



# Q2 2022 results

*25 August 2022*

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**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 ~740 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



**~740**  
Employees



**NOK 2,561m**  
LTM<sup>2</sup> revenue



**NOK 294m**  
LTM<sup>2</sup> EBIT





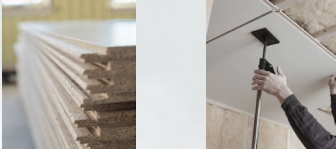
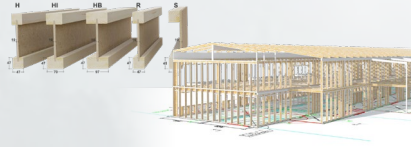










**NOK ~ 2.1bn<sup>1</sup>**  
Market capitalization



**NOK 70m**  
Paid out dividend in 2022

# #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 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	Q2 2022	Q2 2021	H1 2022	H1 2021	2021	2020
Sales revenue	683	607	1383	1166	2344	2052
<b>EBITDA</b>	<b>110</b>	<b>75</b>	<b>212</b>	<b>146</b>	<b>320</b>	<b>270</b>
<b>EBIT</b>	<b>88</b>	<b>54</b>	<b>169</b>	<b>105</b>	<b>230</b>	<b>193</b>
Net financials	-4	-5	2	-3	-9	-33
<b>Profit before tax</b>	<b>84</b>	<b>49</b>	<b>170</b>	<b>103</b>	<b>221</b>	<b>160</b>
Tax	-18	-11	-37	-22	-47	-35
<b>Net profit</b>	<b>66</b>	<b>38</b>	<b>133</b>	<b>80</b>	<b>174</b>	<b>125</b>

- Sales growth of 12.6% from Q2 2021 to Q2 2022, mainly due to price increases. Negative timing effect from Easter.
- EBIT margin of 12.8% in Q2 2022, compared to 9.1% in Q2 2021. Negative timing effect from Easter.
- Price increases implemented as of 1 April 2022 to compensate for increased prices on raw material and energy, and further price increases to be implemented with effect from 1 October 2022
- CO<sub>2</sub> 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 CO<sub>2</sub> instead of energy recovered and release CO<sub>2</sub> into the atmosphere through combustion.



# Consolidated balance sheet

Assets (NOK million)	30 Jun 2022	30 Jun 2021	31 Dec 2021
Fixed assets	921	929	926
Intangible assets	21	23	22
Deferred tax assets	6	5	5
Long-term financial derivatives	16	-	1
Other long-term receivables	1	0	0
<b>Total non-current assets</b>	<b>964</b>	<b>958</b>	<b>954</b>
Inventory	373	279	357
Customer and other short term receivables	475	446	446
Short-term financial assets	1	-	0
Cash and cash equivalents	225	37	71
<b>Total current assets</b>	<b>1 074</b>	<b>762</b>	<b>874</b>
<b>Total assets</b>	<b>2 039</b>	<b>1 720</b>	<b>1 828</b>

- Solid balance sheet with low leverage and hidden reserves in real estate and land
- Growth in inventory and accounts payable due to increased raw material prices
- Equity ratio of 32.4% as per 30 June 2022

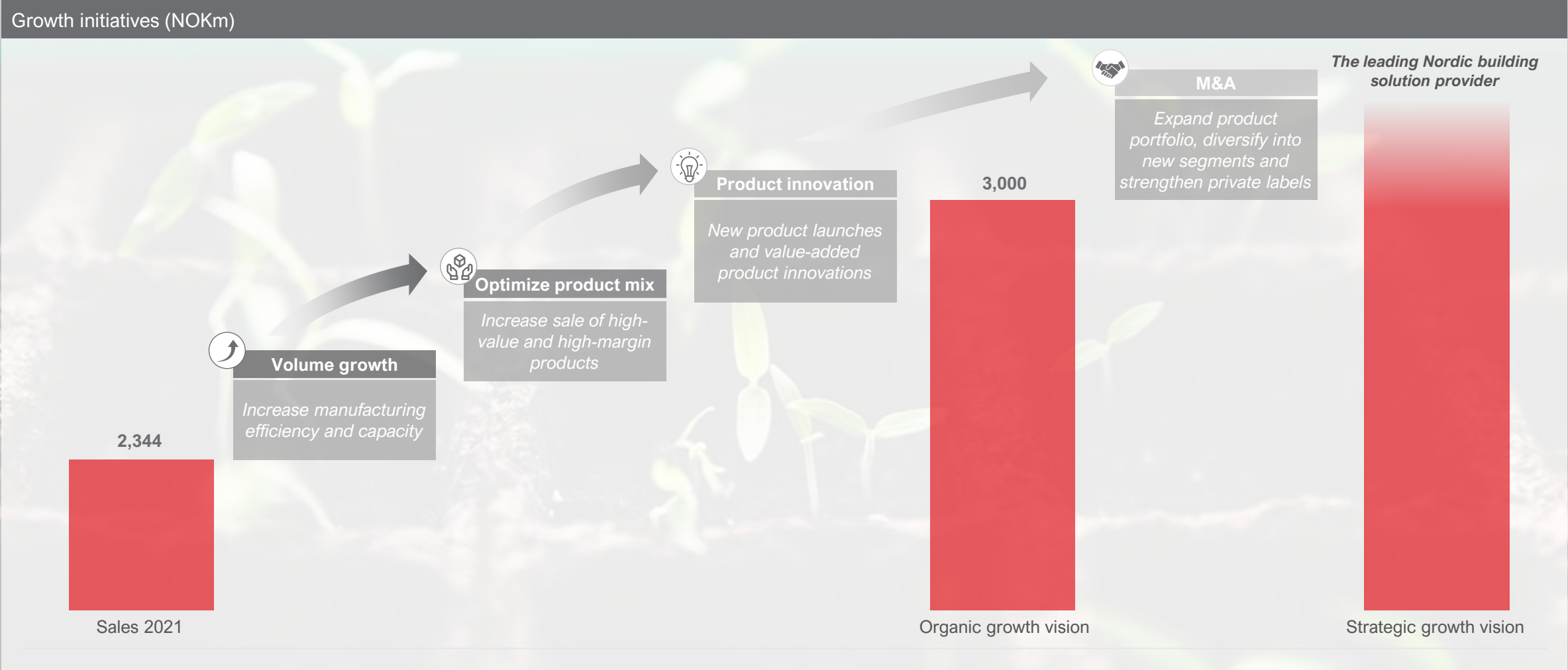
Equity and liabilities (NOK million)	30 Jun 2022	30 Jun 2021	31 Dec 2021
Share capital and share premium	53	53	53
Other equity not recognised in P&L	9	14	9
Retained earnings	599	442	536
<b>Total equity</b>	<b>661</b>	<b>509</b>	<b>598</b>
Long-term debt	534	446	466
Long-term financial derivatives	-	5	0
Deferred tax liabilities	93	91	92
<b>Total long-term liabilities</b>	<b>626</b>	<b>542</b>	<b>559</b>
Accounts payable and other short-term liabilities	542	471	483
Tax payable	23	-	43
Short-term debt	182	198	145
Short-term financial derivatives	4	0	0
<b>Total short-term liabilities</b>	<b>751</b>	<b>669</b>	<b>671</b>
<b>Total liabilities*</b>	<b>1 377</b>	<b>1 211</b>	<b>1 230</b>
<b>Total equity and liabilities</b>	<b>2 039</b>	<b>1 720</b>	<b>1 828</b>
*Of which interest-bearing debt (long-term and short-term)	715	644	611
Net interest-bearing debt	490	607	540



# Consolidated income statement

NOKm	YTD 2022	YTD 2021	2021	2020	2019	2018	2017
<b>Sales revenue</b>	<b>1 383</b>	<b>1 166</b>	<b>2 344</b>	<b>2 052</b>	<b>1 783</b>	<b>1 655</b>	<b>1 619</b>
Other revenue	15	12	44	23	23	22	18
<b>Total revenue</b>	<b>1 398</b>	<b>1 178</b>	<b>2 388</b>	<b>2 075</b>	<b>1 806</b>	<b>1 677</b>	<b>1 637</b>
COGS	-721	-604	-1 133	-955	-844	-780	-744
Personnel expenses	-264	-252	-488	-439	-424	-405	-387
D&A	-43	-40	-90	-77	-70	-54	-54
Freight and complaints	-92	-89	-171	-163	-146	-143	-135
Marketing	-43	-35	-96	-93	-91	-72	-75
Other gains (losses)	-1	1	0	1	-3	1	6
Other OPEX	-65	-54	-179	-157	-156	-159	-154
<b>Total direct costs</b>	<b>-1 229</b>	<b>-1 073</b>	<b>-2 158</b>	<b>-1 883</b>	<b>-1 733</b>	<b>-1 612</b>	<b>-1 543</b>
<b>EBIT</b>	<b>169</b>	<b>105</b>	<b>230</b>	<b>193</b>	<b>73</b>	<b>65</b>	<b>94</b>
<b>Net financials</b>	<b>2</b>	<b>-3</b>	<b>-9</b>	<b>-33</b>	<b>-11</b>	<b>-9</b>	<b>-10</b>
<b>Profit before tax</b>	<b>170</b>	<b>103</b>	<b>221</b>	<b>160</b>	<b>62</b>	<b>56</b>	<b>84</b>
Tax	-37	-22	-47	-35	-13	-9	-20
<b>Net profit</b>	<b>133</b>	<b>80</b>	<b>174</b>	<b>125</b>	<b>49</b>	<b>47</b>	<b>64</b>

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



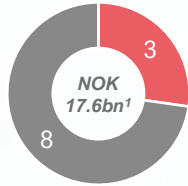


# Large growth potential for further consolidation within building material products

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

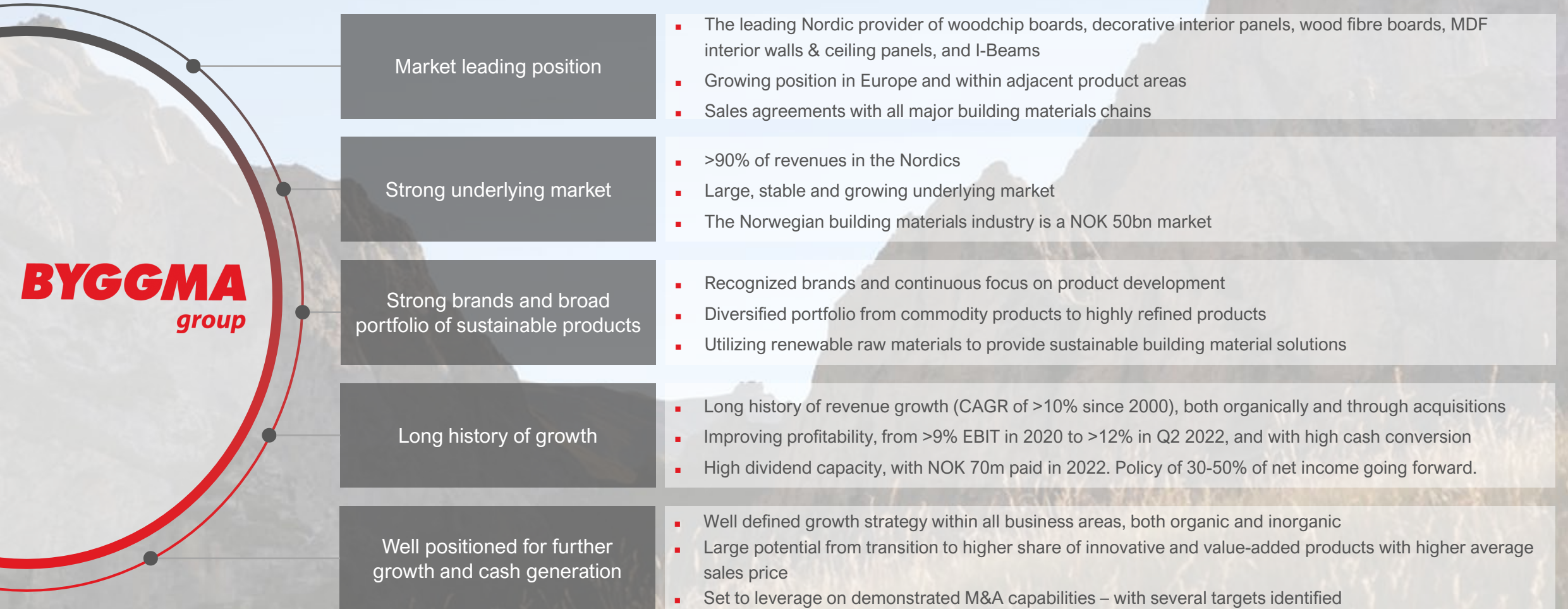
## Fragmented building material product market with large M&A potential



## 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	Smartpanel Wet Wall
	 <p>FORESTIA walls<sup>2</sup>paint 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"> <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>	<ul style="list-style-type: none"> <li>Moisture resistant wood fibre boards for wet areas such as bath- and laundry rooms</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>	<ul style="list-style-type: none"> <li>Waterproof wall system for bathroom, kitchen and other rooms</li> <li>Can shower directly on the panels</li> <li>Fully automated production line with great flexibility</li> <li>Environmentally friendly core from Huntonit</li> </ul>
Revenue (2021)	NOK 161m	NOK 18m <sup>1)</sup>	NOK 16m <sup>2)</sup>	Product launched in 2021
Short term revenue potential	NOK ~250m	NOK ~150-200m	NOK ~100m	NOK ~280-300m

# Segment information

Sales revenue (NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021	2020
Panel sales to external customers	478	419	969	831	1 588	1 450
Beam sales to external customers	115	103	225	185	418	293
Window sales to external customers	74	66	145	108	229	214
Lighting sales to external customers	16	18	44	43	110	95
<b>Net sales revenues for the Group</b>	<b>683</b>	<b>607</b>	<b>1 383</b>	<b>1 166</b>	<b>2 344</b>	<b>2 052</b>

Operating profit (NOKm)	Q2 2022	Q2 2021*	H1 2022	H1 2021*	2021*	2020
Panel	80	37	125	76	140	163
Beam	9	10	31	17	55	26
Window	1	6	8	5	11	6
Lighting	-5	-2	-5	-2	5	5
Real Estate*	10	9	21	19	38	0
Group / eliminations	-7	-6	-11	-10	-18	-7
<b>Operating profit for the Group</b>	<b>88</b>	<b>54</b>	<b>169</b>	<b>105</b>	<b>230</b>	<b>193</b>

\*Figures for Q2 2021, H1 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

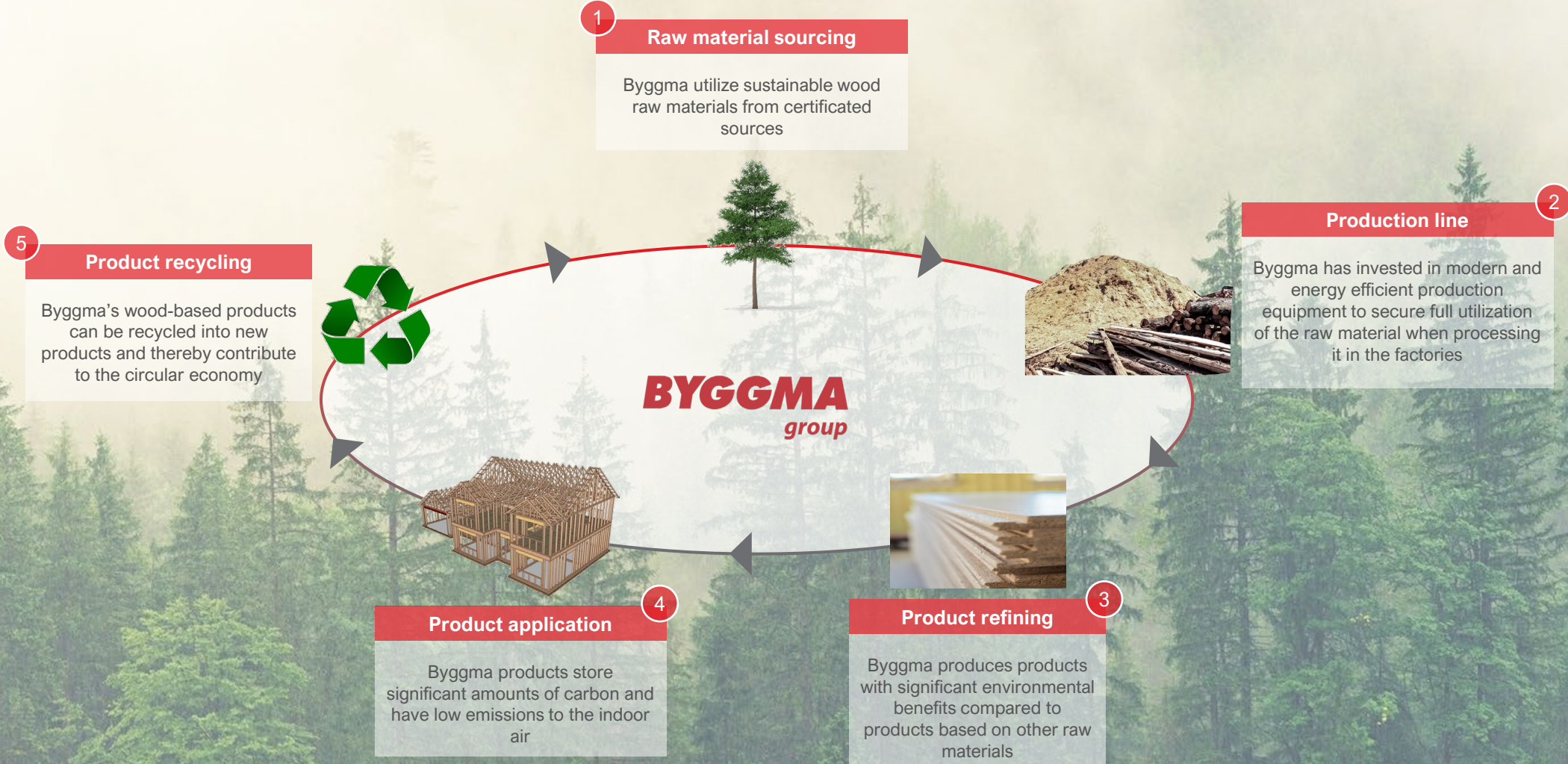
Company / brand	Key financials (2021)	Nominal production capacity	Available capacity	Growth potential	Other potential
	<p><u>Revenue</u>: NOK 935m</p> <p><u>EBITDA</u>: NOK 157m</p>	300,000 m <sup>3</sup> / year	5%	 HIGH Large potential from transitioning to higher share of innovative/ value-added products with higher average sales price	Production capacity can be expanded by ~10% by extending the manufacturing line
	<p><u>Revenue</u><sup>1</sup>: NOK 593m</p> <p><u>EBITDA</u><sup>1</sup>: 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 <sup>2</sup> / 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><sup>2</sup>: NOK 417m</p> <p><u>EBIT</u><sup>2</sup>: 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 CO<sub>2</sub> abatement from Byggmas board products corresponds to 5.8% of the Norway's total road traffic emission

**47%**

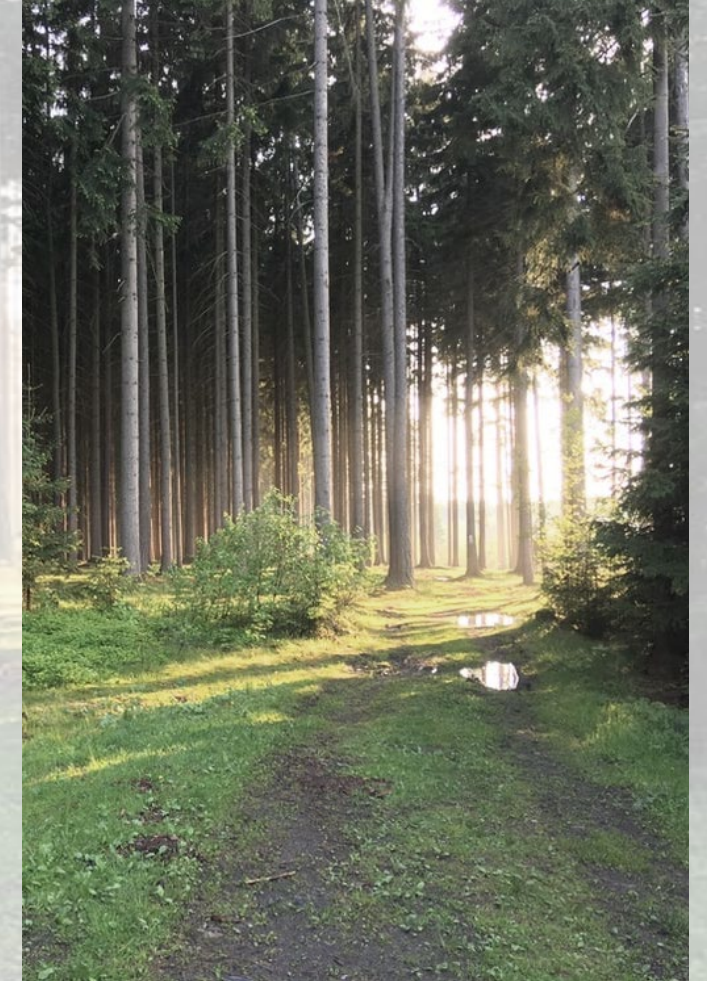
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

**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

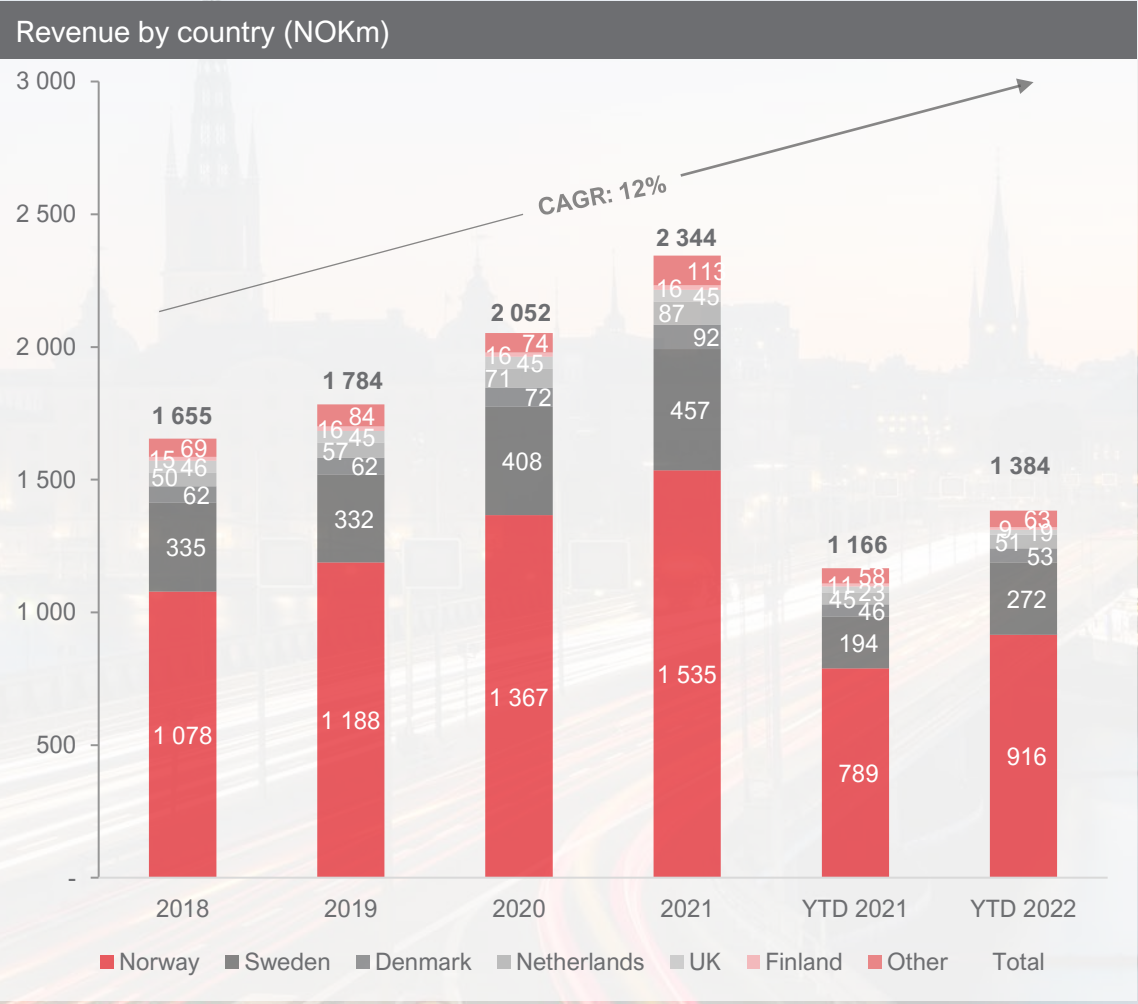
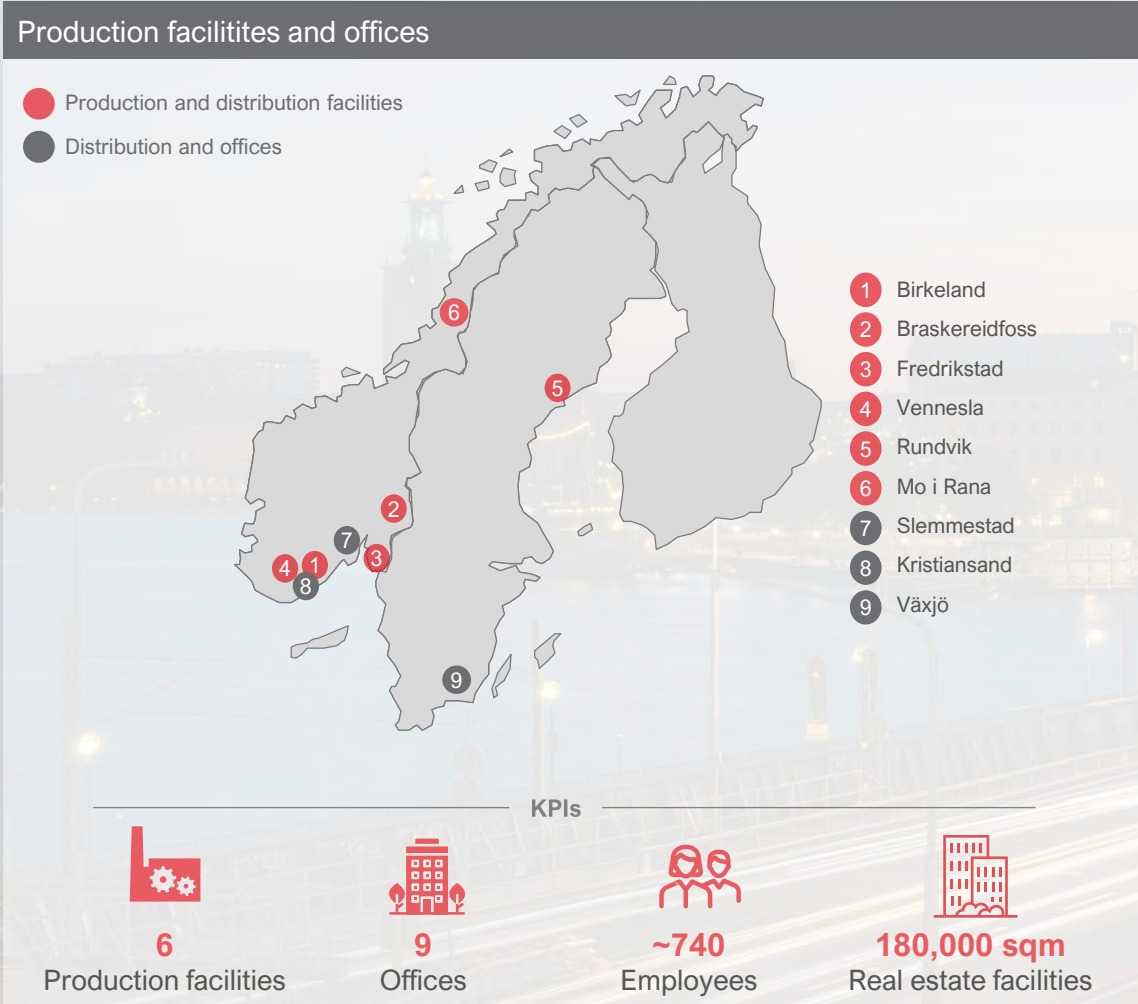


## Business model

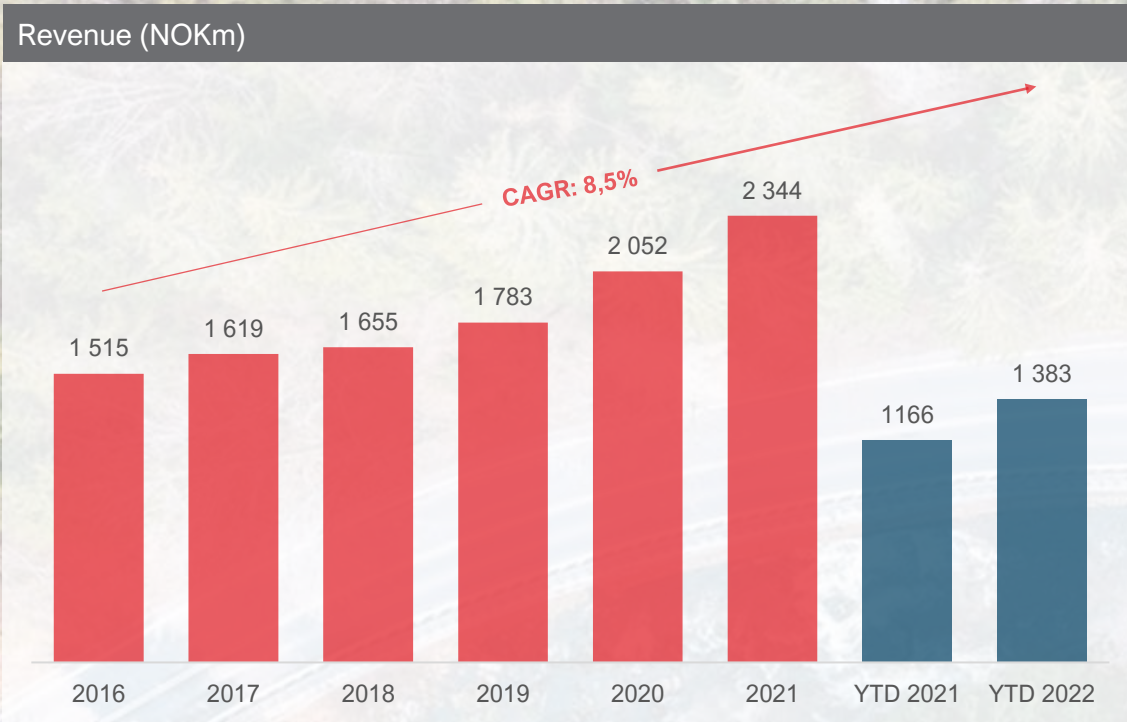
- Good profitability gives basis for secure jobs and development of the companies
- Byggma is seeking new and innovative solutions for a better customer experience and a more profitable and efficient construction process
- Focus on the triple bottom line in all R&D activities
- Increased efficiency and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



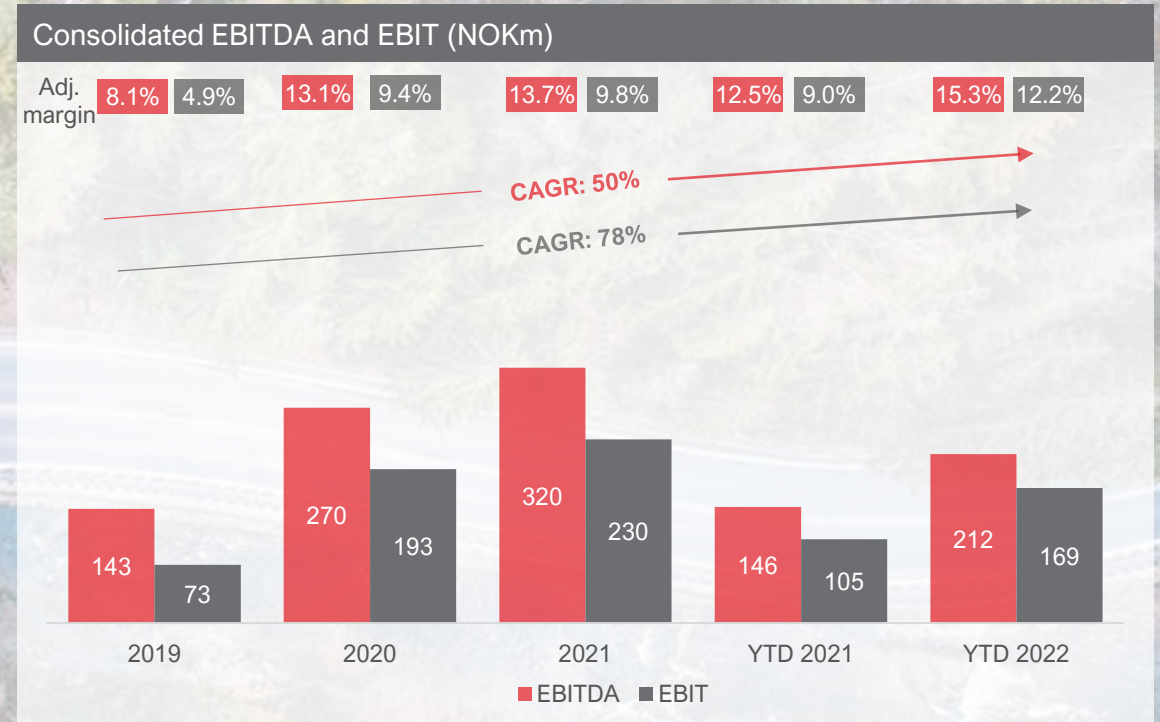
# Leading Nordic presence, with growing international customer base



# 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)



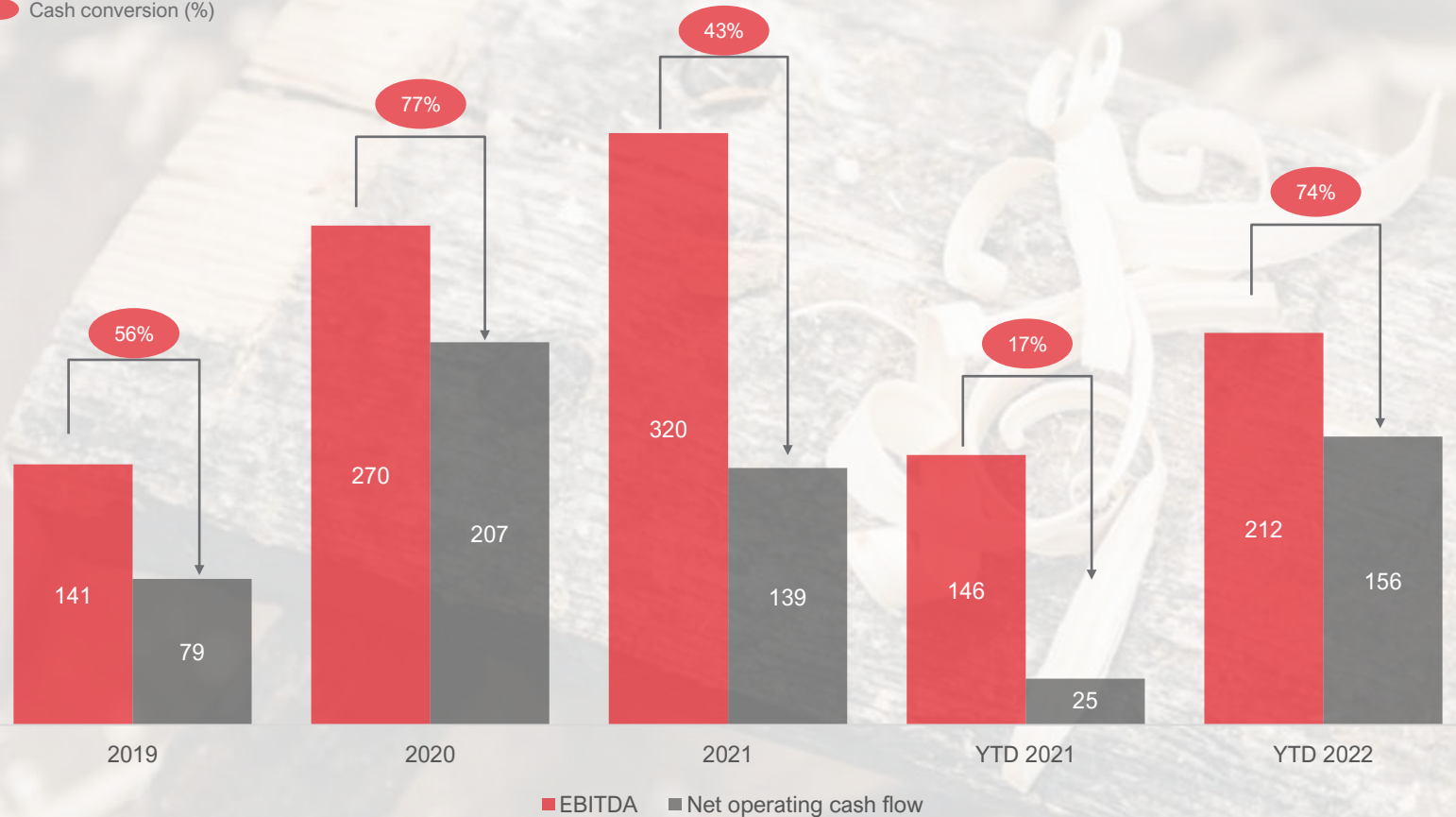
- Byggma has more than doubled its EBITDA and more than tripled its EBIT since 2019
- The strong improvement is primarily due to realization of synergies from the Smart Panel acquisition, product mix optimization and normal price increases. Byggma has seen an increase in raw material prices and experienced 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)

● Cash conversion (%)



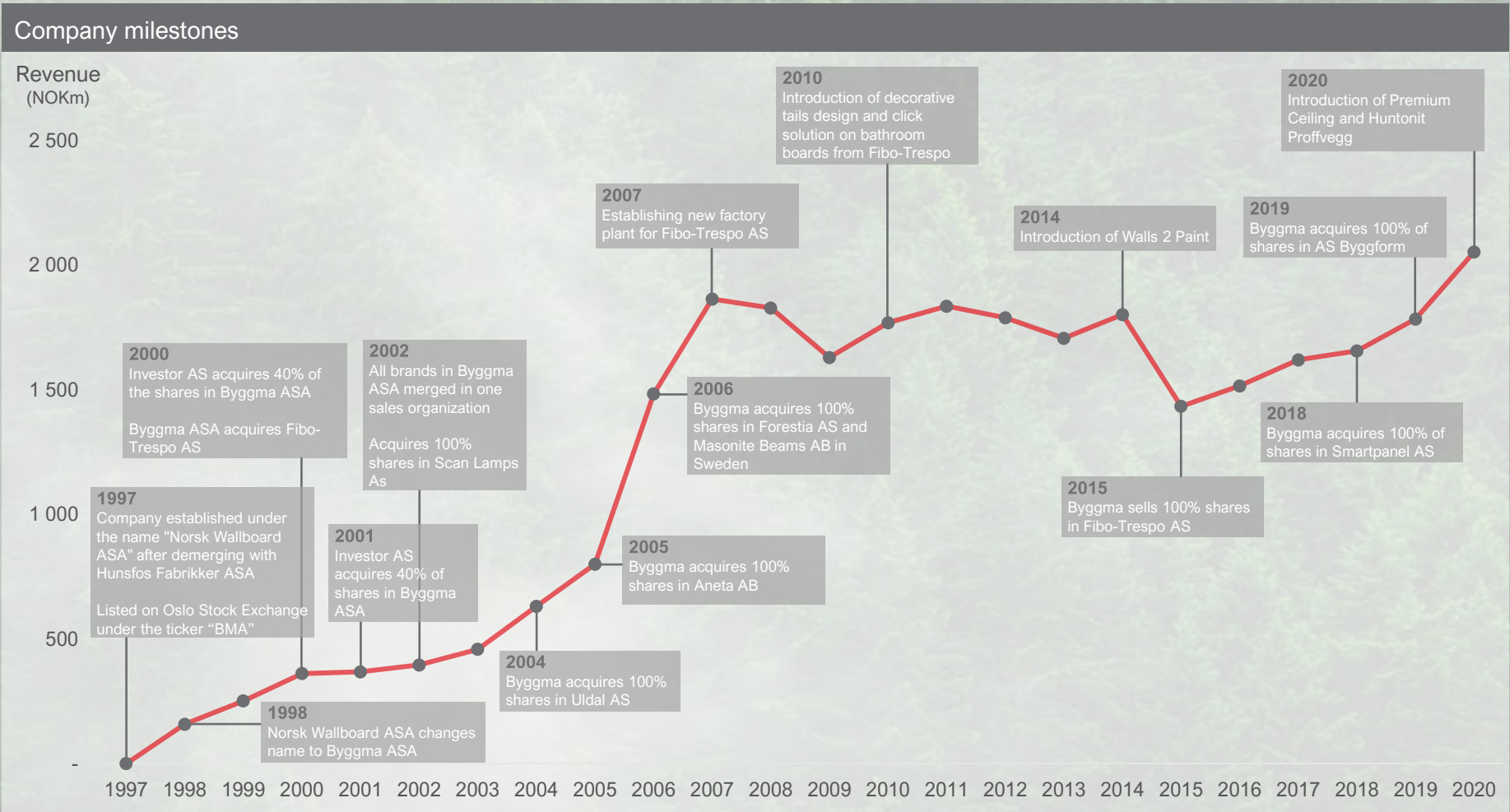
- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 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	YTD 2022	YTD 2021	2021	2020	2019	2018	2017
<b>Operating activities</b>							
Cash flow from operations	187	38	193	230	102	94	205
Interest paid	-13	-11	-23	-24	-21	-19	-17
Interest received	2	2	3	5	7	7	6
Taxes paid	-21	-4	-34	-4	-9	-28	-13
<b>Cash flow from operating activities</b>	<b>156</b>	<b>25</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	0	-21	0	0
Purchase of fixed assets	-50	-40	-89	-59	-90	-98	-107
Sale of fixed assets	15	0	0	0	1	1	5
Purchase of non-tangible assets	-1	-1	-2	-2	-2	-7	-10
Group loans	0	39	39	-27		0	0
<b>Cash flow from investing activities</b>	<b>-36</b>	<b>-2</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	-70	-559	-559	-7	-7	-7	-36
<b>Cash flow distributed to shareholders</b>	<b>-70</b>	<b>-559</b>	<b>-559</b>	<b>-7</b>	<b>-11</b>	<b>-18</b>	<b>-36</b>
Change in overdrafts	-17	56	16	-3	4	0	0
New debt raised	102	27	72	150	50	149	39
Debt down payment	-30	-33	-67	-62	-49	-63	-34
Loan from related parties	50	0	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>105</b>	<b>50</b>	<b>20</b>	<b>85</b>	<b>-7</b>	<b>86</b>	<b>6</b>
<b>Cash flow from financing activities</b>	<b>35</b>	<b>-509</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>155</b>	<b>-486</b>	<b>-451</b>	<b>197</b>	<b>-52</b>	<b>17</b>	<b>38</b>
Currency gains (losses)	0	-3	-4	5	-3	1	1



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



**12%  
CAGR since 1998**

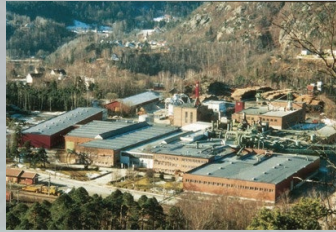
**9  
Acquisitions since IPO**

**Continuous product innovation**

**European footprint**



# Byggma operates 8 high-end manufacturing and distribution facilities



## Huntonit Eiendom AS

Location: Vennesla, Agder  
Total area: 78,112m<sup>2</sup>  
Production area: 19,664m<sup>2</sup>  
Year of construction: 1948-1988

Owned



## 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

Owned



## 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

Owned



## Aneta Lighting AS

Location: Kristiansand, Agder  
Total area: 6,300m<sup>2</sup>  
Warehouse facility: 3,500m<sup>2</sup>



## 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



## 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

Owned



## Smartpanel AS

Location: Fredrikstad, Viken  
Warehouse facility: 7,100m<sup>2</sup>  
Production area: 13,700m<sup>2</sup>



## AS Byggform

Location: Slemmestad, Viken  
Year of construction: 1989



# Key takeaways

Market leading position



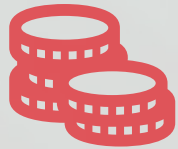
Robust underlying market



Strong brands and product offering



Long history of profitable growth



Attractive growth trajectory



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