

Interim report

1 January – 30 June 2022

Fasadgruppen 

“Profitable growth and strong order backlog”

Second quarter highlights

- Net sales increased to SEK 1,217.1 million (676.9), corresponding to growth of 79.8 percent. Organic growth was 4.3 percent.
- EBITA increased to SEK 116.7 million (68.0) and the EBITA margin was 9.6 percent (10.0).
- Items affecting comparability¹ impacted EBITA by SEK -6.9 million (-6.8). Adjusted EBITA (excluding items affecting comparability) increased to SEK 123.5 million (74.7).
- Earnings for the period increased to SEK 76.7 million (45.2), earnings per share before and after dilution were SEK 1.58 (1.00).
- Operating cash flow totalled SEK -8.2 million (62.4).
- The order backlog increased to SEK 3,129.5 million (1,745.5).

Significant events during the quarter

- Seven acquisitions have been completed: Kjær Knudsen and Stenklint in Denmark, Fjeldheim-Knudsen and Chem-Con in Norway, and A Co Tak & Montage, GAJ Stålkonstruktioner and Mur o Puts i Kristianstad in Sweden.
- Ulrika Dellby was elected Chair of the Board of Fasadgruppen at the 2022 Annual General Meeting.

First half highlights

- Net sales increased to SEK 1,954.6 million (1,110.0), corresponding to growth of 76.1 percent. Organic growth was 4.3 percent.
- EBITA increased to SEK 155.3 million (85.6) and the EBITA margin was 7.9 percent (7.7).
- Items affecting comparability¹ impacted EBITA by SEK -11.7 million (-16.0). Adjusted EBITA (excluding items affecting comparability) increased to SEK 167.0 million (101.6).
- Earnings for the period increased to SEK 98.9 million (52.5), earnings per share before and after dilution were SEK 2.09 (1.16).
- Operating cash flow totalled SEK 66.7 million (64.9).

Events after the end of the period

- Two further acquisitions have been completed: Altana in Denmark and RKC Construction, which establishes Fasadgruppen in Finland.

Key figures ^{1, 2}

SEK million	2022	2021	Δ	2022	2021	Δ	2022 Q2	2021
	Apr–Jun	Apr–Jun		Jan–Jun	Jan–Jun		12M	Jan–Dec
Net sales	1,217.1	676.9	79.8%	1,954.6	1,110.0	76.1%	3,520.9	2,676.3
EBITA	116.7	68.0	71.7%	155.3	85.6	81.4%	353.4	283.7
EBITA margin, %	9.6	10.0		7.9	7.7		10.0	10.6
Adjusted EBITA	123.5	74.7	65.3%	167.0	101.6	64.3%	366.3	301.0
Adjusted EBITA margin, %	10.2	11.0		8.5	9.2		10.4	11.2
Cash flow from operating activities	-8.2	62.4	-113.1%	66.7	64.9	2.8%	255.3	253.5
Cash conversion, %	-6.0	78.6		34.7	61.0		60.7	75.7
Return on capital employed, %	12.7	10.3		12.7	10.1		12.7	12.4
Return on shareholders' equity, %	16.1	12.9		16.1	12.9		16.1	16.0
Net debt to equity ratio, %	57.4	61.2		57.4	61.2		57.4	69.8
Profit/loss before tax	99.9	58.2	71.5%	128.9	67.3	91.6%	300.4	238.8
Order backlog	3,129.5	1,745.5	79.3%	3,129.5	1,745.5	79.3%	3,129.5	1,930.0

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 19.

Fasadgruppen is the largest complete provider of sustainable façades in the Nordics. The business is based on local entrepreneurial companies that maintain a clear focus on cooperation, commitment and know-how.

CEO comment

Continued positive development despite a turbulent environment

I am pleased to report that Fasadgruppen continued to deliver profitable growth in a quarter of significant turbulence in the world around us. The growth in our order backlog was particularly positive and underlines Fasadgruppen's market-leading position in façade renovation, a market that has historically proven stable even in difficult times.

Sales in the second quarter amounted to SEK 1,217.1 million, an increase of 79.8 percent compared with the corresponding quarter in the previous year. Organic growth was 4.3 percent and growth through acquisitions was 75.5 percent. The order backlog increased by 79.3 percent, with organic growth accounting for 26.6 percent. The adjusted EBITA margin was 10.2 percent for the quarter, which is in line with our long-term financial target.

The operating cash flow was negative in the quarter, which was mainly due to the fact that we have actively worked to ensure prices for upcoming projects through the earlier purchase of materials, which has created a delay in relation to when invoicing to the customer can take place.

Cost inflation for materials

Our suppliers have implemented major price increases for materials during the quarter. However, we have been overall successful in maintaining our project margins and see that our customers mostly understand and accept that the price situation is higher than before. In relation to our suppliers, Fasadgruppen's size as the largest façade group in the Nordics is an advantage and we are maintaining a close dialogue with them in order to secure the best prices possible going forward.

Putting the short-term turbulence aside and looking from a longer perspective, façade renovations, which account for around 75 percent of Fasadgruppen's operations, have historically proven to be stable with low, single-digit growth under different economic conditions. This is because renovations are a necessary measure that all property owners must carry out regularly and which it is often not worth postponing to a later date. In addition, property owners' increasing focus on energy efficiency in combination with more stringent legal requirements for properties are also contributing to underlying market demand for Fasadgruppen's services, which is not necessarily affected by changes to the prices of materials.

Attractive acquisitions

Given that we operate in a market with low, single-digit growth, acquisitions represent the primary source of growth for Fasadgruppen. We are not seeing any slowdown in our acquisition discussions and during the second quarter we acquired seven businesses with total



"We are growing on all markets and obtaining even better leverage from our business model"

estimated annual sales of around SEK 414 million. A further two acquisitions were completed after the end of the quarter, with estimated annual sales of approximately SEK 300 million. In total, we have acquired companies this year with sales of approximately SEK 1,161 million. Our acquisitions focus on high-quality businesses and we avoid turnaround cases.

Acquisitions made during the quarter include GAJ, which broadens Fasadgruppen's offering to include construction forging; Stenklint, which is another key addition to our renovation business in Copenhagen; and Chem-Con, which strengthens our presence in Stavanger and supplies products such as integrated solar panels, which further strengthens our ambitious sustainability agenda.

After the end of the quarter, we made two slightly larger acquisitions in the form of Danish balcony specialist Altana and Finnish façade company RKC Construction. With the latter, we have now established Fasadgruppen in Finland, a market that, in common with the rest of the Nordics, is highly fragmented and offers attractive opportunities for future acquisitions.

Stronger market position

With the first half of the year concluded, Fasadgruppen has further strengthened its market position. We are growing on all markets and obtaining even better leverage from our business model with well-established local businesses that are finding new ways of collaborating while at the same time receiving support from central functions.

Following many years of global economic growth, the situation now appears to be changing – but with the combination of a stable underlying market, a market-leading position and excellent craftsmanship, we are in a good position to continue delivering profitable growth over time.

Pål Warolin, CEO and Group President

Group development

Second quarter

Net sales

Net sales for the second quarter of 2022 amounted to SEK 1,217.1 million (676.9), a 79.8 percent increase compared with the same period in the previous year. Organic growth amounted to 4.3 percent and growth through acquisitions to 75.5 percent. Exchange rate fluctuations had a positive effect on organic growth of 1.0 percentage points relative to the comparison period. Organic growth otherwise comprises partly the impact of cost inflation for materials, which affected pricing for customers during the current period. In the second quarter of 2022, Fasadgruppen has implemented seven acquisitions, of which one was an asset acquisition, and they have all been closed during the quarter. For more information on acquisitions in the second quarter of 2022, please see page 6 and note 8 on pages 16–17.

Earnings

EBITA for the current quarter rose to SEK 116.7 million (68.0) and adjusted EBITA to SEK 123.5 million (74.7). Items affecting comparability in the quarter as a whole amounted to SEK -6.9 million (-6.8); see also note 7. The adjusted EBITA margin for the current quarter amounted to 10.2 percent (11.0). Cost inflation for materials has had a slight negative effect on profitability during the second quarter of the current year. The war in Ukraine has had limited impact on the Group's materials deliveries and personnel situation during the period. Net financial items for the quarter amounted to SEK -9.0 million (-3.5). Interest expenses on loans from credit institutions amounted to SEK -4.7 million (-2.4). Otherwise, net financial items comprise mainly negative exchange rate effects totalling SEK -2.3 million for the current quarter. Profit for the period increased to SEK 76.7 million (45.2), corresponding to earnings per share of SEK 1.58 (1.00) before dilution. The effective tax rate was 23.2 percent (22.4).

First half

Net sales

Net sales for the first half of 2022 amounted to SEK 1,954.6 million (1,110.0), a 76.1 percent increase compared with the same period in the previous year. Organic growth amounted to 4.3 percent and growth through acquisitions to 71.8 percent. Exchange rate fluctuations had a positive effect on organic growth of 1.2 percentage points relative to the comparison period. Organic growth was otherwise mainly influenced during the first quarter by weak comparison figures for the first quarter of 2021 caused by the Covid-19 pandemic. During the second quarter, organic growth was largely driven by cost inflation for materials and the effects of this on pricing for customers. From January to June 2022, Fasadgruppen has implemented 16 business acquisitions, including four asset acquisitions, and they have all been closed during the first half of the year. For more information on acquisitions during the period January–June 2022, please see page 6 and note 8 on pages 16–17.

Earnings

EBITA for the period January–June 2022 rose to SEK 155.3 million (85.6) and adjusted EBITA to SEK 167.0 million (101.6). Items affecting comparability during the period amounted to SEK -11.7 million (-16.0), see note 7, with an adjusted EBITA margin of 8.5 percent (9.2). The impact of increased materials prices has predominantly had a slightly negative effect on profitability during the second quarter. The war in Ukraine has so far had a limited impact on Fasadgruppen's business. The Group operates only in Sweden, Norway and Denmark and has only a very limited number of personnel and quantities of input goods that come from the warring countries. Net financial items for the period January–June 2022 amounted to SEK -12.6 million (-6.7). Interest expenses on loans from credit institutions amounted to SEK -6.5 million (-4.5). Otherwise, net financial items comprise mainly negative exchange rate effects totalling SEK -3.0 million for the current period. Profit for the period amounted to SEK 98.9 million (52.5), corresponding to earnings per share of SEK 2.09 (1.16) before dilution. The effective tax rate was 23.3 percent (22.0).



Order backlog

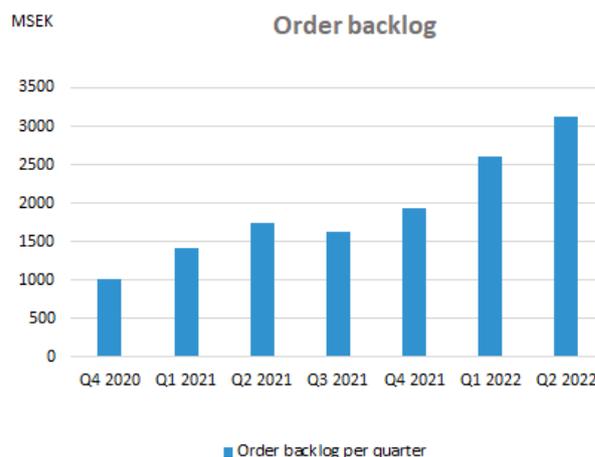
At the end of June 2022, the order backlog amounted to SEK 3,129.5 million (1,745.5), an increase of 79.3 percent. The order backlog for comparable companies at the end of June 2021 had increased by 26.6 percent, while the acquisition growth in the order backlog amounted to 52.7 percent. The organic growth of the order backlog remained strong during the second quarter of 2022, driven as in the previous two quarters by very strong growth in orders for comparable companies. Since year-end, the order backlog has increased by SEK 1,199.4 million; companies acquired and added in the period January–June 2022 had added SEK 573.7 million to the order backlog at the end of the period.

Financial position and financing

At the end of the period, shareholders' equity was SEK 1,772.3 million (1,114.5). 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 41.7 million and option liquidity SEK 1.8 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 30 June 2022 amounted to SEK 1,016.5 million (682.0). The interest-bearing net debt includes lease liabilities amounting to SEK 162.5 million (102.9). Earnouts are not included in interest-bearing net debt and on 30 June 2022 amounted to SEK 299.3 million (186.8). The fixed interest period for interest-bearing liabilities varies between 1 and 3 months. Expanded financing in the period January to June 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 2.3 (2.9) at the end of the period. On 30 June 2022, the Group held cash and cash equivalents and other short-term investments amounting to SEK 425.9 million (201.9). In addition to cash and cash equivalents and other short-term investments, there were unutilised credit facilities of SEK 330.0 million at the end of the period.

Cash flow and investments

The change in working capital was negative for the first half of the year and amounted to SEK -97.6 million (-32.0). The negative development in working capital for the current half-year relative to the comparison period is considered to be mainly due to the active work during the second 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 reasons are the project start-up phase that normally occurs primarily in the second quarter and part of the first quarter of the calendar year, as well as more extensive project activity as a result of increased orders received and companies added between the periods. Many of the projects are then completed primarily during the fourth



quarter in the seasonal cycle, which usually has a positive effect on working capital for Fasadgruppen. Cash flow from operating activities amounted to SEK 66.7 million (64.9) for the period January to June 2022. Group net investments in tangible non-current assets amounted to SEK -28.2 million (-9.5) for the same period. Depreciation on non-current assets for the period amounted to SEK -51.1 million (-32.4), of which depreciation on acquired intangible assets, such as customer relationships, amounted to SEK -13.8 million (-11.6). Investments in company acquisitions for the period January–June 2022 amounted to SEK -414.7 million (-336.5). 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 first half of the year in the amount of SEK -38.3 million.

Personnel

The Group had 1,901 employees (1,222) on 30 June 2022, of whom 86 were women (53). The average number of employees for the period January–June 2022 was 1,647 (1,037). The significant change relative to the comparison period is primarily attributable to new acquisitions between the periods. For more information on acquisitions in the period January–June 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–June 2022 amounted to SEK -10.3 million (-11.0). Assets, primarily consisting of participations in and receivables from Group company Fasadgruppen Norden AB, amounted to SEK 2,652.8 million (1,695.7) at the end of the period. Shareholders' equity amounted to SEK 1,375.1 million (908.5) on the balance sheet date. At the end of the period, the Parent Company had 3 employees (3).

Market overview

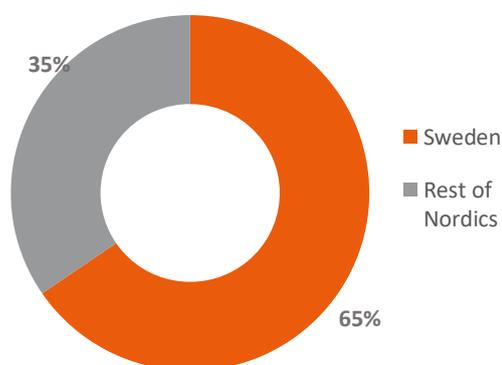
Fasadgruppen is the leading complete provider of sustainable façades with a local presence in Sweden, Norway and Denmark, and as of August 2022 also in Finland. The Group's main customers are property owners, construction companies, property management companies, consultants, tenant-owner housing associations,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

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 by geographic area 2022 12M



Acquisitions

In the first half of 2022, Fasadgruppen acquired 16 new businesses, of which 12 were company acquisitions and four were asset acquisitions. After the end of the reporting period, a further two businesses have been acquired. 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.

In 2022, the Group has acquired an estimated SEK 1,161 million in annual sales and added around 479 new employees to the workforce, bringing new know-how and working capacity to the Group.

Goodwill totalling SEK 2,307.6 million within the Group is a result of continuous and consciously targeted acquisitions over a number of years. Accumulated goodwill primarily

relates to growth expectations, expected future profitability, the significant knowledge and expertise possessed by subsidiary company personnel and expected synergies on the costs side.

Seven new acquisitions were closed during the second quarter of 2022: Kjær Knudsen and Stenklint in Denmark, Fjeldheim-Knudsen and Chem-Con in Norway, and A Co Tak & Montage, GAJ Stålkonstruktioner and Mur o Puts i Kristianstad in Sweden. All 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 in the period January–June 2022, please see note 8 on pages 16–17.

Company acquisitions

Fasadgruppen has closed the following acquisitions in 2022.

Closing	Acquisitions	Country	Estimated annual sales at time of acquisition, SEK million	No. of employees
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	GAJ 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 och Plåtslageri AB, E.P.M. Elektra Plåt och Maskin AB (asset acquisition)	Sweden	30	13
February	Helsingborgs Fasad & Kachel AB	Sweden	30	14
February	Miljø-Sanering AS	Norway	7	6
			1,161	479

The Fasadgruppen M&A strategy

Fasadgruppen has an active M&A strategy. Acquisitions are primarily implemented 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 uncertainties

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 first half of 2022. 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 and Denmark and has only a very limited number of personnel and quantities of input goods that 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, 212,106 warrants in the 2022/2025 series have been issued to 32 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Option premiums paid amount to SEK 1.6 million. The remaining 271,894 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, 487,382 warrants in the 2021/2024 series have been issued to 64 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 435,628 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 first half of 2022 as a result of a targeted new share issue of a total of 3,000,000 shares and offset share issues of a total of 222,729 shares as part of the purchase consideration on the acquisitions of Alnova Balkongsystem AB and Kjær Knudsen A/S. As at 30 June 2022, the number of shares and votes amounted to 48,610,382 with a share capital of SEK 2.4 million, corresponding to a quotient value of SEK 0.05 per share. The three largest shareholders in the company at the end of June 2022 were Capital Group, Connecting Capital, and A.M. Karlsson i Kviksund.

Events after the end of the period

- Fasadgruppen has acquired and added Danish balcony specialist Altana A/S, which occupies a strong position in the Copenhagen area. Altana has 43 full-time employees and achieved sales of around DKK 95 million in the 2021 financial year. The purchase consideration consists of cash and a promissory note for DKK 20 million (equivalent to approximately SEK 28 million), which the vendors of Altana have undertaken to offset against new shares in Fasadgruppen. Fasadgruppen has financed the cash element of the purchase consideration using its own cash. In order to settle the promissory note, the Board of Directors will approve a targeted offset share issue to the vendors at a value equivalent to the promissory note. The subscription price shall be an amount that corresponds to the volume-weighted average price for Fasadgruppen's share on Nasdaq Stockholm over the last 30 trading days before the closing of the acquisition (including the closing date). The shares cannot be transferred for a period of three years from the closing date.
- The Group is continuing its Nordic expansion and is establishing in Finland through the acquisition of façade company RKC Construction Oy, also known as Rovakate. Rovakate has 28 full-time employees and achieved sales of around EUR 16 million in the 2021 financial year. The purchase consideration consists of cash and a promissory note for EUR 5.945 million (equivalent to approximately SEK 63 million), which the vendors of Rovakate have undertaken to offset against new shares in Fasadgruppen after closing. Fasadgruppen is financing the cash element of the purchase consideration using its own cash. In order to settle the promissory note, on the closing of the acquisition of Rovakate the Board of Directors will approve a targeted offset share issue to the vendors at a value equivalent to the promissory note. The subscription price shall be an amount that corresponds to the volume-weighted average price for Fasadgruppen's share on Nasdaq Stockholm over the last 31 calendar days before the closing of the acquisition (excluding the closing date). The shares cannot be transferred for a period of three years from the closing date. The closing of the acquisition of Rovakate is expected to take place in August 2022.

Presentation of interim report

The interim report will be presented in a telephone conference and webcast on 16 August at 8.15 a.m. CEST via <https://tv.streamfabriken.com/fasadgruppen-group-q2-2022>. Phone number for participation: +46 8 505 163 86 / +44 20 319 84884, PIN code 7351608#

Financial reports

Condensed consolidated income statement and statement of comprehensive income

SEK million	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2022 Q2 12M	2021 Jan–Dec
Net sales	1,217.1	676.9	1,954.6	1,110.0	3,520.9	2,676.3
Other operating income	7.5	4.7	14.2	9.0	55.9	50.7
Operating income	1,224.6	681.7	1,968.9	1,119.1	3,576.7	2,726.9
Materials and consumables	-644.9	-347.2	-1,012.5	-563.1	-1,811.1	-1,361.7
Remuneration to employees	-358.9	-211.6	-623.8	-366.7	-1,084.3	-827.2
Depreciation and impairments of tangible and intangible non-current assets	-28.4	-17.7	-51.1	-32.4	-93.1	-74.5
Other operating costs	-83.6	-43.4	-140.0	-82.9	-260.5	-203.4
Total operating costs	-1,115.8	-619.9	-1,827.4	-1,045.1	-3,249.0	-2,466.7
Operating profit/loss	108.9	61.7	141.5	74.0	327.7	260.2
Net financial items	-9.0	-3.5	-12.6	-6.7	-27.3	-21.5
Profit/loss after financial items	99.9	58.2	128.9	67.3	300.4	238.8
Tax on profit for the period	-23.2	-13.0	-30.0	-14.8	-68.3	-53.0
Profit/loss for the period	76.7	45.2	98.9	52.5	232.1	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	-9.8	-9.9	16.8	7.5	31.1	21.8
Other comprehensive income for the period, net after tax	-9.8	-9.9	16.8	7.5	31.1	21.8
Comprehensive income for the period	66.9	35.3	115.7	60.0	263.2	207.5
<i>Comprehensive income for the period attributable to:</i>						
Shareholders in the Parent Company	66.9	35.3	115.7	60.0	263.2	207.5
Holdings without controlling interest	-	-	-	-	-	-
Earnings per share for the period before dilution, SEK	1.58	1.00	2.09	1.16	5.01	4.11
Earnings per share for the period after dilution, SEK	1.58	1.00	2.09	1.16	5.01	4.11
Average no of shares, before dilution	48,530,413	45,134,791	47,349,730	45,133,636	46,351,878	45,243,830
Average no of shares, after dilution	48,530,413	45,134,791	47,349,730	45,133,636	46,351,878	45,243,830
Actual no of shares at the end of the period	48,610,382	45,342,816	48,610,382	45,342,816	48,610,382	45,387,653

Condensed consolidated balance sheet

SEK million	30/06/2022	30/06/2021	31/12/2021
ASSETS			
Brand	352.3	202.1	264.5
Customer relationships	15.0	15.3	13.6
Goodwill	2,307.6	1,605.9	1,953.6
Other intangible assets	1.5	0.4	0.5
<i>Total intangible assets</i>	<i>2,676.3</i>	<i>1,823.7</i>	<i>2,232.3</i>
Right-of-use assets	153.8	105.4	133.3
Tangible non-current assets	117.0	60.9	81.3
<i>Total tangible non-current assets</i>	<i>270.9</i>	<i>166.3</i>	<i>214.7</i>
Financial non-current assets	5.4	3.8	3.7
Total non-current assets	2,952.6	1,993.8	2,450.6
Inventories	23.5	9.7	16.0
Accounts receivable	698.5	413.2	410.8
Revenues from contracts with customers and similar receivables	254.6	101.8	128.0
Prepaid expenses and accrued income	25.4	16.0	27.2
Other receivables	67.4	4.8	41.3
Cash and cash equivalents	425.9	201.9	271.6
Total current assets	1,495.3	747.4	894.9
TOTAL ASSETS	4,447.9	2,741.2	3,345.5
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1,772.3	1,114.5	1,269.6
Non-current interest-bearing liabilities	1,159.5	722.7	911.7
Non-current lease liabilities	113.3	73.9	96.5
Deferred tax liabilities	107.2	55.6	74.5
Other non-current liabilities	186.6	169.3	158.0
Total non-current liabilities	1,566.6	1,021.5	1,240.8
Current interest-bearing liabilities	120.3	58.4	114.6
Current lease liabilities	49.2	29.0	34.7
Accounts payable	354.5	191.5	180.4
Contract and similar liabilities	390.2	174.1	302.5
Accrued expenses and prepaid income	194.9	136.6	162.0
Other current liabilities	-	15.7	41.0
Total current liabilities	1,109.0	605.2	835.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,447.9	2,741.2	3,345.5

Condensed statement of changes in shareholders' equity

SEK million	Share capital	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	-	-	52.5	-	52.5
Other comprehensive income:					
Exchange rate differences on translation of foreign operations	-	-	-	7.5	7.5
Total comprehensive income	-	-	52.5	7.5	60.0
Dividend	-	-	-27.1	-	-27.1
Option liquidity	-	7.8	-	-	7.8
Offset share issue	0.0	27.3	-	-	27.3
Transactions with shareholders	0.0	35.0	-27.1	-	8.0
Shareholders' equity					
30/06/2021	2.3	879.7	231.2	1.3	1,114.5
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 shareholders	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	-	-	98.9	-	98.9
Other comprehensive income:					
Exchange rate differences on translation of foreign operations	-	-	-	16.8	16.8
Total comprehensive income	-	-	98.9	16.8	115.7
Dividend	-	-	-58.3	-	-58.3
Option liquidity	-	1.6	-	-	1.6
Targeted new share issue	0.2	409.4	-	-	409.5
Offset share issue	0.0	34.2	-	-	34.2
Transactions with shareholders	0.2	445.2	-58.3	-	387.0
Shareholders' equity					
30/06/2022	2.4	1,332.5	405.0	32.3	1,772.3

Condensed consolidated statement of cash flows

SEK million	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2022 Q2 12M	2021 Jan–Dec
Operating activities						
Profit/loss after financial items	99.9	58.2	128.9	67.3	300.4	238.8
Adjustment for non-cash items	30.3	21.5	53.2	34.6	100.0	81.4
Interest paid	-5.3	-2.2	-10.8	-4.9	-14.6	-8.8
Tax paid	-21.9	-6.1	-58.7	-29.5	-104.9	-75.7
Changes in working capital	-131.4	-12.0	-97.6	-32.0	-99.6	-34.0
Cash flow from operating activities	-28.4	59.5	15.0	35.5	181.3	201.7
Investing activities						
Acquisition of subsidiaries and businesses	-214.9	-150.0	-414.7	-336.5	-700.1	-622.0
Net investments in non-current assets	-14.1	-5.0	-28.2	-9.5	-65.9	-47.2
Net investments in financial assets	-0.7	-0.0	0.1	-0.3	0.5	0.2
Cash flow from investing activities	-229.7	-155.0	-442.8	-346.3	-765.5	-669.1
Financing activities						
New share issue	-	-	409.5	-	409.5	-
Payment of warrants	1.6	7.8	1.6	7.8	1.8	7.9
Dividend paid	-58.3	-27.1	-58.3	-27.1	-58.3	-27.1
Proceeds from borrowings	246.1	151.2	426.7	256.2	1,540.5	1,370.0
Repayment of loans	-175.0	-46.7	-175.0	-120.1	-1,043.7	-988.7
Repayment of lease liability	-13.1	-8.3	-23.7	-14.9	-45.4	-36.5
Cash flow from financing activities	1.3	76.8	580.7	102.0	804.4	325.6
Cash flow for the period	-256.8	-18.7	152.9	-208.9	220.1	-141.7
Cash and cash equivalents at start of period	685.0	222.1	271.6	409.3	201.9	409.3
Translation difference in cash and cash equivalents	-2.4	-1.5	1.4	1.5	3.8	3.9
Cash and cash equivalents at end of period	425.9	201.9	425.9	201.9	425.9	271.6

Condensed Parent Company income statement

SEK million	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2022 Q2 12M	2021 Jan–Dec
Operating income	2.7	2.2	5.4	4.4	10.7	9.7
Operating expenses	-7.7	-4.6	-12.1	-13.9	-21.1	-22.8
Operating profit/loss	-5.0	-2.4	-6.7	-9.4	-10.5	-13.2
Net financial items	-4.9	-2.2	-6.3	-4.4	27.0	28.8
Profit/loss after net financial items	-9.9	-4.7	-13.0	-13.9	16.6	15.7
Appropriations	-	-	-	-	59.3	59.3
Profit/loss before tax	-9.9	-4.7	-13.0	-13.9	75.9	75.0
Tax on profit for the period	2.1	1.0	2.6	2.8	-3.9	-3.7
Profit/loss for the period*	-7.8	-3.7	-10.3	-11.0	72.0	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	30/06/2022	30/06/2021	31/12/2021
ASSETS			
Tangible non-current assets	0.1	0.3	0.2
Financial non-current assets	2,648.5	1,276.5	1,389.2
Total non-current assets	2,648.7	1,276.8	1,389.5
Current receivables	4.1	2.6	1.1
Cash and bank	0.0	416.3	646.1
Total current assets	4.1	418.9	647.3
TOTAL ASSETS	2,652.8	1,695.7	2,036.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted shareholders' equity	2.4	2.3	2.3
Unrestricted shareholders' equity	1,372.7	906.3	996.2
Total shareholders' equity	1,375.1	908.5	998.5
Non-current liabilities	1,153.4	722.7	908.7
Accounts payable	1.1	3.0	1.3
Other current liabilities	120.2	58.5	119.7
Accrued expenses and prepaid income	2.9	2.9	8.6
Total liabilities	1,277.7	787.1	1,038.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,652.8	1,695.7	2,036.8

Notes

Note 1 Accounting policies

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 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2022 Q2 12M	2021 Jan–Dec
Sweden	747.2	499.4	1,217.7	836.6	2,304.4	1,923.4
Denmark	181.3	61.7	275.5	77.2	516.9	318.6
Norway	288.6	115.8	461.4	196.2	699.5	434.3
Total	1,217.1	676.9	1,954.6	1,110.0	3,520.9	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.

Income outside Sweden comprises 37.7 percent (24.6) of total income for the Group for the period January to June 2022. The Group applies the percentage of completion method.

During the period 1 January to 30 June 2022, Fasadgruppen has bought and sold services from/to companies controlled by senior executives for amounts totalling SEK 1.9 million for purchased services and SEK 0.0 million for services sold linked to project-related work. As at 30 June 2022, Fasadgruppen's current liabilities to companies controlled by senior executives amounted to SEK 0.2 million and current receivables to SEK 0.0 million for project-related work.

Note 5 Pledged assets and contingent liabilities

Group, SEK million	30/06/2022	30/06/2021	31/12/2021
Pledged assets:			
Company mortgages	26.9	92.2	38.9
Other	67.9	33.5	57.1
Total	94.8	125.7	96.0
Contingent liabilities:			
Guarantees	310.2	161.1	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 at 01/01/2022. For the period January–June 2022, earnouts of SEK 38.3 million were settled. Additional new earnouts amounted to SEK 54.5 million from the company acquisitions of Malercompagniet Oslo AS, Alnova Balkongsystem AB, Helsingborgs Fasad & Kakel AB, GAJ Stålkonstruktioner AB, Kjær Knudsen A/S 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 299.3 million. The earnout amounts are mostly based on either EBITDA, EBIT or post-tax profits for the years 2021, 2022, 2023 and/or 2024. 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, where the time

factor, given the prevailing interest rate situation, has not been considered material. In the assessed valuation during the second quarter of 2022, the value of the earnout for Alnova Balkongsystem has been revised down by SEK -1.6 million. The same earnout has also been settled during the second quarter.

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	54.5
Earnouts settled	-38.3
Earnouts settled at less than their assessed valuation	-0.9
Valuation of contingent earnouts	-1.6
Closing contingent earnouts 30/06/2022	299.3
Expected disbursements	
Expected disbursements in < 12 months	-123.4
Expected disbursements in > 12 months	-175.9

Note 7 Items affecting comparability

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

Group, SEK million	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2022 Q2 12M	2021 Jan–Dec
Costs related to IPO	-	-	-	-4.9	-0.2	-5.1
Acquisition-related costs	-6.8	-6.0	-11.6	-10.4	-19.5	-18.2
Revaluation of earnouts	0.9	-0.8	0.9	-0.8	7.7	6.0
Other	-1.0	-	-1.0	-	-1.0	-
Total	-6.9	-6.8	-11.7	-16.0	-13.0	-17.3

Note 8 Business acquisitions

Company acquisitions January–June 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 & Kaker 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 i Sverige 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.

The acquired companies reported total earnings of around SEK 818 million and EBITA amounted to

approximately SEK 79 million for the 2021 calendar year. Since the time of acquisition and up to 30 June 2022, the companies have contributed SEK 308.1 million to Group net sales and SEK 34.9 million to Group EBITA.

The combined purchase consideration amounted to SEK 520.0 million, of which SEK 439.4 million has been paid in cash and cash equivalents on closing and SEK 33.7 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 where it is assessed that the agreed amount will be paid within the term of the earnout period, which is 1–4 years.

Acquisition costs totalling SEK 11.6 million are recognised as other operating expenses for January–June 2022.

Other business acquisitions January–June 2022

Asset acquisitions

Four asset acquisitions were completed in 2022, with operating subsidiary Karlaplans Plåtslageri AB complementing its business operations. The subsidiary has acquired the operations of Herrängens Plåtslageri AB, Vantörs Bleck och Plåtslageri AB, E.P.M. Elektra Plåt och Maskin AB and A Co Tak & Montage AB. The acquired businesses have annual sales of around SEK 50 million and 20 employees. SEK 21.5 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 38.3 million in relation to the acquisitions of Hans Eklund Glasmästeri AB, Alnova Balkongsystem AB and Karlaplans Plåtslageri AB. Earnouts settled are SEK 0.9 million lower than estimated.

Acquisition analyses

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–June 2022

SEK million	Carrying amount	Fair value adjustment	Fair value
Goodwill	0.4	-0.4	-
Brand	-	85.1	85.1
Customer relationships	-	15.0	15.0
Right-of-use assets	-	39.2	39.2
Tangible non-current assets	23.8	-	23.8
Financial non-current assets	0.8	-	0.8
Inventories	34.4	-	34.4
Accounts receivable and other receivables	121.8	-	121.8
Cash and cash equivalents	84.5	-	84.5
Deferred tax liabilities	-12.4	-21.4	-33.9
Lease liabilities	-	-39.2	-39.2
Amounts owed to credit institutions	-1.9	-	-1.9
Appropriations	-7.2	-	-7.2
Other liabilities	-3.8	-	-3.8
Accounts payable and other liabilities	-115.9	-	-115.9
Identifiable net assets	124.4	78.3	202.7
Goodwill			317.3
Consideration			520.0
Of which earnout			46.9
Of which offset share issue			33.7
Of which cash and cash equivalents transferred			-439.4
Acquired cash and cash equivalents			84.5
Change in Group cash and cash equivalents			-354.9

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, 15 August 2022

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 interim 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 and the Securities Market Act. The information was submitted for publication through the agency of the Chief Executive Officer on 16 August 2022 at 7.30 a.m. CEST.

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 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 of the performance measures 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. Four 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 within façade renovation, energy efficiency, window replacement, 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 home owners.

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 five of the global sustainable development goals as the most relevant for our business.



Fasadgruppen

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Financial calendar

Interim report January–September 2022...15 November 2022
 Year-end report 2022.....14 February 2023

