

Results for the fourth quarter and full year of 2022

CEO Christian Bekken,
CFO Marie Danielsson

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BEWI



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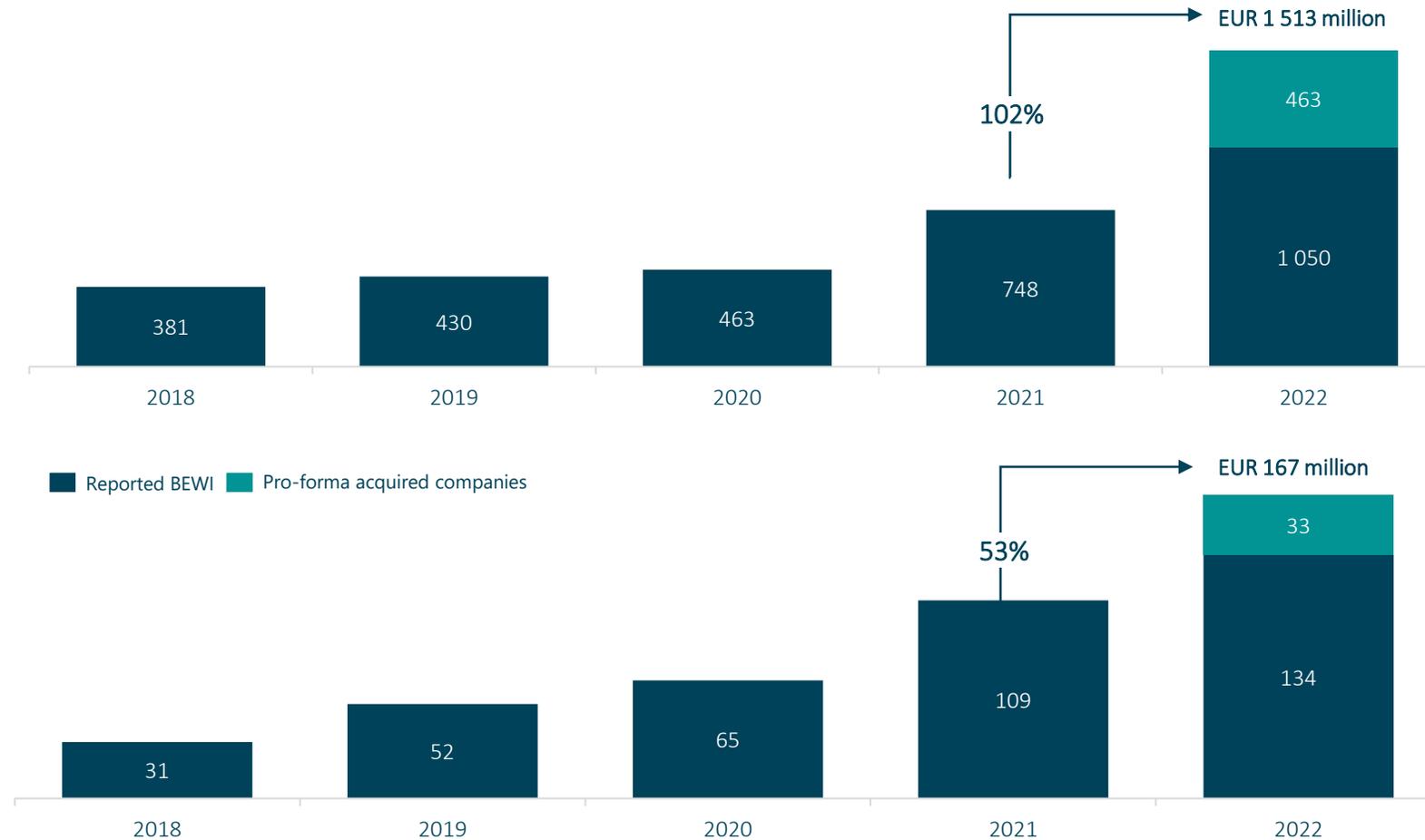
Fourth quarter and full year of 2022

Highlights

Continue to deliver solid results in challenging times



Strong price management, combined with high M&A activity



- Continue to deliver **solid results**
- Increase in raw material prices first 9 months, then significant decrease resulting in **shift in margins** between upstream and downstream
- **Successful in price management**, and in **adjusting capacity** to market conditions
- Slowdown in building and construction industry impacting volumes in RAW and Insulation
- Continued solid volumes to food packaging
- Improved conditions for automotive industry
- High M&A activity in line with strategy, including completion of transformative Jackson transaction

Growth and margin improvement for downstream



Variations across segments and regions, margin dilution from acquired entity

Highlights for the fourth quarter

- Markets:
 - Reduced activity in building and construction, especially in the Nordics, impacting volumes for RAW and Insulation
 - Stable demand for food packaging, with increased volumes at new fish box facility at Senja contributing positively
 - Continued solid demand for technical- (HVAC) and automotive components, although with uncertainty related to customers' production volumes
 - Styrene and EPS raw material prices decreased approximately 20% from Q3 to Q4, GAP maintained
- Transactions:
 - Completed acquisitions of Jackon, Aislervas and Inoplast – fully focused on integration and extracting synergies
 - Completed first phase of the divestment of real estate portfolio



Financial highlights

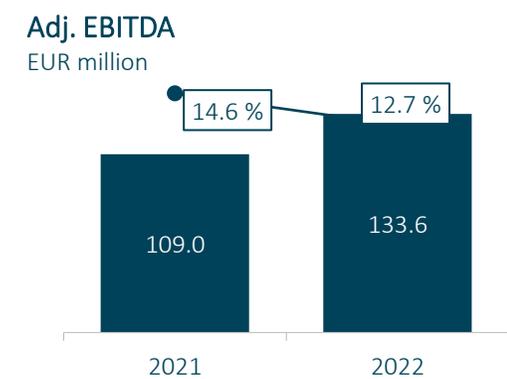
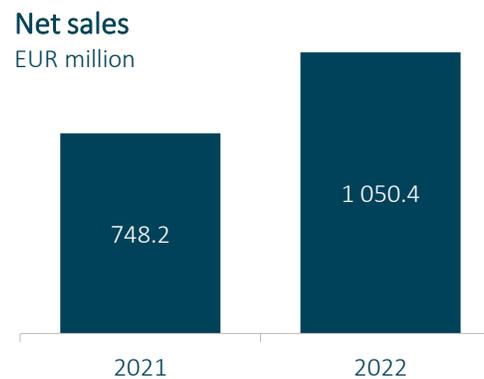
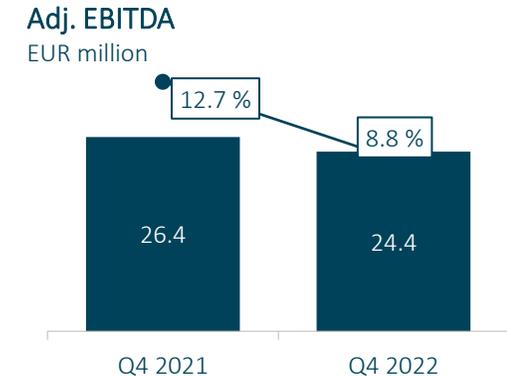
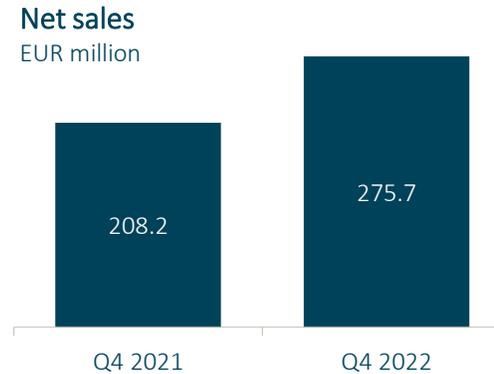
Solid results driven by good price management and high M&A activity

Fourth quarter of 2022

- Net sales of EUR 276 million, up 32%
 - Organic growth for all segments except RAW, which was impacted by decline in volumes and prices
 - 39% net increase from acquisitions and divestments, of which Jackon contributed EUR 54 million
- Adj. EBITDA of EUR 24 million, down 8%
 - RAW impacted by lower volumes and higher costs
 - Organic growth for downstream, following reduced raw material costs
 - Jackon had dilutive effect on EBITDA margin, due to a negative contribution for the insulation business

Full Year of 2022

- Net sales of EUR 1 050 million, up 40%
 - Organic growth from higher sales prices
- Adj. EBITDA of EUR 134 million, up 25 million, a margin of 13%
 - ~50/50 organic and from M&A's



Completed acquisition of Jackon Holding



Strengthening BEWI's market positions and adding well-known brands

Highlights of the transaction

- Transaction completed 19 October 2022, >1 year after acceptance of bid
- Jackon complements BEWI very well, by
 - Strengthening market positions
 - Broadening product offering
 - Adding strong brands and highly competent people

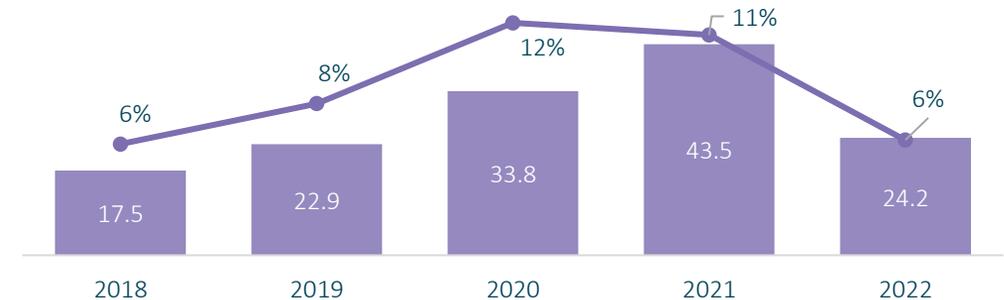
Financial highlights for Jackon 2022¹

- Net sales of EUR 423.0 million, 6.3% growth
 - Increased sales for RAW and Insulation, decrease for Packaging following divestment of 2 fish box facilities
- EBITDA of EUR 24.2 million, down from 43.5 million
 - Increased cost level, lack of price adjustments
 - Negative EBITDA from Insulation
 - RAW and Packaging deliver solid margins

Net sales (EUR million)



EBITDA (EUR million)



Key priorities for successful integration

Well underway for synergy extraction and other initiatives for improved profitability

1

Cost reductions for Insulations in Nordics, to improve profitability

- Reduce cost base, including reduce headcount
- Strict cost control, including temporary freeze in new hires and use of external consultants
- Implement “the BEWI way,” i.e., adjust prices and costs to current market conditions

2

Adjust capacity to current demand

- Optimize production footprint following combination with Jackson
- Reduce capacity, adjusting to current demand, including
 - Reduce shifts at facilities
 - Temporary closure of facilities
 - Convert one facility from insulation to recycling

3

Extracting synergies of more than EUR 15 million

- Very confident in communicated synergy expectations
- More than 50% of planned initiatives already implemented
- ~50% of synergies from procurement and logistics

Estimated annual savings of EUR ~5 million

Sale of real estate portfolio for up to NOK 2 billion

BEWI

Divesting properties provides BEWI with strengthened financial flexibility



- Ongoing sale of real estate portfolio up to NOK 2bn
 - First phase of completed in November, incl. 11 properties and one land plot in Norway and Sweden, valued at NOK ~900 million
 - Remainder, incl. up to 13 properties expected to be completed in 1H 2023
 - BalPol properties not included in transaction
- Long track record for divesting real estate, providing BEWI with strengthened financial flexibility

Organic growth initiatives

Selected key investment projects

Packaging

- Completed development of new fish box facility at Senja under long-term supply agreement with SalMar
- Ongoing development of packaging facility at Jøsnøya under long-term supply agreement with Mowi, expected to start operations in Q2 2024



RAW

- Investment in new twin screw extrusion line at RAW production facility in Etten-Leur, expected to start in 2023
- Increasing production capacity of recycled material and grey EPS by ~30 to 50kt
- Aiming at maintaining a good balance between external and internal sales



Insulation

- Investment in new production line for construction boards in Belgium (Jackon), expected to start production in 2H 2023
- Almost double current capacity
- Serves European and UK markets



Organic growth investments – expected to add 3-5% growth, amounting to EUR 50-75 million sales

Adding close to EUR 600 million euro in sales



Strategic and transformative acquisitions

Period	Company	Annual sales EUR million	Annual EBITDA EUR million	Region	Key offering	Strategic rationale
Q2 2022	Trondhjems Eskefabrikk	~15.5	~3.4	Norway	Paper packaging	Broaden offering with complimentary materials
	Jablite Group	~58.6	~3.3	UK	Packaging and insulation	Geographic expansion in the UK
	Berga Recycling	~34.5	~2.2	Global	Circular trading platform	Expanding circular platform
Q3 2022	BalPol	~34.7	~3.3	Baltics	Insulation	Geographic expansion to Baltics, broaden offering with complimentary materials
	Jackon Holding	~423.0	~24.2	Europe	Raw materials, packaging and insulation	Strengthened market positions
Q4 2022	Aislervas	~18.3	~3.5	Spain	Insulation	Geographic expansion to Spain
	Inoplast	~6.6	~0.3	Czech	Circular solutions	Strengthen circular offering and volumes
Total		EURm ~591.2	EURm ~40.2			

Strategic and transformative acquisitions

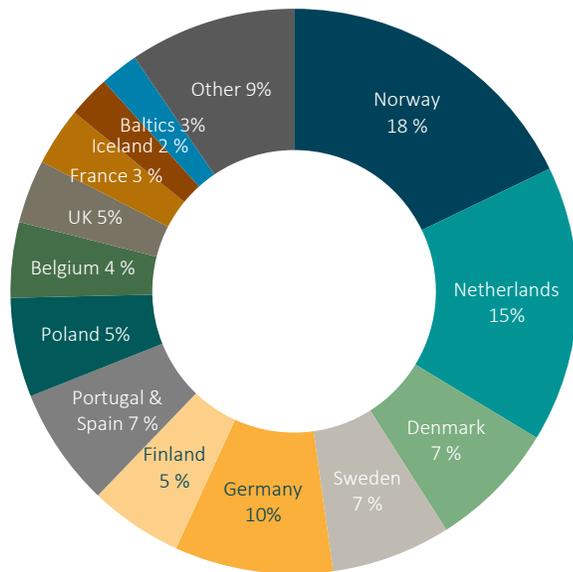
In line M&A strategy

Adding close to EUR 600 million sales

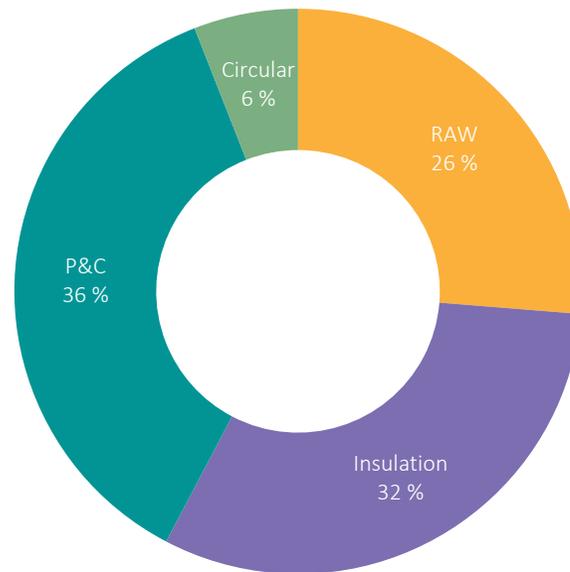
Increased diversification from acquisitions

Providing robust and solid results in volatile and turbulent markets

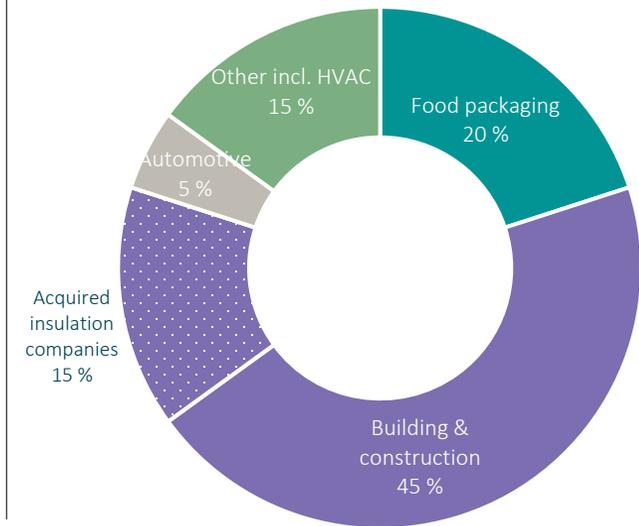
Diversified across countries



Diversified across segments¹⁾



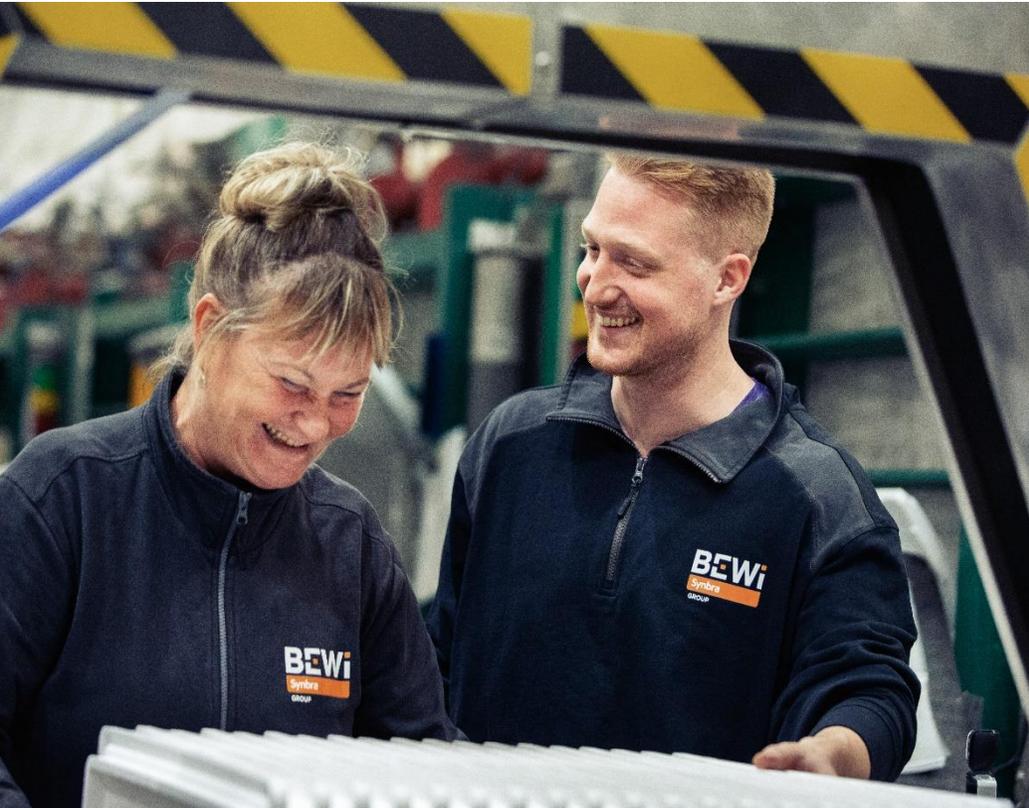
Diversified across end-markets²⁾



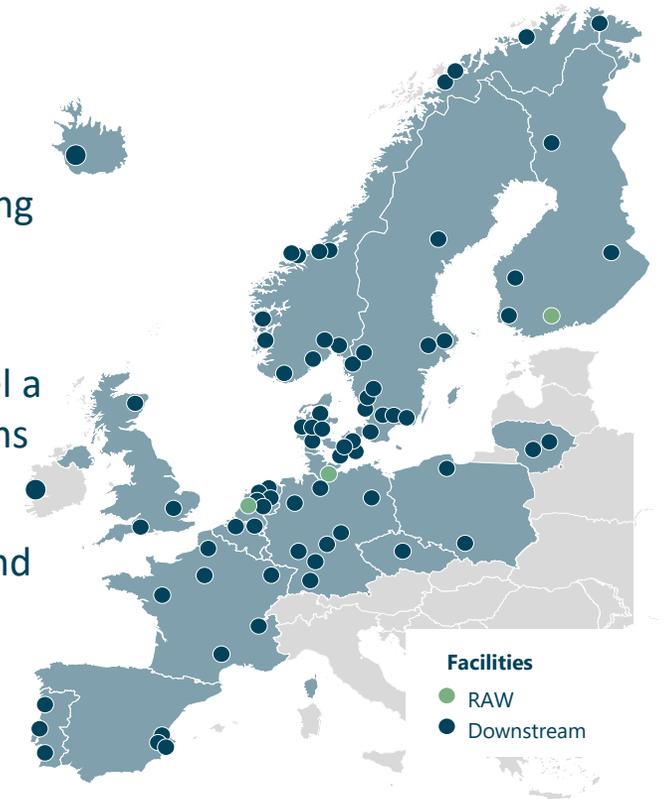
Note: 1) Based on reported 2022 revenues from external customers 2) Based on Management estimates

Strong European player

..with broad local footprint



- Delivering strong and profitable growth, combined with decreased leverage
- Strengthening market positions, expanding geographically and broadening product offering
- Integrated and diversified business model a key competitive advantage – both in terms of profitability and circularity
- Proven track record of adjusting prices and capacity to current market



EUR ~1,513m¹

pro-forma net sales

EUR ~167m¹

pro-forma adj. EBITDA

~80²

facilities

~3,900²

dedicated employees

~280kt

production capacity

~38kt

EPS collection capacity

~120kt

waste streams

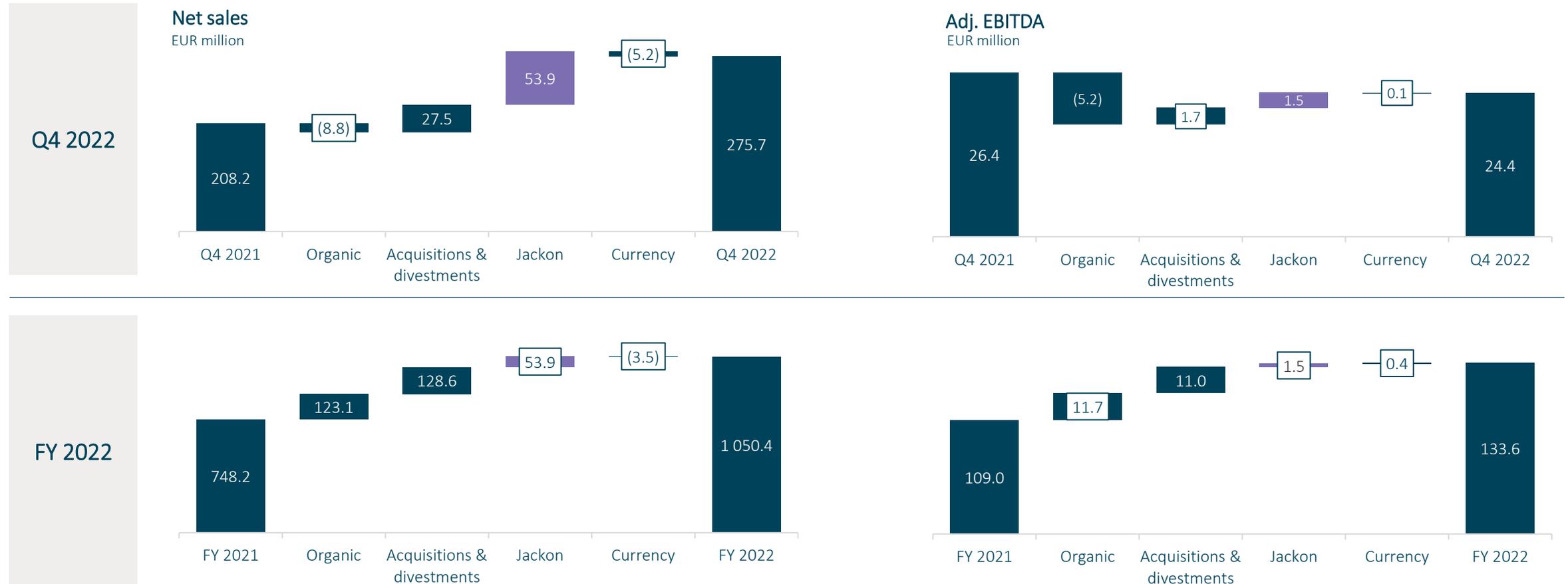
Fourth quarter and full year of 2022

Financials



Financial overview

Continued organic growth following strong price management

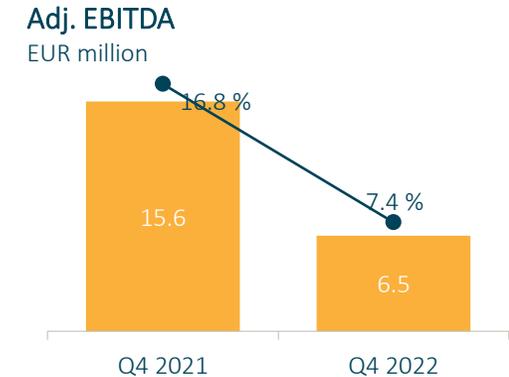
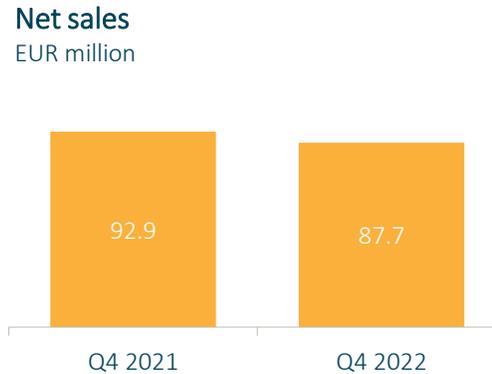




GAP remained solid, volumes impacted from reduced demand from B&C

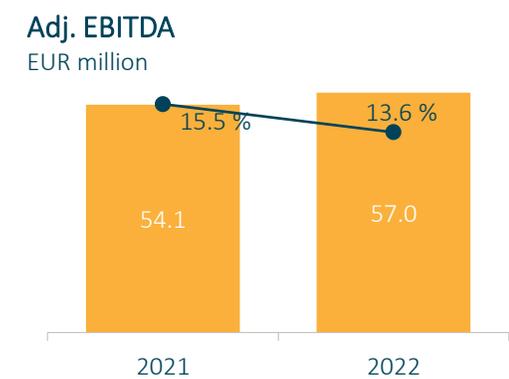
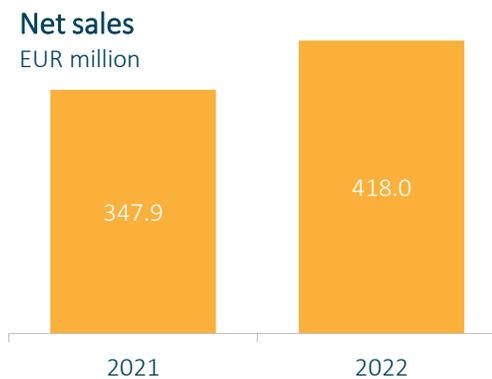
Fourth quarter of 2022

- Net sales of EUR 87.7 million, down 5.6%
 - Acquisition of Jackon contributed with EUR 12.5 million (13.4%)
 - Reduced demand from B&C resulted in lower volumes
 - EPS raw material prices decreased by ~20% from Q3
- Adj. EBITDA of EUR 6.5 million (15.6), a margin of 7.4%
 - Acquisition of Jackon contributed with EUR 1.2 million
 - Solid GAP maintained as a result of strong price management
 - Reduced EBITDA and EBITDA margin as a result of lower volumes, higher cost of additives and higher fixed cost



Full Year of 2022

- Net sales of EUR 418.0 million, up 20.1%
 - Increase explained by higher sales prices
- Adj. EBITDA increase to EUR 57.0 million (54.1), a margin of 13.6%
 - Improvement from strengthened GAP which has compensated for higher production cost level and increased fixed cost



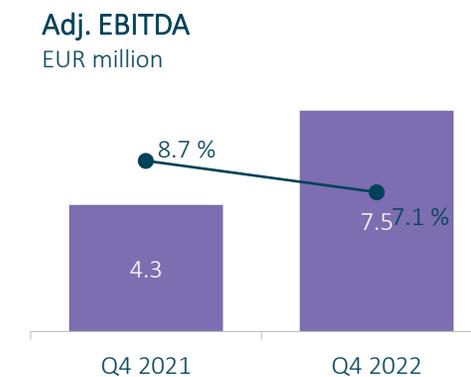
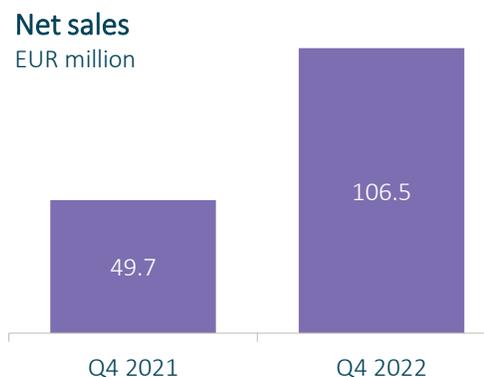


Insulation

Stable demand & higher prices in Benelux, challenging in the Nordics

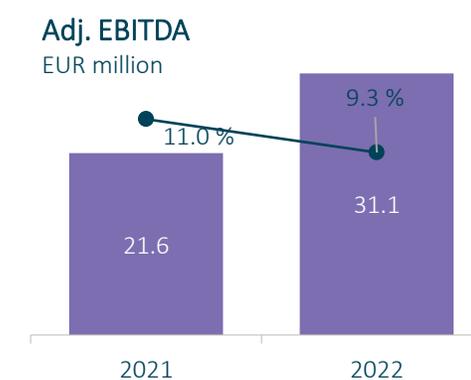
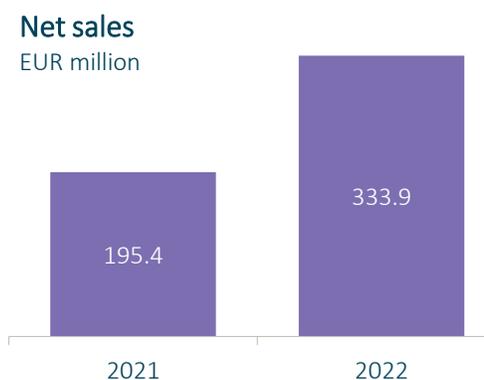
Fourth quarter of 2022

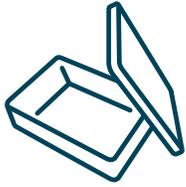
- Net sales of EUR 106.5 million, up 114.1%
 - 4.8% organic growth from higher sales prices
 - Growth from acquired companies include Kemisol, Jablite, BalPol and Jackon
- Adj. EBITDA of EUR 7.5 million (4.3), a margin of 7.1%
 - Organic growth of 71.6%, mainly due to price increases
 - Acquisitions and divestments contributed net EUR 0.0 million, due to negative contribution from Jackon
 - Adj. EBITDA margin of 14.6% excluding impact from acquisitions and divestments, one of the strongest fourth quarters ever



Full year of 2022

- Net sales of EUR 333.9 million, up 70.8%
 - 25.2% organic growth from higher sales prices
- Adj. EBITDA of EUR 31.1 million (21.6), a margin of 9.3%
 - 44.3% increase, of which 29.5% organic



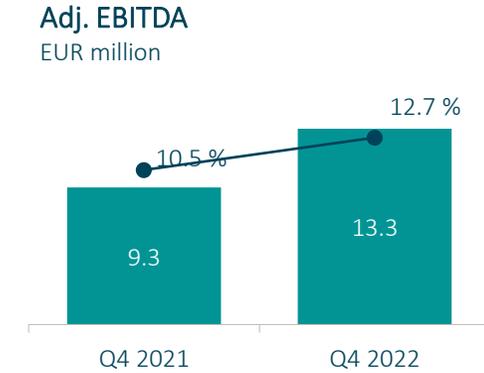
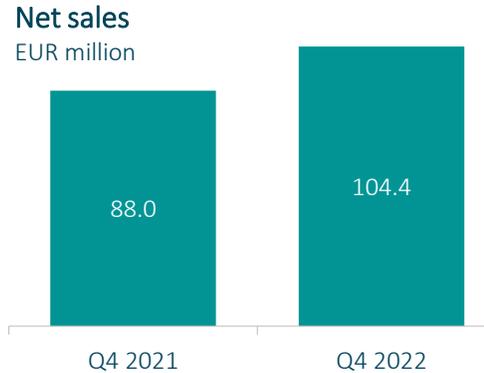


Packaging & Components

Improved EBITDA from increased prices, volumes at Senja and improved volumes to automotive and HVAC

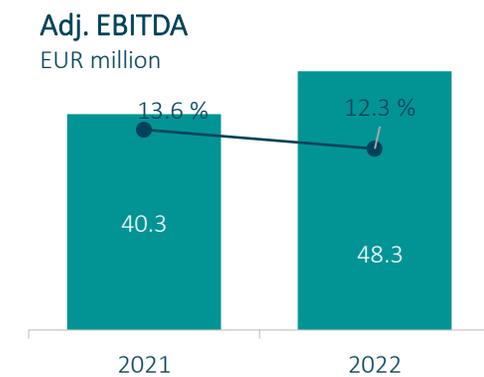
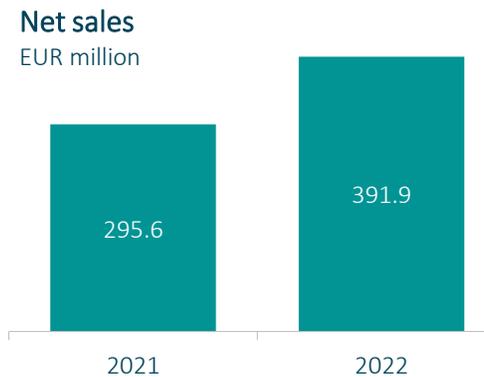
Fourth quarter of 2022

- Net sales of EUR 104.4 million, up 18.7%
 - 0.6% organic growth from higher sales prices, volumes at the new facility at Senja and improved volumes to automotive and HVAC industry
 - Volumes sold to the automotive industry gradually improving
- Adj. EBITDA of EUR 13.3 million (9.3), a margin of 12.7%
 - Increase of 42.9%, of which 22.1% organic coming from price adjustments, and increased contribution from Senja, lower raw material prices and improved profitability from automotive
 - Acquired companies contributed with healthy margins



Full year of 2022

- Net sales of EUR 391.9 million, up 32.6%
 - 11.6% organic growth explained by same factors as for the quarter
- Adj. EBITDA of EUR 48.3 million (40.3), a margin of 12.3%
 - Increase of 20.0%, of which 7.6% organic



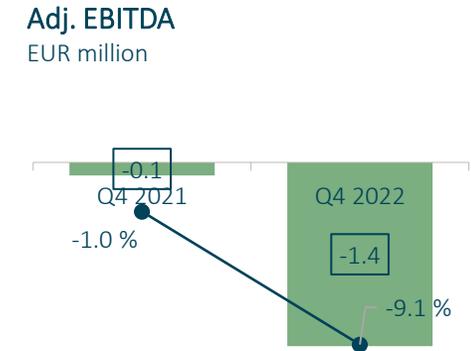
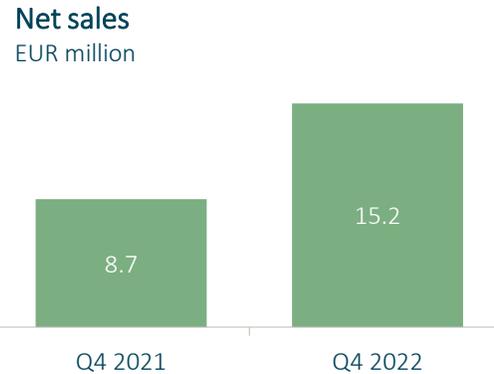


Circular

Improved volumes from acquisitions

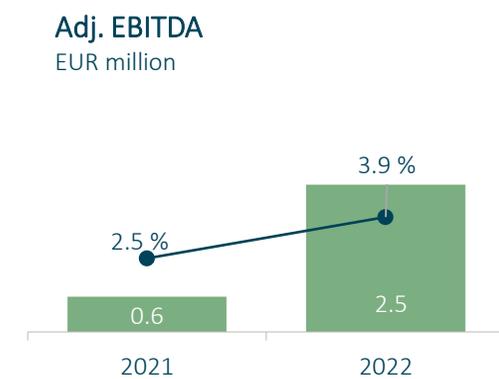
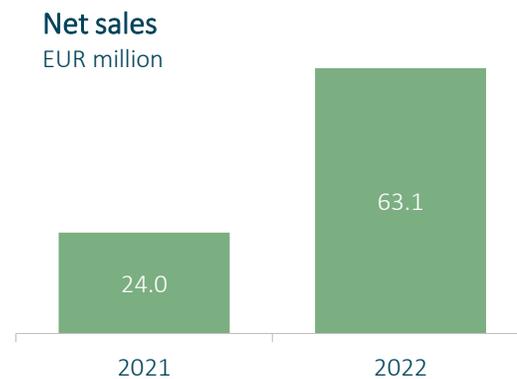
Fourth quarter of 2022

- Net sales of EUR 15.2 million, up 75.4%
 - 47.7% organic growth explained higher volumes and sales of packaging waste recovery notes in the UK
 - Prices for recycled material correlate to prices for virgin material
 - Contribution from acquired company Berga Recycling
- Adj. EBITDA of EUR -1.4 million (-0.1), a margin of -9.1%
 - Negatively affected by decreasing virgin prices
 - Circular's "long" supply chain more sensitive to volatile raw material prices



Full year of 2022

- Net sales of EUR 63.1 million, up 162.7%
 - 46.9% organic growth explained by increased volumes and sales prices
- Adj. EBITDA of EUR 2.5 million (0.6), a margin of 3.9%
 - Improvement from acquisitions, as well as higher volumes and prices
- Collected 29 440 tonnes of EPS for recycling, increase of 49.2%
 - Includes 7 months of volumes from Berga
- Annual recycling capacity of ~29 000 tonnes



Financials



Consolidated P&L

Amounts in EUR million	Q4 2022	Q4 2021	2022	2021
Net Sales	275.7	208.2	1 050.4	748.2
Total operating income	275.7	208.2	1 050.4	748.2
Raw materials and consumables	-105.1	-83.9	-432.4	-304.9
Goods for resale	-32.0	-26.1	-136.1	-92.2
Other external costs	-85.4	-41.9	-229.9	-135.9
Personnel cost	-48.9	-33.6	-149.3	-116.2
Depreciation/ amortisation/ impairment	-14.7	-10.7	-47.2	-37.8
- attributable to operations	-7.3	-6.1	-24.1	-18.8
- attributable to IFRS 16	-3.9	-2.5	-12.0	-9.9
- attributable to fair value adjustments in business combinations	-3.5	-2.1	-11.2	-9.0
Share of income from associated comp.	-0.1	0.7	2.8	5.7
Capital gain from sale of assets	-0.2	1.1	9.7	1.0
Operating income (EBIT)	-10.7	13.8	68.0	67.8
Net financial items	-6.5	-1.5	-25.5	-18.8
Income tax expense	9.5	-3.2	-7.2	-14.6
Profit/ loss for the period	-7.8	9.0	35.4	34.4

Fourth quarter of 2022

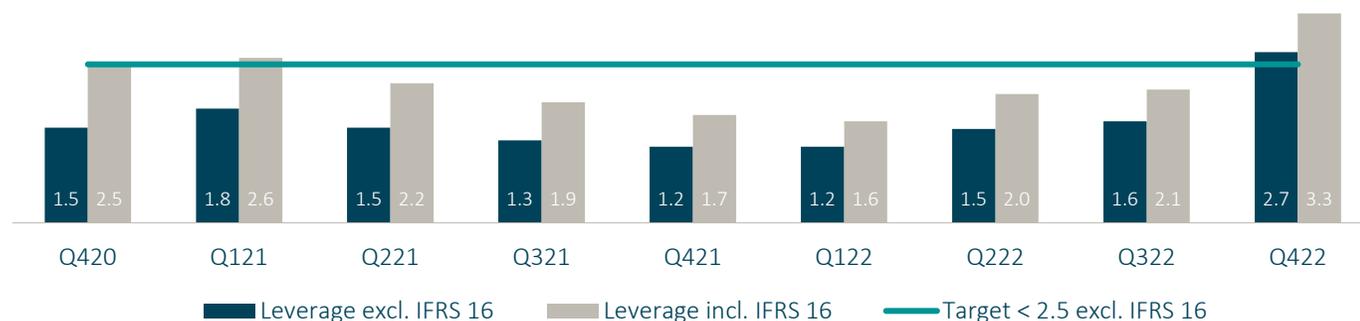
- Net sales of EUR 275.7 million, up by 32.4%
 - Negative 4.2% organic growth from reduced volumes & prices in RAW
 - All other segments had positive organic growth due to good price management
- Increased number of employees (FTE) due to acquisitions
 - 3,293 on 31 December 2022, up from to 2,097 end of 2021
- EBIT of EUR -10.7 million
 - Negatively impacted by the EUR 17.2 million settlement agreement with the European Commission
- Net financial items of negative EUR 6.5 million
 - Increased interest rates and increased interest-bearing debt following acquisitions
 - Fair value valuation of shares impacted negatively EUR 0.2 (+2.4)
- Tax income of EUR 9.5 million
 - EUR 11.5 million net tax income related to sale and leaseback real estate transaction
- Net result for the period of EUR -7.8 million

Financials

Capital structure

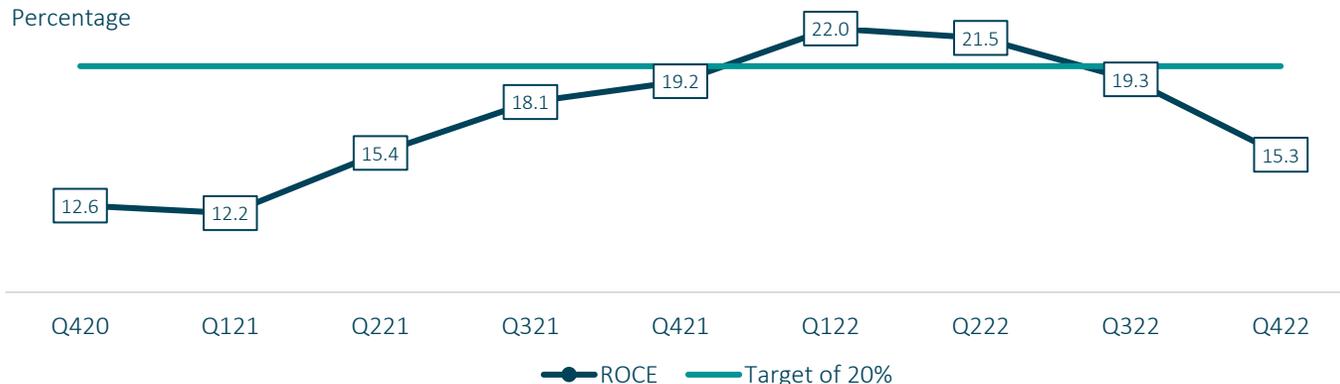
Leverage: Net debt/ EBITDA ratio⁽¹⁾

EUR million



ROCE

Percentage



(1) EBITDA ratio: adjusted EBITDA rolling 12-months pro-forma acquired entities,

(2) ROCE: Rolling 12 months adjusted EBITA as a percentage of average capital employed during the same periode. Capital employed is defined as total equity plus net debt

- Net debt EUR 550.7 million, EUR 382.3 million excl. IFRS 16
- Credit facility of EUR 150 million, of which EUR 84.6 million unutilized on 31 December 2022
- Increased leverage and reduced ROCE following recent acquisitions
- Ongoing process for divestment of real estate portfolio to strengthen financial flexibility

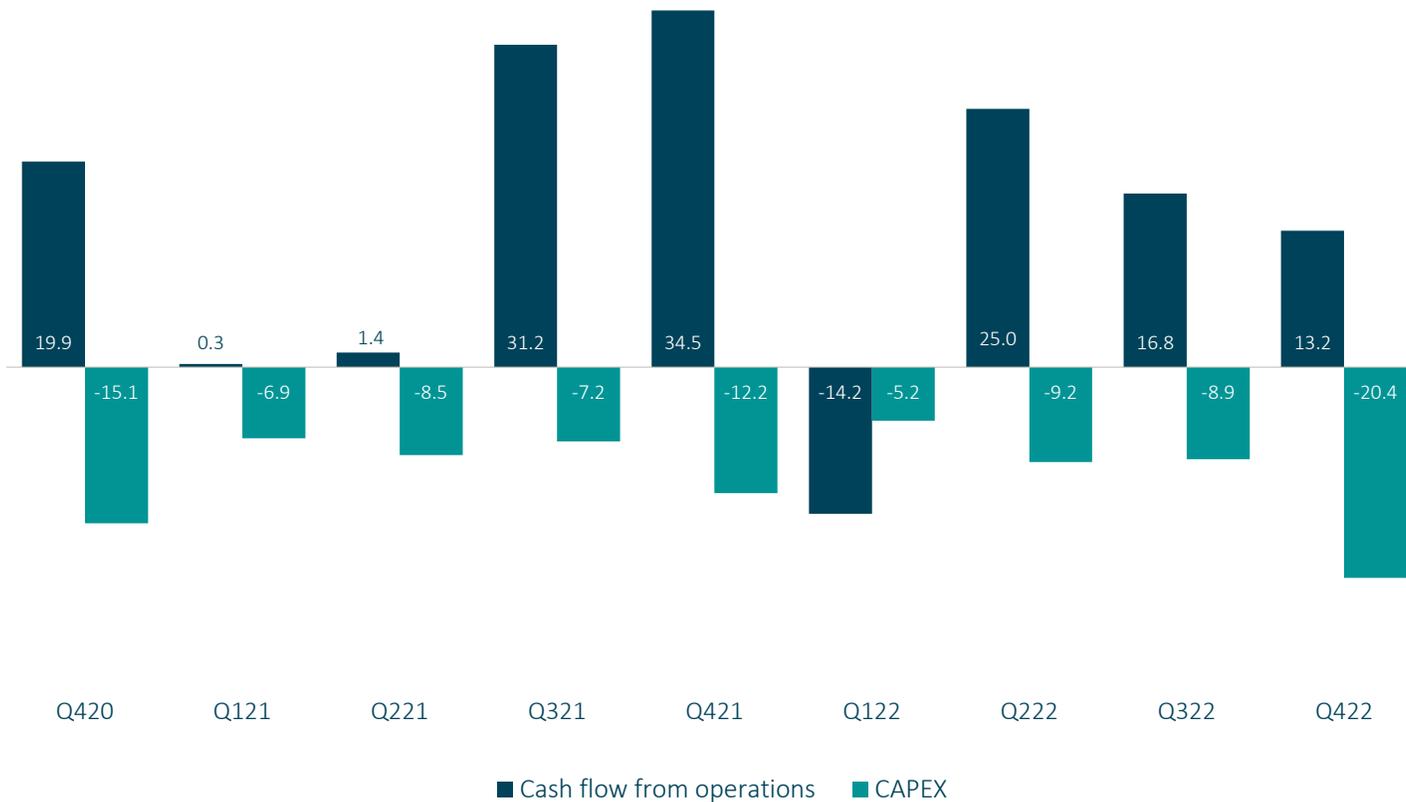
EUR million	31.12.22	30.09.22	31.12.21
Cash and Cash equivalents	47.5	67.2	142.3
Non-current liabilities	336.7	259.0	257.0
Current liabilities	93.1	16.8	5.6
Debt related to IFRS 16	168.4	99.3	76.1
Net debt in total	550.7	307.9	196.4
- <i>excl. IFRS</i>	382.3	<i>208.6</i>	<i>120.3</i>

Financials



Positive cash flow, maintenance CAPEX of 2.6% of sales for 2022

EUR million



Fourth quarter of 2022

- Operating cash flow of EUR 13.2 million (34.5)
 - Decline mainly related to working capital
 - Higher inventory in segment RAW and Circular in combination with timing of styrene payment
- CAPEX of EUR 20.4 million (12.2)
 - EUR 6.5 million to investment programmes (6.3)
 - EUR 4.2 million related to CAPEX in Jackon (0.0)

Larger investment programmes

- Packaging facility Hitra/ Jøsnøya, Norway
- New extruder in Etten-Leur, Netherlands
- Customer initiated machinery investments for components at Skara, Sweden
- New production line for construction boards in Belgium
- ICT/ ERP investments

Fourth quarter and full year of 2022

Summary and outlook

Outlook

Well positioned in challenging markets

- Experience mixed market development
 - Demand from building and construction (B&C) industry expected to be down by 10% in 2023 compared to 2022, with ~60% of business exposed (RAW and Insulation)
 - Packaging expected to remain stable, with continued positive contribution from organic initiatives and M&As
 - Positive development for automotive and other technical components
- Styrene prices have remained stable into Q1 2023
- Key priorities going forward
 - Integrate acquired companies and extract synergies
 - Adjust production capacity and cost to current market conditions
 - Improve profitability for the Nordic Insulation business
- Expect continued growth in EBITDA for 2023



BEWI remains financially and operationally robust

Set to continue growth journey next five years



Adj. EBITDA

Through organic growth and acquisitions by 2026



ROCE¹

Increase towards 20%



NIBD/Adj. EBITDA

Leverage target unchanged going forward



Dividend

Of underlying net profit

BEWI

for a better everyday



Segment split for Jackon Holding



EUR million

Jackon Holding	2021			2022		
	Net sales	EBITDA	EBITDA %	Net sales	EBITDA	EBITDA %
RAW	119.8	19.0	15.9%	125.7	18.0	14.3%
Insulation	257.8	14.5	5.6%	308.1	1.8	0.6%
Packaging	80.3	10.9	13.6%	58.3	5.8	9.9%
Unallocated		-0.9			-1.4	
Elim	-60.0			-69.1		
Total	398.0	43.6	10.9%	423.0	24.2	5.7%

Growth strategy for divisions

Controlling the value chain yields operational and financial synergies

RAW

- **Invest in new extruders** to increase recycled capacity
- Maintain “raw material balance”
- R&D capabilities

Circular

- **Continue consolidation of the EPS/EPP recycling market**
- Focusing on securing waste streams

Insulation

- **Increase the portion of insulation solutions/systems**
- Increased focus on prefabricated elements and solutions
- Continue consolidation, **geographic expansion and broaden product offering to complementary materials and solutions**

Packaging & Components

- Grow within **fibre/ paper packaging** and trading solutions
- Offering complementary materials and products

