

Company Nordic Fibreboard AS  
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Attachments:

- NORDIC FIBREBOARD AS\_Interim Report Q3 2021.pdf (<http://oam.fi.ee/en/download?id=5902>)
- NORDIC FIBREBOARD AS\_Vahearuanne 2021 3. kvartal\_EST.pdf (<http://oam.fi.ee/en/download?id=5903>)

Currency

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

Management report

Consolidated net sales for Q3 2021 were EUR 2.33 million (Q3 2020: EUR 2.51 million), of which fibreboard sales accounted for EUR 2.27 million and real estate management for EUR 0.06 million. Fibreboard sales for Q3 2021 decreased with 8% compared to Q3 2020, the main reason being less production output due to longer maintenance period in Q3 2021. We had 2 week maintenance stop in Q3 2021, which we did not have in Q3 2020. Real estate management sales for Q3 2021 increased with 81% compared to Q3 2020 due to more rental tenants occupation in our property in Suur-Jõe 48, Pärnu. There was no sales revenue from furniture retail in both the Q3 2021 and the Q3 2020, the furniture retail company is in process of being liquidated at the time of publishing this report.

Group EBITDA for Q3 2021 was EUR 356 thousand (Q3 2020: EUR 366 thousand), of which the fibreboard division EBITDA was EUR 344 thousand (Q3 2020: EUR 370 thousand) and real estate management EBITDA of EUR 11 thousand (Q3 2020: EUR 1 thousand).

Group profit for Q3 2021, after depreciation and interest cost from group loans, was EUR 202 thousand (Q3 2020: EUR 179 thousand).

Group net profit for Q3 2021, after recording a loss of EUR 129 thousand from the revaluation of the Group's shareholding in the Nasdaq listed real estate company Trigon Property Development AS ("TPD"), was EUR 73 thousand (Q3 2020: EUR 183 thousand, including a revaluation profit from the TPD shares of EUR 4 thousand). The financial impact for the first 9 months of 2021 from the group's shareholding in TPD shows financial income of EUR 354 thousand from the revaluation profit of the TPD shares.

DIVISIONAL REVIEW



## Revenue by business segments

	EUR thousand		EUR thousand	
	Q3 2021	Q3 2020	9M 2021	9M 2020
Fibreboards production and sales	2,270	2,477	7,539	7,994
Real Estate Management	65	36	218	148
Furniture retail	0	0	0	55
Group transactions	0	0	0	(0)
TOTAL	2,334	2,512	7,757	8,197

## Profit by business segments

	EUR thousand		EUR thousand	
	Q3 2021	Q3 2020	9M 2021	9M 2020
EBITDA by business units:				
Fibreboards production and sales	344	370	1,337	458
Real Estate Management	11	1	10	(2)
Furniture retail	0	(0)	474	(39)
Group transactions	1	(5)	(479)	(13)
TOTAL EBITDA	356	366	1,341	403
Depreciation	(123)	(135)	(380)	(422)
TOTAL OPERATING PROFIT/ LOSS	232	231	962	(19)
Net financial income/ costs	(159)*	(49)	267*	(139)
NET PROFIT/ LOSS	73	183	1,229	(158)

\* Includes financial cost of EUR 129 thousand in Q3 of 2021 and financial income EUR 354 thousand in the first 9 months of 2021, received from the revaluation of the shareholding owned by the group in the real estate development company Trigon Property Development AS.

NORDIC FIBREBOARD LTD: FIBREBOARD SALE



The regional demand for construction materials, including the fibreboards produced in our Pärnu factory, has been very steady during Q3 2021. This resulted in our factory running at full capacity utilisation, and also had the effect of extending the delivery times for our products.

Fibreboard sales in Q3 2021 was EUR 2.27 million, a decrease of 8% from Q3 2020. The decline was only due to us having longer maintenance period during Q3 2021 than was the case in Q3 2020. Sales in our key north European markets remained steady while sales fell to customers elsewhere, this being due to us having to prioritise the orders from our local markets.

#### FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

	EUR thousand		EUR thousand	
	Q3 2021	Q3 2020	9M 2021	9M 2020
European Union	1,980	2,003	6,233	6,693
Russia	269	360	1,083	934
Asia	0	62	124	140
Middle East	13	10	13	55
Africa	0	8	46	96
Other	8	32	40	77
TOTAL	2,270	2,477	7,539	7,994

#### 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 65 thousand in Q3 2021, (Q3 2020: EUR 36 thousand). The reason for the increase in sales revenue was the addition of tenants to the commercial space.

The real estate management EBITDA for Q3 2021 were positive EUR 11 thousand (Q3 2020: positive EUR 1 thousand). The real estate management net profit for Q3 2021 was EUR 11 thousand (Q3 2020: net profit EUR 1 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 Q3 2021 and in Q3 2020.



Skano Furniture OÜ is in the process of being liquidation at the time of publishing the reports.

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 30.09.2021 the total assets of Nordic Fibreboard AS were EUR 8.3 million (30.09.2020: EUR 7.8 million). The liabilities of the company as of 30.09.2021 were EUR 4.4 million (30.09.2020: EUR 6.3 million), of which the Group has payables of EUR 0.6 million as at 30.09.2021 (30.09.2020: EUR 1.2 million) and borrowings of EUR 3.3 million as at 30.09.2021 (30.09.2020: EUR 4.5 million).

Receivables and prepayments amounted to EUR 1.1 million as at 30.09.2021 (30.09.2020: EUR 1.0 million). Inventories were EUR 0.4 million as of 30.09.2021 (30.09.2020: EUR 0.4 million). Fixed assets were EUR 6.6 million as of 30.09.2021 (EUR 6.3 million as of 30.09.2020).

During 2020 9M, the group's cash flows from operating activities totalled cash inflow of EUR 512 thousand (2020 9M: cash inflow EUR 115 thousand). Investment activities resulted in cash outflows in amount of EUR 243 thousand during 2021 9M, compared to outflows in amount EUR 39 thousand during 9M 2020. Financing activities also resulted in cash outflows of EUR 91 thousand during 9M 2021 (2020 9M: cash outflow EUR 79 thousand). Net cash effect during 2021 9M showed cash inflows of EUR 178 thousand, (2020 9M: cash outflows EUR 3 thousand).

#### OUTLOOK

##### NORDIC FIBREBOARD LTD

Demand for fibreboards continue to be strong, reflecting the growth in the building material market, as well as the growing awareness of the green credentials of soft density fibreboards, as produced by Nordic Fibreboard Ltd.

Management is working on preparing the Pärnu based factory's boiler house to meet the new emission requirements coming into force in 2024.

Preparations is also being undertaken in upgrading the company's second factory, located in Püssi, so that the factory's technical capabilities is adequate for possible restarting of the factory. The factory's main energy source is gas, and the current high gas prices is therefore making it untenable to consider restarting this factory in the near future.

##### PÄRNU RIVERSIDE DEVELOPMENT

Management is considering the future of its real estate development subsidiary Pärnu Riverside Development, and has entered into an agreement with a brokerage firm whereby possible disposal of this subsidiary is being considered.

#### PEOPLE



On the 30th of September 2021, the Group employed 93 people (compared to 99 people as of 30.09.2020). The average number of personnel in Q3 2021 was 90 (Q3 2020: the average number of personnel was 94).

For nine months of 2021, wages and salaries with taxes amounted to EUR 1.5 million (nine months 2020: EUR 1.6 million). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were EUR 166 thousand during 9M 2021 and EUR 158 thousand during 9M 2020.

#### FINANCIAL HIGHLIGHTS

EUR thousand				
Income statement	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue	2,334	2,512	7,757	8,197
EBITDA	356	366	1,341	403
EBITDA margin	15%	15%	17%	5%
Operating profit	232	231	962	(19)
Operating margin	10%	9%	12%	(0%)
Net profit	73	183	1,229	(158)
Net margin	3%	7%	16%	(2%)
Statement of financial position	30.09.2021	31.12.2020	30.09.2020	31.12.2019
Total assets	8,301	7,650	7,753	9,045
Return on assets	15%	14%	(2%)	(12%)
Equity	3,878	2,648	1,414	1,542
Return on equity	32%	41%	(11%)	(73%)
Debt-to-equity ratio	53%	65%	82%	83%
Share	30.09.2021	31.12.2020	30.09.2020	31.12.2019
Last Price*	2.20	0.45	0.40	0.41



Earnings per share		0.55		0.24		(0.05)		(0.31)
Price-earnings ratio		4.02		1.89		(7.79)		(1.32)
Book value of a share		0.86		0.59		0.31		0.34
Market to book ratio		2.55		0.76		1.28		1.20
Market capitalization, EUR thousand		9,898		2,025		1,809		1,845
Number of shares, piece		4,499,061		4,499,061		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 = Trailing twelve months (TTM) 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 shares

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

#### Consolidated statement of financial positions

EUR thousand		30.09.2021		31.12.2020		30.09.2020
Cash and cash equivalents		204		26		4
Receivables and prepayments (Note 2)		1,118		794		1,008
Inventories (Note 3)		390		544		410
Total current assets		1,712		1,364		1,423
Investment property (Note 4)		1,139		1,134		1,126
Available-for-sale financial assets (Note 7)		805		451		418
Property, plant and equipment (Note 5)		4,642		4,695		4,777



Intangible assets (Note 6)	3	6	10
Total non-current assets	6,589	6,286	6,331
TOTAL ASSETS	8,301	7,650	7,753
Borrowings (Notes 8)	36	756	4,436
Payables and prepayments (Notes 9)	1,002	1,574	1,674
Short-term provisions (Note 10)	4	18	4
Total current liabilities	1,042	2,348	6,114
Long-term borrowings (Notes 8)	3,220	2,493	47
Long-term provisions (Note 10)	161	161	179
Total non-current liabilities	3,381	2,654	226
Total liabilities	4,424	5,002	6,340
Share capital (at nominal value) (Note 11)	450	450	450
Other reserves	0	0	114
Retained earnings (loss)	3,428	2,198	850
Total equity	3,878	2,648	1,414
TOTAL LIABILITIES AND EQUITY	8,301	7,650	7,753

\*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements

#### Consolidated statement of profit or loss and other comprehensive income

EUR thousand	Q3 2021	Q3 2020	9M 2021	9M 2020
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Revenue (Note 13)	2,334	2,512	7,757	8,197
Cost of goods sold (Note 14)	1,721	1,892	5,451	6,508
Gross profit	613	620	2,306	1,689
Distribution costs (Note 15)	251	282	891	1,015
Administrative expenses (Note 16)	131	126	445	430
Other operating income (Note 18)	2	22	5	24
Other operating expenses (Note 18)	1	3	13	287
Operating profit (loss)	232	231	962	(19)
Finance income (Note 19)	0	4	354	21
Finance costs (Note 19)	159	52	87	160
Profit (loss) before income tax	73	183	1,229	(158)
Net profit (loss) for the period	73	183	1,229	(158)
Basic earnings per share (Note 12)	0.02	0.04	0.27	(0.04)
Diluted earnings per share (Note 12)	0.02	0.04	0.27	(0.04)

\*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.

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