

Company Nordic Fibreboard AS  
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Attachments:

- Nordic Fibreboard AS Interim report 2022 Q1.pdf (<http://oam.fi.ee/en/download?id=6533>)
- Nordic Fibreboard AS Vahearuanne 1kv 2022.pdf (<http://oam.fi.ee/en/download?id=6534>)

Currency

Title Unaudited financial results of Nordic Fibreboard AS for the first quarter of 2022

MANAGEMENT REPORT

Nordic Fibreboard AS unaudited results for first quarter of 2022

Consolidated net sales for Q1 2022 were EUR 2.60 million (down 8% compared to Q1 2021). The main business area is the production and wholesale of fibreboard, which recorded sales in Q1 2022 of EUR 2.59 million (down 6% compared to Q1 2021). The remaining business area is real estate management of the property owned in Suur-Jõe street in Pärnu, who recorded sales of EUR 0.01 million in Q1 2022 (down from sales of EUR 0.08 million in Q1 2021).

Sales from production of fibreboards in Q1 2022 experienced a decline from Q1 2021 due to less volume sold as a consequence of more stoppages on the production line. Demand for our fibreboards during Q1 2022 was very strong, and production was running at full capacity. Delivery times to our key customers was on average 3 months, which has been the norm during the last 2 years. Operating profit, ie EBITDA, for Q1 2022 was EUR 279 thousand (ie 11% of sales), down from being EUR 496 thousand in Q1 2021 (ie 18% of sales). The main reason for this reduction in profitability is due to the sharp increase in raw material costs, ie woodchips and energy, experienced during Q1 2022.

Real estate management lost its largest tenant end of last year, which thus resulted in less sales in Q1 2022 compared to Q1 2021 (EUR 9 thousand compared to EUR 89 thousand). This resulted in an operating loss of EUR 10 thousand in Q1 2022 (Q1 2021: EUR 8 thousand operating profit).

Financial income in Q1 2022 was positively affected by an increase of EUR 52 thousand in value of the shares owned by Nordic Fibreboard in the real estate company Trigon Property Development (TPD), listed on the stock exchange Nasdaq Tallinn. The shares were valued at EUR 644 thousand at start of Q1 2022, and ended



up being valued at EUR 696 thousand at end of Q1 2022 (in Q1 2021, the shares value increased with EUR 255 thousand).

Group`s consolidated net profit therefore for Q1 2022 was EUR 152 thousand (Q1 2021: profit EUR 550 thousand).

#### DIVISIONAL REVIEW

##### Revenue by business segments

EUR thousand	Q1 2022	Q1 2021
Fibreboards production and sales	2,591	2,757
Real Estate Management	9	89
TOTAL	2,600	2,846

##### Profit by business segments

EUR thousand	Q1 2022	Q1 2021
EBITDA by business units:		
Fibreboards production and sales	279	496
Real Estate Management	(10)	8
Group transactions	(14)	(20)
TOTAL EBITDA	255	484
Depreciation	(121)	(133)
TOTAL OPERATING PROFIT/ LOSS	134	351
Net financial costs	18*	199*
NET PROFIT/ LOSS	152	550

\* Includes upward value adjustment from Fibreboard's shareholding in real estate development company TPD due to its share price appreciation during Q1 2022 and Q1 2021. TPD owns a business park development area in Pärnu.

##### Nordic Fibreboard Ltd: Fibreboard productions and sales

Fibreboard sales for Q1 2022 were 2.59 EUR million. The order backlog remained strong throughout Q1 2022, which led us to prioritise our key customers in the nearby markets. EBITDA of EUR 279 thousand was 11% of sales in Q1 2022, down from



18% of sales in Q1 2021, such decrease being mainly due to the rapid rise during Q1 2022 in the cost of our main raw material, ie woodchips, as well as heating costs.

#### FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

EUR thousand	Q1 2022	Q1 2021
European Union	2,259	2,159
Russia	269	433
Asia	41	102
Middle East	13	0
Other	9	16
Africa	0	47
TOTAL	2,591	2,757

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 was EUR 9 thousand in Q1 2022, (Q1 2021: EUR 89 thousand). The reason for the decrease in sales revenue was caused by the loss of the largest tenant at the end of 2021.

The real estate management EBITDA for Q1 2022 were negative EUR 10 thousand (Q1 2021: positive EUR 8 thousand).

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

As of 31.03.2022 the total assets of Nordic Fibreboard AS were EUR 8.6 million (31.03.2021: EUR 7.8 million). The liabilities of the company as of 31.03.2022 were EUR 4.6 million (31.03.2021: also EUR 4.6 million), of which Group has payables of EUR 0.8 million as at 31.03.2022 (31.03.2021: EUR 0.9 million) and borrowings of EUR 3.2 million as at 31.03.2022 (31.03.2021: also EUR 3.2 million).

Receivables and prepayments amounted to EUR 1.4 million as at 31.03.2022 (31.03.2021: EUR 1.0 million). Inventories were EUR 0.4 million as of 31.03.2022 (31.03.2021: EUR 0.3 million). Fixed assets were EUR 6.7 million as of 31.03.2022 (EUR 6.4 million as of 31.03.2021).

During 2022 Q1, the Group's cash flows from operating activities totalled EUR 78 thousand (2021 Q1: EUR 196 thousand). Investment activities resulted in cash outflows in amount of EUR 98 thousand in 2022 Q1, which was mainly due to



improvements in production machinery (2021 Q1: outflow EUR 27 thousand). Financing activities also resulted in cash outflows of EUR 35 thousand in Q1 2022 (2021 Q1: cash outflow EUR 64 thousand). Net cash effect during 2022 Q1 cash outflow of EUR 55 thousand (2021 Q1: cash inflow EUR 105 thousand).

## OUTLOOK

### Nordic Fibreboard Ltd

Demand for fibreboards continue to be strong. The increase in our raw materials costing led us to implement price increases during Q2 2022, which should largely offset the cost increases.

Management is working on preparing the Pärnu factory's boiler house to meet the new emission requirements coming into force in 01.01.2025. Our second factory, located in Püssi, is using gas as its main energy source and the current high gas prices is currently making it untenable to consider restarting this factory in the near future.

The ongoing war in Ukraine has resulted in us ending our sales of fibreboards to our Russian customers, and our Ukrainian customers is understandably still unable to restart their business. However, the current strong demand picture is resulting in a strong order book, thus the loss of sales to Russian and Ukrainian customers is not having any negative impact on our total sales.

### Pärnu Riverside Development

We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu.

### People

On the 31.03.2022, the Group employed 95 people (compared to 97 people as of 31.03.2021). The average number of personnel in Q1 2022 was 93 (Q1 2021: 95).

For three months of 2022, wages and salaries with taxes amounted to EUR 484 thousand (three months 2021: EUR 460 thousand). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were EUR 65 thousand in Q1 2022 and EUR 55 thousand in Q1 2021.

## FINANCIAL HIGHLIGHTS

EUR thousand		
Income statement	Q1 2022	Q1 2021
Revenue	2,600	2,846
EBITDA	255	484



EBITDA margin	10%	17%
Operating profit	134	351
Operating margin	5%	12%
Net profit	152	550
Net margin	6%	19%
Statement of financial position	31.03.2022	31.03.2021
Total assets	8,580	7,839
Return on assets	2%	7%
Equity	4,002	3,199
Return on equity	4%	17%
Debt-to-equity ratio	53%	59%
Share	31.03.2022	31.03.2021
Last Price (EUR)*	1.83	0.71
Earnings per share (EUR)	0.18	0.48
Price-earnings ratio	10.25	1.48
Book value of a share (EUR)	0.89	0.71
Market to book ratio	2.06	1.00
Market capitalization (EUR thousand)	8,233	3,194
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 = 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 number of shares  
\*<http://www.nasdaqbaltic.com/>

#### Consolidated statement of financial positions

EUR thousand	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Cash and cash equivalents	2	57	131	26
Receivables and prepayments (Note 2)	1,401	902	975	794
Inventories (Note 3)	436	390	329	544
Total current assets	1,839	1,349	1,435	1,364
Investment property (Note 4)	1,152	1,152	1,134	1,134
Financial assets at fair value through profit or loss (Note 7)	696	644	676	451
Property, plant and equipment (Note 5)	4,890	4,915	4,591	4,695
Intangible assets (Note 6)	3	3	3	6
Total non-current assets	6,741	6,714	6,404	6,286
TOTAL ASSETS	8,580	8,063	7,839	7,650
Borrowings (Note 8)	114	146	691	756
Payables and prepayments (Note 9)	1,234	829	1,282	1,574
Short-term provisions (Note 10)	14	19	13	18
Total current liabilities	1,362	994	1,986	2,348



Long-term borrowings (Note 8)	3,071	3,074	2,493	2,493
Long-term provisions (Note 10)	145	145	161	161
Total non-current liabilities	3,216	3,219	2,654	2,654
Total liabilities	4,578	4,213	4,640	5,002
Share capital (at nominal value) (Note 11)	450	450	450	450
Retained earnings (loss)	3,552	3,400	2,749	2,198
Total equity	4,002	3,850	3,199	2,648
TOTAL LIABILITIES AND EQUITY	8,580	8,063	7,839	7,650

\*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	Q1 2022	Q1 2021
Revenue (Note 13)	2 600	2,846
Cost of goods sold (Note 14)	2 060	1,979
Gross profit	540	867
Distribution costs (Note 15)	284	342
Administrative expenses (Note 16)	121	172
Other operating income (Note 18)	0	2
Other operating expenses (Note 18)	1	4
Operating profit	134	351



Finance income (Note 19)	52	225
Finance costs (Note 19)	34	26
PROFIT BEFORE INCOME TAX	152	550
NET PROFIT FOR THE PERIOD	152	550
Basic earnings per share (Note 12)	0.03	0.12
Diluted earnings per share (Note 12)	0.03	0.12

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

TORFINN LOSVIK

Chairman of the board

Phone: +372 56 99 0988

torfinn.losvik@nordicfibreboard.com

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