 2023*
Revenue	701	447
EBIT adj.	10	5
EBIT adj. margin	1.4%	1.1%
Order intake	294	170

Notes

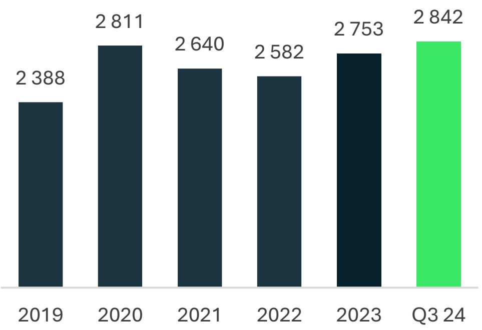
- Increased revenue mainly to due to high activity level in one rail project
- EBIT adj. improved from 1.1% to 1.4%
- Stronger order intake compared to same quarter last year
- Preparing to re-start civil work in 2025, focused on utilising existing competence

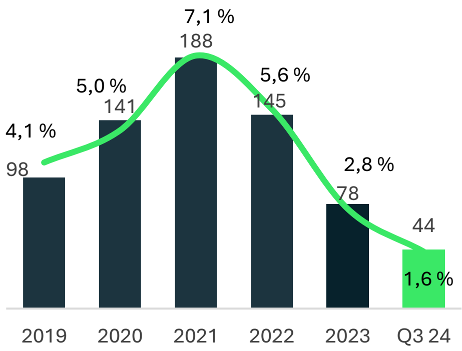
Good progress in change program, light rail market picking up

Operational review NRC Group Finland

Revenue and EBIT adj. LTM

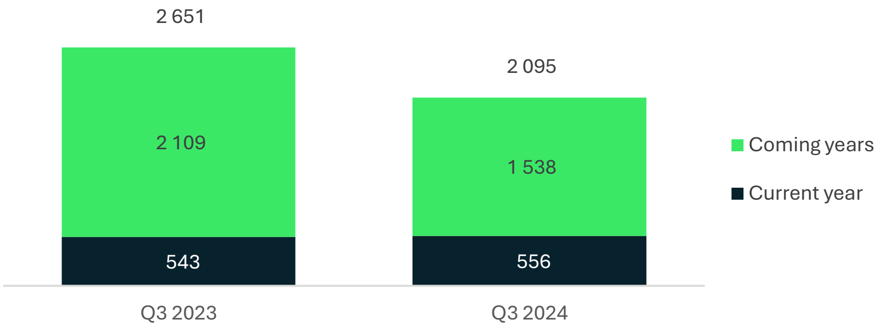
NOK million and percent





Order backlog (total)

NOK million



Key figures

(NOK million)	*Q3 2024*	*Q3 2023*
Revenue	841	805
EBIT adj.	31	49
EBIT adj. margin	3.7%	6.1%
Order intake	393	338

Notes

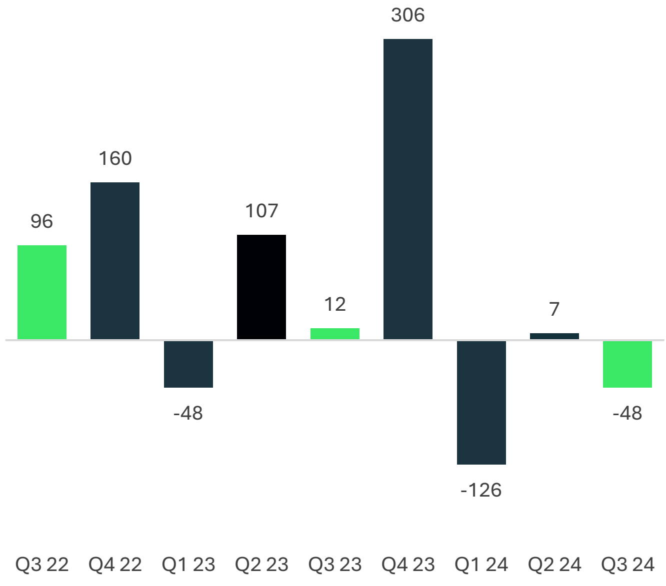
- Revenue and order intake better than last year
- Still weaker EBIT adj., but measures are being implemented
- New organisational set up to be implemented in January
- Two alliance light-rail contracts secured after end of quarter

Volatile working capital and cash flow

Cash flow and working capital

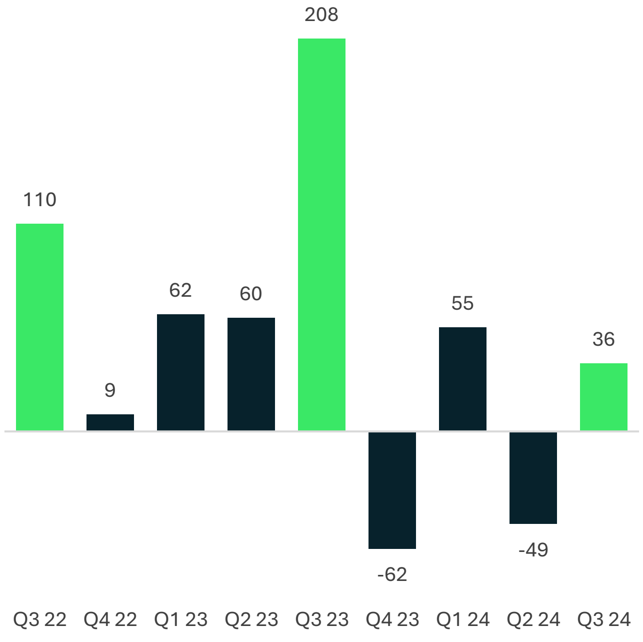
Cash flow from operations

NOK million



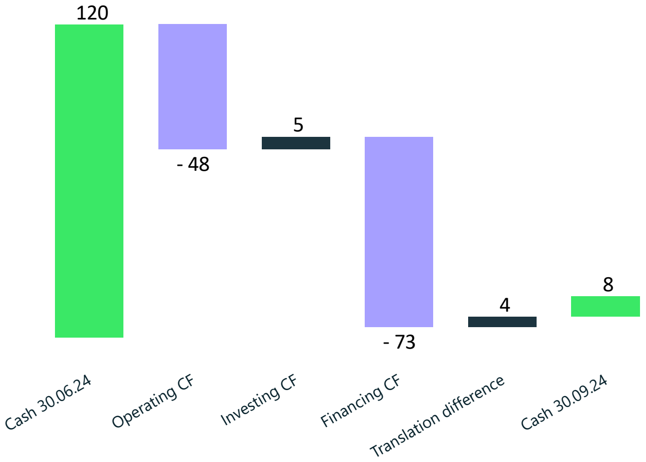
Net working capital (NWC)

NOK million



Change in cash Q3 2024

NOK million

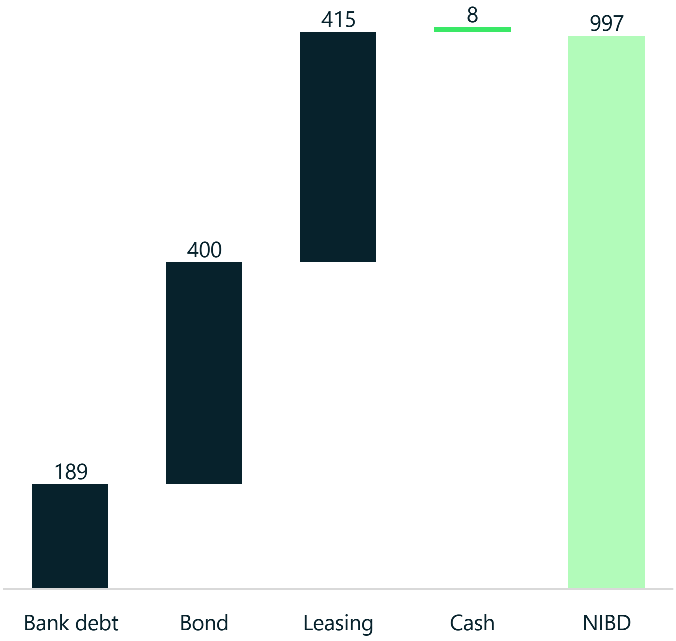


Net interest-bearing debt, maturity profile and leverage ratio

Financial position

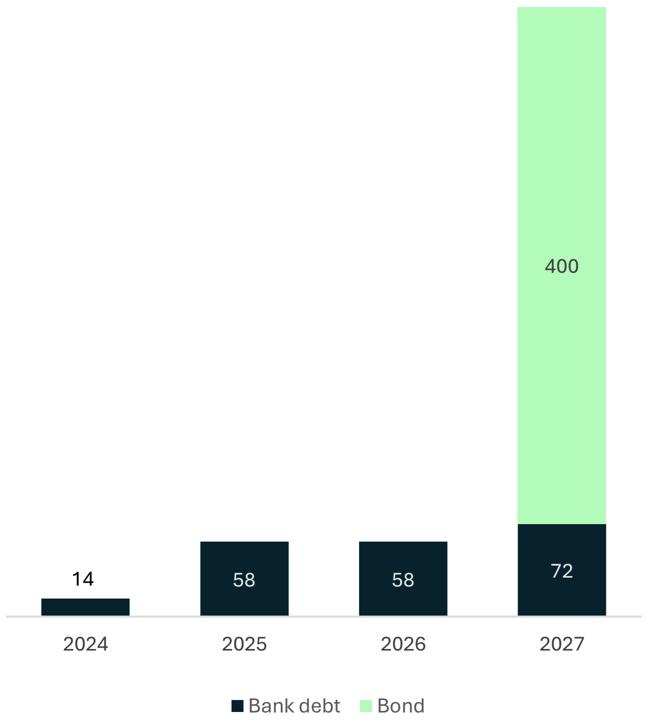
Net interest-bearing debt (NIBD)

NOK million



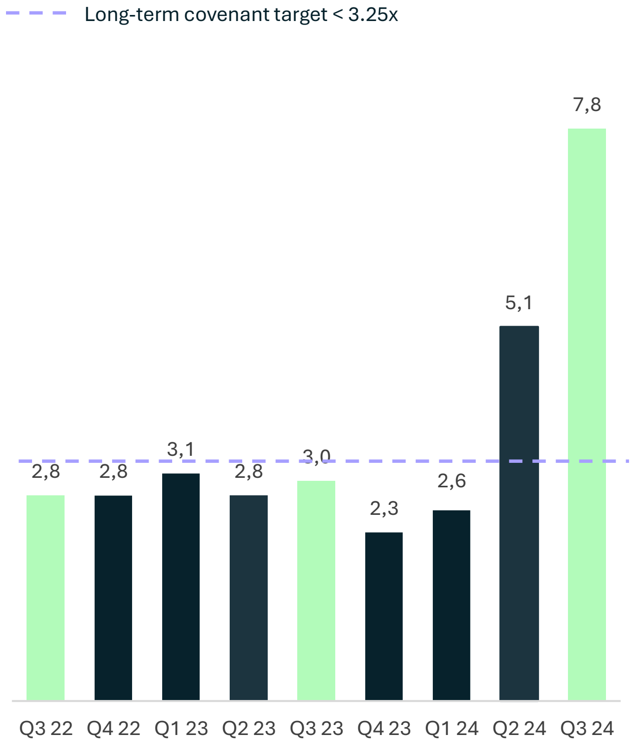
Bank and bond maturities

NOK million



Leverage ratio: NIBD/EBITDA adj. LTM

Ratio



Third quarter

Summary

Financials

- Revenue of NOK 2,103 million (NOK 1,844 million)
- EBIT adj. margin of 1.9% (4.3%)
- Strengthened financial platform with raised capital

Operations

- Important wins in Norway for civil and rail work, new tenders within strategy scope are submitted
- Revenues increased due to high activity level in Sweden, focused efforts to strengthen order backlog
- Major wins for light rail in Finland (after end of quarter), transformation program has started
- Strategy priorities for all countries in place for 2025 to reach 2% EBIT margin in 2025

Market

- Investments from Nordic governments at high levels, increased investments in Norway for 2025
- Tender pipeline across all three countries is promising
- Strong sustainable profile

Guiding

Targets for long-term strategy reaffirmed

2024 targets	2025 targets	2028 targets
NOK ~6.6 billion Revenue	NOK ~7 billion Revenue	>NOK 10 billion Revenue
-0.9 to -1.5% EBIT adj. margin	>2% EBIT margin	>5% EBIT margin

Linear improvement towards 2028

Q4 2024 results
12 February

Note: NRC Group will report approximately two weeks earlier from Q4 2024

Appendix

Reconciliation of EBIT adj.

(Amounts in NOK million)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Operating profit/loss (EBIT)	**40**	**73**	**-800**	**88**	**105**
Adjusting items					
Gain from sale of Gravco	0	0	0	-40	-40
M&A expenses	0	-1	-4	0	-7
Restructuring recycling and demolition business [1] (NRC Kept)	0	0	63	0	0
Restructuring items, other	0	3	0	9	21
Write-down operations to be discontinued (Civil Sweden)	0	4	0	40	43
Impairment of goodwill (Norway)	0	0	150	0	0
Impairment of goodwill (Finland)	0	0	500	0	0
Adjusting items, total	**0**	**6**	**709**	**9**	**16**
EBIT adj.	**40**	**80**	**-91**	**96**	**121**
Depreciation	45	49	132	148	197
Amortisation of IT software investments	3	3	10	11	15
EBITDA adj.	**88**	**132**	**51**	**255**	**332**

[1] In Q1 2024, the Group made a strategic decision to restructure parts of the demolition and recycling operations in NRC Kept due to prevailing market conditions and negative results in 2023. The negative financial effects of the year-to-date of 2024 was NOK 63 milllion from the restructuring. This includes losses in relation to disposal of one department within this unit, estimated and realised loss from sale of machinery and equipment, and other close-down costs related to the discontinued business.

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