

# BERGS

**Welcome!**  
**Bergs Capital**  
**Markets Day**

*December 8, 2021*





# Today's Participants



**Peter Nilsson**  
CEO



**Anders Marklund**  
CFO



**Jonny Andersson**  
Head of Sales and Purchasing  
at Bitus AB



**Jay Pengelly**  
CEO of PTPG



**Valts Kurpnieks**  
CEO of Byko-Lat



**Dan Setterwall**  
Moderator



# Today's agenda

## **This is Bergs**

From Sawmill company to active ownership company within wood processing.

*Peter Nilsson, CEO*

## **Wood Protection**

What is that? A description of methods and various applications

*Jonny Andersson and Valts Kurpnieks*

## **Break for coffee around 15.00**

## **Joinery**

Windows, doors, garden products and houses

*Jay Pengelly and Valts Kurpnieks*

## **Sawn Wood**

*Peter Nilsson, CEO*

## **Sustainability and Financials**

*Anders Marklund, CFO*

## **Summary and final remarks**

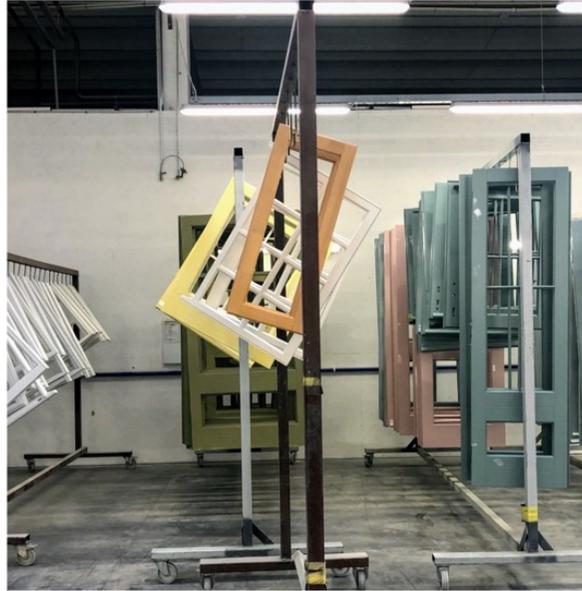
*Peter Nilsson, CEO*

**We welcome  
questions  
throughout the  
program**

# A group in change

From a sawmill company to an active owner of companies in the wood sector

- Looking back
- Business model and strategy
- Market outlook



# Some major events

Listing on the Stockholm Stock exchange



Sawmill acquisitions Gransjö, Broakulla and Vimmerby



Bergs to sell its Swedish sawmills



Bergs acquires window and door company in the UK



1919



Carl Fabian Berg formed the company

1984

2014-2017

2018 May



Bergs Timber completes acquisition of Norvik's timber operations in the Baltics and the United Kingdom

2019 June



Bergs Timber acquires Fågelfors Pellets

2020 June

2021 March



Bergs adopts new financial targets and presents a revised strategic orientation

2021 June

# Bergs current corporate profile



Bergs has a portfolio of  
**8 independent companies**



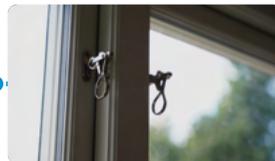
Products are processed at  
**9 manufacturing sites**



Bergs has  
**950 employees**



Net sales  
Jan – Sep 2021  
**SEK 2,265 M**



EBITDA  
Jan – Sep 2021  
**SEK 397 M, 17.5% margin**

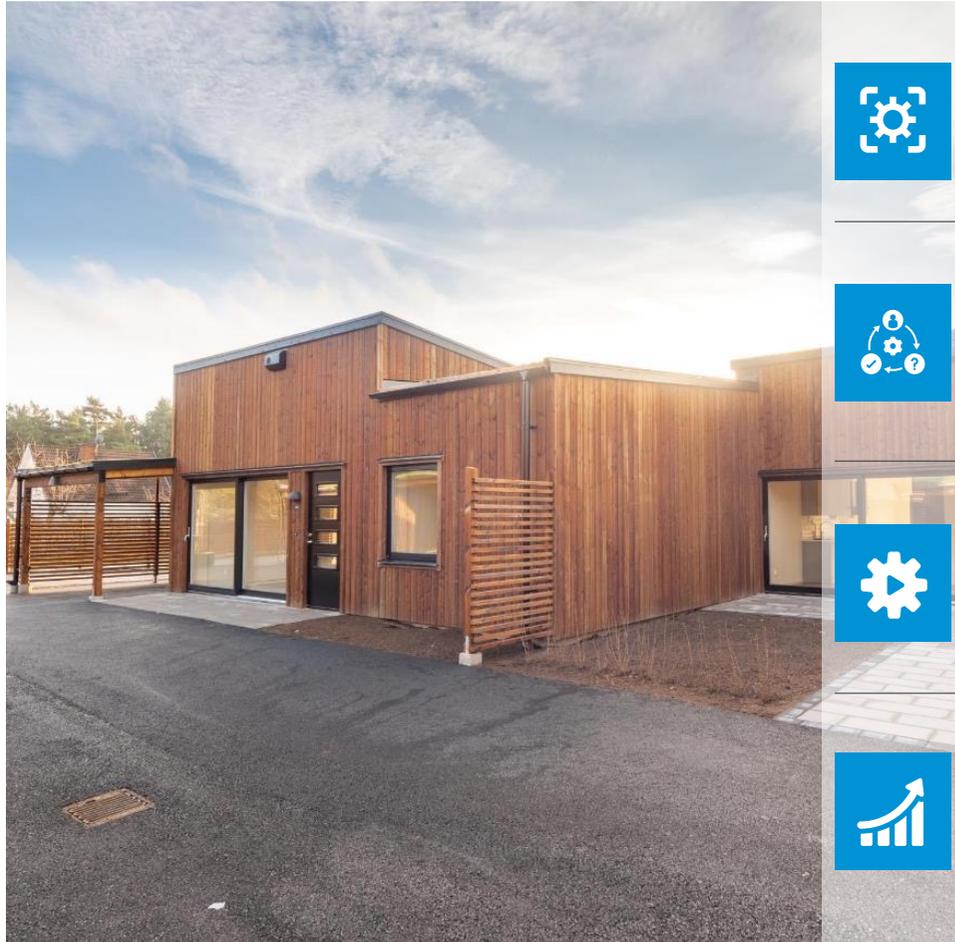


**Net debt**  

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**EBITDA** **0.51**

# Company profile



Bergs **owns** and **develops** wood processing companies



**Decentralised business model** with independent subsidiaries with clear responsibility for results



Operations in three product areas; **Wood Protection, Joinery** and **Sawn Wood**



**Growth** through identified planned **investments, acquisitions** and **innovation**

# Guiding principles



Decentralised business units



Entrepreneurship



Simplicity and speed



Continuous improvement



Learn by examples and colleagues



# Addressing a broad spectrum of products



Sawn wood



Doors



Windows



Cladding



Decking



Pellets



Garden products



Heating logs



Furniture



Aftermarket guidance



Houses

# The Bergs Group

44%

Wood Protection



18%

Joinery



33%

Sawn Wood



5%

Energy & Logistics



Note: Distribution based on 2021 net sales and results, pro forma.

BERGS



# Our presence



# Wood is gaining market shares



Increasing interest from **designers** and **architects** is boosting demand

Development of new technics and methods that provides **long durability/long life cycles**



Innovations and **new building techniques** has made wood an alternative for multi-story buildings



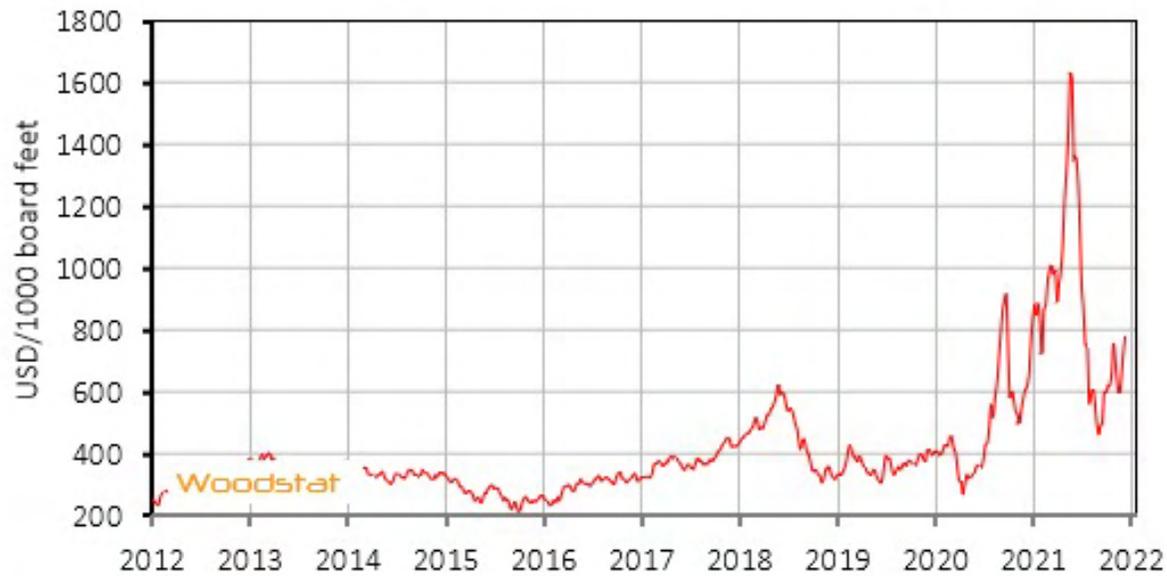
Wood is a **renewable** and **sustainable** material.





# Price development

U.S.  
Lumber futures price (weekly average)



Source: investing.com. Prices refer to current contract at applicable date.

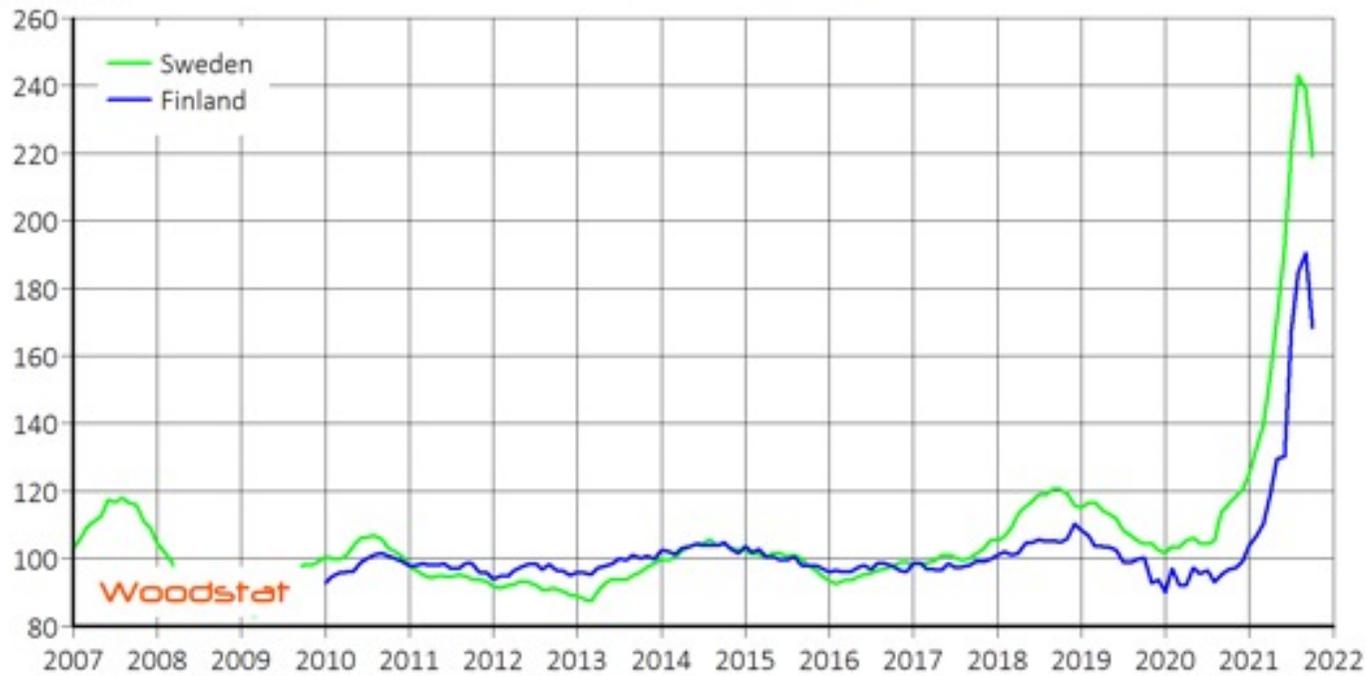
U.S. lumber futures price (weekly average) USD/1000 board feet			
This week Dec 3	Last week Nov 26	Month Ago Nov 5	Year Ago 2020
\$861*	\$777	\$641	\$660
	+10.8%	+34.3%	+30.5%

\*Does not include Friday's after market trading. Percentage changes compared to this week.  
Source: investing.com

# Price development

SWEDEN & FINLAND price index  
Export of sawn & planed lumber

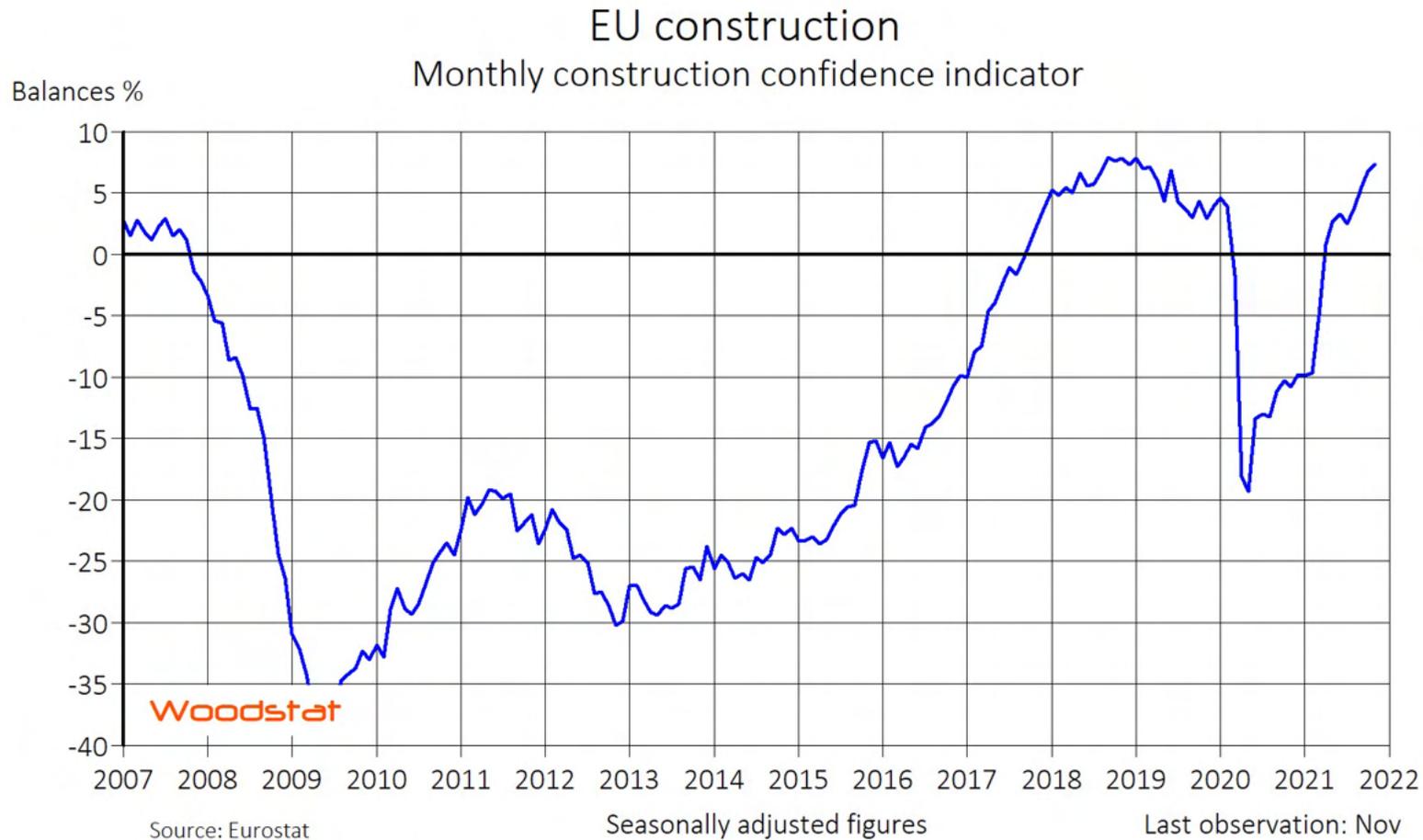
Index 2015=100



Source: SCB, Statistics Finland

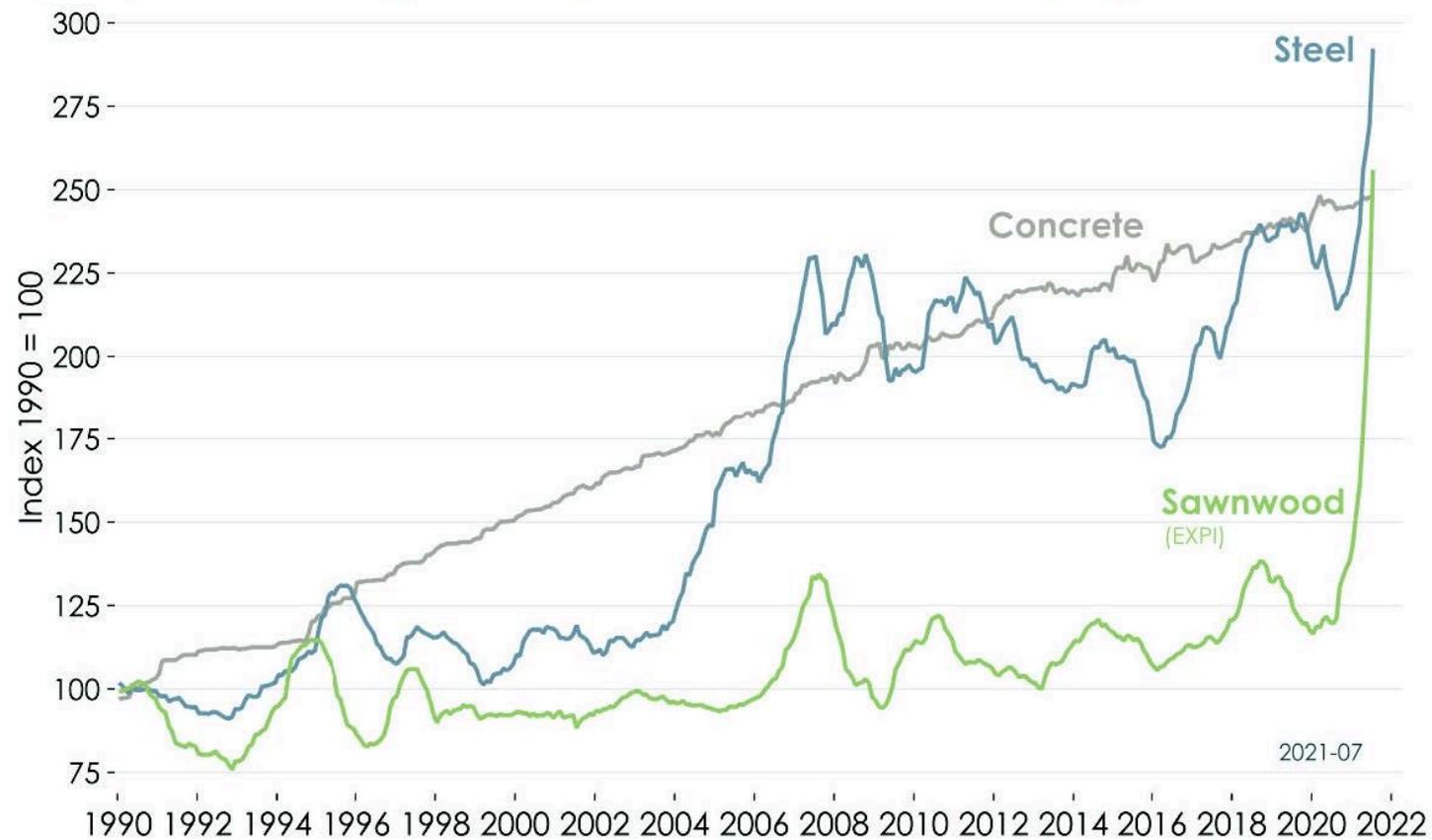
Last observation: Oct

# Positive outlook



# Price development

Figure 4, Swedish building materials price indices & sawn wood export price index



Source: Skogsindustrierna and Statistics Sweden

# Favourable market outlook



**Continued positive demand** for wood products



Strong **order books** for next year



**Price** for sawn wood to land on a new level



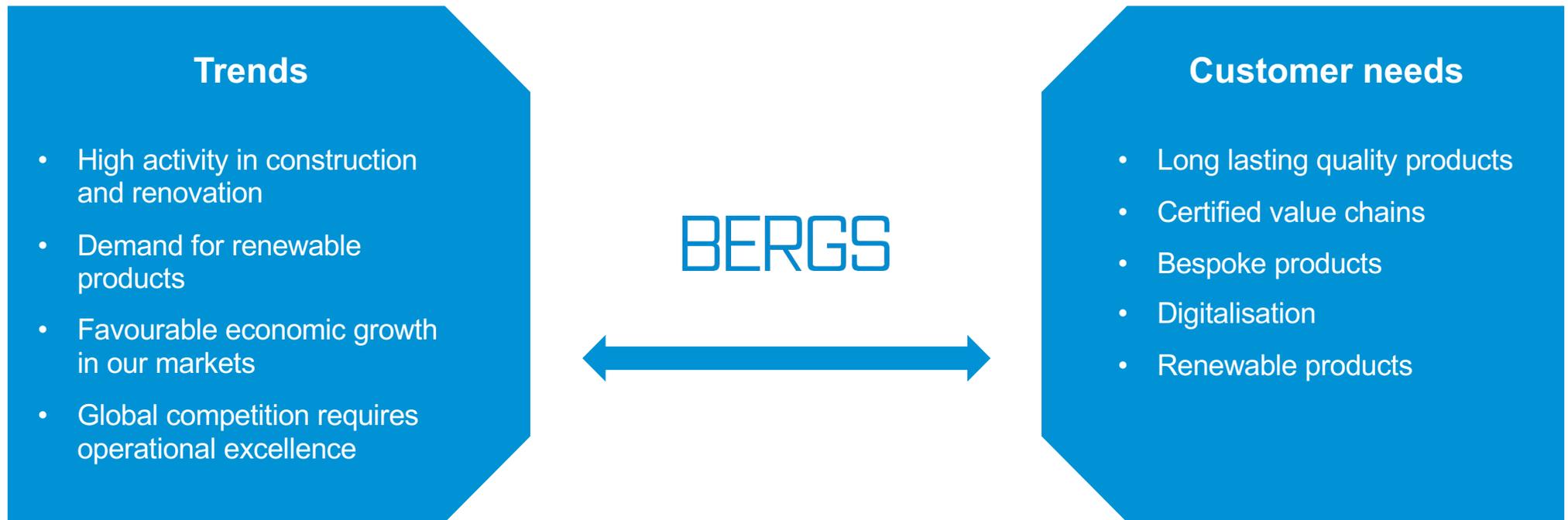
**Good contribution** from investments in Joinery and Wood Protection



# Summary and final remarks

Peter Nilsson  
CEO

# Bergs offering well-positioned for future growth



# Strategy for growth and profitability

## Wood Protection

- Build capacity for organic growth
- Acquisitions
- Marketing- and digital development

## Joinery

- Expand Timber Windows
- Build capacity and secure supply
- Acquisitions
- Design, digitalisation and marketing development

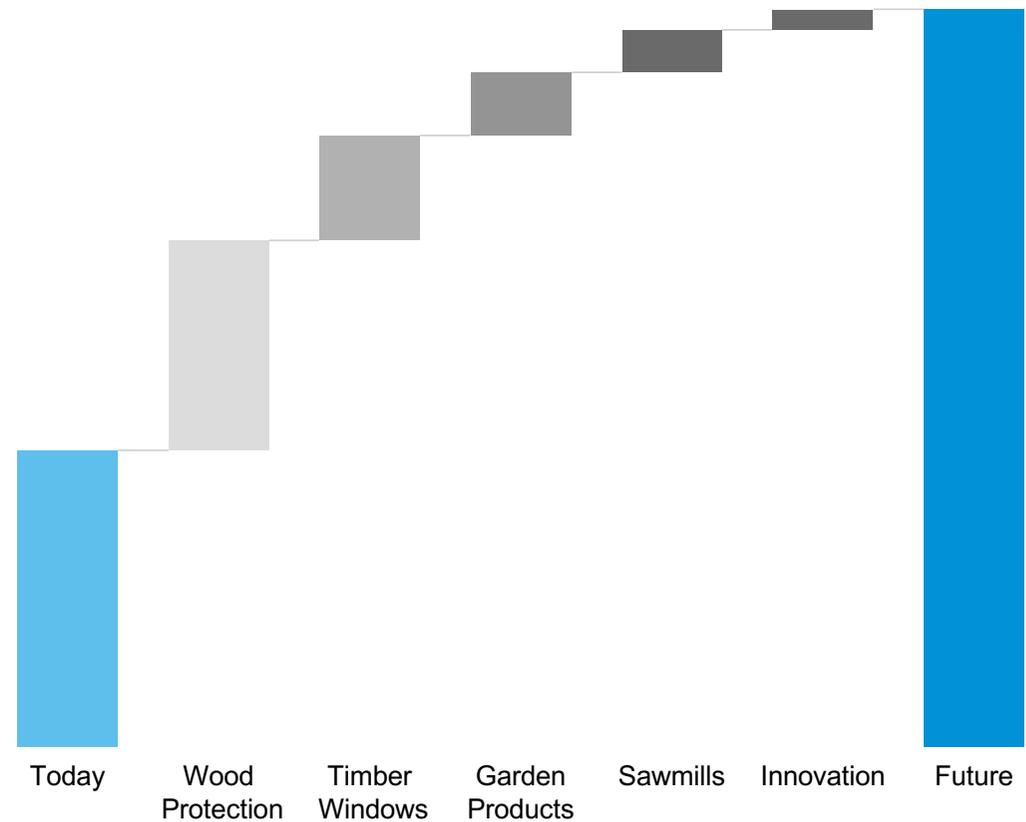
## Sawn Wood (the base for our products)

- Improvements in productivity and material development
- Further processing is a possibility

## R & D

- Focus on innovation and R&D

## Future building blocks for growth





# Strategic direction

- Decentralised business model
- Primary focus on wood processing and joinery
- Yearly growth of 10% with increased margins
- Take an active role in the development of the wood protection industry – both regarding products and structure
- Assist clients and facilitate more business using digital tools and solutions
- Sustainability

**From a sawmill company  
to an active owner  
of companies in the wood  
sector**

# Why invest in Bergs?

