

Perstorp Holding AB (Publ.)

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Agenda

- Business performance
- Financial review
- Summary
- Q&A

Business performance



Jan Secher
President & CEO

Executive summary Q1 2021

- Sales amounted to SEK 2,865 m (2,720), a 5% increase consisting of:
 - +14% organic growth whereof +10% sales prices and + 4% volumes
 - -9% FX effects
- EBITDA* amounted to SEK 505 m (421) corresponding to a margin of 17.6% (15.5)
 - FX impact (year-on-year) was SEK -86 m
- Continued solid free cash flow generation of SEK 316 m (-121)
- Available funds amounted to SEK 2,055 m (944) at the end of the period
- Implementation of price increases in Q4/20 accelerated in Q1/21
- New strategy rolled out and organizational change completed



*Excluding non-recurring items

Business Overview

- Favorable market dynamics for both Intermediates and Specialties across regions coming from:
 - Solid demand from end-users in most segments and low inventory levels in value chains after 2020
 - Unplanned outages and force majeures in Q1/21 among some producers
 - Logistic constraints and cost increases from/in APAC
- Solid deicer demand and volumes compared to previous winter season in Europe/US



Business Overview

- Interest in Perstorp's Pro Environmental Polyols continued to grow, record high volumes in Q1/21
- Price increases implemented by Perstorp in Q1/21
- Perstorp allocation in place for most products, very tight situation on several products - customers have asked for more product than Perstorp can deliver
- Spot business for several intermediates was profitable in the end of Q1/21, linked to a favorable supply-demand situation
- Animal Nutrition market mixed picture with reopening of food service on one side and increased raw material prices for customers on the other



Regional overview Q1/21 vs. Q1/20

	Share	Organic Growth
EMEA	55%	7%

	Share	Organic Growth
Americas	21%	11%

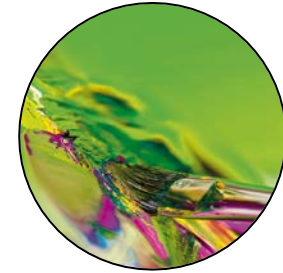
	Share	Organic Growth
APAC	24%	39%

Introduction – Focus Segments



Perstorp has identified three market segments as strategic growth areas where we will focus investments going forward

- Our three Focus Segments are:
 - Resins & Coatings
 - Engineered Fluids
 - Animal Nutrition
- The selected Focus Segments have shown to be more resilient and to have the most favorable opportunities to build future growth.
- Within these Segments, a higher proportion of the business carries a differentiation that builds our competitiveness, and which our customers are prepared to pay for.
- Innovation and growth investments will be particularly directed to Specialties within these Segments.
 - We will selectively invest in strengthening our position in Asia.
 - Selective bolt-on acquisitions will be made to gain capabilities and access to Specialty market adjacencies.



Resins & Coatings – Q1 2021

Resolute rebound - hampered by industry wide supply chain challenges

General Market comments* performance

- Strong demand across all major Resins & Coatings segments but tight availability across raw material platforms
- Automotive demand up, but semiconductor shortage hampered light vehicle production. Eurozone output still 10% lower than pre-Covid-19 pandemic.
- General strong demand in electronics with e.g. upgrades of office IT infrastructure, 5G roll-out, a new cycle of smartphones and continued structural automation
- Strong demand for industrial coatings due to changed consumer behavior

Perstorp's Performance

- Price increase for all product platforms, significant positive impact from the intermediates (Penta, TMP and NEO)
- Solid demand in Asia for our Specialty portfolio going into electronics. Most of Perstorp's specialty building blocks for e.g., Printed circuit boards and UV Inks sold-out
- Record sales in passive fire protection segment (intumescent paints), fuelled by reignited public construction spending in e.g., South-East Asia and Middle East

Innovation / New Products

- Two complementary specialty products (Ymer™ range) for the industrial coatings segment ready for launch
- Joint Development: Together with external partner develop renewable raw material platform (MVG) for Radiation Curing (Industrial coatings, inks and adhesives) has generated significant end-user interest whilst reaching initial performance and safety milestones



Engineered Fluids – Q1 2021

Demand shows positive recovery

General Market comments

- Overall positive recovery trend in the market, particularly notable due to strong recovery of the demand from Aviation, however uncertainties going forward
- Solid demand in refrigeration lubricant market
- Robust demand also from sub segments like metal working fluids and di-electric fluids driven by industrial production recovery

Perstorp's performance

- Strong sales in all sub-segments: refrigeration fluids, metal working fluids, di-electric fluids and aviation
- Major volume recovery in Americas and EMEA compared even to 2019 levels while strong growth in APAC is continuing
- Major Perstorp products sold into our sub-segments are sold out

Innovation / New Products

- Broad product offering in polyols and acids continuing such as expanded acid portfolio and pro-environment portfolio (e.g., Evyron™, pro-Valeric Acid)



Animal Nutrition* – Q1 2021

Cautious optimism as the world moves back to “normal eating habits”

General Market comments

- Market remains resilient as in Q1/20
- Chicken demand hampered due to closed food service, now see signs of improving market
- African swine fever continues to hamper world largest swine producer, China
- Feed prices up across the board (Corn, Soy, Wheat), at a 5-year record high
- Supply challenges with key acids stemming from the USA gulf coast storms and EU based force majeure

Perstorp's performance

- Overall solid growth
- Strong sales in APAC in Gut Health and Aqua together with strong poultry growth in the US
- Solid Feed Hygiene volume growth in EMEA

Innovation / New Products

- Strong progress in Q1 regarding new gut health blends, with expectations of bringing the first new product to market beginning of 2022 with more new products coming to market in 2023 and 2024

Financial review



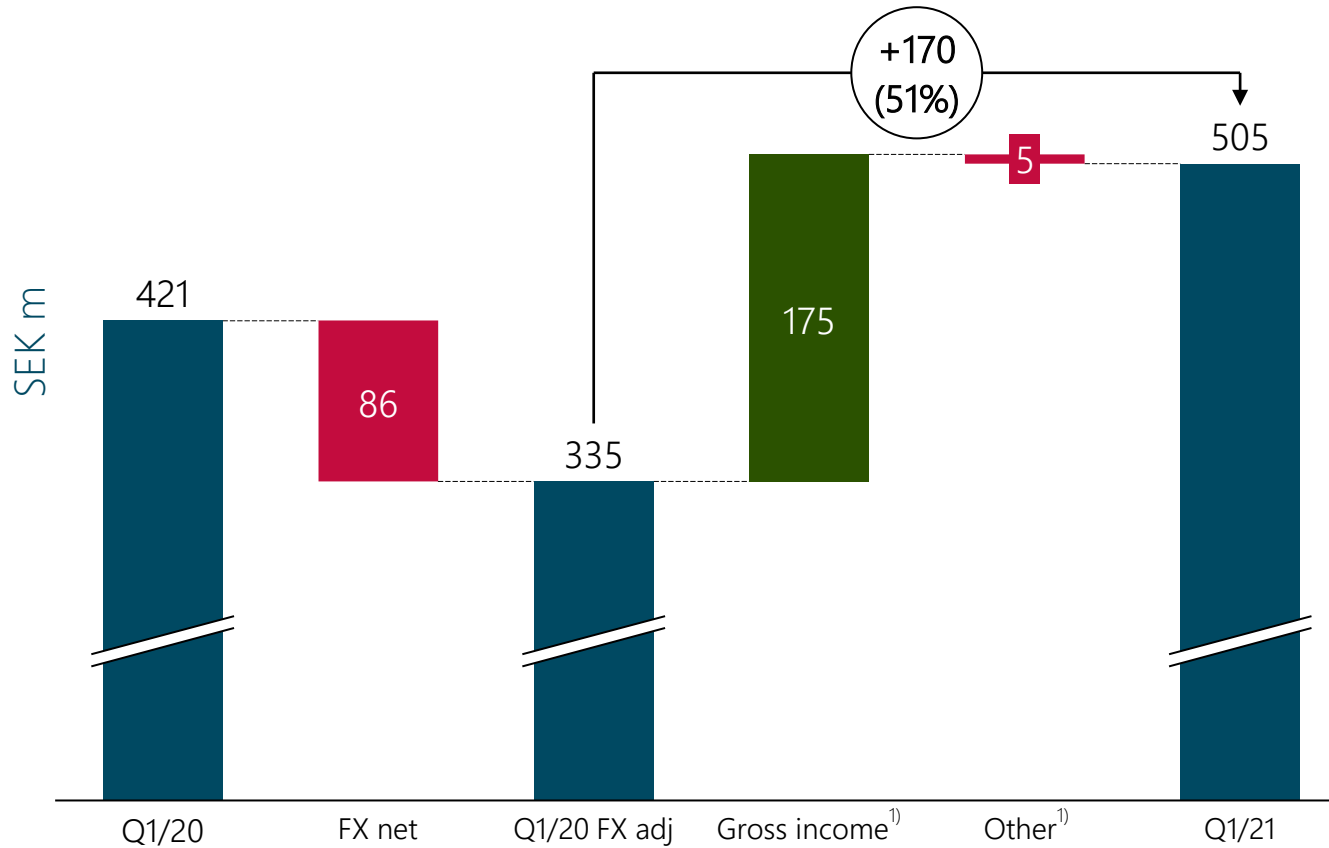
Ulf Berghult
CFO

Financial highlights

SEK m	Q1/21	Q1/20	Delta	LTM Q1/21	FY 2020	Q4/20	Q3/20
Net Sales	2,865	2,720	145	9,339	9,194	2,284	2,111
% Sales growth (y-o-y)	5%	-15%	-	-16%	-21%	-7%	-27%
% Organic growth	14%	-18%	-	-12%	-20%	-2%	-23%
% FX effects	-9%	3%	-	-4%	-1%	-5%	-4%
EBITDA, excl. non-recurring items	505	421	84	1,212	1,128	257	185
% of sales	17.6%	15.5%	2.1%	13.0%	12.3%	11.3%	8.8%
Non-recurring items	-19	-2	-17	-77	-60	-25	-7
EBITDA, reported	486	419	67	1,135	1,068	232	178
% of sales	17.0%	15.4%	1.6%	12.2%	11.6%	10.2%	8.4%

EBITDA excl non-recurring items

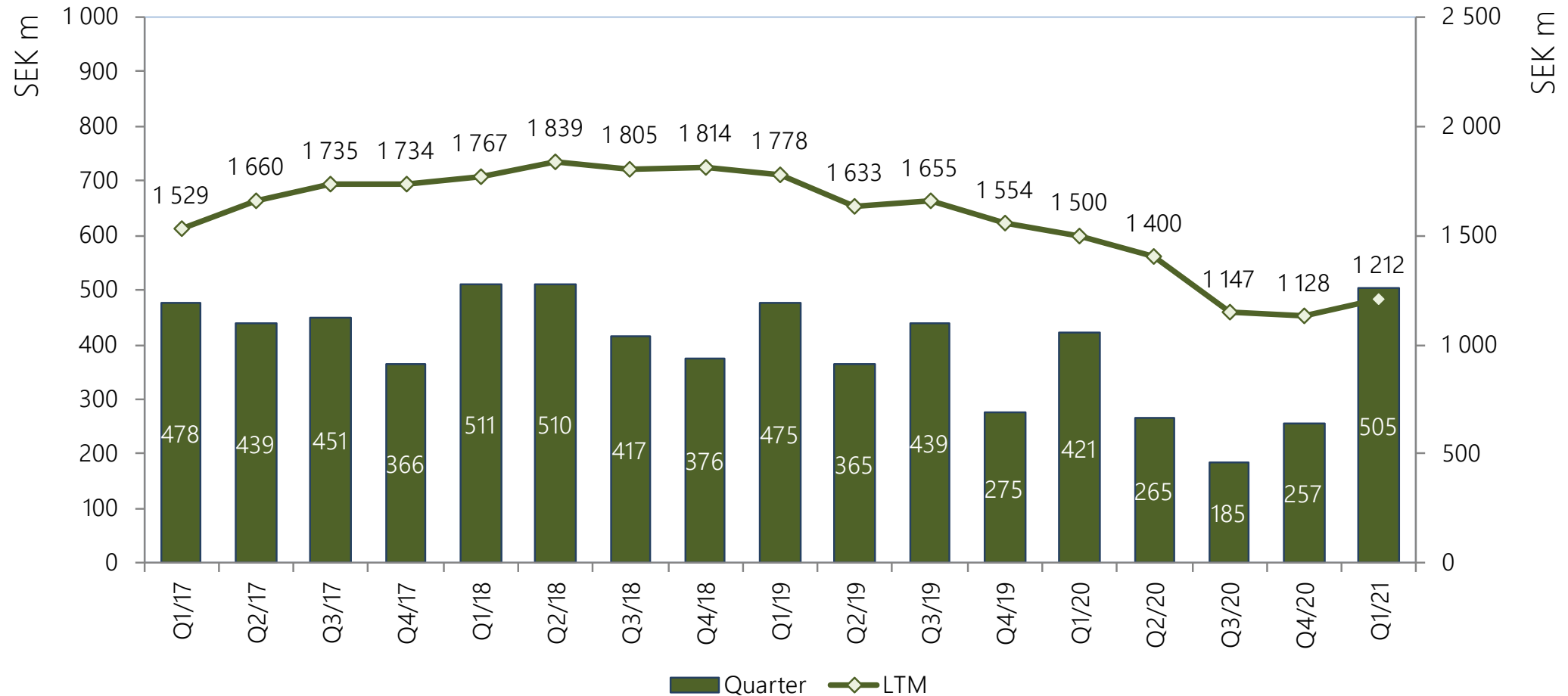
Q1 2021 vs. Q1 2020



- EBITDA increased SEK 84 m despite negative FX effects
- FX adjusted gross income increased SEK 175 m
 - Increase driven by stronger unit margins of intermediate products
 - Price increases implemented in all regions supported by favorable market dynamics
 - Sales volumes increased but constrained due to availability

LTM Development EBITDA¹⁾

Q1 2017 to Q1 2021



Consolidated income statement

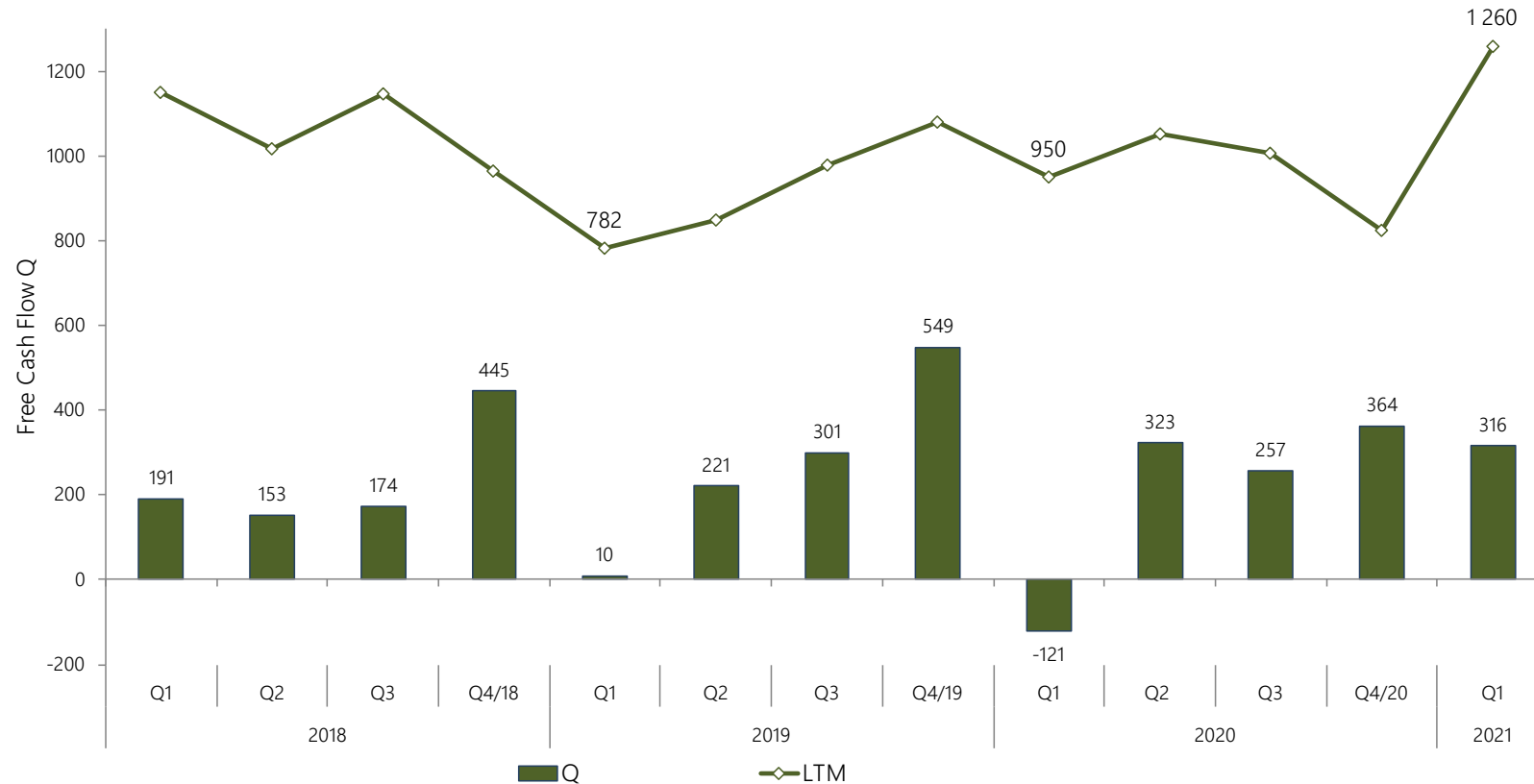
SEK m	Q1/21	Q1/20	Delta	LTM Q1/21	FY 2020	Q4/20	Q3/20
Net Sales	2,865	2,720	145	9,339	9,194	2,284	2,111
Cost of goods sold	-2,282	-2,226	-56	-7,908	-7,852	-1,987	-1,871
Gross earnings	583	494	89	1,431	1,342	297	240
Selling, administration and R&D costs	-207	-204	-3	-780	-777	-201	-181
Other operating income and expenses	-21	-8	-13	-73	-60	-5	-23
Write-down of assets	0	-1	1	-5	-6	-2	0
Result from participations in associated companies	1	0	1	5	4	1	2
Operating earnings (EBIT)	356	281	75	578	503	90	38
Exchange-rate effects on net debt	-137	-362	225	522	297	297	27
Other financial income and expenses	-150	-162	12	-645	-657	-211	-149
Earnings/loss before tax	69	-243	312	455	143	176	-84
Tax	-26	-36	10	-69	-79	-31	-12
Net earnings/loss	43	-279	322	386	64	145	-96

Free cash flow

SEK m	Q1/21	Q1/20	Change	LTM Q1/21	FY 2020
EBITDA excl non-rec items	505	421	84	1,212	1,128
Change in working capital	-108	-430	322	509	187
Maintenance capex	-35	-58	23	-221	-244
Free cash flow before strategic capex	362	-67	429	1,500	1,071
Strategic capex	-46	-54	8	-240	-248
Free Cash flow	316	-121	437	1,260	823

- Continued solid free cash flow generation in the first quarter 2021
- Free cash flow amounted to SEK 316 m (-121)
- Mainly driven by favorable change of working capital

Free cash flow – development 2018-2021



Indebtness

	SEK m ¹⁾
Senior secured Term loan B (€ + \$)	8,523
Other debt ²⁾	8
Cash on balance sheet	-572
Net debt, excl. pension liabilities	7,959
Pensions	439
Net debt, incl. pension liabilities	8,398

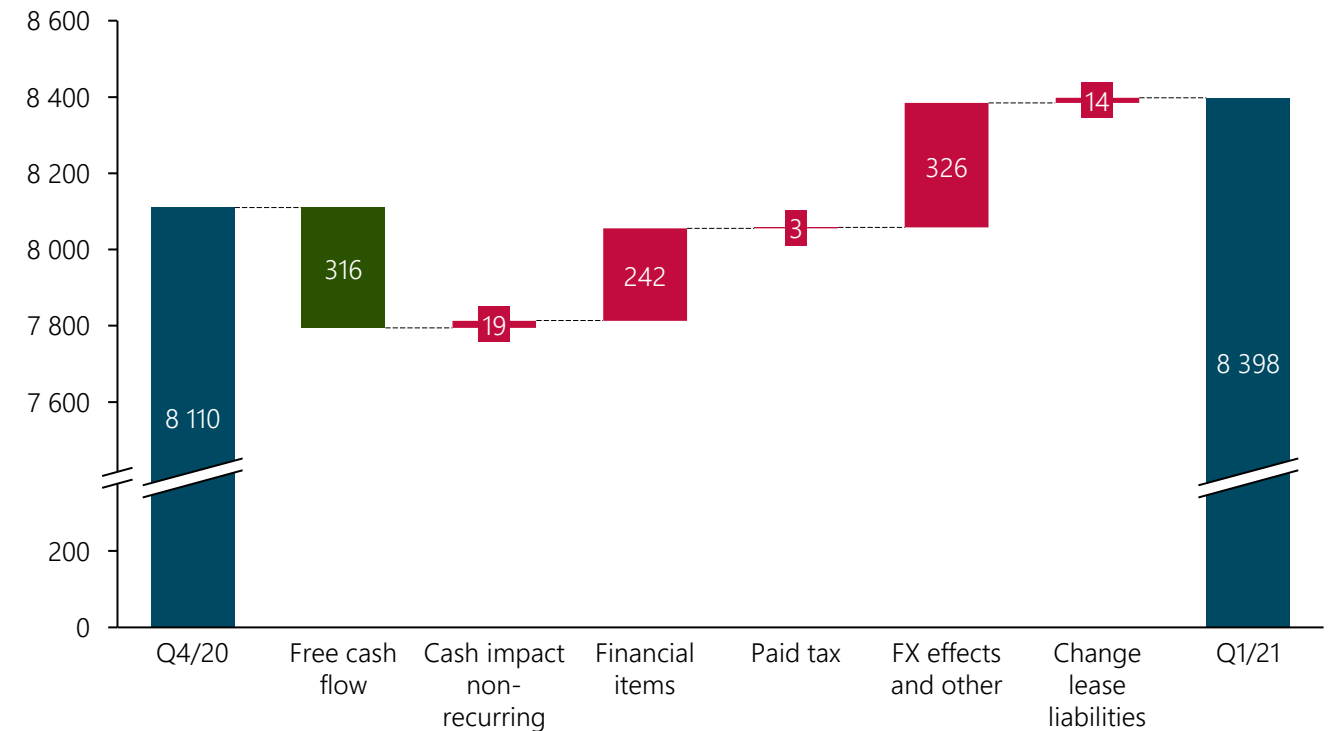
Reported Leverage ³⁾	6.6x
Available Funds	2,055

¹⁾ Fx rates; USD 8.72 and Euro 10.24

²⁾ Including drawn SRCF

³⁾ Based on Net Debt excl. pension liabilities and EBITDA excl. non-recurring items of SEK 1,212 m

Development Net debt, incl. pension liabilities



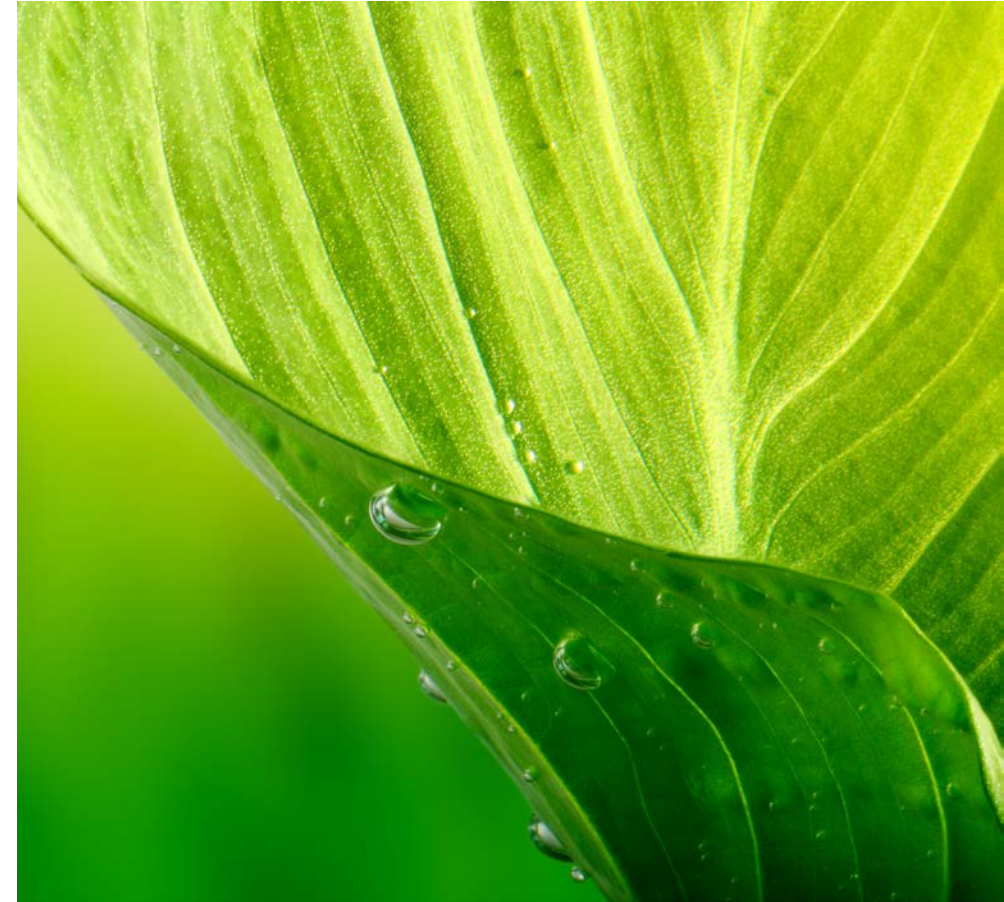
Summary



Jan Secher
President & CEO

Summary

- Strong first quarter with sales driven by robust underlying demand in all regions, particularly in APAC
- Record EBITDA of SEK 505 m corresponding to a margin of 17.6% despite negative FX effect
- Solid free cash flow of SEK 316 m
- Strong financial flexibility with available funds of SEK 2,055 m
- Tight supply situation
- The new strategy has been successfully implemented together with the subsequent organizational change
- Continue to monitor market closely to be agile in our response



Q&A

Appendix

Building blocks for Perstorp's Strategy

We are the **sustainable solutions provider**, focusing on the global **Resins & Coatings**, **Engineered Fluids** and **Animal Nutrition** markets

- ✓ We focus investments to **grow our specialty offerings**
- ✓ We allow for **step change** investments in **Asia** and we resume our Indian Penta expansion (Project Elephant) with full speed
- ✓ We maximize **value generation** from our **core product platforms** by **de-commoditization** primarily through non-capex investments with short payback focusing on **efficiency and availability**
- ✓ Strengthening of our **sustainability** profile and **digitalization** as important enablers and differentiators
- ✓ We remain committed to our **Finite Material Neutral** objective, supported by clear sustainability targets

Raw Materials

Raw material prices increased compared to Q1/21 vs. Q1/20

- Average price for Brent crude oil increased by 22 % in Q1/21 vs Q1/20 and increased 35 % from previous quarter
- Methanol increased 46% in Q1/21 vs. Q1/20 and increased with 50% from previous quarter
- Propylene increased 6% in Q1/21 vs. Q1/20 and increased with 22% compared to previous quarter

Raw material prices
Index 100 = Jan 2013

