



Q1 2022 results

19 May 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 7 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



HUNTONIT smartpanel®



ANETA
LIGHTING
LIGHTS FOR HOME AND WORK SINCE 1947

Key KPIs



Vennesla, Norway
Headquarter



~740
Employees



NOK 2,485m
LTM² revenue



NOK 260m
LTM² EBIT



NOK ~ 1.9bn¹
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/

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Financials

P&L Summary and Highlights

NOKm	Q1 2022	Q1 2021	2021	2020
Sales revenue	700,3	559,7	2 344,3	2 052,4
EBITDA	101,9	70,9	320,1	269,6
EBIT	80,9	50,9	230,2	192,6
Net financials	5,2	2,7	-9,0	-32,9
Profit before tax	86,1	53,6	221,2	159,7
Tax	-18,8	-11,5	-47,1	-34,8
Net profit	67,4	42,1	174,1	124,9

- Strong demand for wood-based building materials. Mainly satisfactory development in all segments.
- Sales growth of 25.1% from Q1 2021 to Q1 2022
- EBIT margin of 11.6% in Q1 2022, compared to 9.1% in Q1 2021
- Price increases implemented as of 1 October 2021 to compensate for increased prices on raw material and energy, and further price increases have been implemented with effect from 1 April 2022
- CO₂ compensation for 2021 and YTD 2022 is not booked pending approval by the Norwegian Parliament and EMU
- Forestia granted NOK 80 million from Innovasjon Norge to the project Forestia Carbon Sink, a new factory for reception and cleaning of wood waste to be reused in new woodchip boards. This project will be value enhancing for Forestia. It will also make the woodchip boards from Forestia even more circular because the wood waste will be material recycled into new boards and sequester CO₂ instead of energy recovered and release CO₂ into the atmosphere through combustion.



Consolidated balance sheet

Assets (NOK million)	31 Mar 2022	31 Mar 2021	31 Dec 2021
Fixed assets	918	917	926
Intangible assets	21	24	22
Deferred tax assets	4	5	5
Long-term financial derivatives	11	-	1
Other long-term receivables	1	0	0
Total non-current assets	955	946	954
Inventory	350	262	357
Customer and other short term receivables	536	419	446
Short-term financial assets	1	-	0
Cash and cash equivalents	51	494	71
Total current assets	937	1 175	874
Total assets	1 892	2 121	1 828

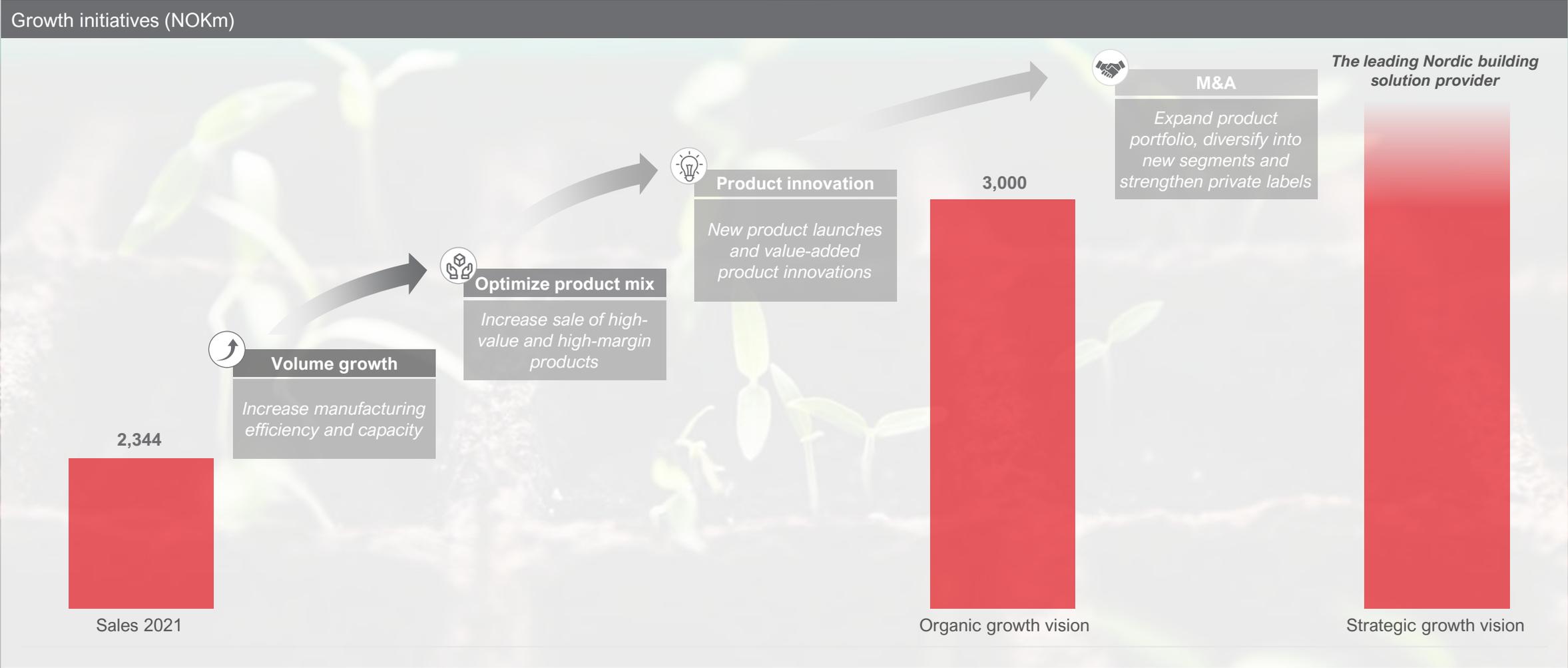
- Payment of dividend in Q2 2021 is the main driver for the movement on cash and equity
- Growth in trade receivables, inventory and accounts payable due to increased sales and purchase of goods, mainly due to price increases
- Equity ratio of 35% as per 31 March 2022

Equity and liabilities (NOK million)	31 Mar 2022	31 Mar 2021	31 Dec 2021
Share capital and share premium	53	53	53
Other equity not recognised in P&L	6	8	9
Retained earnings	604	963	536
Total equity	663	1 024	598
Long-term debt	454	439	466
Long-term financial derivatives	-	3	0
Deferred tax liabilities	94	91	92
Total long-term liabilities	548	533	559
Accounts payable and other short-term liabilities	525	396	483
Tax payable	32	31	43
Short-term debt	124	137	145
Short-term financial derivatives	-	1	0
Total short-term liabilities	682	565	671
Total liabilities*	1 230	1 097	1 230
Total equity and liabilities	1 892	2 121	1 828
*Of which interest-bearing debt (long-term and short-term)	578	575	611

Consolidated income statement

NOKm	YTD 2022	YTD 2021	2021	2020	2019	2018	2017
Sales revenue	700	560	2 344	2 052	1 783	1 655	1 619
Other revenue	6	6	44	23	23	22	18
Total revenue	706	565	2 388	2 075	1 806	1 677	1 637
COGS	-373	-287	-1 133	-955	-844	-780	-744
Personnel expenses	-133	-121	-488	-439	-424	-405	-387
D&A	-21	-20	-90	-77	-70	-54	-54
Freight and complaints	-45	-44	-171	-163	-146	-143	-135
Marketing	-23	-16	-96	-93	-91	-72	-75
Other gains (losses)	-4	-1	0	1	-3	1	6
Other OPEX	-26	-25	-179	-157	-156	-159	-154
Total direct costs	-626	-515	-2 158	-1 883	-1 733	-1 612	-1 543
EBIT	81	51	230	193	73	65	94
Net financials	5	3	-9	-33	-11	-9	-10
Profit before tax	86	54	221	160	62	56	84
Tax	-19	-12	-47	-35	-13	-9	-20
Net profit	67	42	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>smartpanel WETWALL 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 2021
Short term revenue potential	NOK ~250m	NOK ~150-200m	NOK ~100m	NOK ~280-300m

Segment information

Sales revenue (NOKm)	Q1 2022	Q1 2021	2021	2020
Panel sales to external customers	491	412	1 588	1 450
Beam sales to external customers	111	82	418	293
Window sales to external customers	71	41	229	214
Lighting sales to external customers	28	25	110	95
Net sales revenues for the Group	700	560	2 344	2 052

Operating profit (NOKm)	Q1 2022	Q1 2021*	2021*	2020
Panel	45	39	140	163
Beam	22	7	55	26
Window	7	-1	11	6
Lighting	1	0	5	5
Real Estate*	11	10	38	0
Group / eliminations	-5	-4	-18	-7
Operating profit for the Group	81	51	230	193

*Figures for Q1 2021 and full year 2021 have been adjusted for the new segment, Real Estate. Please see further comments in the quarterly report

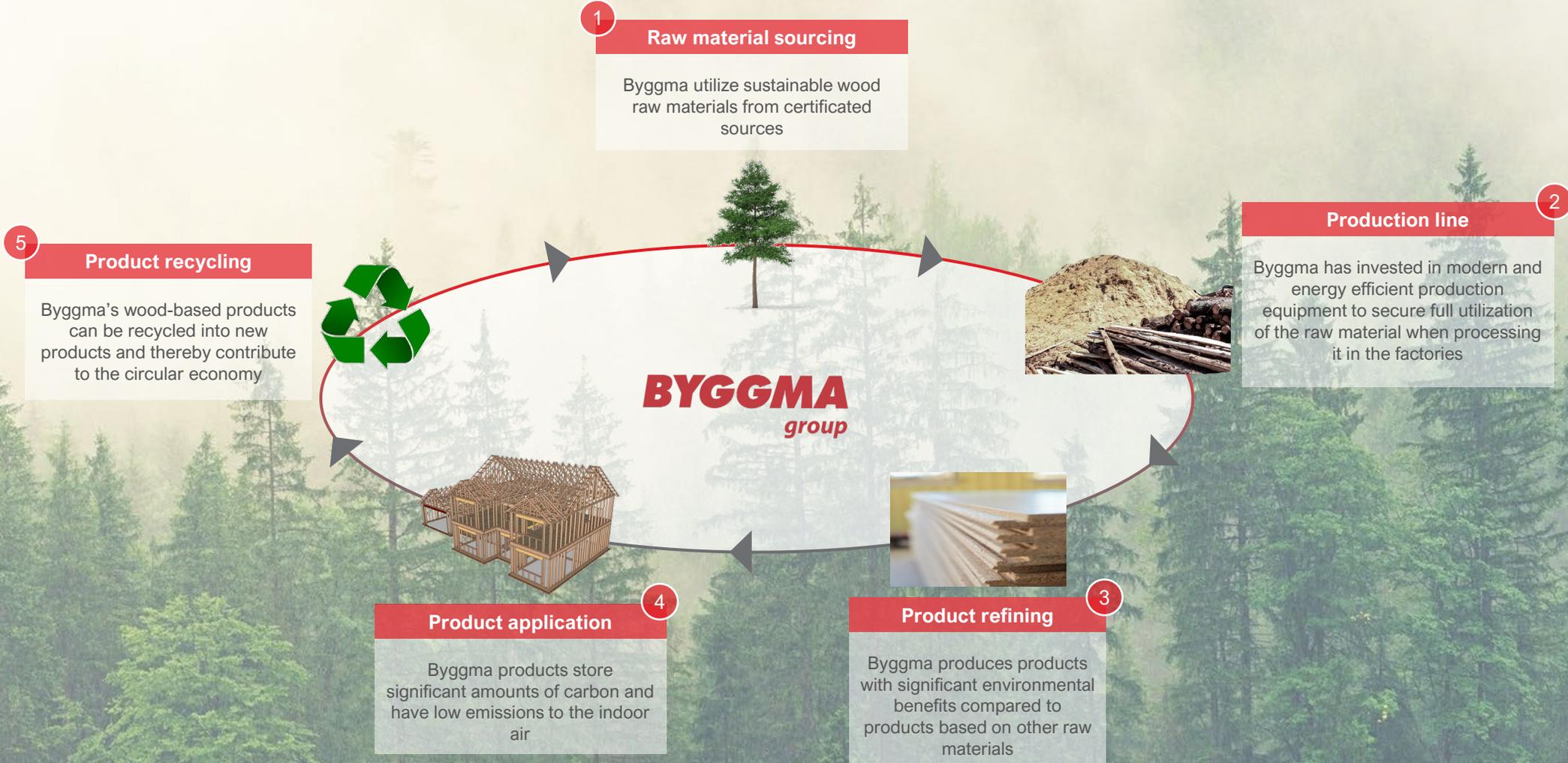
Byggma still has ample available production capacity and high growth potential from value-added products

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

5.8%

The CO₂ abatement from Byggmas board products corresponds to 5.8% of the Norway's total road traffic emission

47%

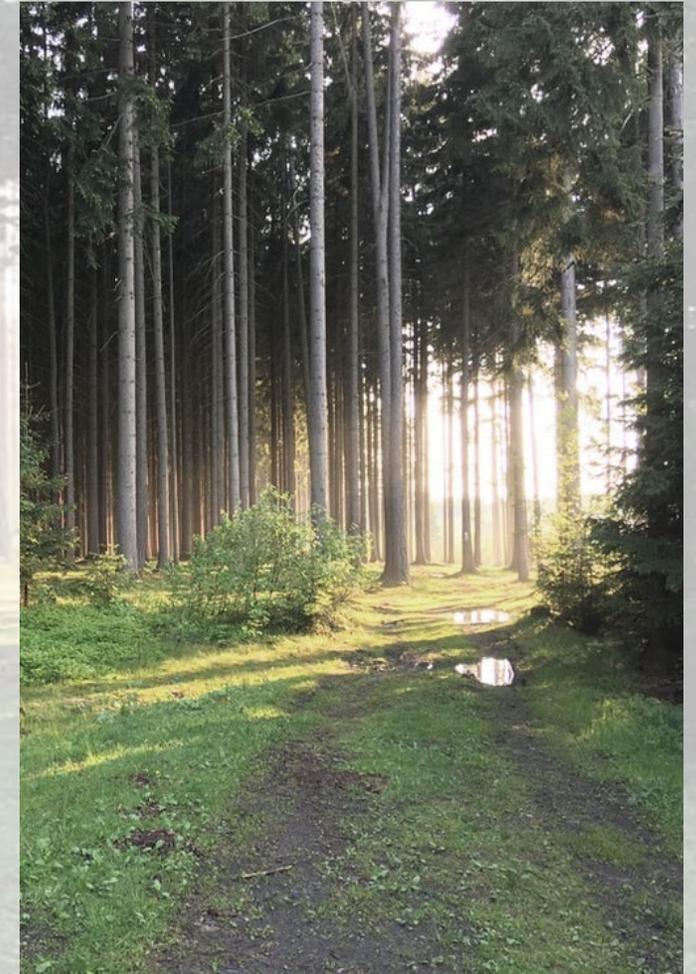
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

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

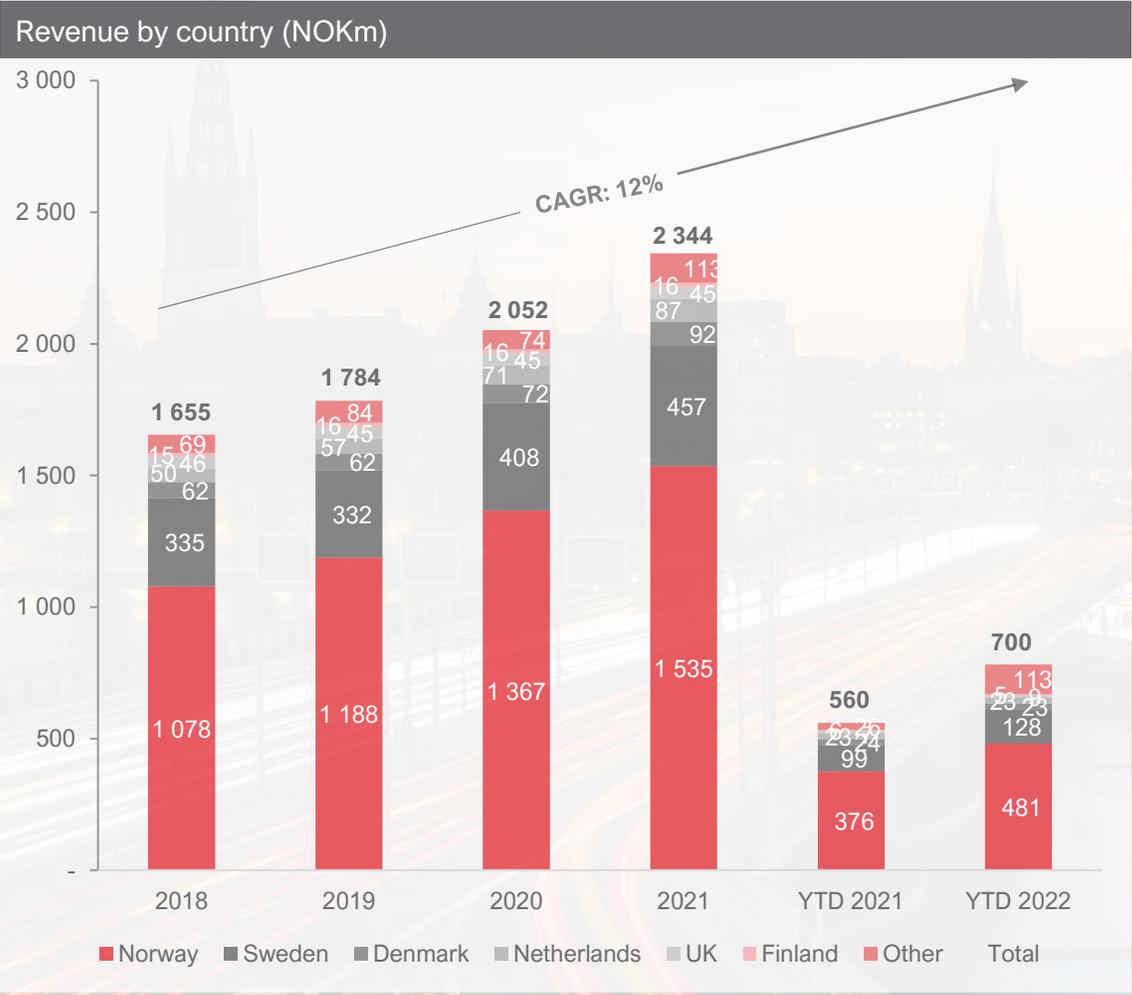
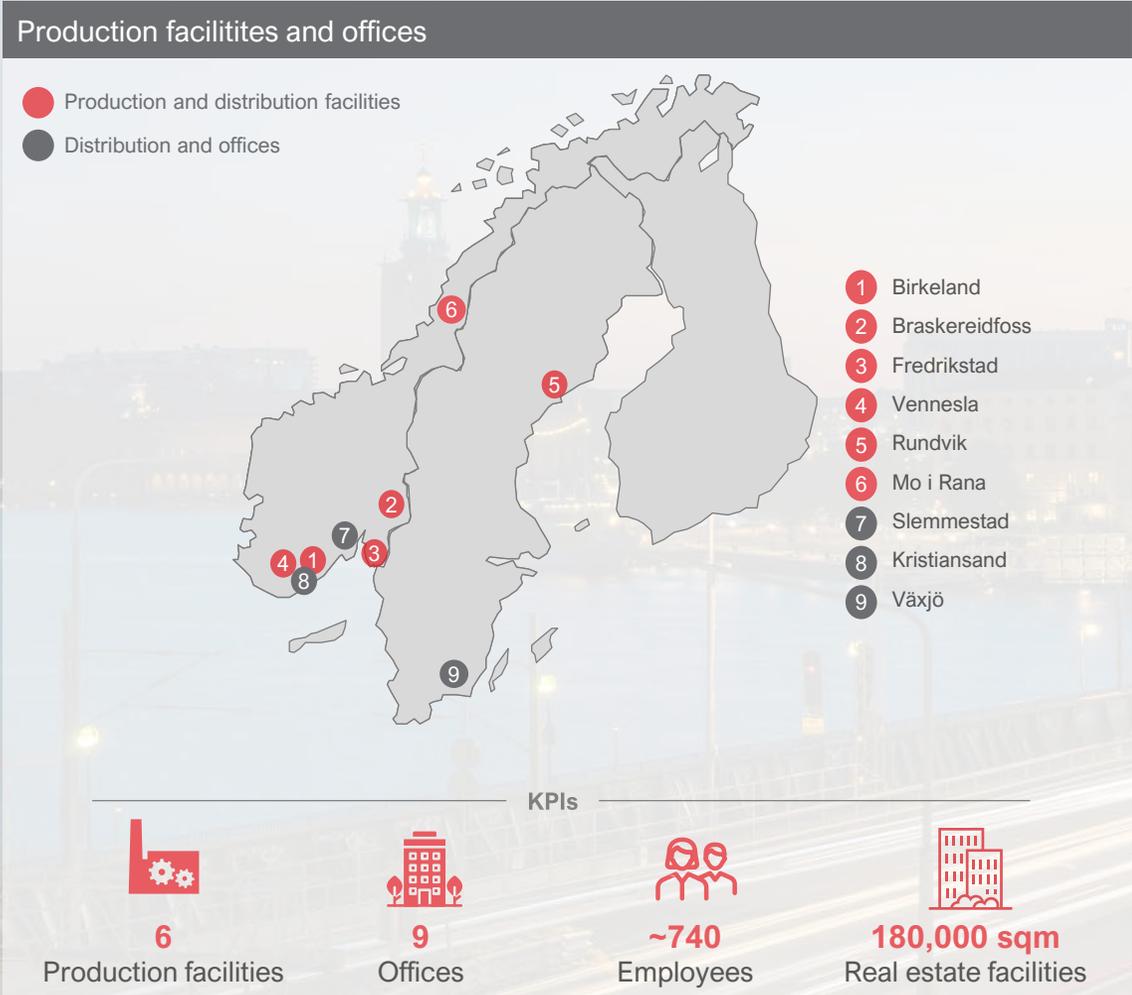
- Employees are given the opportunity for personal and professional development
- Collaborations with academia
- Vocational education
- Advanced training
- Factories with proximity to raw materials
- Byggma's presence contributes to sustainable cities and communities
- Byggma's presence provides significant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



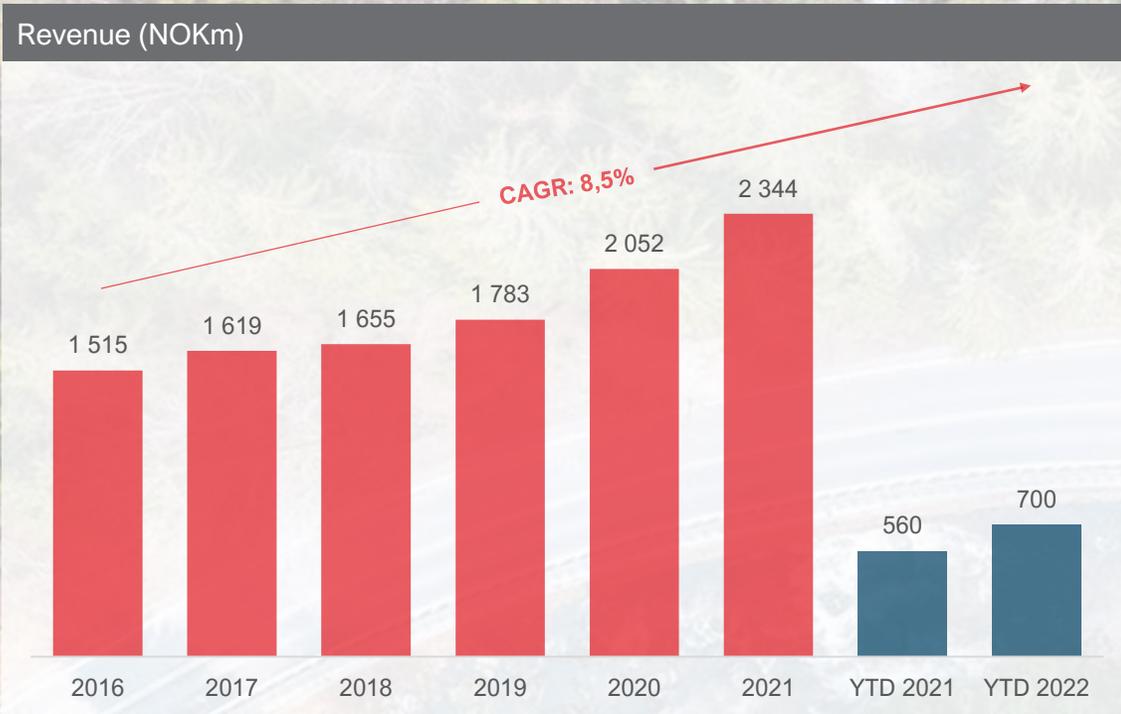
Business model

- 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

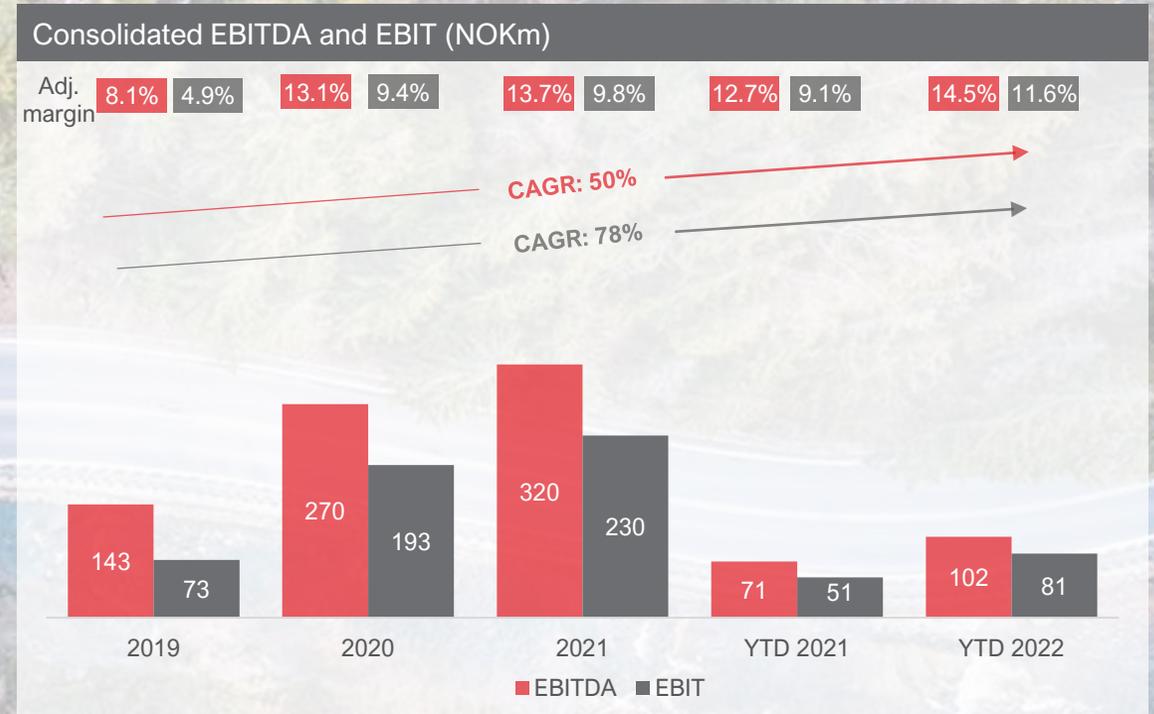
Leading Nordic presence, with growing international customer base



Strong topline and profitability improvements last few years



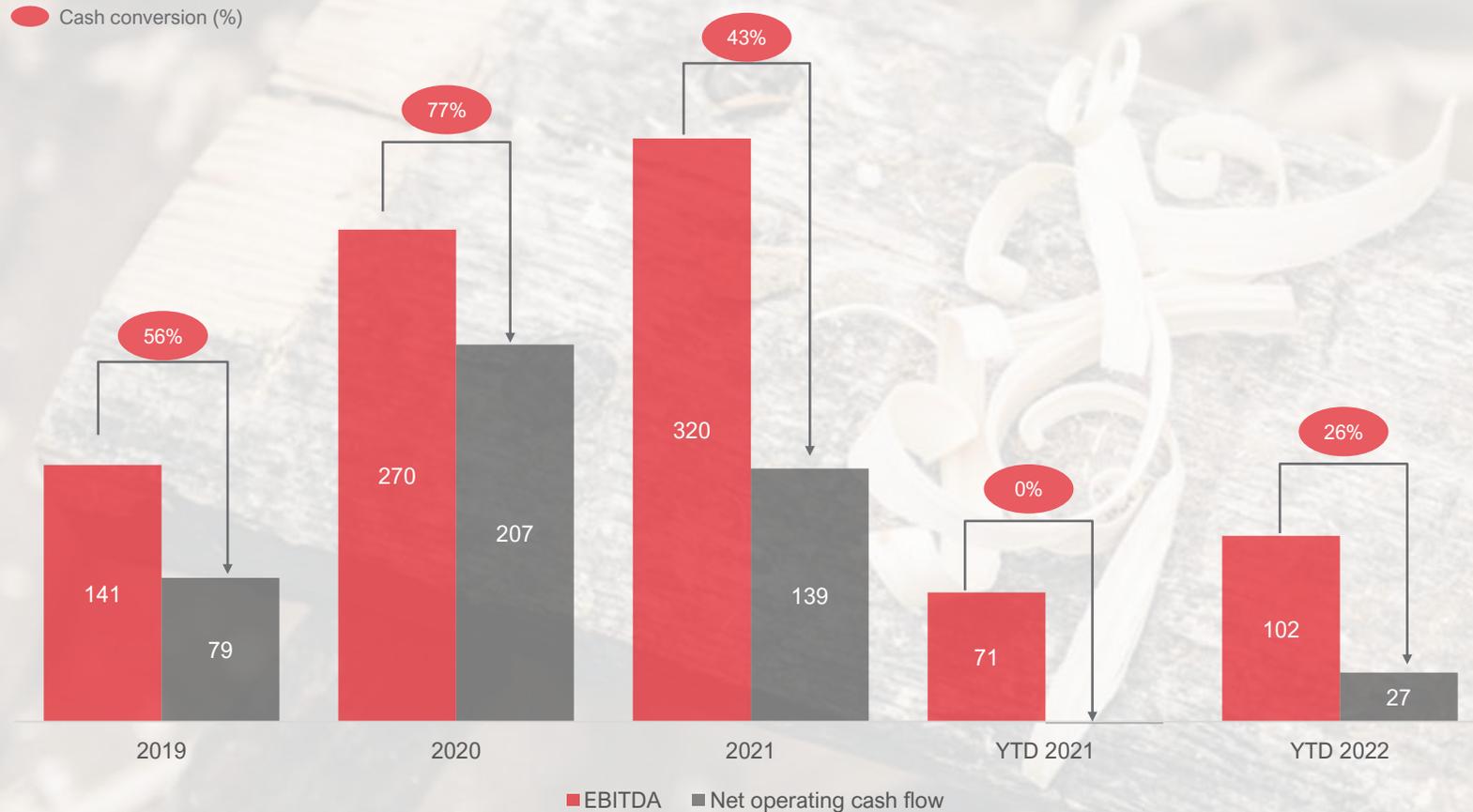
- Organic growth from 2015-2018, while the growth from 2018 is a combination of organic growth initiatives and the acquisition of Smartpanel (2018) and Byggform (2019), adding NOK 117m in revenues in 2019, and NOK 34m in 2020 (full-year effect of the Byggform acquisition)
- The growth in 2020 and 2021 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 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)

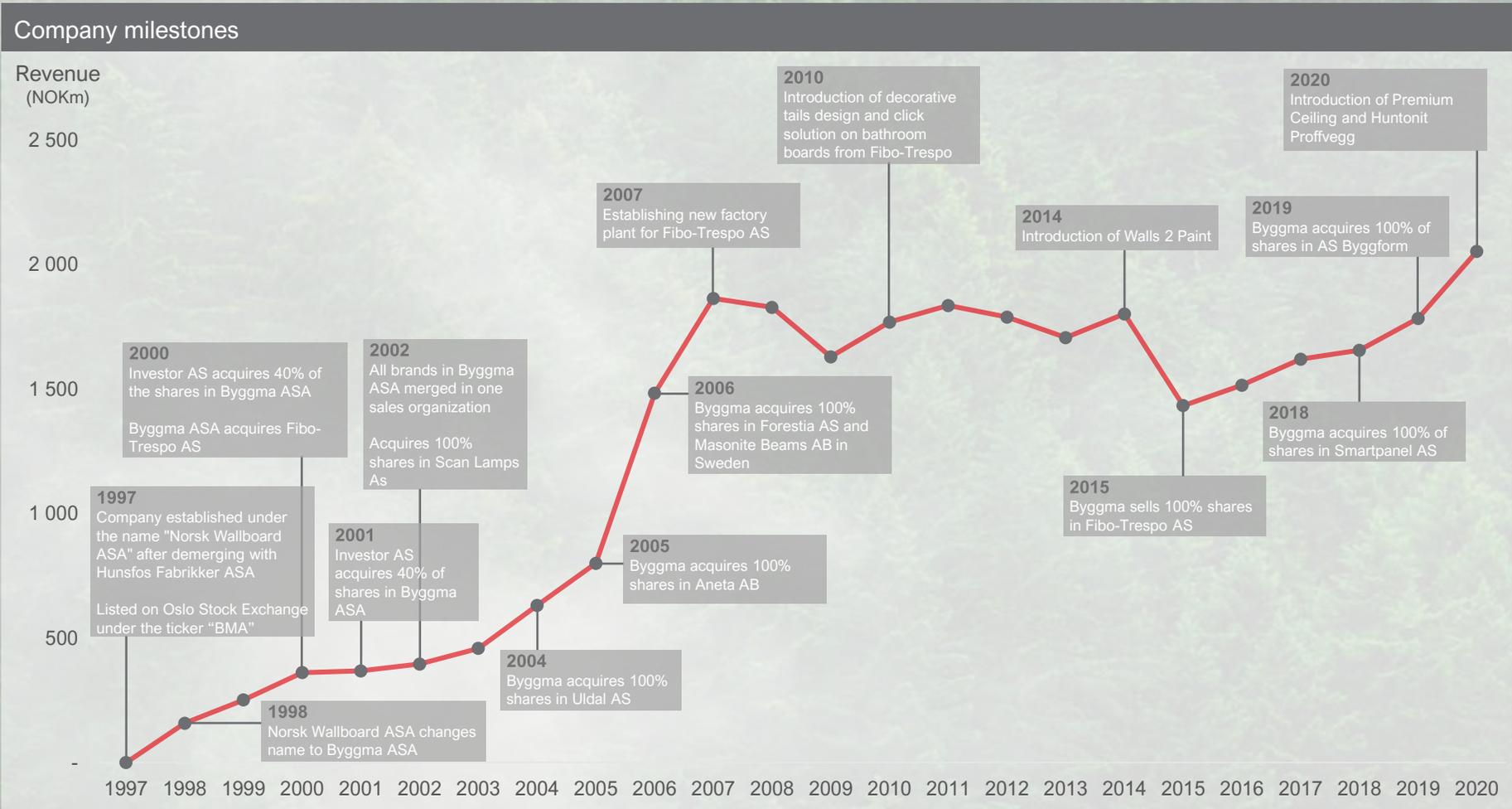


- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 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 2022	YTD 2021	2021	2020	2019	2018	2017
Operating activities							
Cash flow from operations	42	-8	193	230	102	94	205
Interest paid	-6	-5	-23	-24	-21	-19	-17
Interest received	1	1	3	5	7	7	6
Taxes paid	-10	-3	-34	-4	-9	-28	-13
Cash flow from operating activities	27	-15	139	207	79	53	181
Investing activities							
Purchase of subsidiaries	0	0	0	0	-21	0	0
Purchase of fixed assets	-16	-12	-89	-59	-90	-98	-107
Sale of fixed assets	1	0	0	0	1	1	5
Purchase of non-tangible assets	-1	0	-2	-2	-2	-7	-10
Group loans	0	17	39	-27		0	0
Cash flow from investing activities	-16	5	-52	-87	-113	-104	-112
Financing activities							
Repurchase of shares	0	0	0	0	-4	-11	0
Dividend paid	0	0	-559	-7	-7	-7	-36
Cash flow distributed to shareholders			-559	-7	-11	-18	-36
Change in overdrafts	-17	-1	16	-3	4	0	0
New debt raised	2	2	72	150	50	149	39
Debt down payment	-15	-16	-67	-62	-49	-63	-34
Change in interest bearing receivables	0	0	0	0	-12	0	0
Cash flow from external financing	-30	-16	20	85	-7	86	6
Cash flow from financing activities	-30	-16	-538	78	-18	68	-30
Change in cash and cash equivalents	-19	-27	-451	197	-52	17	38
Currency gains (losses)	-1	-5	-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



Aneta Lighting AB

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



Uldal AS (Birkeland Eiendom AS)

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



Masonite Fastighet AB

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



Forestia Eiendom AS

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



Smartpanel AS

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



Aneta Lighting AS

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



AS Byggform

Location: Slemmestad, Viken
 Year of construction: 1989

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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