

Perstorp Holding AB (Publ.)

Interim report 1 April – 30 June 2021

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A quarter with record high EBITDA 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 1,370 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 3,272 m (2,079), a 57% increase consisting of:
 - +65% organic growth whereof +37% sales prices and +28% volumes
 - -8% FX effects
- EBITDA excluding non-recurring items amounted to SEK 595 m (265) with a margin of 18.2% (12.7).
 - FX impact (year-on-year) was SEK -53 m.
 - Highest EBITDA and EBITDA margin ever in Perstorp's history for continuing operations.
- Continued solid free cash flow generation of SEK 409 m (323).
- Available funds amounted to SEK 2,406 m (1,234) at the end of the period.
- Successfully managed to defend and improve margins over and above increased raw material prices.

Key figures in summary

SEK m unless otherwise stated	Quarter 2			Quarter 1-2		Latest	Full year
	2021	2020	Change	2021	2020	12 months	2020
Net Sales	3,272	2,079	1,194	6,138	4,799	10,533	9,194
% Sales growth (y-o-y)	57%	-32%	-	28%	-24%	-	-21%
EBITDA excl. non-recurring items ¹⁾	595	265	330	1,100	686	1,542	1,128
% of net sales	18.2%	12.7%	5.5	17.9%	14.3%	14.6%	12.3%
EBITDA	594	239	355	1,080	658	1,490	1,068
% of net sales	18.1%	11.5%	6.7	17.6%	13.7%	14.1%	11.6%
Operating earnings (EBIT)	463	94	369	819	375	947	503
% of net sales	14.1%	4.5%	9.6	13.3%	7.8%	9.0%	5.5%
Net earnings/loss	302	294	8	345	15	394	64
Free cash flow	409	323	86	725	202	523	823
Available funds	2,406	1,234	1,172	2,406	1,234	2,406	2,037

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

President's Comments – Q2 2021



“Perstorp has built a robust foundation to grow on, and with the passion, drive and agility of our organization and people, and I am confident we will develop our business in line with our new strategy.”

The second quarter of this year has been characterized by strong underlying demand in all three geographies despite continuous impact of the Covid-19 pandemic on people, societies, and business operations across the world. The general recovery of the world economy together with financial stimulation programs impacts several business sectors positively.

Record high EBITDA and solid cash flow

Perstorp delivered a very robust quarter with a record high EBITDA and solid cash flow. End-user demand was strong, which served as a strong driver for organic growth, and the overall performance was linked to both increased volumes, a favorable product mix and significant price increases across all areas, which continued to gain impact during Q2. Despite the increase in raw material prices we have been successful to defend and improve our margins by increasing our sales prices. In addition, unplanned outages and force majeure among some chemical producers were seen also in this quarter, which has led to a tight supply situation for many of our products, despite our internal production records levels. We also begin to see some positive results from the hard work of implementing the new strategy throughout our entire company.

During the quarter, product volumes increased significantly in all three main geographies – EMEA, Americas and APAC, with favorable market dynamics for both Intermediates and Specialties. On the negative side, the logistic constraints remained from previous quarter and in addition, an unfavorable FX effect of SEK -53 m was affecting the EBITDA in Q2. Net sales amounted to SEK 3,273 m (2,079), a 57% increase over the second quarter last year. Organic growth was 65% and EBITDA excl non-recurring items amounted to SEK 595 m (265) with an EBITDA margin of 18.2% (12.7%). Free cash flow generation continued to be solid and amounted to SEK 409 m (323), and available funds amounted to SEK 2,406 m at the end of the period.

The market rebound continues

In Q2/21, high demand was seen across all major Resins & Coatings segments. The sector in general experienced availability constraints across all raw material platforms. Global Construction showed high growth rate, whilst Automotive demand stagnated in Q2, as semiconductor shortage continued to negatively impact light vehicle production. Price increases for all product platforms continued in the second quarter.

For Engineered Fluids, recovery continued in the second quarter in key segments such as aviation, refrigeration and dielectric. Underlying demand was strong, however stressed global supply chains continued to disrupt production and logistic schedules, and unit margins were increased supported by a tight supply/demand balance. Global investments in data centers are increasingly driving demand for refrigeration and the business dynamics within battery technology could long-term open up new potentials for Perstorp.

In the second quarter, Perstorp's Animal Nutrition business was negatively impacted by some internal factors such as production stop at site Waspik, but also by external factors such as the volatility of the important acid market. Since this business in Perstorp is the most dependent on new business and customer development, it has also suffered the most from travel restrictions in the wake of the Covid-19 pandemic. US and EU markets are slowly opening up for travel and customer visits, which will be vital for new business development activities in the coming months. A pipeline of new gut health solutions are on track for soft launch in Q4 2021 and real market introduction in some time during 2022.

Progress of sustainability activities

In Q2, we introduced new Pro-Environment products to the market, based on traceable mass balance and ready to be inserted into our customer's existing formulations, with the added benefit of a lower carbon footprint. Project AIR is an industrial concept to produce methanol from a large variety of recovered end-of-life streams and hydrogen, partly from electrolysis, and aims to reduce carbon emissions by up to half million tons annually, which equals the amount of the yearly emission from the Swedish domestic aviation industry. A milestone was reached in June when Project AIR was granted EUR 30 million from the Swedish Energy Agency. In addition, Project AIR has also applied for financing from the European Innovation Fund, where we expect an answer by the end of the year.

Many sustainability initiatives are currently coming from the EU. We are keeping a close eye on those and are working internally to adopt e. g. The Chemicals Strategy for Sustainability, Fit for 55 and the new Taxonomy into our own strategies.

Concluding remarks

Safety performance remains a top priority in Perstorp. Our performance in the area of process safety events continued to be well in line with our high ambitions, and for personal safety - measured as OSHA recordables, clear improvements were seen in the first half of this year. Health and safety of our employees have also guided our decisions during the pandemic. People have worked from home to a large degree since March 2020, and still do, and our employees have made many extraordinary efforts, shown agility and a positive forward looking attitude in order to keep our promise to our customers.

This year, it is 140 years ago since Wilhelm Wendt in the small village of Perstorp in southern Sweden, started the company which today has become the Perstorp Group. Celebrations have been kicked off and followed up in different communication channels – internally and externally.

Perstorp has achieved a robust foundation to build on, and with the passion, drive and agility of our organization and people, I am confident we will develop our business in line with our new strategy.

Malmö July 2021



Jan Secher
President and CEO

Financial overview April – June 2021

Income statement

SEK m	Quarter 2			Latest 12 months	Full Year 2020
	2021	2020	Change		
Net Sales	3,272	2,079	1,194	10,533	9,194
% Sales growth	57%	-32%	-	-4%	-21%
% Organic growth	65%	-32%	-	11%	-20%
% FX effects	-8%	0%	-	-7%	-1%
Gross earnings	697	311	386	1,817	1,342
% of net sales	21.3%	15.0%	6.3%	17.3%	14.6%
Operating earnings (EBIT) excl. non-recurring items	463	125	338	1,000	569
Non-recurring items	0	-31	31	-53	-66
Operating earnings (EBIT)	463	94	369	947	503
% of net sales	14.1%	4.5%	9.6%	9.0%	5.5%
Exchange rate effects on net debt	60	335	-275	247	297
Other financial income and expenses	-145	-135	-10	-655	-657
Financial net	-85	200	-285	-408	-360
Earnings/loss before tax	378	294	84	539	143
Tax	-76	0	-76	-145	-79
Net earnings/loss	302	294	8	394	64
EBITDA	594	239	355	1,490	1,068
EBITDA excluding non-recurring items	595	265	330	1,542	1,128

Net sales for continuing operations during the second quarter amounted to SEK 3,272 m (2,079), an increase of SEK 1,194 m or 57%. Excluding FX effects sales increased +65% due to higher volumes (+28%) and sales prices (+37%).

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

The Swedish krona continued to strengthen against both the USD and the EUR compared to the corresponding quarter 2020, resulting in a negative FX effect on sales of approximately -8%.

EBITDA excluding non-recurring items amounted to SEK 595 m (265), corresponding to an EBITDA margin of 18.2% (12.7), the increase is mainly coming from higher volumes and higher unit margins coming from price increases.

The EBITDA was impacted by a negative a FX effect of approximately SEK -53 m compared to the same period 2020.

Depreciation and amortization amounted to SEK 131 m (145) and EBIT amounted to SEK 463 m (94) with an EBIT margin of 14.1% (4.5).

Net financial expenses, excluding currency effects on net debt, amounted to SEK 145 m compared to SEK 135 m for the corresponding period in 2020.

Tax amounted to SEK -76 m (0) mainly driven by the strong result compared to the same period last year for the entities in Sweden. The net result amounted to SEK 302 m (294).

Free Cash Flow analysis

SEK m	Quarter 2			Quarter 1-2		Latest	Full year
	2021	2020	Change	2021	2020	12 months	2020
EBITDA excl. non-recurring items	595	265	330	1,100	686	1,542	1,128
Change in Working Capital ²⁾	-16	176	-192	-124	-254	317	187
Maintenance Capex	-66	-46	-20	-101	-104	-241	-244
Free Cash Flow before Strategic Capex	513	395	118	875	328	1,618	1,071
Strategic Capex	-104	-72	-32	-150	-126	-272	-248
Free Cash Flow	409	323	86	725	202	1,346	823

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 strong in the second quarter 2021 and amounted to SEK 409 m (323). The second quarter 2020 was significantly impacted by the Covid situation and the improvements in free cash flow in 2021 is coming from the increased business activities. This resulted in an increased EBITDA that was to some extent offset by the change in working capital and higher capex.

The change in working capital compared to the second quarter 2020 is mainly explained by a higher inventory due to increased raw material prices and logistic constraints in combination with higher account receivables coming from the increased sales, offset by higher accounts payable and other current liabilities. Improvements in days sales outstanding (DSO) and a higher utilization of the factoring program has continued during the quarter.

Net debt and reported leverage

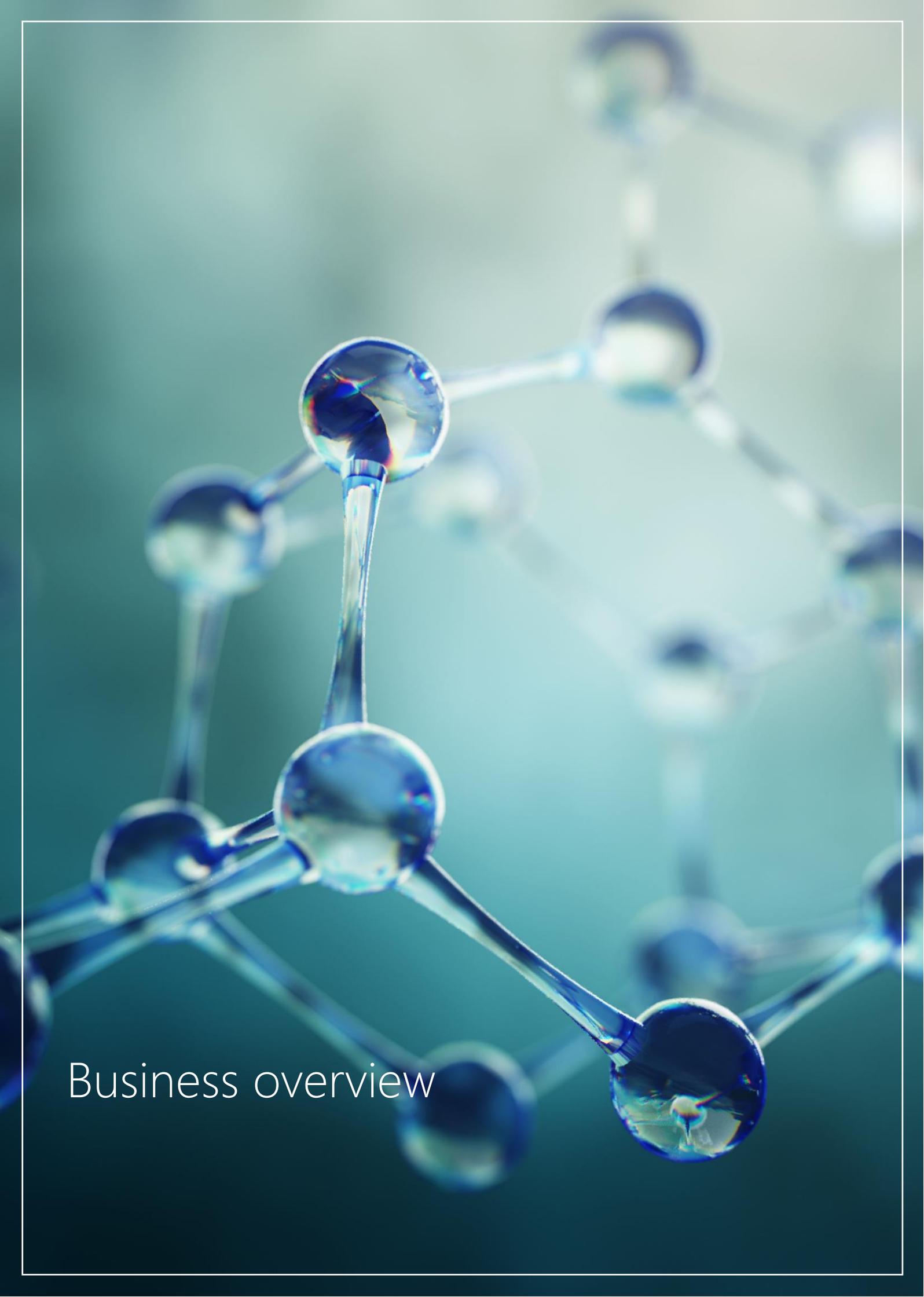
SEK m	Quarter 2			Quarter 1-2		Latest	Full year
	2021	2020	Change	2021	2020	12 months	2020
Net debt, opening balance	-8,398	-9,982	1,584	-8,110	-8,993	-9,067	-8,993
Free cash flow	409	323	86	725	202	1,346	823
Cash impact from non-recurring items	0	-27	27	-20	-28	-52	-60
Financial items	-29	0	-29	-271	-158	-552	-439
Paid tax	-18	-12	-6	-21	-40	-37	-56
Net Cash Flow	362	284	78	413	-24	705	268
Exchange rate effects and other	133	635	-502	-192	-41	498	649
Change in lease liabilities, IFRS 16	-3	-4	1	-17	-9	-69	-61
Change in pension liability	0	0	0	0	0	27	27
Net debt, closing balance	-7,906	-9,067	1,161	-7,906	-9,067	-7,906	-8,110
Of which:							
Pension liability	-438	-469	31	-438	-469	-438	-437
Lease liability, IFRS 16	-97	-84	-13	-97	-84	-97	-109
Net debt excl. pension and lease liability	-7,371	-8,514	1,143	-7,371	-8,514	-7,371	-7,564

SEK m	June 30, 2021	June 30, 2020	Dec 31, 2020
Available funds	2,406	1,234	2,037
Reported leverage ¹⁾	4.8x	6.1x	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 2,406m (1,234) at the end of the period, compared with SEK 2,037 m at the end of the fourth quarter 2020. Utilization of the factoring program at June 30, 2021 amounted to EUR 116 m (62).



Business overview

Business overview

The favourable market dynamics continued from first into second quarter 2021, for both Intermediates and Specialties across regions. Strong demand was seen from end-users in most segments. Unplanned outages and force majeure among some producers continued into the second quarter. Tight availability and costs increases of raw materials constrained production at some customers. Logistic constraints and cost increase mainly from/in APAC but also in other parts of the world also impacted the quarter. Perstorp continued to increase prices in all regions, and still has strict allocation in place for most products where customers have asked for more than the Group can deliver.

Within the sustainability area Perstorp's Pro Environment portfolio continued to grow with a new record high sales volumes. In addition Emoltene™ 100 Pro, partly based on renewable content, was launched to the plasticizer market. The product is based on traceable mass balance and ready to be dropped straight into existing flexible PVC formulations with the added benefit of a lower carbon footprint.

Within focus segment Resins & Coatings the quarter was characterised by strong demand. Prices have been increased with significant positive impact for Penta, TMP and Neo together with record sales in passive fire protection segment (intumescent paints). In addition, sales were positively impacted by investments in EV related supply chain transformations, i.e. battery factories.

For Engineered Fluids the overall positive recovered trend continued with strong sales in all sub-segments: refrigeration fluids, metal working fluids, di-electric fluids and aviation. From a volume perspective there was a strong growth in APAC and continued major volume recovery in Americas and EMEA. China's new minimum energy performance standards (MEPS) drive RAC (room air conditioning) market transition to high efficiency variable-frequency technology and market indicators look promising.

Animal Nutrition experienced strong sales in APAC with solid growth in some key focus segments, such as Gut Health in China and India, and Acid Blends in Vietnam, but overall a disappointing quarter with challenges in the volatile acid market. The focus segment is also still negatively impacted from curtailed traveling.

The remaining segments enjoyed high demand in all regions and across several secondary markets on the back of robust PVC plasticizer and PVB film market segments, notably where there were record high volumes to Perstorp's 3GO/PVB film segment customers in the quarter.

Consolidated income statement

Income statement

SEK m	Note	Quarter 2		Quarter 1-2		Latest 12 months	Full year 2020
		2021	2020	2021	2020		
Net Sales		3,272	2,079	6,138	4,799	10,533	9,194
Cost of goods sold		-2,576	-1,768	-4,858	-3,994	-8,716	-7,852
Gross earnings		697	311	1,280	805	1,817	1,342
Selling, administration and R&D costs		-238	-191	-445	-395	-827	-777
Other operating income and expenses ¹⁾		3	-24	-18	-32	-46	-60
Write-down of assets		0	-3	0	-4	-2	-6
Result from participations in associated companies		1	1	2	1	5	4
Operating earnings (EBIT)	4	463	94	819	375	947	503
Exchange-rate effects on net debt		60	335	-77	-27	247	297
Other financial income and expenses		-145	-135	-295	-297	-655	-657
Financial net		-85	200	-372	-324	-408	-360
Earnings/loss before tax		378	294	447	51	539	143
Tax		-76	0	-102	-36	-145	-79
Net earnings/loss		302	294	345	15	394	64

Consolidated Group

EBITDA	594	239	1,080	658	1,490	1,068
EBITDA excluding non-recurring items	595	265	1,100	686	1,542	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 2		Quarter 1-2		Latest 12 months	Full year 2020
	2021	2020	2021	2020		
Net result for the period	302	294	345	15	394	64
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of defined benefit plan	-	-	-	-	22	22
<i>Items that may be subsequently reclassified to profit or loss</i>						
Currency translation effect	30	44	-34	-23	135	146
Other comprehensive income net after tax	30	44	-34	-23	157	168
Total comprehensive income	332	338	311	-8	551	232
Attributable to:						
Parent company's shareholder	321	344	282	-16	525	227
Non-controlling interest	11	-6	29	8	26	5

Consolidated balance sheet

Balance sheet, consolidated group

SEK m	Note	June 30, 2021	June 30, 2020	Dec 31, 2020
Tangible fixed assets		4,706	4,741	4,662
Intangible fixed assets		4,242	4,349	4,233
Participation in associated companies		81	77	79
Other non-current assets		957	1,090	1,030
Inventories		1,362	1,277	1,091
Other current assets		1,475	1,056	1,111
Cash & cash equivalents, incl. short-term investments		987	1,146	575
Total assets		13,810	13,736	12,781
Total equity	5	1,692	1,141	1,381
Pension liability, others		471	491	468
Other non-current liabilities		9,183	10,421	8,987
Current liabilities		2,464	1,683	1,945
Total equity & liabilities		13,810	13,736	12,781
Working capital	3	605	903	443
Net debt		7,906	9,067	8,110
Net debt excluding pension liabilities		7,467	8,598	7,673
Capital employed		10,646	11,380	10,102
Number of full-time employees, end of period		1,375	1,383	1,367
Contingent liabilities		267	276	266
Assets pledged		7,704	6,522	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		282	29	311
Closing balance, June 30, 2021		1,538	154	1,692

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	-16	8	-8
Dividend to non controlling interest	-	-9	-9
Closing balance, June 30, 2020	1,013	128	1,141

Consolidated cash flow statement

SEK m	Quarter 2		Quarter 1-2		Latest	Full year
	2021	2020	2021	2020	12 months	2020
Operating activities						
Operating earnings	463	94	819	375	947	503
Adjustments						
Depreciation and write-down	131	145	261	283	543	565
Other	10	46	-18	-4	24	38
Interest received and other financial items	1	1	1	1	2	2
Interest paid and other financial items	-30	-1	-272	-158	-553	-439
Income tax paid	-18	-12	-21	-40	-37	-56
Cash flow from operating activities before change in operating capital	557	273	770	457	926	613
Changes in working capital						
Increase (-) Decrease (+) in net working capital ¹⁾	-16	176	-124	-254	317	187
Cash flow from operating activities	541	449	646	203	1,243	800
<i>Investing activities</i>						
Acquisition of tangible and intangible fixed assets	-170	-118	-251	-230	-513	-492
Cash flow from investing activities	-170	-118	-251	-230	-513	-492
<i>Financing activities</i>						
Dividend paid to non-controlling interests in subsidiaries	-	-9	-	-9	-	-9
Amortization of loans	-9	-9	-17	-19	-33	-35
Change in credit utilization	55	-9	30	753	-847	-124
Cash flow from financing activities	46	-27	13	725	-880	-168
Change in liquid funds, incl. short-term investments	417	304	408	698	-150	140
Liquid fund opening balance, incl. short-term investments	572	858	575	453	1,146	453
Translation difference in liquid funds	-2	-16	4	-5	-9	-18
Liquid funds, end of period²⁾	987	1,146	987	1,146	987	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 at June 30, 2021 amounted to 3,004 m (3,361) compared to SEK 3,241 m at December 31, 2020.

Income statement

SEK m	Note	Quarter 2		Quarter 1-2		Latest 12 months	Full year 2020
		2021	2020	2021	2020		
Net Sales		11	15	19	23	79	83
Gross earnings		11	13	19	21	62	64
Sales, marketing and admin costs		-38	-34	-72	-70	-167	-165
Other operating income and expenses		0	-1	-6	-2	-24	-20
Operating earnings (EBIT)		-27	-22	-59	-51	-129	-121
Financial income and expenses		13	266	-178	-153	-74	-49
Appropriations		-	-	-	-	-170	-170
Earnings/loss before tax		-14	244	-237	-204	-373	-340
Tax		-	-	-	-	16	16
Net earnings/loss ¹⁾		-14	244	-237	-204	-357	-324

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

Balance sheet

SEK m	Note	June 30, 2021	June 30, 2020	Dec 31, 2020
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		5,258	5,515	5,163
Other non-current assets		430	475	419
Short term financial receivables group		78	913	79
Other current assets		43	40	46
Cash & cash equivalents		0	0	0
Total assets		13,540	14,674	13,438
Total equity		3,004	3,361	3,241
Non-current liabilities		8,336	9,623	8,157
Current liabilities		2,200	1,690	2,040
Total equity & liabilities		13,540	14,674	13,438



Key figures and FX rates

Key figures

SEK m unless otherwise stated	2021		2020		
	Q2	Q1	Q4	Q3	Q2
Net Sales	3,272	2,865	2,284	2,111	2,079
Sales growth, %	57	5	-7	-27	-32
Gross earnings	697	583	297	240	311
EBITDA excluding non-recurring items	595	505	257	185	265
% of net sales	18.2	17.6	11.3	8.8	12.7
Cash conversion, % of EBITDA excluding non-recurring items	69	63	142	139	122
Net earnings/loss	302	43	145	-96	294
Earnings, per share, diluted, SEK	6.04	0.86	2.89	-1.91	5.87
Net debt excluding pension liabilities	7,467	7,959	7,673	8,521	8,598
Reported Leverage ¹⁾	4.8x	6.6x	6.8x	7.4x	6.1x

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

Currency rates

Closing rate					
USD	8.51	8.72	8.19	8.99	9.35
EUR	10.12	10.24	10.04	10.54	10.48
CNY	1.32	1.33	1.25	1.32	1.32
Average rate					
USD	8.41	8.40	8.63	8.87	9.68
EUR	10.14	10.12	10.28	10.36	10.65
CNY	1.30	1.30	1.30	1.28	1.37

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.

As a consequence of the subsequent re-organization, approximately 20 employees were made redundant globally. The reorganization is now fully implemented.

2. Definitions non IFRS measures

Average capital

Based on monthly balances during the year.

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	June 30, 2021	June 30, 2020	Dec 31, 2020
Inventories	1,362	1,277	1,091
Accounts receivable	1,020	684	633
Other current assets	449	369	461
Accounts payable	-659	-420	-575
Other current liabilities	-1,567	-1,007	-1,167
Total	605	903	443

4. Leasing

SEK m	Quarter 1		Quarter 1-2		Latest	Full year
	2021	2020	2021	2020	12 months	2020
Impact on income statement, IFRS16 ¹⁾						
Depreciation on right of use assets	-12	-12	-24	-24	-48	-48
Interest on lease liability	-1	-2	-3	-4	-6	-7
¹⁾ The effect on EBITDA	13	14	27	28	56	57

5. Equity

At the end of June 2021 equity for the parent company, Perstorp Holding AB, amounts to SEK 3,004 m (3,361). Consolidated equity, including non-controlling interest, for the Perstorp Group amounts to SEK 1,692 m (1,141).

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. 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 2020, is available in English and can be downloaded from the Group's website at www.perstorp.com.

Perstorp, July 20, 2021

A handwritten signature in black ink, appearing to read "Jan Secher".

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 1,370 employees and manufacturing units in Asia, Europe and North America. Sales in 2020 amounted to SEK 9.2 billion for continuing operations.

Learn more at www.perstorp.com