

# Nexam Chemical

## 2020 Q1

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# Agenda



- Nexam Chemical in short
- Q1 2020: Business Update
- Financials
- Going forward
- Q&A

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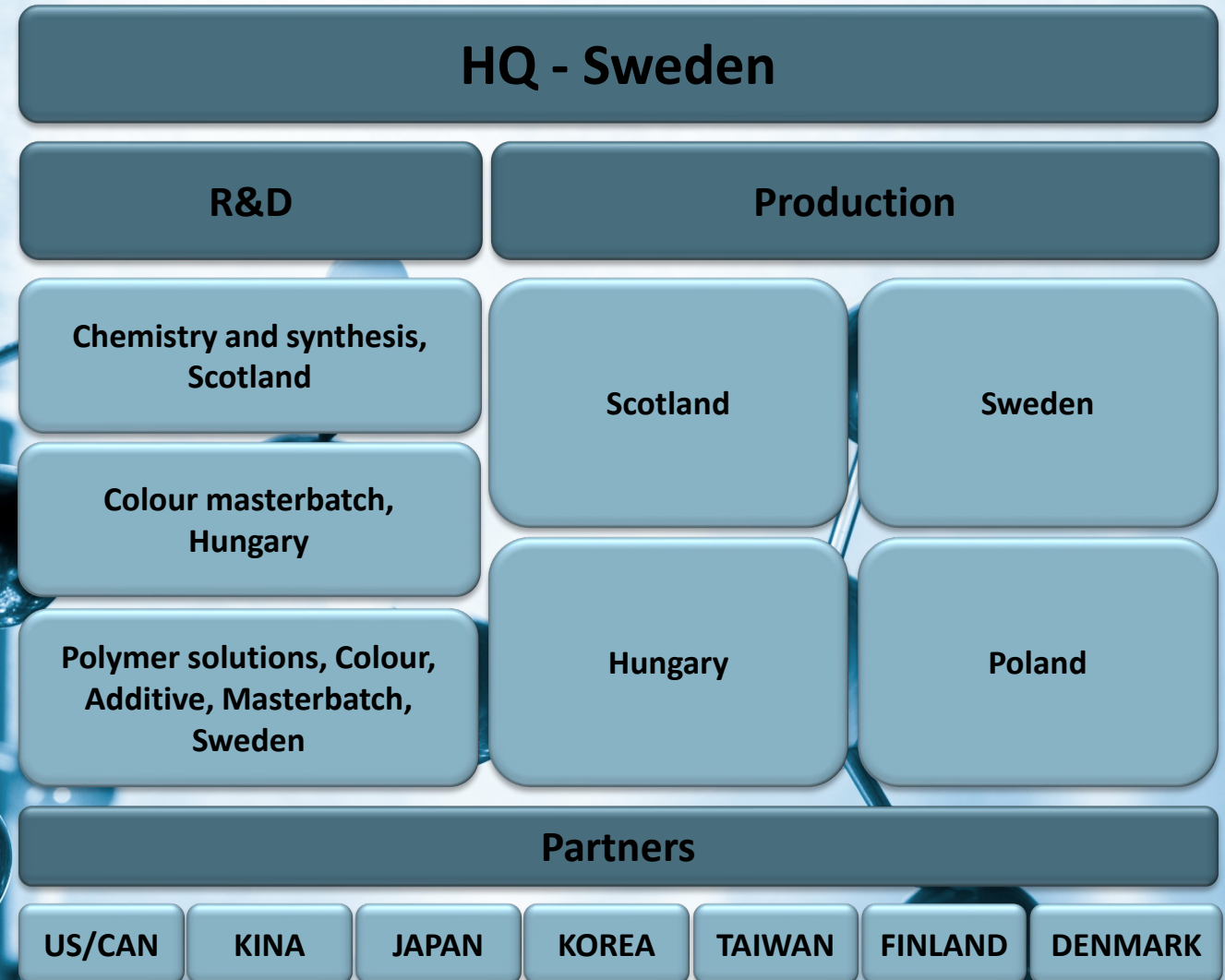
## Nexam Chemical

Innovation driven company who develop, manufacture, and sell products that help creating sustainable polymer solutions.

Owners: >6200 share holders

Listed company: NASDAQ First North Growth Market.

[www.nexamchemical.com](http://www.nexamchemical.com)





# Sustainability

Nexam Chemical is passionate about its innovative reactive chemistry, providing opportunities to save our planet’s precious resources. We want to enable our customers to develop light, strong, durable, recycled, composite, multifunctional and colourful products for a sustainable future.



We build this work on 3 pillars linked to the UN 2030 goals;

## Innovation for sustainability

Nexam Chemicals customers are leading chemical and material companies in the world and they have high demands on us regarding quality and sustainability.

To meet the expectations we develop innovative solutions based on our customers needs and future market potentials identified by Nexam.

## Our Products as enablers

Our products enables our customers to produce products that e.g. are strong and with low weight, enables recycling, increase material utilisation, increase productivity and reduce cost.

## Sustainable Operations

Our production site in St Andrews, Scotland, is accredited according to ISO 9001 for quality, ISO 14001 for environment and OHSAS 18001 for health and safety. Other production sites have ISO certifications on part of their operations.

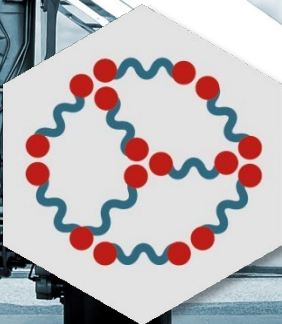
We have installed solar generated electricity and geothermal heating at some of our sites.





We develop and manufacture polymers for high temperature composites replacing metal in the hot zone of jet engines. Our products are part in developing the aerospace industry towards the targets within Flightpath 2050! 75% reduction of CO<sub>2</sub>, 90% reduction of NO<sub>x</sub>, 65% less noise.

Value Proposition





We deliver innovative chemistry to PET-foam producers around the globe. Our products make PET a strong, sustainable and recyclable material solution for the wind power industry.

Value Proposition



**We reduce material consumption and enhance performance in polyolefine applications. Through improved melt strength material is saved at production of products, speed is increased and long term properties can be improved 300%.**

**Value Proposition**





## **Masterbatch**

**We develop, produce and deliver colour- and functional masterbatches to the polymer industry at local and global level.**

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# First Quarter 2020 - Business Update



## Marketing & Sales

- Net sales during quarter amounted to SEK 41,704,000 (31,754,000)
- Revenue grows by 31% compared to Q1 2019
- Significant sales growth within Nexam Chemical's NEXAMITE®-based range where products for PET foam are particularly strong and show the greatest increase in volume.
- Sales of materials in the master batch area is still not growing.
- Improved gross margin from 40% to 43%. Effect of improved supply chain processes and product mix

## Production

- Investments in new capability in Lomma finalized.
- Initiated capacity expansion NSA. Slower than anticipated due to UK lock down.
- Continuous work to optimize supply chain (cost, working capital, supply performance)

## Innovation

- Moving forward in developing new innovative product within PET-foam.
- Focus on securing sales of already developed products.

## Other

- New business development manager Henrik Bernqvist.
- Share emission initiated in Q1 and finalized in April

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# Finansiell utveckling



	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017
kSEK	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	41 704	32 024	31 084	35 195	31 754	29 547	25 624	27 623	27 041	9 691	2 090	4 577	2 336
Operating expenses	-16 373	-16 523	-13 089	-14 250	-15 461	-13 411	-14 124	-11 943	-13 282	-11 418	-4 829	-6 928	-5 799
EBITDA*	2 283	-2 814	-1 459	326	-1 650	-894	-3 491	-471	-901	-6 913	-3 488	-5 209	-4 346
Cash and bank	14 305	23 101	38 718	40 772	35 448	53 705	63 676	68 973	76 597	86 407	115 885	118 983	124 785
Cash flow from operations	-3 940	-8 631	4 193	-2 588	-14 251	-4 206	-1 120	-2 257	-5 307	-4 049	-2 497	-4 762	-7 163
Average number of employees	40	40	38	40	41	42	41	39	42	17	15	14	14

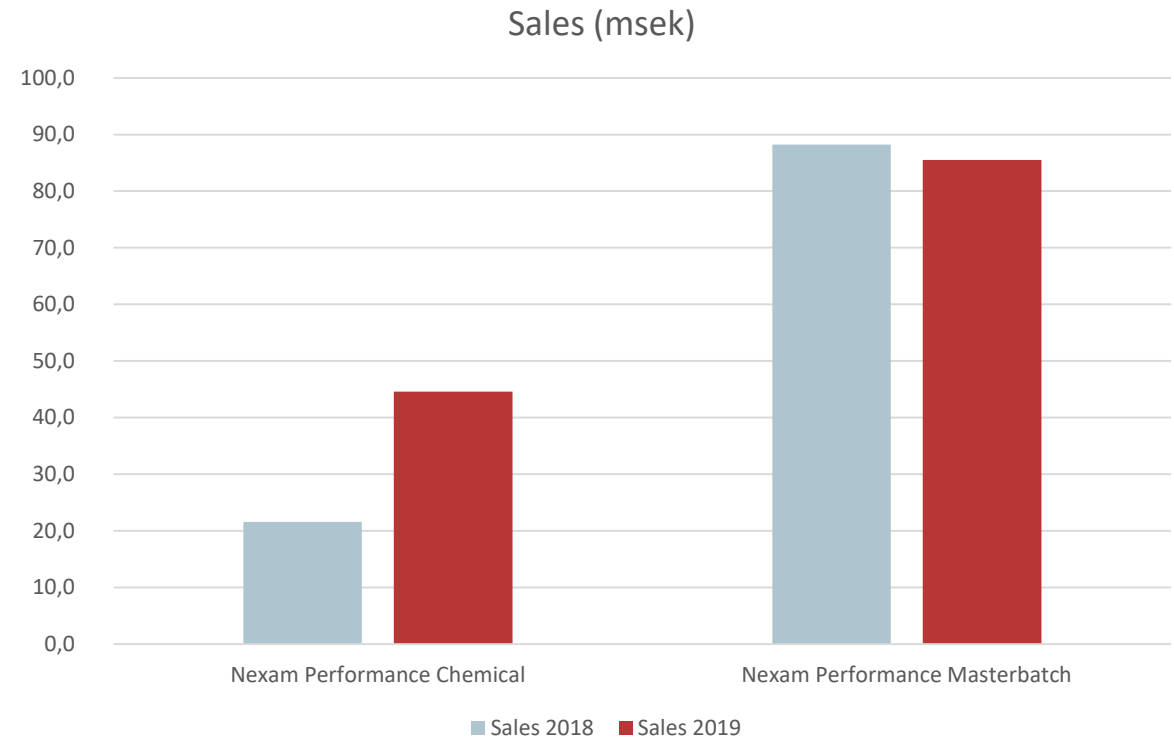
	2019	2018	2017	2016	2015
kSEK	FY	FY	FY	FY	FY
Net sales	130 057	109 835	43 399	8 268	7 842
Operating expenses	-59 302	-52 760	-36 457	-24 331	-24 665
EBITDA*	-5 576	-5 757	-16 511	-19 485	-19 285
Cash and bank	23 101	53 705	86 407	133 147	36 305
Cash flow from operations	-21 277	-12 887	-16 615	-17 585	-23 182

## Financial development

- Net sales Q1 41.7 (31.8) MSEK.
- 31 % in growth in net sales for the Q1 2020 compared to Q1 2019.
- EBITDA amounted to 2 283 (-1 650) KSEK.
- Cash flow from operations amounted to -3 940 (-14 251) KSEK.
- Cash and bank balance at the end of the quarter amounted to 14.3 MSEK.

# Business development 2018 to 2019

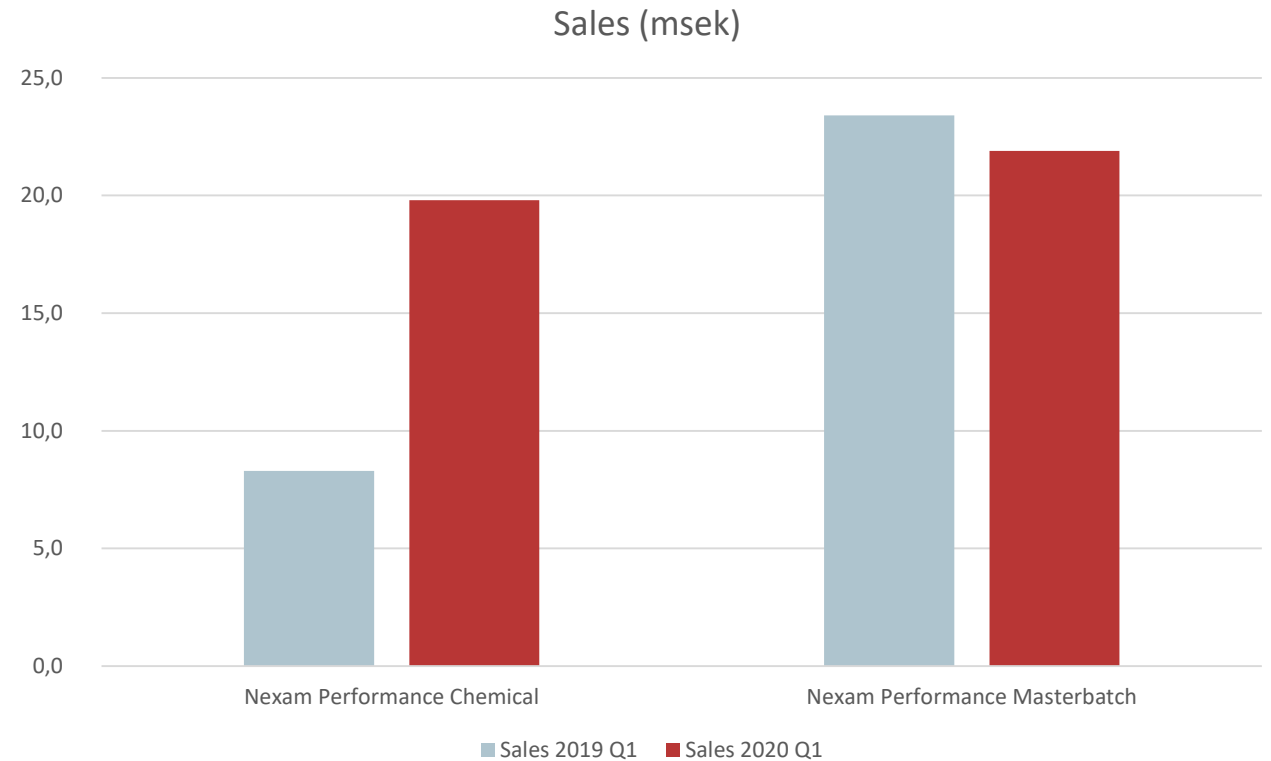
msek	Sales 2018	Sales 2019	Development
Nexam Performance Chemical	21,6	44,6	106%
Nexam Performance Masterbatch	88,2	85,5	-3%
TOTAL	109,8	130,1	18%





# Business development 2019 Q1 to 2020 Q1

msek	Sales 2019 Q1	Sales 2020 Q1	Development
Nexam Performance Chemical	8,3	19,8	139%
Nexam Performance Masterbatch	23,4	21,9	-6%
TOTAL	31,7	41,7	19%



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## Going forward 2020

- Uncertain business condition.
- Continued growth rate in Performance Chemical, driven by PET-foam additives
- Performance Masterbatch is set for growth. At the moment impact from slightly slower economy.
- Increased focus on High Performance segment in view of better resourcing.
- Supply chain and production in high alert to support increasing volumes and economical turbulence.
- *Continue to be a development company.*





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# Nexam Chemical World Wide

