

Perstorp Holding AB (Publ.)

Interim report 1 January – 31 March 2022

Q1 Interim report 1 January – 31 March 2022

Highest quarterly EBITDA ever in Perstorp's history

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 1,450 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 January – March 2022

- Sales amounted to SEK 4,408 m (2,865), a 54% increase consisting of:
 - +47% organic growth whereof +48% sales prices and -1% volumes
 - +7% FX effects
- Continued favourable market dynamics for Perstorp's products.
- Price increases implemented to cover higher raw material prices
- EBITDA excluding non-recurring items amounted to SEK 845 m (505) corresponding to a margin of 19.2% (17.6). Highest quarterly EBITDA in Perstorp's history, for continuing operations.
- Continued solid free cash flow generation of SEK 291 m (316).
- Available funds amounted to SEK 2,319 m (2,055) at the end of the period.

Key figures in summary

SEK m unless otherwise stated	Quarter 1			Latest 12 months	Full year 2021
	2022	2021	Change		
Net Sales	4,408	2,865	1,543	15,080	13,537
% Sales growth (y-o-y)	54%	5%	-	61%	47%
EBITDA excluding non-recurring items ¹⁾	845	505	340	2,853	2,513
% of net sales	19.2%	17.6%	1.6%	18.9%	18.6%
EBITDA	829	486	343	2,808	2,465
% of net sales	18.8%	17.0%	1.8%	18.6%	18.2%
Operating earnings (EBIT)	693	356	337	2,265	1,928
% of net sales	15.7%	12.4%	3.3%	15.0%	14.2%
Net earnings	354	43	311	1,290	979
Free cash flow	291	316	-25	1,512	1,537
Available funds	2,319	2,055	264	2,319	2,488

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

President's Comments – Q1 2022



“Q1 was a record quarter for Perstorp in which we accelerated our journey towards becoming the sustainable solutions provider and preferred partner to our customers. In line with our strategic direction, we have further strengthened our positions in our focus segments and started to fully leverage the acquisition of Geo's DMPA business made at the end of 2021. We are well positioned to take on the rest of this year with optimism, despite the geo-political challenges currently present and foreseen.”

The trends seen in the preceding quarters continued in the first quarter 2022, which was characterized by strong underlying demand combined with tight availability in some business sectors and continued supply chain disruptions. The world economy was in general doing well, but was influenced by clear signs of inflation, increased energy prices, threat of increased interest rates as well as geopolitical tensions.

Strong business performance

The positive momentum led to a record high EBITDA in absolute amount for a single quarter ever in our history. Favorable market dynamics for both Intermediates and Specialties were driving performance across regions, combined with a pro-active customer outreach and strategic pricing.

The quarter has been influenced by continuous logistic constraints and increasing raw material and energy prices. Especially natural gas prices have sky-rocketed but our exposure has been reduced through alternative routes and sources. Overall, the price increases implemented during the quarter have compensated for higher variable costs. Our way of applying value-based pricing is a vital part of being successful with our business strategy, with Pricing Excellence as a focus area. With a refined and systematic approach, we enhance our ability to set prices, not only in good times, but also in times of market decline. Underlying data and dynamics are used to reflect our value propositions to customers based on customer and transaction type. Integration of Geo's DMPA® business that we acquired end of 2021 has proceeded according to plan and will further reinforce our competitive position in Resins & Coatings as well as our Specialty focus.

Focus Segments drive growth

Overall solid performance was seen across most Resins & Coatings sub-segments, primarily driven by demand from global industry and construction sectors. Efforts to adjust prices continued successfully in Q1 in order to compensate for escalating raw material costs. New Covid lockdowns in China have dampened the recovery of the global automotive market with temporary production suspends. For Engineered Fluids, strong performance was seen across all regions driven by increased prices but partially off-set by lower demand from aviation customers. A new product, Iso-C9 acid, was launched during the quarter through an ambitious integrated marketing campaign. The tight supply/demand market balance continued to benefit us.

Animal Nutrition operates in a market where our customers currently face unprecedented feed cost increases, where the Ukraine conflict has had an immediate impact on global grain prices by 20-40%. On the positive side, the expansion project at site Waspik, with its new blending and mixing facilities, was completed during the quarter. The new product Gastrivix™ Avi, the first one in a completely new gut health concept, was launched during a well-attended global online customer events. First samples for customer trials have been shipped and first orders have been received. A new EU Antibiotic Policy launched in January 2022, banning all routine use of farm antibiotic and all preventative group treatments, favors Perstorp Animal Nutrition and its new gut health concept.

Geo-political uncertainty with focus on the Russia – Ukraine conflict

The ongoing conflict in Ukraine is devastating for the country, the world and everyone involved, and my thoughts go out to those who are suffering. Perstorp firmly supports all sanctions put in place by the EU, other countries and international organizations in the wake of the military invasion of Ukraine and is using them as principles for actions and decision making. Consequently, Perstorp has decided to stop all business with customers in Russia, which for Perstorp has been a small market, and the impact on Perstorp sales has been minor. Furthermore, we have no production plants nor any employees in Russia and Ukraine. Perstorp continuously monitors the situation and collaborates with banks and other relevant parties, to secure that all aspects of our business – financially, legally and ethically – are conducted in line with what the situation requires.

Care and Sustainability at the forefront more than ever

Perstorp's health and safety performance has remained stable during the quarter with OSHAR on historically low levels for both employees and contractors. Our important core value Care has been exercised in practice in support to Ukraine through UNHCR as well as through several local initiatives initiated both by local Perstorp units and by individual employees. In order to better be able to accommodate to the harsh lockdown due to Covid-19 in Shanghai, Perstorp has engaged in supporting employees with food deliveries.

Perstorp's Pro-Environment portfolio continued to grow with new record high volumes in the first quarter. Sales were at all-time high for all three Pro-Environment Polyols; Voxtar™, Evyron™ and Neeture™, clearly driven by a pull from customers along the value chain and even from brand owners. The corporate governance models developed to enable fulfillment of our ambitious 2030 targets are under implementation. Furthermore, a renewed application was submitted to the EU Innovation Fund for Project Air beginning of March 2022, and information about the projects selected by the Fund is expected in Q3 this year. The application was substantially reinforced on the few identified weak points from the last application, and Perstorp is strongly committed to this game changing project that will move the Chemical industry from fossil dependence towards circular production methods.

Concluding remarks

Q1 was a record quarter for Perstorp in which we accelerated our journey towards becoming the sustainable solutions provider and preferred partner to our customers. In line with our strategic direction, we have further strengthened our positions in our focus segments and started to fully leverage the acquisition of GEO's DMPA business made at the end of 2021. We are well positioned to take on the rest of this year with optimism, despite the geo-political challenges currently present and foreseen.

Malmö May 2022



Jan Secher

President and CEO

Financial overview January – March 2022

Income statement

SEK m	Quarter 1			Latest 12 months	Full Year 2021
	2022	2021	Change		
Net Sales	4,408	2,865	1,543	15,080	13,537
% Sales growth	54%	5%	-	61%	47%
% Organic growth	47%	14%	-	62%	51%
% FX effects	7%	-9%	-	-1%	-4%
Gross earnings	937	583	354	3,265	2,911
% of net sales	21.3%	20.3%	1.0%	21.7%	21.5%
Operating earnings (EBIT) excl. non-recurring items	708	376	332	2,318	1,986
Non-recurring items	-15	-20	5	-53	-58
Operating earnings (EBIT)	693	356	337	2,265	1,928
% of net sales	15.7%	12.4%	3.3%	15.0%	14.2%
Exchange rate effects on net debt	-78	-137	59	-102	-161
Other financial income and expenses	-155	-150	-5	-508	-503
Financial net	-233	-287	54	-610	-664
Earnings before tax	460	69	391	1,655	1,264
Tax	-106	-26	-80	-365	-285
Net earnings	354	43	311	1,290	979
EBITDA	829	486	343	2,808	2,465
EBITDA excluding non-recurring items	845	505	340	2,853	2,513

Net sales during the first quarter amounted to SEK 4,408 m (2,865), an increase of SEK 1,543 m or 54%. Excluding FX effects sales increases +47% due to increased sales prices (+48%) and slightly lower volumes (-1%).

Sales price increases have been implemented to cover higher variable costs, and units margins have improved.

The Swedish krona weakened against both USD and EUR compared to the corresponding quarter 2021, resulting in a positive FX effect on sales of approximately 7%.

EBITDA excluding non-recurring items amounted to SEK 845 m (505), corresponding to an EBITDA margin of 19.2% (17.6), the increase mainly related to higher sales prices and unit margins of all businesses in Advanced Chemicals & Solutions.

The EBITDA was impacted by a positive FX effect of approximately SEK 41 m compared to the same period 2021.

Depreciation and amortization amounted to SEK 136 m (130) and EBIT amounted to SEK 693 m (356) for the period.

Net financial expenses, excluding currency effects on net debt, amounted to SEK 155 m compared to SEK 150 m for the corresponding period in 2021.

Tax amounted to SEK -106 m (-26) and the net result amounted to SEK 354 m (43).

Free cash flow analysis

SEK m	Quarter 1			Latest 12 months	Full year 2021
	2022	2021	Change		
EBITDA excluding non-recurring items	845	505	340	2,853	2,513
Change in Working Capital ²⁾	-301	-108	-193	-409	-216
Maintenance Capex	-79	-35	-44	-368	-324
Free Cash Flow before Strategic Capex	465	362	103	2,077	1,974
Strategic Capex	-174	-46	-129	-565	-437
Free Cash Flow	291	316	-25	1,512	1,537

¹⁾ For further details on total cash flow, please see page 13.

²⁾ Excluding currency transaction effects and provisions.

Free Cash flow continued to be solid in the first quarter 2022 and amounted to SEK 291 m (316). The change compared to the first quarter 2021 is explained by the increased earnings being partly offset by buildup of working capital and increased capex following the increased business activities.

The change in working capital compared to the first quarter 2021 is mainly explained by higher inventory driven by the upcoming planned maintenance shutdown at the site in Stenungsund during Q2 2022. The accounts receivable is on a stable level due to a combination of an improvements in days sales outstanding (DSO) and the increased limit in the factoring program, which was implemented at the end of the quarter.

Net debt and reported leverage

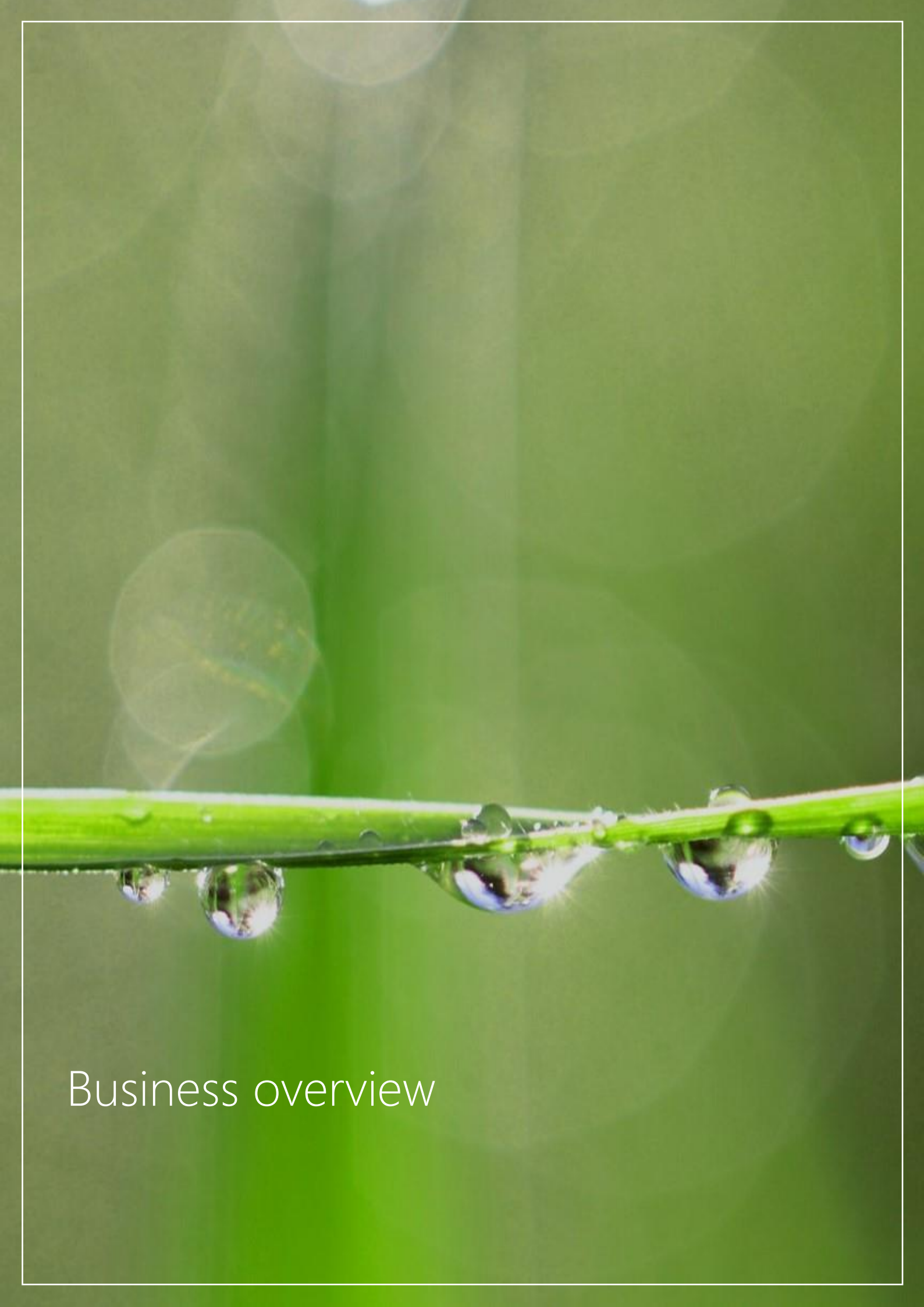
SEK m	Quarter 1			Latest 12 months	Full year 2021
	2022	2021	Change		
Net debt, opening balance	-7,922	-8,110	188	-8,398	-8,110
Free cash flow	291	316	-25	1,512	1,537
Cash impact from non-recurring items	-15	-19	4	-44	-48
Financial items	-242	-242	0	-517	-517
Paid tax	-29	-3	-26	-97	-71
Acquisitions	-	-	-	-360	-360
Net Cash Flow	5	52	-47	494	541
Exchange rate effects and other	-136	-331	195	-133	-328
Change in lease liabilities, IFRS 16	-10	-9	-1	-46	-45
Change in pension liability	0	0	0	20	20
Net debt, closing balance	-8,063	-8,398	335	-8,063	-7,922
Of which:					
Pension liability	-422	-439	17	-422	-418
Lease liability, IFRS 16	-104	-107	3	-104	-106
Net debt excluding pension and lease liability	-7,537	-7,852	315	-7,537	-7,398

SEK m	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Available funds	2,319	2,055	2,488
Reported leverage ¹⁾	2.7x	6.6x	3.0x

¹⁾ Reported net debt excluding pension liabilities/reported EBITDA excluding non-recurring items.

Net debt and reported leverage

The Group's available funds, liquid funds and unutilized credit facilities, were SEK 2,319 m (2,055) at the end of the period, compared to SEK 2,488 m at the end of the fourth quarter 2021. Utilization of the factoring program amounted to EUR 139 m (101) after the increase of the limit during end of first quarter 2022.



Business overview

Business overview

The positive momentum for Perstorp continued with the highest EBITDA quarter ever in Perstorp's history. Markets in EMEA and Americas showed solid demand whilst APAC was impacted by Covid-19 lockdowns in China coupled with logistic constraints and cost increases from/in APAC region. Further price increases were implemented during the quarter which offset the higher variable costs. The Pro-Environment portfolio performed strongly with 34% volume growth year on year during the quarter and there will be a considerable step up in volumes of Pro-Environment products during this year, primarily coming from the production site in Perstorp.

Resins & Coatings continued to show a strong performance in the quarter where global industry and construction showed high demand. The focus area enjoyed solid performance across the product lines and price increases were implemented to compensate for increased variable costs. The Powder Coating segment showed significant strength and is ahead of plan. Due to the imposed sanctions on Russia some new opportunities for the focus segment have materialized. The integration of Geo's DMPA business was concluded during the quarter in line with plan. Customer relationships were gradually transitioned as systems-integration and supply agreement setup was finalized. Contracts, distribution setups etc. have been reviewed and harmonized.

The quarter for Engineered Fluids was characterized by strong results across all regions driven by increased prices. The lockdowns in China impacted market demand but also the supply chain situation together with challenging competitive landscape due to lower raw material cost for Asian producers. In Americas region we experienced lower demand from US aviation industry stemming from lack of heptanoic acid that impacted the customer's production and consequently reduced their demand of other building blocks like Penta mono, Penta Exeteq™ and valeric acid. Heptanoic acid supply constrain is expected to continue at least until the third quarter. The focus segment continued to see a tight supply / demand balance. In March it successfully launched Iso-C9 acid and produced the first campaign.

During the first quarter Animal Nutrition continued to execute on its strategy. The focus segment saw good organic growth but was also negatively impacted partially by Covid-19 lockdowns in China and margin pressure due to hampered customer profitability in the feed industry. The Ukraine conflict has had a negative impact on global grain prices of 20-40% and feed producers primary concern today is raw material availability and cost. Steep cost increases made it challenging to maintain margins on specialty products as customers struggle with profitability due to high feed input cost. At the end of the quarter the expansion project at Waspik site was completed and staff training and process finetuning started. After the promising test results in poultry trials for the new gut health product Gastrivix™ Avi in the fourth quarter 2021 customers have now placed the first orders. This is the first product in a series of innovative specialty products for animal gut health.

The remaining segments continued to enjoy strong demand in EMEA and Americas but with signals of easing in APAC. The PVC plasticizer market remained healthy in several market segments but was impacted by the Ukraine conflict which has impacted Sibur, Russian chemical company, and their ability to service the DOTP market in Europe. The Market for DINP was characterized to be rather long and players made efforts to replace DOTP volumes with DINP volumes. The market for C-10 Plasticizers remained stable and robust. PVC resins have been available covering the demand in first quarter, but is expected to be constrained by shortage of PVC resins due to a number of force majeure. PVB film market segments have continued with strong growth in construction applications but remained weaker in automotive applications due to the general slow-down caused by the semi-conductor shortage. The oil drilling market continued to be strong due to the increasing crude oil price. Formic Acids, Propionic acids and Calcium formats remained tight for the Feed and the Construction markets. The focus segment saw strong performance across our Oxo alcohols, acids and plasticizer portfolios with high prices across several products offsetting and compensating for higher raw material prices. The acid portfolio has continued with strong demand and increased prices across applications. We have successfully launched our new acid, Iso-C9, a critical acid for refrigeration lubricant formulation, to complement our comprehensive portfolio of acids for Engineered Fluids and other markets. The Formates and Propionates portfolio continued to show strong performance and Formic Acid and Calcium Formats enjoyed record high profitability.

Consolidated income statement

Income statement

SEK m	Note	Quarter 1		Latest 12 months	Full year 2021
		2022	2021		
Net Sales		4,408	2,865	15,080	13,537
Cost of goods sold		-3,471	-2,282	-11,815	-10,626
Gross earnings		937	583	3,265	2,911
Selling, administration and R&D costs		-238	-207	-972	-941
Other operating income and expenses ¹⁾		-7	-21	-22	-36
Write-down of assets		0	0	-10	-10
Result from participations in associated companies		1	1	4	4
Operating earnings (EBIT)	4	693	356	2,265	1,928
Exchange-rate effects on net debt		-78	-137	-102	-161
Other financial income and expenses		-155	-150	-508	-503
Financial net		-233	-287	-610	-664
Earnings before tax		460	69	1,655	1,264
Tax		-106	-26	-365	-285
Net earnings		354	43	1,290	979

Consolidated Group

EBITDA	829	486	2,808	2,465
EBITDA excluding non-recurring items	845	505	2,853	2,513

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

Consolidated income statement

Comprehensive income report

SEK m	Quarter 1		Latest 12 months	Full year 2021
	2022	2021		
Net result for the period	354	43	1,290	979
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit plan	0	0	14	14
<i>Items that may be subsequently reclassified to profit or loss</i>				
Currency translation effect	36	-64	16	-84
Other comprehensive income net after tax	36	-64	30	-70
Total comprehensive income	390	-21	1,320	909
Attributable to:				
Parent company's shareholder	379	-39	1,254	836
Non-controlling interest	11	18	66	73

Consolidated balance sheet

Balance sheet, consolidated group

SEK m	Note	March 31, 2022	March 31, 2021	Dec 31, 2021
Tangible fixed assets		5,275	4,704	5,136
Intangible fixed assets		4,590	4,265	4,551
Participation in associated companies		84	80	83
Other non-current assets		931	1,024	1,014
Inventories		2,301	1,220	1,969
Other current assets		2,001	1,353	1,895
Cash & cash equivalents, incl. short-term investments		1,195	572	1,197
Total assets		16,377	13,218	15,845
Total equity	5	2,680	1,360	2,290
Pension liability, others		447	472	442
Other non-current liabilities		9,839	9,297	9,691
Current liabilities		3,411	2,089	3,422
Total equity & liabilities		16,377	13,218	15,845
Working capital	3	1,026	583	673
Net debt		8,063	8,398	7,922
Net debt excluding pension liabilities		7,641	7,959	7,504
Capital employed		12,048	10,380	11,515
Number of full-time employees, end of period		1,456	1,368	1,427
Contingent liabilities		484	271	281
Assets pledged		9,209	7,464	8,505

Consolidated statement of changes in equity

Total equity, 2022

SEK m	Note	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Opening balance, January 1, 2022		2,092	198	2,290
Total comprehensive income		379	11	390
Closing balance, March 31, 2022		2,471	209	2,680

Total equity, 2021

SEK m		Equity attributable to owners of the parent	Non-controlling interest	Total equity
Opening balance, January 1, 2021		1,256	125	1,381
Total comprehensive income		-39	18	-21
Closing balance, March 31, 2021		1,217	143	1,360

Consolidated cash flow statement

SEK m	Quarter 1		Latest 12 months	Full year 2021
	2022	2021		
<i>Operating activities</i>				
Operating earnings	693	356	2,265	1,928
Adjustments				
Depreciation and write-down	136	130	543	537
Other	7	-28	124	89
Interest received and other financial items	1	0	3	2
Interest paid and other financial items	-243	-242	-520	-519
Income tax paid	-29	-3	-97	-71
Cash flow from operating activities before change in operating capital	565	213	2,318	1,966
Changes in working capital				
Increase (-) Decrease (+) in net working capital ¹⁾	-301	-108	-409	-216
Cash flow from operating activities	264	105	1,909	1,750
<i>Investing activities</i>				
Acquisitions	-	-	-360	-360
Acquisition of tangible and intangible fixed assets	-253	-81	-933	-761
Cash flow from investing activities	-253	-81	-1,293	-1,121
<i>Financing activities</i>				
Amortization of loans	-9	-8	-35	-34
Change in credit utilization ³⁾	-13	-25	17	5
Cash flow from financing activities	-22	-33	-18	-29
Change in liquid funds, incl. short-term investments	-11	-9	598	600
Liquid fund opening balance, incl. short-term investments	1,197	575	572	575
Translation difference in liquid funds	9	6	25	22
Liquid funds, end of period²⁾	1,195	572	1,195	1,197

¹⁾ Including trade receivable financing program

²⁾ Restricted and held on escrow

³⁾ Including payment of bank fees related to refinancing

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Parent company

Perstorp Holding AB (publ.) is fully owned by Financière Forêt S.à.r.l and is the parent company of the Perstorp Holding Group. Perstorp Holding AB (publ.) had no external sales. Shareholder's equity at March 31, 2022 amounted to SEK 2,895 m (3,018) compared to SEK 3,065 m at December 31, 2021.

Income statement

SEK m	Note	Quarter 1		Latest 12 months	Full year 2021
		2022	2021		
Net Sales		10	8	106	104
Gross earnings		10	8	87	85
Sales, marketing and admin costs		-45	-34	-227	-216
Other operating income and expenses		-15	-6	-31	-22
Operating earnings (EBIT)		-50	-32	-171	-153
Financial income and expenses		-120	-191	-241	-312
Appropriations		-	-	290	290
Earnings/loss before tax		-170	-223	-122	-175
Tax		-	-	-1	-1
Net earnings/loss ¹⁾		-170	-223	-123	-176

¹⁾ Comprehensive income equals net earnings/loss for the year

Balance sheet

SEK m	Note	March 31, 2022	March 31, 2021	Dec 31, 2021
Tangible fixed assets		0	0	0
Intangible fixed assets		0	0	0
Shares in group companies		7,731	7,731	7,731
Long term receivables group		5,484	5,325	5,415
Other non-current assets		531	421	531
Short term financial receivables group		292	8	851
Other current assets		41	32	34
Cash & cash equivalents		0	0	0
Total assets		14,079	13,517	14,562
Total equity		2,895	3,018	3,065
Non-current liabilities		8,769	8,456	8,629
Current liabilities		2,415	2,043	2,868
Total equity & liabilities		14,079	13,517	14,562



Key figures and FX rates

Key figures

SEK m unless otherwise stated	2022	2021			
	Q1	Q4	Q3	Q2	Q1
Net Sales	4,408	3,871	3,528	3,272	2,865
Sales growth, %	54	69	67	57	5
Gross earnings	937	807	824	697	583
EBITDA excluding non-recurring items	845	668	745	595	505
% of net sales	19.2	17.3	21.1	18.2	17.6
Cash conversion, % of EBITDA excluding non-recurring items	34	58	57	69	63
Net earnings	354	331	303	302	43
Earnings, per share, diluted, SEK	7.08	6.61	6.08	6.04	0.86
Net debt excluding pension liabilities	7,641	7,503	7,470	7,467	7,959
Reported Leverage ¹⁾	2.7x	3.0x	3.6x	4.8x	6.6x

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

Currency rates

Closing rate					
USD	9.26	9.04	8.79	8.51	8.72
EUR	10.34	10.23	10.20	10.12	10.24
CNY	1.46	1.42	1.36	1.32	1.33
Average rate					
USD	9.35	8.85	8.65	8.41	8.40
EUR	10.48	10.13	10.20	10.14	10.12
CNY	1.47	1.39	1.34	1.30	1.30

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 2021. The accounting principles of the Group and parent company are stated in Note 2 of the 2021 Annual Report.

To a very great extent, Perstorp's operations are integrated since the same product can often be manufactured in several units/countries and also by being intermediates in the next product. The same product can often be used for a wide spectrum of applications. Therefore, there is not always a natural basis for dividing Perstorp's business into different segments. At present there is no formal requirement for non-listed companies to follow IFRS 8. This factor, together with the lack of a natural basis for dividing segments in accordance with IFRS 8, means that the Group has chosen to exclude this information.

2. Definitions non IFRS measures

Average capital

Based on monthly balances during the year.

Capital employed

Total assets less interest-free liabilities.

Gross earnings

Is the difference between net sales and cost of goods sold and production costs, being variable distribution cost, fixed and variable production costs, freight and commission costs.

Organic growth

Is change in net sales between periods excluding foreign exchange effects and the impact of acquisitions.

EBITDA

Represents the Group's operating earnings (EBIT) before depreciation and amortization.

EBITDA (excluding non-recurring items)

Represents reported EBITDA as adjusted to exclude restructuring costs, capital gains/losses on divestment of companies and disposal of fixed assets and other non-recurring income and cost.

EBIT

Calculated as the Group's reported operating earnings.

Free cash flow

Calculated as EBITDA (excluding non-recurring items) less investments and change in working capital, excluding exchange rate effects and provisions.

Cash conversion

Free cash flow divided by EBITDA (excluding non-recurring items).

Available funds

The sum of liquid funds and unutilized credit facilities.

Net debt

Interest-bearing liabilities, including provision for pensions, less financial interest-bearing receivables. Activated costs for arranging financing are excluded from Net debt.

Reported leverage

Reported net debt excluding pension liabilities/Reported EBITDA excluding non-recurring items.

3. Working Capital

SEK m	March 31, 2022	March 31, 2021	Dec 31, 2021
Inventories	2,301	1,220	1,969
Accounts receivable	1,259	908	1,274
Other current assets	736	432	612
Accounts payable	-1,019	-548	-972
Other current liabilities	-2,251	-1,429	-2,210
Total	1,026	583	673

4. Leasing

SEK m	Quarter 1		Latest 12 months	Full year 2021
	2022	2021		
Impact on income statement, IFRS16 ¹⁾				
Depreciation on right of use assets	-13	-12	-51	-50
Interest on lease liability	-1	-2	-5	-5
	14	14	55	55

¹⁾ The effect on EBITDA

5. Equity

At the end of March 2022 equity for the parent company, Perstorp Holding AB, amounts to SEK 2,895 m (3,018). Consolidated equity, including non-controlling interest, for the Perstorp Group amounts to SEK 2,680 m (1,360).

6. Risk and uncertainty

Perstorp is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2021.

7. Key events after the balance sheet date

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

8. Other information

Perstorp's financial information comprises of Interim-, Annual- and a Sustainability report.

The complete Annual Report for the full year 2021, is available in English and can be downloaded from the Group's website at www.perstorp.com.

Perstorp, May 11, 2022



Jan Secher, President and CEO

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

One molecule can change everything

Perstorp believes in improving everyday life – making it safer, more convenient and more environmentally sound for billions of people all over the world. As a world leading specialty chemicals company, our innovations provide essential properties for products used every day and everywhere. You'll find us everywhere from your car and smart phone to towering skyscrapers and the local dairy farm. Simply put, we work to make good products even better, with a clear sustainability agenda.

Founded in Sweden in 1881, Perstorp's focused innovation builds on 140 years of experience, representing a complete chain of solutions in organic chemistry, process technology and application development. Perstorp has approximately 1,450 employees and manufacturing units in Asia, Europe and North America. Sales in 2021 amounted to SEK 13.5 billion.

Learn more at www.perstorp.com