

Third Quarter 2024 Presentation

13. November 2024



BORGESTAD ASA

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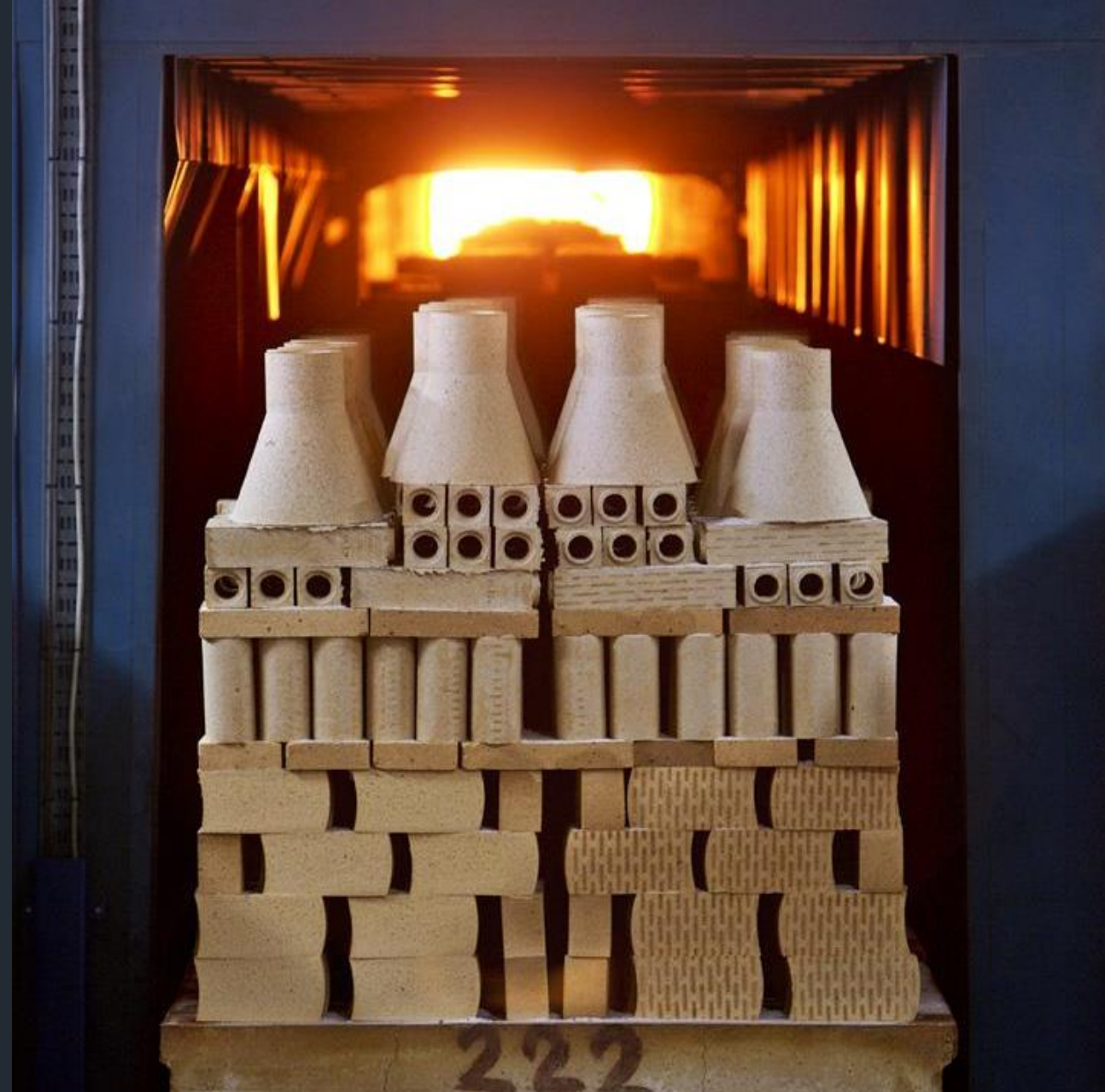
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Summary and outlook



Highlights and key figures

Highlights

- 1 Borgestad Groups profit before tax at MNOK 44.1 for Q3'24 compared to MNOK -29.4 in Q3'23.
- 2 EBIT margin at 7.4 percent for Höganäs Borgestad Group LTM Q3'24 compared to adjusted EBIT at 3.2 percent LTM Q3'23.
- 3 Agora Bytom delivered an EBITDA of MNOK 10.3 in Q3'2024 compared to an EBITDA of MNOK 8.0 in Q3'2023.
- 4 Borgestad ASA strengthened its team with Bendik Persch Andersen as Head of M&A, Corporate Development, and Investor Relations.

Key figures

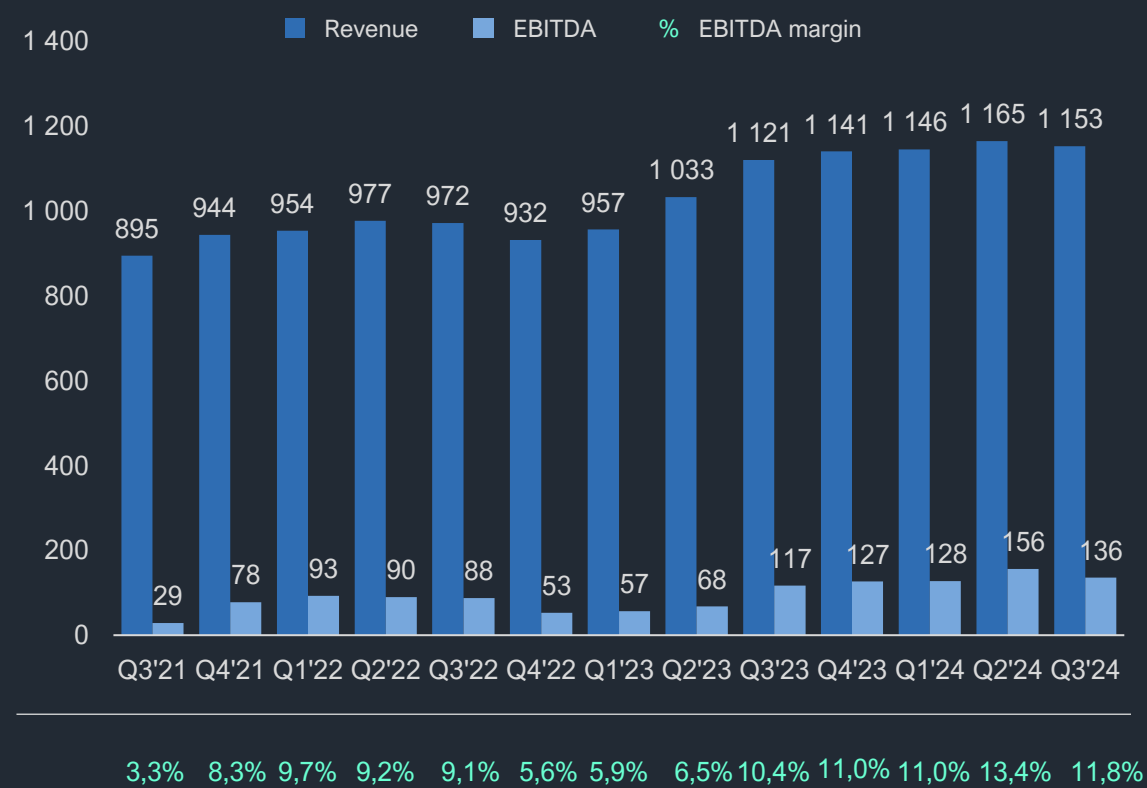
MNOK	Q3			LTM		
	2024	Adj. 2023 ³	2023	2024	Adj. 2023 ³	2023
Operating income	360	372	372	1,152	1,121	1,121
EBITDA	63	37	83	136	71	117
Operating profit (EBIT)	52	-63	-17	98	-139	-93
Profit before tax	44	-76	-29	71	-190	-144

Note: 1) YTD = Year to date

Note: 2) LTM = Last Twelve Months

Note 3) Adjusted for positive outcome of the arbitration process in Vienna announced in Q3'23

Rolling LTM revenue and EBITDA development for the Group NOKm²



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Borgestad is an investment company focused on real estate and refractory



Real Estate



Agora Bytom shopping center in Poland is the largest investment of the Group, accounting for over half of the balance sheet

Agora Bytom is centrally located in the Silesian region of Poland and holds a strong market position in its primary catchment area

Parking spaces

820

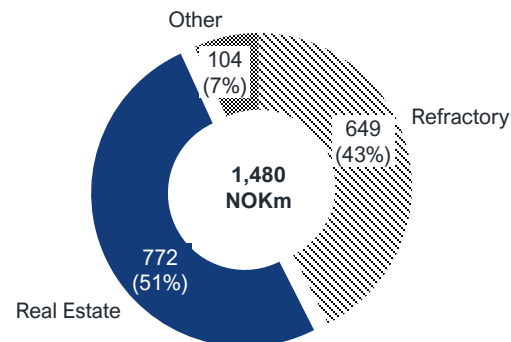
Gross area

52,000 m²

Rental area

30,000 m²

Share of capital employed (NOKm)



Refractory



Höganäs Borgestad is a manufacturer and supplier of refractory quality products, installations and solutions that are essential for industrial high-temperature processes exceeding 1,200°C in various industries such as steel, cement, and aluminum

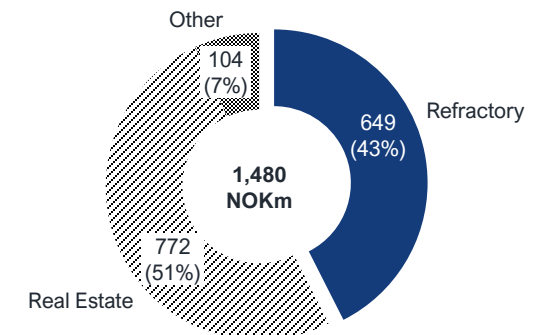
Founded

1797

Refractory production since

1825

Share of capital employed (NOKm)



Borgestad to be an industrial investment company with significant operational improvement potential

Strategy

- Borgestad ASA is an investment company, where **Real Estate** and **Refractory** constitute the two most significant areas of operation
- Continually improve operations in current investments
- Mid- to long term investment opportunities:
 - Niche segments with consolidation opportunities
 - Leverage on the company's network, know how and experience

Key tools



The right team



Effective use of capital



Measure everything and develop KPI's



M&A

Note: 1) Return on invested capital

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Agora Bytom deliver increased revenue and EBITDA

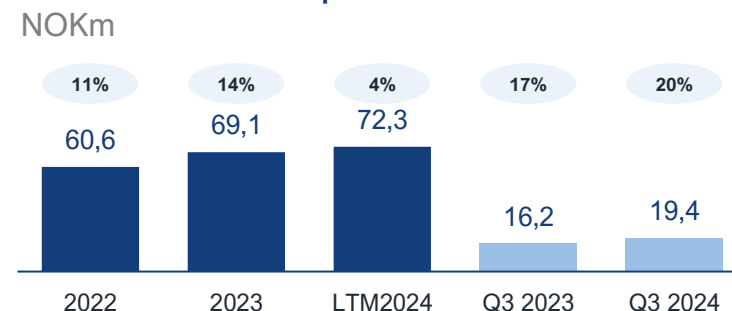


Turnover among
Agora Bytom's
tenants **increased**
with 5.8 % in YTD'24

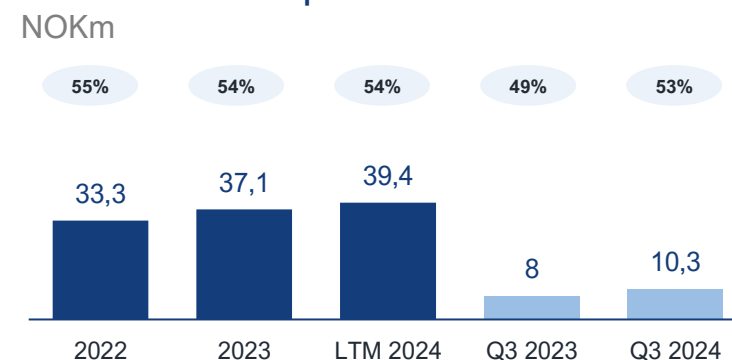
Latest trends and developments

- Stabilized operations after a year with many upgrades by tenants.
- Focus on increasing margins, by turnover increase and cost cutting.
- Debt per 30.09.24 at MEUR 29.4, and an LTV at ~47 % are at sustainable level
- Borgestad estimates that revenue and EBITDA going forward will be relatively stable
- First signs of reopening of transaction market for shopping centres, one large prime transaction announced in October 24.

Revenue development



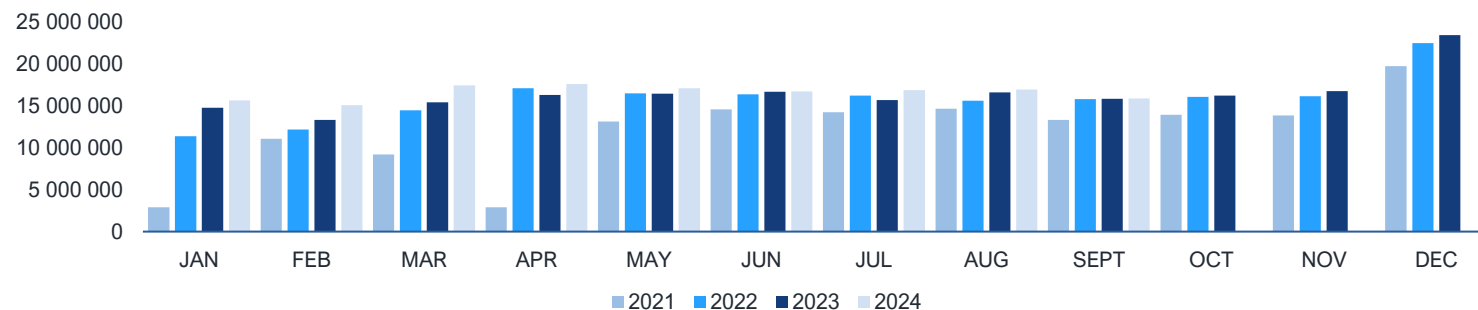
EBITDA development



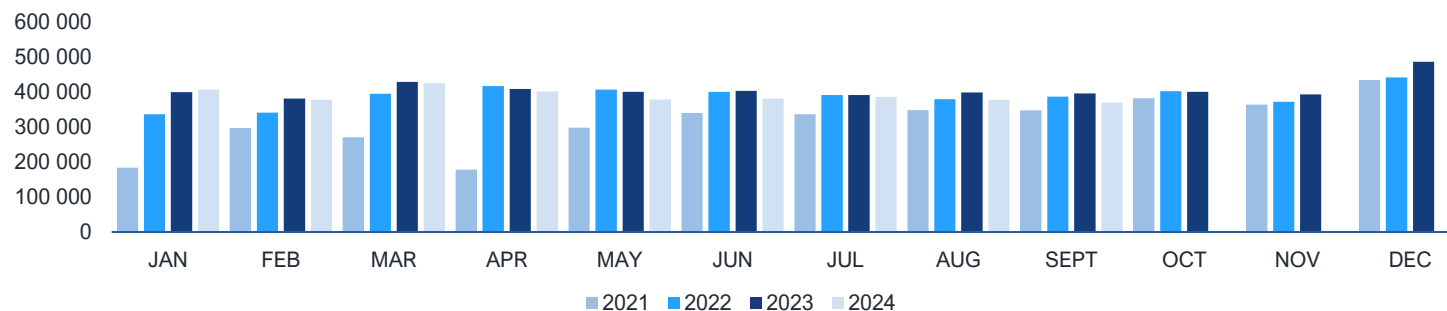
Continued improvement in retail sales and basket, and the Polish economy has a positive trend

Retail sales (turnover 2021-2024)

PLN



Footfall (Agora monthly footfall 2021-2024)



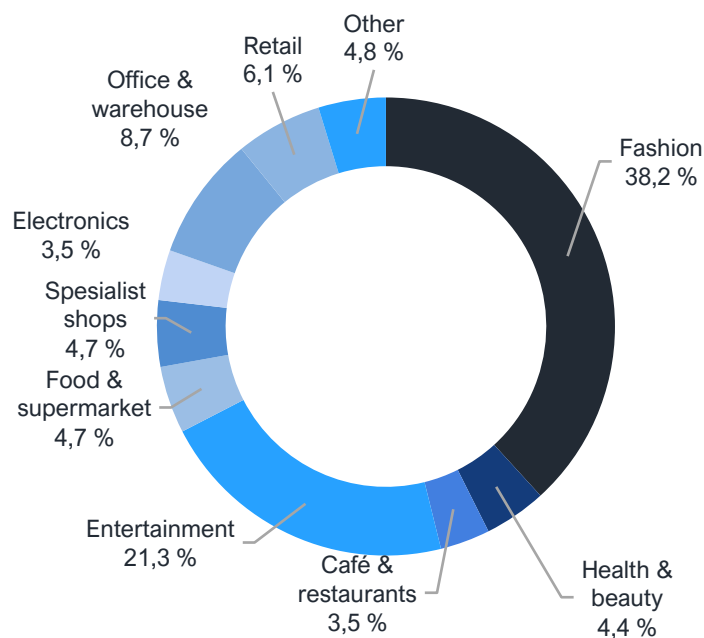
Comments

- Turnover among the tenants increased with 3.4 % in Q3'24 compared to Q3'23.
- With 4.7 million visitors the LTM, the number of visitors declined with 0.1 million LTM compared to 2023.
- Polish reference interest rate is at 5.75 % in end of September 2024, the same level as end of 2023.
- GDP increased with 3.2 % in June 2024 (YoY)
- Registered unemployment at 5.0 % as of September 2024
- Inflation at 4.9 % in September 2024 (YoY), compared to 8.2 % in September 2023 (YoY).
- Consumer confidence at -13.9 points in September 2024, compared to -20.3 points in September 2023.

Diversified tenant base

Highly diversified tenant base

Lettable area per tenant



Comments



WAULT by area: 3.33 years



WAULT by income: 3.33 years



Due date for top ten tenants are spread, first due date in Q4 2025



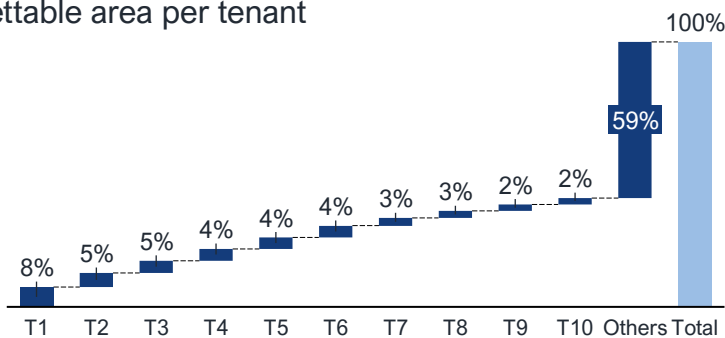
Several ongoing negotiations with potential new tenants



Contract duration risk spread out over several years

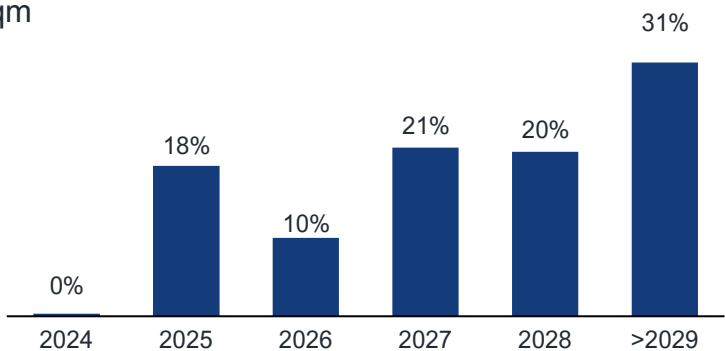
Highly diversified tenant base

Lettable area per tenant



Contract duration

sqm



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Continued turnover and EBIT increase



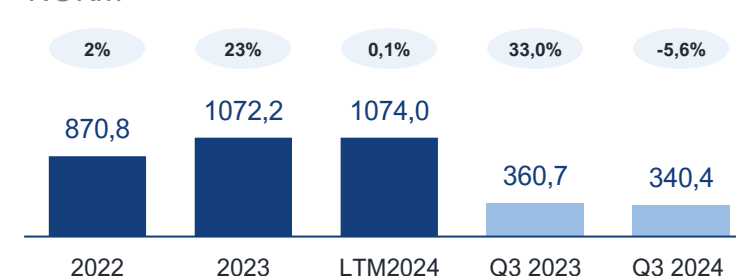
The refractory segment has **increased adjusted EBIT margin with 4.2 %** last 12 months

Latest trends and developments

- Focus on increased profitability and decreasing working capital.
- Adjusted¹ last twelve months EBIT margin increased from 3.2 percent to 7.4 percent last twelve months September 2024.
- The increase in EBIT in third quarter and last twelve months is due to the better operational performance within installation projects in Sweden and Finland, including the announced exit from green field projects within cremation.
- Normal order backlog both within installation business and service assignment for the season, a total order backlog at MNOK 99.1.
- Sale leaseback transaction, approved by BoD of Bjuv Municipality in December 2023, a complaint was received. Höganäs Borgestad and Bjuv municipality has amended the agreement related to long-stop-date until 31.12.25 Transaction expect to be completed in 2025.

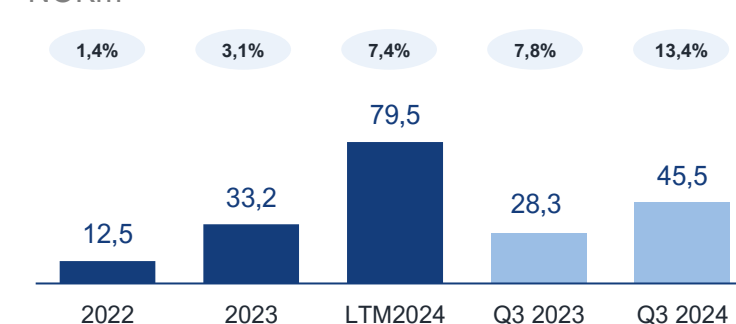
Revenue development

NOKm¹



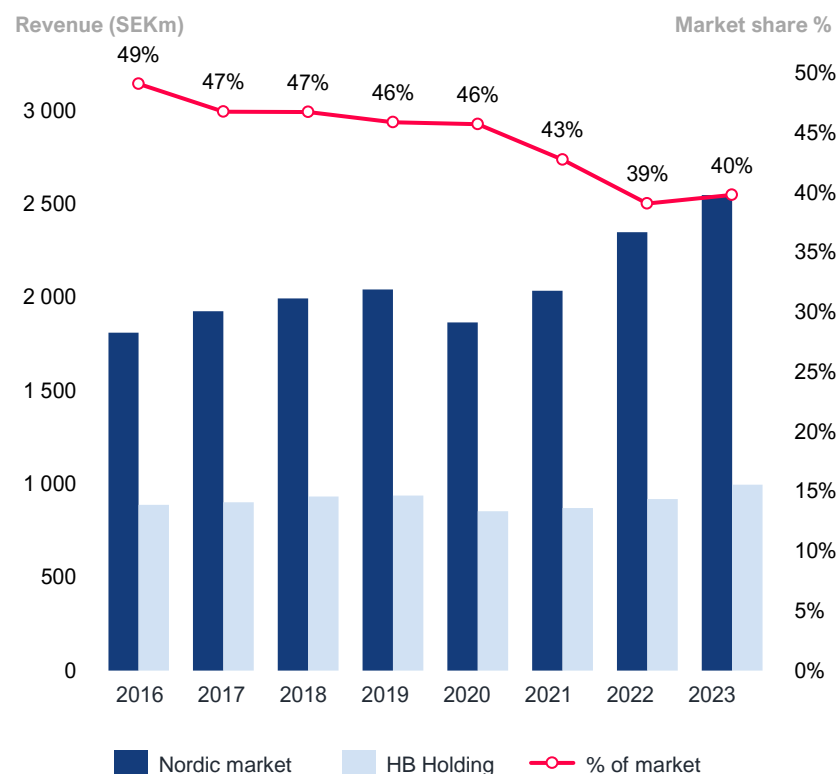
EBIT development

NOKm¹

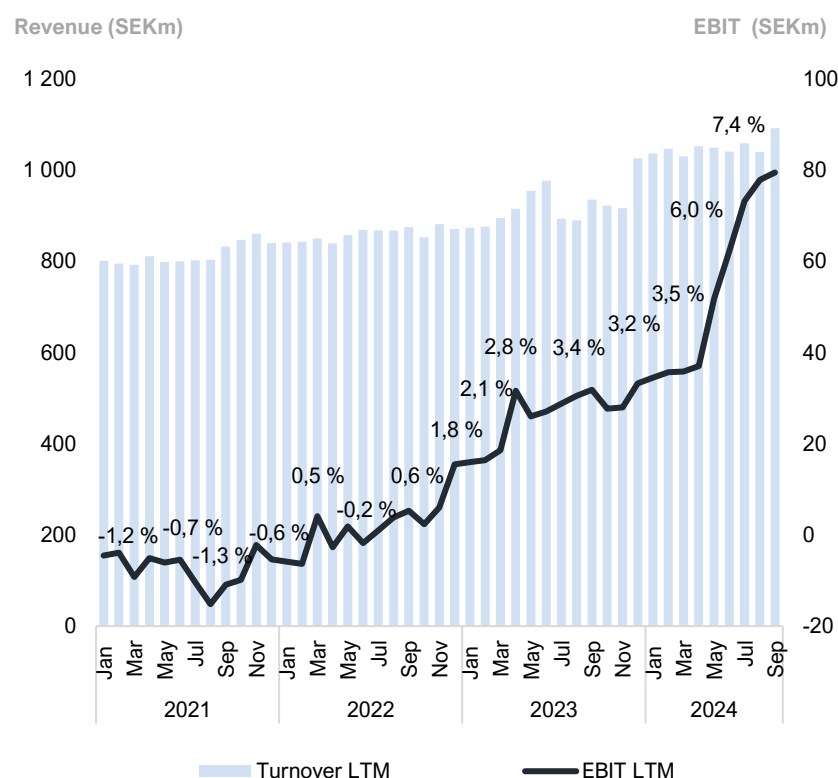


Höganäs Borgestad's position in the Nordics – significant market share and strong development in both turnover and EBIT

Position in the Nordics



LTM turnover and EBIT development



Focus forward

- Increase profitability and cash flow, with a new mid-term EBIT target of 10 % or above
- Strengthen team
- Streamline and improve operations

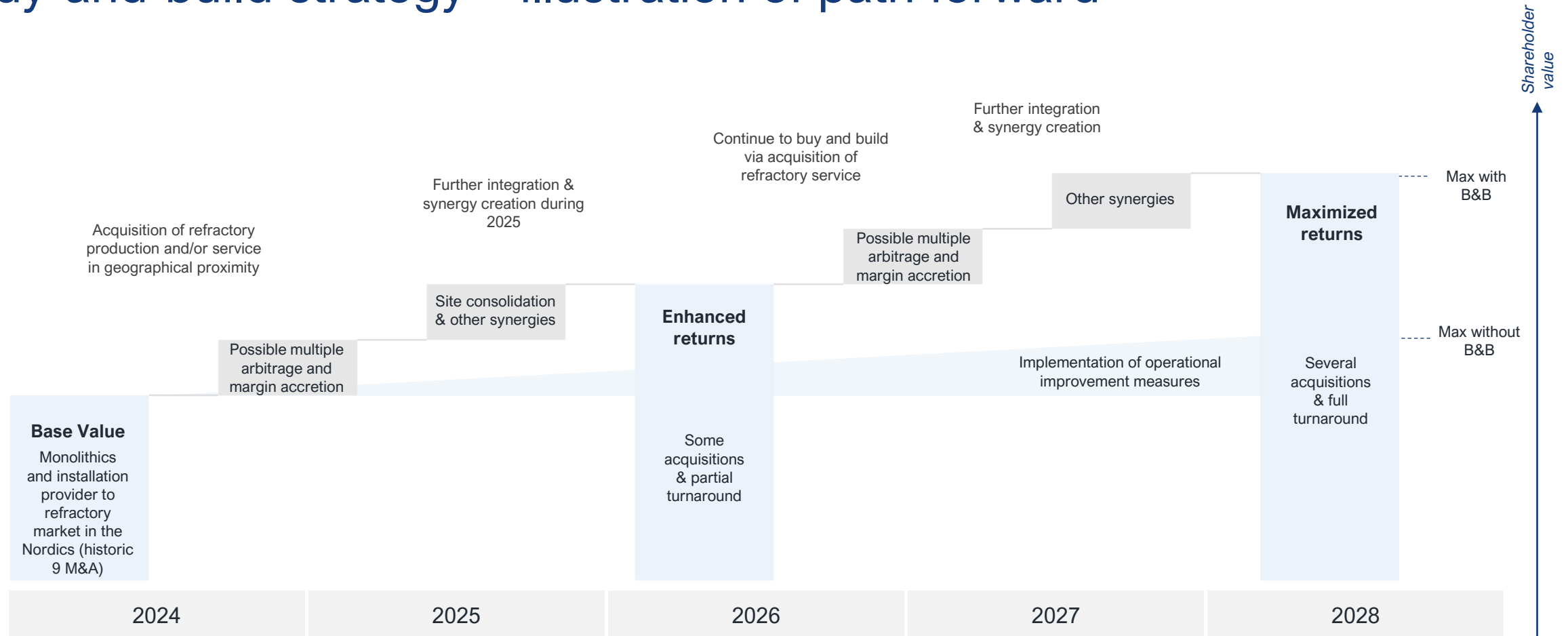
NIBD-ratio

- As of September 30, 2024, the ratio of net interest-bearing debt to adjusted last twelve months EBITDA stands at 1.4, a substantial improvement from the ratio of 5.9 reported on September 30, 2023.

Sources: Proff, Factset, Company information.

Note: 1) Excluding Arbitration Court Case. 2) Market data for 2023 includes 2022 figures for Caldeyrys since the 2023 figures are not yet public.

Targeting to maximize shareholder returns by realizing a well-defined buy-and-build strategy – illustration of path forward



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Income statement

NOK 1,000	01.06- 30.09.2024	01.06- 30.09.2023	LTM 2024	2023
Revenue	359 830	372 443	1 152 952	1 141 366
COGS	-175 637	-187 742	-530 030	-285 570
Personnel	-99 304	-93 632	-384 370	-347 108
Other OPEX	-21 557	-7 821	-102 279	-84 262
EBITDA	63 332	83 248	136 273	127 478
Depreciation	-11 110	-9 932	-38 269	-31 750
Impairment of non-current assets	-	-90 126		-94 298
EBIT	52 222	-16 810	98 004	1 430
Foreign currency gain/(-) loss	168	839	4 629	10 534
Interest expenses	-9 219	-13 348	-37 446	-51 910
Other financial income/(-) expenses	927	-50	5 530	2 664
Pre-tax income	44 098	-29 369	70 716	-37 283
Tax	-11 612	-17 149	- 26 056	-26 309
Net income	32 486	-46 518	44 661	-63 592
Other comprehensive income	11 802	-24 714	-1 619	14 832
Comprehensive net income	44 288	-71 232	43 042	-48 760

Balance sheet

NOK 1,000	30.09.2024	31.12.2023
Intangible assets	117 480	124 010
Buildings, fixtures, machinery and vehicles	54 359	54 956
Investment properties	729 419	701 407
Other financial assets	40 909	35 353
Deferred tax asset	17 311	13 734
Non-current assets	959 478	926 461
Inventory	137 172	118 733
Receivables	269 472	184 567
Other short-term receivables	10 405	7 763
Cash & cash equivalents	132 342	152 688
Current assets	549 390	463 752
Non-current assets classified as held for sale	16 782	13 165
Total assets	1 525 650	1 406 378

NOK 1,000	30.09.2024	31.12.2023
Equity	806 725	755 842
Provisions / reserve for liabilities	6 040	6 369
Secured debt	345 895	335 742
Lease commitments	28 545	27 453
Other long-term debt	21 237	7 988
Non-current debt	401 718	377 552
Revolving credit facilities	28 992	24 098
Secured debt	52 233	60 043
Payables	71 809	64 017
Lease commitments	18 424	12 641
Other short-term debt	145 679	100 039
Current debt	317 137	272 984
Total equity and liabilities	1 525 650	1 406 378

Cash flow statement

NOK 1,000	01.01-30.09.2024	01.01-30.09.2023
Cash flow from operating activities before balance changes ¹	90 873	74 030
+/- Balance changes	- 67 919	-6 449
Cash flow from operating activities	22 963	67 581
Payments to other investments	-21 584	-13 840
Inflows from other investments	253	927
Cash flow from investing activities	- 21 331	-12 913
Net change in financial liabilities	- 26 872	-46 926
Net change in bank overdraft	4 894	-58 493
Cash flow from financial activities	-21 972	-105 418
Cash flow for the period	- 20 347	-50 751
Bank and cash balances per start of period	152 688	91 059
Bank and cash balances per end of period	133 342	40 309
Available liquidity per end of period	161 639	97 032

Notes: 1) Figures include cash flow from Arbitration Court case in 2023.

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Summary



Strong operations in Q3 2024

- Höganäs Borgestad Group has an EBIT margin of 13.4 percent in Q3 and 8.9 percent YTD'24, compared to 7.8 percent and 3.5 percent in 2023 respectively.
- Agora Bytom perform an EBITDA of MNOK 10.3 in Q3'24 compared to an EBITDA of MNOK 8.0 in Q3'23.
- Profit before tax at MNOK 44.1 in Q3'24 and MNOK 72.5 YTD for Borgestad Group, compared to MNOK -29.4 and -35.5 in 2023 respectively.



Strengthened balance sheet and liquidity

- Strong cash position per end of period MNOK 132.3.
- Net interest-bearing debt at MNOK 352.3 pr. 30.09.24 compared to MNOK 689.7 at 30.09.23.
- Borgestad expect the sale leaseback transaction to be completed in 2025, transaction value of MSEK 145.



Cash flow and liquidity as per 30 September 2024

- Operational cash flow positive with MNOK 23.0 YTD'24.
- Cash flow from investment activities of MNOK -21.3, where MNOK 13.2 are related to purchase of shares in Höganäs Borgestad Holding AB.
- Cash flow from financial activities negative with MNOK 21.2
- Available liquidity end of period was MNOK 161.6 compared to MNOK 97.0 per 30.09.23



Outlook and priorities



Operational improvements are key focus and Borgestad expects gradual further improvement of profitability, capital efficiency and cash flow within its refractory business in 2025.



Borgestad estimates revenue and EBITDA stable going forward for Agora Bytom.



Review and investigate the possibilities for transformational M&A and other liquidity events for Agora Bytom.



Alternative performance measures

In order to enhance investors' understanding of the Group's performance the Company presents in this Presentation certain alternative performance measures ("APMs") as defined by the European Securities and Markets Authority its Guidelines on Alternative Performance Measures 2015/1057. The APMs used by the Group, and relevant reconciliations, are set out in the Company's Q2 2024 financial statements on page 22-23.



Gunnar Knudsensveg 144
3712 Skien
Norway

+47 35 54 24 00
post@borgestad.no
borgestad.no