

# Interim report

## 1 January-30 September

Fasadgruppen 

*“Continued profitable growth; strong order backlog provides stability ahead of 2023”*

### Third quarter highlights

- Net sales increased to SEK 1,208.0 million (713.7), corresponding to growth of 69.3 percent. Organic growth was 14.6 percent.
- EBITA increased to SEK 148.9 million (102.8) and EBITA margin was 12.3 percent (14.4).
- Items affecting comparison<sup>1</sup> impacted EBITA by SEK +9.4 million (+8.5). Adjusted EBITA (excluding items affecting comparison) increased to SEK 139.4 million (94.3).
- Earnings for the period increased to SEK 105.4 million (72.0), earnings per share before and after dilution were SEK 2.15 (1.59).
- Operating cash flow totalled SEK 125.0 million (66.7).
- The order backlog increased to SEK 3,173.0 million (1,628.0).

### Nine-month highlights

- Net sales increased to SEK 3,162.6 million (1,823.7), corresponding to growth of 73.4 percent. Organic growth was 8.3 percent.
- EBITA increased to SEK 304.2 million (188.4) and EBITA margin was 9.6 percent (10.3).
- Items affecting comparison<sup>1</sup> impacted EBITA by SEK -2.2 million (-7.5). Adjusted EBITA (excluding items affecting comparison) increased to SEK 306.4 million (195.9).
- Earnings for the period increased to SEK 204.3 million (124.4), earnings per share before and after dilution were SEK 4.26 (2.75).
- Operating cash flow totalled SEK 191.7 million (131.6).

### Important events during the quarter

- Three acquisitions have been completed: Altana and Jan Tryk in Denmark and Rovakate in Finland.
- Fasadgruppen has entered into a new sustainability-linked credit facility agreement of SEK 600 million for continued acquisitions.

### Events after the end of the period

- Another acquisition announced: Sydskipper in Sweden

### Key figures <sup>1, 2</sup>

SEK million	2022	2021	Δ	2022	2021	Δ	2022 Q3	2021
	Jul-Sept	Jul-Sept		Jan-Sept	Jan-Sept		12M	Jan-Dec
Net sales	1,208.0	713.7	69.3%	3,162.6	1,823.7	73.4%	4,015.2	2,676.3
EBITA	148.9	102.8	44.8%	304.2	188.4	61.4%	399.4	283.7
EBITA margin, %	12.3	14.4		9.6	10.3		9.9	10.6
Adjusted EBITA	139.4	94.3	47.9%	306.4	195.9	56.4%	411.5	301.0
Adjusted EBITA margin, %	11.5	13.2		9.7	10.7		10.2	11.2
Cash flow from operating activities	125.0	66.7	87.5%	191.7	131.6	45.7%	313.7	253.5
Cash conversion, %	73.2	57.4		52.8	59.1		66.0	75.7
Return on capital employed, %	13.0	12.5		13.0	12.5		13.0	12.4
Return on shareholders' equity, %	16.7	16.1		16.7	16.1		16.7	16.0
Net debt to equity ratio, %	68.7	66.7		68.7	66.7		68.7	69.8
Profit/loss before tax	128.1	92.4	38.6%	257.0	159.7	60.9%	336.1	238.8
Order backlog	3,173.0	1,628.0	94.9%	3,173.0	1,628.0	94.9%	3,173.0	1,930.0

<sup>1</sup> For items affecting comparability in the respective period, see note 7.

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

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

# CEO comment

## Strong organic growth

I can summarise the third quarter as one with good progress for Fasadgruppen, and especially with regard to the strong growth in both sales and order backlog. The margin has decreased somewhat compared to last year but must be seen in light of the strong cost inflation for materials that occurred particularly in the second quarter.

Sales in the third quarter amounted to SEK 1,208.0 million, an increase of 69.3 percent compared with the corresponding quarter in the previous year. Organic growth was 14.6 percent and growth through acquisitions was 54.7 percent. The order backlog increased by 94.9 percent, with organic growth accounting for 36.1 percent. The adjusted EBITA margin was 11.5 percent for the quarter. We will continue to focus heavily on profitability going forward and see a certain improvement in material price trends.

The operating cash flow has strengthened significantly compared to the third quarter of the previous year and the second quarter of this year, where the latter quarter was negatively affected by earlier purchase of materials in order to secure the prices for upcoming projects. Also in the third quarter there was some discrepancy in the relationship between material purchases and customer invoicing, but we expect a more normalised situation with seasonally strong cash flow towards the end of the year.

## Record-year in acquisitions

We have completed three new acquisitions in the quarter – Altana, Rovakate and Jan Tryk – with total annual sales of around SEK 320 million. Through the purchase of Altana, we now have a pure balcony business in Denmark, while at the same time Rovakate is our first step into the Finnish market. Rovakate is special to the extent that it offers services in Finland, the rest of the Nordics and northern Europe, which we think constitutes an exciting piece of the puzzle in Fasadgruppen's expansion. Finally, with Jan Tryk, we have expanded to Jutland and thereby have a geographically comprehensive offering in Denmark. After the end of the quarter, we have also announced the acquisition of Sydskipper, which strengthens our renovation offering in southwest Sweden. All in all, 2022 will be a record-year in terms of acquired annual sales.

We continue to engage in many dialogues with qualitative acquisition candidates in all markets. Our focus is well-managed and profitable companies that match Fasadgruppen's culture, strategy and offering. At the end of the quarter, we entered into a new sustainability-linked credit facility agreement of SEK 600 million in order to maintain flexibility in our continued growth journey.



*"We notice great interest from property owners in all types of measures that can contribute to improving energy performance"*

## High energy prices create both challenges and opportunities

The high energy prices continue to be a driving force in inflation and several suppliers have begun to announce so-called energy surcharges on materials during the quarter. On the other hand, we see more stable prices for the materials themselves and even price reductions for some types of material. We always negotiate price adjustments with a clear focus on minimising the effects for the subsidiaries and protecting project margins.

The energy prices are at the same time creating new opportunities as they have highlighted the benefits of energy renovations. We notice great interest from property owners in all types of measures that can contribute to improving energy performance and thereby reduce costs. Our assessment is that this driving force is further contributing to the long-term stability of the renovation market, which currently accounts for approximately 75 percent of our sales.

## Equipped for 2023

We are now in the middle of the fourth quarter, which entails a burst of activity to complete projects before winter arrives. If I allow myself to look ahead to 2023 now, I have a fundamentally positive view of our prospects for continuing to deliver profitable growth. The record-high order backlog combined with continued good acquisition opportunities and the underlying market provide clear stability for the business. At the same time, it is important to be humble in the face of developments in the world around us, and we are continuing to work closely with both suppliers and customers to quickly respond to changes in the market. One of our main competitive advantages is the combined knowledge and experience that exist in the subsidiaries, where many have operated for decades – or in some cases centuries – and have therefore experienced both good times and bad times. It will be of great benefit if we go into a recession.

Pål Warolin, CEO and Group President

# Group development

## Third quarter

### Net sales

Net sales in the third quarter of 2022 amounted to SEK 1,208.0 million (713.7), a 69.3 percent increase compared with the same period in the previous year. Organic growth amounted to 14.6 percent and growth through acquisitions to 54.7 percent. Exchange rate fluctuations positively affected organic growth by 0.9 percentage points. Organic growth has otherwise been impacted by the significant effects of cost inflation for materials. In the third quarter of 2022, Fasadgruppen has completed three acquisitions, of which one was an asset acquisition, and they have all been closed during the quarter. For more information on acquisitions in the third quarter of 2022, please see page 6 and note 8.

### Earnings

EBITA for the current quarter rose to SEK 148.9 million (102.8) and adjusted EBITA to SEK 139.4 million (94.3). Items affecting comparability in the quarter as a whole amounted to SEK +9.4 million (+8.5), see also note 7. The adjusted EBITA margin for the current quarter amounted to 11.5 percent (13.2). Cost inflation for materials has also had a negative effect on profitability during the third quarter of the current year. Other operating income/expenses have been significantly impacted by revaluations made for conditional additional purchase prices during the current period, SEK +66.2 and -52.7 million respectively, the items are treated as affecting comparability, see also notes 6 and 7. Net financial items for the quarter amounted to SEK -9.9 million (-4.4). Interest expenses on loans from credit institutions amounted to SEK -7.8 million (-3.5). Otherwise, net financial items comprise mainly negative exchange rate effects totalling SEK +0.3 million for the current quarter. Profit for the period increased to SEK 105.4 million (72.0), corresponding to earnings per share of SEK 2.15 (1.59) before dilution. The effective tax rate was 17.7 percent (22.1). The lower tax rate for the current quarter can mainly be attributed to a positive adjustment of deferred tax for 2021 of SEK 3.0 million in one of our Norwegian subsidiaries that was acquired in the same year.

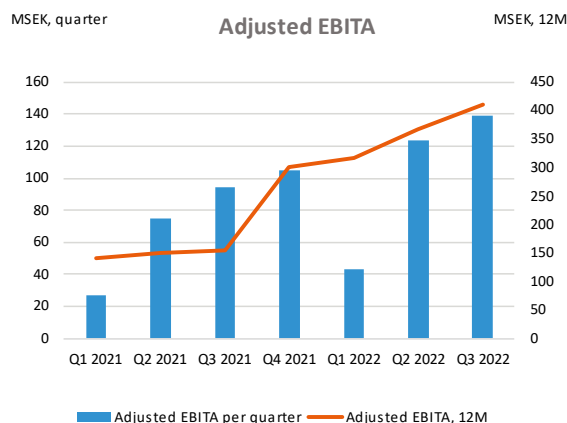
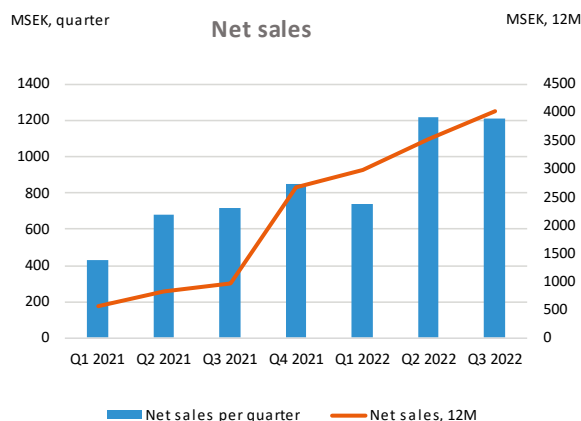
## January–September

### Net sales

Net sales in January to September 2022 amounted to SEK 3,162.6 million (1,823.7), a 73.4 percent increase compared with the same period in the previous year. Organic growth amounted to 8.3 percent and growth through acquisitions to 65.1 percent. Exchange rate fluctuations positively affected organic growth by 1.1 percentage points. 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 and mainly the third quarter, the significant effects of cost inflation for materials has driven organic growth. From January to September 2022, Fasadgruppen has completed 19 acquisitions, of which five were asset acquisitions and they have all been closed during the period. For more information on acquisitions during the period January to September 2022, please see page 6 and note 8.

### Earnings

EBITA for the period January to September 2022 rose to SEK 304.2 million (188.4) and adjusted EBITA to SEK 306.4 million (195.9). Items affecting comparability during the period amounted to SEK -2.2 million (-7.5), see note 7, with an adjusted EBITA margin of 9.7 percent (10.7). The impact of increased material prices has predominantly had a negative effect on profitability during the second and third quarter. The war in Ukraine has so far had a limited impact on Fasadgruppen's business. The Group operates only in Sweden, Norway, Denmark and recently Finland where a very limited number of personnel and quantities of input goods come from the warring countries. Other operating income/expenses have been significantly affected by revaluations made for contingent earnout prices during the period, SEK +67.1 and -52.7 million respectively; the items are treated as affecting comparability, see also notes 6 and 7. Net financial items for the period January to September 2022 amounted to SEK -22.5 million (-11.1). Interest expenses on loans from credit institutions amounted to SEK -14.3 million (-8.0). Otherwise, net financial items comprise mainly negative exchange rate effects totalling SEK -2.7 million for the current period. Profit for the period amounted to SEK 204.3 million (124.4), corresponding to earnings per share of SEK 4.26 (2.75) before dilution. The effective tax rate was 20.5 percent (22.1).



## Order backlog

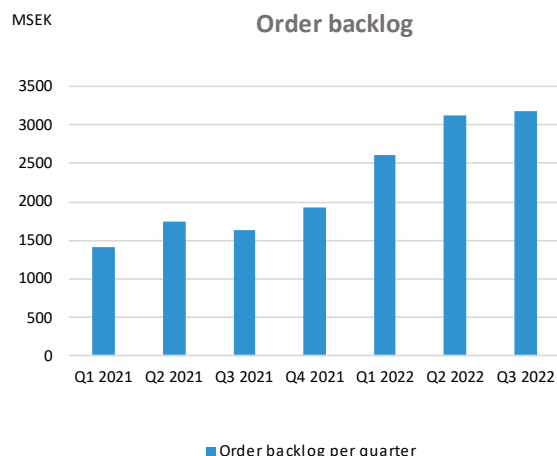
At the end of September 2022, the order backlog amounted to SEK 3,173.0 million (1,628), an increase of 94.9 percent. The order backlog for comparable companies at the end of September 2021 had increased by 36.1 percent, while the acquisition growth in the order backlog amounted to 58.8 percent. The organic growth of the order backlog also remained strong during the third quarter of 2022, driven as in the previous two quarters by a positive growth in orders for comparable companies and combined with the effects of the cost inflation for materials which has affected the pricing for the customer. Since year-end, the order backlog has increased by SEK 1,242.9 million; companies acquired and added in the period January–September 2022 had added SEK 756.3 million to the order backlog at the end of the period.

## Financial position and financing

At the end of the period, shareholders' equity amounted to SEK 1,997.3 million (1,190.8). The change in shareholders' equity between the period ends can primarily be attributed to the directed 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 124.8 million and option liquidity of SEK 1.7 million between the period ends. A dividend was paid during May totalling SEK -58.3 million. The rest of the change in shareholders' equity is attributable to the profit for the period. Interest-bearing net debt on 30 September 2022 amounted to SEK 1,371.8 million (794.0). The interest-bearing net debt includes lease liabilities amounting to SEK 161.3 million (112.3). Earnouts are not included in interest-bearing net debt and on 30 September 2022 amounted to SEK 166.7 million (204.9). The fixed interest period for interest-bearing liabilities varies between 1 and 3 months. Expanded financing in the period January to September 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 2.8 (2.8) at the end of the period. On 30 September 2022, the Group held cash and cash equivalents and other short-term investments amounting to SEK 357.0 million (159.0). 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 period January to September and amounted to SEK -127.3 million (-70.2). The negative development in working capital for the current period relative to the comparison period is considered to be mainly due to the active work during the second and partly the third quarter to ensure prices for projects through the earlier purchase of materials, which has created a delay in relation to when invoicing to the customer can take place. Other underlying reasons are extensive project activity as a result of increased orders received and companies added between the periods. 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 increased to SEK 191.7 million (131.6) for the period January to September of which SEK 125.0 million (66.7) made up the third quarter. Group net investments in tangible non-current assets amounted to SEK -44.4 million (-20.8) for the same period. Depreciation on non-current assets for the period amounted to SEK -83.9 million (-51.8), of which depreciation on acquired intangible assets, such as customer relationships, amounted to SEK -24.7 million (-17.6). Investments in company acquisitions for the period January–September 2022 amounted to SEK -848.1 million (-458.1). This amount mainly concerns businesses acquired during the period. Other than this, the amount consists of contingent earnouts relating to previous acquisitions settled during the period January to September in the amount of SEK -123.8 million.

## Personnel

The Group had 1,969 employees (1,350) on 30 September 2022, of whom 76 were women (49). The average number of employees for the period January–September 2022 was 1,740 (1,133). The significant change relative to the comparison period is primarily attributable to new acquisitions between the periods. For more information on acquisitions during the period January to September 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–September 2022 amounted to SEK -21.9 million (-14.5). Assets, primarily consisting of participations in and receivables from Group company Fasadgruppen Norden AB, amounted to SEK 3,018.3 million (1,275.8) at the end of the period. Shareholders' equity amounted to SEK 1,459.1 million (905.0) on the balance sheet date. The number of employees in the Parent Company amounted to 3 persons at the end of the period.



# Market overview

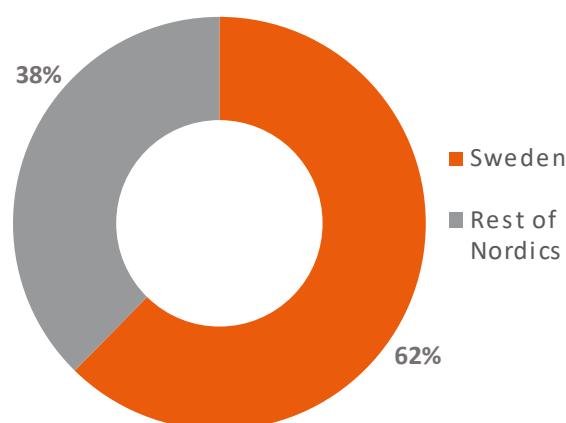
Fasadgruppen is the leading full-service provider of sustainable façades with a local presence in Sweden, Norway and Denmark, and as of August 2022 also in Finland. The Group's main customers are property owners, construction companies, property management companies, consultants, tenant-owner housing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

According to a market analysis 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 period January to September 2022, Fasadgruppen acquired 19 new businesses, of which 15 were company acquisitions and four 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.

In the period January to September 2022,, the Group has acquired an estimated SEK 1,181 million in annual sales and added around 499 new employees to the workforce, bringing new know-how and working capacity to the Group.

Goodwill totalling SEK 2,763.3 million within the Group is a result of continuous and consciously targeted acquisitions over a number of years. Accumulated goodwill primarily

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

Three new acquisitions were closed during the third quarter of 2022: Altana A/S, RKC Construction Oy and Jan Tryk Facadepuds Aps. 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 to September 2022, please see page 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
November	Sydskiffer Aktiebolag	Sweden	70	15
September	Jan Tryk Facadepuds Aps (asset acquisition)	Denmark	20	20
August	RKC Construction	Finland	167	28
July	Altana A/S	Denmark	133	43
May	Chem-Con AS	Norway	34	25
May	Stenklint A/S	Denmark	35	22
May	Murmestrene Fjeldheim-Knudsen AS	Norway	53	36
April	Mur o Puts i Kristianstad AB	Sweden	25	15
April	GÅJ Stålkonstruktioner AB	Sweden	57	35
April	Kjær Knudsen A/S	Denmark	190	56
April	A Co Tak & Montage AB (asset acquisition)	Sweden	20	7
February	Malercompagniet Oslo AS	Norway	136	56
February	Murpartnern AS	Norway	50	50
February	Meyer-Mørch AS	Norway	29	9
February	Alnova Balkongsystem AB	Sweden	165	64
February	Herrängens Plåtslageri AB, Vantörs Bleck and Plåtslageri AB, E. P.M. Elektra Plåt och Maskin AB (asset acquisition)	Sweden	30	13
February	Helsingborgs Fasad & Kakerl AB	Sweden	30	14
February	Miljø-Sanering AS	Norway	7	6
			1,251	514

### The Fasadgruppen M&A strategy

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

Fasadgruppen has established a number of acquisition criteria with requirements such as good profitability, geographic locations and long-term management. In Sweden, over 500 potential acquisition candidates have been identified. The corresponding figure for the other Nordic countries is over 1,800 potential companies.

# Other information

## Risks and 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, Denmark and recently Finland where a very limited number of personnel and quantities of input goods come from the warring countries. The Group continues to monitor developments closely as part of its ongoing risk management work, making adjustments when necessary.

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

## Seasonal variations

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

## Future projections

The Nordic market is expected to continue to have stable underlying renovation requirements in the future. Underlying driving forces, such as urbanisation, housing shortages, the tough Nordic weather climate and energy consumption regulation, are considered to lead to a continuing willingness to invest among the Group's customer groups, which points to continued long-term growth potential for Fasadgruppen. The Group has a well underpinned acquisition strategy and future acquisition opportunities are considered to remain good. Business operations in the Rest of Nordics region are in development and discussions on acquisitions are being held with a number of companies outside Sweden. The Group's financial base creates the stability that aids both investments and acquisitions. Fasadgruppen continues to develop its sustainability work with the focus on profitability and those products that are being developed for the sustainable façade solutions of the future that will boost the competitiveness of customers. The Group is firmly resolved to drive both daily improvement work in its business and the transformation of the façade sector towards safe and more sustainable solutions.

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

## Incentive programme

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

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

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

At this moment in time, 501,472 warrants in the 2021/2024 series have been issued to 65 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Option premiums paid amount to SEK 8.0 million. The remaining 421,538 warrants are held by the company's wholly owned subsidiary, Fasadgruppen Norden AB, and have been transferred free of charge.

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

## Shares and share capital

There has been an increase in the number of shares and voting rights in the period January to September of 2022 as a result of a targeted new share issue of a total of 3,00,000 shares and offset share issues of a total of 1,236,177 shares as part of the purchase consideration on the acquisitions of Alnova Balkongsystem AB, Kjær Knudsen A/S, Altana A/S and RKC Construction Oy. As of 30 September 2022, the number of shares and votes amounted to 49,623,830 with a share capital of SEK 2.5 million, corresponding to a quotient value of SEK 0.05 per share. The three largest shareholders in the company at the end of September 2022 were Capital Group, Connecting Capital and Swedbank Robur Fonder.

## Events after the end of the period

- Fasadgruppen expands in southwest Sweden through the acquisition of the historic building specialist Sydskiffer Aktiebolag. Sydskiffer has 15 full-time employees, and for the financial year 2021, its revenues amounted to approximately SEK 70 million. Fasadgruppen is using existing cash to finance the acquisition. The seller has undertaken to re-invest part of the purchase price by acquiring existing shares in Fasadgruppen within the next three months for an amount corresponding to SEK 15 million. The shares bought under the re-investment are subject to a lock-up commitment for 24 months.

## Presentation of interim report

The interim report will be presented in a telephone conference and live audiocast on 16 November at 8.15 a.m. CET via

<https://ir.financialhearings.com/fasadgruppen-group-q3-2022>. Phone number for participation: +46 8 5055 8373 / +44 3333 009 269



# Financial reports

## Condensed consolidated income statement and statement of comprehensive income

SEK million	2022 Jul-Sept	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	2022 Q3 12M	2021 Jan-Dec
Net sales	1,208.0	713.7	3,162.6	1,823.7	4,015.2	2,676.3
Other operating income	70.6	13.7	84.9	22.7	112.8	50.7
<b>Operating income</b>	<b>1,278.6</b>	<b>727.3</b>	<b>3,247.4</b>	<b>1,846.4</b>	<b>4,128.0</b>	<b>2,726.9</b>
Material and consumables	-660.3	-369.2	-1,672.7	-932.2	-2,102.2	-1,361.7
Remuneration to employees	-314.9	-197.0	-938.8	-563.7	-1,202.2	-827.2
Depreciation and impairments of tangible and intangible non-current assets	-32.8	-19.3	-83.9	-51.8	-106.6	-74.5
Other operating costs	-132.6	-44.9	-272.6	-127.9	-348.2	-203.4
<b>Total operating costs</b>	<b>-1,140.6</b>	<b>-630.5</b>	<b>-2,967.9</b>	<b>-1,675.6</b>	<b>-3,759.1</b>	<b>-2,466.7</b>
<b>Operating profit/loss</b>	<b>138.0</b>	<b>96.8</b>	<b>279.5</b>	<b>170.8</b>	<b>368.9</b>	<b>260.2</b>
Net financial items	-9.9	-4.4	-22.5	-11.1	-32.8	-21.5
<b>Profit/loss after financial items</b>	<b>128.1</b>	<b>92.4</b>	<b>257.0</b>	<b>159.7</b>	<b>336.1</b>	<b>238.8</b>
Tax on profit for the period	-22.7	-20.5	-52.7	-35.3	-70.5	-53.0
<b>Profit/loss for the period</b>	<b>105.4</b>	<b>72.0</b>	<b>204.3</b>	<b>124.4</b>	<b>265.6</b>	<b>185.7</b>
<b>Other comprehensive income for the period:</b>						
<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	29.0	4.3	45.8	11.8	55.7	21.8
<b>Other comprehensive income for the period, net after tax</b>	<b>29.0</b>	<b>4.3</b>	<b>45.8</b>	<b>11.8</b>	<b>55.7</b>	<b>21.8</b>
<b>Comprehensive income for the period</b>	<b>134.4</b>	<b>76.3</b>	<b>250.1</b>	<b>136.3</b>	<b>321.3</b>	<b>207.5</b>
<i>Comprehensive income for the period attributable to:</i>						
Shareholders in Parent Company	134.4	76.3	250.1	136.3	321.3	207.5
Holdings without controlling interest	-	-	-	-	-	-
Earnings per share for the period before dilution, SEK	2.15	1.59	4.26	2.75	5.61	4.11
Earnings per share for the period after dilution, SEK	2.15	1.59	4.26	2.75	5.61	4.11
Average no. of shares, before dilution	49,117,106	45,342,816	47,938,856	45,203,362	47,295,450	45,243,830
Average no. of shares, after dilution	49,117,106	45,342,816	47,938,856	45,203,362	47,295,450	45,243,830
Actual no. of shares at the end of the period	49,623,830	45,342,816	49,623,830	45,342,816	49,623,830	45,387,653

## Condensed consolidated balance sheet

SEK million	30/09/2022	30/09/2021	31/12/2021
<b>ASSETS</b>			
Brand	395.5	227.4	264.5
Customer relationships	27.5	9.8	13.6
Goodwill	2,763.3	1,749.1	1,953.6
Other intangible assets	2.3	0.5	0.5
<i>Total intangible assets</i>	<i>3,188.7</i>	<i>1,986.9</i>	<i>2,232.3</i>
Right-of-use assets	146.2	114.6	133.3
Tangible non-current assets	137.0	66.2	81.3
<i>Total non-current assets</i>	<i>283.2</i>	<i>180.8</i>	<i>214.7</i>
Financial non-current assets	4.9	4.0	3.7
<b>Total non-current assets</b>	<b>3,476.8</b>	<b>2,171.7</b>	<b>2,450.6</b>
Inventories	27.3	13.4	16.0
Accounts receivable	709.8	436.1	410.8
Revenues from contracts with customers and similar receivables	289.5	127.1	128.0
Prepaid expenses and accrued income	32.9	21.1	27.2
Other receivables	39.1	5.2	41.3
Cash and cash equivalents	357.0	159.0	271.6
<b>Total current assets</b>	<b>1,455.5</b>	<b>761.9</b>	<b>894.9</b>
<b>TOTAL ASSETS</b>	<b>4,932.3</b>	<b>2,933.7</b>	<b>3,345.5</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>1,997.3</b>	<b>1,190.8</b>	<b>1,269.6</b>
Non-current interest-bearing liabilities	1,447.1	811.5	911.7
Non-current lease liabilities	105.3	79.8	96.5
Deferred tax liabilities	121.8	60.0	74.5
Other non-current liabilities	202.6	123.7	158.0
<b>Total non-current liabilities</b>	<b>1,876.8</b>	<b>1,075.0</b>	<b>1,240.8</b>
Current interest-bearing liabilities	120.4	29.2	114.6
Current lease liabilities	56.0	32.5	34.7
Accounts payable	413.2	215.2	180.4
Contract and similar liabilities	159.6	250.4	302.5
Accrued expenses and prepaid income	169.0	126.1	162.0
Other current liabilities	140.0	14.6	41.0
<b>Total current liabilities</b>	<b>1,058.2</b>	<b>667.9</b>	<b>835.1</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>4,932.3</b>	<b>2,933.7</b>	<b>3,345.5</b>

## Condensed statement of changes in shareholders' equity

SEK million	Shareholders' equity	Other contributed capital	Retained earnings including profit/loss for the period	Reserves	Total shareholders' equity
<b>Shareholders' equity</b>					
<b>01/01/2021</b>	<b>2.3</b>	<b>844.7</b>	<b>205.8</b>	<b>-6.2</b>	<b>1,046.5</b>
Profit/loss for the period	-	-	124.4	-	124.4
Other comprehensive income:					
Exchange rate differences on translation of foreign operations	-	-	-	11.8	11.8
Total comprehensive income	-	-	124.4	11.8	136.3
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
<b>Shareholders' equity</b>					
<b>30/09/2021</b>	<b>2.3</b>	<b>879.7</b>	<b>303.2</b>	<b>5.6</b>	<b>1,190.8</b>
<b>Shareholders' equity</b>					
<b>01/01/2021</b>	<b>2.3</b>	<b>844.7</b>	<b>205.8</b>	<b>-6.2</b>	<b>1,046.5</b>
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
<b>Shareholders' equity</b>					
<b>31/12/2021</b>	<b>2.3</b>	<b>887.3</b>	<b>364.5</b>	<b>15.6</b>	<b>1,269.6</b>
<b>Shareholders' equity</b>					
<b>01/01/2022</b>	<b>2.3</b>	<b>887.3</b>	<b>364.5</b>	<b>15.6</b>	<b>1,269.6</b>
Profit/loss for the period	-	-	204.3	-	204.3
Other comprehensive income:					
Exchange rate differences on translation of foreign operations	-	-	-	45.8	45.8
Total comprehensive income	-	-	204.3	45.8	250.1
Dividend	-	-	-58.3	-	-58.3
Option liquidity	-	1.7	-	-	1.7
Target new share issue	0.2	409.4	-	-	409.5
Offset share issue	0.1	124.7	-	-	124.8
Transactions with shareholders	0.2	535.8	-58.3	-	477.6
<b>Shareholders' equity</b>					
<b>30/09/2022</b>	<b>2.5</b>	<b>1,423.1</b>	<b>510.4</b>	<b>61.4</b>	<b>1,997.3</b>

## Condensed consolidated statement of cash flows

SEK million	2022	2021	2022	2021	2022 Q3	2021
	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	12M	Jan-Dec
<b>Operating activities</b>						
Profit/loss after financial items	128.1	92.4	257.0	159.7	336.1	238.8
Adjustment for non-cash items	16.0	10.3	69.3	45.0	105.7	81.4
Interest paid	-6.9	-3.2	-17.7	-8.2	-18.3	-8.8
Tax paid	-3.7	-22.0	-62.5	-51.5	-86.7	-75.7
Changes in working capital	-29.6	-38.3	-127.3	-70.2	-91.0	-34.0
<b>Cash flow from operating activities</b>	<b>103.9</b>	<b>39.3</b>	<b>118.9</b>	<b>74.8</b>	<b>245.8</b>	<b>201.7</b>
<b>Investment activities</b>						
Acquisition of subsidiaries and businesses	-433.5	-122.6	-848.1	-459.1	-1,011.0	-622.0
Net investments in non-current assets	-16.2	-11.3	-44.4	-20.8	-70.8	-47.2
Net investments in financial activities	0.7	0.8	0.8	0.5	0.4	0.2
<b>Cash flow from investing activities</b>	<b>-449.0</b>	<b>-133.1</b>	<b>-891.8</b>	<b>-479.4</b>	<b>-1,081.4</b>	<b>-669.1</b>
<b>Financing activities</b>						
New share issue	-	-	409.5	-	409.5	-
Payment of warrants	0.1	-	1.7	7.8	1.8	7.9
Dividend paid	-	-	-58.3	-27.1	-58.3	-27.1
Proceeds from borrowing	299.3	88.8	726.0	345.0	1,751.0	1,370.0
Repayment of loans	-12.5	-29.2	-187.5	-149.3	-1,026.9	-988.7
Repayment of lease liability	-13.4	-9.4	-37.2	-24.2	-49.5	-36.5
<b>Cash flow from financing activities</b>	<b>273.4</b>	<b>50.2</b>	<b>854.2</b>	<b>152.2</b>	<b>1,027.6</b>	<b>325.6</b>
<b>Cash flow for the period</b>	<b>-71.7</b>	<b>-43.5</b>	<b>81.3</b>	<b>-252.4</b>	<b>192.0</b>	<b>-141.7</b>
Cash and cash equivalents at end of period	425.9	201.9	271.6	409.3	159.0	409.3
Translation difference in cash and cash equivalents	2.8	0.6	4.1	2.1	6.0	3.9
<b>Cash and cash equivalents at end of period</b>	<b>357.0</b>	<b>159.0</b>	<b>357.0</b>	<b>159.0</b>	<b>357.0</b>	<b>271.6</b>



## Condensed Parent Company income statement

SEK million	2022 Jul-Sept	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	2022 Q3 12M	2021 Jan-Dec
Operating income	2.7	2.2	8.1	6.7	11.2	9.7
Operating profit/loss	-3.3	-3.5	-15.4	-17.3	-20.9	-22.8
<b>Operating profit/loss</b>	<b>-0.5</b>	<b>-1.3</b>	<b>-7.2</b>	<b>-10.7</b>	<b>-9.7</b>	<b>-13.2</b>
Net financial items	-8.4	-3.1	-14.7	-7.6	21.8	28.8
<b>Profit/loss after net financial items</b>	<b>-8.9</b>	<b>-4.4</b>	<b>-21.9</b>	<b>-18.3</b>	<b>12.0</b>	<b>15.7</b>
Appropriations	-	-	-	-	59.3	59.3
<b>Profit/loss before tax</b>	<b>-8.9</b>	<b>-4.4</b>	<b>-21.9</b>	<b>-18.3</b>	<b>71.3</b>	<b>75.0</b>
Tax on profit for the period	-2.6	0.9	-	3.7	-7.4	-3.7
<b>Profit/loss for the period*</b>	<b>-11.6</b>	<b>-3.5</b>	<b>-21.9</b>	<b>-14.5</b>	<b>63.9</b>	<b>71.3</b>

\*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	30/09/2022	30/09/2021	31/12/2021
<b>ASSETS</b>			
Tangible non-current assets	0.1	0.2	0.2
Financial non-current assets	3,018.1	1,275.5	1,389.2
<b>Total non-current assets</b>	<b>3,018.3</b>	<b>1,275.8</b>	<b>1,389.5</b>
Current receivables	6.2	1.6	1.1
Cash and bank	0.0	470.0	646.1
<b>Total current assets</b>	<b>6.2</b>	<b>471.6</b>	<b>647.3</b>
<b>TOTAL ASSETS</b>	<b>3,024.4</b>	<b>1,747.4</b>	<b>2,036.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Restricted shareholders' equity	2.5	2.3	2.3
Unrestricted shareholders' equity	1,456.6	902.8	996.2
<b>Total shareholders' equity</b>	<b>1,459.1</b>	<b>905.0</b>	<b>998.5</b>
Non-current liabilities	1,440.9	811.5	908.7
Accounts payable	0.7	1.0	1.3
Other current liabilities	119.6	28.1	119.7
Accrued expenses and prepaid income	4.1	1.8	8.6
<b>Total liabilities</b>	<b>1,565.4</b>	<b>842.4</b>	<b>1,038.3</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,024.4</b>	<b>1,747.4</b>	<b>2,036.8</b>

# Notes

## Note 1 Accounting principles

Fasadgruppen Group AB applies the International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated accounts in this interim report have been prepared in accordance with IAS 34 Interim Financial Reporting plus applicable regulations in the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report should be read together with the annual report for the financial year ending on 31 December 2021. The accounting policies and calculation bases are the same as those that were applied in the annual report for 2021. Information in accordance with IAS 34 16A also appears in other parts of the interim report in addition to the financial statements and associated notes.

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

## Note 3 Allocation of income

Group, SEK million	2022 Jul-Sept	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	2022 Q3 12M	2021 Jan-Dec
Sweden	687.8	488.5	1,905.5	1,325.2	2,503.7	1,923.4
Denmark	242.1	113.1	517.6	190.2	645.9	318.6
Norway	259.6	112.1	721.0	308.3	847.0	434.3
Finland	18.5	-	18.5	-	18.5	-
<b>Total</b>	<b>1,208.0</b>	<b>713.7</b>	<b>3,162.6</b>	<b>1,823.7</b>	<b>4,015.2</b>	<b>2,676.3</b>

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

## Note 4 Related party transactions

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

Transactions with related parties arise in current operations and are based on business terms and conditions and market prices. In addition to ordinary transactions between Group companies and remuneration to executives and directors, the following transactions with related parties have occurred during the period:

## Note 2 Significant estimates and assessments.

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

Income outside Sweden comprises 39.7 percent (27.3) 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 September 2022, Fasadgruppen has bought and sold services from/to companies controlled by senior executives for amounts totalling SEK 2.8 million for purchased services and SEK 0.0 million for services sold linked to project-related work. As of 30 September 2022, Fasadgruppen's current liabilities to companies controlled by senior executives amounted to SEK 0.3 million and current receivables to SEK 0.0 million for project-related work.

## Note 5 Pledged assets and contingent liabilities

Group, SEK million	30/09/2022	30/09/2021	31/12/2021
<b>Pledged assets:</b>			
Company mortgages	27.0	56.0	38.9
Other	71.2	34.8	57.1
<b>Total</b>	<b>98.2</b>	<b>90.8</b>	<b>96.0</b>
<b>Contingent liabilities;</b>			
Guarantees	416.7	166.1	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 of 01/01/2022. For the period January–June 2022, earnouts of SEK 123.8 million were settled. Additional new earnouts amounted to SEK 128.7 million from the company acquisitions of Malercompagniet Oslo AS, Alnova Balkongsystem AB, Helsingborgs Fasad & Kakerl AB, GAJ Stålkonstruktioner AB, Kjær Knudsen A/S, Altana A/S, RKC Construction Oy and the asset acquisitions of Herrängens Plåtslageri AB, Vantörs Bleck och Plåtslageri AB, E.P.M. Elektra Plåt och Maskin AB and A Co Tak & Montage AB. At the end of the period, earnouts not yet settled amounted to SEK 266.7 million. The earnout amounts are mostly based on either EBITDA, EBIT or post-tax profits for the years 2022, 2023, 2024, 2025, 2026 and/or 2027. The earnouts are valued on an ongoing basis using a probability assessment, where an evaluation is made of whether they will be paid at the agreed amounts. Management has here considered the risk for the outcome

of future cash flows. In the assessed valuation during the period January to September of 2022, earnouts have not yet been devalued by SEK -20 million. At the same time, earnouts have exceeded assessed valuation of SEK 8.5 million.

The fair value of Group financial assets and liabilities is estimated as equal to their book value. The Group does not apply netting for any of its significant assets or liabilities. No transfers between levels or valuation categories occurred in the period.

### Changes in contingent earnouts, SEK million

<b>Opening contingent earnouts, 01/01/2022</b>	<b>285.6</b>
Contingent earnouts added	128.7
Earnouts settled	-123.8
Earnouts settled at less than their assessed valuation	8.5
Valuation of contingent earnouts	-20.1
Fixed interest time factor	-12.2
<b>Closing contingent earnouts 30/09/2022</b>	<b>266.7</b>
<b>Expected disbursements</b>	
Expected disbursements < 12 months	-74.0
Expected disbursements in > 12 months	-192.7

## Note 7 Items affecting comparability

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

Group, SEK million	2022 Jul-Sept	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	2022 Q3 12M	2021 Jan-Dec
Costs related to IPO	-	-	-	-4.9	-0.2	-5.1
Acquisition-related costs	-2.8	-1.5	-14.5	-11.8	-20.9	-18.2
Revaluation of earnouts	13.5	10.0	14.4	9.2	11.2	6.0
Other	-1.2	-	-2.2	-	-2.2	-
<b>Total</b>	<b>9.4</b>	<b>8.5</b>	<b>-2.2</b>	<b>-7.5</b>	<b>-12.0</b>	<b>-17.3</b>

## Note 8 Business acquisitions

### *Company acquisitions January–September 2022*

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

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

The acquired companies reported total earnings of around SEK 1,118 million and EBITA amounted to approximately SEK 147 million for the 2021 calendar

year. Since the time of acquisition and up to 30 September 2022, the companies have contributed SEK 604.9 million to Group net sales and SEK 60.4 million to Group EBITA.

The combined purchase consideration amounted to SEK 1,040.2, of which SEK 802.2 million has been paid in cash and cash equivalents on closing, SEK 113.2 million constituting earnouts and SEK 124.8 million via offset issues. 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 1–5 years.

Acquisition costs totalling SEK 14.5 million are recognised as other operating expenses for January–September 2022.

### *Other business acquisitions January-September 2022*

#### **Asset acquisitions**

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

#### *Earnouts settled*

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



### Acquisitions 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–September 2022

SEK million	Carrying amount	Fair value adjustment	Fair value
Goodwill	0.4	-0.4	-
Brand	-	124.6	124.6
Customer relationships	-	37.9	37.9
Right-of-use assets	-	45.1	45.1
Tangible non-current assets	35.1	-	35.1
Financial non-current assets	0.9	-	0.9
Inventories	35.0	-	35.0
Accounts receivable and other receivables	184.2	-	184.2
Cash and cash equivalents	111.9	-	111.9
Deferred tax liabilities	-12.4	-34.4	-46.9
Lease liabilities	-	-45.1	-45.1
Amounts owed to credit institutions	-2.8	-	-2.8
Appropriations	-9.6	-	-9.6
Other liabilities	-9.1	-	-9.1
Accounts payable and other liabilities	-166.7	-	-166.7
<b>Identifiable net assets</b>	<b>166.8</b>	<b>127.6</b>	<b>294.4</b>
Goodwill			745.8
<b>Consideration</b>			<b>1,040.2</b>
Of which earnout			113.2
Of which offset share issue			124.8
<b>Of which cash and cash equivalents</b>			<b>-802.2</b>
Acquired cash and cash equivalents			111.9
<b>Change in Group cash and cash equivalents</b>			<b>-690.4</b>

# 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 14 November 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 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 15 November 2022 at 7.30 a.m. CET.

# Auditor's review report

## Introduction

We have conducted an audit of the interim report of Fasadgruppen Group AB (publ) for the period 1 January 2022 to 30 September 2022. The Board of Directors and the Chief Executive Officer are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion about this interim report based on our review.

## The focus and scope of the review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review does not have the same focus and scope as the focus and scope of an audit according to ISA and generally accepted auditing standards otherwise has. The review procedures performed in a review do not enable us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit had been performed. The expressed conclusion based on a review does not have the assurance that an expressed conclusion based on an audit has.

## Conclusion

Based on our review, no circumstances have come to light that give us reason that the interim report, not in all material respects, has been prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, as well as for the Parent Company's part in accordance with the Swedish Annual Accounts Act.

Stockholm 14 November 2022

Deloitte AB

Richard Peters

Authorised Public Accountant

# 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](http://www.fasadgruppen.se)

## Growth in net sales

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

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

## Organic growth

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

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

## EBITA

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

*EBITA provides a picture of earnings generated from operating activities.*

## EBITDA

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

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

## EBIT margin

Earnings (EBIT) as a percentage of net sales.

*The EBIT margin is used to measure operating profitability.*

## EBITA margin

EBITA as a percentage of net sales.

*The EBITA margin is used to measure operating profitability.*

## Items affecting comparability

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

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

## Adjusted EBIT

EBIT adjusted for items affecting comparability.

*Adjusted EBIT improves comparability between periods.*

## Adjusted EBITA

EBITA adjusted for items affecting comparability.

*Adjusted EBITA improves comparability between periods.*

## Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

*The adjusted EBITA margin is used to measure operating profitability.*

## Adjusted EBITDA

EBITDA adjusted for items affecting comparability.

*Adjusted EBITDA improves comparability between periods.*

## Cash flow from operating activities

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

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

## Cash conversion

Cash flow from operating activities as a percentage of EBITDA.

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

## Order backlog

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

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

## Return on shareholders' equity<sup>1</sup>

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 employed<sup>1</sup>

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 goodwill<sup>1</sup>

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 debt<sup>2</sup>

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.*

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

<sup>2</sup> 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

Year-end report 2022	14 February 2023
Interim report Jan-Mar 2023	11 May 2023
AGM 2023 (Stockholm)	11 May 2023
Interim report Jan-June 2023	15 August 2023
Interim report Jan-Sept 2023	14 November 2023
Year-end report 2023	13 February 2024

