



Perstorp Holding AB (Publ.)

Interim report 1 January - 30 September 2017



Akestra™ is a remarkable
thermoplastic with a sparkling
glass-like appearance

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¹⁾ Perstorp Continuing operations excludes the divested unit Perstorp Oxo Belgium AB

Interim report 1 January - 30 September 2017

Perstorp Holding AB (Publ.), corporate reg. no. 556667-4205, Parent company for Perstorp.

Perstorp is an international specialty chemicals group and a global leader in high growth niches. The Group has around 1,600 employees and manufacturing facilities in Europe, North America and Asia. The Perstorp Group is controlled by the European private equity company PAI Partners.

Key figures in summary

July 1 – September 30, 2017

- ➔ Net sales, for continuing operations increased 18% to SEK 3,289 m (2,784). As for the first two quarters of 2017, third quarter sales prices were higher than the corresponding quarter last year, linked to improved pricing and higher raw material prices. Organic volume-based sales growth, for continuing operations was 7% year-on-year.
- ➔ EBITDA excluding non-recurring items, for continuing operations amounted to SEK 575 m in the third quarter compared to SEK 476 m in the corresponding period last year. The increase was attributable to both higher sales volumes and higher unit margins for many of the product lines.
- ➔ EBITDA-margin excluding non-recurring items for continuing operations increased to 17.5% (17.1).
- ➔ Towards the end of the third quarter Perstorp acquired the Neo, TMP and TMPDE as well as the associated Formate businesses from Polioli SPA (Italy).
- ➔ The divestment of Perstorp Oxo Belgium AB in the first quarter of 2017 is treated as discontinued operations and historical financial statements have been restated.

Key figures in summary, continuing operations

SEK m unless otherwise stated	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2016
	2017	2016	2017	2016		
Net sales	3,289	2,784	9,990	7,987	13,078	11,075
EBITDA	571	474	1,634	1,293	2,057	1,716
% of net sales	17.4	17.0	16.4	16.2	15.7	15.5
EBITDA excluding non-recurring items ¹⁾	575	476	1,648	1,320	2,109	1,781
% of net sales	17.5	17.1	16.5	16.5	16.1	16.1
Operating earnings (EBIT)	272	332	1,054	865	1,318	1,129
% of net sales	8.3	11.9	10.6	10.8	10.1	10.2
Net earnings/loss	50	-248	265	-772	-95	-1,132
Free Cash flow	134	355	553	894	959	1,300

¹⁾ Non-recurring items are mainly attributable to restructuring and refinancing costs.



President's Comments

" We have now closed a record quarter and expect the demand in the fourth quarter 2017 to remain strong but the supply situation to become somewhat less tight"

A record quarter

The demand in all three geographical areas remains high and in the third quarter of 2017 Perstorp sets a historical record with an EBITDA excluding non-recurring items (for continuing operations) amounting to SEK 575 m. This increase was mainly attributable to higher sales volumes and higher unit margins for most of our product lines. Unit margins improved despite negative currency effects and higher raw material costs. The EBITDA margin, excluding Bioproducts amounted to 20.1% (19.3).

We are now seeing results from the improvement initiatives under the umbrella of going from Good to Great. We also need to be humble and acknowledge that some part of this result is due to external factors; i.e. constraints in overall global supply situation combined with high demand.

Business Area Specialties & Solutions has continued to deliver a solid EBITDA of SEK 179 m. Organic volume-based sales grew by 19% compared to the third quarter previous year. The increase is mainly due to a strong performance of our caprolactone business.

The Business Area Advanced Chemicals & Derivatives delivered a substantially improved EBITDA amounting to SEK 416 m. Unit margins improved thanks to price increases and a favorable supply & demand balance, especially in our Neo and Oxo businesses.

For Business Area BioProducts, the market conditions continue to be tough, even if the third quarter shows some improvements compared to the first half of 2017.

Outlook

General demand continues to be high and coherent across all three regions – EMEA, Americas and APAC, but the supply situation to become somewhat less tight. The volatility in the raw material prices, keeps us on the toes in terms of pricing in many areas.

Future focus on four strategic growth drivers

The "Care 365" initiative for health and safety continues to roll out. We have the right focus, the right mindset and a great engagement, and I believe that we are doing the right things within the frameworks we have introduced. Fundamental behavioral changes take time, but we anticipate to also start seeing results in our KPI's.

At the end of the third quarter, Perstorp signed the agreement to acquire Polialcoli Srl from Polioli SpA, including their Neo, TMP and TMPDE as well as the associated Formate businesses. The employees at site Vercelli have been officially welcomed to the Perstorp Group in the beginning of October and the business is up and running.

The general caprolactone market has encountered supply constrains during the quarter and we have stepped up our position as a reliable and leading partner.

We have recently launched a new Group Strategy where four strategic growth drivers were introduced; Care 365, Customer Centricity, Product- and Market Leadership and Leverage Integrated Platforms. Here is where we will focus and win from now on.

Malmö, November 2017

Jan Secher
President and CEO

Financial overview July - September 2017

Net sales and earnings, continuing operations

For continuing operations net sales amounted to SEK 3,289 m during the period July to September 2017, an increase of SEK 505 m or 18%. Volumes increased 5% compared to last year with improved or stable volumes for the majority of our product lines. Organic volume based sales growth was 7% in the third quarter 2017. Sales prices were 13% higher than last year linked to improved pricing and higher raw material costs.

Average Dated Brent oil price increased 3% in the third quarter 2017 compared to the second quarter in 2017 and was 11% higher than the corresponding quarter last year. The higher price on Dated Brent oil has also impacted pricing on downstream derivatives like propylene and ethylene during the latter part of the third quarter 2017.

The Swedish krona strengthened against both the USD and the EUR compared to the previous quarter. Compared to the corresponding quarter 2016 the USD was weaker and the EUR was moderately stronger in 2017.

EBITDA excluding non-recurring items amounted to SEK 575 m (476) corresponding to an EBITDA margin of 17.5% (17.1). The increase was attributable to both higher sales volumes and higher unit margins for many of the product lines partly offset by negative FX-effects on sales.

Depreciation and amortization amounted to SEK 299 m (142) including an impairment of SEK 160 m related to business area BioProducts. EBIT amounted to SEK 272 m (332) during the period. Net financial expenses, including exchange rate effects on net debt, amounted to SEK 199 m compared to SEK 574 m for the corresponding period in 2016. The deviation can mainly be explained by favorable FX-effects on net debt.

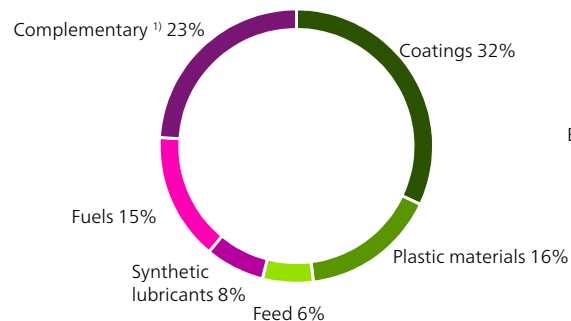
Tax amounted to SEK -23 m (-6) and net result amounted to SEK 50 m (-248).

Income statement, continuing operations		
SEK m	Quarter 3	
	2017	2016
Net sales	3,289	2,784
Cost of goods sold	-2,613	-2,267
Gross earnings	676	517
Operating earnings (EBIT) ¹⁾	272	332
Exchange-rate effects on net debt	186	-194
Other financial income and expenses	-385	-380
Earnings/loss before tax	73	-242
Tax	-23	-6
Net earnings/loss	50	-248

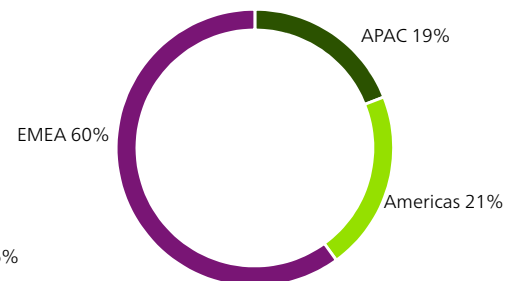
EBITDA	571	474
EBITDA excl, non-recurring items.	575	476

¹⁾Including an impairment amounting to SEK 160 m (-) related to business area BioProducts.

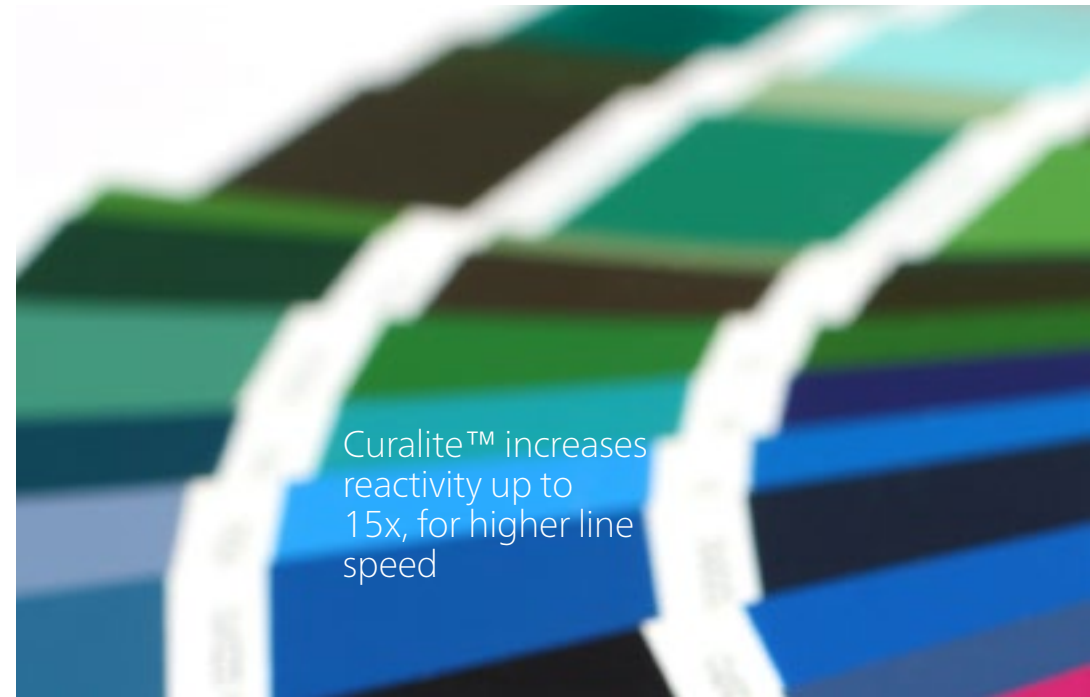
Net sales by market segments, last twelve months



Net sales by geography, last twelve months



¹⁾ Subsegments within complementary consists of bleaching, runway de-icer, oil drilling and completion fluids, pharmaceuticals and API, surfactants and detergents, tanning and other



Curalite™ increases reactivity up to 15x, for higher line speed

Financial overview July - September 2017

Free cash flow

Free Cash flow amounted to SEK 134 m (355) for the period. Improved earnings was offset by higher capital expenditures and increased working capital. Utilization of the factoring program increased with SEK 45 m during the third quarter 2017 and the total utilization of the program was at the end of the period EUR 115 m (99). Cash flow from investment activities amounted to SEK -243 m (-98) during the third quarter 2017.

Free Cash flow analysis, Continuing operations ¹⁾		
SEK m unless otherwise stated	Quarter 3	
	2017	2016
EBITDA excl non-recurring items	575	476
Change in Working Capital ²⁾	-198	-23
Maintenance Capex	-85	-38
Free Cash Flow before strategic capex	292	415
% of EBITDA excluding non-recurring items	51	87
Strategic Capex	-158	-60
Free Cash Flow	134	355
% of EBITDA excluding non-recurring items	23	75

¹⁾ For further details on total cash flow, please see page 15.

²⁾ Excluding exchange rate effects and provisions.

Net debt and leverage

The Group's available funds, liquid funds and unutilized credit facilities, were SEK 1,022 m at the end of the period, compared with SEK 930 m at the end of Q3 2016. Net debt excluding parent company loan and pension liabilities decreased by SEK 362 m during the quarter. The decrease was mainly related to a stronger SEK, primarily against the USD. Leverage was 5.6x at the end of the third quarter 2017 compared to 7.4x at the end of the third quarter 2016.

Available funds and net debt			
SEK m unless otherwise stated	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Available funds	1,022 ²⁾	930	983
Net debt	12,152	12,443	13,424
Net debt excl, Parent company loan and pension liabilities	11,716	11,975	12,964
Leverage ¹⁾	5.6x	7.4x	7.0x

¹⁾ Net debt excluding pension liabilities and shareholder loans/EBITDA excluding non-recurring items.

²⁾ Excludes cash proceeds of approximately SEK 600 m, from sale of Perstorp Oxo Belgium AB and the earn-out linked to the divestment of shares in Vencorex in 2014.

Our origins lie deep in the
Scandinavian woods

Financial overview January - September 2017

Net sales and earnings, continuing operations

For continuing operations net sales amounted to SEK 9,990 m during the period January to September 2017, an increase of SEK 2,003 or 25% compared to the same period last year. Volumes increased 11% compared to the same period last year primarily resulting from the strong first quarter volumes. Organic volume based sales growth was 12% in the first nine months. Sales prices were 11% higher than last year following both improved pricing and increased raw material prices. Average FX-rates for the period were higher than in 2016 which resulted in positive FX-effects on sales, +2%.

Depreciation and amortization amounted to SEK 580 m (428) including an impairment of SEK 160 m related to business area BioProducts. EBIT amounted to SEK 1,054 m (865) during the period. Net financial expenses, including exchange rate effects on net debt, amounted to SEK -715 in 2017, compared to SEK -1,613 m for the same period 2016. The decrease is primarily due to more favorable FX-effects on net debt which amounts to SEK 405 m (-456) for 2017. Tax amounted to SEK -74 m (-24) and net result amounted to SEK 265 m (-772).

Income statement, continuing operations		
SEK m unless otherwise stated	Quarter 1-3	
	2017	2016
Net sales	9,990	7,987
Cost of goods sold	-8,046	-6,512
Gross earnings	1,944	1,475
Operating earnings (EBIT) ¹⁾	1,054	865
Exchange rate effects on net debt	405	-456
Other financial income and expenses	-1,120	-1,157
Earnings/loss before tax	339	-748
Tax	-74	-24
Net earnings/loss	265	-772

EBITDA	1,634	1,293
EBITDA excl non-recurring items.	1,648	1,320

¹⁾ Including an impairment amounting to SEK 160 m (-) related to business area BioProducts.

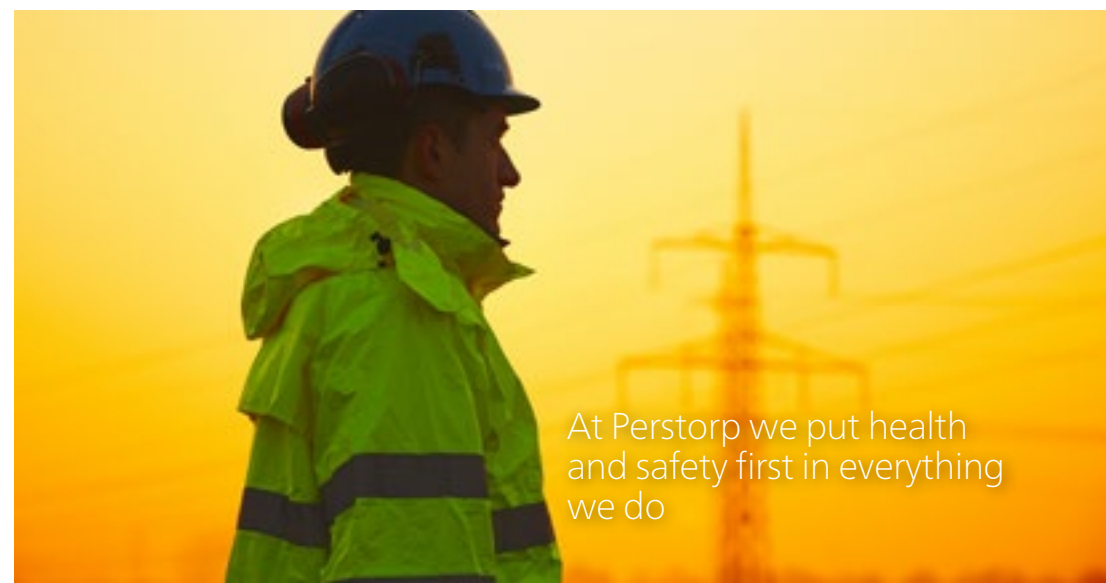
Free Cash flow

Free Cash flow amounted to SEK 553 m (894) for the period. Improved earnings was offset by higher capital expenditures and increased working capital. Cash flow from investment activities amounted to SEK -505 m (-310) during the period. At the end of the third quarter 2017, around EUR 115 m (99) of the long-term trade receivables program was utilized and has reduced account receivables.

Free cash flow analysis, Continuing operations ¹⁾				
SEK m unless otherwise stated	Quarter 1-3		Latest 12 months	Full year 2016
	2017	2016		
EBITDA excl non-recurring items	1,648	1,320	2,109	1,781
Change in Working Capital ²⁾	-590	-116	-408	66
Maintenance capex	-220	-140	-317	-237
Free Cash Flow before strategic capex	838	1,064	1,384	1,610
% of EBITDA excluding non-recurring items	51	81	66	90
Strategic Capex	-285	-170	-425	-310
Free Cash Flow	553	894	959	1,300
% of EBITDA excluding non-recurring items	34	68	45	73

¹⁾ For further details on total cash flow, please see page 15.

²⁾ Excluding exchange rate effects and provisions.



At Perstorp we put health and safety first in everything we do



Specialties & Solutions

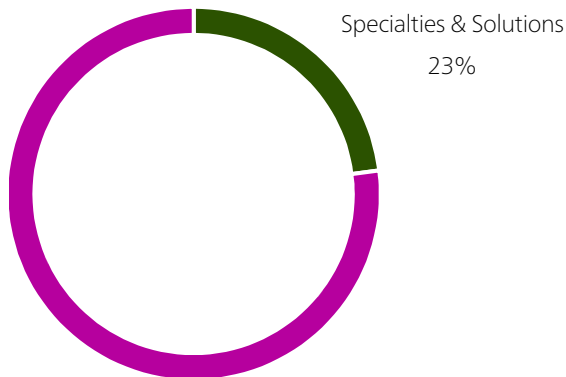
Specialties & Solutions consists of Business Units Caprolactones, Feed & Food, Specialty Polyols and Business Development.

July-September 2017

During the third quarter 2017 net sales amounted to SEK 758 m which was 19% higher than the same period in 2016.

The positive deviation can mainly be assigned to strong organic growth of Business Unit Caprolactones. Unit margins decreased somewhat following negative product and customer mix together with higher raw material prices. EBITDA in the third quarter 2017 was SEK 179 m (170), corresponding to an EBITDA margin of 23.6% (26.8).

Share of Group net sales, quarterly



Specialties & Solutions				
SEK m	Quarter 3		Latest 12 months ¹⁾	Full year 2016 ¹⁾
	2017	2016 ¹⁾		
Net sales	758	638	3,010	2,617
EBITDA	179	171	655	672
EBITDA excluding non-recurring items	179	170	660	677

¹⁾ Historical number has been restated due to the divestment of the legal unit Perstorp Oxo Belgium AB.



ProPhorce™ FS protects drinking water for farm animals from harmful bacteria



Advanced Chemicals & Derivatives

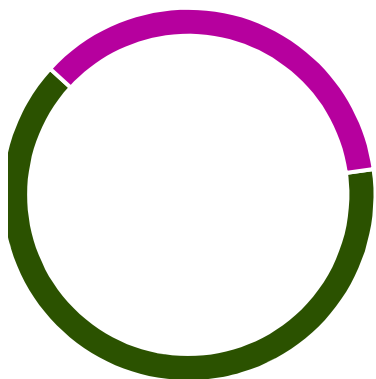
Advanced Chemicals & Derivatives consists of the Business Units Penta, Oxo, TMP & Neo and Formates.

July-September 2017

During the third quarter 2017 net sales amounted to SEK 2,095 m, which was 21% higher than the same period in 2016. The deviation can be assigned to higher sales prices following both higher raw material prices, strengthened pricing and good volume growth for some product lines.

Unit margins improved thanks to improved supply & demand balance and price increases. EBITDA in the third quarter increased to SEK 415 m (304), corresponding to an EBITDA margin of 19.8% (17.6).

Share of Group net sales, quarterly



Advanced Chemicals & Derivatives
65%

Advanced Chemicals & Derivatives				
SEK m	Quarter 3		Latest 12 months ¹⁾	Full year 2016 ¹⁾
	2017	2016 ¹⁾		
Net sales	2,095	1,731	8,285	6,890
EBITDA	416	304	1,517	1,103
EBITDA excluding non-recurring items	415	304	1,521	1,108

¹⁾ Historical number has been restated due to the divestment of the legal unit Perstorp Oxo Belgium AB.

Pevalen™ is the perfect plasticizer choice for sensitive applications, such flooring in schools and hospitals



BioProducts

BioProducts consists of the Business Unit BioProducts.

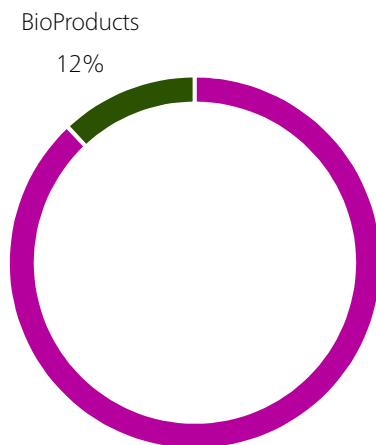
July-September 2017

During the third quarter 2017, Business Area BioProducts net sales amounted to SEK 382 m, which was 3% higher than the corresponding period in 2016. The increase in sales can mainly be assigned to higher sales prices.

BioProducts EBITDA in the third quarter 2017 amounted to SEK -5m (10), corresponding to an EBITDA margin of -1.3% (2.6%). The decrease in earnings can primarily be assignable to weaker unit margins.

BioProducts				
SEK m	Quarter 3		Latest 12 months	Full year 2016
	2017	2016		
Net sales	382	370	1,573	1,377
EBITDA	-5	10	7	50
EBITDA excluding non-recurring items	-5	10	7	51

Share of Group net sales, quarterly



Perstorp offers solutions for both renewable fuels as well as fuel additives that reduce the health effects of diesel engine exhaust



Consolidated Income statement

Income statement, consolidated group							
SEK m	Note	Quarter 3		Quarter 1-3		Latest	Full year
		2017	2016	2017	2016	12 months	2016
Continuing operations							
Net sales	2	3,289	2,784	9,990	7,987	13,078	11,075
Cost of goods sold		-2,613	-2,267	-8,046	-6,512	-10,618	-9,084
Gross earnings		676	517	1,944	1,475	2,460	1,991
Selling, administration and R&D costs		-239	-191	-658	-614	-885	-841
Other operating income and expenses ¹⁾		-4	4	-72	-2	-84	-14
Write-down of assets	9	-162	0	-164	0	-174	-10
Result from participations in associated companies		1	2	4	6	1	3
Operating earnings (EBIT)		272	332	1,054	865	1,318	1,129
Exchange-rate effects on net debt		186	-194	405	-456	212	-649
Other financial income and expenses		-385	-380	-1,120	-1,157	-1,662	-1,699
Group contribution ²⁾	2	-	-	-	-	85	85
Earnings/loss before tax		73	-242	339	-748	-47	-1,134
Tax		-23	-6	-74	-24	-48	2
Net earnings/loss		50	-248	265	-772	-95	-1,132
<i>Discontinued operation</i>							
Net sales	2	0	50	0	193	37	230
Operating earnings (EBIT)		0	16	604	63	618	77
Earnings/loss before tax ³⁾	8	-1	18	604	68	536	0
Tax		0	0	0	0	0	0
Net earnings/loss		-1	18	604	68	536	0
<i>Group, total</i>							
Net sales		3,289	2,834	9,990	8,180	13,115	11,305
Operating earnings (EBIT)		272	348	1,658	928	1,936	1,206
Earnings/loss before tax		73	-225	944	-680	490	-1,134
Tax		-24	-5	-75	-24	-49	2
Net earnings/loss		49	-230	869	-704	441	-1,132


Consolidated Group

EBITDA	2	570	491	2,238	1,361	2,677	1,800
EBITDA excl. non-recurring items	2	575	492	1,648	1,388	2,125	1,865

¹⁾ Other operating income and expenses primarily includes exchange rate effects on operational net receivables and non-recurring income and costs.

²⁾ Group contribution received from divested unit.

³⁾ Including group contribution transferred to Continuing operations.

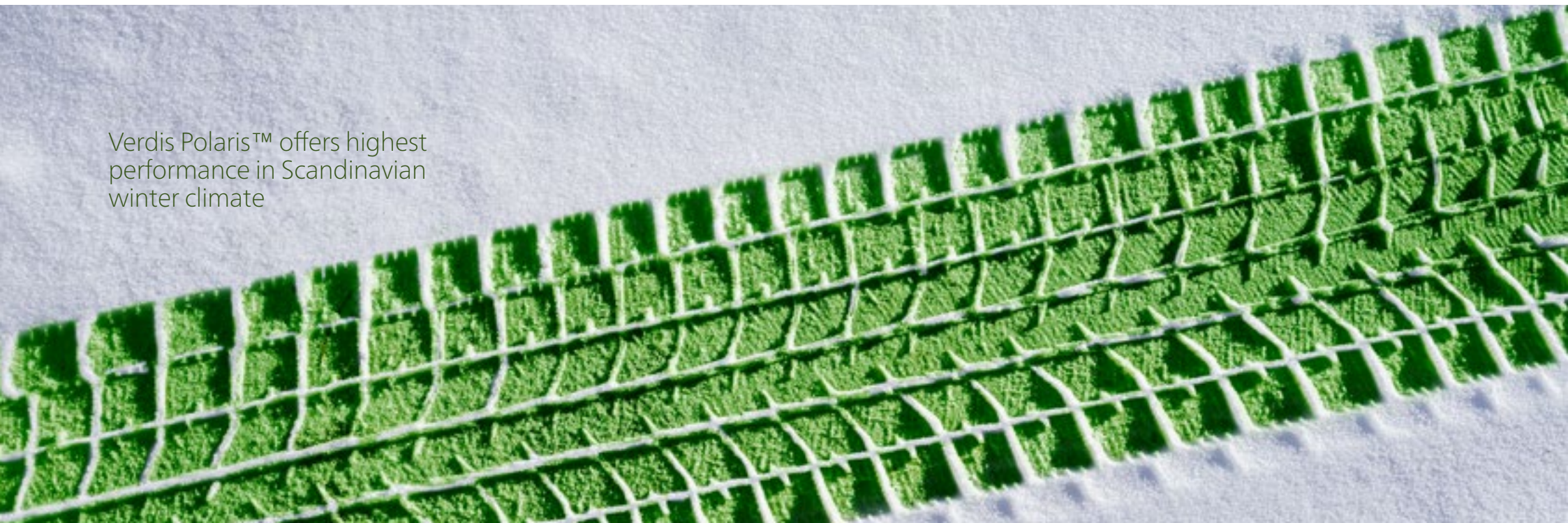


Synthetic lubricants can be engineered to fit specific and complex applications

Consolidated Income statement

Comprehensive income report						
SEK m	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2016
	2017	2016	2017	2016		
Net result for the period	49	-230	869	-704	441	-1,132
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of defined benefit plan	-	-11	-	-33	-3	-36
<i>Items that may be subsequently reclassified to profit or loss</i>						
Currency translation effect	25	-1	84	-19	26	-77
Other comprehensive income net after tax	25	-12	84	-52	23	-113
Total comprehensive income	74	-242	953	-756	464	-1,245
Attributable to:						
Parent company's shareholder	58	-247	912	-764	410	-1,266
Non controlling interest	16	5	41	8	54	21

Verdis Polaris™ offers highest performance in Scandinavian winter climate



Consolidated Balance sheet

Balance sheet, consolidated group				
SEK m	Note	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Tangible fixed assets		4,912	4,899	5,006
Intangible fixed assets		4,802	4,910	4,915
Participation in associated companies		68	66	64
Other non-current assets		516	774	787
Inventories		1,416	1,267	1,370
Other current assets		1,240	1,022	1,069
Cash & cash equivalents, incl. short-term investments		1,157	726	434
Total assets		14,111	13,664	13,645
Total equity	4	-2,044	-2,502	-2,991
Loan from parent company		21	20	20
Pension liability, others		415	452	441
Other non-current liabilities		13,552	4,570	13,832
Current liabilities		2,167	11,124	2,343
Total equity & liabilities		14,111	13,664	13,645
Working capital		974	760	500
Net debt		12,152	12,443	13,424
Net debt excl. parent company loan and pension liabilities		11,716	11,975	12,964
Capital employed		11,011	10,706	10,550
Number of full-time employees, end of period		1,484	1,513	1,505
Contingent liabilities		349	514	530
Assets pledged		8,087	8,152	7,945

Working Capital			
SEK m	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Inventories	1,416	1,222	1,315
Accounts receivable	911	633	714
Other current assets	313	319	293
Accounts payable	657	685	986
Other current liabilities	1,009	796	908
Working capital, continuing operations	974	693	428
Discontinued operation	-	67	72
Working capital, consolidated group	974	760	500

Perstorp is a competitive partner in industrial and architectural performance coatings



Consolidated statement of changes in Equity

Total equity, 2017			
SEK m	Equity attributable to owners of the parent	Non controlling interest	Total equity
Opening balance, January 1, 2017	-3,080	89	-2,991
Total comprehensive income	912	41	953
Dividend to non controlling interest		-6	-6
Closing balance, September 30, 2017	-2,168	124	-2,044

Total equity, 2016			
SEK m	Equity attributable to owners of the parent	Non controlling interest	Total equity
Opening balance, January 1, 2016	-1.814	68	-1.746
Total comprehensive income	-764	8	-756
Closing balance, September 30, 2016	-2.578	76	-2.502

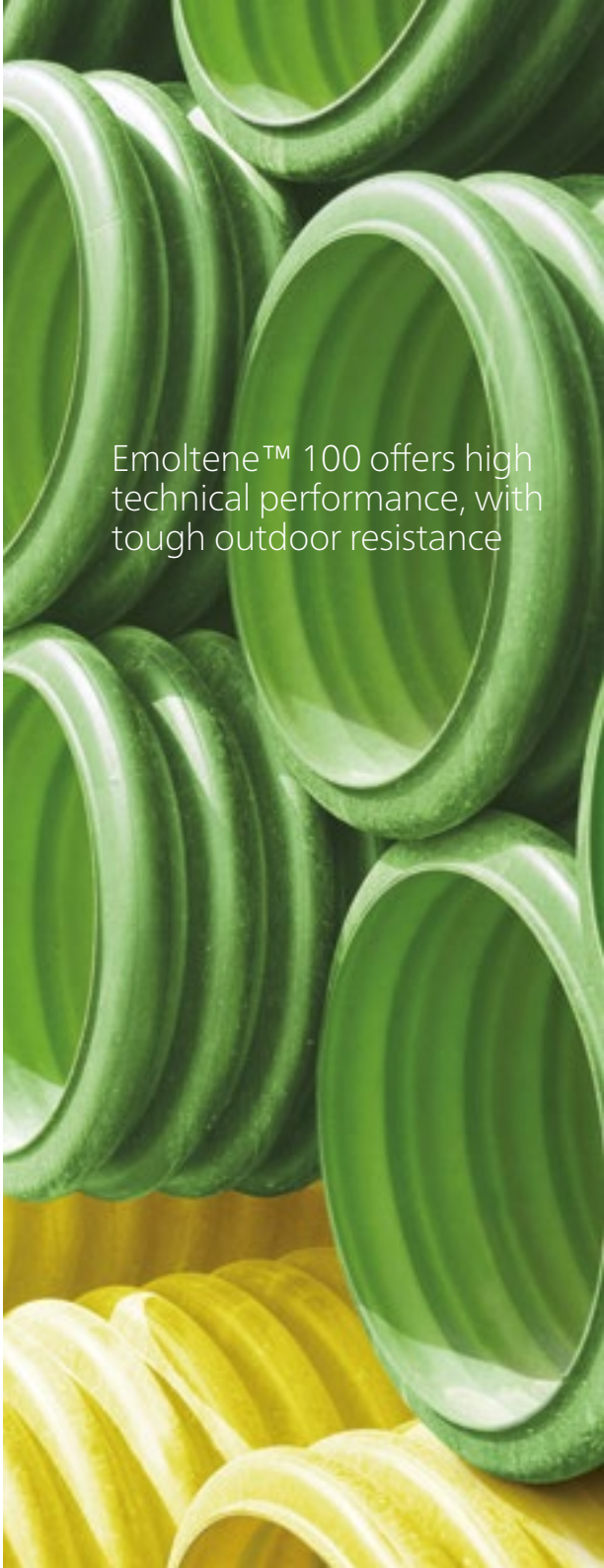
Intumescent systems for plastics are ideal for fire resistant plastics in electronics



Consolidated Cash flow statement

Cash Flow analysis, Consolidated Group							
SEK m	Note	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2016
		2017	2016	2017	2016		
Operating activities							
Operating earnings		272	332	1,054	865	1,318	1,129
Adjustments:							
Depreciation and write-down		299	141	580	426	741	587
Other		-44	-2	-63	20	-42	41
Operating activities in discontinued operation		-	18	-	69	15	84
Interest received and other financial items		1	-1	4	5	5	6
Interest paid and other financial items		-75	-344	-700	-924	-1,190	-1,414
Income tax paid		-26	-9	-69	-18	-74	-23
Cash flow from operating activities before change in working capital		427	135	806	443	773	410
Changes in working capital							
Increase (-) Decrease (+) in net working capital ¹⁾		-198	-22	-590	-116	-408	66
Change in working capital in discontinued operations		0	13	0	-3	-5	-8
Cash flow from operating activities		229	126	216	324	360	468
<i>Investing activities</i>							
Acquisition of net assets, subsidiaries		-105	-	-105	-	-105	-
Investments in other participations		-	-	-	-23	0	-23
Acquisition of tangible and intangible fixed assets		-138	-97	-400	-309	-638	-547
Sale of net assets, subsidiaries	8	-	-	722	-	722	-
Sale of shares in other participations	8	-	-	290	-	290	-
Change in financial assets, external		57	-	0	0	0	0
Discontinued operation		-	-2	-	-3	-3	-6
Cash flow from investing activities		-186	-99	507	-335	266	-576
<i>Financing activities</i>							
Dividend paid to non-controlling interests in subsidiaries		-	-	-6	-	-6	-
New loans external		-	-	-	-	11,581	11,581
Amortization of loans external		-	-	-	-	-11,436	-11,436
Change in credit utilization		-336	-2	20	-15	-322	-357
Cash flow from financing activities		-336	-2	14	-15	-183	-212
Change in liquid funds, incl,short-term investments		-293	25	737	-26	443	-320
Liquid fund opening balance, incl,short-term investments		1,456	691	434	742	726	742
Translation difference in liquid funds		-6	10	-14	10	-12	12
Liquid funds, end of period		1,157	726	1,157	726	1,157	434

¹⁾ Including trade receivable financing program,



Emoltene™ 100 offers high technical performance, with tough outdoor resistance



Parent company

Perstorp Holding AB (publ.) is wholly owned by Financière Forêt S.á.r.l and is the parent company of the Perstorp Holding Group. Perstorp Holding AB (publ.) had no external sales. Shareholder equity at September 30, 2017 amounted to SEK 1,230 m (556) compared to SEK 1,595 m at December 31, 2016.

Income statement						
SEK m	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2016
	2017	2016	2017	2016		
Net sales	8	7	45	42	55	52
Cost of goods sold	-	-	-	-	-	-
Gross earnings	8	7	45	42	55	52
Sales, marketing and admin costs	-38	-26	-126	-112	-161	-147
Other operating income and expenses	-2	-3	-14	-19	-16	-21
Operating earnings (EBIT)	-32	-22	-95	-89	-122	-116
Financial income and expenses ¹⁾	-40	-389	-270	-766	796	300
Earnings/loss before tax	-72	-411	-365	-855	674	184
Tax	-	-	-	-	-	-
Net earnings/loss ²⁾	-72	-411	-365	-855	674	184

¹⁾ Including dividends from subsidiaries

²⁾ Comprehensive income equals Net earnings/loss for the year.

Balance sheet			
SEK m	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Tangible fixed assets	3	4	4
Intangible fixed assets	3	4	4
Shares in group companies	7,731	7,715	7,715
Long term receivables, group ¹⁾	6,735	-	-
Other non-current assets	341	577	577
Short term receivables group ¹⁾	-	5,624	5,788
Other current assets	289	276	1,418
Cash & cash equivalents	950	63	63
Total assets	16,052	14,263	15,569
Total equity	1,230	556	1,595
Loan from parent company	21	20	20
Other non-current liabilities	12,316	3,642	12,795
Current liabilities	2,485	10,045	1,159
Total equity & liabilities	16,052	14,263	15,569

¹⁾ Internal financial receivables was extended and reclassified from short term to long term during Q2 2017



Key figures and FX-rates

Key figures								
SEK m unless otherwise stated	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<i>Continuing operations</i>								
Net Sales	3,289	3,288	3,413	3,088	2,784	2,654	2,549	2,393
Organic volume-based sales growth,%	7%	7%	23%	27%	13%	6%	-1%	0%
Marginal contribution	1,100	1,038	1,061	929	885	892	873	673
EBITDA excluding non-recurring items	575	502	571	461	476	409	435	225
% of net sales	17.5%	15.3%	16.7%	14.9%	17.1%	15.4%	17.1%	9.4%
Cash conversion, % of EBITDA excluding non-recurring items	23%	70%	12%	88%	75%	55%	72%	79%
<i>Consolidated group</i>								
Net earnings/loss	49	114	706	-428	-230	-395	-79	-227
Earnings, per share, diluted, SEK	0.99	2.28	14.11	-8.56	-4.60	-7.90	-1.58	-4.54
Net debt excluding pension liabilities and shareholder loans	11,716	12,078	12,242	12,964	11,975	11,770	11,382	11,196
Leverage ¹⁾	5.6x	6.0x	6.4x	7.0x	7.4x	7.6x	7.1x	6.7x

¹⁾ Net debt excluding pension liabilities and shareholder loans/EBITDA excluding non-recurring items

Currency rates								
Closing rate								
USD	8.11	8.47	8.93	9.10	8.62	8.48	8.15	8.35
EUR	9.57	9.67	9.55	9.57	9.63	9.42	9.23	9.14
GBP	10.87	11.01	11.13	11.18	11.17	11.39	11.69	12.38
Average rate								
USD	8.14	8.80	8.92	9.04	8.52	8.21	8.46	8.50
EUR	9.56	9.69	9.51	9.76	9.51	9.27	9.32	9.31
GBP	10.64	11.26	11.05	11.23	11.19	11.79	12.10	12.91



Notes

1. Accounting & valuation principles

The consolidated financial statements for Perstorp Holding AB have been prepared in accordance with IAS 34, Interim Financial Reporting, and the applicable regulations of the Swedish Annual Accounts Act. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting. The same accounting principles and calculation methods used in the interim reports were used in the annual accounts for 2016. The accounting principles of the Group and parent company are stated in Note 2 of the 2016 Annual Report.

¹⁾ The Group is domiciled in Sweden. The result of its net sales from external customers in Sweden is 12% (15), and the total of net sales from external customers from other countries is 88% (85). No sales above 10% derived from a single external customer.

2. Segment information

Segment data ¹⁾							
SEK m	Note	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2016
		2017	2016	2017	2016		
Net Sales							
Specialties & Solutions		758	638	2,336	1,943	3,010	2,617
Advanced Chemicals & Derivatives		2,095	1,731	6,373	4,978	8,285	6,890
BioProducts		382	370	1,116	920	1,573	1,377
Internal sales							
Specialties & Solutions		-2	-1	-7	-3	-9	-5
Advanced Chemicals & Derivatives		-6	-34	-41	-106	-82	-147
Other/eliminations		62	80	213	255	301	343
Continuing operations		3,289	2,784	9,990	7,987	13,078	11,075
Divested unit		-	82	-	285	73	358
Eliminations		-	-32	-	-92	-36	-128
Discontinued operations		-	50	-	193	37	230
TOTAL GROUP		3,289	2,834	9,990	8,180	13,115	11,305
EBITDA							
Specialties & Solutions		179	171	538	555	655	672
Advanced Chemicals & Derivatives		416	304	1,196	782	1,517	1,103
BioProducts		-5	10	-32	11	7	50
Other/eliminations		-19	-11	-68	-55	-122	-109
Continuing operations		571	474	1,634	1,293	2,057	1,716
Discontinued operations		-1	17	604	68	620	84
TOTAL GROUP		570	491	2,238	1,361	2,677	1,800
<i>Non allocated items</i>							
Depreciation, Amortization and write down	9	-298	-143	-580	-433	-741	-594
Operating earnings (EBIT)		272	348	1,658	928	1,936	1,206
Financial income and expenses		-199	-573	-714	-1,608	-1,446	-2,340
Earnings/loss before tax		73	-225	944	-680	490	-1,134
Tax		-24	-5	-75	-24	-49	2
Net result		49	-230	869	-704	441	-1,132

EBITDA excluding non-recurring items							
Specialties & Solutions		179	170	538	555	660	677
Advanced Chemicals & Derivatives		415	304	1,199	786	1,521	1,108
BioProducts		-5	10	-32	12	7	51
Other/eliminations		-14	-8	-57	-33	-79	-55
Continuing operations		575	476	1,648	1,320	2,109	1,781
Discontinued operations		0	17	0	68	16	84
TOTAL GROUP		575	492	1,648	1,388	2,125	1,865

Notes

3. Definitions non IFRS measures

“Marginal contribution” is calculated as the difference between net sales and the variable elements of the Group’s cost of goods sold, being variable production and distribution cost, freight and commission costs.

“EBITDA” represents the Group’s operating earnings (or loss) (EBIT) before depreciation and amortization.

“EBITDA margin (adjusted for non-recurring items)” is calculated as EBITDA (adjusted for non-recurring items) divided by net sales.

“EBIT” is calculated as the Group’s reported operating earnings (loss).

“Free cash flow” is calculated as EBITDA (excluding nonrecurring items) less change in working capital excluding exchange rate effects and provisions and investments.

“Cash conversion” is calculated as free cash flow divided by EBITDA (adjusted for non-recurring items).

“Organic volume-based sales growth” is defined as change in organic production volume sold (i.e., sold production volume times product price) between successive periods assuming a constant price over the relevant period and excluding foreign exchange effects and the impact of acquisitions.

4. Equity

At the end of September 2017 equity for the parent company, Perstorp Holding AB, amounts to SEK 1,230 m (556).

Consolidated equity, including non controlling interest, for the Perstorp Group amounts to SEK -2,044 m (-2,502).

5. Transactions with related parties

The net amount borrowed from the Luxembourg-based parent company Financière Forêt S.à.r.l. amounted to SEK 21 (20) m.

6. Risk and uncertainty

Perstorp is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2016.

7. Acquisition

At the end of the third quarter Perstorp acquired 100% of the shares in Perstorp Polialcoli S.r.l. from from Polioli SPA. The business consist of Neo, TMP and TMPDE as well as the associated Formate businesses located at the Vercelli site in Italy. The operational result due to the acquisition will be included in the consolidated accounts from October 2017. The acquisition is in line with Perstorp’s strategy to maintain its leading market position.

8. Divestment

In the end of Q1 2017 Perstorp divested its facility in Gent Belgium, Perstorp Belgium (Perstorp Oxo Belgium AB) to Synthomer (Synthomer plc). The total consideration for the sale is €78 million (subject to certain adjustments). The divestment is in line with Perstorp’s strategy to focus on and expand its core chemicals activities. The capital gain amounts to SEK 604 m and is reported as discontinuing operations.

During the end of Q2 2017 the earn-out from the divestment of Perstorp’s 34% shares in Vencorex in 2014, was settled. The earn-out amounted to approximately EUR 30 m.

9. Impairment

The financial development for the Business Area Bioproducts continue to be challenging and during the third quarter a write-down was made amounting to SEK 160 m. This impairment test is based on a valuation of a discounted future cash flows, where several factors, such as current financial performance, financial forecasts and market data, is reflected. The write down has no impact on the other Business Areas or the Group’s cash flow for 2017.

10. Other information

After the balance sheet date, Perstorp has initiated a redemption in part of our senior Bonds to the level of the excess cash received from the divestment of Perstorp Oxo Belgium AB as well as the Vencorex earn out.

Following the Company’s continued robust performance and in light of current market conditions, Perstorp, together with its shareholders, is assessing its options to optimize the existing capital structure.

No other major events have occurred since the balance sheet date and up to the publication of this report.

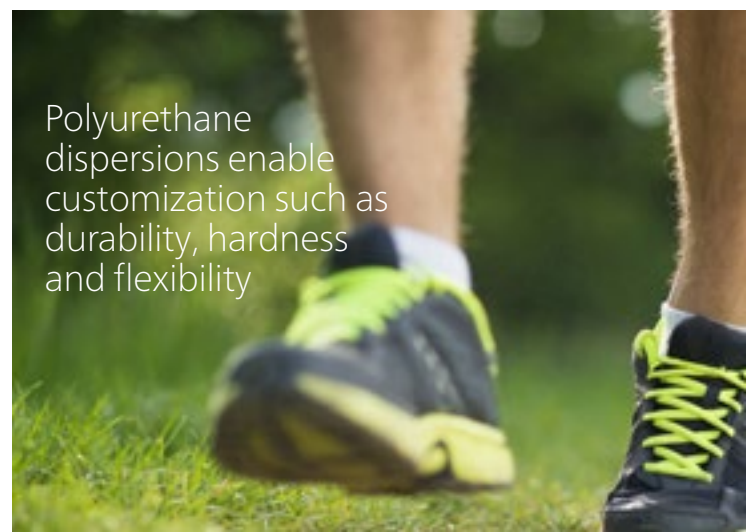
Perstorp’s financial information comprises of Interim-, Annual- and an Sustainability report. The complete Annual Report is available in English and can be ordered in print format. It can also be downloaded from the Group’s website at www.perstorp.com.

Perstorp, November 8, 2017



Jan Secher, President and CEO

The report has not been reviewed by Perstorp’s auditors.



Polyurethane
dispersions enable
customization such as
durability, hardness
and flexibility

One molecule can change everything

Perstorp believes in improving everyday life – making it safer, more convenient, more fun and more environmentally sound for millions of people all over the world. As a trusted world industrial leader, our innovations provide essential properties for products used every day at home and work. You'll find us everywhere from your car and mobile phone to towering wind turbines and the local dairy farm. Simply put, we work to make good products even better.

Perstorp's focused innovation builds on more than 135 years of experience, representing a complete chain of solutions in organic chemistry, process technology and application development. Manufacturing is based in Asia, Europe and North America, with sales and support in all major markets. The Perstorp Group is controlled by funds managed and advised by the European private equity company PAI partners.

For more information, visit perstorp.com