



# The state-owned company managing the state-owned forests

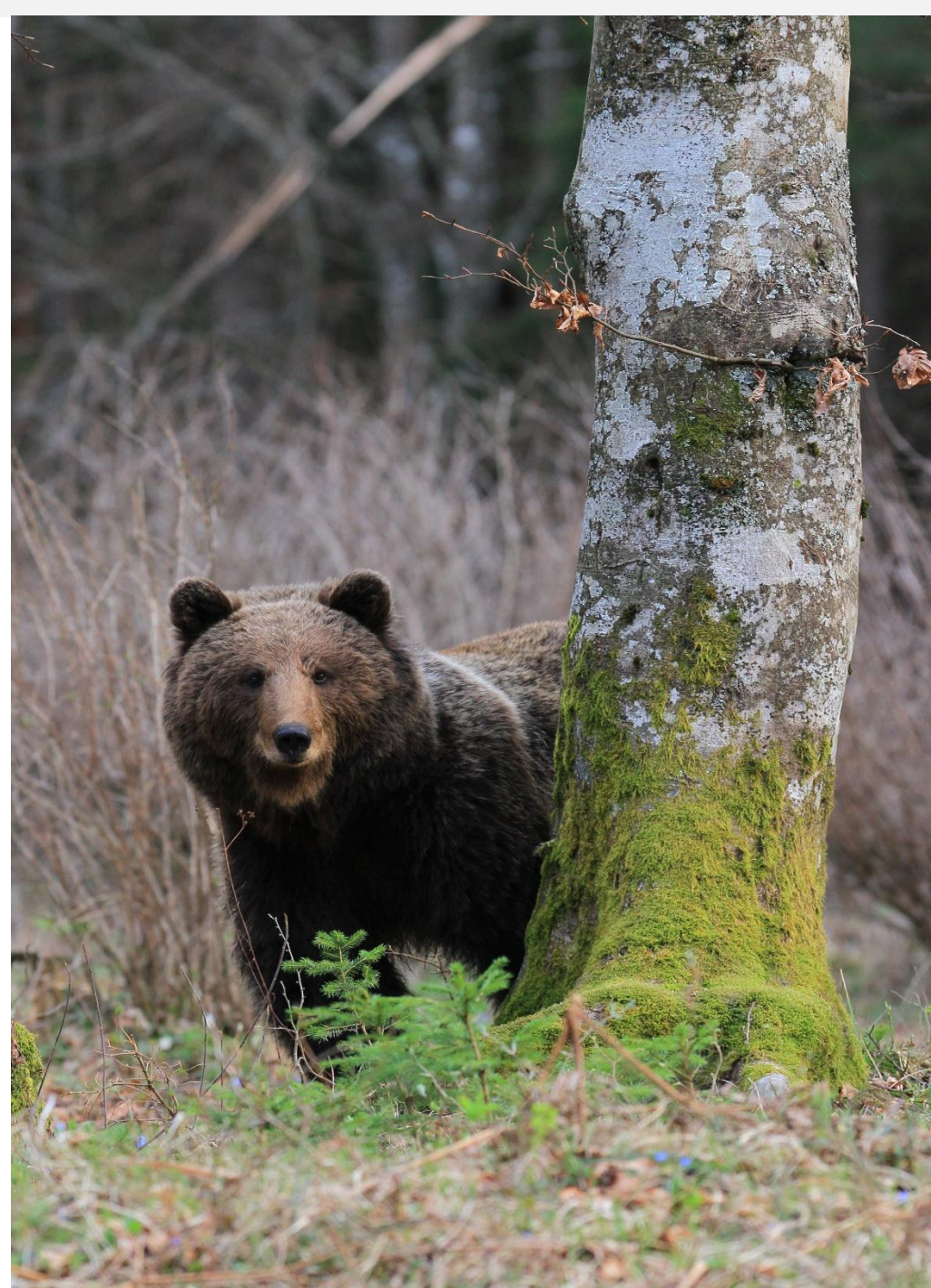
Business Overview Presentation

(January 2022)



# Establishment

- The Republic of Slovenia is the owner of 239,000 hectares of forests, i.e. approximately 20% of all forests in the territory of Slovenia.
- After 20 years of concessions in the state-owned forests, the Republic of Slovenia established the Slovenski državni gozdovi d.o.o. company (SiDG) with the purpose to manage the respective forests.
- SiDG began to pursue the respective activity on 1 July 2016. Its registered office is in Kočevje.







## The main objectives of managing state-owned forest

- Taking into account the principles of sustainable, multifunctional and forestry-compatible management of state forests to achieve the highest possible rate of return and quality of timber assortments.
- Contribute to the establishment and development of forest wood chains, promotion of timber and timber products and creation of green jobs.
- Increase the area of state forests in the long term.
- Contribute to the achievement of the objectives of rural development, in particular the preservation of agricultural and rural development in mountainous regions with limited management possibilities.
- Contribute to the achievement of objectives to preserve nature, in particular the objectives of Natura 2000 areas and protected areas.
- Provide training of professional staff and support education and scientific-research work in the fields of forest, forestry and wood processing.
- Implement the sale of standing timber to a minimum extent.







# Mission Statement

We manage the forests in a sustainable, close-to-nature manner, using best practices and modern technologies for process management and supervision, in a way that increases the added value of wood and the yield for the owner and the environment.





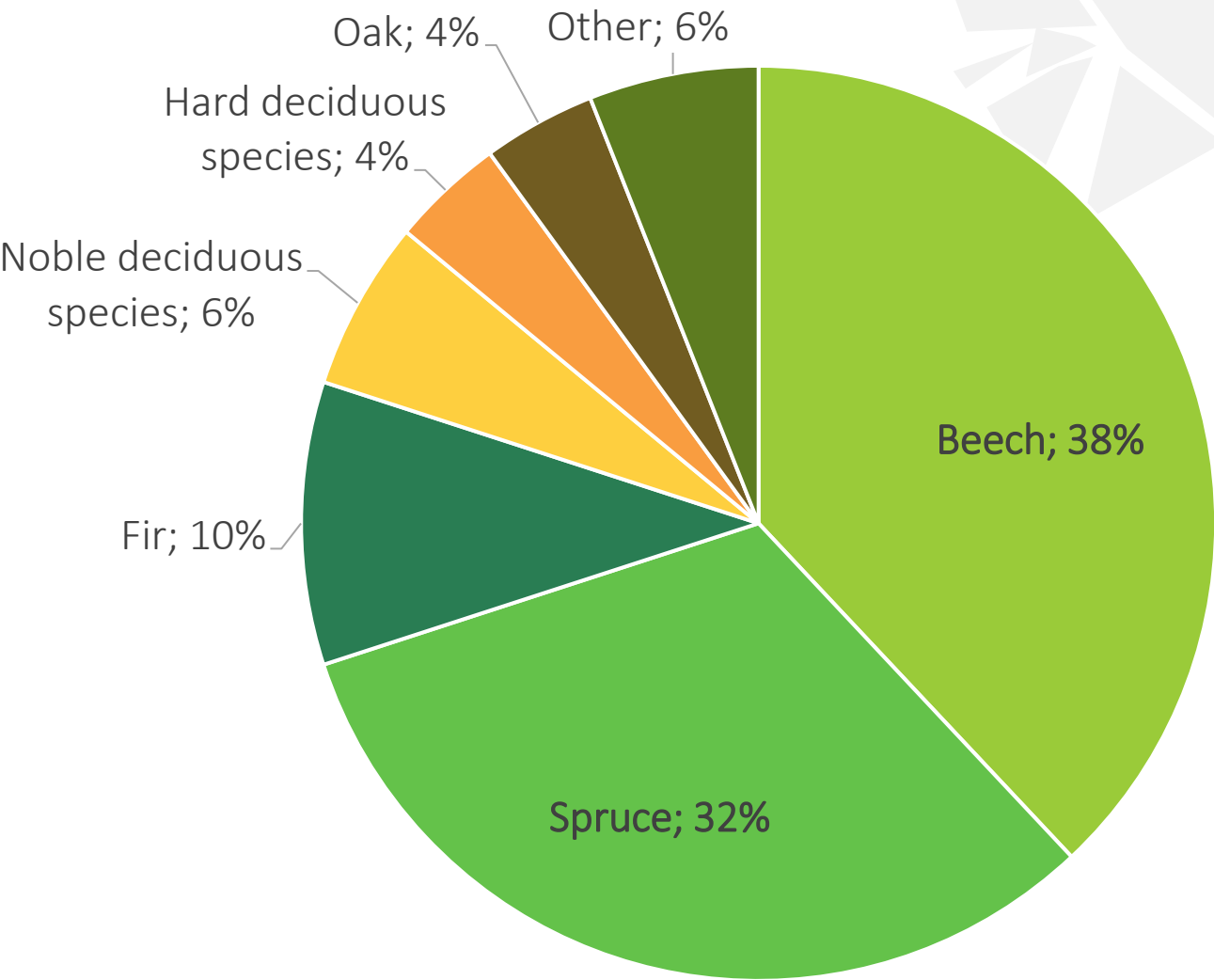
# Organisation

- The company bodies are the General Assembly, Supervisory Board, Management Board and Expert Panel.
- The Government of the Republic of Slovenia performs tasks and has the competence of a general assembly.
- The Supervisory Board consists of eight members, of which five representatives are chosen by the Republic of Slovenia while the company's employees appoint three representatives.
- The Management Board comprises three members, namely Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO).
- There are 10 members in the Expert Panel. The Expert Panel serves as an advisory body for the management. (Articles of Association of SiDG)



# State-owned forests

- An average growing stock of state forests: 322m<sup>3</sup>/ha.
- Annual wood assortments production: >1 million m<sup>3</sup>
- SiDG is a holder of FSC and PEFC certificates for all respective forests.

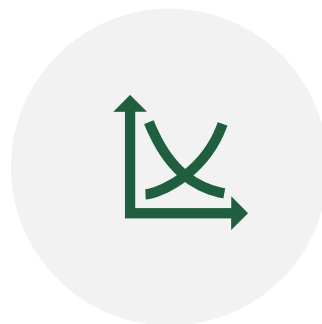


# Key figures



## Wood sales

- Wood sales total (y. 2020): 1.15 mio m<sup>3</sup>
- Coniferous logs: 470,000 m<sup>3</sup>
- Deciduous logs: 110,000 m<sup>3</sup>
- Coniferous industrial wood: 200,000 m<sup>3</sup>
- Deciduous industrial wood: 370,000 m<sup>3</sup>



## Financial figures (average 2016–2021)

- Revenues: EUR 63 mio/year
- EBITDA: EUR 15 mio/year
- EBIT: EUR 14 mio/year
- Net profit: EUR 11 mio/year

## Financial figures (2020)

- Revenues: EUR 56.0 mio
- EBITDA: EUR 10.7 mio
- EBIT: EUR 8.9 mio
- Net profit: EUR 7.5 mio
- Number of employees per 31/12/2021 = 300





# Activities

The main activities pursued:

- forestry
- sale of forest wood products and logistics
- management of real estate and acquisition of forests
- wood processing
- other activities for developing all other forest functions



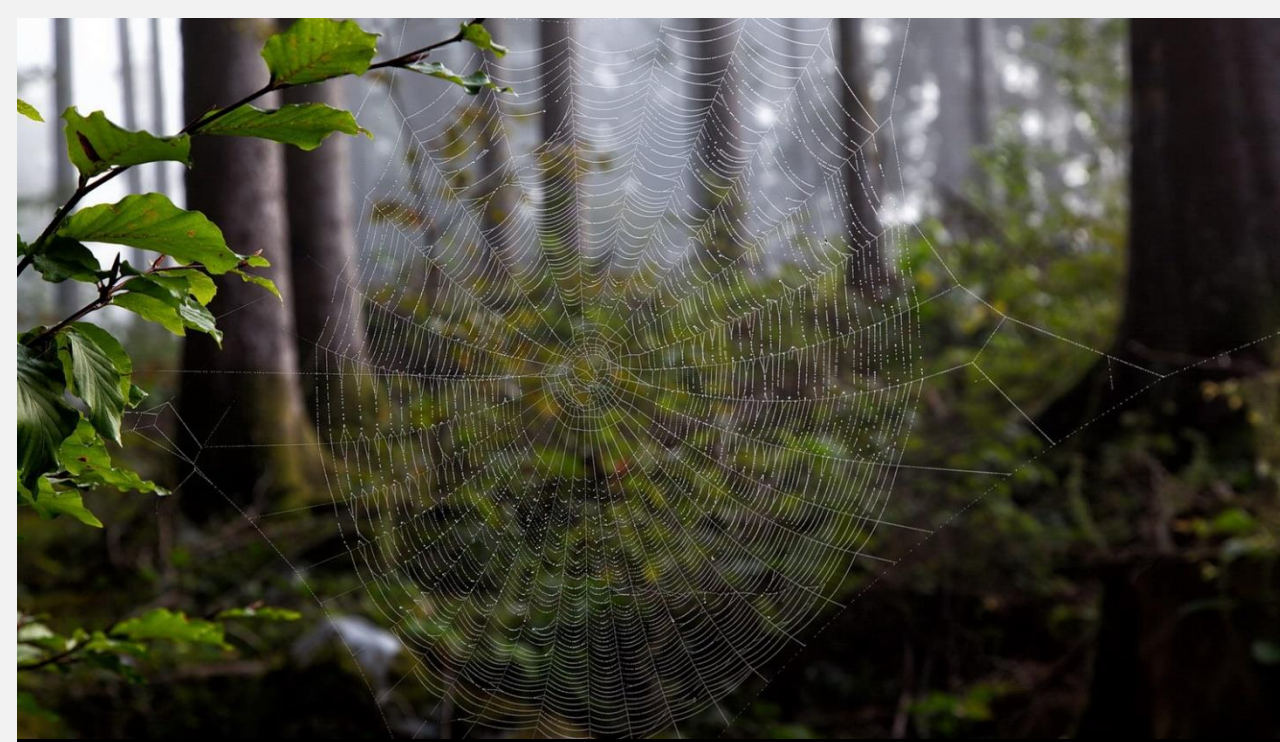


# Forestry

- Logging, skidding and transport of forest wood products,
- Construction and maintenance of forest infrastructure,
- Silvicultural and protection works and other tasks for providing all forest functions,
- Certification (FSC and PEFC),
- Participation in EUSTAFOR,
- Active cooperation in forest management planning,
- Executing all required and planned works in state forests.







## Sale of forest wood products

- The forests owned by the Republic of Slovenia are an important and surely the most reliable source of the raw material for forest-based industries, although state owned forests represent only 20% of the total potential of all Slovenian forests.
- SiDG share of Slovenian total wood assortments production:
  - Coniferous logs: 30%
  - Deciduous logs: 30%
  - Industrial wood/fuel wood: 30%

SiDG share of total supplies to Slovenian wood-based industries:

- Coniferous logs: 30–40%
- Deciduous logs: 40–50%







# Wood processing

Primary wood processing: Snežnik d.o.o., (a subsidiary)

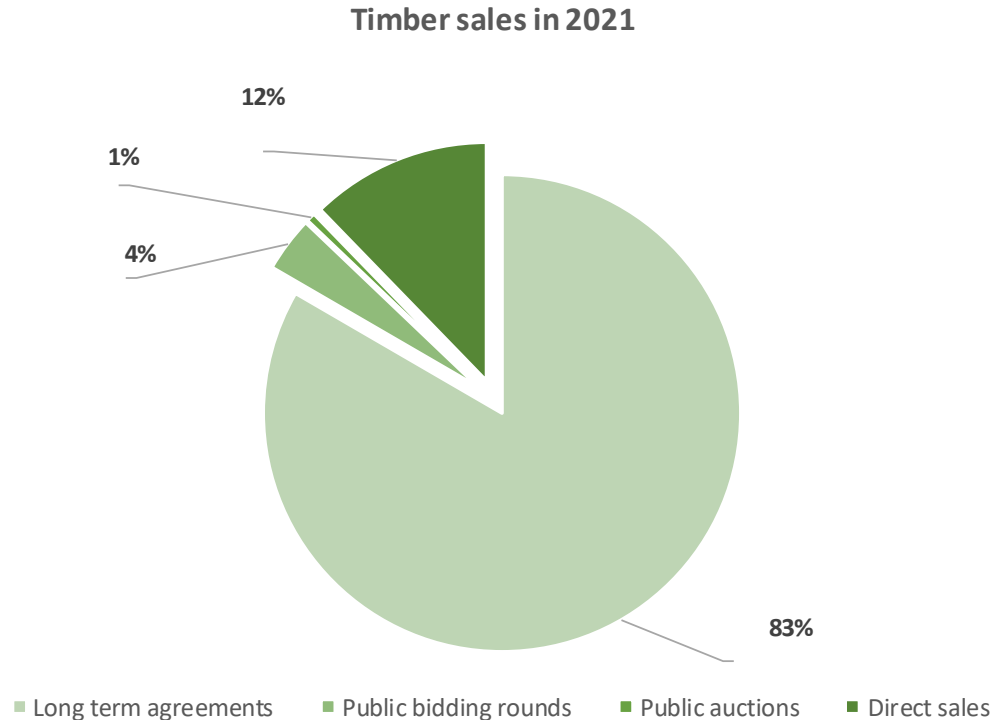
- Snežnik sawmill annual processing: 60,000m<sup>3</sup> logs
- The production programme:
  - Sawn timber (coniferous and deciduous)
  - Solid boards (beech, oak, fir, beech natur, steamed beech, ash, nut tree)

Contributing to the establishment and development of forest wood chains by establishing centres for wood collecting and processing.





# Types of wood assortments sales



- Selling of forest wood products through long-term agreements to wood processors based in Slovenia
  - This is the main way (which SiDG uses to sell the largest share of wood) to sell forest wood products from state forests. By concluding long-term supply contracts, SiDG promotes wood-processing industries. Contract counterparties are obliged to process all the wood supplied, which is verified by SiDG.
  - Current long-term agreements will expire in 2023.
- Selling of forest wood products by public bidding rounds
- Selling of forest wood products at public auctions
- Direct selling of forest wood products
- Selling of standing timber





# Thank you



Slovenski Državni Gozdovi

SiDG d. o. o.

+386 8 200 71 00 📞

info@sidg.si ✉

www.sidg.si 🌐