

GreenGold Group AB (G3X) - Yearly report FY21

About GreenGold Group AB (G3X)

G3X is a Swedish company specializing in forest investments in Europe. Through sustainable and profitable forest ownership and management we aim to deliver predictable and growing cash flows and CO2 hedging from disciplined acquisitions and superior management of prime forests located in key forestry areas of Europe. The key-pillars of the G3X concept: evergreen - diversified - unleveraged - self managed.

Financials

Total sales FY21 were 14.1 MEUR of which wood sales 11.25 MEUR (up 87.5% vs FY20). Consolidated EBITDA at group level (excl. property appreciation) was 8.5 MEUR, out of which 1.23 MEUR represents capital gain from the sale of a forest property in Romania. Thus, the pure forestry operational EBITDA for FY21 was 7.27 meur (up 211% vs FY20). This corresponds to total weighted FY21 earnings per share of 0.76 EUR (up 69% vs FY20), out of which 0.24 EUR/share for H1F21 were already dividend out at end Q3F21 and the balance of 0.52 EUR/share for H2F21 expected to be dividend out during end Q1F22. Pure forestry operational EBITDA margin for FY21 was 64.6% (vs 40.1% in FY20). Total return FY21 for the G3X share was 28% out of which 1.6% direct dividend yield. G3X's balance sheet continues to remain fully unleveraged, all acquisitions for growing G3X are and will remain financed just with own equity.

Assets

Total forest assets at the end of Q4F21 were 59 042 ha with more than 16.5 million m3 Standing Forest Inventory. Our assets are distributed in 7 European countries, by invested capital: Romania (60%), United Kingdom (15%), Finland (11%), Lithuania (11%), Sweden (1%), Latvia (1%) and Estonia (1%). The age class distribution in our forest portfolio is geared mainly towards middle-aged forests which provide high biological growth and thus high CO2 sequestration as well as good harvesting possibilities in the immediate and near future. The species distribution is focused on the 10 most commercial species giving us favorable diversified exposure to European, US, Asian and MENA countries markets.

Operations

We continue to acquire attractive forest properties across our focus European regions. During FY21 we have acquired 28 381 ha. Our acquisition pipeline looks good with over 50 thousand ha, which we are scrutinizing at the moment. During FY21 we have experienced an overall pick-up in timber and pulp prices in Europe and globally. We envisage that wood prices will stay attractive even during FY22 so we continue to carry out our planned harvests. During FY21 we have harvested around 300 thousand m3. Silvicultural operations (soil preparation, pre-commercial thinning and new planting) on total surface of 726 ha were carried out during FY21 as well as new forest management plans for 3 663 ha. We have built in total 4.2 km of new forest roads.

Team

G3X's management team consists of Sorin Chiorescu (CEO), Gustav Wetterling (CFO, starts Q3F22), Carl Kling (COO Nordics & UK), Alexandru Florea (COO Balkans) and Simonas Zebrauskis (COO Baltics). In Finland and in Latvia, we have started during end FY21 the recruitment of total 3 new local forest managers.

Shares

During Q4F21 the company has issued 656 197 new shares at valuation 48.0 EUR/share. Next new issue of shares planned at 51.0 EUR/share. At moment of writing this report G3X has a total of 9 835 855 shares.