

Perstorp Holding AB (Publ.)

Year-end report 2012

Conference call March 1st, 2013



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Important notice

- ➔ Unless otherwise stated, the financial information presented in this document represents the Group's future scope following the treatment of the Singapore entities (the former PIA business unit) as an unrestricted subsidiary; it also excludes the results of our remaining 49% stake in Vencorex (the former Coating Additives business unit). The Singapore legal units are expected to be deconsolidated during Q1 2013
- ➔ Financials of historical periods have been adjusted accordingly for comparative purposes. Please refer to the appendix for further detail



Business performance



Martin Lundin

President & CEO



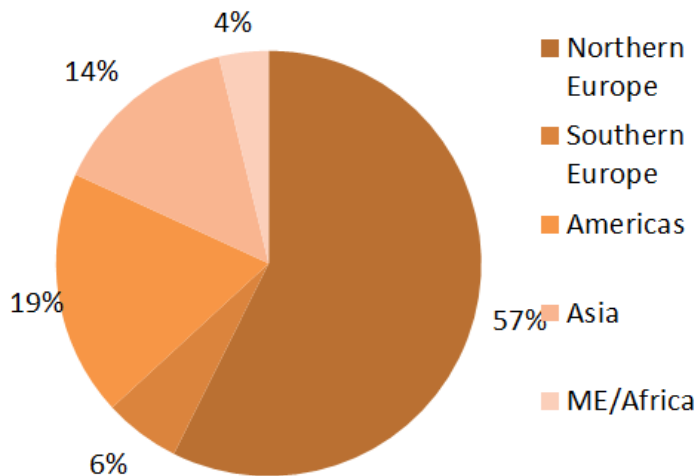
Executive summary

- ➔ As expected, continued softer market conditions through the end of 2012, particularly in Europe
- ➔ The start of 2013 affected by improved market demand and some re-stocking activities
- ➔ FY 2012 sales of SEK 10,528m and adjusted EBITDA of SEK 1,421m, a bit lower than last year which recorded sales of 10,641m and adjusted EBITDA of 1,472m
- ➔ Q4 2012 was negatively affected by the softer market in combination with the effects from the scheduled maintenance shutdown of our Oxo facility. The continuous appreciation of the SEK during the year also weighed on quarterly profitability
- ➔ Satisfactory cash conversion rate despite higher levels of investments
- ➔ Funds available on a comfortable level at year end



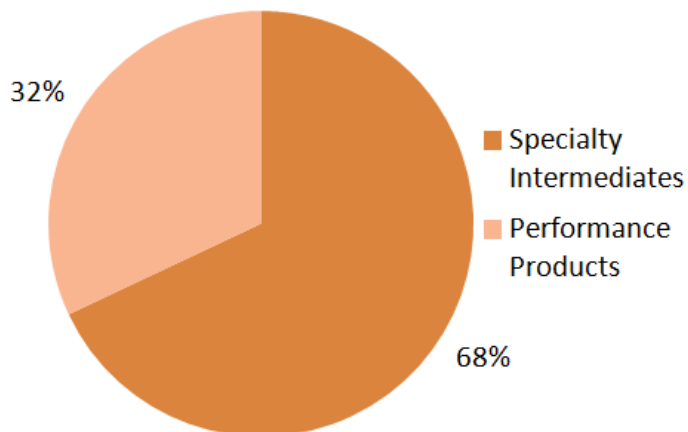
Revenue overview

FY/ 2012, Revenue by region, %



- ➔ Northern Europe continues to be our main market but the share of sales from the Americas (19% vs. 18%) and Asia (14% vs. 13%) is increasing
 - New organizational set-up in combination with pre-marketing activities for our new Chinese Neo plant has led to increased sales in especially Asia

FY/ 2012, Revenue by Business Group, %



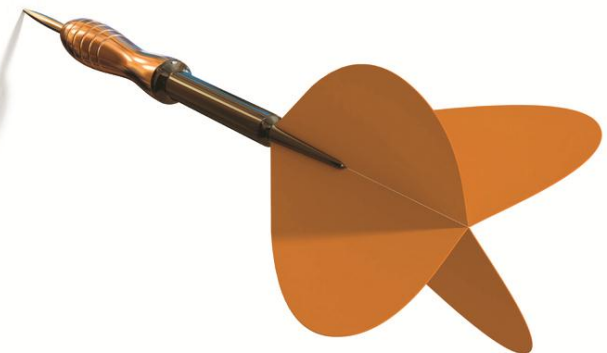
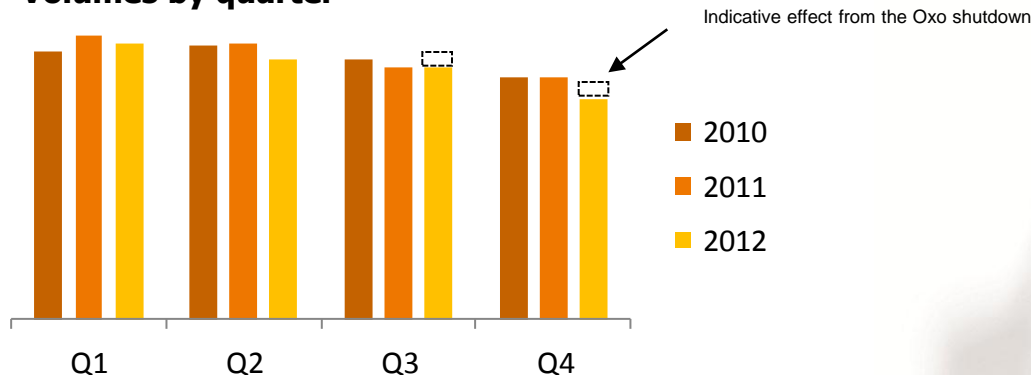
- ➔ Sales close to last year for both business groups, although Specialty Intermediates negatively affected by the scheduled Oxo shutdown (due every third year)



Key revenue drivers during Q4/2012

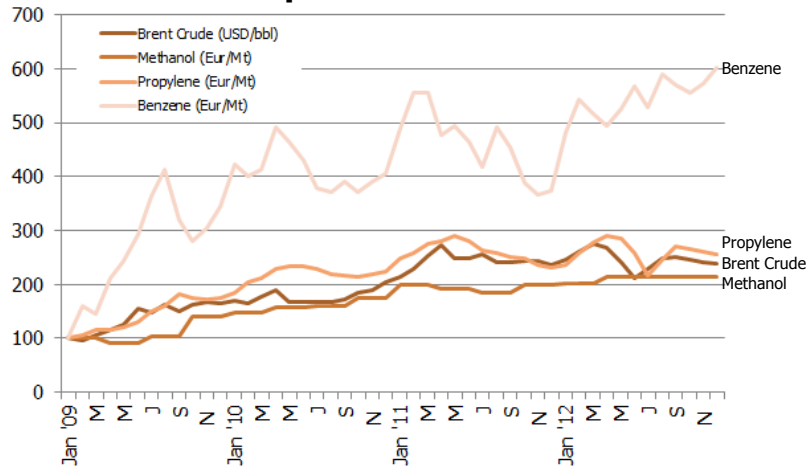
- ➔ Volumes below prior years
 - A weaker market demand in H2 in combination with our scheduled shutdowns affected volumes negatively
 - Despite macroeconomic headwind, product lines like caprolactones, formox products, specialty polyols and performance additives performed better than 2011
- ➔ Average selling prices well above last year
 - Primarily due to higher raw material prices
 - Product mix (higher share of high priced products) pushed up avg. selling prices especially in Q4
 - SEK appreciation affected revenues negatively both in Q3 and Q4
- ➔ Despite softer volumes, our strategic growth segments perform well
 - Our strategic growth segments show double digit growth despite challenging macro environment

Volumes by quarter



Raw materials and margins

Raw material prices



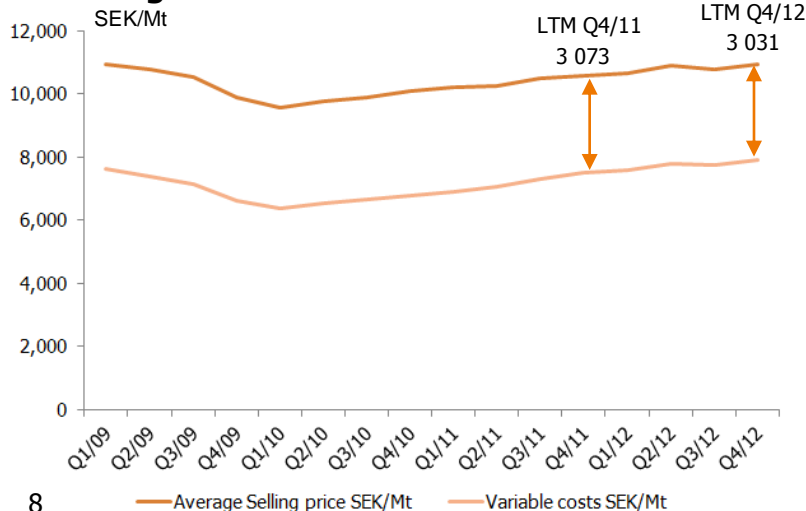
➔ Raw material prices continued the upward trend

- Propylene up 7% Q4/12 vs. Q3/12
- Benzene up 2% Q4/12 vs. Q3/12

➔ Quarterly and LTM margins on same level as last year, although under some pressure in Q4/12

➔ Unit margins negatively affected by high raw material prices, softer market condition and negative Fx effects

Margins



Financial review



Johan Malmqvist
CFO



Financial highlights

Q4

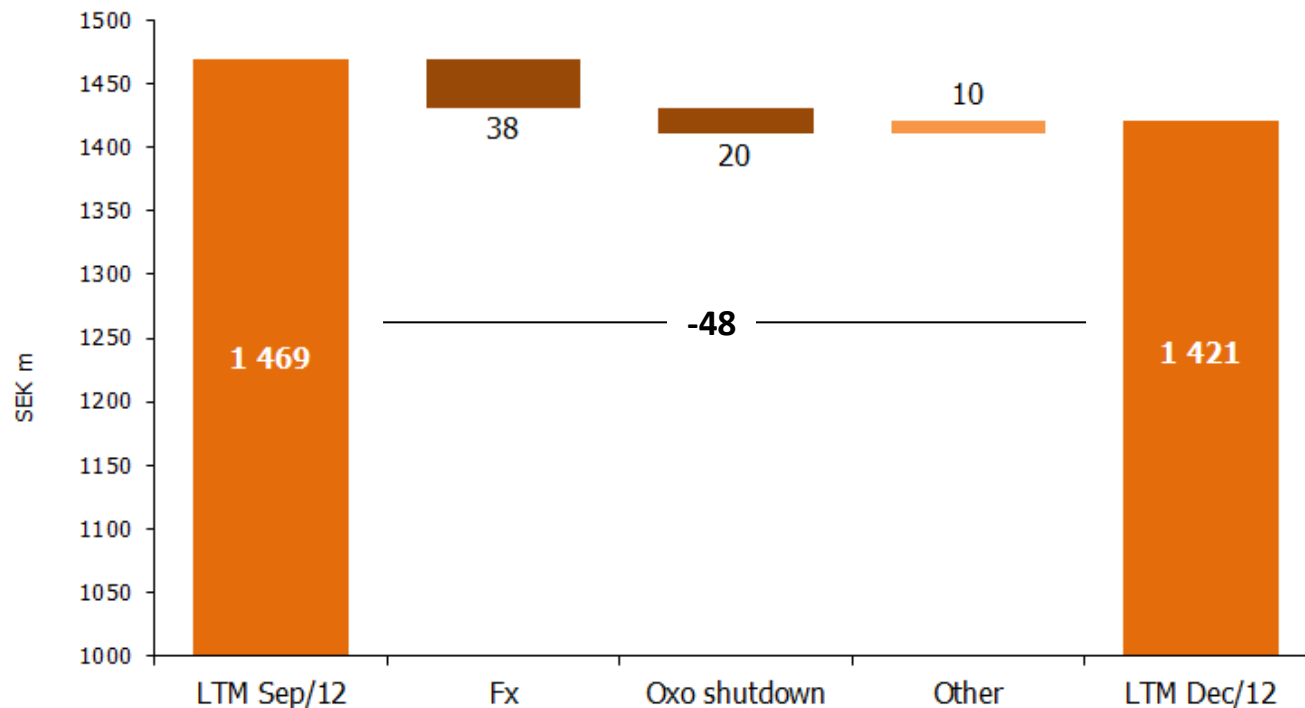
SEK m	Q4 -12	Q4 -11
Net Sales	2,386	2,452
% growth (y-o-y)	-3%	
Marginal Contribution	610	675
% of sales	25.6%	27.5%
Adjusted EBITDA	202	250
% of sales	8.4%	10.2%

- ➔ Q4 outcome with sales and EBITDA below same period last year
- ➔ Performance negatively affected by currency effects, our Oxo shutdown, increasing raw material prices and a softer market
- ➔ Positive signs in order intake towards the end of the year, indicating the low point has been passed



Bridge adjusted EBITDA

LTM Dec/12 vs. LTM Sep/12



- ➔ Q4 outcome primarily affected by negative Fx-effects and the Oxo shutdown (conducted every third year)
- ➔ Other comprises a softer market and positive other income



Financial highlights

Full year

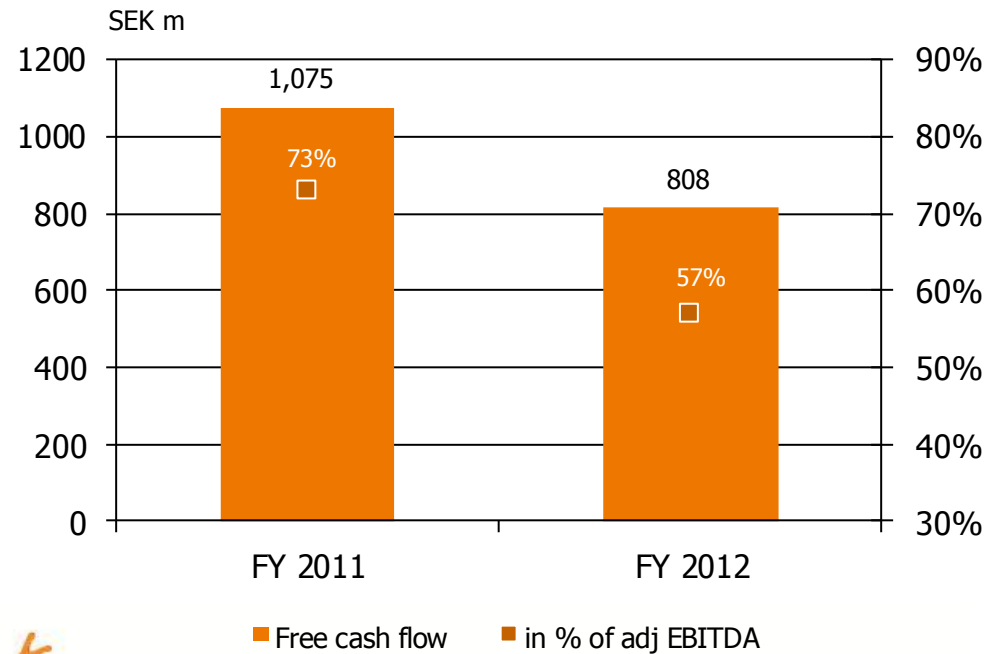
SEK m	FY 2012	FY 2011
Net Sales	10,528	10,641
% growth (y-o-y)	-1%	
Marginal Contribution	2,918	3,093
% of sales	27.7%	29.1%
Adjusted EBITDA	1,421	1,472
% of sales	13.5%	13.8%

- ➔ The weaker macro conditions from mid-year onwards put pressure on volumes as well as unit margins. The appreciation of the SEK further weigh profitability
- ➔ The Oxo shutdown burdened marginal contribution compared to last year
- ➔ Despite a number of negative factors, performance remains robust as EBITDA margin held up well compared to last year

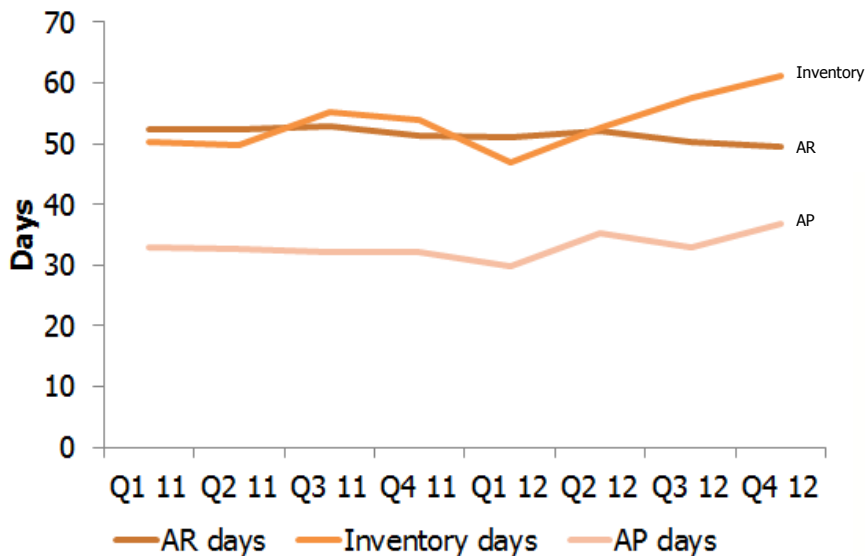
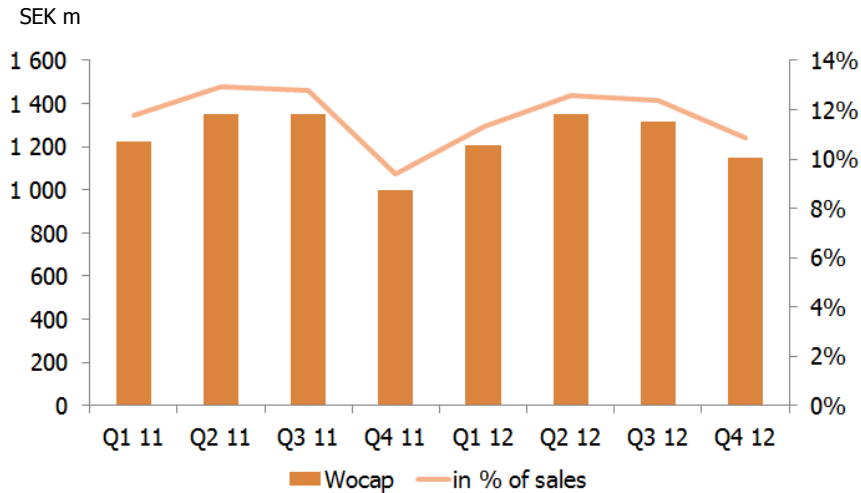


Free cash flow

- ➔ Positive cash flow in Q4 as expected following normal seasonal pattern
- ➔ Free cash flow slightly lower than in prior year period given a increase in working capital and higher investments
- ➔ Decent cash conversion despite soft market demand in Q4
- ➔ 72% free cash flow conversion before strategic capex in FY 2012



Working capital

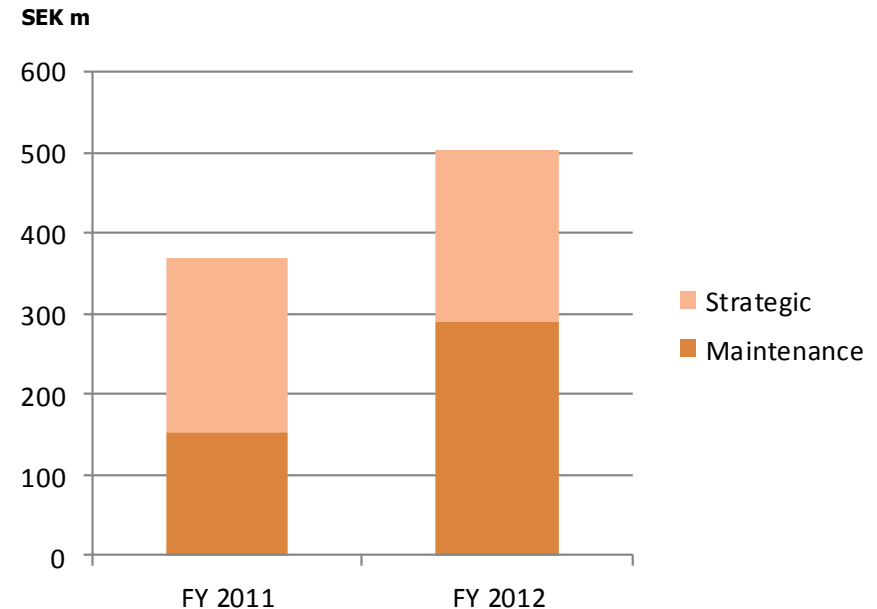


- ➔ Working capital decreased as expected at year-end, but not to the very low level of 2011
- ➔ Higher inventory levels to manage anticipated increase in volumes/ demand in Q1
- ➔ Working capital days improved in Q4 despite the inventory replenishment following the long shutdown of the Oxo facility in Stenungsund in September/October



Investments

- ➔ Maintenance capex affected by the Oxo shutdown adding appr. SEK 70 m in 2012 (only due every third year)
- ➔ Valerox (valeraldehyde and derivatives in Sweden)
 - Detailed engineering ongoing in parallel with field work
 - Estimated startup Q2 2015
- ➔ Neo expansion in China
 - Most civil work completed. Most equipment in place, field work with piping installations ongoing
 - Planned start-up May 2013



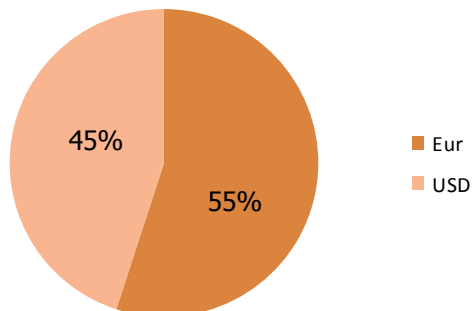
Indebtedness

Current capital structure detail

	USDm equiv.	SEKm	x adj EBITDA
Cash	-92	-600	
New senior secured notes (€)	357	2,326	
New senior secured notes (\$)	380	2,476	
Net senior secured debt	645	4,202	3.0 x
New second lien notes (\$)	370	2,411	
Net second lien debt	1,015	6,613	4.7 x
Rolled mezzanine loans (€)	358	2,334	
Other debt	1	4	
Net borrowings	1,374	8,951	6.3 x

- ➔ Available funds per end of Dec/12 amount to SEK 975 m (cash and undrawn RCF)
- ➔ Leverage slightly up vs issuance (pro forma at 5.9x) primarily due to lower LTM EBITDA

Debt by currency



Appendix



Reconciliation reported to adjusted numbers

Continuing operations (i.e. excluding Vencorex and Singapore legal entities)

SEK m	Q4 2012	Q4 2011	FY 2012	FY 2011
EBIT	47	55	763	816
-Depr/amort/writedowns	-154	-169	-638	-668
EBITDA	201	224	1,401	1,484
- Non cash Fx	0	-25	-20	12
Adjusted EBITDA	202	250	1,421	1,472



Free cash flow details

Continuing operations (i.e. excluding Vencorex and Singapore entities)

SEK m	FY 2012	FY 2011	Q4 2012
Adjusted EBITDA	1,421	1,472	202
Change in working capital	-110	-29	161
Maintenance capex	-289	-154	-121
FCF before strategic capex	1,022	1,289	242
% of adj EBITDA	72%	88%	120%
Strategic capex	-214	-214	-115
Free cash flow	808	1,075	127
% of adj EBITDA	57%	73%	63%



Segment reporting

Continuing operations (i.e. excluding Vencorex and Singapore legal units)

SEK m	FY 2012	FY 2011
Net Sales	10,528	10,641
Specialty Intermediates	7,180	7,317
Performance Products	3,421	3,414
Other/eliminations	-73	-90
EBITDA	1,401	1,484
Specialty Intermediates	871	1,091
Performance Products	388	449
Other/eliminations	142	-56
- Non Cash Fx	20	-12
Adjusted EBITDA	1,421	1,472



Currency

Period Average Exchange Rates

SEK per LOC	Q4 2012	Q4 2011	FY 2012	FY 2011
USD	6.65	6.75	6.77	6.49
Euro	8.63	9.09	8.71	9.03
GBP	10.68	10.61	10.73	10.41

Period End Exchange Rates

SEK per LOC	Q4 2012	Q4 2011
USD	6.50	6.89
Euro	8.58	8.92
GBP	10.56	10.71

