



Q2 2024 results

27 August 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 150m
LTM Adj. EBIT²





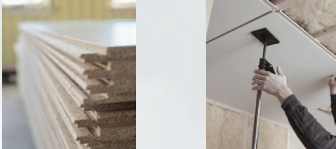
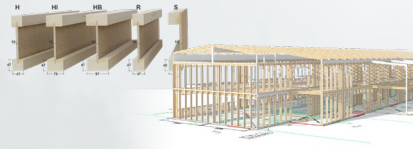










NOK ~ 1.4bn¹
Market capitalization



30-50%
Of net profit -
dividend policy

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

Bygghälsö 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	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023	2022
Sales revenue	548	545	1090	1181	2223	2508
EBITDA ¹	44	75	105	190	293	350
Depreciation	-22	-22	-44	-44	-90	-82
Adjusted operating profit ¹	22	53	61	146	203	268
Net financials	-21	-16	-42	-38	-93	-25
Adjusted profit before tax ¹	0	37	19	108	110	243

- Sales growth of 0,6 % from Q2 2023 to Q2 2024
 - Still low activity in the newbuild market leads to low sales volumes YTD in 2024.
- Adj. Operating Profit margin of 4.0 % in Q2 2024, compared to 9.7 % in Q2 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 Jun 2024	30 Jun 2023
Fixed assets	788	855
Investment property	157	175
Intangible assets	19	21
Deferred tax assets	2	1
Long-term derivatives and power contracts	46	108
Investment in associate	1 313	1 199
Other long-term receivables	0	0
Total non-current assets	2 325	2 360
Inventory	374	365
Customer and other short term receivables	325	372
Short-term derivatives and power contracts	34	45
Cash and cash equivalents	28	23
Total current assets	760	803
Total assets	3 086	3 163

- Solid balance and hidden reserves in real estate and land
- Investment in associate of MNOK 1,313 compares to NIBD ex leasing and sale leaseback of MNOK 1,073
- Equity ratio of 35.6 % as at 30 June 2024

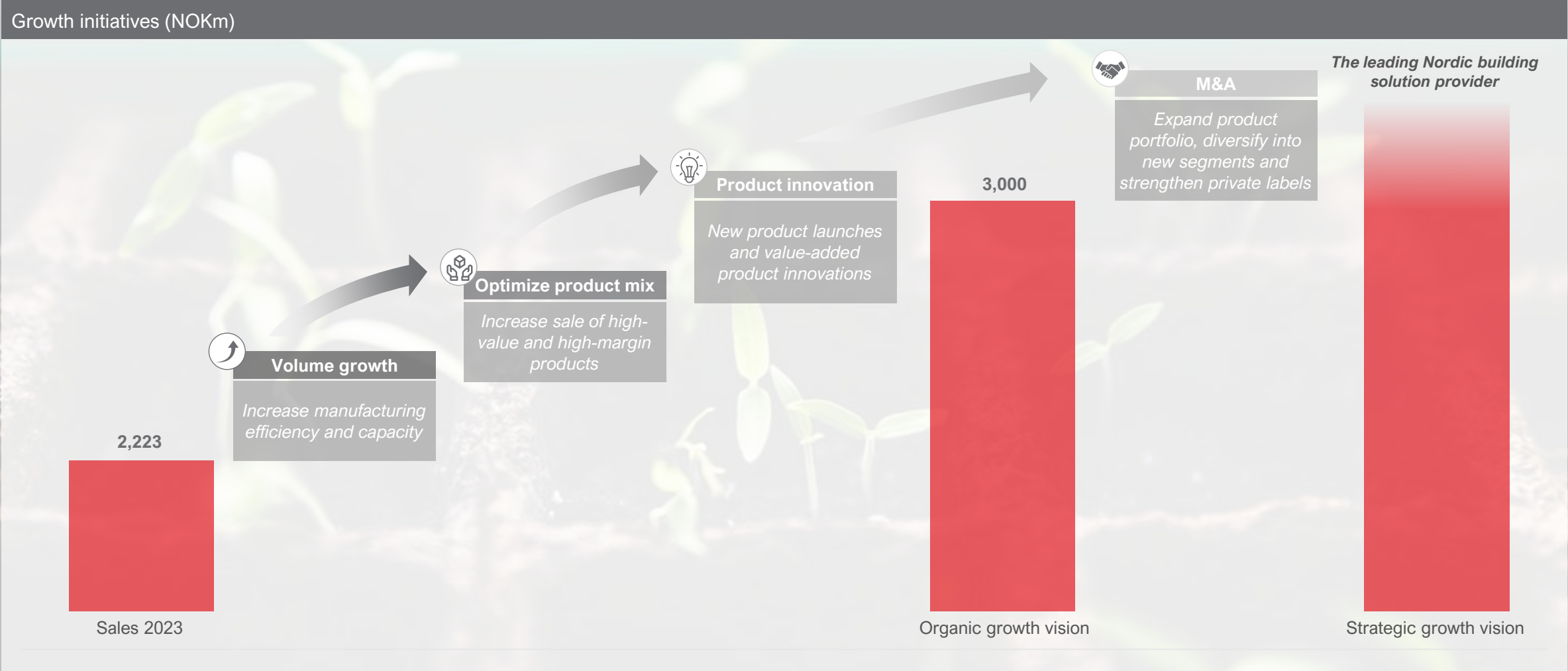
Equity and liabilities (NOK million)	30 Jun 2024	30 Jun 2023
Share capital and share premium	53	53
Other equity not recognised in P&L	0	24
Retained earnings	1 045	969
Total equity	1 098	1 046
Long-term debt	755	809
Long-term leasing obligations	53	63
Long-term financial derivatives	-	-
Deferred tax liabilities	116	142
Total long-term liabilities	924	1 014
Accounts payable and other short-term liabilities	465	466
Tax payable	6	8
Short-term debt	571	609
Short-term leasing obligations	22	20
Short-term financial derivatives	-	-
Total short-term liabilities	1 064	1 104
Total liabilities*	1 988	2 117
Total equity and liabilities	3 086	3 163
*Of which interest-bearing debt (long-term and short-term)	1 401	1 501
Net interest-bearing debt	1 373	1 479
*Of which interest-bearing debt ex. leasing and sale leaseback	1 101	1 196
Net interest-bearing debt ex. leasing and sale leaseback	1 073	1 173

Consolidated income statement

NOKm	YTD 2024	YTD 2023*	2023*	2022*	2021	2020	2019	2018	2017
Sales revenue	1 090	1 181	2 223	2 508	2 344	2 052	1 783	1 655	1 619
Other revenue	13	12	26	24	44	23	23	22	18
Total revenue	1 102	1 194	2 249	2 533	2 388	2 075	1 806	1 677	1 637
COGS	-561	-625	-1 095	-1 327	-1 133	-955	-844	-780	-744
Personnel expenses	-258	-248	-484	-501	-488	-439	-424	-405	-387
D&A	-44	-44	-119	-82	-87	-77	-70	-54	-54
Freight and complaints	-84	-85	-167	-176	-171	-163	-146	-143	-135
Marketing	-37	-44	-102	-104	-96	-93	-91	-72	-75
Other gains (losses)	-42	-118	-128	414	0	1	-3	1	6
Other OPEX	-73	-65	-190	-201	-179	-157	-156	-159	-154
Total direct costs	-1 099	-1 229	-2 285	-1 978	-2 155	-1 883	-1 733	-1 612	-1 543
EBIT	4	-36	-36	555	233	193	73	65	94
Share of profit from associate	-17	-7	160	0	0	0	0	0	0
Net financials	-42	-38	-93	-25	-9	-33	-11	-9	-10
Profit before tax	-56	-81	31	529	224	160	62	56	84
Tax	8	18	30	-49	-48	-35	-13	-9	-20
Net profit	-48	-63	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

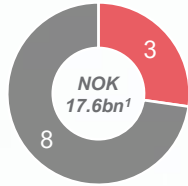


Large growth potential for further consolidation within building material products

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)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023	2022	2021
Panel sales to external customers	403	376	805	814	1 523	1 662	1 588
I-Beams sales to external customers	63	82	126	180	311	457	418
Window sales to external customers	61	69	110	141	280	291	229
Lighting sales to external customers	21	18	50	47	109	98	110
Net sales revenues for the Group	548	545	1 090	1 182	2 223	2 508	2 344

Adjusted operating profit (NOKm)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023	2022*	2021
Panel	22	37	63	104	125	161	168
I-Beams	-2	8	-5	23	34	70	56
Window	-1	-2	-7	1	8	19	11
Lighting	-3	-4	-3	-4	3	-6	5
Real Estate	11	11	23	21	43	44	0
Group / eliminations	-6	4	-11	0	-10	-20	-10
Operating profit for the Group	22	53	61	146	203	268	230

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

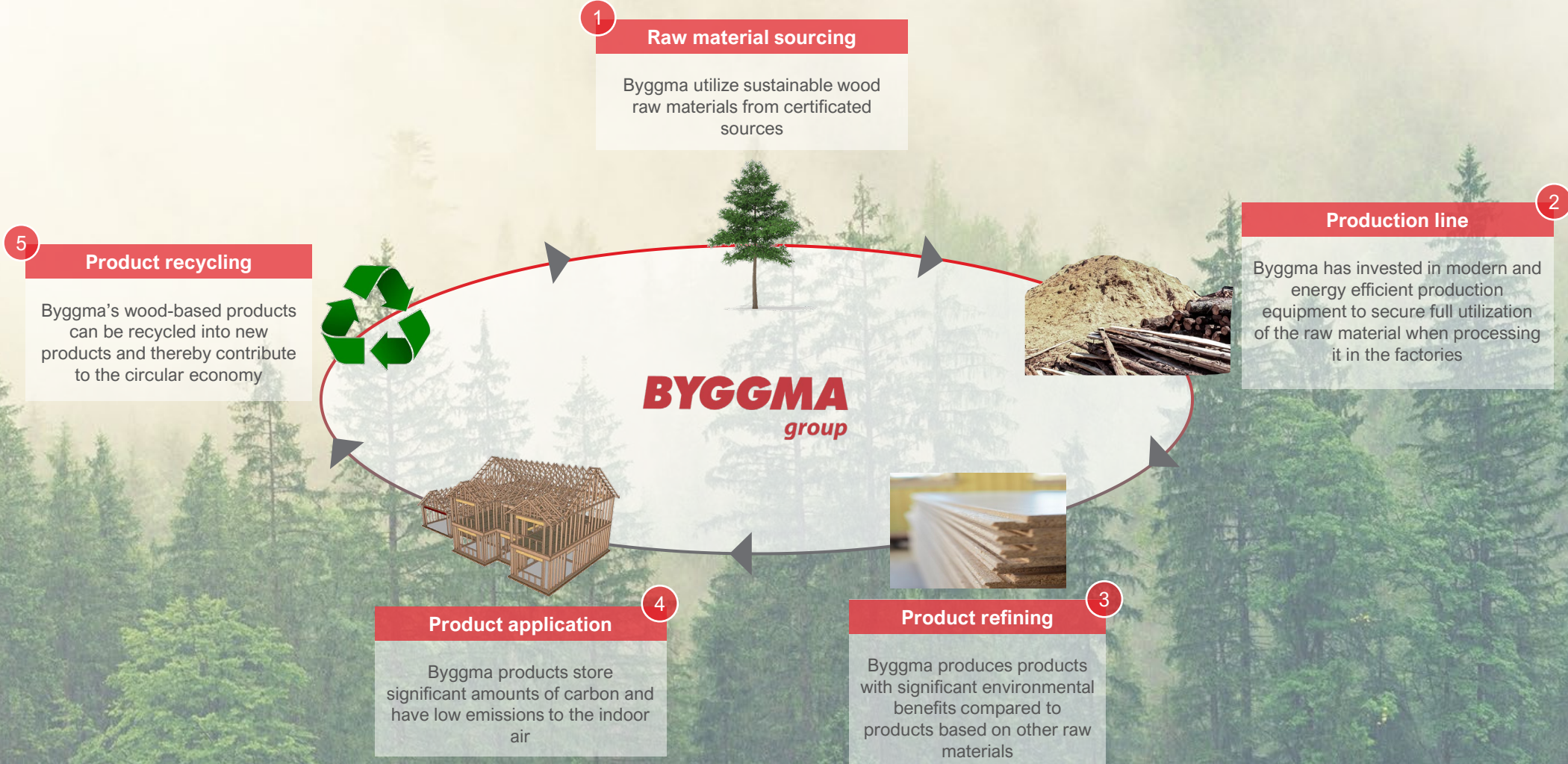
Byggma still has ample available production capacity and high growth potential from value-added products

Company / brand	Key financials (2022)	Nominal production capacity	Available capacity	Growth potential	Other potential
	<p><u>Revenue</u>: NOK 940m <u>EBITDA</u>: NOK 210m</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>¹: NOK 525m <u>EBITDA</u>¹: 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 154m <u>EBITDA</u>: NOK (15m)</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>²: NOK 456m <u>EBIT</u>²: NOK 76m</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 2022 and excluding gain on business transfer (one off gain)

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

47%

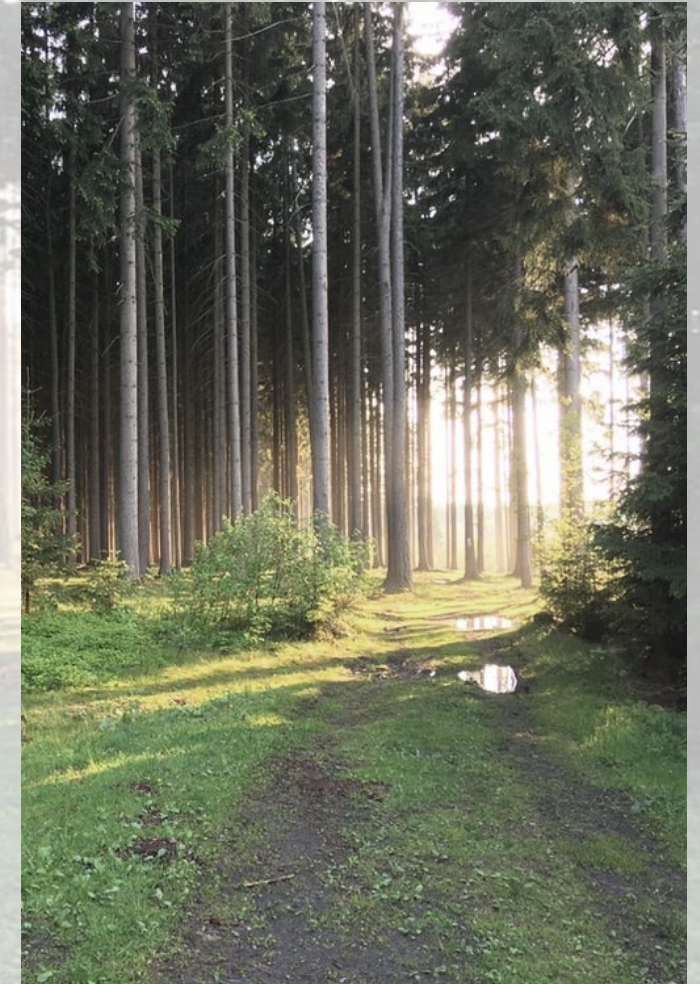
Masonite's I-beam systems use 47% less raw material compared to massive tree constructions

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

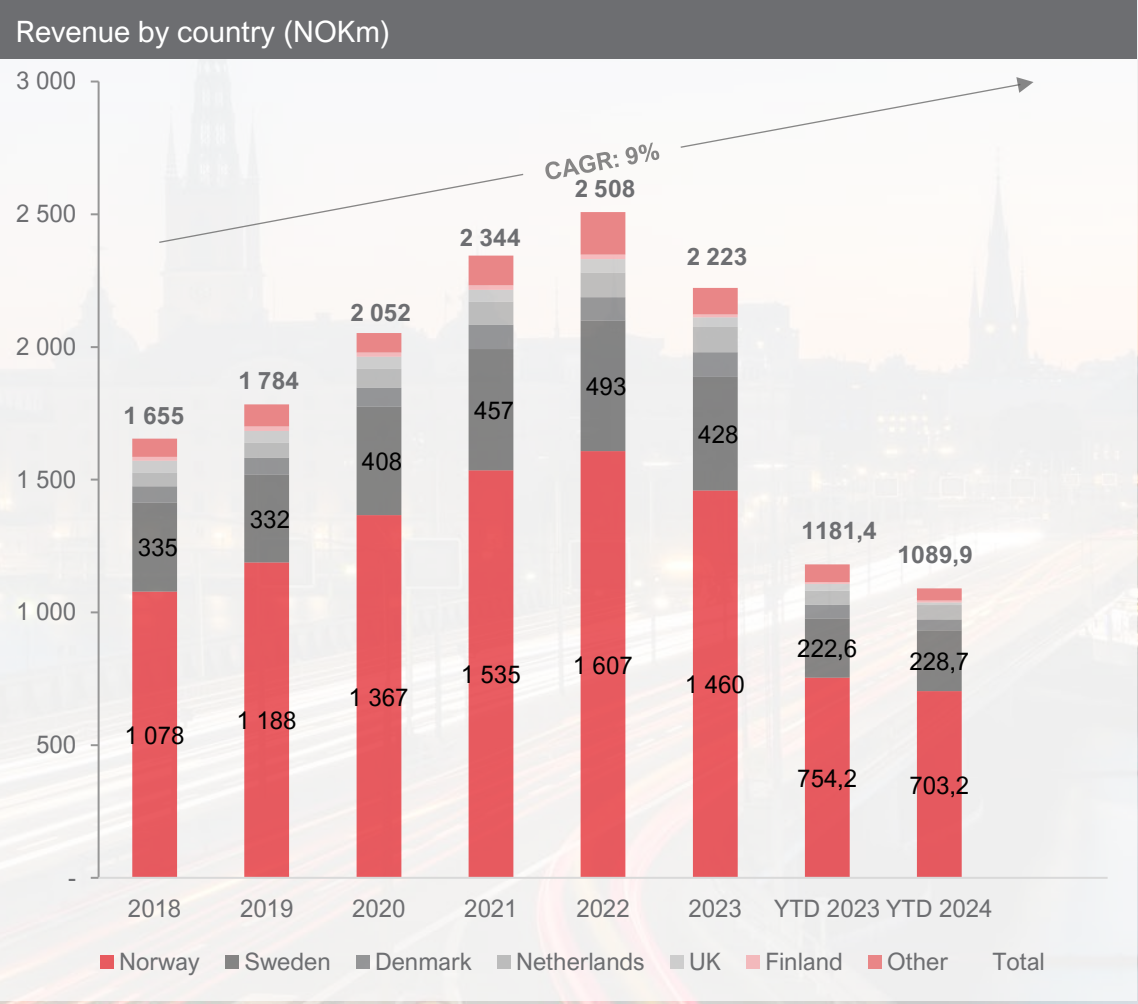
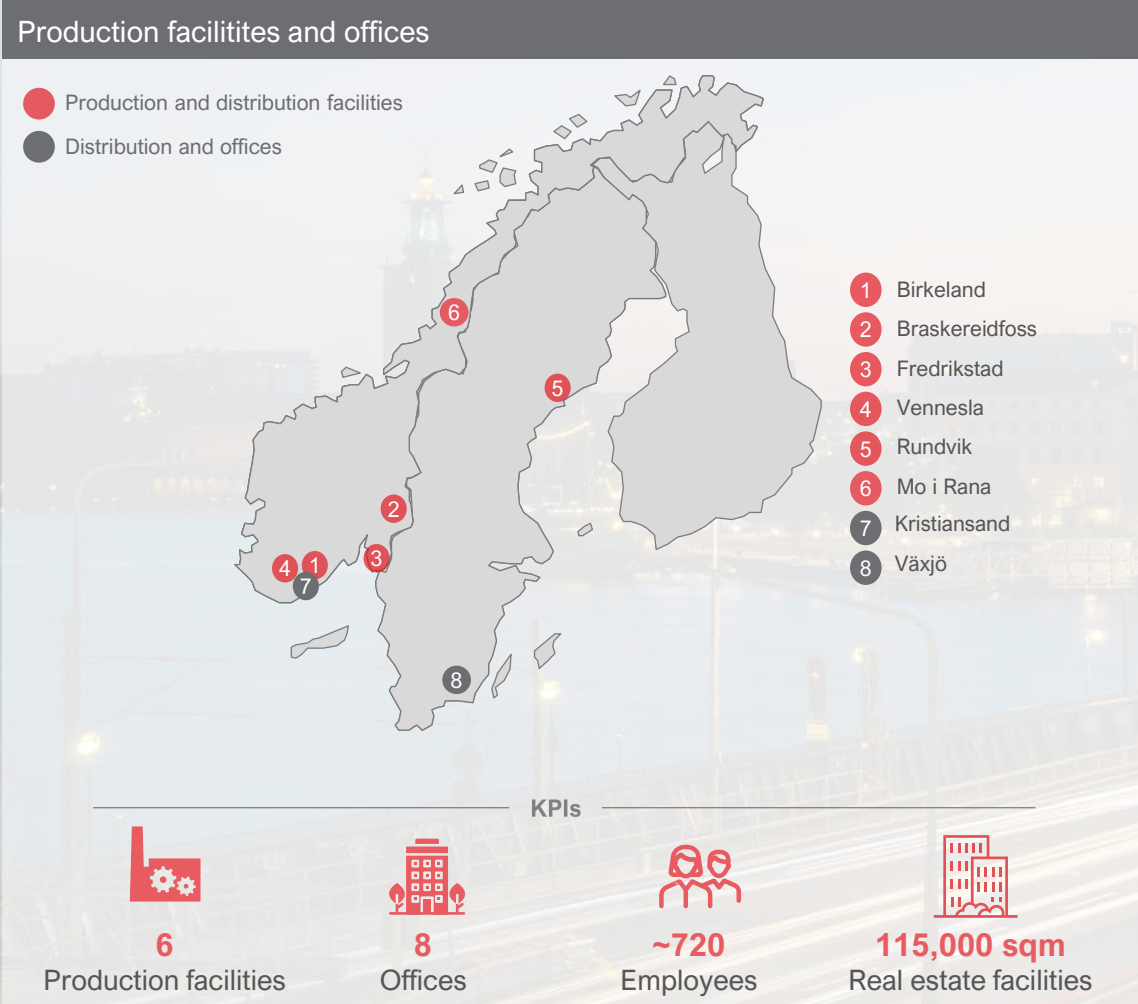
- Employees are given the opportunity for personal and professional development
- Collaborations with academia
- Vocational education
- Advanced training
- Factories with proximity to raw materials
- Byggma's presence contributes to sustainable cities and communities
- Byggma's presence provides significant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



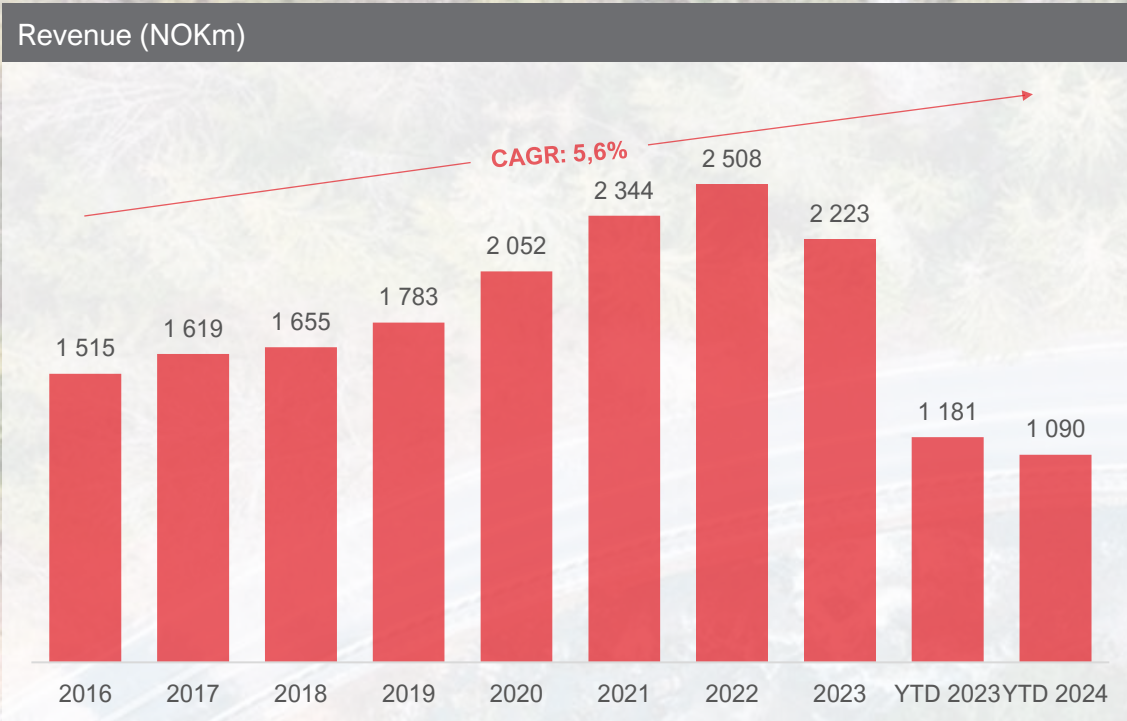
Business model

- 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

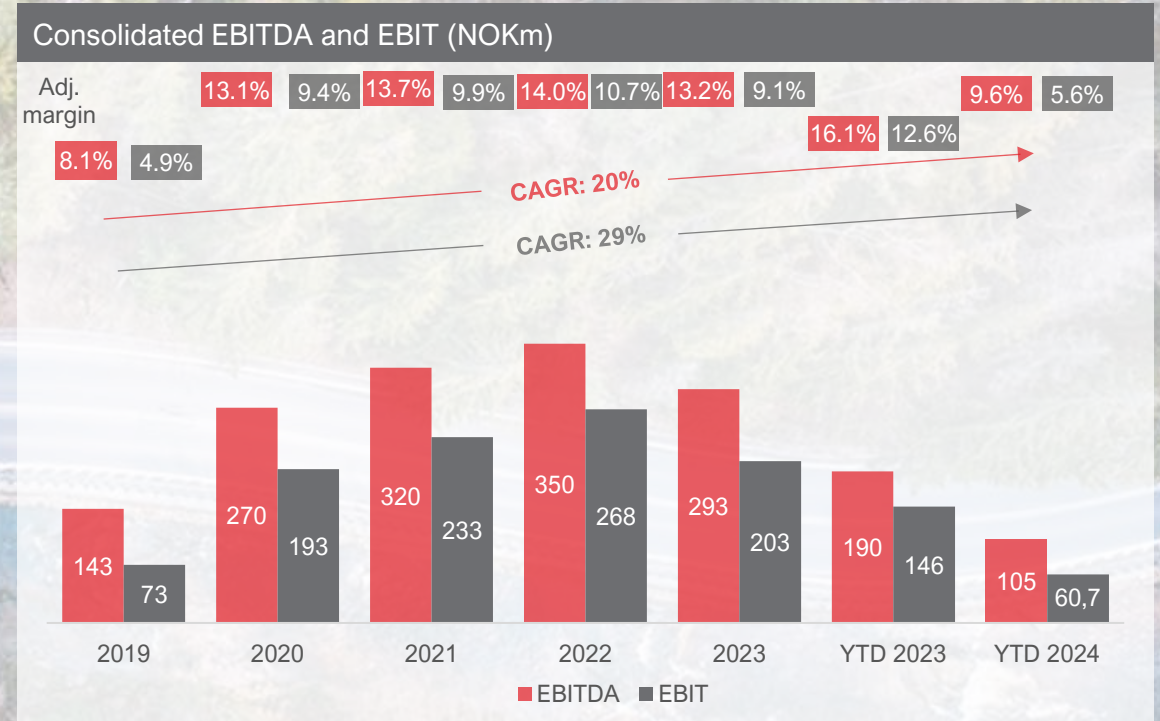
Leading Nordic presence, with growing international customer base



Strong topline and profitability improvements last few years



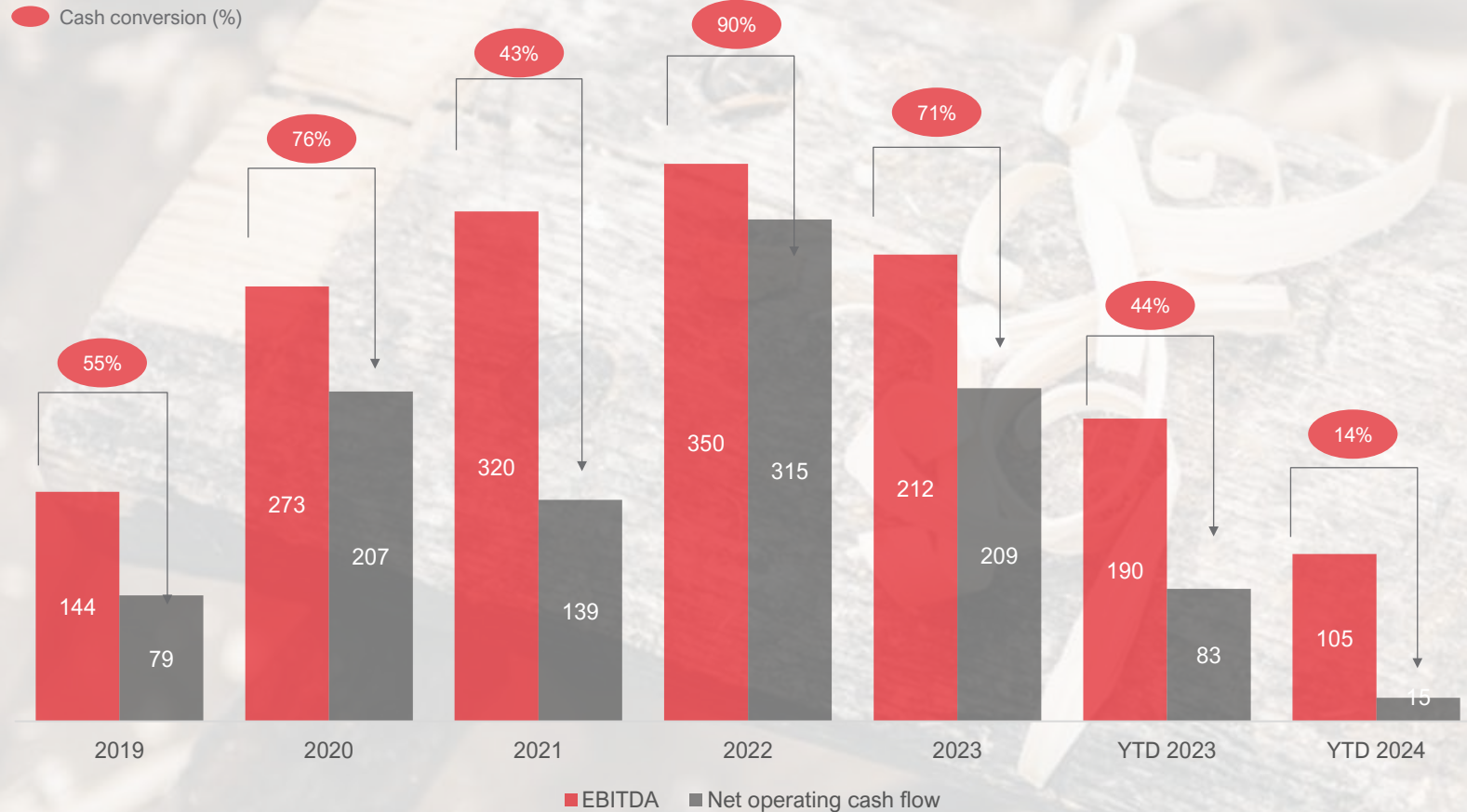
- Organic growth from 2015-2018, while the growth from 2018 is a combination of organic growth initiatives and the acquisition of Smartpanel (2018) and Byggform (2019), adding NOK 117m in revenues in 2019, and NOK 34m in 2020 (full-year effect of the Byggform acquisition)
- The growth in 2020 and 2021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

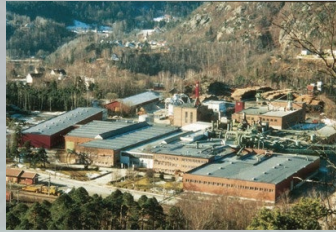


- Byggma has a history of strong cash flow generation over the last years which is set to continue going forward
- This has allowed the company to invest significantly in product innovation in addition to increased manufacturing capacity and efficiency
- Since 2016, annual Capex amounts to approx. NOK 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	76,5	161	336	388	193	230	102	94	205
Interest paid	-50,4	-47	-105	-38	-23	-24	-21	-19	-17
Interest received	12,7	8	23	6	3	5	7	7	6
Taxes paid	-24	-39	-41	-41	-34	-4	-9	-28	-13
Cash flow from operating activities	15	83	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	-10,4	-30	-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	-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	-12	-119	-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	-9,7	108	70	73	16	-3	4	0	0
New debt raised	15,4	0	1	814	72	150	50	149	39
Debt down payment	-44	-88	-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	-38	21	-58	854	20	85	-7	86	6
Cash flow from financing activities	-38	21	-58	784	-538	78	-18	68	-30
Change in cash and cash equivalents	-35	-15	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



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

Key takeaways

Market leading position



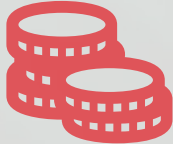
Robust underlying market



Strong brands and product offering



Long history of profitable growth



Attractive growth trajectory



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