


# Interim Financial Statements

For the period ended December 31, 2019



**Q4**  
2019

Fibo started out quite modestly as a small factory for wall panels. It became our mission to develop the walls which make wet room challenges easy. Now Fibo is a leading supplier of high-quality, waterproof wall systems. Our wall systems are inherently waterproof, eliminating the need for a separate membrane layer. Furthermore, our wall systems are easier to install, more affordable and represent a more environmentally friendly alternative to ceramic tiles.

A smart way to transform walls.



# Highlights

## Executive Summary

In the fourth quarter in 2019, Net Sales grew by 7 % and EBITDA by 63 %, with an EBITDA margin of 7 %. Both price effects and cost savings drive the relative margin improvement year on year. During the quarter, Fibo has started to utilize various cash discounts in existing supplier agreements. This has contributed to the margin improvement, but at the same time has led to a short-term reduction in the Group's cash position compared to the last two quarters. The Group reported NOKm 1,7 in exceptional items for the quarter and the increase from previous quarters is due to termination of employees not being replaced. The financial position is more or less unchanged from last quarter with the Leverage Ratio at 4,0 (3,9 in Q3-19) and Cash Covenant at 2,7 (relative to the min. cash position of NOKm 10). The sales development in most markets has been satisfactory during the quarter with a growth of +16 % for international sales and +1 % for domestic sales. International sales growth is mainly driven by a strong performance in the UK market and similar development for selected distributors in Export markets. As expected, Norway and hence domestic sales came in with a more moderate growth rate for the fourth quarter.

### Fourth Quarter 2019

**SALES Growth + 7%** | **EBITDA Growth + 63%** | **EBITDA Margin 7%** | **CASH Conversion 68%**

Net Sales for the quarter came in at NOKm 149 compared to NOKm 139 for Q4-18 that represents a growth of +7 %. The Norwegian market had a moderate growth of +1 %, while international sales grew by 16 % in the same period. International sales growth is mainly driven by a strong performance in the UK and for selected distributors in Export markets. Management is very satisfied to see that the growth particularly comes from prioritized customer segments and markets in line with the strategy implemented.

EBITDA for the quarter came in at NOKm 10 compared to NOKm 6 for Q4-18. The EBITDA uplift for the Quarter is driven by price increases, cost savings from lower raw material consumption, and further production efficiency gains. In addition and compared to last year, there is a positive development in relative share for production wages and positive effect from utilization of cash discounts. Exceptional items for the quarter are mainly related to termination of employees in certain parts of the organization that will not be replaced.

### Year to Date 2019

**SALES Growth + 5%** | **EBITDA Growth + 35%** | **EBITDA Margin 9%** | **CASH Conversion 91%**

For the year 2019, Net Sales grew by +5 % compared to last year. Positive development for most markets except for Sweden that is still recovering from a challenging market situation. Combined accumulated growth rate for international sales ended at +11 % with Export Markets contributing with +18 %, UK with +14 %, and Sweden with a 4 % decline compared to last year. Domestic sales, Norway, grew by +2 % in the same period.

For the year 2019, EBITDA grew by 35 % (NOKm 14) compared to last year. The EBITDA uplift for the period is driven by the growth in Net Sales in combination with cost savings and price increases/-effects. The Contribution Margin (CMI) improved from 32,4 % last year to 34,5 % this year. Relative OPEX share dropped by 0,4 % during the period. Adjusted for inflation in the cost base vs. last year, this represents the size of the savings for the year. Exceptional items for the period are mainly related to legal settlements, production wages in line with the FTE reduction plan for 2019, some minor cost related to the refinancing process and last termination of employees not being replaced.

# Group key figures

NOKm	Q419	Q418	YTD19	YTD18	LTM	FY18
Net Sales	149	139	612	583	612	583
<b>EBITDA excl. Exceptional items</b>	<b>9.8</b>	<b>6.0</b>	<b>55.4</b>	<b>41.0</b>	<b>55.4</b>	<b>41.0</b>
EBITDA %	7%	4%	9%	7%	9%	7%
<b>EBIT excl. Exceptional Items</b>	<b>5.1</b>	<b>-4.1</b>	<b>34.0</b>	<b>13.3</b>	<b>34.0</b>	<b>13.3</b>
EBIT %	3%	-3%	6%	2%	6%	2%
Exceptional Items	1.7	2.3	3.8	4.8	3.8	4.8
Net Debt	223	250	223	250	223	250
Leverage Ratio	4.0	6.1	4.0	6.1	4.0	6.1
Cash Cover Ratio	2.7	0.8	2.7	0.8	2.7	0.8

DOMESTIC Q4  
Sales  
growth ↗ **1%**

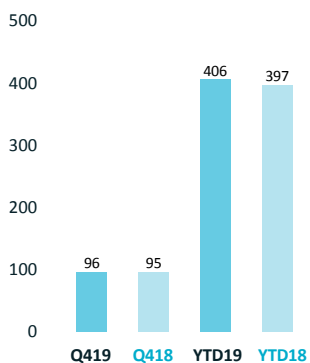
INTERNATIONAL Q4  
Sales growth ↗ **16%**

NET DEBT Q4  
NOKm **223**

LEVERAGE Q4  
Ratio **4.0**

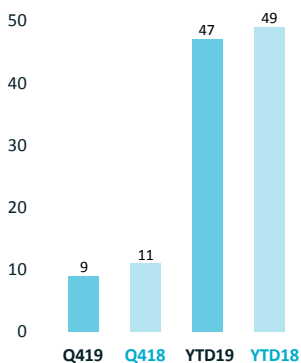
## Norway

NOKm



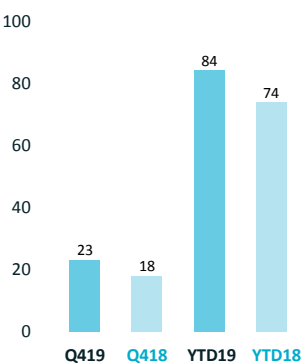
## Sweden

NOKm



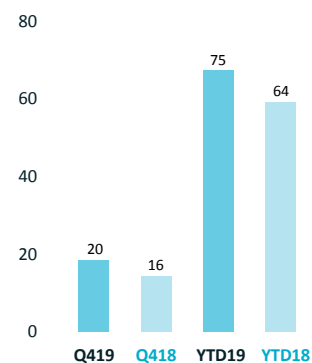
## UK

NOKm



## Export markets

NOKm





## Consolidated income statement

NOKm	Q419	Q418	YTD19	YTD18	LTMQ419	FY18
<b>Net sales</b>	<b>148.5</b>	<b>139.0</b>	<b>611.8</b>	<b>582.8</b>	<b>611.8</b>	<b>582.8</b>
Cost of goods sold	-77.0	-74.8	-322.4	-313.5	-322.4	-313.5
Production wages	-10.8	-10.8	-42.6	-43.5	-42.6	-43.5
Logistics costs	-9.5	-8.3	-35.2	-33.1	-35.2	-33.1
<b>CM I</b>	<b>51.2</b>	<b>45.1</b>	<b>211.6</b>	<b>192.7</b>	<b>211.6</b>	<b>192.7</b>
Maintenance costs	-0.9	-1.7	-5.5	-5.7	-5.5	-5.7
<b>CM II</b>	<b>50.3</b>	<b>43.3</b>	<b>206.1</b>	<b>187.0</b>	<b>206.1</b>	<b>187.0</b>
Operating expenses	-40.4	-36.9	-151.0	-145.8	-151.0	-145.8
Bad debt	-0.1	-0.4	0.3	-0.3	0.3	-0.3
<b>EBITDA excl. exceptional items</b>	<b>9.8</b>	<b>6.0</b>	<b>55.4</b>	<b>41.0</b>	<b>55.4</b>	<b>41.0</b>
D&A	-4.7	-10.1	-21.4	-27.7	-21.4	-27.7
<b>EBIT excl. exceptional items</b>	<b>5.1</b>	<b>-4.1</b>	<b>34.0</b>	<b>13.3</b>	<b>34.0</b>	<b>13.3</b>
Exceptional items	-1.7	-2.3	-3.8	-4.8	-3.8	-4.8
<b>EBIT incl. exceptional items</b>	<b>3.4</b>	<b>-6.4</b>	<b>30.3</b>	<b>8.4</b>	<b>30.3</b>	<b>8.4</b>
Net financial items	-9.6	-11.9	-32.4	-16.2	-32.4	-16.2
<b>Operating profit before tax</b>	<b>-6.2</b>	<b>-18.3</b>	<b>-2.1</b>	<b>-7.8</b>	<b>-2.1</b>	<b>-7.8</b>
Revenue growth	6.9 %	NA	5.0 %	NA	5.0 %	NA
CM I-margin	34.5 %	32.4 %	34.6 %	33.1 %	34.6 %	33.1 %
Adj. EBITDA-margin	6.6 %	4.3 %	9.1 %	7.0 %	9.1 %	7.0 %
Reported EBITDA-margin	5.4 %	2.7 %	8.4 %	6.2 %	8.4 %	6.2 %
Adj. EBIT-margin	3.5 %	-2.9 %	5.6 %	2.3 %	5.6 %	2.3 %
Reported EBIT-margin	2.3 %	-4.6 %	4.9 %	1.4 %	4.9 %	1.4 %

## Cash flow statement

NOKm	2016	2017	2018	2019	Q419	Q418
<b>Cash flow from operations</b>						
<b>EBITDA incl. exceptional items</b>	<b>41.2</b>	<b>33.9</b>	<b>36.7</b>	<b>51.6</b>	<b>8.1</b>	<b>4.2</b>
<b>Changes in NWC</b>	<b>30.9</b>	<b>-34.1</b>	<b>5.1</b>	<b>15.9</b>	<b>-14.0</b>	<b>11.8</b>
- Inventories	8.3	-0.5	-3.6	-20.0	-5.7	-13.3
- Trade and other receivables	35.7	-8.1	-5.0	37.6	-10.8	25.2
- Trade and other payables	-6.1	-31.3	8.6	-28.7	-15.2	16.3
- Other current assets and liabilities	-4.6	10.0	7.3	26.9	17.8	-15.4
- Other changes in net working capital	-2.3	-4.2	-2.2	0.0	-	-1.1
Income taxes paid	-1.8	-3.7	0.0	-1.0	-1.0	-
<b>Net cash flow from operations</b>	<b>70.4</b>	<b>-4.0</b>	<b>41.9</b>	<b>66.5</b>	<b>-6.8</b>	<b>16.0</b>
<b>Cash flow from investments</b>						
Purchase of property, plant and equipment	-94.0	-32.4	-10.8	-5.3	-3.5	-1.0
<b>Net cash flow from investments</b>	<b>-94.0</b>	<b>-32.4</b>	<b>-10.8</b>	<b>-5.3</b>	<b>3.5</b>	<b>-1.0</b>
<b>Cash flows financing activities</b>						
Interest payments & other financial items	-13.1	-13.8	-18.3	-30.5	-8.9	-3.9
<b>Net cash flow from financing</b>	<b>14.9</b>	<b>5.7</b>	<b>-31.1</b>	<b>-30.5</b>	<b>-8.9</b>	<b>-10.3</b>
Net currency translation effect (bank accounts)	4.1	-5.4	1.1	0.5	-2.9	-5.8
<b>Net change in cash/cash equivalent</b>	<b>-4.5</b>	<b>-36.2</b>	<b>0.8</b>	<b>18.5</b>	<b>-22.1</b>	<b>-1.1</b>
Cash/cash equivalents beginning of period	48.0	43.6	7.4	8.2	48.8	9.3
<b>Cash and cash equivalents end of period</b>	<b>43.6</b>	<b>7.4</b>	<b>8.2</b>	<b>26.7</b>	<b>26.7</b>	<b>8.2</b>

## Balance sheet

NOKm	2016	2017	2018	2019	Q419	Q418
<b>ASSETS</b>						
Research and development	1.2	0.8	0.4	0.4	0.4	0.4
Concessions/patents/licences	156.0	155.4	154.8	154.2	154.2	154.8
Other intangible assets	31.8	28.9	25.2	20.1	20.1	25.2
Deferred tax assets	-	-	-	-	-	-
Goodwill	246.8	246.8	246.8	246.8	246.8	246.8
<b>Total intangible assets</b>	<b>435.8</b>	<b>431.9</b>	<b>427.2</b>	<b>421.5</b>	<b>421.5</b>	<b>427.2</b>
Plant, machinery and equipment	111.3	128.0	119.8	104.2	104.2	117.1
<b>Total tangible fixed assets</b>	<b>111.3</b>	<b>128.0</b>	<b>119.8</b>	<b>104.2</b>	<b>104.2</b>	<b>117.1</b>
Other assets	0.3	0.3	0.5	0.5	0.5	0.5
<b>Total non-current assets</b>	<b>547.4</b>	<b>560.2</b>	<b>547.4</b>	<b>526.1</b>	<b>526.1</b>	<b>544.7</b>
<b>Inventories</b>	<b>59.5</b>	<b>60.0</b>	<b>63.6</b>	<b>83.4</b>	<b>83.4</b>	<b>63.4</b>
Accounts receivable	56.5	64.5	69.5	20.8	20.8	58.5
Other receivables	0.7	3.6	1.6	1.7	1.7	1.6
Other short term assets	8.9	-	0.1	0.2	0.2	0.1
<b>Total receivables and short term assets</b>	<b>66.0</b>	<b>68.1</b>	<b>71.2</b>	<b>22.8</b>	<b>22.8</b>	<b>60.2</b>
<b>Cash and cash equivalents</b>	<b>43.6</b>	<b>7.4</b>	<b>8.2</b>	<b>26.7</b>	<b>26.7</b>	<b>8.2</b>
<b>Total current assets</b>	<b>169.0</b>	<b>135.4</b>	<b>143.0</b>	<b>132.9</b>	<b>132.9</b>	<b>131.8</b>
<b>TOTAL ASSETS</b>	<b>716.4</b>	<b>695.7</b>	<b>690.4</b>	<b>659.0</b>	<b>659.0</b>	<b>676.5</b>
<b>EQUITY AND LIABILITIES</b>						
Share capital	29.8	29.8	29.8	32.8	32.8	29.8
Share premium account	268.3	268.3	268.3	271.1	271.1	268.3
<b>Total paid-in capital</b>	<b>298.2</b>	<b>298.2</b>	<b>298.2</b>	<b>303.9</b>	<b>303.9</b>	<b>298.2</b>
Retained earnings	-2.7	-2.1	-11.3	-15.2	-15.2	-9.2
<b>Total shareholders equity</b>	<b>295.5</b>	<b>296.1</b>	<b>286.9</b>	<b>288.8</b>	<b>288.8</b>	<b>289.0</b>
Pension obligation	1.3	1.7	3.8	6.0	6.0	3.8
Deferred tax	49.4	43.9	44.3	37.3	37.3	38.4
<b>Provisions for liabilities</b>	<b>50.7</b>	<b>45.6</b>	<b>48.1</b>	<b>43.3</b>	<b>43.3</b>	<b>42.3</b>
Non current interest bearing liabilities	234.7	255.8	253.5	241.7	241.7	253.5
Derivative financial instruments	1.4	2.2	2.8	-	-	2.8
<b>Total non-current liabilities</b>	<b>236.1</b>	<b>258.0</b>	<b>256.3</b>	<b>241.7</b>	<b>241.7</b>	<b>256.3</b>
Debt to financial institutions	10.0	10.0	-	-	-	-
Accounts payable	80.7	49.4	58.0	29.8	29.8	58.5
Accounts payable group companies	2.3	2.3	2.3	-	-	2.3
Current income taxes payable	4.0	0.8	-	0.7	0.7	0.5
Other taxes and withholdings	6.4	15.8	14.3	15.2	15.2	14.7
Other current liabilities	22.2	17.6	24.5	39.5	39.5	12.8
<b>Total current liabilities</b>	<b>125.7</b>	<b>95.9</b>	<b>99.1</b>	<b>85.2</b>	<b>85.2</b>	<b>88.9</b>
<b>Total liabilities</b>	<b>412.5</b>	<b>399.5</b>	<b>403.5</b>	<b>370.2</b>	<b>370.2</b>	<b>387.5</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>708.0</b>	<b>695.6</b>	<b>690.4</b>	<b>659.0</b>	<b>659.0</b>	<b>676.5</b>
Net Working Capital	16.2	45.3	38.0	21.7	21.7	37.5
Net Working Capital incl. Accounts Payable group	13.9	43.0	35.7	21.7	21.7	35.2
Equity ratio	42%	43%	42%	44%	44%	43%



## Specification of net financial items

NOKm	YTD19	YTD18
<b>Net Financial Items in the consolidated income statement</b>		
Financial income	-10.9	-22.6
Financial expense	43.3	38.8
<b>Total</b>	<b>32.4</b>	<b>16.2</b>
Interest expense	31.1	15.4
Interest Capitalized*	6.5	1.5
Exchange gains and losses	-6.3	2.4
Fair value hedges	1.0	-3.1
Other financial expenses	0.6	0.5
Interest income	-0.4	-0.5
<b>Total</b>	<b>32.4</b>	<b>16.2</b>

\*includes write-off for capitalized fee's related to previous loan facilities from Nordea

## Statement of changes in equity

NOKm	Share Capital	Share Premium Account	Total Paid In Equity	Retained Earnings	Total Equity
<b>Balance at 31 December 2018</b>	29.8	268.3	<b>298.2</b>	-9.2	289.0
Net Profit/loss for the year before tax	-	-	-	-2.1	<b>-2.1</b>
Capital increase	3.0	2.8	<b>5.7</b>	-	<b>5.7</b>
Actuarial gains (losses) on defined benefit pension plans	-	-	-	-4.1	<b>-4.1</b>
Changes in translation reserves and other changes	-	-	-	0.3	<b>0.3</b>
<b>Balance at 31 December 2019</b>	<b>32.8</b>	<b>271.1</b>	<b>303.9</b>	<b>-15.2</b>	<b>288.8</b>

## Financial impact of IFRS 16 in FY 2019

In the table below, the impact of adoption and implementation of IFRS 16 is presented. IFRS 16 will be fully described as part of the annual report for 2019 and incorporated in the quarterly reports from Q1-20

<b>EBIT excl. exceptional items and IFRS 16</b>	<b>5.1</b>
Reversal of rent cost in Operating expenses	11.8
Depreciation expense (ROU)	-6.6
Interest expense on lease liability (ROU)	-8.8
<b>EBIT excl. exceptional items incl. IFRS 16</b>	<b>1.6</b>
<b>Impact on EBIT from IFRS 16</b>	<b>-3.6</b>

# Definitions and calendar

## Definitions

**Net Sales**

*Sales Net of VAT, discounts and sales bonuses.*

**EBITDA**

*Earnings before interest, tax, depreciations and amortization.*

**Exceptional Items**

*Items that are unusual or infrequent in their nature.*

**Adjusted EBITDA Margin**

*EBITDA excluding Exceptional Items divided on Net Sales.*

**EBIT**

*Earnings before interest and tax.*

**Net Financial Items**

*Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities.*

**Net Debt**

*Interest bearing debt (excluding pension and leasing debts) minus cash and cash equivalents.*

**Leverage Ratio**

*Net Debts divided on EBITDA Excl. Exceptional Items.*

**Cash Cover Ratio**

*Cash and cash equivalents divided on minimum cash position of NOKm 10 per quarter.*

The Group's key figures are presented in million-NOK, rounded off to the nearest thousand, unless otherwise stated. All individual figures (including totals and sub-totals) are rounded off to the nearest thousand. From a presentation standpoint, certain individual figures may therefore differ from the computed totals.

This report has not been subject to audit.

## Financial calendar for 2020

**Interim Report**

Q1-20 no later than May 31, 2020

Q2-20 no later than August 31, 2020

Q3-20 no later than November 30, 2020

For more information please contact

**Martin Prytz**

*MPr@fibosystem.com*

*www.fiboinvestor.com*

**Fibo Group AS**

Karenslyst Allé 8 B

0278 Oslo

Norway

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2019