

# Results for the third quarter of 2021

CEO Christian Bekken,  
CFO Marie Danielsson

3 November 2021

**BEWI**



# Cautionary note regarding forward-looking statements

This presentation, prepared by BEWI ASA (the "Company"), may contain statements about future events and expectations that are forward-looking statements. Any statement in this presentation that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements.

The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements. This presentation contains alternative performance measures, or non-IFRS financial measures. Definitions and calculations are presented in our quarterly report.

Third quarter of 2021

# Highlights

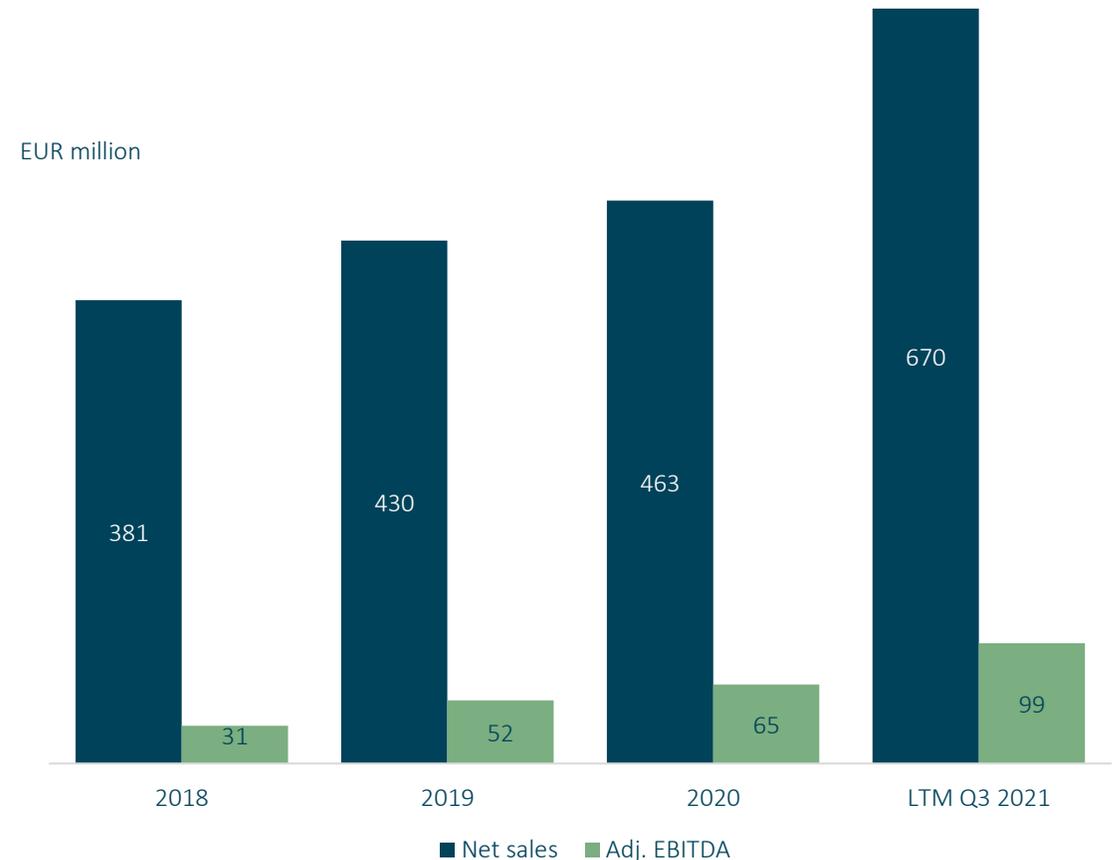


# Continued solid demand and strong growth



## Delivering another quarter with record-high results

- Improved volumes and prices in all segments
  - Food packaging in Norway particularly strong
  - Weaker automotive market from shortage of components
- Completed refinancing in August
  - Issuance of 5 year sustainability-linked bond of EUR 160 million under a framework of EUR 250 million
- Completed acquisition of majority stake of IZOBLOK
  - Launched tender offer to acquire remaining shares
- Acceptance of offer to acquire Jackon Holding
- Acquisition of UK recycling company Volker Gruppe
- Acquisition of Belgian insulation company Kemisol Group



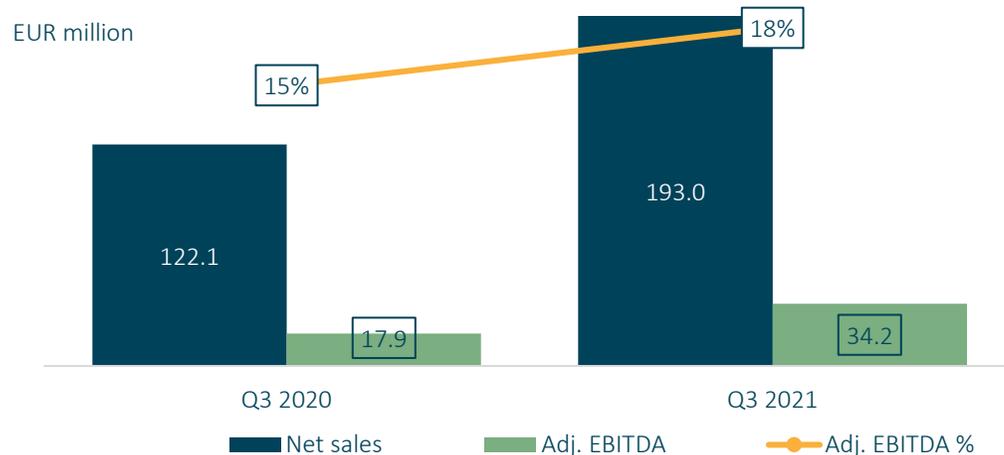
# Financial highlights



## Record-high results driven by solid demand

### Third quarter 2021

- Net sales up by 58%, to EUR 193.0 million
  - 43% organic growth from increased volumes and prices in all segments
- Adj. EBITDA of EUR 34.2 million, 18% margin
  - Strong market for RAW, where the sales price of EPS beads remained, despite decrease in cost of raw material (Styrene)
  - Improved margins in P&C, largely explained by positive development for food packaging in Norway, while the weak automotive market negatively impacted results



### First nine months 2021

- Sales growth of 62% from first nine months of, to EUR 540.0 million
  - 40% organic growth from increased volumes and prices in all segments
- Adj. EBITDA of 82.5 million, corresponding to a margin of 15%
  - Most of the organic increase relates to improved Styrene gross margin (GAP), positively impacting the results of segment RAW



# Acquisition of Jackon Holding

## The most transformative transaction so far in BEWI's history

### Transaction summary

- 1 October 2021: Launch of offer to acquire 100% of the shares in Jackon Holding AS
- 15 October 2021: Received acceptance of offer all shareholders
  - Akselsen family, through investment company HAAS AS, will receive consideration in BEWI shares issued at NOK 45.9925 per share, equalling the volume weighted average share price on the Oslo Stock Exchange the last 14 trading days prior to acceptance and is subject to a 12-months lock-up
  - Solgaard family will receive consideration in the form of cash
- Offer reflected an enterprise value on a cash and debt free basis and with an agreed level of working capital of Jackon of NOK ~3,350 million
- Completion of the transaction is subject to satisfactory due diligence, resolution of the BEWI general meeting to issue the Consideration Shares, and customary closing conditions, including regulatory approvals
- Transaction expected to be completed during the first half of 2022
- BEWI will finance the transaction by the issuance of new shares and from cash sources available to BEWI

### Jackon is a vertically integrated insulation and packing provider

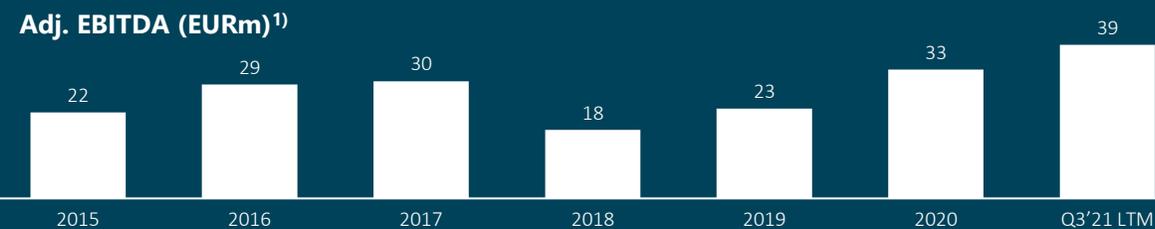
Jackon is one of Europe's leading manufacturers of XPS and EPS

Industrial group based in Fredrikstad, Norway

Leading provider of insulation and building systems to the construction industry, special products and packaging from XPS and EPS

21 facilities and 7 sales locations in 8 European countries

Family-owned, established in 1956

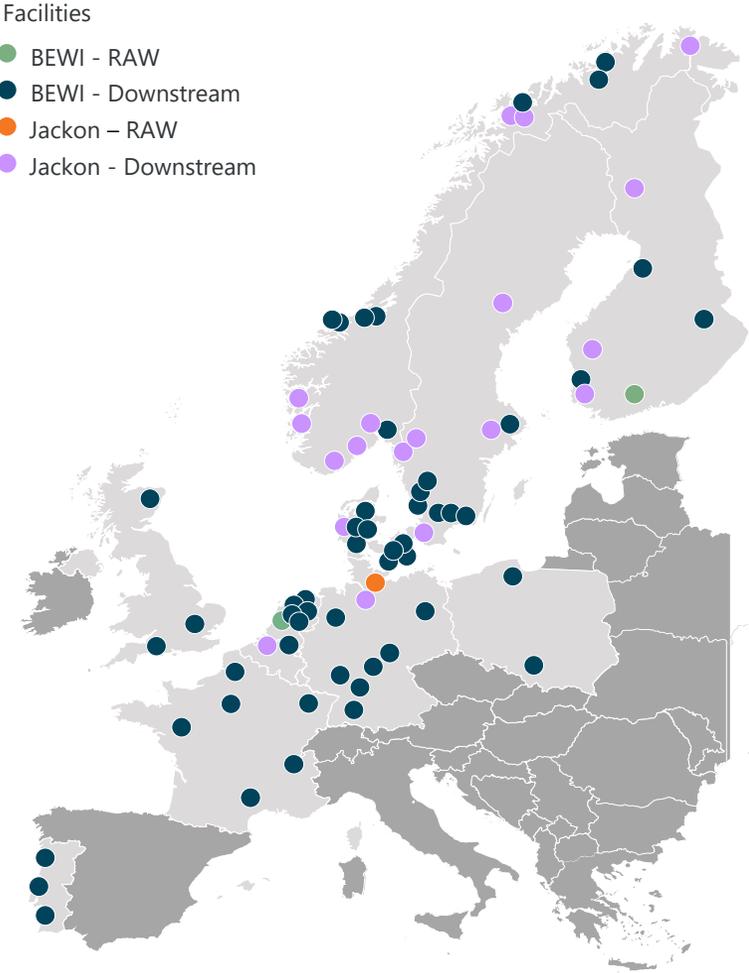


Note: 1) Norwegian GAAP figures. Converted to EUR using average EURNOK fx rate from Norges Bank

# Jackon and BEWI complements each other well



## Complementary footprint and portfolio



	BEWI	JACKON
<b>Materials</b>	<ul style="list-style-type: none"> <li>• EPS (key material)</li> <li>• XPS</li> <li>• EPP</li> </ul>	<ul style="list-style-type: none"> <li>• EPS</li> <li>• XPS (key material)</li> <li>• EPP</li> </ul>
<b>Segments</b>	<ul style="list-style-type: none"> <li>• RAW</li> <li>• Packaging &amp; Components</li> <li>• Insulation</li> </ul>	<ul style="list-style-type: none"> <li>• Polymers</li> <li>• Industrial Application</li> <li>• Building Systems</li> </ul>
<b>Value chain position</b>	<ul style="list-style-type: none"> <li>• Vertically integrated</li> </ul>	<ul style="list-style-type: none"> <li>• Vertically integrated</li> </ul>
<b>Plants</b>	<ul style="list-style-type: none"> <li>• 2 RAW</li> <li>• ~34 Downstream</li> <li>• 8 Circular</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Polymers</li> <li>• 20 Downstream</li> <li>• 3 Sales offices</li> </ul>
<b>Country presence</b>	<ul style="list-style-type: none"> <li>• Norway</li> <li>• Sweden</li> <li>• Denmark</li> <li>• Finland</li> <li>• The Netherlands</li> <li>• Portugal</li> <li>• UK</li> <li>• Germany</li> <li>• France</li> </ul>	<ul style="list-style-type: none"> <li>• Norway</li> <li>• Sweden</li> <li>• Denmark</li> <li>• Finland</li> <li>• Germany</li> <li>• Belgium</li> <li>• UK</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• ~2,000</li> </ul>	<ul style="list-style-type: none"> <li>• ~900</li> </ul>

## Strategic rationale

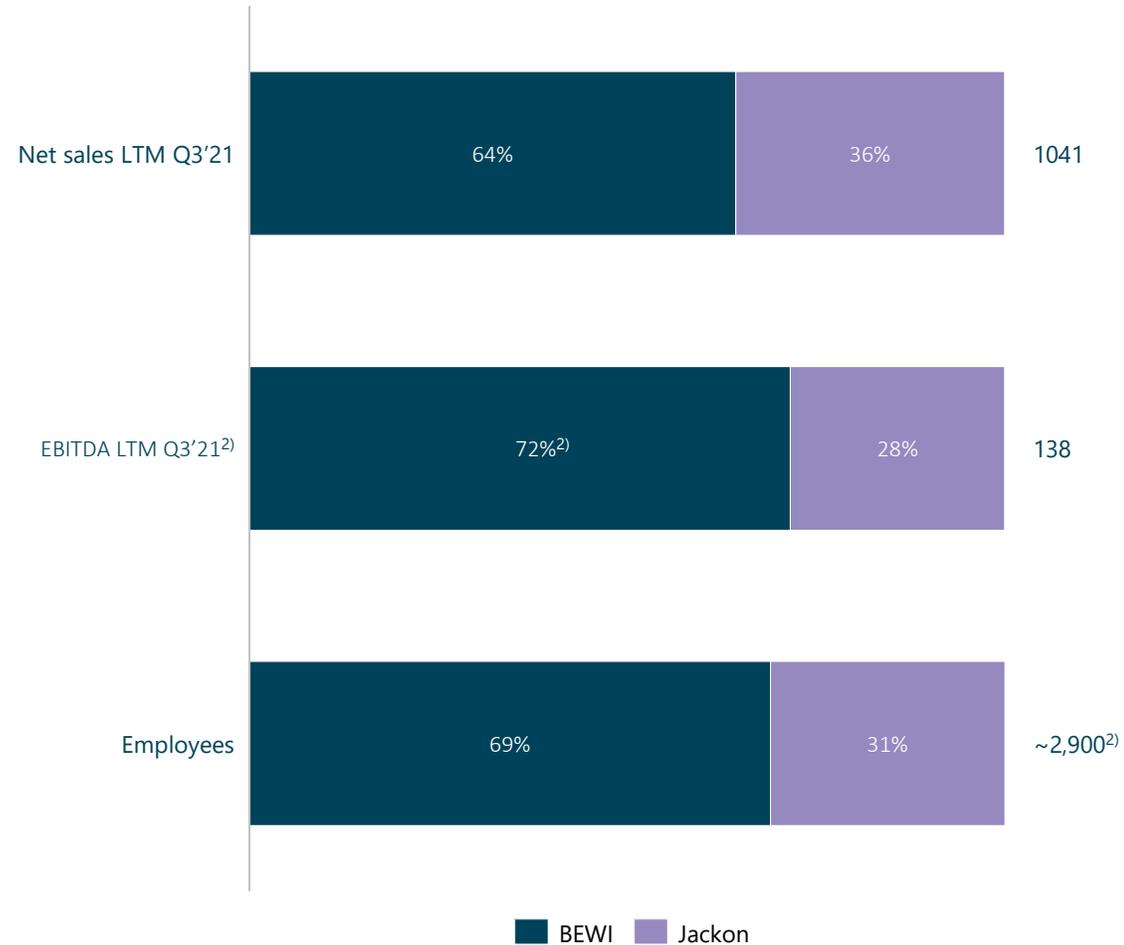
- Growth acceleration**
  - Improve customer share-of-wallet through an improved product portfolio
  - Cross-sell a broader set of premium solutions to a wider customer base across new markets
- Cost Leadership**
  - Share best practices to improve cost positioning and drive operational excellence throughout organization
- Capacity flexibility**
  - Improve ability to tailor internal production to match production capacity with regional demand fluctuations and external price levels
- Logistics efficiency**
  - Optimize distribution network throughout European operating platform
- Know-how**
  - Enhance R&D capacity to improve production processes and development of end-market solutions
- Sustainability**
  - Leverage capabilities in both organizations to drive sustainability initiatives and establish a fully circular value chain

# Pro-forma key figures for combined company



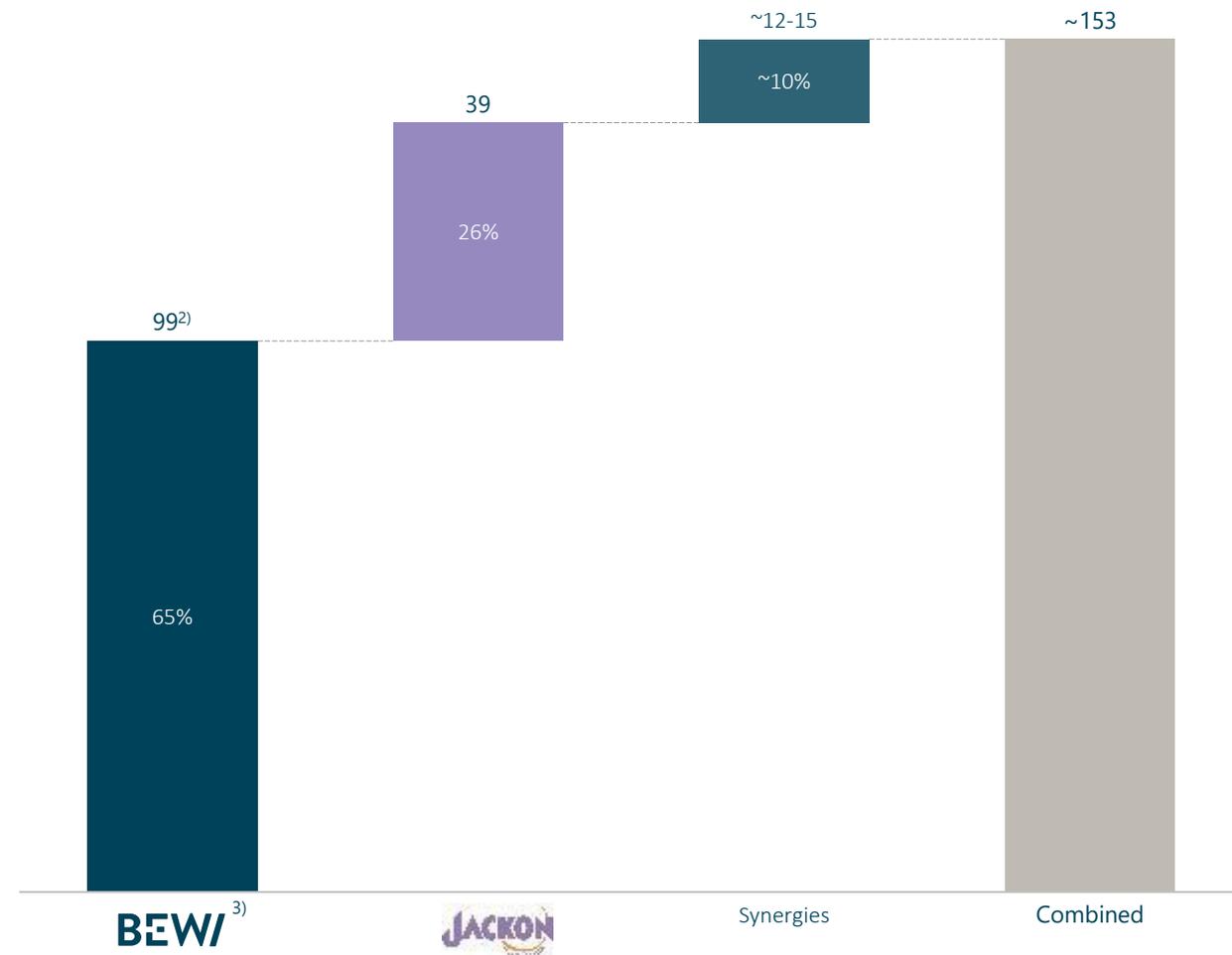
## Relative contribution to a combined company

EURm<sup>1)</sup> (except employees)



## Combined EBITDA LTM Q3 2021

EURm<sup>1)</sup>



# Acquisition of UK based recycling company Volker Gruppe



## Securing streams of collected material to become fully circular

- Acquisition of 51% of UK based recycling company Volker Gruppe
- Operating 2 facilities in the UK and Scotland
- Compacting material and leasing compactors to customers
- One of the largest suppliers of EPS waste to BEWI
- Annual collection of ~6,000 tonnes of EPS
- Several waste streams including LDPE, HDPE, WEEE, OCC and paper
- Annual trading volumes of ~25,000 tonnes of plastics and paper globally
- BEWI has a future option to acquire remaining 49%



Adding to BEWI's collected volumes of used EPS – one step closer to becoming a circular company

# Acquisition of Belgian insulation company Kemisol



## Strengthening position in market for insulation solutions in Benelux region

- Agreement to acquire 100% of Belgian insulation company Kemisol Group
- Family-owned company founded in 1961 primarily operating in the Benelux region
- ~90 employees
- One of the largest producers of EPS in Belgium, offering a wide range of insulation products
- Distributor of other insulation products such as IKO Enertherm, Ursa Foam, Styrisol and Knauf glass wool
- Total consideration of EUR ~30 million, to be paid in cash through available sources
- Closing expected in November 2021, conditional upon customary conditions

### Key figures Kemisol Group

Amounts in EUR million	1H 2021	1H 2020	%-change	2020
Net Sales	18.1	11.8	+53%	24.7
EBITDA	3.8	2.0	+90%	4.5
EBITDA margin %	21%	17%		18%

### Key value proposition

- Further increase BEWI's footprint in Belgium market, i.e. strengthen market position in Benelux
- Expanding customer base, potentially also in Packaging
- Achieve synergies, cross selling

Third quarter of 2021

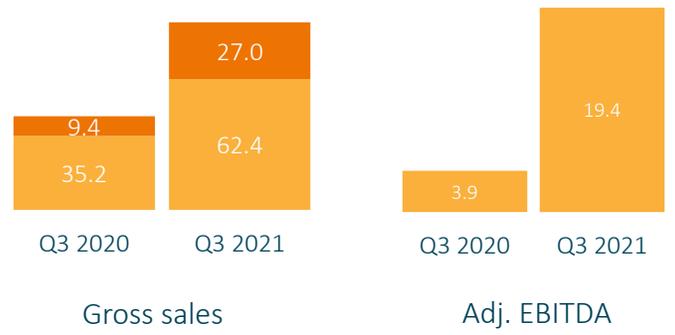
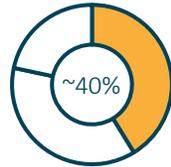
# Financials



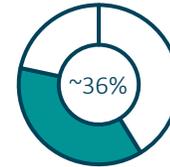
# Financial overview

EUR million

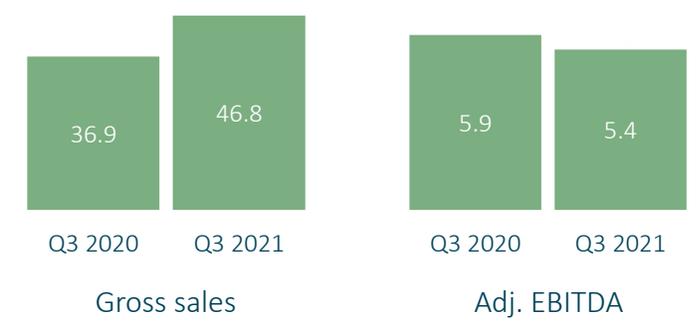
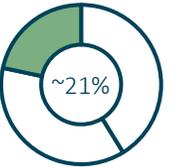
## RAW



## Packaging & Components



## Insulation



## BEWI ASA





# RAW

## Improved volumes and EBITDA following strong demand

### Third quarter 2021

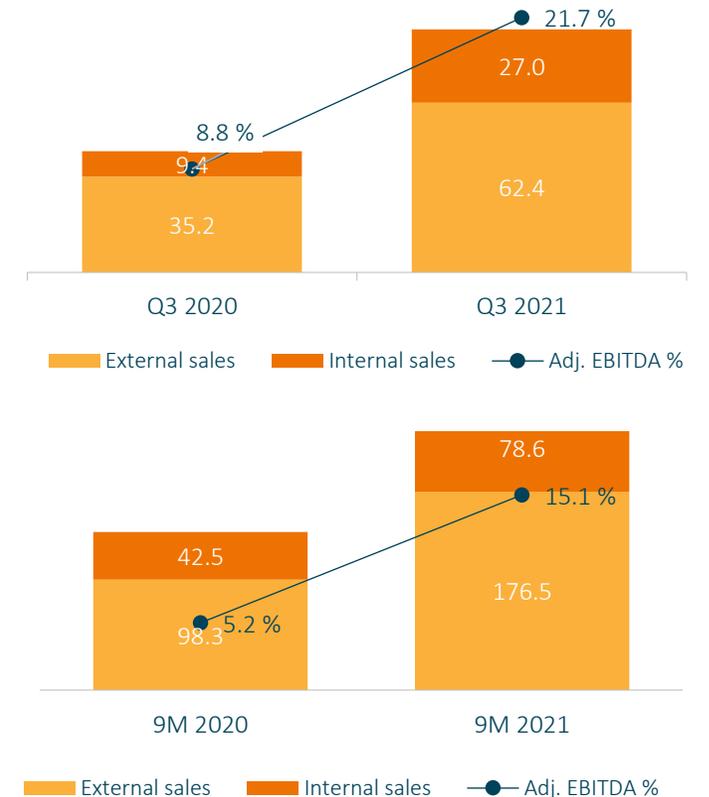
- Net sales of EUR 89.5 million, up 101%
  - Increase explained by higher volumes and sales prices
- Adj. EBITDA increase to EUR 19.4 million (3.9), a margin of 21.7%
  - Improvement mainly from strengthened GAP, but also volume increase

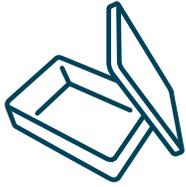
### First nine months 2021

- Net sales of EUR 225.0 million, up by 81%
  - Increase explained by higher volumes and sales prices
- Adj. EBITDA of EUR 38.5 million (7.3), a margin of 15.1%
  - Improvement mainly from strengthened GAP, but also volume increase

Net sales and Adj. EBITDA margin

EUR million





# Packaging & Components

Increased sales and improved EBITDA primarily from organic growth

## Third quarter 2021

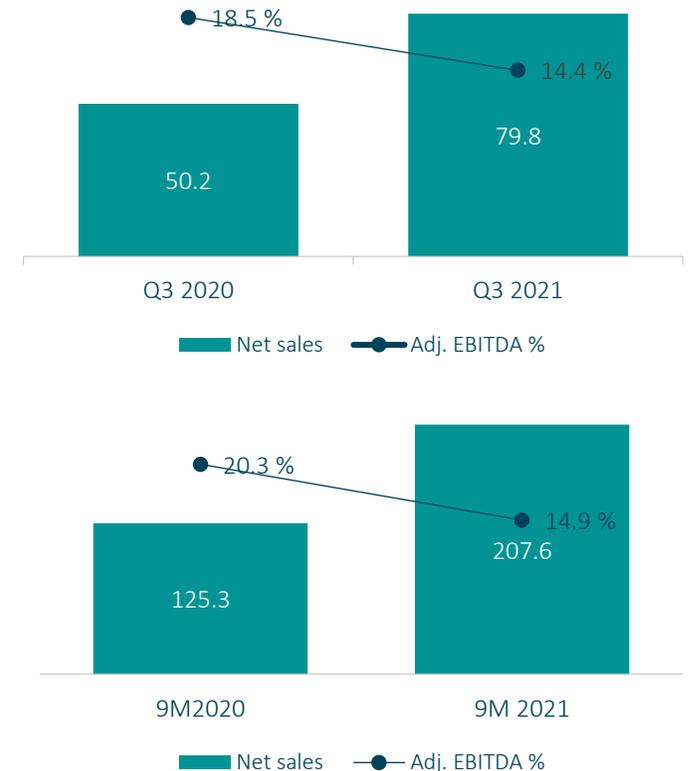
- Net sales of EUR 79.8 million, up 59%
  - 28% organic growth, mainly explained by strong volume growth in Norway, as well as increase in volumes in Sweden and Benelux
  - Sales prices adjusted upwards following increase in raw material price
- Adj. EBITDA of EUR 11.5 million (9.3), a margin of 14.4%
  - Excl. acquisitions, EBITDA increased 21%, mainly due to higher volumes in Norway
  - IZOBLOK contributed with a negative EBITDA of EUR 1.1 million, explained by shortage of electronic components to the automotive industry

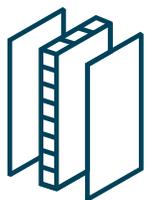
## First nine months 2021

- Net sales of EUR 207.6 million, up by 66%
  - ~23% organic growth from higher volumes and increased sales prices in all regions
- Adj. EBITDA at EUR 31.0 million (25.4), a margin of 14.9%
  - EBITDA increase of 2% excl. acquisition
  - Lower margin explained by the lag in contractual price indexation to customers, product mix (more trading operation) and the negative contribution from IZOBLOK

Net sales and Adj. EBITDA margin

EUR million





# Insulation

Strong demand resulting in improved volumes in all regions

## Third quarter 2021

- Net sales of EUR 46.8 million, up by 27%
  - Organic growth of 22% from volume increase in Benelux, and increased sales prices
- Adj. EBITDA of EUR 5.4 million (5.9), a margin of 11.5%
  - Excl. acquisitions, EBITDA decreased 11%, explained by historically high raw material prices putting pressure on margins
  - EBITDA negatively impacted by challenges related to new production line in Norrköping, Sweden

## First nine months 2021

- Net sales of EUR 145.7 million, a 35% increase
  - Organic growth of 19% driven by higher volumes and sales prices in all regions
- Adj. EBITDA of EUR 17.2 million (19.0), a margin of 11.8%
  - Development for the same reasons as for the quarter

## Net sales and Adj. EBITDA margin

EUR million





# Circular



## Strong demand resulting in improved volumes in all regions

### Third quarter 2021

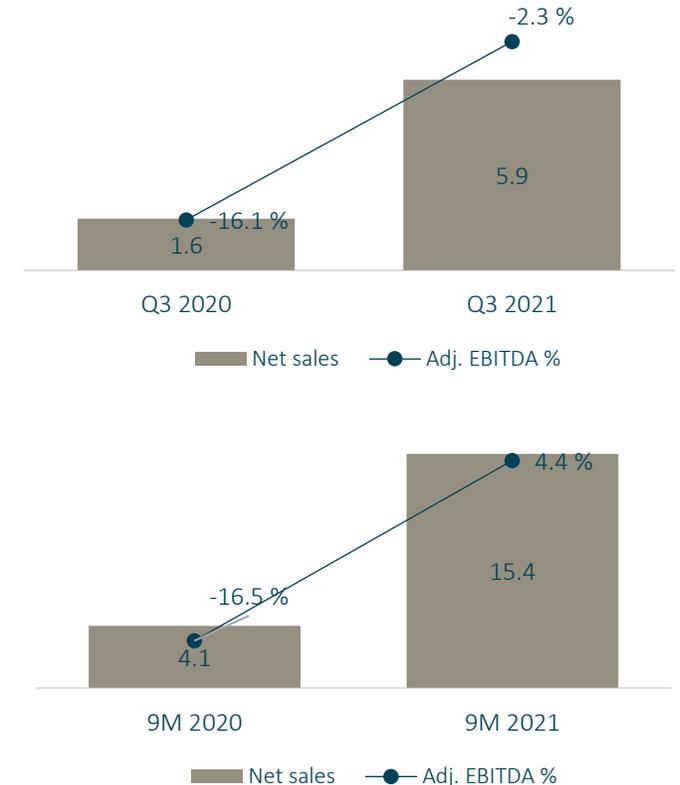
- Net sales of EUR 5.9 million, up by 273.2%
  - Increase explained by higher volumes and increased sales prices following significant increase in the virgin raw material prices
- Adj. EBITDA of EUR -0.1 million (-0.3)
  - Improved EBITDA mainly driven by higher volumes and increased prices as mentioned above
  - On the contrary, prices for the feedstock have increased due to limited availability, putting pressure on margins

### First nine months 2021

- Net sales of EUR 15.7 million, a 274.8% increase
  - Increase explained by same reasons as for the quarter
- Adj. EBITDA of EUR 0.7 million (-0.7)
  - Improvement primarily relates to higher volumes and sales prices

Net sales and Adj. EBITDA margin

EUR million



# Minority interests

## Positive contribution from shares in associated companies

	TOTAL
Production sites	16
Owned interest	34-49%
Booked value as of 30 September 2021	14.0

### Key financials for the first nine months of 2021

Net sales	189.0
EBITDA	21.5
- of which owned share of EBITDA	7.5
EBIT	16.7
Net profit	11.6
Consolidated into BEWI's EBITDA, share of net profit	4.0
<i>BEWI's share of EBITDA minus impact on consolidated EBITDA</i>	3.5
Net debt	29.0
- of which owned share net debt	11.1

- Shares in associated companies are consolidated into BEWI's accounts with the value of the owned interest of net profit
- Consolidated as a net in one line within EBITDA, "Share of income from associated companies"
- Balance sheet is not consolidated other than changes to the booked value on the shares
- Hidden values occur compared to customary EV/EBITDA valuation

# Financials



## Consolidated P&L

Amounts in EUR million	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net Sales	193.0	122.1	540.0	332.3	462.6
<b>Total operating income</b>	<b>193.0</b>	<b>122.1</b>	<b>540.0</b>	<b>332.3</b>	<b>462.6</b>
Raw materials and consumables	-72.5	-44.7	-221.0	-134.9	-181.1
Goods for resale	-24.4	-14.0	-66.1	-18.7	-35.3
Other external costs	-33.7	-24.8	-94.0	-72.2	-99.4
Personnel cost	-30.4	-22.2	-82.6	-62.3	-88.1
Depreciation/ amortisation/ impairment	-9.6	-7.5	-27.1	-21.5	-30.4
- attributable to operations	-4.6	-3.8	-12.8	-10.6	-15.0
- attributable to IFRS 16	-2.5	-1.8	-7.4	-5.1	-7.3
- attributable to fair value adjustments in business combinations	-2.5	-2.0	-6.9	-5.8	-8.1
Share of income from associated comp.	2.5	0.1	4.9	4.5	4.9
Capital gain from sale of assets	0.0	1.6	-0.1	1.7	6.3
<b>Operating income (EBIT)</b>	<b>24.9</b>	<b>10.6</b>	<b>54.0</b>	<b>29.0</b>	<b>39.5</b>
Net financial items	-7.3	-2.7	-17.2	-7.8	-7.2
Income tax expense	-5.6	-2.2	-11.4	-4.6	-2.3
<b>Profit for the period</b>	<b>11.9</b>	<b>5.7</b>	<b>25.4</b>	<b>16.5</b>	<b>30.0</b>

### Third quarter of 2021

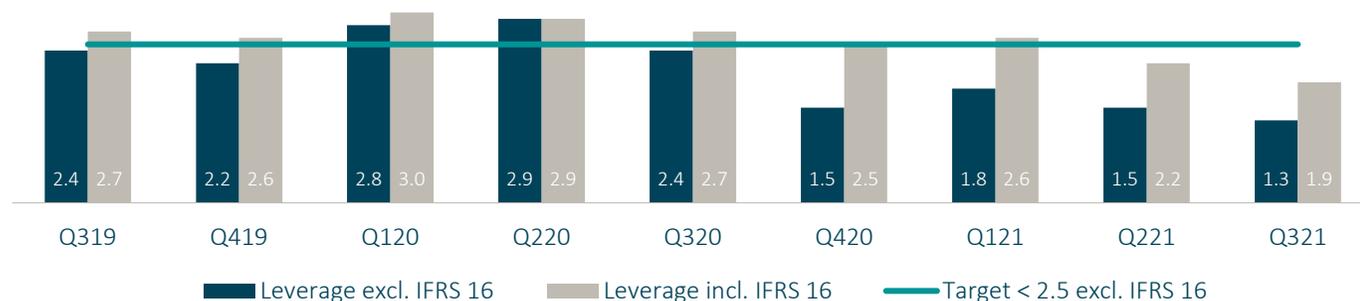
- Net sales up by 58%
  - 43% organic growth from improved volumes & prices in all segments
- Increased operating costs
  - Raw materials as percentage of sales increased due to higher cost of raw material, impacting sales prices throughout the value chain
  - Goods for resale increased in general due to the acquisition of BDH in Aug 2020 and additional acquisitions within food trading in the quarter
- Increased FTE due to acquisitions
  - 2,003 end of September, up from 1,504 end of June 2021
- Net financial items EUR -7.3 million
  - Include costs related to refinancing of EUR 5.6 million and a positive fair value revaluation of shares of EUR 1.4 million
- Effective tax rate 25%
  - Adjusted for costs related to refinancing and fair value revaluation
- Profit for the period of EUR 11.9 million

# Financials

## Capital structure

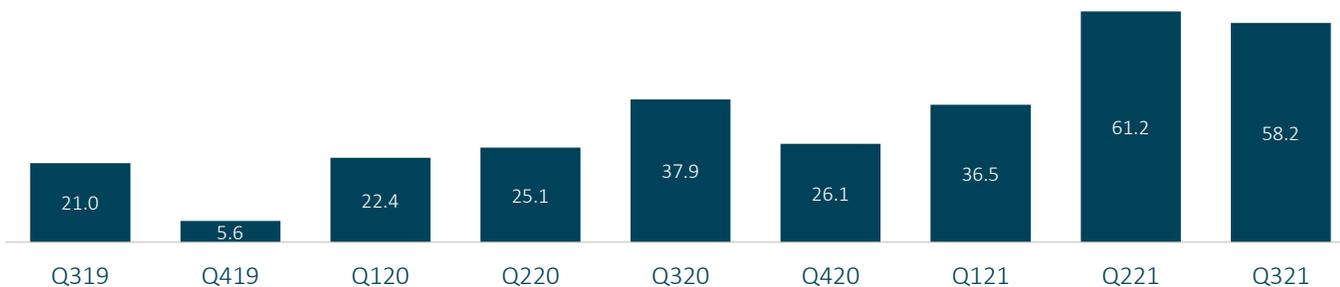
### Leverage: Net debt/ EBITDA ratio<sup>(1)</sup>

EUR million



### Working capital

EUR million



(1) EBITDA ratio: adjusted EBITDA rolling 12-months pro-forma acquired entities  
Change in accounting principle from 1 January 2019 (IFRS 16)

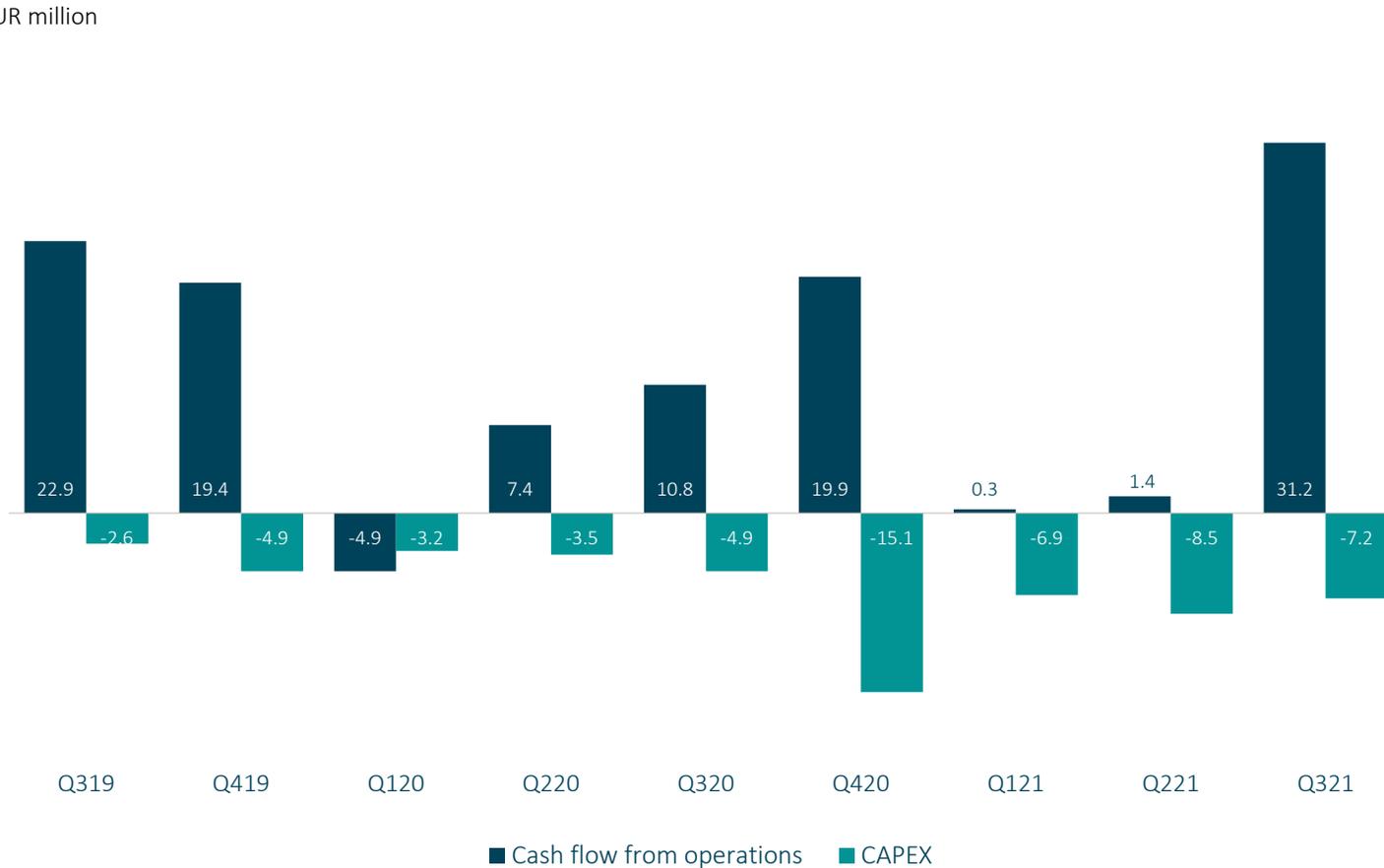
- Net debt EUR 188 million on 30 September 2021
  - EUR 111 million excluding IFRS 16
- Leverage significantly improved
  - Improved EBITDA
  - Leverage affected by seasonality in WC, with Q2-Q3 being the highest throughout the year
- Unutilized credit facility of EUR 80 million

EUR million	30.09.21	31.12.20	30.09.20
Cash and Cash equivalents	61.0	51.4	29.4
Non-current liabilities	167.9	140.7	140.9
Current liabilities	4.3	2.4	18.5
Debt related to IFRS 16	77.0	78.4	54.6
<b>Net debt in total</b>	<b>188.2</b>	<b>170.2</b>	<b>184.6</b>
- <i>excl. IFRS</i>	111.2	91.8	130.0

# Financials

## Cash flow and CAPEX

EUR million



- Operating cash flow of EUR 31.2 million
  - Decrease in working capital of EUR 8.3 million
- Cash flow for investments EUR 21.7 million
  - CAPEX of EUR 7.2 million, EUR 1.8 related to greenfield projects
- Ongoing investment programmes 2021
  - Fish box facility @ Senja, Norway
  - Recycling facility in Portugal
  - Technology investments in Stjørdal, Norway
  - Machinery and technology at Norrköping, Sweden
  - ICT/ ERP investments

# Refinancing to fuel growth

## Established a Sustainability Linked Finance Framework

- Refinancing to fuel growth and pursue attractive opportunities
- Established a new framework of up to EUR 250 million
  - Issuance of EUR 160 million bond loan on 3 September
  - Listed on Nasdaq Stockholm 28 October
  - Launched intention to issue subsequent bonds under existing framework
- The Sustainable Finance Framework has been reviewed by Sustainalytics, a leading second party opinion provider, confirming alignment with best market practice

KPI	SPTs	Strength of the KPI	Ambitiousness of the SPTs
Collected expanded polystyrene (EPS) for recycling (in tonnes)	SPT1: Collected EPS for recycling to reach 45,000 tonnes per year by end-2024  SPT2: Collected EPS for recycling to reach 60,000 tonnes per year by end-2026	Strong	Ambitious



Third quarter of 2021

# Summary and outlook



# Outlook

## Volume development remains solid

- Experience solid demand, despite challenging market conditions in some end-markets
- Most industries currently impacted by increased uncertainty related to shortage and/ or delay in deliveries of components, as well as cost inflation on several operational costs
- Expects GAP to remain strong also for the fourth quarter, due to continuously high EPS prices
- Completion of Jackon transaction expected in the first half of 2022



# Set to continue growth journey next five years



**Adj. EBITDA**

Through organic growth and acquisitions by 2026



**ROCE<sup>1</sup>**

Increase towards 20%



**NIBD/Adj. EBITDA**

Leverage target unchanged going forward



**Dividend**

Of underlying net profit

# BEWI

*for a better everyday*

Next event

Fourth quarter 2021

24 February 2021

