

# Second quarter of 2024 results

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# BEWI



# Cautionary note regarding forward-looking statements

This presentation, prepared by BEWI ASA (the "Company"), may contain statements about future events and expectations that are forward-looking statements. Any statement in this presentation that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements.

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# Key figures for the second quarter of 2024

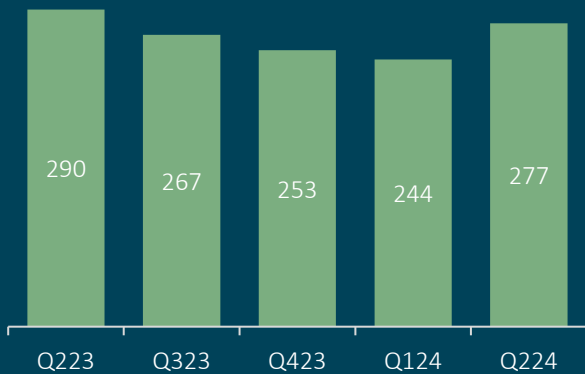
Revenue

EUR 277 million

-4%

Net sales

EUR million



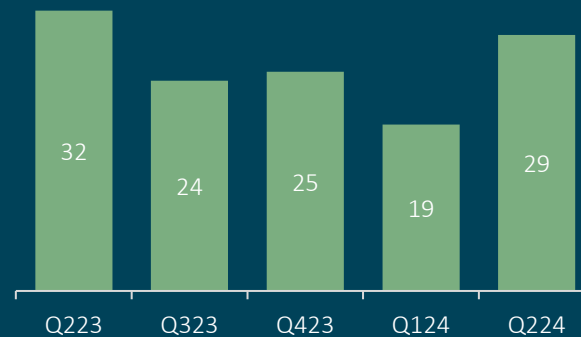
Adj. EBITDA

EUR 29 million

-7%

Adj. EBITDA

EUR million



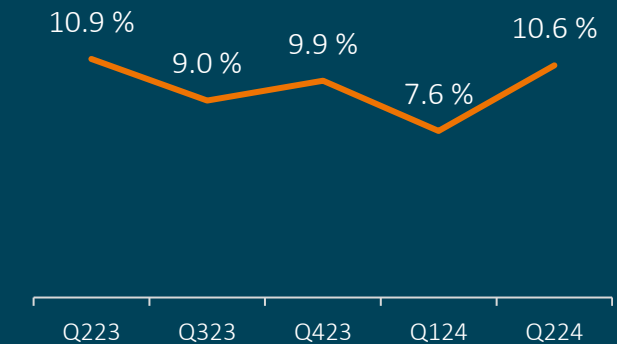
Adj. EBITDA margin

10.6%

-0.3 pp

Adj. EBITDA

Percentage (%)





Second quarter 2024:

# Solid operational cash flow and a strengthened balance sheet in a continued cautious market

- Building and construction markets remain cautious, impacting all segments
  - Early signs of recovery, large variations across regions
- Solid operational performance
  - Pressure on margins for RAW, volumes maintained
  - Strong ability to adapt – through cost reductions and margin management
- Strengthened balance sheet
  - Completed real estate divestments
  - Reduced inventory by EUR ~20 million since Q2 2023
  - More than EUR 100 million in available liquidity



# Second quarter 2024: Operational highlights

## Upstream segments

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### RAW

- ~70% exposure to building and construction markets
- ~20% increase in Styrene price vs ~6% in EPS price since Q223
- Certified recycled EPS enables offering of “tax-free” materials

### Circular

- Challenging to get hold of enough collection volumes
- Increased interest in recycled material
- Increased production capacity of recycled material by ~40%



# Second quarter 2024: Operational highlights



## Downstream segments

### Insulation & Construction






- Cautious markets, signs of recovery
- Increased capacity for construction boards in Olen, Belgium
- Increased use of recycled material

### Packaging & Components

- Biology challenges for Norwegian fish industry
- HVAC market slowly improving
- Certified recycled EPS used to sell “tax-free” packaging
- Initiated strategic review of Automotive



# 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 

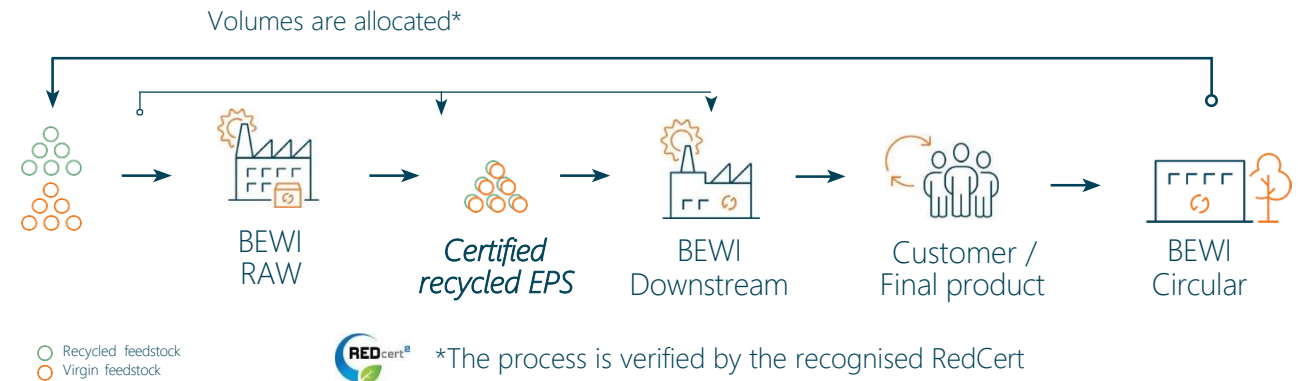
# Offering customers “tax-free” products

## Investments in recycling capabilities - a huge competitive advantage

- BEWI has invested more than EUR 50 million in recycling capabilities since 2018
- Plastic tax introduced in several European countries to incentivise increased use of recycled materials



- BEWI has ~30 000 materials for recycling, i.e. ~100 000 tonnes of material incl. 30% recycled
- Estimated savings per tonne EUR ~300 EUR





# Strengthening cash flow and financial position through ongoing activities



- **Operational**
  - Cost reductions and margin improvement
  - Further reduce inventory
  - Low CAPEX for 2024 and 2025



- **Strategic review**
  - Free-up capital to accelerate growth in insulation

Targeting EUR ~150 million in available liquidity





Second quarter of 2024

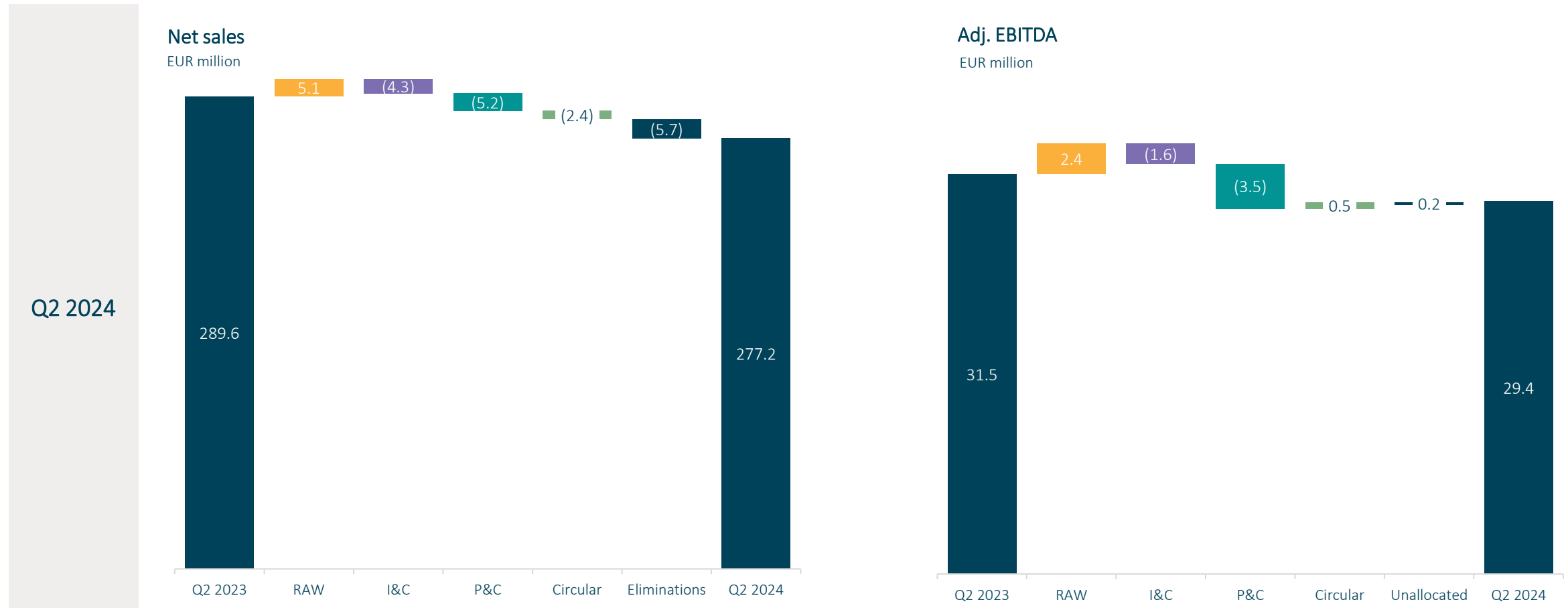
# Group financials



*MARL – Supply market region in Lisbon where BEWI Circular collects fish boxes in large quantities.*

# Financial overview for the second quarter of 2024

Clear signs of market recovery, stable volumes for the quarter

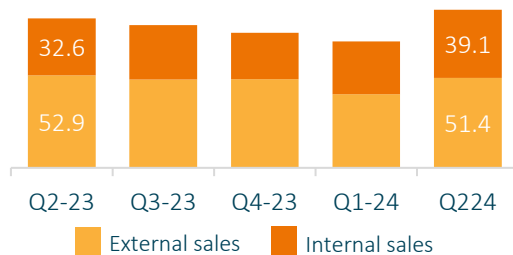


# Financial highlights upstream segments

## RAW

### Net sales

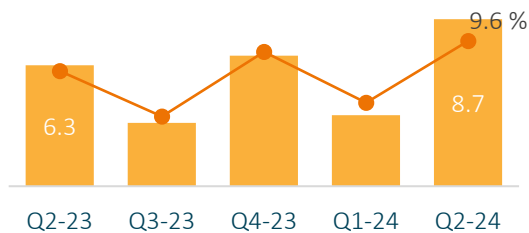
EUR million



- **Net sales** of EUR 90.6 million
  - 6% increase from Q2 2023
  - Higher sales prices
  - Volumes stabilised

### Adj. EBITDA

EUR million and %

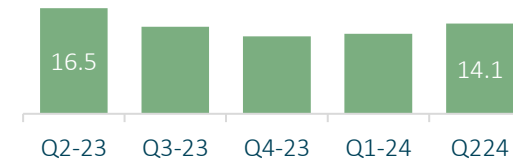


- **Adj. EBITDA** of EUR 8.7 million
  - Incl. EUR 7.6 million compensation
  - Lower GAP as official Styrene prices rose +20% and EPS prices +6% from Q2 2023

## Circular

### Net sales

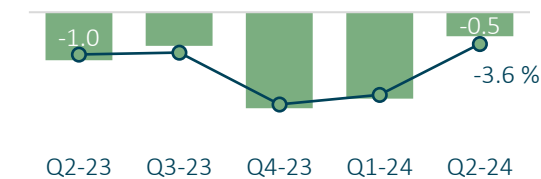
EUR million



- **Net sales** of EUR 14.1 million
  - 15% decrease from Q2 2023
  - Lower volumes
  - Higher sales prices

### Adj. EBITDA

EUR million and %



- **Adj. EBITDA** of EUR -0.5 million
  - Higher cost level due to strengthened organisation in Norrköping (+19 FTEs)



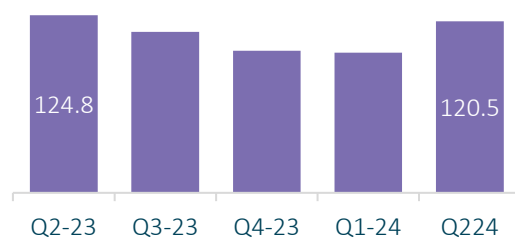
# Financial highlights downstream segments



## Insulation & Construction

### Net sales

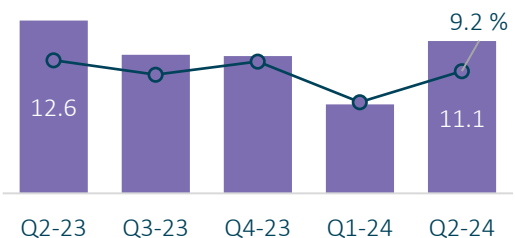
EUR million



- **Net sales** of EUR 120.5 million
  - 3% decrease from Q2 2023
  - Lower volumes
  - Partly offset by higher prices

### Adj. EBITDA

EUR million and %



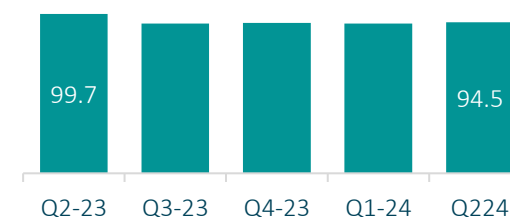
- **Adj. EBITDA** of EUR 11.1 million
  - Improved EBITDA from underlying operations
  - Additional cost to ERP system-implementation
  - Lower contribution from shares in associates



## Packaging & Components

### Net sales

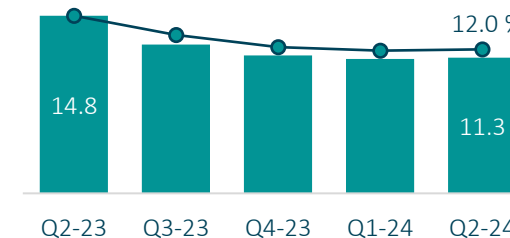
EUR million



- **Net sales** of EUR 94.5 million
  - 5% decrease from Q2 2023
  - Lower sales prices
  - Lower volumes of industrial products

### Adj. EBITDA

EUR million and %



- **Adj. EBITDA** of EUR 11.3 million
  - 23% decrease
  - Higher raw material prices and 3-months price adjustment lag

# Financials



## Consolidated income statement

Amounts in EUR million	Q2 2024	Q2 2023	1H 2024	1H 2023	2023
Net Sales	277.2	289.6	521.1	586.0	1 105.3
Other operating income	7.6	-	7.6	-	1.5
<b>Total operating income</b>	<b>284.8</b>	<b>289.6</b>	<b>528.8</b>	<b>586.0</b>	<b>1 106.8</b>
Raw materials and consumables	-119.0	-117.4	-210.9	-238.9	-455.3
Goods for resale	-25.6	-27.0	-50.9	-51.8	-95.3
Other external costs	-57.9	-64.0	-114.6	-135.9	-249.9
Personnel cost	-53.3	-50.8	-104.9	-102.6	-205.2
Depreciation/ amortisation/ impairment	-17.4	-16.6	-34.4	-33.7	-68.4
- attributable to operations	-8.6	-8.1	-16.8	-17.0	-33.7
- attributable to IFRS 16	-5.5	-4.5	-10.8	-9.5	-21.1
- attributable to fair value adjustments in business combinations	-3.3	-4.0	-6.7	-7.2	-13.7
Share of income from associated comp.	-0.3	0.7	-0.4	1.1	1.3
Capital gain/loss from sale of assets and other adjustments	2.1	-0.3	3.3	-0.3	-0.6
<b>Operating income (EBIT)</b>	<b>13.5</b>	<b>14.1</b>	<b>16.0</b>	<b>23.9</b>	<b>33.5</b>
Net financial items	-10.7	-9.2	-22.1	-19.6	-42.5
Income tax expense	-1.4	-1.9	-0.8	-2.1	-6.6
<b>Profit/ loss for the period</b>	<b>1.4</b>	<b>3.0</b>	<b>-6.9</b>	<b>2.3</b>	<b>-15.6</b>

### Second quarter of 2024

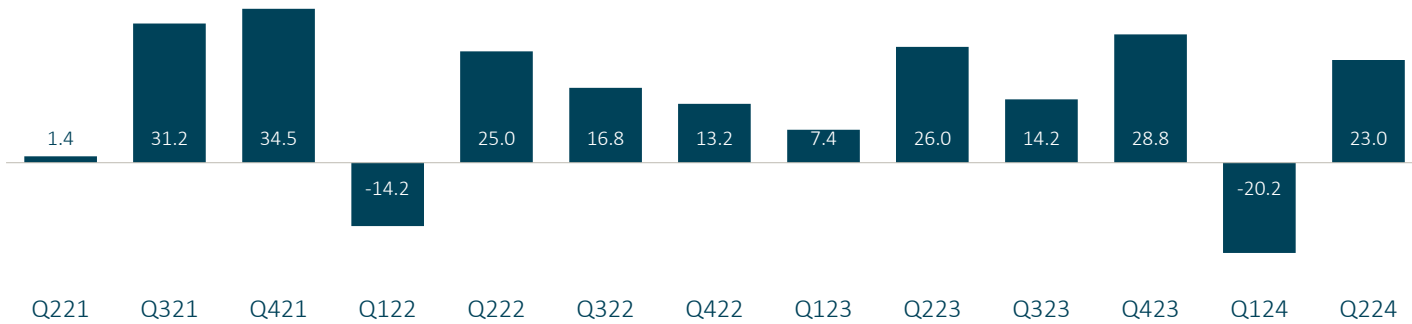
- Net sales of EUR 277.2 million, down 4%
- EBIT of EUR 13.5 million (14.1)
  - Raw materials incl. goods for resale ~50% of sales
  - External costs down by 10%
    - Cost reductions and lower volumes
    - Fixed cost down in line with previous year, despite inflation
  - Personnel costs slightly higher than Q2 last year
    - Less employees but salary increase from inflation
- Net financial items of EUR -10.7 million (-9.2)
- Income tax expense of EUR 1.4 million (1.9)
- Net result of EUR 1.4 million (3.0)

# Financials

## Solid operational cash flow

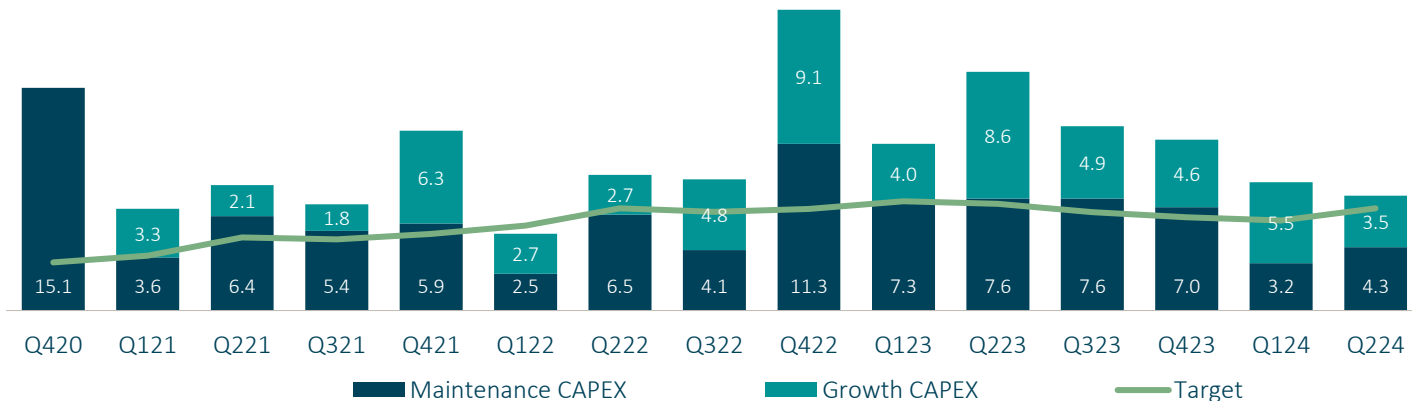
### Cash flow from operations

EUR million



### CAPEX

EUR million



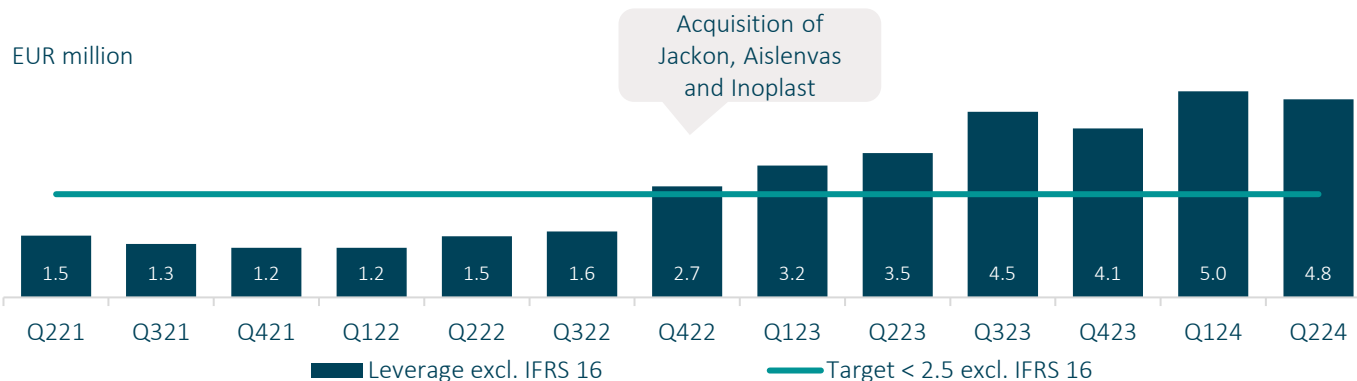
### Second quarter of 2024

- Operating cash flow of EUR 23.0 million (26.0)
  - Decrease in working capital of EUR 6.0 million (+4.4), resulting from active measures
  - Reduced inventory levels, higher AC offset by increase in AP
  - Optimisation of working capital a prioritised task
- CAPEX of EUR 7.8 million (16.2)
  - CAPEX for 2024 estimated to EUR ~20 million
  - Higher share of investments in 1H related to final pay of key growth projects

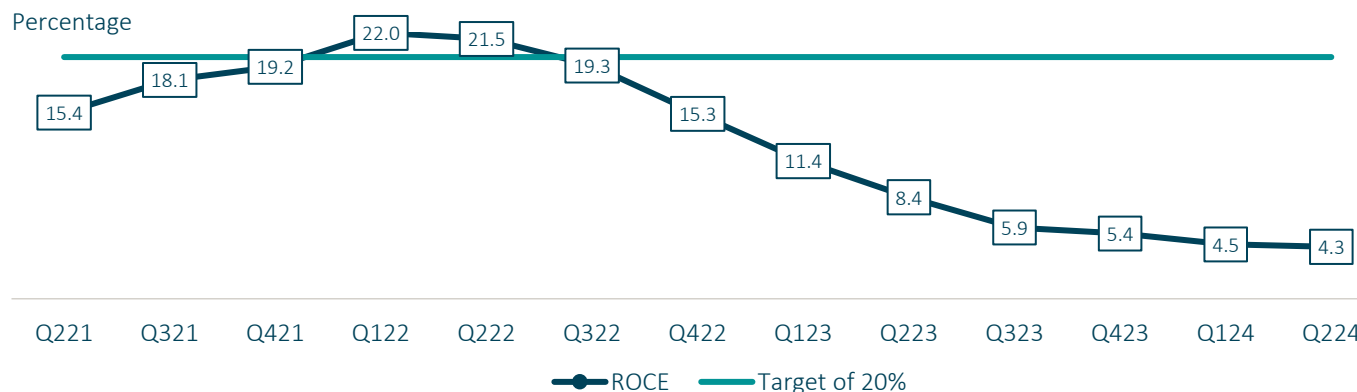
# Financials

## Strengthening financial position a prioritised task

### Leverage: Net debt/ EBITDA ratio<sup>(1)</sup>



### 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 impacted leverage and ROCE
- Available cash and credit EUR ~104 million
  - Incl. EUR 37 million unutilized credit facility
- Net debt excl. IFRS 16 of EUR 318 million
  - Reduction of EUR ~30 million in Q2
  - A priority to strengthen financial position
  - Low CAPEX for 2024 and 2025
  - Working to reduce working capital, in particular inventory, which is down by EUR 19 million since end of Q223

EUR million	31.06.24	31.12.23	31.06.23
Cash and Cash equivalents	67.2	63.6	42.6
Non-current liabilities excl. IFRS 16	373.7	381.6	376.3
Current liabilities excl. IFRS 16	11.9	13.1	26.6
<b>Net debt excl. IFRS 16</b>	<b>318.4</b>	<b>331.1</b>	<b>360.3</b>
Debt related to IFRS 16	241.9	216.6	197.4
Net debt in total	560.3	547.6	557.7



Second quarter of 2024

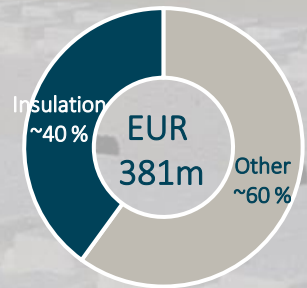
# Strategy recap and outlook



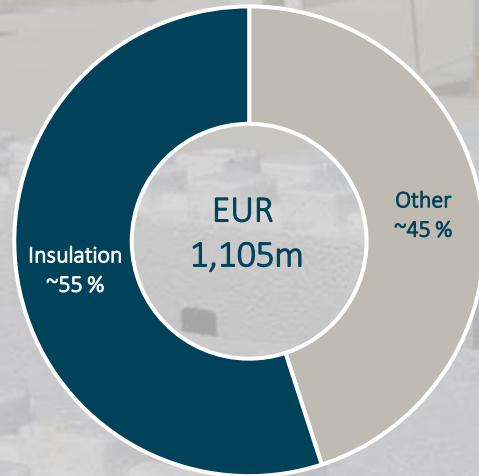
*In 'Coop City' in Albertslund, Denmark, the main contractor HHM A/S is using recycled GreenLine EPS insulation from BEWI in the construction of 138 homes. The area as a whole and the homes are to be DGNB Gold-certified and provided with The Nordic Swan Ecolabel.*

# Strong ambitions for further growth

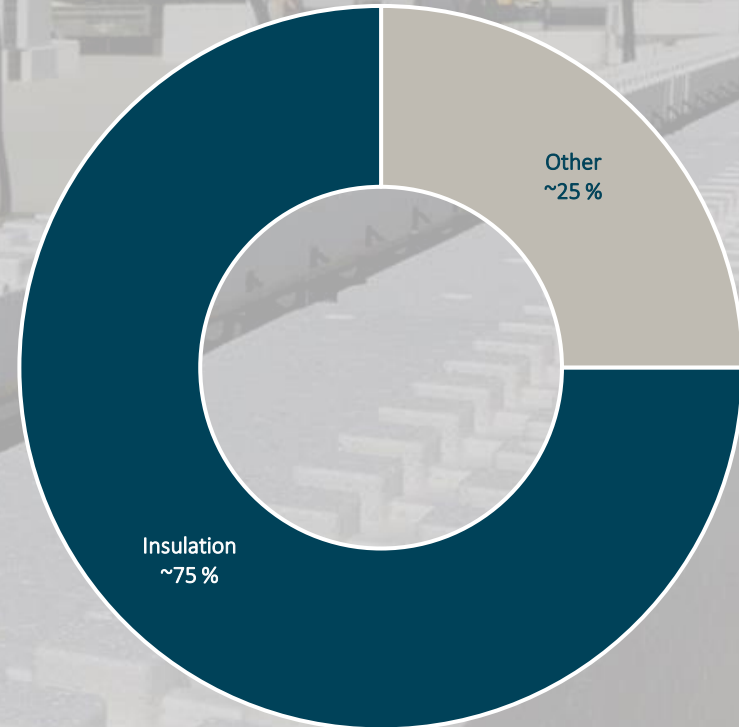
Need for improved energy efficiency makes insulation solutions key growth driver



2018



2023



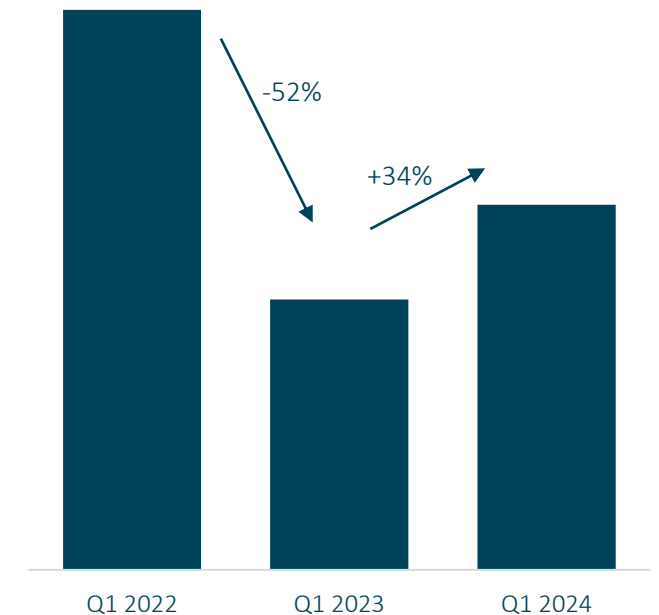
3-5 years

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

# Clear signs of recovery for Dutch new housing market in 2025

- Industry analyst expect ~3% decline in Dutch construction volume in 2024, mainly due to a sharp decline in Q1
- Clear signs of recovery at the beginning of the construction value chain:
  - Increased turnover for project developers
  - Increased number of building permits
  - Sales of new build homes on the rise
  - Production of concrete, cement and bricks slightly up in Jan-April 2024, after a 15% decline in 2023

Sales of newly constructed houses in the Netherlands







*rGPPS ready to be shipped from Czechia for use in the production of XPS or new EPS. Together facilities in Sweden and Portugal, BEWI has a total production capacity of ~35 000 tons of rGPPS.*

## Positioned to accelerate growth when market rebounds

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- ✓ Strong market fundamentals
- ✓ “Tuned” production and cost structure
- ✓ Unutilized capacity
- ✓ Advantage of certified and “tax-free” recycled EPS
- ✓ Strengthened financial position
- ✓ Clear growth strategy
- ✓ Growing M&A pipeline



# Summary and outlook

## Well-positioned for growth

- Building & construction markets remain cautious, with early signs of recovery
- Certified and “tax-free” recycled material receives increased interest
- Demonstrated strong ability to adapt to markets
- Solid operational cash flow and a strengthened balance sheet



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

Second quarter of 2024



*PIR Panels from BEWI in BE Form's new facility at Hønefoss, Norway*

**BEWI**  
*for a better everyday*