Results for the second quarter of 2023

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BEWI

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Second quarter of 2023

Highlights

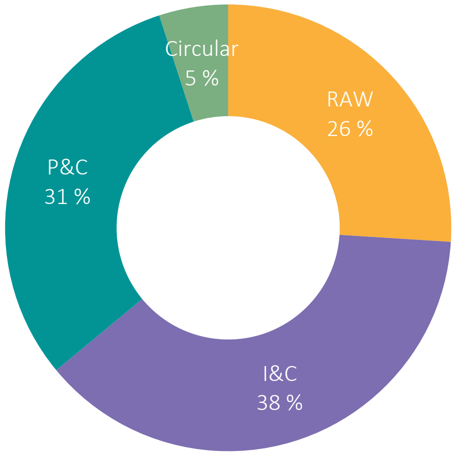
Q2 2023: Solid results in challenging markets

Activity in building & construction (B&C) industry continues to decline, impacting volumes

- **Challenging B&C markets with low visibility**
  - Activity in B&C continues to decline, impacting volumes for RAW and I&C
  - Stable demand for food packaging, increasing volumes of HVAC and automotive components
  - Cautious customers, volatile prices
- **Solid results given market conditions**
  - Increased EBITDA margins for both downstream segments since Q1
  - Significantly improved results for the Nordic insulation business

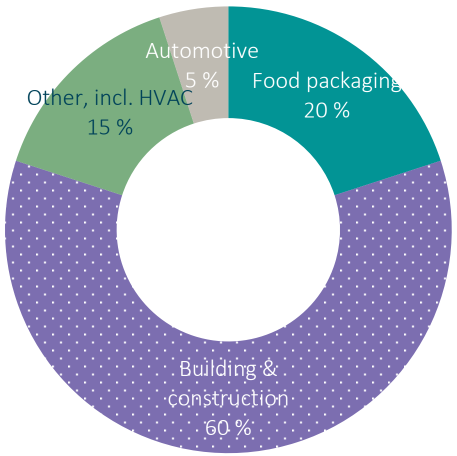
Diversification remains a key competitive advantage

Diversified across segments[1)]



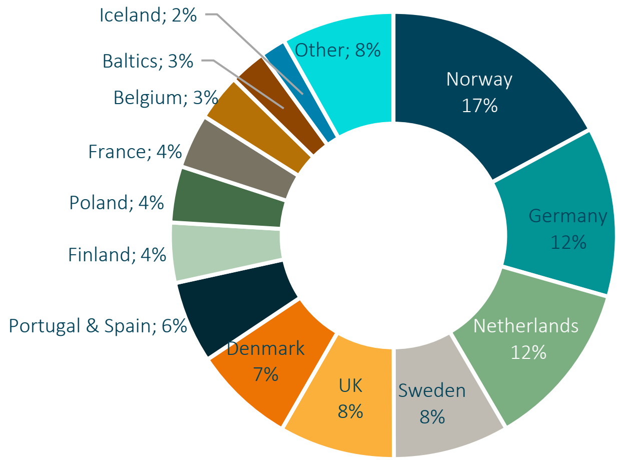
- I&C increasing share of net sales due to recent acquisitions, despite reduced volumes
- EBITDA margin shift from RAW to downstream units due to lower raw material prices and profitability improvements from capacity- and cost reductions

Diversified across end-markets[2)]



- Building and construction industry is the main market for RAW and I&C
- Seafood industry is the largest end market for P&C, in addition to automotive and HVAC components

Diversified across countries[3)]



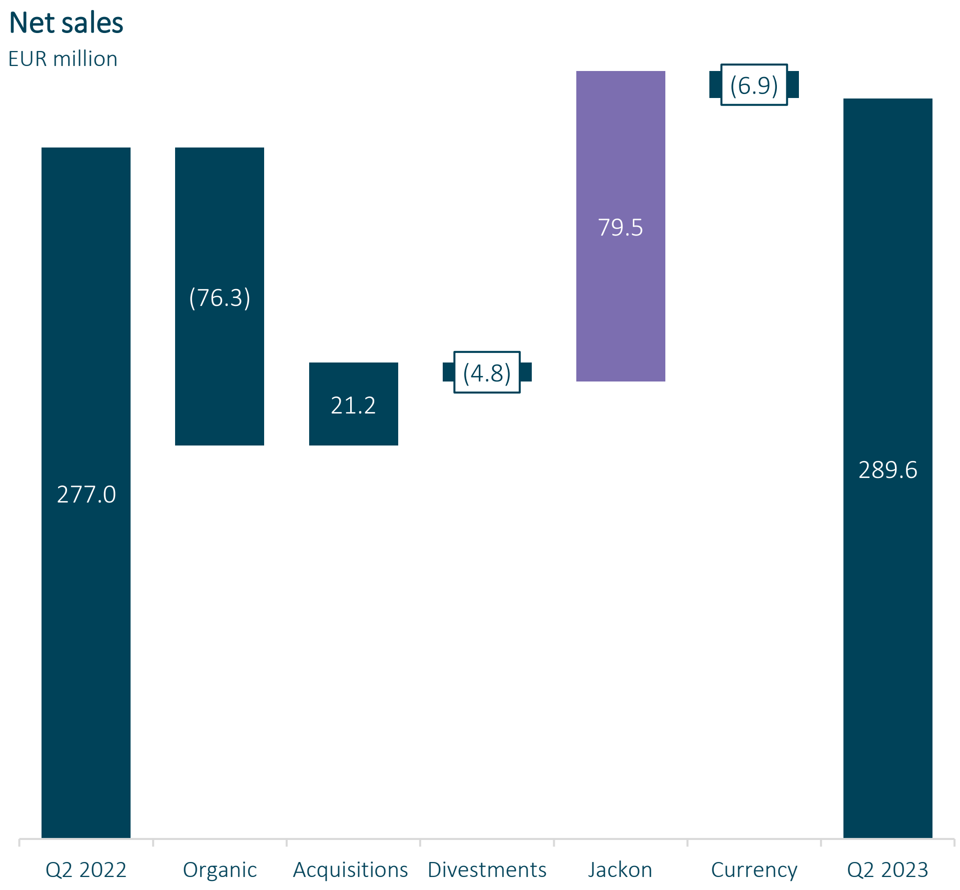
- Norway, Germany, and the Netherlands are the group's largest markets
- EPS fish boxes and traded products for seafood are the most important products solid in Norway
- Netherlands and Germany are mostly exposed to B&C
- UK has grown to be a significant market the last year

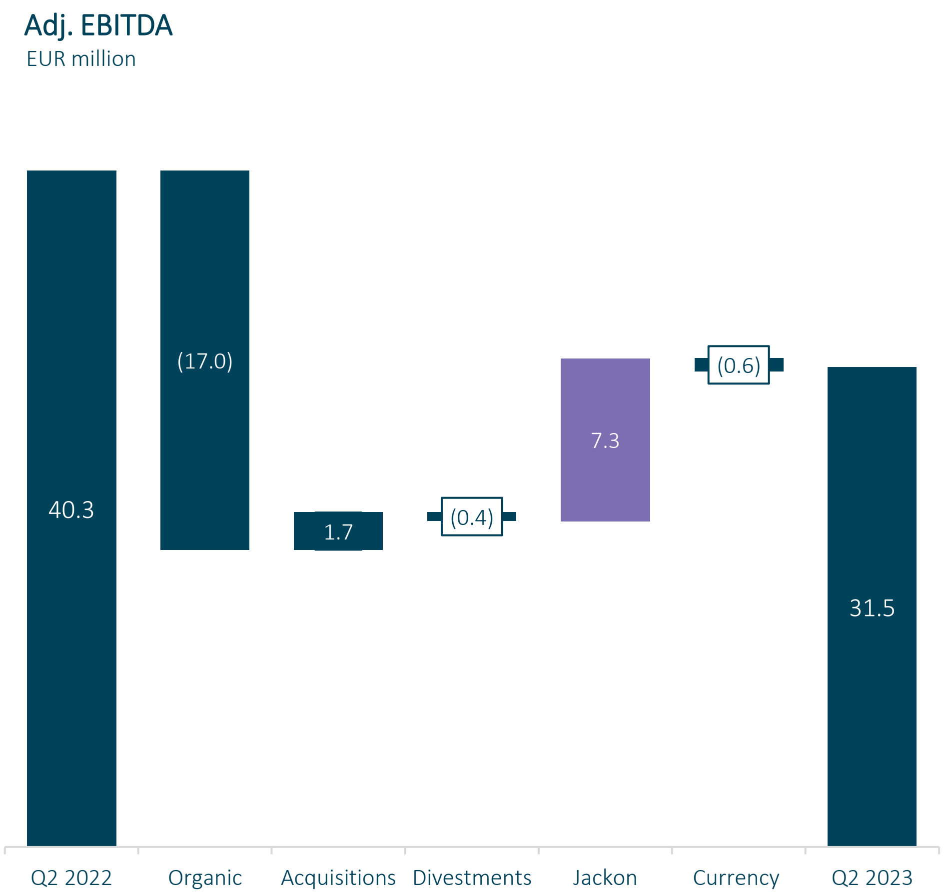
Note: 1) Based on total net sales for segments for Q2 2023, 2) Based on management estimates, 3) Based on sales to external customers for Q2 2023

Financial overview second quarter of 2023

EBITDA margin improvement from Q1 for downstream, despite challenging markets

Q2 2023

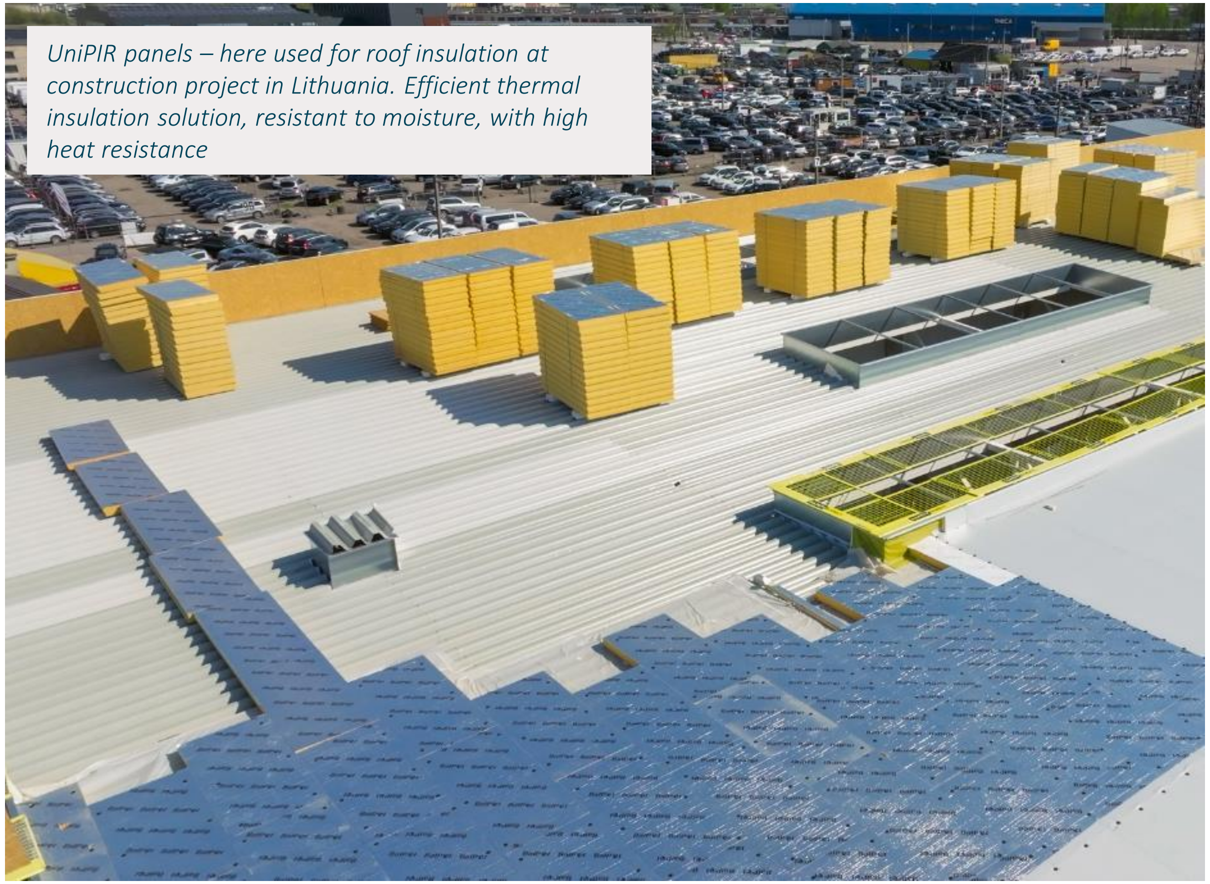




Successful integration of acquired companies

On track to realise synergies of EUR ~30 million from Jackon transaction by 2024

- Integration of Jackon progressing well
  - Established improved organisational structure
  - Key priorities for divisional management:
    Operational excellence, production optimisation and cross-selling
  - Realised synergies of EUR ~15 million by Q2
    - in line with previous communication
  - Procurement, logistics and optimisation of production footprint accounts for ~80% of extracted synergies, split ~70/30 between RAW and I&C
- Successful capacity and cost adjustments
  - Significantly improved profitability for the Nordic insulation business
  - Further measures will be implemented in other regions
- Completed integration of Jablite and Jackon to BEWI UK
  - Significantly improved margins



UniPIR panels – here used for roof insulation at construction project in Lithuania. Efficient thermal insulation solution, resistant to moisture, with high heat resistance

Organic growth initiatives

Selected key investment projects

RAW

- New twin screw extrusion line in Etten-Leur increasing capacity by ~30 to 50kt
  - Increase capacity of recycled grades and grey products
  - Enable more use of recycled content in own production
- Wismar facility received permit to produce up to 100kt, increasing allowed production capacity from 65kt
- Mass balance certification of RAW facilities, enabling allocation of recycled material into certain grades, offering customers reduced CO_2 footprint

Insulation & Construction

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

Packaging & Components

- Packaging facility at Jøsnøya progressing towards completion, expect start-up in Q4 2023
- Expanding capacity of paper packaging, to meet increased demand
- Expanding capacity of components to HVAC systems at several locations, to meet increased demand from multi-national customers

Delivering on key priorities for long-term growth

Securing a robust platform for sustainable profitable growth

1. Adjusting capacity – and costs to market conditions
   -> improving profitability
   -> positioning for long-term growth

2. Integrating acquired companies
   -> extracting/ realising synergies
   -> improving profitability

3. Progressing growth initiatives
   -> positioning for organic growth

4. Increasing collection and consumption of recycled material
   -> becoming circular
   -> reducing CO2 impact

5. Divesting real estate
   -> Strengthening financial position

Second quarter of 2023

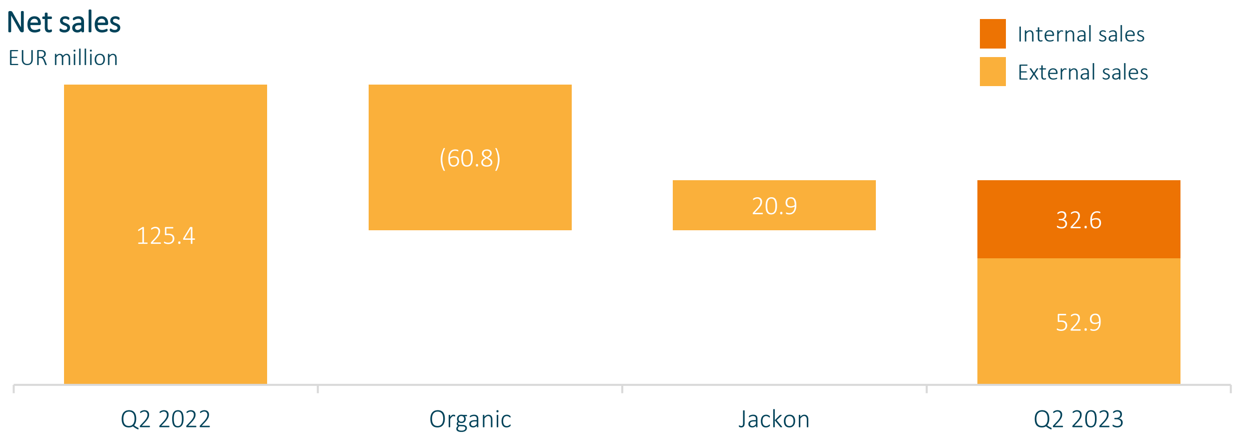
Financials

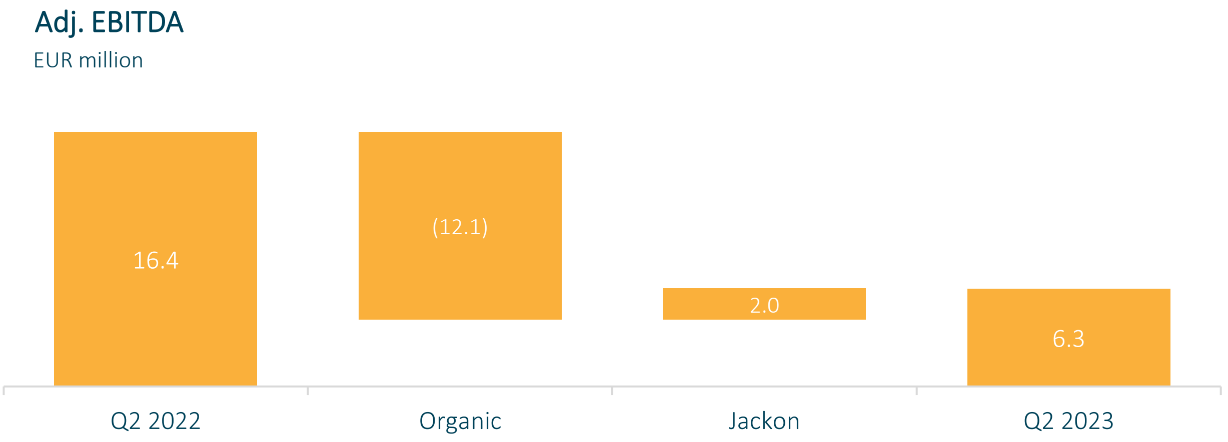
RAW

Solid, but lower GAP. Volumes impacted by reduced demand from B&C

Second quarter of 2023

- Net sales of EUR 85.5 million, down 32%
  - Acquisition of Jackon contributed with EUR 20.9 million
  - Reduced demand from B&C resulted in lower volumes
  - EPS raw material prices decreased by ~35% since Q2 2022 and ~10% since Q1 2023
- Adj. EBITDA of EUR 6.3 million (16.4), 7.4% margin
  - Acquisition of Jackon contributed with EUR 2.0 million
  - Solid GAP maintained but lower than Q2 last year
  - Reduced EBITDA and EBITDA margin as a result of lower GAP, lower volumes and higher fixed cost





Insulation & Construction

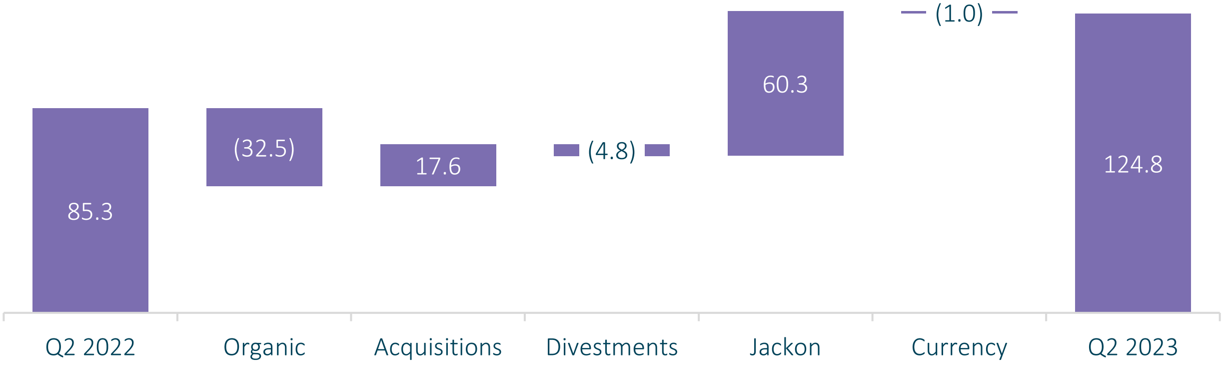
Solid results and margin improvement from Q1 in challenging markets

Second quarter of 2023

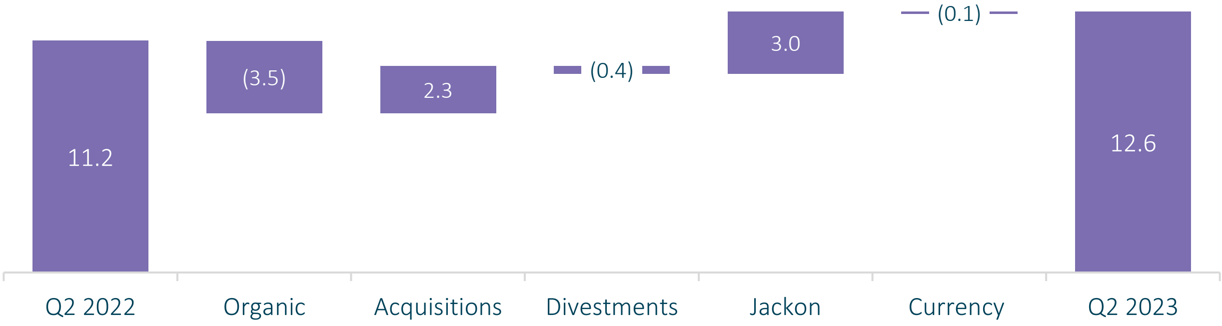
- Net sales of EUR 124.8 million, up 46%
    - Growth from acquired companies
    - Reduced demand from B&C resulted in 20-50% lower volumes
        - Decline in all regions, UK and Iberia least impacted
        - Downturn accelerated in Netherlands and Germany

- Adj. EBITDA of EUR 12.6 million (11.2), 10.1% margin
    - Margins improved from 6.6% for Q1, from lower raw material prices, capacity- and cost reductions, and price management
    - Successfully managed to improve profitability in Nordic insulation following measures implemented
    - Positive contribution from Jackon, however, low margin due to large exposure to the rapid down turning German market

Net sales
EUR million



Adj. EBITDA
EUR million



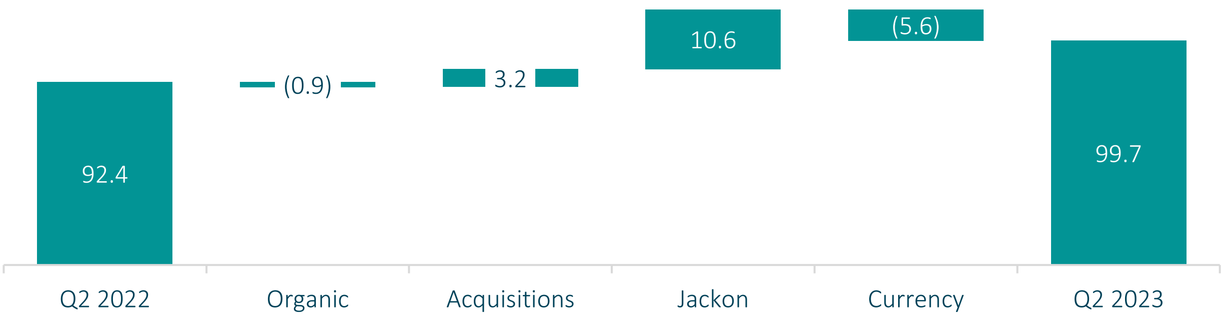
Packaging & Components

Stable demand for food packaging, increasing volumes of HVAC and automotive components

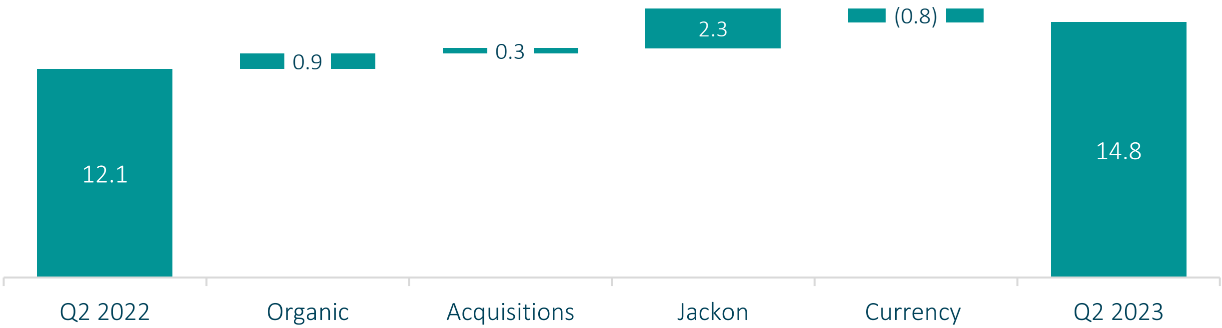
Second quarter of 2023

- Net sales of EUR 99.7 million, up 8%
  - 15% growth from acquisitions, 6% negative impact from currencies
  - Existing business (organic) in line with last year, as increased volumes of HVAC and automotive components almost compensated for lower volumes of fish boxes and traded products
- Adj. EBITDA of EUR 14.8 million (12.1), 14.8% margin
  - Organic growth of 8%, mostly due to lower raw material prices
  - Healthy margins for acquired companies

Net sales
EUR million



Adj. EBITDA
EUR million

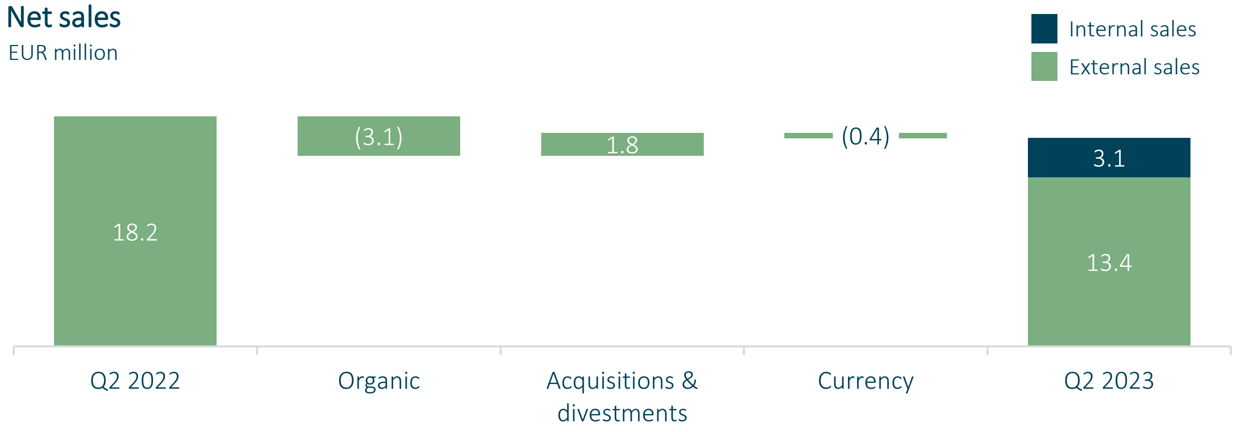


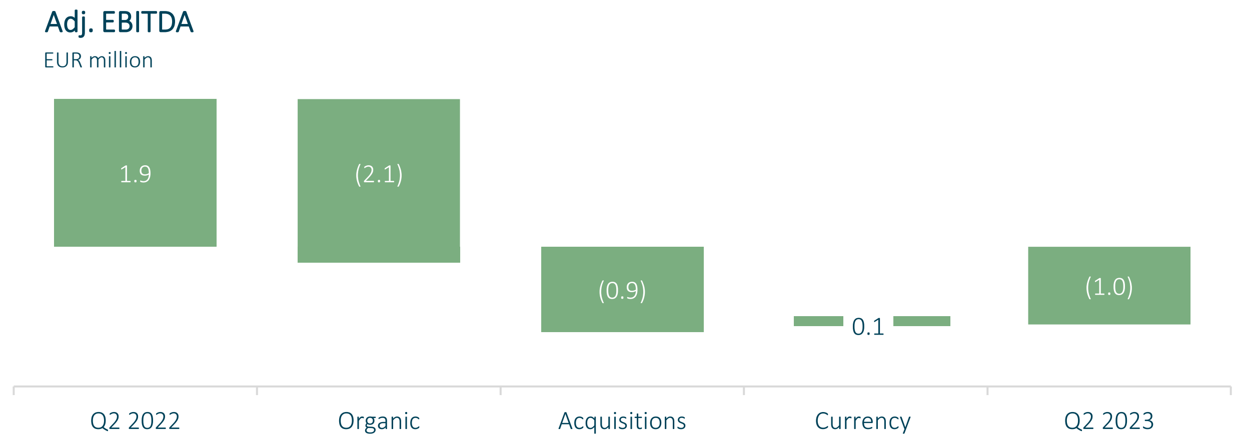
Circular

Improved volumes from acquisitions

Second quarter of 2023

- Net sales of EUR 16.5 million, down 9%
  - Acquired company Berga added growth of 10%
  - Negative organic growth due to lower prices
  - Significant increase in own consumption (internal sales) of recycled material following increased capacity
- Adj. EBITDA of EUR -1.0 million (1.9), margin -5.8%
  - Reduced EBITDA explained by lower prices and a negative contribution from Berga





Financials

Consolidated P&L

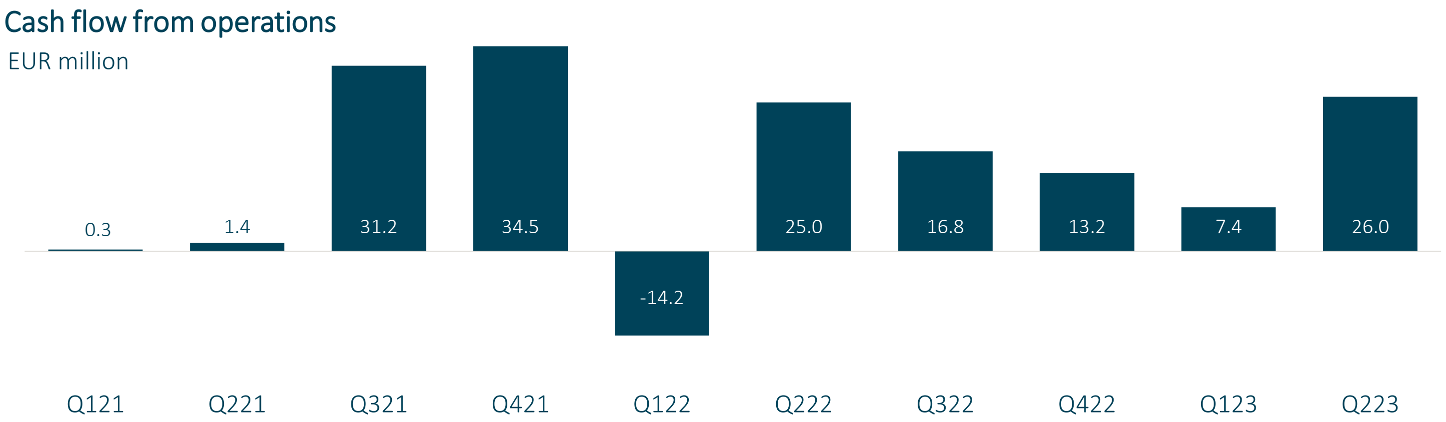
Amounts in EUR million	Q2 2023	Q2 2022	1H 2023	1H 2022	2022
Net Sales	289.6	277.0	586.0	507.2	1 050.4
Total operating income	**289.6**	**277.0**	**586.0**	**507.2**	**1 050.4**
Raw materials and consumables	-117.4	-122.0	-238.9	-208.4	-432.4
Goods for resale	-27.0	-38.6	-51.8	-74.0	-136.1
Other external costs	-64.0	-47.9	-135.9	-92.8	-229.9
Personnel cost	-50.8	-33.5	-102.6	-65.7	-149.3
Depreciation/ amortisation/ impairment	-16.6	-10.7	-33.7	-20.7	-47.2
- attributable to operations	*-8.1*	*-5.2*	*-17.0*	*-10.5*	*-24.1*
- attributable to IFRS 16	*-4.5*	*-2.7*	*-9.5*	*-5.0*	*-12.0*
- attributable to fair value adjustments in business combinations	*-4.0*	*-2.8*	*-7.2*	*-5.2*	*-11.2*
Share of income from associated comp.	0.7	1.6	1.1	2.3	2.8
Capital gain from sale of assets	-0.3	9.8	-0.3	9.8	9.7
Operating income (EBIT)	**14.1**	**35.8**	**23.9**	**57.6**	**68.0**
Net financial items	-9.2	-6.2	-19.6	-13.1	-25.5
Income tax expense	-1.9	-4.7	-2.1	-11.4	-7.2
Profit/ loss for the period	**3.0**	**24.9**	**2.3**	**33.1**	**35.4**

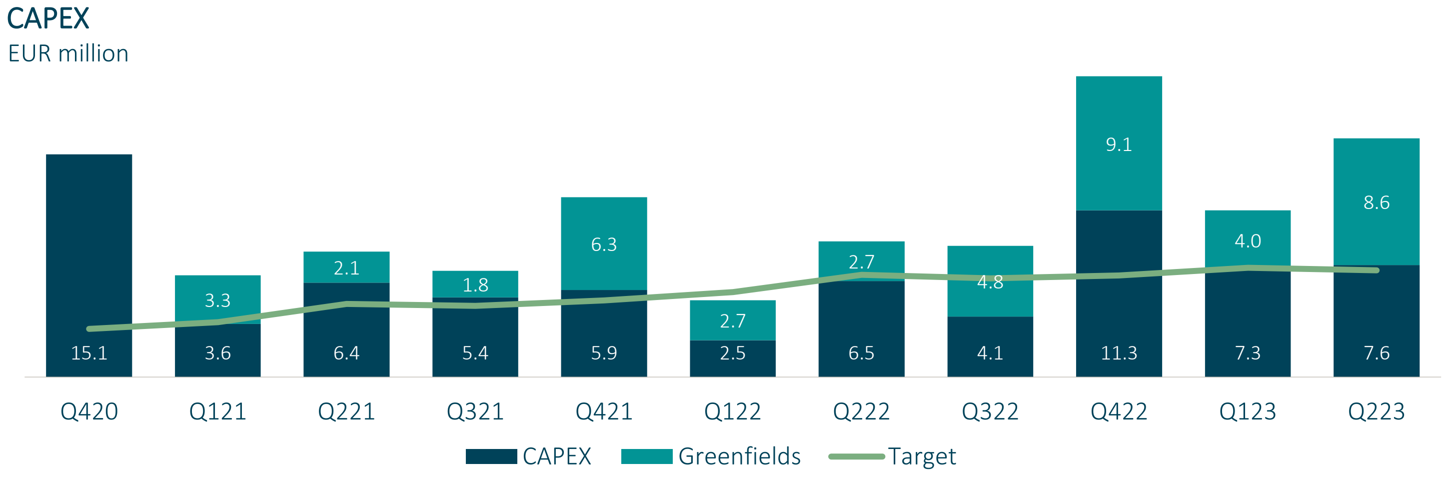
Second quarter of 2023

- Net sales of EUR 289.9 million, up by 5%
  - 28% negative organic growth from reduced volumes in RAW and I&C, and lower prices in RAW
- EBIT of EUR 14.1 million
  - Increased depreciation and amortization from acquired companies
- Net financial items of negative EUR 9.2 million
  - Increased interest rates and increased interest-bearing debt due to acquisitions
  - Fair value adjustment of shares impacted negatively EUR 1.2
- Tax expense of EUR 1.9 million
- Net result for the period of EUR 3.0 million

Financials

Positive cash flow, maintenance CAPEX in line with target





Second quarter of 2023

- Operating cash flow of EUR 26.0 million (25.0)
  - Working capital build-up of EUR 4.4 million (-1.3)
- CAPEX of EUR 16.2 million (9.2)
  - EUR 8.6 million to investment programmes, of which ~50% is related to the extruder

Key organic growth initiatives

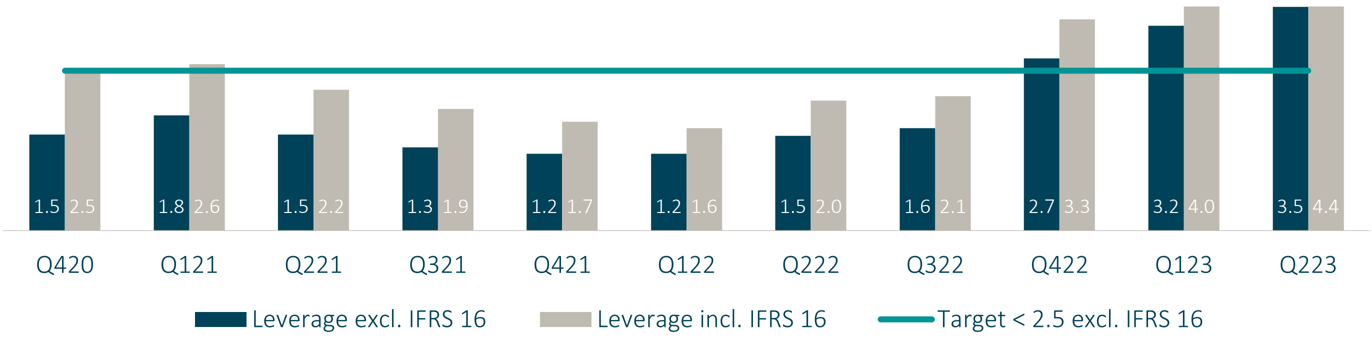
- Packaging facility Hitra/ Jøsnøya, Norway
- New extruder in Etten-Leur, Netherlands
- New production line for construction boards in Belgium
- ICT/ ERP investments

Financials

Capital structure

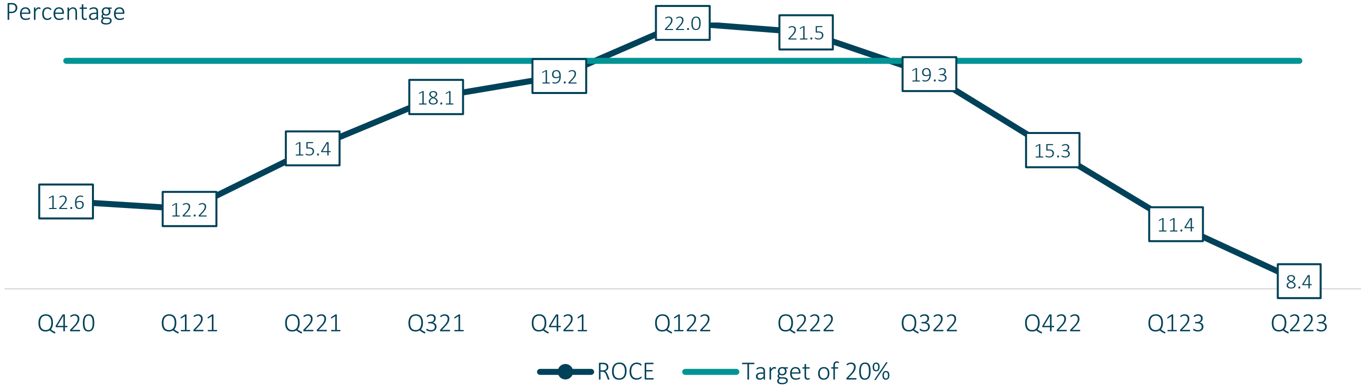
Leverage: Net debt/ EBITDA ratio(1)

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

Leverage increased and ROCE reduced following recent acquisitions

- Net debt EUR 558 million, EUR 360 million excl. IFRS 16
- Credit facility of EUR 150 million, of which EUR 26 million unutilized on 30 June 2023
- Ongoing process to divest remaining part of real estate portfolio, valued at EUR ~50 million

EUR million	30.06.23	31.12.22	30.06.22
Cash and Cash equivalents	42.6	47.5	75.9
Non-current liabilities	376.3	336.7	257.8
Current liabilities	26.6	93.1	13.4
Debt related to IFRS 16	197.4	168.4	103.1
Net debt in total	**557.7**	**550.7**	**298.4**
- excl. IFRS	*360.3*	*382.3*	*195.3*

Second quarter of 2023

Summary and outlook

Outlook

Reduced visibility short-to-medium term, well positioned for long-term growth

Markets

- Styrene and EPS prices have increased since June, solid GAP maintained
- Activity in building and construction industry expected to remain low in the second half of 2023, impacting volumes for RAW and I&C
- Solid outlook for P&C for the second half of 2023

EBITDA

- Q2 EBITDA was in line with expectations
- Lower volumes were compensated by higher margins
- As of today, 2H expected stronger than 1H, but lower than predicted in previous guiding
- Drop in building and construction activity since May sharper than assumed in guiding
- Cautious markets with very low visibility for prices and volumes

Conclusions

A diversified industrial group
- positioned to accelerate growth across end markets

- Solid results despite challenging markets
- Integrated and diversified business model remains a key competitive advantage
- Proven track record of adjusting prices, capacity and cost to current market
- Successful integration of acquired companies yielding significant synergies
- On-track with strategic growth projects, focusing on sustainability and circularity, positioning for megatrends, such as insulation, HVAC and components for electric vehicles

Set to continue growth journey next five years

>2x	~20%	<2.5x	30-50%
Adj. EBITDA	**ROCE[1]**	**NIBD/Adj. EBITDA**	**Dividend**
Through organic growth and acquisitions by 2026	Increase towards 20%	Leverage target unchanged going forward	Of underlying net profit

Growth strategy for divisions

BEWI

Investing to position for growth from megatrends

RAW	• **Invest in new extrusion capacity** to increase **recycled capacity** • Increase capacity to maintain "raw material balance", through strategic partnerships
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 • **Broaden product offering to complementary materials and solutions**
Packaging & Components	• Grow within **fibre/ paper packaging** and trading solutions • Offering complementary materials and products • **Increase capacity for EPP components** to meet increased demand for HVAC and automotive components

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