

# Interim Report

## 1 January–30 September

Fasadgruppen 

### Third quarter highlights

- Net sales increased to SEK 332.3 million (284.7), corresponding to growth of 16.7 percent. Organic growth was -15.6 percent.
- Earnings before interest and taxes (EBIT) amounted to SEK 41.8 million (33.1) and operating margin was 12.6 percent (11.6).
- Items affecting comparability<sup>1</sup> impacted earnings by SEK -8.0 million (-1.8), EBIT excluding items affecting comparability amounted to SEK 49.9 million (35.0).
- Earnings for the period amounted to SEK 30.2 million (24.3), earnings per share before dilution amounted to 16.00 SEK (21.16) and earnings per share after dilution were 15.65 SEK (20.41).
- Cash flow from operating activities fell to SEK 20.7 million (35.2).

### Significant events during the quarter

- Fasadgruppen established in Norway via the acquisition of DVS Entreprenør.
- Complementary acquisitions in Denmark of three companies under the Cortex brand.
- Covid-19 continues to impact business in the form of postponed projects.

### Nine month highlights

- Net sales increased to SEK 921.3 million (719.5), corresponding to growth of 28.0 percent. Organic growth was -4.7 percent.
- Earnings before interest and taxes (EBIT) amounted to SEK 88.7 million (86.7) and operating margin was 9.6 percent (12.1).
- Items affecting comparability<sup>1</sup> impacted earnings by -13.3 MSEK (-3,6), EBIT excluding items affecting comparability amounted to SEK 102.0 million (90.3).
- Profit for the period amounted to SEK 63.6 million (62,0), earnings per share before dilution amounted to 41.58 SEK (55.67) and earnings per share after dilution amounted to 40.47 SEK (53.4).
- Cash flow from operating activities increased to SEK 68.9 million (58.2).

### Significant events after the end of the period

- On 2 October, the acquisition of all shares in Fasadenoveringar Roland Karlsson i Mälardalen AB with subsidiary companies Front RK AB, rapid hyrställningar AB and SmartFront AB was announced. The acquisition was approved by the Swedish Competition Authority on 6 November.

### Key figures<sup>2</sup>

	July-Sept 2020	July-Sept 2019	Δ	Jan-Sept 2020	Jan-Sept 2019	Δ	12M 2020Q3	Jan-Dec 2019
MSEK								
Net sales	332.3	284.7	16.7%	921.3	719.5	28.0%	1,220.9	1,019.0
EBITA	41.8	33.1	26.3%	88.7	86.7	2.3%	123.2	121.3
EBITA margin, %	12.6	11.6		9.6	12.1		10.1	11.9
Adjusted EBITA	49.9	35.0	42.6%	102.0	90.3	13.0%	141.0	129.3
Adjusted EBITA margin, %	15.0	12.3		11.1	12.5		11.6	12.7
Cash flow from operating activities	20.7	35.2	-41.3%	68.9	58.2	18.3%	108.8	98.2
Cash conversion, %	43.9	96.2		66.6	60.9		76.5	73.1
Return on capital employed, %	14.9	21.3		12.5	19.2		12.0	19.3
Return on capital employed excluding goodwill etc., %	182.6	235.5		169.6	173.6		156.5	184.7
Return on shareholders' equity, %	19.4	101.0		20.6	116.0		22.2	95.6
Profit/loss before tax	37.5	30.3	23.8%	80.3	78.5	2.3%	111.0	109.2
Order book	988.0	721.0	37.0%	988.0	721.0	37.0%	988.0	803.0

<sup>1</sup> For items affecting comparability in the respective period, see note 7.

<sup>2</sup> For definitions, see page 21.

**Fasadgruppen Group AB is the largest façade work company in the Nordics and the only nationwide complete provider of sustainable façades in Sweden. The foundation of the business is the entrepreneurial local units operating with a clear focus on cooperation, commitment and competence.**

# CEO comments

## Best ever quarterly result

I am delighted to be able to present the best ever results in a single quarter for Fasadgruppen, both in absolute figures and in terms of margins. Adjusted earnings before interest and taxes (EBITA) amounted to SEK 49.9 million (35.0), corresponding to a margin of 15.0 percent (12.3). This performance shows that both our clear focus on cost control as well as purchasing synergies are delivering the desired effects. This is especially pleasing against the background of the ongoing pandemic, that continues to have a negative effect in the short term in the form of postponed projects. This is reflected in the negative organic growth for the quarter of 15.6 percent. In this context, it is important to understand that the market in its normal state does not show strong growth figures, but is rather characterised by stable single digit growth – and this is also where our organic growth in a normal market should be. In combination with the stability of our business model via our geographic diversification, this provides us a secure and long-term platform. Despite the negative organic growth, we continued to enjoy good growth in the quarter. Net sales amounted to SEK 332.3 million (284.7), corresponding to an increase of 16.7 percent, driven by our active acquisition strategy.

## Foothold in Norway

During the quarter, Fasadgruppen was established in Norway via the acquisition of DVS Entreprenør. The entry into Norway is an important element in our growth strategy – the Norwegian market is as fragmented as the markets in Sweden and Denmark, with many well-managed entrepreneurial companies. We are employing the same strategy as on the other markets, where the acquired companies work under their own brands and develop strong local market positions, while at the same time leveraging the benefits of the regional strength, cooperation and best practice sharing within the Group.

## Favourable acquisition opportunities and strong aims in the sustainability area

Fasadgruppen's active acquisition strategy is focused on finding successful, well-managed, market-leading niche companies with potential to generate profitable growth. The pandemic did have a dampening effect on certain dialogues earlier in the year, but we are now experiencing the intensity returning and we have a pipeline full of interesting companies that will support our continued Nordic growth.

After the end of the quarter, we have announced the acquisition of Frontkoncernen, the largest Fasadgruppen acquisition to date. The acquisition includes SmartFront, a



**“Fasadgruppen’s active acquisition strategy is focused in finding successful, well-managed, market-leading niche companies with potential to generate profitable growth”**

patented ventilation solution that can deliver energy savings of up to 75 percent when renovating façades, ventilation and windows – compared to the additional insulation we offer today with energy savings of 20-50 percent in individual properties.

Next year, the EU’s new taxonomy, a tool that classifies whether or not investments are sustainable, will start to be rolled out. We assess that just over half of our current sales meet the requirements to be classified as environmentally sustainable, a proportion that we assess will increase over time and that will be further supported by solutions such as SmartFront.

## Stable underlying market

Covid-19 has had a big effect on society and has changed how we live and move. However, the pandemic does not affect the underlying home and renovation needs that, together with increased sustainability requirements, will drive market growth for a long time to come. There is a big shortage of housing in growth regions in the country, while a clear majority of existing residential housing was built more than 20 years ago and will therefore need to be renovated within the not too distant future. Combined with Fasadgruppen’s market position and clear focus, I view with confidence our opportunities to strengthen our leadership within sustainable façades.

Pål Warolin  
*Group CEO and President*

# The Group's development

## Third quarter

### Net sales

Net sales for the third quarter 2020 amounted to SEK 332.3 million (284.7), a 16.7 percent increase compared to the same period last year. Organic growth made up -15.6 percent and growth via acquisitions 38.2 percent. The ongoing pandemic has had a restraining effect on sales growth in the quarter, in the form of an assessed short-term negative impact from postponed projects, while at the same time, the comparison period demonstrated unusually strong growth both organic and in total. In July 2020, the asset acquisition of the business in Proos Mur and Puts AB was completed. At the end of the quarter, Fasadgruppen's first Norwegian acquisition was made, DVS Entreprenør A/S, together with complementary acquisitions in Denmark of three companies under the Cortex brand; Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS. Between the third quarter 2020 and the comparison period, the following companies were acquired; Karlplans Plåtslageri AB, the Group's first foreign company, P. Andersen & Søn Enterprise A/S in Denmark and Sterner Stenhus Fasad AB.

### Earnings

EBITA for the current quarter amounted to SEK 41.8 million (33.1) and adjusted EBITA was SEK 49.9 million (35.0). Items affecting comparability in the quarter can mainly be attributed to acquisition related costs, SEK 5.4 million, and preparatory IPO costs of SEK 2.5 million. The adjusted EBITA margin for the current quarter amounted to 15.0 percent (12.3). The strong margin outcome is explained by the completion of a number of projects with good profitability and cost control. Net financial items increased to SEK -4.3 million (-2.8). Interest costs on loans from credit institutes comprised SEK 2.2 million (1.0). Profit for the period amounted to SEK 30.2 million (24.3) which corresponds to earnings per share of SEK 16.00 (21.16) before dilution.

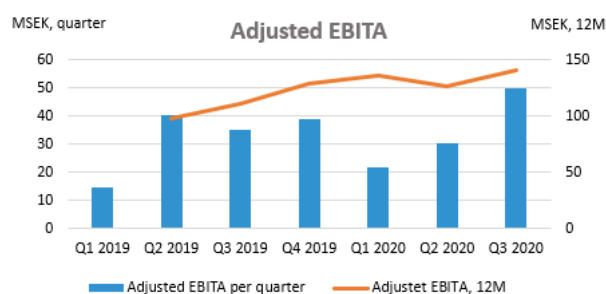
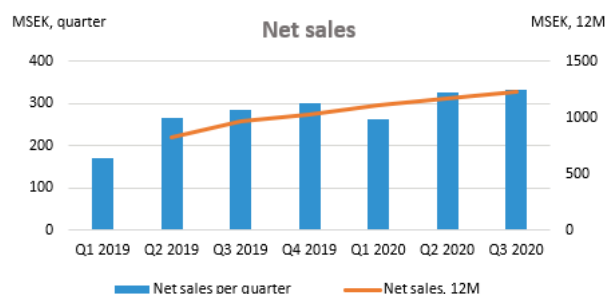
## January-September

### Net sales

Net sales for the period January - September 2020 amounted to SEK 921.3 million (719.5), a 28.0 percent increase compared to the same period last year. Organic growth made up -4.7 percent and growth via acquisitions 33.7 percent. In June 2020, the acquisition of Sterner Stenhus Fasad AB was effected. In July 2020, the asset acquisition of the business in Proos Mur and Puts AB was completed. At the end of the quarter, Fasadgruppen's first Norwegian acquisition was made, DVS Entreprenør A/S, together with complementary acquisitions in Denmark of three companies under the Cortex brand; Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS. Net sales on a rolling 12 month average for the third quarter 2020 increased by 19.8 percent to SEK 1,220.9 million compared to full year 2019.

### Earnings

EBITA for the period January-September 2020 amounted to SEK 88.7 million (86.7) and adjusted EBITA was SEK 102.0 million (90.3). Items affecting comparability in the period can mainly be attributed to a capital gain on a property sale of SEK 5.3 million, preparatory IPO costs of SEK 12.1 million, plus acquisition related costs of SEK 6.1 million. Adjusted EBITA margin for the period January-September 2020 amounted to 11.1 percent (12.5) and 11.6 percent for 12 month rolling EBITA. Net financial items for the period amounted to SEK -8.4 million (-8.3), interest costs on loans from credit institutes comprised SEK 4.4 million (2.6). Profit for the period amounted to SEK 63.6 million (62.0) which corresponds to earnings per share of SEK 41.58 (55.67) before dilution.



## Order book

The order book at the end of September 2020 amounted to SEK 988 million (721), an increase of 37.0 percent. For comparable companies at the end of September, the order book had decreased by 11.8 percent, while the acquired growth in the order book amounted to 55.4 percent.

## Financial position

At the end of the period, shareholders' equity was SEK 673.0 million (113.5). During the second quarter 2020, new and offset issues of shares increased shareholders' equity by SEK 379.7 million and in the third quarter by a further SEK 70.3 million. Interest-bearing net liabilities on 30 September 2020 amounted to SEK 423.9 million (477.3). The interest-bearing net liabilities include shareholder loans amounting to SEK 87.1 million (293.5). In the month of May, shareholder loans amounting to SEK 213.3 million were converted into shareholders' equity via an offset issue. External interest-bearing net liabilities excluding shareholder loans amounted to SEK 336.9 million (183.7) on 30 September 2020 and net debt-to-equity ratio was 50.0 percent (162.0). New financing in the period January to September 2020 has primarily been taken up in association with the acquisitions of Sterner Stenhus Fasad AB in June amounting to SEK 155.0 million and the acquisitions of DVS Entreprenør AS and the three Cortex companies with a total of SEK 50 million. Fasadgruppen's external interest-bearing net debt excluding shareholder loans to adjusted EBITDA 12M ratio at the end of the period was 2.1x, compared to 1.1x at the end of 2019, which is within the parameters of the company's debt to equity ratio target (not exceeding 2.5x). Including shareholder loans, Fasadgruppen's external interest-bearing net debt to adjusted EBITDA 12M ratio was 2.6x, compared to 3.1x at the end of 2019. The Group had cash and cash equivalents and other short term investments amounting to SEK 41.8 million (13.9) on 30 September 2020. In addition to cash and cash equivalents and other short term investments, there were unutilised credit facilities of SEK 29.5 million at the end of the period. Change in working capital for the period January to September was SEK -27.4 million (-24.1). The negative outcome for the period can mainly be explained by an increase in the group's accounts receivables within the quarter that was not matched by an equivalent increase in group operating liabilities. The increase in accounts receivables in the current quarter was an effect of higher invoicing. No significant change in payment statistics has been able to be measured.



## Investments and cash flow

Operating cash flow decreased to SEK 20.7 million (35.2) for the quarter but increased to SEK 68.9 million (58.2) for the period January to September 2020. The Group's net investments, excluding company acquisitions, for the period January-September 2020 amounted to SEK -7.2 million (-13.3). In the first quarter 2020, one property was divested which delivered positive cash flow of SEK 11.5 million. Depreciation of non-current assets for the period amounted to SEK -14.8 million (-8.9). Investments in company acquisitions, for the period January-September 2020 amounted to SEK -282.0 million (-32.4). This sum mainly concerns the acquisition of Sterner Stenhus Fasad AB in June 2020 that resulted in a liquidity effect after deductions for the acquisition of cash and cash equivalents amounting to SEK 203.0 million. At the end of September 2020, DVS Entreprenør AS in Norway and the three Cortex companies in Denmark were also acquired, which had a combined liquidity effect after deductions for acquisitions of cash and cash equivalents of SEK 48.9 million. Other than this, the amount for the current period primarily consists of contingent considerations related to settlements for acquisitions from previous years.

## Personnel

The Group had 723 employees (470) on 30 September 2020 of which 24 were women (10). The average number of employees for the period January to September 2020 was 606 (425).

## Parent Company

Fasadgruppen Group AB had up to 30 June 2020 purely acted as a holding company for the Group without any employees. From 1 July 2020, the business also includes head office functions such as groupwide management, administration and a finance department. The parent company accordingly had limited operations in the current period, which also applied to the comparison period. The result for the period January to September 2020 amounted to SEK -7.2 million (-5.5). Assets primarily consist of participations and claims against group company Fasadgruppen Norden AB and at the end of the period amounted to SEK 724.9 million (481.1). Shareholders' equity on closing day amounted to SEK 539.0 million (62.7).

At the end of the period, the parent company had 3 employees (0).



# Market overview

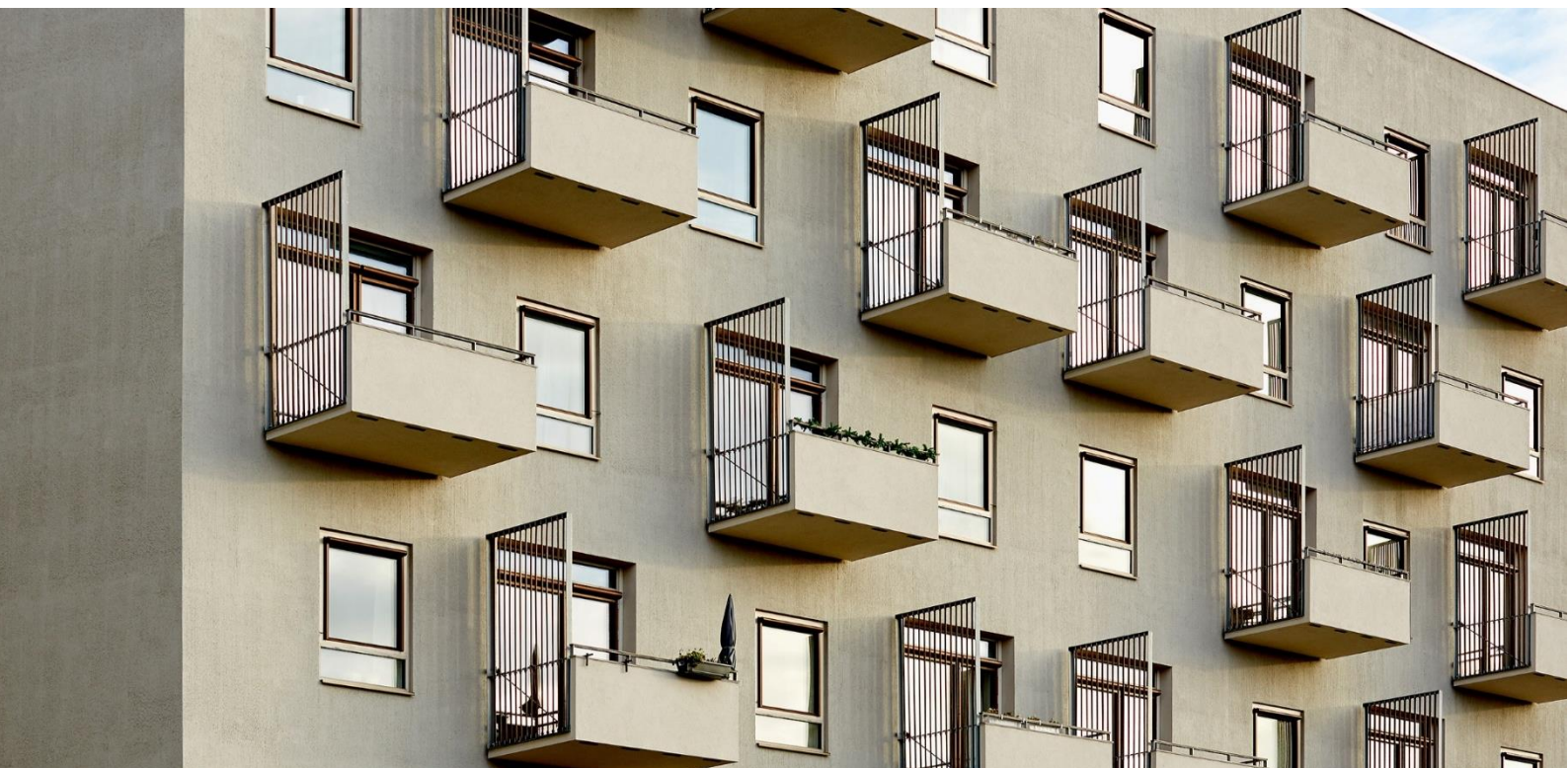
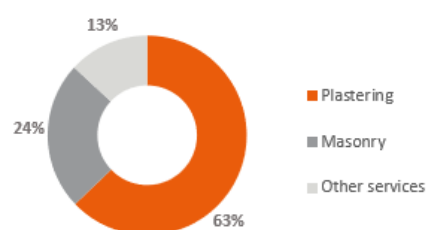
Fasadgruppen is the leading complete provider of sustainable façades with a local presence in Sweden, Norway and Denmark. The Group's main customers are property owners, construction companies, property management companies, consultants, cooperative apartment associations, government, municipalities and county council authorities.

According to a market survey, sales in the Scandinavian façade market is estimated at around SEK 97 billion. The Swedish market is estimated at around 37 bn, the Norwegian market 31 bn and the Danish approx. 29 bn. Big city regions account for around half this turnover.

Fasadgruppen's markets are characterised by long-term stability, driven by an underlying need to renovate both residential and commercial properties. In connection with new construction, façade work also comprises a crucial and specialised activity that construction companies to a large extent are outsourcing. In addition to the underlying need for façade work, the trend towards more energy efficient façade solutions is also assessed as being able to further drive market growth.

Fasadgruppen is active in the mid-size segment of the market where projects are in the magnitude of SEK 1-100 million. Based on this, the Group has created a diversified structure with many smaller, flexible companies in a large number of geographic areas. Local subsidiary company CEOs can take quick business decisions independently and adapt to customer requirements. This means the Group has a stable platform from which to enjoy profitable growth moving forward.

Sales per service area, 12M



# Acquisitions

Fasadgruppen has completed 11 business combinations and two asset acquisitions, 13 acquisitions in total since 2019. These acquisitions are a key part of the Group's growth strategy and are carefully chosen based on selective criteria that are defined in the Fasadgruppen growth strategy.

Since early 2019, the Group has acquired an estimated SEK 1,254 million in annual sales and added around 424 new employees, that bring new know-how and working capacity to the Group.

Goodwill totalling SEK 1,050.6 million within the Group is a result of continuous and consciously targeted acquisitions over a number of years. Accumulated goodwill primarily relates to growth expectations, expected future profitability, the significant knowledge and expertise possessed by subsidiary company personnel and expected synergies on the costs side.

Five new acquisitions have been completed in 2020. Sterner Stenhus Fasad AB, an asset acquisition from Proos Mur & Puts AB, DVS Entreprenør AS in Norway, the acquisition in Denmark of three companies under the brand Cortex; Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS and Fasadrenoveringar Roland Karlsson i Mälardalen. All acquisitions have been completed in accordance with the Fasadgruppen strategy and all companies complement and strengthen the Group's competitiveness. DVS and the Cortex companies comprise important steps on the Norwegian and Danish markets.

For more information on acquisitions, please see note 8 on pages 15–18.

## Acquisitions of companies

Fasadgruppen has accessed the following business combinations since 2019.

Access	Acquisitions	Country	Estimated annual sales at time of acquisition, MSEK	Number of employees
October 2020	Fasadrenoveringar Roland Karlsson i Mälardalen	Sweden	400	120
September 2020	Cortex	Denmark	55	40
September 2020	DVS Entreprenør AS	Norway	175	70
July 2020	Proos Mur & Puts AB (asset acquisition)	Sweden	9	10
June 2020	Sterner Stenhus Fasad AB	Sweden	270	22
December 2019	Karlaplans Plåtslageri AB	Sweden	120	54
November 2019	P. Andersen & Søn Entreprise A/S	Denmark	40	21
September 2019	Åsälvs Mureri AB (asset acquisition)	Sweden	5	4
August 2019	Ume Fasad AB	Sweden	10	6
July 2019	Fasadteknik i Nyköping AB	Sweden	25	18
July 2019	Mellansvenska Fasad, Lars Svensson AB	Sweden	50	30
June 2019	Allt i Murning i Karlshamn AB	Sweden	25	15
March 2019	Simtuna Bygg och Betong Teknik AB	Sweden	70	13

### *The Fasadgruppen acquisition strategy*

In addition to activities to create organic growth, Fasadgruppen has an active acquisition strategy. Acquisitions are primarily implemented with the aim of broadening the Group geographically and to strengthen its offer. In addition to adding new companies to the Group, add-on acquisitions are also made to existing companies with the aim of adding expertise, framework agreements and critical mass.

Fasadgruppen has established a number of acquisition criteria with requirements such as good profitability, geographic locations and long-term management. In Sweden, over 500 potential acquisition candidates have been identified. The corresponding figure for the other Nordic countries is over 1,800 potential companies.

# Other information

## Risks and uncertainty factors

Fasadgruppen's business is affected by a number of risks whose effects on earnings and our financial position can be controlled to varying degrees. When assessing the Group's future development, it is of importance to consider the risk factors in addition to possible opportunities for earnings growth. The Group is exposed to different types of risk in its business, both strategic, operational and financial. The strategic risks in the Group's business primarily consist of a worsening macroeconomic growth on the Group's main markets. Operational risks are related to day to day operations such as tendering, capacity utilisation, percentage of completion and price risks. The financial risks include liquidity and loan financing risks. Risk management is clearly defined in the Fasadgruppen management system, which is designed to prevent and reduce the Group's risk exposure. Risk management in the Group aims to identify, measure, control and limit risks in the business.

Developments related to the outbreak of Covid-19 are by their nature, difficult to assess, and even if the short-term effects are assessed as limited so far, there is an underlying risk that the Coronavirus pandemic can come to impact business in terms of sales, supply chain and employee resources. To reduce the risk of the spread of infection, Fasadgruppen follows the recommendations issued by public authorities in the Scandinavian countries where the Group trades. The Group monitors developments on a daily basis, in order to be able to identify possible changes in strategic, operational and financial risks, to take proactive measures and to adapt our business in line with the prevailing situation.

For further information on the Group's risks, please see the 2019 Annual Report.

## Shareholders

Fasadgruppen Group AB, co no. 559158–4122, had 85 shareholders on 30 September 2020 of which Connecting Capital Sweden AB, A.M. Karlsson i Kvicksund AB and Sterner Stenhus Holding AB, each held more than 10% of the capital and voting rights.

An extraordinary general meeting of the Group parent company Fasadgruppen Group AB was held on 8 May 2020, which resolved on a new share issue, primarily via the conversion of shareholder loans into new shares. The new issue means that Fasadgruppen Group AB is no longer a subsidiary company of Connecting Capital Sweden AB even though the company remains the largest shareholder.

## Seasonal variations

Fasadgruppen's market is shaped to a certain extent by seasonal variations, where the first quarter of the year is the weakest as winter conditions can hamper roof work, for example. The company's diversified structure with regard to both market offer and geography, limits exposure to season effects, however.

## Future projections

The Nordic market is expected to continue to offer a stable underlying renovation market in the future. Underlying driving forces such as low interest rates for the foreseeable future, are assessed as leading to a continuing willingness to invest among the Group's customer groups, which points to continued long-term growth potential for Fasadgruppen. The Group has a well underpinned acquisition strategy and future acquisition opportunities are assessed as continuing to be good. Business operations in the rest of the Nordic region are under development and talks about acquisitions are being held with a number of companies outside Sweden. The Group's financial strength creates the stability that aids both investments and acquisitions. Fasadgruppen continues to develop its sustainability work with the focus on profitability and those products that are being developed for the sustainable façade solutions of the future to boost the competitiveness of customers. The Group is firmly resolved to drive both daily improvement work in the business and the transformation of the façade sectors towards safe and more sustainable solutions.

The ongoing pandemic put a brake on sales growth over the second and third quarters in the form of an assessed short-term negative effect of postponed projects. It is too early to say what the full effects will be in the longer term for Fasadgruppen. Read more about how the Group is working to counter possible risks as a consequence of the ongoing Coronavirus pandemic in the section on Risks and uncertainty factors.

## Significant events after the end of the period

- On 2 October, the acquisition of all shares in Fasadrenoveringar Roland Karlsson i Mälardalen AB with subsidiary companies Front RK AB, rapid hyrställningar AB and SmartFront AB was announced. The acquisition was approved by the Swedish Competition Authority on 6 November.

# Financial reports

## Group statement of comprehensive income and report in summary

MSEK	2020 July-Sept	2019 July-Sept	2020 Jan-Sept	2019 Jan-Sept	2020Q3 12M	2019 Jan-Dec
Net sales	332.3	284.7	921.3	719.5	1,220.9	1,019.0
Other operating income	6.0	3.1	21.1	9.7	28.3	17.0
<b>Operating income</b>	<b>338.3</b>	<b>287.8</b>	<b>942.4</b>	<b>729.2</b>	<b>1,249.2</b>	<b>1,036.0</b>
Materials and consumables	-172.6	-161.5	-465.3	-380.8	-605.7	-521.3
Remuneration to employees	-90.5	-73.8	-291.3	-210.0	-390.5	-309.2
Depreciation and impairments of tangible and intangible non-current assets	-5.3	-3.5	-14.8	-8.9	-19.0	-13.1
Other operating costs	-28.0	-15.9	-82.3	-42.8	-110.8	-71.3
<b>Total operating costs</b>	<b>-296.4</b>	<b>-254.7</b>	<b>-853.7</b>	<b>-642.5</b>	<b>-1,126.0</b>	<b>-914.8</b>
<b>Operating profit</b>	<b>41.8</b>	<b>33.1</b>	<b>88.7</b>	<b>86.7</b>	<b>123.2</b>	<b>121.3</b>
Net financial items	-4.3	-2.8	-8.4	-8.3	-12.2	-12.1
<b>Profit/loss after financial items</b>	<b>37.5</b>	<b>30.3</b>	<b>80.3</b>	<b>78.5</b>	<b>111.0</b>	<b>109.2</b>
Tax on profit for the period	-7.3	-6.0	-16.7	-16.5	-23.6	-23.3
<b>Profit/loss for the period</b>	<b>30.2</b>	<b>24.3</b>	<b>63.6</b>	<b>62.0</b>	<b>87.5</b>	<b>85.9</b>
<b>Other comprehensive income for the period</b>	-	-	-	-	-	-
Items that will not be reclassified to income statement	-	-	-	-	-	-
Items that can be reclassified to income statement	-	-	-	-	-	-
Exchange rate differences on recalculation of foreign activities	-1.4	0.0	-1.3	0.0	-2.0	-0.7
<b>Other comprehensive income for the period, net after tax</b>	<b>-1.4</b>	<b>0.0</b>	<b>-1.3</b>	<b>0.0</b>	<b>-2.0</b>	<b>-0.7</b>
<b>Comprehensive income for the period</b>	<b>28.8</b>	<b>24.3</b>	<b>62.3</b>	<b>62.0</b>	<b>85.5</b>	<b>85.1</b>
Comprehensive income for the period attributable to:	-	-	-	-	-	-
Shareholders in the Parent Company	28.8	24.3	62.3	62.0	85.5	85.1
Holdings without controlling interest	-	-	-	-	-	-
Earnings per share for the period before dilution SEK	16.00	21.16	41.58	55.67	60.77	76.14
Earnings per share for the period after dilution SEK	15.65	20.41	40.47	53.64	59.04	73.40
Average no of shares, before dilution	1,885,087	1,150,051	1,528,564	1,113,006	1,439,297	1,127,628
Average no of shares after dilution	1,927,192	1,192,156	1,570,669	1,155,111	1,481,402	1,169,733
Actual no of shares before dilution at the end of the period	1,927,010	1,161,212	1,927,010	1,161,212	1,927,010	1,181,775
Actual no of shares after dilution at the end of the period	1,969,115	1,203,317	1,969,115	1,203,317	1,969,115	1,223,880



## Group balance sheet in summary

MSEK	2020-09-30	2019-09-30	2019-12-31
<b>ASSETS</b>			
Goodwill	1,050.6	583.9	634.3
Other intangible assets	70.6	0.6	0.8
<i>Total intangible assets</i>	<i>1,121.3</i>	<i>584.5</i>	<i>635.2</i>
Right-of-use assets	63.7	42.8	48.8
Tangible non-current assets	25.7	28.4	30.3
<i>Total tangible non-current assets</i>	<i>89.5</i>	<i>71.2</i>	<i>79.1</i>
Financial non-current assets	1.1	0.7	0.9
<b>Total non-current assets</b>	<b>1,211.8</b>	<b>656.4</b>	<b>715.2</b>
Inventories	6.2	2.9	4.1
Accounts receivable	208.4	147.3	131.2
Revenues from contracts with customers and similar receivables	150.4	94.6	59.1
Prepaid costs and accrued income	13.0	6.9	13.0
Other receivables	2.7	17.2	-
Cash and cash equivalents	41.8	13.9	48.4
<b>Total current assets</b>	<b>422.6</b>	<b>282.8</b>	<b>255.8</b>
<b>TOTAL ASSETS</b>	<b>1,634.4</b>	<b>939.2</b>	<b>971.0</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>673.0</b>	<b>113.5</b>	<b>150.7</b>
<b>Appropriations</b>	<b>26.4</b>	<b>2.1</b>	<b>1.8</b>
Non-current interest-bearing liabilities	175.6	413.5	199.1
Long-term lease liabilities	47.5	32.3	35.8
Other non-current liabilities	50.5	9.2	35.7
<b>Total non-current liabilities</b>	<b>273.6</b>	<b>455.0</b>	<b>270.6</b>
Current interest-bearing liabilities	290.2	77.6	297.0
Short-term lease liabilities	14.7	8.5	10.8
Accounts payable	99.3	88.1	64.5
Contract liabilities	163.3	124.7	91.5
Accrued costs and prepaid income	85.5	56.6	70.4
Other current liabilities	8.2	13.1	13.6
<b>Total current liabilities</b>	<b>661.3</b>	<b>368.6</b>	<b>547.9</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,634.4</b>	<b>939.2</b>	<b>971.0</b>

## Changes in shareholders' equity in summary

MSEK	Share capital	Other contributed capital	Retained earnings including profit/loss for the period	Reserves	Total shareholders' equity
<b>Shareholders' equity</b>					
<b>2019-01-01</b>	<b>1.1</b>	<b>-</b>	<b>27.9</b>	<b>-</b>	<b>29.0</b>
Profit/loss for the period	-	-	62.0	-	62.0
<i>Other comprehensive income:</i>					
Exchange rate differences on recalculation of foreign activities	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>62.0</b>	<b>-</b>	<b>62.0</b>
New share issue	0.1	22.4	-	-	22.5
<b>Transactions with owners</b>	<b>0.1</b>	<b>22.4</b>	<b>-</b>	<b>-</b>	<b>22.5</b>
<b>Shareholders' equity</b>					
<b>2019-09-30</b>	<b>1.2</b>	<b>22.4</b>	<b>89.9</b>	<b>-</b>	<b>113.5</b>
<b>Shareholders' equity</b>					
<b>2019-01-01</b>	<b>1.1</b>	<b>-</b>	<b>27.9</b>	<b>-</b>	<b>29.0</b>
Profit/loss for the period	-	-	85.9	-	85.9
<i>Other comprehensive income:</i>					
Exchange rate differences on recalculation of foreign activities	-	-	-	-0.7	-0.7
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>85.9</b>	<b>-0.7</b>	<b>85.1</b>
Warrants	-	-	2.4	-	2.4
New share issue	0.1	34.0	-	-	34.1
<b>Transactions with owners</b>	<b>0.1</b>	<b>34.0</b>	<b>2.4</b>	<b>-</b>	<b>36.6</b>
<b>Shareholders' equity</b>					
<b>2019-12-31</b>	<b>1.2</b>	<b>34.0</b>	<b>116.2</b>	<b>-0.7</b>	<b>150.7</b>
<b>Shareholders' equity</b>					
<b>2020-01-01</b>	<b>1.2</b>	<b>34.0</b>	<b>116.2</b>	<b>-0.7</b>	<b>150.7</b>
Profit/loss for the period	-	-	63.6	-	63.6
<i>Other comprehensive income:</i>					
Exchange rate differences on recalculation of foreign activities	-	-	-	-1.3	-1.3
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>63.6</b>	<b>-1.3</b>	<b>62.3</b>
New share issue	0.7	459.3	-	-	460.0
<b>Transactions with owners</b>	<b>0.7</b>	<b>459.3</b>	<b>-</b>	<b>-</b>	<b>460.0</b>
<b>Shareholders' equity</b>					
<b>2020-09-30</b>	<b>1.9</b>	<b>493.3</b>	<b>179.8</b>	<b>-2.0</b>	<b>673.0</b>

## Group cash flow analysis in summary

MSEK	2020 July-Sept	2019 July-Sept	2020 Jan-Sept	2019 Jan-Sept	2020Q3 12M	2019 Jan-Dec
<b>Operating activities</b>						
Profit/loss after financial items	37.5	30.3	80.3	78.5	111.0	109.2
Adjustments for items not included in cash flow	4.8	6.8	15.6	18.2	23.1	25.7
Interest paid	-2.2	-1.0	-4.8	-3.7	-6.3	-5.2
Tax paid	-5.4	-16.4	-23.5	-30.4	-16.6	-23.5
Changes in working capital	-16.3	1.1	-27.4	-24.1	-29.8	-26.5
<b>Cash flow from current operations</b>	<b>18.4</b>	<b>20.8</b>	<b>40.1</b>	<b>38.4</b>	<b>81.5</b>	<b>79.7</b>
<b>Investment activities</b>						
Acquisition of subsidiaries and businesses	-54.8	-5.7	-282.0	-32.4	-301.2	-51.5
Net investments in non-current assets	-10.1	-2.5	-7.2	-13.3	-3.6	-9.6
Net investments in financial assets	0.0	-0.5	-0.2	1.1	-0.0	1.3
<b>Cash flow from investment activities</b>	<b>-64.9</b>	<b>-8.7</b>	<b>-289.5</b>	<b>-44.5</b>	<b>-304.8</b>	<b>-59.8</b>
<b>Financing activities</b>						
New share issue	1.5	0.6	77.4	0.6	77.4	0.6
Payment of warrants	-	-	-	-	2.5	2.5
Proceeds from borrowings	62.7	11.1	265.9	12.0	308.9	55.1
Repayment of loans	-26.7	-9.5	-89.2	-28.5	-124.3	-63.5
Repayment of lease liability	-3.7	-2.4	-10.3	-6.1	-12.2	-8.0
<b>Cash flow from financing activities</b>	<b>33.8</b>	<b>-0.2</b>	<b>243.7</b>	<b>-21.9</b>	<b>252.2</b>	<b>-13.4</b>
<b>Cash flow for the period</b>	<b>-12.8</b>	<b>11.8</b>	<b>-5.6</b>	<b>-28.0</b>	<b>29.0</b>	<b>6.5</b>
Cash and cash equivalents at start of period	55.5	2.0	48.4	41.9	13.9	41.9
Calculation difference cash and cash equivalents	-0.9	-	-1.0	-	-1.0	0.0
<b>Cash and cash equivalents at end of period</b>	<b>41.8</b>	<b>13.9</b>	<b>41.8</b>	<b>13.9</b>	<b>41.8</b>	<b>48.4</b>

## Parent company income statement in summary

MSEK	2020 July-Sept	2019 July-Sept	2020 Jan-Sept	2019 Jan-Sept	2020Q3 12M	2019 Jan-Dec
Net sales	-	-	-	-	-	-
Operating costs	-5.4	-0.0	-5.4	-0.0	-5.4	-0.1
<b>Operating profit</b>	<b>-5.4</b>	<b>-0.0</b>	<b>-5.4</b>	<b>-0.0</b>	<b>-5.4</b>	<b>-0.1</b>
Net financial items	-1.7	-2.4	-3.8	-7.0	-6.4	-9.6
<b>Profit/loss after net financial items:</b>	<b>-7.1</b>	<b>-2.4</b>	<b>-9.2</b>	<b>-7.1</b>	<b>-11.8</b>	<b>-9.7</b>
Appropriations	-	-	-	-	15.0	15.0
<b>Profit/loss before tax</b>	<b>-7.1</b>	<b>-2.4</b>	<b>-9.2</b>	<b>-7.1</b>	<b>3.2</b>	<b>5.3</b>
Tax on profit for the period	1.5	0.5	2.0	1.6	-1.0	-1.4
<b>Profit/loss for the period*</b>	<b>-5.6</b>	<b>-1.9</b>	<b>-7.2</b>	<b>-5.5</b>	<b>2.2</b>	<b>3.9</b>

\* There are no items recognised in other comprehensive profit/loss in the parent company and therefore the statement of comprehensive profit/loss is the same as profit/loss for the period.

## Parent company balance sheet summary

MSEK	2020-09-30	2019-09-30	2019-12-31
<b>ASSETS</b>			
Intangible non-current assets	-	-	-
Tangible non-current assets	-	-	-
Financial non-current assets	724.9	481.1	497.2
<b>Total non-current assets</b>	<b>724.9</b>	<b>481.1</b>	<b>497.2</b>
Current receivables	1.3	1.6	1.7
Cash and bank	-	1.9	2.3
<b>Total current assets</b>	<b>1.3</b>	<b>3.4</b>	<b>4.0</b>
<b>TOTAL ASSETS</b>	<b>726.1</b>	<b>484.5</b>	<b>501.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Restricted shareholders' equity	1.9	1.2	1.2
Unrestricted shareholders' equity	537.1	61.6	85.0
<b>Total shareholders' equity</b>	<b>539.0</b>	<b>62.7</b>	<b>86.2</b>
Non-current liabilities	175.1	413.0	199.1
Other current liabilities	7.1	-	208.4
Accrued costs and prepaid income	4.9	8.8	7.5
<b>Total liabilities</b>	<b>187.1</b>	<b>421.8</b>	<b>415.0</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>726.1</b>	<b>484.5</b>	<b>501.2</b>



# Notes

## Note 1 Accounting principles

Fasadgruppen Group AB applies the International Financial Reporting Standards (IFRS) as they have been adopted by the European Union. The consolidated accounts in this interim report have been prepared in accordance with IAS 34 Interim Financial Reporting plus applicable regulations in the Swedish Annual Accounts Act. The parent company accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report should be read together with the annual accounts for the financial year ending on 31 December 2019. Accounting principles and calculation basis are in accordance with those that were applied in the annual accounts for 2019 with the exception of the application of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance that was applied when reporting government grants for sick leave payments. Information in accordance with IAS 34 16A also appears in other parts of the interim report in addition to the financial reports and associated notes.

Amounts in the interim report are stated in millions of Swedish Kronor (MSEK), unless otherwise stated. Amounts in brackets are for the comparison period.

### *Accounting for Government Grants as a consequence of the effects of the Coronavirus*

Due to Covid-19, the Swedish Parliament and Government have introduced temporary rules that mean that all employers receive payment for the full costs of sick leave pay for the period April-July 2020. Payment received comprises a government grant in accordance with both IFRS and RFR 2 and is reported in line with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Such payments are recognised when there is reasonable certainty that the Group will meet the conditions for the grant and grants will be received with reasonable certainty. Government grants are systematically recognised in the income statement over the same periods as the costs the grants are intended to compensate for. Sick pay is presented in the financial reports as other income and claims.

Total payment for sick pay costs recognised in the second and third quarter 2020 amount to SEK 3.2 million.

## Note 2 Significant estimates and assessments

Preparation of the interim report requires company management to make critical judgements and estimates and assessments and assumptions that affect the application of accounting principles and the figures disclosed for assets, liabilities, earnings and costs. The actual outcome can deviate from these estimates and assessments. The critical assessments and estimates made when preparing this interim report are the same as in the most recent annual report.

## Note 3 Allocation of income

Group, MSEK	2020 July-Sept	2019 July-Sept
Plastering	215.5	196.9
Masonry	68.8	62.9
Other services	48.0	24.9
<b>Total</b>	<b>332.3</b>	<b>284.7</b>

Group, MSEK	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec
Plastering	564.5	477.5	680.6
Masonry	223.1	189.1	259.0
Other services	133.7	52.9	79.4
<b>Total</b>	<b>921.3</b>	<b>719.5</b>	<b>1,019.0</b>

The Fasadgruppen business consists of one operating segment. Income comes from external customers, of which no individual customer accounts for ten percent or more of sales. Income outside Sweden consists of less than five percent of the Group's total income. The Group applies the percentage of completion method.

## Note 4 Related party transactions

The character and scale of related party transactions are described in the Group Annual Report for 2019. During the period, Tomas Georgiadis joined as a board director and in association with the acquisition of Sterner Stenhus Fasad AB, Sterner Stenhus Holding AB, of which Tomas Georgiadis is owner and leading executive, became a new shareholder in Fasadgruppen with more than 10% of the capital and voting rights.

Transactions with related parties arise in current operations and are based on business terms and conditions and market prices. In addition to ordinary transactions between group companies and remuneration to executives and directors, the following transactions with related parties have occurred in the period:

Fasadgruppen has purchased services from companies controlled by senior executives for a sum amounting to SEK 4.2 million in the period 1 January - 30 September 2020. The parent company has been debited for rent and management fees from holding company Connecting Capital Holding AB amounting to SEK 0.6 million. As of 30 September 2020, Fasadgruppen's current liabilities to companies controlled by senior executives amounted to SEK 0.4 million and current claims to 0.0 (MSEK).

After the resolution of 8 May 2020 on a directed share issue, new subscriptions to ordinary shares by senior executives amounted to SEK 1.2 million and new subscriptions by companies controlled by senior executives amounted to SEK 37.5 million.

On 8 May 2020, a new issue was also resolved on, via the conversion of shareholder loans to new shares. During the month of May, shareholder loans to senior executives amounted to SEK 0.3 million and shareholder loans to companies controlled by senior executives amounted to SEK 192.6 million were converted into shareholders' equity via an offset share issue. Interest-bearing net liabilities as of 30 September 2020 included shareholder loans to companies controlled by senior executives amounting to SEK 87.1 million.

## Note 5 Pledged securities and contingent liabilities

Group, MSEK	2020-09-30	2019-09-30
<b>Pledged securities;</b>		
Company mortgages	21.9	10.8
Net assets, group	643.9	560.6
<b>Contingent liabilities;</b>		
Pledged securities	34.0	21.0
<b>Parent company, MSEK</b>	<b>2020-09-30</b>	<b>2019-09-30</b>
<b>Pledged securities;</b>		
Shares in subsidiary companies	450.0	450.0

## Note 6 Fair value of financial instruments

The Group has financial instruments where level 3 has been used to determine fair value. Financial liabilities are measured at fair value via the income statement concerning contingent earnouts not yet resolved, and as of 2020-01-01, amounted to SEK 52.6 million. For the period January-September 2020, earnouts of SEK 29.2 million were settled. New additional earnouts from the acquisitions of DVS Entreprenør A/S, Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS amounted to SEK 41.5 million. At the end of the period, earnouts not yet resolved amounted to SEK 64.9 million. The earnouts are valued using a probability assessment where it has been assessed that they will be paid in the agreed amount. Management has here considered the risk on the outcome of future cash flows, where the time factor given the prevailing interest situation, has not been assessed as important. No change in the assessed valuation has been made in the period.

Fair value of Group financial assets and liabilities is estimated as equal to their book value. The Group does not apply netting for any of its significant assets or liabilities. No transfers between levels or valuation categories occurred in the period.

## Note 7 Items affecting comparability

The table below presents items affecting comparability during the quarter and period. The parent company had no items affecting comparability.

Group, MSEK	2020 July-Sept	2019 July-Sept	2020 Jan-Sept	2019 Jan-Sept	2020Q3 12M	2019 Jan-Dec
Property sales	-	-	5.3	-	5.3	-
Preparatory costs floatation	-2.5	-0.8	-12.1	-0.8	-15.2	-3.6
Acquisition related costs	-5.4	-1.5	-6.4	-1.5	-6.9	-2.5
Restructuring IT, ISO certification	-	-0.5	-	-0.9	-0.9	-1.4
Other	-0.1	-	-0.1	-0.4	-0.1	-0.5
<b>Total</b>	<b>-8.0</b>	<b>-1.8</b>	<b>-13.3</b>	<b>-3.6</b>	<b>-17.8</b>	<b>-8.0</b>

## Note 8 Business acquisitions

### *Share transfers Jan-Sept 2020:*

During the period, Fasadgruppen has completed acquisitions of all shares in Sterner Stenhus Fasad AB, DVS Entreprenør AS and three companies under the brand Cortex; Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS.

#### **Sterner Stenhus Fasad AB**

On 5 June, Fasadgruppen Norden AB completed the acquisition of the façade business of Sterner Stenhus Holding AB via the acquisition of Sterner Stenhus Fasad AB. Sterner Stenhus, founded in 1960, offers complete solutions for new build and renovation façade projects, from planning to end product. Sterner Stenhus strengthens the Group's façade platform with professional property services and knowledgeable workforce and assures Fasadgruppen's continued development in offering sustainable turnkey solutions to a broader market.

The acquisition of Sterner Stenhus Fasad AB complements and strengthens the Fasadgruppen portfolio of subsidiary companies in line with the Group's stated acquisition strategy. In Sterner Stenhus, the Group is adding a well-established and stable business within an important service area.

Sterner Stenhus Fasad AB's net sales in 2019 amounted to SEK 271.0 million and EBITA amounted to SEK 49.8 million. Since the time of the acquisition on 5 June to 30 September 2020, Sterner Stenhus has contributed SEK 55.0 million to the Group's net sales and SEK 11.5 million to Group EBITA.

The combined purchase consideration amounted to SEK 355.8 million, of which SEK 204.1 million has been paid via cash and cash equivalents on access, subsequently adjusted by SEK -0.2 million, SEK 61.4 million via the transfer of a parent company issued promissory note and SEK 90.5 million via shares issued. The consideration includes a contingent performance-based element that means that the vendors can be required to repay part of the consideration if Sterner Stenhus does not achieve an average EBITDA of SEK 50 million per year, SEK 150 million in total, during a qualification period extending to the end of the 2021 financial year. The theoretical repayment lies in the range SEK 0-300 million, but based on the history of the acquired company, Fasadgruppen assesses it unlikely that any repayment will be made.

Acquisition costs totalling SEK 0.8 million are recognised as other external costs.

#### **DVS Entreprenør AS**

On 22 September, Fasadgruppen Norden AB completed the acquisition of DVS Entreprenør AS. The company was founded in 1998 and offers renovation services for façades, windows, balconies and roofs, plus consulting and planning services for renovation projects. The business primarily operates in the Oslo area where it has its head office.

DVS Entreprenør is one of Norway's largest companies within façade renovation, with around 70 employees and a broad customer portfolio including cooperative apartment associations, construction companies and public authorities. Via the acquisition, Fasadgruppen has become established in Norway and thereby strengthened its position as the largest façade group in the Nordic region in line with the Group's growth strategy.

DVS Entreprenør AS's net sales in 2019 amounted to SEK 175.3 million and EBITA amounted to SEK 18.1 million. The business only made a marginal contribution to the Group's net sales and EBITA in the third quarter.

The combined purchase consideration amounted to SEK 122.2 million, of which SEK 60.0 million has been paid via cash and cash equivalents on access and SEK 43.1 million via shares issued. SEK 19.1 million was comprised of an earnout. The outcome of the earnout that is dependent on future operating profits achieved by the company has been valued via a probability assessment where it is assessed that the agreed amount will be paid within the term of the earnout period that is three years.

Acquisition costs totalling SEK 3.5 million are recognised as other external costs.

#### **Cortex**

On 25 September Fasadgruppen Norden AB completed the acquisition of three companies under the brand Cortex; Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS. The company was founded in 1991 and is the market leader in façade maintenance and property renovation in Denmark. Cortex also offers a membrane system, where they insert stainless steel moisture barriers in brick foundations to prevent damp damage in the property. The business covers the whole of Denmark with a head office in Hvidovre. The three companies have around 40 employees in total.

Via the acquisition, Fasadgruppen has strengthened its presence in Denmark and thereby its position as the largest façade group in the Nordic region in line with the Group's growth strategy. The acquisition is fully in line with Fasadgruppen's sustainability profile via Cortex's sustainable renovation and environmental remediation services.

Cortex had net sales in 2019 of SEK 55.3 million and EBITA of SEK 9.5 million. The business only made a marginal contribution to the Group's net sales and EBITA in the third quarter.

The combined purchase consideration amounted to million 73.9 million, of which SEK 25.8 million has been paid via cash and cash equivalents on access and SEK 25.8 million via shares issued. SEK 22.3 million was comprised of an earnout. The outcome of the earnout that is dependent on future operating profits achieved by the company has been valued via a probability assessment where it is assessed that the agreed amount will be paid within the term of the earnout period that is three years.

Acquisition costs totalling SEK 0.4 million are recognised as other external costs.

### Other acquisitions Jan-Sept 2020

#### Proos Mur & Puts AB

On 1 July, Fasadgruppen Norden AB completed the acquisition of the business from Proos Mur & Puts AB via the transfer of agreed assets and liabilities. The combined purchase consideration amounted to SEK 1.5 million.

As a consequence of their size, the assets and liabilities are not considered substantial in relation to the Group's financial position and earnings.

#### Earnouts resolved

During the period, earnouts have been resolved totalling SEK 29.2 million attributable to the acquisitions of Mellansvenska Fasad, Lars Svensson AB of SEK 5.1 million, Simtuna Bygg och Betong Teknik AB of SEK 9.1 million, Ume fasad AB of SEK 0.3 million, Malmö Mur & Puts AB of SEK 5.2 million, P. Andersen & Søn Entreprise A/S of SEK 4.9 million plus Cortex of SEK 4.6 million. Settlement of the earnouts is in line with assessments previously made.

### Acquisition analyses

Some of the overvalues in the preliminary acquisition analyses have been allocated to the company brand while unallocated overvalues have been attributed to goodwill.

The brands consist of the acquired company brands that are retained and utilised indefinitely, which is a key part of the Fasadgruppen strategy. Goodwill is primarily attributable to the growth expectations of the business, expected future profitability, the significant knowledge and expertise possessed by the personnel and synergies on the costs side.

Goodwill and brands have an indeterminable usage period and are not depreciated but tested for impairment annually or if such is indicated.

### Value according to acquisition analysis - Sterner Stenhus Fasad AB

MSEK	Book value	Fair value, adjustment	Fair value
Brand	-	33.9	33.9
Other intangible assets	0.0	-	0.0
Tangible non-current assets	0.8	-	0.8
Trade receivables and other receivables	96.5	-	96.5
Cash and cash equivalents	1.2	-	1.2
Deferred tax liabilities	-7.1	-7.2	-14.3
Other liabilities	-28.8	-	-28.8
Accounts payable and other payables	-14.1	-	-14.1
<b>Identifiable net assets</b>	<b>48.5</b>	<b>26.7</b>	<b>75.1</b>
Goodwill			280.7
<b>Consideration</b>			<b>355.8</b>
Of which cash and cash equivalents transferred			204.1
Acquired cash and cash equivalents			-1.1
<b>Change in group cash and cash equivalents</b>			<b>203.0</b>



### Value according to acquisition analysis - DVS Entreprenør AS

MSEK	Book value	Fair value, adjustment	Fair value
Brand	0.0	30.8	30.8
Right-of-use assets	0.0	8.6	8.6
Tangible non-current assets	0.8	-	0.8
Trade receivables and other receivables	19.5	-	19.5
Cash and cash equivalents	26.0	-	26.0
Deferred tax liabilities	0.0	-6.8	-6.8
Lease liabilities	0.0	-8.6	-8.6
Appropriations	-1.8	-	-1.8
Other liabilities	-14.5	-	-14.5
Accounts payable and other payables	-12.4	-	-12.4
<b>Identifiable net assets</b>	<b>17.6</b>	<b>24.1</b>	<b>41.7</b>
Goodwill			80.6
<b>Consideration</b>			<b>122.2</b>
Of which earnout			19.1
Of which cash and cash equivalents transferred			59.4
Acquired cash and cash equivalents			-26.0
<b>Change in group cash and cash equivalents</b>			<b>33.4</b>

### Value according to acquisition analysis - Cortex

MSEK	Book value	Fair value, adjustment	Fair value
Brand	0.0	5.5	5.5
Right-of-use assets	0.5	-	0.5
Tangible non-current assets	1.8	-	1.8
Inventories	1.1	-	1.1
Trade receivables and other receivables	14.5	-	14.5
Cash and cash equivalents	10.2	-	10.2
Deferred tax liabilities	0.0	-1.2	-1.2
Lease liabilities	-0.5	-	-0.5
Appropriations	-0.4	-	-0.4
Other liabilities	-11.2	-	-11.2
Accounts payable and other payables	-0.8	-	-0.8
<b>Identifiable net assets</b>	<b>15.2</b>	<b>4.3</b>	<b>19.5</b>
Goodwill			54.4
<b>Consideration</b>			<b>73.9</b>
Of which earnout			22.3
Of which cash and cash equivalents transferred			25.8
Acquired cash and cash equivalents			-10.3
<b>Change in group cash and cash equivalents</b>			<b>15.5</b>

### *Business combinations after the end of the period*

#### **Fasadrenoveringar Roland Karlsson i Mälardalen**

On 2 October, Fasadgruppen Norden AB acquired all shares in Fasadrenoveringar Roland Karlsson i Mälardalen AB with subsidiary companies Front RK AB, rapid hyrställningar AB and SmartFront AB. The company is based in Eskilstuna. The business in Front RK includes façade, balcony and roof work. Via rapid hyrställningar rental and assembly of façade scaffolding, climbing platforms and weather protection are offered. SmartFront offers a patented ventilation solution that can deliver energy savings of up to 75 percent when renovating façades, ventilation and windows. The company's customers primarily consist of property owners, construction companies and cooperative apartment associations. The company has around 120 employees. The acquisition was contingent on the approval of the Swedish Competition Authority which was received on 6 November 2020. Access is estimated at being able to be effected in mid November.

Via the acquisition, Fasadgruppen will strengthen its position in Mälardalen, and at the same time Fasadgruppen as a whole will have the opportunity to

expand its sustainability offer as all companies in the Group can gain access to SmartFront, a patented system that offers greater energy savings and at the same time gives Fasadgruppen a unique product on the market.

Fasadrenoveringar Roland Karlsson i Mälardalen AB's net sales in 2019 amounted to SEK 400.2 million and EBITA amounted to SEK 35.4 million.

The combined purchase consideration amounts to SEK 300.0 million. SEK 50.0 million is comprised of an earnout. The outcome of the earnout that is dependent on future operating profits achieved by the company has been valued via a probability assessment where it is assessed that the agreed amount will be paid no later than in June 2023.

The acquisition balance will be determined on date of access when work to prepare an acquisition analysis will be started, and as such, acquisition information cannot be presented in this interim report.



# Signatures

The Board of Directors and the Chief Executive Officer hereby confirm that the Interim Report gives a true and fair view of the company's and the Group's operations, financial position and performance, and describes significant risks and uncertainties faced by the company and the companies in the group.

Stockholm 9 November 2020

Fasadgruppen Group AB

Per Sjöstrand  
*Chairman*

Ulrika Dellby  
*Director*

Tomas Georgiadis  
*Director*

Mikael Karlsson  
*Director*

Tomas Ståhl  
*Director*

Gunilla Öhman  
*Director*

Pål Warolin  
*Group President and CEO*

This interim report has been reviewed by the company's auditors. The information is provided for publication at 08.00 on 10 November 2020.

# Auditors' report

## Introduction

We have performed a review of the interim report for Fasadgruppen Group AB, co. no 559158-4122, for the period 1 January 2020 to 30 September 2020. It is the responsibility of the Board of Directors and the Chief Executive Officer to prepare and present this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

## Focus and scope of the review

We have performed a review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially limited in scope compared to the focus and scope of an audit conducted in accordance with the Standards on Auditing in Sweden (ISA) and generally accepted auditing practice. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant circumstances that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as an opinion expressed on the basis of an audit.

## Conclusions

On the basis of our review, nothing has come to our attention that causes us to believe that the interim report was not, in all material aspects, prepared in accordance with IAS 34 and the Annual Accounts Act and, in the case of the parent company, the Annual Accounts Act.

## Other information

The comparison figures for the period 1 January 2019 to 30 September 2019 have not been the object of this review and therefore the comparison figures in the interim report for the period 1 January 2019 to 30 September 2019 have not been reviewed either.

Stockholm 9 November 2020  
Deloitte AB

Richard Peters  
Authorised Public Accountant



# Definitions

Fasadgruppen reports key ratios to describe the underlying profitability of the business and to improve comparability. The Group applies the ESMA guidelines on alternative performance measures. A reconciliation of alternative performance measures is available at [www.fasadgruppen.se](http://www.fasadgruppen.se)

## Growth in net sales

Change in net sales as a percentage in the comparison period, previous year.

*The change in net sales reflects the sales growth achieved by the Group over time.*

## EBITA

Earnings before interest and taxes (EBIT) before depreciation of goodwill and brands.

*EBITA provides a picture of earnings generated from current operations*

## EBITDA

Net earnings (EBIT) before depreciation and impairments of tangible and intangible non-current assets.

*EBITDA provides a picture of a company's current operating profitability before depreciation.*

## EBIT margin

EBIT as a percentage of net sales

*The EBIT margin is used to measure operating profitability.*

## EBITA margin

EBITA as a percentage of net sales

*The EBITA margin is used to measure operating profitability.*

## Items affecting comparability

Items affecting comparability are, property sales, acquisition related costs, costs in association with refinancing, preparatory costs floatation and floatation costs and restructuring costs.

*Excluding items affecting comparability, makes it easier to compare earnings between periods.*

## Adjusted EBITA

EBITA adjusted for items affecting comparability.

*Adjusted EBITA improves comparability between periods.*

## Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales

*The adjusted EBITA margin is used to measure operating profitability.*

## Adjusted EBITDA

EBITDA adjusted for items affecting comparability.

*Adjusted EBITDA improves comparability between periods.*

## Cash flow from operating activities

EBITDA with deductions for net investments in tangible and intangible non-current assets plus adjustments for cash flow from change in working capital.

*Cash flow from operating activities is used to follow the cash flow from operating activities.*

## Cash conversion

Cash flow from operating activities as a percentage of EBITDA.

*Cash conversion is used to follow how efficiently the Group manages investment activities and working capital.*

## Order book

The value of outstanding, not yet accrued project income from orders received at the end of the period.

*The order book is an indicator of the Group's outstanding project income from orders already received.*

### Return on shareholders' equity

Earnings for the period as a percentage of average shareholders' equity, (shareholders' equity at the start and end of the period respectively divided by two). Calculated return during the period annualised by adjusting to a return on an annual basis. The return for the first three months of the year is multiplied by four, the first six months multiplied by two, etc.

*Return on shareholders' equity is important for investors who want to be able to compare their investment with alternative investments.*

### Return on capital employed

Earnings before tax increased by financial costs on an annual basis as a percentage of capital employed (sum of capital employed at the start and end of the period respectively, divided by two). Calculated return during the period annualised by adjusting to a return on an annual basis. The return for the first three months of the year is multiplied by four, the first six months multiplied by two, etc.

*Return on capital employed is important to assess profitability on externally financed capital and shareholders' equity.*

### Return on capital employed, excluding goodwill

Earnings before tax plus financial costs on an annual basis as a percentage of capital employed with deductions for goodwill and other acquisition related intangible non-current assets (the sum of capital employed minus goodwill and other acquisition related intangible non-current assets at the start and end of the period, divided by two). Calculated return during the period annualised by adjusting to a return on an annual basis. The return for the first three months of the year is multiplied by four, the first six months multiplied by two, etc.

*The return on capital employed, excluding goodwill and other acquisition related intangible non-current assets is important to assess profitability on externally financed capital and shareholders' equity adjusted for the goodwill arising via acquisitions.*

### Capital employed

Total capital with or without goodwill minus non interest-bearing liabilities and appropriations.

*Capital employed shows by how much company assets are financed by the return on this capital.*

### Interest-bearing net liabilities

Current and non-current liabilities to credit institutes, bonds and interest-bearing appropriations for pensions minus cash and cash equivalents.

*Interest-bearing net liabilities are used as a measure showing the Group's total indebtedness.*

### Net debt to EBITDA ratio

Interest-bearing net liabilities at the end of period divided by EBITDA, for a rolling twelve months.

*Net debt to EBITDA ratio provides an estimate of the company's ability to reduce its debt. It represents the number of years it would take to repay the debt if net liabilities and EBITDA remain constant, without taking into consideration cash flow related to interest, tax and investments.*

### Net debt to equity ratio

Interest-bearing net liabilities as a percentage of total shareholders' equity.

*The net debt to equity ratio measures the extent to which the Group is financed by loans. As cash and cash equivalents and other short-term investments can be used to pay off debt at short notice, net debt is used instead of gross debt in the calculation.*

# Fasadgruppen in brief

## Vision

We aim to create sustainable façades and so contribute to a more sustainable and enduring society with beautiful buildings and a good living environment for people.

## Business concept

The Fasadgruppen business concept is to be the largest turnkey supplier of sustainable façades across the entire Nordic region with a local presence, that delivers what it promises.

## Business model

The business is based on a small, groupwide organisation and extensively delegated responsibility to entrepreneurial subsidiary companies with a clear focus on cooperation, commitment and competence. In so doing, we unite the drive and convenience of local companies with the Group's ability to offer comprehensive solutions to customers.

Fasadgruppen possesses expertise in everything related to property façades. Our offer includes services within façade renovation, energy efficiency, window replacement, balcony and roof renovation.

Fasadgruppen mainly focuses on medium size projects with an order value from SEK 1-100 million. Our customers are based on the Nordic market and primarily consist of construction companies, property owners, consultants, cooperative apartment associations, government, municipalities and county councils.

## Strategy

### *Growth through acquisitions.*

Acquisitions play an important role in Fasadgruppen's strategy for profitable growth. Acquisitions enable the Group to expand geographically, broaden its offer and enhance its expertise and achieve economies of scale within existing companies.

### *The most attractive employer in our industry*

Via strong common values and good opportunities to grow and be developed, Fasadgruppen aims to attract skilled and driven employees who can create satisfied customers and drive our business forward.

### *Sustainable enterprise*

Sustainability work should be an integral part of our business and strategy. Via clear goals, long-term thinking and complete commitment, Fasadgruppen aims to contribute towards sustainable development.

### *Constant improvement*

Within Fasadgruppen, we aim to work continuously to improve our cooperation and common approach, leverage our breadth of expertise and learn from each other.

## Financial targets

Fasadgruppen's financial targets aim to ensure long-term and stable profitability and growth in value to give our shareholders a good return.

### *Net sales growth >15%*

We should achieve an average growth in net sales of at least 15 percent per year over an entire economic cycle. Growth should be both organic and via acquisitions.

### *EBITA margin: >10%*

Our EBITA margin should be at least 10 percent per year over an entire economic cycle.

### *Cash Conversion Ratio >100%*

Our Cash Conversion Ratio should be at least 100 percent per year on average over an economic cycle.

## For sustainable development

As a community builder, Fasadgruppen has a responsibility to contribute to sustainable development and therefore continuously strives to become more efficient and work sustainably. We support Agenda 2030 and have identified five of the global sustainable development goals as the most relevant for our business.



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## Financial calendar

Year end report 2020 .....18 February 2021

Interim report Jan-Mar 2021 .....18 May 2021

Annual Report 2020 .....Week 16 2021

AGM 2020 ..... 18 May 2021

