

Interim report

1 January – 31 March 2023

Fasadgruppen

“Strong start to 2023 – clear margin improvement and increased earnings”

First quarter highlights

- Net sales increased to SEK 1,143.3 million (737.5), corresponding to a growth of 55 percent. Organic growth was 25 percent.
- EBITA increased by 86 percent to SEK 72.0 million (38.6) and the EBITA margin was 6.3 percent (5.2).
- Items affecting comparability¹ impacted EBITA by SEK -2.1 million (-4.8). Adjusted EBITA (excluding items affecting comparability) increased to SEK 74.1 million (43.4).
- Earnings for the period increased to SEK 28.9 million (22.2), earnings per share before or after dilution were SEK 0.58 (0.48).
- Operating cash flow totalled SEK 77.1 million (74.9).
- The order backlog increased to SEK 2,851.6 million (2,616.0).

Significant events during the quarter

- In January, it was announced that CEO Pål Warolin will leave his role on 11 May 2023 and the Deputy CEO Martin Jacobsson has been appointed CEO of Fasadgruppen as of 12 May 2023.
- The EU parliament has adopted draft measures to increase the rate of renovation in the European building stock.

Events after the end of the period

- Fasadgruppen to carry out extensive energy renovation of multi-family residential properties in Umeå.
- Fasadgruppen has recruited Daniél Bergman as new Head of M&A.

Key figures ^{1, 2}

SEKm	2023	2022	Δ	2023Q1	2022
	Jan-Mar	Jan-Mar		12M	Jan-Dec
Net sales	1,143.3	737.5	55.0%	4,953.5	4,547.7
EBITA	72.0	38.6	86.2%	455.2	421.9
EBITA margin, %	6.3	5.2		9.2	9.3
Adjusted EBITA	74.1	43.4	70.6%	462.3	431.6
Adjusted EBITA margin, %	6.5	5.9		9.3	9.5
Cash flow from operating activities	77.1	74.9	2.8%	403.8	401.7
Cash conversion, %	80.8	135.5		74.2	79.7
Return on capital employed	12.5	11.4		12.5	12.6
Return on capital employed excluding goodwill, etc., %	72.7	65.3		72.7	105.5
Return on shareholders' equity, %	14.5	14.3		14.5	16.2
Net debt to equity ratio, %	60.6	39.3		60.6	69.8
Profit/loss before tax	39.0	29.1	34.4%	356.3	346.3
Order backlog	2,851.6	2,616.0	9.0%	2,851.6	2,983.3

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, please see page 16.

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

CEO comment

Strong start to 2023

It feels good to present a strong start to 2023 with high growth, a clear margin improvement and increased earnings. Although the first quarter is a period of seasonally low activity, the start of the year provides a good basis for the continuation, and I have a positive view of the full year with more predictable market conditions compared to 2022.

Sales in the first quarter amounted to SEK 1,143.3 million, an increase of 55 percent compared with the corresponding quarter in the previous year. Organic growth was 25 percent and growth through acquisitions was 30 percent. Most of the organic growth can be linked to price increases, but we also see volume growth. Adjusted EBITA increased by 71 percent and the adjusted EBITA margin amounted to 6.5 percent, compared with 5.9 percent in the corresponding quarter for 2022. We are seeing that the cost inflation of materials is now starting to stabilise, although many suppliers are still announcing price increases. Norway in particular stands out in this respect. However, the announcements are made with more normal lead times and therefore provide conditions for the new prices to be taken into account in project tenders.

The order backlog at the end of the quarter amounted to SEK 2,851.6 million. The rate of new project requests has gradually increased during the spring and is now at a high level. This is the case in both renovation, a market with low sensitivity to economic cycles, and in new construction, where we see many projects within areas such as community service properties. Roughly 75 percent of Fasadgruppen's sales relate to renovation, and in new construction the exposure to housing is low. All in all, we see continued good demand for our entire service offering.

Several ongoing acquisition dialogues

Over the past two years, we have had a high pace in M&A with more than 40 new businesses added to the group. So far this year, we have not closed any new acquisitions, which is primarily due to timing in the negotiations. We have several far progressed dialogues with quality companies in all Nordic markets. As always, we focus on stable profitability, cash flow generation, long-term management and craftsmanship. With these ingredients, we create the best conditions for Fasadgruppen's value creation.



“The way forward is clear: Higher energy efficiency is a must.”

Continued focus on energy performance in buildings

At the end of the quarter, the EU took further steps towards stronger requirements on energy performance in the European building stock. Regardless of how the final bill is worded, the way forward is clear: higher energy efficiency in buildings is a must. Several players are already leading the way and we have many returning customers for whom we are implementing energy efficiency measures.

The expected new rules for energy performance in buildings support the long-term market growth and may be considered as a particularly advantageous factor for Fasadgruppen with its wide range of services. Our focus, as always, is on winning the right project at the right margin.

New CEO

This is my last interim report as CEO as I will be passing the baton to Martin Jacobsson on 12 May. Martin and I have been working closely together throughout the years and, under his leadership, I am convinced that Fasadgruppen will continue to strengthen its market position.

It is with pride that I look back on Fasadgruppen's growth since its inception in 2016 and all the terrific entrepreneurs who have gathered in the Group. I would like to thank all employees, customers, suppliers and shareholders for the past years and look forward to continuing to follow Fasadgruppen's progress from the outside.

Pål Warolin, CEO

Group development

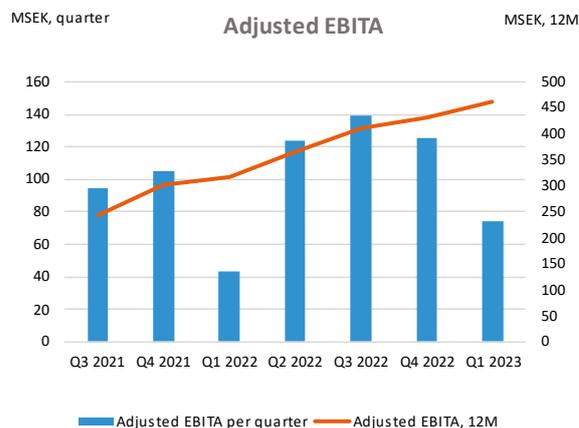
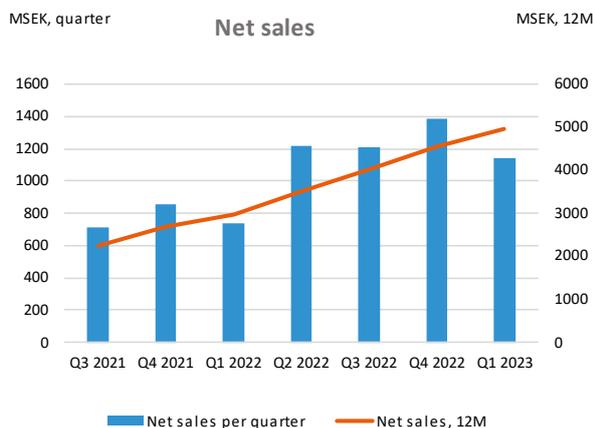
First quarter

Net sales

Net sales in the first quarter of 2023 amounted to SEK 1,143.3 million (737.5), a 55.0 percent increase compared to the same period in the previous year. Organic growth amounted to 25.2 percent and growth through acquisitions 29.8 percent. Exchange rate fluctuations positively affected organic growth by 0.8 percentage points. Organic growth has otherwise been primarily affected by the impacts of the cost inflation of materials but also an actual volume growth has taken place in the first quarter compared to the comparable period in 2022.

Earnings

EBITA for the current quarter rose to SEK 72.0 million (38.6) and adjusted EBITA to SEK 74.1 million (43.4). Items affecting comparability in the quarter as a whole amounted to SEK -2.1 million (-4.8), see also Note 7. Adjusted EBITA margin for the current quarter increased to 6.5 percent (5.9). The cost inflation of materials calmed which meant that prices to the customer could be managed satisfactorily during the quarter, with positive effects on the margin compared to the comparable period. Otherwise, the opening quarter of the year is characterised by a significantly weaker margin than the remaining nine-month period, as the winter conditions make roofing work and other outdoor services more difficult, see also page 7 Seasonal variations. Net financial items for the quarter amounted to SEK -24.0 million (-3.5). Interest expenses on loans from credit institutions totalled SEK -18.9 million (-1.8). Exchange rate effects affected net financial items with a net SEK -1.9 million net and discounting of earnouts with a further SEK -2.6 million for the current quarter. Profit for the period increased to SEK 28.9 million (22.2), corresponding to earnings per share of SEK 0.58 (0.48) before dilution. The effective tax rate was 26.1 percent (23.7).



Order backlog

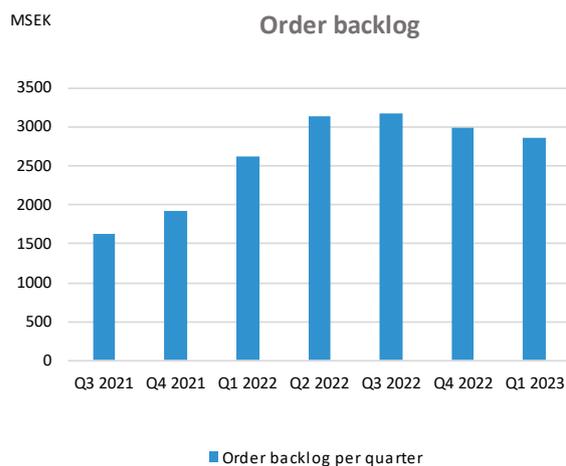
At the end of March 2023, the order backlog amounted to SEK 2,851.6 million (2,616.0), an increase of 9.0 percent. The order backlog for comparable companies at the end of March 2022 decreased by 8.3 percent, while the acquired growth in the order backlog amounted to 17.3 percent. The first quarter of 2022 was characterised by a very strong development of the order backlog as an effect of the pandemic receding. The corresponding period this year can be described as a normal development that broadly follows previous seasonal patterns.

Financial position and financing

At the end of the period, shareholders' equity amounted to SEK 2,094.9 million (1,737.9). The change in shareholders' equity between period ends is attributable to offset share issues related to acquisitions that added SEK 115.2 million and warrant payments of SEK 1.7 million between period ends. A dividend was paid during May 2022 totalling SEK -58.3 million. The rest of the change in shareholders' equity is attributable to comprehensive income for the period. Interest-bearing net debt on 31 March 2023 amounted to SEK 1,268.9 million (683.7). Interest-bearing net debt includes lease liabilities totalling SEK 158.8 million (160.0). Earnouts are not included in interest-bearing net debt and on 31 March 2023 amounted to SEK 278.2 million (309.1). The fixed interest period for interest-bearing liabilities varies between 1 and 3 months. The ratio of Fasadgruppen's interest-bearing net debt to adjusted EBITDA 12M (not on a proforma basis) was 2.3 (1.8) at the end of the period. On 31 March 2023, the Group held cash and cash equivalents and other short-term investments amounting to SEK 406.1 million (685.0). In addition to cash and cash equivalents and other short-term investments, there were unutilised credit facilities of SEK 630.0 million at the end of the period.

Cash flow and investments

The change in working capital was negative for the first quarter of 2023 and amounted to SEK -7.4 million (33.7). The weaker development of working capital during the current quarter of the year can mainly be traced back to the strong working capital development during the fourth quarter of 2022. During the first quarter of 2022 and the fourth quarter of 2021, respectively, we saw the reverse scenario. The assessment is that the working capital development during the current quarter will largely continue to follow the normal seasonal pattern for the year. Operating cash flow totalled SEK 77.1 million (74.9). Group net investments in tangible non-current assets amounted to SEK -10.8 million (-14.1) for the period. Depreciation of non-current assets for the period amounted to SEK -32.3 million (-22.7), of which depreciation on acquired intangible assets, such as customer relationships, amounted to SEK -9.0 million (-6.1). For financing activities, contingent earnouts related to acquisitions in previous years that were settled during



the period entailed a net repayment amounting to SEK 4.1 million, see also Note 6.

Personnel

The Group had 1,935 employees (1,619) on 31 March 2023, of whom 88 were women (76). The average number of employees for the period was 1,915 (1,460). The significant change relative to the comparable period of the previous year is primarily attributable to new acquisitions between the periods.

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–March amounted to SEK -10.5 million (-2.5). Assets, primarily consisting of participations in, and receivables from, Group company Fasadgruppen Norden AB, amounted to SEK 3,041.5 million (2,620.3) at the end of the period. Shareholders' equity amounted to SEK 1,513.9 million (1,415.5) on the balance sheet date. At the end of the period, the number of employees in the Parent Company was 3 persons (3).

Acquisitions

In the period April 2022 to March 2023, Fasadgruppen acquired 11 new businesses, of which nine were company acquisitions and two were asset acquisitions. These acquisitions are a key part of the Group's growth strategy and are carefully chosen based on selective criteria that are defined in the Fasadgruppen growth strategy.

During the April 2022 to March 2023 period, the Group has acquired an estimated SEK 804 million in annual sales and added around 302 new employees to the workforce, bringing new know-how and working capacity to the Group.

Goodwill totalling SEK 2,829.0 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 personnel and expected synergies on the costs side.

No new acquisitions were closed during the first quarter of 2023.

Acquisitions of companies

Fasadgruppen has closed the following acquisitions over the last twelve months.

Closing	Acquisitions	Country	Estimated annual sales at time of acquisition, SEKm	No. of employees
November	Sydskipper Aktiebolag	Sweden	70	15
September	Jan Tryk Facadepuds Aps (asset acquisition)	Denmark	20	20
August	RKC Construction	Finland	167	28
July	Altana A/S	Denmark	133	43
May	Chem-Con AS	Norway	34	25
May	Stenklint A/S	Denmark	35	22
May	Murmestrene Fjeldheim-Knudsen AS	Norway	53	36
April	Mur o Puts i Kristianstad AB	Sweden	25	15
April	GÅJ Stålkonstruktioner AB	Sweden	57	35
April	Kjær Knudsen A/S	Denmark	190	56
April	A Co Tak & Montage AB (asset acquisition)	Sweden	20	7
			804	302

The Fasadgruppen M&A strategy

Fasadgruppen has an active M&A strategy. Acquisitions are primarily completed with the aim of broadening the Group geographically and strengthening its offering. As well as adding new companies to the Group, add-on acquisitions are also made to existing companies with the aim of adding expertise, framework agreements and critical mass.

Fasadgruppen has established a number of acquisition criteria with requirements such as good profitability, geographic locations and long-term management. Potential acquisitions are identified primarily through internal networks and references from existing subsidiaries, which generate a continuous flow of candidates. When a new acquisition has been completed, an established model is used to ensure a smooth integration where the subsidiary quickly benefits from Fasadgruppen's economies of scale and can begin to contribute to the value creation in the Group.

Other information

Risks and uncertainty factors

Fasadgruppen's business is affected by a number of risks whose effects on earnings and financial position can be managed to varying degrees. When assessing the Group's future development, it is important to consider the risk factors in addition to possible opportunities for earnings growth. The Group is exposed to different types of risk in its business and these are categorised as operational risks, financial risks and external risks. External risks are primarily related to factors outside Fasadgruppen's own businesses, such as macroeconomic growth on the Group's main markets. Operational risks are related to day-to-day operations such as tendering, capacity utilisation, percentage of completion and price risks. The financial risks include liquidity and loan financing risks. Risk management is clearly defined in the Fasadgruppen management system, which is designed to prevent and reduce the Group's risk exposure. Risk management in the Group aims to identify, measure, control and limit risks in the business.

Strong demand for raw materials combined with production and delivery issues caused a shortage of materials in several industries but has had only limited impact on Fasadgruppen's operations during 2022. The Group continues to work purposefully with its suppliers to ensure the supply of materials and manage price changes. The consequences of the rising interest rate levels, which are mostly considered to be of a general cyclical nature, are currently hard to predict. 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 2022 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 drivers, such as urbanisation, housing shortages, the tough Nordic 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. 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 rising interest rate levels in the section on Risks and uncertainties.

Incentive programme

The Annual General Meeting 2022 resolved to implement a long-term incentive programme for employees in the Group, consisting of not more than 484,000 warrants (2022/2025 series). Each warrant entitles the holder to subscribe for one new share in the Company during June 2025. The subscription price for each such share shall be SEK 179.8, which corresponds to 125 percent of the volume-weighted average price for the Company's shares on Nasdaq Stockholm during the ten last trading days prior to the Annual General Meeting 2022.

As of today, 236,196 warrants in the 2022/2025 series have been transferred to 46 employees within the Group at a market price calculated in accordance with the Black-Scholes valuation model, which is unchanged compared with 31 December 2022. Warrant premium paid amounts to SEK 1.7 million. The remaining 247,804 warrants are held by the Company's wholly owned subsidiary, Fasadgruppen Norden AB, and have been transferred free of charge.

The Annual General Meeting 2021 resolved to implement a long-term incentive programme for employees in the Group, consisting of not more than 923,010 warrants (2021/2024 series). Each warrant entitles the holder to subscribe for one new share in the Company during June 2024. The subscription price for each such share shall be SEK 164.1, which corresponds to 125 percent of the volume-weighted average price for the Company's shares on Nasdaq Stockholm during the ten last trading days prior to the Annual General Meeting 2021.

As of today, 501,472 warrants in the 2022/2024 series have been transferred to 65 employees within the Group at a market price calculated in accordance with the Black-Scholes valuation model, which is unchanged compared with 31 December 2022. Warrant premium paid amounts to SEK 7.9 million. The remaining 421,538 warrants are held by the Company's wholly owned subsidiary, Fasadgruppen Norden AB, and have been transferred free of charge.

The Company may in certain conditions be entitled to repurchase warrants from holders whose employment in the Group terminated or who wishes to transfer its warrants to a third party. Further information on the terms and conditions for the warrants is available on the Company's website.

The share and share capital

The number of shares and votes is unchanged during the period January to March 2023. As of 31 March 2023, the number of shares and votes amounted to 49,623,830 with a share capital of SEK 2.5 million, corresponding to a quotient value of SEK 0.05 per share. The three largest shareholders in the Company at the end of March 2023 were Capital Group, Connecting Capital and Swedbank Robur Fonder.

Proposed dividend

The Board of Directors proposes to the Annual General Meeting in 2023 that a dividend of SEK 1.70 (1.20) per share be paid for the year, which is in line with Fasadgruppen's dividend policy to distribute 30 percent of the Group's consolidated net profit taking into account factors such as financial position, cash flow and growth opportunities. The total dividend thus amounts to a total of SEK 84.4 million (58.3). The proposed dividend corresponds to 31 percent (31.4) of the Group's net profit.

Events after the end of the period

- Fasadgruppen's subsidiary SmartFront AB has signed a contract with Riksbyggen to initiate the next phase of the extensive exterior renovation with energy efficiency measures on eight multi-family residential properties in Umeå. The order value amounts to approx. SEK 104 million.
- Fasadgruppen has recruited Daniél Bergman as new Head of M&A for the group. Daniél will be part of the management team with responsibility for leading and developing Fasadgruppen's acquisition agenda. He will take office on 1 September 2023.

Presentation of interim report

The interim report will be presented in a telephone conference and live audiocast on 11 May 2023 at 8.15 a.m. CEST via <https://ir.financialhearings.com/fasadgruppen-group-q1-2023>. To participate via telephone, register at <https://conference.financialhearings.com/teleconference/?id=200748>.

Financial reports

Condensed consolidate income statement and statement of comprehensive income

SEKm	2023 Jan-Mar	2022 Jan-Mar	2023Q1 12M	2022 Jan-Dec
Net sales	1,143.3	737.5	4,953.5	4,547.7
Other operating income	11.0	6.7	184.3	179.9
Operating income	1,154.4	744.2	5,137.8	4,727.6
Material and consumables	-618.5	-367.6	-2,679.4	-2,428.5
Remuneration to employees	-358.3	-265.0	-1,440.5	-1,347.1
Depreciation and impairments of tangible and intangible non-current assets	-32.3	-22.7	-129.0	-119.4
Other operating costs	-82.2	-56.4	-473.8	-448.0
Total operating costs	-1,091.4	-711.6	-4,722.8	-4,343.0
Operating profit/loss	63.0	32.6	415.0	384.6
Net financial items	-24.0	-3.5	-58.7	-38.2
Profit/loss after financial items	39.0	29.1	356.3	346.3
Tax on profit for the period	-10.2	-6.9	-77.7	-74.4
Profit/loss for the period	28.9	22.2	278.6	271.9
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	-22.8	26.6	23.5	72.9
Hedging of net investments	-4.5	-	-4.5	-
Income tax attributable to components in other comprehensive income	0.9	-	0.9	-
Other comprehensive income for the period, net after tax	-26.4	26.6	19.9	72.9
Comprehensive income for the period	2.5	48.8	298.5	344.8
Comprehensive income for the period attributable to:				
Shareholders in Parent Company	2.5	48.8	298.5	344.8
Holdings without controlling interest	-	-	-	-
Earnings per share for the period before dilution, SEK	0.58	0.48	5.66	5.62
Earnings per share for the period after dilution, SEK	0.58	0.48	5.66	5.62
Average no. of shares, before dilution	49,623,830	46,169,048	49,223,795	48,360,099
Average no. of shares, after dilution	49,623,830	46,169,048	49,223,795	48,360,099
Actual no. of shares at the end of the period	49,623,830	48,450,443	49,623,830	49,623,830

Condensed consolidated balance sheet

SEKm	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Brand	402.4	316.0	406.7
Customer relationships	8.2	16.5	17.0
Goodwill	2,829.0	2,126.3	2,842.3
Other intangible assets	1.6	1.0	1.8
<i>Total intangible assets</i>	<i>3,241.2</i>	<i>2,459.8</i>	<i>3,267.8</i>
Right-of-use assets	159.9	150.7	163.3
Tangible non-current assets	109.6	107.1	118.7
<i>Total non-current assets</i>	<i>269.5</i>	<i>257.8</i>	<i>282.0</i>
Non-current financial assets	5.8	6.0	4.3
Total non-current assets	3,516.5	2,723.6	3,554.1
Inventories	26.4	19.9	25.5
Accounts receivable	636.0	451.3	702.3
Revenues from contracts with customers and similar receivables	260.6	174.0	211.3
Prepaid costs and accrued income	23.3	21.5	36.1
Other receivables	53.3	51.7	67.6
Cash and cash equivalents	406.1	685.0	452.6
Total current assets	1,405.5	1,403.3	1,495.4
TOTAL ASSETS	4,922.0	4,126.9	5,049.5
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	2,094.9	1,737.9	2,092.5
Non-current interest-bearing liabilities	1,387.3	1,121.9	1,421.0
Non-current lease liabilities	97.2	115.0	102.1
Deferred tax liabilities	119.6	89.7	122.6
Other non-current liabilities	202.5	185.5	198.1
Total non-current liabilities	1,806.6	1,512.2	1,843.8
Current interest-bearing liabilities	128.9	86.8	139.1
Current lease liabilities	61.6	45.0	64.8
Accounts payable	330.1	246.1	356.4
Contract and similar liabilities	81.1	320.6	165.2
Accrued costs and prepaid income	227.4	178.3	205.6
Other current liabilities	191.4	-	182.2
Total current liabilities	1,020.4	876.8	1,113.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,922.0	4,126.9	5,049.5

Condensed statement of changes in shareholders' equity

SEKm	Share capital	Other contributed capital	Retained earnings including profit/loss for the period	Reserves	Total shareholders' equity
Shareholders' equity					
01 Jan 2022	2.3	887.3	364.5	15.6	1,269.7
Profit/loss for the period	-	-	22.2	-	22.2
<i>Other comprehensive income:</i>					
Exchange rate differences on translation of foreign operations	-	-	-	26.6	26.6
Total comprehensive income	-	-	22.2	26.6	48.8
Directed new share issue	0.2	409.4	-	-	409.6
Offset share issue	0.0	10.0	-	-	10.0
Transactions with owners	0.2	419.4	-	-	419.5
Shareholders' equity					
31 Mar 2022	2.4	1,306.7	386.6	42.2	1,737.9
Shareholders' equity					
01 Jan 2022	2.3	887.3	364.5	15.6	1,269.6
Profit/loss for the period	-	-	271.9	-	271.9
<i>Other comprehensive income:</i>					
Exchange rate differences on translation of foreign operations	-	-	-	72.9	72.9
Total comprehensive income	-	-	271.9	72.9	344.8
Dividend	-	-	-58.3	-	-58.3
Warrant payment	-	1.7	-	-	1.7
Directed new share issue	0.2	409.4	-	-	409.5
Offset share issue	0.1	125.1	-	-	125.2
Transactions with owners	0.2	536.1	-58.3	-	478.0
Shareholders' equity					
31 Dec 2022	2.5	1,423.4	578.1	88.5	2,092.5
Shareholders' equity					
01 Jan 2023	2.5	1,423.4	578.1	88.5	2,092.5
Profit/loss for the period	-	-	28.9	-	28.9
<i>Other comprehensive income:</i>					
Exchange rate differences on translation of foreign operations	-	-	-	-22.8	-22.8
Net investment hedging	-	-	-	-4.5	-4.5
Income tax attributable to components in other comprehensive income	-	-	-	0.9	0.9
Total comprehensive income	-	-	28.9	-26.4	2.5
Transactions with owners	-	-	-	-	-
Shareholders' equity					
31 Mar 2023	2.5	1,423.4	606.9	62.1	2,094.9

Condensed consolidated statement of cash flows

SEKm	2023	2022	2023Q1	2022
	Jan-Mar	Jan-Mar	12M	Jan-Dec
Operating activities				
Profit/loss after financial items	39.0	29.1	356.3	346.3
Adjustments for non-cash items	49.6	22.9	143.9	117.2
Interest paid	-16.7	-5.5	-42.4	-31.2
Tax paid	-36.5	-36.8	-74.0	-74.3
Changes in working capital	-7.4	33.7	-86.3	-45.2
Cash flow from operating activities	28.0	43.4	297.5	312.8
Investment activities				
Acquisition of subsidiaries and businesses	-	-199.8	-716.8	-916.6
Net investments in non-current assets	-10.8	-14.1	-53.9	-57.1
Net investments in financial activities	0.0	0.7	-0.0	0.7
Cash flow from investing activities	-10.8	-213.1	-770.7	-973.0
Financing activities				
New share issue	-	409.5	-0.0	409.5
Warrant payment	-	-	1.7	1.7
Dividend paid	-	-	-58.3	-58.3
Proceeds from financing	57.7	180.6	668.4	791.3
Amortisation of financing	-97.5	-	-357.8	-260.3
Repayment of lease liability	-16.0	-10.6	-57.3	-51.9
Cash flow from financing activities	-55.9	579.5	196.7	832.0
Cash flow for the period	-38.7	409.7	-276.6	171.8
Cash and cash equivalents at end of period	452.6	271.6	685.0	271.6
Translation difference in cash and cash equivalents	-7.9	3.7	-2.4	9.2
Cash and cash equivalents at end of period	406.1	685.0	406.1	452.6

Parent Company income statement, summary

SEKm	2023 Jan-Mar	2022 Jan-Mar	2023Q1 12M	2022 Jan-Dec
Operating income	3.5	2.7	12.9	12.2
Operating costs	-4.6	-4.4	-21.5	-21.3
Operating profit/loss	-1.1	-1.7	-8.6	-9.2
Net financial items	-12.1	-1.4	-40.8	-30.1
Profit/loss after net financial items	-13.2	-3.1	-49.4	-39.3
Appropriations	-	-	102.5	102.5
Profit/loss before tax	-13.2	-3.1	53.1	63.2
Tax on profit for the period	2.7	0.6	-13.2	-15.3
Profit/loss for the period*	-10.5	-2.5	40.0	47.9

*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.

Parent Company balance sheet, summary

SEKm	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Tangible non-current assets	0.6	0.2	0.0
Non-current financial assets	3,037.7	2,618.9	3,101.9
Total non-current assets	3,038.4	2,619.2	3,102.1
Current receivables	3.1	1.2	1.7
Cash and bank	-	0.0	-
Total current assets	3.1	1.2	1.7
TOTAL ASSETS	3,041.5	2,620.3	3,103.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted shareholders' equity	2.5	2.4	2.5
Unrestricted shareholders' equity	1,511.4	1,413.0	1,521.9
Total shareholders' equity	1,513.9	1,415.5	1,524.3
Non-current liabilities	1,381.1	1,119.7	1,417.7
Accounts payable	0.4	1.4	0.3
Other current liabilities	136.9	79.8	157.3
Accrued costs and prepaid income	9.3	4.0	4.1
Total liabilities	1,527.6	1,204.9	1,579.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,041.5	2,620.3	3,103.8

Notes

Note 1 Accounting principles

Fasadgruppen Group AB applies the International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated accounts in this interim report have been prepared in accordance with IAS 34 Interim Financial Reporting plus applicable regulations in the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report should be read together with the annual report for the financial year ending on 31 December 2022. The accounting policies and calculation bases are the same as those that were applied in the annual report for 2022. 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 within parentheses refer to the comparable period.

Note 3 Allocation of income

Group, SEKm	2023 Jan-Mar	2022 Jan-Mar	2023Q1 12M	2022 Jan-Dec
Sweden	687.0	470.5	2,948.2	2,731.7
Denmark	214.8	94.2	882.6	762.0
Norway	203.4	172.8	1,004.9	974.4
Finland	38.1	-	117.7	79.6
Total	1,143.3	737.5	4,953.5	4,547.7

Sales come from external customers, with no individual customer accounting for 10 percent or more of sales. 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.

Hedge accounting of foreign operations

On 1 January 2023, Fasadgruppen started to apply hedge accounting to parts of its net investments in foreign operations. The Group uses loans as hedging instruments. Hedging of net investments in foreign operations is recognised in a similar way to cash flow hedging. The proportion of gain or loss of the hedging instrument that is assessed as an effective hedging is recognised in Other comprehensive income. The gain or loss attributable to the ineffective part is recognised in the income statement. Accumulated gains and losses in shareholders' equity are reported in the income statement when foreign operations are divested in whole or in part. IFRS 9 is not applied in the Parent Company and the accounting is not thereby affected by the new accounting principles.

Note 2 Significant estimations and judgements

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

Income outside Sweden comprises 39.9 percent (36.2) of total income for the Group for the period January to March 2023. The Group applies the percentage of completion method.

Note 4 Related party transactions

The nature and scale of related party transactions are described in the Group Annual Report for 2022.

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:

During the period 1 January to 31 March 2023, Fasadgruppen has bought and sold services from/to companies controlled by senior executives for amounts totalling SEK 0.6 million for purchased services and SEK 0.0 million for services sold linked to project-related work. As of 31 March 2023, Fasadgruppen's current liabilities to companies controlled by senior executives amounted to SEK 0.0 million and current receivables to SEK 0.0 million for project-related work.

Note 5 Pledged assets and contingent liabilities

Group, SEKm	31 Mar 2023	31 Mar 2022	31 Dec 2022
Pledged assets:			
Company mortgages	35.7	20.3	35.6
Other	54.5	70.1	51.8
Total	90.2	90.4	87.4
Contingent liabilities;			
Guarantees	465.7	223.8	451.6

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 271.5 million as of 01/01/2023. For the period January to March 2023, earnouts of SEK -3.2 million were settled and contingent earnouts of SEK 7.3 million were repaid. At the end of the period, earnouts not yet settled amounted to SEK 278.2 million. The earnout amounts are mostly based on either EBITDA, EBIT or post-tax profits for the years 2022, 2023, 2024, 2025, and/or 2026. 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.

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, SEKm

Opening contingent earnouts, 01/01/2023	271.5
Earnouts settled	-3.2
Contingent earnouts repaid	7.3
Fixed interest time factor	2.6
Closing contingent earnouts 31/03/2023	278.2

Expected disbursements

Expected disbursements < 12 months	-88.8
Expected disbursements in > 12 months	-189.5

Note 7 Items affecting comparability

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

Group, SEKm	2023 Jan-Mar	2022 Jan-Mar	2023Q1 12M	2022 Jan-Dec
Acquisition-related costs	-0.4	-4.8	-11.1	-15.5
Revaluation of earnouts	.	-	11.0	11.0
Other	-1.7	-	-7.0	-5.2
Total	-2.1	-4.8	-7.1	-9.8

Signatures

The Board of Directors and the Chief Executive Officer hereby confirm that the interim report gives a true and fair view of the Company's and the Group's operations, financial position and performance, and describes significant risks and uncertainties faced by the Company and the companies in the Group.

Stockholm 10 May 2023

Fasadgruppen Group AB

Ulrika Dellby
Chair of the Board

Tomas Georgiadis
Board member

Christina Lindbäck
Board member

Tomas Ståhl
Board member

Gunilla Öhman
Board member

Pål Warolin
Group President and CEO

This 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. The information was submitted for publication through the agency of the Chief Executive Officer on 11 May 2023 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/en

Growth in net sales

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

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

Organic growth

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

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

EBITA

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

EBITA provides a picture of earnings generated from operating activities.

EBITDA

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

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

EBIT margin

Earnings (EBIT) as a percentage of net sales.

The EBIT margin is used to measure operating profitability.

EBITA margin

EBITA as a percentage of net sales.

The EBITA margin is used to measure operating profitability.

Items affecting comparability

Items affecting comparability are property sales, acquisition-related costs, preparatory costs of floatation and floatation costs, issue costs, restructuring costs and revaluations of earnouts.

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

Adjusted EBIT

EBIT adjusted for items affecting comparability.

Adjusted EBIT improves comparability between periods.

Adjusted EBITA

EBITA adjusted for items affecting comparability.

Adjusted EBITA improves comparability between periods.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

The adjusted EBITA margin is used to measure operating profitability.

Adjusted EBITDA

EBITDA adjusted for items affecting comparability.

Adjusted EBITDA improves comparability between periods.

Cash flow from operating activities

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

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

Cash conversion

Cash flow from operating activities as a percentage of EBITDA.

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

Order backlog

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

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

Return on shareholders' equity¹

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

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

Return on capital employed¹

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

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

Return on capital employed, excluding goodwill¹

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

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

Capital employed

Total capital with or without goodwill minus non-interest-bearing liabilities and appropriations.

Capital employed shows by how much company assets are financed by the return on this capital.

Interest-bearing net debt²

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

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

Net debt to adjusted EBITDA ratio

Interest-bearing 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.

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

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



Fasadgruppen in brief

Vision

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

Mission

With solid craftsmanship, we maintain and create buildings with sustainable exteriors.

Business model

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

Offering

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

Projects and customers

Fasadgruppen mainly focuses on mid-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, and private properties, tenant-owner associations and construction companies.

Strategy

Acquire and develop local market leaders

Fasadgruppen strives to continue growing through its established acquisition model and develop local market leaders in façade work. Each subsidiary has a high degree of autonomy to ensure that the business can be run optimally based on its expertise, customer knowledge and local market.

Strong local entrepreneurship with economies of scale

Through Fasadgruppen's business model, the local entrepreneurship is combined with economies of scale. Fasadgruppen's ambition is to provide an organisation that effectively shares resources, purchasing agreements and best practice.

A safe pair of hands through sustainable enterprise

As the biggest player in façade work in the Nordics, the Group works sustainably, locally and with a high level of craftsmanship when it comes to whole property exteriors. Thanks to well-established and energy-efficient working methods with short lead times and delivery precision, Fasadgruppen offers conscious customers personal commitment, competitive prices and a safe pair of hands throughout the project.

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

Sustainable enterprise is an integral part of Fasadgruppen's strategy and a necessity for sustainable, profitable growth. We work within three focus areas – The industry's best workplace, Leading the climate transition and The industry's most stable partner – which will contribute to both the Group's goals and the UN Sustainable Development Goals. Below are the global goals where Fasadgruppen believes it has the greatest opportunity to influence.



Fasadgruppen

Fasadgruppen Group AB
 Drottninggatan 81 A, SE-111 60 Stockholm
 info@fasadgruppen.se
 www.fasadgruppen.se
 Corp. ID No. 559158 - 4122

Contact information

Casper Tamm, CFO
 Tel: +46 (0)73 820 00 07
 Email: adrian.westman@fasadgruppen.se

Adrian Westman, Head of IR and Sustainability
 Tel: +46 (0)73 509 04 00
 Email: adrian.westman@fasadgruppen.se

Financial calendar

AGM 2023 (Stockholm)	11 May 2023
Interim report Jan-June 2023	15 August 2023
Interim report Jan-Sept 2023	14 November 2023
Year-end report 2023	13 February 2024

