

Company Nordic Fibreboard AS  
Type Company Release  
Category Management interim statement or quaterly financial report  
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Attachments:

- Nordic Fibreboard AS Interim report 2023 Q1.pdf (<http://oam.fi.ee/en/download?id=7468>)
- Nordic Fibreboard AS Vahearuanne 1kv 2023.pdf (<http://oam.fi.ee/en/download?id=7469>)

Currency

Title Nordic Fibreboard AS unaudited results for first quarter of 2023

MANAGEMENT REPORT

Consolidated net sales for Q1 2023 were EUR 2.60 million, which remained at the same level compared to the same period last year (Q1 2022: EUR 2.60 million). The main business area is the production and wholesale of fibreboard, which recorded sales in Q1 2023 of EUR 2.59 million (Q1 2022: also EUR 2.59 million). 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 2023 (Q1 2022: also EUR 0.01 million).

The consolidated EBITDA of Nordic Fibreboard AS for Q1 2023 was negative EUR 94 thousand (Q1 2022: positive EUR 255 thousand). EBITDA margin was negative 4% in Q1 2023 (Q1 2022: positive 10%). However, the Group's gross margin fell from 25% for Q1 2022 to being 11% in Q1 2023, the main reason for the decrease in the gross margin was the substantial increase in pricing of woodchips and energy, the company's main input costs.

In the first quarter of 2023, demand in the fibreboard business was lower than expected, which led Nordic Fibreboard Ltd to postpone the restart of the production with 7 weeks after its usual year-end maintenance period. This prolonged stoppage period led to EBITDA being negative in both January and February, while finally turning positive in March month. Due to the company's volume commitment to its electricity supplier, the long stoppage of the factory resulted in having to resell volume commitment back to the electricity supplier, resulting in an extraordinary loss of EUR 407 thousand. The electricity contract was cancelled on 31.3.2023, and a new less onerous electricity contract came into force on 01.04.2023.

The consolidated operating loss of Nordic Fibreboard AS for Q1 2023 was EUR 623 thousand, which includes the one-time extraordinary loss from the resale of



electricity (Q1 2022: operating profit EUR 255 thousand).

Financial income in Q1 2023 was positively affected by an increase of EUR 74 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 2023, and ended up being valued at EUR 718 thousand at end of Q1 2023 (in Q1 2022, the shares value increased with EUR 52 thousand).

Group's consolidated net loss therefore for Q1 2023 was EUR 597 thousand (Q1 2022: profit EUR 152 thousand).

#### DIVISIONAL REVIEW

##### REVENUE BY BUSINESS SEGMENTS

EUR thousand	Q1 2023	Q1 2022
Fibreboards production and sales	2,585	2,591
Real Estate Management	12	9
TOTAL	2,597	2,600

##### PROFIT BY BUSINESS SEGMENTS

EUR thousand	Q1 2023	Q1 2022
EBITDA by business units:		
Fibreboards production and sales	(76)	279
Real Estate Management	(13)	(10)
Group transactions	(5)	(14)
TOTAL EBITDA	(94)	255
Depreciation	(122)	(121)
Extraordinary other operating expense	(407)*	0
TOTAL OPERATING PROFIT/ LOSS	(623)	134
Net financial costs	26	18
NET PROFIT/ LOSS	(597)	152

\* consists of the one-time loss received from the resale of electricity to the



electricity company.

#### NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTIONS AND SALES

Fibreboard sales for Q1 2023 were EUR 2.59 million (Q1 2022: also EUR 2.59 thousand). Sales did improve during the 3 months, up from being EUR 792 thousand in January, to EUR 836 thousand in February, and to EUR 957 thousand in March. The inventory build-up at end of 2022 enabled sales during Q1 2023 to reflect orders received despite the production standstill period. Sales to the company's main markets in European Union increased during Q1 with EUR 196 thousand compared to one year earlier, negating the impact of ending sales to Russia customer, as a result of sanctions against Russia for their unlawful war in Ukraine.

The consolidated EBITDA of Nordic Fibreboard Ltd OÜ for Q1 2023 was negative EUR 76 thousand (Q1 2022: positive EUR 279 thousand). The reason for the drop in EBITDA is mainly more expensive raw material prices in the Q1 2023 compared to the Q1 2022.

#### FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

EUR thousand	Q1 2023   Q1 2022	
European Union	2,455	2,259
Africa	53	0
Asia	31	41
Russia	0	269
Middle East	0	13
Other	46	9
TOTAL	2,585	2,591

#### 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 12 thousand in Q1 2023, (Q1 2022: EUR 9 thousand).

The real estate management EBITDA for Q1 2023 were negative EUR 13 thousand (Q1 2022: negative EUR 10 thousand).

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

As of 31.03.2023 the total assets of Nordic Fibreboard AS were EUR 9.4 million



(31.03.2022: EUR 8.6 million). The liabilities of the company as of 31.03.2023 were EUR 4.9 million (31.03.2022: EUR 4.6 million), of which Group has payables of EUR 1.2 million as at 31.03.2023 (31.03.2022: EUR 0.8 million) and borrowings of EUR 3.1 million as at 31.03.2023 (31.03.2022: EUR 3.2 million).

Receivables and prepayments amounted to EUR 1.3 million as at 31.03.2023 (31.03.2022: EUR 1.4 million). Inventories were EUR 0.8 million as of 31.03.2023 (31.03.2022: EUR 0.4 million). Fixed assets were EUR 7.2 million as of 31.03.2023 (EUR 6.7 million as of 31.03.2022).

During 2023 Q1, the Group's cash flows from operating activities totalled EUR 166 thousand (2022 Q1: EUR 78 thousand). Investment activities resulted in cash outflows in amount of EUR 80 thousand in 2023 Q1, which was due to improvements in production machinery (2022 Q1: outflow EUR 98 thousand). Financing activities also resulted in cash outflows of EUR 41 thousand in Q1 2023 (2022 Q1: cash outflow EUR 35 thousand). Net cash effect during 2023 Q1 cash inflow of EUR 45 thousand (2022 Q1: cash outflow EUR 55 thousand).

## OUTLOOK

### NORDIC FIBREBOARD LTD

The overall demand picture appears subdued, and the outlook remain uncertain. Increasing interest rates, global economic uncertainty and the ongoing war in Ukraine all have led to lack of confidence among end users of building materials, including the company's fibreboards.

Main operation issue remains the ongoing preparation of upgrading the company's wood-based boiler house in Pärnu so to meet the new emission requirements coming into force in 01.01.2025

### 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

EUR thousand		
Income statement	Q1 2023	Q1 2022
Revenue	2,597	2,600
EBITDA	(94)	255
EBITDA margin	(4%)	10%



Operating profit	(623)	134
Operating margin	(24%)	5%
Net profit	(597)	152
Net margin	(23%)	6%
Statement of financial position	31.03.2023	31.03.2022
Total assets	9,368	8,580
Return on assets	(6%)	2%
Equity	4,487	4,002
Return on equity	(13%)	4%
Debt-to-assets ratio	52%	53%
Share	31.03.2023	31.03.2022
Last Price (EUR)*	1.52	1.83
Earnings per share (EUR)	0.11	0.18
Price-earnings ratio	14.05	10.25
Book value of a share (EUR)	1.00	0.89
Market to book ratio	1.52	2.06
Market capitalization (EUR thousand)	6,816	8,233
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-assets 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	31.03.2023	31.12.2022	31.03.2022	31.12.2021
Cash and cash equivalents	47	2	2	57
Receivables and prepayments (Note 2)	1,272	559	1,401	902
Inventories (Note 3)	842	1 672	436	390
Total current assets	2,161	2,233	1,839	1,349
Investment property (Note 4)	1,859	1,859	1,152	1,152
Financial assets at fair value through profit or loss (Note 7)	718	644	696	644
Property, plant and equipment (Note 5)	4,628	4,670	4,890	4,915
Intangible assets (Note 6)	2	2	3	3
Total non-current assets	7,207	7,175	6,741	6,714
TOTAL ASSETS	9,368	9,408	8,580	8,063
Borrowings (Note 8)	477	290	114	146
Payables and prepayments (Note 9)	1,617	1,014	1,234	829
Short-term provisions (Note 10)	13	18	14	19
Total current liabilities	2,107	1,322	1,363	994



Long-term borrowings (Note 8)		2,647		2,875		3,071		3,074
Long-term provisions (Note 10)		127		127		145		145
Total non-current liabilities		2,774		3,002		3,216		3,219
Total liabilities		4,881		4,324		4,578		4,213
Share capital (at nominal value) (Note 11)		450		450		450		450
Statutory reserve capital		45		45		0		0
Retained earnings (loss)		3,992		4,589		3,552		3,400
Total equity		4,487		5,084		4,002		3,850
TOTAL LIABILITIES AND EQUITY		9,368		9,408		8,580		8,063

\*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		Q1 2023		Q1 2022
Revenue (Note 13)		2,597		2,600
Cost of goods sold (Note 14)		2,435		2,060
Gross profit		162		540
Distribution costs (Note 15)		233		284
Administrative expenses (Note 16)		139		121
Other operating income (Note 18)		0		0
Other operating expenses (Note 18)		413		1
Operating profit (loss)		(623)		134



Finance income (Note 19)	74	52
Finance costs (Note 19)	48	34
PROFIT (LOSS) BEFORE INCOME TAX	(597)	152
NET PROFIT (LOSS) FOR THE PERIOD	(597)	152
Basic earnings per share (Note 12)	(0.13)	0.03
Diluted earnings per share (Note 12)	(0.13)	0,03

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

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