



Perstorp Holding AB (Publ.)

Interim report 1 October – 31 December 2021

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A quarter with continued strong business performance and solid cash flow

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 1,430 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

- Sales amounted to SEK 3,871 m (2,284), a 69% increase consisting of +63% sales prices, +6% volumes and no major FX effects.
- EBITDA excluding non-recurring items amounted to SEK 668 m (257) with a margin of 17.3% (11.3).
- Highest Q4 EBITDA in absolute amount and margin in Perstorp's history¹⁾.
- Continued solid free cash flow generation of SEK 388 m (364).
- Acquisition of Geo's DMPA® business – signing and closing December 30th, 2021
- Available funds amounted to SEK 2,488 m (2,037) at the end of the period after M&A activities.
- Continued to successfully defend and improve margins over and above increased variable cost.

Key figures in summary

SEK m unless otherwise stated	Quarter 4			Full year	
	2021	2020	Change	2021	2020
Net Sales	3,871	2,284	1,587	13,537	9,194
% Sales growth (y-o-y)	69%	-7%	-	47%	-21%
EBITDA excl. non-recurring items ²⁾	668	257	411	2,513	1,128
% of net sales	17.3%	11.3%	6.0%	18.6%	12.3%
EBITDA	645	232	413	2,465	1,068
% of net sales	16.7%	10.2%	6.5%	18.2%	11.6%
Operating earnings (EBIT)	502	90	412	1,928	503
% of net sales	13.0%	3.9%	9.1%	14.2%	5.5%
Net earnings/loss	331	145	186	979	64
Free cash flow	388	364	24	1,537	823
Available funds	2,488	2,037	451	2,488	2,037

¹⁾ Continuing operations

²⁾ Non-recurring items are mainly attributable to restructuring costs.



President's Comments – Q4 2021

Q4 was again a very strong quarter for Perstorp and we finalized the year with an important acquisition, strengthening our Specialty offerings to the Resins & Coatings market. We are well positioned to take on a new year, having a robust foundation as a sustainable solutions provider with a diversified customer base, a growing partnership approach with our customers as well as formulation & application expertise. Our current view of 2022 is positive, while we are well aware of the geopolitical tensions and underlying volatility.

The trends seen in the preceding quarters continued in the fourth quarter, which was characterized by strong underlying demand across all three regions, EMEA, APAC and Americas. The tight availability in many business sectors also proceeded, resulting in continued supply chain disruptions. The world economy was in general doing well, but was somewhat overshadowed by clear signs of inflation and geopolitical tensions.

Strong business performance

The positive momentum for Perstorp continued with the highest EBITDA and EBITDA margin for a fourth 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. High demand and unplanned outages among other producers lead to continued tight supply and demand balance, which forced Perstorp to keep or impose allocation for most products.

Logistic constraints and cost increases during the quarter have influenced us negatively but we have successfully managed to defend and improve margins by passing on these cost increases to the markets. Value based pricing is a vital part of being successful with our business strategy, with Pricing Excellence as a focus area. This means developing a refined and systematic approach to 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 set prices reflecting our value propositions to customers based on customer and transaction type.

Focus Segments drive growth

Strong demand was seen across all major Resins & Coatings segments, with tight availability as a consequence. Efforts to adjust prices continued successfully in Q4 in order to compensate for escalating raw material costs. Record sales were seen in passive fire protection segment (intumescent paints) also during the fourth quarter. For Engineered Fluids, demand continued to be high across all sub-segments, incl aviation, refrigeration and di-electric, despite being impacted by supply chain disruptions and worker shortages due to Omicron.

Continued high feed prices negatively impacted meat production worldwide in Q4. Despite the difficult market conditions, the Animal Nutrition business has delivered good volume and margin growth in the quarter. The expansion project at site Waspik gets closer to its completion, with a new liquid on powder mixing line in operation by March 2022.

A new EU Antibiotic Policy launched in January 2022, banning all routine use of farm antibiotic and all preventative group treatments favors Perstorp, and launch of the new gut health product Gastrivix™ Avi was initiated via an internal roll out to the sales teams.

Sustainability and Care at the forefront

In December Q4, the Science Based Targets initiative approved Perstorp's CO₂-reduction targets for Scope 1, 2 and 3, meeting the requirements to achieve a maximum of 1.5 degrees increase. Our Pro-Environment Portfolio performed very well and was close to new sales records in the fourth quarter, with now more than 25 different product offerings/grades at hand for our customers supporting them in their transformation journeys.

Perstorp made great progress in our health and safety efforts and decreased the OSHA rate in 2021 to a record low of 0.4. The gap between contractor and own employee OSHA rate landed on the lowest level since the measurement started, a result of dedicated work by many of our employees and contractors.

Acquisition reinforces Specialties within Resins & Coatings

Our performance is no doubt supported by the current favorable industrial climate, while supply chains are taking new routes and raw material availability and cost have impacted many value chains. However, during the fourth quarter, we saw further positive results from the hard work of implementing the new strategic direction throughout the company, including an increased focus on strategic pricing. In December 2021, as a reinforcement of our increased Specialty focus, and to strengthen Resins & Coatings, Perstorp acquired the DMPA® business of US-based GEO. The acquisition gives Perstorp a stronger competitive position and with a promising new business potential in Poly Urethan Dispersions (PUD) technology for artificial leather.

Invested for growth

We hit production records in many of our sites, and as an example, our TMP production at our Perstorp site reached record levels, both during the quarter and for the full year. Our asset base is well invested and will continue to deliver EBITDA growth for the coming years, we have a strong Capex portfolio with investments that will secure sustainable growth; both in current steel to secure reliable deliveries, but also strategic investments in new capacity such as our Elephant project in India, that will start delivering new volumes in the second half of 2023.

Ib Jensen, new CFO and replacing Ulf Berghult, started on February 1, 2022 and most recently he comes from the position as CFO at Arxada, a carve-out and trade sale of Lonza Specialty Ingredients. Previous experience include CFO and executive roles within Finance & IT and M&A at companies such as Lonza, Syngenta, Danisco and LEGO. With the recruitment of Ib Jensen, the Executive Management Team is now complete.

Concluding remarks

Q4 was a very strong quarter for Perstorp and we finalized the year with an important acquisition, strengthening our Specialty business to the Resins & Coatings market. We are well positioned to take on a new year, having a robust foundation as a sustainable solutions provider with a diversified customer base, a growing partnership approach with our customers as well as formulation & application expertise. We are optimistic about 2022 while being well aware of the uncertainties in the market that come and influence the economical climate.

Malmö February, 2022



Jan Secher

President and CEO

Financial overview October - December 2021

Income statement

SEK m	Quarter 4			Full year	
	2021	2020	Change	2021	2020
Net Sales	3,871	2,284	1,587	13,537	9,194
% Sales growth	69%	-7%	-	47%	-21%
% Organic growth	69%	-2%	-	51%	-20%
% FX effects	0%	-5%	-	-4%	-1%
Gross earnings	807	297	510	2,911	1,342
% of net sales	20.8%	13.0%	7.8%	21.5%	14.6%
Operating earnings (EBIT) excl. non-recurring items	534	116	418	1,986	569
Non-recurring items	-32	-26	-6	-58	-66
Operating earnings (EBIT)	502	90	412	1,928	503
% of net sales	13.0%	3.9	9.1%	14.2%	5.5%
Exchange rate effects on net debt	-28	297	-325	-161	297
Other financial income and expenses	-66	-211	145	-503	-657
Financial net	-94	86	-180	-664	-360
Earnings/loss before tax	408	176	232	1,264	143
Tax	-77	-31	-46	-285	-79
Net earnings/loss	331	145	186	979	64
EBITDA	645	232	413	2,465	1,068
EBITDA excluding non-recurring items	668	257	411	2,513	1,128

Net sales during the fourth quarter amounted to SEK 3,871 m (2,284), an increase of SEK 1,587 m or 69% due to higher sales prices (+63%), higher volumes (+6%).

Despite the increase in variable costs we have been successful to defend and improve our margins by increasing our sales prices.

Overall, currencies were in line with the corresponding quarter 2020, resulting in very small FX effect on sales.

EBITDA excluding non-recurring items amounted to SEK 668 m (257), corresponding to an EBITDA margin of 17.3% (11.3). The increase is mainly coming from higher unit margins as well as higher volumes.

The EBITDA was impacted by a positive FX effect of approximately SEK +16 m.

Depreciation and amortization amounted to SEK -143 m (-142) and EBIT amounted to SEK 502 m (90) with an EBIT margin of 13.0% (3.9).

Net financial expenses, including currency effects on net debt, amounted to SEK -94 m compared to SEK +86 m for the corresponding period in 2020, where the change is mainly explained by the change in FX effects on net debt.

Tax amounted to SEK -77 m (-31) driven by the strong result compared to the same period last year, mainly related to the Swedish entities. The net result amounted to SEK 331 m (145).

Free Cash Flow analysis¹⁾

SEK m	Quarter 4			Full year	
	2021	2020	Change	2021	2020
EBITDA excl. non-recurring items	668	257	411	2,513	1,128
Change in Working Capital ²⁾	35	300	-265	-216	187
Maintenance Capex	-145	-105	-40	-324	-244
Free Cash Flow before Strategic Capex	559	452	107	1,974	1,071
Strategic Capex ³⁾	-171	-88	-83	-437	-248
Free Cash Flow	388	364	24	1,537	823

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

²⁾ Excluding currency transaction effects, provisions.

³⁾ Excluding M&A activities.

Free Cash Flow continued to be strong in the fourth quarter 2021 and amounted to SEK 388 m (364). The increased EBITDA was by a large extent offset by the change in working capital and higher capex..

The change in working capital compared to the fourth quarter 2020 is mainly explained by a higher inventory due to increased raw material prices and logistic constraints, in combination with higher accounts receivable coming from the increased sales. The latter has to a large extent been offset by higher accounts payable and other current liabilities.

Net debt and reported leverage

SEK m	Quarter 4			Full year	
	2021	2020	Change	2021	2020
Net debt, opening balance	-7,910	-8,992	1,082	-8,110	-8,993
Free cash flow	388	364	24	1,537	823
Cash impact from non-recurring items	-23	-25	2	-48	-60
Financial items	-18	-22	4	-517	-439
Paid tax	-27	-6	-21	-71	-56
Acquisitions	-360	-	-360	-360	-
Net Cash Flow	-40	311	-351	541	268
Exchange rate effects and other	17	589	-572	-328	649
Change in lease liabilities, IFRS 16	-9	-45	36	-45	-61
Change in pension liability	20	27	-7	20	27
Net debt, closing balance	-7,922	-8,110	188	-7,922	-8,110
Of which:					
Pension liability, net	-418	-437	19	-418	-437
Lease liability, IFRS 16	-106	-109	3	-106	-109
Net debt excl. pension and lease liability	-7,398	-7,564	166	-7,398	-7,564

SEK m	Dec 31, 2021	Dec 31, 2020
Available funds	2,488	2,037
Reported leverage ¹⁾	3.0x	6.8x

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 2,488 m (2,037) at the end of the period. Utilization of the factoring program at December 31, 2021 amounted to EUR 117 m (78).



Business overview

Business overview

The positive momentum for Perstorp continued with the highest EBITDA and EBITDA margin for a fourth quarter ever in Perstorp's history. The quarter was characterized by strong underlying demand across all three regions, EMEA, APAC and Americas. The tight availability proceeded in many business sectors, resulting in continued supply chain disruptions and cost increases which was offset by price increases. The allocations of products implemented earlier this year continued in the light of tight availability.

Resins & Coatings continued to show a strong performance in the quarter. The product portfolio experienced solid demand across all product lines, and price increases were implemented to more than compensate for increased variable cost. The focus segment also continued to show record sales in passive fire protection segment (intumescent paints). The Radiation curing segments (e.g., inks, coatings and electronics) also showed positive development.

Within Engineered Fluids the fourth quarter was characterised by a continued high demand situation. Both sales and volumes in all sub-segments continued to be strong in all regions, led by Americas and APAC and enjoyed tight supply/demand balance and significant price increases. We continue to see unprecedented demand for our solutions throughout our sub-segments: refrigeration fluids, metal working fluids, di-electric fluids and aviation.

Despite the difficult market conditions, the Animal Nutrition business has delivered good volume. Even though the focus segment experienced strong organic sales growth in the quarter, variable cost increases continued to impact margins, but are expected to be offset in Q1/22 from price increases implemented in Q4/21. An expansion project at site Waspik is soon to be completed which will provide the site with a new liquid on powder mixing line that will be in operation by March 2022. Promising test results in poultry trials for the new gut health product Gastrivix™ Avi showed both feed conversion improvements as well as increased daily gain. The product launch has already started with roll out to sales teams.

The remaining segments continued to enjoy high demand in EMEA and Americas but with some signals of easing in APAC. The PVC plasticizer market remained robust in several market segments whilst PVC resin has, after several months of supply tightness, normalized. Prices of PVC and plasticizers have been relatively steady with a slight upward trend compensating for increased energy costs. PVB film market segments have continued at 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 has been strong due to the increasing crude oil price. Feed market segments were impacted by very tight markets on several intermediates mainly due to supply chain/logistic challenges from Asia, driving increased prices on Formic Acids, Propionic acids, Calcium formats. There has been a strong performance across Oxo and Plasticizer portfolios with high prices more than compensating for higher variable costs, partly due to availability constraints among Oxo producers. The acid portfolio has continued with strong demand across applications. Lastly, the quarter delivered very strong performance in our Formates and Propionates portfolio across bleaching, Leather tanning, deicer, oil drilling, fertilizer, detergents, glass manufacturing and food and feed applications.

Consolidated income statement

Income statement

SEK m	Note	Quarter 4		Full year	
		2021	2020	2021	2020
Net Sales		3,871	2,284	13,537	9,194
Cost of goods sold		-3,064	-1,987	-10,626	-7,852
Gross earnings		807	297	2,911	1,342
Selling, administration and R&D costs		-265	-201	-941	-777
Other operating income and expenses ¹⁾		-32	-5	-36	-60
Write-down of assets		-9	-2	-10	-6
Result from participations in associated companies		1	1	4	4
Operating earnings (EBIT)	4	502	90	1,928	503
Exchange-rate effects on net debt		-28	297	-161	297
Other financial income and expenses		-66	-211	-503	-657
Financial net		-94	86	-664	-360
Earnings/loss before tax		408	176	1,264	143
Tax		-77	-31	-285	-79
Net earnings/loss		331	145	979	64

Consolidated Group

EBITDA	645	232	2,465	1,068
EBITDA excluding non-recurring items	668	257	2,513	1,128

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 4		Full Year	
	2021	2020	2021	2020
Net result for the period	331	145	979	64
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit plan	14	22	14	22
<i>Items that may be subsequently reclassified to profit or loss</i>				
Currency translation effect	-22	94	-84	146
Other comprehensive income net after tax	-8	116	-70	168
Total comprehensive income	323	261	909	232
Attributable to:				
Parent company's shareholder	299	265	836	227
Non-controlling interest	24	-4	73	5

Consolidated balance sheet

Balance sheet, consolidated group

SEK m	Note	Dec 31, 2021	Dec 31, 2020
Tangible fixed assets		5,136	4,662
Intangible fixed assets		4,551	4,233
Participation in associated companies		83	79
Other non-current assets		1,014	1,030
Inventories		1,969	1,091
Other current assets		1,895	1,111
Cash & cash equivalents, incl. short-term investments		1,197	575
Total assets		15,845	12,781
Total equity	5	2,290	1,381
Pension liability, others		442	468
Other non-current liabilities		9,691	8,987
Current liabilities		3,422	1,945
Total equity & liabilities		15,845	12,781
Working capital	3	673	443
Net debt		7,922	8,110
Net debt excluding pension liabilities		7,503	7,673
Capital employed		11,515	10,102
Number of full-time employees, end of period		1,427	1,367
Contingent liabilities		281	266
Assets pledged		8,077	7,215

Consolidated statement of changes in equity

Total equity, 2021

SEK m	Note	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		836	73	909
Closing balance, December 31, 2021		2,092	198	2,290

Total equity, 2020

SEK m	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Opening balance, January 1, 2020	1,029	129	1,158
Total comprehensive income	227	5	232
Dividend to non-controlling interest	-	-9	-9
Closing balance, December 31, 2020	1,256	125	1,381

Consolidated cash flow statement

SEK m	Quarter 4		Full year	
	2021	2020	2021	2020
Operating activities				
Operating earnings	502	90	1,928	503
Adjustments				
Depreciation and write-down	143	142	537	565
Other	109	43	89	38
Interest received and other financial items	0	0	2	2
Interest paid and other financial items	-18	-21	-519	-439
Income tax paid	-27	-6	-71	-56
Cash flow from operating activities before change in operating capital	709	248	1,966	613
Changes in working capital				
Increase (-) Decrease (+) in net working capital ¹⁾	35	300	-216	187
Cash flow from operating activities	744	548	1,750	800
Investing activities				
Acquisitions	-360	-	-360	-
Acquisition of tangible and intangible fixed assets	-316	-193	-761	-492
Cash flow from investing activities	-676	-193	-1,121	-492
Financing activities				
Dividend paid to non-controlling interests in subsidiaries	-	-	-	-9
Amortization of loans	-9	-8	-34	-35
Change in credit utilization	-12	-223	5	-124
Cash flow from financing activities	-21	-231	-29	-168
Change in liquid funds, incl. short-term investments	47	124	600	140
Liquid fund opening balance, incl. short-term investments	1,137	461	575	453
Translation difference in liquid funds	13	-10	22	-18
Liquid funds, end of period²⁾	1,197	575	1,197	575

¹⁾ Including trade receivable financing program

²⁾ Restricted and held on escrow

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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 on December 31, 2021 amounted to 3,065 m compared to SEK 3,241 m on December 31, 2020.

Income statement

SEK m	Note	Quarter 4		Full year	
		2021	2020	2021	2020
Net Sales		44	25	104	83
Gross earnings		25	8	85	64
Sales, marketing and admin costs		-72	-35	-216	-165
Other operating income and expenses		-9	-13	-22	-20
Operating earnings (EBIT)		-56	-40	-153	-121
Financial income and expenses		-18	162	-312	-49
Appropriations		290	-170	290	-170
Earnings/loss before tax		216	-48	-175	-340
Tax		-1	16	-1	16
Net earnings/loss ¹⁾		215	-32	-176	-324

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

Balance sheet

SEK m	Note	Dec 31, 2021	Dec 31, 2020
Tangible fixed assets		0	0
Intangible fixed assets		0	0
Shares in group companies		7,731	7,731
Long term receivables group		5,415	5,163
Other non-current assets		530	419
Short term financial receivables group		851	79
Other current assets		35	46
Cash & cash equivalents		0	0
Total assets		14,562	13,438
Total equity		3,065	3,241
Non-current liabilities		8,629	8,157
Current liabilities		2,868	2,040
Total equity & liabilities		14,562	13,438



Key figures and FX rates

Key figures

SEK m unless otherwise stated	2021				2020
	Q4	Q3	Q2	Q1	Q4
Net Sales	3,871	3,528	3,272	2,865	2,284
Sales growth, %	69	67	57	5	-7
Gross earnings	807	824	697	583	297
EBITDA excluding non-recurring items	668	745	595	505	257
% of net sales	17.3	21.1	18.2	17.6	11.3
Cash conversion, % of EBITDA excluding non-recurring items	58	57	69	63	142
Net earnings/loss	331	303	302	43	145
Earnings, per share, diluted, SEK	6.61	6.08	6.04	0.86	2.89
Return on operating capital, %	34.2	27.9	18.1	11.5	10.1
Net debt excluding pension liabilities	7,503	7,470	7,467	7,959	7,673
Reported Leverage ¹⁾	3.0x	3.6x	4.8x	6.6x	6.8x

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

Currency rates

Closing rate					
USD	9.04	8.79	8.51	8.72	8.19
EUR	10.23	10.20	10.12	10.24	10.04
CNY	1.42	1.36	1.32	1.33	1.25
Average rate					
USD	8.85	8.65	8.41	8.40	8.63
EUR	10.13	10.20	10.14	10.12	10.28
CNY	1.39	1.34	1.30	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 2020. The accounting principles of the Group and parent company are stated in Note 2 of the 2020 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.

During the first quarter 2021, Perstorp announced and implemented an updated strategic direction, which aims to improve resilience and balance its product mix. With the new strategy, Perstorp also has a new Mission: "We are the sustainable solutions provider, focusing on the global Resins & Coatings, Engineered Fluids and Animal Nutrition markets". In essence, Perstorp will focus its investments to grow the specialty offerings and maximize the value generation from the core product platforms. Key building blocks of the strategy are to resume and speed up the Penta plant investment in India (Project Elephant), to focus on availability and efficiency in the supply of products, and to strengthen Perstorp's digital capabilities and sustainability profile. The company remains committed to the Finite Material Neutral ambition, supported by clear sustainability targets.

2. Definitions non IFRS measures

Average capital

Based on monthly balances during the year.

Operating capital

Represents the sum of intangible fixed assets, tangible fixed assets, participations in associated companies and working capital.

Return on operating capital

Is calculated as operating earnings (EBIT) for the last twelve month, adjusted for depreciations and amortization of initial purchase price allocation, divided by average operating capital, adjusted for tangible and intangible fixed asset of the initial purchase price allocation.

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 the 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	Dec 31, 2021	Dec 31, 2020
Inventories	1,969	1,091
Accounts receivable	1,274	633
Other current assets	612	461
Accounts payable	-972	-575
Other current liabilities	-2,210	-1,167
Total	673	443

4. Leasing

SEK m	Quarter 4		Full year	
	2021	2020	2021	2020
Impact on income statement, IFRS16 ¹⁾				
Depreciation on right of use assets	-13	-12	-50	-48
Interest on lease liability	-1	-2	-6	-7

¹⁾ The effect on EBITDA

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5. Equity

At the end of December 2021 equity for the parent company, Perstorp Holding AB, amounts to SEK 3,065 m (3,241). Consolidated equity, including non-controlling interest, for the Perstorp Group amounts to SEK 2,290 m (1,381).

6. Risk and uncertainty

Perstorp is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2020.

7. Acquisition

In the end of December, Perstorp acquired GEO's Di-Methylolpropionic Acid DMPA® business, further emphasizing its commitment as the sustainable specialty solution provider within the resins and coatings segment. This acquisition further accentuates the company's strategic presence in Polyurethane and Alkyds dispersions - a vital step to becoming a specialty leader in various waterborne coating markets. The acquisition improves Perstorp's position within the Di-Methylolpropionic acid platform, allowing further investments into innovation and additional capacities over time. Perstorp's strategy is to support its customers and wider society by driving the shift towards renewable raw materials and sustainable technologies. This acquisition serves both of these dimensions.

Preliminary Purchase Price Allocation	
SEK m	Dec 31, 2021
Intangible assets	337
Tangible assets	23
Total investment	360

8. Key events after the balance sheet date

Ib Jensen has been appointed new CFO at Perstorp Holding AB as of February 1 replacing Ulf Berghult. Ib is a senior executive with a solid background, and most recently he comes from the position as CFO at Arxada, a carve-out of Lonza.

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

9. Other information

Perstorp's financial information comprises of Interim-, Annual- and a Sustainability report. The complete Annual Report for the full year 2021, will be available in English in April 2022.

Perstorp, February 17, 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 1,430 employees and manufacturing units in Asia, Europe and North America. Sales in 2021 amounted to SEK 13.5 billion for continuing operations.

Learn more at www.perstorp.com