



# Fasadgruppen

RedEye Serial Acquirers 2024

# Fasadgruppen is the only pan-Nordic façade work provider through 50+ subsidiaries with leading positions in their local markets

## KEY FEATURES



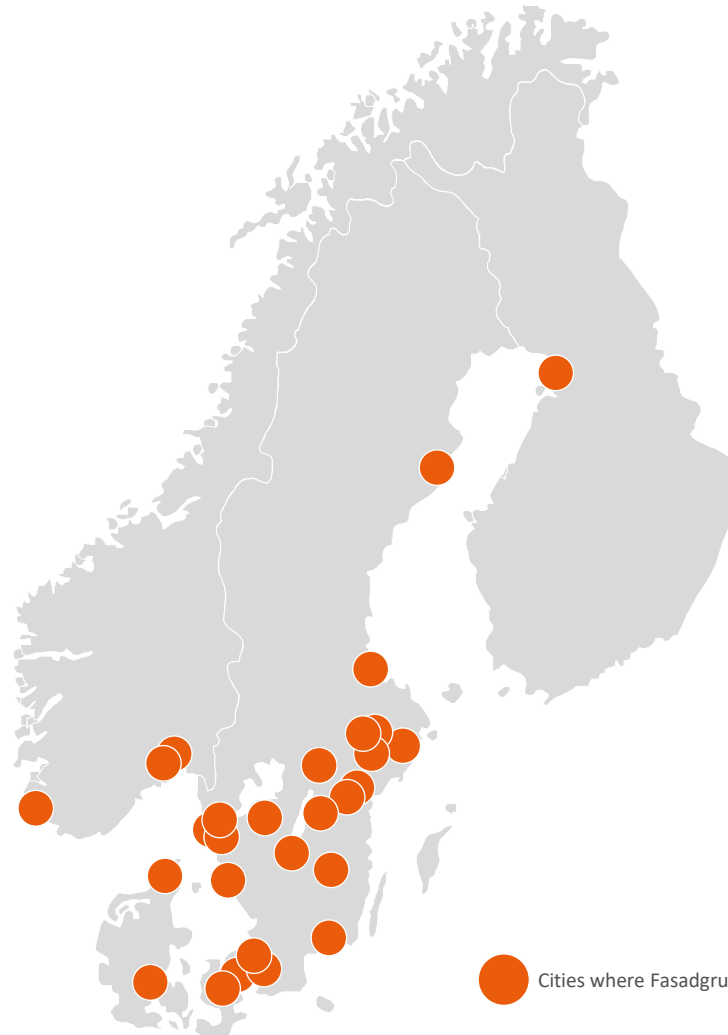
Clear niche where Fasadgruppen can add and create value for the subsidiaries



Each local business have great insight into their local market



Craftsmanship is at the core of Fasadgruppen – all units have a long heritage and strong reputation within their fields



 Cities where Fasadgruppen's subsidiaries are located

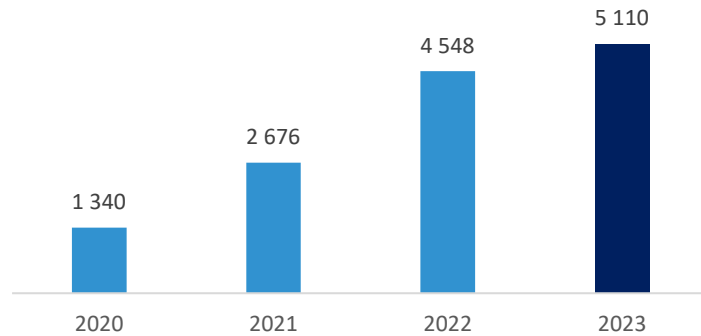
Examples of subsidiaries



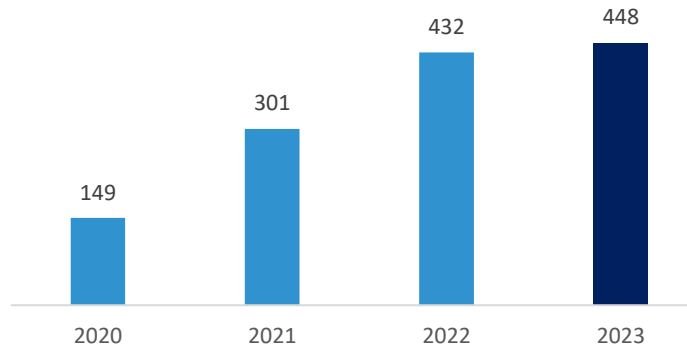
The subsidiaries keep their local brands and responsibility for sales, customers and projects while cooperating on regional level and benefitting from central functions

# Development since IPO

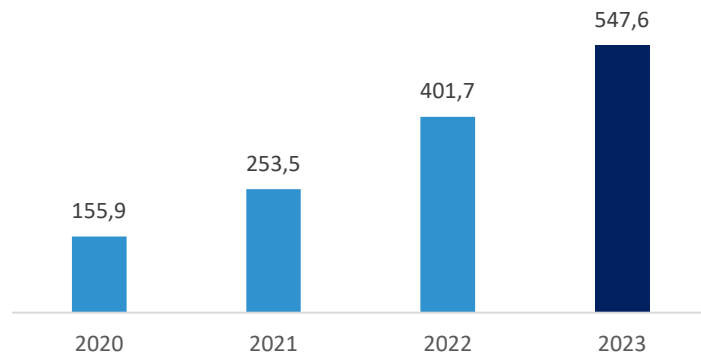
## NET SALES



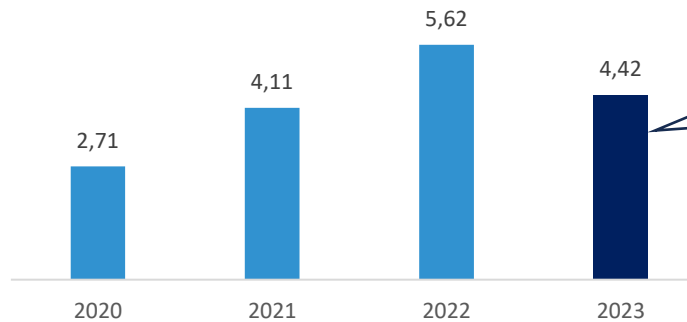
## ADJUSTED EBITA



## OPERATIONAL CASH FLOW



## EARNINGS PER SHARE



Negative interest and tax effect of approximately SEK 1.40 per share in 2023

# Stable market supported by underlying long-term drivers



## ***Urbanisation and housing shortage***

Urbanisation is an ongoing megatrend in all of the Nordic countries, driving a substantial need for housing and social infrastructure over time



## ***Ageing properties with renovation needs***

A significant share of the Nordic property stock was built more than 20 years ago, creating a continuous need for exterior renovations



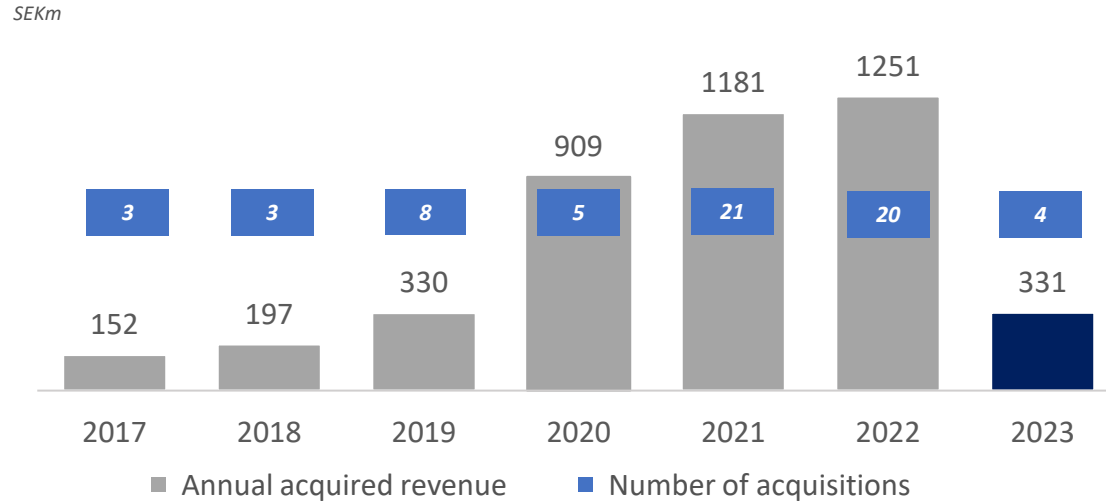
## ***Increased requirements on energy performance***

New EU-wide legislation with the ultimate goal of all buildings reaching the energy performance of new buildings by 2050 ("EPBD") as well as stricter green transition requirements from financial institutions are expected to more than double the renovation pace

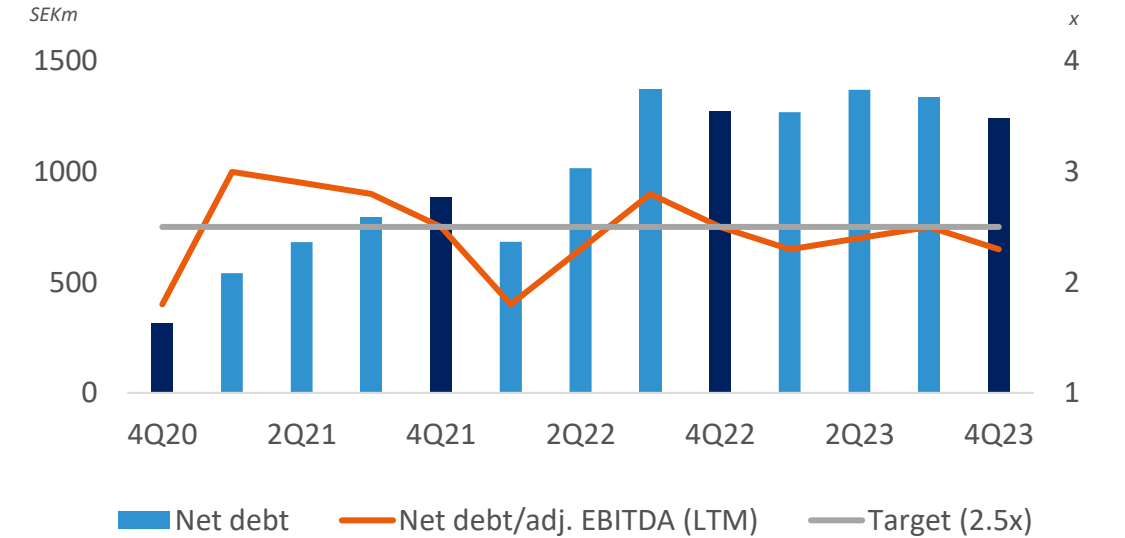
***Public Housing Sweden estimates the cost for its members to SEK 565 billion over the next 25 years<sup>1)</sup>***

# Quality M&A and prudent balance sheet management

## REVENUE ACQUIRED EACH YEAR HISTORICALLY



## HISTORICAL DEVELOPMENT OF LEVERAGE



## ACQUISITIONS SIGNED IN 2023



**TEKNOVA**

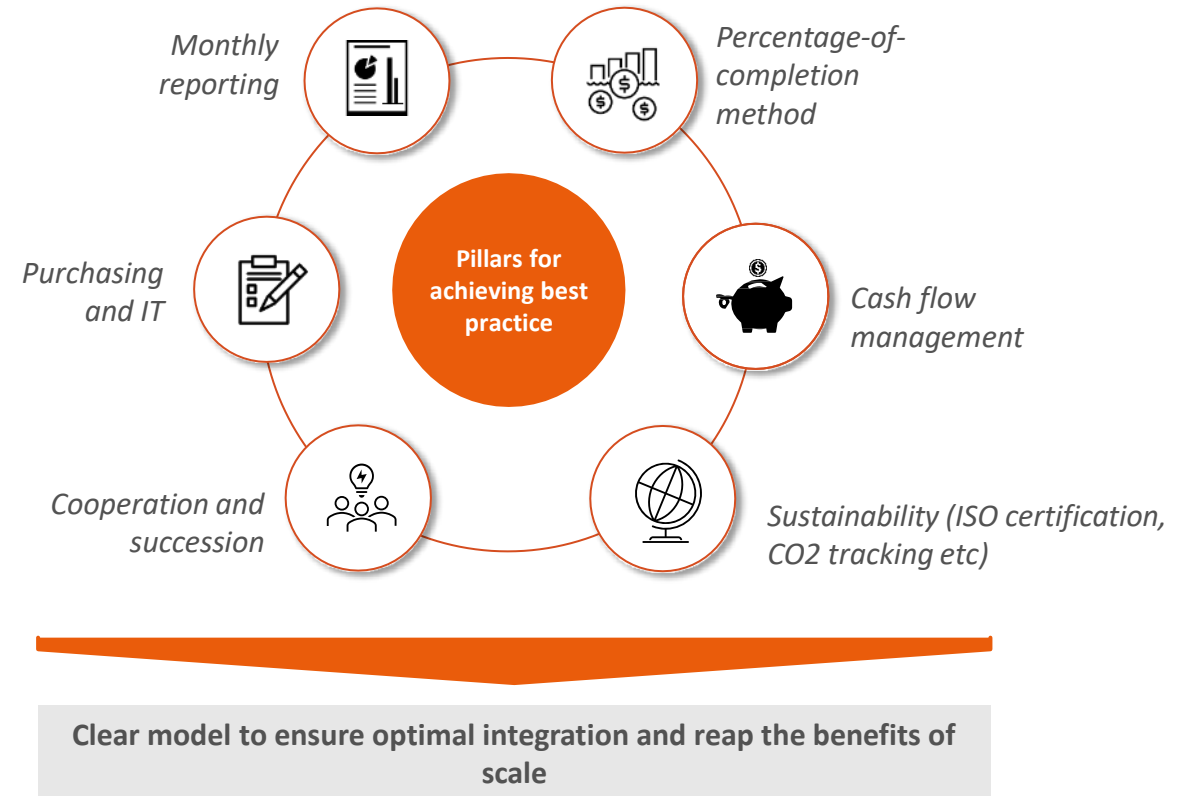
**SURFACE**  
Byggsällningar

**WELDMATIC**

**Alument<sup>dk</sup>**

# M&A – current market and strategy

- Buyer's market – new opportunities
- Semi-organic approach to target generation
- Diversification in different markets and niches
- Succession plans and long-term incentives
- 10-10 target by 2028





# Fasadgrupper



Q&A





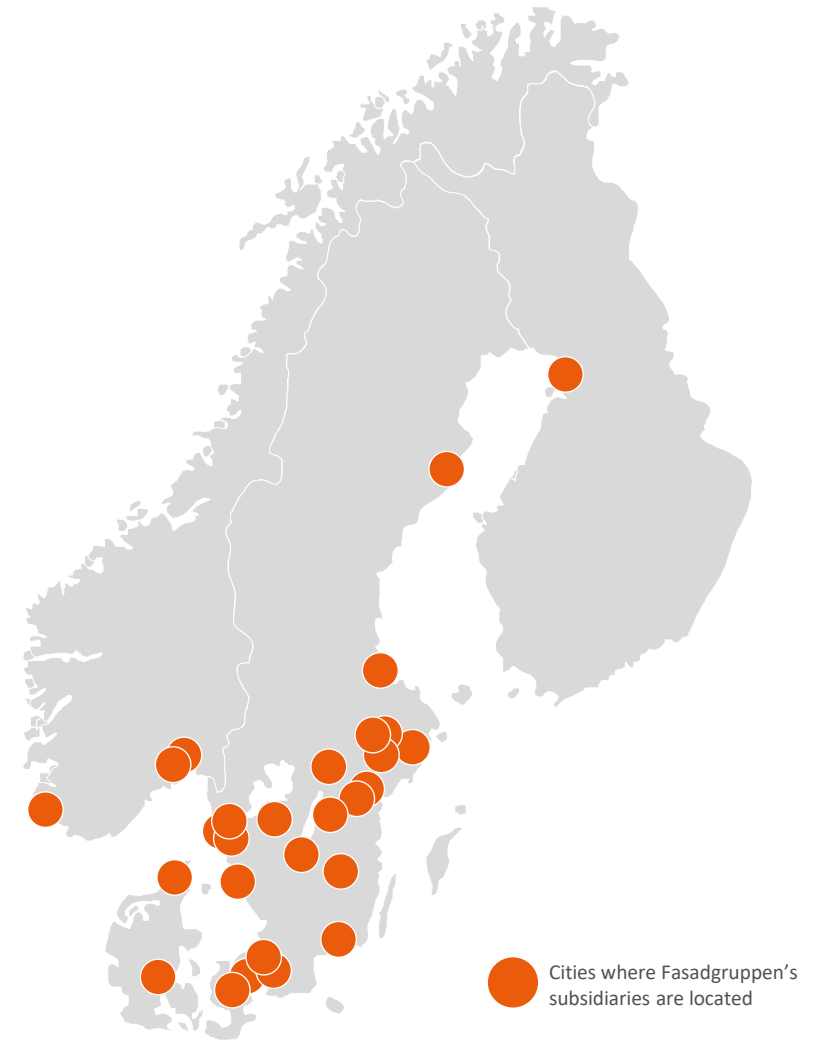


# Appendix 2023 results



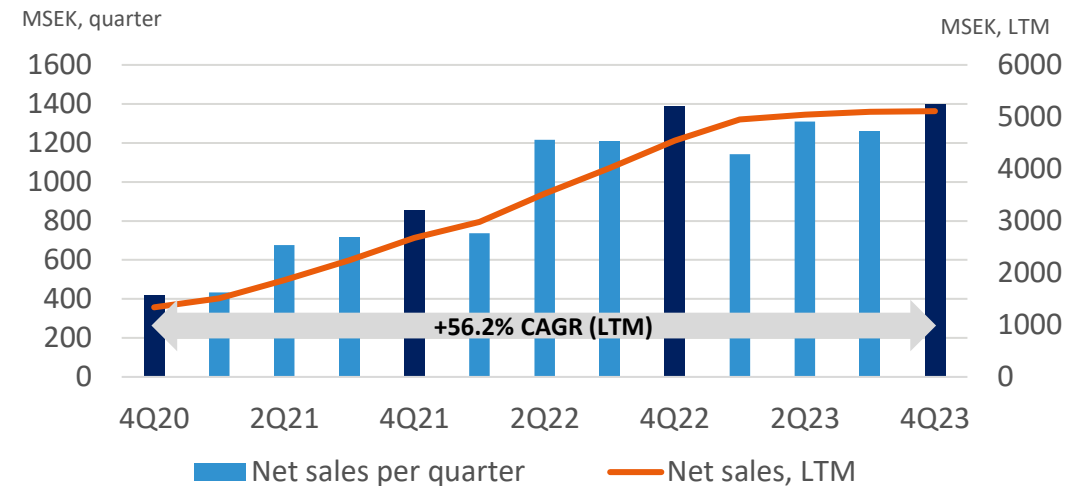
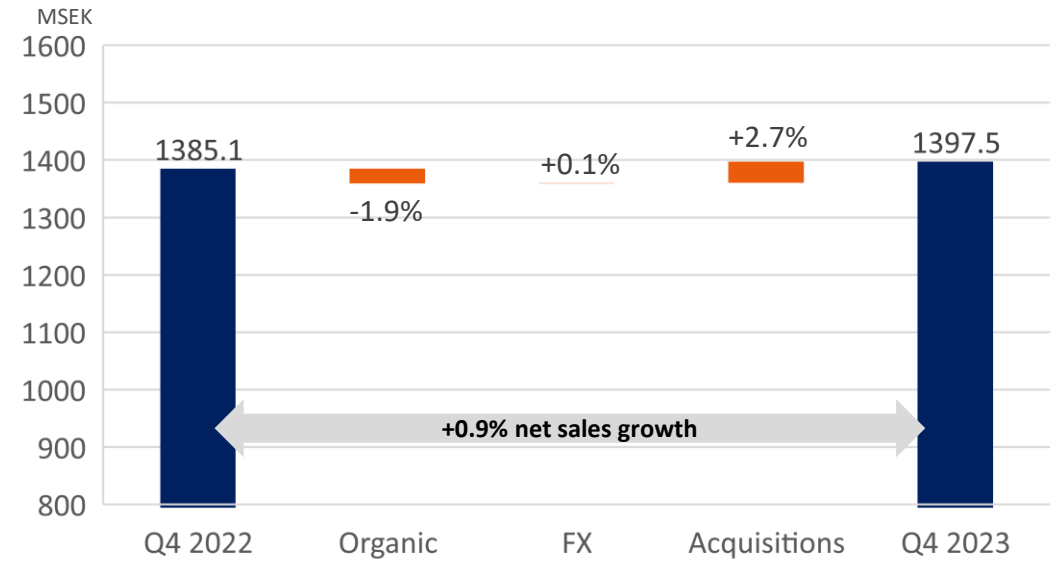
# Highlights | Fourth quarter 2023

- Continued tough competition in Sweden
- Stable to positive development in Denmark, Norway and Finland
- New organisational structure with an operations unit that supports the subsidiaries through specialist functions
- 3 acquisitions completed
- Strengthened balance sheet



# Net sales | Q4 2023

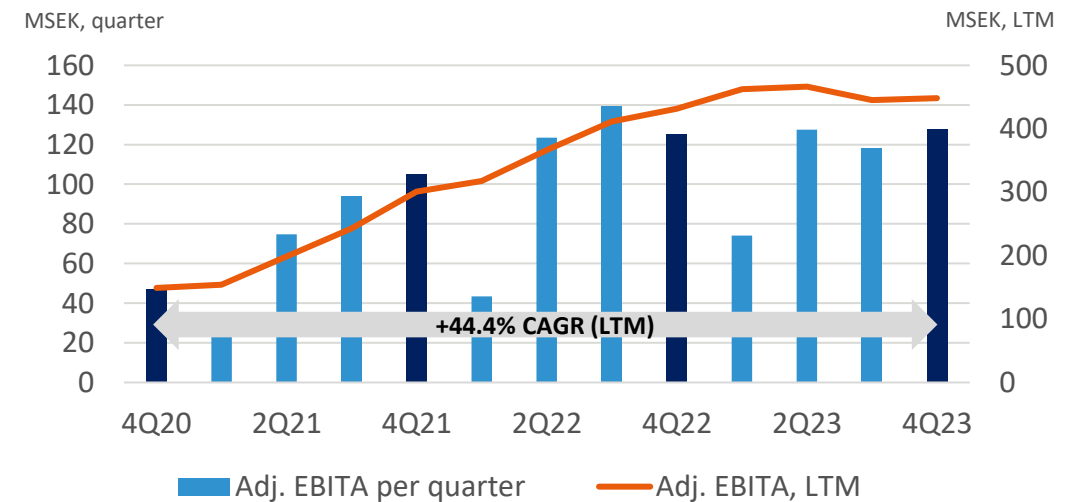
- Total growth of 1%
- Revenues down 2% organically\*
- Positive development in Denmark, Norway and Finland
- Some negative impact from unfavourable weather conditions
- ~50% increase in multidisciplinary projects
- ~130% organic growth for SmartFront
- ~20% growth for Alnova, backed by the Teknova asset acquisition



# Adjusted EBITA | Q4 2023

- Adjusted EBITA margin at 9.1% (9.0%)
- Geographical diversification provides stability
- Negative development in Stockholm area; results down ~40% in the quarter
- ~265% growth for SmartFront with margin above 10%

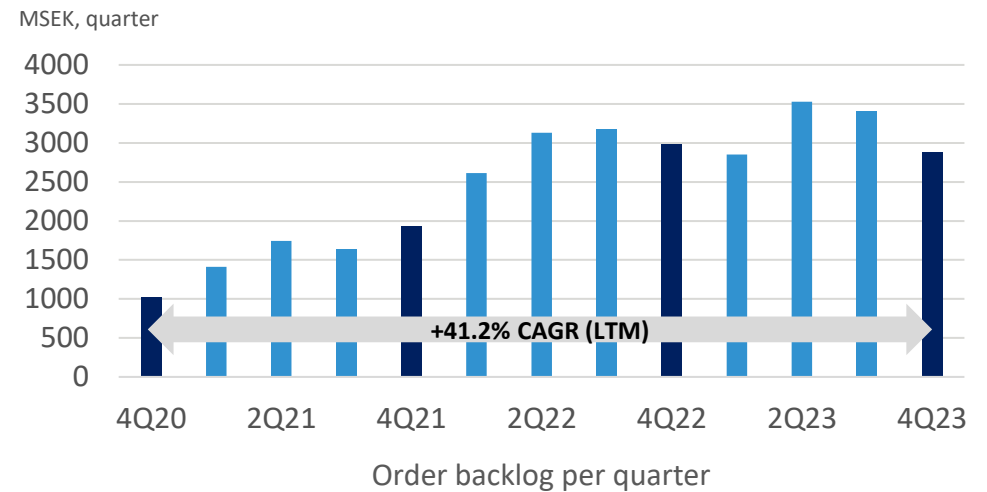
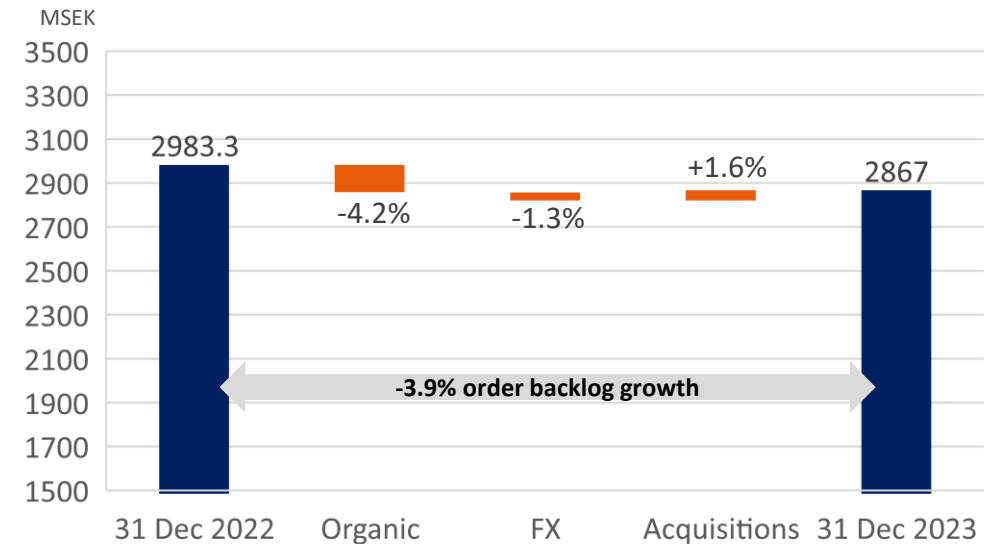
	2023	2022		2023	2022	
SEK million	Q4	Q4	Δ	12m	12m	Δ
Adjusted EBITA	127.9	125.2	2.1%	448.0	431.6	3.8%
Adj. EBITA margin	9.1%	9.0%		8.8%	9.5%	





# Order backlog | 31 Dec 2023

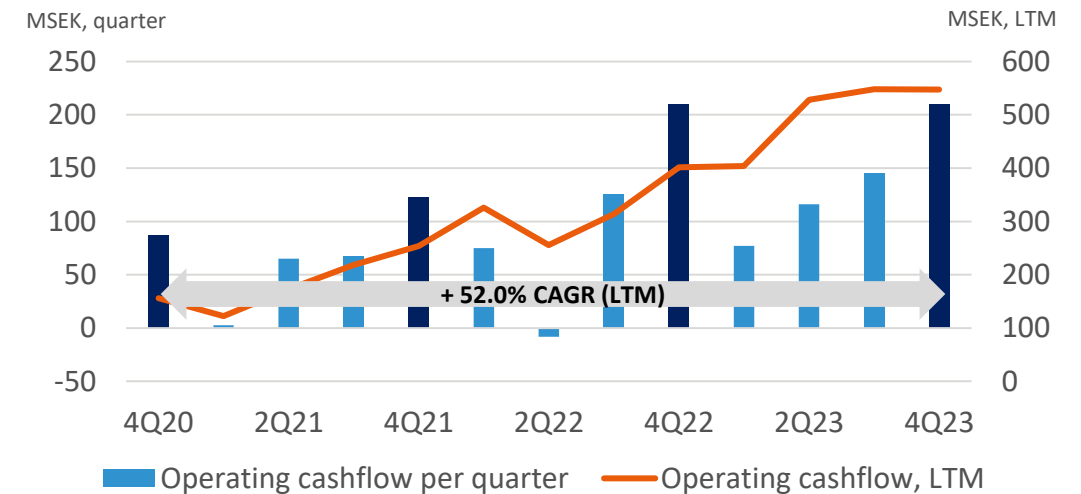
- Order backlog decline of 4% organically
- Order backlog for new-build focused companies down ~40% y-o-y; implying increase in backlog for renovation projects
- Growing organic order backlog in Denmark and Finland
- Continued strong demand for energy efficiency measures



# Cash flow | Q4 2023

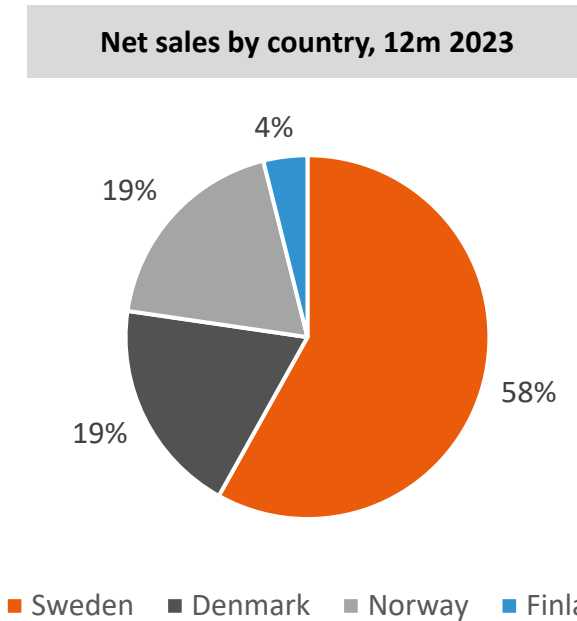
- Operating cash flow at 209.8m (210m)
- Working capital improved with 82.4m (82.1m)
- Cash conversion of 104.7% in 2023 despite increase in capex of 74% y-o-y (mainly growth capex)
- Continuous work to improve working capital

	2023	2023		2023	2022	
SEK million	Q4	Q4	Δ	12m	12m	Δ
Operating cash flow	209.8	210.0	-0.1%	547.6	401.7	36.3%
Δ Working capital	82.4	82.1		123.9	-45.2	
Cash conversion	131.8%	149.2%		104.7%	79.7%	



# Financial performance | 12m 2023

- Revenues were SEK 5,109.7 million (4,547.7), organic growth of 3%
- Adjusted EBITA at SEK 448.0 million (431.6), margin of 8.8% (9.5)
- Profit for the period was SEK 219.2 million (271.9)
- Basic earnings per share were SEK 4.42 (5.62)
- Operating cash flow was SEK 547.6 million (401.7)



12m 2023 (Y/Y)



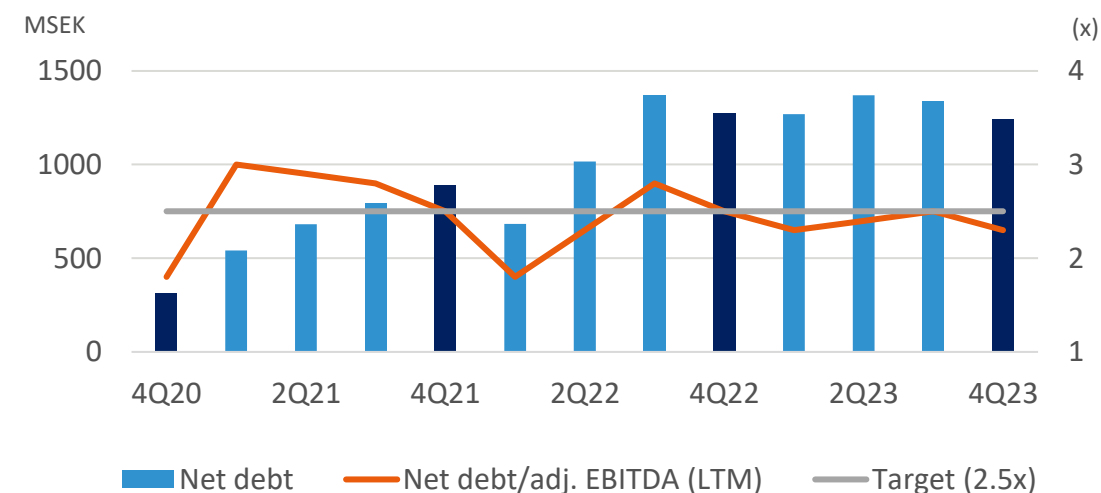


# Financial capacity and net debt | 31 Dec 2023

Type	Amount (SEKm)
Revolving credit facilities (NOK & DKK)	470.3
Term loans	1,069.4
<b>Total current facilities 31 Dec 2023</b>	<b>1,539.7</b>
Available facilities (undrawn)	1,132.6

SEK million	31 Dec 2023	31 Dec 2022
Interest-bearing debt	1,539.7	1,560.1
Lease liabilities (+)	168.1	166.8
Cash and cash equivalents (-)	467.6	452.6
<b>Total interest-bearing net debt</b>	<b>1,240.2</b>	<b>1,274.3</b>
<b>Net debt / adjusted EBITDA (x)</b>	<b>2.3x</b>	<b>2.5x</b>






- Average interest rate Jan-Dec 2023: ~5.8% (~2.0%)



# M&A development

- 3 acquisitions closed in Q4
- Target high-quality candidates that will be margin accretive
- Positive development in acquisition multiples
- Current market allows opportunistic moves, such as Teknova
- Plenty of opportunities

## M&A development – acquisitions in Q4 and after

Acquisition	Location	Niche	Revenues in past financial year	Completed
	Stockholm, Sweden	Facade works	SEK 58 million	October 2023
	Vadstena, Sweden	Balcony manufacturing	SEK 118 million*	October 2023
	Jönköping, Trollhättan, Skara, Örebro and Västerås, Sweden	Scaffolding and weather protection	SEK 114 million	October 2023
	Kolding, Denmark	Balcony solutions	DKK 37 million	January 2024
	Oslo, Norway	Roofing and solar cells	NOK 24 million	Expected H1 2024

- Acquisitions expected to be margin and earnings accretive



# Acquisition of Alument

- Renovations, installations and glazing of balconies
- Revenues of DKK 37 million in 2022/2023
- Customers include private property owners and housing associations across Denmark
- Synergy opportunities with existing balcony subsidiaries



# Acquisition of Elenta

- Roofing, solar cell and energy storage services
- Revenues of NOK 24 million in 2023, in growth phase
- Focus on industry and warehouses
- Acquisition of 60% stake, option to acquire 100%



# Preliminary deal reached for Energy Performance of Buildings Directive

- The European Council and Parliament reached a preliminary deal on 7 December 2023, expected to be finalised in H1 2024
- **All buildings should be zero emission by 2050**
- EPBD is expected to be supportive of demand for energy-efficiency measures, aligning well with Fasadgruppen's service offering



## *Non-residential buildings*

- Improvements based on minimum energy performance standards
- 16% of worst-performing buildings must undergo energy renovations until 2030
- 26% of worst-performing buildings must undergo energy renovations until 2033



## *Residential buildings*

- Average primary energy use must decrease by 16% until 2030 and by 20-22% until 2035
- Member states will choose which buildings to target, but must ensure that at least 55% of the reduction is achieved through renovation of the worst-performing buildings



# Financial targets and dividend policy

FINANCIAL METRIC	FASADGRUPPEN'S TARGETS / POLICY		2023 OUTCOME
Revenue growth	<ul style="list-style-type: none"> <li>Fasadgruppen aims to achieve an average annual growth of 15% over a business cycle</li> <li>The growth should be achieved organically as well as through acquisitions</li> </ul>	15% p.a.	12%
Profitability	<ul style="list-style-type: none"> <li>Fasadgruppen aims to achieve an EBITA margin of more than 10% over a business cycle</li> </ul>	>10%	8.8%
Cash conversion	<ul style="list-style-type: none"> <li>Fasadgruppen aims to achieve a cash conversion of 100%</li> </ul>	100%	104.7%
Capital structure	<ul style="list-style-type: none"> <li>Interest bearing net debt shall be less than 2.5x adjusted EBITDA</li> <li>Leverage can temporarily exceed the target range, e.g., in relation to large acquisitions</li> </ul>	<2.5x adj. EBITDA	2.3x
Dividend policy	<ul style="list-style-type: none"> <li>Fasadgruppen's aim is distribute 30% of the Group's consolidated net income, taking into consideration other factors such as financial position, cash flow and growth opportunities</li> </ul>	30%	38%*

\*Proposal to the 2024 AGM

## Concluding remarks

- Tough competition in especially Stockholm
- Strategy to have a diversified geographical exposure pays off
- Strong cash flow development
- Board propose a SEK 1.70 dividend (1.70)
- Plenty of M&A opportunities
- 10-10 target by 2028

**Save the date: Capital Markets Day – 2 September at 1pm in Stockholm**