


**BERGS**

**Interim Report  
1 January–30 September**

**2023  
Q3**

A photograph of a modern building facade with horizontal wooden cladding and several windows. The text '2023 Q3' is overlaid in large white font.

# Interim Report

## 1 January – 30 September 2023

### THIRD QUARTER (1 JULY–30 SEPTEMBER)

- Net sales amounted to SEK 777 million (708). The increase was primarily related to the acquisition of Hedlunda and higher volumes in Doors & Windows.
- Adjusted EBITDA (adjusted for items affecting comparability) amounted to SEK 29 million (46), a decrease mainly attributable to lower sales prices and volumes in Sawn Wood. The adjusted EBITDA margin was 3.7% (6.5).
- Adjusted operating profit amounted to SEK 2 million (23), corresponding to an adjusted operating margin of 0.3% (3.2).
- Profit for the period amounted to SEK –19 million (22).
- Earnings per share, before and after dilution, were SEK –0.55 (0.63).
- Cash flow from operating activities amounted to SEK 137 million (305), positively affected by a lower level of working capital.
- Financial net debt totalled SEK 177 million (34) as of 30 September, corresponding to a net debt/equity ratio of 0.10 (0.02).
- Items affecting comparability amounted to SEK 5 million and was related to result from sale of land at the port in the UK, electricity cost subsidie in the Swedish operations and costs for the closure of the sawmill in Estonia.

### INTERIM PERIOD (1 JANUARY–30 SEPTEMBER)

- Net sales amounted to SEK 2,285 million (2,627). The decrease was related to lower sales prices and sales volumes in Wood Solutions and Sawn Wood. The acquisition of Hedlunda and higher sales volumes in Doors & Windows contributed positively.
- Adjusted EBITDA amounted to SEK 58 million (301). The decrease was mainly attributable lower sales prices and sales volumes in Sawn Wood and Wood Solutions. The adjusted EBITDA margin was 2.5% (11.5).
- Adjusted operating profit amounted to SEK –18 million (235), corresponding to an operating margin of –0.8% (8.9).
- Profit for the period amounted to SEK –77 million (238).
- Earnings per share, before and after dilution, were SEK –2.22 (6.86).
- Cash flow from operating activities amounted to SEK 202 million (411).
- Hedlunda, a wooden furniture producer, was acquired on 29 June.
- It was decided to close the sawmill in Estonia.
- Items affecting comparability amounted to SEK –40 million and were related to impairment of fixed assets and costs for the closure of the sawmill in Estonia, result from sale of land at the port in the UK and electricity cost subsidie in the Swedish operations.

### The Group's key performance indicators

AMOUNTS IN SEK million	2023 Jul–Sep 3 months	2022 Jul–Sep 3 months	2023 Jan–Sep 9 months	2022 Jan–Sep 9 months	2022 Jan–Dec 12 months
Net sales	777	708	2,285	2,627	3,267
EBITDA	34	46	52	301	331
Adjusted EBITDA (adjusted for items affecting comparability)	29	46	58	301	331
Adjusted EBITDA margin, %	3.7	6.5	2.5	11.5	10.1
Operating profit/loss	6	23	–59	235	241
Adjusted operating profit/loss	2	23	–18	235	241
Adjusted operating margin, %	0.3	3.2	–0.8	8.9	7.4
Profit/loss for the period	–19	22	–77	238	231
Earnings per share, before and after dilution, SEK	–0.55	0.63	–2.22	6.86	6.66
Equity per share, SEK	49.66	53.21	49.66	53.21	53.12

Note: For a reconciliation of alternative performance measures incl. adjusted EBITDA and adjusted operating profit and corresponding margins, see pages 20–21.

First page: Property in Höllviken, Sweden, with fire-impregnated oak panels from Bitus.

# Weak construction activity continues to put pressure on earnings

## THIRD QUARTER

The deterioration in the construction industry continues to have a negative impact on earnings. The market for sawn timber is unbalanced and we experienced falling prices for our sawmill products during the period. Sales volumes in the Wood Solutions business area were low for the season, but falling raw material costs improved earnings compared with previous quarters. Sales volumes, order intake and earnings for Doors & Windows remained favourable. During the quarter, earnings for Furniture & Components were reported for the first time and, as expected, made a positive contribution to the Group's earnings.

EBITDA, excluding items affecting comparability, totalled SEK 29 million, compared with SEK 46 million in the previous year. Net sales totalled SEK 777 million, compared with SEK 708 million in the previous year. Cash flow was strong and amounted to SEK 137 million. The Group's financial position remains good. Financial net debt at the end of the quarter totalled SEK 177 million.

## MARKET

The market for construction-related products has weakened further, while we see differences in the development of our various product groups.

The market for windows and doors for renovation and energy savings remains relatively stable. Our newly acquired company Hedlunda manufactures wooden furniture for a market segment where demand remains favourable and sales volumes are according to plan.

Demand in the DIY sector is weak, which means that our sales volumes remain low. We have noticed that there is considerable interest in our more refined products, such as linseed oil-treated products, and sales volumes continue to increase. During the year, we delivered products to a number of high-profile projects, which is beginning to have an impact on demand and earnings.

Despite a reduced production rate among European sawmills, the market for sawn wood products weakened further during the quarter. Higher raw material costs and lower sales prices are putting pressure on sawmills' profitability, resulting in further reductions in production. A turnaround in demand is not expected in the near future..

## STRUCTURAL MEASURES

During the summer, the Board decided to close down our Estonian sawmill, Laesti. Production ceased in August and the stock of sawn timber is being sold. The properties and machinery have been transferred to the company that acquired the assets.

## PERFORMANCE BY BUSINESS AREA

### DOORS & WINDOWS

The market for our windows and doors remains favourable. Although we are noticing a longer time between inquiries and orders, we have a good order intake and full capacity utilisation in our factories for the rest of 2023. The expansion of the number of showrooms continues according to plan with seven new ones in 2023 and additional five in 2024. We will also launch a new window type with improved climate performance in 2024.

### FURNITURE & COMPONENTS

Demand for the furniture we produce at our Swedish factory in Lycksele is good and we expect full capacity utilization for the rest of the year. Our Polish factory, which is adapted for smaller production series, has a slightly reduced order intake. We see good opportunities to increase capacity utilization with orders from our English sales company.

### WOOD SOLUTIONS

Demand for wood protection and garden products remains weak. At the same time, there are signs that inventory levels in the distribution chain are balanced and that the delivery rate for the coming season is expected to increase from the current low levels. It is gratifying that our inventory levels are low and that we are now seeing the effect of lower raw material prices and reduced costs. The work with product development and increased marketing efforts continues.

In order to clarify our offer and to strengthen our brand, the operations within Wood Solutions are now conducted under a uniform name. The former Byko-Lat in Latvia and Bergs Timber UK have changed their names to Bitus, which was already the name of the Swedish operations.

### SAWN WOOD

In line with the decline in construction, the demand for sawn wood products has decreased. Lower wood product prices combined with continued high or rising raw material prices are putting pressure on sawmill profitability. Production curtailments have so far not been sufficient to restore balance to the market and we still see an uncertain development during the winter.

Our Vika Wood sawmill continues to limit production rates by about 15 percent and our finished goods inventories are at low levels.

**ENERGY & LOGISTICS**

The market for pellets is in balance, which during the quarter resulted in stable prices and margins. During the quarter, we have reduced the production rate by approximately 20 percent as an adjustment to a lower supply of raw materials. Our stock of pellets for the upcoming winter season is normal.

Our English port operation are developing according to plan and the results have gradually improved.

**FUTURE PROSPECTS**

We expect continued good development for Doors & Windows and Furniture & Components. Good capacity utilization and partly a lower cost situation will help us to maintain margins. Wood Solutions is entering a season with lower deliveries and, despite lower costs, we expect small margins for the rest of the year. Sawn Wood has another quarter with squeezed margins, possibly we will be able to see some raw material price reductions during the winter.

Parts of the business are delivering in line with expectations, while several construction-related products are lowering our earnings. Cash flow is expected to remain positive and we are well equipped to act on interesting business opportunities that may arise in the current market situation.

Stockholm, 26 October 2023

**Peter Nilsson**

President and CEO



## Net sales and operating profit

### JULY–SEPTEMBER 2023 COMPARED WITH JULY–SEPTEMBER 2022

Net sales for the third quarter of 2023 amounted to SEK 777 million (708). The increase of SEK 69 million, corresponding to 10 per cent, was attributable to the acquisition of Hedlunda and higher sales volumes in Doors & Windows. Hedlunda was acquired on 29 June 2023 and contributed with SEK 128 million in the third quarter.

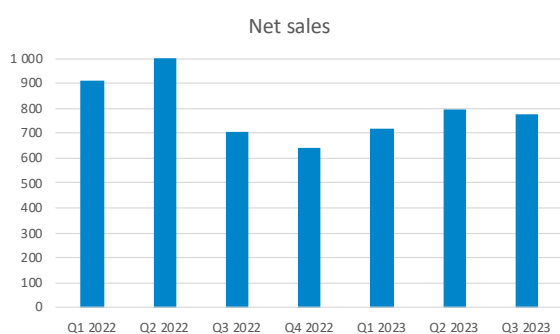
Adjusted EBITDA (adjusted for items affecting comparability) decreased to SEK 29 million (46), which corresponds to an adjusted EBITDA margin of 3.7% (6.5). The decrease was mainly attributable to lower sales prices and volumes in Sawn Wood. The result for Doors & Windows and Furniture & Components was on a satisfying level.

Adjusted operating profit amounted to SEK 2 million (23), which corresponds to an adjusted operating margin of 0.3% (3.2).

Items affecting comparability amounted to SEK 5 million. The items were related to result from sale of land at the port in the UK, electricity cost subsidy in the Swedish operations and costs for the closure of the sawmill in Estonia.

### JANUARY–SEPTEMBER 2023 COMPARED WITH JANUARY–SEPTEMBER 2022

Net sales amounted to SEK 2,285 million (2,627). The decrease of SEK 342 million, corresponding to 13 per cent, was attributable to lower sales prices and sales volumes in Wood Solutions and Sawn Wood. The acquisition of Hedlunda and higher sales volumes in Doors & Windows contributed positively.



Adjusted EBITDA amounted to SEK 58 million (301), which corresponds to an adjusted EBITDA margin of 2.5% (11.5). The decrease was mainly attributable to lower sales prices and sales volumes in Sawn Wood and Wood Solutions. The result for Doors & Windows and Furniture & Components was on a satisfying level.

Adjusted operating profit amounted to SEK –18 million (235), which corresponds to an adjusted operating margin of –0.8% (8.9).

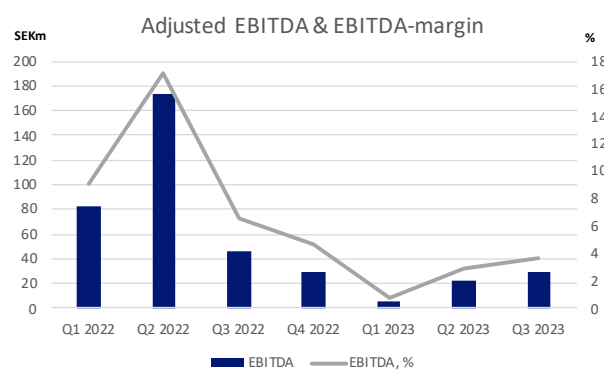
Items affecting comparability amounted to SEK -40 million. The items were related to impairment of fixed assets and costs for the closure of the sawmill in Estonia, result from sale of land at the port in the UK and electricity cost subsidy in the Swedish operations.

### JULY–SEPTEMBER 2023 COMPARED WITH APRIL–JUNE 2023

Net sales amounted to SEK 777 million, compared with SEK 793 million for the second quarter of 2023, down SEK 16 million. The decrease was mainly attributable to lower sales prices and sales volumes in Sawn Wood.

Adjusted EBITDA amounted to SEK 29 million (23), corresponding to an adjusted EBITDA margin of 3.7% (2.9). The increase was primarily related to the acquisition of Hedlunda and lower raw material costs in Wood Solutions. Lower sales prices and volumes in Sawn Wood contributed negatively.

Adjusted operating profit amounted to SEK 2 million (–2), corresponding to an adjusted operating margin of 0.3% (–0.3).



## Cash flow and financing

Cash flow from operating activities for the period January–September amounted to SEK 202 million (411). The cash-flow effects from changes in working capital amounted to SEK 185 million (140). Investments in property, plant and equipment amounted to SEK –125 million (–74).

The Group's net financial debt at 30 September 2023 totalled SEK 177 million, compared to a net cash position of SEK 29 million at 31 December 2022. The net debt/equity ratio was 0.10. The increase in net debt was mainly explained by the acquisition of Hedlunda, SEK 240 million, investments, SEK 125 million and paid dividend of SEK 69 million.

The acquisition of Hedlunda was financed by a new loan facility of SEK 200 million under the existing loan agreement with Danske Bank and SEB. Hedlunda external financing was refinanced in the third quarter by existing financing facilities in the parent company.

Loans and credit facilities on 30 September 2023, SEK million:

LOAN	Limit	Repayments, years			Total utilised
		0–1	1–2	2–	
Term loans		45	45	318	408
Revolving credit facility	400				0
Overdraft facilities	50				0
<b>Total</b>		<b>45</b>	<b>45</b>	<b>318</b>	<b>408</b>

Available cash and cash equivalents, including unutilised credit facilities, totalled SEK 697 million.

Net financial items for the Group for January–September amounted to SEK –6 million (3). The financial items have been positively affected by translation differences related to dividend receivable on subsidiaries, SEK 8 (17) million.

# Business areas

Bergs's operational activities consist of independent subsidiaries with clear responsibilities for results, conducting operations in five different business areas. These are Doors & Windows, Furniture & Components, Wood Solutions, Sawn Wood and Energy & Logistics.

The business areas constitute reporting segments as of 1 January 2023. From the third quarter 2023, Furniture & Components is reported as a new segment. The numbers for 2022 have been restated in accordance with the new segment structure.

BUSINESS AREA	Products
<b>Doors &amp; Windows</b>	Sales and production of doors and windows
<b>Furniture &amp; Components</b>	Sales and production of furniture and components to the furniture industry
<b>Wood Solutions</b>	Sales and production of value-added wood products for various applications. The product offering is categorised into the following product areas: <ul style="list-style-type: none"> <li>• Garden &amp; Landscaping</li> <li>• Facades</li> <li>• Construction</li> <li>• Building Systems</li> </ul>
<b>Sawn Wood</b>	Sales and production of sawn products
<b>Energy &amp; Logistics</b>	Sales and production of pellets and fire logs, as well as the port and distribution operations in the UK

## Net sales

AMOUNTS IN SEK m	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Doors & Windows	203	174	590	480
Furniture & Components	147	17	193	71
Wood Solutions	171	164	593	895
Sawn Wood	189	304	724	1,053
Energy & Logistics	68	64	190	185
Internal net sales	-1	-15	-5	-57
<b>External net sales</b>	<b>777</b>	<b>708</b>	<b>2,285</b>	<b>2,627</b>

## Adjusted EBITDA

AMOUNTS IN SEK m	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Doors & Windows	24	18	67	54
Furniture & Components	13	1	16	6
Wood Solutions	-5	-34	-45	-18
Sawn Wood	-10	43	3	232
Energy & Logistics	11	23	34	47
Joint and eliminations	-4	-5	-17	-20
<b>Adjusted EBITDA</b>	<b>29</b>	<b>46</b>	<b>58</b>	<b>301</b>

**DOORS & WINDOWS**

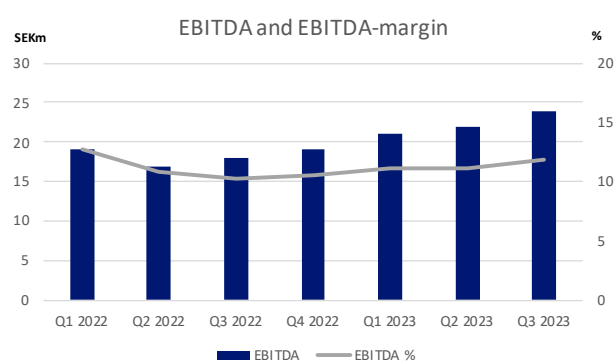
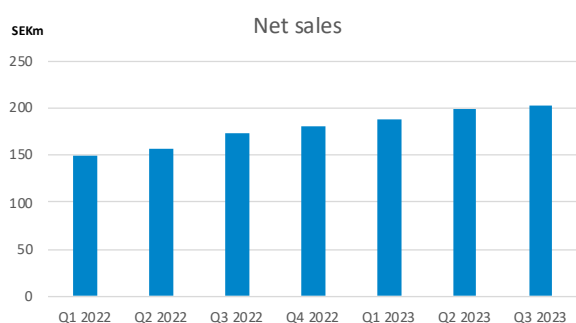
A presentation of the business area can be found on page 23.

AMOUNTS IN SEK m	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	203	174	590	480
EBITDA	24	18	67	54
Operating profit	19	15	53	45
EBITDA margin, %	11.8	10.3	11.4	11.3
Operating margin, %	9.4	8.6	9.0	9.4

Net sales for the third quarter amounted to SEK 203 million (174). The increase was primarily attributable to higher sales volumes.

EBITDA amounted to SEK 24 million (18). The increase is primarily attributable to higher sales volumes.

The higher result compared to the second quarter 2023 is mainly due to higher sales volumes.

**FURNITURE & COMPONENTS**

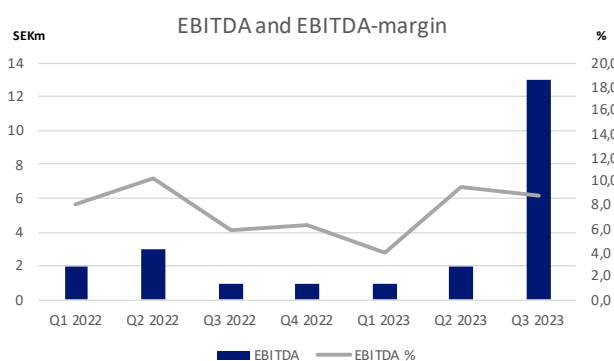
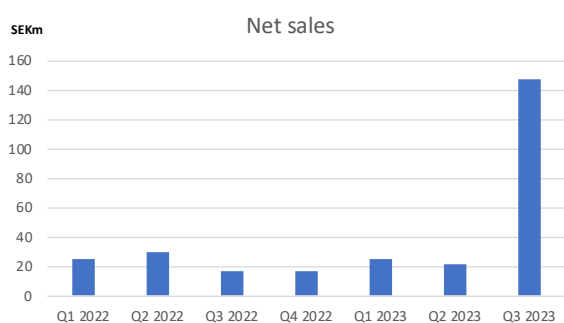
A presentation of the business area can be found on page 23.

AMOUNTS IN SEK m	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	147	17	193	71
EBITDA	13	1	16	6
Operating profit/loss	9	1	12	6
EBITDA margin, %	8.8	5.9	8.3	8.5
Operating margin, %	6.1	5.9	6.2	8.5

Hedlunda is included from the third quarter 2023. Sale of components in the UK, previously included in Wood Solutions, is included from the first quarter 2022.

Net sales for the third quarter amounted to SEK 147 million (17). The increase was attributable to the acquisition of Hedlunda that was made on 29 June 2023. Hedlunda contributed with SEK 128 million in the third quarter.

EBITDA amounted to SEK 13 million (1). The increase was attributable to the acquisition of Hedlunda. Hedlunda contributed with SEK 12 million in the third quarter.



**WOOD SOLUTIONS**

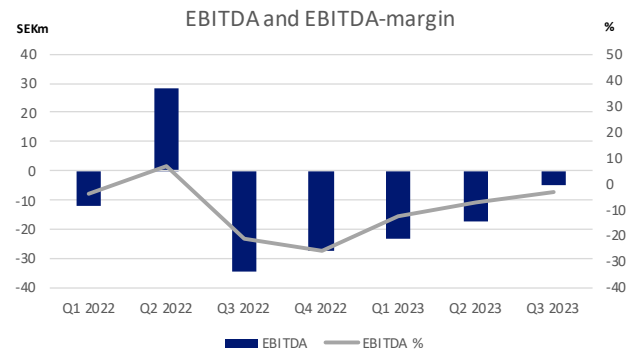
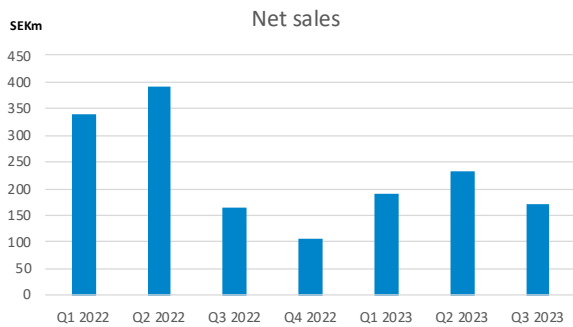
A presentation of the business area can be found on page 23.

AMOUNTS IN SEK m	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	171	164	593	895
Adjusted EBITDA	-5	-34	-45	-18
Adjusted operating profit/loss	-11	-40	-63	-36
Adjusted EBITDA margin, %	-2.9	-20.7	-7.6	-2.0
Adjusted operating margin, %	-6.4	-24.4	-10.6	-4.0

Net sales for the third quarter amounted to SEK 171 million (164). The increase was attributable to higher sales volumes.

EBITDA amounted to SEK -5 million (-34). The improvement was attributable to lower raw material costs.

The improved result compared to the second quarter 2023 was mainly attributable to lower raw material costs.



**SAWN WOOD**

A presentation of the business area can be found on page 23.

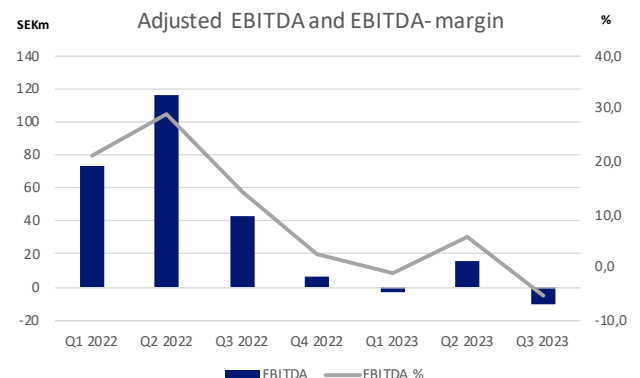
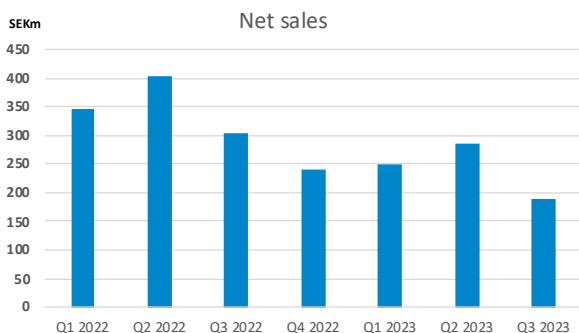
AMOUNTS IN SEK m	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	189	304	724	1,053
Adjusted EBITDA	-10	43	3	232
Adjusted operating profit/loss	-11	34	-22	207
Adjusted EBITDA margin, %	-5.3	14.1	0.4	22.0
Adjusted operating margin, %	-9.0	11.2	-3.0	19.7
Sales volumes, '000 m <sup>3</sup>	60	73	212	258
Production volume, '000 m <sup>3</sup>	54	81	211	266

Adjusted EBITDA amounted to SEK -10 million (43). The lower earnings were attributable primarily to lower sales prices and lower sales- and production volumes. Sales prices were about 35% lower and the sales volumes 18% lower.

The sawmill in Estonia was closed during the third quarter and included in the segment. Adjusted EBITDA for the period January-September amounted to SEK 0 (22) million. Sales- and production volumes for the same period was 21 (40) '000 m<sup>3</sup> and 20 (46) '000 m<sup>3</sup> respectively.

The lower result compared to the second quarter 2023 was mainly explained by lower sales prices.

Net sales for the third quarter amounted to SEK 189 million (304). The decrease was attributable to lower sales prices and sales volumes.





## ENERGY &amp; LOGISTICS

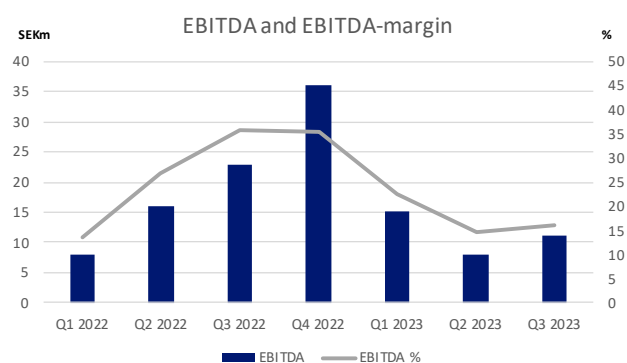
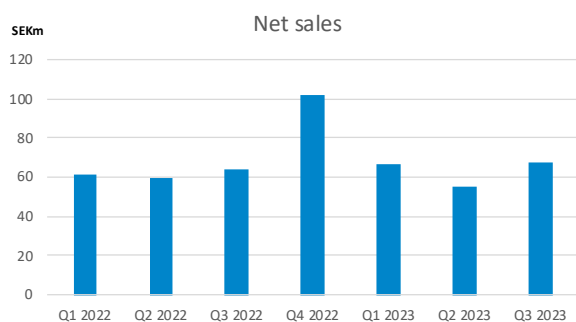
A presentation of the business area can be found on page 23.

AMOUNTS IN SEK m	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	68	64	190	185
Adjusted EBITDA	11	23	34	47
Adjusted operating profit/loss	6	18	18	32
Adjusted EBITDA margin, %	16.2	35.9	17.9	25.4
Adjusted operating margin, %	8.8	28.1	9.5	17.3

Net sales for the third quarter amounted to SEK 68 million (64). The increase in net sales were attributable to higher volumes in the port distribution business. Net sales of pellets amounted to SEK million 47 (49).

EBITDA amounted to SEK 11 million (23). The lower profit was primarily explained by higher raw material costs in the pellet business. EBITDA for the pellet business was SEK 9 million (21).

The higher result compared to the second quarter 2023 was explained by higher sales prices and sales volumes for pellets.



# Other information

## TAX

Recognised tax for the period January–September amounted to SEK –12 million (0). The effective tax rate was –18 per cent, lower than Sweden's corporate tax rate. The lower effective tax rate was attributable to no tax having been recognised for the Baltic companies.

In Latvia and Estonia, the corporate income tax is 0 per cent on reinvested profits. Corporate tax is applicable and payable when dividends are distributed. No corporate income taxes have been recognised for the Group companies in the Baltics. Unrecognised deferred taxes regarding undistributed profits in the Baltic companies totalled approximately SEK 216 million at 30 September 2023.

## SEASONAL FLUCTUATIONS

Bergs's business is subject to seasonal fluctuations. The demand for processed wood products in the construction sector is generally higher in April–October. The demand for sawn products is normally higher in March–June and September–November. Sales volumes during the winter and summer months are normally lower. The market for pellets correlates to the winter season. The production volume in the sawmills is lower in the third quarter as a result of the summer holidays and maintenance work.

## GEOPOLITICAL SITUATION

Bergs is affected by the war in Ukraine through its effects on economic development and price development for, among other things, timber, saw logs, energy and other inputs. We see higher interest rates and inflation that is cooling down the economy and, in the short term, affect the demand for our products. There is also a risk that credit risks will increase in the business.

The Group complies with applicable sanctions and regulations and has suspended all purchases from Russia and Belarus. Bergs has previously had raw material supply to our unit in Latvia within Wood Solutions from Russia and Belarus. These volumes have been compensated by increased purchases from other established suppliers in the Baltics and Scandinavia. Bergs has not had any sales to Russia or Belarus.

## ACQUISITIONS

Bergs Timber AB (publ) acquired all shares in Hedlunda Holding AB ("Hedlunda") on 29 June 2023. Hedlunda is a state-of-the-art manufacturer of wooden furniture and components with production facilities in Sweden (Lycksele) and Poland (Skoczów). The acquisition strengthens Bergs's offer in wood processing and broadens the business towards the furniture sector. Together with Bergs's existing business within component sales to industrial customers, Hedlunda form a new business area, Furniture & Components.

The acquired business was included in Bergs from 29 June 2023. The purchase price on a cash and debt-free basis amounted to SEK 240 million and the purchase price for the shares amounted to SEK 140 million. An additional purchase price based on earnings development over the next two financial years may be paid to the sellers. A liability of SEK 8 million for the contingent consideration was recognised as of 30 June.

The purchase price was financed by a new loan facility of SEK 200 million under the existing loan agreement with Danske Bank and SEB.

For more information on the acquisition, see note 4.

## EVENTS AFTER THE END OF THE QUARTER

There are no events after the quarter to report.

## PARENT COMPANY

The activities of the Parent Company pertain to the management of shares in subsidiaries, Group-wide administrative tasks and Group financing. Loss after financial items for the Parent Company for January–September amounted to SEK –26 million (–8).

## ANNUAL GENERAL MEETING

The annual general meeting will be held on 7 May 2024. Place and date will be communicated later.

## CALENDAR

Year-end report for 2023	31 January 2024
Interim report January-March	7 May 2024
Annual general meeting	7 May 2024
Interim report January-June	24 July 2024
Interim report January-September	25 October 2024
Year-end report for 2024	30 January 2025

The undersigned certify that the interim report gives a true and fair view of the Company's and Group's operations, financial position and result of operations, and describes material risks and uncertainties facing the Company and the companies included in the Group.

Stockholm, 26 October 2023  
Bergs Timber AB (publ)

**Peter Nilsson**  
President and CEO

Further information regarding the interim report can be provided by the CEO, Peter Nilsson, on telephone number +46 70 315 09 27 or CFO, Anders Marklund, on +46 70 284 47 96.

The information in this interim report is such that Bergs Timber AB (publ) is required to disclose pursuant to the EU's Market Abuse Regulation. The information was released for publication on 26 October 2023 at 1:00 p.m. CET. The interim report is available on the company's website, [www.bergstimber.com](http://www.bergstimber.com)

Bergs Timber AB (publ), corporate registration no: 556052-2798, Västra Trädgårdsgatan 15, SE-111 53 Stockholm, Sweden.  
Tel: +46 (0)10-199 84 00

## Review Report

Bergs Timber AB (publ), corp. reg. no. 556052-2798

### INTRODUCTION

We have reviewed the condensed interim financial information (interim report) for Bergs Timber (publ), as of September 30, 2023 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

We conducted our 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 less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Kalmar, 26 October 2023

Deloitte AB

**Magnus Andersson**  
Authorised Public Accountant

# Condensed consolidated income statement

AMOUNTS IN SEK m	2023 Jul-Sep 3 months	2022 Jul-Sep 3 months	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months	2022 Jan-Dec 12 months
Net sales	777	708	2,285	2,627	3,267
Changes to products in process and finished goods	-50	-1	-94	14	-7
Other operating income	18	7	24	12	20
<b>Total</b>	<b>745</b>	<b>714</b>	<b>2,215</b>	<b>2,653</b>	<b>3,280</b>
<b>Operating expenses</b>					
Raw materials and consumables	-433	-430	-1,377	-1,611	-1,975
Other external costs	-134	-133	-413	-428	-551
Personnel costs	-143	-104	-370	-312	-422
Profit from shares in associated companies	-1	-1	-3	-1	-1
Depreciation/amortisation and impairment	-28	-23	-111	-66	-90
<b>Total operating expenses</b>	<b>-739</b>	<b>-691</b>	<b>-2,274</b>	<b>-2,418</b>	<b>-3,039</b>
<b>Operating profit</b>	<b>6</b>	<b>23</b>	<b>-59</b>	<b>235</b>	<b>241</b>
Finance income	-6	4	16	14	20
Financial expenses	-10	-4	-22	-11	-17
<b>Profit after financial items</b>	<b>-10</b>	<b>23</b>	<b>-65</b>	<b>238</b>	<b>244</b>
Tax on profit for the period	-9	-1	-12	0	-13
<b>Profit for the period</b>	<b>-19</b>	<b>22</b>	<b>-77</b>	<b>238</b>	<b>231</b>
Attributable to					
Parent Company shareholders	-19	22	-77	238	231
Non-controlling interests	-	-	-	-	-
Earnings per share, before and after dilution, SEK	-0.55	0.63	-2.22	6.86	6.66
Average number of shares, thousands	34,673	34,673	34,673	34,673	34,673

# Statement of comprehensive income (net after tax)

AMOUNTS IN SEK m	2023 Jul-Sep 3 months	2022 Jul-Sep 3 months	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months	2022 Jan-Dec 12 months
Profit for the period	-19	22	-77	238	231
Change in hedge reserve (net after tax)	-4	29	-16	29	11
Translation differences	-30	22	42	66	88
<b>Comprehensive income for the period</b>	<b>-53</b>	<b>73</b>	<b>-51</b>	<b>333</b>	<b>330</b>
Attributable to:					
Parent Company shareholders	-53	73	-51	333	330
Non-controlling interests	-	-	-	-	-

# Condensed consolidated balance sheet

AMOUNTS IN SEK m	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	364	351	355
Property, plant and equipment, incl. right-of-use assets	1,047	880	888
Financial assets	23	8	10
Deferred tax assets	24	23	22
<b>Total non-current assets</b>	<b>1,458</b>	<b>1,262</b>	<b>1,275</b>
<b>Current assets</b>			
Inventory	522	709	705
Current receivables	379	341	219
Non-current assets held for sale	44	–	–
Cash and bank balances	247	310	268
<b>Total current assets</b>	<b>1,192</b>	<b>1,360</b>	<b>1,192</b>
<b>TOTAL ASSETS</b>	<b>2,650</b>	<b>2,622</b>	<b>2,467</b>
<b>Equity and liabilities</b>			
Equity	1,722	1,845	1,842
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	375	218	211
Other non-current liabilities and provisions	10	5	5
Deferred tax liabilities	38	38	35
<b>Total non-current liabilities</b>	<b>423</b>	<b>261</b>	<b>251</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	49	127	29
Liabilities attributable to assets held for sale	23	–	–
Non-interest bearing liabilities	433	389	345
<b>Total current liabilities</b>	<b>505</b>	<b>516</b>	<b>374</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,650</b>	<b>2,622</b>	<b>2,467</b>

## Changes in equity (no minority exists)

AMOUNTS IN SEK m	2023 Jul–Sep 3 months	2022 Jul–Sep 3 months	2023 Jan–Sep 9 months	2022 Jan–Sep 9 months	2022 Jan–Dec 12 months
Equity, opening balance	1,775	1,771	1,842	1,616	1,616
Comprehensive income for the period	–53	73	–51	333	330
Dividend paid	–	–	–69	–104	–104
<b>Total equity at the end of the period</b>	<b>1,722</b>	<b>1,845</b>	<b>1,722</b>	<b>1,845</b>	<b>1,842</b>

# Condensed cash flow statement

AMOUNTS IN SEK m	2023 Jul-Sep 3 months	2022 Jul-Sep 3 months	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months	2022 Jan-Dec 12 months
<b>Operating activities</b>					
Profit after financial items	-11	23	-65	238	244
Adjustments for non-cash items*	19	13	99	48	66
Income taxes paid	-10	9	-17	-15	-18
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2</b>	<b>45</b>	<b>17</b>	<b>271</b>	<b>292</b>
Change in inventories	88	134	290	78	94
Change in operating receivables	74	178	-97	54	157
Change in operating liabilities	-23	-52	-8	8	-52
<b>Cash flow from operating activities</b>	<b>137</b>	<b>305</b>	<b>202</b>	<b>411</b>	<b>491</b>
<b>Investing activities</b>					
Business combination	-	-37	-132	-45	-45
Acquisition of property, plant and equipment	-31	-23	-125	-74	-107
Sale of property, plant and equipment	47	0	47	0	18
Change in financial assets	1	-1	-13	-1	-3
<b>Cash flow from investment activities</b>	<b>17</b>	<b>-60</b>	<b>-223</b>	<b>-120</b>	<b>-137</b>
<b>Financing activities</b>					
Change in financial receivables and liabilities	-119	-107	69	26	-80
Paid dividend	-	-	-69	-104	-104
<b>Cash flow from financing activities</b>	<b>-119</b>	<b>-107</b>	<b>0</b>	<b>-78</b>	<b>-184</b>
<b>Cash flow for the period</b>	<b>35</b>	<b>138</b>	<b>-21</b>	<b>213</b>	<b>170</b>
<b>Cash and cash equivalents at start of period</b>	<b>212</b>	<b>172</b>	<b>268</b>	<b>94</b>	<b>94</b>
<b>Translation differences in cash and cash equivalents</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>4</b>
<b>Cash and cash equivalents at end of period</b>	<b>247</b>	<b>310</b>	<b>247</b>	<b>310</b>	<b>268</b>

\*) Pertains primarily to depreciation, impairment and unrealised exchange rate effects.

# The Group's key performance indicators and targets

AMOUNTS IN SEK m	Financial targets	2023 Jul-Sep 3 months	2022 Jul-Sep 3 months	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months	2022 Jan-Dec 12 months
Net sales		777	708	2,285	2,627	3,267
EBITDA		34	46	52	301	331
Adjusted EBITDA (adjusted for items affecting comparability)		29	46	58	301	331
Adjusted EBITDA margin, %	>9	3.7	6.5	2.5	11.5	10.1
Operating profit/loss		6	23	-59	235	241
Adjusted operating profit/loss		2	23	-18	235	241
Adjusted operating margin, %		0.3	3.2	-0.8	8.9	7.4
Return on capital employed, %, 12 months		-	-	-	-	13.0
Earnings per share, before and after dilution, SEK		-0.55	0.63	-2.22	6.86	6.66
Interest-bearing net debt		177	34	177	34	-29
Net debt/equity ratio	<1.0	0.10	0.02	0.10	0.02	-0.02
Equity/assets ratio, %		65.0	70.4	65.0	70.4	74.7
Average number of shares, thousands		34,673	34,673	34,673	34,673	34,673
Equity per share, SEK		49.66	53.21	49.66	53.21	53.12

Note: For a reconciliation of alternative performance measures incl. adjusted EBITDA and adjusted operating profit and corresponding margins, see page 20-21.



# Condensed Parent Company statement of income

AMOUNTS IN SEK m	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months
Other operating income	3	4
<b>Total</b>	<b>3</b>	<b>4</b>
<b>Operating expenses</b>		
Other external costs	-11	-12
Personnel costs	-13	-11
Depreciation	0	0
<b>Total operating expenses</b>	<b>-24</b>	<b>-23</b>
<b>Operating loss</b>	<b>-21</b>	<b>-19</b>
Finance income	23	21
Financial expenses	-28	-10
<b>Loss after financial items</b>	<b>-26</b>	<b>-8</b>
Tax on profit for the period	2	1
<b>Profit/loss for the period</b>	<b>-24</b>	<b>-7</b>

# Condensed Parent Company balance sheet

AMOUNTS IN SEK m	30 Sep 2023	30 Sep 2022
<b>Assets</b>		
<b>Property, plant and equipment</b>	<b>0</b>	<b>0</b>
Financial assets	1,495	1,226
<b>Total non-current assets</b>	<b>1,495</b>	<b>1,226</b>
Receivables from Group companies	90	57
Other current receivables	8	7
Cash and bank balances	195	259
<b>Total current assets</b>	<b>293</b>	<b>323</b>
<b>TOTAL ASSETS</b>	<b>1,788</b>	<b>1,549</b>
<b>Liabilities and equity</b>		
<b>Equity</b>	<b>676</b>	<b>741</b>
Untaxed reserves	28	21
Non-current liabilities	371	213
Current liabilities	713	574
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,788</b>	<b>1,549</b>

# Notes

## 1. ACCOUNTING POLICIES

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act. Other accounting policies and calculation methods that are applied for the Group and the Parent Company conform to the principles that were used when preparing the most recent annual report for 2022; refer to pages 75–80.

Disclosures according to IAS 34 Interim Financial Reporting are provided both in notes and elsewhere of the interim report. Amounts in brackets refer to the amount for the same period in the previous financial year, unless otherwise stated. There may be differences due to rounding.

## 2. EXTERNAL NET SALES BY MARKET

Income is recognised at a point in time, normally upon delivery, and income essentially pertains only to sawn and processed wood products.

January–September 2023 AMOUNTS IN SEK m	Doors & Windows	Furniture & Components	Wood Solutions	Sawn Wood	Energy & Logistics	Group total
Sweden	11	10	114	0	27	162
UK	467	69	117	33	60	746
Baltics	0	0	22	446	13	481
Rest of Europe	110	96	318	104	90	718
Rest of world	2	18	21	137	0	178
<b>Total external net sales</b>	<b>590</b>	<b>193</b>	<b>592</b>	<b>720</b>	<b>190</b>	<b>2,285</b>

January–September 2022 AMOUNTS IN SEK m	Doors & Windows	Furniture & Components	Wood Solutions	Sawn Wood	Energy & Logistics	Group total
Sweden	5	–	176	0	32	212
UK	398	71	193	39	56	758
Baltics	0	–	31	529	13	573
Rest of Europe	77	–	480	171	82	810
Rest of world	0	–	15	257	2	274
<b>Total external net sales</b>	<b>480</b>	<b>71</b>	<b>894</b>	<b>996</b>	<b>185</b>	<b>2,627</b>

## 3. FINANCIAL INSTRUMENTS BY CATEGORY

AMOUNTS IN SEK m	Level	Carrying amount 30 Sep 2023	Fair value 30 Sep 2023	Carrying amount 30 Jun 2023	Fair value 30 Jun 2023
<b>Financial assets at amortised cost</b>					
Financial Investment	–	10	10	10	10
Non-current receivables	–	7	7	6	6
Trade receivables	–	300	300	378	378
Other receivables	–	28	28	26	26
Cash and cash equivalents	–	247	247	212	212
<b>Derivatives for hedge accounting</b>					
Derivatives	2	0	0	0	0
		<b>592</b>	<b>592</b>	<b>632</b>	<b>632</b>
<b>Financial liabilities measured at amortised cost</b>					
Non-current interest-bearing liabilities	–	367	367	459	459
Accounts payable	–	179	179	172	172
Current interest-bearing liabilities	–	49	49	76	76
Other liabilities	–	46	46	59	59
<b>Financial liabilities valued at fair value via the income statement</b>					
Contingent Considerations (Earnout)	3	8	8	8	8
<b>Derivatives for hedge accounting</b>					
Derivatives	2	6	6	1	1
		<b>655</b>	<b>655</b>	<b>775</b>	<b>775</b>

Fair value of electricity derivatives are equal to the market value of the contracts at the balance sheet date, which is recognised under level 2. Fair value in level 2 is determined by using forward rates on the balance sheet date. Fair value is calculated through discounted cash flows and current forward rates are taken from market quotations. Liabilities to credit institutions run with variable interest and a market-based credit margin, which is why fair value corresponds to carrying amount. The financial liabilities valued at fair value via profit/loss consist of contingent considerations for business combinations and the valuation belongs to level 3. The fair value of the Group's contingent considerations has been calculated as the current value of the amount expected to be paid according to the purchase contract.

Valuation levels:

- 1: Quoted prices in an active market for identical assets or liabilities, such as shares or obligations listed on the stock market.
- 2: Other observable inputs for the asset or liability than quoted prices included in Level 1, either direct (as quoted market prices) or indirect (obtained from quoted market prices), such as foreign exchange forwards, electricity futures or rate swaps.
- 3: Data for the asset or liability that is not completely based on observable market data.

#### 4. ACQUISITIONS

On June 29 2023, Bergs acquired the Swedish company Hedlunda Holding AB, which is the parent company for a business with production facilities in Sweden and Poland. Hedlunda is a state-of-the-art manufacturer of wooden furniture and components. The acquired business is recognised in Bergs from 29 June 2023 and from the third quarter 2023 reported as a new business segment, Furniture & Components.

##### Purchase price allocation

The purchase method has been used for the reporting of the acquisition. A preliminary purchase price allocation has been prepared as shown in the table below.

Amounts in SEK million

<b>Purchase consideration, cash</b>			<b>140</b>
<b>Contingent Considerations (Earnout)</b>			<b>8</b>
<b>Acquired assets and liabilities</b>	<b>Book value</b>	<b>Fair value adjustment</b>	<b>Fair value</b>
Property, plant and equipment	137	8	145
Right-of-use assets and financial assets	37		37
Inventories	85		85
Other current assets	69		69
Cash and cash equivalents	8		8
Non-current interest-bearing liabilities	-65		-65
Other non-current liabilities and provisions	-4		-4
Current liabilities interest bearing liabilities	-48		-48
Current liabilities non-interest bearing liabilities	-79		-79
	<b>140</b>	<b>8</b>	<b>148</b>

##### Cash flow effect

Amounts in SEK m

<b>Purchase consideration, cash</b>	<b>-140</b>
Cash and cash equivalents in acquired group	8
Transaction costs	-5
	<b>-137</b>

Transaction costs amounted to SEK 5 million and are included in other external costs in the income statement. The fair value of the contingent considerations has been calculated as the current value of the amount expected to be paid according to the contract. The acquired Hedlunda group was consolidated as of 29 June 2023 and contributed SEK 128 million in net sales and SEK 8 million in operating profit for the period 29 June-30 September 2023. If the group had been consolidated as of 1 January 2023, it would have contributed SEK 418 million in net sales and SEK 33 million in operating profit.

The table below shows historical figures for the business.

<b>AMOUNTS IN SEK m</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Full year</b>
Net sales	143	147	163	137	168	166	635
EBITDA	18	17	23	13	15	13	63
EBITDA margin, %	12.7	11.3	14.1	9.2	8.8	7.5	9.9
Operating profit/loss	13	12	19	9	11	9	48
Operating margin, %	9.1	8.2	11.6	6.3	6.7	5.3	7.5

#### 5. NON-CURRENT ASSETS HELD FOR SALE

Assets are classified as held for sale if their value, within one year, will be recovered through a sale and not through continued use in the operations. On the reclassification date, the assets are measured and the lower of fair value and the carrying amount. The assets are no longer depreciated/amortized after reclassification.

On 30 September, non-current assets held for sale amounted to SEK 44m and were attributable to the divestment of tangible assets of operations in Laesti sawmill in Estonia. The assets were measured to fair value in accordance with letter of intent with the buyer and impairment of SEK 34m has affected the result for the sawmill segment in the second quarter. On 30 September, liabilities attributable to assets held for sale amounted to SEK 23m and were attributable to advance of purchase price received. The remaining purchase price will be received on 1 November 2023.

#### 6. INFORMATION ON RISKS AND UNCERTAINTIES

##### Business cycle

Bergs operates in a competitive and cyclical market. Prices and volumes for wood products are largely dependent on the balance between supply and demand on a global level with large variations over time. The cost of raw materials constitutes a large part of the product's value and makes Bergs sensitive to price development and access to raw material. The raw material is preferably sourced in the immediate area and the supply and demand of the raw material affects pricing to a large extent in the short term.

### Financial risks

Bergs is exposed to financial risks, which are primarily related to liquidity and cash flow risks in conjunction with liquidity and liability management and currency risks in export transactions. A large part of the financing is dependent on fulfilling conventional financial undertakings. Regarding exposure to exchange rate risk, the Group's policy states that certain part of the expected currency flow for the next six months can be hedged.

### Geopolitical risks

Bergs is affected by the war in Ukraine through its effects on economic development and price development for, among other things, timber, saw logs, energy and other inputs. We see higher interest rates and inflation that will cool down the economy and, in the short term, affect the demand for our products. There is also a risk that credit risks will increase in the business.

The Group complies with applicable sanctions and regulations and has suspended all purchases from Russia and Belarus. Bergs has previously had raw material supply to our unit in Latvia within Wood Solutions from Russia and Belarus. These volumes have been compensated by increased purchases from other established suppliers in the Baltics and Scandinavia. Bergs has not had any sales to Russia or Belarus.

### Cost of fixed assets

Owing to the existence of goodwill, the recognised cost of fixed assets is tested for impairment. The test is based on our best assessment of the future performance. The testing performed in conjunction with the previous year-end report showed that there was no need for impairment. We have not identified any need for impairment during the current year despite a negative earnings trend in the Wood Solutions segment. The business has shown good profitability over time but was negatively affected by lower demand during the previous year. A future negative deviation may affect the recognised cost of fixed assets. For a further description of impairment testing please, refer to page 92 of the 2022 Annual Report.

For a complete presentation of the identified risk as well as the company's risk management efforts, refer to pages 51–55 of the 2022 Annual Report.

## 7. RELATED-PARTY TRANSACTIONS

Transactions with Board members, senior executives and companies related to them have not been of such scope that they had any material impact on the Group's financial position and earnings.

The Parent Company has conducted transactions with the Group's subsidiaries in the form of sales of management and administration services. The scope of transactions with related parties has not changed compared to the information provided in the 2022 Annual Report.

Bergs has increased the ownership share in the partially owned company Wood Tube Sweden AB, to about 30 percent. Furthermore the company has loans from the Parent Company totalling SEK 6 million.

## 8. ALTERNATIVE PERFORMANCE MEASURES

Bergs presents key performance indicators (KPI) in the interim report that supplement the financial measures defined according to IFRS, known as alternative performance measures (APM). The company believes that these performance measures provide valuable information to investors and the company's management since they enable, among other things, measurement of the company's performance, trends and financing. Because not all companies calculate financial key performance indicators in the same way, these are not always comparable. The alternative performance measures should be regarded as a supplement to the key performance indicators defined under IFRS. For further definitions and reasons for use, please refer to pages 99–100 of the 2022 Annual Report.

### Definitions of key performance indicators

EBITDA	Operating profit before depreciation/amortisation and impairment of tangible and intangible assets
EBITDA margin	EBITDA as a percentage of net sales
Adjusted EBITDA	Operating profit before depreciation/amortisation and impairment of tangible and intangible assets, adjusted for items affecting comparability
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales
Operating profit	Earnings before financial items and tax
Operating margin	Operating profit as a percentage of net sales
Adjusted operating profit	Earnings before financial items and tax, adjusted for items affecting comparability
Adjusted operating margin	Operating profit as a percentage of net sales, adjusted for items affecting comparability
Return on capital employed	Profit/loss after financial items plus financial expenses in relation to the average capital employed
Capital employed	Equity plus interest-bearing liabilities and provisions
Interest-bearing net debt	Interest-bearing liabilities and provisions less cash and cash equivalents and current investments
Net debt/equity ratio	Net interest-bearing liabilities in relation to equity
Equity/assets ratio	Equity as a percentage of the balance-sheet total
Equity per share	Equity in relation to the total number of shares outstanding
Items affecting comparability	Items affecting comparability comprise the financial effects from events or transactions with significant consequences that are relevant to understanding earnings when comparing between periods. Items affecting comparability encompasses items of a non-recurring nature and may be attributable to restructuring, depreciation, acquisition and profit or loss from sales of operations.
Production volume	Nominal sawn volume in cubic metres less estimated offcuts and wastage in further internal production processes
Sales volumes	Nominal delivered volume in cubic metres (volume calculated before planing, if any)

## 8. ALTERNATIVE PERFORMANCE MEASURES, CONT.

## RECONCILIATION TABLE

AMOUNTS IN SEK m	2023 Jul-Sep 3 months	2022 Jul-Sep 3 months	2023 Jan-Sep 9 months	2022 Jan-Sep 9 months	2022 Jan-Dec 12 months
Equity	-	-	-	-	1,842
Interest-bearing liabilities	-	-	-	-	240
Provisions	-	-	-	-	6
<b>Capital employed</b>	-	-	-	-	<b>2,088</b>
Profit after financial items	-	-	-	-	244
Financial expenses	-	-	-	-	17
<b>Total</b>	-	-	-	-	<b>261</b>
Average capital employed	-	-	-	-	2,013
<b>Return on capital employed, %</b>	-	-	-	-	<b>13.0</b>
Interest-bearing liabilities, non-current	375	218	375	218	211
Interest-bearing liabilities, current	49	127	49	127	29
Total interest-bearing liabilities	424	345	424	345	240
Cash and cash equivalents	-247	-310	-247	-310	-268
<b>Interest-bearing net debt</b>	<b>177</b>	<b>34</b>	<b>177</b>	<b>34</b>	<b>-29</b>
Interest-bearing net debt	177	34	177	34	-29
Equity	1,722	1,845	1,722	1,845	1,842
<b>Net debt/equity ratio</b>	<b>0.10</b>	<b>0.02</b>	<b>0.10</b>	<b>0.02</b>	<b>-0.02</b>
Equity	1,722	1,845	1,722	1,845	1,842
Total assets	2,650	2,622	2,650	2,622	2,467
<b>Equity/assets ratio, %</b>	<b>65.0</b>	<b>70.4</b>	<b>65.0</b>	<b>70.4</b>	<b>74.7</b>
Operating profit/loss	6	23	-59	235	241
Depreciation, amortisation and impairment	28	23	111	66	90
<b>EBITDA</b>	<b>34</b>	<b>46</b>	<b>52</b>	<b>301</b>	<b>331</b>
Items affecting comparability	-5	-	6	-	-
<b>Adjusted EBITDA</b>	<b>29</b>	<b>46</b>	<b>58</b>	<b>301</b>	<b>331</b>
Net sales	777	708	2,285	2,627	3,267
<b>Adjusted EBITDA margin, %</b>	<b>3.7</b>	<b>6.5</b>	<b>2.5</b>	<b>11.5</b>	<b>10.1</b>
Operating profit/loss	6	23	-59	235	241
Net sales	777	708	2,285	2,627	3,267
<b>Operating margin, %</b>	<b>0.8</b>	<b>3.2</b>	<b>-2.6</b>	<b>8.9</b>	<b>7.4</b>
Operating profit/loss	6	23	-59	235	241
Items affecting comparability	-5	-	40	-	-
<b>Adjusted operating profit/loss</b>	<b>2</b>	<b>23</b>	<b>-18</b>	<b>235</b>	<b>241</b>
Net sales	777	708	2,285	2,627	3,267
<b>Adjusted operating margin, %</b>	<b>0.3</b>	<b>3.2</b>	<b>-0.8</b>	<b>8.9</b>	<b>7.4</b>

## SPECIFICATION OF ITEMS AFFECTING COMPARABILITY

AMOUNTS IN SEK m	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2022 Full year
Transaction costs for acquisition of Hedlunda	-	-5	-	-	-	-	-	-
Closure of Laesti sawmill	-10	-6	-	-	-	-	-	-
Electricity subsidy & result from divestment part of port	15	-	-	-	-	-	-	-
<b>Impact on EBITDA</b>	<b>5</b>	<b>-11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Impairment of non-current assets held for sale	-	-34	-	-	-	-	-	-
<b>Impact on operating profit</b>	<b>5</b>	<b>-45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Items affecting comparability recognised in Q3 2023 pertain to the Energy & Logistics segment amounted to SEK 12m and the rest to the Wood Solutions- and Sawn Wood segments. Items affecting comparability recognised in Q2 2023 pertain to the Sawn Wood segment amounted to SEK 40m and the rest to joint and elimination.

## 9. QUARTERLY OUTCOME BY SEGMENT

Segments are monitored and reported including operating profit.

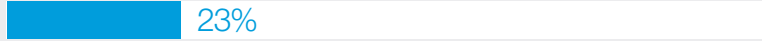
### STATEMENT OF INCOME

AMOUNTS IN SEK m	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2022 Full year
<b>Net sales</b>	<b>777</b>	<b>793</b>	<b>715</b>	<b>640</b>	<b>708</b>	<b>1,009</b>	<b>910</b>	<b>3,267</b>
Doors & Windows	203	199	188	181	174	156	150	661
Furniture & Components	147	21	25	16	17	29	25	87
Wood Solutions	171	233	189	105	164	391	340	1,000
Sawn Wood	189	287	248	239	304	403	346	1,292
Energy & Logistics	68	55	67	102	64	60	61	287
Joint and elim	-1	-2	-2	-3	-15	-30	-12	-60
<b>Adjusted EBITDA</b>	<b>29</b>	<b>23</b>	<b>6</b>	<b>30</b>	<b>46</b>	<b>173</b>	<b>82</b>	<b>331</b>
Doors & Windows	24	22	21	19	18	17	19	73
Furniture & Components	13	2	1	1	1	3	2	7
Wood Solutions	-5	-17	-23	-27	-34	28	-12	-45
Sawn Wood	-10	16	-3	6	43	116	73	238
Energy & Logistics	11	8	15	36	23	16	8	83
Joint and elim	-4	-8	-5	-5	-5	-7	-8	-25
<b>Adjusted EBITDA margin, %</b>	<b>3.7</b>	<b>2.9</b>	<b>0.8</b>	<b>4.7</b>	<b>6.5</b>	<b>17.1</b>	<b>9.0</b>	<b>10.1</b>
Doors & Windows	11.8	11.1	11.2	10.5	10.3	10.9	12.7	11.0
Furniture & Components	8.8	9.5	4.0	6.3	5.9	10.3	8.0	8.0
Wood Solutions	-2.9	-7.3	-12.2	-25.7	-20.7	7.2	-3.5	-4.5
Sawn Wood	-5.3	5.6	-1.2	2.5	14.1	28.8	21.1	18.4
Energy & Logistics	16.2	14.5	22.4	35.3	35.9	26.7	13.1	28.9
<b>Adjusted Operating profit/loss</b>	<b>2</b>	<b>-2</b>	<b>-18</b>	<b>6</b>	<b>23</b>	<b>151</b>	<b>61</b>	<b>241</b>
Doors & Windows	19	17	17	14	15	14	16	59
Furniture & Components	9	2	1	1	1	3	2	7
Wood Solutions	-11	-23	-29	-33	-40	22	-18	-69
Sawn Wood	-17	7	-12	-4	34	108	65	203
Energy & Logistics	6	2	10	30	18	11	3	62
Joint and elim	-4	-7	-5	-2	-5	-7	-7	-21
<b>Adjusted Operating margin, %</b>	<b>0.3</b>	<b>-0.3</b>	<b>-2.5</b>	<b>0.9</b>	<b>3.2</b>	<b>15.0</b>	<b>6.7</b>	<b>7.4</b>
Doors & Windows	9.4	8.5	9.0	7.7	8.6	9.0	10.7	8.9
Furniture & Components	6.1	9.5	4.0	6.3	5.9	10.3	8.0	8.0
Wood Solutions	-6.4	-9.9	-15.3	-31.4	-24.4	5.6	-5.3	-6.9
Sawn Wood	-9.0	2.4	-4.8	-1.7	11.2	26.8	18.8	15.7
Energy & Logistics	8.8	3.6	14.9	29.4	28.1	18.3	4.9	21.6

Furniture & Components refers to Hedlunda and the distribution business in England. Hedlunda is recognised from the third quarter of 2023 and the distribution business in England from the first quarter of 2022. The distribution business was previously recognised in Wood Solutions.

# This is Bergs – an international wood products Group

## Business areas



### Doors & Windows

The business area includes the marketing, design, manufacture and installation of high-quality and custom-made windows and doors. The market consists both of owners of private residences with high demands on quality and appearance, as well as a contract market for larger remodeling projects in culturally historically valuable environments. Manufacturing takes place at our own production facilities in Great Britain, Poland and Latvia.



### Furniture & Components

The business area includes the manufacture of furniture and furniture components based on renewable wood raw material. With high demands on quality, capacity and durability, wood raw material is processed into furniture and components that are packed and distributed to users in a large number of countries. Manufacturing is carried out at two units. One in Sweden (Lycksele) and one in Poland (Skoczow).



### Wood Solutions

The business area includes a wide range of processed wood products used in design, construction, renovations, home improvements, public and private outdoor environments and furniture production.

Most products and applications within Wood Solutions are based on an effective wood protection such as impregnation, heat treatment or other effective wood protection treatment that ensures protection against rot, fire and significantly extends the life of the products with minimal maintenance. The product area also includes the construction and manufacture of detached houses. The business is conducted at its own facilities in Sweden, Latvia and Great Britain.



### Sawn Wood

The business area includes the processing of timber that is sawn into boards and planks in varying dimensions and lengths and which is sold to international industrial customers for further processing. The business is conducted at a sawmill in Latvia and a sawmill in Estonia. Certified raw material is procured from sustainably managed forests in the Baltic Sea region.



### Energy & Logistics

Within Energy & Logistics Berg's conducts operations in pellet production and logistics. Production takes place at a modern facility for manufacturing of pellets and heat logs in Fågelfors, Sweden and at a facility in Latvia. Port and logistics operations are conducted at a harbor facility in south-east England.

Note: The numbers are based on Group sales for the period October 2022 – September 2023, proforma.

Our operations – conducted through wholly owned subsidiaries in Sweden, Latvia, Poland and the UK – encompass sawmills and processing as well as distribution and logistics. Bergs is listed on Nasdaq Stockholm.

Sales in 2022

**SEK 3.3 billion**

Employees

**1,500**

#### **BUSINESS CONCEPT**

Bergs owns and develops companies that produce and sell processed timber products to discerning customers in selected markets.

#### **This means that:**

- We own and develop companies in the wood processing industry
- Our subsidiaries develop and produce processed wood products, with the customer's needs in focus
- We have a decentralised business model
- We work sustainably throughout the value chain—with raw materials from responsibly cultivated forests—all the way to completed product and delivery

#### **FINANCIAL TARGETS**

- Bergs's target is to achieve annual growth of 10 per cent over a business cycle
- Bergs's target is to achieve an EBITDA margin of 9 per cent over a business cycle
- Bergs aims for financial net debt less than equity
- Bergs's target is an annual dividend of normally 25–40 per cent of profit for the year after tax

[www.bergstimber.com](http://www.bergstimber.com)