



Q3 2024 results

06 November 2024

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 6 companies/brands, operates 7 manufacturing facilities and distributes its products to all the leading building materials chains
- Byggma is headquartered in Vennesla and employs ~690 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



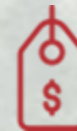
~690
Employees



NOK 2,128m
LTM² revenue



NOK 130m
LTM Adj. EBIT²





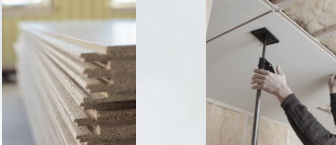











NOK ~ 1.2bn¹
Market capitalization









30-50%
Of net profit -
dividend policy

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

Byggsma 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

 <p>Highest production capacity in the Nordics¹</p>	 <p>Superior product quality versus competition</p>	 <p>In-house developed innovative products and solutions</p>
 <p>Good control of the distribution chain</p>	 <p>No need for large inventory (unlike international players)</p>	 <p>Large flexibility in manufacturing</p>

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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023	2022
Sales revenue	503	470	1593	1652	2223	2508
EBITDA ¹	59	47	164	238	293	350
Depreciation	-20	-22	-65	-66	-90	-82
Adjusted operating profit ¹	38	25	99	171	203	268
Net financials	-28	-23	-71	-61	-93	-25
Adjusted profit before tax ¹	10	2	28	111	110	243

- Sales growth of 7,0 % from Q3 2023 to Q3 2024
 - Still historically low activity in the newbuild market leads to low sales volumes YTD in 2024.
- Adj. Operating Profit margin of 7.6 % in Q3 2024, compared to 5.4 % in Q3 2023.
- Revenues from newly launched products such as Huntonit Pro Wall, Forestsia Premium Ceiling and Forestia Ergospon is expected to increase in 2024.



Consolidated balance sheet

Assets (NOK million)	30 Sep 2024	30 Sep 2023
Fixed assets	786	848
Investment property	157	175
Intangible assets	19	20
Deferred tax assets	2	1
Long-term derivatives and power contracts	48	84
Investment in associate	1 311	1 218
Other long-term receivables	0	0
Total non-current assets	2 323	2 347
Inventory	372	367
Customer and other short term receivables	353	365
Short-term derivatives and power contracts	23	17
Cash and cash equivalents	29	32
Total current assets	778	781
Total assets	3 100	3 128

Equity and liabilities (NOK million)	30 Sep 2024	30 Sep 2023
Share capital and share premium	53	53
Other equity not recognised in P&L	32 -	10
Retained earnings	1 016	984
Total equity	1 101	1 026
Long-term debt	745	791
Long-term leasing obligations	50	63
Long-term financial derivatives	-	-
Deferred tax liabilities	118	132
Total long-term liabilities	913	987
Accounts payable and other short-term liabilities	446	483
Tax payable	6	7
Short-term debt	612	604
Short-term leasing obligations	22	20
Short-term financial derivatives	-	-
Total short-term liabilities	1 087	1 115
Total liabilities*	2 000	2 102
Total equity and liabilities	3 100	3 128
*Of which interest-bearing debt (long-term and short-term)	1 429	1 479
Net interest-bearing debt	1 400	1 447
*Of which interest-bearing debt ex. leasing and sale leaseback	1 127	1 176
Net interest-bearing debt ex. leasing and sale leaseback	1 098	1 143

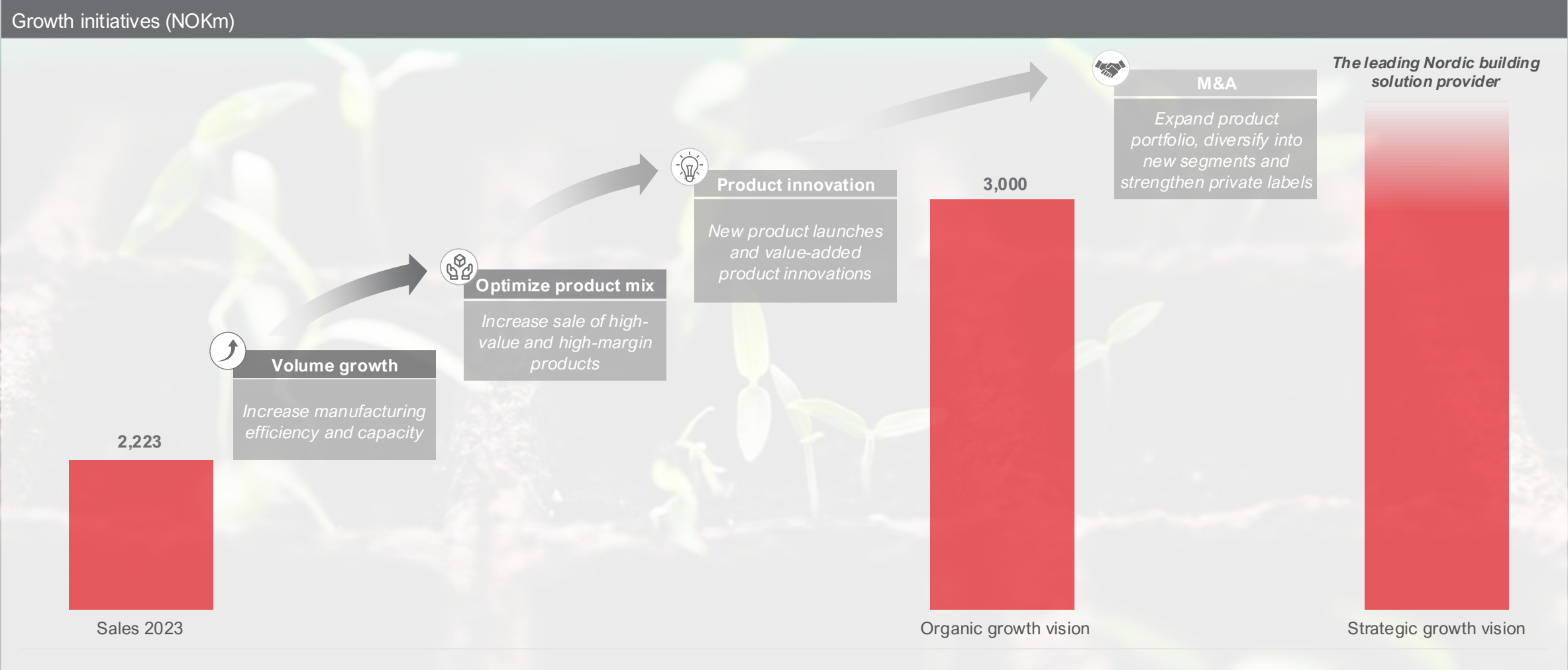
- Solid balance and hidden reserves in real estate and land
- Investment in associate of MNOK 1,311 compares to NIBD ex leasing and sale leaseback of MNOK 1,098
- Equity ratio of 35.6 % as at 30 September 2024

Consolidated income statement

NOKm	YTD 2024	YTD 2023*	2023*	2022*	2021	2020	2019	2018	2017
Sales revenue	1 593	1 652	2 223	2 508	2 344	2 052	1 783	1 655	1 619
Other revenue	19	18	26	24	44	23	23	22	18
Total revenue	1 612	1 670	2 249	2 533	2 388	2 075	1 806	1 677	1 637
COGS	-839	-881	-1 095	-1 327	-1 133	-955	-844	-780	-744
Personnel expenses	-355	-347	-484	-501	-488	-439	-424	-405	-387
D&A	-65	-66	-119	-82	-87	-77	-70	-54	-54
Freight and complaints	-121	-120	-167	-176	-171	-163	-146	-143	-135
Marketing	-56	-62	-102	-104	-96	-93	-91	-72	-75
Other gains (losses)	-40	-161	-128	414	0	1	-3	1	6
Other OPEX	-100	-96	-190	-201	-179	-157	-156	-159	-154
Total direct costs	-1 575	-1 733	-2 285	-1 978	-2 155	-1 883	-1 733	-1 612	-1 543
EBIT	37	-63	-36	555	233	193	73	65	94
Share of profit from associate	-49	47	160	0	0	0	0	0	0
Net financials	-71	-61	-93	-25	-9	-33	-11	-9	-10
Profit before tax	-83	-77	31	529	224	160	62	56	84
Tax	7	29	30	-49	-48	-35	-13	-9	-20
Net profit	-75	-48	61	480	176	125	49	47	64

*2023 and 2022 are restated due to changed accounting of power contracts

Byggma is set to continue demonstrated growth through identified growth avenues

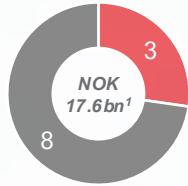


Large growth potential for further consolidation within building material products

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 17.6bn¹
- 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
	 <p>FORESTIA walls²paint 2014</p>	 <p>FORESTIA Premium Ceiling 2020</p>	 <p>HUNTONIT PROFF VEGG 2020</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
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
Revenue (2023)	NOK 155m	NOK 21m ¹⁾	NOK 26m ²⁾
Short term revenue potential	NOK ~250m	NOK ~150-200m	NOK ~100m

Segment information

Sales revenue (NOKm)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023	2022	2021
Panel sales to external customers	346	321	1 151	1 135	1 523	1 662	1 588
I-Beams sales to external customers	60	62	186	241	311	457	418
Window sales to external customers	66	62	176	203	280	291	229
Lighting sales to external customers	31	25	80	72	109	98	110
Net sales revenues for the Group	503	470	1 593	1 652	2 223	2 508	2 344

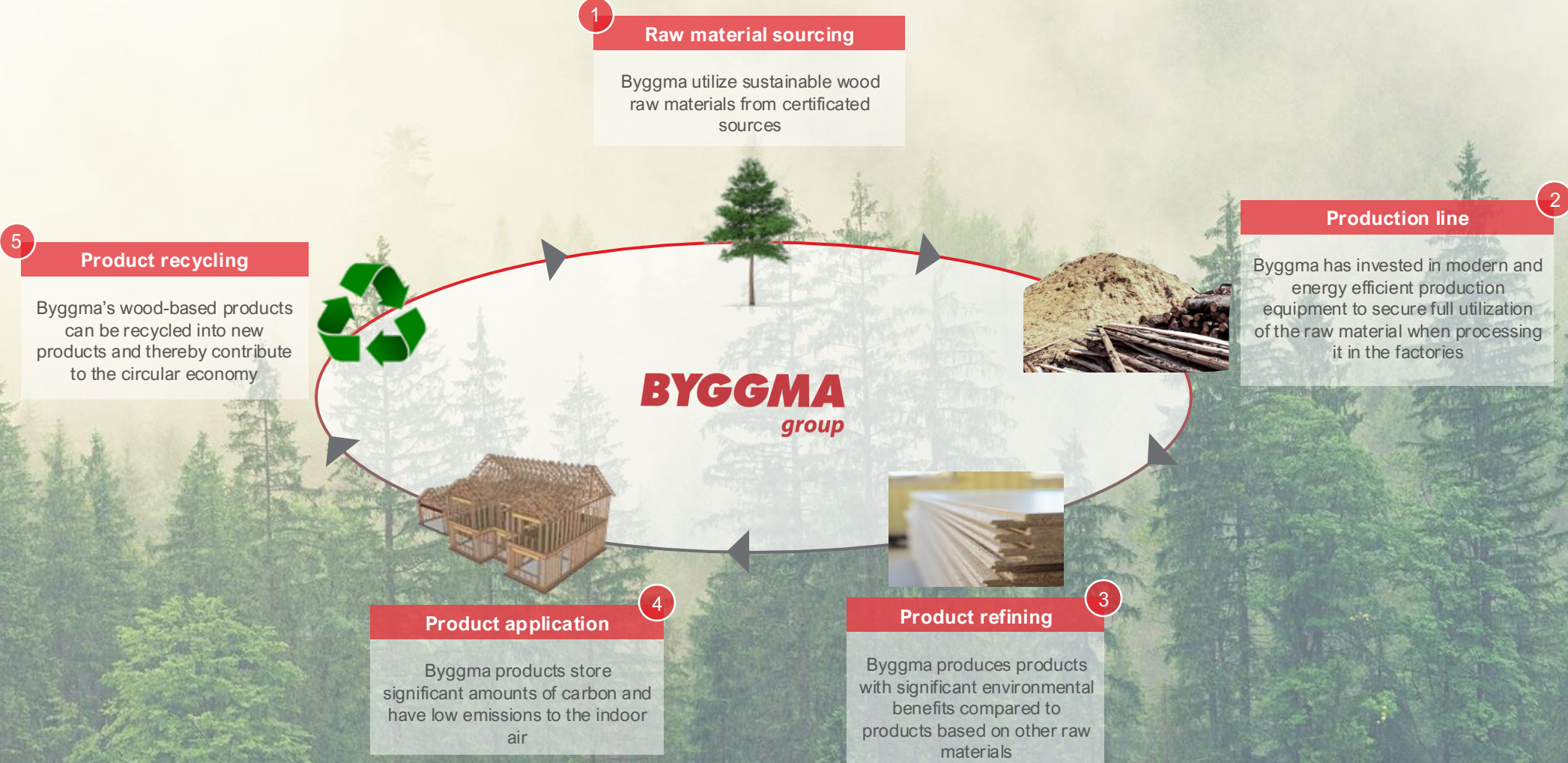
Adjusted operating profit (NOKm)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023	2022*	2021
Panel	22	6	84	110	125	161	168
I-Beams	7	8	3	31	34	70	56
Window	0	3	-7	4	8	19	11
Lighting	3	1	0	-3	3	-6	5
Real Estate	11	11	34	32	43	44	0
Group / eliminations	-5	-4	-16	-4	-10	-20	-10
Operating profit for the Group	38	25	99	171	203	268	230

*2023 and 2022 are restated due to changed accounting of power contracts. Earlier years are as previously stated.

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

Company / brand	Key financials (2023)	Nominal production capacity	Available capacity	Growth potential	Other potential
	<p><u>Revenue:</u> NOK 1,035m</p> <p><u>EBITDA:</u> NOK 158m</p>	300,000 m ³ / year	~25%	 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 371m</p> <p><u>EBITDA:</u> NOK 28m</p>	60,000 ton / year	~ 40%	 HIGH Growth potential both through available production capacity and innovative, higher priced products such as "Proff Vegg"	
	<p><u>Revenue:</u> NOK 166m</p> <p><u>EBITDA:</u> NOK (18m)</p>	3.5 million m ² / year	~ 40%	 HIGH Growth potential both through available production capacity and innovative, higher priced products such as "Fuktbestandig"	
	<p><u>Revenue</u>¹: NOK 414m</p> <p><u>EBITDA</u>¹: NOK 32m</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

5.8%

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

47%

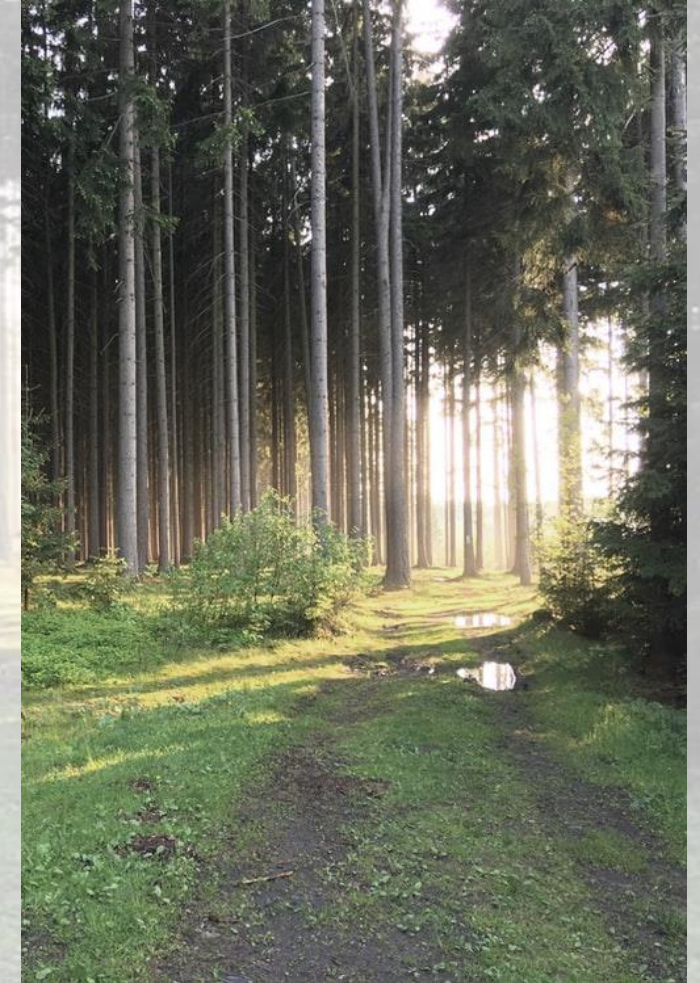
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

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

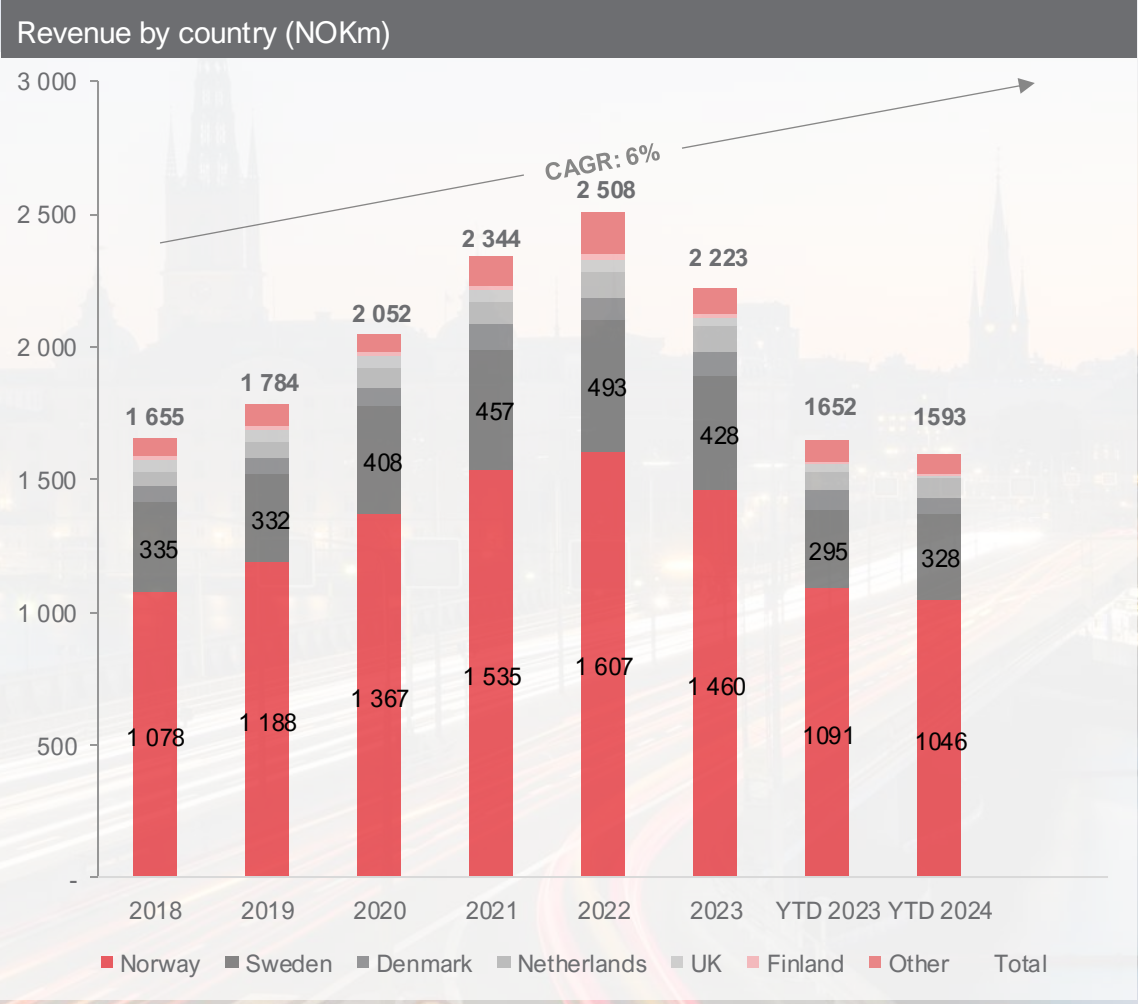
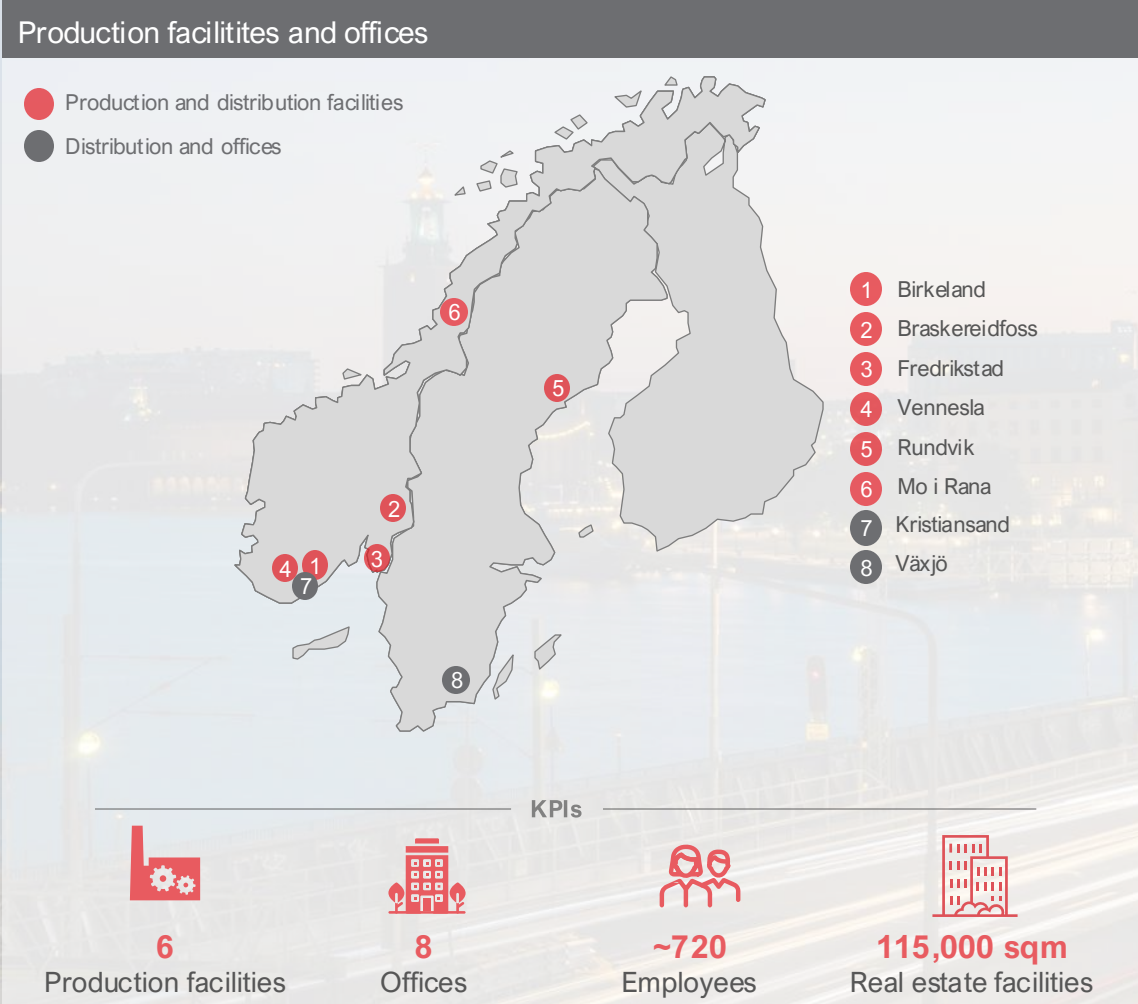
- Employees are given the opportunity for personal and professional development
- Collaborations with academia
- Vocational education
- Advanced training
- Factories with proximity to raw materials
- Byggma's presence contributes to sustainable cities and communities
- Byggma's presence provides significant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



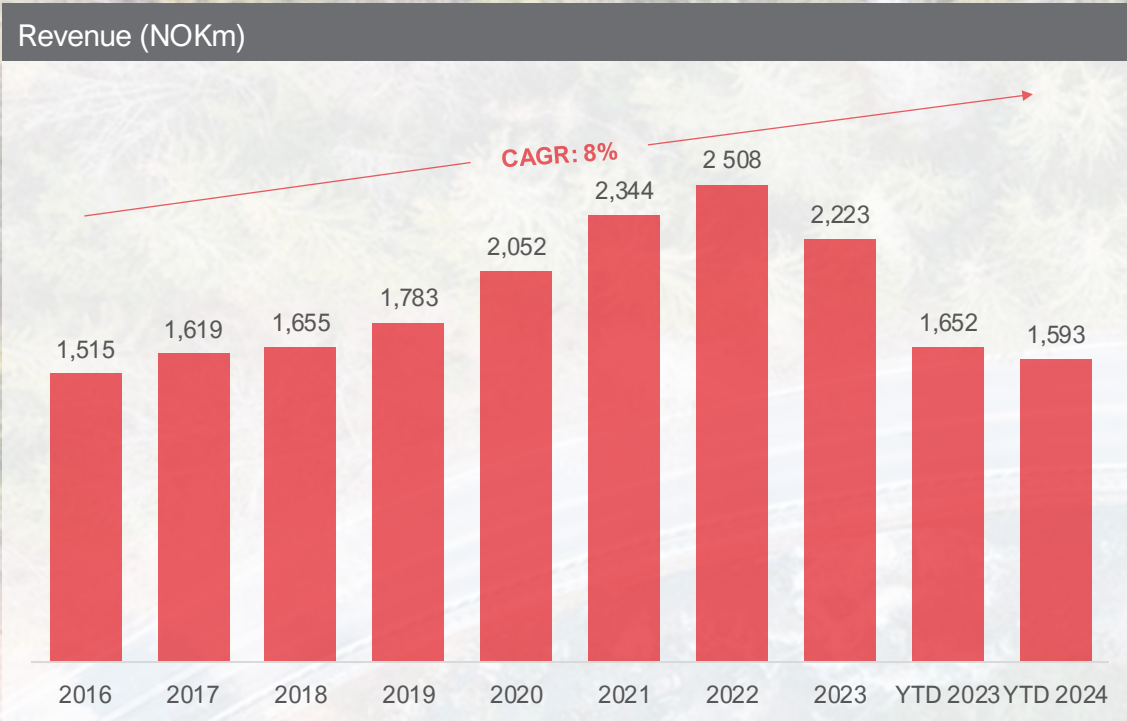
Business model

- 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

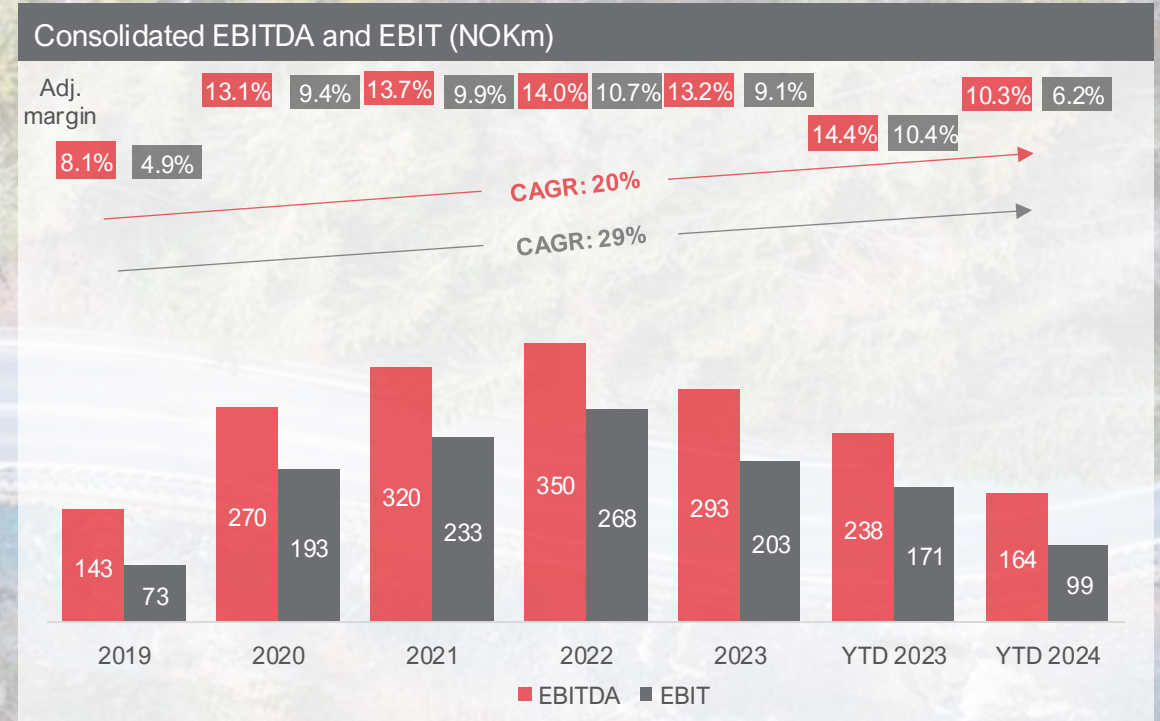
Leading Nordic presence, with growing international customer base



Strong topline and profitability improvements last few years



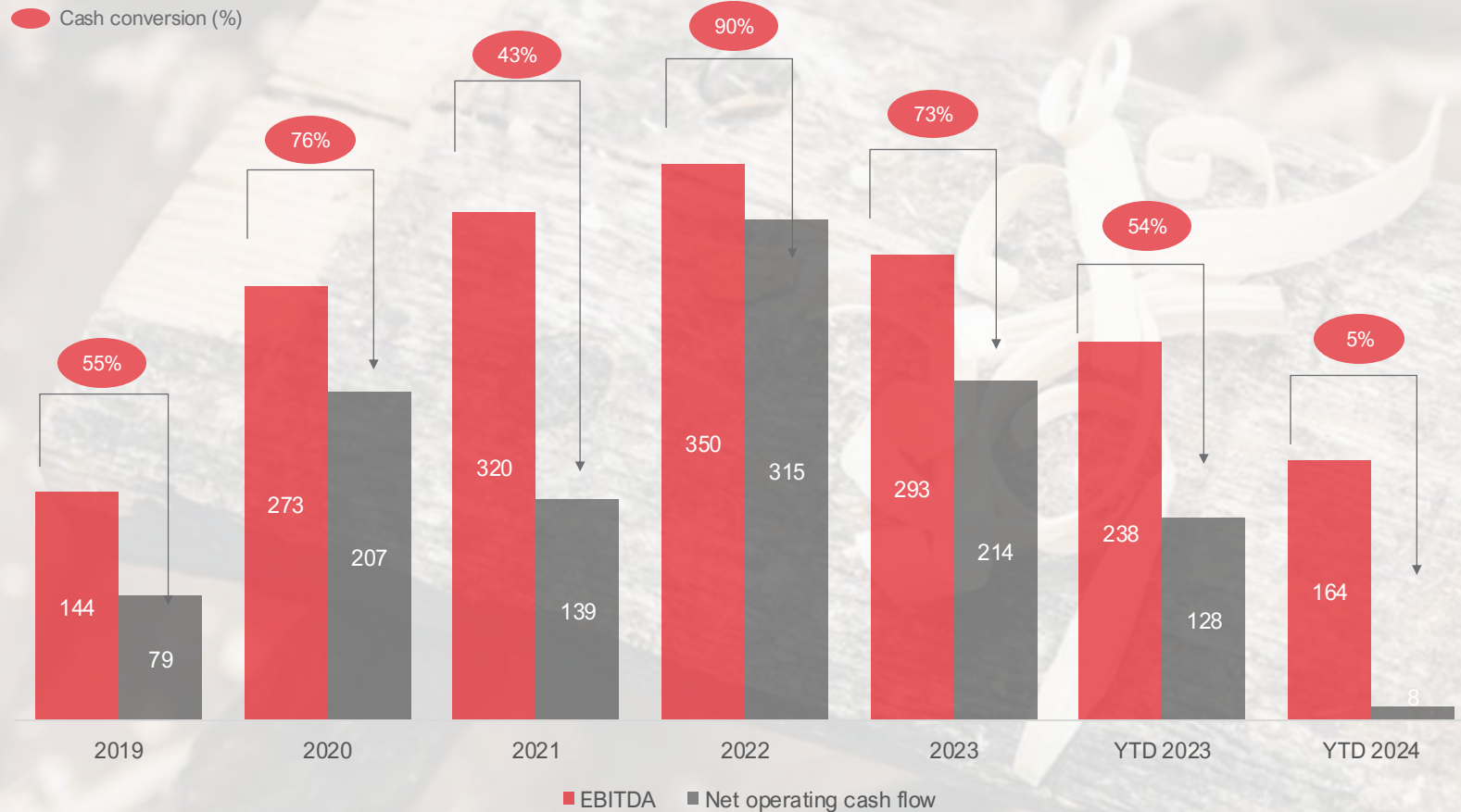
- Organic growth from 2015-2018, while the growth from 2018 is a combination of organic growth initiatives and the acquisition of Smartpanel (2018) and Byggform (2019), adding NOK 117m in revenues in 2019, and NOK 34m in 2020 (full-year effect of the Byggform acquisition)
- The growth in 2020 and 2021 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 almost tripled its EBIT since 2019
- The strong improvement is primarily due to realization of synergies from the Smartpanel acquisition, product mix optimization and 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)

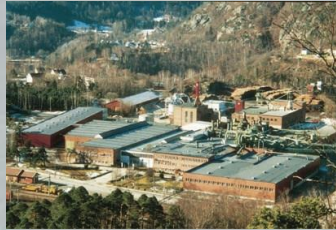


- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 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 2024	YTD 2023	2023	2022	2021	2020	2019	2018	2017
Operating activities									
Cash flow from operations	90	225	336	388	193	230	102	94	205
Interest paid	-75	-70	-105	-38	-23	-24	-21	-19	-17
Interest received	18	13	23	6	3	5	7	7	6
Taxes paid	-24	-40	-41	-41	-34	-4	-9	-28	-13
Cash flow from operating activities	8	128	214	315	139	207	79	53	181
Investing activities									
Purchase of subsidiaries	0	0	0	0	0	0	-21	0	0
Purchase of fixed assets	-22	-55	-53	-128	-89	-59	-90	-98	-107
Sale of fixed assets	0	0	1	15	0	0	1	1	5
Purchase of non-tangible assets	-1	-2	-4	-2	-2	-2	-2	-7	-10
Received dividend from associated company	0	0	12	0	0	0	0	0	0
Purchase of associated company	0	-87	-87	-1 016	0	0	0	0	0
Group loans	0	0	1	0	39	-27		0	0
Cash flow from investing activities	-24	-144	-131	-1 132	-52	-87	-113	-104	-112
Financing activities									
Repurchase of shares	0	0	0	0	0	0	-4	-11	0
Dividend paid	0	0	0	-70	-559	-7	-7	-7	-36
Cash flow distributed to shareholders	0	0	0	-70	-559	-7	-11	-18	-36
Change in overdrafts	90	102	70	73	16	-3	4	0	0
New debt raised	1	15	1	814	72	150	50	149	39
Debt down payment	-110	-106	-133	-88	-67	-62	-49	-63	-34
Loan from related parties	0	0	5	54	0	0	0	0	0
Change in interest bearing receivables	0	0	0	0	0	0	-12	0	0
Cash flow from external financing	-19	11	-58	854	20	85	-7	86	6
Cash flow from financing activities	-19	11	-58	784	-538	78	-18	68	-30
Change in cash and cash equivalents	-34	-5	25	-33	-451	197	-52	17	38
Currency gains (losses)	0	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: 78,112m²
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

Key takeaways

Market leading position



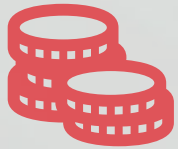
Robust underlying market



Strong brands and product offering



Long history of profitable growth



Attractive growth trajectory



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