

# Results for the fourth quarter of 2021

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24 February 2022

**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.

Fourth quarter and full year 2021 results

# Highlights



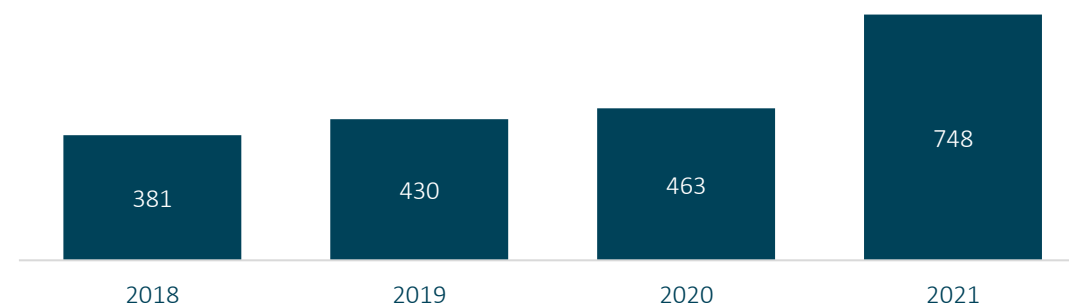
# Delivering strong and profitable growth in 2021



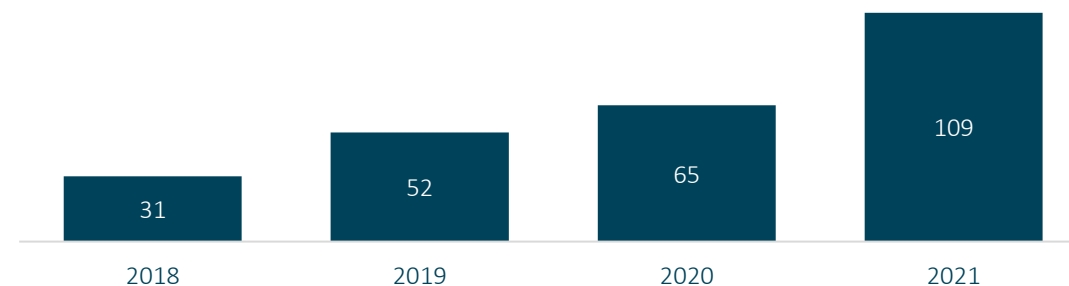
Solid demand across regions and segments, combined with high M&A activity

- Improved volumes and prices in all segments providing record-high earnings and strong cash flow
  - Continued challenging conditions for automotive industry
  - Margins for downstream segments impacted by high raw material prices, and cost inflation
- Continued well-performing operations
- Completed a record-high number of transactions
- Refinanced with new sustainability linked finance framework

EUR million



EUR million



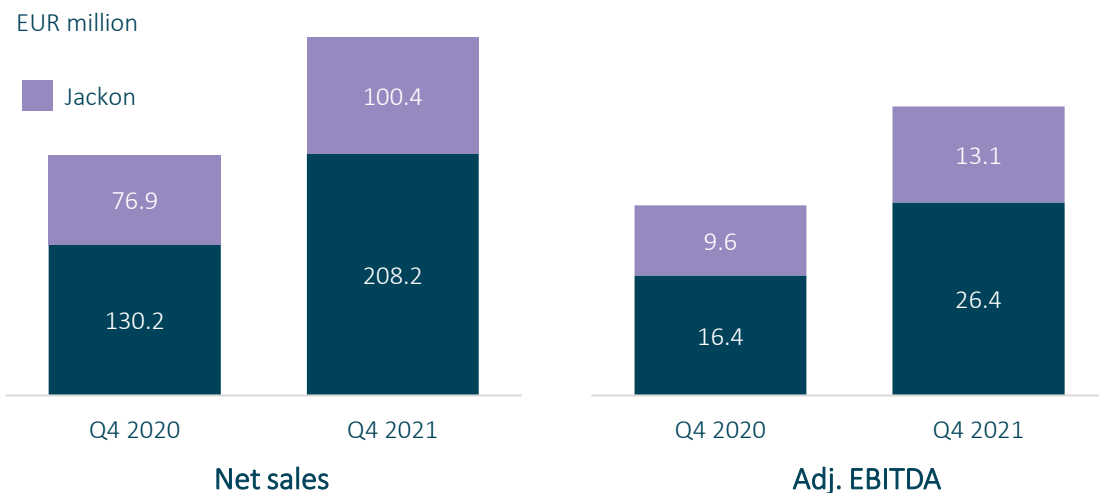
# Financial highlights



## Record-high results driven by solid demand

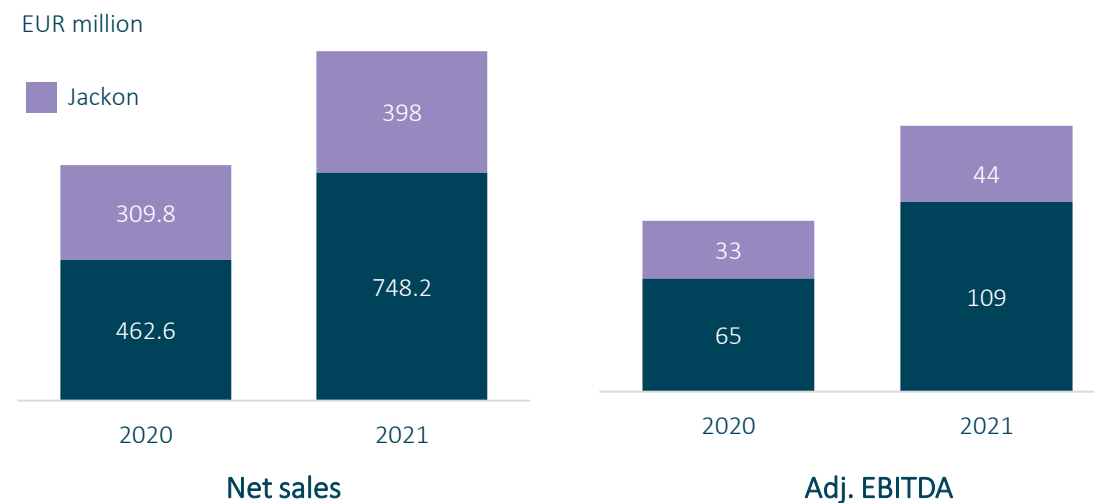
### Fourth quarter 2021

- Net sales up by 60%, to EUR 208.2 million
  - 43% organic growth from increased prices and higher volumes in downstream
- Adj. EBITDA of EUR 26.4 million, 13% margin
  - Continued strong GAP for RAW
  - Positive impact from increased volumes for food packaging in Norway
  - Higher costs for energy and other additives, and challenging automotive market negatively impacted results



### Full year 2021

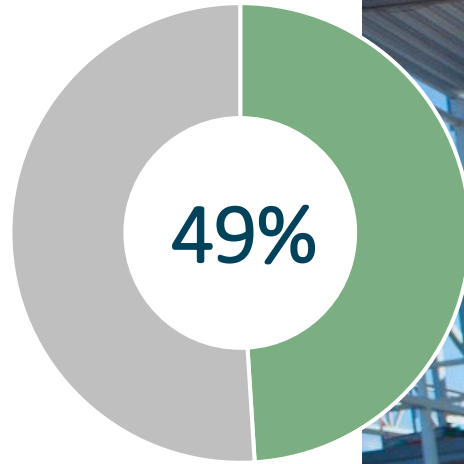
- Sales growth of 62% to EUR 748.2 million
  - 41% organic growth from increased volumes and prices in all segments
- Adj. EBITDA of 109.0 million, corresponding to a margin of 15%
  - Most of the organic increase relates to improved Styrene gross margin (GAP), positively impacting the results of segment RAW





# EU Taxonomy

Identified 49% green revenue



- Screening performed to understand economic activities qualifying as contributing substantially to climate change mitigation in line with EU Taxonomy
- Eligible activities identified
  - Manufacturing of energy efficiency equipment for buildings (Insulation and HVAC products)
  - Collection and transport of non-hazardous waste in source segregated fractions (Circular activities)
- In 2021, 49% of BEWI's revenue was eligible with the EU Taxonomy



# Acquisition of Jackon Holding



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

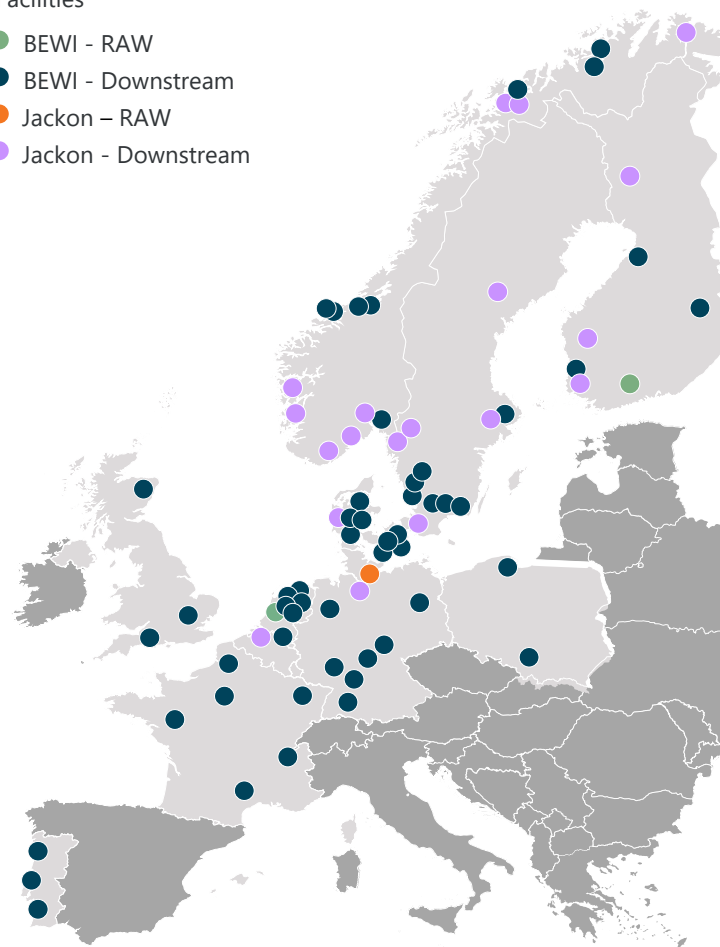
### Transaction summary

- Acceptance of offer from 100% of shareholders in Jackon in October
- 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
  - Shareholders owning 50% of the shares, Akselsen family, through investment company HAAS AS, will receive consideration in 32,070,000 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, subject to a 12-months lock-up
  - Solgaard family will receive consideration in the form of cash
- Completion of the transaction is subject to satisfactory due diligence, 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

### Complementary footprint and portfolio

#### Facilities

- BEWI - RAW
- BEWI - Downstream
- Jackon - RAW
- Jackon - Downstream



	BEWI	JACKON
Materials	<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>
Segments	<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>
Plants	<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>• 21 Downstream</li><li>• 3 Sales offices</li></ul>
Country presence	<ul style="list-style-type: none"><li>• Norway</li><li>• Sweden</li><li>• Denmark</li><li>• Finland</li><li>• The Netherlands</li><li>• Belgium</li><li>• Portugal</li><li>• Poland</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>
Employees	<ul style="list-style-type: none"><li>• ~2,000</li></ul>	<ul style="list-style-type: none"><li>• ~900</li></ul>

# 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, excluding net cash in the company, paid upon closing in November

### Key figures Kemisol Group

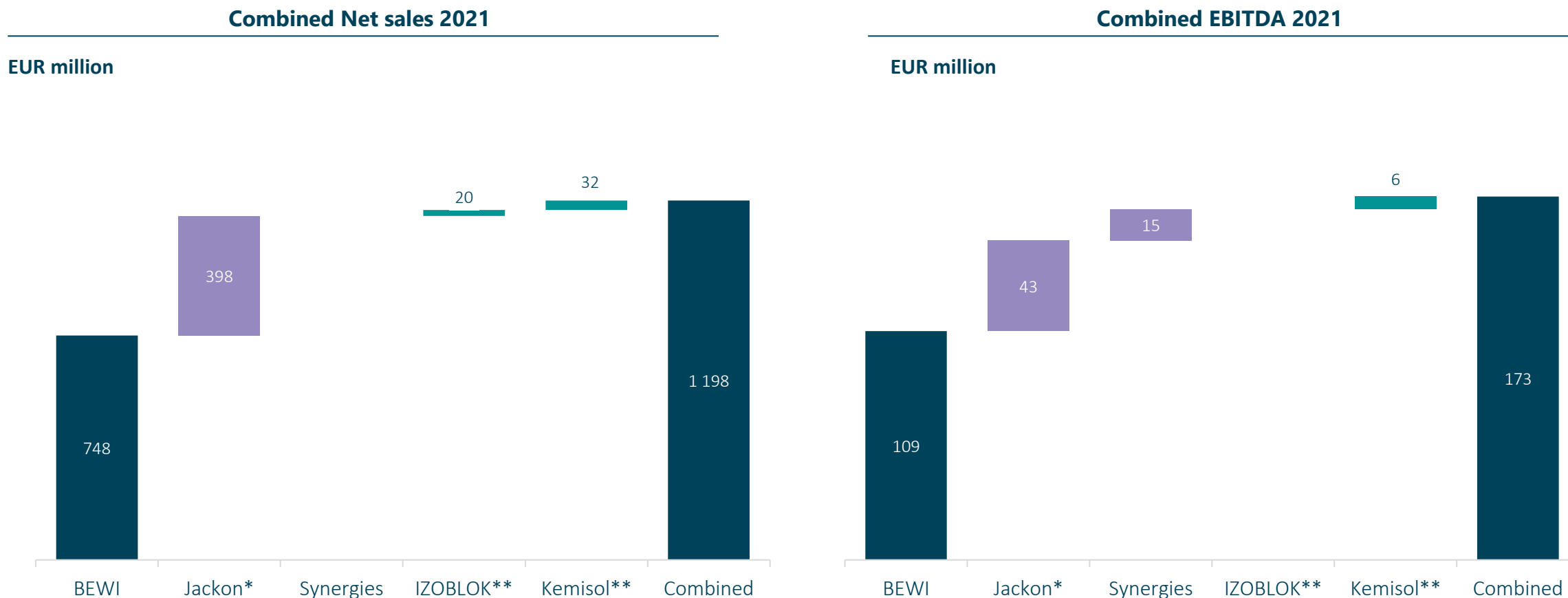
Amounts in EUR million	2021	2020	%-change
Net Sales	33.9	24.7	+37%
EBITDA	6.1	4.5	+36%
EBITDA margin %	18%	18%	

### 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



# Pro-forma key figures for largest transactions in 2021 **BEWI**

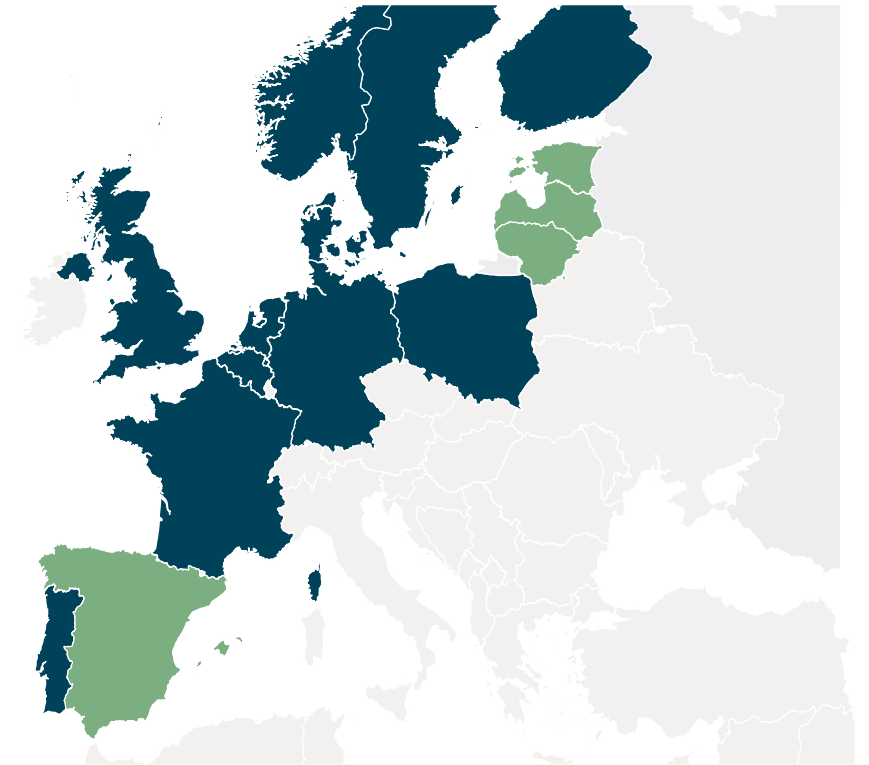


\*Jackson: Norwegian GAAP figures. Converted to EUR using average EURNOK fx rate from Norges Bank;

\*\*Net sales and EBITDA not consolidated into BEWI's accounts for 2021. For IZOBLOK, this includes the period from 1 January to 30 June 2021. For Kemisol, this includes the period 1 January to 30 November 2021. For more details, see note 8 in the financial report for Q4.

# Key acquisitions confirming strategy

Company	Main geographic region	Key offering	Strategic rationale
Honeycomb/BEWI Cellpack	Denmark/Scandinavia	Protective packaging	Broadening product offering
IZOBLOK	Europe	EPP components	Strengthening position within Automotive industry
Jackon Holding	Europe	Packaging and Insulation	Strengthening market positions
Volker Gruppe	UK	Recycled material	Strengthening circular activities
Kemisol	Belgium/Benelux	Insulation solutions	Strengthening market position/geographic expansion



Continued strong pipeline of attractive M&A opportunities

# Expanding geographic footprint into Baltics region



## Platform for further growth and circular activities



- Announced intention to acquire 100% of Baltic insulation company
  - Geographic expansion providing foundation for further growth
  - Platform for circular activities
- Company operating facilities for manufacturing of insulation solutions
- Recorded profitable growth recent years, with net sales of EUR 25 to 30 million and EBITDA margins of 10 to 15%
- Consideration in line with historical M&As, EV/ EBITDA multiple of 5 to 7
  - 50% settled in cash, 50% through issuance of consideration shares in BEWI
- Acquisition conditional upon signed sale and purchase agreement, and customary conditions
- Closing expected in the second quarter of 2022

Expecting continued growth in insulation demand for insulation solutions driven by favourable regulations requiring improved energy efficiency

Fourth quarter of 2021

# Financials

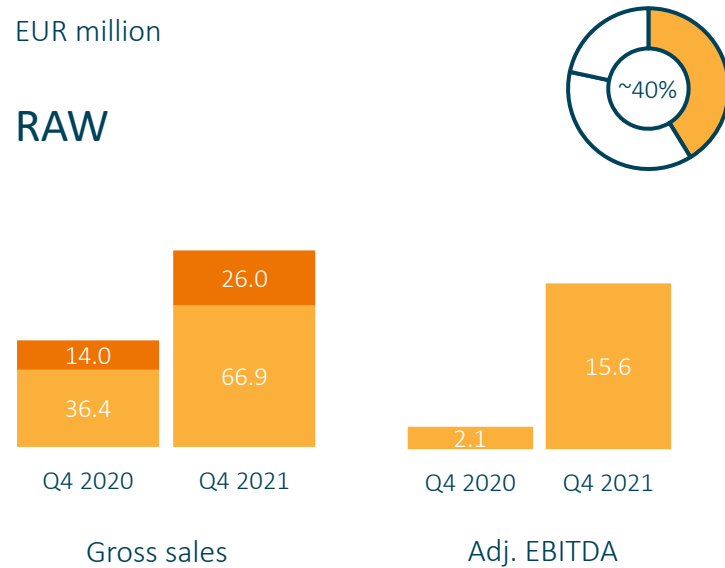


# Financial overview

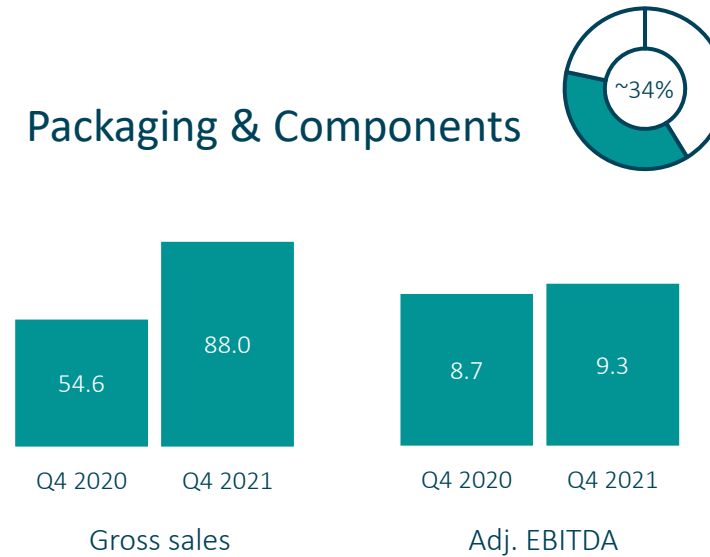
**BEWI**

EUR million

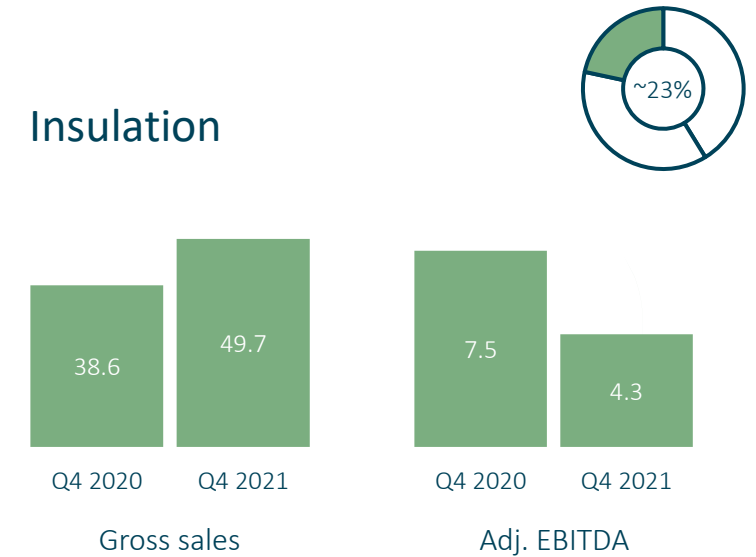
## RAW



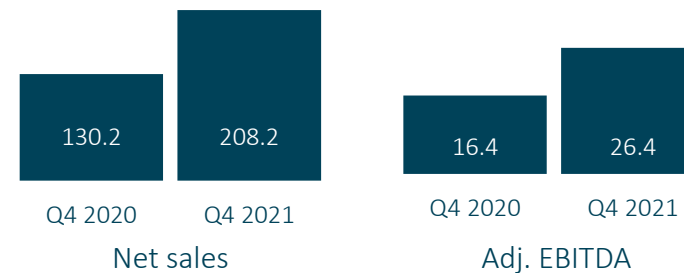
## Packaging & Components



## Insulation



## BEWI ASA





# RAW

# BEWI

## Strong results following continued solid demand

### Fourth quarter 2021

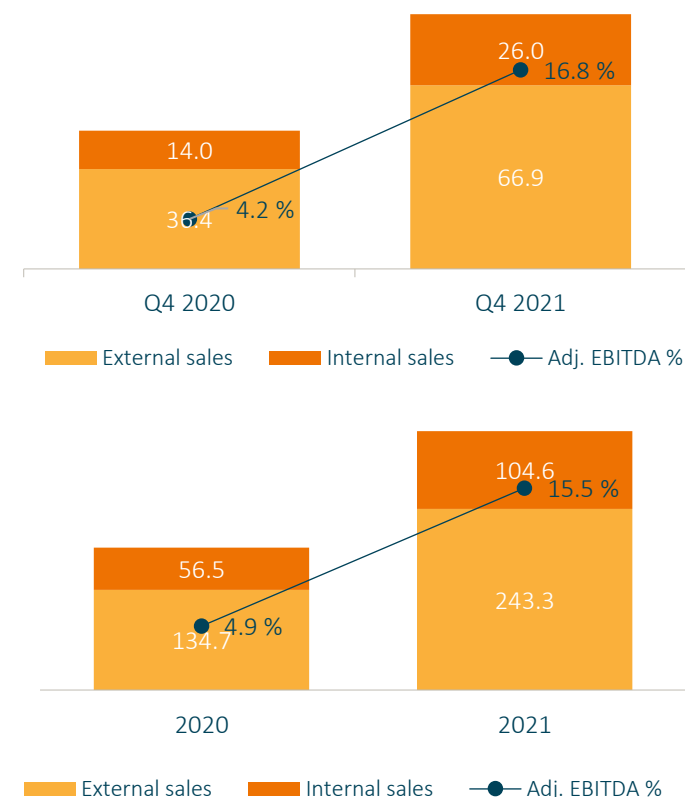
- Net sales of EUR 92.9 million, up 84%
  - Increase explained by sales prices
  - Slightly lower volumes due to scheduled maintenance
- Adj. EBITDA increase to EUR 15.6 million (2.1), a margin of 16.8%
  - Improvement from strengthened GAP due to strong demand
  - Compared to the previous quarter, EBITDA is lower due to higher energy prices and increased costs for additives and maintenance

### Full year 2021

- Net sales of EUR 347.9 million, up by 82%
  - Increase explained mainly by higher sales prices, but also improved volumes
- Adj. EBITDA of EUR 54.1 million (9.4), a margin of 15.5%
  - Improvement mainly from strengthened GAP, but also volume increase

### Net sales and Adj. EBITDA margin

EUR million





# Packaging & Components

**BEWI**

Organic growth mainly from strong volume increase in Norway

## Fourth quarter 2021

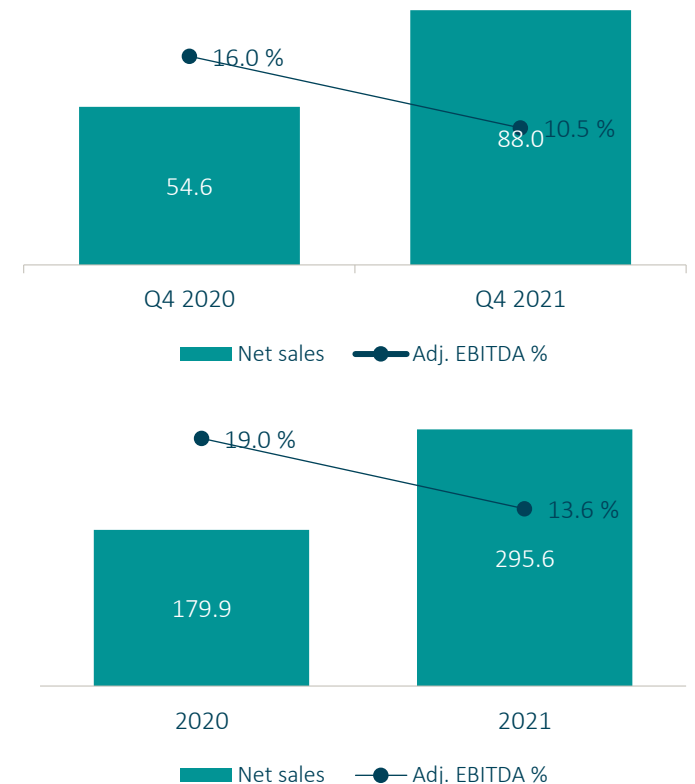
- Net sales of EUR 88.0 million, up 61%
  - 35% organic growth, mainly explained by strong volume growth in Norway, as well as increased volumes from HVAC
  - Sales prices adjusted upwards following increase in raw material price
- Adj. EBITDA of EUR 9.3 million (8.7), a margin of 10.5%
  - Organic growth negative 3.6% due to high raw material prices putting pressure on margins, combined with increasing energy prices
  - Margins also negatively impacted by challenges in automotive industry, explained by the shortage of electronic components

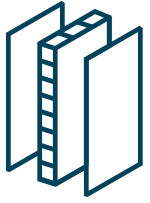
## Full year 2021

- Net sales of EUR 295.6 million, up by 64%
  - ~27% organic growth from higher volumes and increased sales prices in all regions
- Adj. EBITDA at EUR 40.3 million (34.1), a margin of 13.6%
  - EBITDA decrease of 0.7% excl. acquisition, explained by same reasons as for the quarter, in addition to change of product mix, including increased trading products from BDH Holding

## Net sales and Adj. EBITDA margin

EUR million





# Insulation



Strong demand resulting in improved volumes in all regions

## Fourth quarter 2021

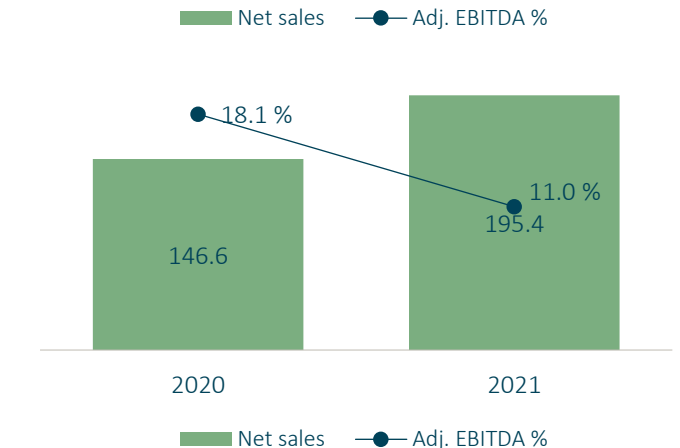
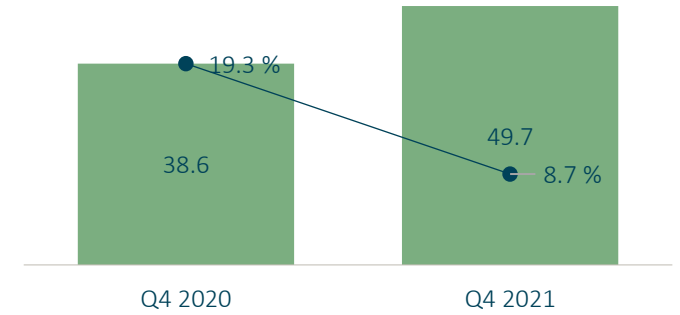
- Net sales of EUR 49.7 million, up by 29%
  - Organic growth of 25% from volume increase in Benelux, and increased sales prices
- Adj. EBITDA of EUR 4.3 million (7.5), a margin of 8.7%
  - Excl. acquisitions, EBITDA decreased 43%, explained by historically high raw material prices putting pressure on margins, in particular in Scandinavia, where markets are more commoditised
  - EBITDA negatively impacted by challenges related to new production line in Norrköping, Sweden

## Full year 2021

- Net sales of EUR 195.4 million, a 33% increase
  - Organic growth of 20% driven by higher sales prices and improved volumes in all regions, except Sweden
- Adj. EBITDA of EUR 21.6 million (26.5), a margin of 11.0%
  - Development for the same reasons as for the quarter

## Net sales and Adj. EBITDA margin

EUR million







# Circular

**BEWI**

Strong demand resulting in improved volumes in all regions

## Fourth quarter 2021

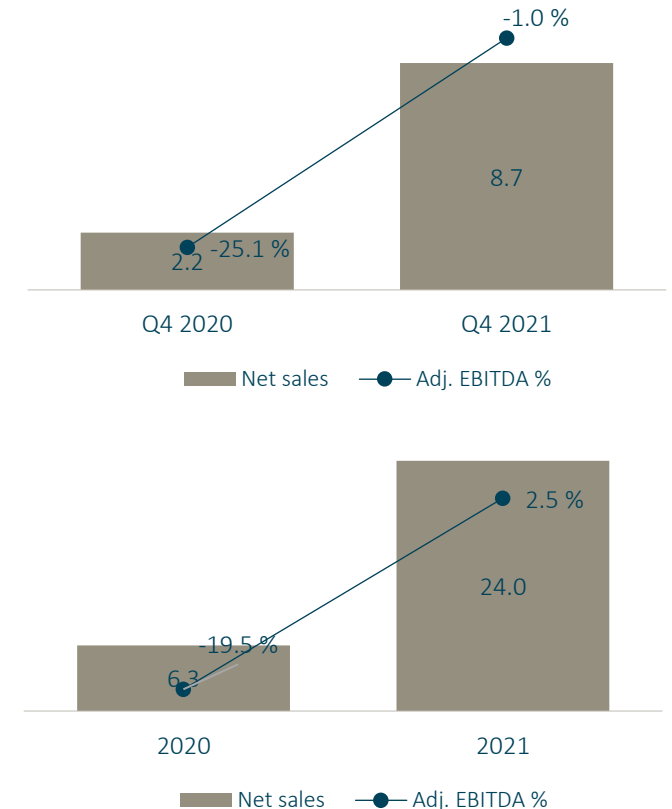
- Net sales of EUR 8.7 million, up by 289%
  - Increase explained by higher volumes and increased sales prices following significant increase in the virgin raw material prices
- Adj. EBITDA of EUR -0.1 million (-0.6%)
  - Improved EBITDA mainly driven by higher volumes and increased prices as mentioned above
  - Limited feedstock puts pressure on margins

## Full year 2021

- Net sales of EUR 24.0 million, increase of 280%
  - Increase explained by same reasons as for the quarter
- Adj. EBITDA of EUR 0.6 million (-1.2%)
  - 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 31 December 2021	13.7

### Key financials for 2021

Net sales	245.4
EBITDA	26.3
- of which owned share of EBITDA	9.2
EBIT	20.0
Net profit	13.6
Consolidated into BEWI's EBITDA, share of net profit	4.7

BEWI's share of EBITDA minus impact on consolidated EBITDA	4.5
Net debt	36.0
- of which owned share net debt	13.4

- 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	Q4 2021	Q4 2020	2021	2020
Net Sales	208.2	130.2	748.2	462.6
<b>Total operating income</b>	<b>208.2</b>	<b>130.2</b>	<b>748.2</b>	<b>462.6</b>
Raw materials and consumables	-83.9	-46.3	-304.9	-181.1
Goods for resale	-26.1	-16.4	-92.2	-35.3
Other external costs	-41.9	-27.2	-135.9	-99.4
Personnel cost	-33.6	-25.8	-116.2	-88.1
Depreciation/ amortisation/ impairment	-10.7	-8.9	-37.8	-30.4
- attributable to operations	-6.1	-4.6	-18.8	-15.0
- attributable to IFRS 16	-2.5	-2.2	-9.9	-7.3
- attributable to fair value adjustments in business combinations	-2.1	-2.1	-9.0	-8.1
Share of income from associated comp.	0.7	0.4	5.7	4.9
Capital gain from sale of assets	1.1	4.6	1.0	6.3
<b>Operating income (EBIT)</b>	<b>13.8</b>	<b>10.6</b>	<b>67.8</b>	<b>39.5</b>
Net financial items	-1.5	0.5	-18.8	-7.2
Income tax expense	-3.2	2.4	-14.6	-2.3
<b>Profit for the period</b>	<b>9.0</b>	<b>13.5</b>	<b>34.4</b>	<b>30.0</b>

### Fourth quarter of 2021

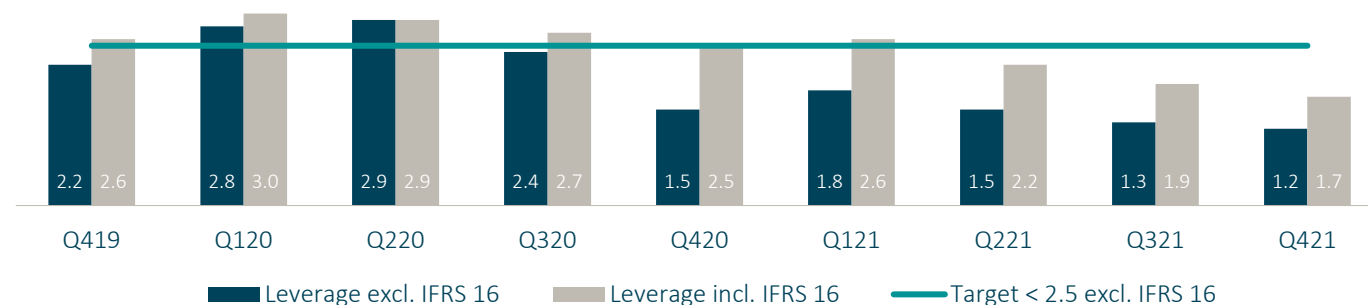
- Net sales up by 60%
  - 43% organic growth from higher prices, and increased volumes from downstream, mainly Insulation in the Netherlands and food packaging in Norway
- Increased operating costs
  - Raw materials as percentage of sales increased due to higher cost of raw material and other additives
- Continued increase in FTE due to acquisitions
  - 2,097 end of 2021, up from 2,003 end of September and from 1,438 end of last year
- EBIT excluding sale of assets up by 110%
- Net financial items EUR -1.5 million
  - Positive impact from fair value revaluation of shares of EUR 2.2 million
- Effective tax rate 23%
- Profit for the period of EUR 9.0 million

# Financials

## Capital structure

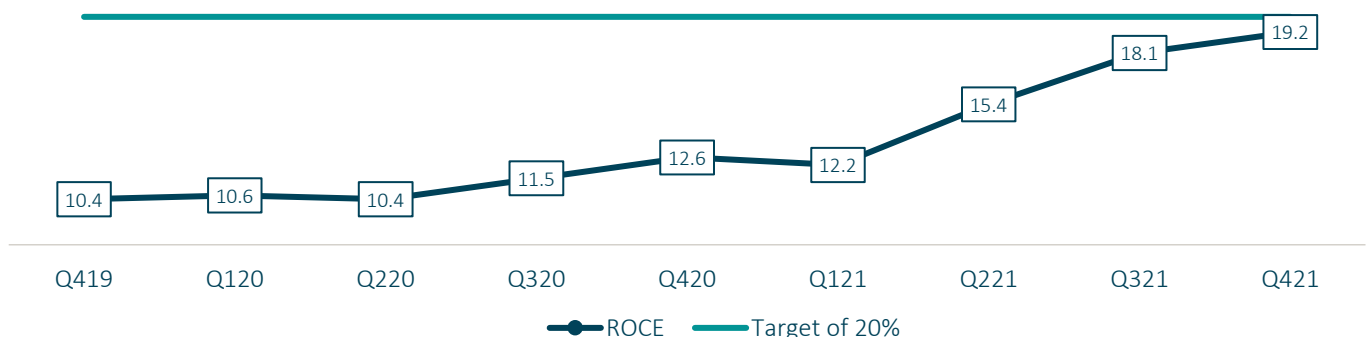
### Leverage: Net debt/ EBITDA ratio<sup>(1)</sup>

EUR million



### ROCE

Percentage



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

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

- Net debt EUR 196 million/EUR 120 million
- Unutilized credit facility of EUR 80 million
- Significantly improved leverage and ROCE
- New 5y sustainability bond framework of EUR 250 million established to pursue attractive opportunities
  - Issuance of EUR 160 million bonds in September
  - Tap of EUR 90 million in November

EUR million	31.12.21	30.09.21	31.12.20
Cash and Cash equivalents	142.3	61.0	51.4
Non-current liabilities	257.0	167.9	140.7
Current liabilities	5.6	4.3	2.4
Debt related to IFRS 16	76.1	77.0	78.4
<b>Net debt in total</b>	<b>196.4</b>	<b>188.2</b>	<b>170.2</b>
<b>- excl. IFRS</b>	<b>120.3</b>	<b>111.2</b>	<b>91.8</b>

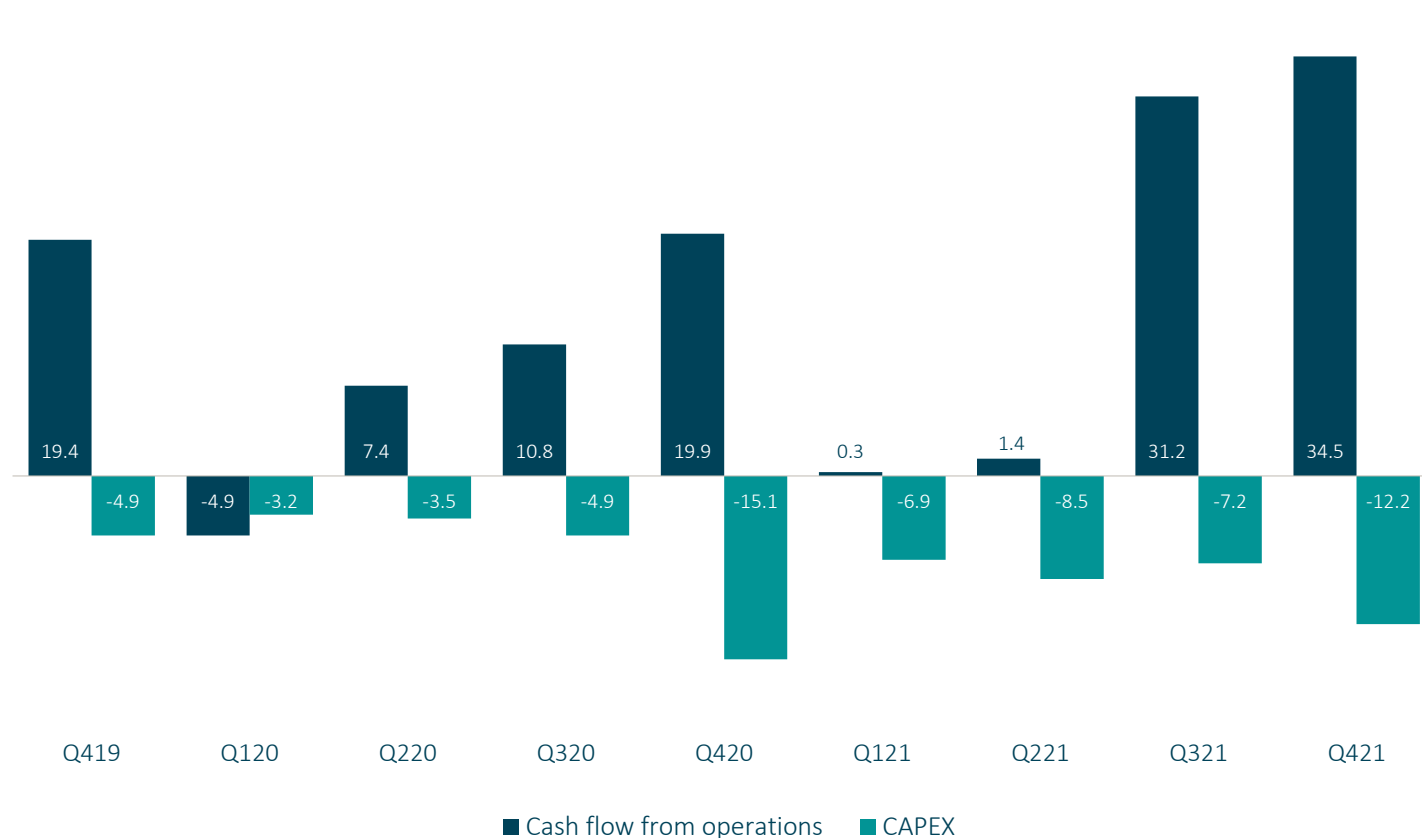


# Financials



Strong Cash flow, maintenance CAPEX slightly below 2.5% of sales

EUR million



## Fourth quarter 2021

- Operating cash flow of EUR 34.5 million (19.9)
- CAPEX of EUR 12.2 million (15.1)
- EUR 6.3 million related to investment programmes
- EUR 5.9 million related to maintenance CAPEX

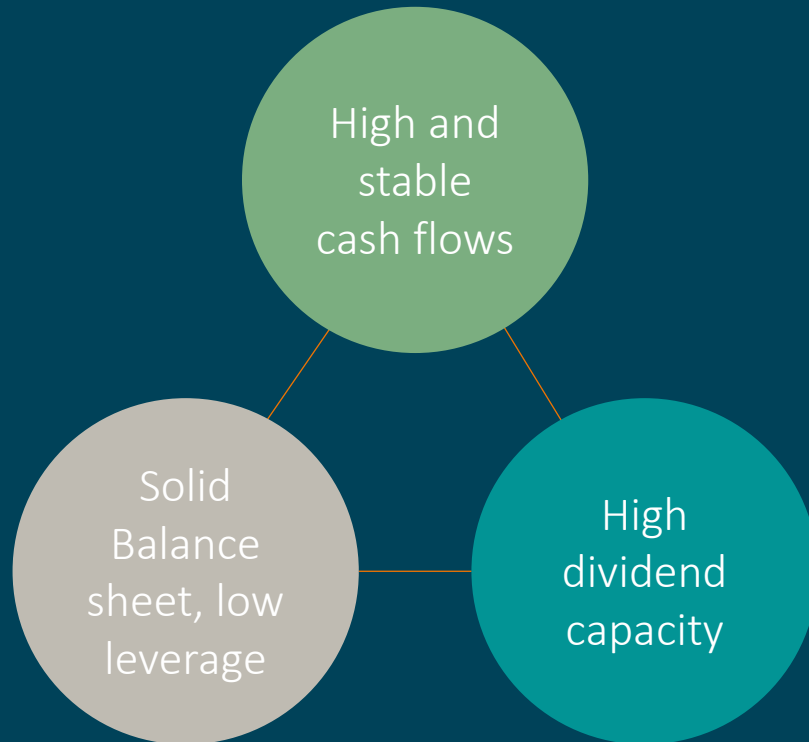
## Full Year

- Operating cash flow of EUR 67.4 million (33.2)
- CAPEX of EUR 34.7 million (26.6)
- EUR 17.0 million related to investment programs
- EUR 17.7 million related to maintenance CAPEX

## Ongoing investment programmes

- New packaging facility on Senja, Norway
- New extruder in Etten-Leur, Netherlands
- Insulation facility at Norrköping, Sweden
- ICT/ ERP investments

# Remaining in position to pay attractive dividends



Maintaining dividend capacity while executing on organic growth opportunities and pursuing M&A opportunities

Board of directors propose dividend distribution of NOK 1.10 per share, representing 50% of net profit

In line with target of a dividend payout ratio of 30-50% of underlying net profit

Fourth quarter of 2021

# Summary and outlook

# Outlook

Experiencing stable or strong demand in key markets, and continued high GAP

- Experience stable or strong demand in key markets
- Challenging market conditions in some end-markets, mainly due to shortage of components and cost inflation
- EPS prices expected to remain at high levels, implying continued strong GAP
- Completion of Jackon transaction expected in the first half of 2022
- Continued strong pipeline of attractive M&A opportunities





# Set to continue growth journey next five years



**Adj. EBITDA**

Through organic growth  
and acquisitions by 2026



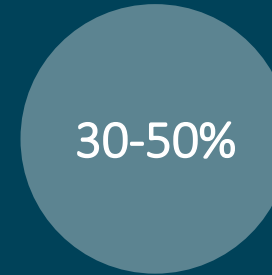
**ROCE<sup>1</sup>**

Increase towards 20%



**NIBD/Adj. EBITDA**

Leverage target  
unchanged going forward



**Dividend**

Of underlying net profit

# BEWI

*for a better everyday*

Next events

Annual report 2021

27 April 2022

First quarter 2022

20 May 2022





## Supporting slides

# Acquisition of Jackon Holding

BEWI

Two companies complementing each other well

## 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

## 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

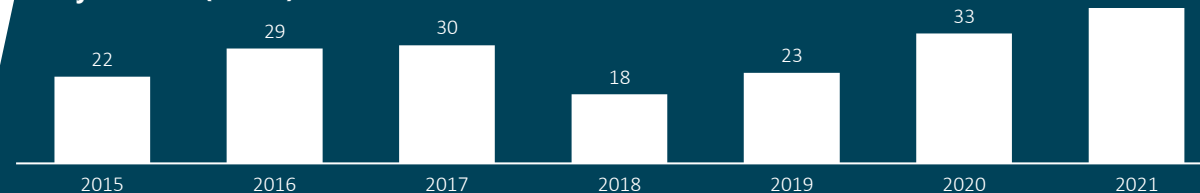
Leading provider of insulation and building systems to the construction industry, special products and packaging from XPS and EPS

22 facilities and 7 sales locations in 8 European countries

Family-owned, established in 1956



## Adj. EBITDA (EURm)<sup>1)</sup>



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



# 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 in September
  - Issued subsequent bonds of EUR 90 million in November
  - Listed on Nasdaq Stockholm
- The Sustainable Finance Framework is reviewed by Sustainalytics, confirming alignment with best market practice

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

