

# Investor Presentation

Q1 2026

May 2026



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# Today's presenters

The reputable Group Management Team

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**Michael Berglin**

Group CEO



**Inka Kontturi**

Group CFO



# The quarter at a glance

## Improved profitability and record-high order backlog

- Strong start to 2026 with higher activity levels and revenue growth of 23 % (2) driven by an intense winter season and a larger contract portfolio
- Despite strong growth, profitability improves and is in line with the seasonal pattern, with an adj. EBITA margin 2.2% (1.7) confirming our underlying profitability and strong performance
- Successful tender season in Sweden and Finland led to a backlog increase to an all-time high of SEK 6.302 billion (5.293), confirming our ability to combine broad market participation with disciplined contract selection
- The Swedish state tender period resulted in six contracts, with expected annual revenue of at least SEK 366 million, representing a 46% increase in initial annual value

### Q1 2026

**905** (736)

Revenue, MSEK

**20** (12)

Adj. EBITA, MSEK

**2.2%** (1.7)

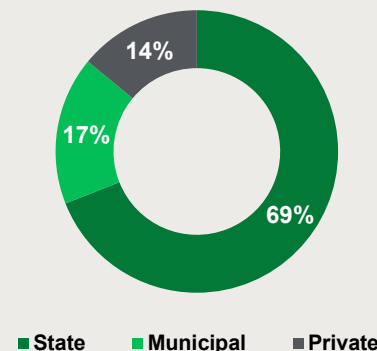
Adj. EBITA margin

**23%** (2)

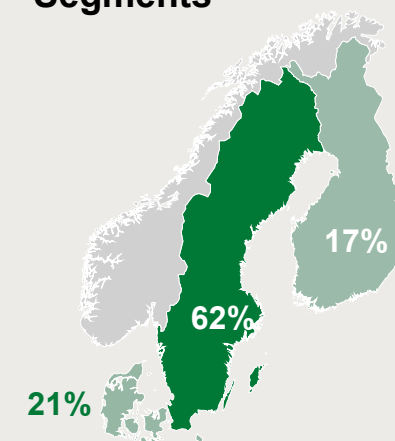
Revenue growth

## Share of revenue FY2025

### Customers



### Segments



### Areas of operations

Road operations and maintenance

~ 90%

Light construction

~ 7%

Green construction and maintenance

~ 1%

Temporary road safety services

~ 2%

# Large, stable Nordic market with high entry barriers

Terranor is tapping into a ~76 SEKbn opportunity

- Well-established in a market with high entry barriers in terms of know-how and human capital
- The market is stable and generally supported by long-term structural trends
- The Swedish government aims to increase funding for O&M by 53% (SEK 354bn) compared to the previous national plan from 2026 onwards to address the maintenance deficit
- Long-term contracts, between four and eight years, which provide stable revenue streams with low risk and good visibility
- Diligent tender strategy has contributed to a revenue growth rate that by far surpasses the market focusing on profitable contract wins

## Key Market drivers

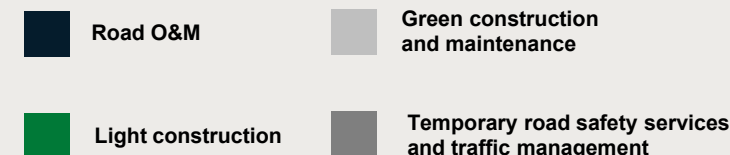


## Estimated total addressable market size 2024 (SEKbn)

Sweden, Finland, Denmark

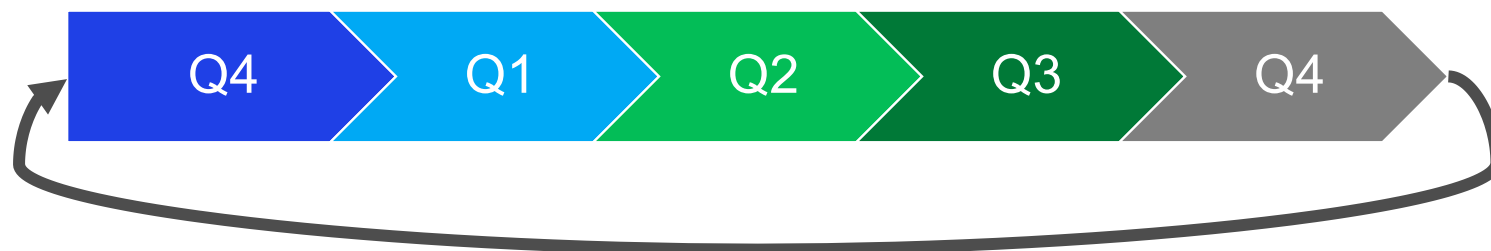


**~76 SEKbn**



# Operational seasonality directly linked to the climate cycle

One maintenance year usually span five quarters, starting in Q4



## Winter Season

- Most contracts starts in Q4
- Q1 primarily consists of base contract volumes, with limited variable and extra work. As a result, there is reduced opportunity to influence margins
- Q1 provides stable income through fixed payments

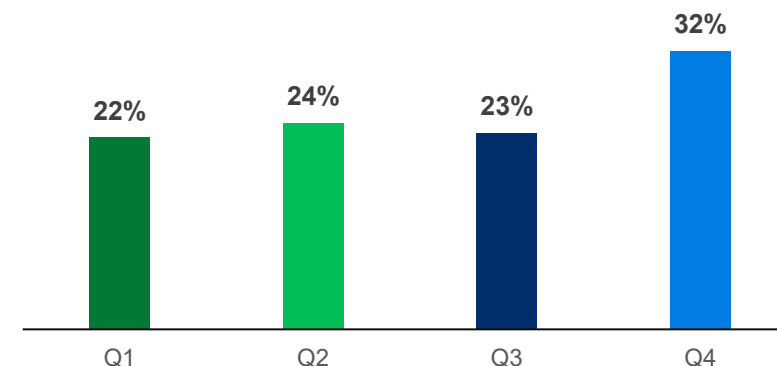
## Summer Season

- Summer season typically has more variable price services and more opportunities to influence on margin
- The start of Q3 is impacted by the holiday season, normally resulting in slightly lower revenue compared to Q2
- Margins improve due to performed extra works

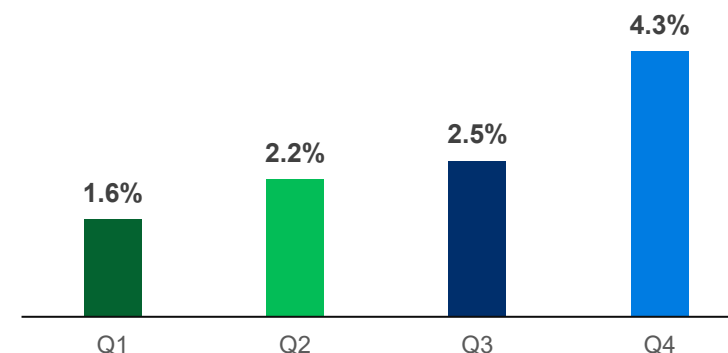
## Winter Season

- Finalize extra work for the maintenance year started during prior maintenance year
- The highest volumes on extra works are performed during the second half of the year

Share of annual revenue, average per quarter<sup>1</sup>



EBITA margin<sup>2</sup>, average per quarter<sup>3</sup>



1) Referring to average share of annual revenue for respective quarter between 2023-2025. 2) Adj. EBITA in relation to revenue. 3) Referring to average EBITA margin for respective quarter between 2023-2025.

# Solid growth

Diligent tender strategy contributed to a strong order intake and significant revenue growth

- Revenue of 905 MSEK in Q1 (+23%) exceeding medium-term growth target (>8%)
- Growth driven by intense winter season and contribution from contracts won during the 2025 tender season
- Strong order intake of 1,124 MSEK in Q1 reflects our diligent tender strategy during the 2026 tender season

## Q1 2026

**905** (736)

Revenue, MSEK

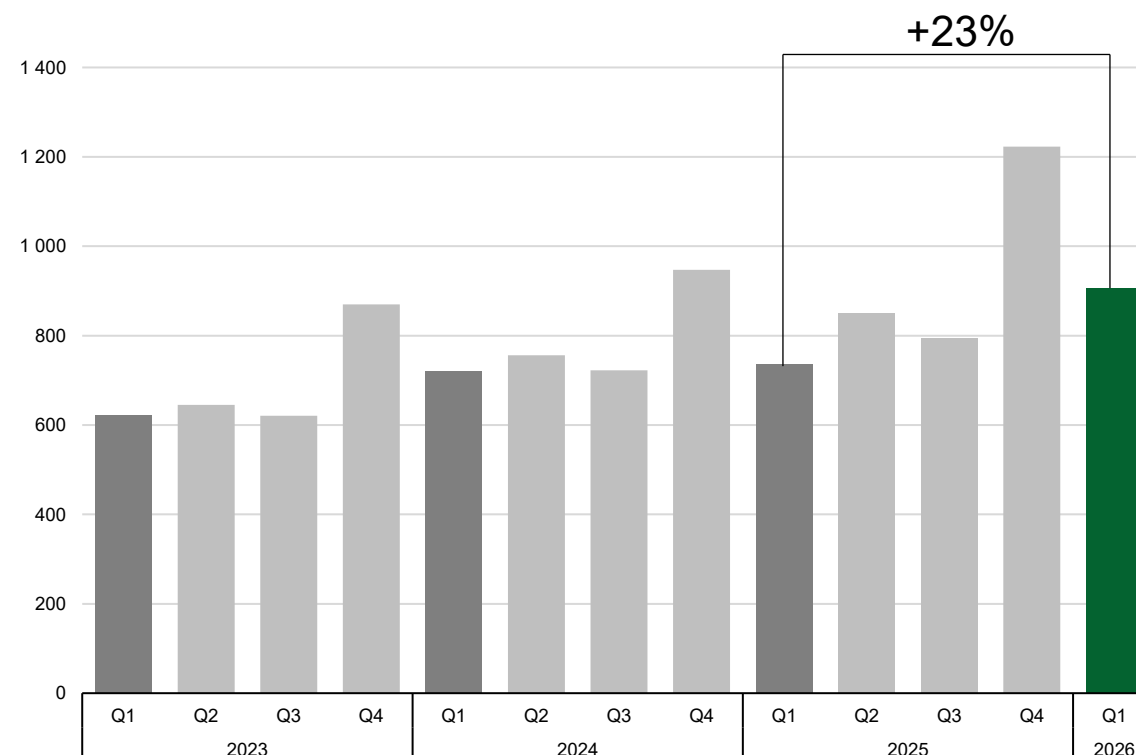
**23%** (2)

Revenue growth

**>8%**

Target growth, %

Revenue, MSEK



# Stable underlying earnings

Profitability in line with the seasonal pattern of the business

- Improved adj. EBITA reflecting higher underlying profitability in Sweden and a near-breakeven result in Finland.
- Profitability in line with seasonal pattern, where winter activities typically carry lower margins than summer operations
- Items affecting comparability for the quarter amounted to 5.3 MSEK, primarily relating to legal fees in Finland.

## Q1 2026

**20** (12)

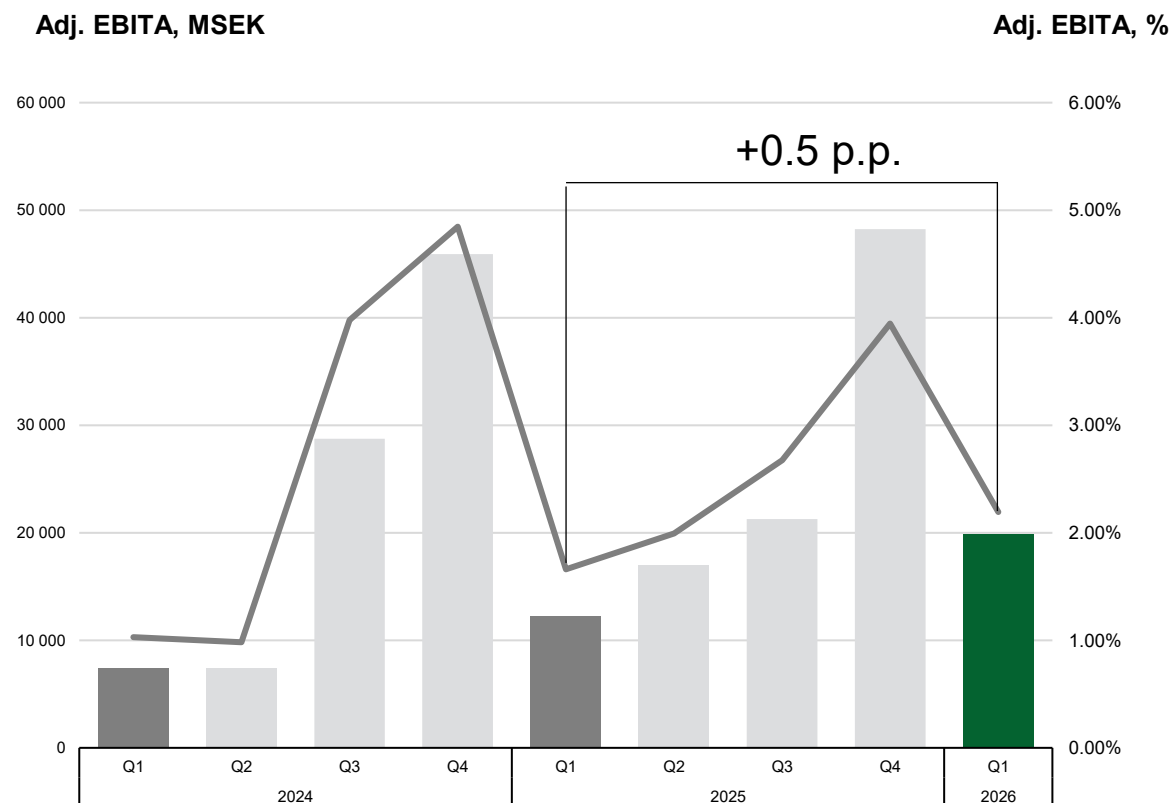
Adj. EBITA, MSEK

**2.2%** (1.7)

Adj. EBITA margin

**>5%**

Target Adj EBITA m.



# Cash Generation

Decreased cash flow due to invoicing timing and high level of winter activity

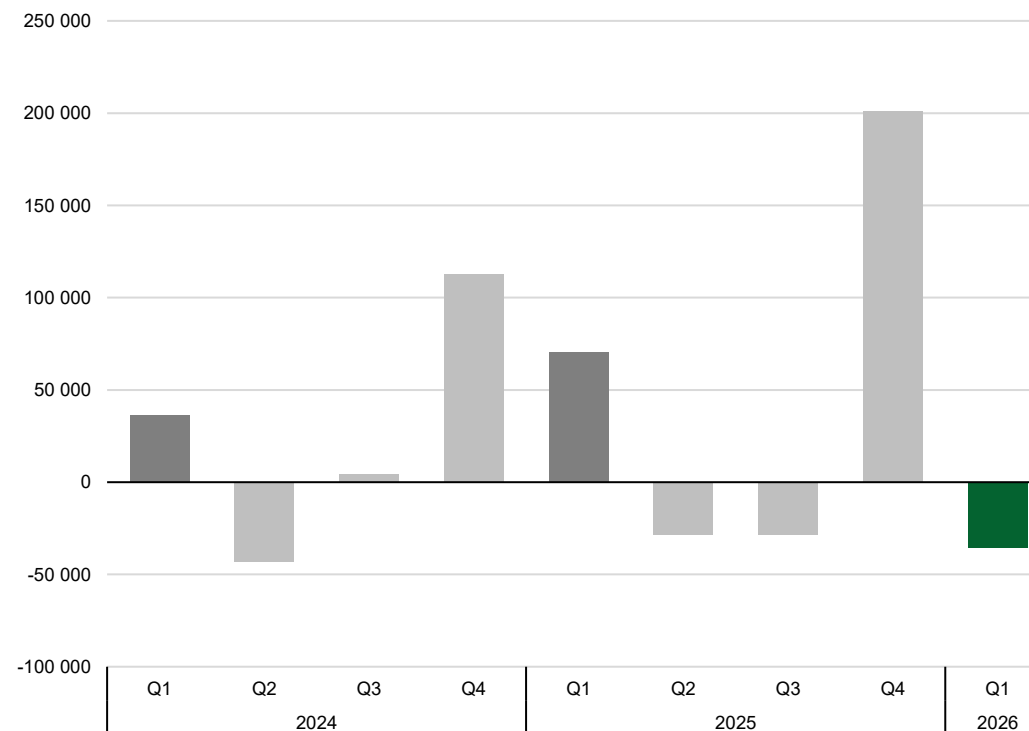
- Seasonally lower operating cash flow in Q1
- Decrease in operating cash flow -38 MSEK (70 MSEK) mainly driven by invoicing timing effect compared to last year and higher level of winter activity
- Continued focus on strengthened cash management
- Continued solid financial position in 2026

## Q1 2026

**-35** (70)

Operating Cash flow, MSEK

Operating Cash Flow, SEK





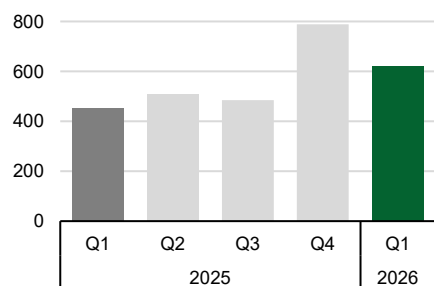
# Terranor's segments

Sweden remains as the core growth engine with solid profitability

## Sweden

Revenue growth driven by exceptionally active winter season and successful start of new contracts won in 2025.

Revenue, MSEK

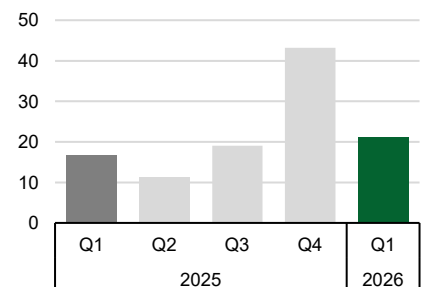


Q1 2026

**619** (451)  
Revenue, MSEK

**37%** (-2)  
Revenue growth

Adj. EBITA, MSEK



Q1 2026

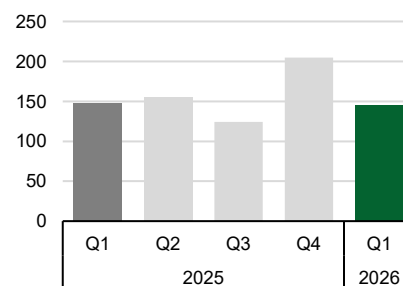
**3.7%** (3.7)

Adj. EBITA margin

## Finland

Two won contracts supporting turn-around in a challenging market. Valid claims related to old contracts are pending a verdict.

Revenue, MSEK

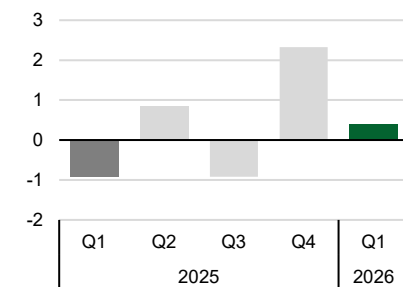


Q1 2026

**145** (147)  
Revenue, MSEK

**-2%** (14)  
Revenue growth

Adj. EBITA, MSEK



Q1 2026

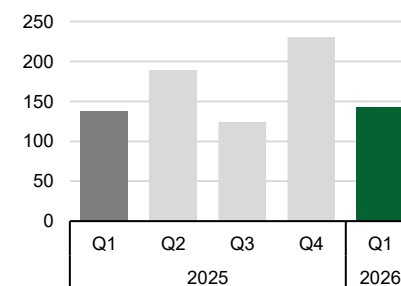
**0.3%** (-0.6)

Adj. EBITA margin

## Denmark

Successful operational set-up of the four new contracts with revenue developing in line with expectations.

Revenue, MSEK

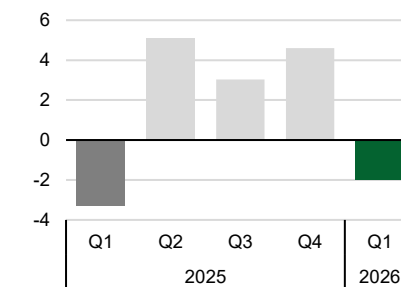


Q1 2026

**142** (138)  
Revenue, MSEK

**3%** (3)  
Revenue growth

Adj. EBITA, MSEK



Q1 2026

**-1.7%** (-2.4)

Adj. EBITA margin



# Financial targets

On track to meet ambitious growth and profitability targets

Category	Outcome Q1 2026	Outcome FY 2025	Medium-term financial targets
<b>GROWTH</b>	<b>23%</b> Revenue growth	<b>14%</b> Revenue growth	<b>&gt;8%</b> <i>Achieve an average annual revenue growth of at least 8% in the medium term</i>
<b>PROFITABILITY</b>	<b>2.2%</b> Adjusted EBITA margin	<b>3%</b> Adjusted EBITA margin	<b>&gt;5%</b> <i>Reach an adjusted EBITA margin of more than 5% in the medium term</i>
<b>DIVIDEND</b>	-	<b>1.50 SEK*</b>	<b>≥50%</b> <i>Target to distribute at least 50% of consolidated net income</i>
Category	Outcome Q1 2026	Outcome FY 2025	Leverage target
<b>LEVERAGE</b>	<b>1.74x</b> <i>Net debt / LTM adjusted EBITDA</i>	-	<b>&lt;2.5x</b> <i>Net debt / LTM adjusted EBITDA should not exceed 2.5</i>

\*The Board of Directors proposes a dividend of 1.50 SEK per share for 2025

# Why invest in Terranor

## Key investment highlights

**A highly specialized, Nordic-leading O&M business built for one purpose: Keep the roads open**



**Resilient >70 SEKbn addressable market with plannable revenues and profit margins**



**Mid-term targets:  
growth >8%  
profitability >5%  
leverage <2.5x  
dividend ≥50%**



**Strongest growth path in the last 3 years among competitors in the industry**



**An entrepreneurial culture enables innovation and adaptability**



**Committed management team and Board of Directors**



