



# Q3 2021 results

*4 November 2021*

The Q&A session will be held on Microsoft Teams directly after the presentation. Please sign up for the Q&A by sending an email to our IR officer, [ir@byggma.no](mailto:ir@byggma.no), to receive invitation to Teams.

## Today's presenter



Geir Drangslund

*CEO and shareholder*



**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 ~700 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



**~700**  
Employees



**NOK 2,260m**  
LTM<sup>2</sup> revenue



**NOK 218m**  
LTM<sup>2</sup> EBIT



**NOK ~2.0bn<sup>1</sup>**  
Market capitalization



**NOK 559m**  
2020 dividend

# #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**





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# Financials

# P&L Summary

NOKm	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Sales revenue	546.0	481.6	1,712.4	1,504.4	2,052.4
<b>EBITDA</b>	<b>76.2</b>	<b>70.3</b>	<b>221.7</b>	<b>191.9</b>	<b>269.6</b>
<b>EBIT</b>	<b>55.6</b>	<b>50.9</b>	<b>160.9</b>	<b>134.5</b>	<b>192.6</b>
Net financials	(2.1)	(4.8)	(4.8)	(34.1)	(32.9)
<b>Profit before tax</b>	<b>53.4</b>	<b>46.2</b>	<b>156.0</b>	<b>100.4</b>	<b>159.7</b>
Tax	(11.6)	(10.1)	(34.0)	(22.2)	(34.8)
<b>Net profit</b>	<b>41.8</b>	<b>36.1</b>	<b>122.0</b>	<b>78.1</b>	<b>124.9</b>

- Strong demand for wood based building materials
- Sales growth of 13.4% from Q3 2020 to Q3 2021, and sales growth of 13.8% from YTD 2020 to YTD 2021
- Could be even higher, due to some supply and capacity challenges on some areas
- Satisfactory development on all segments
- EBIT margin of 10.2% in Q3 2021, compared to 10.6% in Q3 2020
- EBIT margin of 9.4% in YTD 2021, compared to 8.9% in YTD 2020
- Price increases implemented as of 1 October to compensate for increased prices on raw material and energy
- Net financial items are largely influenced by loss on interest rate swap of NOK 19.1 million in YTD 2020 and gain of NOK 10.5 million in YTD 2021



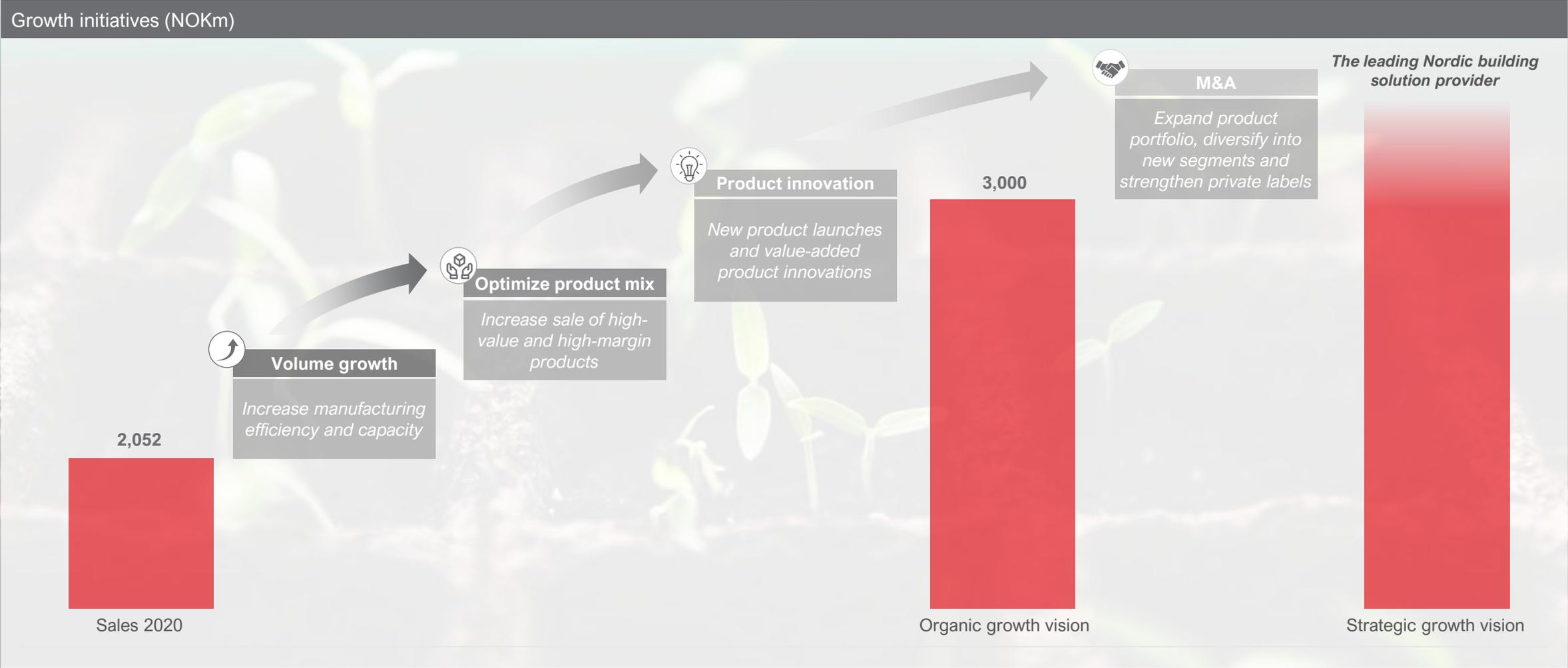
# Consolidated balance sheet

Assets (NOK million)	30 Sep 2021	30 Sep 2020	31 Dec 2021
Fixed assets	938	929	932
Intangible assets	23	26	25
Deferred tax assets	4	10	7
Long-term financial derivatives	0	0	0
Other long-term receivables	1	1	0
<b>Total non-current assets</b>	<b>965</b>	<b>966</b>	<b>964</b>
Inventory	322	262	264
Customer receivables	436	359	379
Short-term financial assets	0	0	0
Cash and cash equivalents	34	460	525
<b>Total current assets</b>	<b>793</b>	<b>1 081</b>	<b>1 168</b>
<b>Total assets</b>	<b>1 758</b>	<b>2 047</b>	<b>2 132</b>

Equity and liabilities (NOK million)	30 Sep 2021	30 Sep 2020	31 Dec 2021
Share capital and share premium	53	53	53
Other equity not recognised in P&L	12	16	17
Retained earnings	484	874	921
<b>Total equity</b>	<b>549</b>	<b>943</b>	<b>990</b>
Long-term debt	445	497	453
Long-term financial derivatives	1	16	10
Deferred tax liabilities	91	84	90
<b>Total long-term liabilities</b>	<b>536</b>	<b>597</b>	<b>552</b>
Accounts payable and other short-term liab	443	394	409
Tax payable	29	0	33
Short-term debt	199	110	144
Short-term financial derivatives	1	4	3
<b>Total short-term liabilities</b>	<b>673</b>	<b>507</b>	<b>589</b>
<b>Total liabilities</b>	<b>1 209</b>	<b>1 104</b>	<b>1 142</b>
<b>Total equity and liabilities</b>	<b>1 758</b>	<b>2 047</b>	<b>2 132</b>

- Payment of dividend in Q2 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
- Equity ratio of 31% as per 30 September 2021

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





# Investment highlights



Market leading position

- The leading Nordic provider of woodchip boards, decorative interior panels, wood fibre boards, MDF interior walls & ceiling panels, and I-Beams
- Growing position in Europe and within adjacent product areas
- Sales agreements with all major building materials chains

Strong underlying market

- >90% of revenues in the Nordics
- Large, stable and growing underlying market
- The Norwegian building materials industry is a NOK 50bn market, expected to grow ~4% in 2021

Strong brands and broad portfolio of sustainable products

- Recognized brands and continuous focus on product development
- Diversified portfolio from commodity products to highly refined products
- Utilizing renewable raw materials to provide sustainable building material solutions

Long history of growth

- Long history of revenue growth (CAGR of 9% since 2000), both organically and through acquisitions
- Improving profitability, from 4% EBIT in 2018 to >9% in 2020 and YTD 2021, and with high cash conversion
- High dividend capacity, with NOK 559m distributed for 2020. Policy of 30-50% of net income going forward.

Well positioned for further growth and cash generation

- Well defined growth strategy within all business areas, both organic and inorganic
- Large potential from transition to higher share of innovative and value-added products with higher average sales price
- Set to leverage on demonstrated M&A capabilities – with several targets identified

# 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<sup>®</sup> Wet Wall 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 (2020)	NOK 152m	NOK 2m <sup>1)</sup>	NOK 3m <sup>2)</sup>	Product launched in Q3 2021
Short term revenue potential	NOK ~250m	NOK ~150-200m	NOK ~100m	NOK ~280-300m



**BYGGMA**  
*group*

Thank you

*4 November 2021*

Please call in to the Q&A session on Microsoft Teams.

An aerial photograph of a lush green forested valley. A river flows through the center of the valley, surrounded by dense evergreen trees. The background shows rolling hills and mountains under a clear sky.

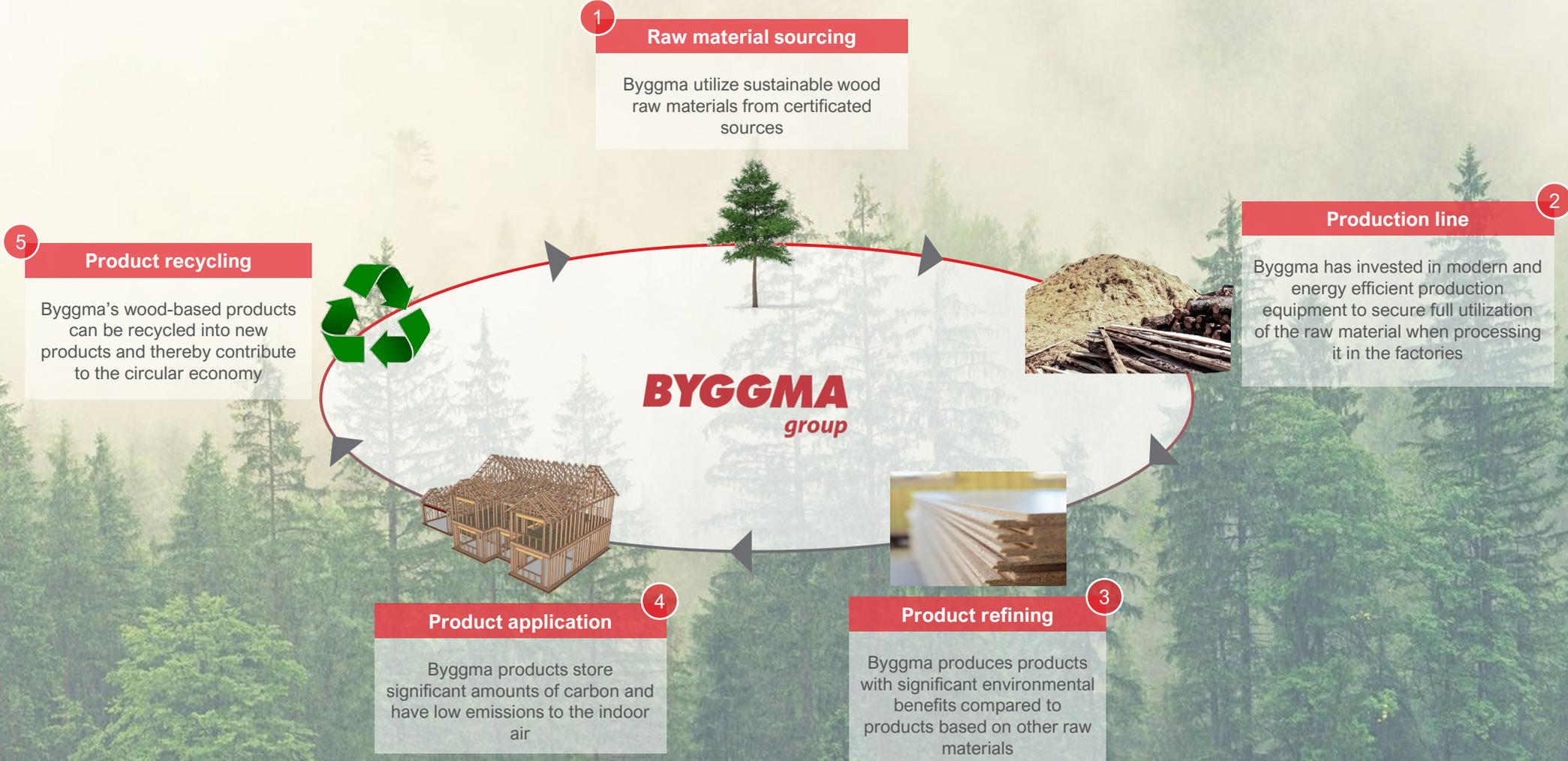
**BYGGMA**  
*group*

# Appendix

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

Company / brand	Key financials (2020)	Nominal production capacity	Available capacity	Growth potential	Other potential
	<p><u>Revenue:</u> NOK 835m</p> <p><u>EBITDA:</u> NOK 137m</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> NOK 493m</p> <p><u>EBITDA:</u> NOK 61m</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 119m</p> <p><u>EBITDA:</u> NOK 6m</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"	
	<p><u>Revenue:</u> NOK 247m</p> <p><u>EBITDA:</u> NOK 34m</p>	15 million running meters / year	60%	 HIGH Large potential through utilizing significant available production capacity. High international sales potential	

# Targeted approach towards environmentally friendly production and initiatives



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

**5.6%**

The CO<sub>2</sub> abatement from Byggmas board products corresponds to 5.6% of the Norway's total road traffic emission

**47%**

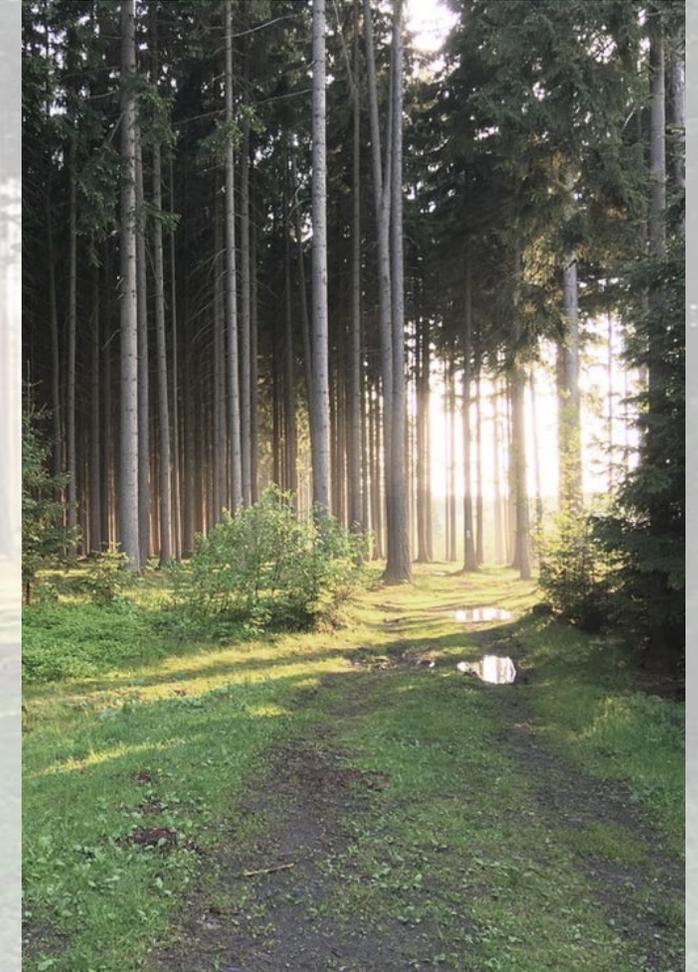
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

**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



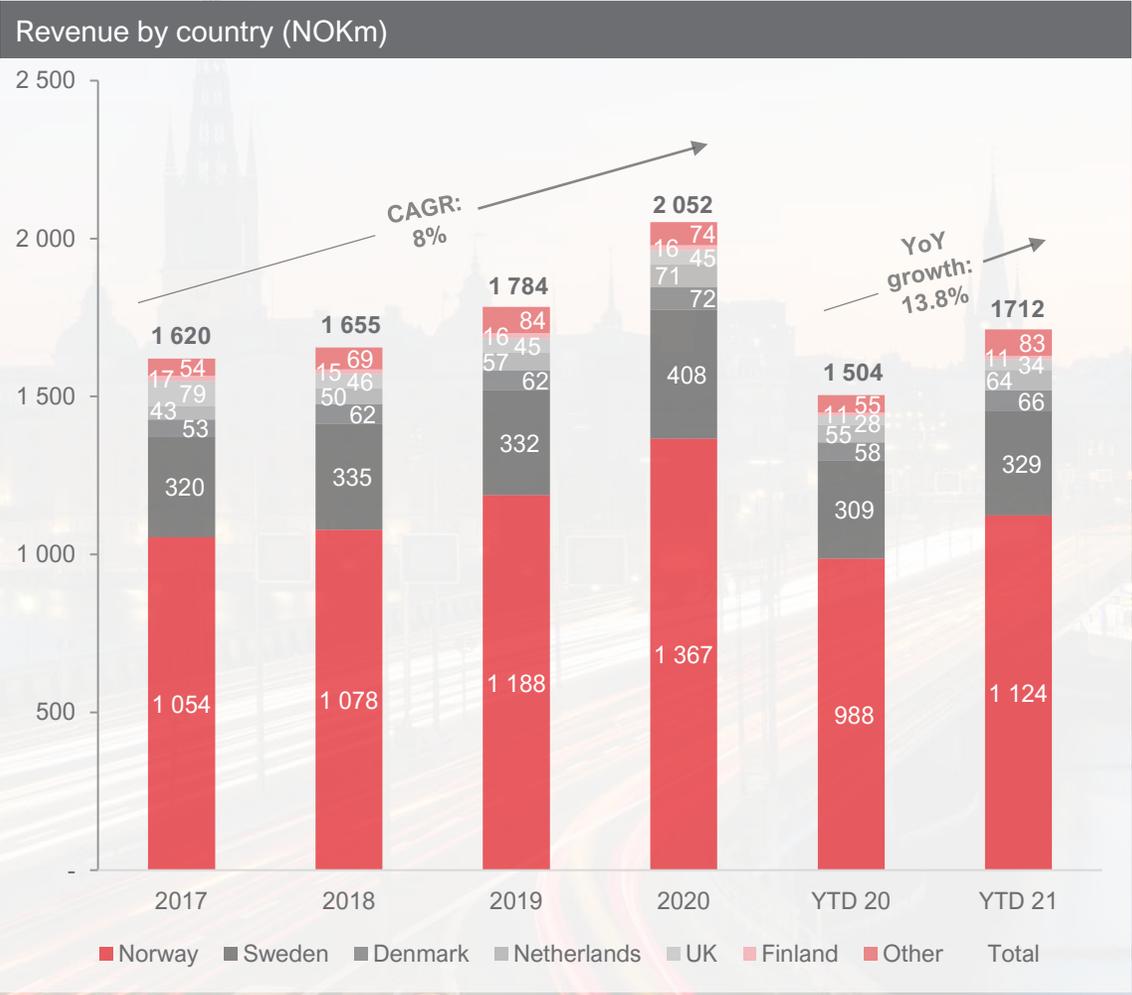
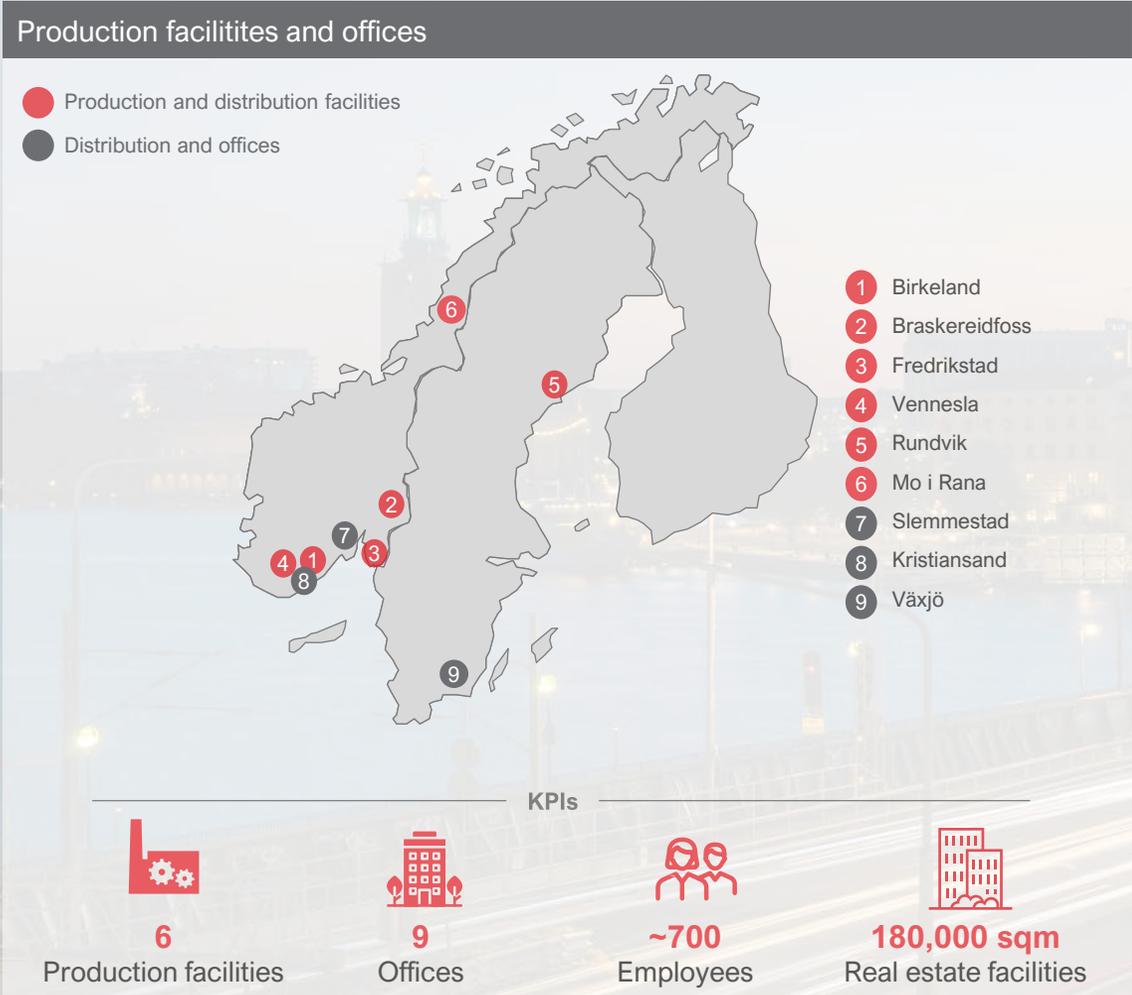
## Business model

- 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

# Consolidated income statement

NOKm	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020	2019	2018	2017
<b>Sales revenue</b>	<b>546</b>	<b>482</b>	<b>1 712</b>	<b>1 504</b>	<b>2 052</b>	<b>1 783</b>	<b>1 655</b>	<b>1 619</b>
Other revenue	5	3	17	18	23	23	22	18
<b>Total revenue</b>	<b>551</b>	<b>484</b>	<b>1 729</b>	<b>1 523</b>	<b>2 075</b>	<b>1 806</b>	<b>1 677</b>	<b>1 637</b>
COGS	-297	-250	-901	-770	-955	-844	-780	-744
Personnel expenses	-96	-89	-348	-315	-439	-424	-405	-387
D&A	-21	-19	-61	-57	-77	-70	-54	-54
Freight and complaints	-38	-37	-127	-118	-163	-146	-143	-135
Marketing	-16	-14	-51	-50	-93	-91	-72	-75
Other gains (losses)	0	1	1	3	1	-3	1	6
Other OPEX	-27	-24	-81	-80	-157	-156	-159	-154
<b>Total direct costs</b>	<b>-496</b>	<b>-434</b>	<b>-1 568</b>	<b>-1 388</b>	<b>-1 883</b>	<b>-1 733</b>	<b>-1 612</b>	<b>-1 543</b>
<b>EBIT</b>	<b>56</b>	<b>51</b>	<b>161</b>	<b>134</b>	<b>193</b>	<b>73</b>	<b>65</b>	<b>94</b>
<b>Net financials</b>	<b>-2</b>	<b>-5</b>	<b>-5</b>	<b>-34</b>	<b>-33</b>	<b>-11</b>	<b>-9</b>	<b>-10</b>
<b>Profit before tax</b>	<b>53</b>	<b>46</b>	<b>156</b>	<b>100</b>	<b>160</b>	<b>62</b>	<b>56</b>	<b>84</b>
Tax	-12	-10	-34	-22	-35	-13	-9	-20
<b>Net profit</b>	<b>42</b>	<b>36</b>	<b>122</b>	<b>78</b>	<b>125</b>	<b>49</b>	<b>47</b>	<b>64</b>

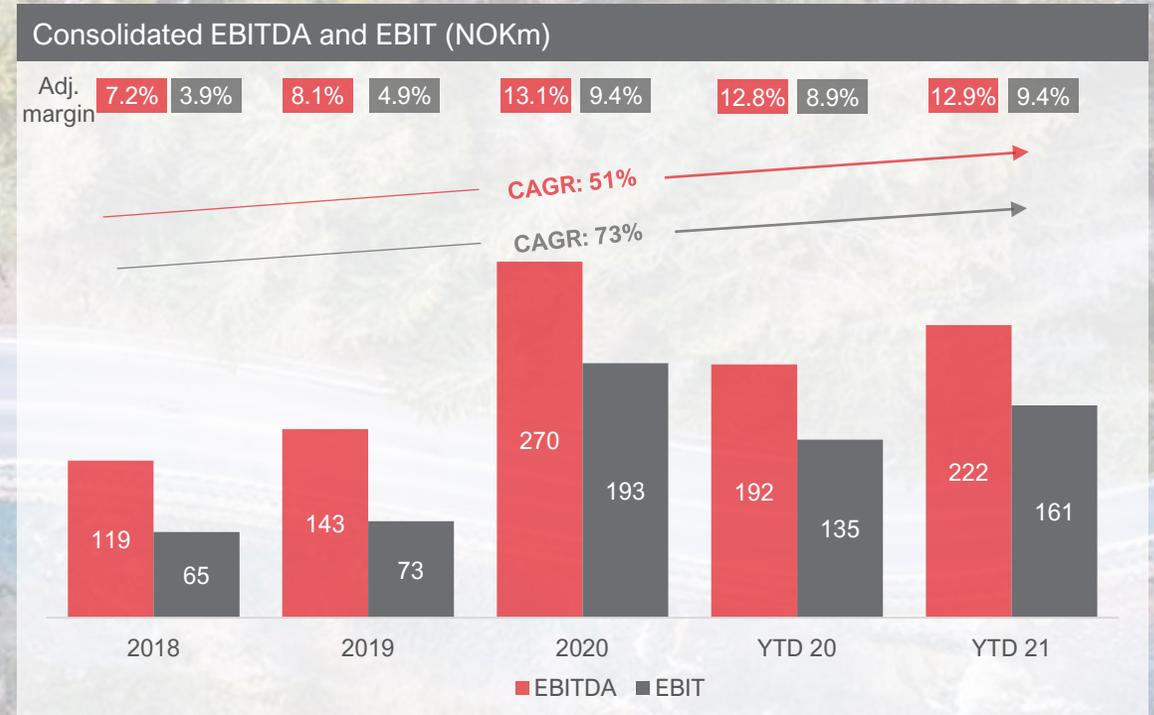
# Leading Nordic presence, with growing international customer base



# 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 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)

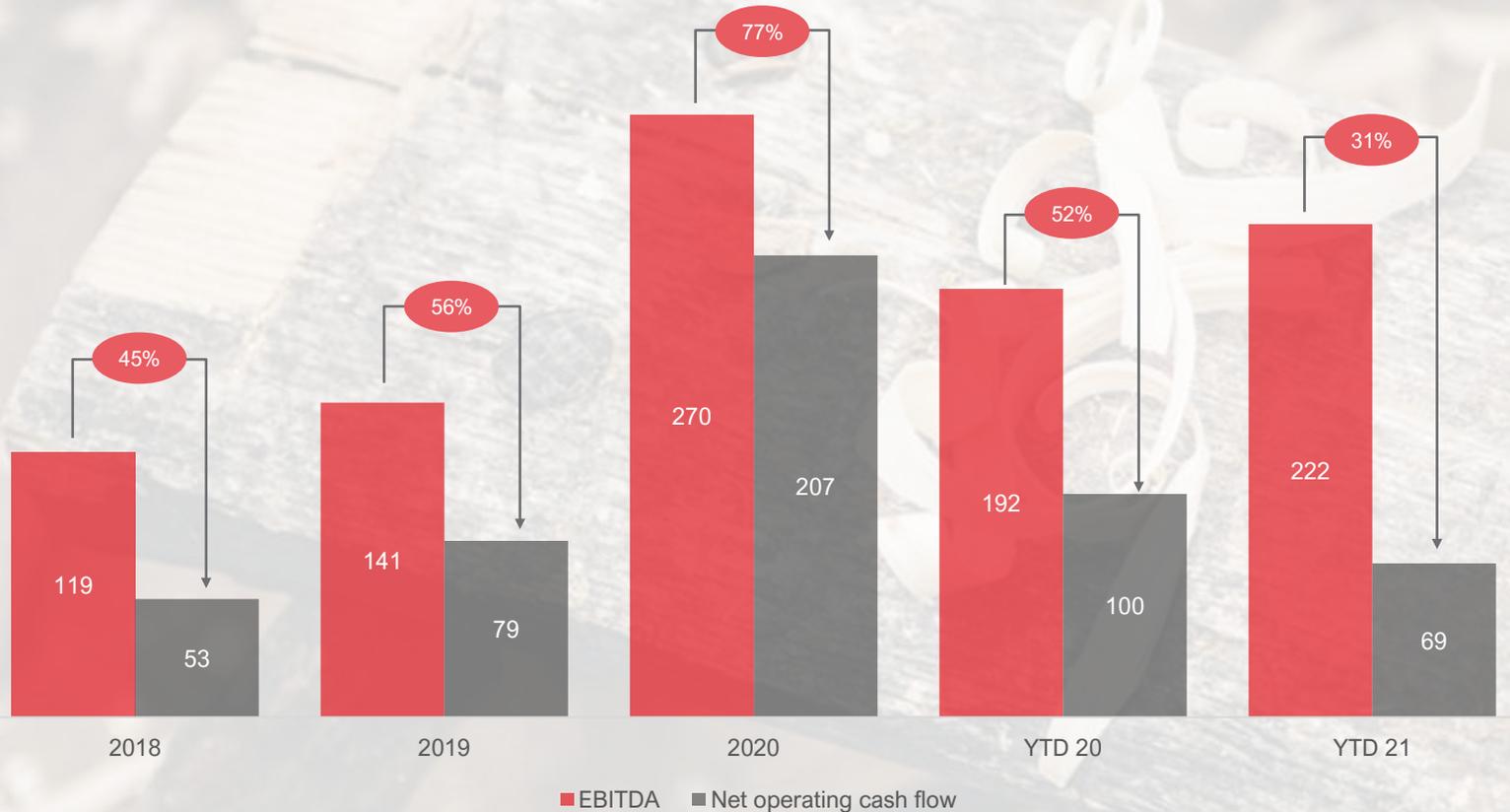


- Byggma has more than doubled its EBITDA and almost tripled its EBIT since 2018
- The strong improvement is primarily due to realization of synergies from the Smart Panel acquisition, product mix optimization and normal price increases. Byggma has seen a normal increase in raw material prices and experienced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

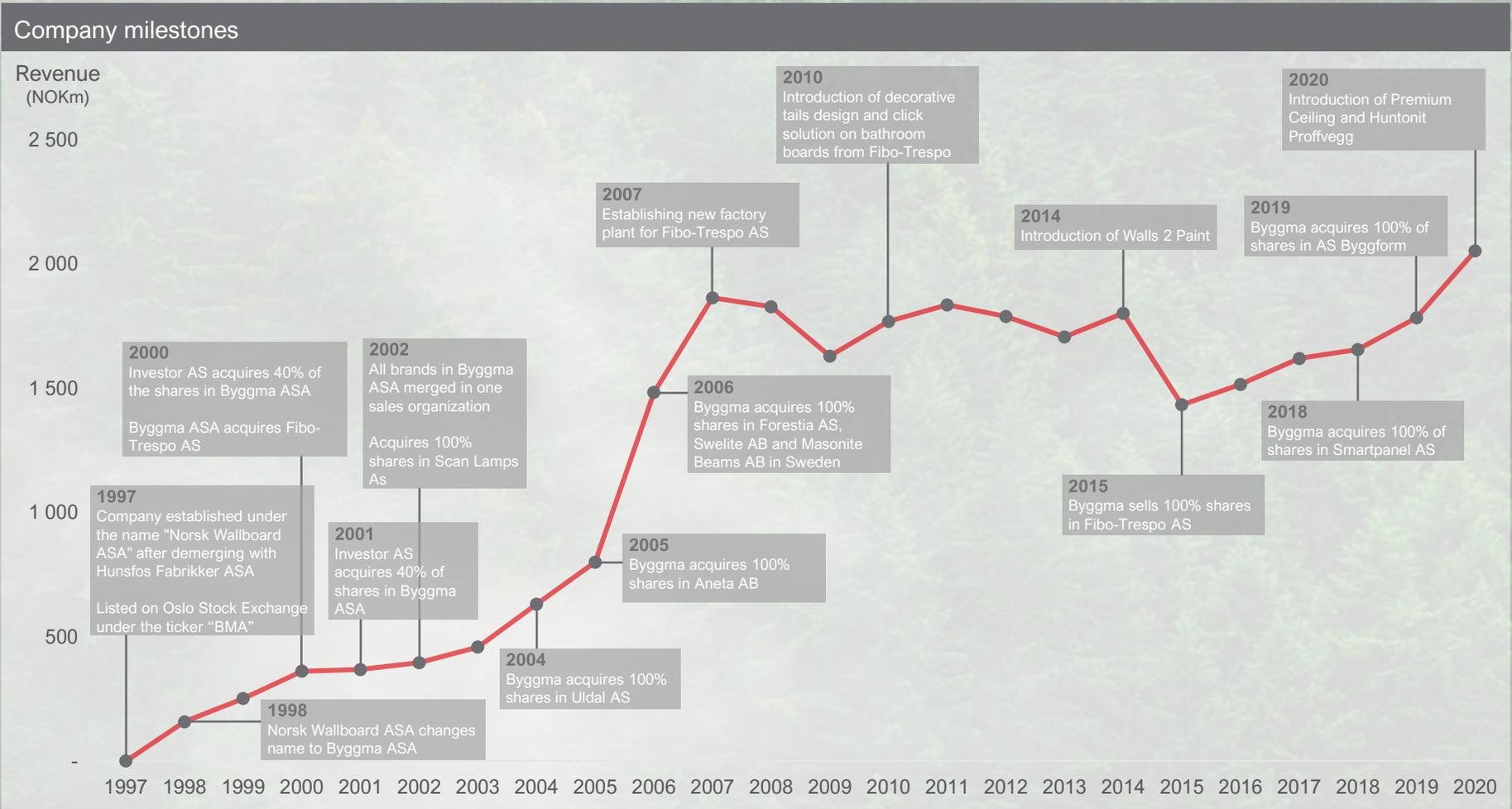


- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 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 Q3 2021	YTD Q3 2020	2020	2019	2018	2017
<b>Operating activities</b>						
Cash flow from operations	69	100	230	102	94	205
Interest paid	-16	-18	-24	-21	-19	-17
Interest received	2	4	5	7	7	6
Taxes paid	-5	-3	-4	-9	-28	-13
<b>Cash flow from operating activities</b>	<b>50</b>	<b>82</b>	<b>207</b>	<b>79</b>	<b>53</b>	<b>181</b>
<b>Investing activities</b>						
Purchase of subsidiaries				-21	0	0
Purchase of fixed assets	-69	-37	-59	-90	-98	-107
Sale of fixed assets	0	1	0	1	1	5
Purchase of non-tangible assets	-1	-2	-2	-2	-7	-10
Group loans	39	2	-27		0	0
<b>Cash flow from investing activities</b>	<b>-31</b>	<b>-37</b>	<b>-87</b>	<b>-113</b>	<b>-104</b>	<b>-112</b>
<b>Financing activities</b>						
Repurchase of shares	0	0	0	-4	-11	0
Dividend paid	-559	-7	-7	-7	-7	-36
<b>Cash flow distributed to shareholders</b>	<b>-559</b>	<b>-7</b>	<b>-7</b>	<b>-11</b>	<b>-18</b>	<b>-36</b>
Change in overdrafts	55	-4	-3	4	0	0
New debt raised	46	144	150	50	149	39
Debt down payment	-50	-46	-62	-49	-63	-34
Change in interest bearing receivables	0	0	0	-12	0	0
<b>Cash flow from external financing</b>	<b>51</b>	<b>94</b>	<b>85</b>	<b>-7</b>	<b>86</b>	<b>6</b>
<b>Cash flow from financing activities</b>	<b>-507</b>	<b>87</b>	<b>78</b>	<b>-18</b>	<b>68</b>	<b>-30</b>
<b>Change in cash and cash equivalents</b>	<b>-488</b>	<b>132</b>	<b>197</b>	<b>-52</b>	<b>17</b>	<b>38</b>
Currency gains (losses)	-3	5	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



## 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



## 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



## 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



## 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

# 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*



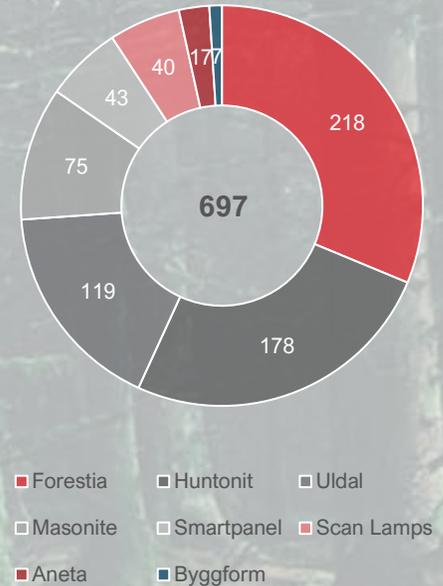
- CIO in Byggma since 2008
- Board member of Forestia, Smartpanel and Masonite Beams
- Former experience includes position as CEO at Hunonit and various managerial positions in both private and public sectors
- BSc. In Engineering and MBA from the University of Agder

**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

## Organization by company



## Other key employees

<b>Terje Sagbakken</b>	<b>Erlend Jordet</b>	<b>Knut Nilsen</b>	<b>Halvor C. Olsen</b>	<b>Marius Heidenberg</b>	<b>Atle Arctander</b>	<b>John Sæten</b>	<b>Tore Hansen</b>	<b>Egil Sandve</b>	<b>Torunn Mangseth</b>
									
CEO Forestia	Sales Director Forestia	CEO Huntonit	Sales Director Huntonit	CEO Smartpanel	VD Masonite Beams	Sales Director Masonite	CEO Lighting	CEO Uldal	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 6 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



**BYGGMA**  
group



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