

Quarterly report 3/2021



At Moelven's stand at the trade fair "Bygg Reis Deg 2021", both the group's new brand profile, as well as products and solutions from Moelven Limtre, Moelven Wood and Moelven Byggmodul were presented. After the fair, the glulam construction was sold to Gausdal Landhandleri, which will sell the materials on from its outlet in Lillehammer.
Photo: Moelven

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Operating revenues	3,951	2,667	11,282	8,638	11,665	10,297
EBITDA	1,252	250	2,541	681	1,011	630
Gross operating margin/EBITDA in per cent	31.7 %	9.4 %	22.5 %	7.9 %	8.7 %	6.1 %
Depreciation and impairment	110	86	285	249	348	294
Operating profit	1,143	163	2,255	432	662	335
Net operating margin/EBIT in per cent	28.9 %	6.1 %	20.0 %	5.0 %	5.7 %	3.3 %
Value change of financial instruments to fair value	10.4	-6.6	21.9	-31.6	6.8	-23.7
Profit before tax	1,143	139	2,257	339	604	240
Profit per share in NOK	7.0	0.8	13.7	2.1	3.6	1.5
Cash flow from operational activities, in NOK per share	8.8	3.7	14.1	5.0	8.0	5.1
Total equity*	888	124	4,082	2,672	2,865	2,368
Equity ratio*	6.2 %	3.1 %	50.3 %	44.0 %	49.1 %	42.9 %
Total assets*	878	-149	8,122	6,074	5,833	5,518
Investments*	155	61	286	197	272	479
Return on capital employed in per cent, 12 month rolling*	24.3 %	3.3 %	65.9 %	11.4 %	17.9 %	9.4 %
Capital employed*	494	-252	4,445	3,548	3,500	3,524
Net interest-bearing liabilities*	-990	-394	-506	793	536	1,136
Net working capital*	117	-115	3,448	2,566	2,273	2,293
Number of employees*	29	-5	3,424	3,368	3,391	3,399
Sick leave percentage*	0.0 %	-0.2 %	5.5 %	6.3 %	6.2 %	5.4 %
Lost Time Injury Frequency rate, rolling LTI-rate*	-1.9	0.4	9.6	11.1	11.7	11.3
Number of shareholders	857	862	857	862	863	869
Average number of shares (mill)	129.5	129.5	129.5	129.5	129.5	129.5

* The columns regarding the quarterly numbers show the change in the quarter

- Third quarter 2021 became the best quarter of all time for Moelven.
- Operating revenues in the third quarter amounted to NOK 3,951 million (2,667), and NOK 11,282 million (8,638) year to date.
- Operating profit in the third quarter was NOK 1,143 million (163) and NOK 2,255 million (432) year to date.
- Return on capital employed (12-month rolling basis) was 65.9 per cent (11.4).
- The Group's employees have shown great flexibility in a demanding pandemic situation to improve the Group's ability to meet customer needs.
- Continued strong demand and high level of activity in the international market for sawn timber.
- High demand from the building materials trade, but low inventories at Moelven as a manufacturer have restricted delivery flexibility.
- Unchanged order situation in Building Systems.
- Covid-19 has only resulted in limited operational disruptions, but measures to secure necessary production volumes have resulted in increased costs.
- A renewed brand profile and value platform was launched on 18 October 2021.

Moelven's new image is on the way

On 18 October 2021 the Moelven group's new brand was launched, a brand closer to the value chain Moelven operates in.

Moelven's current visual identity has existed in more or less the same style since the 1970s, and was last adjusted 15 years ago. It has done a great job for us for many years, but now the group is looking to the future and wishes to move in a more modern direction. Both the world and Moelven have changed a lot during these years. Moelven is committed to ensuring that our identity reflects what we are doing today and where we want to be in the future.

Behind the launch of the new brand are three years of analysis, project work and acquired insight. All parts of the group have been represented in reference groups and work groups, and together we have developed a new value platform, including a mission, vision, values and staff ideas, as well as a graphic profile that reflects today's and tomorrow's Moelven.

In the years that have passed since the last visual change, Moelven has continued to develop and focus its activities towards wood-based industry and climate-smart solutions. This permeates Moelven's identity from vision to colour.

Moelven harvests raw materials from the forest and turns them into products and solutions the world needs, so it is natural that we move ourselves in a blue-green direction. The blue symbolises industry, and the green the renewable natural resource the company lives off and with. Combined they become our new colour, a blue-green teal variant. The new M symbol in the logo illustrates parts of a tree, assembled with a plank.

Although the Moelven group has a new identity, not everything will change at once.

A sustainable rollout of the new brand has been chosen. Digitally, you will meet Moelven's new image immediately, while the rest will be replaced gradually. For example, it means that we will replace workwear and packaging after we have used up what we already have in stock. This will save us several million kroner, and it is sustainable. This phase will last approximately one year. Moelven has developed the new brand in collaboration with Knowit Experience.

In brief

The third quarter of 2021 was the best ever quarterly result for Moelven.

On the international sawn timber market, which comprises the majority of the group's exports, demand was very good in the quarter. The prices continued their positive developments, but showed signs of levelling off towards the end of the quarter. Price developments have primarily been driven by high demand and reduced production of sawn timber on the American continent. As a result of this, several companies that ordinarily operate on the European market have shifted their volumes to the American market. This has reduced the supply of goods on the European market, which has also been characterised by high demand. The main reason for high demand in Europe is largely private consumption, which impacts demand for sawn timber directly through new builds, maintenance and renovation. Increased online trade also contributes to good demand for sawn timber for packaging purposes. In addition, wood is considered an attractive and sustainable material and is taking market shares from other types of materials. The deliveries from the Timber division were lower than in the same period of 2020 due to low inventories and capacity restrictions in the logistics area.

For the third quarter activity in the building products trade in Scandinavia was overall somewhat lower than in the corresponding period in 2020. Low inventories at manufacturers have limited delivery volumes, while at the same time the reopening of society has shifted private consumption away from

renovation and maintenance to a certain extent. Activity in the renovation, conversion and extension market has nevertheless maintained a high level.

Start-ups of new homes have declined in both Norway and Sweden. Deliveries from the Wood division were lower than in the third quarter of the previous year, due to muted demand and low inventories after a long period of high delivery rates.

For the Building Systems division, activity in building and construction, infrastructure and smaller projects has been good. Demand for module-based buildings for housing and holiday homes has been somewhat poorer, although it is better compared to 2020. In Sweden in particular the market has been hesitant and projects have been slow to start.

The supply of sawlogs has been good in both Norway and Sweden in the third quarter, and inventories have increased at the same time as the production units have had sufficient raw materials throughout the quarter to be able to run a higher production rate than planned to meet the strong demand for sawn timber.

At the end of the quarter sawlog inventories were higher than for the same period in 2020, and satisfactory in relation to the current production plans. In both countries the prices for sawlogs have increased compared to the third quarter of 2020. High supply of chip and fibre products has generally led to a decline in prices to levels lower than in the same period last year for both the Norwegian and Swedish units.

On 5 October 2021 an agreement was signed for the sale of all shares in Moelven Modus AB to the investment company Mimir Capital AB. The takeover date was October 8.

The sale is a result of recognition that Moelven has been unable to achieve the desired profitability in Moelven Modus AB in the past five years. The company has not delivered results that are in line with the group's stated profitability targets, and in accordance with the group's policy, it was decided to not prioritise using further resources to develop the company.

Following the transaction, Moelven Modus AB is no longer a part of the Moelven brand. The sale will have no impact on the Norwegian interior systems company, Moelven Modus AS.

Operating income and profit/loss

Operating revenues increased significantly compared to the same period last year, although delivery volumes were lower than in the third quarter of 2020. The increase is thus due to higher price levels in the finished goods markets. The main reason for the increase in operating income is that the persistently high demand for timber both internationally and in the domestic markets has resulted in higher finished goods prices within the timber processing operations, as well as increased activity in the module operations in both Norway and Sweden.

In terms of profitability, the timber processing operations delivered a significantly better quarter than in the same period last year, mainly due to the increase in finished goods prices for sawn timber and processed timber. An increase in sawlog prices and a decline in prices for chip and fibre products have had the opposite effect. The result is also negatively affected by increased maintenance costs due to a high production rate with a view to serving the market, together with measures to ensure production capacity at a time when the COVID-19 pandemic has entailed both an increased risk of staff shortage and production disruption in the event of outbreaks of infection.

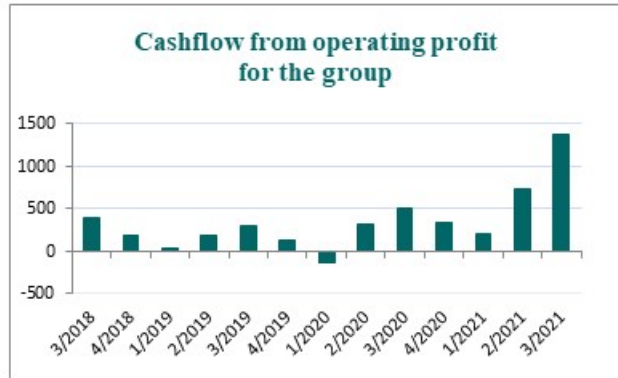
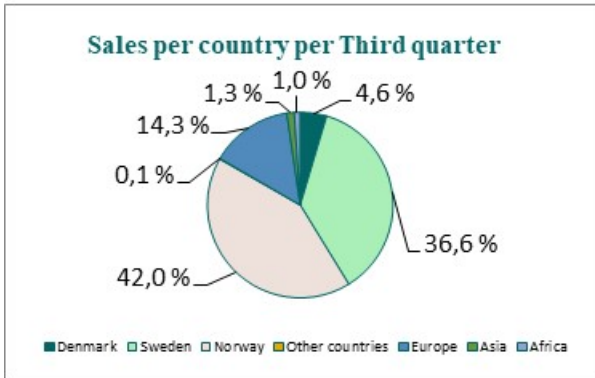
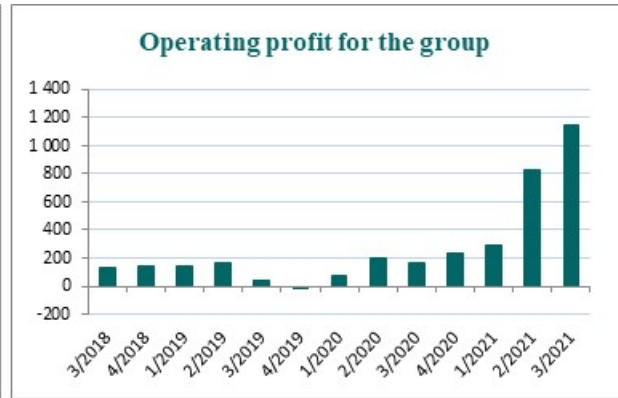
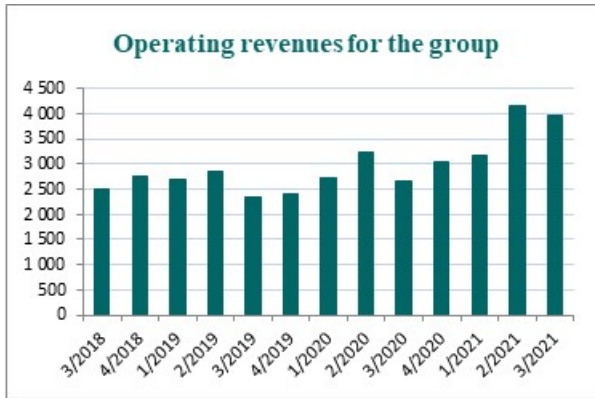
The Building Systems division reported a result from ordinary operations on a par with the corresponding period in 2020, but a write-down of fixed assets due to the sale of Moelven Modus AB had a negative impact on the result in the quarter. For the module business the level of activity has increased compared to the third quarter in 2020. Demand for glulam was good in the third quarter, but price developments for sawn timber as a significant input factor have led to an increase in costs that limits the improvement in earnings. For the interior systems companies activity levels remained low in a market characterised by intense competition and uncertainty related to operating conditions at construction sites resulting from infection control issues.

Inventories for the wood processing operations are assessed monthly against developments in production costs and fair value. This has had a positive impact on the operating result with a total of NOK 81 million for the quarter (-1), and NOK 155 million (7) for the first three quarters of the year. These items do not have any impact on cash flow.

The Group utilises financial instruments to hedge against short-term fluctuations in foreign exchange rates, interest rates and power prices. Fluctuations in 2021 have been significantly smaller than in 2020, as the NOK in particular and SEK initially sharply weakened at the start of the pandemic only to recover somewhat. Non-cash items related to fair value assessments on unrealized financial instruments totalled NOK 10 million (NOK -66 million) for the quarter and NOK 22 million (NOK -32 million) for the first three quarters.

Pre-tax profit was NOK 1,143 million (139). For the first three quarters of the year profit before tax was NOK 2,257 million (339).

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Operating revenues						
Timber	1,316	741	3,587	2,489	3,445	3,119
Wood	1,884	1,205	4,957	3,656	4,730	4,018
Building Systems	862	698	2,887	2,405	3,347	3,003
Other businesses	1,003	821	3,405	2,774	3,802	3,728
<i>Internal</i>	-1,115	-797	-3,554	-2,686	-3,659	-3,570
The Group	3,951	2,667	11,282	8,638	11,665	10,297
EBITDA						
Timber	595	69	1,192	230	366	243
Wood	618	126	1,266	345	482	265
Building Systems	49	54	130	115	166	135
Other businesses	12	1	-7	-8	-4	-14
<i>Internal</i>	-21	0	-41	0	0	0
The Group	1,252	250	2,541	681	1,011	630
Operating profit						
Timber	569	43	1,115	154	259	146
Wood	589	97	1,178	264	372	165
Building Systems	5	33	40	51	76	57
Other businesses	2	-9	-38	-37	-45	-32
<i>Internal</i>	-21	0	-41	0	0	0
The Group	1,143	163	2,255	432	662	335



Investments, balance sheet and financing

During the third quarter, total investments were NOK 155 million (NOK 64 million). In the group's long-term strategy plan an increase in investments in 2021 compared to the previous year is planned. Compared with the 2020, the increase is greatest in the second half of the year as a consequence of a reduction in investment activity in 2020 resulting from the uncertainty caused by the COVID-19 pandemic.

Depreciation and impairments in the quarter were NOK 110 million (86). The increase from the third quarter of 2020 is mainly due to write-downs on assets in connection with the sale of Moelven Modus AB that was concluded in the beginning of October 2021. At the end of the third quarter, the book value of the Group's total assets was NOK 8,122 million (NOK 6,074 million). The increase in total capital is mainly due to high receivables as a result of increased turnover in the wood processing operations, in addition to higher cash holdings than normal due to good cash flow so far in 2021.

Cash flow from operating activities in the third quarter was NOK 1 139 million (NOK 474 million), corresponding to NOK 8.80 per share (NOK 3.66). Corresponding figures for the year's three first quarters was NOK 1,829 million (NOK 652 million), which is equivalent to NOK 14.12 (NOK 5.03) per share. The change compared to the same period last year is due to improved cash flow from operations and natural fluctuations in the working capital items. Due to low inventories entering 2021, inventories have not contributed to the cash flow in the same manner as in 2020. Cash flow from working capital items was NOK 170 million in the third quarter (NOK 247 million) and NOK -141 million year to date (NOK 56 million).

Net interest-bearing liabilities were NOK -506 million, a net liquidity balance. At the same time in 2020 the group's net interest-bearing liabilities were NOK 793 million. Financial leases are included in net interest-bearing liabilities in the amount of NOK 163 million (192). Compared to the end of the third quarter of 2020, the debt reduction is mainly due to good cash flow from operations. The Group has a restrictive credit policy, and uses credit insurance and guarantees to secure receivables.

Cash reserves including unused credit facilities were NOK 2,792 million (1,572). The available loan facility in the Group's main financing varies in step with the natural fluctuations in the Group's tied-up capital through the year.

Equity at the end of the third quarter amounted to NOK 4,082 million (NOK 2,672 million), equivalent to NOK 31.51 (NOK 20.63) per share. The equity ratio was 50.3 per cent (44.0). The dividend for 2020 of NOK 3.64 per share (0.72), totalling NOK 471.5 million (93.3), was paid and charged to equity in the second quarter.

Parts of the Group's equity are linked to ownership interests in foreign subsidiaries, principally in Sweden, and are thereby exposed to exchange rate fluctuations. The scope and consequences of probable exchange rate fluctuations are within acceptable risk limits. In the third quarter exchange rate fluctuations resulted in an unrealised reduction in equity of NOK 18 million (increase of NOK 16 million). Year to date the change was NOK -78 million (148). Approximately half of the Group's assets are recognised in SEK. The total assets thus also change based on the exchange rate. The equity ratio in percent is therefore less impacted by exchange rate fluctuations than the nominal equity.

Divisions

Timber

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Sales to external customers	1 016	587	2 801	1 985	2 745	2 512
Sales to internal customers	300	154	786	504	700	607
Operating revenues	1 316	741	3 587	2 489	3 445	3 119
Depreciation and impairment	26	26	77	76	107	97
Operating profit	569	43	1 115	154	259	146
Operating margin in per cent	43,2 %	5,8 %	31,1 %	6,2 %	7,5 %	4,7 %
Net operating capital (% of operating revenues)*	1,8 %	-0,3 %	15,8 %	15,1 %	13,3 %	15,8 %
Total assets*	528	47	2 710	1 711	1 743	1 513
Equity*	559	40	1 994	1 003	931	800
Capital employed*	454	45	2 049	1 224	1 101	1 032
Return on capital employed in per cent, 12 month rolling*	30,7 %	3,9 %	86,3 %	13,7 %	22,4 %	13,4 %
Investments*	67	29	122	62	88	116
Total number of employees*	8	5	627	622	636	629

*The columns regarding the quarterly numbers show the change in the quarter

The high demand for sawn timber that started in the spring of 2020 continued in the third quarter of 2021, but with lower intensity towards the end of the quarter. Overall, market activity was higher than normal through the quarter.

Demand is largely driven by private consumption and because wood is taking market shares from other construction material such as steel and concrete. The American market in particular, which is the world's largest market for sawn timber, had a high level of activity. Delivery volumes have been moved to the US from the European market, which regardless of this already had a low supply of goods in relation to the overall demand. In the late winter and spring of 2020 general expectations were that the COVID-19 pandemic would cause activity in the economy to decline, and this was also the situation that many manufacturers in the timber processing industry planned for. Instead of falling, demand increased as 2020 progressed, mainly as a result of increased private consumption and greater interest in wood as a building material. The heightened imbalance that arose between supply and demand on the international market for saw timber has persisted throughout the third quarter of 2021. Due to this, prices on the international sawn timber market rose to record levels in the course of the last year. Towards the end of the third quarter, the strong price growth has slowed and seemingly passed its peak.

Delivery volumes from the division's units in the quarter were lower than the same period in 2020. Measures to increase production and delivery capacity have resulted in increased supply of finished goods and increased delivery capacity. However, internationally limited access to transport capacity made it challenging to maintain the delivery rate towards the end of the quarter.

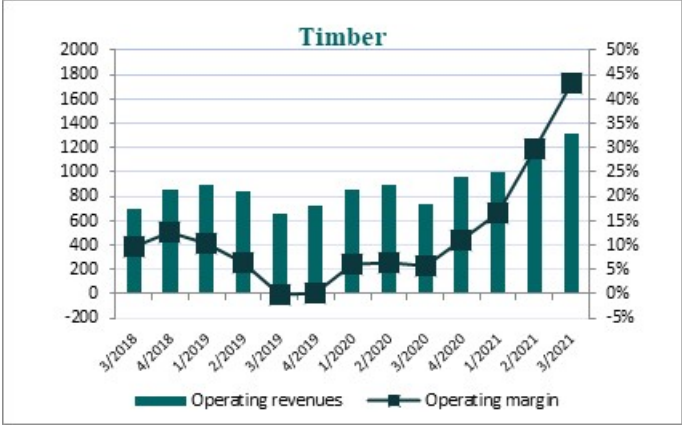
For the division as a whole, processing costs increased somewhat compared to the same period last year. In the third quarter in isolation the key reasons for this were increased maintenance costs as a result of a high utilisation rate at the plants in order to increase production. Technical safety inspections that have been conducted in connection with the improvement project "HSE towards 2023" have revealed a need for remedial measures in certain places. Overall for the first three quarters, operational challenges linked to the cold spell in the winter of 2021 and extra staffing to handle the Covid-19 situation contributed to increased costs.

NOK and SEK have been strengthened in the third quarter, but the exchange rates remain at levels that result in a good competitive ability on the export markets.

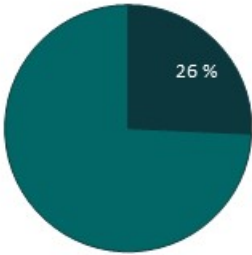
The supply of saw logs was good in both Norway and Sweden in the third quarter, and inventories increased at the same time as the production units have had sufficient raw materials throughout the quarter to be able to run a higher production rate than planned to meet the strong demand for sawn timber.

At the end of the quarter sawlog inventories were higher than for the same period in 2020, and satisfactory in relation to the current production plans. In both countries the prices for sawlogs have increased compared to the third quarter of 2020. High supply of chip and fibre products has generally led to a decline in prices to levels lower than in the same period last year for both the Norwegian and Swedish units.

Inventories are assessed monthly against developments in production costs and fair value. This has had a positive impact on the operating profit for the quarter to the tune of NOK 9 million (-2), and accumulated 42 (-10). The items have no effect on cash flow.



Timber's share of the Groups sale to external customers



Wood

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Sales to external customers	1 826	1 158	4 771	3 500	4 518	3 828
Sales to internal customers	58	47	186	155	212	190
Operating revenues	1 884	1 205	4 957	3 656	4 730	4 018
Depreciation and impairment	29	29	88	81	111	100
Operating profit	589	97	1 178	264	372	165
Operating margin in per cent	31,2 %	8,0 %	23,8 %	7,2 %	7,9 %	4,1 %
Net operating capital (% of operating revenues)*	-4,7 %	-5,3 %	26,9 %	26,5 %	26,8 %	32,3 %
Total assets*	572	-55	4 194	2 826	2 802	2 514
Equity*	578	97	2 368	1 379	1 243	1 064
Capital employed*	407	-142	2 674	1 830	1 793	1 712
Return on capital employed in per cent, 12 month rolling*	20,5 %	3,5 %	62,1 %	13,9 %	19,6 %	9,3 %
Investments*	64	24	109	93	130	117
Total number of employees*	-19	-5	1 110	1 091	1 099	1 114

*The columns regarding the quarterly numbers show the change in the quarter

The high demand in Scandinavia continued through the third quarter. The situation is largely driven by a strong consumer market linked to the renovation and maintenance of homes and holiday homes. The overall price level was significantly higher than for the corresponding period in 2020. While demand in the third quarter of 2020 was clearly focused on impregnated building timber, demand in 2021 has been more spread across the product range.

Delivery capacity, particularly throughout the second quarter of 2021, was somewhat limited due to low inventories in certain assortments. In the spring and summer action was taken to increase production and inventories, and in the third quarter delivery capacity has improved.

For the division's timber consuming units, processing costs increased somewhat compared to the same period last year. In the third quarter in isolation the key reasons for this were increased maintenance costs as a result of a high utilisation rate at the plants in order to increase production. Technical safety inspections that have been conducted in connection with the improvement project "HSE towards 2023" have revealed a need for remedial measures in certain places. Overall for the first three quarters, operational challenges linked to the cold spell in the winter of 2021 and extra staffing to handle the Covid-19 situation contributed to increased costs.

The supply of sawlogs has been good in both Norway and Sweden in the third quarter, and inventories have increased at the same time as the division has had sufficient raw materials throughout the quarter to be able to run a higher production rate than planned to meet the strong demand for sawn timber.

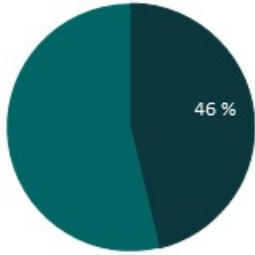
At the end of the quarter sawlog inventories were higher than for the same period in 2020, and satisfactory in relation to the current production plans. In both countries the prices for sawlogs have increased compared to the third quarter of 2020. High supply of chip and fibre products has generally led to a decline in prices to levels lower than in the same period last year for both the Norwegian and Swedish units.

Inventories are assessed monthly against developments in production costs and fair value. This has had a positive impact on the operating result with a total of NOK 73 million for the quarter (1), and accumulated NOK 7 million (18). These items do not have any impact on cash flow.

The authorities have made changes to the regulations so that construction projects with royal treated cladding can be granted a certificate of practical completion and a certificate of completion as long as the requirements for fire safety in the Fire Safety Regulations (TEK17) are met. Moelven has nevertheless chosen to maintain a halt to all production and sale of royal treated cladding until further notice, as Moelven's tests show that the product does not meet the requirements set for fire class D. This applies only to the cladding products, and not to terrace products, which is the largest segment that Moelven has within royal treated products



Wood's share of the Groups sale to external customers



Building Systems

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Sales to external customers	857	697	2 875	2 403	3 343	2 999
Sales to internal customers	5	1	13	3	4	4
Operating revenues	862	698	2 887	2 405	3 347	3 003
Depreciation and impairment	44	21	90	64	90	78
Operating profit	5	33	40	51	76	57
Operating margin in per cent	0,6 %	4,7 %	1,4 %	2,1 %	2,3 %	1,9 %
Net operating capital (% of operating revenues)*	-2,0 %	0,2 %	11,0 %	13,1 %	11,3 %	13,4 %
Total assets*	25	32	1 907	1 915	1 909	1 751
Equity*	0	37	787	909	852	809
Capital employed*	-12	-10	947	1 095	1 028	1 066
Return on capital employed in per cent, 12 month rolling*	-2,5 %	1,1 %	6,7 %	4,3 %	7,3 %	5,6 %
Investments*	20	3	45	17	22	56
Total number of employees*	22	-5	1 499	1 499	1 490	1 494

*The columns regarding the quarterly numbers show the change in the quarter

The order backlog for the division as a whole at the end of the third quarter of 2021 was virtually unchanged from the end of the first six months, and somewhat higher than at the same time in 2020. A reduction in the order backlog in the building module business in Sweden is compensated by an increase in the order backlog for the glulam companies.

For glulam operations in both Norway and Sweden the third quarter of 2021 has been characterised by a high level of market activity, very good demand and a high delivery rate. The activity level has however resulted in undesirably long delivery times posing challenges to a greater degree. Production capacity is fully utilised, and measures have been implemented to improve the situation. The high demand and price developments for important production factors such as sawn timber and steel have made it more difficult to achieve the calculated earnings on concluded project contracts. Steel is an essential component of the multiple joint technology used in larger glulam structures.

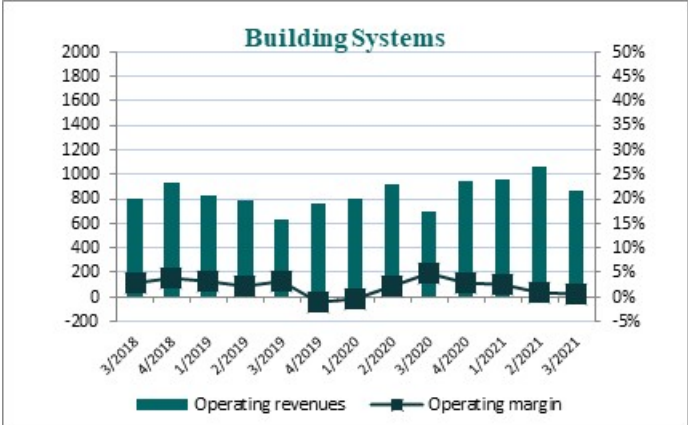
For the building module operations in Norway, activities in the building and construction segment have been satisfactory with good production. In the housing and holiday home market, activity improved somewhat, but activity in the third quarter of 2021 has been somewhat lower than expected. In the project market, activity has been low with small volumes in public tenders. Overall, operations in the plants are nevertheless secured towards year-end. Rising prices for most categories of building materials used as input factors in production, as well as some challenges in obtaining adequate deliveries of certain goods, place high demands on planning and efficiency in operations to ensure a sound level of profitability.

For the Swedish building module operations, the demand for standard modules for building and construction has been good, but demand for modules for leasing purposes has been poorer than normal. The order intake has nevertheless been sufficient to secure the factory production. The housing segment remains somewhat hesitant, and start-ups of building projects are being postponed. This means that capacity utilisation in the short term is somewhat varying, and capacity adjustments have been implemented. The Swedish business activities are also experiencing a challenging situation in terms of price developments for building materials in general.

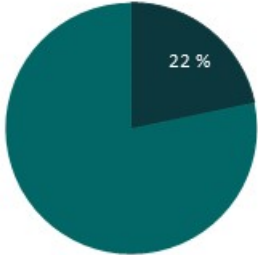
For system interiors the market activity is somewhat hesitant in Norway, yet still sufficient to ensure satisfactory activity in factories and at building sites. Action plans have been adopted to improve competitiveness and re-establish profitable operations, and these are in the process of being deployed

and implemented.

For operations in Sweden an agreement was signed on 5 October 2021 for the sale of all shares in Moelven Modus AB to the investment company Mimir Capital AB. The takeover date was October 8. The sale is a result of recognition that Moelven has managed to achieve the desired profitability in Moelven Modus AB in the past five years. The company has not delivered results that are in line with the group's stated profitability targets, and in accordance with the group's policy, it was decided to not prioritise using further resources to develop the company. Following the transaction, Moelven Modus AB is no longer a part of the Moelven brand. The sale will have no impact on the Norwegian interior systems company, Moelven Modus AS.



Building Systems's share of the Groups sale to external customers



Other Businesses

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Sales to external customers	269	248	905	818	1 152	1 060
Sales to internal customers	734	573	2 500	1 956	2 651	2 668
Operating revenues	1 003	821	3 405	2 774	3 802	3 728
Depreciation and impairment	10	11	31	29	41	19
Operating profit	2	-9	-38	-37	-45	-32
Operating margin in per cent	0,0 %	0,0 %	-1,1 %	-1,3 %	-1,2 %	-0,9 %
Net operating capital (% of operating revenues)*	6,6 %	5,9 %	11,9 %	9,6 %	4,4 %	2,6 %
Total assets*	-199	-38	2 170	2 520	2 474	2 634
Equity*	-234	-42	553	1 000	1 450	1 284
Capital employed*	-595	-175	733	1 720	1 811	2 093
Return on capital employed in per cent, 12 month rolling*	-0,1 %	0,0 %	-2,1 %	-0,6 %	-1,0 %	-0,4 %
Investments*	3	5	9	25	32	190
Total number of employees*	18	0	188	156	166	162

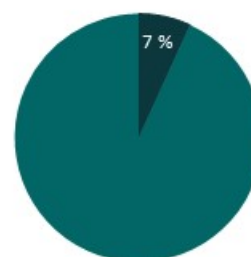
*The columns regarding the quarterly numbers show the change in the quarter

Other businesses include Moelven Industrier ASA, with shared services for finance, accounting, insurance, communications, HR and ICT. In addition, sawlog supply and sales of wood chips and energy products are included as a shared function for the Group's timber processing industry. This includes Moelven Skog AB, Moelven Virke AS, Vänerbränsle AB, Moelven Bioenergi AS and Moelven Pellets AS.

Fluctuations in operating revenues in the area of Other Businesses are largely due to the level of activity within timber supply and sales of wood chips and energy products. A large part of the sales within Other Businesses is intercompany, except for Moelven Pellets AS, Vänerbränsle AB and Moelven Bioenergi AS, which sell their products to external customers on ordinary market terms. In order to safeguard the supply of timber and market opportunities for wood chip and energy products in regions without local demand for pulpwood and wood chips, Moelven is also to a certain extent involved in the purchase and resale of this range of products, based on established train solutions for transport, among other things. The business is based on fixed agreements with both customers and suppliers.



Others' share of the groups sale to external customers



Employees

Employees	Per 9 months 2021				Per 9 months 2020			
	Male	Female	% Female	Total	Male	Female	% Female	Total
Timber	561	66	10.5 %	627	557	65	10.5 %	622
Wood	923	187	16.8 %	1,110	914	177	16.2 %	1,091
Building Systems	1,382	117	7.8 %	1,499	1,385	114	7.6 %	1,499
Other businesses	133	55	29.3 %	188	118	38	24.4 %	156
The Group	2,999	425	12.4 %	3,424	2,974	394	11.7 %	3,368

Sickness absence rate	Per 9 months		Per 9 months	
	2021	2020	2021	2020
Timber	5.0 %	5.2 %	15.8	13.0
Wood	5.6 %	6.1 %	3.9	9.6
Building Systems	6.0 %	7.2 %	12.3	12.6
Other businesses	1.3 %	1.9 %	0.0	0.0
The Group	5.5 %	6.3 %	9.6	11.1

Moelven's overall goal in safety work is that no one should be injured at work. The LTI rate on a 12 month rotating basis, which is an expression for the number of injuries with subsequent sick leave per million worked hours, was 9.6 (11.1) at the end of the third quarter 2021. The actual number of injuries with absence was 6, compared to 16 in the corresponding period in 2020. So far this year there have been 35 injuries with absence, compared to 46 at the same time in 2020. The TRI rate measures the total number of injuries per million worked hours. At the end of the third quarter of 2021, the TRI rate on a 12-month rotating basis was 26.6 compared to 31.4 at the same time in 2020. The total number of injuries in the third quarter of 2021 was 33 (33), and for the first six months 76 (66).

From 2019 it has been decided that all injuries of a certain severity are to be investigated in cooperation with the Group's central HR department in order to identify the root cause of the injury. The methodology used ensures a systematic and impartial investigation of the incident focusing on considering whether adequate and relevant safety procedures and measures were implemented and worked as intended. The results of investigations are shared with all employees in the group to provide greater insight into the incident and thus be able to implement preventive measures to avoid similar incidents elsewhere.

In 2021 the goal is that the LTI rate shall be lower than 6 and that the TRI rate shall be lower than 24, both on a 12-month rotating basis. After a period of level developments with regard to injuries with absence, the LTI rate was once again reduced to below 10 in the course of the third quarter. This shows that the action plan for the development and improvement of the safety culture in all of Moelven – "HSE towards 2023" - that was drawn up in the fourth quarter of 2020, is yielding results.

The main points of the action plan are:

1. Strengthen the HSE organisation and organisation of the HSE work.
2. Strengthen the HSE by rolling out Active Leadership and Active Employee.
3. Implement "Risk Management Operations".

4. Develop and implement HSE courses at all levels in the organisation. Establish a course portfolio of different HSE courses.
5. Conduct a technical safety inspection of production facilities, including the development of an action plan.
6. Establish an internal audit organisation that annually examines compliance with internal and external requirements and rules at the company level.
7. Continuous improvement and organisational learning.

In the third quarter, absence due to illness was 5.4 per cent (5.9), where 2.0 per cent (2.9) represents long-term absence. The long-term trend for developments in sickness absence is declining. Since March 2020 absence related to the Covid-19 pandemic has caused greater variation than normal. Many of Moelven's businesses have sickness absence levels lower than the maximum target for 2021 of 4.0 per cent. There is nevertheless much to be gained, and work is ongoing to reduce sickness absence for both individual companies and the group as a whole to below the target level. Efforts, which include employee surveys, close follow-up of sickness absence and cooperation with the occupational health services, are particularly directed at those businesses with the highest sickness absence levels.

The number of detected COVID-19 cases among Moelven's employees has followed the general developments in society. The key focus for the Group's work in connection with the pandemic has been preventing infection and spread, following up advice from authorities and employer organisations, internal and external communication and the mobilisation of contingency plans both centrally and locally. In addition to the national measures in Sweden and Norway, the Group has focused on measures directed at travel, internal and external meetings and gatherings, logistics procedures and closure/restrictions in canteens, dining rooms and gyms. At the end of September, when Norway and Sweden repealed the national infection control measures, Moelven did the same with the group's own measures. A high level of preparedness will however be maintained in the event measures must be reintroduced to ensure proper operation of the industry.

At the end of the third quarter the group had 1 employee in isolation with confirmed infection. In addition, 8 employees were quarantined at home. A total of 282 employees have been confirmed infected and 2,075 have been quarantined due to COVID-19 since March 2020.

Outlook

In the October edition of the “World Economic Outlook” report, the IMF estimates that the world economy will grow by 5.9 per cent in 2021 and 4.9 per cent in 2022. The estimate for 2021 has been reduced by 0.1 percentage points since the July report. There is a still clear expectation that recovery in the economy will accelerate as mass immunity is achieved and infection control measures are abolished. The reduction in the growth estimate for 2021 is both due to supply side disruptions, such as lack of raw materials and transport capacity in the rich part of the world, and worsening prospects for further development of the pandemic and related issues in the poor part of the world. The growth in the Chinese economy was less than expected in the third quarter of the year, and lower than in the same period in 2020. In the US and other parts of the western world the optimism and growth outlook that characterised the first six months has also declined after the summer. Uncertainty thus remains considerable. This applies not least to consumer markets, where there is considerable uncertainty about which goods and services will be in demand after a long period of restrictive infection control measures and travel restrictions. Changes in commodity and service producing industries as a result of pandemic-related bankruptcies also play a part in increasing the uncertainty related to where and in which sectors the recovery will be strongest. It therefore remains necessary to plan for several different scenarios. International demand for wood-based products has been very good so far in 2021. This is expected to continue in the fourth quarter, but price levels in the international saw timber market have likely reached their peak.

From 12 March 2020 Moelven has as far as possible implemented measures to both limit infection in society in general and to protect its own employees and the business against operational disruptions as a result of the pandemic. These have included restrictions to visit the plants, less travel activity, reduction of large gatherings, improved hygiene, etc. Production procedures were adjusted as far as possible such that operation of the business were affected to the least possible extent without compromising the employees’ safety. During the first half of 2021 there were some cases of infection at the Group’s production units and construction sites, but the measures that were introduced proved to be effective, and the outbreaks were quickly controlled. At the end of September 2021 public measures in Norway and Sweden were removed, and the group therefore decided to end its own internal group measures in these countries. In other countries where Moelven has operations, these are adapted to the general recommendations from local health authorities. However, preparedness for the rapid reintroduction of measures is being maintained until further notice.

For Moelven’s wood processing business it is expected that demand for sawn timber in the export markets overall will maintain a high level up to the end of the year. NOK and SEK have strengthened considerably against the main currencies from the weakest levels experienced early on in the pandemic, but the rates are still at levels that ensure good competitiveness in the export markets. The UK is an important market for many of the units in the Timber Division. No significant market-related changes are expected in the short term, but new trade agreements following Brexit have led to a need for an increased use of resources particularly in connection with customs clearance.

A good level of activity is expected in the building products trade in Scandinavia towards the end of the year. While inventories both among manufacturers and in the trading sector remain relatively low, at the same time a normal seasonal decline in demand is expected in demand for wood-based building products. Good activity is however expected to continue in renovation, conversion and extension. The start-up of new building projects is expected to remain low. This may partly be compensated by increased activity in public sector construction projects.

Timber inventories and the supply situation in Moelven's geographies at the start of the fourth quarter 2021 are satisfactory in both Norway and Sweden, and access to raw materials is expected to remain good with regard to the existing production plans.

Regardless of the Covid-19 pandemic, the Building Systems division has had a lower level of activity than desired in some business areas. The current production capacity has been adjusted to this. The market situation for the glulam companies is at a level that ensures good capacity utilisation with satisfactory profit levels. For the building module companies a satisfactory activity level is expected towards the turn of the year. In the system interiors business the activity level is satisfactory, but the competition situation is difficult. Measures are being implemented to reestablish satisfactory profitability under the prevailing market conditions.

The group has a long-term goal of a return on capital employed of 13 per cent over an economic cycle. For the year as a whole, the return on capital employed is expected to be far above the target. For the fourth quarter of 2021 a normalisation of market activity is expected, particularly in the consumer segment for the wood processing part of the group. Uncertainty remains high about how demand for the Group's goods and services will be affected as society normalises after the Covid-19 pandemic.

The Board considers the Group's solvency and long-term access to liquidity to be good, and sufficient to implement planned improvement measures in accordance with the Group's strategy. For the fourth quarter the Board expects an activity level in line with the same period in 2020, but with a better bottom line. Uncertainty related to developments towards the turn of the year and the first quarter of 2022 remains high.

Quarterly accounts for the Moelven Group for the third quarter of 2021

Condensed income statement and comprehensive income

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Operating revenues	3,951	2,667	11,282	8,638	11,665	10,297
Cost of goods sold	1,821	1,655	5,924	5,434	7,191	6,308
Payroll expenses	528	478	1,816	1,649	2,280	2,186
Depreciation and impairment	110	86	285	249	348	294
Other operating expenses	350	285	1,001	874	1,184	1,174
Operating Profit	1,143	163	2,255	432	662	335
Income from associates	0	0	0	0	1	0
Value change of financial instruments to fair value	10	-7	22	-32	7	-24
Other financial income	1	8	5	12	10	6
Other financial expenses	10	26	25	73	75	79
Profit before tax	1,143	139	2,257	339	604	240
Estimate income tax	239	30	482	74	132	51
Net profit	904	109	1,775	265	472	188
Non-controlling interest share	0	0	0	-1	0	0
Owner of parent company share	904	109	1,775	266	472	189
Earnings per share (in NOK)	7	1	14	2	4	1
Statement of comprehensive income						
Net profit	904	109	1,775	265	472	188
Other comprehensive income						
<i>Items that are not reclassified subsequently to profit or loss</i>						
Actuarial gains (losses) on defined-benefit pension schemes	0	0	0	0	-2	0
Income tax on items that are not reclassified to profit or loss	0	0	0	0	0	0
	0	0	0	0	-1	0
<i>Items that may be reclassified subsequently to profit or loss</i>						
Translation differences	-18	16	-79	148	135	-28
Other changes	1	0	1	-16	0	0
	-17	16	-78	132	135	-28
Total comprehensive income for the period	887	124	1,697	397	605	161
Comprehensive income assigned to:						
Owners of parent company	887	124	1,697	398	605	161
Non-controlling interests	0	0	0	-1	0	0

Condensed statement of financial position

Amounts in NOK million	Per 30.09		Per 31.12	
	2021	2020	2020	2019
Intangible assets	64	79	74	81
Tangible fixed assets	2,262	2,332	2,293	2,226
Financial fixed assets	5	8	6	6
Total fixed assets	2,331	2,418	2,373	2,314
Inventory	1,747	1,431	1,504	1,743
Contract assets	107	124	92	71
Receivables	2,982	2,003	1,717	1,366
Liquid assets	955	99	147	24
Total current assets	5,720	3,656	3,433	3,204
Assets held for sale	71	0	27	0
Total assets	8,122	6,074	5,833	5,518
Share capital*	648	648	648	648
Other equity	3,435	2,025	2,217	1,720
Total equity	4,082	2,672	2,865	2,368
Provisions	753	329	280	242
Long term interest-bearing liabilities	195	678	454	953
Lease liabilities	163	191	174	199
Total long term liabilities	1,110	1,197	909	1,393
Contract liabilities	183	147	140	138
Short term liabilities	2,691	2,057	1,902	1,619
Total short term liabilities	2,875	2,205	2,042	1,756
Liabilities held for sale	54	0	17	0
Total liabilities	4,039	3,402	2,968	3,150
Total liabilities and equity	8,122	6,074	5,833	5,518

*129.542.384 shares á NOK 5,-, adjusted for 1.100 own shares.

Consolidated statement of changes in equity

Amounts in NOK million	Equity assigned to owners of parent company			Total	Non-controlling interests	Total equity
	Share capital	Share premium funds	Other equity			
Total pr 1.1.2020	648	131	1,576	2,355	13	2,368
Comprehensive income for the period						
Net profit	0	0	266	266	-1	265
Other comprehensive income						
Translation differences	0	0	148	148	0	148
Other changes	0	0	-14	-14	-2	-16
Other comprehensive income (net of tax)	0	0	134	134	-2	132
Transactions with owners, recognized directly against equity						
Dividend to owners	0	0	-93	-93	0	-93
Total transactions with owners	0	0	-93	-93	0	-93
Total as at 30.09.2020	648	131	1,883	2,662	11	2,672
Total pr 1.1.2021	648	131	2,076	2,854	11	2,865
Comprehensive income for the period						
Net profit	0	0	1,775	1,775	0	1,775
Other comprehensive income						
Translation differences	0	0	-78	-78	0	-79
Hedge accounting	0	0	1	1	0	1
Other comprehensive income (net of tax)	0	0	-78	-78	0	-78
Transactions with owners, entered directly against equity						
Exit of non-controlling interests due to sale of subsidiary	0	0	0	0	-8	-8
Dividend to owners	0	0	-472	-472	0	-472
Total transactions with owners	0	0	-472	-472	-8	-480
Total as at 30.09.2021	648	131	3,301	4,080	3	4,082

Consolidated statement of cash flow

Amounts in NOK million	Per 30.09.	
	2021	2020
CASH FLOW FROM OPERATIONAL ACTIVITIES:		
Net profit	1 775	265
<i>Adjustments to reconcile net profit with net cash flow from operations:</i>		
Depreciation	261	249
Impairment	25	0
Tax paid	-93	-64
Unpaid pension costs entered as costs and unreceived pension funds entered as income	1	2
Loss (profit) on sale of fixed assets	-29	-1
Net value change of financial instruments to fair value	-22	32
Income tax	482	74
<i>Changes in operating assets and liabilities:</i>		
Changes in inventory	-252	312
Changes in accounts receivable and other receivables	-1 317	-690
Changes in trade accounts payable	257	57
Changes in provisions and benefits to employees	4	87
Changes in short-term liabilities excluding borrowing	737	331
Cash flow from operational activities	1 829	652
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Investment in plant and equipment exc. acquisition	-286	-197
Receipts from sale of fixed assets	45	2
Sale of subsidiary excl cash in business sold*	-26	0
Cash flow from investment activities	-267	-194
CASH FLOW FROM FINANCING ACTIVITIES:		
Change in borrowings	-260	-275
Payment of leases	-30	-27
Payment of dividend	-472	-93
Cash flow from financial activities	-761	-394
Net increase (reduction) in liquid assets during year	801	63
Liquid assets start of period	100	19
Effect of exchange rate changes on liquid assets	-33	0
Liquid assets end of period	868	83
Unutilised short term credit limits	1 924	1 489
Liquidity reserve	2 792	1 572

*Sale of subsidiary excl cash in business sold includes minus NOK 24 million in liquid assets reclassified to Assets held for sale related to the sale of Moelven Modus AB in October 2021. See note 12.

Notes to the consolidated financial statements

Note 1 – General information

Moelven Industrier ASA is a public limited liability company, registered in Norway. The company's headquarters are located at Industriveien 2, 2390 Moelv, Norway. The consolidated financial statements for the third quarter of 2021, ending on 30 September 2021, includes Moelven Industrier ASA and its subsidiaries (collectively referred to as the "Group") and the Group's interests in associated companies. The accounts are unaudited. The annual accounts for 2020 are available at www.moelven.no.

Note 2 – Statement of conformity

The consolidated financial statements for the third quarter of 2021 have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" which have been approved by the EU. The interim financial statements do not include all the information required in a complete annual report and ought to be read in conjunction with the consolidated financial statements for 2020. The consolidated quarterly financial statements were approved by the Board on 27 October 2021.

Note 3 – Accounting policies

The accounting policies adopted in the quarterly financial statements for 2021 are the same as those in the consolidated financial statements for 2020. Currency exchange rates in the consolidation are retrieved from Norges Bank.

Note 4 – Critical judgements and estimates

The preparation of quarterly financial statements requires management to make judgements, estimates and assumptions that affect both which accounting policies are applied and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts may differ from the estimated amounts. In preparing these quarterly financial statements management has applied the same critical judgements in applying the accounting policies as it made when preparing the consolidated financial statements for 2020 and the principal sources of estimate uncertainty are the same when preparing these quarterly accounts as for the consolidated accounts for 2020.

Note 5 – Pensions and taxes

The calculations of pension costs and pension liabilities are undertaken annually by actuaries. In the quarterly accounts pension costs and pension liabilities are based on forecasts from actuaries. The income tax expense is determined in each quarter on the basis of the expected annual income tax expense.

Note 6 – Seasonal fluctuations

Demand for the Group's products and services is normally subject to variability throughout the year. This means a low season through the first quarter, increasing activity and a high season through the second and third quarters and less activity in the last part of the fourth quarter.

Due to the annual seasonal variation in raw material access and market activity, the Group's working capital varies by NOK 300 million to NOK 400 million from its highest level in May/June to its lowest in November/December.

Note 7 – Sales revenues

Third quarter Amounts in NOK million	Timber		Wood		Building systems		Other		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Norway	182	94	1,133	639	376	303	107	70	1,798	1,107
Sweden	198	127	503	383	417	382	125	152	1,243	1,043
Rest of Europe	562	309	181	124	38	3	0	0	780	436
Rest of the world	72	54	3	9	0	0	0	0	75	63
Total Sales revenues	1,014	585	1,820	1,155	831	688	232	221	3,896	2,649
Other operating revenues	2	1	4	2	26	8	22	7	55	18
Total operating revenues	1,015	586	1,824	1,157	857	697	254	228	3,951	2,667

9 months Amounts in NOK million	Timber		Wood		Building systems		Other		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Norway	436	296	2,745	1,866	1,225	1,028	271	197	4,677	3,387
Sweden	626	450	1,456	1,199	1,476	1,302	538	538	4,096	3,489
Rest of Europe	1,473	890	521	369	136	57	0	0	2,130	1,316
Rest of the world	258	343	33	60	0	0	0	0	291	403
Total Sales revenues	2,793	1,980	4,755	3,493	2,837	2,386	809	735	11,194	8,595
Other operating revenues	5	3	8	5	38	16	37	19	88	43
Total operating revenues	2,798	1,983	4,763	3,498	2,875	2,403	846	755	11,282	8,638

Note 8 – Fixed assets, intangible assets and goodwill

Amounts in NOK million	Per 30.09.	
	2021	2020
Book value per 1.1	2,321	2,259
Acquisitions	286	197
Lease acquisitions	21	39
Disposals	-17	-2
Depreciations	-261	-249
Impairment losses	-25	0
Transfers	0	9
Translation differences	-45	110
Book value per 30.09.	2,280	2,361

Note 9 - Financial instruments

Amounts in NOK million	30.09.2021			31.12.2020			30.09.2021		
	Positive fair value	Negative fair value	Net fair value	Positive fair value	Negative fair value	Net fair value	Level 1*	Level 2*	Level 3*
Currency derivatives	15	-3	13	20	-11	9			13
Interest rate derivatives		-30	-30		-52	-52			-30
Embedded derivative - currency	1		1		-2	-2			1
Total	16	-32	-16	20	-65	-45			

Amounts in NOK million	30.09.2020			31.12.2019			30.09.2020		
	Positive fair value	Negative fair value	Net fair value	Positive fair value	Negative fair value	Net fair value	Level 1*	Level 2*	Level 3*
Currency derivatives	16	-36	-20	5	-10	-5			-20
Interest rate derivatives		-58	-58		-45	-45			-58
Embedded derivative - currency		-5	-5		-2	-2			-5
Total	16	-99	-83	5	-57	-52			

*

Level 1: Listed price in an active market for an identical asset or liability.

Level 2: Valuation based on observable factors other than listed price (used in level 1) either directly or indirectly derived from prices for the asset or liability. Assets and liabilities valued according to this method are mainly financial instruments for hedging future cash flows in foreign currency, interest and electricity. Market value is the difference between the financial instrument's value according to the signed contract and how a similar financial instrument is priced at the balance sheet date. The balance sheet market prices are based on market data from Norges Bank, the ECB, Nasdaq OMX and the financial contract counterparty.

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions). The valuation method is used to a very small extent and only for unlisted shares. Since market value is not available, the expected future cash flow from the shares is used as an estimate.

Note 10 – Operating segments

The divisions are divided in accordance with Moelven's three core activities: Timber (industrial goods), Wood (building products) and Building Systems (projects). There is also a division named "Other" in which the remaining units are placed. The divisions are built up around independent subsidiaries with activities clearly defined within the divisions. All transactions between the divisions are conducted on normal commercial terms. The split into divisions differs from the formal legal ownership structure. See the consolidated financial statements for 2020 for further information about segments. Below is a reconciliation of the profit before taxes in the reporting segments with the company's profit before taxes.

Amounts in NOK million	Third quarter		9 months		12 months	
	2021	2020	2021	2020	2020	2019
Timber	569	34	1,107	142	260	141
Wood	585	90	1,163	250	353	136
Building Systems	4	32	38	47	71	53
Other	7	-17	-10	-101	-81	-90
Internal	-21	0	-41	0	0	0
Profit before tax	1,143	139	2,257	339	604	240

Note 11 – Related parties

Transactions with the owners are performed in some areas of the ordinary activities. Among other things, this relates to purchase of timber, where the Norwegian forest owner cooperatives are suppliers. Here the arm's length principle is applied. Where other suppliers can offer better prices or terms, these will be used. About 42 per cent of Moelven's total purchasing requirement for timber of 4,4 million cubic metres comes via the Norwegian forest owner cooperatives.

Moelven has a long tradition of running its operations in accordance with all the laws and ethical guidelines of the industry and is of the opinion that competition is positive for all parties in industry. In order to ensure that this culture is maintained, ethical guidelines and guidelines for complying with legislation on competition have been devised.

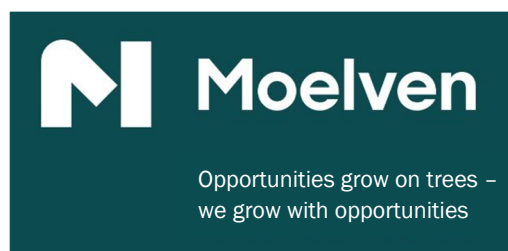
Note 12 - Events after the balance sheet date

On 5 October 2021 an agreement was signed for the sale of all shares in Moelven Modus AB to the investment company Mimir Capital AB. The takeover date was October 8.

In the balance sheet per third quarter 2021 Moelven Modus AB is recognized as Assets held for sale by NOK 71 million and Liabilities held for sale with NOK 54 million.

Amounts in NOK million	Per 30.09.2021
Inventories	9
Receivables	38
Liquid assets	24
Assets held for sale	71
Provisions	5
Short term liabilities	50
Liabilities held for sale	54

Moelven is organised into three divisions: Timber, Wood and Building Systems. There is also an Other Businesses reporting area, which consists of the holding companies, supply businesses and bioenergy companies. The sawmills in Timber supply sawn timber products and components to industrial customers in Scandinavia and the rest of Europe, the Middle East, North Africa and China. The industrial customers use the products as intermediate goods in their own production. Shavings, chips and bark products are also supplied and are used in the pulp, chipboard and biofuel industry. The companies in Wood supply the building products trade in Scandinavia with a broad range of building and interior products. A critical competitive advantage is the division's efficient distribution system, which offers customers rapid and precise deliveries of a broad range of products. The companies within Building Systems deliver flexible system solutions for interior walls, modular buildings and load-bearing structures in glulam to projects and contractor clients, principally in Norway and Sweden. The division focuses on developing concepts and systems in collaboration with the customers and experts within architecture, design and construction. In total, the Group is composed of 37 production companies in Norway and Sweden and has approximately 3,424 employees. Moelven also has its own sales offices in Denmark, England and Germany. The Moelven group is owned by Glommen Mjøsen Skog SA (66.8 per cent) and Viken Skog SA (32.8 per cent). Most of the remaining 0.4 per cent is owned by private individuals.



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