Results for the second quarter of 2021

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11 August 2021

BEWI

Cautionary note regarding forward-looking statements

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

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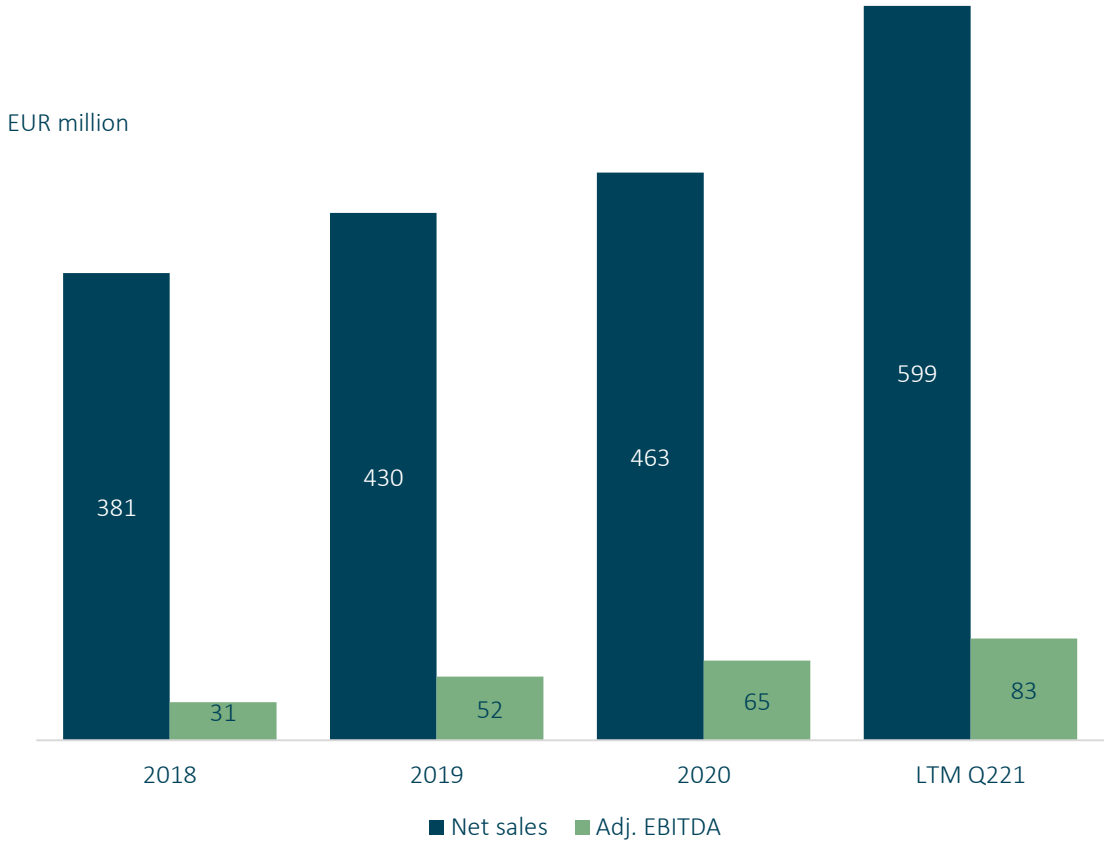
Second quarter of 2021

Highlights

Record-high results driven by strong demand

- Higher volumes and prices in all segments
  - Strong demand
  - Well-performing operations
  - Positive contribution from acquired companies and minority interests
- Ramped-up commercial recycling volumes in Portugal
- Acquired Danish paper packaging company Honeycomb
- Acquired the market leader for EPP components to automotive industry in Europe, IZOBLOK
- Initiated refinancing process further pursue growth opportunities

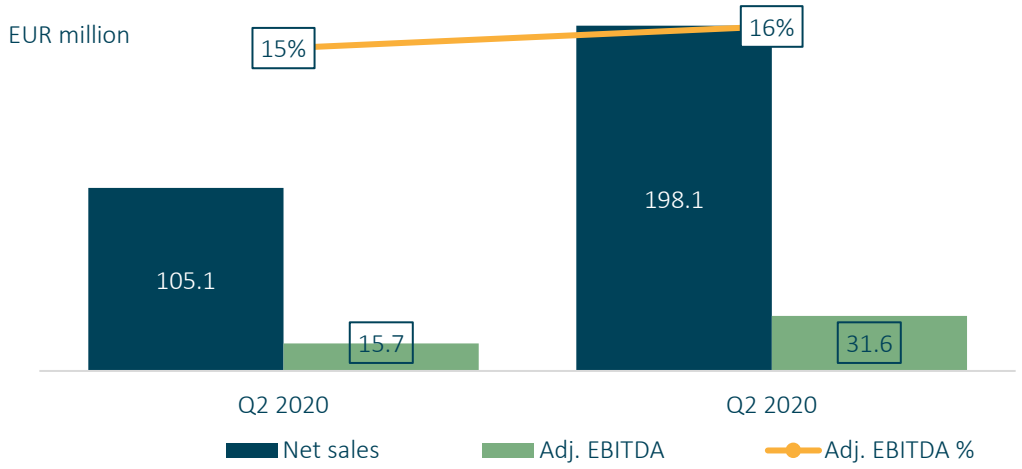


Financial highlights

Record-high results driven by strong demand

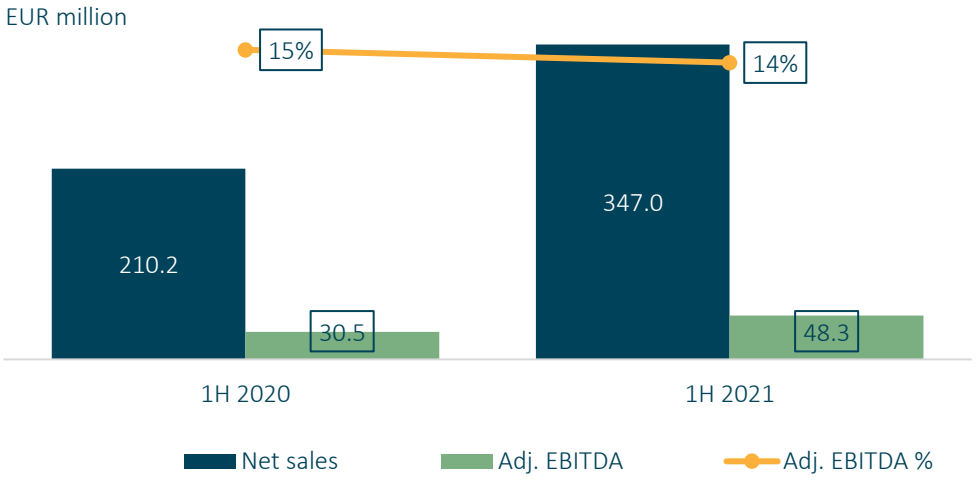
Second quarter 2021

- Net sales up by 88%, to EUR 198.1 million
  - 27% organic growth from higher volumes and price increase in all segments
- Adj. EBITDA of EUR 31.6 million, 16% margin
  - Increased raw material price positively impact margins for RAW
  - Downstream segments has a lag in price indexation towards customers, causing temporary margin pressure when cost of raw material increase



First half 2021

- Sales growth of 65% from first half of 2020, to EUR 347.0 million
  - 60% organic growth from higher volumes and price increase in all segments
- Adj. EBITDA of 48.3 million, margin of 14%
  - 19% organic growth mainly from segment RAW

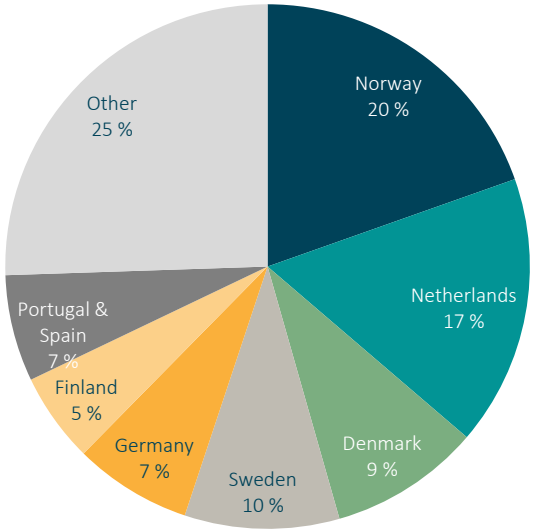


Earnings stability from revenue diversification

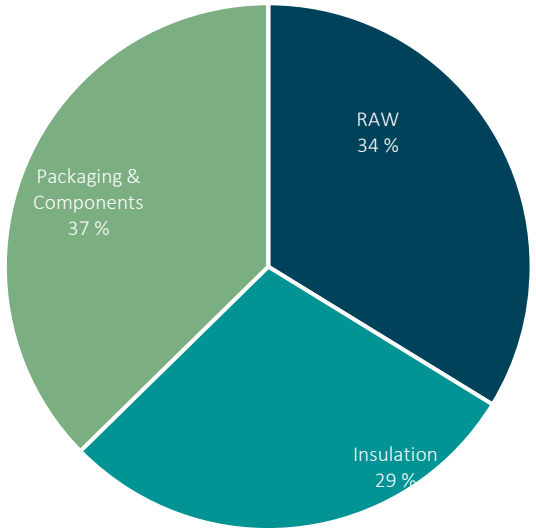
A competitive advantage

First half 2021 financials

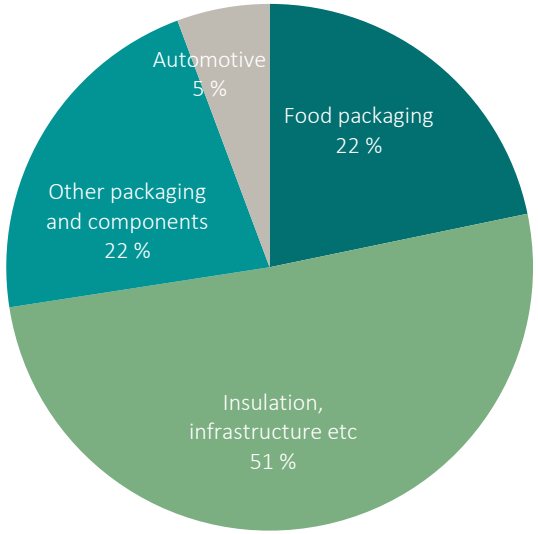
Diversified across countries



Diversified across segments



Diversified across end-markets [1)]

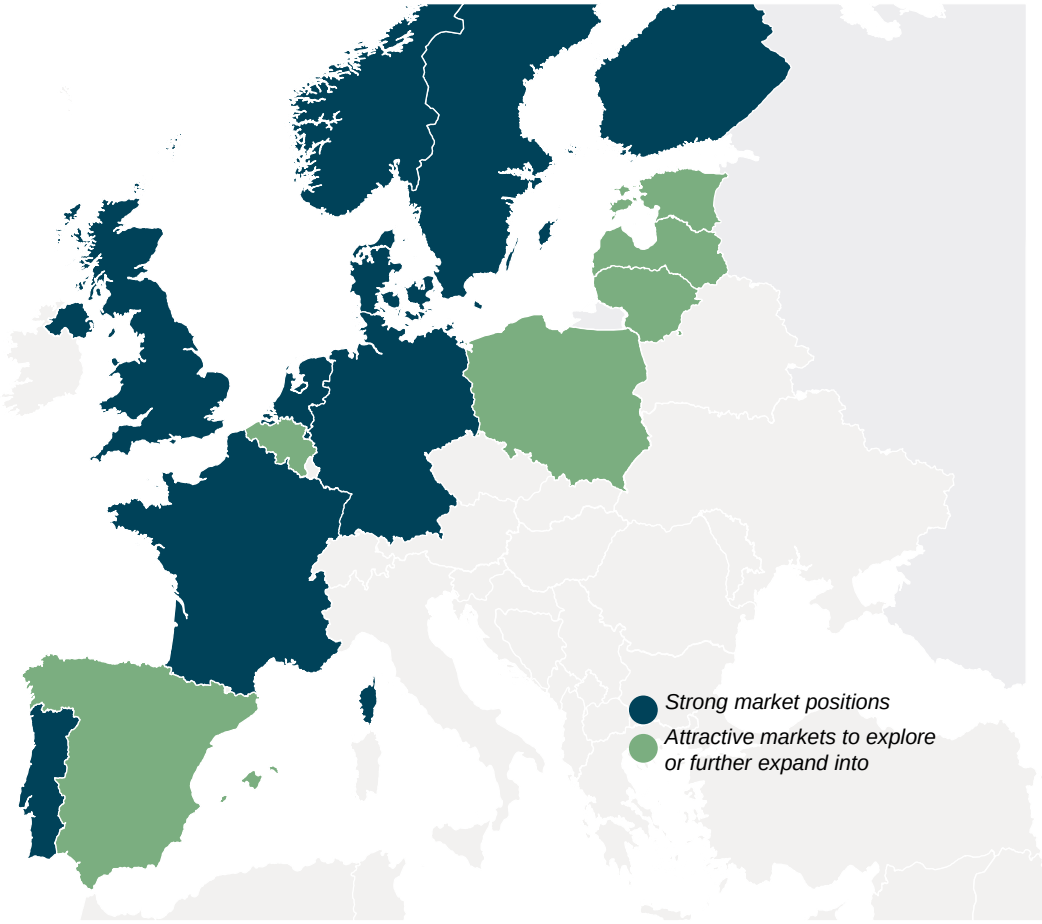


Note: (1) Based on Management estimates

Initiated refinancing to fuel growth

Establishing a Sustainability Finance Framework

- Establishing a new framework of up to EUR 250 million
- Refinancing to fuel growth and pursue attractive opportunities
- Good progress on ongoing organic growth initiatives
- Strong pipeline of M&A opportunities, mainly focusing on
  - Strengthening market positions
  - Broaden product offering, including complementary materials
  - Geographic expansion
  - Be the leading recycling consolidator



Organic growth initiatives progressing as planned

Selected greenfield projects

- Establishing state-of-the art packaging hub @ Jøsnøya
  - Entered a conditional long-term lease agreement with KMC Properties ASA and started pre-phase project
- Fish box facility ready for production @ Senja
  - Long-term agreement with SalMar for delivery to InnovaNor
- Ramped up commercial recycling volumes in Portugal
  - Capacity of ~10,000 tonnes
- Insulation centre @ Norrköping
  - Invested in modern extrusion technology, enabling increased use of recycling materials, as well as improved production and efficiency

Acquisition of IZOBLOK

- the market leader in Europe for automotive EPP components

- Expect growth in use of EPP components
- Great synergy potential related to BEWI's EPP business
  - Sourcing of raw materials
  - EPP production capacity
  - Sales synergies/ vertical integration
- Acquired 54.21% of shares/ 65.66% voting rights
  - Purchase price EUR 16.5 million, EUR 13.5 in cash
- Transaction completed early July 2021
  - IZOBLOK will be consolidated into BEWI's accounts from 1 July
- In July, IZOBLOK announced a large volume order from Adient for car seats worth EUR 47.5 million for delivery 2024-2032

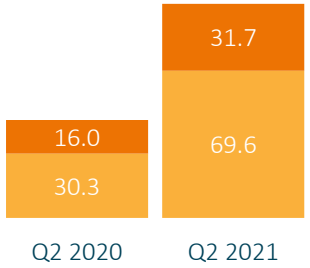
Second quarter of 2021

Financials

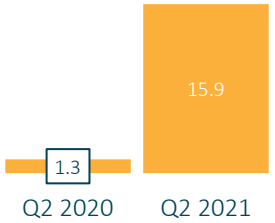
Financial overview

EUR million

RAW

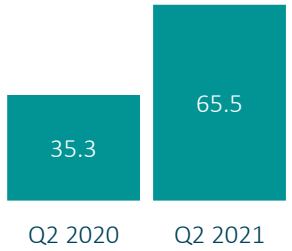


Gross sales

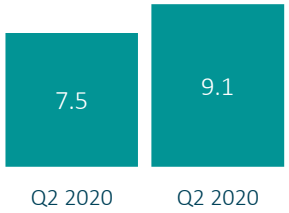


Adj. EBITDA

Packaging & Components

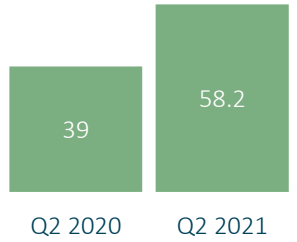


Gross sales

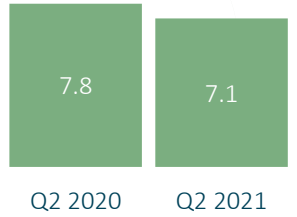


Adj. EBITDA

Insulation

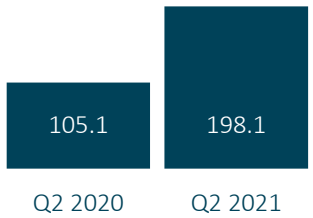


Gross sales

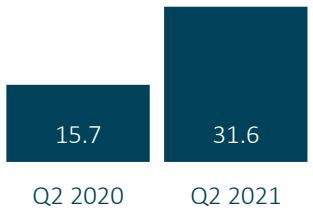


Adj. EBITDA

BEWI ASA



Net sales



Adj. EBITDA

Contribution to net sales 1H 2021

Internal sales

RAW

Improved volumes and EBITDA following strong demand

Second quarter 2021

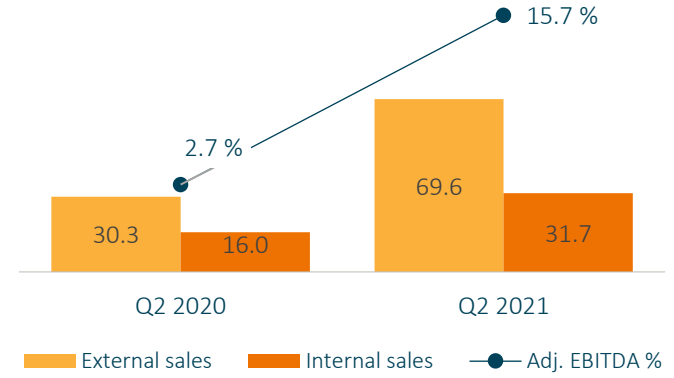
- Net sales of EUR 101.4 million, up 118%
  - Increase explained by higher volumes and sales prices
- Adj. EBITDA increase to EUR 15.9 million (1.3), a margin of 15.7%
  - Improvement mainly from strengthened GAP, but also volume increase

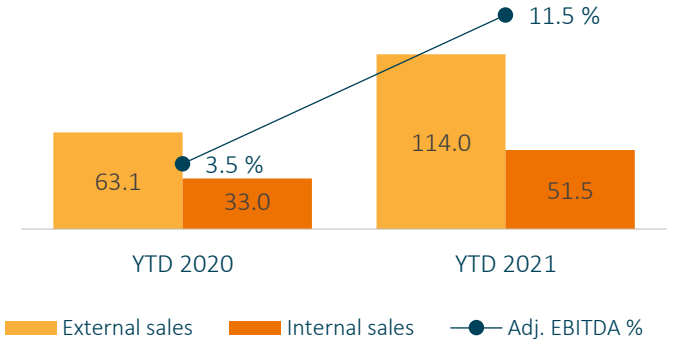
First half 2021

- Net sales of EUR 165.6 million, up by 72%
  - Increase explained by higher volumes and sales prices
- Adj. EBITDA of EUR 19.1 million (3.4), a margin of 11.5%
  - Improvement mainly from strengthened GAP, but also volume increase

Net sales and Adj. EBITDA margin

EUR million





Packaging & Components

Volume increase in most regions

Second quarter 2021

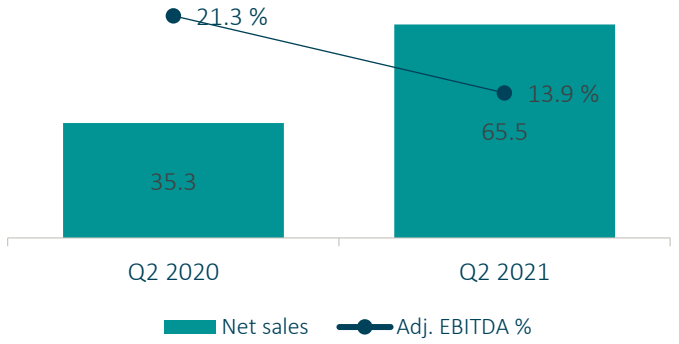
- Net sales of EUR 65.5 million, up 86%
  - 28% organic growth from volume increase in all regions, except Norway
  - Sales prices adjusted upwards following increase in raw material price
- Adj. EBITDA of EUR 9.1 million (7.5), a margin of 13.9%
  - Excl. acquisitions, EBITDA decreased 16% due to lower volumes in Norway and lag in price indexation towards customers following higher raw material price
  - Margins expected to catch up when raw material prices decrease or stabilise

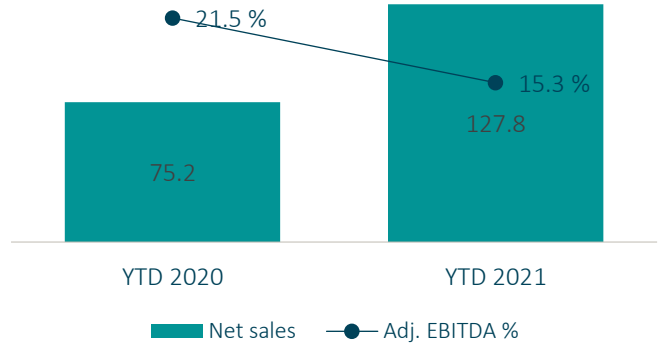
First half 2021

- Net sales of EUR 127.8 million, up by 70%
  - ~20% organic growth from higher volumes in all regions and increased sales prices
- Adj. EBITDA at EUR 19.5 million (16.1), a margin of 15.3%
  - EBITDA decrease of 9% excl. acquisition, same explanation as for the quarter
  - Integration of BDH has some margin diluting effect

Net sales and Adj. EBITDA margin

EUR million





Insulation

Strong demand resulting in improved volumes in all regions

Second quarter 2021

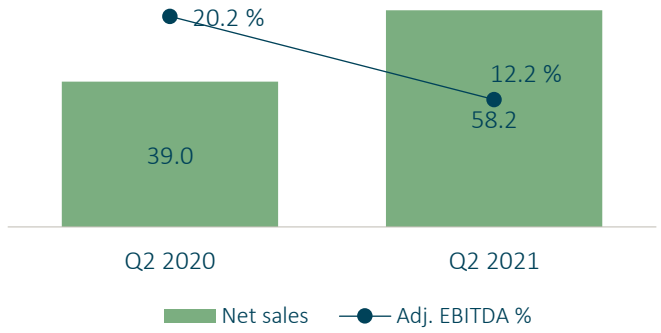
- Net sales of EUR 58.2 million, up by 49%
  - Organic growth of 29% from volume increase in all regions, and increased sales prices following higher raw material prices
- Adj. EBITDA of EUR 7.1 million (7.8), a margin of 12.2%
  - Excl. acquisitions, EBITDA decreased 30%, due to lag in price indexation towards customers
  - Margins expected to catch up when raw material prices decrease or stabilise
  - Increased contribution from joint ventures

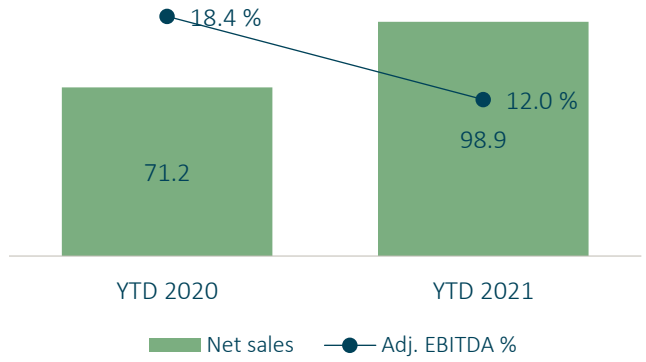
First half 2021

- Net sales of EUR 98.9 million, a 39% increase
  - Organic growth of 20% driven by higher volumes and sales prices in all regions
- Adj. EBITDA of EUR 11.9 million (13.1), a margin of 12.0%
  - Development for the same reasons as for the quarter

Net sales and Adj. EBITDA margin

EUR million





Minority interests

Positive contribution from shares in associated companies

	TOTAL
Production sites	16
Owned interest	34-49%
Booked value as of 30 June 2021	11.5

Key financials for the first half of 2021	
Net sales	109.9
EBITDA	13.8
- of which owned share of EBITDA	*4.8*
EBIT	10.5
Net profit	7.2
Consolidated into BEWI's EBITDA, share of net profit	2.5
BEWI's share of EBITDA minus impact on consolidated EBITDA	*2.4*
Net debt	31.9
- of which owned share net debt	*10.6*

- 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	Q2 2021	Q2 2020	YTD 2021	YTD 2020	2020
Net Sales	198.1	105.1	347.0	210.2	462.6
Total operating income	**198.1**	**105.1**	**347.0**	**210.2**	**462.6**
Raw materials and consumables	-88.4	-43.8	-148.5	-90.1	-181.1
Goods for resale	-23.4	-2.5	-41.7	-4.8	-35.3
Other external costs	-31.0	-23.9	-60.4	-47.3	-99.4
Personnel cost	-26.3	-20.0	-52.2	-40.0	-88.1
Depreciation/ amortisation/ impairment	-8.8	-6.8	-17.5	-14.0	-30.4
- attributable to operations	*-4.1*	*-3.6*	*-8.2*	*-6.9*	*-15.0*
- attributable to IFRS 16	*-2.5*	*-1.3*	*-4.9*	*-3.3*	*-7.3*
- attributable to fair value adjustments in business combinations	*-2.2*	*-1.9*	*-4.4*	*-3.8*	*-8.1*
Share of income from associated comp.	2.1	3.8	2.4	4.4	4.9
Capital gain from sale of assets	-	-	-	-	6.3
Operating income (EBIT)	**22.3**	**11.9**	**29.1**	**18.4**	**39.5**
Net financial items	**-3.5**	**-2.5**	**-9.9**	**-5.2**	-7.2
Income tax expense	-4.4	-0.9	-5.7	-2.4	-2.3
Profit for the period	**14.4**	**8.5**	**13.5**	**10.8**	**30.0**

Second quarter of 2021

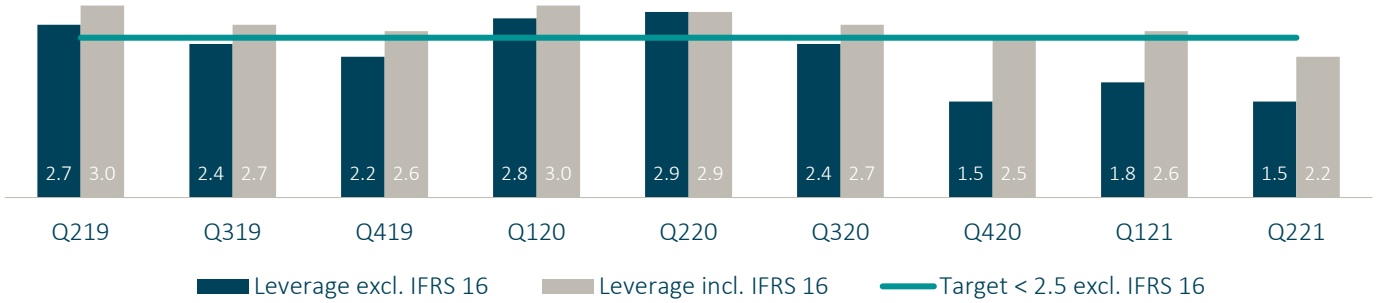
- Net sales up by 89%
  - 60% organic growth from improved volumes & prices in all segments
- Increased operating costs
  - Raw materials and goods for resale as percentage of sales increased due to higher cost of raw material, since sales prices in downstream are adjusted retroactive
  - Goods for resale increased in general due to the acquisition of BDH in Aug 2020, which have a large portion of trading activities
- Increased FTE due to acquisitions
  - 1,504 end of June 2021, up from 1,438 end of 2020
- Increase in contribution from associated companies
  - Last year included a positive goodwill adjustment from the acquisition of France of EUR 3.5 million
- Net financial items EUR -3.5 million
  - Includes EUR 0.4 million negative fair value revaluation of shares
- Effective tax rate 27% adj. for revaluation of shares
- Profit for the period of EUR 14.4 million

Financials

Capital structure

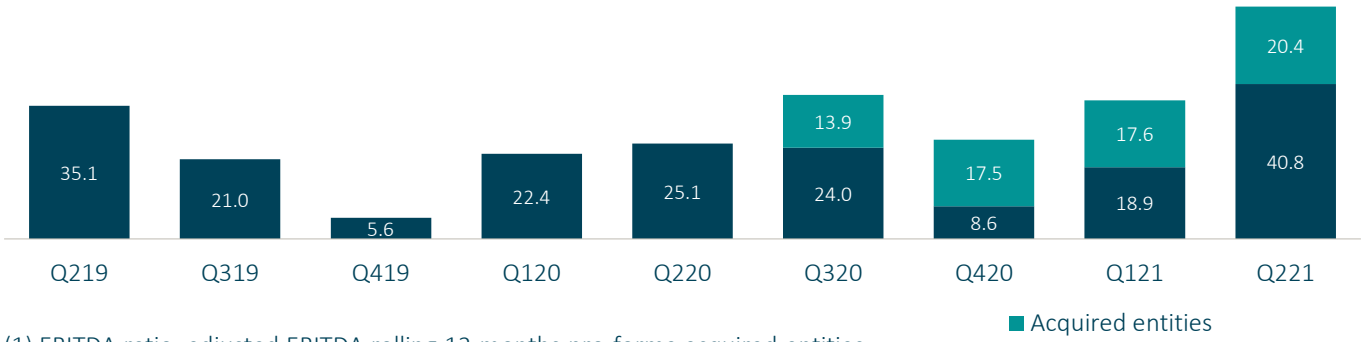
Leverage: Net debt/ EBITDA ratio(1)

EUR million



Working capital

EUR million



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

- Net debt EUR 185.0 million on 30 June 2021
  - EUR 106.1 million excluding IFRS 16
- Leverage significantly decreased
  - Improved EBITDA
  - Completion of NOK 200 million private placement primarily financing acquisition of IZOBLOK
- Bond loan of EUR 75 million re-classified to current liability in Q2
- Unutilized credit facility of approx. EUR 31 million
- Refinancing initiated in Q3

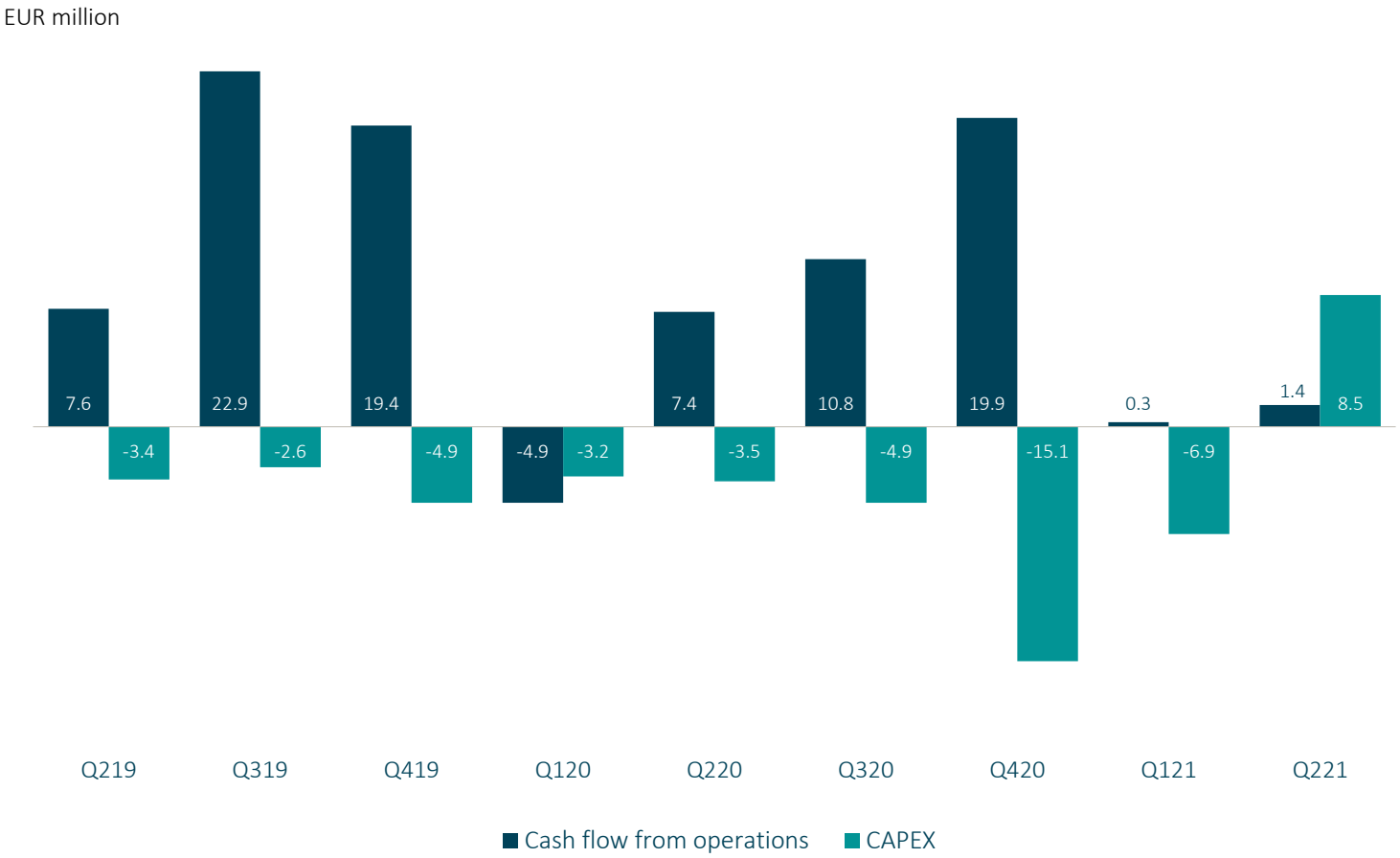
EUR million	30.06.21	31.12.20	30.06.20
Cash and Cash equivalents	42.3	51.4	38.0
Non-current liabilities	66.9	140.7	139.8
Current liabilities	81.5	2.4	18.8
Debt related to IFRS 16	78.9	78.5	33.6
Net debt in total	**185.0**	**170.2**	**154.2**
- excl. IFRS	*106.1*	*91.7*	*120.6*

Establishing a new Sustainability Finance Framework

- Initiated written procedure to refinance two existing bond loans before maturity
  - 2022 loan up to EUR 100 million, of which EUR 75 used
  - 2023 loan up to EUR 115 million, of which EUR 65 used
- Intend to issue new senior unsecured sustainability-linked bond of up to EUR 160 million
- Refinance and increase existing credit facility

Financials

Cash flow and CAPEX



- Operating cash flow of EUR 1.4 million
  - Increase in working capital of EUR 21.1 million, following seasonality, as well as higher accounts receivables due to price adjustments
- Cash flow for investments EUR 15.9 million in Q221
  - CAPEX of EUR 8.5 million, EUR 2.1 related to greenfield projects
- Ongoing investment programmes
  - Fish box facility @ Senja, Norway, under long-term supply agreement with customer SalMar
  - Recycling facility in Portugal
  - Technology investments in Stjørdal, Norway, for production of moulded components under a customer agreement
  - Machinery and technology at Norrköping, Sweden
  - ICT/ ERP investments

Second quarter of 2021

Summary and outlook

Outlook

Volume development remains solid

- Experience strong demand in most markets, volume development remained solid into Q3
- Styrene raw material prices seem to be stabilising
- Demand for EPS-based products remains high, expected to continue to be strong for 2H 2021
- Average EPS contract price for Q3 expected[1] at level with Q2 2021
- Analysts[1] forecast a GAP for Q3 high above the historical range of EUR 360-400 per tonnes
  - Currently, forecasts estimate a GAP even higher than Q2, with full drop-through impact on sold volumes for segment RAW
- Increased raw material prices positively impact margins for RAW, and put some pressure on margins for downstream segments, where sales price adjustments lag approximately one quarter
  - Margins in downstream segments expected to catch up when raw material prices stabilise or decrease

(1) IHS Markit forecast

Well positioned for further growth

- Solid operational performance
- A proven business model and delivery capacity
- Strong underlying demand
- Robust financial position
- Continued growth in line with strategic priorities

BEWI

for a better everyday

Next events

CMD late September

Date and place to be communicated shortly

Third quarter 2021

3 November 2021