

Company Nordic Fibreboard AS
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Attachments:

- Nordic Fibreboard AS Interim report 2021 Q1_ENG_v4.pdf (<http://oam.fi.ee/en/download?id=5577>)
- Nordic Fibreboard AS vahearuanne 1 kvartal 2021_v4.pdf (<http://oam.fi.ee/en/download?id=5578>)

Currency

Title Unaudited financial results of Nordic Fibreboard AS for the first quarter of 2021

MANAGEMENT REPORT

NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR FIRST QUARTER OF 2021

Consolidated net sales for Q1 2021 were EUR 2.85 million, being an 11% decrease compared to Q1 2020. The main reason for the decrease in sales revenue was the loss of customers in the display board segment as a result of COVID-19 pandemic, due to which the Püssi factory was closed in March 2020. Fibreboard sales for Q1 2021 were 2.76 EUR million, which is an 11% decrease compared to the same period of the previous year (2020 Q1: 3.09 EUR million). The sales revenue of real estate management in the Q1 2021 were EUR 89 thousand, which is a 31% increase compared to the same period of the previous year (2020 Q1: EUR 68 thousand). There was no sales from furniture retail in the Q1 2021, as Skano Furniture terminated its active operations at the beginning of 2020, when the last sales of the discount campaign took place, which generated sales revenue of EUR 47 thousand in the Q1 2020.

Nordic Fibreboard AS consolidated EBITDA were positive EUR 484 thousand for Q1 2021 (vs negative EUR 310 thousand Q1 2020). Fibreboard EBITDA for the Q1 2021 were positive EUR 496 thousand (2020 Q1: negative EUR 255 thousand), EBITDA for real estate management positive EUR 8 thousand (2020 Q1: negative EUR 2 thousand), and EBITDA for furniture retail negative EUR 12 thousand (2020 Q1: negative EUR 47 thousand). The main reason for such large change in EBITDA are the improved efficiency of fibreboard. The closure of the Püssi fibreboard factory enabled us to switch the Püssi factory construction sector orders to our Pärnu factory, and we started a 4th shift in Pärnu in April 2020 as a result thereof. The Pärnu factory is now running continuously, except for a one-shift maintenance stop every month. EBITDA for the last rolling 12 months, ie from 1.4.2020 to 31.3.2021, were EUR 1 335 thousand.



Group`s consolidated net profit for Q1 2021 was EUR 550 thousand (Q1 2020: loss EUR 534 thousand). Net profit for the last rolling 12 months were EUR 2 158 thousand.

DIVISIONAL REVIEW

REVENUE BY BUSINESS SEGMENTS

EUR thousand	Q1 2021	Q1 2020
Fibreboards production and sales	2,757	3,091
Real Estate Management	89	68
Furniture retail	0	47
TOTAL	2,846	3,206

PROFIT BY BUSINESS SEGMENTS

EUR thousand	Q1 2021	Q1 2020
EBITDA by business units:		
Fibreboards production and sales	496	(255)*
Real Estate Management	8	(2)
Furniture retail	(12)	(47)
Group transactions	(8)	(6)
TOTAL EBITDA	484	(310)
Depreciation	(133)	(151)
TOTAL OPERATING PROFIT/ LOSS	351	(462)
Net financial costs	199**	(72)
NET PROFIT/ LOSS	550	(534)

* Includes extraordinary expense of Püssi factory closure of 187 thousand euros, shown in the income statement under other operating expenses.

** Includes EUR 225 thousand upward value adjustment from Fibreboard's shareholding in real estate development company Trigon Property Development AS due to its strong share price appreciation during Q1 2021. The company owns a business park development area in Pärnu.

NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTIONS AND SALES



Fibreboard sales for Q1 2021 were 2.76 EUR million, which is an 11% decrease compared to the same period of the previous year (2020 Q1: 3.09 EUR million). We sold our products to customers in 18 countries during Q1 2021. The main reason for the drop in sales was the loss of many display board customers as a result of the COVID-19 pandemic. Most products sold to display board customers were produced in our Püssi factory, which was closed in March 2020. The strong demand experienced in Q1 2021 has resulted in the Pärnu factory running at full capacity, and us prioritising the orders from our key customers in the Nordic, Baltic, and Russia.

Fibreboard EBITDA for the Q1 2021 were positive EUR 496 thousand, which is a substantial improvement compared to the same period of the previous year (2020 Q1: negative EUR 255 thousand). The improvement has been achieved due to increased efficiency by achieving full machine utilisation in the Pärnu factory.

Fibreboard net profit for Q1 2021 was EUR 563 thousand (Q1 2020: net loss EUR 476 thousand). The result includes the EUR 225 thousand upward value adjustment to Fibreboard's shareholding in Trigon Property Development.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

EUR thousand	Q1 2021	Q1 2020
European Union	2,159	2,741
Russia	433	211
Asia	102	38
Africa	47	35
Middle East	0	38
Other	16	29
TOTAL	2,757	3,091

PÄRNU RIVERSIDE DEVELOPMENT: REAL ESTATE MANAGEMENT

Pärnu Riverside Development owns the property located at Suur-Jõe 48 in Pärnu. The property has some rental tenants and rental income from real estate management, including the resale of utilities, was EUR 89 thousand in Q1 2021, (Q1 2020: EUR 68 thousand).

The real estate management EBITDA for Q1 2021 were positive EUR 8 thousand (Q1 2020: negative EUR 2 thousand). The real estate management net profit for Q1 2021 was EUR 7 thousand, which has improved compared to the same period last year due



to the addition of some tenants, (Q1 2020: net loss EUR 2 thousand).

SKANO FURNITURE: RETAIL SALES

Skano Furniture finished its activities on 31.01.2020, when it closed the last two furniture showrooms, thus the retail sale of furniture did not have any sales revenue in the Q1 2021 (Q1 2020 sales revenue was EUR 47 thousand). EBITDA for furniture retail for Q1 2021 were negative EUR 12 thousand (Q1 2020 EBITDA was negative EUR 47 thousand), we have rental obligations for one of the closed showrooms until 30.04.2021. The furniture retail net loss for Q1 2021 was EUR 12 thousand (Q1 2020 net loss was EUR 47 thousand).

STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.03.2021 the total assets of Nordic Fibreboard AS were EUR 7.8 million (31.03.2020: EUR 8.5 million). The liabilities of the company as of 31.03.2021 were EUR 4.6 million (31.03.2020: EUR 7.5 million), of which Group has borrowings of EUR 3.2 million as at 31.03.2021 (31.03.2020: EUR 4.4 million).

Receivables and prepayments amounted to EUR 1.0 million as at 31.03.2021 (31.03.2020: EUR 1.4 million). Inventories were EUR 0.3 million as of 31.03.2021 (31.03.2020: EUR 0.5 million). Fixed assets were EUR 6.4 million as of 31.03.2021 (EUR 6.6 million as of 31.03.2020).

In 2021 Q1, the Group's cash flows from operating activities totalled cash inflow of EUR 196 thousand (2020 Q1: cash inflow EUR 209 thousand). Investment activities resulted in cash outflows in amount of EUR 38 thousand in 2021 Q1, compared to outflows in amount EUR 78 thousand in Q1 2020. Financing activities also resulted in cash outflows of EUR 53 thousand in Q1 2021 (2020 Q1: cash outflow EUR 131 thousand). The result of the net cash flow in 2021 Q1 was a cash inflow EUR 105 thousand, which is an improvement compared to the cash outflow in the amount of EUR 1 thousand in 2020 Q1.

OUTLOOK

NORDIC FIBREBOARD LTD

The order book from our traditional customers in our largest markets in northern Europe remains strong, with increased demand from many of these markets. This has had the effect of us having to postpone orders from customers from further afield. As a result of this improved demand picture, management is now considering measures for a possible reopening of Püssi factory in the not so distant future.

On the other hand, we are much aware of the continuing uncertainty surrounding the COVID-19 pandemic. We expect to have a clearer picture of the demand situation and the pandemic within the next few months.

PÄRNU RIVERSIDE DEVELOPMENT



We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu. We expect the current detail planning application for residential development of the Suur-Jõe 48 landplot to be nearing its successful conclusion later this year.

PEOPLE

On the 31.03.2021, the Group employed 97 people (compared to 130 people as of 31.03.2020). The average number of personnel in Q1 2021 was 95 (Q1 2020: 127).

For three months of 2021, wages and salaries with taxes amounted to EUR 460 thousand (three months 2020: EUR 587 thousand). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were EUR 55 thousand in Q1 2021 and EUR 50 thousand in Q1 2020.

FINANCIAL HIGHLIGHTS

EUR thousand		
Income statement	Q1 2021	Q1 2020
Revenue	2,846	3,206
EBITDA	484	(310)
EBITDA margin	17%	(10%)
Operating profit	351	(462)
Operating margin	12%	(14%)
Net profit	550	(534)
Net margin	19%	(17%)
Statement of financial position	31.03.2021	31.03.2020
Total assets	7,839	8,475
Return on assets	7%	(6%)
Equity	3,199	1,017
Return on equity	17%	(52%)
Debt-to-equity ratio	59%	88%



Share	31.03.2021	31.03.2020
Last Price*	0.71	0.33
Earnings per share	0.12	(0.12)
Price-earnings ratio	5.81	(2.78)
Book value of a share	0.71	0.23
Market to book ratio	1.00	1.46
Market capitalization, EUR thousand	3,194	1,485
Number of shares, piece	4,499,061	4,499,061

EBITDA = Earnings before interest, taxes, depreciation and amortization

EBITDA margin = EBITDA / Revenue

Operating margin = Operating profit / Revenue

Net margin = Net profit / Revenue

Return on assets = Net profit / Total assets

Return on equity = Net profit / Equity

Debt-to-equity ratio = Liabilities / Total assets

Earnings per share = Net profit / Total shares

Price-earnings ratio = Last price / Earnings per share

Book value of a share = Equity / Total shares

Market to book ratio = Last price / Book value of a share

Market capitalization = Last price * Total number of shares

*<http://www.nasdaqbaltic.com/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

EUR thousand	31.03.2021	31.12.2020	31.03.2020	31.12.2019
Cash and cash equivalents (Note 2)	131	26	6	7
Receivables and prepayments (Note 3)	975	794	1,441	1,394
Inventories (Note 4)	329	544	464	894
Total current assets	1,435	1,364	1,911	2,296
Investment property (Note 5)	1,134	1,134	1,125	1,121



Financial assets at fair value through profit or loss (Note 8)	676	451	378	397
Property, plant and equipment (Note 6)	4,591	4,695	5,046	5,212
Intangible assets (Note 7)	3	6	15	19
Total non-current assets	6,404	6,286	6,564	6,749
TOTAL ASSETS	7,839	7,650	8,475	9,045
Borrowings (Notes 9)	691	756	4,367	4,547
Payables and prepayments (Notes 10)	1,282	1,574	2,850	2,665
Short-term provisions (Note 11)	13	18	15	20
Total current liabilities	1,986	2,348	7,231	7,232
Long-term borrowings (Notes 9)	2,493	2,493	48	92
Long-term provisions (Note 11)	161	161	179	179
Total non-current liabilities	2,654	2,654	227	271
Total liabilities	4,640	5,002	7,458	7,503
Share capital (at nominal value) (Note 12)	450	450	2,699	2,699
Share premium	0	0	364	364
Statutory reserve capital	0	0	288	288
Other reserves	0	0	94	84
Retained earnings (loss)	2,749	2,198	(2,428)	(1,894)



Total equity		3,199	2,648	1,017	1,542
	+	+	+	+	
	+	+	+	+	
TOTAL LIABILITIES AND EQUITY		7,839	7,650	8,475	9,045

*The notes to the financial statements presented on pages 14 to 27 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR thousand		Q1 2021		Q1 2020
	+	+	+	
Revenue (Note 14)		2,846		3,206
	+	+	+	
Cost of goods sold (Note 15)		1,979		2,818
	+	+	+	
Gross profit		867		388
	+	+	+	
	+	+	+	
Distribution costs (Note 16)		342		427
	+	+	+	
Administrative expenses (Note 17)		172		174
	+	+	+	
Other operating income (Note 19)		2		0
	+	+	+	
Other operating expenses (Note 19)		4		248
	+	+	+	
Operating profit (loss)		351		(462)
	+	+	+	
	+	+	+	
Finance income (Note 20)		225		1
	+	+	+	
Finance costs (Note 20)		26		73
	+	+	+	
PROFIT (LOSS) BEFORE INCOME TAX		550		(534)
	+	+	+	
	+	+	+	
NET PROFIT (LOSS) FOR THE PERIOD		550		(534)
	+	+	+	
	+	+	+	
Basic earnings per share (Note 13)		0,12		(0,12)
	+	+	+	
Diluted earnings per share (Note 13)		0,12		(0,12)



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(https://www.globenewswire.com/Tracker?data=v38IKA_sS3M-JAm7E0f4eMzHKo3lzA3-8aB5DQdvYRA9l9qKkUmjqK7f4TOtEkuq0SNRvomFj_Yt2fp43YlJsFfPkz6chwXJMeIonUT_WKZTepEqgTjrEbR8ZAW9h6pSGeSKps5-MD0JgnDBwZu36A==)

