

BERGS

ABGSC Investor Days

8 March 2022



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



Bergs corporate profile



Bergs has a portfolio of
8 independent companies



Products are processed at
9 manufacturing sites



Bergs has
1,000 employees



Net sales
Jan – Dec 2021
SEK 3,055 M



EBITDA
Jan – Dec 2021
SEK 503 M, 16.5% margin



Net debt

EBITDA **0.14**

Addressing a broad spectrum of products



Sawn wood



Doors



Windows



Cladding



Decking



Pellets



Heating logs



Garden products



Furniture



Houses



Aftermarket

The Bergs Group

44%

Wood Protection



15%

Joinery



35%

Sawn Wood



6%

Energy & Logistics



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**

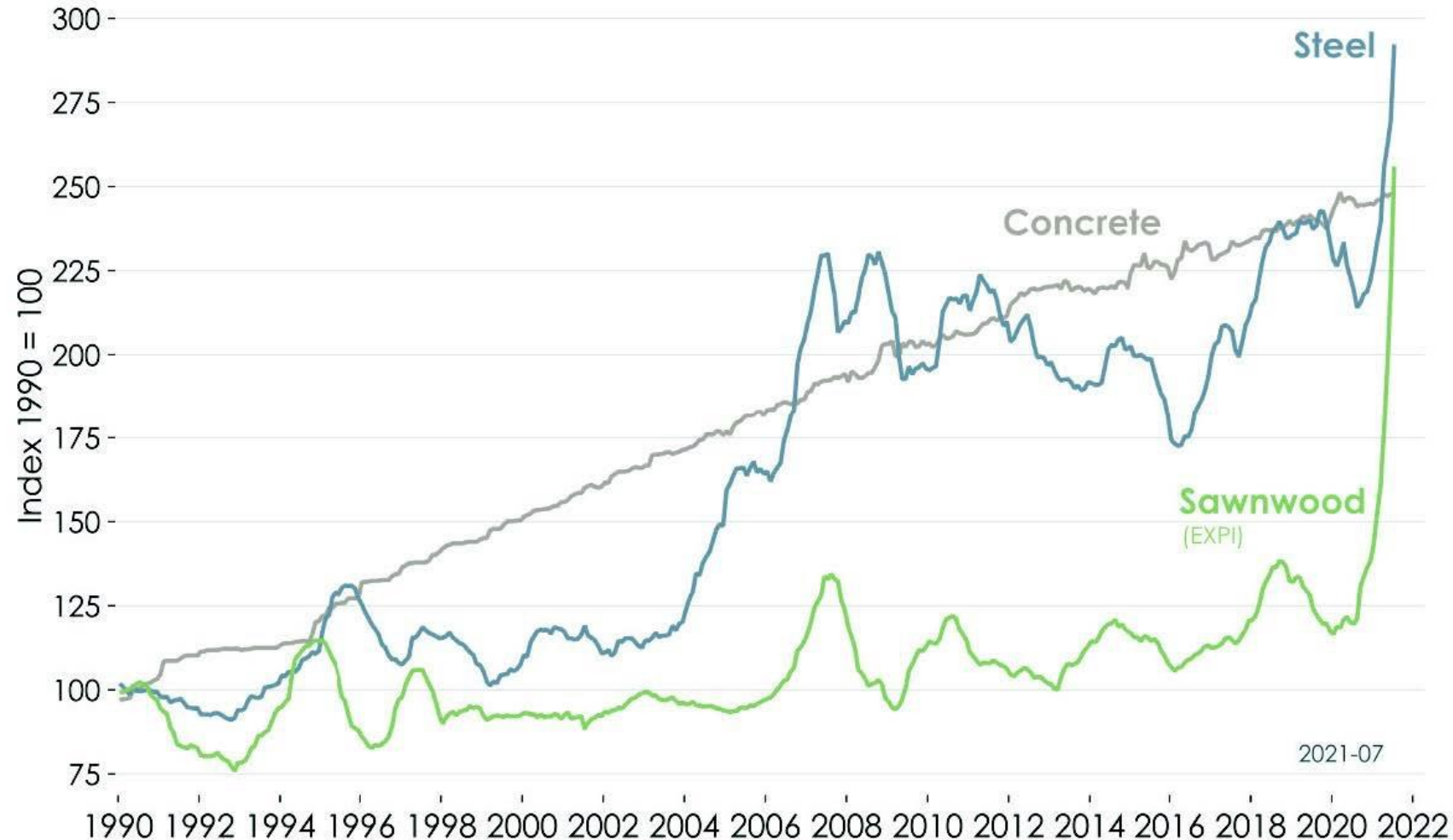


Wood is a **renewable** and **sustainable** material.



Price development

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



Source: Skogsindustrierna and Statistics Sweden

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

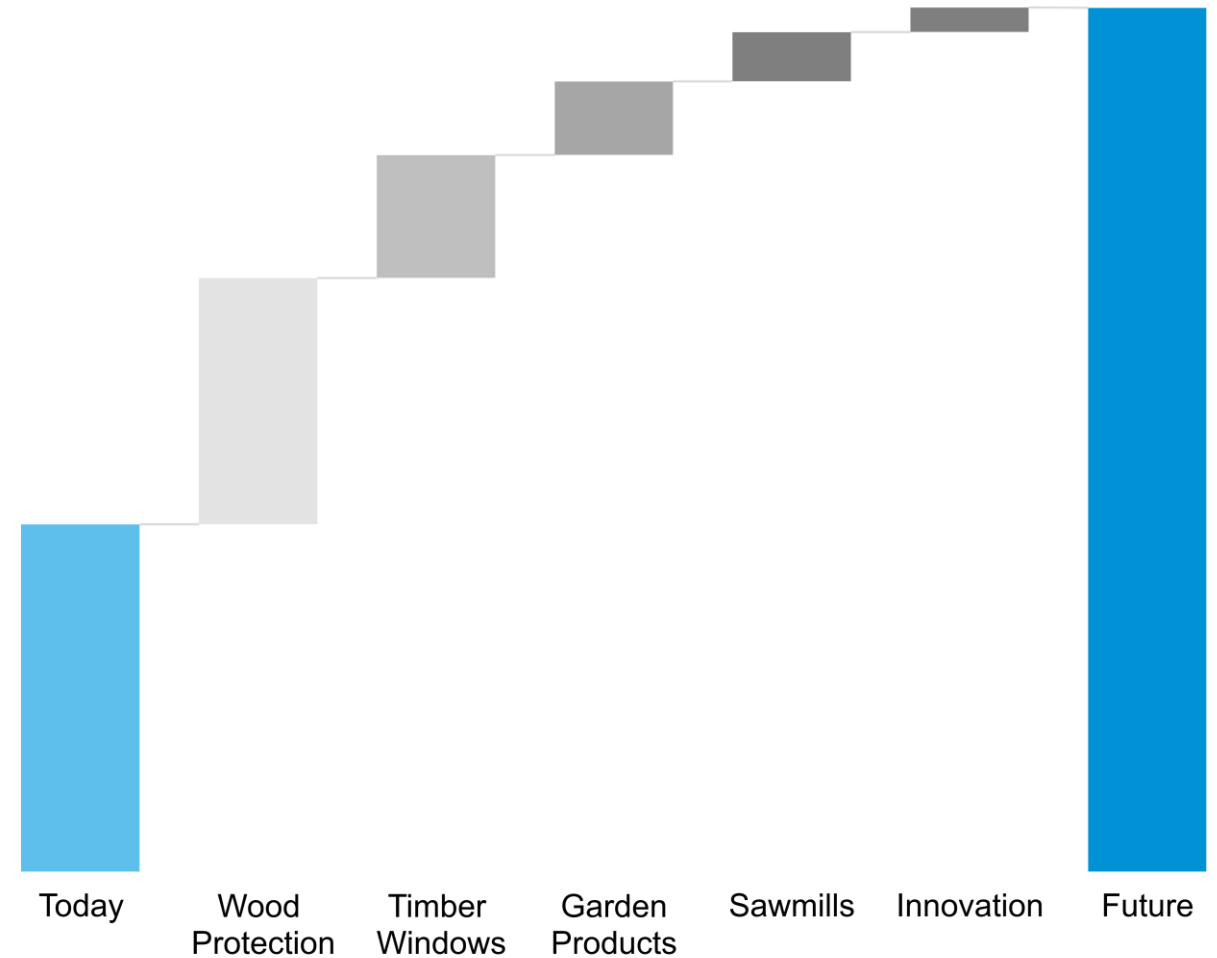
Sawn Wood (the base for our products)

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

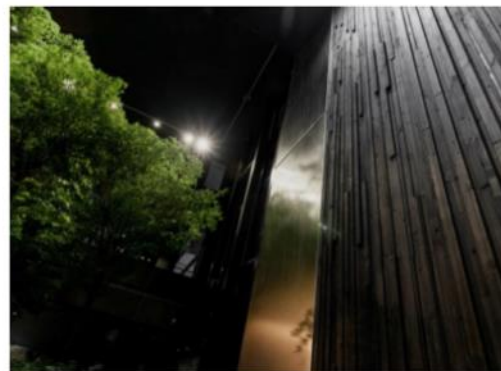
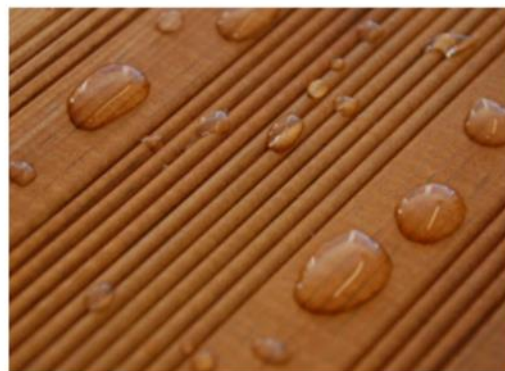
R & D

- Focus on innovation and R&D

Future building blocks for growth

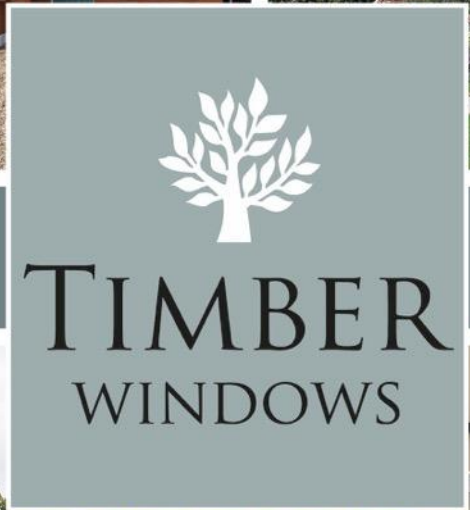


Wood Protection



Joinery





44 STUNNING SHOWROOMS NATIONWIDE

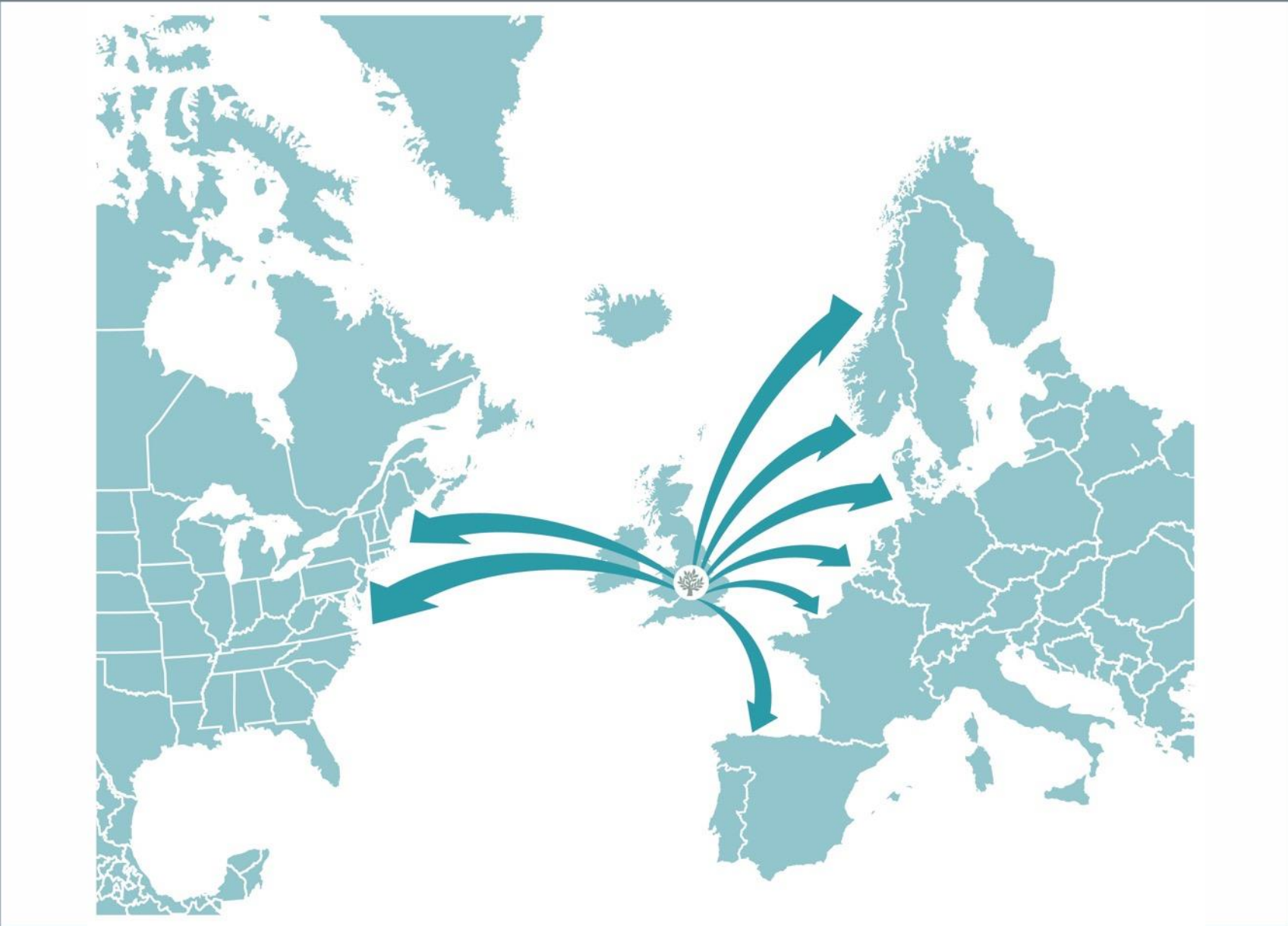


Beautifully crafted **HAND-MADE** *timber windows & doors*





Beautifully crafted **HAND-MADE** *timber windows & doors*



Sawn Wood



Financial targets



Growth

Annual growth of **10%** over a business cycle, organic and through acquisitions



EBITDA margin

9% over a business cycle



Financial net debt

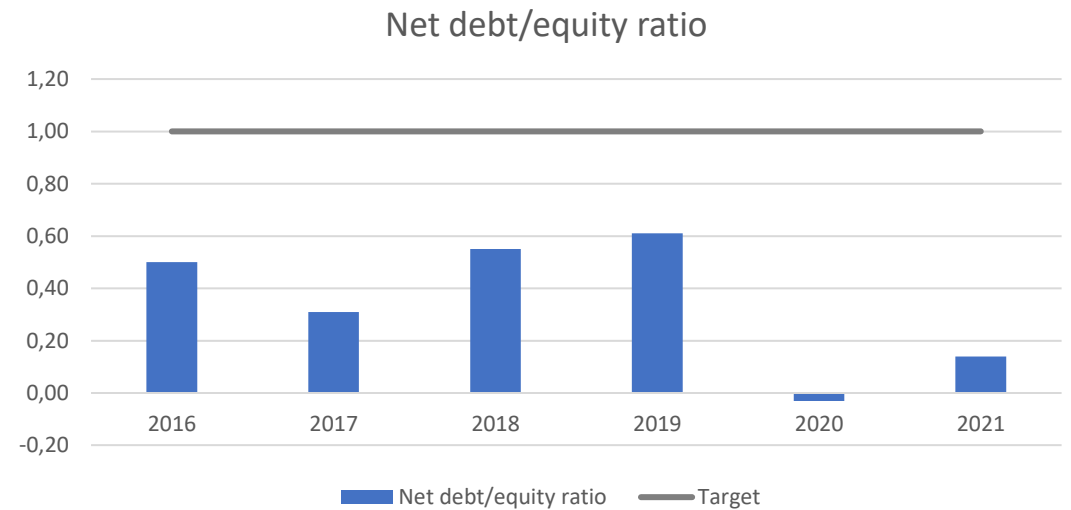
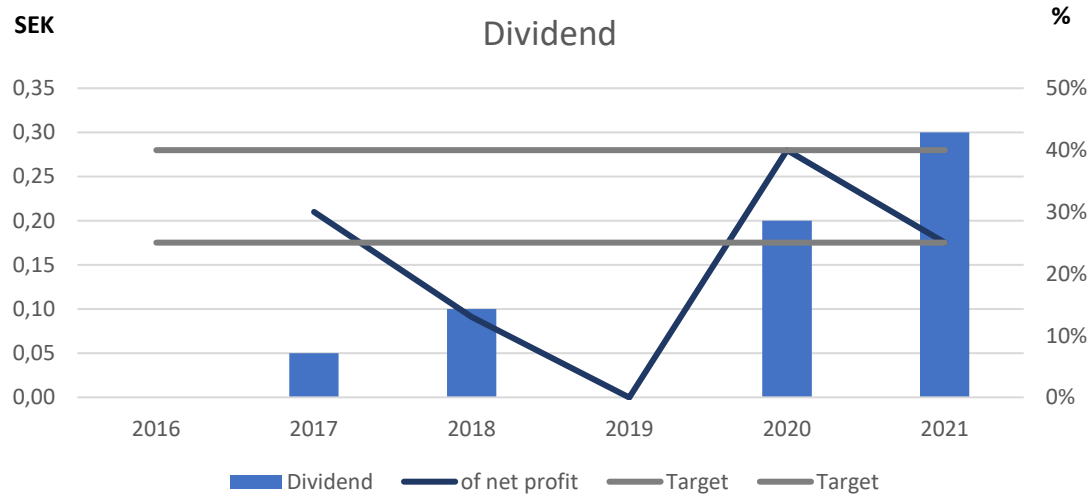
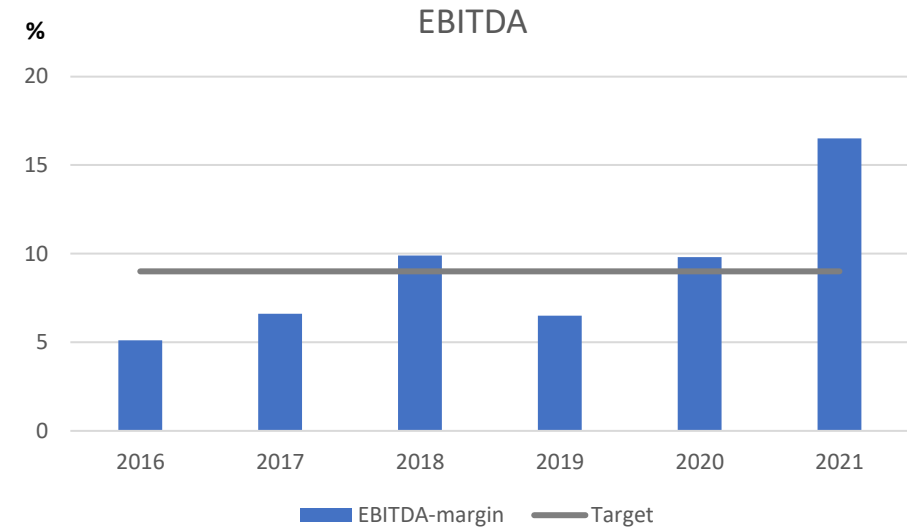
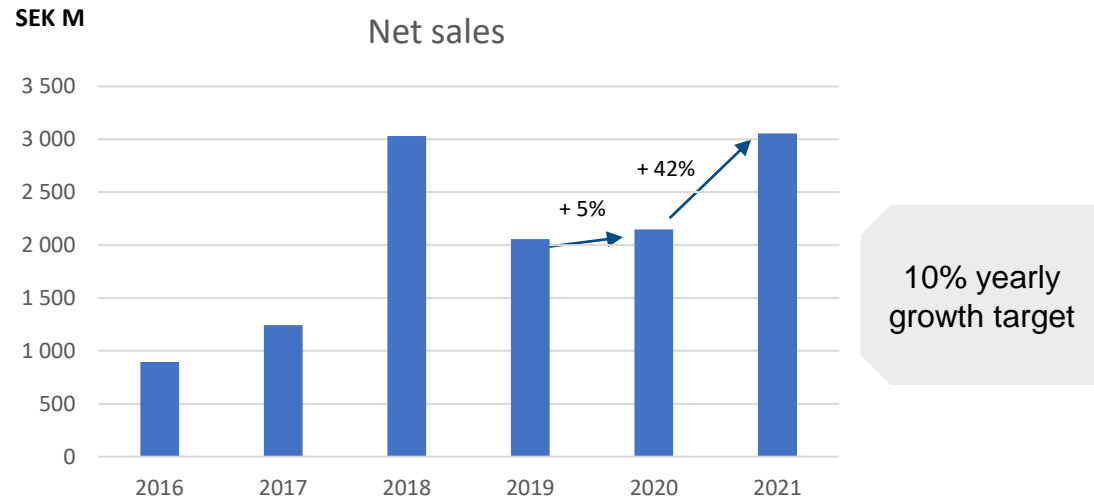
Net debt lower than equity



Dividend

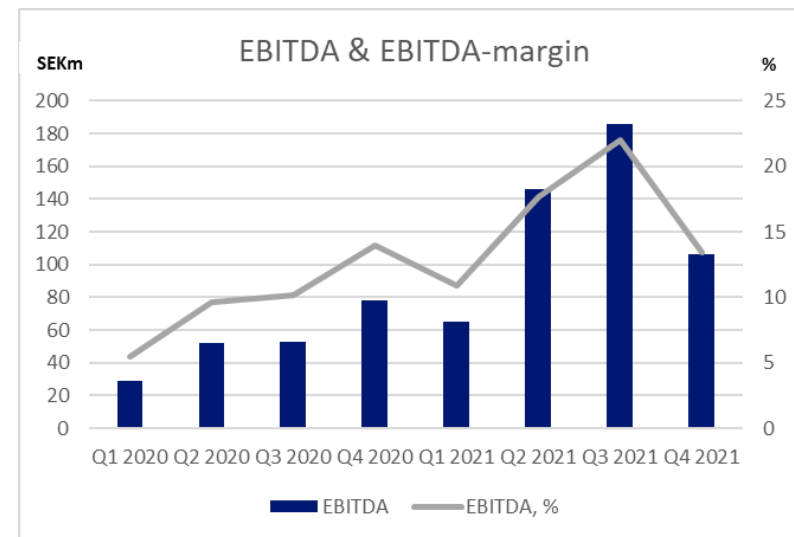
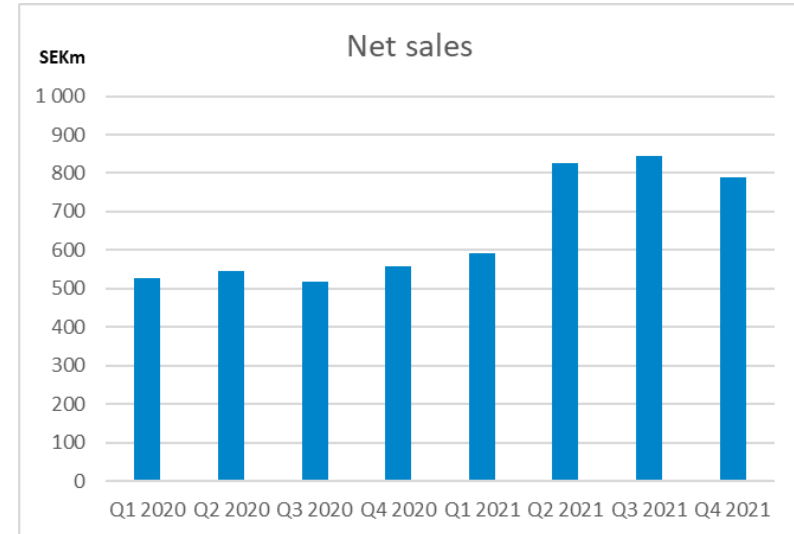
Normally **25-40%** of the net profit of the year

Financial targets



Financials

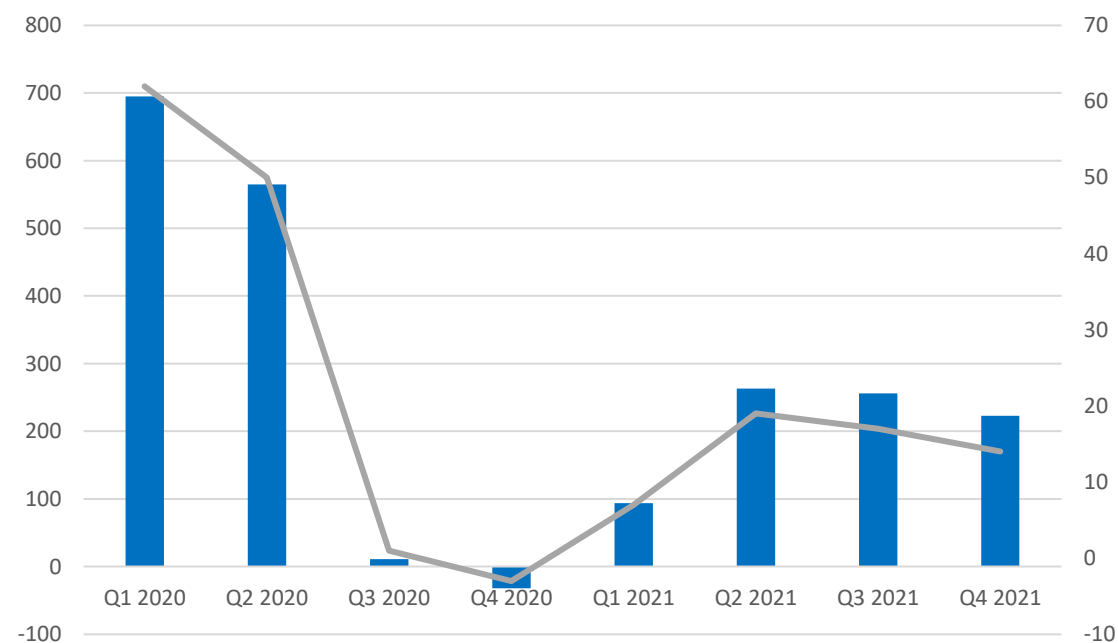
- Record year with strong market conditions
- Net sales SEK 3,055 +42%
 - organic growth 34%, acquisition 8%
- EBITDA SEK 503 million (212), margin 16.5% (9.9)
 - Higher sales prices in Wood Protection and Sawn wood
 - Higher volume in Joinery but higher costs for material and logistics hit margin
- Lower margins in Q4 but still on good levels
- Proposed dividend SEK 0.30 (0.20)



Strong financial position with low leverage

SEK million	Jan-Dec 2021	Jan-Dec 2020
Cash flow from operations before change in WC	472	223
Change in working capital	-407	132
Cash flow from operations	65	355
Acquisition	-108	-
Capex, net	-143	-69
Sale of industry segment	-	421
Paid dividend	-69	-
Change in net debt	-255	707
Net debt	223	32
Net debt / equity ratio	0.14	-0.03
Net debt / EBITDA, 12 months	0.44	neg

Financial net debt and net debt/equity ratio



Outlook



Continued positive demand for wood products



Strong order books for next year



Higher raw material costs for value added products should be compensated by price increases and by the performance of our sawmills



The war in Ukraine will have impact on the wood market, uncertain effects at current stage

Three areas of priority



1. Build capacity for organic growth and complementary acquisitions



2. Accelerate the digital journey



3. Strengthen product development and aftermarket services