FULL YEAR REPORT

Jan – Dec 2022

VIACON

**Constructing connections.
Consciously.**

Agenda

- Q4 in brief and Market Development
- Q4 2022 - Financials
- In focus 2023
- Q & A

Q4 in brief

Record high Q4 sales

39.6% growth in sales during the quarter, with positive development in all three Business Units

High order intake:

16.9% total growth
14.8% organic growth

GROWTH IN ORDER INTAKE Q4:

Bridges & Culverts Solutions	**56.4%**
GeoTechnical Solutions	**-6.7%**
StormWater Solutions	**33.1%**
Group (total)	**16.9%**

Focus on executing on the strong order book resulting in significant EBITDA-improvement and a third consecutive record year

- Bridges & Culverts Solutions: Delays in in costumers' projects during Q2 and Q3 converted into sales and delivery in Q4
- GeoTechnical Solutions: Growth in sales despite start-up period for new plastic pipe factory during October and November
- StormWater Solutions: High activity despite low-season and uncertainties due to the macroeconomic situation

Strong improvement of cash generation

Decrease in working capital and increased EBITDA leading to strong cash flow

Market and outlook

- ViaCon has been affected by disruptions in supply chains, long delivery times and shortages as well as all-time-high costs for raw materials, but the situation was stabilized during Q4
- The recent inflation and interest rate rises creates some uncertainties in customers' financing solutions for infrastructure projects, which may impact the lead time from order to delivery date
- The record high order intake in 2022 will have a positive impact also in the beginning of 2023
- The overall infrastructure market in Europe is expected to be stable in 2023, and we continue to see a good demand for our solutions
- ViaCon is taking market share from competing solutions and our sustainable solutions give us a competitive advantage

Grow
Bridges & Culverts Solutions

Improve profitability
GeoTechnical Solutions

Build
StormWater Solutions

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Group summary Q4 and full-year

MSEK	OCT–DEC 2022	OCT–DEC 2021	JAN–DEC 2022	JAN–DEC 2021
Net Sales	**651.8**	**466.8**	**2,321.5**	**1,946.3**
EBITDA	86.7	14.9	239.3	200.9
EBITDA margin	13.3%	3.2%	10.3%	10.3%
Items excluded from underlying EBITDA	6.4	16.9	46.2	38.1
Underlying EBITDA	**93.1**	**31.7**	**285.5**	**239.1**
Underlying EBITDA margin	**14.3%**	**6.8%**	**12.3%**	**12.3%**
EBIT	70.5	0.7	178.1	143.7
EBIT margin	10.8%	0.1%	7.7%	7.4%
Items excluded from underlying EBIT	6.4	16.9	46.2	38.1
Underlying EBIT	**76.9**	**17.5**	**224.3**	**181.8**
Underlying EBIT margin	**11.8%**	**3.8%**	**9.7%**	**9.3%**
Order intake	**391.5**	**334.9**	**2,293.0**	**1,925.6**

STRONG END TO THE YEAR

Organic growth in sales of 41.0% in Q4.
Full-year organic growth of 18.8%

Strong EBITDA development in the quarter resulting in record high full-year EBITDA

Organic growth in order intake of 14.8% in Q4
Full-year organic growth in order intake of 17.1%

ViaCon operates through three different business units with different strategic agendas

GROW
Bridges & Culverts Solutions

Solutions that cover the design and engineering of the construction, reconstruction, and relining of culverts, bridges, viaducts etc. that are used for establishing infrastructural connections and crossings

IMPROVE PROFITABILITY
GeoTechnical Solutions

Geosynthetics solutions including soil reinforcement and landfills that covers a diverse range of application areas as well as customised solutions based on plastic pipes

BUILD
StormWater Solutions

Designs and manufactures water tanks used for retention of rainwater during storm rains, as well as fire water tanks

Bridges & Culverts Solutions

Bridges & Culverts Solutions	OCT–DEC		JAN–DEC	
MSEK	2022	2021	2022	2021
Net Sales	**305.4**	**148.1**	**878.6**	**675.0**
Underlying earnings before depreciation (underlying EBITDA excl. IFRS 16)	**62.9**	**2.0**	**156.9**	**84.7**
Underlying EBITDA margin	**20.6%**	**1.4%**	**17.9%**	**12.5%**
EBITDA excl. IFRS 16	60.3	-5.4	128.5	68.5
EBITDA margin	19.8%	-3.6%	14.6%	10.1%
Items excluded from underlying EBITDA	2.5	7.4	28.4	16.2
Order intake	**138.9**	**88.8**	**884.6**	**682.5**

SIGNIFICANT IMPROVEMENTS IN SALES AND EBITDA

Organic growth in sales of 116.6% in Q4
Full-year organic growth of 34.6%

High focus on delivering on the strong orderbook from Q1-Q3

Increase in margins coming from strong sales and operational efficiencies

Organic growth in order intake of 76.6% in Q4
Full-year organic growth in order intake of 33.5%

GeoTechnical Solutions

GeoTechnical Solutions MSEK	OCT–DEC 2022	 2021	JAN–DEC 2022	 2021
Net Sales	**242.0**	**234.3**	**1,073.8**	**992.5**
Underlying EBITDA excl. IFRS 16	**8.2**	**16.1**	**68.8**	**94.2**
Underlying EBITDA margin	**3.4%**	**6.9%**	**6.4%**	**9.5%**
EBITDA excl. IFRS 16	5.0	9.2	58.0	78.1
EBITDA margin	2.1%	3.9%	5.4%	7.9%
Items excluded from underlying EBITDA	3.2	6.9	10.8	16.1
Order intake	**175.5**	**188.1**	**1,030.1**	**981.8**

MARGINS IMPACTED BY UNFAVORABLE PRODUCT MIX

Organic growth in sales of -1.0% in Q4
Full-year organic growth of 8.4%

The new plastic pipe factory in start-up phase during September to November which partly impacted sales negatively

Margins impacted by negative product mix between traded goods and plastic pipe production and inventory adjustments

Organic growth in order intake of -10.4% in Q4
Full-year organic growth in order intake of 3.7%

StormWater Solutions

StormWater Solutions MSEK	OCT–DEC 2022	 2021	JAN–DEC 2022	 2021
Net Sales	**104.3**	**84.4**	**369.1**	**278.8**
Underlying EBITDA excl. IFRS 16	**15.2**	**7.0**	**32.3**	**33.8**
Underlying EBITDA margin	**14.5%**	**8.3%**	**8.7%**	**12.1%**
EBITDA excl. IFRS 16	14.4	4.5	25.3	27.9
EBITDA margin	13.8%	5.3%	6.9%	10.0%
Items excluded from underlying EBITDA	0.7	2.5	7.0	5.9
Order intake	**77.1**	**57.9**	**378.4**	**261.3**

STRONG GROWTH IN SALES AND EBITDA

Organic growth in sales of 19.0% in Q4
Full-year organic growth of 15.3%

High focus on delivering on the strong orderbook from Q1-Q3

Volume growth on top of a good pricing management supporting margin improvement in Q4

Organic growth in order intake of -0.7% in Q4
Full-year organic growth in order intake of 24.8%

Cash flow and Financial position

MSEK	OCT–DEC 2022	OCT–DEC 2021	JAN–DEC 2022	JAN–DEC 2021
Operating activities				
Earnings after financial items	27.6	-60.2	-5.6	-50.8
Adjustments for items not included in cash flow	25.5	-30.1	164.6	93.1
Taxes paid	-13.9	-13.1	-40.9	-44.2
Cash flow from operating activities before changes in working capital	**39.2**	**-103.4**	**118.1**	**-1.9**
Cashflow from changes in working capital	92.9	54.8	-16.0	35.5
Cash flow from operating activities	**132.2**	**-48.5**	**102.1**	**33.6**
Cash flow from investing activities	-11.1	-106.0	-80.4	-186.7
Cash flow from financing activities	-80.9	160.0	53.4	123.7
Net increase/decrease in cash	40.1	5.4	75.0	-29.4
Cash and cash equivalents at the end of the period	**311.9**	**199.6**	**311.9**	**199.6**

CASHFLOW FOR THE QUARTER:

Cash flow from operating activities for the period amounted to SEK 132.2 million (-48.5)

- of which the cash flow effect of the change in working capital amounted to SEK 92.9 million (54.8)
- Strong positive improvement from change in inventories and accounts receivables
- Operating Capex of SEK 12.8 million (10.9)

FINANCIAL POSITION:

The Group's net debt amounted to SEK 1,017.1 million (1,015.0). Adjusted net debt excluding lease liabilities amounted to SEK 905.3 million (896.5)

Cash and cash equivalents amounted to SEK 311.9 million (199.6). In addition, undrawn revolving credit facility of SEK 55.6 million (153.8)

Total equity amounted to SEK 35.9 million (-48.5)

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In focus 2023

Execute our strong orderbook and secure continued strong order intake from the current high market activity

Grow our business by targeting alternative materials like concrete and plastics by emphasizing among others our strong sustainability contribution

Leverage from our engineering productivity initiatives

Further develop our People and Organizational efficiency

Ensure internal flexibility to manage potential market impacts from the higher inflation and interest rates

Two for one: ViaCon provides two eco-friendly solutions in one project

- Bringing the customer closer to their sustainability goals through building a retaining wall - faster and cheaper than a concrete solution

The Customer Challenge

- Requiring a *more sustainable solution than concrete*
- We developed and offered a more *cost-efficient* and *faster-to-implement* design solution

ViaCon Solution

- ViaCon provided a *full*, *end-to-end solution* (from design to technical advice to delivery) based on the customer's cost and design requirements
- The proposed two-part, mechanically stabilised earth (MSE) wall and gabion solution met all of the customer's *cost* and *design* – as well as sustainability – requirements

The Advantage

- The complete solution *helped the customer improve their efficiency* – working with a competent single solution provider
- Considerably *lower cost* compared to the original concrete retaining wall
- Much *easier implementation* compared to concrete
- Significantly *faster delivery time* compared to concrete, due to no wet materials being used

The proposed solution has a significantly lower cost in addition to being a more sustainable alternative to concrete walls

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Q&A

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