



# Q4 2023 results

*22 February 2023*

Questions can be directed to [ir@byggma.no](mailto:ir@byggma.no)





**BYGGMA**  
*group*

**Company**

# Byggma is a leading Nordic supplier of building product solutions

## Introduction

- Leading supplier of building product solutions in the Nordics, with a special focus on various boards, beams, windows & doors, and lighting products
- Byggma owns 6 companies/brands, operates 7 manufacturing facilities and distributes its products to all the leading building materials chains
- Byggma is headquartered in Vennesla and employs ~720 people in total
- The company has been listed on Oslo Stock Exchange since 1997 with ticker “BMA“

## Byggma companies / brands



**HUNTONIT** smartpanel®



**ANETA**  
LIGHTING  
LIGHTS FOR HOME AND WORK SINCE 1947

## Key KPIs



**Vennesla, Norway**  
Headquarter



**~720**  
Employees



**NOK 2,306m**  
LTM<sup>2</sup> revenue



**NOK 203m**  
LTM Adj. EBIT<sup>2</sup>





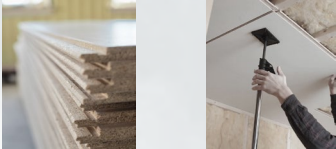
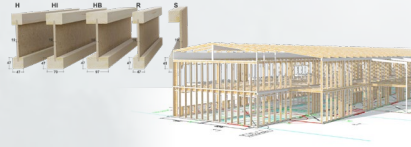










**NOK ~ 1.4bn<sup>1</sup>**  
Market capitalization



**30-50%**  
Of net profit -  
dividend policy

# #1 market position for boards and beams in the Nordics and growing internationally

Bygghälsö segment	Boards	I-beams	Windows and doors	Lighting
Companies / brands				
Product illustrations				
Nordic market position	 <p>Clear #1 position within particle boards, decorative interior panels, fibreboards, MDF interior walls and ceiling panels</p>	 <p>Clear #1 position within I-beams</p>	 <p>Growing market position</p>	 <p>Growing market position</p>
International market position	 <p>Large position in Netherlands, growing in Europe within refined products</p>	 <p>Large and growing position in UK and France</p>		

# Highly attractive offering towards all the major building material chains in the Nordics



Highest production capacity in the Nordics<sup>1</sup>



Superior product quality versus competition



In-house developed innovative products and solutions



Good control of the distribution chain



No need for large inventory (unlike international players)



Large flexibility in manufacturing

Delivering to all the leading building material chains in the Nordics, with high client satisfaction

**MAXBO**



**Obs  
BYGG**



**/OPTIMERA/**

**BYGGMAX**

**M MESTERGRUPPEN**



**h bygghemma.se**







**BYGGMA**  
*group*

# Financials



# P&L Summary and Highlights

NOKm	Q4 2023	Q4 2022	2023	2022	2021
Sales revenue	571	560	2223	2508	2344
<b>EBITDA<sup>1</sup></b>	<b>56</b>	<b>58</b>	<b>293</b>	<b>350</b>	<b>320</b>
<b>Adjusted Operating Profit<sup>1</sup></b>	<b>32</b>	<b>38</b>	<b>203</b>	<b>268</b>	<b>233</b>
Share of profit from associate	114	0	160	0	0
Net financials	-32	-26	-93	-25	-9
<b>Profit before tax</b>	<b>109</b>	<b>-171</b>	<b>31</b>	<b>529</b>	<b>224</b>
Tax	0	37	30	-100	-48
<b>Net profit</b>	<b>109</b>	<b>-134</b>	<b>61</b>	<b>430</b>	<b>272</b>

- Sales growth of 11.8 % from Q4 2022 to Q4 2023.
  - Lower activity in the newbuild market (down ~40 % YTD) leads to lower sales volumes YTD in 2023.
- Adj. Operating Profit margin of 5.6 % in Q4 2023, compared to 6.8 % in Q4 2022.
- Investment in Norske Skog ASA is from 9 March 2023 treated as investment in associate in accordance with IAS 28. Please see note 12 in the interim report for more information.
- Revenues from newly launched products such as Huntonit Pro Wall, Smart Veener and Forestia Ergospon is expected to increase in 2023.



# Consolidated balance sheet

Assets (NOK million)	31 Dec 2023	31 Dec 2022
Fixed assets	819	853
Investment property	157	175
Intangible assets	22	21
Deferred tax assets	-	1
Long-term derivatives and power contracts	78	195
Investment in associate	1 317	1 078
Other long-term receivables	0	0
<b>Total non-current assets</b>	<b>2 394</b>	<b>2 323</b>
Inventory	350	386
Customer and other short term receivables	336	379
Short-term derivatives and power contracts	58	135
Cash and cash equivalents	63	37
<b>Total current assets</b>	<b>807</b>	<b>937</b>
<b>Total assets</b>	<b>3 201</b>	<b>3 260</b>

Equity and liabilities (NOK million)	31 Dec 2023	31 Dec 2022
Share capital and share premium	53	53
Other equity not recognised in P&L	-	13
Retained earnings	1 090	1 031
<b>Total equity</b>	<b>1 129</b>	<b>1 078</b>
Long-term debt	786	832
Long-term leasing obligations	63	65
Long-term financial derivatives	-	-
Deferred tax liabilities	128	179
<b>Total long-term liabilities</b>	<b>976</b>	<b>1 076</b>
Accounts payable and other short-term liabilities	475	493
Tax payable	30	47
Short-term debt	569	546
Short-term leasing obligations	22	19
Short-term financial derivatives	-	-
<b>Total short-term liabilities</b>	<b>1 095</b>	<b>1 106</b>
<b>Total liabilities*</b>	<b>2 071</b>	<b>2 182</b>
<b>Total equity and liabilities</b>	<b>3 201</b>	<b>3 260</b>
*Of which interest-bearing debt (long-term and short-term)	1 439	1 462
Net interest-bearing debt	1 376	1 425
*Of which interest-bearing debt ex. leasing and sale leaseback	1 129	1 163
Net interest-bearing debt ex. leasing and sale leaseback	1 065	1 126

- Solid balance and hidden reserves in real estate and land
- Investment in associate of MNOK 1,317 compares to NIBD ex leasing and sale leaseback of MNOK 1,065
- Equity ratio of 35.3 % as at 30 September 2023

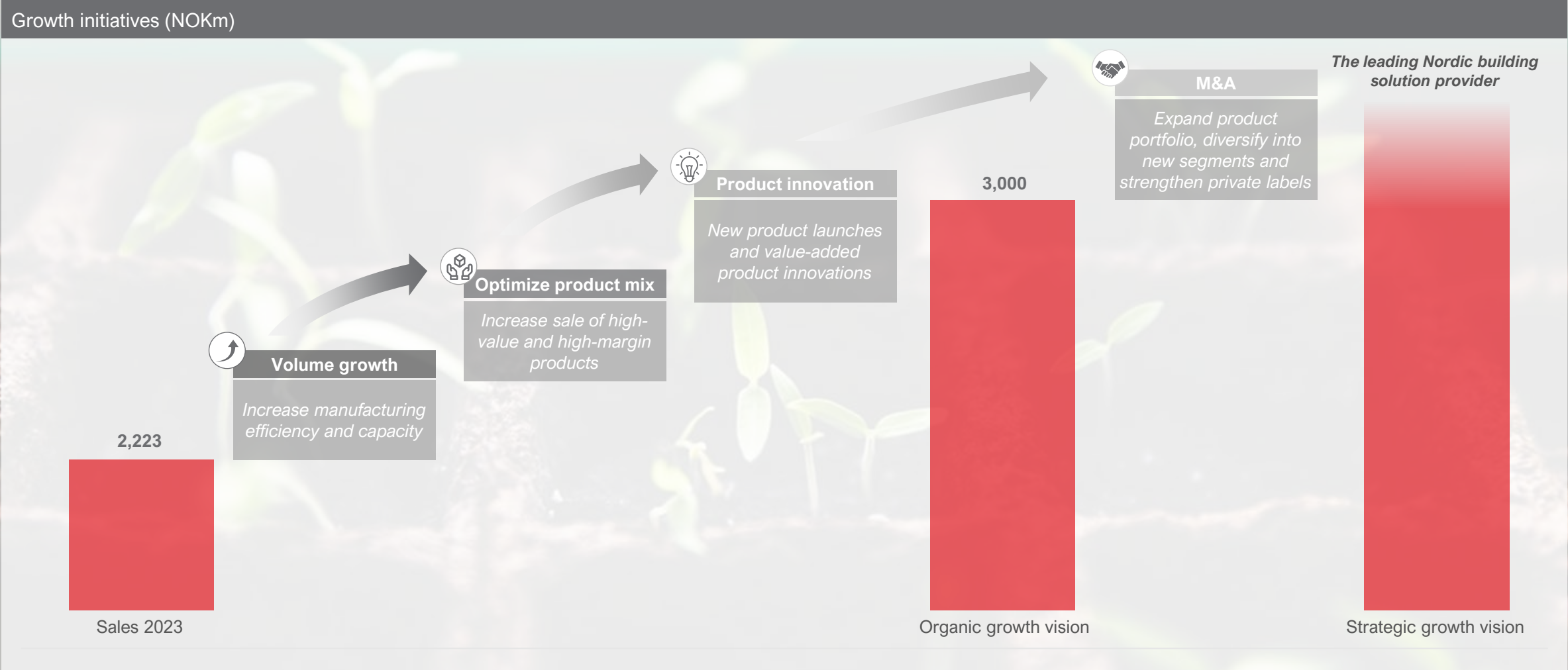


# Consolidated income statement

NOKm	2023	2022*	2021	2020	2019	2018	2017
<b>Sales revenue</b>	<b>2 223</b>	<b>2 508</b>	<b>2 344</b>	<b>2 052</b>	<b>1 783</b>	<b>1 655</b>	<b>1 619</b>
Other revenue	26	24	44	23	23	22	18
<b>Total revenue</b>	<b>2 249</b>	<b>2 533</b>	<b>2 388</b>	<b>2 075</b>	<b>1 806</b>	<b>1 677</b>	<b>1 637</b>
COGS	-1 095	-1 327	-1 133	-955	-844	-780	-744
Personnel expenses	-484	-501	-488	-439	-424	-405	-387
D&A	-119	-82	-87	-77	-70	-54	-54
Freight and complaints	-167	-176	-171	-163	-146	-143	-135
Marketing	-102	-104	-96	-93	-91	-72	-75
Other gains (losses)	-128	414	0	1	-3	1	6
Other OPEX	-190	-201	-179	-157	-156	-159	-154
<b>Total direct costs</b>	<b>-2 285</b>	<b>-1 978</b>	<b>-2 155</b>	<b>-1 883</b>	<b>-1 733</b>	<b>-1 612</b>	<b>-1 543</b>
<b>EBIT</b>	<b>-36</b>	<b>555</b>	<b>233</b>	<b>193</b>	<b>73</b>	<b>65</b>	<b>94</b>
Share of profit from associate	160	0	0	0	0	0	0
Net financials	-93	-25	-9	-33	-11	-9	-10
<b>Profit before tax</b>	<b>31</b>	<b>529</b>	<b>224</b>	<b>160</b>	<b>62</b>	<b>56</b>	<b>84</b>
Tax	30	-49	-48	-35	-13	-9	-20
<b>Net profit</b>	<b>61</b>	<b>480</b>	<b>176</b>	<b>125</b>	<b>49</b>	<b>47</b>	<b>64</b>

\*2022 are restated due to changed accounting of power contracts

# Byggma is set to continue demonstrated growth through identified growth avenues



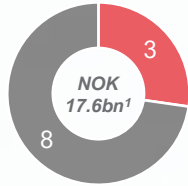


# Large growth potential for further consolidation within building material products

Several attractive M&A targets has been identified

## Breakdown of identified M&A targets (# targets)

By product offering



■ Adjacent products ■ New products

- Adjacent products include wood fibreboards, particle and MDF boards, and wall panel
- New products include wind- and moisture barriers for roofs and walls, surface products, timber, decking and cladding panels

By revenue (2019)



■ < NOK 300m ■ NOK 300-1,000m  
■ NOK 1,000-3,000m ■ > NOK 3,000m

- Majority of the targets have revenues in the range of NOK 100-1,000m
- 4 targets have revenues exceeding NOK 1bn

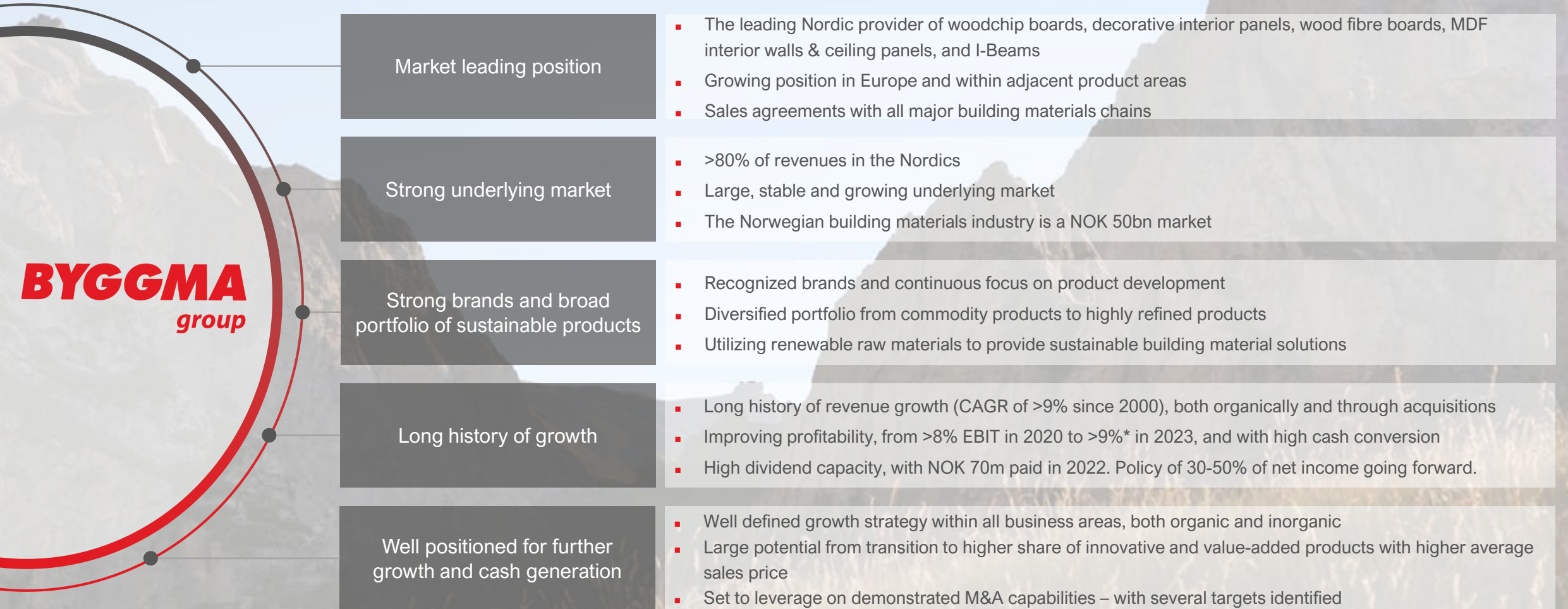
## Fragmented building material product market with large M&A potential



## Byggma M&A strategy and track record

- Byggma has a strong M&A track record having completed 9 acquisitions since IPO in 1997
  - The acquisitions have been highly successful and allowed Byggma to strengthen its position in established markets as well as expand the product offering and make Byggma a diversified provider of building material solutions
  - Company integration has been a core focus and Byggma has successfully grown the companies' topline and profitability post implementation
- The Nordic building material market is highly fragmented with large potential for consolidation
- Going forward, Byggma intends to be a part of a wider industry consolidation and has identified a shortlist of 11 potential M&A targets with a combined revenue of approx. NOK 17.6bn<sup>1</sup>
- The shortlist includes companies with supplementary product offering as well as new product segments with significant potential for synergy realization
  - Revenue synergies from capitalizing on Byggma's well-established and experienced sales and distribution channels to grow the revenues of the acquired companies
  - Cost synergies from utilizing Byggma's organisation and operational experience

# Investment highlights





# Large potential from recent product innovations

	Walls2Paint	Premium Ceiling	Proff Vegg
	 <p>FORESTIA walls<sup>2</sup>paint 2014</p>	 <p>FORESTIA Premium Ceiling 2020</p>	 <p>HUNTONIT PROFF VEGG 2020</p>
Description	<ul style="list-style-type: none"> <li>Wood-based, wallpapered wall boards</li> </ul>	<ul style="list-style-type: none"> <li>A ready to paint plain ceiling panel with a unique 4-sided locking profile</li> <li>Launched after the highly successful introduction of Walls2Paint</li> </ul>	<ul style="list-style-type: none"> <li>Click-based wall boards</li> <li>Paintable immediately after installation and are also suitable for tapestry</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>No need for spackeling</li> <li>Superior indoor climate</li> <li>Tree-based boards with high screwability</li> <li>Easy to install</li> <li>Installable on top of existing walls</li> </ul>	<ul style="list-style-type: none"> <li>No need for spackeling</li> <li>Superior indoor climate</li> <li>Tree-based boards with high screwability</li> <li>Easy to install</li> <li>Installable on top of existing roof</li> </ul>	<ul style="list-style-type: none"> <li>No need for spackeling</li> <li>Strong resistance to variations in temperature- and humidity</li> <li>Paintable immediately after installation</li> <li>Highly suitable for tapestry</li> <li>Recommended by Norges Astma- og Allergiforbund</li> </ul>
Revenue (2023)	NOK 155m	NOK 21m <sup>1)</sup>	NOK 26m <sup>2)</sup>
Short term revenue potential	NOK ~250m	NOK ~150-200m	NOK ~100m

# Segment information

Sales revenue (NOKm)	Q4 2023	Q4 2022	2023	2022	2021	2020
Panel sales to external customers	388	344	1 523	1 662	1 588	1 450
I-Beams sales to external customers	70	105	311	457	418	293
Window sales to external customers	77	80	280	291	229	214
Lighting sales to external customers	37	30	109	98	110	95
<b>Net sales revenues for the Group</b>	<b>571</b>	<b>560</b>	<b>2 223</b>	<b>2 508</b>	<b>2 344</b>	<b>2 052</b>

Adjusted operating profit (NOKm)	Q4 2023	Q4 2022	2023	2022*	2021	2020
Panel	15	17	125	161	168	163
I-Beams	3	12	34	70	56	26
Window	4	5	8	19	11	6
Lighting	5	0	3	-6	5	5
Real Estate	11	10	43	44	0	0
Group / eliminations	-6	-6	-10	-20	-10	-7
<b>Operating profit for the Group</b>	<b>32</b>	<b>38</b>	<b>203</b>	<b>268</b>	<b>230</b>	<b>193</b>

\*2022 are restated due to changed accounting of power contracts. Earlier years are as previously stated.



# Byggma still has ample available production capacity and high growth potential from value-added products

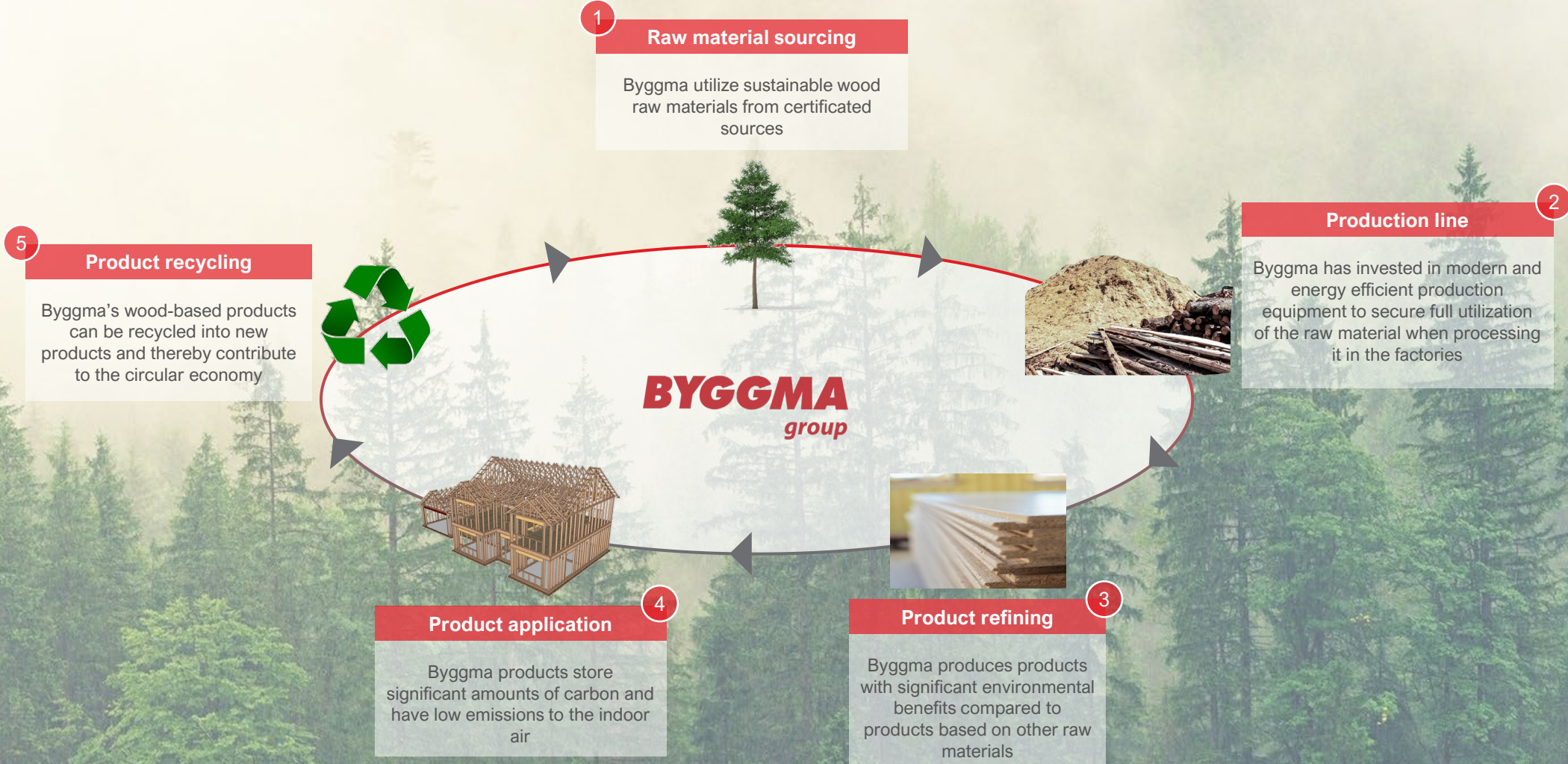
Company / brand	Key financials (2022)	Nominal production capacity	Available capacity	Growth potential	Other potential
	<p><u>Revenue</u>: NOK 940m <u>EBITDA</u>: NOK 210m</p>	300,000 m <sup>3</sup> / year	~25%	 HIGH Large potential from transitioning to higher share of innovative/ value-added products with higher average sales price	Production capacity can be expanded by ~10% by extending the manufacturing line
	<p><u>Revenue</u><sup>1</sup>: NOK 525m <u>EBITDA</u><sup>1</sup>: NOK 28m</p>	60,000 ton / year	~ 40%	 HIGH Growth potential both through available production capacity and innovative, higher priced products such as “Proff Vegg”	
	<p><u>Revenue</u>: NOK 154m <u>EBITDA</u>: NOK (15m)</p>	3.5 million m <sup>2</sup> / year	~ 40%	 HIGH Growth potential both through available production capacity and innovative, higher priced products such as “Fuktbestandig”	
	<p><u>Revenue</u><sup>2</sup>: NOK 456m <u>EBIT</u><sup>2</sup>: NOK 76m</p>	15 million running meters / year	~ 60%	 HIGH Large potential through utilizing significant available production capacity. High international sales potential	

15 | Note 1: The numbers for Huntonit includes the beam revenue and costs still legally belonging to Huntonit AS for 2022 and excluding gain on business transfer (one off gain)

Note 2: The numbers for Masonite Beams include all revenue and costs related to the Beam segment, including the beam revenue and costs still legally belonging to Huntonit AS



# Targeted approach towards environmentally friendly production and initiatives





# Byggma's manufacturing and product offering contribute to a more environmentally friendly society

**5.8%**

The CO<sub>2</sub> sequestration from Byggma's board products corresponds to 5.8% of the Norway's total road traffic emission

**47%**

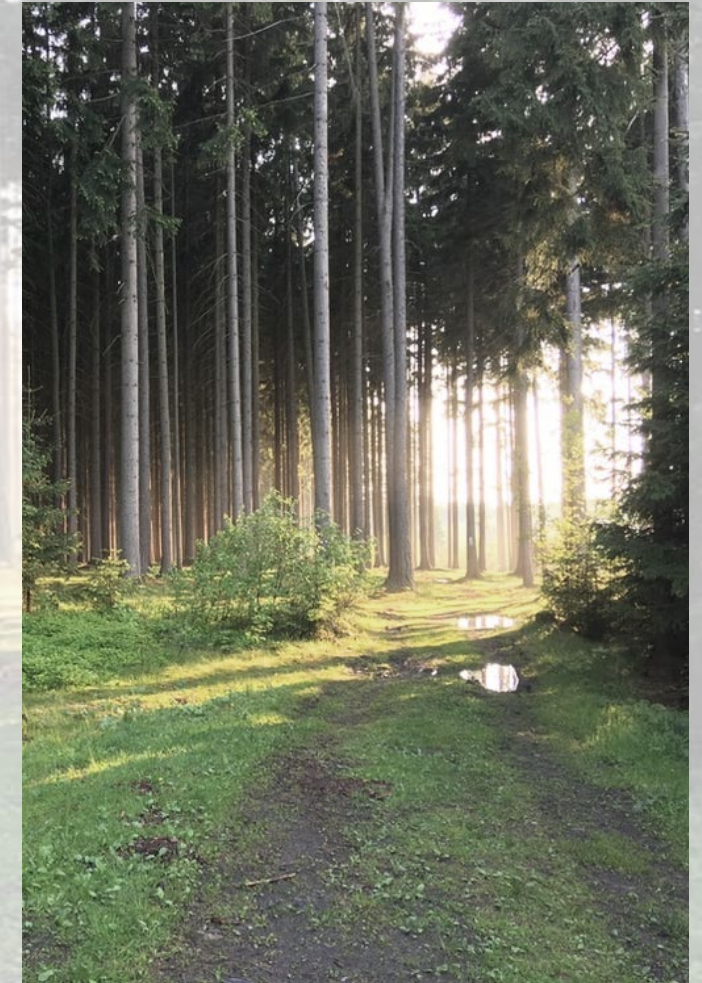
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

**12%**

Huntonit's specific energy consumption has been reduced by 12% over the last 5 years

**48%**

Forestia's new closed cooling system has contributed to 48% reduction in use of cooling water





# Byggma takes an active role towards sustainability and responsible production

*Byggma's main goal is to develop and deliver sustainable solutions based on renewable raw materials and unique competence. Sustainability is, and has always been, a core element in Byggma's business model and a natural part of its overarching goal. Management and Board of Directors in Byggma wish for sustainability to be a natural part of operations and innovation in the Byggma group*



## Climate and Environment

- Effective utilization of raw materials
- Manufacturing facilities located with proximity to raw materials
- Packaging solutions with minimum waste while ensuring protection during transportation
- Wood-based building materials store significant amounts of carbon
- Effective distribution system for transportation of goods to customers
- The wood that is applied is sourced from certified suppliers or sustainable forestry
- Resource effective constructions lead to good utilization of raw materials
- Ensure that we do not pollute the environment that affects life on land, watercourses or the ocean.



## Human and Society

- Employees are given the opportunity for personal and professional development
- Collaborations with academia
- Vocational education
- Advanced training
- Factories with proximity to raw materials
- Byggma's presence contributes to sustainable cities and communities
- Byggma's presence provides significant assignments and income for other players in the value chain



## Business model

- Good profitability gives basis for secure jobs and development of the companies
- Byggma is seeking new and innovative solutions for a better customer experience and a more profitable and efficient construction process
- Focus on the triple bottom line in all R&D activities
- Increased efficiency and streamlining of operations through continuous improvement and industrial investments



# Leading Nordic presence, with growing international customer base

## Production facilities and offices

- Production and distribution facilities
- Distribution and offices



- 1 Birkeland
- 2 Braskereidfoss
- 3 Fredrikstad
- 4 Vennesla
- 5 Rundvik
- 6 Mo i Rana
- 7 Kristiansand
- 8 Växjö

### KPIs



6

Production facilities



8

Offices



~720

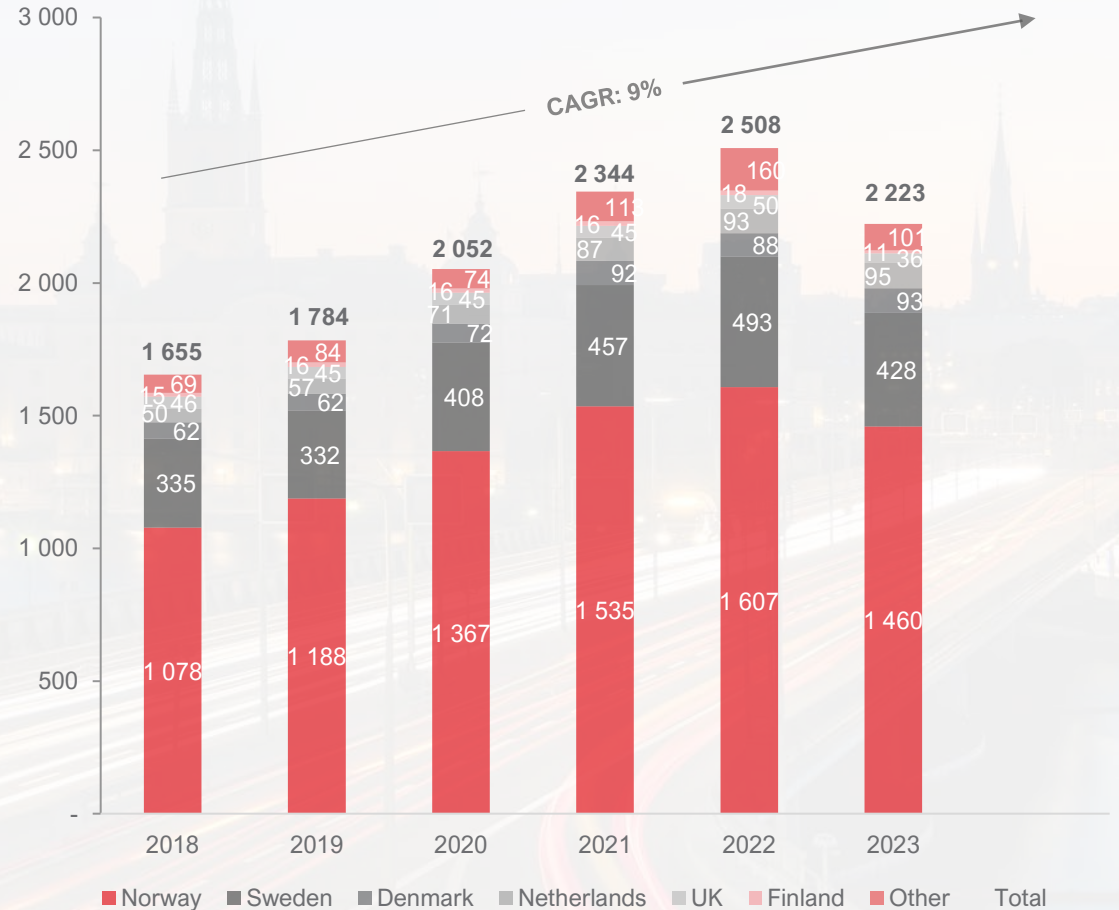
Employees



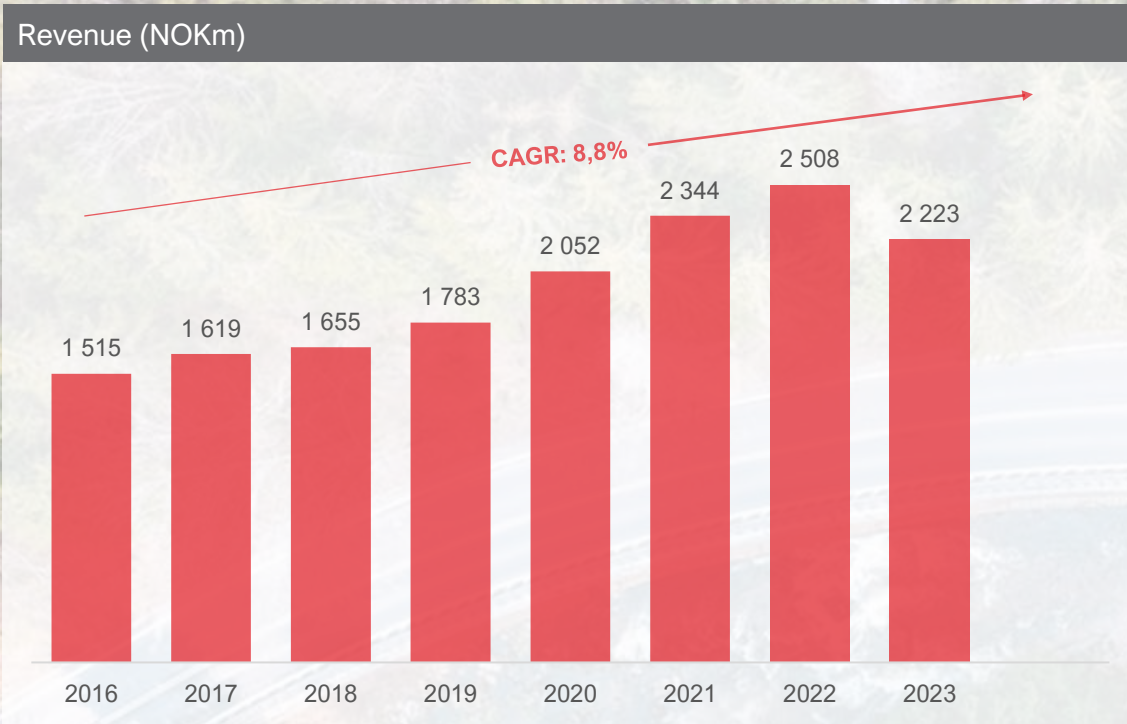
115,000 sqm

Real estate facilities

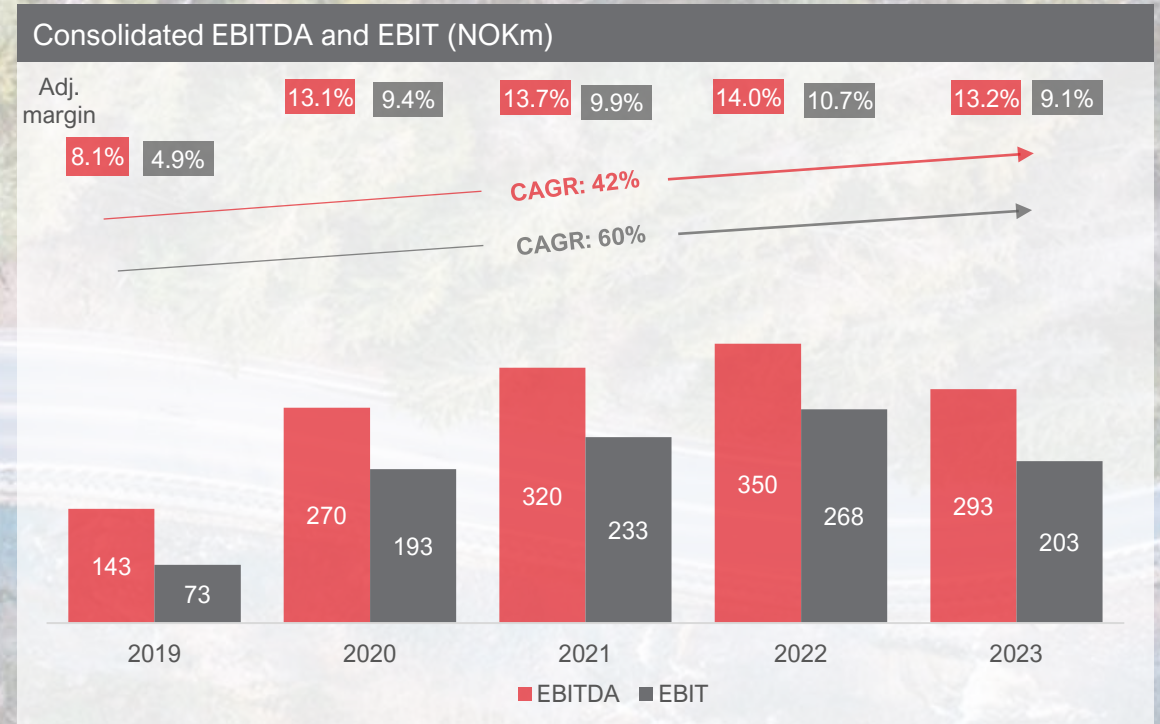
## Revenue by country (NOKm)



# Strong topline and profitability improvements last few years



- Organic growth from 2015-2018, while the growth from 2018 is a combination of organic growth initiatives and the acquisition of Smartpanel (2018) and Byggform (2019), adding NOK 117m in revenues in 2019, and NOK 34m in 2020 (full-year effect of the Byggform acquisition)
- The growth in 2020 and 2021 is partly related to realized market synergies from increased market share following the Smart Panel acquisition. Other growth drivers include change in product mix, volume increase (partly off-set by a drop in Europe), price increases and other (incl. currency)

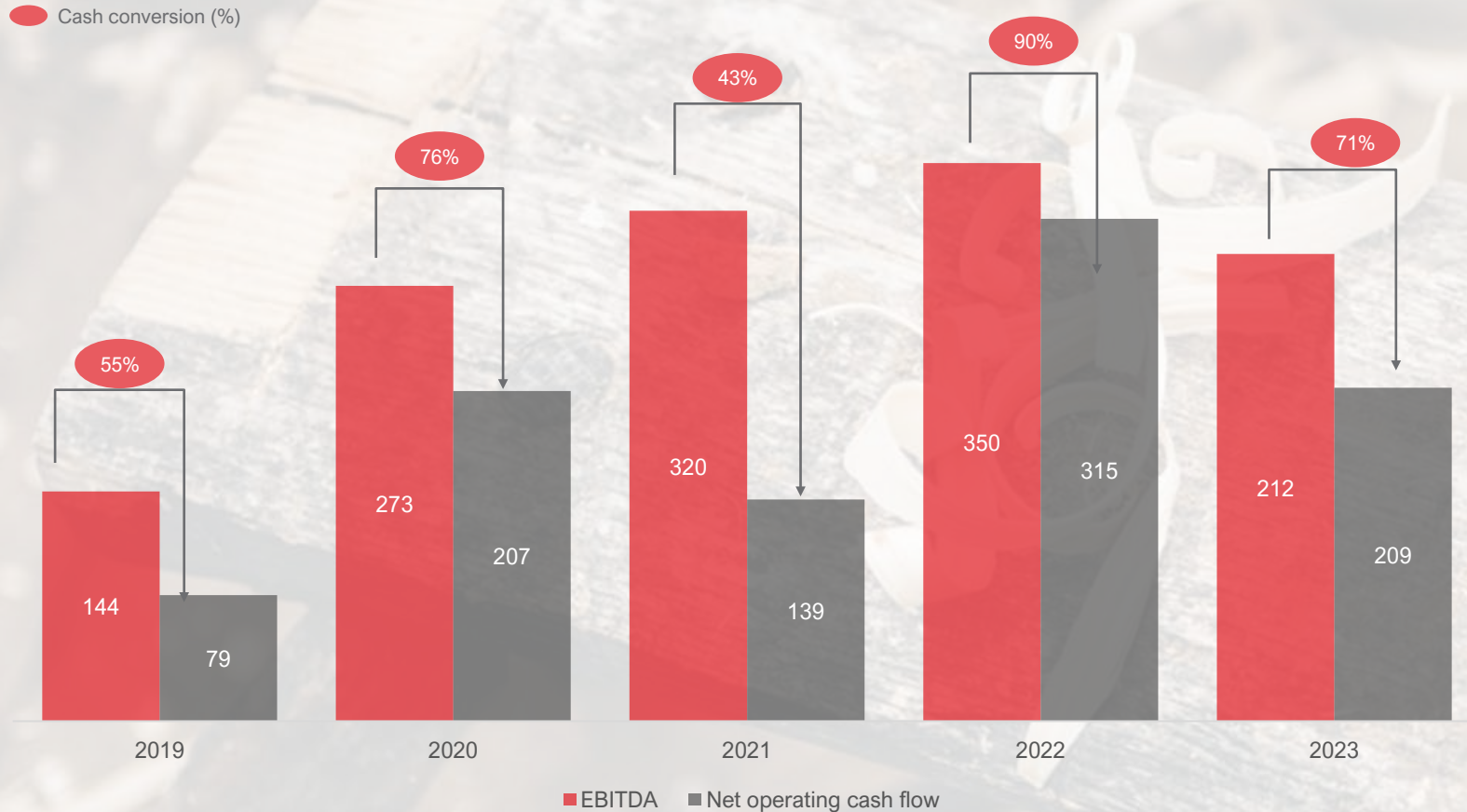


- Byggma has more than doubled its EBITDA and more than tripled its EBIT since 2019
- The strong improvement is primarily due to realization of synergies from the Smartpanel acquisition, product mix optimization and price increases. Byggma has seen an increase in raw material prices and experienced unfavorable currency development, but has been able to offset this by increase prices to end users and ultimately improve the margins
- In 2019, the EBITDA and EBIT have been adjusted for normalizations following the acquisition of Smartpanel in 2018



# Robust cash conversion ratio

Operating cash flow and cash conversion (NOKm)



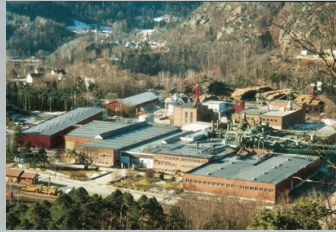
- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 100m while maintaining an attractive dividend capacity
- If desired, Byggma can manage annual maintenance Capex in the range of NOK 30-50m and hence generate even stronger free cash flows going forward
- Byggma has targeted a long-term dividend payout ratio of minimum 30%-50%
  - The company will pay out a higher dividend when possible after evaluating various growth opportunities

# Consolidated cash flow statement

NOKm	YTD 2023	2022	2021	2020	2019	2018	2017
<b>Operating activities</b>							
Cash flow from operations	328	388	193	230	102	94	205
Interest paid	-105	-38	-23	-24	-21	-19	-17
Interest received	23	6	3	5	7	7	6
Taxes paid	-37	-41	-34	-4	-9	-28	-13
<b>Cash flow from operating activities</b>	<b>209</b>	<b>315</b>	<b>139</b>	<b>207</b>	<b>79</b>	<b>53</b>	<b>181</b>
<b>Investing activities</b>							
Purchase of subsidiaries		0	0	0	-21	0	0
Purchase of fixed assets	-73	-128	-89	-59	-90	-98	-107
Sale of fixed assets	1	15	0	0	1	1	5
Purchase of non-tangible assets	-4	-2	-2	-2	-2	-7	-10
Received dividend from associated company	12	0	0	0	0	0	0
Purchase of associated company	-87	-1 016	0	0	0	0	0
Group loans	0	0	39	-27		0	0
<b>Cash flow from investing activities</b>	<b>-152</b>	<b>-1 132</b>	<b>-52</b>	<b>-87</b>	<b>-113</b>	<b>-104</b>	<b>-112</b>
<b>Financing activities</b>							
Repurchase of shares	0	0	0	0	-4	-11	0
Dividend paid	0	-70	-559	-7	-7	-7	-36
<b>Cash flow distributed to shareholders</b>	<b>0</b>	<b>-70</b>	<b>-559</b>	<b>-7</b>	<b>-11</b>	<b>-18</b>	<b>-36</b>
Change in overdrafts	70	73	16	-3	4	0	0
New debt raised	26	814	72	150	50	149	39
Debt down payment	-133	-88	-67	-62	-49	-63	-34
Loan from related parties	5	54	0	0	0	0	0
Change in interest bearing receivables	0	0	0	0	-12	0	0
<b>Cash flow from external financing</b>	<b>-33</b>	<b>854</b>	<b>20</b>	<b>85</b>	<b>-7</b>	<b>86</b>	<b>6</b>
<b>Cash flow from financing activities</b>	<b>-33</b>	<b>784</b>	<b>-538</b>	<b>78</b>	<b>-18</b>	<b>68</b>	<b>-30</b>
<b>Change in cash and cash equivalents</b>	<b>24</b>	<b>-33</b>	<b>-451</b>	<b>197</b>	<b>-52</b>	<b>17</b>	<b>38</b>
Currency gains (losses)	0	-1	-4	5	-3	1	1



# Byggma operates 8 high-end manufacturing and distribution facilities



## Huntonit Eiendom AS

Location: Vennesla, Agder

Total area: 78,112m<sup>2</sup>

Production area: 19,664m<sup>2</sup>

Year of construction: 1948-1988



## Aneta Lighting AB

Location: Växjö, Sweden

Total area: 31,728m<sup>2</sup>

Warehouse facility: 6,500m<sup>2</sup>

Year of construction: 1970 and 1979



## Uldal AS (Birkeland Eiendom AS)

Location: Birkenes, Agder

Total area: 15,100m<sup>2</sup>

Production area: 4,930m<sup>2</sup>

Year of construction: 1967-1991



## Masonite Fastighet AB

Location: Nordmaling, Sweden

Total area: 187,585m<sup>2</sup>

Production area: 38,107m<sup>2</sup>

Year of construction: 1921-2001



## Forestia Eiendom AS

Location: Våler, Innlandet

Total area: 321,460m<sup>2</sup>

Production area: 21,079m<sup>2</sup>

Year of construction: 1969-1987 and 1997



## Smartpanel AS

Location: Fredrikstad, Viken

Warehouse facility: 7,100m<sup>2</sup>

Production area: 13,700m<sup>2</sup>



## Aneta Lighting AS

Location: Kristiansand, Agder

Total area: 6,300m<sup>2</sup>

Warehouse facility: 3,500m<sup>2</sup>

# Key takeaways

Market leading position



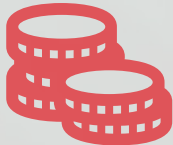
Robust underlying market



Strong brands and product offering



Long history of profitable growth



Attractive growth trajectory



**BYGGMA**  
group





**BYGGMA**  
*group*

[www.byggma.no](http://www.byggma.no)