



FRIGAARD

Property Group

Q4 2020 result presentation

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This is Frigaard Property Group



Strategy

FPG aims to be the leading contractor and residential property developer in its core markets, by combining its industrial and financial expertise

Focused on “Intercity triangle”

Urban areas in Eastern Norway outside Oslo

Key figures (MNOK)

Key figures	2018 ¹⁾	2019	Q4'20	2020
Revenues	654	1,043	356	1,267
EBITDA	84	52	18	92
Net profit	47	17	7	58
EBITDA-margin	12.8%	5.0%	5.0%	7.3%
Order backlog	969	846	1,020	1,020
Equity ratio	29.1%	27.8%	28.7%	28.7%

• Note: 1) Reported financials. Alento AS was acquired 30 June 2018 and hence not fully reflected in reported financials. 2018 pro forma revenue of NOK 926m and pro forma EBITDA of NOK 110m.

Highlights Q4 2020 – solid financial performance

- Revenue increased by 17,9% to MNOK 356.5 (302.1) in the quarter and by 21.5% to MNOK 1266.7 (1042.8) for the full year.
- EBITDA increased to MNOK 17.9 (-2.2) in the quarter and to MNOK 92.1 (52.0) for the full year.
- EBITDA margins increased to 5.0% (-0.7%) in the quarter and to 7.3% for the full year (5.0%).
- Net profit increased from 7.3 MNOK (-6.9) in the quarter and to MNOK 58.3 MNOK (17.2) for the full year.
- Continued high order backlog of MNOK 1 020, including MNOK 78 related to own development projects in Frigaard Bolig.
- Strong financial position at the end of the year, cash balances ended at MNOK 259 and leverage ratio excluding construction loans ended at 0,9.
- Covid-19: Limited effect on the progress of ongoing construction projects and housing sales, measures have been taken to reduce risk of delays in projects.
- Successfully refinanced 300 MNOK bond in Q1 2021.

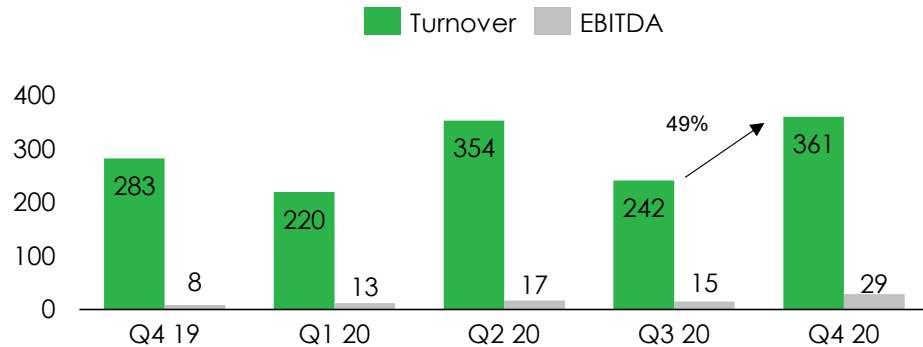


Construction segment: Strong quarter

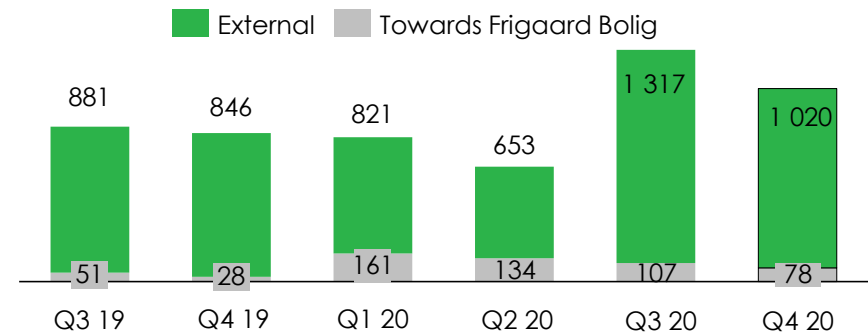
Highlights

- MNOK 356 revenue and MNOK 18 EBITDA generated in the quarter, which is an increase of 49% from last quarter.
- A record high order backlog of MNOK 1 019.7 of which MNOK 884.2 attributable to 2021, and MNOK 135.5 relates to 2022.
- Very strong order intake in Q3, is impacting revenue and EBITDA in Q4.

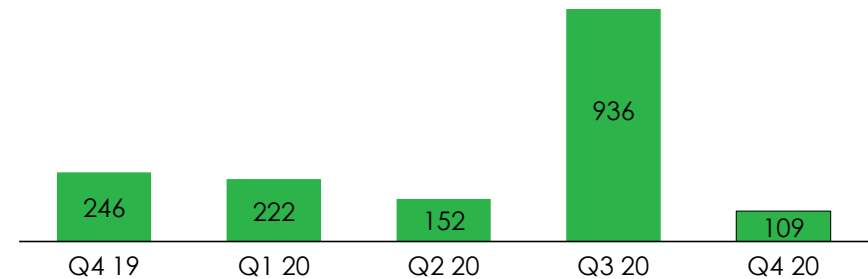
Revenues and EBITDA



Order backlog



Order intake

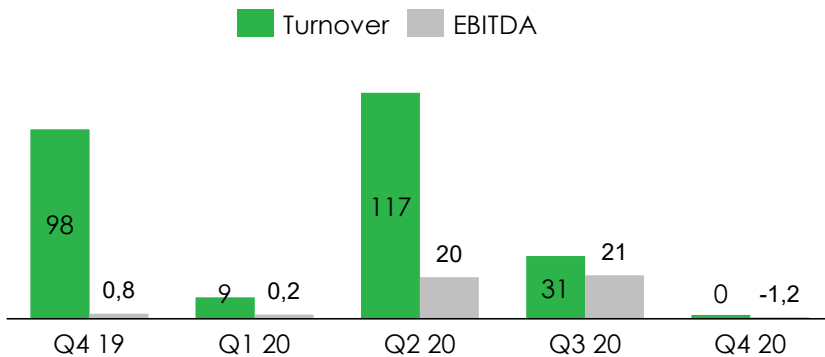


Property development segment: Projects on track

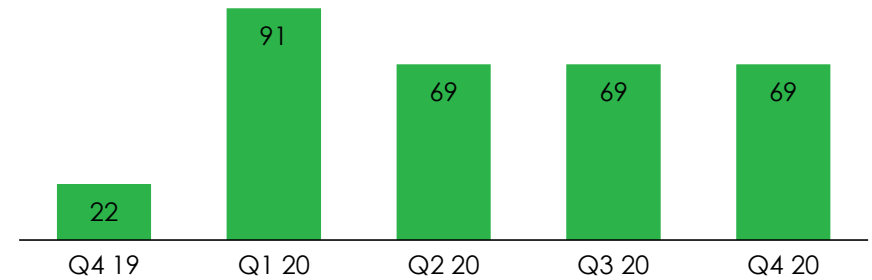
Highlights

- There has been no handover of homes in Q4 20, the next handover is planned to Q4 2021 (thus no revenue in the segment)
- 2 units (apartments) sold during the quarter and 69 units currently under construction
- Sale start for 3 of our property development projects is planned for H1 2021.
- The progress of the building of Tribunen 1 is going according to plan. Expected finalization in Q4 2021.

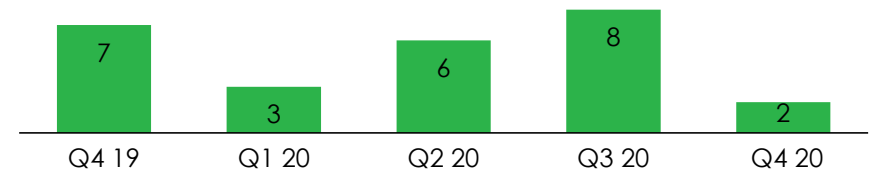
Revenues and EBITDA



Units under construction



Number of units sold



Property development segment: Four residential projects ongoing

Project overview



Construction phase 1/3
Total of ~174 apartments
69 apartments in phase 1
49/69 units sold
All phases completed Q3 23
Total of 12 300 BRAS



61 apartments & 8 townhouses
Expected sales start Q1 21
3 phases
All phases completed Q3 23
Total of 6 200 BRAS



30 apartments & 9 land plots
Expected sales start H1 21
All phases completed H2 23
Total of 3 200 BRAS



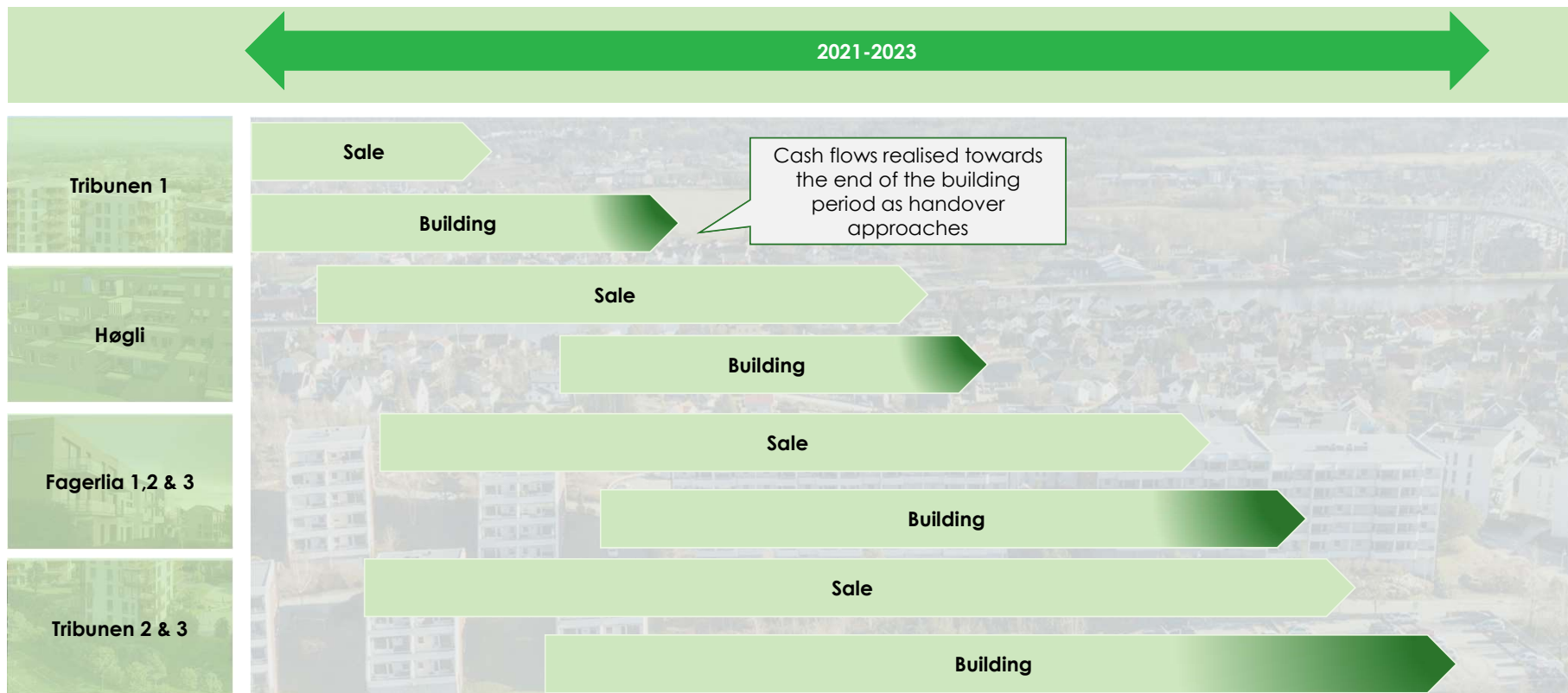
Phasing and strategy TBD





Property development projects expected to be finalized during next 2,5 years

Projects with expected sale and completion over the next three years



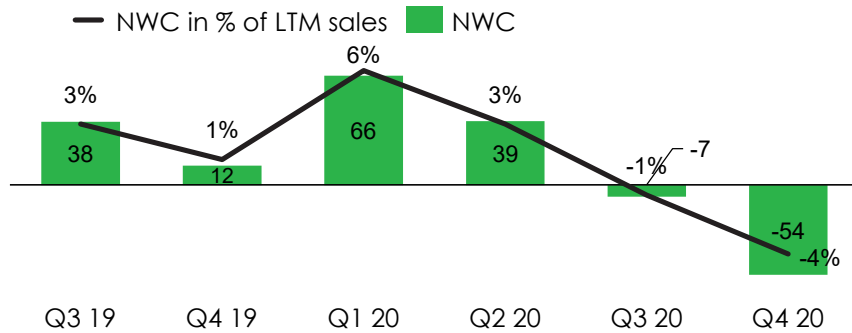
Income statement

All amounts in MNOK	4Q 2020	4Q 2019	31.12.2020	31.12.2019
Order backlog	1 019,7	846,2	1 019,7	846,2
Order intake	108,5	245,6	1 417,8	955,5
Revenue from contracts with customers	361,1	302,7	1 219,1	1 032,4
Other operating revenue	-4,8	-0,5	47,6	10,3
Total operating revenue	356,3	302,1	1 266,7	1 042,8
Materials, subcontractors and consumables	292,8	247,9	1 020,3	833,3
Salaries and personnel expense	40,2	32,4	129,8	110,5
Loss related to sale of investment property	-	9,2	-	9,2
Other operating expense	5,4	14,9	24,5	37,8
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	17,9	-2,2	92,1	52,0
Depreciation and amortisation expense	1,9	1,9	7,5	6,7
Operating profit (EBIT)	16,0	-4,2	84,6	45,3
Net financial costs	3,7	0,1	20,0	21,5
Profit before income tax	12,3	-4,2	64,6	23,8
Income taxes	5,1	2,7	6,3	6,6
Net profit for the period	7,3	-6,9	58,3	17,2

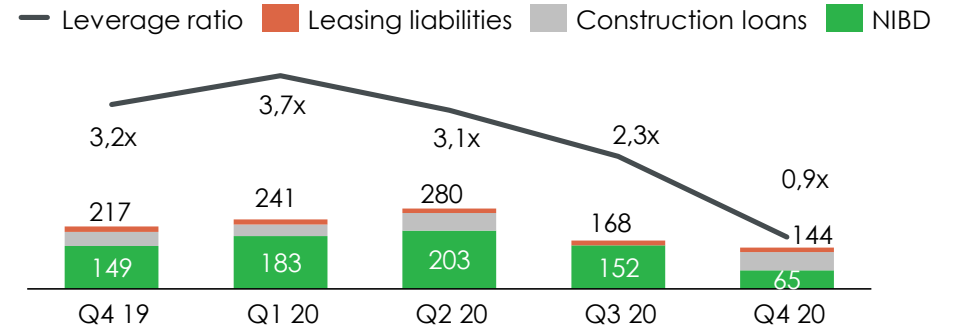
- No significant financial impact from Covid19 experienced.
- Record high order backlog at year end
- Income this quarter is in solely from the Construction segment
- Strong quarter for Construction, revenues up with 49% compared to last quarter

Solid cash position and comfortable leverage level

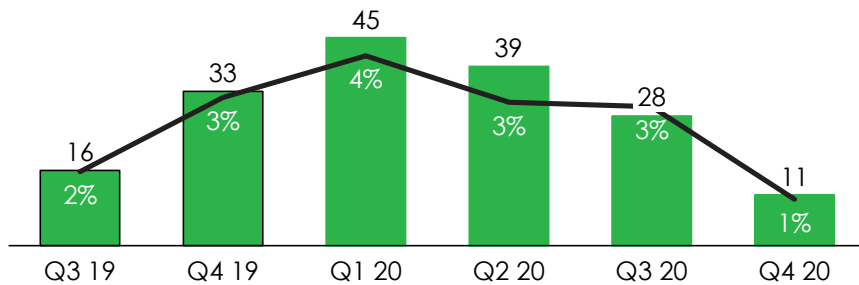
Net working capital (construction)



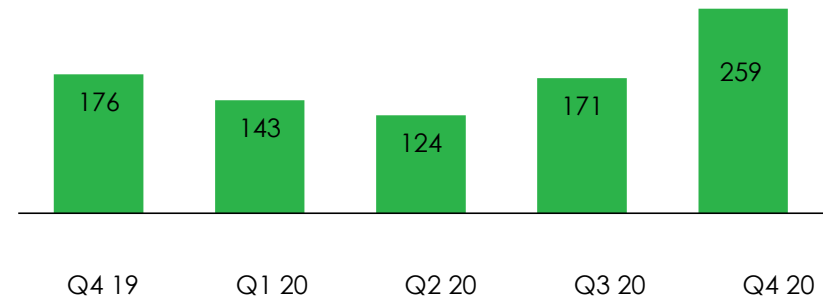
Net interest-bearing debt and leverage ratio (Group)



Average working capital LTM (construction)



Cash position (Group)



Note: Leverage ratio as defined in the bond terms

— NWC in % of LTM sales
■ NWC

Cash flow statement

NOK million	4Q 2020	4Q 2019	31.12.2020	31.12.2019
Earnings before income taxes	12,3	-4,2	64,6	23,8
Depreciation and impairment	2,0	1,9	7,6	6,7
Change in net working capital	-14,2	97,9	-20,1	32,1
Other adjustments/taxes paid	33,5	-62,8	15,1	-115,9
Cash flow from operations	33,6	32,7	67,2	-53,3
Net investment	-2,5	59,2	20,0	29,8
Cash flow from financial activities	56,6	-30,4	-4,8	-19,1
Net decrease (increase) in cash and cash equivalents	87,7	61,6	82,3	-42,6
Net cash and cash equivalents at beginning of period	171,0	106,1	176,4	210,2
Total cash and cash equivalents	258,8	167,6	258,8	167,6

- Negative effect in NWC due to increased inventory related to development property (financed by construction loans), offset by changes in other provisions amongst other from property sales.
- Construction loans are secured for Tribunen phase 1, loan withdrawal in Q4 , MNOK 62
- Strong cash position at year end, increase of 47 % compared to last year

Balance sheet

Amounts in NOK million	31.12.2020	31.12.2019
ASSETS		
Goodwill and other intangible assets	284,4	284,7
Tangible fixed assets	8,4	8,7
Right-of-use assets	16,7	19,0
Other investments and other long term receivables	9,3	0,1
TOTAL NON-CURRENT ASSETS	318,8	312,5
Inventories and development properties	327,7	278,3
Trade receivables, contract assets and other short term receivables	217,0	182,3
Cash and cash equivalents	258,8	176,4
TOTAL CURRENT ASSETS	803,5	637,0
TOTAL ASSETS	1 122,2	949,5
EQUITY AND LIABILITIES		
TOTAL EQUITY	322,0	263,7
Deferred tax	22,5	16,2
Bond loan	-	295,7
Liabilities to financial institutions	25,1	25,1
Construction loan	62,9	-
Leasing liabilities	11,5	14,4
Other non-current liabilities	72,7	81,3
TOTAL NON-CURRENT LIABILITIES	194,6	432,6
Short term financial liabilities	-	5,1
Short term construction loan	-	48,7
Bond loan current	298,6	-
Lease liabilities	4,9	4,1
Trade account payables, contract liabilities and other short term debt	302,2	195,2
TOTAL CURRENT LIABILITIES	605,6	253,1
TOTAL EQUITY AND LIABILITIES	1 122,2	949,5

- Goodwill from acquisitions
- IFRS lease assets of MNOK 16.3
- Trade receivables include outstanding from amount related to sale of shares in Höganloft
- In February 2021 we finalized the process of refinancing our 300 MNOK bond, which was maturing in June 2021
- Construction loan related to Tribunen 1, located in Moss

Outlook

- Strong backlog above BNOK 1.0 – large portion of 2021 revenue secured
- Strong financial position, cash balances at MNOK 259 and leverage ratio at 0.9 (excluding construction loans)
- Residential development projects on track – next significant project to be delivered Q4 2021
- Refinancing of MNOK 300 bond finalized in Q1 2021

