

# **Nexam Chemical Holding AB (publ)**

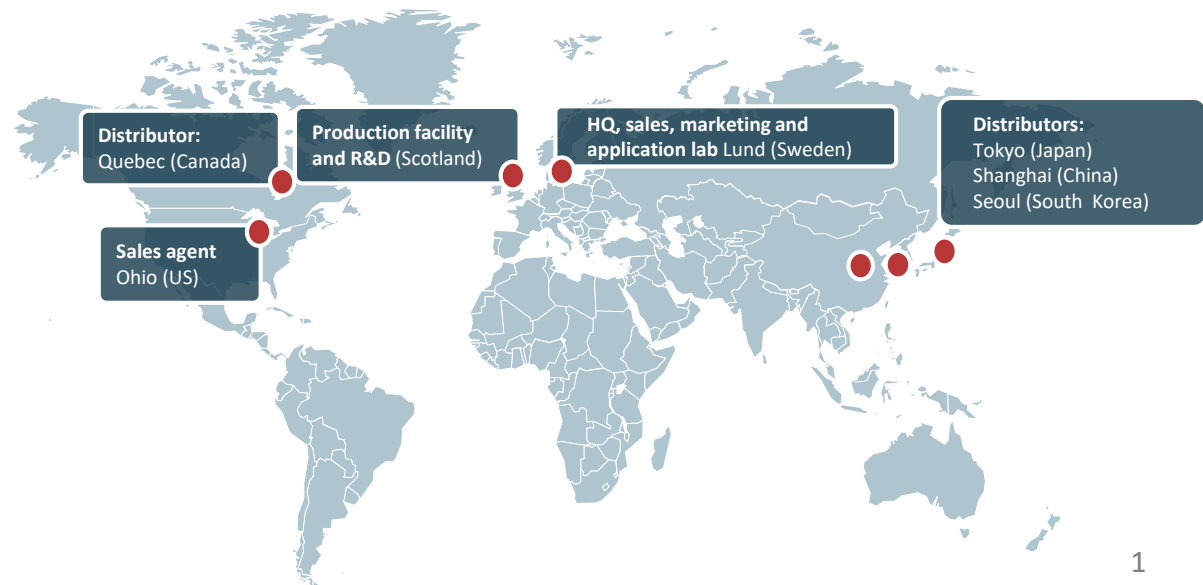
Stora Aktiedagen, Stockholm

13 November, 2017



# Agenda

- Nexam Chemical in short
- Market overview
- Nexam Chemical's strategy
- Recent milestones & Latest News
- Business Update
- Going forward
- Q&A

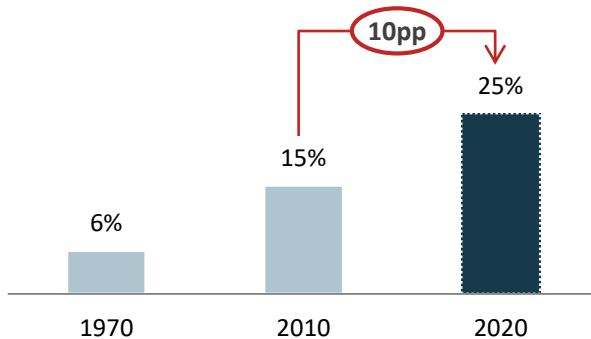


# Plastics are a part of our daily lives....

Plastic is an amazing material used in so many applications today.  
Some are obvious. Some are not.  
And the number of applications changing into plastics are growing.

## Plastics are replacing metals in cars

*Estimated share of plastic in a car*



By 2020, the average car will incorporate nearly 350 kg of plastics, up from 200 kg in 2014.

Source: IHS Chemical, UK



# ...and we make plastic more fantastic.



# Value proposition

Nexam Chemical develops technology and products that aim to **cost-efficiently**, and with **production technique intact**, significantly **enhance the properties** of polymeric materials using **conventional processing equipment**

## Enhanced properties

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- Increased mechanical properties – strength, toughness
- Improved heat resistance
- Chemical resistance

## Reduced manufacturing cost

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- Increased production efficiency
- Lower material cost – less material, cheaper material

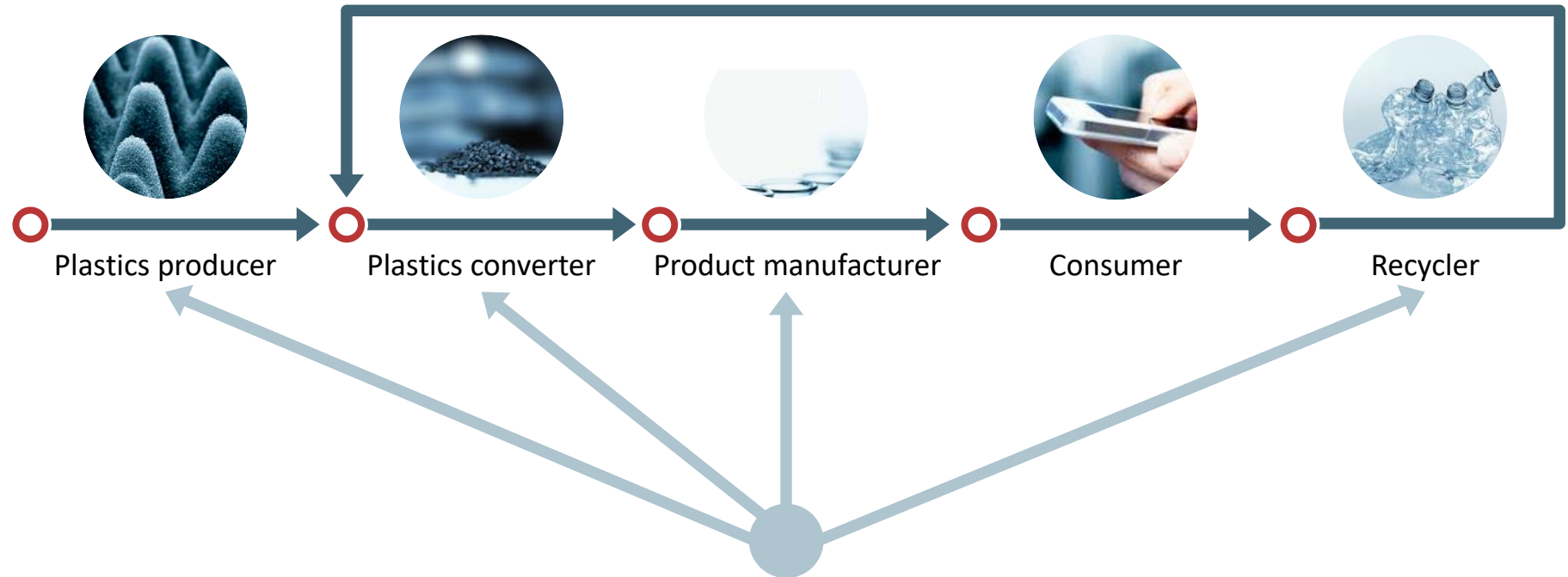
## Lower environmental impact

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- Upgrades larger portion of recycled plastics – lower cost
- Lower weight of products

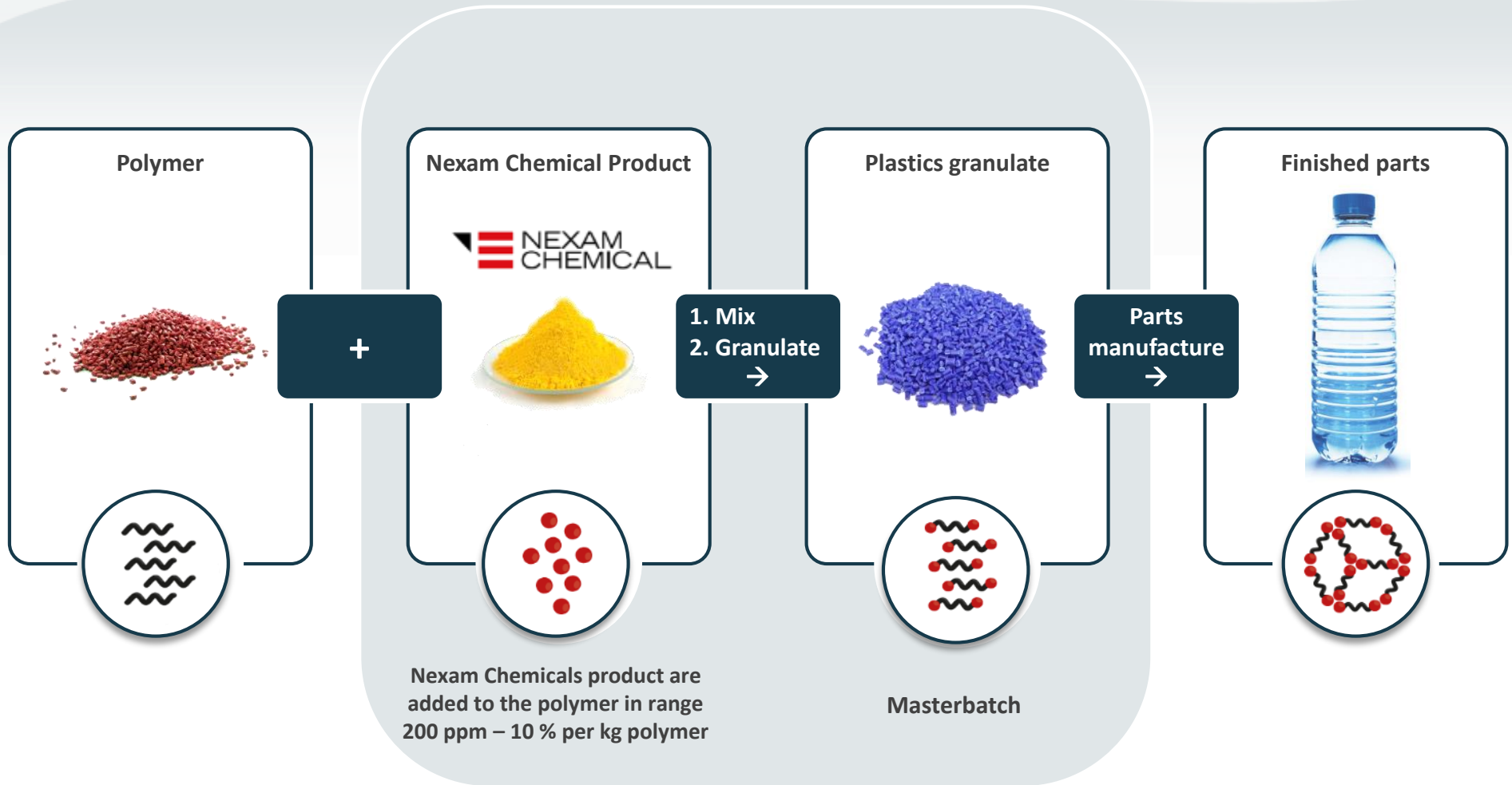


# Our customers



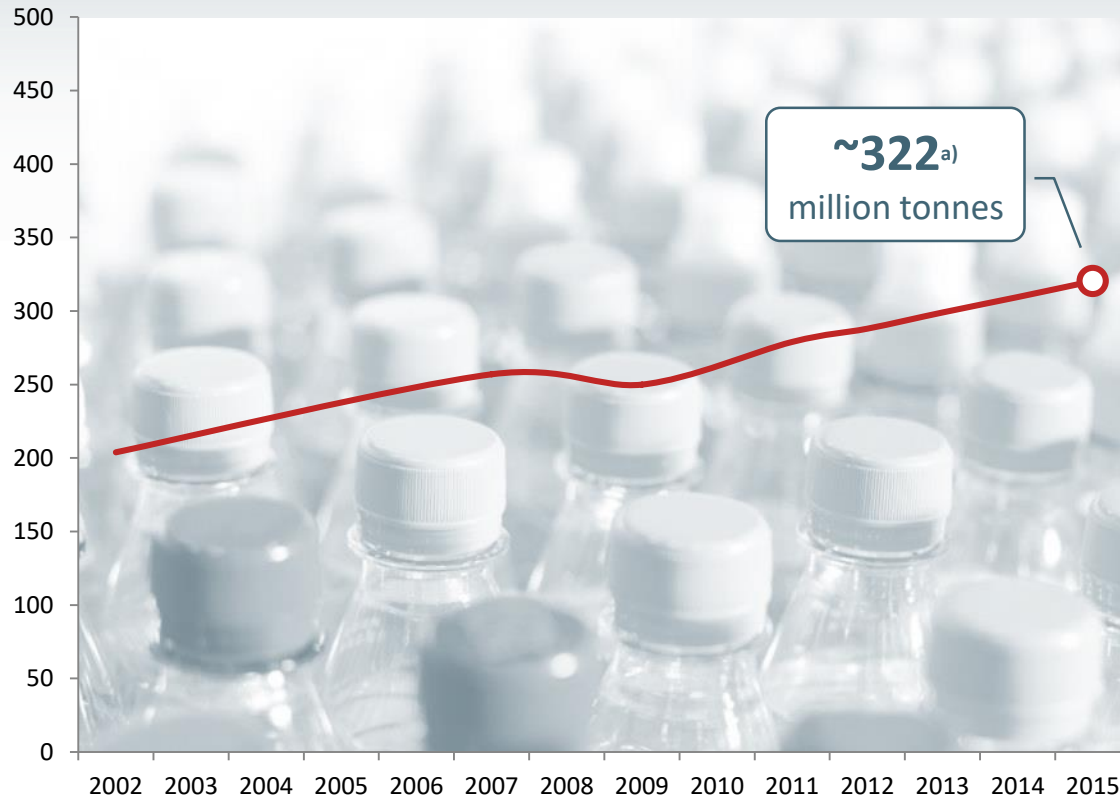
**Nexam Chemical's solutions can improve the properties of plastics  
and production processes in all steps of the value chain**

# Nexam Chemical's products in the value chain

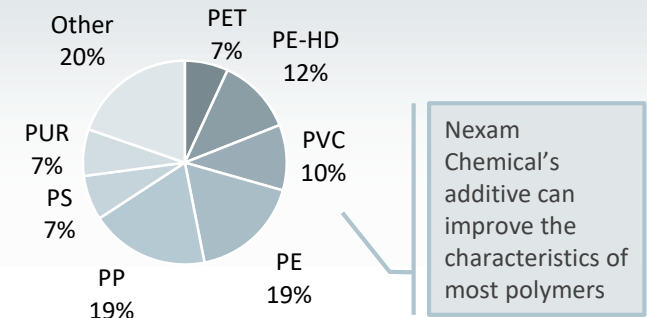


# Market overview

Global plastic production (million tonnes)



Plastic demand by type of polymer<sup>b)</sup>



**Nexam Chemical's products can add value to a large part of the global plastic market**

a) World production 2016 according to PlasticsEurope

b) European market according to PlasticsEurope

# Market demands

Nexam Chemical's market is mature and characterised by stable growth and demand for cost-efficient innovations

- Innovation need (replacement of materials i.e. metal)
- Process and material efficiency (cost)
- Continuous growing use of plastics
- Increasing sustainability requirements (recycling, life cycle etc.)
- Health and safety regulations (REACH)





# Nexam Chemical's strategy – three focus areas

## Polyethylene pipe



- Several orders of polyethylene mix with NEXAMITE® delivered
- Multiplied number of customers in test phases
- Project with leading producer to develop next generation of pipe
- Deliveries to new production facility

## Polyester foam



- Supply agreement with two of the worlds four leading producers
- Masterbatch concept successfully developed
- Volume capacity of masterbatch secured
- Additional customers in test phase

## High performance



- Repeat order of about 5.3 MSEK received for polyimide resin
- New segment within high performance – material for semiconductors
- Customer developing composite for next generation civil aviation
- Industry trend of high performance composites in hotter zones of engines

# Recent milestones

## Focus: Commercialisation

### 2016

- Financial strength – 129 MSEK share issue
- 3 MSEK order within PE-pipe
- 1<sup>st</sup> commercial step in all three focus areas
- Strengthened sales & marketing organization
- Scale-up of NEXAMITE® at contract manufacturer
- Successfully developed the masterbatch concept
- Signs supply agreement with Diab
- Receives 5.3 MSEK order within high performance

### 2017

- Signs supply agreement with Armacell
- Delivers to new production site with existing pipe customer
- Approved for listing on Nasdaq First North Premier
- Supplies material for semiconductors – new segment with high performance
- Receives new 5.3 MSEK order from Maverick
- Launch new, more customer focused, website
- First commercial order for NEXAMITE®-masterbatch from Diab

# Business Update Q3 2017

## Financials

- Net sales 12 months rolling 11,1 (8,2)<sup>1</sup> MSEK, sales growth 34 %.
- Strong development during the year within high performance.
- Continuous high gross margin 12 months rolling 52 (46)<sup>1</sup> percent.
- Strong financial position, cash 116 MSEK

## Focus area

### Polyethylene pipe

- Project with new generation of water pipes moving forward.
- Increased numbers of PE-manufacturers in four continents testing NEXAMITE®.

### Polyester foam

- Order and forecast received from Diab on NEXAMITE®-masterbatch looks promising for the future.
- Delays with Armacell, but working together to move forward.
- Adding a third customer, one of the four largest foam manufacturers, to the business model.

### High performance

- Continued growth within high performance
- Material for semiconductors – new segment
- New SEK 5.3 million order from Maverick.
- NEXIMID® 800 developed together with existing customer.
- Additional customer in business model.

## Other

- Strengthened organization with new COO and CTO.
- Securing masterbatch capacity moving into final phase.
- MATPAX-project finalized.
- New, more customer focused, website launched.

# Going forward

- Continue the commercialization within our three prioritized focus areas
- Identify new focus areas and applications
- Continue building our supply chain structure and market organization
- Evaluation for accelerated growth through masterbatch moving forward



**Questions?**



**Thank you!**



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