



**Interim Report Q1 2021**

# MANAGEMENT COMMENTARY

## BUSINESS HIGHLIGHTS Q1 2021

The market conditions have been favourable during the quarter, which combined with the full effect of the implemented synergies during 2020 resulted in a strong improvement of the Group's profitability compared to the same period last year. Key highlights from a business perspective included:

- Continued improvement of markets prices for sawn wood products driven by the strong American market which has had an indirect impact also on Bergkvist Siljan's key markets
- Slightly higher raw material costs compared to Q4 2020
- Continuously weak market for by-products
- New production set-up implemented at the Mora sawmill in order to drive further profitability improvements

Other highlights:

- The third wave of COVID-19 has affected the area during the quarter, with a limited number of cases recorded in the Group. Still, no spread has been confirmed in the organization and Bergkvist Siljan continues to enforce safety measures in line with recommendations from the authorities. From a business perspective, COVID-19 has had limited impact on the Group
- On March 2, 2021, the Group announced a voluntary partial redemption of its outstanding bonds in accordance with the bond terms and conditions. The redemption was completed on April 8, 2021, and amounted to SEK 37.5m excluding premium

## FINANCIALS

The financial highlights during Q1 2021 include:

- Net sales of SEK 620m (747)
- EBITDA of SEK 87m (50), with an EBITDA margin of 14.0% (6.7%)
- Pro-forma EBITDA, fully adjusted for extraordinary items of SEK 87m (51)
- Operating profit of SEK 71m (34), with an EBIT margin of 11.4% (4.6%)
- Cash and cash equivalents as of March 31, 2021 of SEK 232m (204)

The decrease in net sales is partly explained by the planned slightly lower production at the Mora sawmill, however mainly attributable to structural differences compared to the previous period due to the closedown of operations in Växjö and changed structure of the raw material organization.

The profitability increase is driven by the favorable market for sawn wood products as well as the full effect of the synergies implemented during the previous year. The Group's cash flow has remained strong during the period, driven by the underlying results.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On May 27, 2021, the application for an increased production permit at the Insjön mill was approved by the authorities. The Group plans to increase production slightly at the Insjön sawmill during 2021.

No other significant events have transpired between the reporting period and the time of publication of this report.

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*Anders Nilsson*  
CEO

## CONSOLIDATED INCOME STATEMENT

SEKm	Note	Q1 2021	Q1 2020
Net sales	G1	620	747
Changes in products in progress and finished goods		13	18
Other operating income	G4	7	4
<b>Total</b>		<b>640</b>	<b>769</b>
Raw materials and consumables		-437	-599
<b>Gross profit</b>		<b>202</b>	<b>170</b>
Personnel costs		-57	-61
Other external costs		-58	-59
Depreciation and write-downs		-16	-16
Other operating costs		-0	-
<b>Operating profit</b>		<b>71</b>	<b>34</b>
Financial income	G4	-	-
Financial costs	G4	-38	-52
<b>Profit before tax</b>		<b>33</b>	<b>-18</b>
Tax		-6	2
<b>Profit / loss for the period</b>		<b>27</b>	<b>-16</b>
<b>Other comprehensive income</b>			
<i>Items that cannot be transferred to profit / loss for the period</i>			
Revaluation of pension liabilities		1	-2
Deferred tax		-0	0
<b>Total comprehensive income</b>		<b>29</b>	<b>-18</b>
attributable to:			
- Shareholders of parent company		29	-18
- Non-controlling interest		-	-

# CONSOLIDATED BALANCE SHEET

SEKm	Note	2021.03.31	2020.03.31
<b>ASSETS</b>			
Goodwill		189	189
Customer relations		70	80
Other intangible assets		2	3
<b>Total intangible assets</b>		<b>261</b>	<b>272</b>
Buildings and property		221	228
Machinery		371	408
Assets under construction		0	8
<b>Total tangible assets</b>		<b>592</b>	<b>643</b>
Right-of-use assets		75	85
Non-current financial assets	G2	16	18
Deferred tax assets		5	8
<b>Total non-current assets</b>		<b>950</b>	<b>1,025</b>
Inventory		181	243
Trade receivables	G2	281	338
Derivatives assets	G2	0	-
Tax receivables		-	2
Other current assets	G2	55	92
Prepaid costs and accrued income		25	20
Cash and cash equivalents	G2	232	204
<b>Total current assets</b>		<b>775</b>	<b>898</b>
<b>Total assets</b>		<b>1,725</b>	<b>1,923</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1	1
Other equity		54	51
Retained earnings		68	-17
<b>Equity attributable to shareholders of parent company</b>		<b>123</b>	<b>36</b>
Equity attributable to non-controlling interest		3	3
<b>Total equity</b>		<b>126</b>	<b>39</b>
Bond loan	G2	516	619
Shareholder loans	G2	381	385
Non-current right-of-use liabilities	G2	45	55
Deferred tax liability		86	77
Provisions for pensions and other provisions		37	42
<b>Non-current liabilities</b>		<b>1,065</b>	<b>1,178</b>
Bond loan	G2	84	86
Other current interest bearing liabilities	G2	-	20
Derivatives liabilities	G2	4	3
Current right-of-use liabilities	G2	17	20
Trade payables	G2	293	386
Tax liabilities		0	19
Other current liabilities	G2	14	15
Deferred costs and prepaid income		122	157
<b>Current liabilities</b>		<b>534</b>	<b>706</b>
<b>Total equity and liabilities</b>		<b>1,725</b>	<b>1,923</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Share capital	Other equity	Retained earnings included total income for the year	Equity related to shareholder s of the parent	Non- controlling interests	Total equity
<b>2020.01-2020.03</b>						
<b>Opening balance</b>	1	54	-2	53	3	56
Profit / loss			-16	-16		-16
Other comprehensive income			-2	-2		-2
<b>Total income</b>	-	-	-18	-18	-	-18
<b>Closing balance</b>	1	54	-20	35	3	38
<b>2021.01-2021.03</b>						
<b>Opening balance</b>	1	54	39	94	3	97
Profit / loss			27	27		27
Other comprehensive income			1	1		1
<b>Total income</b>	-	-	29	29	-	29
<b>Closing balance</b>	1	54	68	123	3	126

## CONSOLIDATED CASH FLOW STATEMENT

SEKm	Note	Q1 2021	Q1 2020
<b>Profit before tax</b>		<b>33</b>	<b>-18</b>
Adjustments for non-cash items		43	55
Paid tax		-2	-1
<b>Cash flow from operating activities before changes in working capital</b>		<b>74</b>	<b>36</b>
Changes in working capital		-29	10
<b>Cash flow from operating activities</b>		<b>45</b>	<b>46</b>
Investments in non-current assets		0	-3
Sale of non-current assets		3	-
<b>Cash flow from investing activities</b>		<b>3</b>	<b>-3</b>
Bond amortization		-35	-38
Amortized leasing (including terminations)		-3	-6
<b>Cash flow from financing activities</b>		<b>-38</b>	<b>-44</b>
<b>Cash flow for the period</b>		<b>10</b>	<b>-1</b>
Cash and cash equivalents beginning of period		222	205
Cash and cash equivalents end of period		232	204

## PARENT COMPANY INCOME STATEMENT

SEKm	Q1 2021	Q1 2020
Net sales	-	-
Changes in products in progress and finished goods	-	-
Other operating income	1	-0
<b>Total</b>	<b>1</b>	<b>-0</b>
Raw materials and consumables	-	-
<b>Gross profit</b>	<b>1</b>	<b>-0</b>
Personnel costs	-0	-
Other external costs	-1	-1
<b>Operating profit</b>	<b>-0</b>	<b>-1</b>
Financial income	7	5
Financial costs	-28	-41
<b>Profit after financial items</b>	<b>-21</b>	<b>-38</b>
Appropriations	-	-
<b>Profit before tax</b>	<b>-21</b>	<b>-38</b>
Tax	-	-
<b>Profit / loss for the period</b>	<b>-21</b>	<b>-38</b>

# PARENT COMPANY BALANCE SHEET

SEKm	Note	2021.03.31	2020.03.31
<b>ASSETS</b>			
Non-current financial assets		1,045	1,087
<b>Total non-current assets</b>		<b>1,045</b>	<b>1,087</b>
Trade receivables		0	0
Tax receivables		0	1
Other current assets		0	-
Prepaid costs and accrued income		0	0
Cash and cash equivalents		54	2
<b>Total current assets</b>		<b>55</b>	<b>3</b>
<b>Total assets</b>		<b>1,099</b>	<b>1,090</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1	1
Other equity		54	54
Retained earnings		53	-74
<b>Total equity</b>		<b>107</b>	<b>-19</b>
Bond loan		516	705
Shareholder loans		381	385
Provisions for pensions and other provisions		-1	-1
<b>Non-current liabilities</b>		<b>896</b>	<b>1,089</b>
Bond loan		84	-
Other current interest bearing liabilities		0	20
Tax liabilities		12	-1
Trade payables		1	1
Other current liabilities		0	-1
Deferred costs and prepaid income		0	-
<b>Current liabilities</b>		<b>97</b>	<b>20</b>
<b>Total equity and liabilities</b>		<b>1,099</b>	<b>1,090</b>



# NOTES TO THE FINANCIAL STATEMENT

## GENERAL INFORMATION

Bergkvist Siljan AB (publ), Corp. Reg. No. 559136-6686, is a limited company registered in Sweden with its registered office in Mora. The address of the head office is Box 435, SE-792 27 Mora, Sweden. The operations of Bergkvist Siljan AB (publ) (the "Parent Company") and its subsidiaries (the "Group") comprise manufacturing and sale of sawn wood products and related activities.

Unless stated otherwise, all amounts are presented in millions of SEK (SEKm).

## G1 NET SALES

### Net sales by geographic market

SEKm	Q1 2021	Q1 2020
Sweden	234	346
Other Scandinavia	49	39
Other Europe	64	86
Asia, excl. Middle East	201	218
Other	72	58
<b>Total</b>	<b>620</b>	<b>747</b>

### Net sales by product category

SEKm	Q1 2021	Q1 2020
Sawn wood products	486	486
By-products	49	72
Lumber and pulpwood	85	185
Other	0	4
<b>Total</b>	<b>620</b>	<b>747</b>

## G2 FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	21.03.31	20.03.31
<i>Financial assets valued at fair value</i>		
Derivatives assets	0	-
<b>Total</b>	<b>0</b>	<b>-</b>
<i>Financial assets valued at amortised cost</i>		
Non-current financial assets	16	18
Trade receivables	281	338
Other current assets	55	92
Cash and cash equivalents	232	204
<b>Total</b>	<b>585</b>	<b>651</b>
<i>Financial liabilities valued at fair value</i>		
Derivatives liabilities	4	3
Contingent consideration	-	-
<b>Total</b>	<b>4</b>	<b>3</b>
<i>Financial liabilities valued at amortised cost</i>		
Bond loan	600	705
Shareholder loans	381	385
Right-of-use liabilities	62	75
Trade payables	293	386
Other liabilities	14	15
<b>Total</b>	<b>1,349</b>	<b>1,566</b>

The bond loan has a fair value of SEK 657m, of which the Group holds SEK 35m nominal amount. For the remaining items, the fair values coincide with carrying amounts.

## G3 KEY RISKS AND UNCERTAINTIES

The Group's key risks and uncertainties relate to fluctuations in demand and prices of sawn wood products and raw material prices. For a more detailed description of key risks and uncertainties, please refer to Bergkvist Siljan's latest Annual Report.

## G4 RELATED PARTY TRANSACTIONS

The Group has had the following transactions with related party during the interim period:

SEKm	Q1 2021	Q1 2020
Financial costs	-13	-13
<b>Total</b>	<b>-13</b>	<b>-13</b>

The parent company has had the following transactions with companies within the Group during the interim period:

SEKm	Q1 2021	Q1 2020
Other operating income	1	-0
Financial income	-	5
<b>Total</b>	<b>1</b>	<b>5</b>

## G5 DEFINITION OF KEY INDICATORS

### EBITDA

EBITDA is calculated as the profit of the Group before interest, tax, depreciation and amortisation for the relevant period.

### Pro-forma, fully adjusted EBITDA

Pro-forma fully adjusted EBITDA is calculated as the profit of the Group before interest, tax, depreciation and amortisation for the relevant period on a proforma basis (as if the Group in its state of the end of the relevant period had been in existence for the full relevant period), and adjusted, if necessary, for one-off and non-recurring items.

## COMPANY INFORMATION

<b>Name</b>	Bergkvist Siljan AB (publ)
<b>Address</b>	Box 435, 792 27 Mora, Sweden
<b>Registration number</b>	559136-6686
<b>Financial year</b>	January 1 – December 31
<b>Website</b>	<a href="http://www.bergkvistsiljan.com">www.bergkvistsiljan.com</a>
<b>Board of Directors</b>	Ulf Bergkvist (Chairman) Jonas Björnståhl Håkan Dorm
<b>Executive Management</b>	Anders Nilsson
<b>Auditor</b>	PwC (this report has not been subject to audit)

