

# BEWiSynbra Interim report January – March 2020

## Key highlights

- Improved volumes in most operating markets
- Limited financial effects of covid-19
- Several strategic acquisitions

“ Improved  
volumes in  
challenging markets  
”

## Jan – March 2020

- Net sales of SEK 1,121 million (1,076)
- Adjusted EBITDA was SEK 158 million (SEK 139 million), while adjusted EBITA amounted to SEK 96 million (SEK 86 million)
- Operating income (EBIT) was SEK 69 million (47)
- Net profit was SEK 24 million (17)

## CONSOLIDATED KEY FIGURES

Amounts in million SEK (except percentage)	Q1 2020	Q1 2019	2019
Net sales	1,121	1,076	4,552
Operating income (EBIT)	69	47	215
EBITDA	146	116	508
<i>EBITDA margin (%)</i>	13.1%	10.7%	11.1%
Adjusted EBITDA	158	139	549
<i>Adj. EBITDA margin (%)</i>	14.1%	12.8%	12.1%
Items affecting comparability	-11	-23	-41
EBITA	85	63	291
<i>EBITA margin (%)</i>	7.6%	5.8%	6.4%
Adjusted EBITA	96	86	333
<i>Adj. EBITA margin (%)</i>	8.6%	7.9%	7.3%
Net profit/loss for the period	24	17	59
Capital Expenditure (CAPEX)	-34	-35	-151

## COMMENTS FROM THE CEO

*The first quarter of the year BEWiSynbra Group delivered a stable performance. Our volumes increased in most operating markets, even if revenues were affected by lower market prices in all segments. Due to the good volumes and favourable raw material prices for downstream, our segments for finished products, we improved adj. EBITDA by 14% compared to the corresponding period last year. Towards the end of the quarter, the world focused on the global outbreak of the covid-19. With the help of immediate actions, the financial effects of the pandemic during the quarter on our company were limited.*

We continued to work and deliver in accordance with our strategic priorities; innovation, circular economy, and acquisitions that will strengthen and develop existing operations as well as create synergies and long-term value. During the quarter an insulation facility in Sweden was acquired, which will be key to secure further growth for our Nordic insulation business. Through the acquisition, we get access to high volumes of XPS, enabling us to offer our customers a combination of EPS and XPS. Our dedicated efforts to make our industry more sustainable is another strategic priority, and during the quarter two more companies were added to the Circular activities of BEWiSynbra. Circular Portugal, which was communicated at the end of Q4 2019, still in the start-up phase. Poredo, an existing company located in the Netherlands with a proven performance that started contributing to the financial performance directly. With the expansion of our Circular business, we are closer to our ambitious recycling target of 60,000 tonnes EPS per year.

The covid-19 outbreak started affecting our operations in late March. We were quick to protect most importantly health and safety among the employees, but also the commitments to our customers. We continue to actively monitor developments and have implemented measures to mitigate the effects on our staff, customer operations and earnings. Gladly, the impact on our operations and ability to deliver products has been limited, as was the effect on sales during the quarter. The covid-19 and the measures taken by communities around the world will affect BEWiSynbra Group, and even though the impact for the rest of the year is still uncertain, being well diversified both geographically and industrially in terms of end customers means that we are in a good position to handle this kind of disruption. Certain customer segments will be more affected than others, but we will have a competitive advantage towards many of our competitors.

I'd like to close this CEO statement by saying a big thank you to all our customers who are working hard to manage the situation, and all my colleagues for your commitment and work in these challenging times.

*Jonas Siljeskär, CEO*  
Solna, May 2020



**SEK 1 121 million**  
Net sales

**SEK 158 million**  
Adjusted EBITDA

**14,1%**  
Adjusted EBITDA margin

## THE QUARTER IN REVIEW

### SALES AND RESULTS

Net sales increased by SEK 45 million to SEK 1,121 million (1,076) during the first quarter, corresponding to an increase of 4.1%, of which 1.4% was attributable to FX. Higher volumes in all segments compensated for lower raw material prices.

Adjusted EBITDA increased by SEK 19 million to SEK 158 million (139). The increase was driven by volume, good operational performance and fixed cost control, with the strongest development in Packaging & Components. Items affecting comparability amounted to SEK -11 million (-23) and were mainly related to restructuring of the Insulation business in Sweden and to transaction costs.

Operating income (EBIT) came in at SEK 69 million (47), an increase of SEK 22 million over the same period last year. EBIT was negatively impacted by SEK -6 million in fixed asset impairment, following the restructuring of the Swedish Insulation business.

Net financial items amounted to SEK -29 million (-20). The difference to last year was mainly attributable to positive net FX differences in the first quarter of last year. Net profit for the quarter was SEK 24 million (17).

### EVENTS IN THE QUARTER

In January BEWiSynbra entered into an agreement to acquire an insulation facility in Norrköping, Sweden. The acquisition was finalized on February 28.

On February 27, BEWiSynbra informed about the acquisition of the Dutch recycling company Poredo.

On March 3, BEWiSynbra informed that the Company would exercise its right to call for an early redemption of the bond issued on June 8, 2017 with a final maturity date on June 8 2020. The early redemption date was set to April 3, 2020.

### COVID-19

In early 2020, the world became aware of covid-19. The impact on sales was limited in the first quarter. The impact for the rest of the year is difficult to estimate, but it will dampen sales. Being well diversified both geographically and industrially in terms of end customers reduces the impact since certain customer segments are believed to be more affected, such as automotive, while others are likely to be less affected, such as food packaging and pharma. BEWiSynbra has also initiated measures to reduce costs and to utilise the support measures implemented by several European countries. Short time work and temporary lay-offs have been implemented in countries where revenue and production have been impacted the most. The development is closely monitored and measures will be taken in accordance with regulations and advice of local authorities and adjusted in line with development.

## RAW

The Extruder production line, which was out of production most of 2019, is operating from the end of January. Both production sites have been in full production during the quarter managing the covid-19 situation well. Volume increased by 6 %.

### Key figures

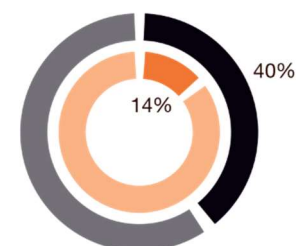
Million SEK	Q1-20	Q1-19	2019
Net Sales	531	570	2,189
Of which internal	181	242	758
Of which external	350	328	1 431
Net operating expenses	-509	-544	-2 136
<b>Adjusted EBITDA</b>	<b>22</b>	<b>26</b>	<b>53</b>
Adjusted EBITDA %	4.2%	4.6%	2.4%
Items affecting comparability	-	-	-1
<b>EBITDA</b>	<b>22</b>	<b>26</b>	<b>52</b>
Depreciations	-10	-9	-37
<b>EBITA</b>	<b>13</b>	<b>17</b>	<b>15</b>
EBITA %	2.4%	3.0%	0.7%

### Comments

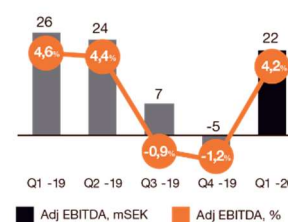
Net sales for the first quarter decreased by 6.8% to SEK 531 million (570) driven by low market prices. Sold volumes increased by 6%. The share of external sales also increased, partly driven by increased sales to the new joint venture in France. Impact from covid-19 was limited in the first quarter.

Margins in business area RAW are subject to volatility, driven by fluctuations in the GAP, the difference between sales price and the raw material price. Volatility is normally explained by the lag between changes in raw material price and sales price adjustments. However, as from last year, an over capacity in EPS has also led to a general pressure on margins. Drastically falling oil prices and the covid-19 situation is putting normal pricing out of play.

EBITDA improved compared to the last quarter of 2019, driven by volume and GAP. However, compared to Q1 2019, EBITDA decreased. Significantly higher volumes could not compensate for the lower GAP this year, which was at the high end in the first quarter of 2019. The extruder production line, which was out of production in most of 2019, is back in production since January. This contributed positively to volume, but also improved production efficiency and lowered costs for repair and maintenance.



■ Share of Group's net sales  
■ Share of adj. EBITDA



■ Adj EBITDA, mSEK  
■ Adj EBITDA, %

### About RAW

Business Area RAW develops and produces white and grey expanded polystyrene and Biofoam, known as EPS beads or Styrofoam. This raw material is marketed both internally and externally for further production of end products.

After expanding and extruding the polystyrene beads, the material can be molded or otherwise processed into a number of different end products and areas of application. In total BEWiSynbra has 2 sites in 2 countries producing RAW material.

## INSULATION

In March the acquisition of the new Norrköping facility was finalized and an integration work started which includes the transfer of the production in Norrtälje to Norrköping. With the new facility, access is given to higher volumes of extruded polystyrene (XPS), enabling a more competitive offering of EPS and XPS to customers. All production sites have been in full production during the quarter and the impact from covid-19 was limited.

### Key figures

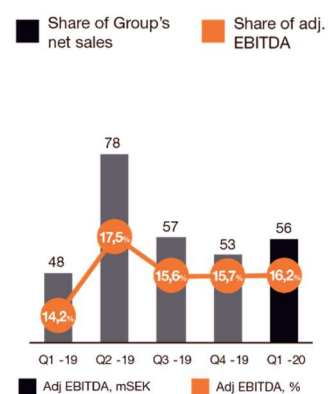
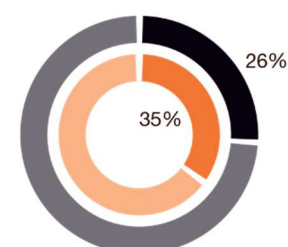
Million SEK	Q1-20	Q1-19	2019
Net Sales	343	338	1,475
Of which internal	4	8	22
Of which external	339	330	1 453
Net operating expenses	-288	-290	-1 238
<b>Adjusted EBITDA</b>	<b>56</b>	<b>48</b>	<b>237</b>
Adjusted EBITDA %	16.2%	14.2%	16.0%
Items affecting comparability	-9	-9	-15
<b>EBITDA</b>	<b>48</b>	<b>39</b>	<b>222</b>
Depreciations	-21	-11	-52
<b>EBITA</b>	<b>28</b>	<b>29</b>	<b>170</b>
EBITA %	7.6%	8.5%	11.4%

### Comments

Net sales for the first quarter increased by 1.5% to SEK 343 million (338). Volume increased approx. 4%, driven by the Nordic market while volumes were decreasing in the Benelux area. This reflects how we experience the general market trend, ie. a stable Nordic market and a slowdown in the Benelux.

Adjusted EBITDA increased to SEK 56 million (48). Higher volumes, favourable raw material prices, improving contribution from the joint ventures and continued improvements in the Swedish operation, all explains the positive development. The volume effect was limited, as the product portfolio in the Nordics is more commodity based (low margin) and levelled off against the lower volumes in the Benelux, which are more value added. The new operation in Norrköping has so far had a limited impact on the financials.

Items affecting comparability are mainly related to acquisition and restructuring costs in relation to the Norrköping facility as well as the transfer of the Norrtälje facility. An impairment related to the consolidation of the Swedish production was recorded, resulting in high depreciation charges during the quarter.



### About Insulation

Business Area Insulation develops and manufactures an extensive range of insulation products for the construction industry. The material is composed primarily of EPS and XPS. BEWiSynbra is one of the larger European manufacturers of EPS-based Insulation products. The Benelux is the main market representing more than 60 % of total sales within the business area. In total, BEWiSynbra has 12 facilities in 6 countries producing Insulation products. In addition, the Group has minority interests in 6 facilities in France and 6 facilities in Germany.

## PACKAGING AND COMPONENTS (P&C)

Sold fish box volumes in Norway increased as a consequence of higher slaughter volumes in areas we serve. Portugal and Sweden were impacted by covid-19, mainly due to exposure towards the automotive industry.

### Key figures

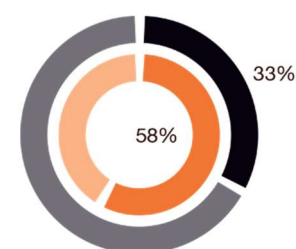
Million SEK	Q1-20	Q1-19	2019
Net Sales	426	425	1,669
Of which internal	6	7	26
Of which external	420	418	1 643
Net operating expenses	-334	-353	-1 363
<b>Adjusted EBITDA</b>	92	72	306
Adjusted EBITDA %	21.6%	16.9%	18.0%
Items affecting comparability	-1	-4	-4
<b>EBITDA</b>	91	68	301
Depreciations	-29	-31	-122
<b>EBITA</b>	61	37	180
EBITA %	14.4%	8.7%	10.8%

### Comments

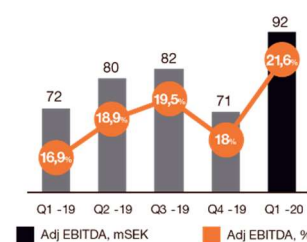
Net sales for the first quarter was at the same level as in 2019 and amounted to SEK 426 million. Volume increased by approx. 4%, driven by good development in all regions, besides Portugal that was impacted by the general closure of Spain as a consequence of covid-19. P&C in Sweden was also directly impacted by the closure of Volvo Cars' production sites in Torshälla and Gent. However, in total the volume increased in Sweden due to strong demand from other industrial customers. In the quarter, sales of fish boxes in Norway also picked up as a consequence of higher slaughter salmon volumes in areas we serve.

Adjusted EBITDA increased to SEK 92 million (72). Higher volumes, favourable raw material prices, continued improvements in the Swedish operation and good cost control all explains the very positive development.

P&C is the business area subject to most impact from covid-19 and the quarantine measures taken in our different regions. Lower demand is expected in the second quarter, but the various products and end markets are assessed to be impacted differently. In general, demand has decreased in most of the automotive industry, while no impact on demand from the food and pharmaceuticals industries has been noted. Cost-saving measures will be implemented to protect profitability where necessary.



■ Share of Group's net sales  
■ Share of adj. EBITDA



■ Adj EBITDA, mSEK  
■ Adj EBITDA, %

### About Packaging & Components, P&C

Business area P&C develops and manufactures standard and customized packaging solutions and technical components for customers in many industrial sectors. Examples include boxes for transportation of fresh fish and other food, protective packaging for pharmaceuticals and electronics, and components for cars and heating systems. The material is composed primarily of EPS, EPP and fabricated foam. In total BEWiSynbra has 17 facilities in 6 countries producing P&C components.

## CIRCULAR AND CORPORATE

### CIRCULAR

In October 2018, BEWiSynbra Group announced the launch of business area BEWiSynbra Circular (“Circular”) as a response to its commitment to sustainability. BEWiSynbra Circular is responsible for increasing the Group’s collection and recycling of EPS. BEWiSynbra strongly believes in the benefits of the circular economy, both financially and for the sustainability of its industry. The Group has announced an ambitious annual recycling target of 60,000 tonnes of EPS.

Since the establishment of Circular, the Group has launched several activities to increase the collection and recycling of EPS, besides the activities on-going in our local operation in relation to minimize waste and product development.

#### 2018–2019

- Establishment of collection and compacting stations in Sweden, Norway and Denmark.
- Launch of the concept “Use-ReUse”, aiming to set a new industry standard for collecting and recycling EPS.
- Acquisition of 51 per cent in two recycling companies; The Belgian company EcoFill and the Danish company Eurec.
- Establishment a new recycling company in Portugal, expanding the company’s activities for collection – and recycling of EPS to Southern Europe.

- Launch of the world’s first EPS made 100 per cent from recycled material, successfully closing the loop for EPS and reducing waste and the environmental impact of its products.

#### Q1-2020

- Acquisition of 75 per cent in the Dutch company De Wijs-van Loon (Poredo) with operations including the full process of collecting used EPS packaging material, cleaning and conversion of used EPS where the end products are used in their original form by companies in the small furniture industry, construction and horticulture.
- Increased feedstock of recycled raw material to our XPS production sites in Finland and Sweden with internally collected EPS waste from Belgium and Denmark.

### CORPORATE

Functions including Business Development that do not belong to any specific business area.



## FINANCIAL POSITION AND LIQUIDITY

### Consolidated cash flow

Cash flow from operating activities amounted to SEK -52 million in the first quarter (-148), including SEK -157 million (-240) in cash flow from change in working capital of SEK, which followed normal seasonality for working capital.

Cash flow used for investing activities amounted to SEK -117 million (-39) during the first quarter, of which SEK -88 million (-4) was related to business acquisitions and other financial investments.

Cash flow from financing activities amounted to SEK 101 million for the first quarter this year (97) and was positively impacted by SEK 175 million draw-down of overdraft facilities.

### Consolidated financial position

Total assets amounted to SEK 5,036 million as of 31 March 2020, compared to SEK 4,644 million at year-end 2019 and SEK 4,560 million as of 31 March 2019. The increase since last year is mainly related to acquisitions and draw-down of overdraft facility.

Total equity amounted to SEK 1,588 million as of 31 March 2020, compared to SEK 1,566 million at year-end 2019 and SEK 1,571 million as of 31 March 2019.

Net debt amounted to SEK 1,716 million as of 31 March 2020 (1,379 excluding IFRS 16), compared to SEK 1,402 million at year-end 2019 (1,059 excluding IFRS 16) and SEK 1,703 million as of 31 March 2019 (1,336 excluding IFRS 16). The increase since 2019 is mainly attributable to FX effects on the bond loans from the appreciation of the EUR and compared to year-end also seasonal effects in working capital.

Cash and cash equivalents were SEK 527 million as of 31 March 2020, compared to SEK 587 million at year-end 2019 and SEK 149 million as of 31 March 2019. SEK 156 million of the amount by the end of the first quarter was invested short-term on a blocked account to be

used for the settlement of the remaining portion of the bond redeemed in April 2020. The cash position by the end of the quarter was positively impacted by the precautionary measure in March to draw down SEK 175 million from the overdraft facilities in light of the market turmoil and uncertainty around the covid-19 situation.

### Capital expenditures

Capital expenditures in operations totalled SEK 34 million in the first quarter (35).

## ORGANISATION

As of 31 March 2020, BEWiSynbra Group had 1,277 people employed, up from 1,266 at 31 December 2019.

## THE PARENT COMPANY

The BEWiSynbra Group AB (publ.) is the Parent Company of the Group. Earnings after tax amounted to SEK -37 million in the first quarter (3).

As of 31 March 2020, equity in the Parent Company amounted to SEK 1,352 million, compared to SEK 1,389 million at year-end 2019 and SEK 1,376 million as of 31 March 2019.

## SHARE INFORMATION

As of 31 March, the number of shares outstanding amounted to 138,937,980 with a quota value of SEK 0.0097. Each share entitles to one vote. All shares issued are fully paid.

## ACQUISITIONS

On 9 January, BEWiSynbra announced that the Company had entered into an agreement to acquire an insulation facility in the Swedish city of Norrköping and on February 28, the deal was closed through the acquisition of Ravago Building Solutions Nordic AB. Through the acquisition, which supports the strategy to strengthen the position in the Nordic insulation market, the Group will get access to high volumes of XPS, enabling to offer a combination of EPS and XPS to customers. At the same

time, it was announced that the production facility in Norrtälje will be closed early 2021.

On February 28, BEWiSynbra announced that the Company had entered into an agreement to acquire 75 per cent of the Dutch company De Wijs-van Loon BV including its subsidiary Poredo BV. De Wijs-van Loon BV is a company in the forefront of converted recycled EPS.

## **SIGNIFICANT RISKS AND UNCERTAINTIES**

The Group's and the Parent Company's risks and risk management are described in the 2019 Annual Report.

## **SUBSEQUENT EVENTS**

On April 3, 2020, the Company exercised its right to call for an early redemption of the bond maturing on June 8, 2020.

### **CALENDAR 2020**

Interim report January – June  
Publish date: August 25, 2020

Interim report January – September  
Publish date: October 27, 2020

Stockholm, 14 May 2020

The Board of Directors and CEO

BEWiSynbra Group AB

*This report has not been audited*

## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

<b>Organic growth</b>	Organic growth is defined as growth in net sales for the reporting period compared to the same period last year, excluding the impact from currency and acquisitions. It is a key ratio as it shows the underlying sales growth.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortization. EBITDA is a key performance indicator that the Group considers relevant for understanding the generation of profit before investments in fixed assets.
<b>EBITDA margin</b>	EBITDA as a percentage of net sales. The EBITDA margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>EBIT</b>	Earnings before interest and tax. EBIT is a key performance indicator that the Group considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures. Depreciations are included, however, which is a measure of resource consumption necessary for generating the result.
<b>EBIT margin</b>	EBIT as a percentage of net sales. The EBIT margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>Items affecting comparability</b>	Items affecting comparability includes costs related to the planned IPO, transaction costs related to acquired entities, including release of negative goodwill from acquisitions, severance costs and other normalisations such as divestment of real estate, closing of facilities, unscheduled raw material production stops and other.
<b>Adjusted (adj.) EBITDA</b>	Normalised earnings before interest, tax, depreciation and amortization (i.e. items affecting comparability and deviations are added back). Adjusted EBITDA is a key performance indicator that the Group considers relevant for understanding earnings adjusted for items that affect comparability.
<b>Adjusted (adj.) EBITDA margin (%)</b>	EBITDA before items affecting comparability as a percentage of net sales. The adjusted EBITDA margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>Adjusted EBIT</b>	Normalised earnings before interest and tax (i.e. non-recurring items and deviations are added back). Adjusted EBIT is a key performance indicator that the Group considers relevant for understanding earnings adjusted for non-recurring items that affect comparability.
<b>Operating cash flow</b>	Earnings before interest and tax, adjusted for items not affecting cash flow and changes in operating capital. Operating cash flow is a key performance indicator that shows the contributions of the business to the cash flow for financing of investments and acquisitions.
<b>Equity ratio</b>	Total equity in relation to total assets. The equity ratio is a key performance indicator that the Group considers relevant for assessing its financial leverage.
<b>Net debt</b>	Interest-bearing liabilities excluding obligations relating to employee benefits, minus cash and cash equivalents. Net debt is a key performance indicator that is relevant both for the Group's calculation of covenants based on this indicator and because it indicates the Group's financing needs.

## ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

<i>Amounts in million SEK</i>	Q1 2020	Q1 2019	2019
<b>Operating income (EBIT)</b>	<b>69</b>	<b>47</b>	<b>215</b>
Amortisations	16	16	76
<b>EBITA</b>	<b>85</b>	<b>63</b>	<b>291</b>
Items affecting comparability	11	23	41
<b>Adjusted EBITA</b>	<b>96</b>	<b>86</b>	<b>333</b>
<b>EBITA</b>	<b>85</b>	<b>63</b>	<b>291</b>
Depreciations	61	53	216
<b>EBITDA</b>	<b>146</b>	<b>116</b>	<b>508</b>
Items affecting comparability	11	23	41
<b>Adjusted EBITDA</b>	<b>158</b>	<b>139</b>	<b>549</b>

## ITEMS AFFECTING COMPARABILITY

<i>Amounts in million SEK</i>	Q1 2020	Q1 2019	2019
IPO related costs	-	-1	-1
Severance and integration costs	-2	-8	-12
Restructuring costs	-4	-13	-12
Transaction costs	-4	-	-11
Additional purchase price	-	-	-1
Capital gain from sale of real estate	1	-	0
Other	-2	-1	-4
<b>Total</b>	<b>-11</b>	<b>-23</b>	<b>-41</b>

## REVENUE BRIDGE: CHANGE IN NET SALES FROM CORRESPONDING PERIODS IN 2019

<i>Amounts in million SEK</i>	RAW	%	Insulation	%	P&C	%	Unallocated	%	Change intra-group revenue	Total net sales	%
<b>Q1 2019</b>											
Acquisitions	-	-	7	2.1%	-	-	11	92.1%	-	18	1.6%
Currency	12	2.2%	6	1.8%	1	0.2%	0	-0.2%	-4	15	1.4%
Organic growth	-51	-9.0%	-8	2.4%	0	0.1%	1	8.1%	70	12	1.1%
Total increase/decrease	-39	-6.8%	5	1.5%	1	0.1%	12	100%	66	45	4.1%

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

### CONSOLIDATED STATEMENT OF INCOME

<i>Amounts in million SEK</i>	Q1 2020	Q1 2019	2019
Net sales	1,121	1,076	4,552
Other operating income	0	3	10
<b>Total operating income</b>	<b>1,121</b>	<b>1,079</b>	<b>4,562</b>
Raw materials and consumables	-494	-458	-2,098
Goods for resale	-24	-40	-146
Other external costs	-249	-244	-960
Personnel cost	-214	-223	-857
Depreciation/ amortisation and impairment of tangible and intangible assets	-77	-69	-292
Share of income from associated companies	6	2	6
<b>Total operating expenses</b>	<b>-1,052</b>	<b>-1,032</b>	<b>-4,347</b>
<b>Operating income (EBIT)</b>	<b>69</b>	<b>47</b>	<b>215</b>
Financial income	1	5	2
Financial expenses	-30	-25	-119
<b>Net financial items</b>	<b>-29</b>	<b>-20</b>	<b>-117</b>
<b>Income before tax</b>	<b>40</b>	<b>27</b>	<b>98</b>
Income tax expense	-16	-10	-39
<b>Net profit/ loss for the period</b>	<b>24</b>	<b>17</b>	<b>59</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in million SEK</i>	Q1 2020	Q1 2019	2019
<b>Profit/loss for the period</b>	<b>24</b>	<b>17</b>	<b>59</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may later be reclassified to profit or loss</b>			
Exchange rate differences	-2	44	33
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net pension obligations	-1	0	-13
Income tax pertinent to remeasurements of net pension obligations	0	0	2
<b>Other comprehensive income/loss, net after tax</b>	<b>-3</b>	<b>44</b>	<b>22</b>
<b>Total comprehensive income/ loss for the period</b>	<b>21</b>	<b>61</b>	<b>81</b>

**NET PROFIT/ LOSS ATTRIBUTABLE TO:**

<i>Amounts in million SEK</i>	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>
<b>Net profit/loss for the period attributable to:</b>			
Parent Company shareholders	25	17	59
Non-controlling interests	-1	0	0
<b>Total comprehensive income attributable to:</b>			
Parent Company shareholders	22	61	81
Non-controlling interests	-1	0	0

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>Amounts in million SEK</i>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.12.2019</b>
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Goodwill	776	739	743
Other intangible assets	759	829	773
<b>Total intangible assets</b>	<b>1,535</b>	<b>1,568</b>	<b>1,516</b>
<b>Property plant and equipment</b>			
Land and buildings	712	693	658
Plant and machinery	759	671	746
Equipment, tools, fixtures and fittings	109	98	110
Construction in progress and advance payments	48	120	33
<b>Total property, plant and equipment</b>	<b>1,628</b>	<b>1,582</b>	<b>1,547</b>
<b>Financial assets</b>			
Shares in associates	42	9	16
Other financial non-current assets	75	37	60
<b>Total financial assets</b>	<b>117</b>	<b>46</b>	<b>76</b>
Deferred tax assets	50	45	48
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,330</b>	<b>3,241</b>	<b>3,187</b>
<b>CURRENT ASSETS</b>			
Inventory	485	484	399
<b>Current receivables</b>			
Accounts receivables	598	588	433
Tax assets	1	22	3
Other current receivables	26	40	21
Prepaid expenses and accrued income	55	36	14
Other financial assets	14	-	-
Cash and cash equivalents	527	149	587
<b>Total current receivables</b>	<b>1,221</b>	<b>835</b>	<b>1,058</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1,706</b>	<b>1,319</b>	<b>1,457</b>
<b>TOTAL ASSETS</b>	<b>5,036</b>	<b>4,560</b>	<b>4,644</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT.**

<i>Amounts in million SEK</i>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.12.2019</b>
<b>EQUITY</b>			
Share capital	1	1	1
Additional paid-in capital	1,402	1,402	1,402
Reserves	4	30	4
Accumulated profit (including net profit for the period)	188	128	165
Equity attributable to Parent Company shareholders	1,595	1,561	1,572
Non-controlling interests	-7	10	-6
<b>TOTAL EQUITY</b>	<b>1,588</b>	<b>1,571</b>	<b>1,566</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Pensions and similar obligations to employees	28	20	27
Other provisions	12	6	6
Deferred tax liability	246	260	239
Bond loan	1,524	1,304	1,434
Derivative liability	-	24	-
Other interest-bearing liabilities	301	345	311
<b>Total non-current liabilities</b>	<b>2,111</b>	<b>1,960</b>	<b>2,017</b>
<b>Current liabilities</b>			
Bond loan	154	-	153
Other interest-bearing liabilities	265	202	91
Other financial liabilities	-	2	5
Accounts payable	501	398	470
Current tax liabilities	50	83	49
Other current liabilities	89	89	66
Accrued expenses and deferred income	278	255	226
<b>Total current liabilities</b>	<b>1,337</b>	<b>1,029</b>	<b>1,061</b>
<b>TOTAL LIABILITIES</b>	<b>3,448</b>	<b>2,989</b>	<b>3,078</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,036</b>	<b>4,560</b>	<b>4,644</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

<i>Amounts in million SEK</i>	1.1.-31.03.2020	1.1.-31.03.2019	1.1.-31.12.2019
<b>OPENING BALANCE</b>	<b>1,566</b>	<b>1,537</b>	<b>1,537</b>
Change in accounting principles	-	-28	-28
<b>ADJUSTED OPENING BALANCE</b>	<b>1,566</b>	<b>1,510</b>	<b>1,510</b>
Net profit/ loss for the period	24	17	59
Other comprehensive income	-3	44	22
<b>Total comprehensive income</b>	<b>21</b>	<b>61</b>	<b>81</b>
Dividend non-controlling interests	-	-	-1
Acquisition non-controlling interest	1	-	-24
<b>Total transactions with shareholders</b>	<b>1</b>	<b>-</b>	<b>-25</b>
<b>CLOSING BALANCE</b>	<b>1,588</b>	<b>1,571</b>	<b>1,566</b>
<i>of which attributable to non-controlling interests</i>	<i>-7</i>	<i>10</i>	<i>-6</i>

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in million SEK</i>	Q1 2020	Q1 2019	2019
EBIT	69	47	215
Adjustment for non-cash items etc.	75	68	284
Net financial items	-20	-19	-107
Income tax paid	-19	-3	-73
Cash flow from operating activities before changes in working capital	105	92	320
Changes in working capital	-157	-240	60
<b>Cash flow from operating activities</b>	<b>-52</b>	<b>-148</b>	<b>379</b>
Acquisitions non-current assets	-34	-35	-151
Divestment non-current assets	5	-	-
Business acquisitions/ financial investments	-88	-4	-51
<b>Cash flow from investing activities</b>	<b>-117</b>	<b>-39</b>	<b>-202</b>
Borrowings	175	105	683
Repayment of debt	-74	-8	-511
Dividend to non-controlling interests	-	-	-1
<b>Cash flow from financing activities</b>	<b>101</b>	<b>97</b>	<b>171</b>
Cash flow for the period	-67	-90	348
Opening cash and cash equivalents	587	235	235
Exchange difference in cash	7	4	4
<b>Closing cash and cash equivalents</b>	<b>527</b>	<b>149</b>	<b>587</b>

## INCOME STATEMENT FOR THE PARENT COMPANY

<i>Amounts in million SEK</i>	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>
Net sales	3	6	25
Other external costs	-5	-5	-19
Personnel costs	-4	-5	-22
<b>Total operating expenses</b>	<b>-9</b>	<b>-10</b>	<b>-41</b>
<b>Operating income</b>	<b>-6</b>	<b>-4</b>	<b>-16</b>
Interest income and similar items	20	23	111
Interest expenses and similar items	-51	-16	-79
<b>Total expenses from financial items</b>	<b>-31</b>	<b>7</b>	<b>32</b>
<b>Income before tax</b>	<b>-37</b>	<b>3</b>	<b>16</b>
Tax on net profit/ loss for the period	-	-	-
<b>Net loss for the period</b>	<b>-37</b>	<b>3</b>	<b>16</b>

## STATEMENT OF FINANCIAL POSITION FOR THE PARENT COMPANY

<i>Amounts in million SEK</i>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.12.2019</b>
Non-current assets	2,825	2,763	2,766
Current assets	233	52	233
<b>TOTAL ASSETS</b>	<b>3,058</b>	<b>2,815</b>	<b>2,999</b>
Equity	1,352	1,376	1,389
Non-current liabilities	1,525	1,341	1,434
Current liabilities	181	98	176
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,058</b>	<b>2,815</b>	<b>2,999</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 | General information

The Company and the Group

BEWiSynbra Group AB (publ), corporate registration number 556972-1128, is a holding company registered in Sweden with a registered office in Solna, address Gårdsvägen 13, SE-169 70 Solna, Sweden. The BEWiSynbra Group's interim report for January – March 2020 was approved by the Board of Directors on 14 May 2020 for publication.

Amounts are given in million kronor (SEK million) unless otherwise indicated. Information in parentheses refers to the comparative periods.

### NOTE 2 | Accounting policies

The BEWiSynbra Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied comply with those described in BEWiSynbra Group AB's Annual Report for 2019. This interim report has been prepared in accordance with IAS 34 Interim financial reporting and the Annual Accounts Act.

The Parent Company applies the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The application of RFR 2 means that the Parent Company, in the interim report for the legal entity, applies all EU-approved IFRS and statements insofar as this is possible within the framework of the Annual Accounts Act and the Pension Obligation Guarantee Act, and with consideration given to the relationship between accounting and taxation.

### NOTE 3 | Related party transactions

Sales to the 34% owned HIRSCH Porozell GmbH and the 34% owned HIRSCH France SAS amounted to SEK 55 million and SEK 10 million respectively during the first quarter. Interest income from HIRSCH France SAS amounted to SEK 1 million during the first quarter. As of 31 March 2020, non-current receivables from Hirsch France SAS amounted to SEK 25 million.

The Bekken family, including Christian Bekken who is a member of the Board of BEWiSynbra Group AB, is through Frøya Invest AS and KMC Family AS the majority shareholder in BEWiSynbra Group. During the first quarter SEK 8 million was recognised as rental expenses for premises owned by members of the Bekken family. Purchases from companies controlled by the Bekken family amounted to SEK 1 million during the first quarter.

### NOTE 4 | Segment information

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The Executive Committee constitutes the chief operating decision maker for the BEWiSynbra Group and takes strategic decisions in addition to evaluating the Group's financial position and earnings. Group Management has determined the operating segments based on the information that is reviewed by the Executive Committee and used for the purposes of allocating resources and assessing performance. The Executive Committee assesses the operations based on three operating segments: RAW, Insulation and Packaging & Components. Sales between segments take place on market terms.

<i>Amounts in million SEK</i>	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>
<b>RAW</b>			
Segment revenue	531	570	2,189
Intra-group revenue	-181	-242	-758
<b>Revenue from external customers</b>	<b>350</b>	<b>328</b>	<b>1,431</b>
<b>Insulation</b>			
Segment revenue	343	338	1,475
Intra-group revenue	-4	-8	-22
<b>Revenue from external customers</b>	<b>339</b>	<b>330</b>	<b>1,453</b>
<b>Packaging and Components</b>			
Segment revenue	426	425	1,669
Intra-group revenue	-6	-7	-26
<b>Revenue from external customers</b>	<b>420</b>	<b>418</b>	<b>1,643</b>
<b>Unallocated</b>			
Segment revenue	12	-	27
Intra-group revenue	-	-	-1
<b>Revenue from external customers</b>	<b>12</b>	<b>-</b>	<b>26</b>
<b>Total</b>			
Total segment revenue	1,312	1,333	5,359
Total Intra-group revenue	-191	-257	-807
<b>Total revenue from external customers</b>	<b>1,121</b>	<b>1,076</b>	<b>4,552</b>

<i>Amounts in million SEK</i>	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>
<b>Adj. EBITDA</b>			
RAW	22	26	53
Insulation	56	48	237
Packaging and Components	92	72	306
Unallocated	-12	-7	-47
<b>Total adj. EBITDA</b>	<b>158</b>	<b>139</b>	<b>549</b>
<b>EBITDA</b>			
RAW	22	26	52
Insulation	48	39	222
Packaging and Components	91	68	301
Unallocated	-15	-17	-67
<b>Total EBITDA</b>	<b>146</b>	<b>116</b>	<b>508</b>
<b>EBITA</b>			
RAW	13	17	15
Insulation	28	29	170
Packaging and Components	61	37	180
Unallocated	-17	-20	-74
<b>Total EBITA</b>	<b>85</b>	<b>63</b>	<b>291</b>

<b>EBIT</b>			
RAW	12	16	7
Insulation	21	24	149
Packaging and Components	52	28	142
Unallocated	-16	-21	-83
<b>Total EBIT</b>	<b>69</b>	<b>47</b>	<b>215</b>
Net financial items	-29	-20	-117
<b>Income before tax</b>	<b>40</b>	<b>27</b>	<b>98</b>

## External segment revenue by country (selling company's geography)

<i>Amounts in million SEK</i>	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>
Finland (Porvoo)	188	172	767
Netherlands (Etten-Leur)	162	156	664
<b>RAW</b>	<b>350</b>	<b>328</b>	<b>1,431</b>
<b>Packaging &amp; Components and Insulation</b>			
Total Finland	35	27	161
Total Sweden	133	123	502
Total Denmark	148	147	589
Total Norway	108	105	437
Total Benelux	298	291	1 219
Total Portugal & Spain	49	55	214
Total P&C and Insulation	771	748	3,122
<b>Total Group</b>	<b>1,121</b>	<b>1,076</b>	<b>4,552</b>

## NOTE 5 | The Group's borrowings

<i>Amounts in million SEK</i>	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>2019</b>
<b>Non-current liabilities</b>			
Bond loan	1,524	1,305	1,434
Liabilities to credit institutions	13	25	12
Liabilities leases	288	320	299
<b>Total</b>	<b>1,824</b>	<b>1,650</b>	<b>1,745</b>
<b>Current liabilities</b>			
Bond loan	154	-	153
Liabilities to credit institutions	13	2	6
Liabilities leases	77	86	76
Debt factoring	-	9	9
Overdraft	175	105	-
Liabilities to non-controlling interests	-	1	-
<b>Total</b>	<b>419</b>	<b>203</b>	<b>244</b>
<b>Total liabilities</b>	<b>2,243</b>	<b>1,852</b>	<b>1,989</b>

Cash and cash equivalents	527	149	587
<b>Net debt including IFRS 16 impact</b>	<b>1,716</b>	<b>1,703</b>	<b>1,402</b>
<b>Adding back liabilities capitalised in accordance with IFRS 16</b>			
Non-current liabilities leases	274	296	282
Current liabilities leases	63	71	62
Total	337	367	344
<b>Net debt excluding IFRS 16 impact</b>	<b>1,379</b>	<b>1,336</b>	<b>1,059</b>

Net debt is also presented excluding the effect of IFRS 16, since the impact of IFRS 16 on net debt and EBITDA is excluded in the relevant covenant calculations.

## The Group's loan structure

By the end of the first quarter 2020, the Parent Company had three bond loans outstanding. SEK 155 million matured on 8 June 2020, but was fully redeemed after the balance sheet date on 3 April 2020.

Issued amount	Frame	Amount outstanding	Date of issuance	Maturity date
SEK 550 million	SEK 750 million	SEK 155 million	June 8, 2017	June 8, 2020
EUR 75 million	EUR 100 million	EUR 75 million	April 19, 2018	April 19, 2022
EUR 65 million	EUR 115 million	EUR 65 million	November 22, 2019	November 22, 2023

The bonds are recognized under the effective interest method at amortized cost after deductions for transaction costs. Interest terms, as well as nominal interest rates and average interest rates recognized during the quarter are presented in the table below.

Bond loans	Interest terms	Nominal interest 1.1-31.3.2020	Average interest 1.1-31.3.2020
SEK 550 million	Stibor 3m + 4.40%	3.93-4.30%	6.21%
EUR 75 million	Euribor 3m + 4.75%	4.35-4.36%	5.40%
EUR 65 million	Euribor 3m + 3.40%	2.99-3.01%	3.42%

In January 2020, the Group's main bank extended the overdraft facility by SEK 100 million to SEK 375 million. As of 31 March, SEK 175 million was utilised as it was decided to make a draw down as a precautionary measure amidst the market turmoil and uncertainty around the covid-19 situation. In addition, the Group has a number of liabilities in acquired companies, such as liabilities to credit institutions that have not been refinanced post acquisition, and liabilities for lease contracts.

## Pledged assets

For the overdraft facility and bonds, collateral has been lodged in the form of business mortgages, pledged shares in subsidiaries and material intra-group loans to subsidiaries.

**NOTE 6 | Fair value and financial instruments**

<i>Amounts in million SEK</i>	Level 1	Level 2	Level 3	Total	Carrying amount
<b>Financial assets measured at fair value through profit and loss</b>					
Participation in other companies	-	-	17	17	17
Derivative asset	-	-	14	14	14
<b>Total</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>31</b>	<b>31</b>
<b>Financial liabilities measured at amortised cost</b>					
Bond loans	1,585	-	-	1,585	1,678
<b>Total</b>	<b>1,585</b>	<b>-</b>	<b>-</b>	<b>1,585</b>	<b>1,678</b>

Financial instruments are initially measured at fair value, adjusted for transaction costs, except for financial instruments subsequently measured at fair value through profit and loss. For those instruments, transactions costs are recognized immediately in profit and loss. The Group is classifying its financial instruments based on the business model applied for groups of financial instruments within the Group and whether separate financial instruments meet the criteria for cash flows that are solely being payments of principal and interest on principal amount outstanding. The Group is classifying its financial instruments into the Group's financial assets and financial liabilities measured at fair value through profit and loss and financial assets and financial liabilities measured at amortized cost. The table above shows the fair value of financial instruments measured at fair value, or where fair value differs from the carrying amount because the item is recognized at amortized cost (the bond loans). The carrying amount of the Groups' other financial assets and liabilities is considered to constitute a good approximation of the fair value, since they either carry floating interest rates or are of a non-current nature.

Level 3 – Changes during the period (SEK million)	Participation in other companies
As of Dec 31, 2019	2
Exchange differences	0
Acquisitions	15
As of March, 31 2020	17

\* Level 1 – listed prices (unadjusted) on active markets for identical assets and liabilities.

\* Level 2 – Other observable data for the asset or liability are listed prices included in Level 1, either directly (as price) or indirectly (derived from price).

\* Level 3 – Data for the asset or liability that is not based on observable market data.

**NOTE 7 | Business combinations**

On 9 January, BEWiSynbra announced that the Company had entered into an agreement to acquire an insulation facility in the Swedish city of Norrköping and on February 28, the deal was closed through the acquisition of Ravago Building Solutions Nordic AB. The company had a turnover of SEK 133 million and an EBITDA of SEK -9 million in 2019. Through the acquisition, which supports the strategy to strengthen the position in the Nordic insulation market, the Group will get access to high volumes of XPS, enabling to offer a combination of EPS and XPS to customers. At the same time, it was announced that the production facility in Norrtälje will be closed early 2021. The consideration was paid in cash. The company is consolidated from the date of acquisition and the preliminary acquisition analysis gave rise to a goodwill of SEK 23 million.

On February 28, BEWiSynbra announced that the Company had entered into an agreement to acquire 75 per cent of the Dutch company De Wijs-van Loon BV including its subsidiary Poredo BV. De Wijs-van Loon BV is a company in the forefront of converted recycled EPS.

#### NOTE 8 | Shares in associates

BEWiSynbra Group owns 34% in HIRSCH Porozell GmbH, which operates six production sites in Germany. The carrying amount of the shares as of 31 March 2020 was SEK 21 million. During the first quarter of 2020, net sales in HIRSCH Porozell GmbH amounted to SEK 228 million, EBITDA to SEK 22 million, operating profit (EBIT) to SEK 13 million and net profit to SEK 18 million.

BEWiSynbra Group owns 34% in HIRSCH France SAS, which operates six production sites in France and owns 49.9% of the shares in the French company Issosol SAS. The carrying amount of the shares as of 31 March 2020 was SEK 21 million and non-current receivables from the company amounted to SEK 25 million. During the first quarter of 2020, net sales in HIRSCH France SAS amounted to SEK 208 million, EBITDA to SEK 18 million, operating profit (EBIT) to SEK 2 million and net profit to SEK -1 million

#### NOTE 9 | Five year summary

<i>Amounts in million SEK (except percentage)</i>	2019	2018	2017	2016	2015
Net sales	4,552	3,905	1,876	1,607	1,593
Operating income (EBIT)	215	141	35	61	56
EBITDA	508	293	86	108	101
<i>EBITDA margin (%)</i>	11.1%	7.5%	4.6%	6.7%	6.3%
Adjusted EBITDA	549	317	110	121	109
<i>Adj. EBITDA margin (%)</i>	12.1%	8.1%	5.9%	7.5%	6.8%
Items affecting comparability	-41	-24	-24	-13	-8
EBITA	291	188	43	69	64
<i>EBITA margin (%)</i>	6.4%	4.8%	2.2%	4.3%	4.0%
Adjusted EBITA	333	212	67	82	72
<i>Adj. EBITA margin (%)</i>	7.3%	5.4%	3.6%	5.1%	4.5%
Net profit/loss for the period	59	16	40	43	46
Cash flow from operating activities	380	181	71	73	81
Capital Expenditure (CAPEX)	-151	-142	-96	-48	-35

As from 2019, the Group applies IFRS 16. The impact from IFRS 16 in 2019 was SEK 80 million on EBITDA, SEK -57 million on depreciations, SEK -27 million on financial expenses, SEK 1 million on income tax and SEK -3 million on net profit.

**NOTE 10 | Quarterly data**

<i>Amounts in million SEK (except percentage)</i>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>
Net sales	1,121	1,109	1,146	1,222	1,076	1,220	1,160	1,034	491
Operating income (EBIT)	69	13	61	95	47	19	33	79	11
EBITDA	146	92	132	168	116	81	78	109	25
<i>EBITDA margin (%)</i>	<i>13.1%</i>	<i>8.3%</i>	<i>11.5%</i>	<i>13.8%</i>	<i>10.7%</i>	<i>6.7%</i>	<i>6.7%</i>	<i>10.5%</i>	<i>5.1%</i>
Adjusted EBITDA	158	102	137	172	139	101	98	84	35
<i>Adj. EBITDA margin (%)</i>	<i>14.1%</i>	<i>9.2%</i>	<i>12.0%</i>	<i>14.0%</i>	<i>12.8%</i>	<i>8.2%</i>	<i>8.5%</i>	<i>8.1%</i>	<i>7.0%</i>
Items affecting comparability	-11	-10	-6	-3	-23	-20	-20	25	10
EBITA	85	35	79	113	63	43	45	87	13
<i>EBITA margin (%)</i>	<i>7.6%</i>	<i>3.1%</i>	<i>6.9%</i>	<i>9.2%</i>	<i>5.8%</i>	<i>3.5%</i>	<i>3.9%</i>	<i>8.4%</i>	<i>2.6%</i>
Adjusted EBITA	96	44	84	116	86	63	65	62	22
<i>Adj. EBITA margin (%)</i>	<i>8.6%</i>	<i>4.0%</i>	<i>7.4%</i>	<i>9.5%</i>	<i>7.9%</i>	<i>5.1%</i>	<i>5.6%</i>	<i>6.0%</i>	<i>2.6%</i>
Net profit/loss for the period	24	-30	29	43	17	-14	-4	39	-5
Cash flow from operating activities	-52	207	242	79	-148	155	71	-19	-26
Capital Expenditure (CAPEX)	-33	-52	-28	-36	-35	-47	-42	-38	-16



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