

First quarter of 2024 results

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BEWI



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Strategically positioned for energy efficient – and circular packaging solutions



Key figures for the first quarter of 2024

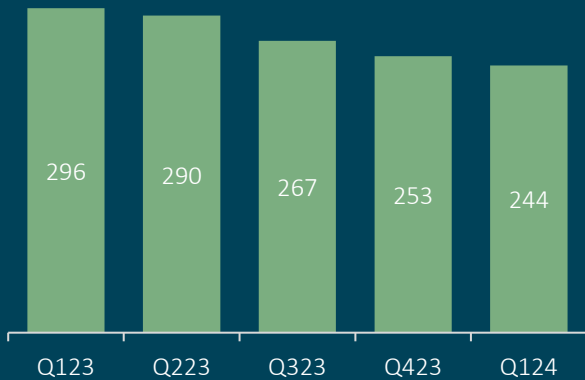
Revenue

EUR 244 million

-18%

Net sales

EUR million



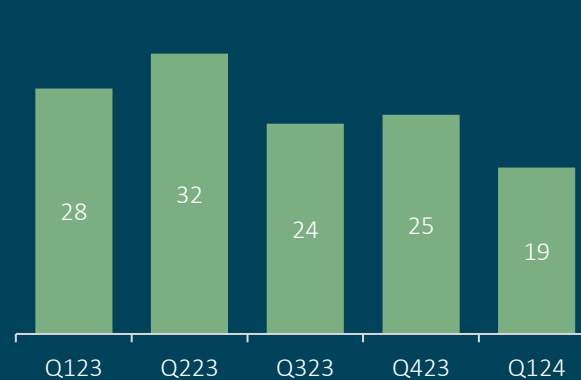
Adj. EBITDA

EUR 19 million

-34%

Adj. EBITDA

EUR million



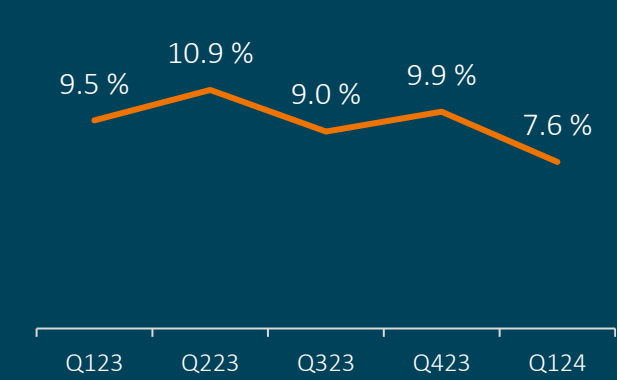
Adj. EBITDA margin

7.6%

-1.9 pp

Adj. EBITDA






Percentage (%)

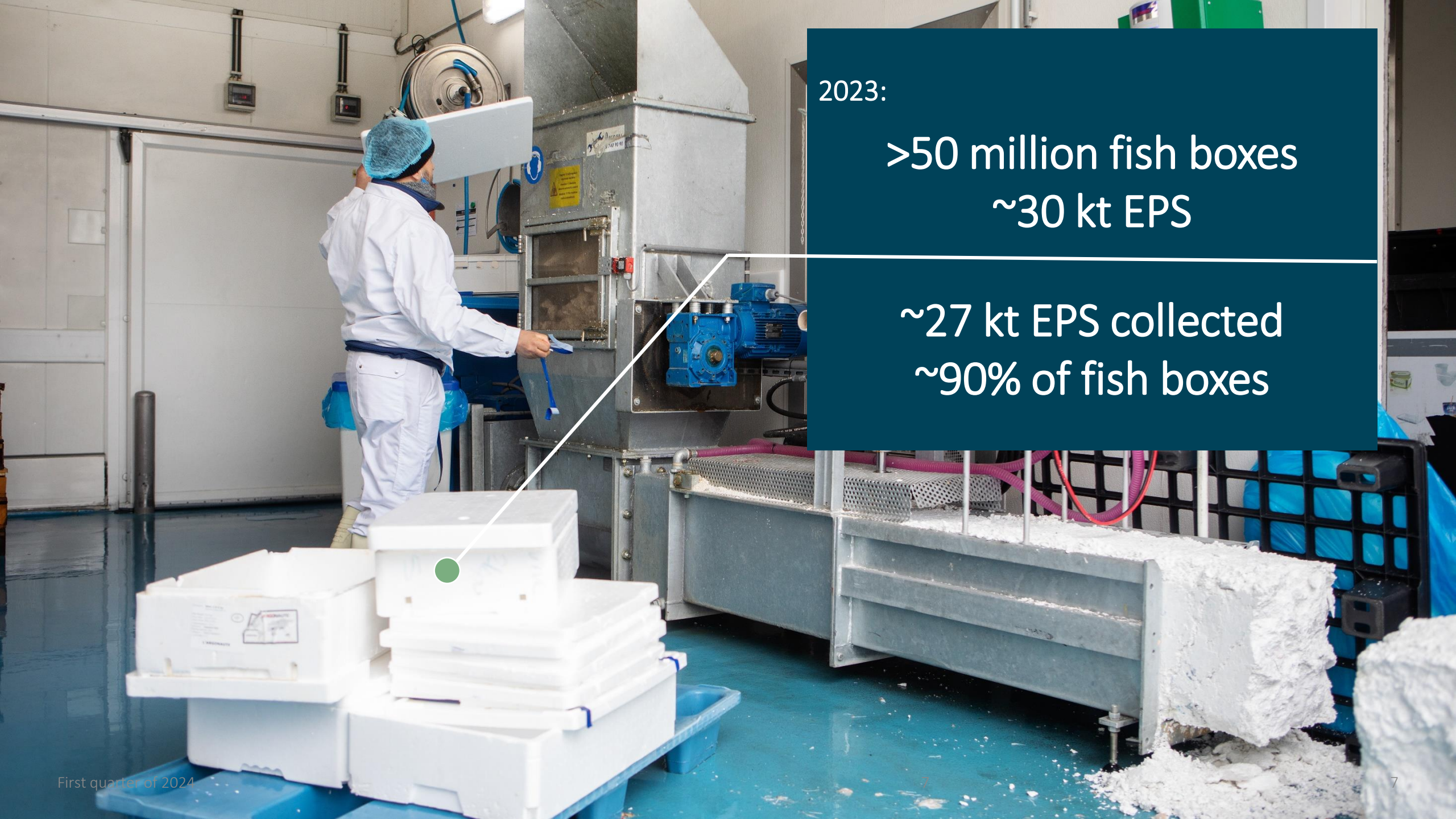


Solid performance in seasonally weak quarter, positioned for growth

- Market conditions remained challenging in seasonally weak quarter
- Solid operational performance
 - Cost reductions enable sustained downstream margins, despite lower volumes
 - Ramp-up of new production line in Etten-Leur
 - Launch of products with lower CO2 footprint
- Signs of improvement in macroeconomic indicators
- Regulatory drivers remain strong

Delivering on key priorities for long-term growth

- 1 Increasing collection and use of recycled material 
- 2 Capacity and cost optimisation 
- 3 Capitalising on investments 
- 4 Strengthening financial position 
- 5 Evaluating strategic opportunities for growth 



2023:

>50 million fish boxes
~30 kt EPS

~27 kt EPS collected
~90% of fish boxes

In pole position for proposed packaging regulations



New regulations create opportunities

Fish box packaging in use

Proposed regulations (PPWR)



≥30%
recycled content



≥40%
reuse in system



First quarter 2024

Group financials

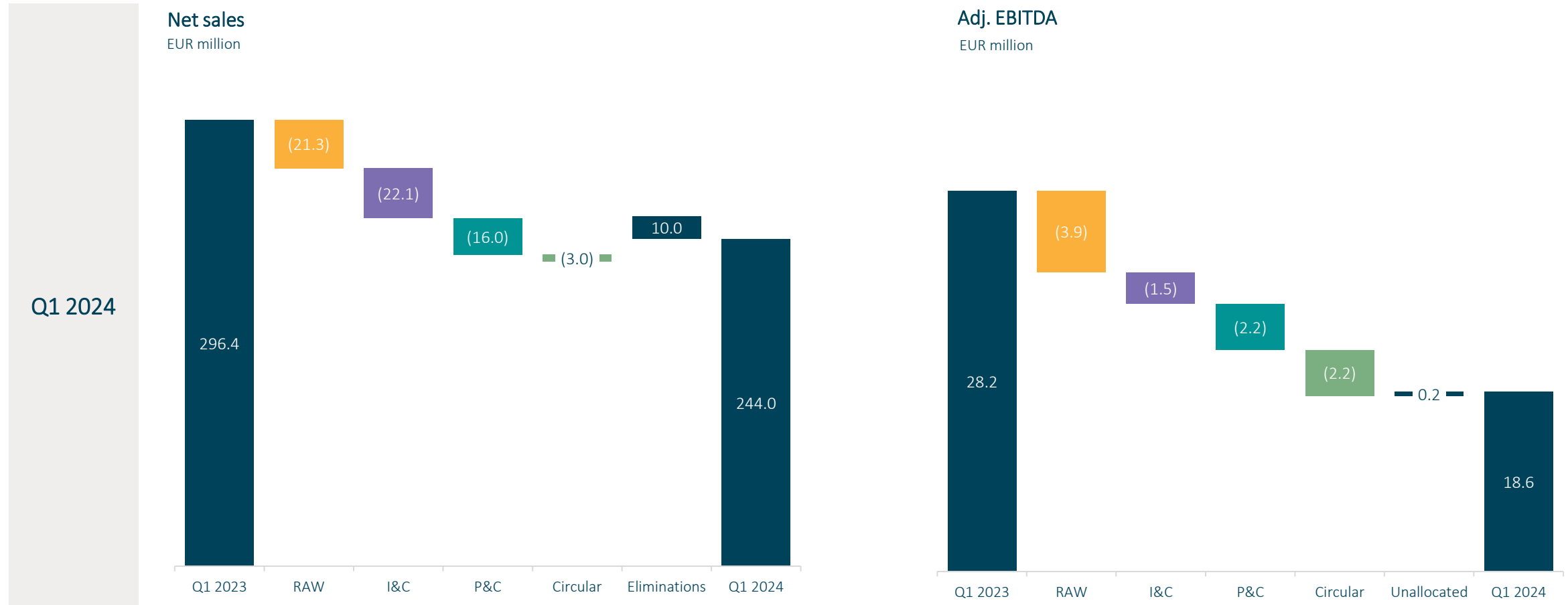


ONE commercial and residential building Frankfurt, Germany with BEWI's XPS thermal insulation

Photo credit: CA Immo/Klaus Helbig

Financial overview for the first quarter of 2024

Downstream segments sustain margins despite lower volumes



Financials



Consolidated income statement

| Amounts in EUR million | Q1 2024 | Q1 2023 | 2023 |
|---|--------------|--------------|----------------|
| Net Sales | 244.0 | 296.4 | 1 105.3 |
| Other operating income | - | - | 1.5 |
| Total operating income | 244.0 | 296.4 | 1 106.8 |
| Raw materials and consumables | -91.8 | -121.5 | -455.3 |
| Goods for resale | -25.4 | -24.8 | -95.3 |
| Other external costs | -56.7 | -71.9 | -249.9 |
| Personnel cost | -51.6 | -51.8 | -205.2 |
| Depreciation/ amortisation/ impairment | -17.0 | -17.1 | -68.4 |
| - attributable to operations | -8.3 | -8.9 | -33.7 |
| - attributable to IFRS 16 | -5.3 | -5.0 | -21.1 |
| - attributable to fair value adjustments in business combinations | -3.4 | -3.2 | -13.7 |
| Share of income from associated comp. | -0.1 | 0.5 | 1.3 |
| Capital gain/loss from sale of assets and other adjustments | 1.2 | 0.0 | -0.6 |
| Operating income (EBIT) | 2.6 | 9.8 | 33.5 |
| Net financial items | -11.5 | -10.4 | -42.5 |
| Income tax expense | 0.6 | -0.2 | -6.6 |
| Profit/ loss for the period | -8.3 | -0.7 | -15.6 |

First quarter of 2024

- Net sales of EUR 244.0 million, down 18%
- EBIT of EUR 2.6 million (9.8)
 - Raw materials incl. goods for resale ~50% of sales
 - External costs down by 21%
 - Cost reductions and lower volumes
 - Fixed cost down 5% despite inflation
 - Personnel costs slightly lower than Q1 last year
 - ~150 fewer FTE's but salary increase from inflation
- Net financial items of EUR -11.5 million (-10.4)
- Tax income of EUR 0.6 million (expense of 0.2)
- Net result of EUR -8.5 million (-0.7)

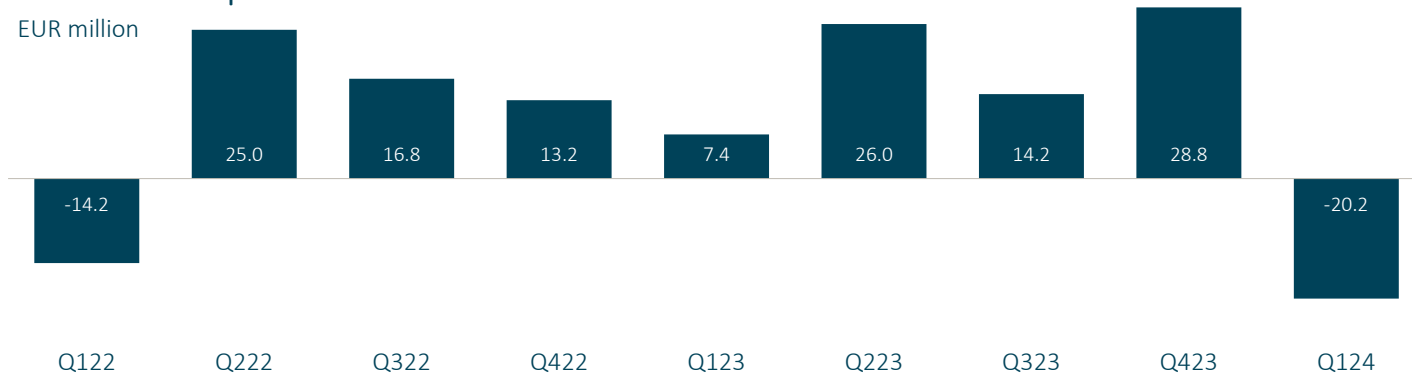
Financials



Operational cash flow impacted by seasonally weak quarter and build-up of working capital

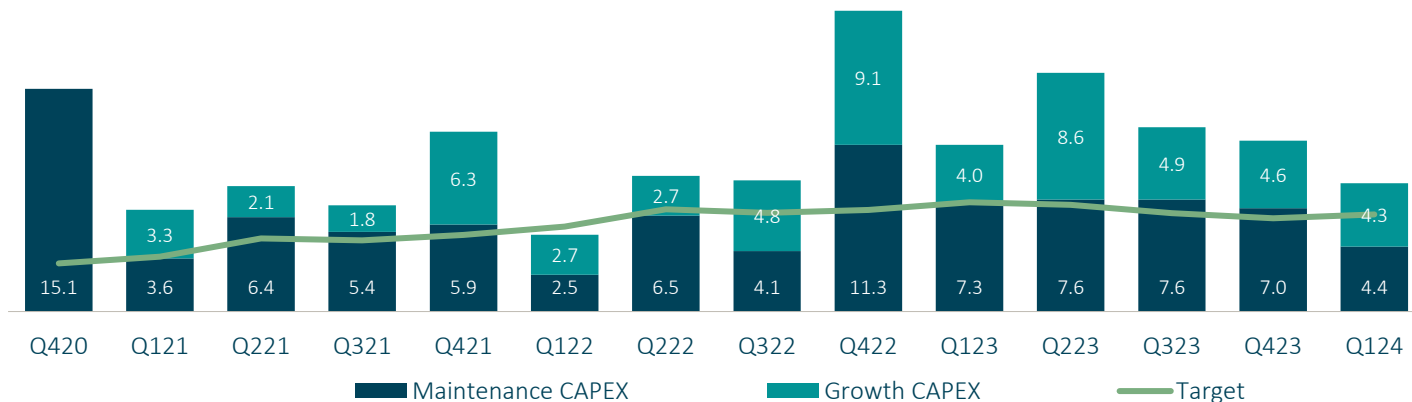
Cash flow from operations

EUR million



CAPEX

EUR million



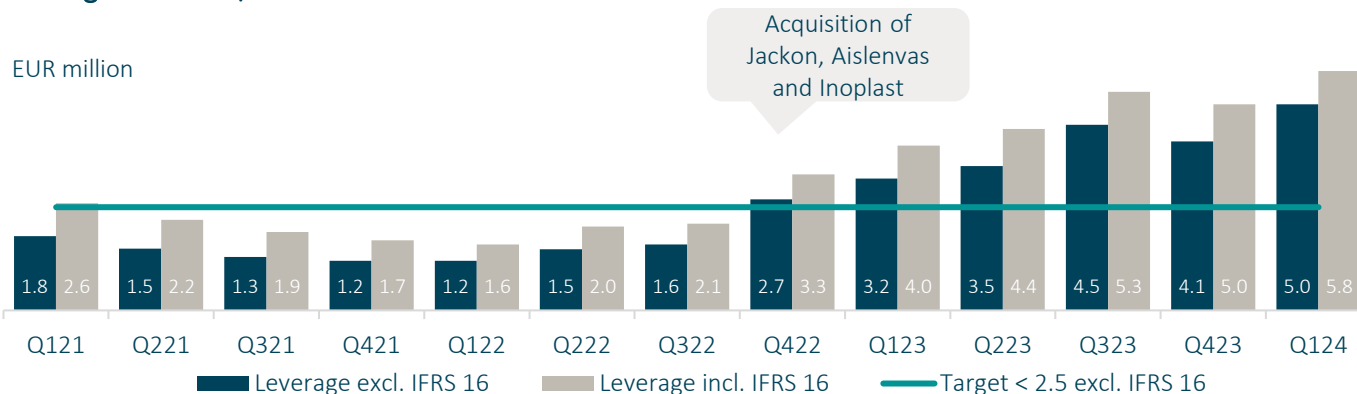
First quarter of 2024

- Operating cash flow of EUR -20.2 million (7.4)
 - Increase in working capital of EUR 23.4 million (8.3), primarily related to increase in accounts receivables
 - Managed to keep inventory level low and in line with Q4
 - Lower volumes
 - Higher prices
 - Optimisation of working capital a prioritised task
- CAPEX of EUR 8.7 million (11.3)
 - CAPEX for 2024 estimated to EUR 20 million
 - Higher share of investments in 1H related to final pay of key growth projects

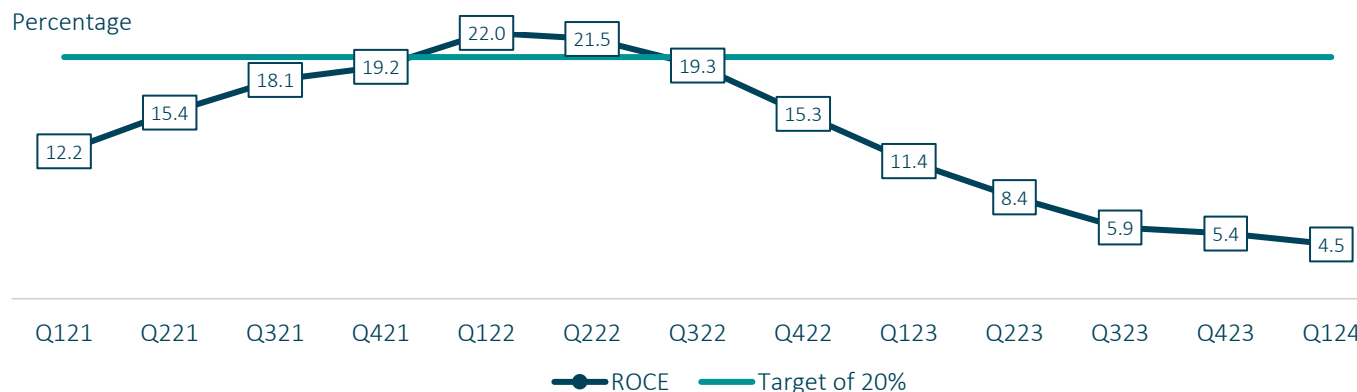
Financials

Strengthening financial position a prioritised task

Leverage: Net debt/ EBITDA ratio⁽¹⁾



ROCE



(1) EBITDA ratio: adjusted EBITDA rolling 12-months pro-forma acquired entities,

(2) ROCE: Rolling 12 months adjusted EBITA as a percentage of average capital employed during the same periode. Capital employed is defined as total equity plus net debt

- Large acquisitions, combined with downturn in markets impacting leverage and ROCE
- Available cash and credit EUR ~78 million
 - Incl. EUR 36 million unutilized credit facility
- Net debt excl. IFRS 16 of EUR 349 million
 - A priority to strengthen financial position
 - Reduced CAPEX for 2024
 - EUR ~20 million incoming from real estate divestments
 - EUR ~8 million compensation related to Synbra acquisition
 - Closely monitoring working capital

| EUR million | 31.03.24 | 31.12.23 | 31.03.23 |
|---------------------------------------|--------------|--------------|--------------|
| Cash and Cash equivalents | 42.5 | 63.6 | 36.5 |
| Non-current liabilities excl. IFRS 16 | 376.6 | 381.6 | 377.8 |
| Current liabilities excl. IFRS 16 | 15.0 | 13.1 | 27.6 |
| Net debt excl. IFRS 16 | 349.1 | 331.1 | 368.9 |
| Debt related to IFRS 16 | 225.0 | 216.6 | 194.3 |
| Net debt in total | 574.1 | 547.6 | 563.2 |

First quarter 2024

Segment review



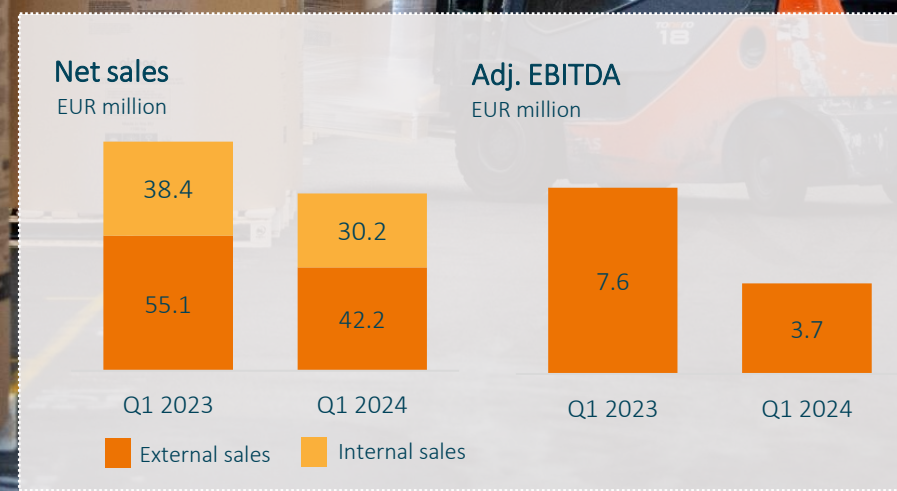
BEWI's new packaging facility at Jøsnøya, Norway

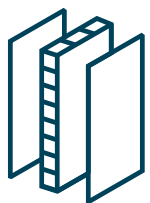


Improved efficiency and lower fixed cost partly compensate for lower volumes and GAP

First quarter of 2024

- Net sales of EUR 72.2 million (93.5), down 23%
 - Volumes impacted by low activity in building and construction
 - Official EPS prices down by ~7% since Q1 2023
 - Extra harsh winter and early Easter further impact
- Adj. EBITDA of EUR 3.7 million (7.6), 5.1% margin
 - Reduced GAP main explanation to lower EBITDA, coming from 1% higher styrene price vs 7% lower EPS price since Q1 last year
 - New production line in ramp-up phase
 - Increased efficiency and lower fixed cost compensate partly





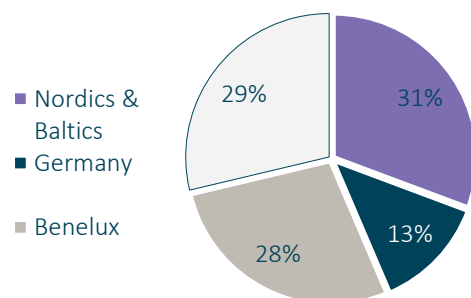
Insulation & Construction

Maintained margin despite continued low activity in the building and construction industry

First quarter of 2024

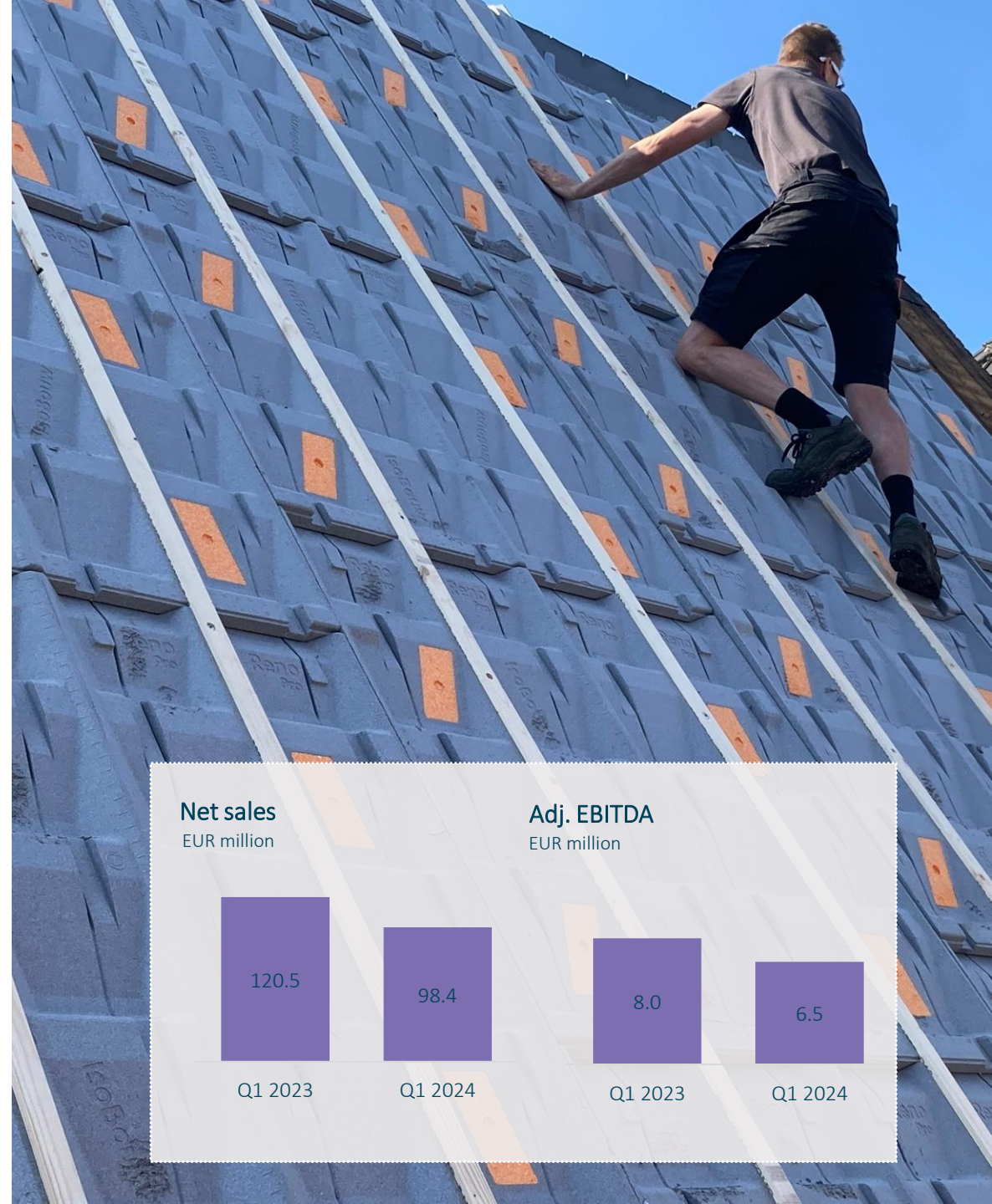
- Net sales of EUR 98.4 million (120.5), down 18%
 - Q1 seasonally weakest quarter, further impacted by extra harsh winter and early Easter
 - Regional variations
- Adj. EBITDA of EUR 6.5 million (8.0), 6.6% margin
 - Successful price management and cost reductions resulted in a margin in line with Q1 2023, despite lower volumes
 - Improved EBITDA contribution from the Nordics, and reduced contribution from Benelux

Net sales Q1 2024¹

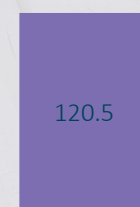


1) based on customer location

First quarter of 2024

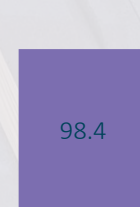


Net sales
EUR million



Q1 2023

Adj. EBITDA
EUR million



Q1 2024



Q1 2023



Q1 2024



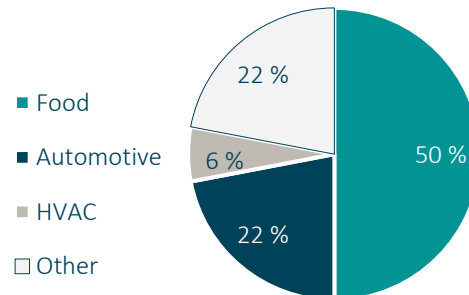
Packaging & Components

Rather stable fish box and automotive volumes, while the HVAC and trading volumes are low

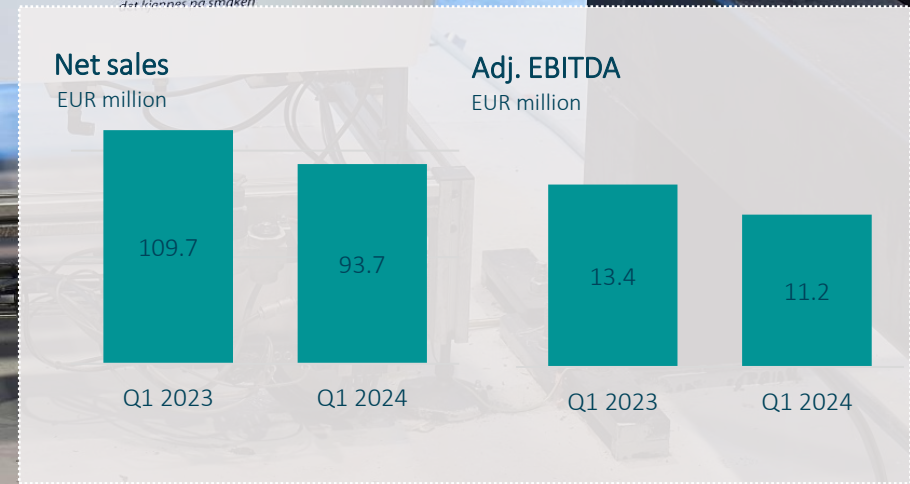
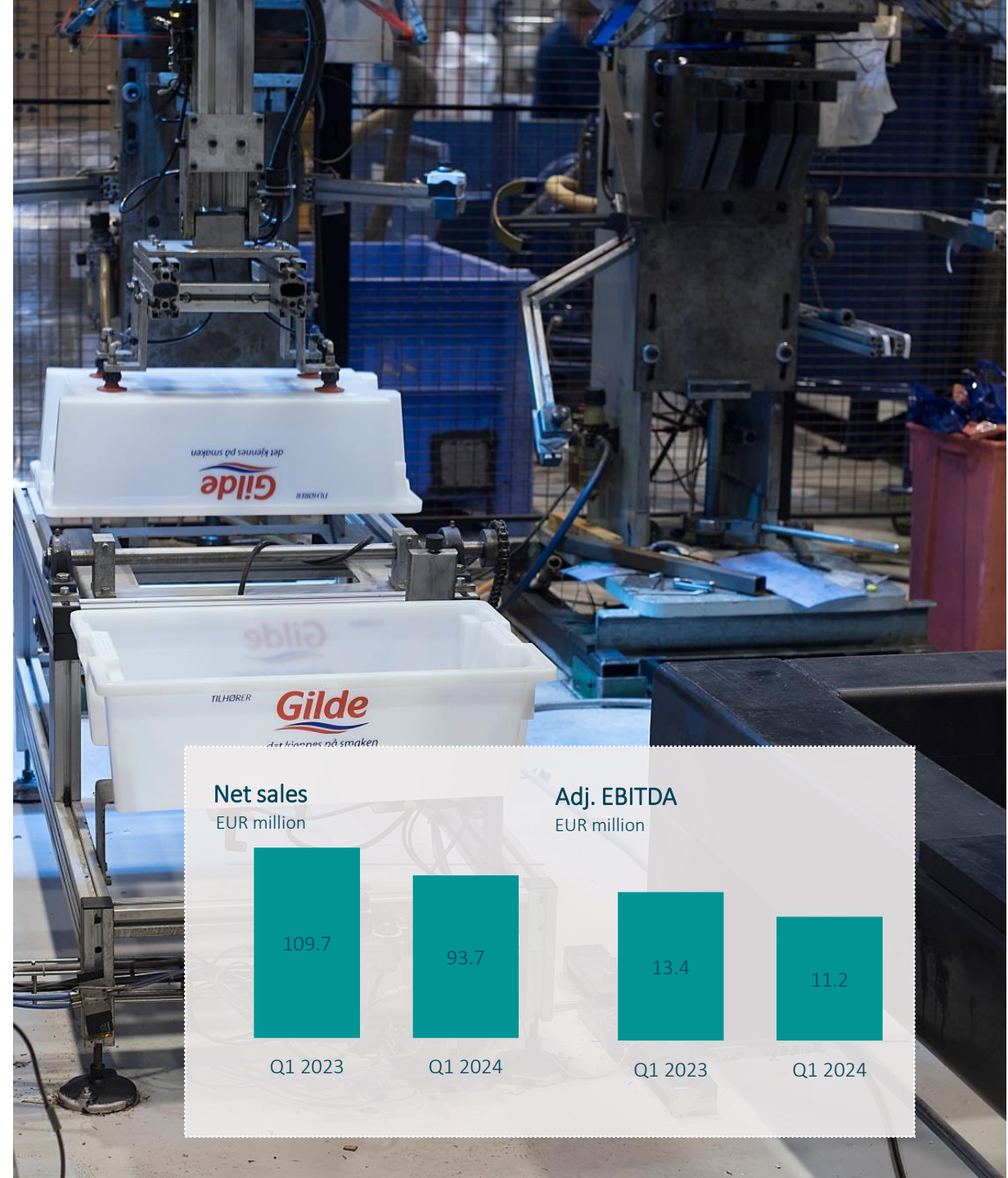
First quarter of 2024

- Net sales of EUR 93.7 million (109.7), down 15%
 - Decrease mainly explained by lower volumes of industrial products and traded food packaging
- Adj. EBITDA of EUR 11.2 million (13.4), 11.9% margin
 - Margin in line with Q1 last year
 - Cost reductions and price management compensate for unfavorable development in product mix since Q4

End market exposure Q1 2024¹



First quarter of 2024



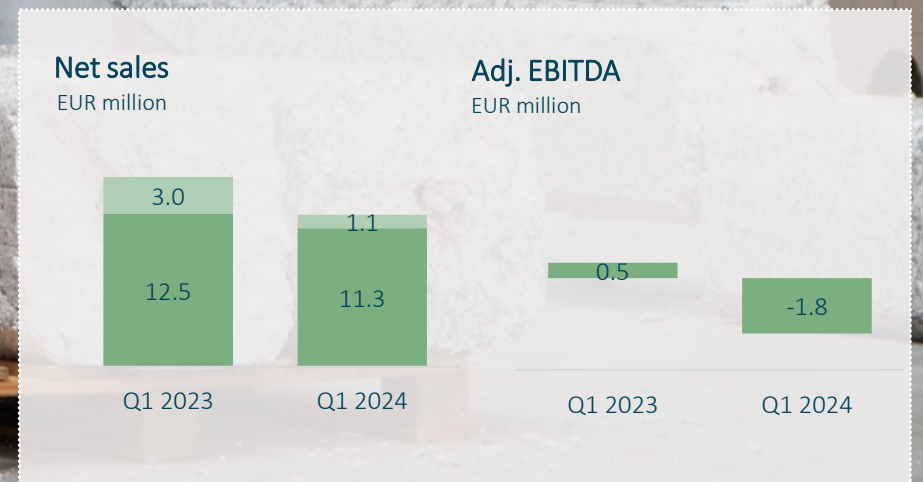
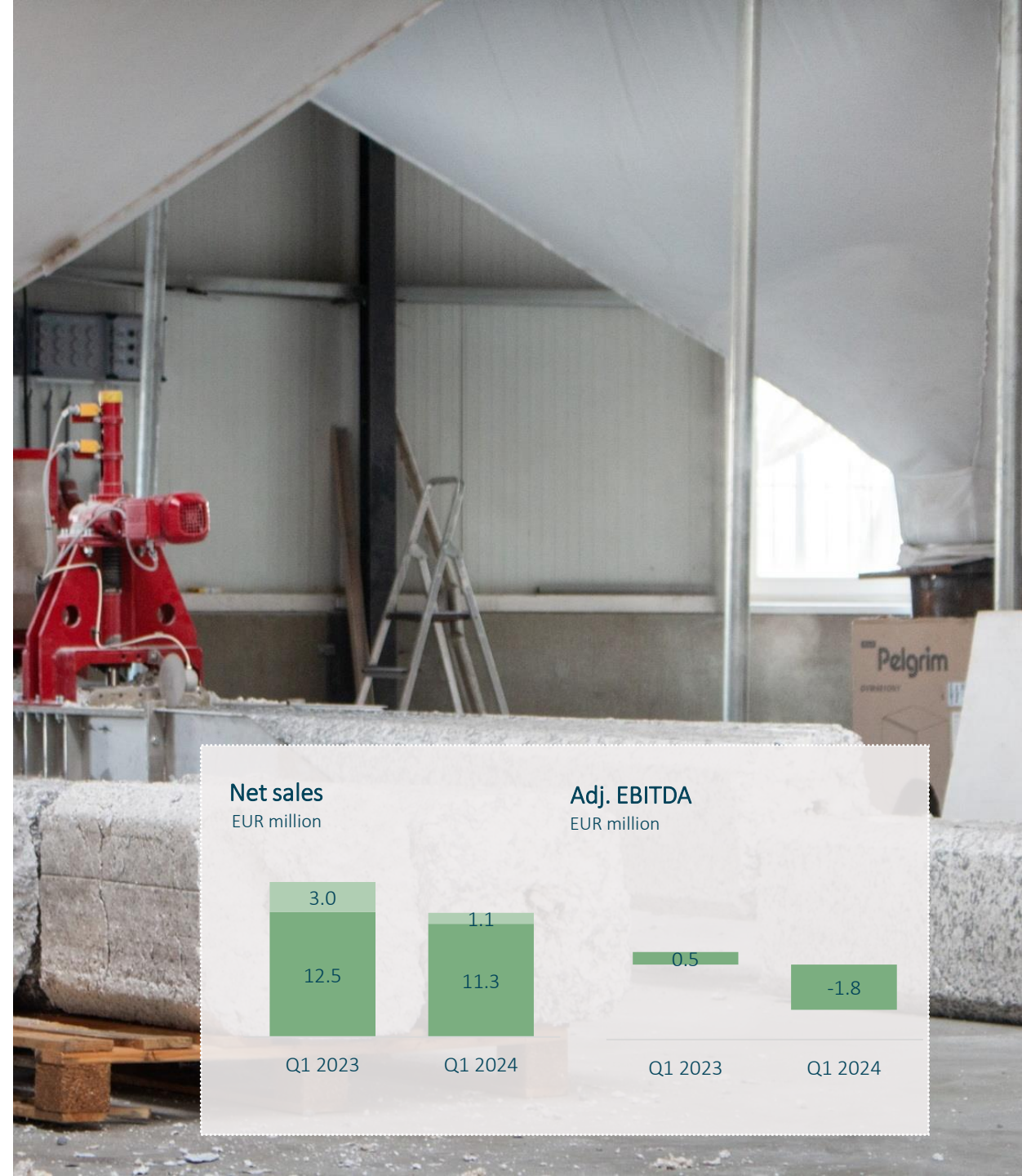


Circular

Increased collection and use of recycled material, results negatively impacted by lower sales prices

First quarter of 2024

- Net sales of EUR 12.5 million (15.5), down 19%
 - Reduction explained by lower sales prices
 - Slight increase in sold volumes
- Adj. EBITDA of EUR -1.8 million (0.5), margin -14.2%
 - Reduced EBITDA due to lower prices



First quarter 2024

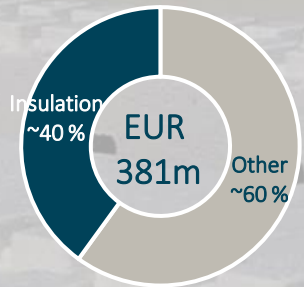
Strategy recap and outlook



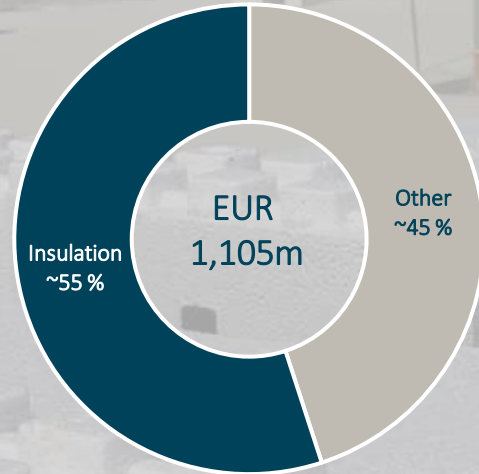
A commercial building with PIR sandwich elements from BEWI

Strong ambitions for further growth

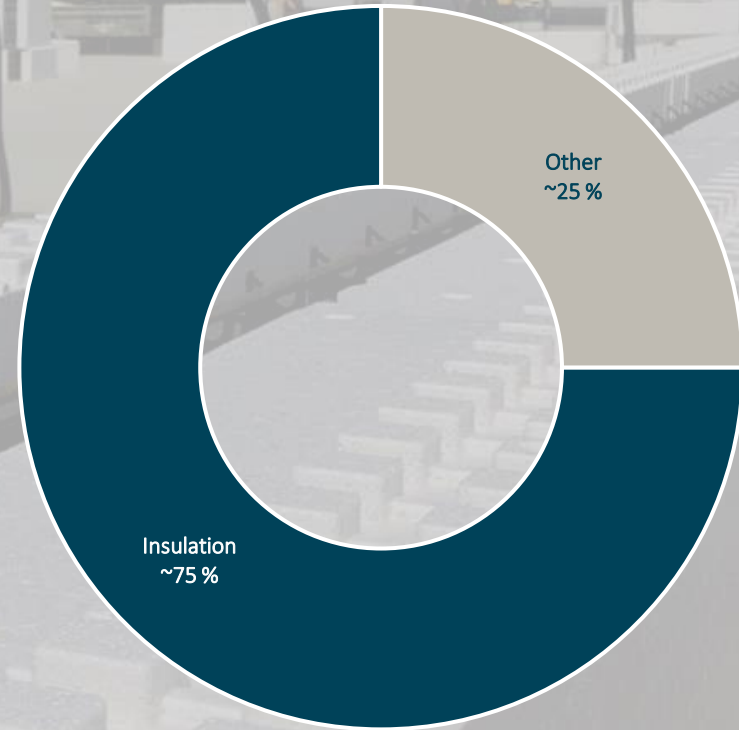
.. need for improved energy efficiency makes insulation solutions key growth driver



2018



2023



3-5 years

Ambition to double revenue next 3-5 years with increased exposure to insulation

The opportunity

Climate change requires more energy efficient buildings

For the EU to reach its climate reduction targets, renovation is required at large scale, and new buildings must be zero emissions by 2030

40%

of energy consumption in EU from buildings¹

75%

of buildings build before 2000 are not energy efficient¹



1) Source: European Commission

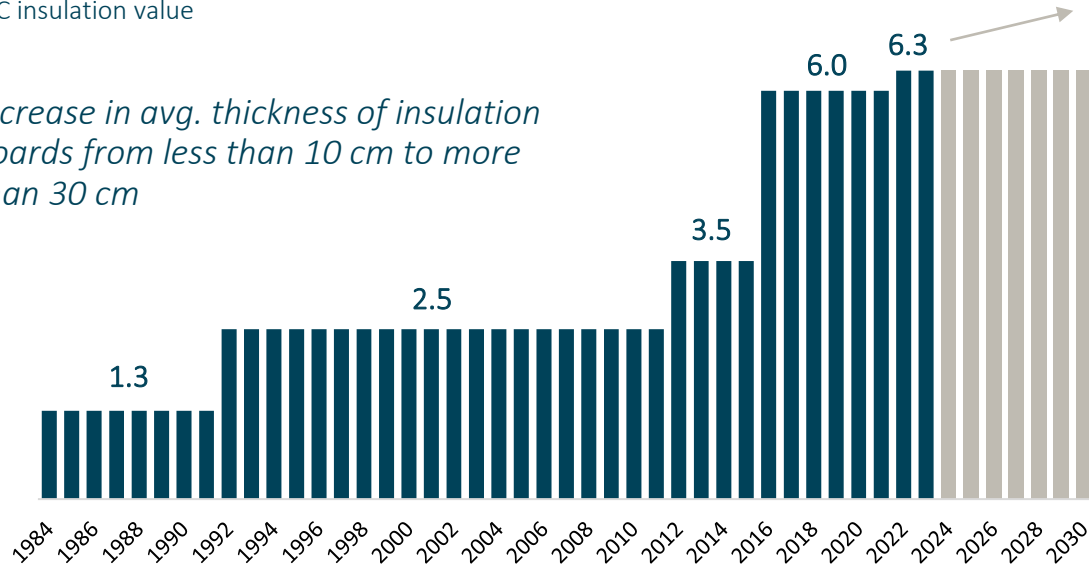
Structural growth for insulation solutions

- 1 Regulations -> increased avg. insulation in buildings
- 2 Recent soft markets -> increased housing shortage

Historical development of required insulation value in the Netherlands

RC insulation value

Increase in avg. thickness of insulation boards from less than 10 cm to more than 30 cm





Positioned to accelerate growth when market rebounds

- ✓ Strong market fundamentals
- ✓ “Tuned” production and cost structure
- ✓ Unutilized capacity
- ✓ Broad product offering
- ✓ Clear growth strategy
- ✓ Growing M&A pipeline

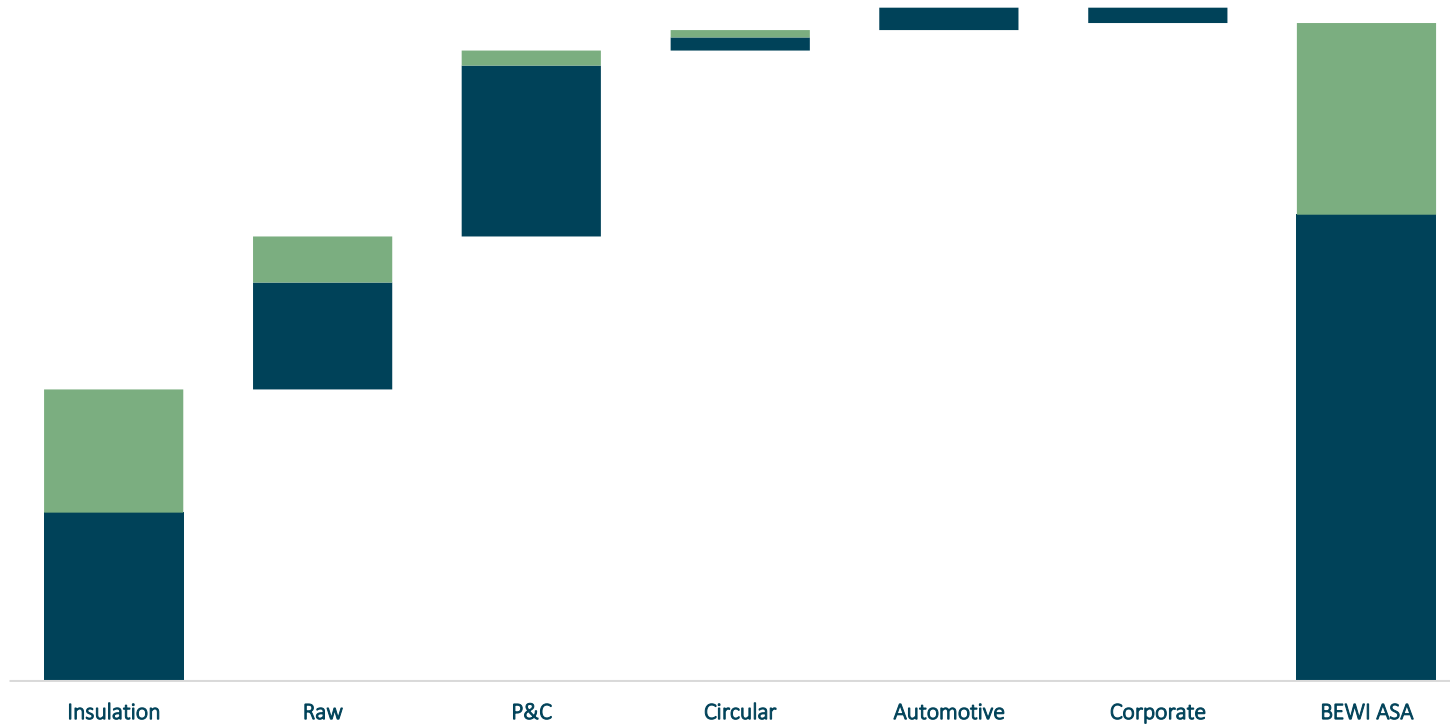
Løren activity park, Oslobygg KF, Oslo, Norway

2 400 m² GreenLine EPS incl. 100% recycled content

67% CO² reduction compared to conventional material

Rebound in volumes yield significant earnings uplift

EBITDA uplift

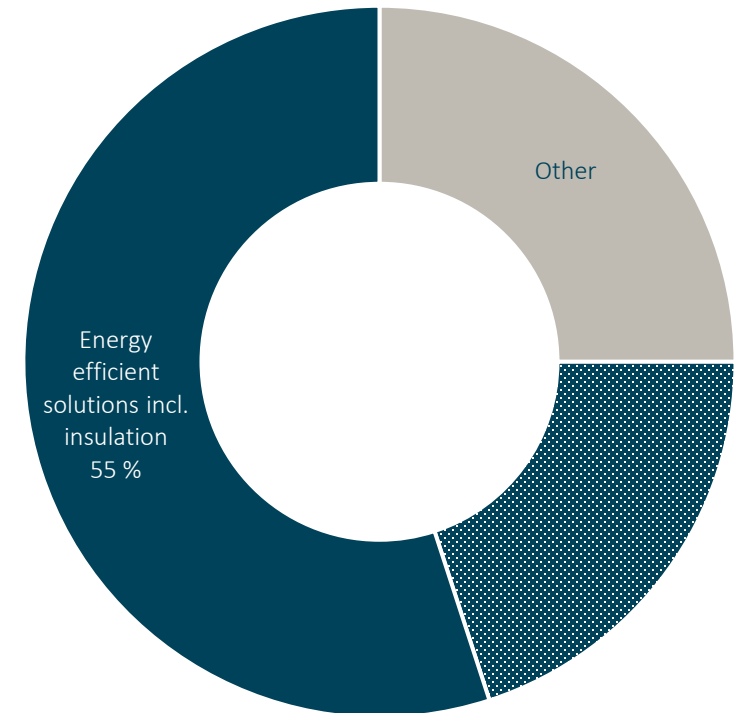


- 35% increase in volumes, could yield more than 70% uplift in EBITDA for I&C
- Additional positive effects for RAW, P&C (HVAC) and Circular

Recent investments to add EUR ~75 million sales

Positioning for energy efficient solutions – and circular packaging products

| Division | Key recent investments |
|---------------------------|---|
| RAW | <ul style="list-style-type: none">• New production line for raw materials, Netherlands -> increased capacity of grey EPS and use of recycled feedstock |
| Insulation & Construction | <ul style="list-style-type: none">• Increased construction board capacity, Belgium |
| Packaging & Components | <ul style="list-style-type: none">• Increased capacity for paper packaging, Denmark• Increased capacity for HVAC components, Sweden and Portugal |
| Circular | <ul style="list-style-type: none">• Increased extrusion capacity, Sweden |



1) Based on Management estimates

Summary and outlook

Well-positioned for growth

- Continued challenging markets
 - Q1 seasonally weak, further impacted by extra cold winter and early Easter
- Demonstrated strong ability to adapt
- A priority to further strengthen balance sheet



- Well positioned to capitalise on higher volumes when market rebounds
- Strong fundamentals and growth opportunities ahead

First quarter of 2024



Skanska construction of a foundation for a school in Sweden

BEWI
for a better everyday