

VMG

# VMG BUILDING SYSTEMS

New business line of VAKARŲ MEDIENOS GRUPĖ (VMG Group)

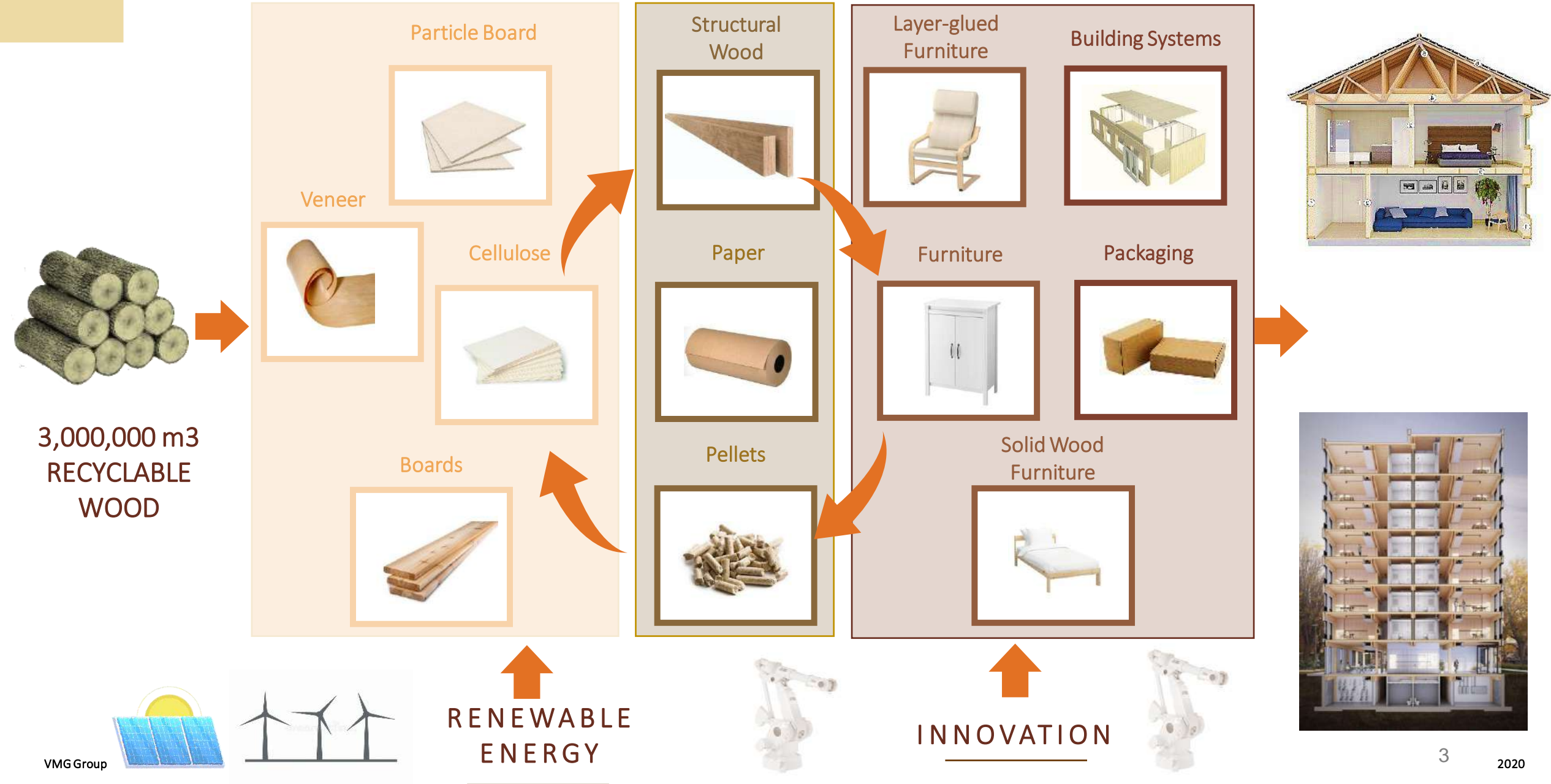
*Mission:*

**Lead the way  
to the sustainable home!**

*Vision:*

**Global provider of most effective  
environment-friendly solutions  
for comfortable living**

# VERTICALLY INTEGRATED BUSINESS ECOSYSTEM





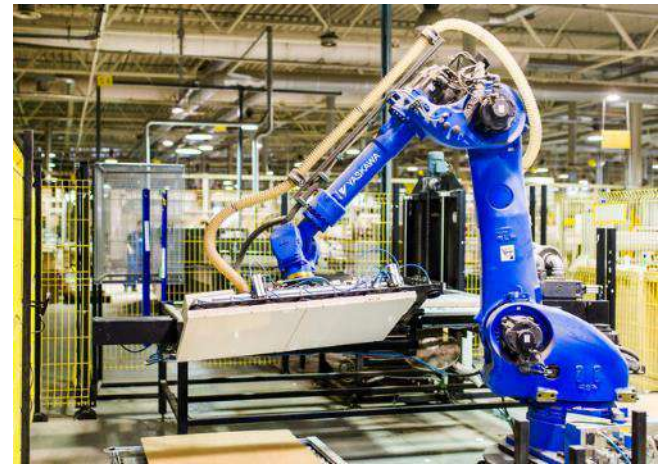
# VMG Group

A vertically integrated European timber industry company

- Roots going back to 1898
- 100 % Lithuanian capital, single shareholder
- Strategic partner of **IKEA** for 20 years with the status of an *IWAY Well Developed Supplier*
- 4 200 employees in 16 companies, annual sales of 349 mEUR (2019)

**Video:** <https://youtu.be/lnxHIIUsqSk>

The  
**IWAY**  
Standard





# VMG Group | Production, capacities



Sourcing materials from **sustainably** managed forests only

- 3 wood processing factories in **Lithuania** (activities since **1898**), 2 wood processing factories in **Belarus** (activities since **2010**) (+ 1 more under development) and 1 furniture factory in **Poland** (activities since **2020**)
- 2.5 mln m<sup>3</sup> of round logs processed annually (+ additional 1 mln m<sup>3</sup> planned)
- Free capacities **120 000 m<sup>3</sup>** pine boards (available; expansion for 500 000 m<sup>3</sup> planned in 2022) and **70 000 m<sup>3</sup>** birch veneer (available; pine and additional expansion foreseen)

sawn timber



solid wood furniture



particle boards



melamine-faced particle boards



kitchen, bathroom furniture



wood chips



pellets



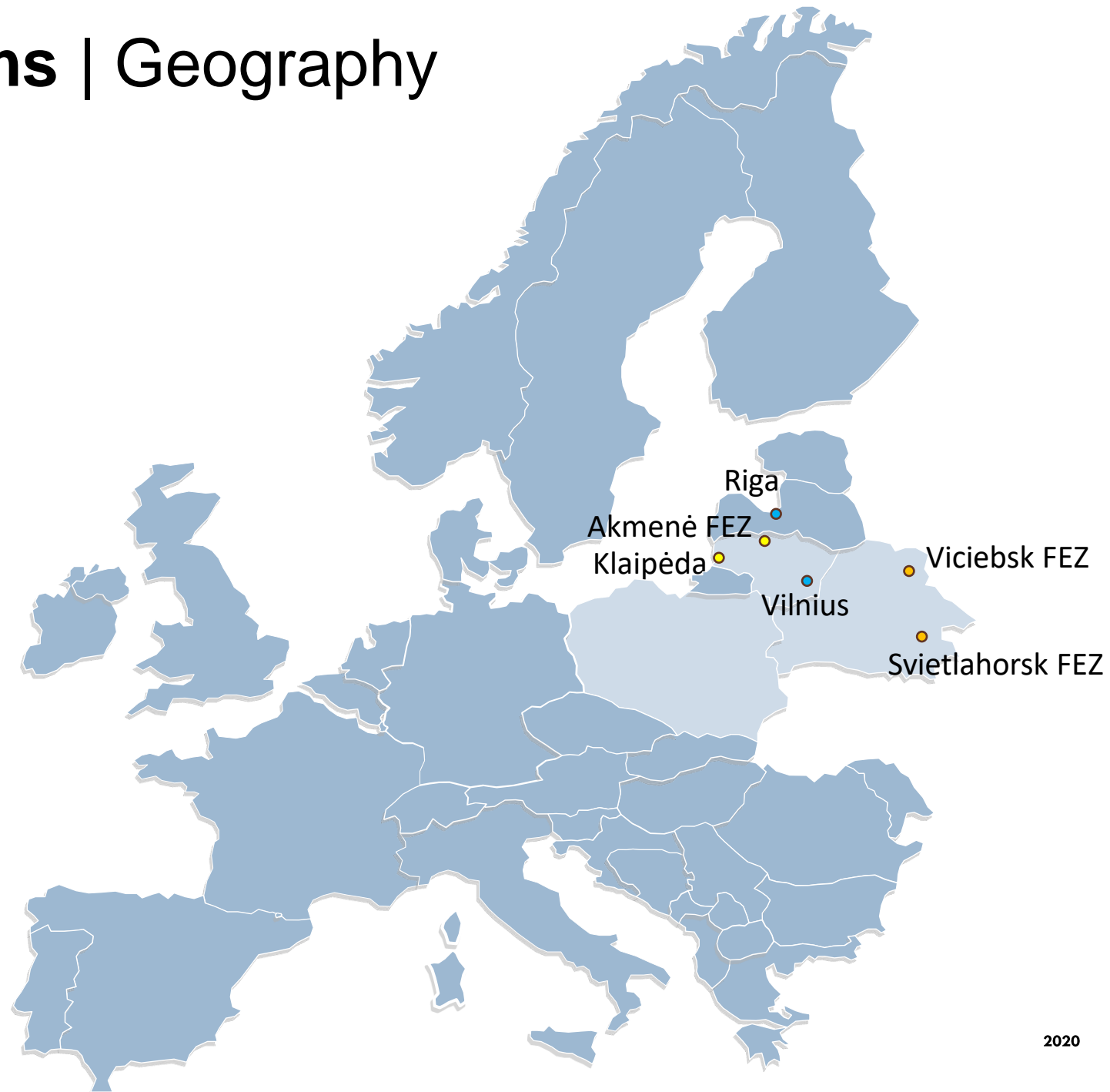
bed frames, bed slats and plywood products



# VMG Building Systems | Geography

There are **4 land plots prepared** and ready for the construction of factories

- **Belarus** for boards' and veneer production
- **Lithuania** for production of more advanced products (materials, 2D and 3D)
- **90 ha** in the **Akmenė FEZ** in Lithuania near the new *AB Klaipėdos Mediena* particle-board factory
- **170 ha** in the **VMG Industrial & Business Park** near the Klaipėda port, in Lithuania
- **64 ha** in the **Svietlahorsk FEZ** near the *VMG Svetlogorsk* factory (under development)
- **50 ha** in the **Viciebsk FEZ**

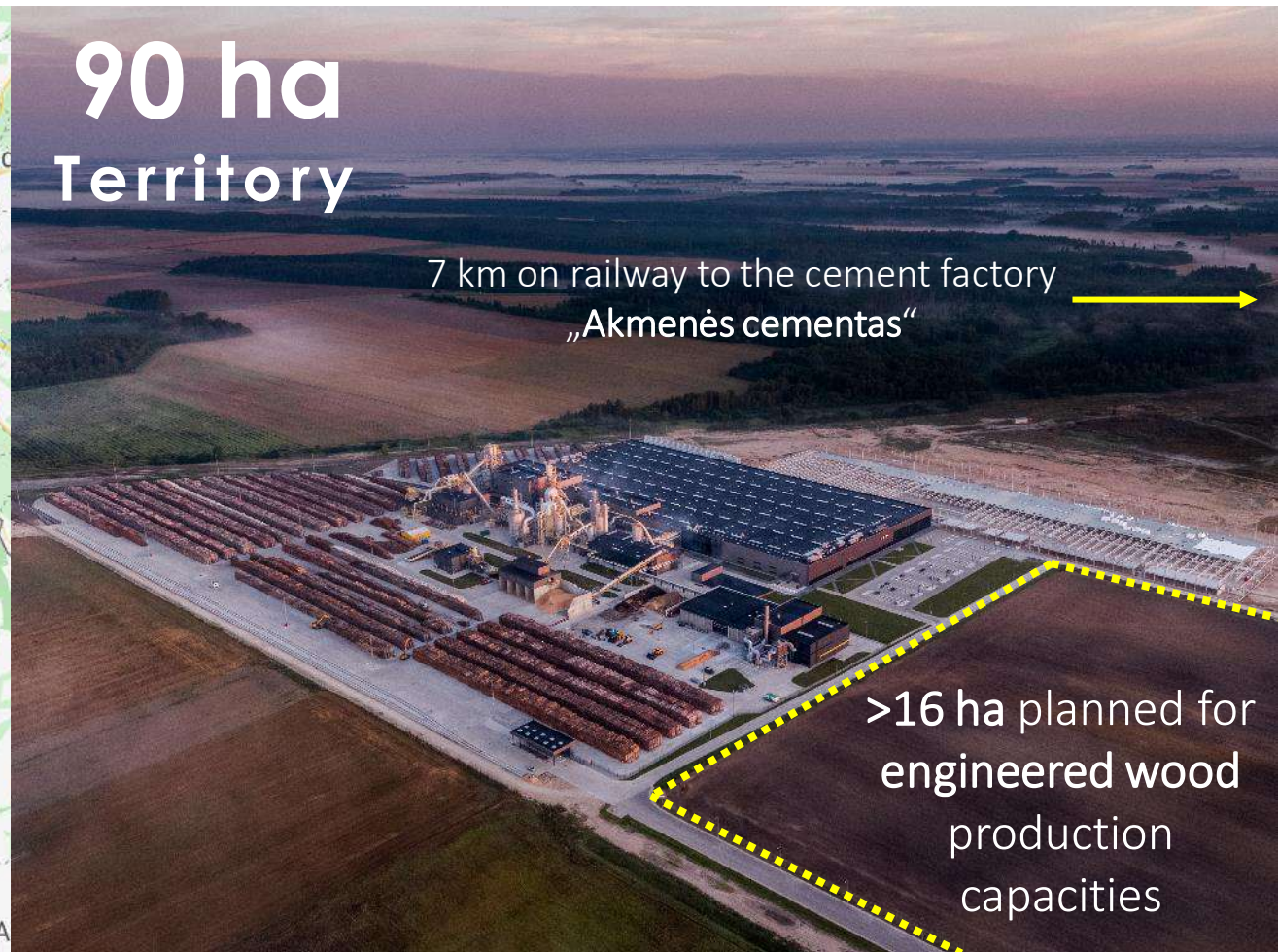




# Akmenė FEZ (Free Economic Zone) | Lithuania



156 km from the Klaipėda seaport  
141 km from the Liepāja seaport  
130 km from the Riga seaport



90 ha  
Territory

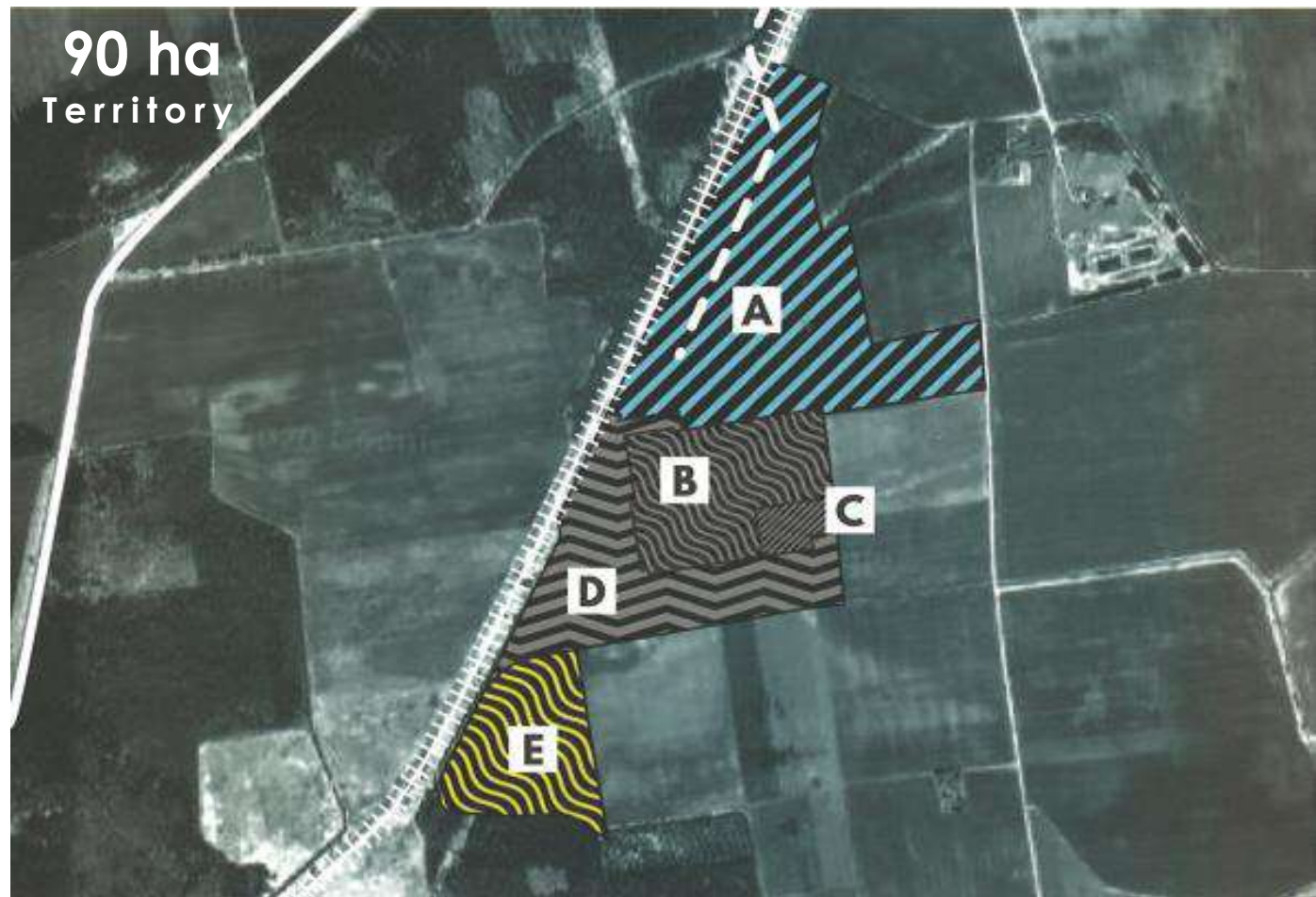
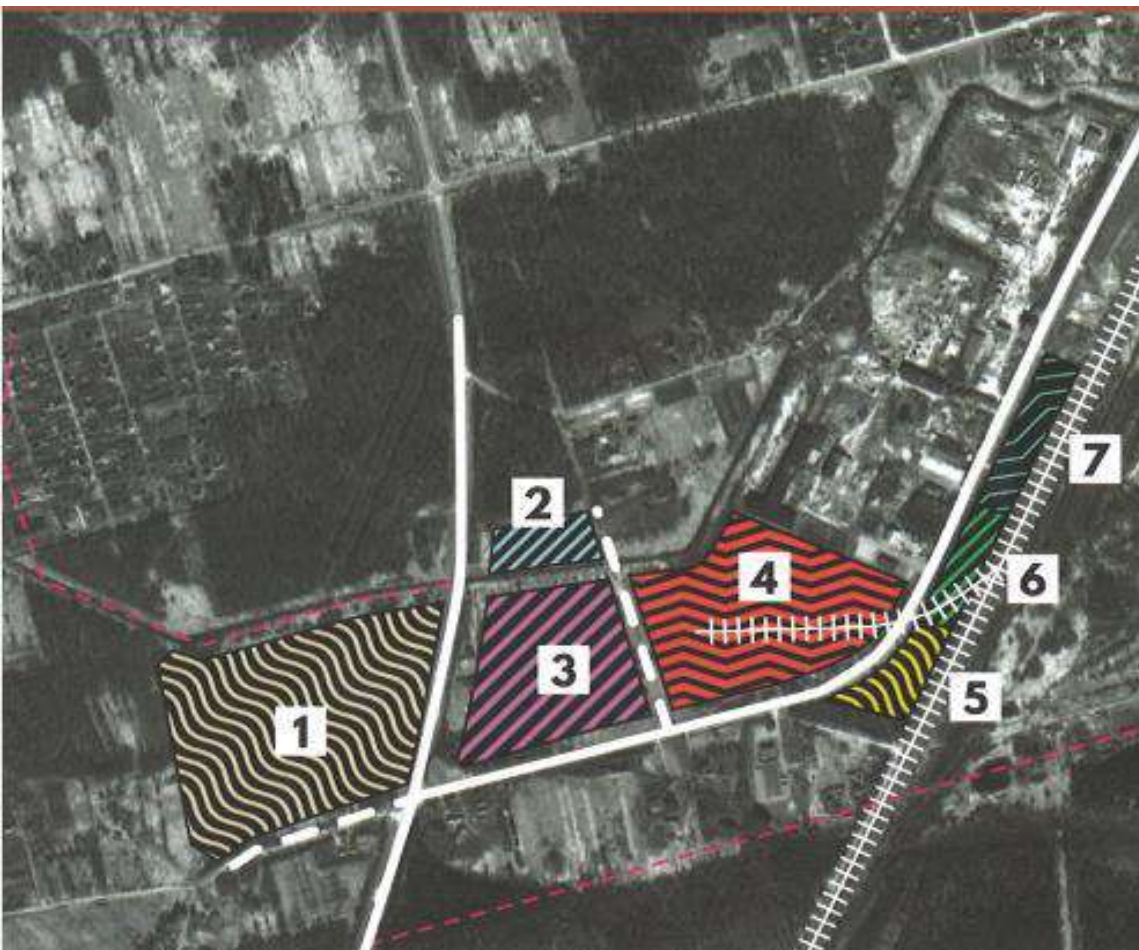
7 km on railway to the cement factory  
„Akmenės cementas“

>16 ha planned for  
engineered wood  
production  
capacities

146 mln EUR invested into the new particle board factory



# Akmenė FEZ | Lithuania



VMG Group is **operator** of Akmenė FEZ











# VMG Industrial & Business Park (Lithuania)

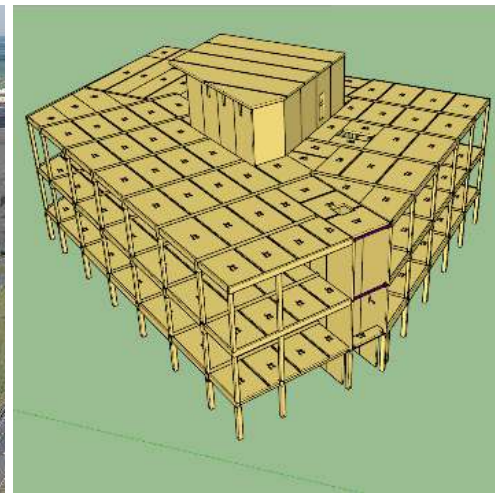




# VMG Building Systems | Know-how network

Expertise and specialists are available to develop **advanced building solutions**

- By **VMG Technics** (160 mechanical engineers) - automated and LEAN production setup and management
- VMG Technics is expanding its' activities with new center in the VMG Industrial & Business Park (Klaipėda)
- Cooperation with **structural design** and **R&D** companies with experience on glulam, CLT, LVL and volumetric modular timber structures in Scandinavia and the EU;
- Cooperation with universities and research & development institutions (both local and international)





# VMG Building Systems | Products' development (1)

We start with the production of **engineered wood products**:

Start	Product		Yearly capacity
<b>2021 April</b>	<b>Particle boards</b> P5, P6, P7 (for wall, ceiling, roof structure, acoustic, finishing)		<b>300.000 m<sup>3</sup></b>
<b>2022 March</b>	<b>I-joist</b> LVL-PB-LVL (and connectors)		<b>15.000.000 m</b>
<b>2022 March</b>	<b>LVL</b> Laminated Veneer Lumber (columns, beams, plates; and connectors)		<b>120.000 m<sup>3</sup></b> (inc. 60.000m <sup>3</sup> for I-joist production)
<b>2023 June</b>	<b>CLT</b> Cross Laminated Lumber, <b>glulam</b> (most standard dimensions; and connectors)		<b>100.000 m<sup>3</sup></b>

# VMG Building Systems | Products' development (2)


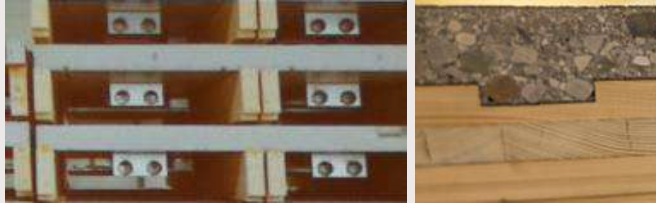


We plan to include **wood fiber insulation** in our products' range  
 - **200.000 m<sup>3</sup>/year** capacities being evaluated





# VMG Building Systems | Products' development (3)

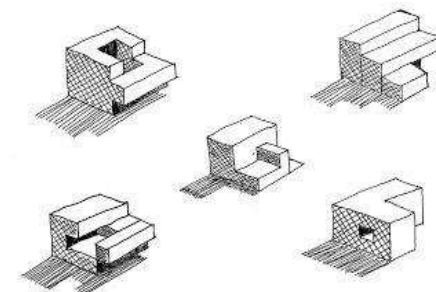
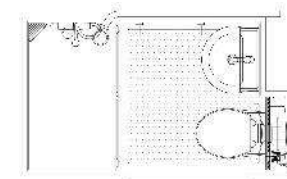
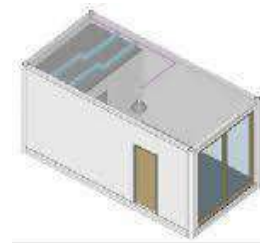
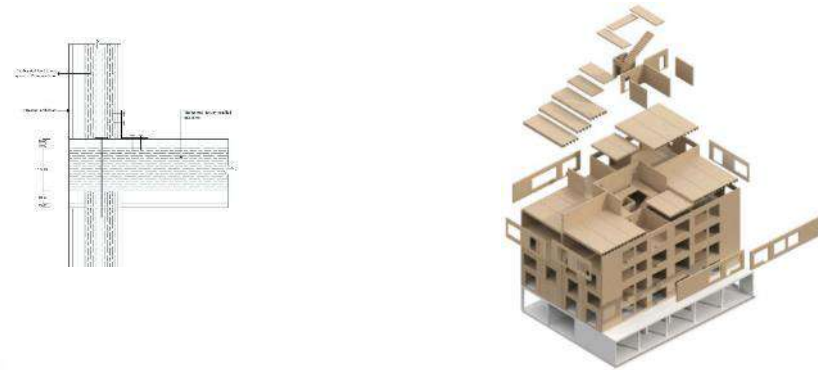
We continue to grow in parallel with **advanced 2D and 3D building components**:

Start	Product	Yearly capacity
<b>2023</b> March	<b>2D prefabrication</b> (to start timber frame; later LVL, glulam, CLT) 	500.000 m <sup>2</sup> (?)
2023	<b>Timber-concrete composites</b> (combinations with LVL, glulam, CLT) 	150.000 m <sup>2</sup> (?)
2024	<b>3D modular bathpods/kitchen-pods</b> (LVL, CLT or composite structure; 3D modules for bathrooms, kitchens and engineering rooms) 	4.000 units (?)
2025	<b>3D modular apartments</b> (automated production, engineered wood) 	2.000 units

# VMG Building Systems | Systems' development

In parallel, we plan the following path for business development of **vertically integrated sustainable building solutions**:

1. Centralized production of structural products (**P5, P6, P7 boards, I-joist, LVL, CLT** etc.), to start with.
2. Continue with building systems (**structures** for housing, offices, public buildings).
3. Move on to advanced building products (**LVL bath pods, CLT/hybrid volumetric modules**) for development and production (including kitchen and bathroom furniture of own production)
4. Finally, provide advanced building systems (for housing, offices, public buildings)



We are looking to discuss **opportunities** for

- ❑ strategic **supply** for long-term deliveries and related pricing
- ❑ strategic **partnership** (with co-investment option)

Examples



# Thank you.

**Paulius Milčius** | VMG Building Systems  
Business Development Manager

[paulius.milcius@vmg.eu](mailto:paulius.milcius@vmg.eu)

+370 603 47379



# VAKARŲ MEDIENOS GRUPE

---