



Endúr ASA

Q2/H1 2021 interim results presentation

31 August 2021

Today's presenters



Hans Olav Storkås
CEO



Lasse B. Kjelsås
CFO



Jeppe Raaholt
CEO, BMO Entreprenør



Agenda

Highlights and key figures

Company overview

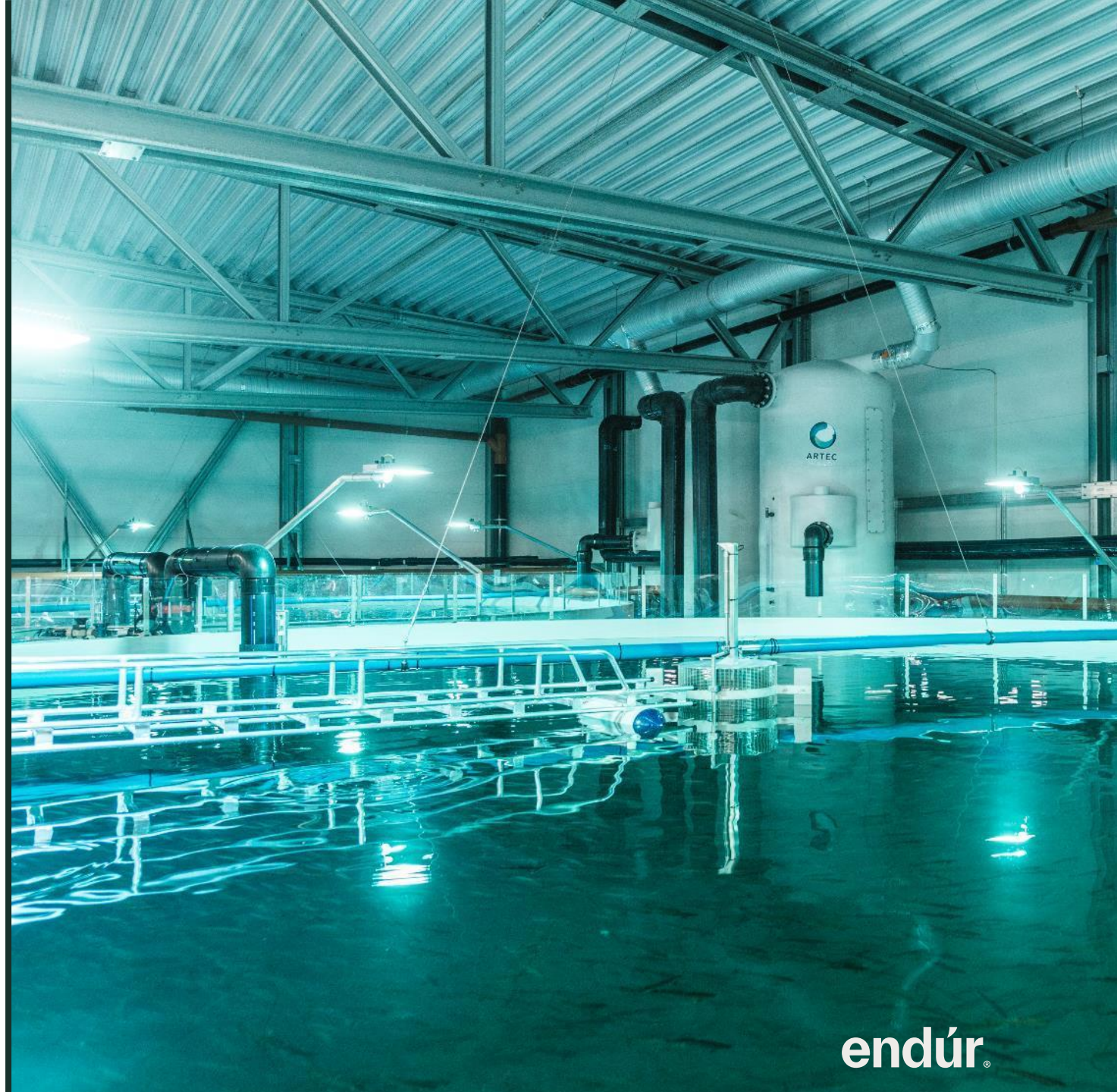
Special focus: BMO Entreprenør

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Highlights in Q2 2021

- **Revenue growth:** +13.1% versus Q2 2020 (pro forma)

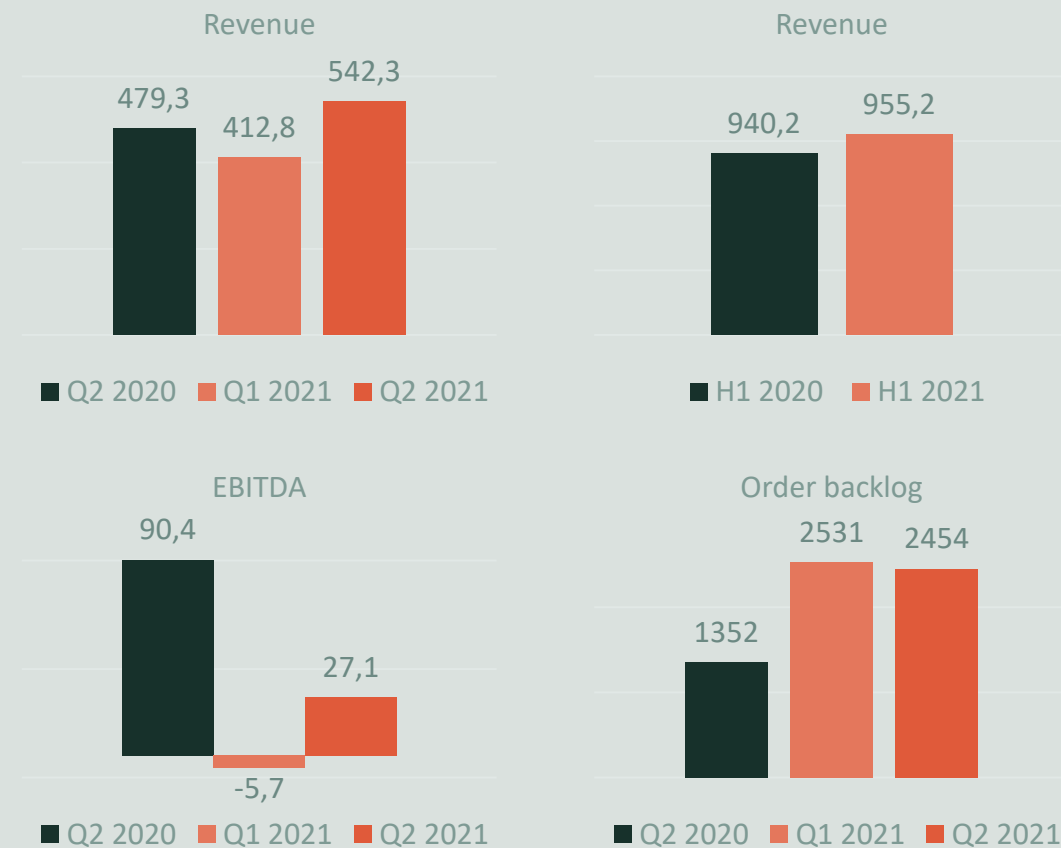
- **Several new contract wins:**
 - BMO Entreprenør: **NOK 127 million** contract for work on 19 bridges for BaneNOR on Meråker and Trønderbanen
 - Artec Aqua: feasibility study with K Smart Farming for **land-based salmon farming** facility in South Korea
 - Marcon: nine marine infrastructure contracts in Sweden, worth a total of **SEK 53 million**

- **Solid order backlog** at end of quarter at **NOK 2.454** million

- **Sale** of non-core subsidiary AAK to Norwegian Group AS

- New board composition reflects significant industrial ownership in a comprehensively restructured and reoriented Endúr.

Financial highlights (pro forma)¹



¹⁾ Pro forma figures; calculated assuming the acquisitions of BMO Entrep., Artec Aqua and Marcon were undertaken on 1 January 2020, and similarly, that the bankruptcies in Endúr Industrier AS and ØPD AS occurred on that same date. For actual financial figures, please refer to the half-year report.

Streamlining of Endúr continues

Gradually becoming a pure-bred supplier to marine infrastructure and aquaculture industries



Artec Aqua: high-potential agreement with K Smart Farming



- Agreement with K Smart Farming Co., Ltd. (KSF) to conduct **feasibility study** for a 20,000 tonnes land-based salmon grow-out farming facility in South Korea
- **Agreement includes intention** for Artec Aqua to conduct engineering, delivery, installation and commissioning of designed process related systems and equipment in the **future build-out** of the project
- KSF is a joint venture between Norway-based Salmon Evolution ASA and Korean seafood giant Dongwon Industries Co., Ltd.
- Project to utilise **hybrid flow through system technology**, similar to what Artec Aqua is delivering to Salmon Evolution's facility at Indre Harøy in Norway

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Introduction to Endúr



Leading provider of marine infrastructure and aquaculture solutions



478 employees at YE 2020



HQ in Bergen, Norway



Market capitalisation: NOK 1,090m¹⁾

The Endúr industrial group is a leading full-service provider of marine infrastructure and aquaculture solutions in Norway and Sweden, servicing both public and private sectors.

Listed on the Oslo Stock Exchange since 2008

Identified two market segments as highly fragmented and exposed to strong sustainability-driven megatrends, and has taken the role as a consolidator to establish a one-stop-shop for clients with scale benefits.

Recent major acquisitions:

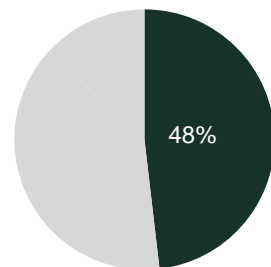
- BMO Entreprenør; Q4 2020
- Artec Aqua; Q1 2021
- Marcon-Group; Q1 2021

June 2020: strategic redirection; publicly stated ambition of building NOK 2-2.5bn revenue company within 2022

Business segments and revenue mix²⁾

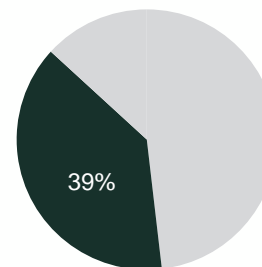
Marine infrastructure

BMO Entrep., Marcon, Installit



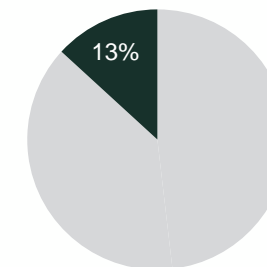
Aquaculture solutions

Artec Aqua, Sjøsterk



Other

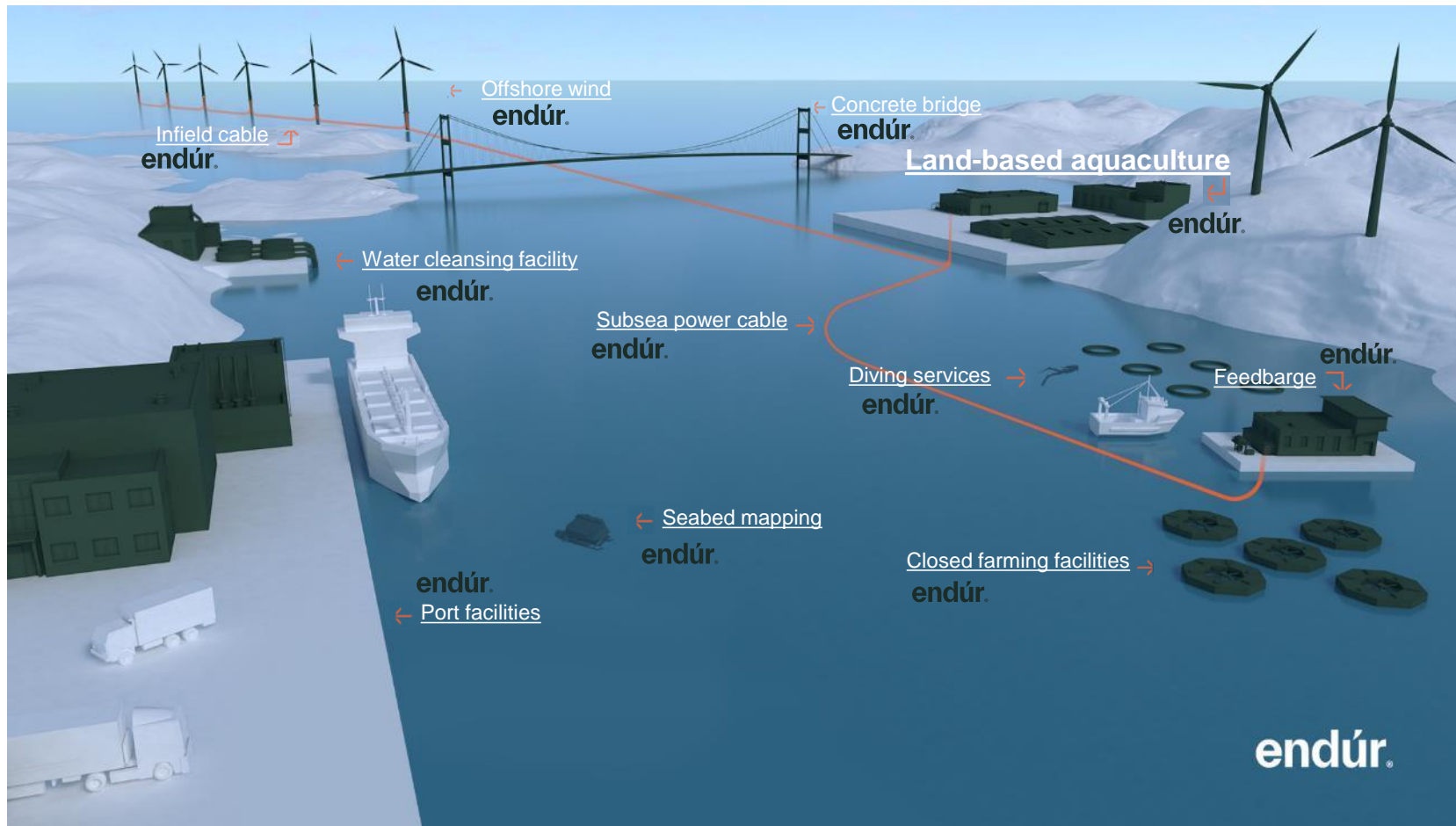
Maritime, ASA



1) Based on 1,137m shares outstanding, @ NOK 0.959 per share (close 30 August 2021)

2) Based on FY 2020 proforma figures

Building a unique service provider within marine infrastructure and aquaculture solutions



Full-service offering

within marine infrastructure to take large multi-disciplinary projects



Targeting large projects

within land-based aquaculture, marine infrastructure and other projects



Attractive entry point and platform

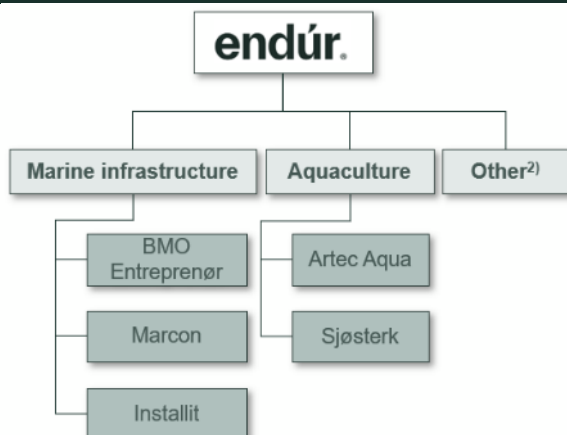
- Large unconsolidated market
- Strong market growth and profitability
- “One stop shop”

«One stop shop» with all relevant services

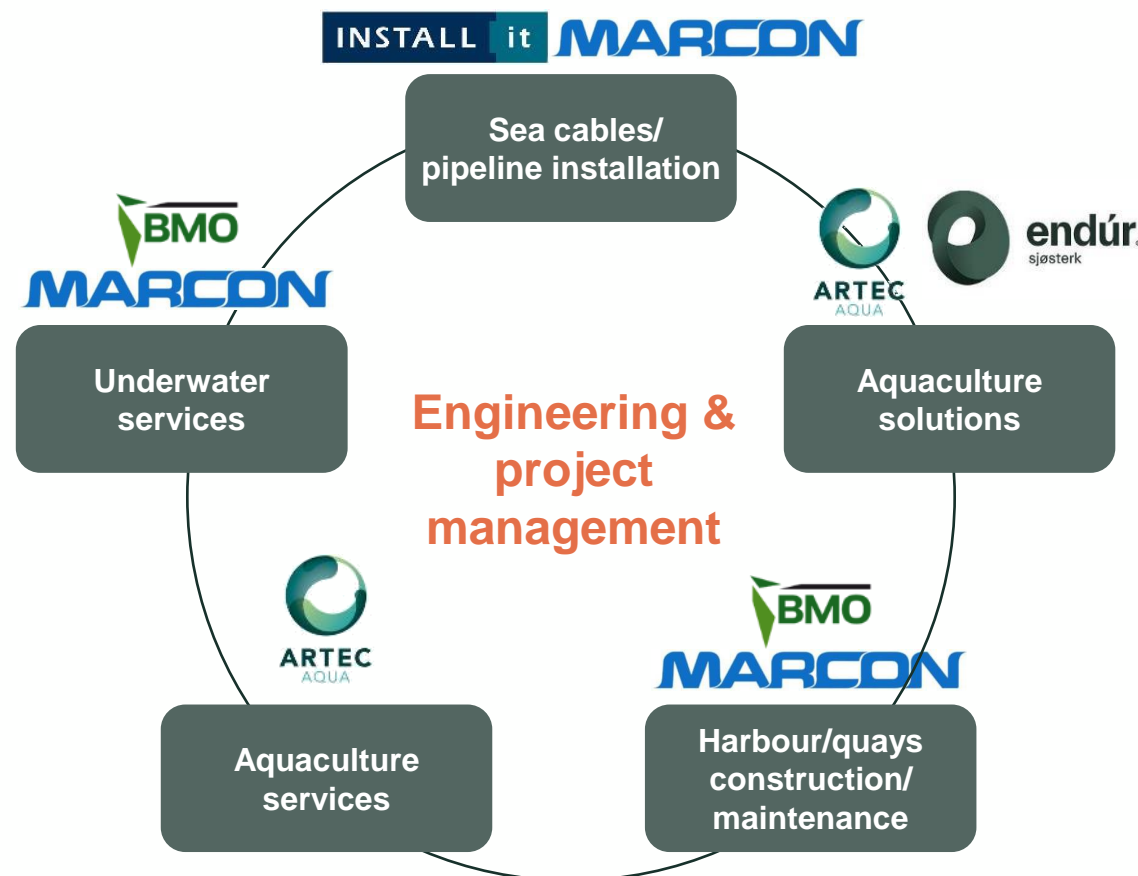
Rationale

- Marine infrastructure and aquaculture solutions markets highly fragmented - clients seek “one stop shop”-offerings
- Several segments showing high return potential on stand alone basis. Profitability driven by complexity and highly competent project organisations
- Endúr has taken consolidator role: acquired BMO Entrep., Marcon and Artec Aqua
- Strong belief in strategy evidenced by large equity component in M&A deals: founders of acquired companies now part of Endúr management and shareholders

Simplified group structure



Targeted marine infrastructure segments



1) Functional, not legal structure

2) 'Other' consists Endúr Maritime and Endúr ASA

Experienced management team, board and owners with extensive industrial background

Executive management

Hans Olav Storkås

Former MD of NRC Norge AS, a total of 11 years in top positions in AF Gruppen, co-founded Risa Rock, which was later sold to Lemminkäinen



Lasse B. Kjelsås

Former CFO of Atlantica Tender Drilling Ltd and Aker Clean Carbon AS. 12 years as an analyst, director corporate finance and equity partner in First Securities ASA.



Board of directors

Chairman: Pål R. Olsen

30 years experience as executive and board member, particularly within the finance and energy sector. Former Senior Partner in HitecVision and Director for Corporate Finance in First Securities ASA. Master in Business and Economics and CPA from NHH.

Jörn Ryberg;

One of the founders of the Marcon Group. Extensive expertise from construction entrepreneurship. Board member of the Swedish Construction Federation. Owner of Jörn Ryberg Holding AB, which holds 70.8 mill. shares in Endúr ASA.

Kristine Landmark

30+ years experience as a business executive and board member, particularly within manufacturing. Special focus on product development, branding, logistics and sales both nationally and internationally. Former CEO of Slettvoll AS and Stokke AS.

Hedvig Bugge Reiersen

Lawyer at Wikborg Rein, with a focus on M&A. Holds a Ph.D. in company law. Heads the Norwegian Bar Association's law committee on company law.

Bjørn Finnøy

29 years of experience in the fish farming industry and co-founder and former CEO of Artec Aqua. Owns one third of Artec Holding AS, which holds 304.6 mill. shares in Endúr ASA.

Jorunn Ingebrigtsen

Employee representative. At Endúr since 2008, first in Bergen Group Vest Elektro, and from 2013 as an accountant in Endúr Maritime.

Kristoffer Hope

Employee representative since August 2014. Works as an industrial mechanic in Endúr Maritime.

Strong industrial ownership

Shareholders per 30 June 2021	Mill. Shares	Pct.
Artec Holding AS	304.6	26.8
Bever Holding AS	91.2	8.0
Middelborg Invest AS	85.5	7.5
Jörn Ryberg Holding AB	70.8	6.2
Tigerstaden Marine AS	50.0	4.4
Songa Capital AS	38.3	3.4
Cygnus Olor AB	35.4	3.1
Brian Chang Holdings Limited	30.3	2.7
Gimle Invest AS	26.5	2.3
AS Flyfisk	20.1	1.8
Langåker, Steinar	16.4	1.4
Tatomi Invest AS	15.8	1.4
Tight Holding AS	14.8	1.3
Energon Holding AS	12.1	1.1
Tigerstaden AS	11.3	1.0
BR Industrier AS	10.6	0.9
Sparebank 1 Markets AS, Market-Making	9.8	0.9
Eikeland Holding AS	9.2	0.8
Trionor AS	8.8	0.8
Skandinaviska Enskilda Banken AB	6.1	0.5
Sum 20 Largest	867.6	76.3
Others (5322 shareholders)	269.5	23.7
Total no. of shares outstanding	1,137.1	100.0

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The start of our journey



1977
Vidar Pettersen
founded Buskerud
Malerservice



1996
Begins with
rehabilitation of
bridges in early 90s
through BM
Overflateteknikk
(previously part of
Buskerud
Malerforretning)



2010
BM Oveflateteknikk
changes name to
BMO Entreprenør
and BMO
Tunnelsikring
founded



2020
BMO Entreprenør
becomes part of
Endúr ASA



1979
Buskerud
Malerservice
changes name to
Buskerud
Malerforretning -
traditional painting
works



2004
Scanstillas
founded



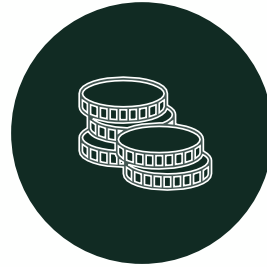
2014
BMO Elektro
founded

One of Norway's largest players in rehabilitation of concrete and steel structures

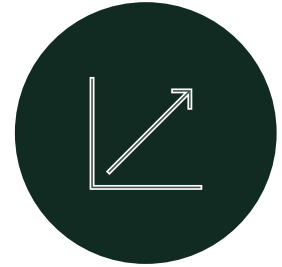
We rehabilitate bridges, quays, dams and other concrete and steel structures



30 years
experience



400 MNOK
revenues 2020



~60% CAGR
from 2017 to 2020



175
full-time employees



Easily compliant
with ISO 901, 14001, 45001

Highlights Q2/H1

- Still Covid-19
- Historically high turnover H1 and strong results
- Contract Artec Aqua (Salmon EV) Polyurea coating – 25-30 MNOK
- Signed TPC “Transition bridges Meråker- og Trønderbanen” – 130 MNOK
- Furthered ØPD’s activities of strategic importance to the group
- Additional 30-40 FTE enrolled Q1/Q2



Market outlook



Historically high
backlog



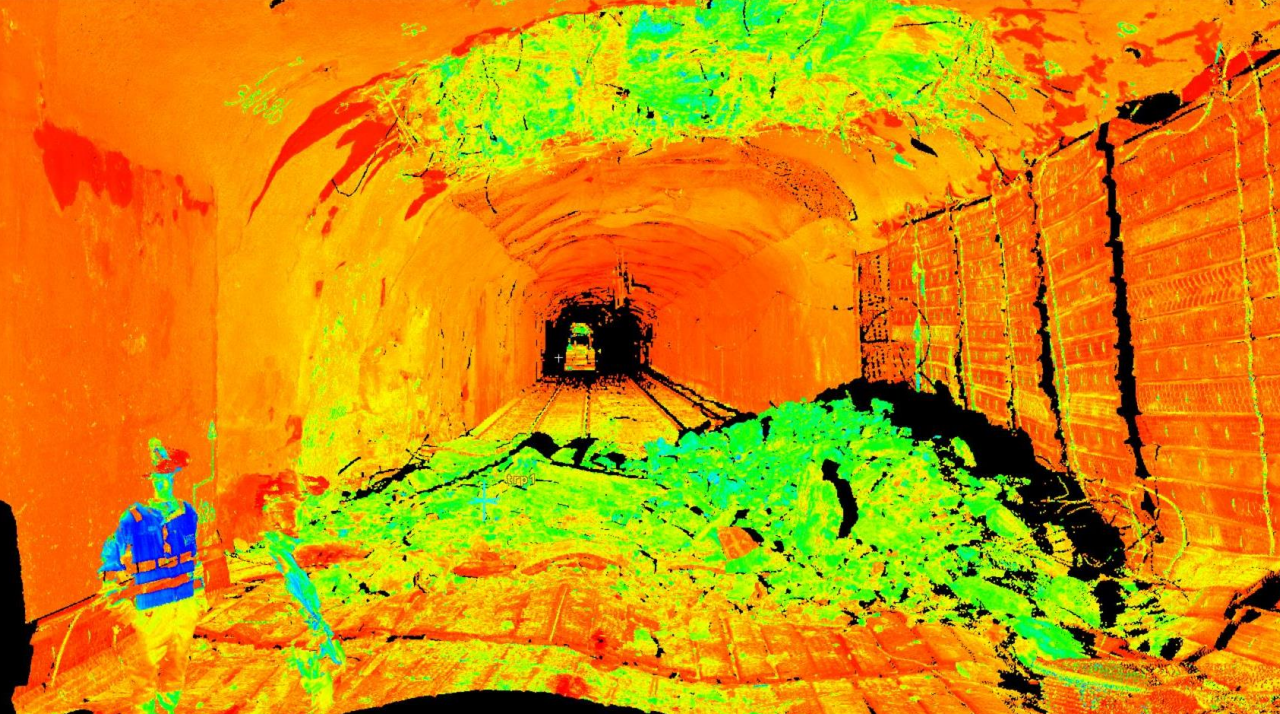
Attractive portfolio,
size and flexibility



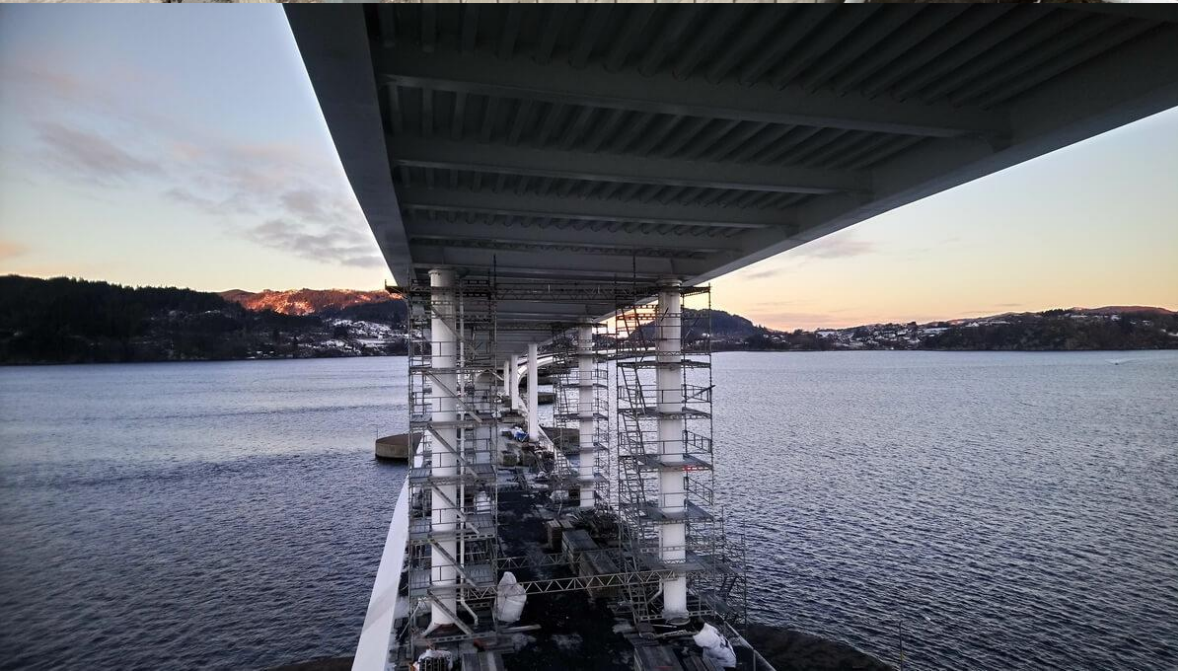
Macro is very
favourable



Solidly established
position



Damfossen dam, replacement of old revision fence



«Dunderklumpen» - developed for the expansion of Lieråsen tunnel.

https://www.youtube.com/watch?v=OvweiUx_nrU

<https://www.youtube.com/watch?v=XN2qL7tz2QY>







Kattfoss bru, Viken flk



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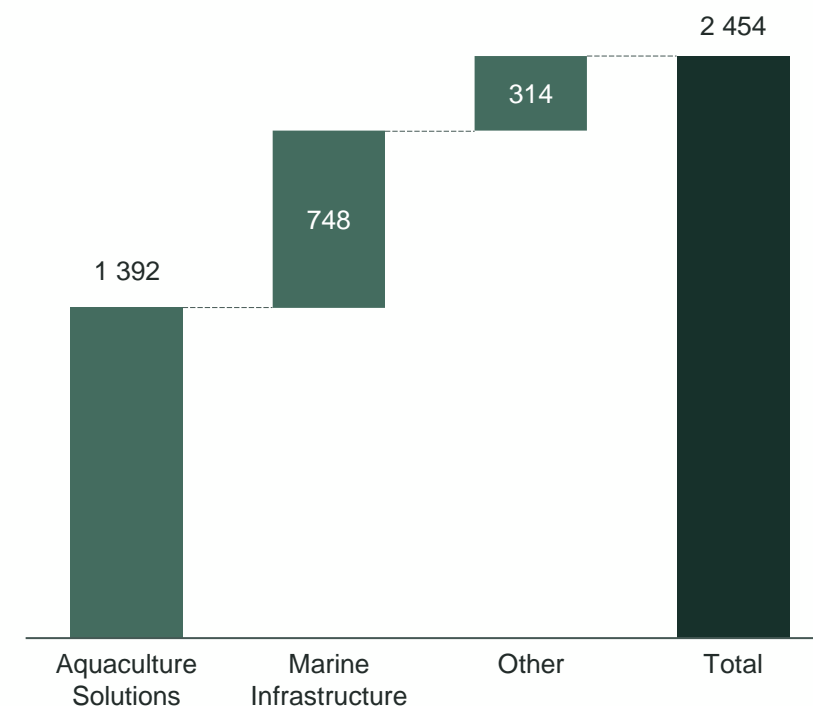
Q2 2021 – Proforma key financials, actual order backlog

Proforma; key financials Q2 2021 & H1 2021¹⁾ – unaudited (NOK mill.)

P&L	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Sales	542.3	479.3	955.2	940.2	1793.8
EBITDA	27.1	90.4	21.4	129.6	201.8
EBIT	(7.0)	58.7	(45.2)	64.6	29.3

Adjusted EBITDA	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
EBITDA	27.1	90.4	21.4	129.6	201.8
Restructuring costs	0	0	11,2	0	0
Transaction costs	10.1	0.2	27.8	0.4	0.6
Other special items	0	0	0,4	0	0
Adjusted EBITDA	37.2	90.6	60.1	130.0	202.5
Total assets	2 493		2 493		2 533
NIBD	989		989		752
Equity ratio	29.1 %		29.1 %		25.1 %
EBITDA %	5.0 %	18.9 %	2.2 %	13.8 %	11.9 %
Adjusted EBITDA %	6.9 %	18.9 %	6.3 %	13.8 %	12.0 %

Order backlog per 30 June 2021



1) Pro forma figures; calculated assuming the acquisitions of BMO Entrep., Artec Aqua and Marcon were undertaken on 1 January 2020, and similarly, that the bankruptcies in Endúr Industrier AS and ØPD AS, as well as the divestment of Endúr AAK occurred on that same date.

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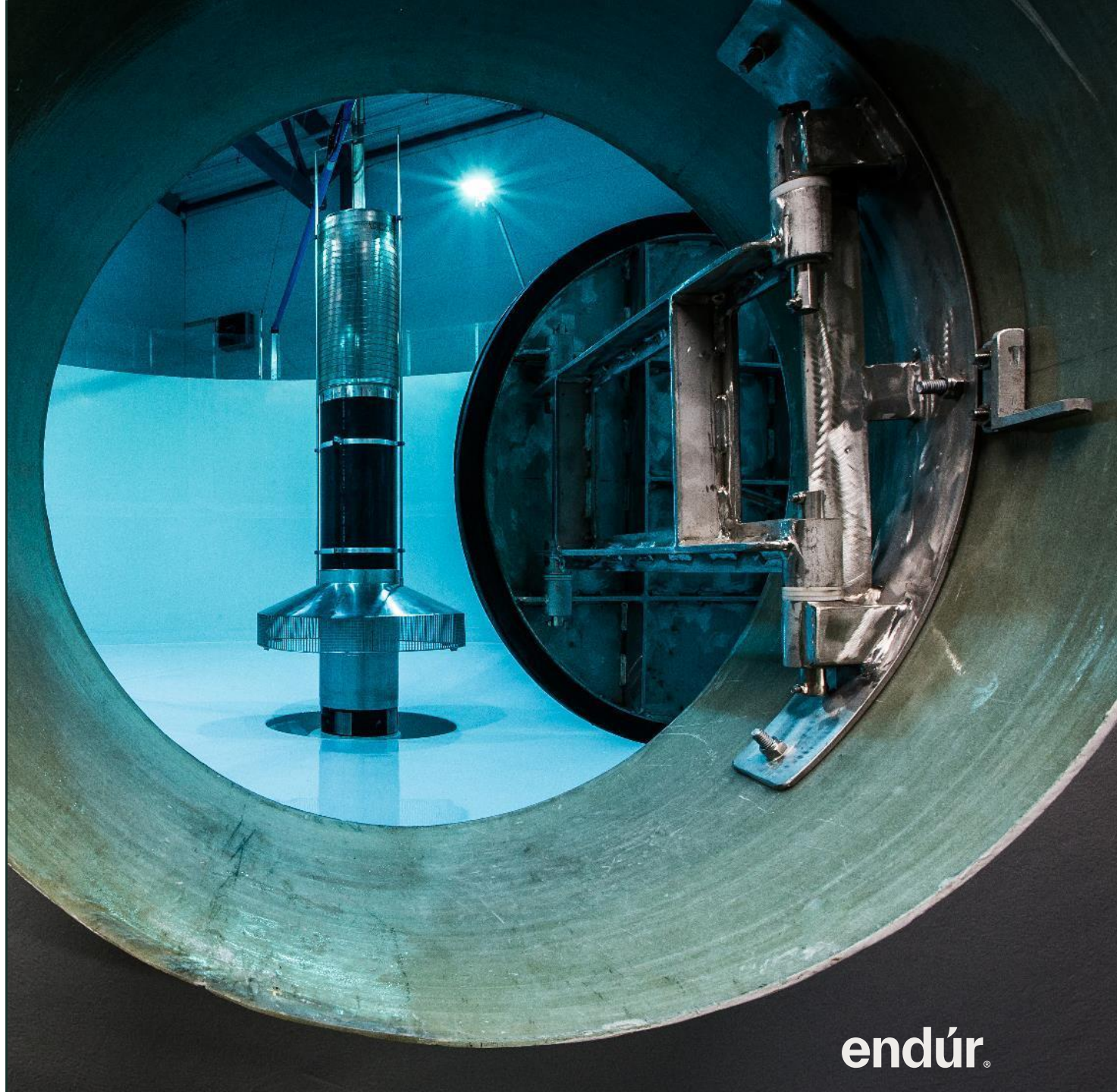
Special focus: BMO Entreprenør

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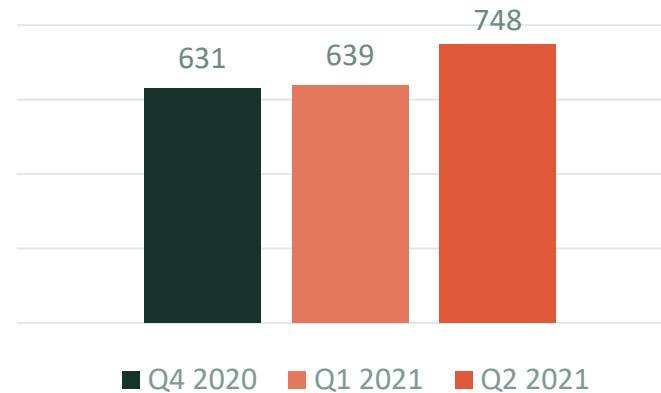
Marine Infrastructure

Strong Norwegian market, Swedish market not recovered from Covid-19

Q2 21 highlights

- Strong increase in order book, up to NOK 748 million, driven by several new contracts, including:
 - BMO Entreprenør awarded a substantial contract with Bane NOR worth NOK 127 million
 - Nine marine infrastructure contracts to Marcon in Sweden, worth a total of SEK 53 million
- Norwegian marine infrastructure operations (BMO Entreprenør) delivers strong margin on historically high revenues
- Marcon's revenues down 25 percent versus the same period last year because of less favourable Swedish construction and rehabilitation market negatively affected by:
 - Compared to Norway, lower level of post Covid-19 economic recovery measures targeted at the construction industry
 - Unusually long and cold winter resulting in frozen waterways
 - Reduced amount of construction work in private sector resulted in increased number of bidders and price pressure in public sector
- Despite slow market, Marcon has upheld positive, high single-digit EBITDA margin in H1 2021

Order backlog



Endúr companies in segment



Financials (proforma , unaudited, NOK mill.)					
P&L	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Sales	243.8	278.2	425.6	486.3	896.0
EBITDA	31.8	71.9	57.5	90.8	162.9
EBIT	8.2	50.5	8.4	46.4	72.9
Adjusted EBITDA					
EBITDA	31.8	71.9	57.5	90.8	162.9
Restructuring costs	-	-	-	-	-
Transaction costs	-	-	-	-	-
Other special items	-	-	-	-	-
Adjusted EBITDA	31.8	71.9	57.5	90.8	162.9

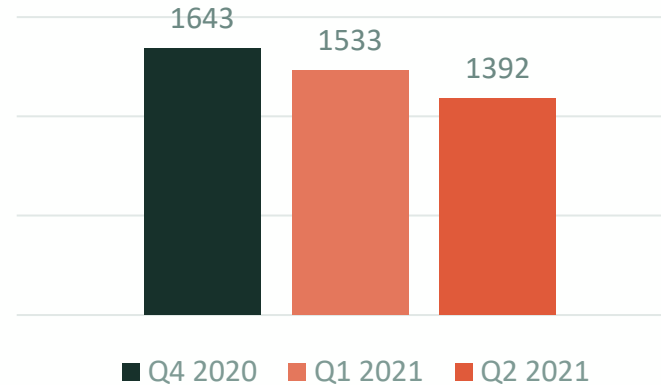
Aquaculture Solutions

Strong revenue growth, margins negatively affected by fixed-cost projects

Q2 21 highlights

- Strategically important contract for feasibility study with K Smart Farming for land-based salmon farming facility in South Korea
 - Includes intention for Artec Aqua to conduct engineering, delivery, installation and commissioning of designed process-related systems and equipment in the future build-out of the project
- K Smart Farming prospect representative of great host of planned major onshore grow-out projects, both in Norway and internationally
- Revenue growth of 61% versus Q2 last year
- EBITDA negatively affected by higher-than-expected tail-end activities on two projects for Artec Aqua
- Progress as planned on Salmon Evolution's project at Indre Harøya
- Artec Aqua expects and plans for higher activity through the remainder of 2021, secured through the company's order backlog
- Endúr Sjøsterk currently constructs and has firm orders for 3 floating concrete barges.

Order backlog



Endúr companies in segment



Financials (proforma , unaudited, NOK mill.)					
P&L	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Sales	255.3	158.9	432.7	355.7	701.0
EBITDA	12.3	19.5	17.8	38.8	62.7
EBIT	4.2	11.5	17.8	22.8	31.9
Adjusted EBITDA					
EBITDA	12.3	19.5	17.8	38.8	62.7
Restructuring costs	-	-	-	-	-
Transaction costs	-	-	-	-	-
Other special items	-	-	-	-	-
Adjusted EBITDA	12.3	19.5	17.8	38.8	62.7

1) Source: Artec Aqua and management estimates

«Other»; Maritime and Endúr ASA

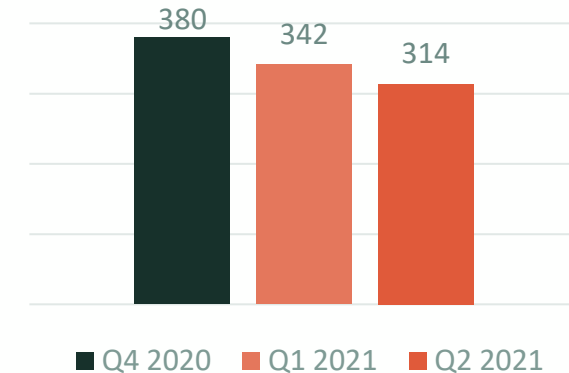
Endúr Maritime

- Engine workshop with specialist expertise in high-speed diesel engines
- Inspection, service, repair, maintenance, upgrading and modifications of various types of vessels and equipment
- Own slip, drydock, quay, machining workshop and welding workshop

Endúr ASA

- Offers holding group functions to the group companies such as HR and finance
- Holding company costs not presently distributed to group companies

Order backlog



Q2 highlights

- Divested non-core subsidiary AAK to Norwegian Group AS for an undisclosed minor fee, recording a minor accounting gain.
- Endúr's recent comprehensive restructuring has incurred material restructuring and transaction costs, born by and reflected in the accounts of group holding company Endúr ASA

Financials (proforma , unaudited, NOK mill.)

P&L	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Sales	43.2	41.8	96.9	98.0	203.0
EBITDA	(17.0)	(0.9)	(53.8)	(0.3)	(23.8)
EBIT	(19.4)	(3.2)	(58.3)	(4.9)	(75.6)
Adjusted EBITDA					
EBITDA	(19.4)	(0.9)	(53.8)	(0.3)	(23.8)
Restructuring costs	-	-	11.2	-	-
Transaction costs	10.1	0.2	27.8	0.4	0.6
Other special items	-	-	(0.4)	-	-
Adjusted EBITDA	(6.9)	(1.1)	(15.2)	0.1	(23.2)

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Solid revenue growth, but weaker EBITDA results than planned



Strong order backlog at NOK 2,454 million at end Q2 2021. Q2 order intake driven by Marine Infrastructure



Artec Aqua's feasibility study with K Smart Farming representative of host of exiting prospects within land-based grow-out farming projects

Outlook



Continued strong land-based aquaculture market, higher activity level expected going forward, as secured by order backlog



Expected continued strong Norwegian infrastructure market; Swedish market expected to improve



Less focus on clean-up of legacy businesses, more emphasis on realising revenue synergies between Endúr entities

Questions and answers

Appendix

Alternative performance measures

Basis for preparation

This presentation provides financial highlights for the quarter. The financial information in this presentation is not reported according to the requirements in IAS 34 (Interim Financial Reporting) and the figures are not audited. For IAS 34 compliant financial accounts, please see the separate second quarter and first half 2021 financial report.

The same measurement principles as presented in the Annual Report 2020 have been used preparing this presentation.

Alternative performance measures

Endúr ASA presents alternative performance measures as a supplement to measures regulated by IFRS. The alternative performance measures are presented to provide better insight and understanding of operations, financial position and the basis for future developments.

The definitions of these measures are as follows:

Alternative performance measures (cont.)

EBITDA - Profit/loss before i) tax, ii) net finance cost, iii) depreciation, amortisation, impairment. Corresponds to "Operating profit/loss before depr., impairm" in the consolidated statement of profit or loss.

EBIT - Profit/loss before i) tax, ii) net finance cost. Corresponds to "Operating profit/loss" in the consolidated statement of profit or loss.

EBITDA adjusted - In order to give a better representation of underlying performance, the following adjustments are made to EBITDA:

- Special items: items that are not part of the ordinary business, such as restructuring and acquisition related costs, and EBITDA from companies disposed of after the balance-sheet date.

EBIT adjusted - In order to give a better representation of underlying performance, the following adjustments are made to EBIT:

- Special items: items that are not part of the ordinary business, such as restructuring and acquisition related costs, and EBIT from companies disposed of after the balance-sheet date.
- Impairment of Goodwill

Net interest-bearing debt (NIBD) - Total interest-bearing debt, less i) interest-bearing receivables and ii) cash

Equity ratio - Total equity divided by total assets

Order backlog - Remaining value from signed contracts, including estimated future call-offs of contractual framework agreements and other time-limited agreements. Options related to signed agreements and contracts are not considered in the order backlog.



Endúr is an Old Norse word derived from the word 'endurnýja' – which means to renew, to refresh, to change. But endúr also has several other meanings – not least 'enduring' or 'persisting' – and can be read as a short form of the English word endurance, which means tireless perseverance; to withstand with courage.