

Year-end report

1 January-31 December 2022

Fasadgruppen 

“High organic growth and strong cash flow”

Fourth quarter highlights

- Net sales increased to SEK 1,385.1 million (852.6), corresponding to growth of 62.5 percent. Organic growth was 20.4 percent.
- EBITA increased to SEK 117.7 million (95.3) and the EBITA margin was 8.5 percent (11.2).
- Items affecting comparability¹ impacted EBITA by SEK -7.5 million (-9.7). Adjusted EBITA (excluding items affecting comparability) increased to SEK 125.2 million (105.0).
- Earnings for the period increased to SEK 67.6 million (61.3), earnings per share before or after dilution were SEK 1.36 (1.35).
- Operating cash flow totalled SEK 210.0 million (122.0).
- The order backlog increased to SEK 2,983.3 million (1,930.0).

Full year highlights

- Net sales increased to SEK 4,547.7 million (2,676.3), corresponding to a growth of 69.9 percent. Organic growth was 12.2 percent.
- EBITA increased to SEK 421.9 million (283.7) and the EBITA margin was 9.3 percent (10.6).
- Items affecting comparability¹ impacted EBITA by SEK -9.8 million (-17.3). Adjusted EBITA (excluding items affecting comparability) increased to SEK 431.6 million (301.0).
- Earnings for the period increased to SEK 271.9 million (185.7), earnings per share before or after dilution were SEK 5.62 (4.11).
- Operating cash flow totalled SEK 401.7 million (253.5).
- The Board of Directors proposes a dividend of SEK 1.70 (1.20) per share for 2022.

Significant events during the quarter

- Acquisition of Sydskiffer in Sweden has been completed.
- Continued good demand for projects in both renovation and new construction.

Events after the end of the period

- In January, it was announced that CEO Pål Warolin will leave his role on 11 May 2023 and the Deputy CEO Martin Jacobsson has been appointed CEO of Fasadgruppen as of 12 May 2023.

Key figures ^{1, 2}

SEK million	2022			2021		
	Oct-Dec	Oct-Dec	Δ	Jan-Dec	Jan-Dec	Δ
Net sales	1,385.1	852.6	62.5%	4,547.7	2,676.3	69.9%
EBITA	117.7	95.3	23.6%	421.9	283.7	48.7%
EBITA margin, %	8.5	11.2		9.3	10.6	
Adjusted EBITA	125.2	105.0	19.2%	431.6	301.0	43.4%
Adjusted EBITA margin, %	9.0	12.3		9.5	11.2	
Cash flow from operating activities	210.0	122.0	72.2%	401.7	253.5	58.4%
Cash conversion, %	149.3	108.8		79.7	75.7	
Return on capital employed, %	12.6	12.4		12.6	12.4	
Return on shareholders' equity, %	16.2	16.0		16.2	16.0	
Net debt to equity ratio, %	60.9	69.8		60.9	69.8	
Profit/loss before tax	89.3	79.1	13.0%	346.3	238.8	45.1%
Order backlog	2,983.3	1,930.0	54.6%	2,983.3	1,930.0	54.6%

¹ For items affecting comparability in the respective period, see note 7.

² Measures defined in accordance with IFRS are Net Sales and Profit/loss before tax. Other measures are Alternative performance measures, for definitions of Alternative performance measures, see page 20.

Fasadgruppen is the largest full-service provider of sustainable façades in the Nordics. The business is based on local entrepreneurial subsidiaries operating with a clear focus on cooperation, commitment and know-how.

CEO comment

High organic growth in a special year

2022 has been an exceptional year in various ways, and the development in the fourth quarter was in many respects similar to the year as a whole – high organic growth and somewhat lower margin mainly due to the cost inflation of materials. At the same time, cash flow has continued to strengthen and shows a more normalised pattern than earlier this year. Looking at the full year, despite the challenges that have been present, we have managed to grow by almost 70 percent, with an adjusted EBITA margin close to our long-term financial target. We have strengthened our offering in all existing markets and established operations in Finland. With around 50 businesses in the group, we are the clear market leader in the Nordic region, but with continued large potential for growth.

Sales in the fourth quarter amounted to SEK 1,385.1 million, an increase of 62.5 percent compared with the corresponding quarter in the previous year. Organic growth was 20.4 percent and growth through acquisitions was 42.1 percent. The adjusted EBITA margin amounted to 9.0 percent in the quarter and 9.5 percent for the full year. We have largely succeeded in passing the greatly increased material costs to the customer, but without being able to maintain a sufficient margin on the additional cost. We expect more stable pricing of materials going forward.

Operating cash flow was seasonally strong in the quarter, and for the full year 2022 cash conversion improved compared to 2021. We continue to focus on profitability and cash flow management among our subsidiaries.

Many acquisition dialogues

In the fourth quarter, the acquisition of Sydskiffer was completed, which strengthens our renovation offering in south-west Sweden. In total, we have completed 20 acquisitions in 2022 with an estimated annual turnover of SEK 1,251 million. After more than 40 acquisitions in the last two years, we think we have found a recipe for success where we focus on culture and values, a long-term approach and profitability of the companies we are looking for. When the economy declines, the advantages of belonging to a group of like-minded entrepreneurs become even clearer, and we are in dialogue with several potential acquisition candidates for 2023.

A clear effect of our business model is that the number of collaborative projects within the group is increasing. During the year we have had many projects where, for example, façade, windows and roof are renovated within the same project and with several subsidiaries involved. Particularly pleasing is that we have had a number of projects where subsidiaries from different countries are collaborating.



“With around 50 businesses, we are the clear market leader in the Nordic region”

Energy performance increasingly important

The volatile and high electricity prices have made energy efficiency an increasingly more important component for property owners, and the repayment period for an investment in, for example, new additional insulation or energy-efficient windows has been significantly shortened. In addition to this financial incentive, increased political pressure is also expected: new EU-wide minimum energy performance standards are expected to be introduced in the near future, which will require a significant increase in the renovation rate. In times where electricity is becoming a scarce commodity and calls for new energy sources are being heard, it is important to also work to reduce consumption. Buildings account for a significant part of energy use in the Nordics, and unlike new power plants that can take many years before they are built and put into use, energy renovations can be carried out here and now.

Stable market

Despite concerns about recession and continued interest rate increases, we see a good rate of new project requests. We know from previous downturns in the economy that property owners generally do not postpone planned façade maintenance, as this can mean additional and more expensive measures later on. Our subsidiaries with a focus on new construction are also receiving many requests and order books are as large as at the same time last year. Overall, this reflects the façade market's underlying stability with low single-digit growth over time. The key is to take on the right project and to deliver with quality.

As usual, we expect a seasonally weak first quarter, as project activity in January and February in particular is very low due to low temperatures. In light of the underlying demand and more predictable material prices, there are good opportunities to further strengthen the position of Fasadgruppen going forward.

Pål Warolin, CEO and Group President

Group development

Fourth quarter

Net sales

Net sales in the fourth quarter of 2022 amounted to SEK 1,385.1 million (852.6), a 62.5 percent increase compared to the same period in the previous year. Organic growth amounted to 20.4 percent and growth through acquisitions 42.1 percent. Exchange rate fluctuations positively affected organic growth by 1.7 percentage points. Organic growth has otherwise been impacted by the significant effects of cost inflation for materials. In the fourth quarter 2022, Fasadgruppen carried out one acquisition, which also was closed within the quarter. For more information on acquisitions in the fourth quarter of 2022, please see page 6 and note 8.

Earnings

EBITA for the current quarter rose to SEK 117.7 million (95.3) and adjusted EBITA to SEK 125.2 million (105.0). Items affecting comparability in the quarter as a whole amounted to SEK -7.5 million (-9.7), see also note 7. The adjusted EBITA margin for the current quarter amounted to 9.0 percent (12.3). Cost inflation on the material side has also had a negative effect on profitability during the fourth quarter of the current year, which mainly refers to effects from low margins on the additional cost from increased material prices. Other operating income/expenses have been significantly impacted by revaluations made for conditional additional purchase prices during the current period, SEK +85.6 and -88.9 million respectively, the items are treated as affecting comparability, see also notes 6 and 7. Net financial items for the quarter amounted to SEK -15.7 million (-10.3). Interest expenses on loans from credit institutions amounted to SEK -15.7 million (-6.3). Otherwise, net financial items comprise mainly negative exchange rate effects totalling SEK +0.2 million for the current quarter. Profit for the period increased to SEK 67.6 million (61.3), corresponding to earnings per share of SEK 1.36 (1.35) before dilution. The effective tax rate was 24.3 percent (22.5).

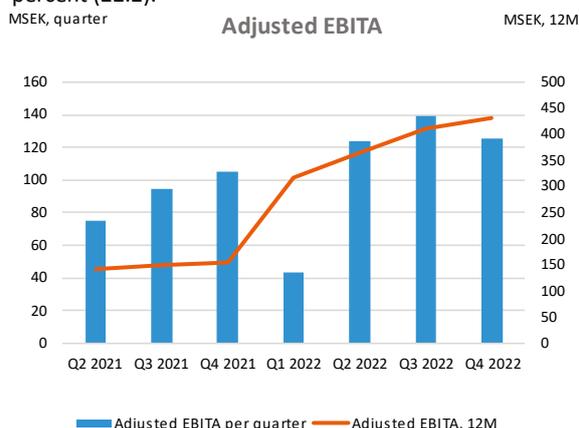
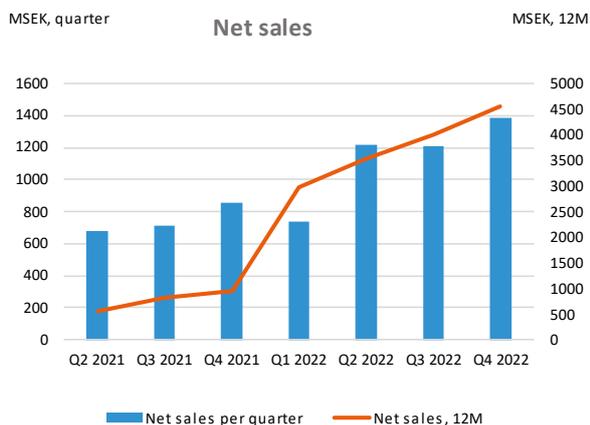
January–December

Net sales

Net sales in Jan-Dec 2022 amounted to SEK 4,547.7 million (2,676.3), a 69.9 percent increase compared with the same period in the previous year. Organic growth amounted to 12.2 percent and growth through acquisitions to 57.7 percent. Exchange rate fluctuations positively affected organic growth by 1.5 percentage points. Organic growth was otherwise mainly influenced during the first quarter by weak comparison figures for the equivalent quarter of 2021 caused by the Covid-19 pandemic. During mainly the third and fourth quarter, the significant effects of cost inflation for materials has driven organic growth. During the full year of 2022, Fasadgruppen has completed 20 acquisitions, of which five were asset acquisitions and they have all been closed during the period. For more information on acquisitions during the period January to December 2022, please see page 6 and note 8.

Earnings

EBITA for the period Jan-Dec 2022 rose to SEK 421.9 million (283.7) and adjusted EBITA to SEK 431.6 million (301.0). Items affecting comparability during the period amounted to SEK -9.8 million (-17.3), see note 7, with an adjusted EBITA margin of 9.5 percent (11.2). The impact of increased material prices has predominantly had a negative effect on profitability during the second, third and fourth quarter. The war in Ukraine has had a limited impact on Fasadgruppen's business. The Group operates only in Sweden, Norway, Denmark and recently Finland where a very limited number of personnel and quantities of input goods come from the warring countries. Other operating income/expenses have been significantly affected by revaluations made for contingent earnout prices during the period, SEK +152.7 and -141.7 million respectively; the items are treated as affecting comparability, see also notes 6 and 7. Net financial items for the period January to December 2022 amounted to SEK -38.2 million (-21.5). Interest expenses on loans from credit institutions amounted to SEK -30.1 million (-14.3). Otherwise, net financial items comprise mainly negative exchange rate effects totalling SEK -2.4 million for the current period. Profit for the period amounted to SEK 271.9 million (185.7), corresponding to earnings per share of SEK 5.62 (4.11) before dilution. The effective tax rate was 21.5 percent (22.2).



Order backlog

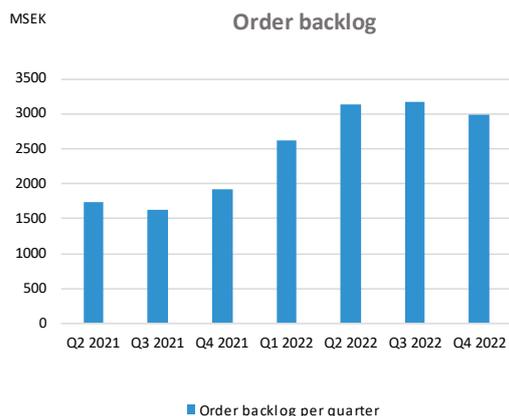
At the end of December 2022, the order backlog amounted to SEK 2,983.3 million (1,930.1), an increase of 54.6 percent. The order backlog for comparable companies at the end of December 2021 had increased by 12.6 percent, while the acquisition growth in the order backlog amounted to 42.0 percent. The organic development of the order backlog was lower than in previous quarters and mainly driven by effects from cost inflation on the material side, which affected pricing towards customers. The development in the order backlog broadly follows the seasonal pattern from previous years. Since year-end, the order backlog has increased by SEK 1,053.3 million. Companies acquired and taken over in 2022 have added SEK 810.0 million in order backlog at the end of the period.

Financial position and financing

At the end of the period, shareholders' equity amounted to SEK 2,092.5 million (1,269.6). The change in shareholders' equity between the period ends can primarily be attributed to the targeted new share issue that was carried out in March and which generated proceeds of SEK 409.5 million after issue costs. Offset share issues on acquisitions added a further SEK 125.2 million and option liquidity of SEK 1.7 million between the period ends. A dividend was paid during May totalling SEK -58.3 million. The rest of the change in shareholders' equity is attributable to the profit for the period. Interest-bearing net debt on 31 December 2022 amounted to SEK 1,274.3 million (885.9). The interest-bearing net debt includes lease liabilities amounting to SEK 166.8 million (131.2). Earnouts are not included in interest-bearing net debt and on 31 December 2022 amounted to SEK 271.5 million (285.6). The fixed interest period for interest-bearing liabilities varies between 1 and 3 months. Expanded financing in the period January to December 2022 has primarily been utilised in association with acquisitions completed. The ratio of Fasadgruppen's interest-bearing net debt to adjusted EBITDA 12M (not on a proforma basis) was 2.5 (2.5) at the end of the period. On 31 December 2022, the Group held cash and cash equivalents and other short-term investments amounting to SEK 452.6 million (271.6). In addition to cash and cash equivalents and other short-term investments, there were unutilised credit facilities of SEK 610.0 million at the end of the period.

Cash flow and investments

The change in working capital was negative for the full year 2022 and amounted to SEK -45.2 million (-34.0) but improved significantly during the fourth quarter by SEK +82.1 million (+36.3). The strong development of working capital during the current quarter can partly be traced back to the weak working capital development during, above all, the second quarter of 2022, which, in connection with the fact that many of the projects are now completed during the fourth quarter in the seasonal cycle that normally applies Fasadgruppen, resulted in the positive effect. The weak development during the second quarter of the year is considered to be mainly due to the active work during the second and partly the third quarter to ensure prices for



projects through the earlier purchase of materials, which has created a delay in relation to when invoicing to the customer can take place. Other underlying reasons are extensive project activity as a result of increased orders received and companies added between the periods. Cash flow from operating activities increased to SEK 401.7 million (253.5) for the full year of 2022 of which SEK 210.0 million (122.0) made up the fourth quarter. Group net investments in tangible non-current assets amounted to SEK -57.1 million (-47.2) for the same period. Depreciation on non-current assets for the period amounted to SEK -119.4 million (-74.5), of which depreciation on acquired intangible assets, such as customer relationships, amounted to SEK -37.3 million (-23.5). Investments in company acquisitions for the period January–December 2022 amounted to SEK -916.6 million (-622.0). This amount mainly concerns businesses acquired during the period. Other than this, the amount consists of contingent earnouts relating to previous acquisitions settled during the period January to December in the amount of SEK -123.8 million.

Personnel

The Group had 1,975 employees (1,485) on 31 December 2022, of whom 85 were women (70). The average number of employees for the period January–December 2022 was 1,807 (1,206). The significant change relative to the comparison period is primarily attributable to new acquisitions between the periods. For more information on acquisitions during the period January to December 2022, please see page 6.

Parent Company

Fasadgruppen Group AB acts as a holding company for the Group and provides head office functions such as Group-wide management, administration and a finance department. Income comprises management fees from Group companies for Group-wide services and costs covered by the Parent Company. Profit/loss for the period January–December 2022 amounted to SEK 47.9 million (71.3). Assets, primarily consisting of participations in, and receivables from, Group company Fasadgruppen Norden AB, amounted to SEK 3,103.8 million (2,036.8) at the end of the period. Shareholders' equity amounted to SEK 1,524.3 million (998.5) on the balance sheet date. At the end of the period, the number of employees in the Parent Company amounted to 3 persons (3).

Market overview

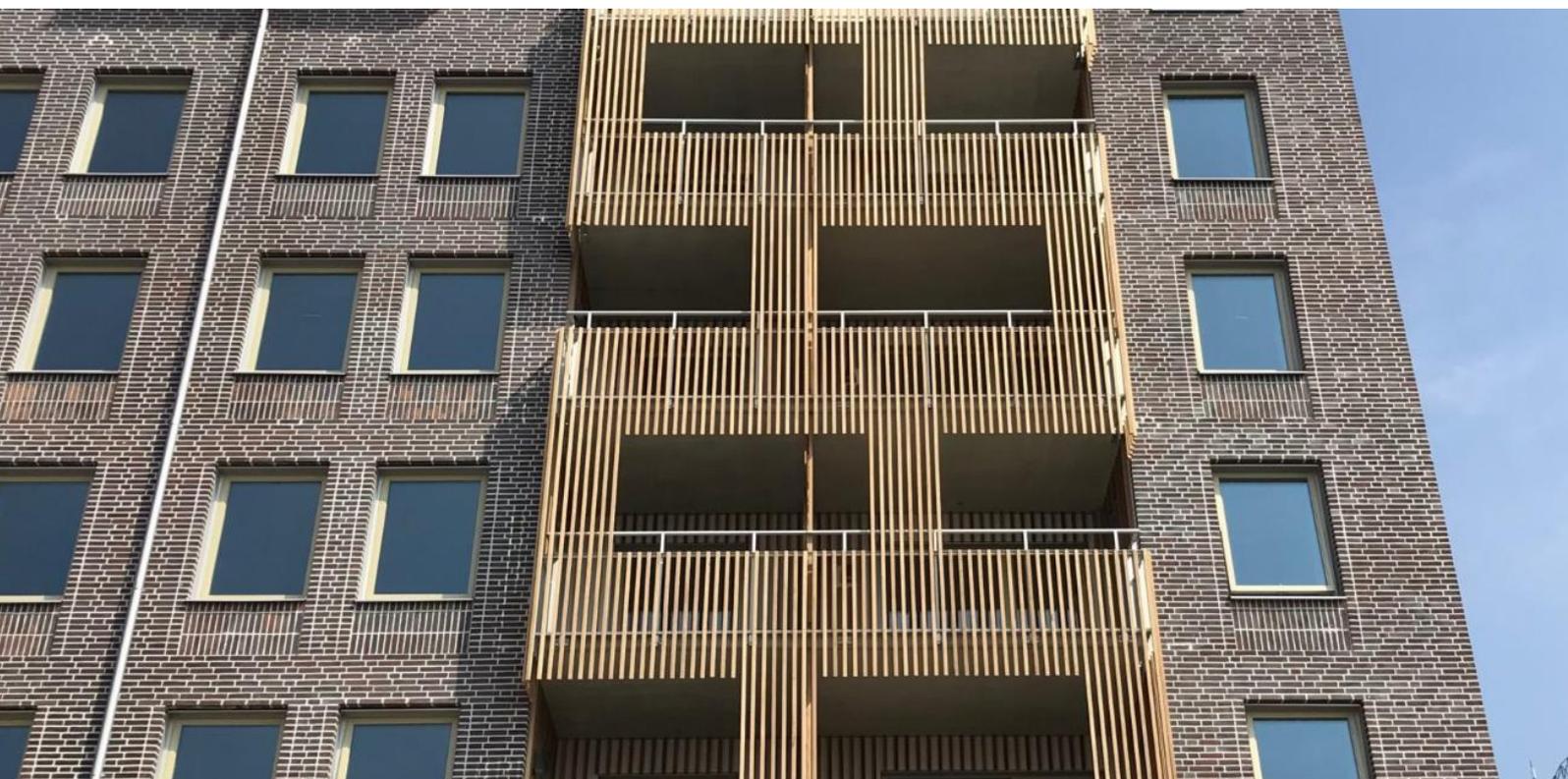
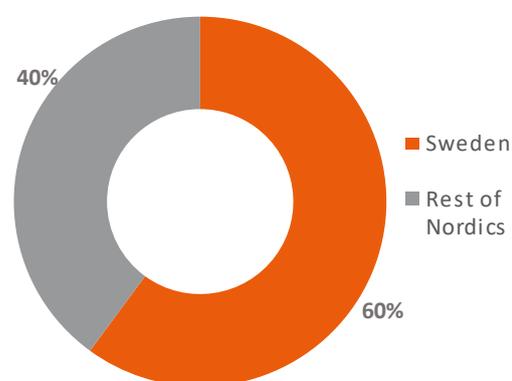
Fasadgruppen is the leading full-service provider of sustainable façades with a local presence in Sweden, Norway and Denmark, and as of August 2022 also in Finland. The Group's main customers are property owners, construction companies, property management companies, consultants, tenant-owner housing associations, government, municipalities and regions.

According to a market survey carried out in spring 2022, sales on the Swedish façade market are estimated at around SEK 36 billion, on the Norwegian market around SEK 37 billion, on the Danish market around SEK 27 billion and on the Finnish market around SEK 25 billion.

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 represents a crucial and specialised activity that construction companies outsource to a large extent. In addition to the underlying need for façade work, the trend towards more energy-efficient façade solutions is also considered to be capable of driving further 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 sustainable profitable growth moving forward.

Sales per geographic area 2022 12M



Acquisitions

In the period January to December 2022, Fasadgruppen acquired 20 new businesses, of which 15 were company acquisitions and five were asset acquisitions. 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.

During the January to December 2022 period, the Group has acquired an estimated SEK 1,251 million in annual sales and added around 514 new employees to the workforce, bringing new know-how and working capacity to the Group.

Goodwill totalling SEK 2,842.3 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.

One new acquisition was closed during the fourth quarter of 2022: Sydskiffer AB. Acquisitions have been completed in accordance with the Fasadgruppen strategy and all companies complement and strengthen the Group's competitiveness.

For more information on acquisitions during the period January to December 2022, please see page 8.

Acquisitions of companies

Fasadgruppen has closed the following acquisitions in 2022.

Closing	Acquisitions	Country	Estimated annual sales at time of acquisition, SEK million	No. of employees
November	Sydskiffer Aktiebolag	Sweden	70	15
September	Jan Tryk Facadepuds Aps (asset acquisition)	Denmark	20	20
August	RKC Construction	Finland	167	28
July	Altana A/S	Denmark	133	43
May	Chem-Con AS	Norway	34	25
May	Stenklint A/S	Denmark	35	22
May	Murmestrene Fjeldheim-Knudsen AS	Norway	53	36
April	Mur o Puts i Kristianstad AB	Sweden	25	15
April	GÅJ Stålkonstruktioner AB	Sweden	57	35
April	Kjær Knudsen A/S	Denmark	190	56
April	A Co Tak & Montage AB (asset acquisition)	Sweden	20	7
February	Malercompagniet Oslo AS	Norway	136	56
February	Murpartnern AS	Norway	50	50
February	Meyer-Mørch AS	Norway	29	9
February	Alnova Balkongsystem AB	Sweden	165	64
February	Herrängens Plåtslageri AB, Vantörs Bleck and Plåtslageri AB, E.P.M. Elektra Plåt och Maskin AB (asset acquisition)	Sweden	30	13
February	Helsingborgs Fasad & Kakel AB	Sweden	30	14
February	Miljø-Sanering AS	Norway	7	6
			1,251	514

The Fasadgruppen M&A strategy

Fasadgruppen has an active M&A strategy. Acquisitions are primarily completed with the aim of broadening the Group geographically and strengthening its offering. As well as 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 financial position can be managed to varying degrees. When assessing the Group's future development, it is important 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 and these are categorised as operational risks, financial risks and external risks. External risks are primarily related to factors outside Fasadgruppen's own businesses, such as 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.

Strong demand for raw materials combined with production and delivery issues has caused a shortage of materials in several industries but has had only limited impact on Fasadgruppen's operations during the January to December 2022 period. The Group has been working ceaselessly with suppliers to secure the supply of materials and also manage the price increases generated by supply and demand. The longer-term consequences, which are mostly considered to be of a general cyclical nature, are currently hard to predict. The tragic situation we are witnessing with the war in Ukraine has so far had limited impact on Fasadgruppen's business. The Group operates only in Sweden, Norway, Denmark and Finland where a very limited number of personnel and quantities of input goods come from the warring countries. The Group continues to monitor developments closely as part of its ongoing risk management work, making adjustments when necessary.

No additional risks and uncertainties, beyond those presented, are deemed to have arisen during the period. For further information on the Group's risks, please see the 2021 Annual Report.

Seasonal variations

Fasadgruppen's activities and markets are affected by seasonal variations to a certain degree. As a rule, the first quarter of the year is weaker than the remaining nine-month period as the winter conditions can make roof work and other outdoor services, for example, more difficult. Low temperatures mean it is more difficult for rendering and masonry work to be cured to the expected compressive strength and therefore larger projects involving rendering and masonry are avoided during winter months. The Group's diversified structure, with regard to both market offering and geographic presence, limits exposure to seasonal variations to a certain extent, however.

Future projections

The Nordic market is expected to continue to have stable underlying renovation requirements in the future. Underlying driving forces, such as urbanisation, housing shortages, the tough Nordic weather climate and energy consumption regulation, are considered to lead 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 considered to remain good. Business operations in the Rest of Nordics region are in development and discussions on acquisitions are being held with a number of companies outside Sweden. The Group's financial base 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 that will boost the competitiveness of customers. The Group is firmly resolved to drive both daily improvement work in its business and the transformation of the façade sector towards safe and more sustainable solutions.

You can also read about how the Group is working to counter possible risks as a consequence of the shortage of materials in several industries and the ongoing war between Ukraine and Russia in the section on Risks and uncertainties.

Incentive programme

The 2022 Annual General Meeting resolved to introduce a long-term incentive programme for employees in the Group consisting of a maximum of 484,000 warrants (2022/2025 series). Each warrant entitles the holder to subscribe to a new share in the company in June 2025. The subscription price for each such share shall be SEK 179.8, which corresponds to 125 percent of the averaged volume-weighted price paid for the company's shares on Nasdaq Stockholm over the last ten trading days before the 2022 AGM.

At this moment in time, 236,196 warrants in the 2022/2025 series have been issued to 46 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Option premiums paid amount to SEK 1.7 million. The remaining 247,804 warrants are held by the company's wholly owned subsidiary, Fasadgruppen Norden AB, and have been transferred free of charge.

The 2021 Annual General Meeting resolved to introduce a long-term incentive programme for employees in the Group consisting of a maximum of 923,010 warrants (2021/2024 series). Each warrant entitles the holder to subscribe to a new share in the company in June 2024. The subscription price for each such share shall be SEK 164.1, which corresponds to 125 percent of the averaged volume-weighted price paid for the company's shares on Nasdaq Stockholm over the last ten trading days before the 2021 AGM.

At this moment in time, 501,472 warrants in the 2021/2024 series have been issued to 65 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Option premiums paid amount to SEK 7.9 million. The remaining 421,538 warrants are held by the company's wholly owned subsidiary, Fasadgruppen Norden AB, and have been transferred free of charge.

Under certain circumstances, the company has the right to buy back warrants from holders who cease to be employees of the Group or who wish to transfer their warrants to a third party. For more information on the warrant terms and conditions, please see the company website.

Shares and share capital

There has been an increase in the number of shares and voting rights in the period January to December of 2022 as a result of a targeted new share issue of a total of 3,00,000 shares and offset share issues of a total of 1,236,177 shares as part of the purchase consideration on the acquisitions of Alnova Balkongsystem AB, Kjær Knudsen A/S, Altana A/S and RKC Construction Oy. As of 31 December 2022, the number of shares and votes amounted to 49,623,830 with a share capital of SEK 2.5 million, corresponding to a quotient value of SEK 0.05 per share. The three largest shareholders in the company at the end of December 2022 were Capital Group, Connecting Capital and Swedbank Robur Fonder.

Proposed dividend

The Board of Directors proposes to the Annual General Meeting in 2023 that a dividend of 1.70 SEK (1.20) per share be paid for the year, which is in line with Fasadgruppen's dividend policy to distribute 30 percent of the Group's consolidated net profit taking into account factors such as financial position, cash flow and growth opportunities. The total dividend thus amounts to a total of SEK 84.4 million (58.3). The proposed dividend corresponds to 31.0 percent (31.4) of the Group's net profit.

Events after the end of the period

- Fasadgruppen's Chief executive Officer, Pål Warolin, has informed the company's Board of Directors that for personal reasons he wishes to step down as CEO in 2023. The Board has in consultation with Pål Warolin therefore decided that he continues in his role until the date of Fasadgruppen's Annual General Meeting on 11 May 2023. The Board of Directors has decided to appoint Martin Jacobsson, currently vice president and Head of M&A, as the new CEO of Fasadgruppen as of 12 May 2023.

Presentation of interim report

The interim report will be presented in a telephone conference and live audiocast on 14 February 2023 at 8.15 a.m. CET via <https://ir.financialhearings.com/fasadgruppen-group-q4-2022>. To participate via telephone, register at <https://conference.financialhearings.com/teleconference/?id=5009501>.

Financial reports

Condensed consolidated income statement and statement of comprehensive income

SEK m	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	1,385.1	852.6	4,547.7	2,676.3
Other operating income	95.1	28.0	179.9	50.7
Operating income	1,480.2	880.6	4,727.6	2,726.9
Material and consumables	-755.8	-429.4	-2,428.5	-1,361.7
Remuneration to employees	-408.3	-263.5	-1,347.1	-827.2
Depreciation and impairments of tangible and intangible non-current assets	-35.6	-22.7	-119.4	-74.5
Other operating costs	-175.4	-75.6	-448.0	-203.4
Total operating costs	-1,375.1	-791.2	-4,343.0	-2,466.7
Operating profit/loss	105.1	89.4	384.6	260.2
Net financial items	-15.7	-10.3	-38.2	-21.5
Profit/loss after financial items	89.3	79.1	346.3	238.8
Tax on profit for the period	-21.7	-17.8	-74.4	-53.0
Profit/loss for the period	67.6	61.3	271.9	185.7
Other comprehensive income for the period:				
<i>Items that will not be reclassified to profit or loss:</i>				
<i>Items that can be reclassified to profit or loss:</i>				
Exchange rate differences on translation of foreign operations	27.1	9.9	72.9	21.8
Other comprehensive income for the period, net after tax	27.1	9.9	72.9	21.8
Comprehensive income for the period	94.8	71.2	344.8	207.5
<i>Comprehensive income for the period attributable to:</i>				
Shareholders in Parent Company	94.8	71.2	344.8	207.5
Holdings without controlling interest	-	-	-	-
Earnings per share for the period before dilution, SEK	1.36	1.35	5.62	4.11
Earnings per share for the period after dilution, SEK	1.36	1.35	5.62	4.11
Average no. of shares, before dilution	49,623,830	45,365,235	48,360,099	45,243,830
Average no. of shares, after dilution	49,623,830	45,365,235	48,360,099	45,243,830
Actual no. of shares at the end of the period	49,623,830	45,387,653	49,623,830	45,387,653

Condensed consolidated balance sheet

SEK m	31/12/2022	31/12/2021
ASSETS		
Brand	406.7	264.5
Customer relationships	17.0	13.6
Goodwill	2,842.3	1,953.6
Other intangible assets	1.8	0.5
<i>Total intangible assets</i>	<i>3,267.8</i>	<i>2,232.3</i>
Right-of-use assets	163.3	133.3
Tangible non-current assets	118.7	81.3
<i>Total non-current assets</i>	<i>282.0</i>	<i>214.7</i>
Financial non-current assets	4.3	3.7
Total non-current assets	3,554.1	2,450.6
Inventories	25.5	16.0
Accounts receivable	702.3	410.8
Revenues from contracts with customers and similar receivables	211.3	128.0
Prepaid expenses and accrued income	36.1	27.2
Other receivables	67.6	41.3
Cash and cash equivalents	452.6	271.6
Total current assets	1,495.4	894.9
TOTAL ASSETS	5,049.5	3,345.5
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	2,092.5	1,269.6
Non-current interest-bearing liabilities	1,421.0	911.7
Non-current lease liabilities	102.1	96.5
Deferred tax liabilities	122.6	74.5
Other non-current liabilities	198.1	158.0
Total non-current liabilities	1,843.8	1,240.8
Current interest-bearing liabilities	139.1	114.6
Current lease liabilities	64.8	34.7
Accounts payable	356.4	180.4
Contract and similar liabilities	165.2	302.5
Accrued expenses and prepaid income	214.9	162.0
Other current liabilities	172.9	41.0
Total current liabilities	1,113.3	835.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5,049.5	3,345.5

Condensed statement of changes in shareholders' equity

SEK m	Shareholders' equity	Other contributed capital	Retained earnings including profit/loss for the period	Reserves	Total shareholders' equity
Shareholders' equity					
01/01/2021	2.3	844.7	205.8	-6.2	1,046.5
Profit/loss for the period	-	-	185.7	-	185.7
Other comprehensive income:					
Exchange rate differences on translation of foreign operations	-	-	-	21.8	21.8
Total comprehensive income	-	-	185.7	21.8	207.5
Dividend	-	-	-27.1	-	-27.1
Option liquidity	-	7.9	-	-	7.9
Offset share issue	0.0	34.7	-	-	34.7
Transactions with owners	0.0	42.6	-27.1	-	15.6
Shareholders' equity					
31/12/2021	2.3	887.3	364.5	15.6	1,269.6
Shareholders' equity					
01/01/2022	2.3	887.3	364.5	15.6	1,269.6
Profit/loss for the period	-	-	271.9	-	271.9
Other comprehensive income:					
Exchange rate differences on translation of foreign operations	-	-	-	72.9	72.9
Total comprehensive income	-	-	271.9	72.9	344.8
Dividend	-	-	-58.3	-	-58.3
Option liquidity	-	1.7	-	-	1.7
Target new share issue	0.2	409.4	-	-	409.5
Offset share issue	0.1	125.1	-	-	125.2
Transactions with owners	0.2	536.1	-58.3	-	478.0
Shareholders' equity					
31/12/2022	2.5	1,423.4	578.1	88.5	2,092.5

Condensed consolidated statement of cash flows

SEK m	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating activities				
Profit/loss after financial items	89.3	79.1	346.3	238.8
Adjustments for non-cash items	48.0	36.4	117.2	81.4
Interest paid	-13.5	-0.6	-31.2	-8.8
Tax paid	-11.9	-24.2	-74.3	-75.7
Changes in working capital	82.1	36.3	-45.2	-34.0
Cash flow from operating activities	194.0	127.0	312.8	201.7
Investment activities				
Acquisition of subsidiaries and businesses	-68.5	-162.8	-916.6	-622.0
Net investments in non-current assets	-12.8	-26.5	-57.1	-47.2
Net investments in financial activities	-0.1	-0.3	0.7	0.2
Cash flow from investing activities	-81.3	-189.6	-973.0	-669.1
Financing activities				
New share issue	-0.0	-	409.5	-
Payment of warrants	-	0.2	1.7	7.9
Dividend paid	-	-	-58.3	-27.1
Proceeds from borrowing	65.4	1,025.0	791.3	1,370.0
Repayment of loans	-72.8	-839.4	-260.3	-988.7
Repayment of lease liability	-14.7	-12.3	-51.9	-36.5
Cash flow from financing activities	-22.2	173.4	832.0	325.6
Cash flow for the period	90.5	110.7	171.8	-141.7
Cash and cash equivalents at end of period	357.0	159.0	271.6	409.3
Translation difference in cash and cash equivalents	5.1	1.8	9.2	3.9
Cash and cash equivalents at end of period	452.6	271.6	452.6	271.6

Condensed Parent Company income statement

SEK million	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating income	4.0	3.0	12.2	9.7
Operating profit/loss	-6.0	-5.5	-21.3	-22.8
Operating profit/loss	-1.9	-2.5	-9.2	-13.2
Net financial items	-15.4	36.4	-30.1	28.8
Profit/loss after net financial items	-17.4	33.9	-39.3	15.7
Appropriations	102.5	59.3	102.5	59.3
Profit/loss before tax	85.1	93.2	63.2	75.0
Tax on profit for the period	-15.3	-7.4	-15.3	-3.7
Profit/loss for the period*	69.8	85.8	47.9	71.3

*There are no items recognised in other comprehensive income at the Parent Company and therefore the total comprehensive income is the same as the profit/loss for the period.

Condensed Parent Company balance sheet

SEK million	31/12/2022	31/12/2021
ASSETS		
Tangible non-current assets	0.0	0.2
Financial non-current assets	3,101.9	1,389.2
Total non-current assets	3,102.1	1,389.5
Current receivables	1.7	1.1
Cash and bank	-	646.1
Total current assets	1.7	647.3
TOTAL ASSETS	3,103.8	2,036.8
SHAREHOLDERS' EQUITY AND LIABILITIES		
Restricted shareholders' equity	2.5	2.3
Unrestricted shareholders' equity	1,521.9	996.2
Total shareholders' equity	1,524.3	998.5
Non-current liabilities	1,417.7	908.7
Accounts payable	0.3	1.3
Other current liabilities	157.3	119.7
Accrued expenses and prepaid income	4.1	8.6
Total liabilities	1,579.5	1,038.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,103.8	2,036.8

Notes

Note 1 Accounting principles

Fasadgruppen Group AB applies the International Financial Reporting Standards (IFRS) as 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 report for the financial year ending on 31 December 2021. The accounting policies and calculation bases are the same as those that were applied in the annual report for 2021. Information in accordance with IAS 34 16A also appears in other parts of the interim report in addition to the financial statements and associated notes.

The amounts are rounded to the nearest million (SEK million) to one decimal place, unless otherwise stated. As a consequence of rounding, figures presented in the financial reports may not add up to the exact total in certain cases and percentage figures can differ from the exact percentage figures. Amounts in brackets refer to the comparison period.

Note 3 Allocation of income

Group, SEK million	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Sweden	826.2	598.2	2,731.7	1,923.4
Denmark	244.4	128.4	762.0	318.6
Norway	253.4	126.0	974.4	434.3
Finland	61.1	-	79.6	-
Total	1,385.1	852.6	4,547.7	2,676.3

Sales come from external customers, with no individual customer accounting for 10 percent or more of sales. The Group management identifies business operations as an operating segment, which is the division used by Fasadgruppen in its internal reporting. The operating segment is monitored by the Group's executive decision-makers and strategic decisions are made on the basis of the operating profit for the segment.

Note 4 Related party transactions

The nature and scale of related party transactions are described in the Group Annual Report for 2021. 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 during the period:

Note 2 Significant estimates and assessments

Preparation of the interim report requires the company management to make assessments and estimates as well as assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may 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. The critical assessments and estimates made when preparing this interim report are the same as in the most recent annual report.

Income outside Sweden comprises 39.9 percent (28.1) of total income for the Group for the period January to December 2022. The Group applies the percentage of completion method.

During the period 1 January to 31 December 2022, Fasadgruppen has bought and sold services from/to companies controlled by senior executives for amounts totalling SEK 3.4 million for purchased services and SEK 0.0 million for services sold linked to project-related work. As of 31 December 2022, Fasadgruppen's current liabilities to companies controlled by senior executives amounted to SEK 0.5 million and current receivables to SEK 0.0 million for project-related work.

Note 5 Pledged assets and contingent liabilities

Group, SEK million	31/12/2022	31/12/2021
Pledged assets:		
Company mortgages	35.6	38.9
Other	51.8	57.1
Total	87.4	96.0
Contingent liabilities;		
Guarantees	451.6	169.7

Note 6 Fair value of financial instruments

The Group has financial instruments where level 3 has been used to determine the fair value. Financial liabilities measured at fair value through profit or loss pertain to earnouts not yet settled and amounted to SEK 285.6 million as of 01/01/2022. For the period January–December 2022, earnouts of SEK 123.8 million were settled. Additional new earnouts amounted to SEK 130.1 million from the company acquisitions of Malercompagniet Oslo AS, Alnova Balkongsystem AB, Helsingborgs Fasad & Kakel AB, GAJ Stålkonstruktioner AB, Kjær Knudsen A/S, Mur o Puts in Kristiansrad AB, Altana A/S, RKC Construction Oy and the asset acquisitions of Herrängens Plåtslageri AB, Vantörs Bleck och Plåtslageri AB, E.P.M. Elektra Plåt och Maskin AB and A Co Tak & Montage AB. At the end of the period, earnouts not yet settled amounted to SEK 271.5 million. The earnout amounts are mostly based on either EBITDA, EBIT or post-tax profits for the years 2022, 2023, 2024, 2025, 2026 and/or 2027. The earnouts are valued on an ongoing basis using a probability assessment, where an evaluation is made of whether they will be paid at the agreed amounts. Management has here considered the

risk for the outcome of future cash flows. In the assessed valuation during the period January to December 2022, earnouts have not yet been devalued by SEK -13.9 million. At the same time, earnouts have exceeded assessed valuation of SEK 8.5 million.

The 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.

Changes in contingent earnouts, SEK million

Opening contingent earnouts, 01/01/2022	285.6
Contingent earnouts added	130.1
Earnouts settled	-123.8
Earnouts settled at less than their assessed valuation	8.5
Valuation of contingent earnouts	-13.9
Fixed interest time factor	-15.0
Closing contingent earnouts 31/12/2022	271.5
Expected disbursements	
Expected disbursements < 12 months	-84.1
Expected disbursements in > 12 months	-187.4

Note 7 Items affecting comparability

The table below presents items affecting comparability during the quarter and period.

Group, SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Costs related to IPO	-	-0.2	-	-5.1
Acquisition-related costs	-1.0	-6.3	-15.5	-18.2
Revaluation of earnouts	-3.4	-3.2	11.0	6.0
Other	-3.1	-	-5.2	-
Total	-7.5	-9.7	-9.8	-17.3

Note 8 Business acquisitions

Company acquisitions January–December 2022

During the period, Fasadgruppen has completed the acquisitions of and added all shares in Malercompagniet Oslo AS, Murpartnern AS, Meyer-Mørch AS, Alnova Balkongsystem AB, Helsingborgs Fasad & Kake AB, Miljø-Sanering AS, Kjær Knudsen A/S, Stenklint A/S, Fjeldheim-Knudsen AS, Chem-Con AS, GAJ Stålkonstruktioner AB and Mur o Puts i Kristianstad AB, Altana A/S and RKC Construction Oy and Sydskiffer AB.

The acquisitions were made to strengthen the Group's position geographically within rendering, masonry, window, roof, balcony and forging work. Malercompagniet is one of the largest façade companies in the Oslo region and works mainly on renovation projects with a focus on painting, masonry, rendering and roofs. Murpartnern has built up a strong position in the Oslo region within façade renovation, with expertise in masonry, rendering and brickwork. Norwegian company Meyer-Mørch focuses on painting and façade projects. The acquisition of balcony specialist Alnova Balkongsystem strengthens the Group's offering within balcony solutions. Helsingborgs Fasad operates a façade business within masonry and rendering, tiling and balconies. The acquisition of sanitisation specialist Miljø-Sanering strengthens the Group's presence in western Norway. Kjær Knudsen and Stenklint strengthen the Group's position in façades, roofs and windows in Copenhagen and on Zealand. Fasadgruppen is broadening its offering in Sweden within construction forging through the acquisition of GAJ Stålkonstruktioner and strengthening its position in Skåne through cultural building specialist Mur o Puts i Kristianstad. The acquisitions in Norway of masonry and rendering companies Murmestrene Fjeldheim-Knudsen and Chem-Con give the Group further coverage in Oslo and surrounding area and strengthen its offering in Stavanger. Through the acquisition of the Danish balcony specialist Altana, the Group has a strong position in the Copenhagen area. Fasadgruppen is continuing its Nordic expansion and is establishing itself in Finland through the acquisition of the façade company RKC Construction (Rovakate). Fasadgruppen strengthens its renovation offering in south-west Sweden through acquisition of Sydskiffer AB.

The acquired companies reported total earnings of around SEK 1,196 million and EBITA amounted to approximately SEK 157 million for the 2021 calendar year. Since the time of acquisition and up to 31 December 2022, the companies have contributed SEK 936.3 million to Group net sales and SEK 103.8 million to Group EBITA.

The combined purchase consideration amounted to SEK 1,114.9 million, of which SEK 875.1 million has been paid in cash and cash equivalents on closing and SEK 114.7 million via an offset share issue, with SEK 46.9 million constituting earnouts. The outcome of the earnouts that are dependent on future operating profits achieved by the companies concerned has been valued via a probability assessment for different outcomes within the term of the earnout period, which is 1–5 years.

Acquisition costs totalling SEK 15.5 million are recognised as other operating expenses.

Other business acquisitions January-December 2022

Asset acquisitions

Five asset acquisitions were completed in 2022, with operating subsidiaries Karlaplans Plåtslageri AB and P. Andersen & Søn A/S complementing their business operations. Karlaplan has acquired the operations of Herrängens Plåtslageri AB, Vantörs Bleck and Plåtslageri AB, E.P.M. Elektra Plåt och Maskin AB and A Co Tak & Montage AB. P. Andersen has acquired the operations of Jan Tryk Facadepuds Aps. The acquired businesses have annual sales of around SEK 70 million and 40 employees. SEK 34.0 million has been paid in cash and cash equivalents on closing, with SEK 6.0 million constituting earnouts. As a consequence of their size, the asset acquisitions are not considered significant in relation to the Group's financial position and earnings.

Earnouts settled

During the period, earnouts have been settled for a total sum of SEK 123.8 million in relation to the acquisitions of Hans Eklund Glasmästeri, Alnova Balkongsystem Karlaplans Plåtslageri, Cortex Facaderens, Mjööndalen Mur & Puss, Er-Jill Byggnadsplåt, Husby Takplåtslageri & Ventilation, Solid Fasad, Kumla Fasadteam, Haga Plåt i Umeå. Earnouts settled exceed assessments made by SEK 8.5 million.

Acquisition analyses - company acquisitions

Some of the surplus value in the preliminary acquisition analyses has been allocated to the company brand and customer relationships while unallocated surplus value has 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 expected future profitability of the business, the significant knowledge and expertise possessed by the personnel and synergies on the cost side. Customer relationships derive from the written agreements comprising the order backlog at the time of acquisition. Most of the agreements have a term shorter than 12 months and all are deemed to have been terminated within a maximum of 24 months.

Goodwill and brands have an indeterminable useful life and are not amortised but are tested for impairment annually or if such is indicated. The estimated value of customer relationships is amortised over the term of the order backlog.

Value according to acquisition analysis – Company acquisitions January–December 2022

SEK million	Carrying amount	Fair value adjustment	Fair value
Goodwill	0.4	-0.4	-
Brand	-	132.3	132.3
Customer relationships	-	39.8	39.8
Right-of-use assets	-	53.8	53.8
Tangible non-current assets	35.6	-	35.6
Financial non-current assets	0.9	-	0.9
Inventories	41.2	-	41.2
Accounts receivable and other receivables	216.5	-	216.5
Cash and cash equivalents	116.3	-	116.3
Deferred tax liabilities	-15.3	-36.4	-51.7
Lease liabilities	-	-53.8	-53.8
Amounts owed to credit institutions	-2.8	-	-2.8
Appropriations	-9.9	-	-9.9
Other liabilities	-9.1	-	-9.1
Accounts payable and other liabilities	-194.1	-	-194.1
Identifiable net assets	179.7	135.3	315.0
Goodwill			799.9
Consideration			1,114.9
Of which earnout			114.7
Of which offset share issue			125.2
Of which cash and cash equivalents			-875.1
Acquired cash and cash equivalents			116.3
Change in Group cash and cash equivalents			-758.8

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 13 February 2023

Fasadgruppen Group AB

Ulrika Dellby
Chair of the Board

Tomas Georgiadis
Board Member

Christina Lindbäck
Board Member

Tomas Ståhl
Board Member

Gunilla Öhman
Board Member

Pål Warolin
Group President and CEO

This year-end report has not been reviewed by the company's auditors.

The information in this report is such that Fasadgruppen Group AB (publ) is obliged to publish under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the Chief Executive Officer on 14 February 2023 at 7.30 a.m. CET.

Definitions of alternative performance measures

Fasadgruppen reports performance figures to describe the underlying profitability of the business and to improve comparability. The Group applies the ESMA guidelines on alternative performance measures. A list of alternative performance measures is available at www.fasadgruppen.se

Growth in net sales

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

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

Organic growth

Change in net sales as a percentage of net sales during the comparison period, previous year, for the companies that were part of the Group throughout the comparison period and the current period unadjusted for any currency effects.

Organic growth reflects the Group's realised sales growth, excluding acquisitions, over the measurement period.

EBITA

Earnings before interest and taxes (EBIT) before amortisation and impairment of goodwill, brands and customer relationships.

EBITA provides a picture of earnings generated from operating activities.

EBITDA

Earnings before interest and taxes (EBIT) before depreciation, amortisation, write-downs and impairment of tangible and intangible non-current assets.

EBITDA provides a picture of a company's current operating profit before depreciation and amortisation.

EBIT margin

Earnings (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, preparatory costs of floatation and floatation costs, issue costs, restructuring costs and revaluations of earnouts.

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

Adjusted EBIT

EBIT adjusted for items affecting comparability.

Adjusted EBIT improves comparability 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 less net investments in tangible and intangible non-current assets plus adjustments for cash flow from changes in working capital.

Cash flow from operating activities is used to monitor the cash flow generated by operating activities.

Cash conversion

Cash flow from operating activities as a percentage of EBITDA.

The cash conversion ratio is used to monitor how efficiently the Group manages investment activities and working capital.

Order backlog

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

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

Return on shareholders' equity¹

Total earnings for the last 12 months as a percentage of average shareholders' equity during the corresponding period (shareholders' equity at the start and end of the period respectively divided by two).

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

Return on capital employed¹

Total earnings before tax plus financial expenses over the last 12 months as a percentage of capital employed during the corresponding period (sum of capital employed at the start and end of the period respectively, divided by two).

Return on capital employed is important for assessing profitability on externally financed capital and shareholders' equity.

Return on capital employed, excluding goodwill¹

Total earnings before tax plus financial expenses for the last 12 months as a percentage of capital employed with deductions for goodwill and other acquisition-related intangible non-current assets over the same period (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).

The return on capital employed, excluding goodwill and other acquisition-related intangible non-current assets is important for assessing profitability on externally financed capital and shareholders' equity adjusted for goodwill arising from 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 debt²

Current and non-current interest-bearing liabilities plus current and non-current lease liabilities minus cash and cash equivalents. Earnouts are not included in this performance measure.

Interest-bearing net debt is used as a measure showing the Group's total indebtedness.

Net debt to adjusted EBITDA ratio

Net debt at the end of the period divided by adjusted EBITDA for a rolling 12-month period.

The net debt to adjusted 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 the net debt and adjusted EBITDA were to remain constant, without taking into consideration cash flow related to interest, tax and investments.

Net debt to equity ratio

Interest-bearing net debt 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 current investments can be used to pay off debt at short notice, net debt is used instead of gross debt in the calculation.

¹ The definition has been changed as of Q1 2021. The performance measures are calculated on a rolling 12-month period instead of an annualisation of the return in the period concerned. Comparison figures have been recalculated.

² The definition of the performance measure has been changed as of Q1 2021 and now includes lease liabilities, unlike previously. Comparison figures have been recalculated.



Fasadgruppen in brief

Vision

A future with beautiful, sustainable buildings and good living environments for people.

Business concept

The Fasadgruppen business concept is to offer competitive, multidisciplinary solutions by enabling collaboration between leading local and specialised subsidiaries to achieve economies of scale and synergy effects between the companies.

Business model

The Fasadgruppen business model is based on a decentralised structure with extensively delegated responsibilities to entrepreneurial subsidiaries supported by a Group-wide organisation with purchasing, business development, acquisitions, finance and similar services. Three geographical business areas simplify regional coordination through resource sharing and best practice, identification of cross-selling opportunities and joint sales initiatives. In this way, the entrepreneurial endeavour, convenience and modest overheads of each local company are enhanced by Group opportunities to achieve economies of scale and offer comprehensive solutions to customers.

Offering

Fasadgruppen possesses expertise in all aspects of exterior work on properties. The offering includes services such as façade renovation, window renovation and window replacement and balcony and roof renovation.

Projects and customers

Fasadgruppen mainly focuses on medium-sized projects with an order value of SEK 1–100 million. Our customers operate in the Nordic construction and renovation market and include owners of public, commercial and residential properties, tenant-owner housing associations, construction companies and private homeowners.

Strategy

Develop local market leaders

Fasadgruppen aims to maintain and grow its position on local markets by attracting and retaining the best contractors and personnel in each local market.

Promote cooperation

Synergy effects between local units are to be achieved by means of an organisation that promotes effective cooperation. The Group employs a proven model to achieve economies of scale that is implemented directly on the acquisition of a new company, ensuring optimal integration and synergies throughout the Fasadgruppen Group.

Efficient processes

Continuously optimising its processes enables the Group to be managed in the best possible way and gives subsidiaries a platform to increase their profitability.

Growth through acquisitions

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

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.

Sales growth >15%

We aim to achieve an average growth in 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 100 percent.

For sustainable development

Sustainability is an integral part of Fasadgruppen's business operations and strategy. Through clear goals, long-term thinking and total commitment, we aim to contribute to sustainable development. Fasadgruppen supports Agenda 2030 and has identified seven of the global sustainable development goals as the most relevant for our business.



Fasadgruppen

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Financial calendar

Annual Report 2022	w/c 17 April 2023
Interim report Jan-Mar 2023	11 May 2023
AGM 2023 (Stockholm)	11 May 2023
Interim report Jan-June 2023	15 August 2023
Interim report Jan-Sept 2023	14 November 2023
Year-end report 2023	13 February 2024

