



# Q1 2023 results

16 May 2023

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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 7 companies/ brands, operates 6 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®



## Key KPIs



**Vennesla, Norway**  
Headquarter



**~720**  
Employees



**NOK 2,444m**  
LTM<sup>2</sup> revenue



**NOK 337m**  
LTM<sup>2</sup> EBIT





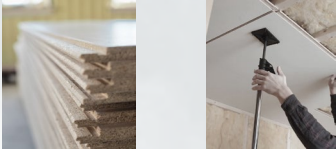
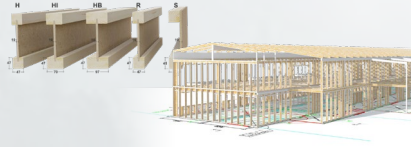










**NOK ~ 1.7bn<sup>1</sup>**  
Market capitalization



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

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

Bygghälsa 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**

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# Financials

# P&L Summary and Highlights

NOKm	Q1 2023	Q1 2022	2022	2021	2020
Sales revenue	637	700	2508	2344	2052
<b>EBITDA</b>	<b>114</b>	<b>102</b>	<b>407</b>	<b>320</b>	<b>270</b>
<b>EBIT</b>	<b>92</b>	<b>82</b>	<b>325</b>	<b>233</b>	<b>193</b>
Share of profit from associate	-16	0	0	0	0
Net financials	-21	5	-25	-9	-33
<b>Profit before tax</b>	<b>55</b>	<b>87</b>	<b>299</b>	<b>224</b>	<b>160</b>
Tax	-16	-19	-49	-48	-35
<b>Net profit</b>	<b>40</b>	<b>68</b>	<b>250</b>	<b>176</b>	<b>125</b>

- Negative sales growth of 9.1% from Q1 2022 to Q1 2023. Mainly due to lower volumes.
- EBIT margin of 14.5% in Q1 2023, compared to 11.7% in Q1 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 Q1 2023 interim report for more information.
- Price increases implemented as of 1 October 2022 to compensate for increased prices on raw material and energy.
- Revenues from newly launched products as Smartpanel Wet Wall and Forestia Ergospon is expected to increase in 2023.



# Consolidated balance sheet

Assets (NOK million)	31 Mar 2023	31 Mar 2021	31 Dec 2022
Fixed assets	861	814	853
Investment property	175	195	175
Intangible assets	20	21	21
Deferred tax assets	1	4	1
Long-term financial derivatives	13	11	14
Investment in associate	1 137	-	1 078
Other long-term receivables	0	1	0
<b>Total non-current assets</b>	<b>2 208</b>	<b>1 046</b>	<b>2 143</b>
Inventory	395	350	386
Customer and other short term receivables	416	536	379
Short-term financial assets	1	1	1
Cash and cash equivalents	20	51	37
<b>Total current assets</b>	<b>833</b>	<b>937</b>	<b>803</b>
<b>Total assets</b>	<b>3 041</b>	<b>1 983</b>	<b>2 946</b>

Equity and liabilities (NOK million)	31 Mar 2023	31 Mar 2021	31 Dec 2022
Share capital and share premium	53	53	53
Other equity not recognised in P&L	2	6	6
Retained earnings	826	674	786
<b>Total equity</b>	<b>881</b>	<b>733</b>	<b>833</b>
Long-term debt	826	378	832
Long-term leasing obligations	68	76	65
Long-term financial derivatives	-	-	-
Deferred tax liabilities	112	114	110
<b>Total long-term liabilities</b>	<b>1 006</b>	<b>568</b>	<b>1 007</b>
Accounts payable and other short-term liabilities	469	525	493
Tax payable	23	32	47
Short-term debt	642	105	546
Short-term leasing obligations	20	19	19
Short-term financial derivatives	-	-	-
<b>Total short-term liabilities</b>	<b>1 154</b>	<b>682</b>	<b>1 106</b>
<b>Total liabilities*</b>	<b>2 160</b>	<b>1 250</b>	<b>2 113</b>
<b>Total equity and liabilities</b>	<b>3 041</b>	<b>1 983</b>	<b>2 946</b>
*Of which interest-bearing debt (long-term and short-term)	1 556	578	1 462
Net interest-bearing debt	1 536	527	1 425
*Of which interest-bearing debt ex. leasing and sale leaseback	1 243	483	1 163
Net interest-bearing debt ex. leasing and sale leaseback	1 223	432	1 126

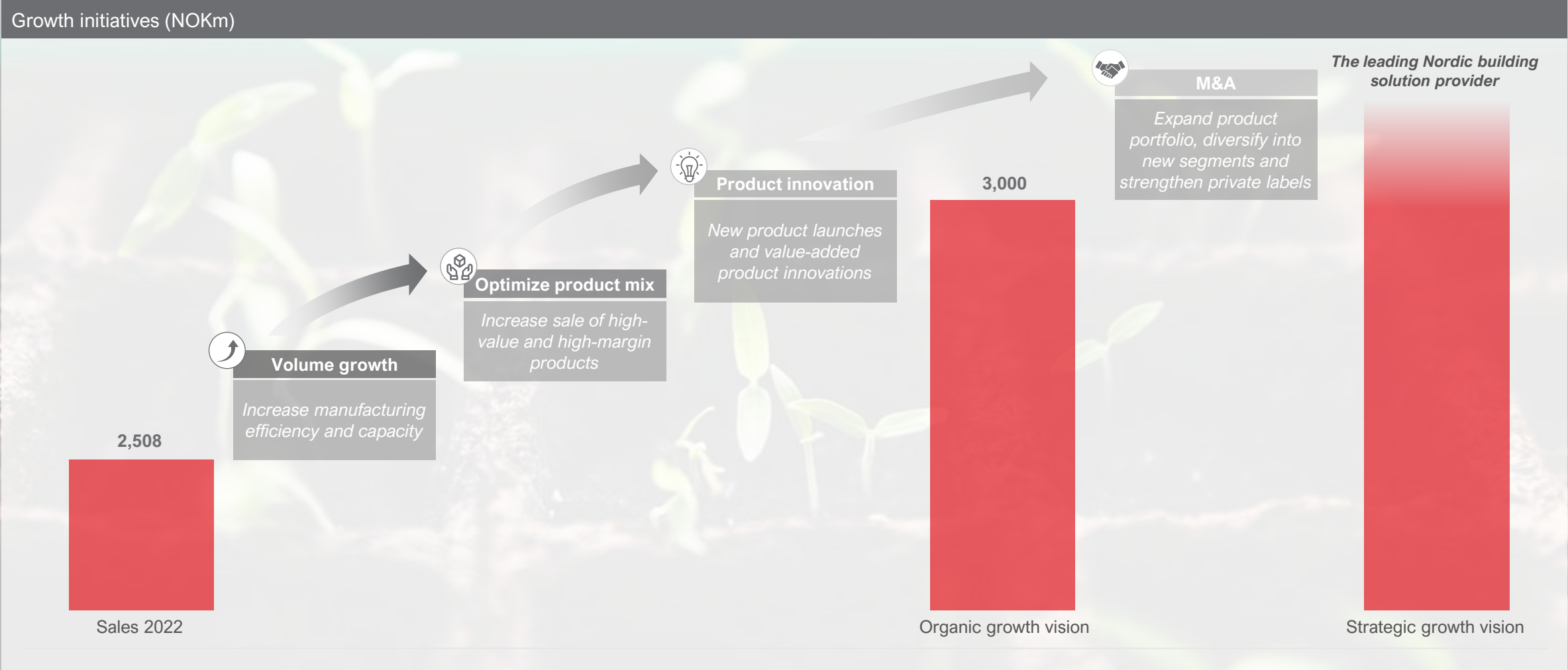
- Solid balance and hidden reserves in real estate and land
- Equity ratio of 29.0% as at 31 March 2023



# Consolidated income statement

NOKm	YTD 2023	YTD 2022	2022	2021	2020	2019	2018	2017
<b>Sales revenue</b>	<b>637</b>	<b>700</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	6	6	24	44	23	23	22	18
<b>Total revenue</b>	<b>643</b>	<b>707</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	-302	-373	-1 196	-1 133	-955	-844	-780	-744
Personnel expenses	-124	-133	-501	-488	-439	-424	-405	-387
D&A	-22	-20	-82	-87	-77	-70	-54	-54
Freight and complaints	-47	-45	-176	-171	-163	-146	-143	-135
Marketing	-23	-23	-104	-96	-93	-91	-72	-75
Other gains (losses)	-1	-4	53	0	1	-3	1	6
Other OPEX	-31	-26	-201	-179	-157	-156	-159	-154
<b>Total direct costs</b>	<b>-551</b>	<b>-625</b>	<b>-2 208</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>92</b>	<b>82</b>	<b>325</b>	<b>233</b>	<b>193</b>	<b>73</b>	<b>65</b>	<b>94</b>
Share of profit from associate	-16	0	0	0	0	0	0	0
<b>Net financials</b>	<b>-21</b>	<b>5</b>	<b>-25</b>	<b>-9</b>	<b>-33</b>	<b>-11</b>	<b>-9</b>	<b>-10</b>
<b>Profit before tax</b>	<b>55</b>	<b>87</b>	<b>299</b>	<b>224</b>	<b>160</b>	<b>62</b>	<b>56</b>	<b>84</b>
Tax	-16	-19	-49	-48	-35	-13	-9	-20
<b>Net profit</b>	<b>40</b>	<b>68</b>	<b>250</b>	<b>176</b>	<b>125</b>	<b>49</b>	<b>47</b>	<b>64</b>

# 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 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 (2022)	NOK 168m	NOK 20m <sup>1)</sup>	NOK 21m <sup>2)</sup>	Product launched in 2021/2022
Short term revenue potential	NOK ~250m	NOK ~150-200m	NOK ~100m	NOK ~280-300m

# Segment information

Sales revenue (NOKm)	Q1 2023	Q1 2022	2022	2021	2020
Panel sales to external customers	438	491	1 662	1 588	1 450
Beam sales to external customers	98	111	457	418	293
Window sales to external customers	72	71	291	229	214
Lighting sales to external customers	29	28	98	110	95
<b>Net sales revenues for the Group</b>	<b>637</b>	<b>700</b>	<b>2 508</b>	<b>2 344</b>	<b>2 052</b>

Operating profit (NOKm)	Q1 2023	Q1 2022	2022	2021	2020
Panel	67	45	161	140	163
Beam	14	22	70	55	26
Window	4	7	19	11	6
Lighting	0	1	-6	5	5
Real Estate	11	12	24	41	0
Group / eliminations	-3	-5	57	-18	-7
<b>Operating profit for the Group</b>	<b>92</b>	<b>82</b>	<b>325</b>	<b>233</b>	<b>193</b>

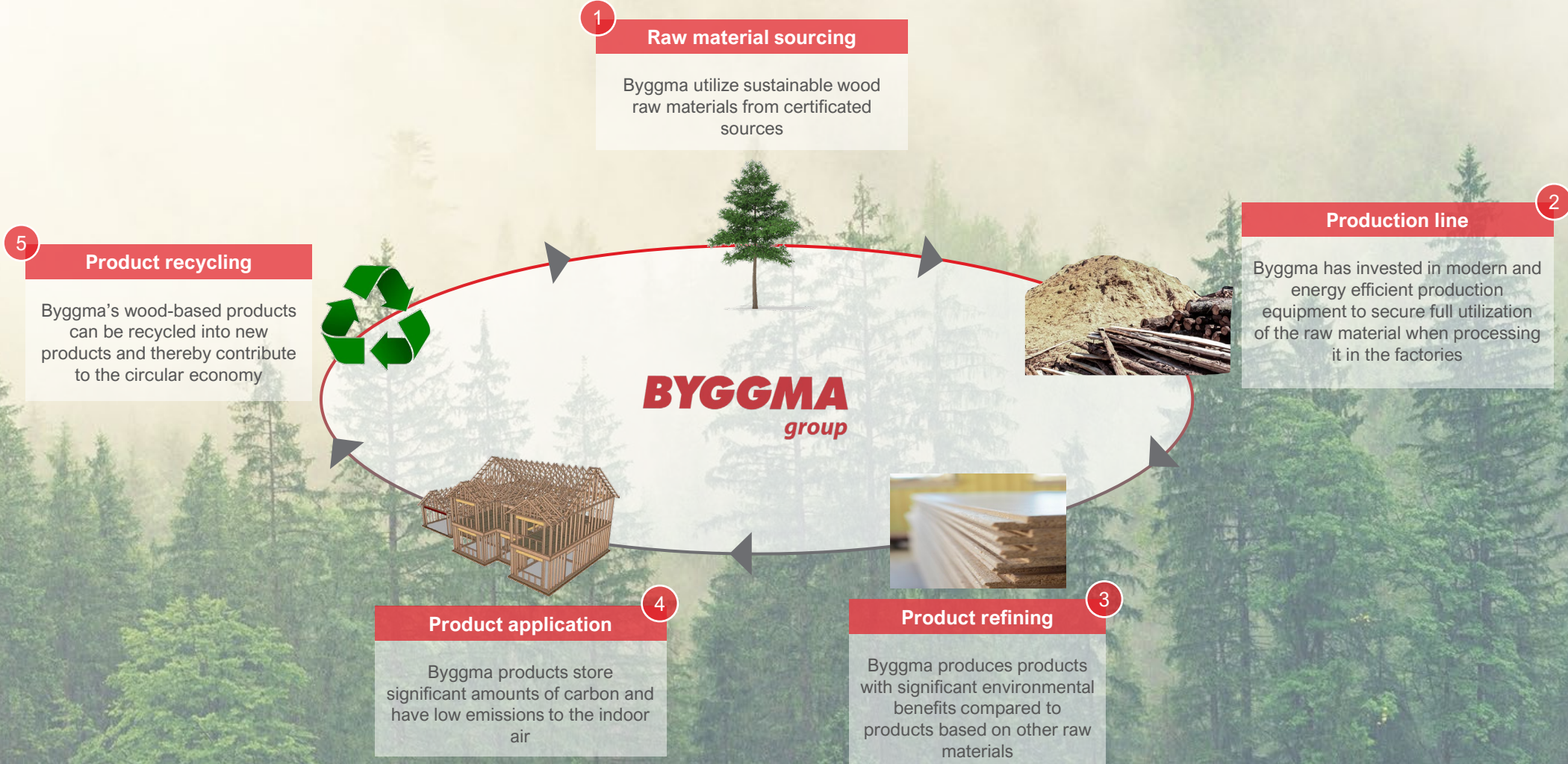
# Byggma still has ample available production capacity and high growth potential from value-added products

Company / brand	Key financials (2021)	Nominal production capacity	Available capacity	Growth potential	Other potential
	<p><u>Revenue</u>: NOK 935m <u>EBITDA</u>: NOK 157m</p>	300,000 m <sup>3</sup> / year	15%	 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 <u>EBITDA</u><sup>1</sup>: NOK 70m</p>	60,000 ton / year	30%	 HIGH Growth potential both through available production capacity and innovative, higher priced products such as "Proff Vegg"	
	<p><u>Revenue</u>: NOK 165m <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 <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 for 2021

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%**

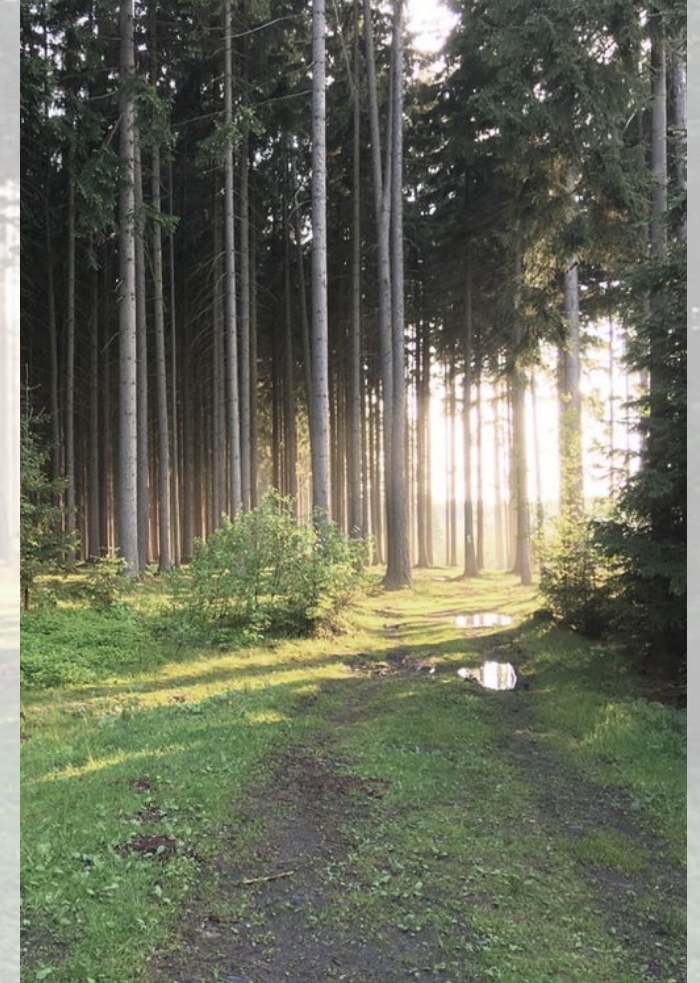
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

**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

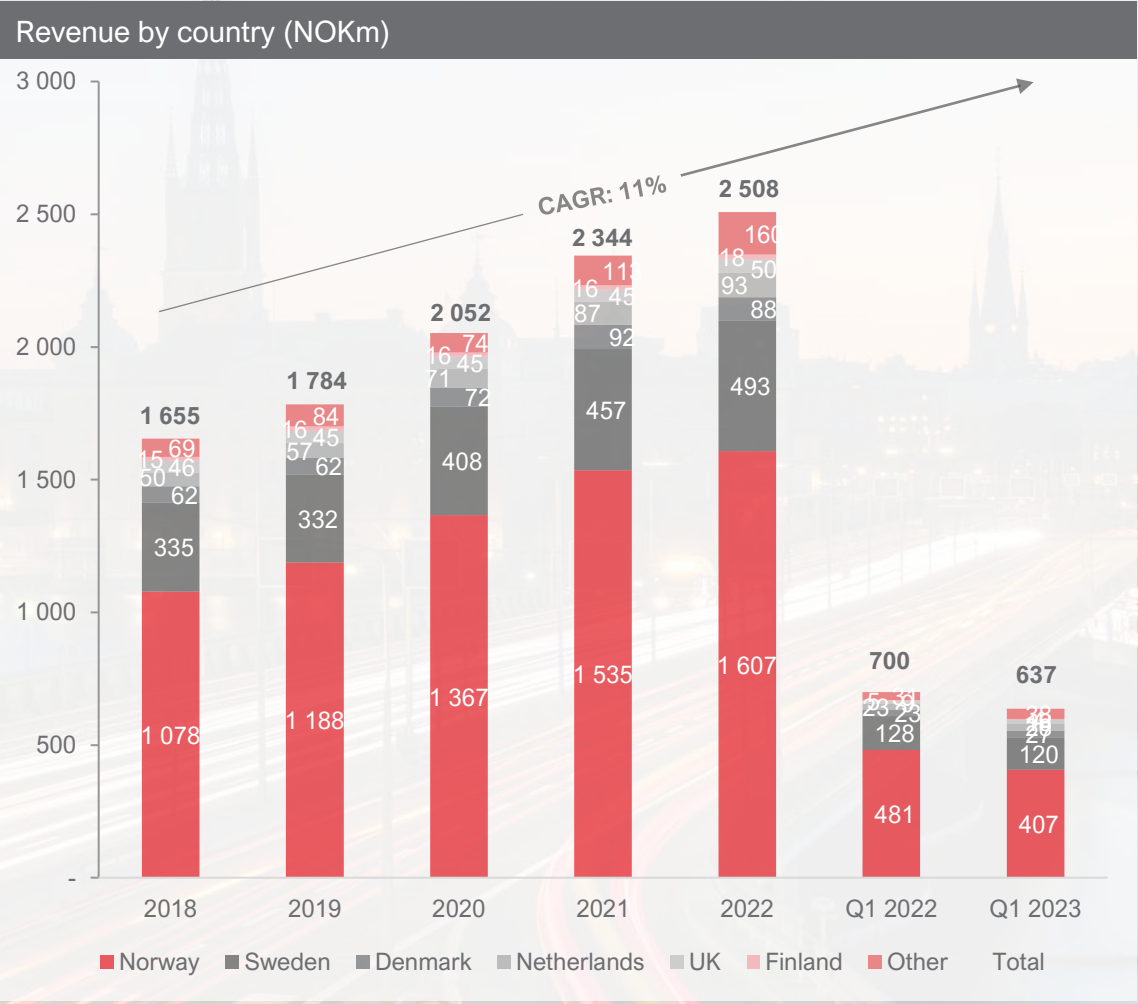
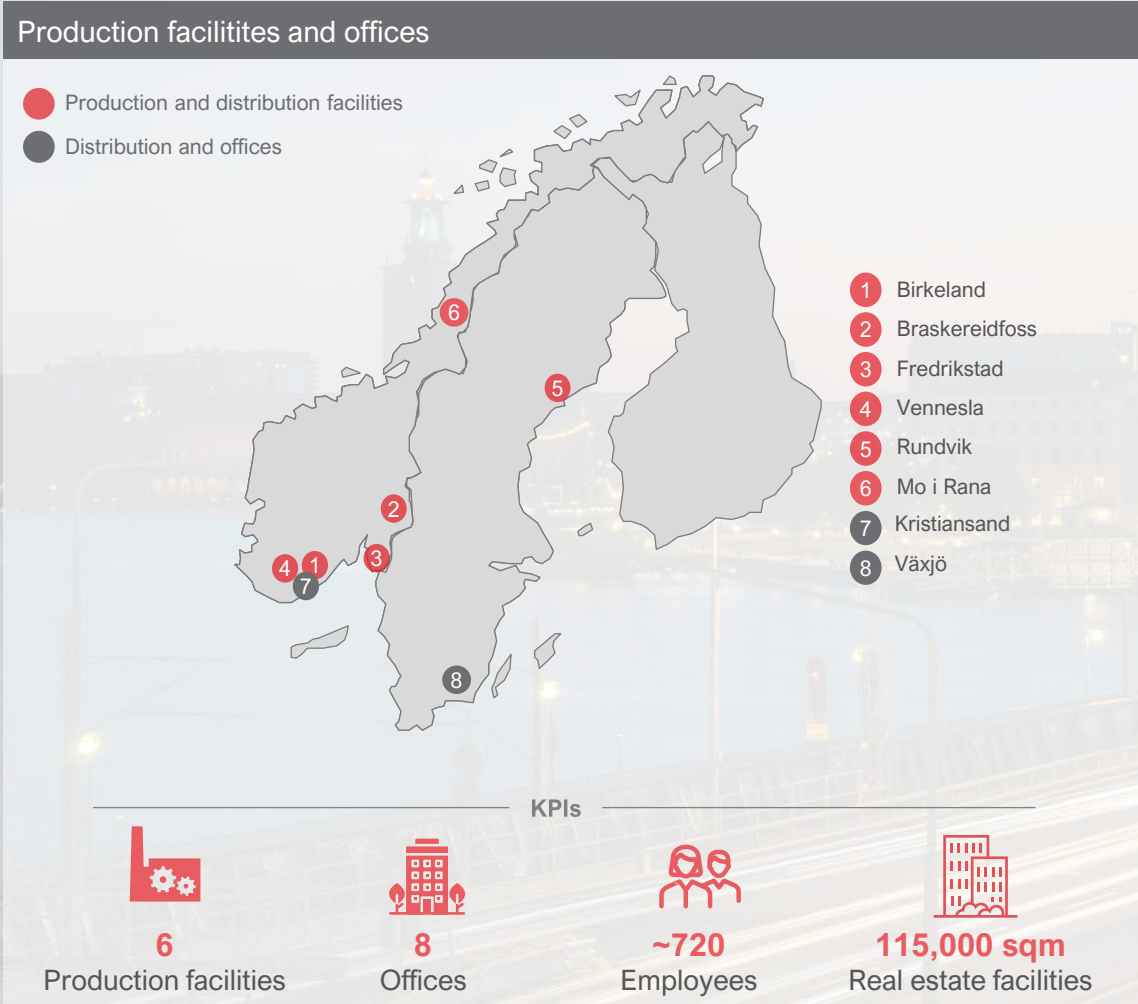
- Employees are given the opportunity for personal and professional development
- Collaborations with academia
- Vocational education
- Advanced training
- Factories with proximity to raw materials
- Byggma's presence contributes to sustainable cities and communities
- Byggma's presence provides significant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



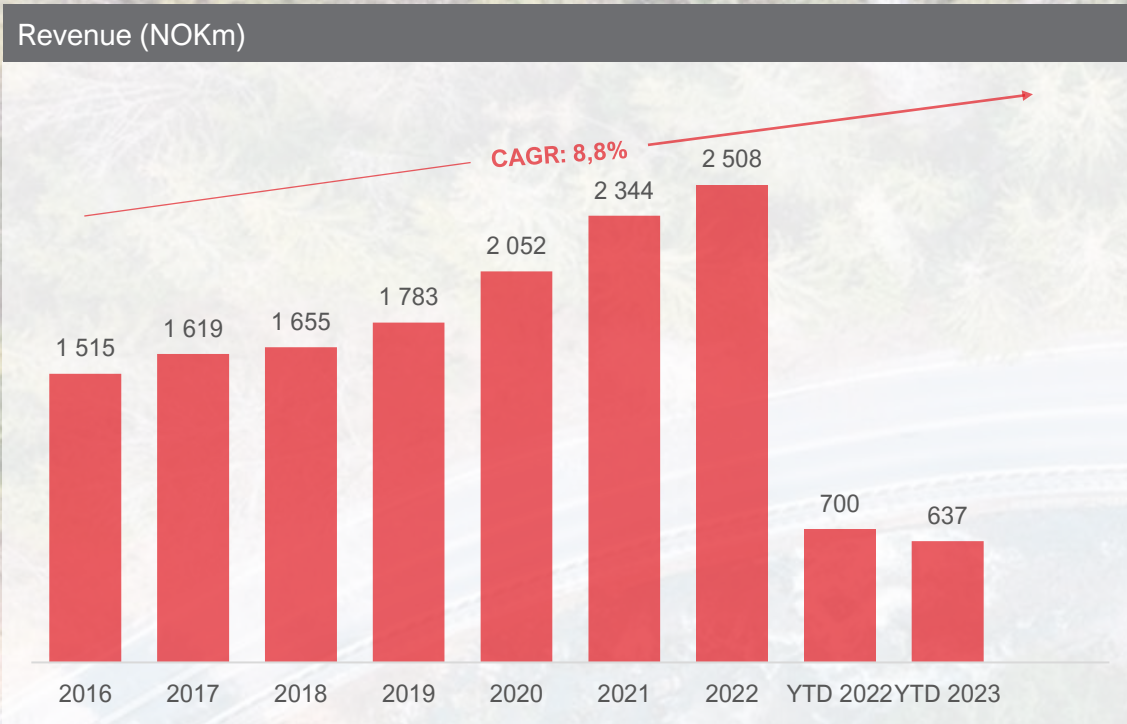
## Business model

- 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

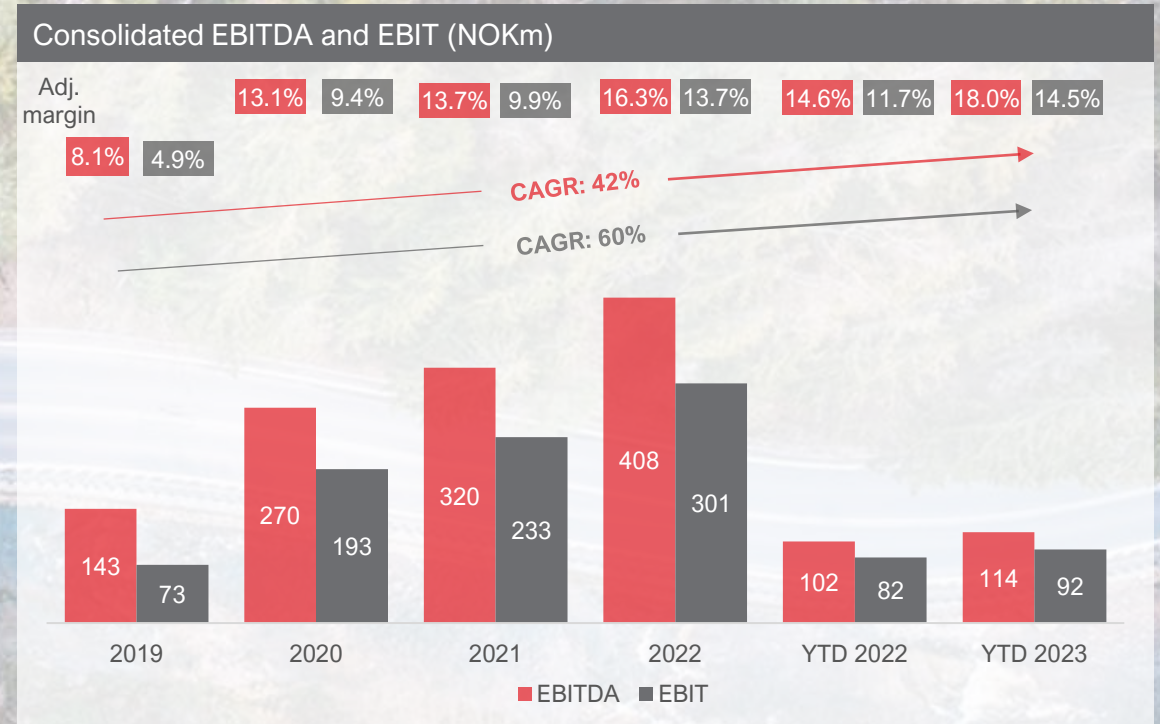
# Leading Nordic presence, with growing international customer base



# Strong topline and profitability improvements last few years



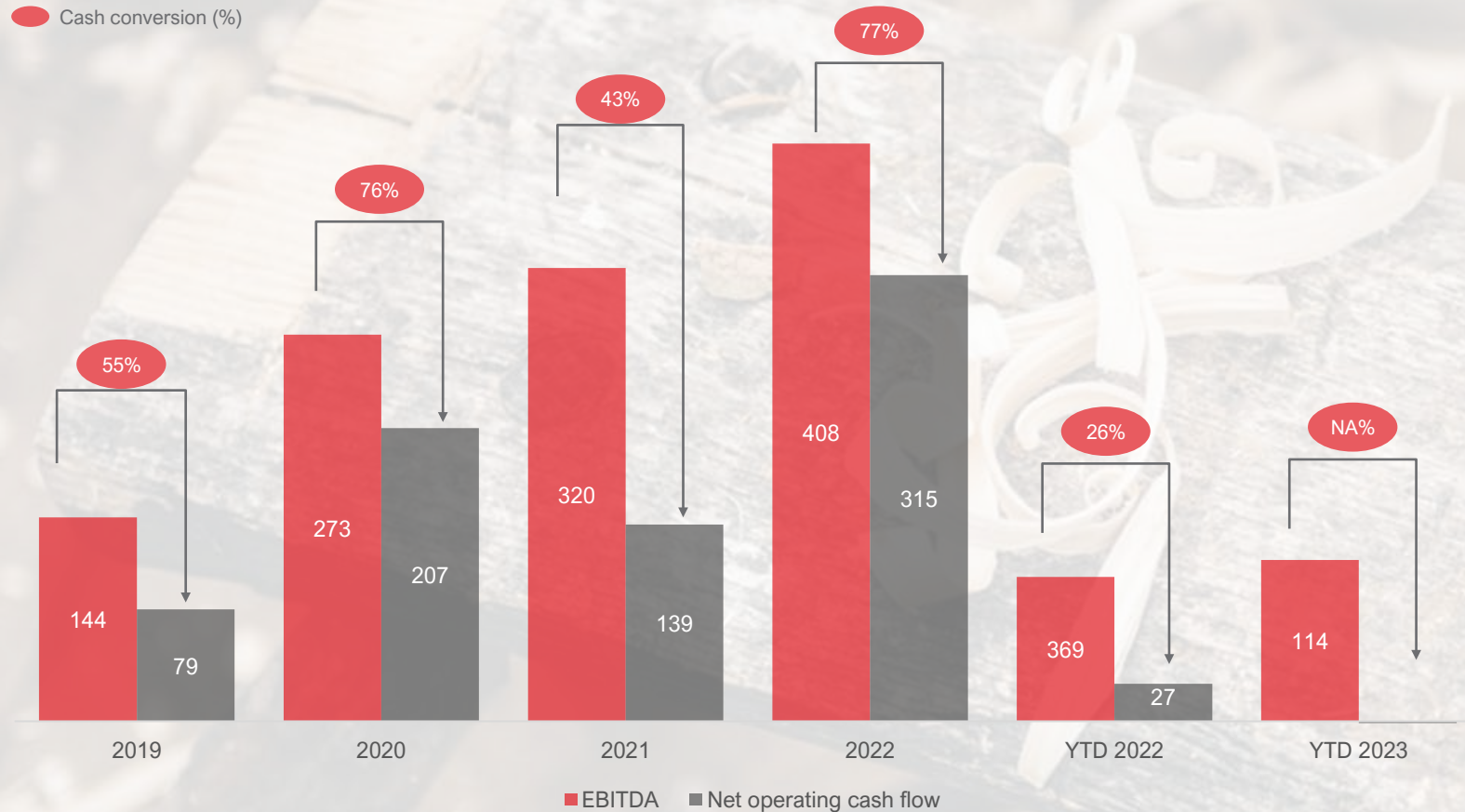
- Organic growth from 2015-2018, while the growth from 2018 is a combination of organic growth initiatives and the acquisition of Smartpanel (2018) and Byggform (2019), adding NOK 117m in revenues in 2019, and NOK 34m in 2020 (full-year effect of the Byggform acquisition)
- The growth in 2020 and 2021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

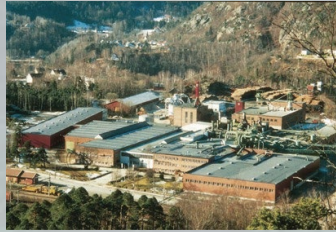


- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 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 2023	YTD 2022	2022	2021	2020	2019	2018	2017
<b>Operating activities</b>								
Cash flow from operations	21	42	388	193	230	102	94	205
Interest paid	-20	-6	-38	-23	-24	-21	-19	-17
Interest received	4	1	6	3	5	7	7	6
Taxes paid	-25	-10	-41	-34	-4	-9	-28	-13
<b>Cash flow from operating activities</b>	<b>-21</b>	<b>27</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	-13	-16	-128	-89	-59	-90	-98	-107
Sale of fixed assets	0	1	15	0	0	1	1	5
Purchase of non-tangible assets	0	-1	-2	-2	-2	-2	-7	-10
Purchase of associated company	-64	0	-1 016	0	0	0	0	0
Group loans	0	0	0	39	-27		0	0
<b>Cash flow from investing activities</b>	<b>-77</b>	<b>-16</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	0	-4	-11	0
Dividend paid	0	0	-70	-559	-7	-7	-7	-36
<b>Cash flow distributed to shareholders</b>			<b>-70</b>	<b>-559</b>	<b>-7</b>	<b>-11</b>	<b>-18</b>	<b>-36</b>
Change in overdrafts	93	-17	73	16	-3	4	0	0
New debt raised	8	2	814	72	150	50	149	39
Debt down payment	-21	-15	-88	-67	-62	-49	-63	-34
Loan from related parties	0	0	54	0	0	0	0	0
Change in interest bearing receivables	0	0	0	0	0	-12	0	0
<b>Cash flow from external financing</b>	<b>80</b>	<b>-30</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>80</b>	<b>-30</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>-18</b>	<b>-19</b>	<b>-33</b>	<b>-451</b>	<b>197</b>	<b>-52</b>	<b>17</b>	<b>38</b>
Currency gains (losses)	1	-1	-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



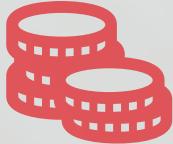
Robust underlying market



Strong brands and product offering



Long history of profitable growth



Attractive growth trajectory



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*group*

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