

Nexam Chemical

Stora Aktiedagen

Anders Spetz, CEO – 26 November 2018

Agenda

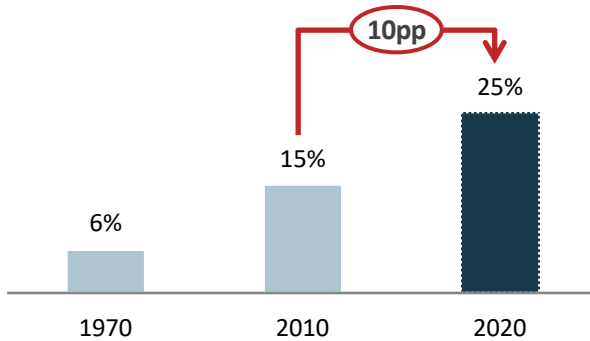


- Market
- Nexam Chemical in short
- Nexam Chemical's strategy
- Recent milestones
- Q3 2018 - Financials
- Going forward
- Q&A

Polymers and smart materials are a part of our daily lives....

Plastics are replacing metals in cars

Estimated share of plastic in a car

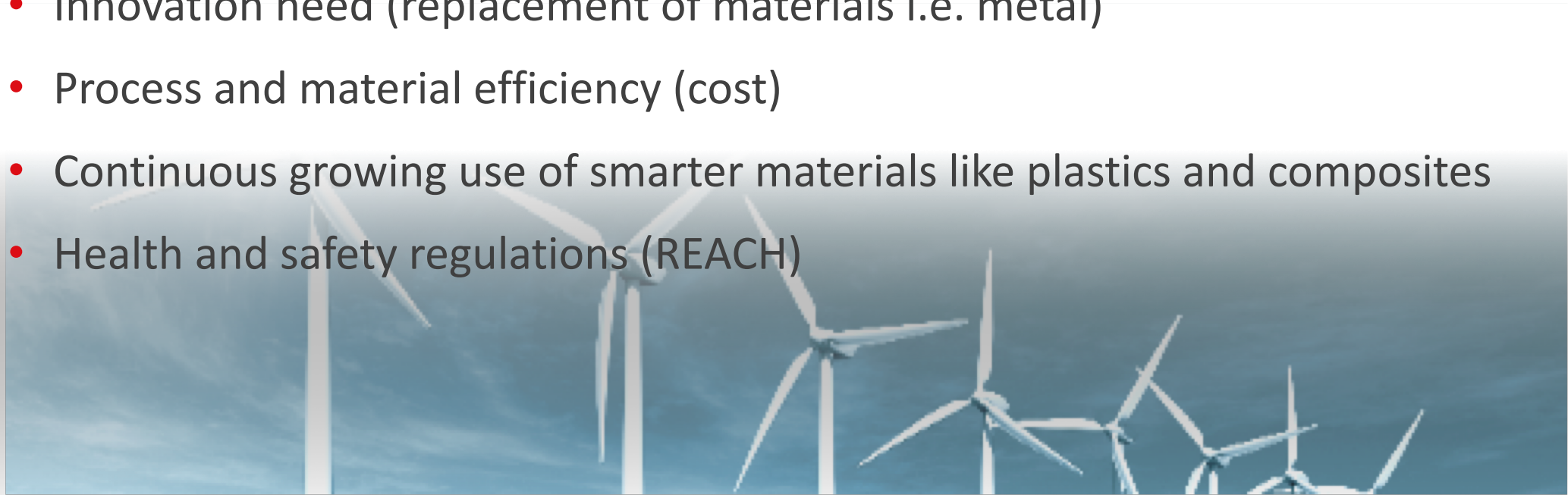


...and we make plastic more fantastic.

Market demands

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

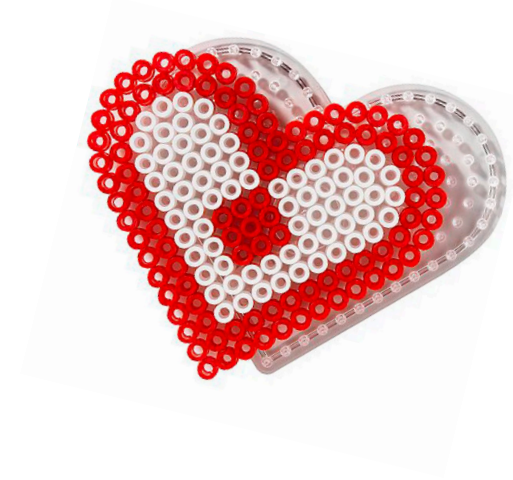
- Increasing sustainability requirements (recycling, life cycle etc.)
- Innovation need (replacement of materials i.e. metal)
- Process and material efficiency (cost)
- Continuous growing use of smarter materials like plastics and composites
- Health and safety regulations (REACH)



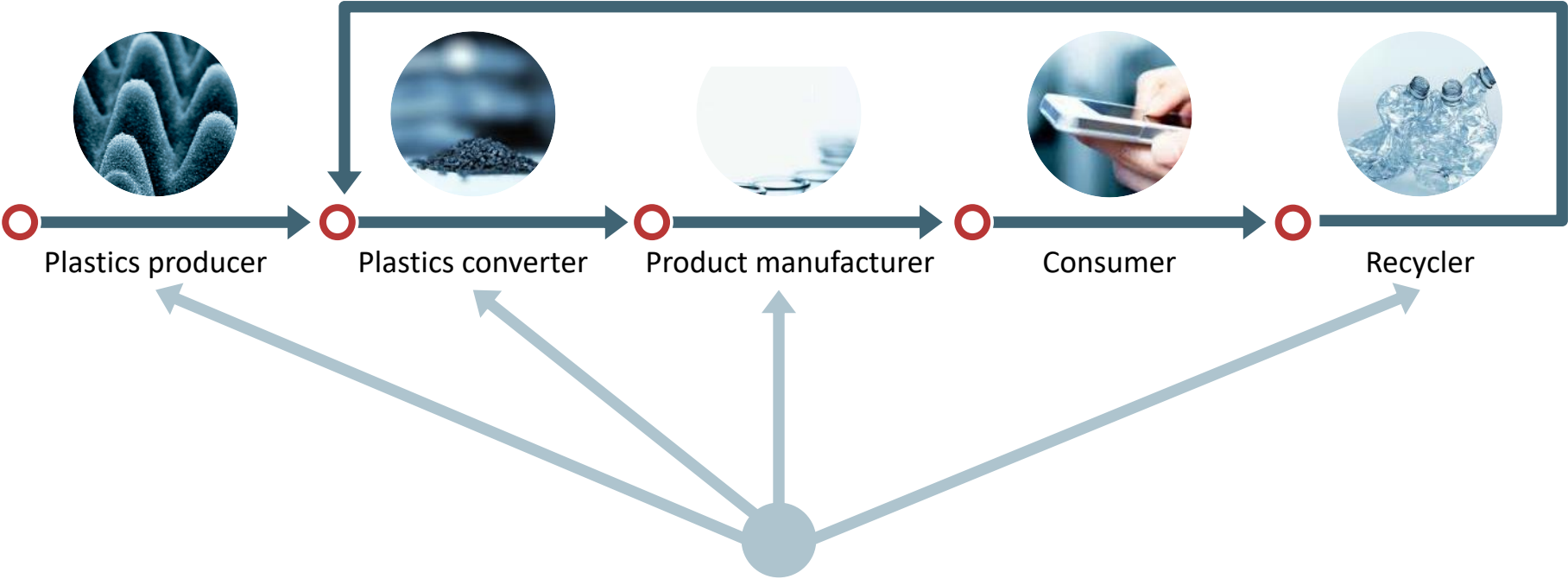
Value proposition

Nexam Chemical's **advanced technology** enable customers to

- develop **smarter** materials,
- **increase sustainability** of polymeric materials,
- **cost-efficient** products,
- **enhanced material properties** and
- **user-friendly** production processes



Our customers



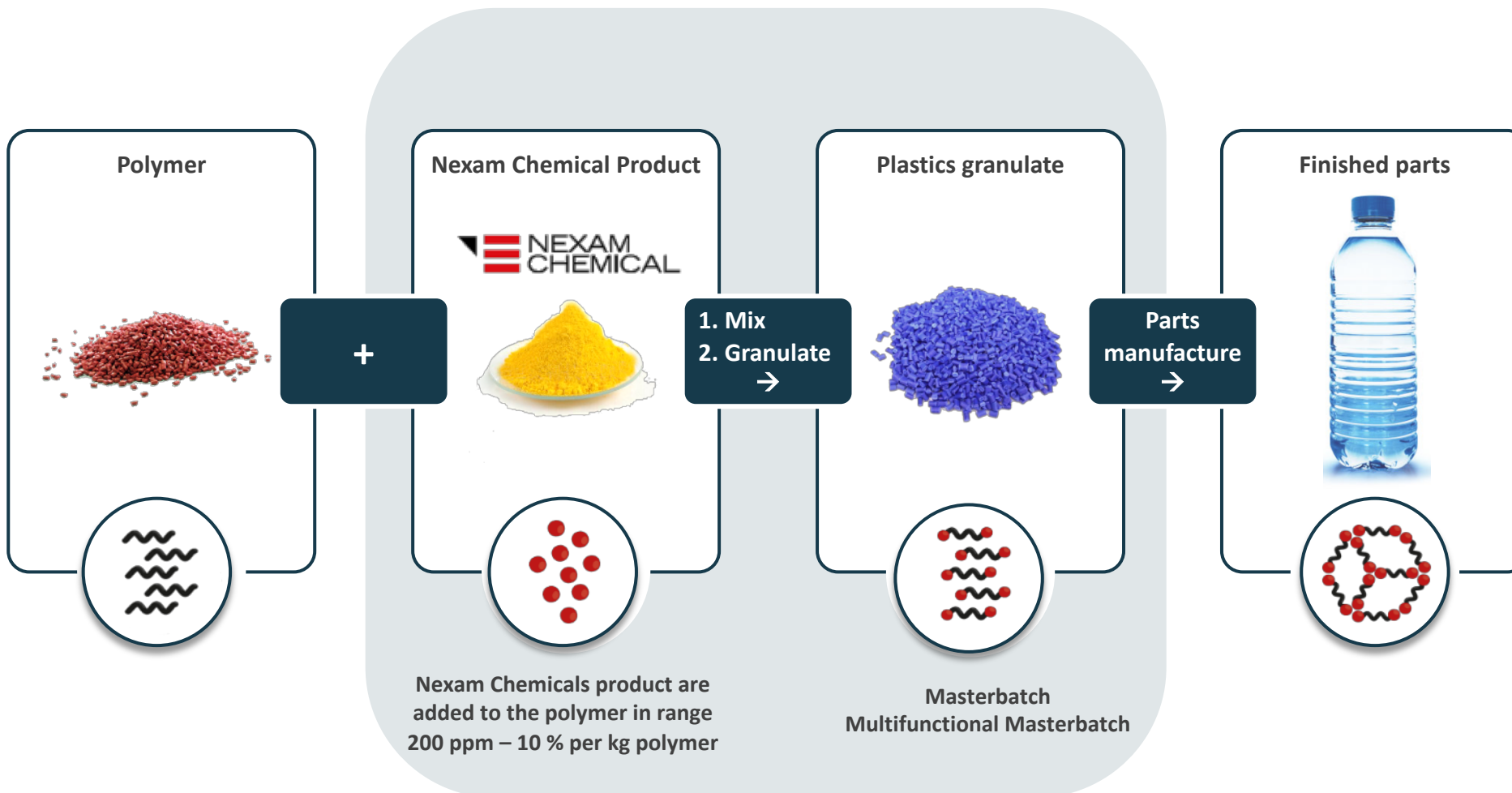
Nexam Chemical's solutions can improve the properties of plastics and production processes in all steps of the value chain

Nexam Chemical – world wide

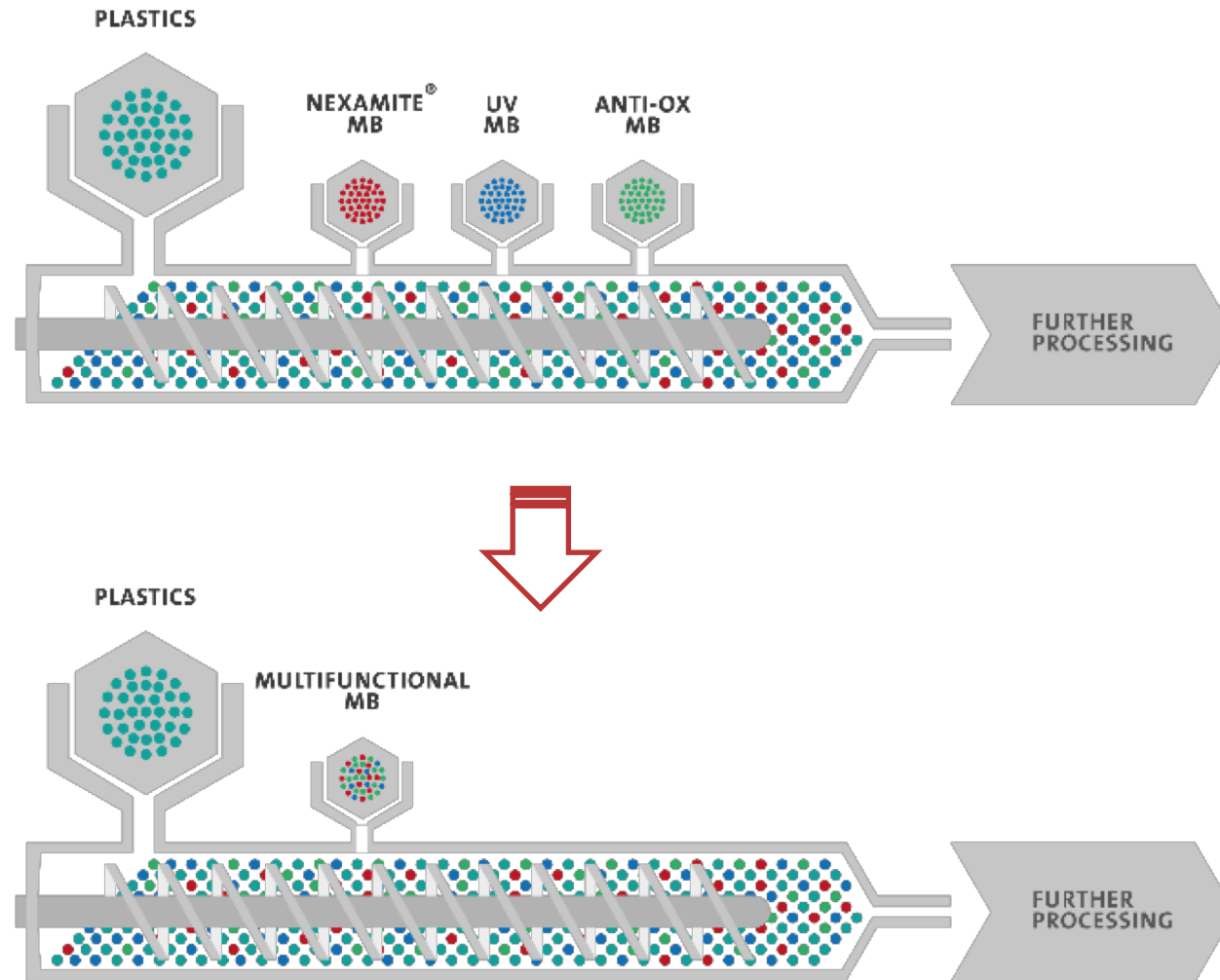


- Sales offices in 12 countries
- Production in five countries

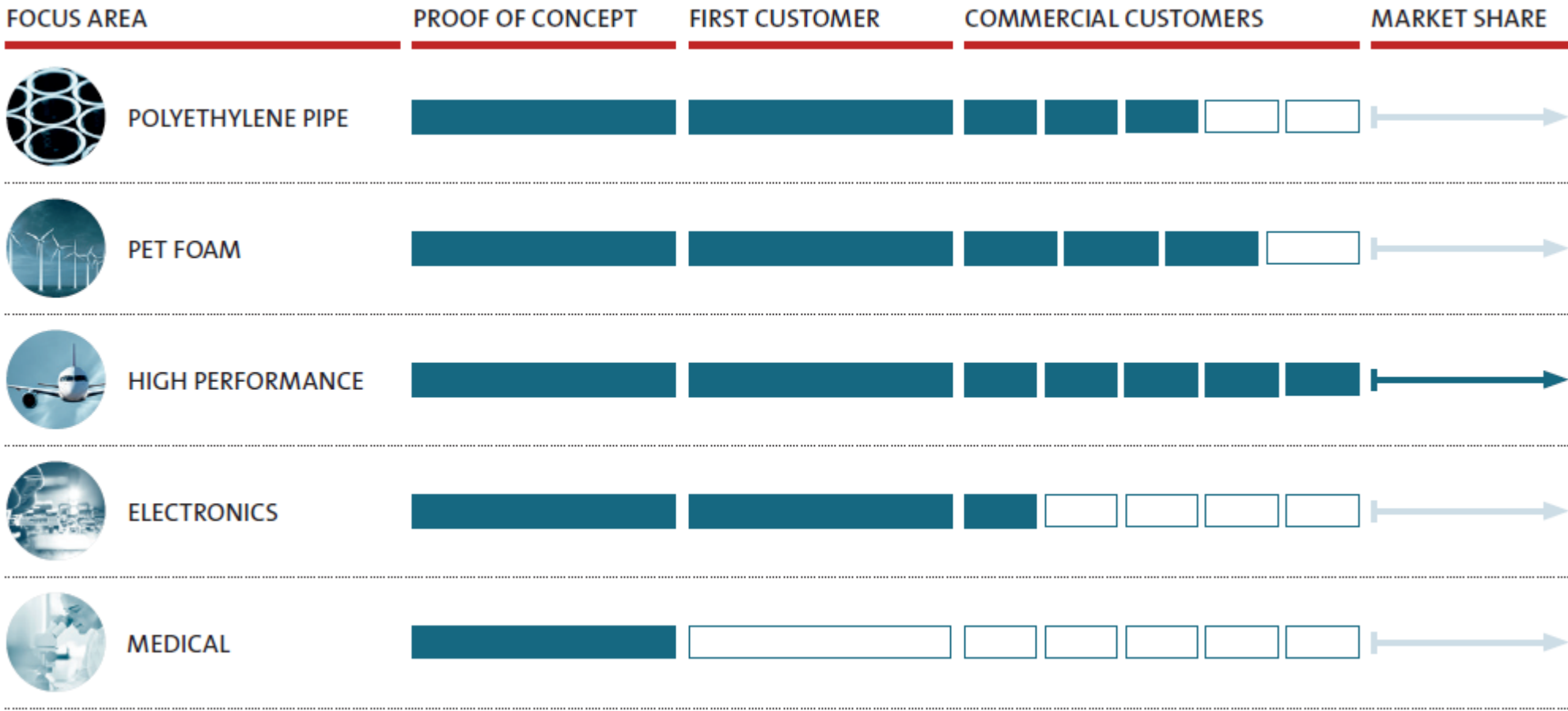
Nexam Chemical's products in the value chain



Multifunctional masterbatch



Nexam Chemical's business model



Focus area – High Performance



Application areas	Drivers	Recent
<ul style="list-style-type: none">• Cars• Power industry• Aviation	<ul style="list-style-type: none">• Enhanced properties• Processability• Energy efficiency	<ul style="list-style-type: none">• Breakthrough on Chinese market. Order of 1 MSEK.• Customer developing composite for next generation civil aviation.• Industry trend of high performance composites in hotter zones of engines.

Focus area – PET Foam



Application areas	Drivers	Recent
<ul style="list-style-type: none">• Windmills• Building constructions• Infrastructure• Transportation	<ul style="list-style-type: none">• Lighter material enable energy efficient solutions• Increased use of recycled material• Stronger material enable larger constructions	<ul style="list-style-type: none">• Supplies three of the worlds four leading producers.• Orders totaling 16 MSEK received Q3-4.• Developing innovative PET-foam product with customer.• NEXAMITE® qualified in standard product.

Focus area – Polyethylene Pipe



Application areas	Drivers	Recent
<ul style="list-style-type: none">• Infrastructure pipes• Water pipes• Geomembranes• Cables• Films	<ul style="list-style-type: none">• Contributes to operational excellence• Replaces metal, cement and other heavier material• Enables materials with unique properties	<ul style="list-style-type: none">• Projects in full scale testing and qualification process.• Customer received 1st drinking water approval.• Development Project with leading producer to develop next generation of pipe.• Deliveries of NEXAMITE® multifunctional masterbatch.

Focus area - Electronics



Application areas	Drivers	Recent
<ul style="list-style-type: none">• Electronic devices• Mobile phones	<ul style="list-style-type: none">• Enhanced properties• Processability• Energy efficiency	<ul style="list-style-type: none">• Large interest on the Asian market.• Semiconductor encapsulation volume growth.• Positive outcome in project of colorless polyimide film together with Virginia Tech.

Recent milestones

- Orders of 6 MSEK + 10 MSEK received within PET-foam.
- Breakthrough on Chinese market. Order of approx. 1 MSEK.
- Automation project in Lomma improve production efficiency.
- Organization strengthened within sales and development.
- Pipe customer receives certificate of water approval.

Financial Development



kSEK	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Net sales	25 624	27 623	27 041	9 691	2 090	4 577	2 336	2 097	1 113
Operating expenses	-14 124	-11 943	-13 282	-11 418	-4 829	-6 928	-5 799	-7 222	-5 659
EBITDA ²	-3 491	-471	-901	-6 913	-3 488	-5 209	-4 346	-5 463	-4 803
Cash	63 676	68 973	76 597	86 407	115 885	118 983	124 785	133 147	143 350
Operating cashflow	-1 120	-2 257	-5 307	-4 049	-2 497	-4 762	-7 163	-4 700	-2 862
Average no. of employees	41	39	42	17	15	14	14	14	13

kSEK	2017 FY	2016 FY	2015 FY
Net sales	18 694	8 268	7 842
Operating expenses	-28 974	-24 331	-24 665
EBITDA ²	-19 956	-19 485	-19 285
Cash	86 407	133 147	36 305
Operating cashflow	-18 471	-17 585	-23 182
Average no. of employees	17	13	18

² Earnings Before Interest, Taxes, Depreciation and Amortization

Financial comments

- Q3 net sales 25,624 (2,090) kSEK.
- 12-months rolling sales continues to grow with increased margins.
- Operating expenses increased in quarter connected to additional resources within sales and R&D joining the Group.
- Operating result before depreciation (EBITDA) -3,491 (-3,488) kSEK.
- Still strong financial position, cash 63,676 kSEK.

Going forward

- Continued commercialization in our focus areas, expanding into value add niches and new geographical markets.
- Further building our supply chain structure and market organization for global reach.
- Accelerated growth through masterbatch and multifunctional masterbatch moving forward.
- Electronics and medical fields contributing to future growth.
- Build Nexam Chemical through organic and acquisition driven profitable growth.



Thank you!

Financial calendar

Year End Report 2018	14 Feb, 2019
Interim Report Jan-Mar 2019	7 May, 2019
Annual General Meeting 2019	16 May, 2019
Interim Report Jan-Jun 2019	20 Aug, 2019
Interim Report Jan-Sep 2019	12 Nov, 2019
Year End Report 2019	14 Feb, 2019



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