

Company Nordic Fibreboard AS  
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Attachments:

- Nordic Fibreboard Interim Report 2022 Q2 and 6M\_ENG.pdf (<http://oam.fi.ee/en/download?id=6714>)
- Nordic Fibreboard Vahearuanne 2022 2.kvartal ja 6 kuud\_EST.pdf (<http://oam.fi.ee/en/download?id=6715>)

Currency

Title Unaudited financial results of Nordic Fibreboard AS for the second quarter and 6 months of

MANAGEMENT REPORT

Consolidated net sales for Q2 2022 were EUR 3.65 million (Q2 2021: EUR 2.58 million). The main business area is the production and wholesale of fibreboard, which recorded sales in Q2 2022 of EUR 3.64 million, an increase of 45% compared to Q2 2021. The remaining business area is real estate management of the property owned in Suur-Jõe street in Pärnu, who recorded sales of EUR 9 thousand in Q2 2022 (Q2 2021: 64 thousand).

The reason for the increase in sales revenue in Q2 2022 was the continuing strong demand for building materials in the construction sector and a higher production volume compared to the Q2 2021. Production was running at full capacity and delivery times to our key customers was on average 3 months, which has been the norm during the last 2 years. Real estate management lost its largest tenant end of last year, which thus resulted in less sales in Q2 2022 compared to Q2 2021.

The consolidated EBITDA of Nordic Fibreboard for Q2 2021 was EUR 624 thousand, the EBITDA margin was 17% (Q2 2021: EBITDA was EUR 502 thousand and the EBITDA margin was 19%). Compared to the Q2 2021 the Group's gross margin decreased from 37% to 30% in the Q2 2022. The main reason for this reduction in profitability is due to the sharp increase in raw material costs, ie woodchips and energy, experienced during 2022.

In the Q2 2022, a total financial income of EUR 82 thousand was recorded, consisting of financial income of EUR 105 thousand from dividend from the shares of Trigon Property Development (TPD), EUR 12 thousand from profits from the revaluation of these shares, and financial costs of EUR 35 thousand. In the Q2 2021, the financial income of EUR 227 thousand consisted of profit from the revaluation of TPD shares of EUR 257 thousand, and financial costs of EUR 30



thousand.

Group`s consolidated net profit for Q2 2022 was EUR 580 thousand (Q2 2021: profit EUR 606 thousand).

#### DIVISIONAL REVIEW

##### Revenue by business segments

EUR thousand	Q2 2022	Q2 2021	6M 2022	6M 2021
Fibreboards production and sales	3,643	2,513	6,234	5,269
Real Estate Management	9	64	18	153
TOTAL	3,652	2,576	6,252	5,422

##### Profit by business segments

EUR thousand	Q2 2022	Q2 2021	6M 2022	6M 2021
EBITDA by business units:				
Fibreboards production and sales	635	497	914	993
Real Estate Management	(3)	(9)	(12)	(1)
Group transactions	(8)	14	(23)	(6)
TOTAL EBITDA	624	502	879	986
Depreciation	(126)	(123)	(248)	(256)
TOTAL OPERATING PROFIT/ LOSS	498	379	631	730
Net financial income	82	227	100	427
NET PROFIT/ LOSS	580	606	731	1,157

##### NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTION AND SALES

Fibreboard sales in Q2 2022 were EUR 3.64 million (2021: EUR 2.51 million). The order backlog remained strong throughout Q2 2022 reflecting the strong local markets, however we are keeping in close touch with existing customers in far away markets, which resulted in some sales to Asia and Middle East. During Q2 2022, we increased the prices of our products to compensate for the increase in raw materials prices and energy costs.

The biggest increase in sales growth in Q2 2022 came from strong sales and



volume growth in our three largest markets, these being Finland, Denmark, and Estonia. Sales to Russia ended in May 2022 due to the sanctions imposed as a result of Russia's war on Ukraine.

The operating profitability, ie EBITDA, of the fibreboard activities in Q2 2022 was EUR 635 thousand, an increase of 22% compared to the same period last year. Fibreboard division's net profit for Q2 2022 was EUR 592 thousand (Q2 2021: net profit EUR 603 thousand).

#### FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

	EUR thousand		EUR thousand	
	Q2 2022	Q2 2021	6M 2022	6M 2021
European Union	3,444	2,094	5,702	4,253
Russia	158	381	427	814
Asia	28	22	70	124
Middle East	13	0	26	0
Africa	0	0	0	46
Other	0	16	9	32
TOTAL	3,643	2,513	6,234	5,269

#### 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 Q2 2022, (Q2 2021: EUR 64 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 Q2 2022 were negative EUR 3 thousand and net loss EUR 3 thousand (Q2 2021: EBITDA negative EUR 9 thousand and net loss EUR 9 thousand).

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

As of 30.06.2022 the total assets of Nordic Fibreboard AS were EUR 9.1 million (30.06.2021: EUR 8.1 million). The liabilities of the company as of 30.06.2022 were EUR 4.5 million (30.06.2021: EUR 4.3 million), of which Group has payables amounting to EUR 0.8 million as at 30.06.2022 (30.06.2021: EUR 0.5 million) and borrowings of EUR 3.2 million as at 30.06.2022 (30.06.2021: also EUR 3.2 million).



Receivables and prepayments amounted to EUR 1.6 million as at 30.06.2022 (30.06.2021: EUR 1.0 million). Inventories were EUR 0.6 million as of 30.06.2022 (30.06.2021: EUR 0.5 million). Fixed assets were EUR 6.7 million as of 30.06.2022 (EUR 6.6 million as of 30.06.2021).

During 6M 2022, the Group's cash flows from operating activities totalled cash inflow of EUR 269 thousand (6M 2021: cash inflow EUR 110 thousand). Cash outflows due to investment activities was EUR 39 thousand during 6M 2022, consisting of investments into production assets of EUR 144 thousand and dividend received from TPD shares of EUR 105 thousand (6M 2021: cash outflow EUR 58 thousand). Cash outflows due to financing activities was EUR 74 thousand during 6M 2022, consisting of loans repaid of EUR 50 thousand and finance lease payments of EUR 24 (6M 2022: cash outflow EUR 40 thousand). Net cash effect during 6M 2022 showed cash inflows of EUR 156 thousand (6M 2021: cash inflows EUR 12 thousand).

## OUTLOOK

### NORDIC FIBREBOARD LTD

Demand for fibreboards was strong during Q2 2022 and the outlook near term indicate that demand is still good despite the current market uncertainty driven by higher energy costs and an increased interest rate environment. Our relatively inexpensive fibreboards, with its green credentials, should provide a somewhat good hedge against any future softening of the building material markets. Nordic Fibreboard's extensive customer reach on several continents is also a comforting factor when looking ahead.

The management is in process of securing financing for a new biomass boiler, the objective being to improve the boiler house's energy and resource use, which would improve the efficiency of using wood fuel and reduce air emissions. The goal of Nordic Fibreboard's is to improve the company's current energy use so that it can operate more efficiently and environmentally friendly in the future.

### PÄRNU RIVERSIDE DEVELOPMENT

We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu. A detail plan for the property is ongoing, with the intention of converting the property into a private residential property.

## FINANCIAL HIGHLIGHTS

Income statement	Q2 2022	Q2 2021	6M 2022	6M 2021
Revenue	3,652	2,576	6,252	5,422
EBITDA	624	502	879	986
EBITDA margin	17%	19%	14%	18%



Operating profit		498		379		631		730
Operating margin		14%		15%		10%		13%
Net profit		580		606		731		1 157
Net margin		16%		24%		12%		21%

Statement of financial position		30.06.2022		31.12.2021		30.06.2021		31.12.2020
Total assets		9,100		8,063		8,140		7,650
Return on assets		8%		15%		14%		14%
Equity		4,582		3,850		3,805		2,648
Return on equity		16%		31%		30%		41%
Debt-to-equity ratio		50%		52%		53%		65%

Share		30.06.2022		31.12.2021		30.06.2021		31.12.2020
Last Price*		1.66		1.95		1.74		0.45
Earnings per share		0.17		0.27		0.57		0.24
Price-earnings ratio		9.61		7.30		3.05		1.89
Book value of a share		1.02		0.86		0.85		0.59
Market to book ratio		1.63		2.28		2.06		0.76
Market capitalization, EUR thousand		7,468		8,773		7,828		2,025
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 number of shares  
\*<http://www.nasdaqbaltic.com/>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30.06.2022	31.12.2021	30.06.2021	31.12.2020
Cash and cash equivalents	213	57	38	26
Receivables and prepayments (Note 2)	1,632	902	977	794
Inventories (Note 3)	587	390	526	544
Total current assets	2,432	1,349	1,541	1,364
Investment property (Note 4)	1,152	1,152	1,136	1,134
Financial assets at fair value through profit or loss (Note 7)	708	644	933	451
Property, plant and equipment (Note 5)	4,805	4,915	4,527	4,695
Intangible assets (Note 6)	3	3	3	6
Total non-current assets	6,668	6,714	6,599	6,286
TOTAL ASSETS	9,100	8,063	8,140	7,650
Borrowings (Notes 8)	75	146	70	756
Payables and prepayments (Notes 9)	1,218	829	927	1,574
Short-term provisions (Note 10)	9	19	9	18
Total current liabilities	1,302	994	1,006	2,348



Long-term borrowings (Notes 8)	3,071	3,074	3,168	2,493
Long-term provisions (Note 10)	145	145	161	161
Total non-current liabilities	3,216	3,219	3,329	2,654
Total liabilities	4,518	4,213	4,335	5,002
Share capital (at nominal value) (Note 11)	450	450	450	450
Statutory reserve capital	45	0	0	0
Retained earnings (loss)	4,087	3,400	3,355	2,198
Total equity	4,582	3,850	3,805	2,648
TOTAL LIABILITIES AND EQUITY	9,100	8,063	8,140	7,650

\*The notes to the financial statements presented on pages 14 to 24 are an integral part of these consolidated financial statements.

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR thousand	Q2 2022	Q2 2021	6M 2022	6M 2021
Revenue (Note 13)	3,652	2,576	6,252	5,422
Cost of goods sold (Note 14)	2,687	1,750	4,746	3,729
Gross profit	965	826	1,506	1,693
Distribution costs (Note 15)	356	298	641	640
Administrative expenses (Note 16)	104	142	226	314
Other operating income (Note 18)	0	1	0	3
Other operating expenses (Note 18)	7	8	8	12
Operating profit (loss)	498	379	631	730



Finance income (Note 19)	117	257	169	483
Finance costs (Note 19)	35	30	69	56
PROFIT BEFORE INCOME TAX	580	606	731	1,157
NET PROFIT FOR THE PERIOD	580	606	731	1,157
Basic earnings per share (Note 12)	0.13	0.13	0.16	0.26
Diluted earnings per share (Note 12)	0.13	0.13	0.16	0.26

\*The notes to the financial statements presented on pages 14 to 24 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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