



Q4 2021 results

24 February 2022

Questions can be directed to 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 8 companies/ brands, operates 6 manufacturing facilities and distributes its products to all the leading building materials chains
- Byggma is headquartered in Vennesla and employs ~730 people in total
- The company has been listed on Oslo Stock Exchange since 1997 with ticker “BMA“

Byggma companies / brands



Key KPIs



Vennesla, Norway
Headquarter



~730
Employees



NOK 2,344m
2021 revenue



NOK 230m
2021 EBIT



NOK ~2.4bn¹
Market capitalization



NOK 70m
Proposed dividend
for 2021

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

Byggma 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 Nordics¹



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

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Financials

P&L Summary

NOKm	Q4 2021	Q4 2020	2021	2020
Sales revenue	631,9	548,0	2 344,3	2 052,4
EBITDA	98,4	77,7	320,1	269,6
EBIT	69,4	58,1	230,2	192,6
Net financials	-4,2	1,3	-9,0	-32,9
Profit before tax	65,1	59,4	221,2	159,7
Tax	-13,1	-12,6	-47,1	-34,8
Net profit	52,0	46,8	174,1	124,9

- Strong demand for wood-based building materials. Mainly satisfactory development in all segments.
- Sales growth of 15.4% from Q4 2020 to Q4 2021, and sales growth of 14.2% from YTD 2020 to YTD 2021
- EBIT margin of 11.0% in Q4 2021, compared to 10.6% in Q4 2020, and EBIT margin of 9.8% in YTD 2021, compared to 9.4% in YTD 2020
- Price increases implemented as of 1 October to compensate for increased prices on raw material and energy, and further price increases to be implemented with effect from 1 April
- Non recurring item booked in Q4 2021: Non operating property in Kvam written down by NOK 8.6 million in connection with sale in 2022
- CO₂ compensation for 2021 is not booked pending approval by the Norwegian Parliament and EMU
- NOK 19.4 million from sale of CO₂ quotas booked as other operating income in Q4 2021



Consolidated balance sheet

Assets (NOK million)	31 Dec 2021	31 Dec 2020
Fixed assets	926	932
Intangible assets	22	25
Deferred tax assets	5	7
Long-term financial derivatives	1	0
Other long-term receivables	0	0
Total non-current assets	954	964
Inventory	357	264
Customer receivables	446	379
Short-term financial assets	0	0
Cash and cash equivalents	71	525
Total current assets	874	1 168
Total assets	1 828	2 132

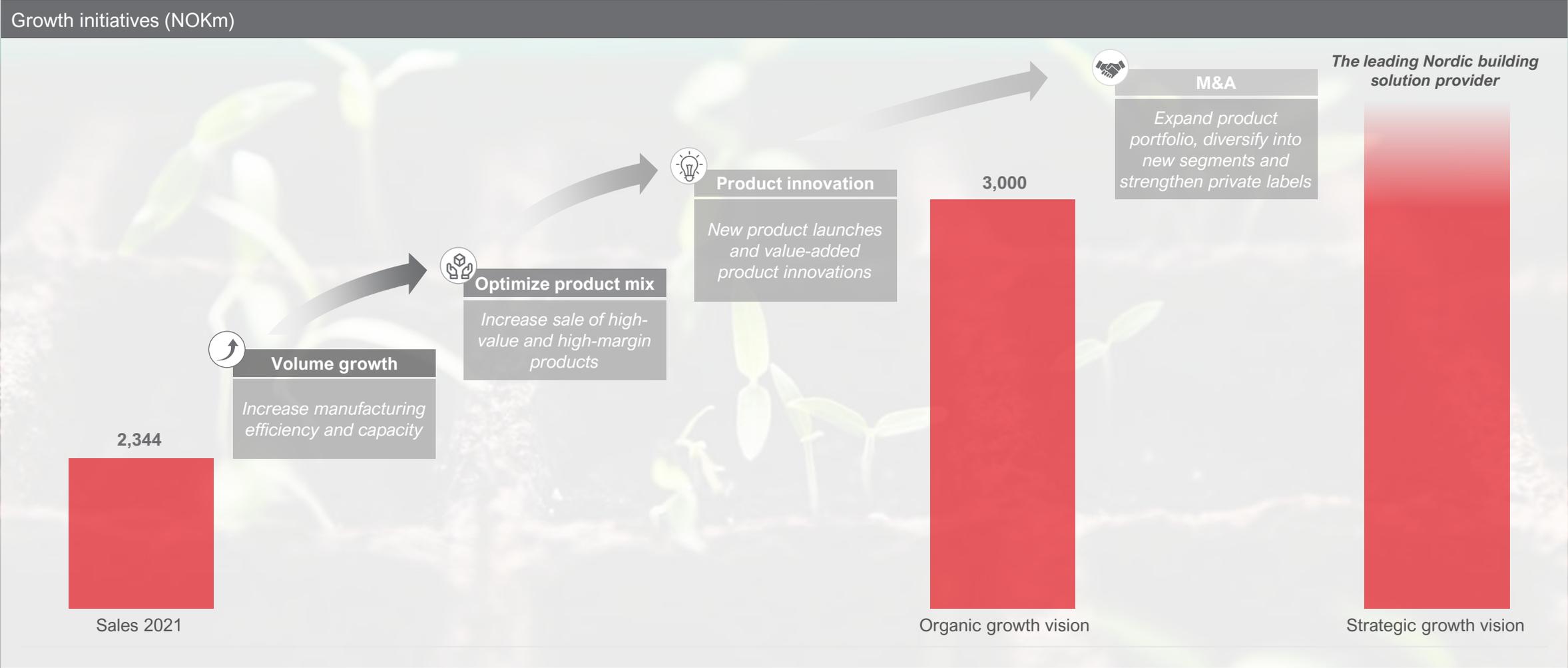
Equity and liabilities (NOK million)	31 Dec 2021	31 Dec 2020
Share capital and share premium	53	53
Other equity not recognised in P&L	9	17
Retained earnings	536	921
Total equity	598	990
Long-term debt	466	453
Long-term financial derivatives	0	10
Deferred tax liabilities	92	90
Total long-term liabilities	559	552
Accounts payable and other short-term liabilities	483	409
Tax payable	43	33
Short-term debt	145	144
Short-term financial derivatives	0	3
Total short-term liabilities	671	589
Total liabilities	1 230	1 142
Total equity and liabilities	1 828	2 132

- Payment of dividend in Q2 2021 is the main driver for the movement on cash and equity
- Growth in trade receivables, inventory and accounts payable due to increased sales and purchase of goods, mainly due to price increases
- Equity ratio of 33% as per 31 December 2021

Consolidated income statement

NOKm	Q4 2021	Q4 2020	2021	2020	2019	2018	2017
Sales revenue	632	548	2 344	2 052	1 783	1 655	1 619
Other revenue	27	5	44	23	23	22	18
Total revenue	659	553	2 388	2 075	1 806	1 677	1 637
COGS	-232	-184	-1 133	-955	-844	-780	-744
Personnel expenses	-140	-124	-488	-439	-424	-405	-387
D&A	-29	-20	-90	-77	-70	-54	-54
Freight and complaints	-44	-45	-171	-163	-146	-143	-135
Marketing	-45	-42	-96	-93	-91	-72	-75
Other gains (losses)	-1	-2	0	1	-3	1	6
Other OPEX	-98	-77	-179	-157	-156	-159	-154
Total direct costs	-589	-495	-2 158	-1 883	-1 733	-1 612	-1 543
EBIT	69	58	230	193	73	65	94
Net financials	-4	1	-9	-33	-11	-9	-10
Profit before tax	65	59	221	160	62	56	84
Tax	-13	-13	-47	-35	-13	-9	-20
Net profit	52	47	174	125	49	47	64

Byggma is set to continue demonstrated growth through identified growth avenues



Investment highlights



Large potential from recent product innovations

	Walls2Paint	Premium Ceiling	Proff Vegg	Smartpanel Wet Wall
	 <p>FORESTIA walls²paint 2014</p>	 <p>FORESTIA Premium Ceiling 2020</p>	 <p>HUNTONIT PROFF VEGG 2020</p>	 <p>W^{smartpanel} Wet Wall 2021</p>
Description	<ul style="list-style-type: none"> Wood-based, wallpapered wall boards 	<ul style="list-style-type: none"> A ready to paint plain ceiling panel with a unique 4-sided locking profile Launched after the highly successful introduction of Walls2Paint 	<ul style="list-style-type: none"> Click-based wall boards Paintable immediately after installation and are also suitable for tapestry 	<ul style="list-style-type: none"> Moisture resistant wood fibre boards for wet areas such as bath- and laundry rooms
Benefits	<ul style="list-style-type: none"> No need for spackeling Superior indoor climate Tree-based boards with high screwability Easy to install Installable on top of existing walls 	<ul style="list-style-type: none"> No need for spackeling Superior indoor climate Tree-based boards with high screwability Easy to install Installable on top of existing roof 	<ul style="list-style-type: none"> No need for spackeling Strong resistance to variations in temperature- and humidity Paintable immediately after installation Highly suitable for tapestry Recommended by Norges Astma- og Allergiforbund 	<ul style="list-style-type: none"> Waterproof wall system for bathroom, kitchen and other rooms Can shower directly on the panels Fully automated production line with great flexibility Environmentally friendly core from Huntonit
Revenue (2021)	NOK 161m	NOK 18m ¹⁾	NOK 16m ²⁾	Product launched in Q3 2021
Short term revenue potential	NOK ~250m	NOK ~150-200m	NOK ~100m	NOK ~280-300m

Segment information

Sales revenue (NOKm)	Q4 2021	Q4 2020	2021	2020
Panel sales to external customers	399	373	1 588	1 450
Beam sales to external customers	124	86	418	293
Window sales to external customers	69	55	229	214
Lighting sales to external customers	39	34	110	95
Net sales revenues for the Group	632	548	2 344	2 052

Operating profit (NOKm)	Q4 2021	Q4 2020	2021	2020
Panel	47	43	168	163
Beam	17	8	56	26
Window	3	5	11	6
Lighting	4	6	5	5
Group / eliminations	-2	-3	-10	-7
Operating profit for the Group	69	58	230	193

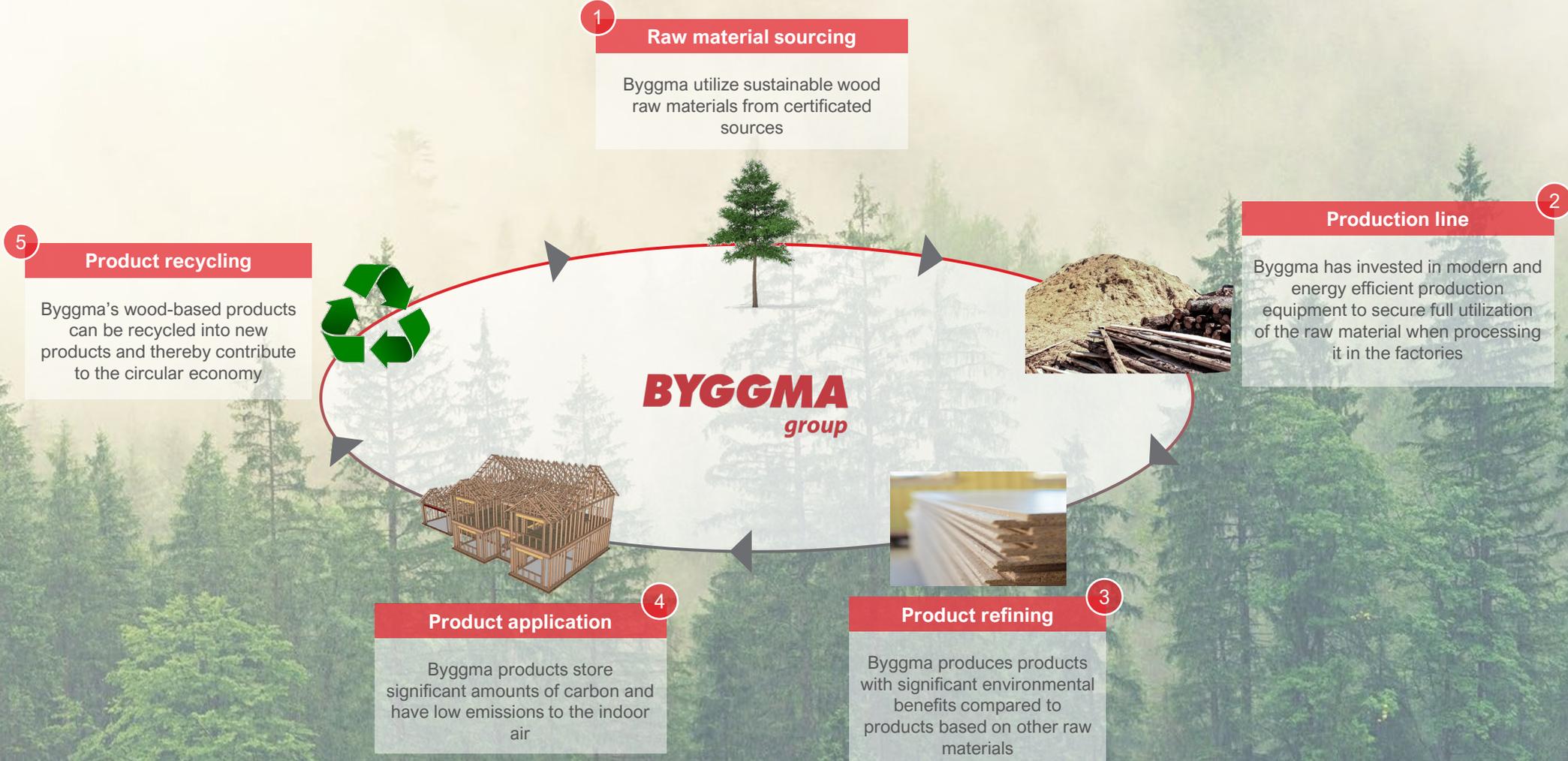
Byggma still has ample available production capacity and high growth potential from value-added products

Company / brand	Key financials (2021)	Nominal production capacity	Available capacity	Growth potential	Other potential
	<p><u>Revenue</u>: NOK 935m</p> <p><u>EBITDA</u>: NOK 157m</p>	300,000 m ³ / year	5%	 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>¹: NOK 593m</p> <p><u>EBITDA</u>¹: NOK 70m</p>	60,000 ton / year	22%	 HIGH Growth potential both through available production capacity and innovative, higher priced products such as "Proff Vegg"	
	<p><u>Revenue</u>: NOK 165m</p> <p><u>EBITDA</u>: NOK 1m</p>	3.5 million m ² / year	30%	 HIGH Growth potential both through available production capacity and innovative, higher priced products such as "Fuktbestandig"	Wet Wall production to ramp up in 2022
	<p><u>Revenue</u>²: NOK 417m</p> <p><u>EBIT</u>²: NOK 56m</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

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

5.6%

The CO₂ abatement from Byggmas board products corresponds to 5.6% of the Norway's total road traffic emission

47%

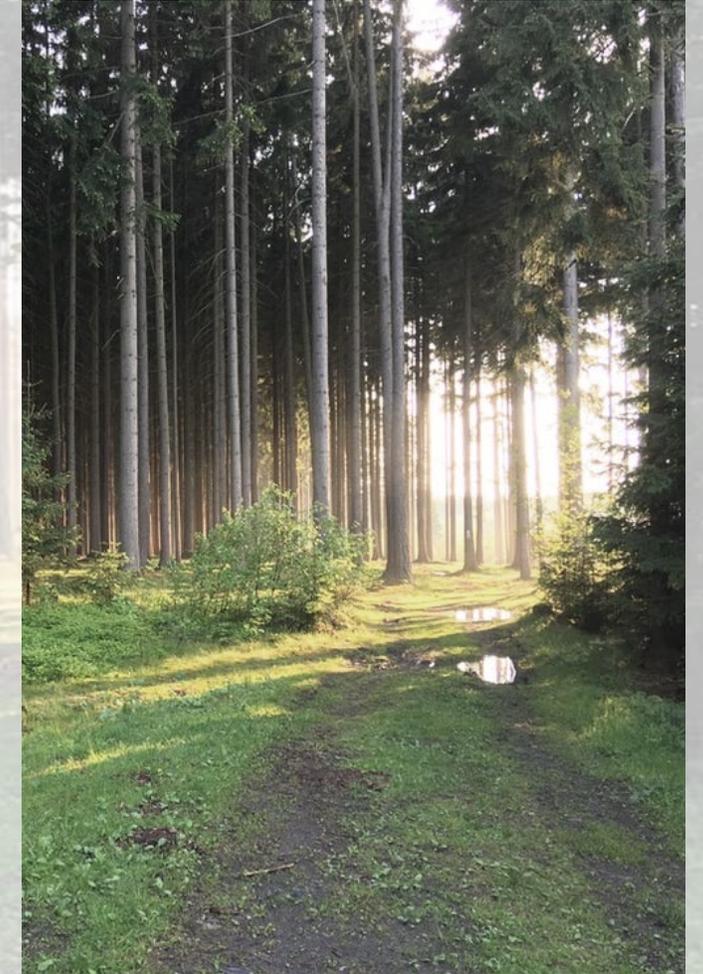
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

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



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 Slemmestad
- 8 Kristiansand
- 9 Växjö

KPIs



6

Production facilities



9

Offices



~730

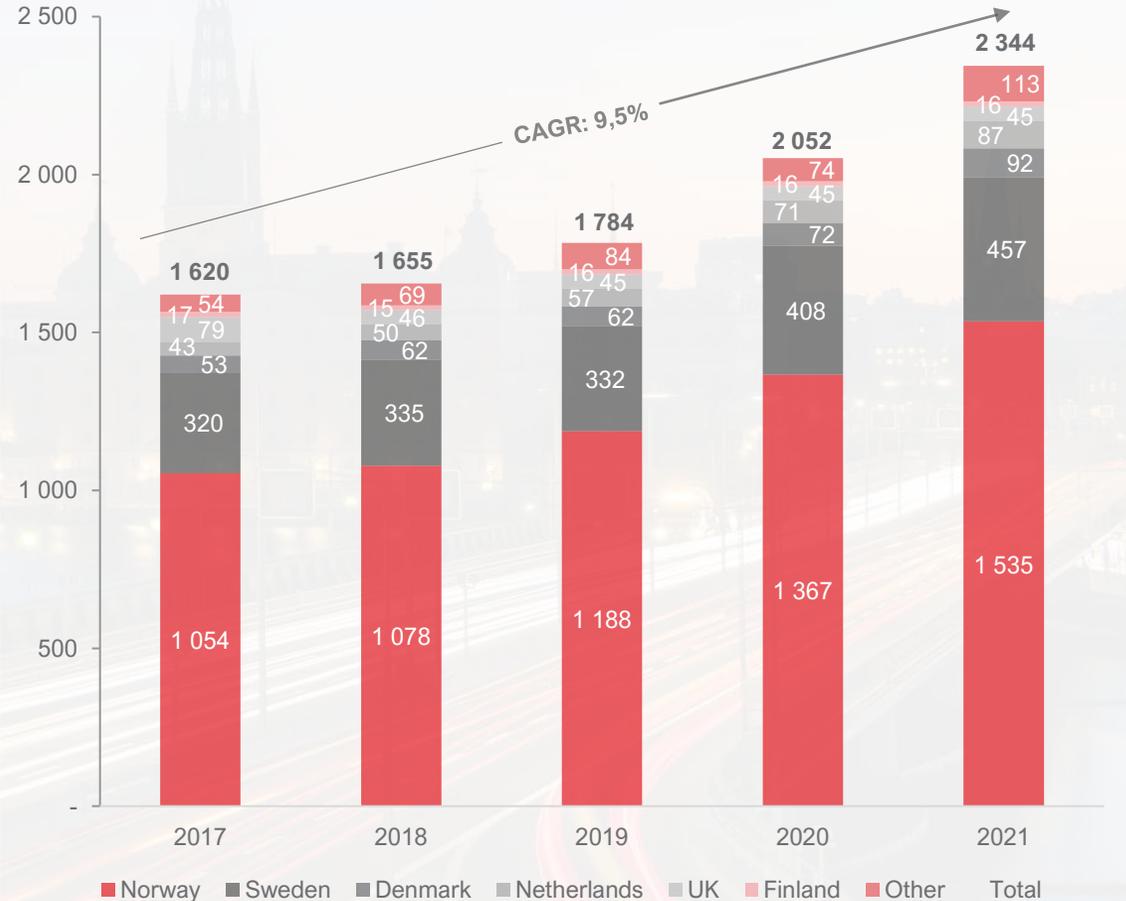
Employees



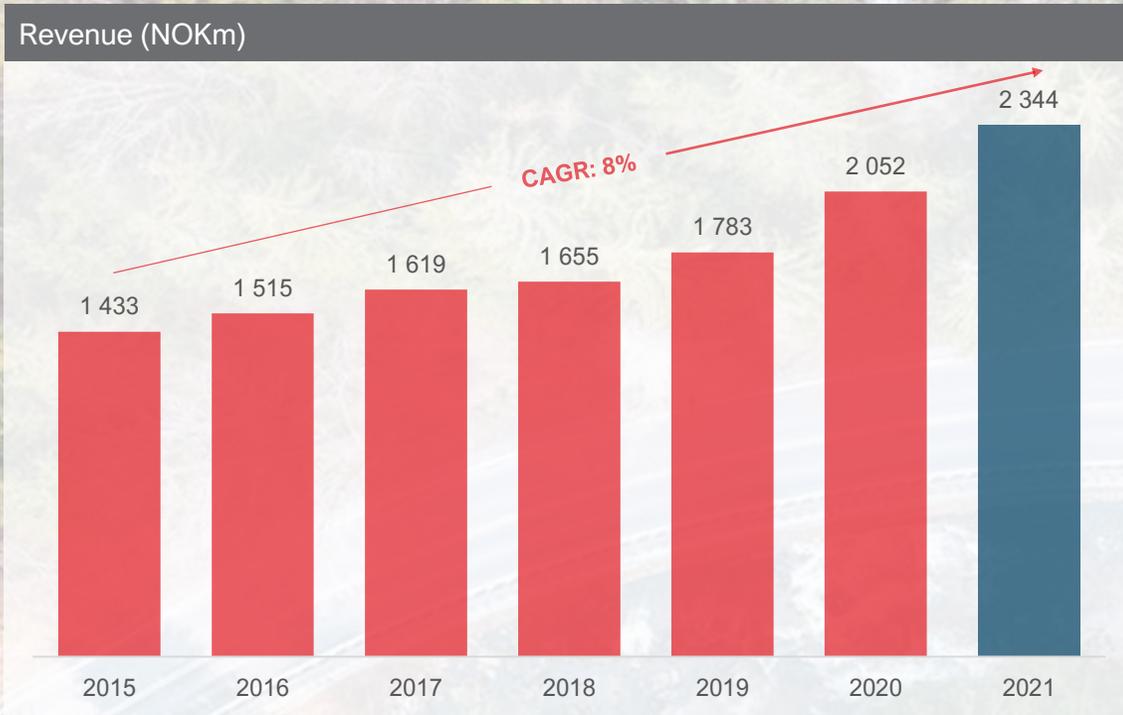
180,000 sqm

Real estate facilities

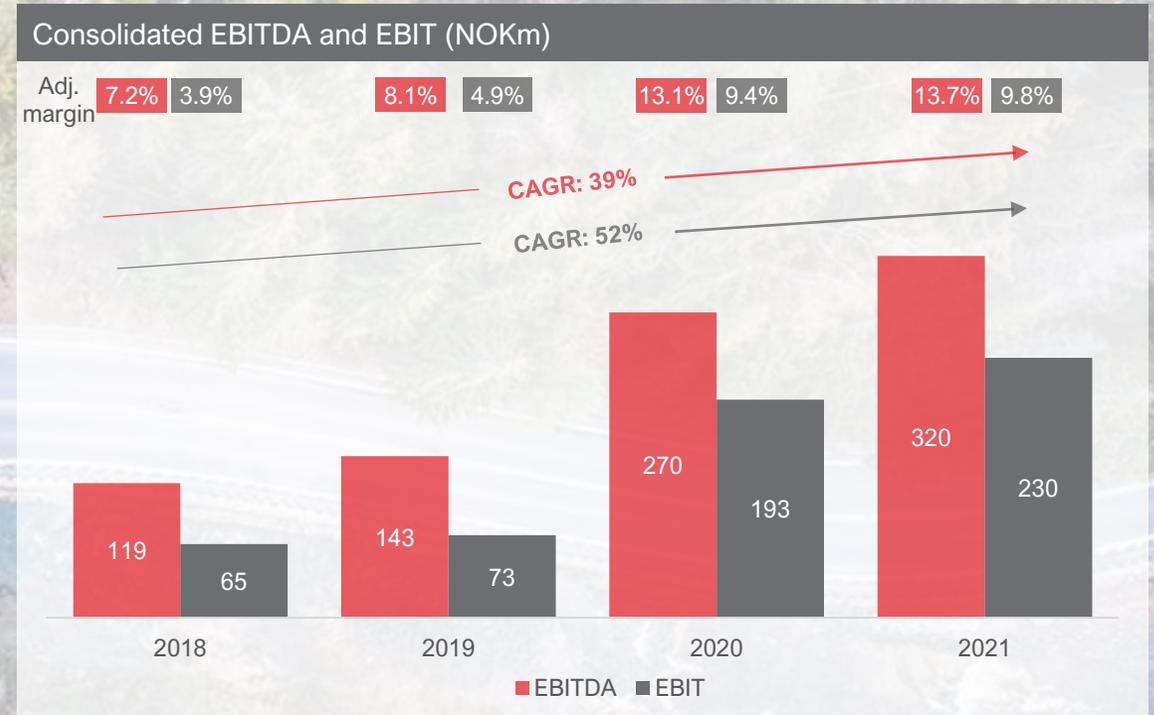
Revenue by country (NOKm)



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 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), normal price increases and other (incl. currency)

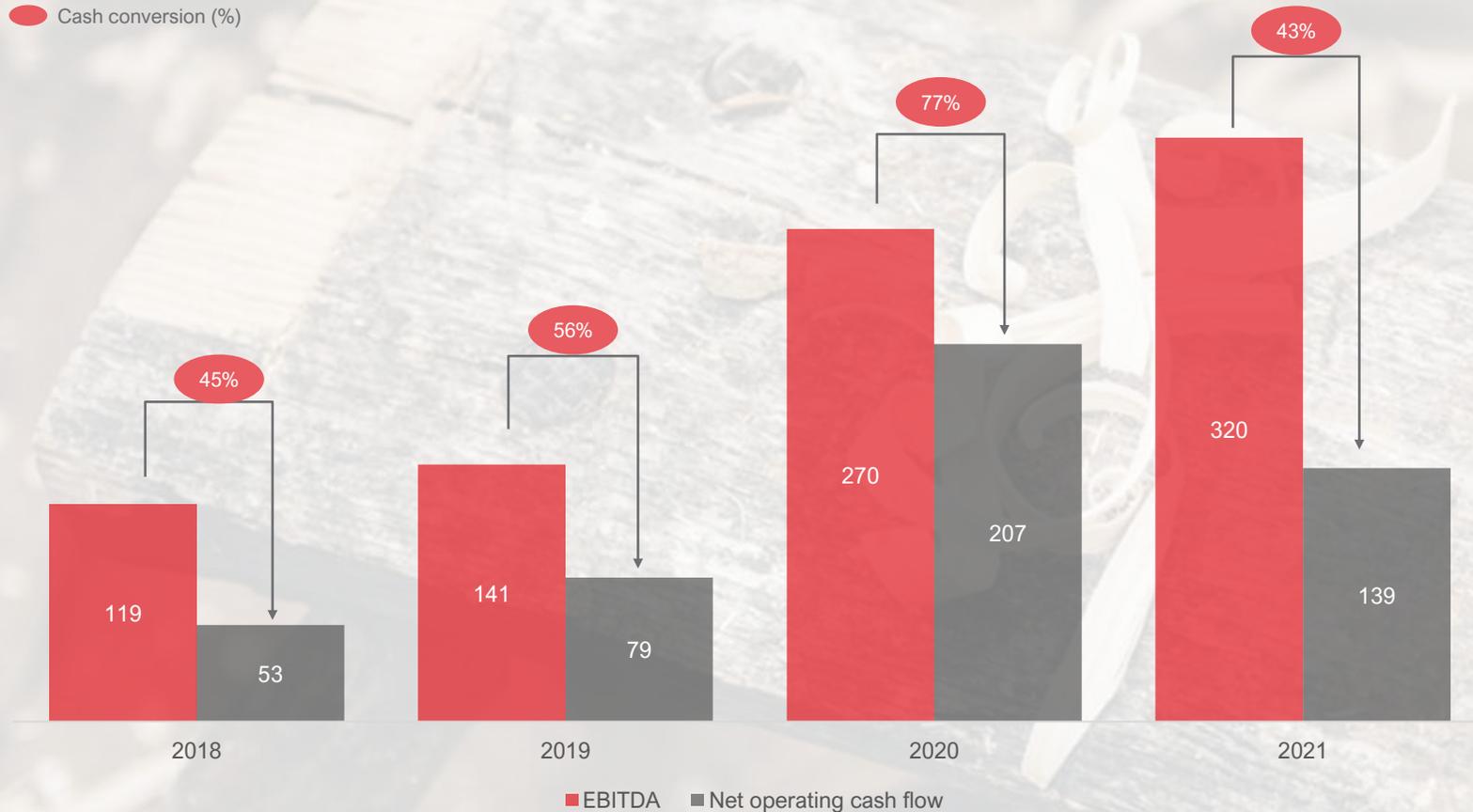


- Byggma has more than doubled its EBITDA and more than tripled its EBIT since 2018
- The strong improvement is primarily due to realization of synergies from the Smart Panel acquisition, product mix optimization and normal price increases. Byggma has seen an increase in raw material prices and experienced 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)

● Cash conversion (%)

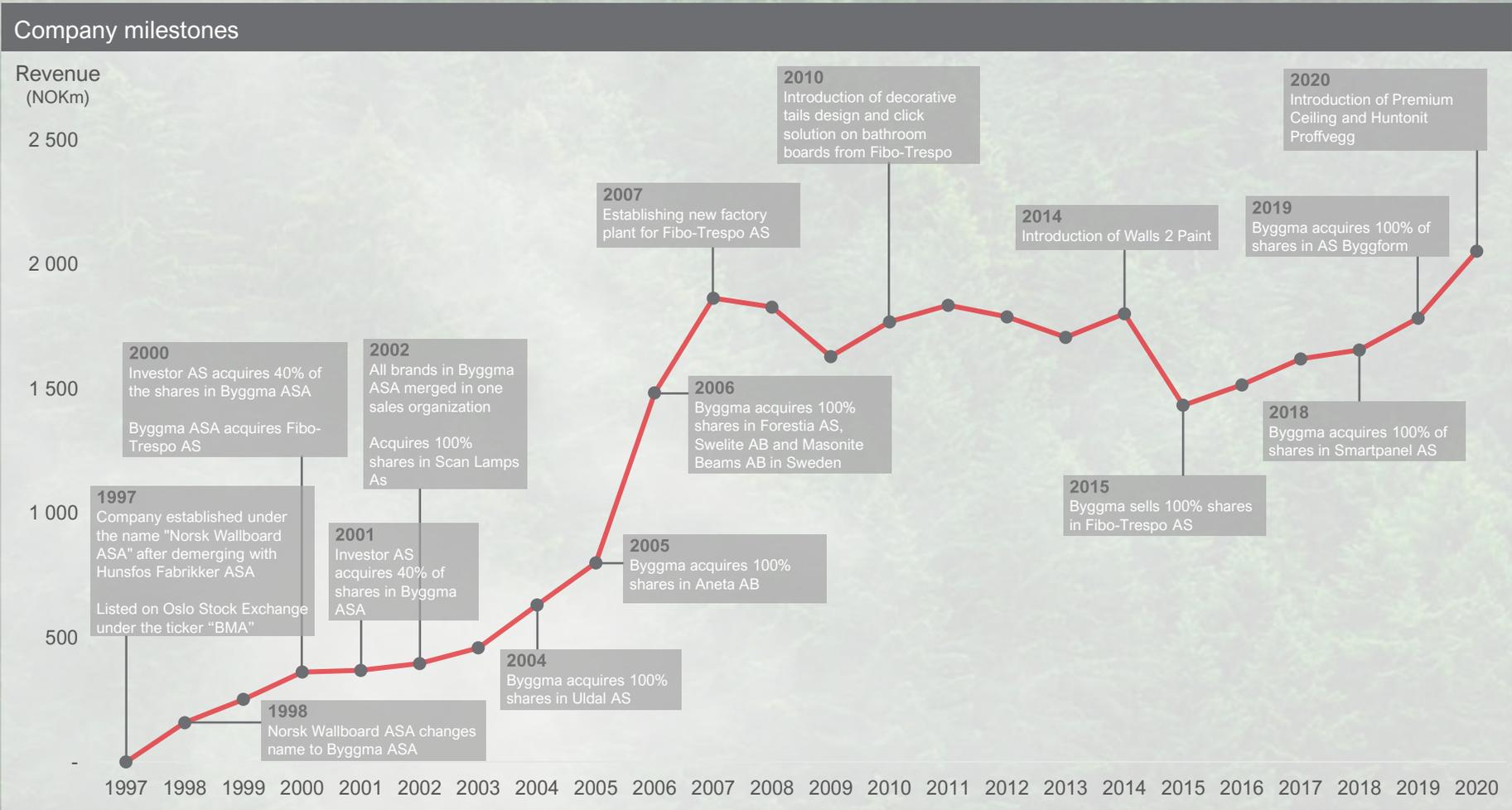


- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 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	2021	2020	2019	2018	2017
Operating activities					
Cash flow from operations	193	230	102	94	205
Interest paid	-23	-24	-21	-19	-17
Interest received	3	5	7	7	6
Taxes paid	-34	-4	-9	-28	-13
Cash flow from operating activities	139	207	79	53	181
Investing activities					
Purchase of subsidiaries	0	0	-21	0	0
Purchase of fixed assets	-89	-59	-90	-98	-107
Sale of fixed assets	0	0	1	1	5
Purchase of non-tangible assets	-2	-2	-2	-7	-10
Group loans	39	-27		0	0
Cash flow from investing activities	-52	-87	-113	-104	-112
Financing activities					
Repurchase of shares	0	0	-4	-11	0
Dividend paid	-559	-7	-7	-7	-36
Cash flow distributed to shareholders	-559	-7	-11	-18	-36
Change in overdrafts	16	-3	4	0	0
New debt raised	72	150	50	149	39
Debt down payment	-67	-62	-49	-63	-34
Change in interest bearing receivables	0	0	-12	0	0
Cash flow from external financing	20	85	-7	86	6
Cash flow from financing activities	-538	78	-18	68	-30
Change in cash and cash equivalents	-451	197	-52	17	38
Currency gains (losses)	-4	5	-3	1	1

Byggma has a rich history characterized by successful acquisitions and product innovations



**12%
CAGR since 1998**

**9
Acquisitions since IPO**

Continuous product innovation

European footprint

Byggma operates 8 high-end manufacturing and distribution facilities



Huntonit Eiendom AS

Location: Vennesla, Agder
Total area: 78,112m²
Production area: 19,664m²
Year of construction: 1948-1988



Uldal AS (Birkeland Eiendom AS)

Location: Birkenes, Agder
Total area: 15,100m²
Production area: 4,930m²
Year of construction: 1967-1991



Forestia Eiendom AS

Location: Våler, Innlandet
Total area: 321,460m²
Production area: 21,079m²
Year of construction: 1969-1987 and 1997



Aneta Lighting AS

Location: Kristiansand, Agder
Total area: 6,300m²
Warehouse facility: 3,500m²



Aneta Lighting AB

Location: Växjö, Sweden
Total area: 31,728m²
Warehouse facility: 6,500m²
Year of construction: 1970 and 1979



Masonite Fastighet AB

Location: Nordmaling, Sweden
Total area: 187,585m²
Production area: 38,107m²
Year of construction: 1921-2001



Smartpanel AS

Location: Fredrikstad, Viken
Warehouse facility: 7,100m²
Production area: 13,700m²



AS Byggform

Location: Slemmestad, Viken
Year of construction: 1989

Experienced management team and organization

Geir Drangland

CEO



- CEO in Byggma since 2009 and chairman from 2000-2009
- Currently CEO of Investor AS, main shareholder in Byggma
- Previous roles include CFO in Idun AS, CFO in Elkjøp and finance director in Avantor ASA
- MSc. in Economics and Business Administration from Norwegian Business School, BI

Jens Unhammer

CFO



- CFO in Byggma since 2003 after joining as Finance Manager in 2000
- 12 years of experience from the Øglænd Group, including positions as finance director in Cubus AS and CFO of Fibo-Trespo AS
- MBA from the Norwegian Business School in Oslo (BI)

Roy Kenneth Grundetjern

Head of IT



- CIO in Byggma since 2008
- Board member of Forestia, Smartpanel and Masonite Beams
- Former experience includes position as CEO at Hunonit and various managerial positions in both private and public sectors
- BSc. In Engineering and MBA from the University of Agder

Richard Thompson

Head of Logistics



- Head of Logistics in Byggma since 2011
- Joined Byggma 20 years ago, first as Manager customer service centre and later as Head of Logistics for Hunonit and Fibo-Trespo
- Bachelor in Economics from Business Academy in Stavanger

Other key employees

Terje Sagbakken



CEO
Forestia

Erlend Jordet



Sales Director
Forestia

Knut Nilsen



CEO
Hunonit

Halvor C. Olsen



Sales Director
Hunonit

Marius Heidenberg



CEO
Smartpanel

Atle Arctander



VD
Masonite Beams

John Sæten



Sales Director
Masonite

Tore Hansen



CEO
Lighting

Egil Sandve



CEO
Uldal

Torunn Mangseth



Marketing
Director

Product development and innovation is conducted in each separate company on a continuous basis

Board of directors

Terje Gunnulfsen

Chairman



- Chairman since 2009 and board member since 2001
- Holds the position as partner in M&A advisory firm Able
- Previous experience from Nevi Finans, InforCare and Boyden Global Executive Search
- MSc. in Business Adm. from the University of Agder

Knut Henning Larsen

Board member



- Board member since 2016
- Currently work as a partner in Sørlandsadvokatene DA
- Previous business and legal experience from Kredittskolen and Vest-Agder politidistrikt
- Holds degrees in Law and Business Administration

Hege Aarli Klem

Board member



- Board member since 2019
- Currently work as a partner in Sørlandsadvokatene DA
- Prior experience as lawyer in several public agencies in addition to running her own law practice
- Holds a Law degree

Liv Anne Drangslund Holst

Board member



- Board member since 2020
- Currently Head of Marketing and Communications at Dun & Bradstreet in Norway
- Holds more than 20 years of management experience in sales, customer service, communications and marketing from DHL and Bisnode

Edvard Tredal Høyåsen

Board member (employee representative)



- Board member since 2012
- Currently department manager in Fellesforbundet and is the main electorate at Huntonit
- Holds a degree in Industrial Mechanics

Erik Fjeldberg

Board member



- Board member since 2018 (and from 2012-16)
- Background as an operator at several plants and currently works at Byggma's subsidiary Forestia

Dagfinn Eriksen

Board member



- Board member since 2020
- Joined Uldal AS in 2021 as a process operator and has held board positions in Uldal AS for 7 years
- Trained ambulance worker with emergency medicine

Key takeaways

Market leading position



Robust underlying market



Strong brands and product offering



Long history of profitable growth



Attractive growth trajectory



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