

Nexam Chemical Holding AB

Q2 2021

21-07-14 |

Johan Arvidsson, CEO

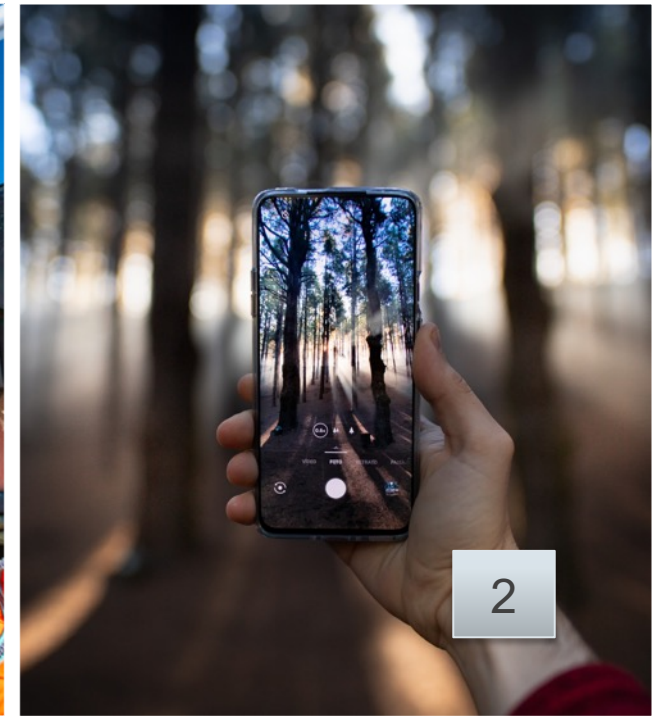
Marcus Nyberg, CFO



Nexam Chemical

12 years of Sustainable Innovation

- Additives for Plastics
- A better world without plastics?
Or better plastics for the world.



Global mega trends

Creative chemistry to modify polymers for new challenges



Sustainable transportation

- Light weighting
- Recycling
- High Performance



Renewable energy

- Light weighting
- Performance



Waste/ recycling

- Prepare polymers for the second cycle

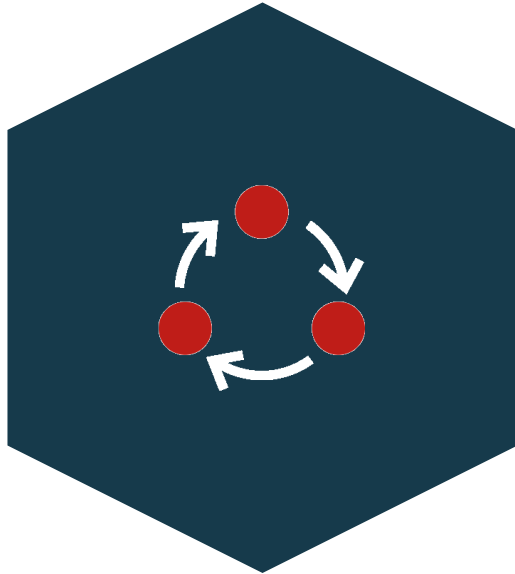


Plastic for the future

- A future without plastic or a future with different plastic

Our contribution to a more sustainable and circular industry

– Benefits far beyond our own business



**Increased
circularity**

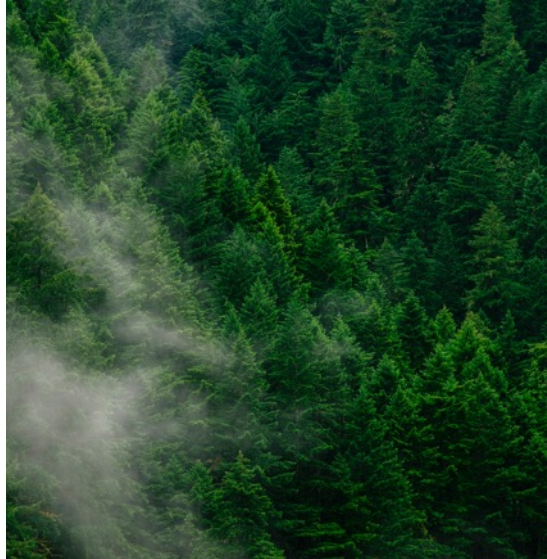


**Renewable
energy**



**Quality materials
that last**

Sustainable operations



Environment

- Energy use
- Waste and recycling
- Land use
- Water
- Chemical use

Social aspects

- Employees and work environment
- Equality
- Local community
- Human rights
- Social initiatives

Governance

- Correct accounting
- Transparent communication
- Anti-corruption
- Fair business relations

Innovation and R&D

Creating value with innovative chemistry in the polymer market

- Development activities in Sweden, Scotland and Hungary
- Share of employees working with R&D: 22%
- 55 patents, and one ongoing patent application, in 4 different patent families: still untapped opportunities



Second Quarter 2021 Business Update

Marketing & Sales

- Net sales during quarter amounted to 59,7 mSEK (36,4 mSEK)
- Confirmation of value proposition in fiber/recycling (June 02 announcement)
- Sales to PET-foam producers continue to grow (Diab and others)
- First customer in Turkey. Expectation for full 2021 is > 1 mSEK. Higher potential beyond 2021.
- Less uncertain market conditions due to Covid 19 situation

Operations

- Focus on securing delivery performance in the growth situation; increasing volume of more products to more customers.
- Major effort to adapt the production system to current volumes. Multiple projects to increase capacity.

Innovation

- Continued effort on securing sales of already developed products; application development
- Started the planning of a new innovation center in Lomma

Other topics

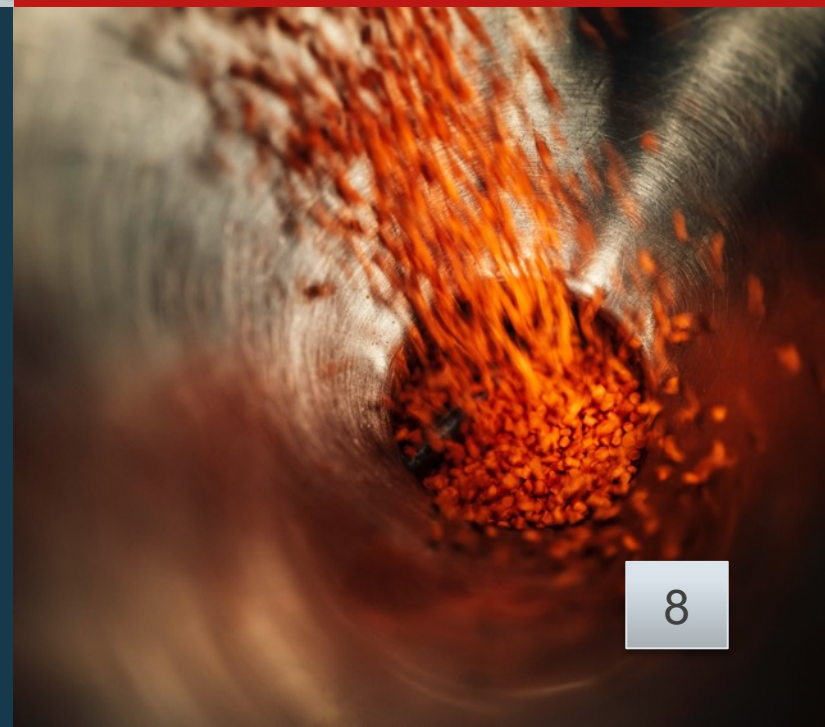
- EBITDA adjusted for Due Diligence cost of acquisition that never was finalized.
- Recruitment of key competence in production-, quality- and sales organization.

**One
company,
two
business
units**



**Nexam
Performance
Chemical**

**Nexam
Performance
Masterbatch**

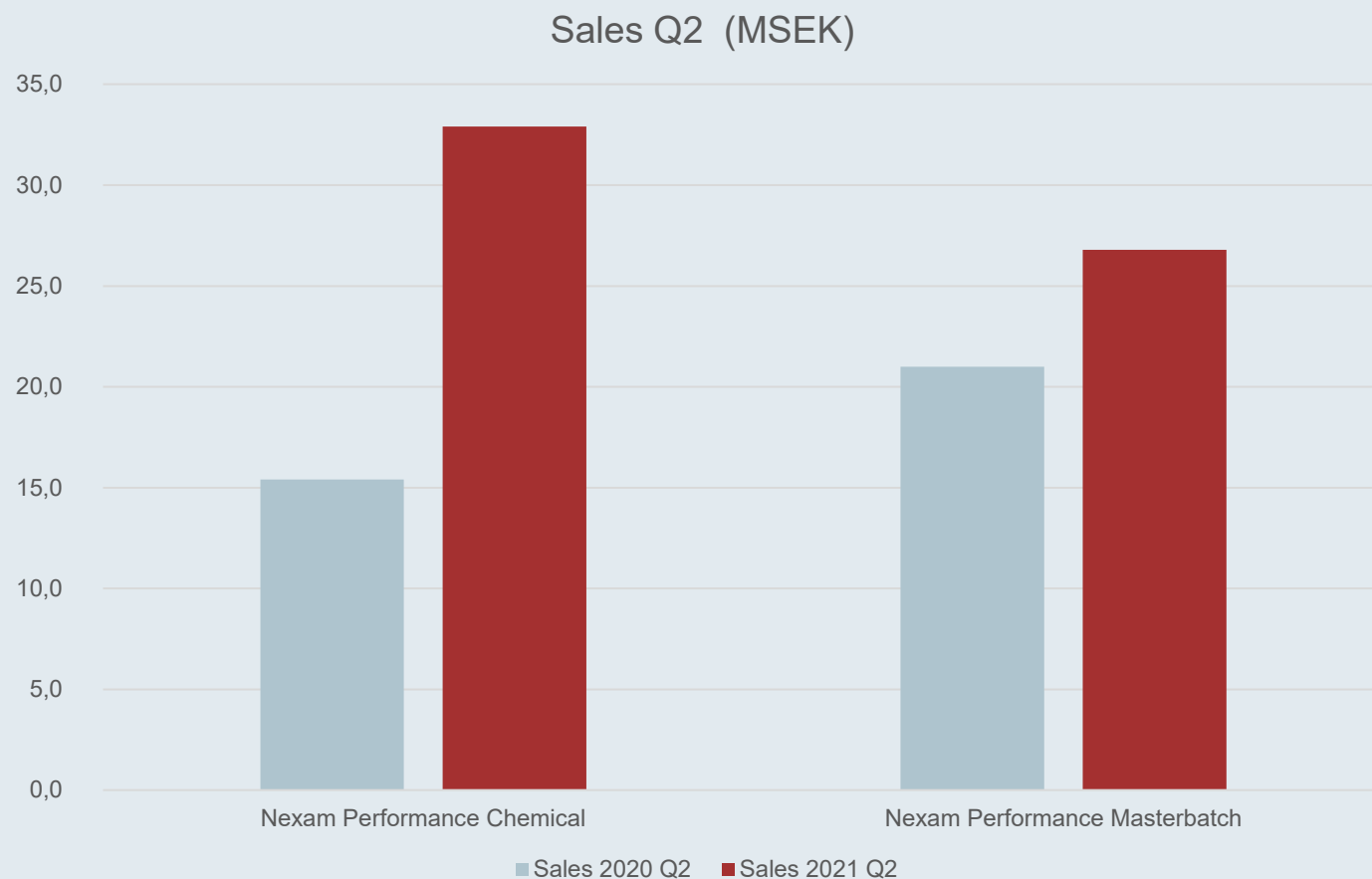


Business development

2020 Q2 vs 2021 Q2

Financial Targets

- >25% annual profitable growth
- A run rate between 275 and 325 MSEK during 2022

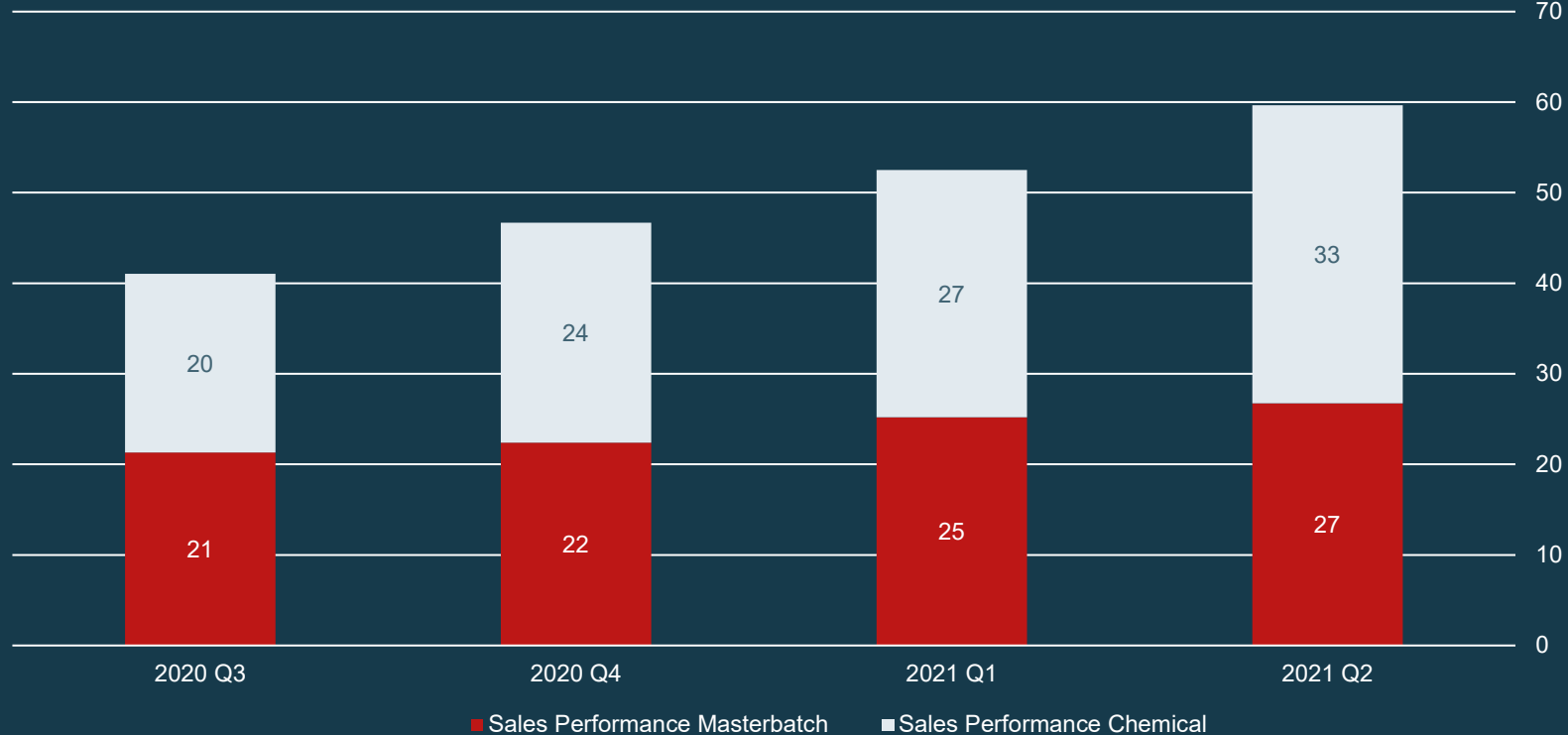


msek	Sales 2020 Q2	Sales 2021 Q2	Development
Nexam Performance Chemical	15,4	32,9	114%
Nexam Performance Masterbatch	21,0	26,8	28%
TOTAL	36,4	59,7	64%

2021 Q2 Update Financials

Financial development last year

MSEK
70



2021 Q2 Update Financials

	2021	2021	2020	2020	2020	2020	2019	2019
kSEK	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales	59 664	52 506	46 693	41 054	36 379	41 704	32 024	31 084
Operating expenses	-22 355	-19 843	-18 491	-15 619	-14 037	-16 373	-16 523	-13 089
Adjusted EBITDA	3 265	2 090	2 093	1 769	179	2 283	-2 814	-1 459
EBITDA*	1 957	2 090	2 093	1 769	179	2 283	-2 814	-1 459
Cash and bank	49 767	61 556	29 791	42 499	50 657	14 305	23 101	38 718
Cash flow from operations	-7 471	3 600	-7 287	-4 383	-1 474	-3 940	-8 631	4 193
Average number of employees	49	45	44	41	42	40	40	38
Sales Performance Masterbatch	26 746	25 194	22 380	21 292	21 004	21 923	17 723	20 646
Sales Performance Chemical	32 918	27 312	24 313	19 762	15 375	19 781	14 301	10 438

	2020	2019	2018	2017	2016	2015
kSEK	FY	FY	FY	FY	FY	FY
Net sales	165 830	130 057	109 835	43 399	8 268	7 842
Operating expenses	-64 519	-59 302	-52 760	-36 457	-24 331	-24 665
Adjusted EBITDA*	6 324	-5 576	-5 757	-16 511	-19 485	-19 285
EBITDA*	4 908	-5 576	-5 757	-16 511	-19 485	-19 285
Cash and bank	29 791	23 101	53 705	86 407	133 147	36 305
Cash flow from operations	-17 084	-21 277	-12 887	-16 615	-17 585	-23 182
Average number of employees	44	40	41	17	13	18

*EBITDA är resultat före avskrivningar, ränta och skatt

Financial comments for the quarter

- Net sales in Q2 amounted to MSEK 59,7 compared to MSEK 36,4 in Q2 2020.
- 64 % in growth for net sales for the quarter.
- Adjusted EBITDA amounted to 3.3 (0.4) MSEK in the quarter.
- Cash flow from operations amounted to -7 471 (-1 474) KSEK.
- Cash and bank balance at the end of the quarter amounted to MSEK 49.8 excluding an unused credit facility of MSEK 10.

Expectations H2 2021

Continued growth in line with targets and expectations

The high level of interest for sustainable solutions in the polymer and plastic industry continue to benefit Nexam Chemical

Continue expansion in focus segments

-Nexam Performance Chemical:

Capture growth with existing customers

Expand to new customers (geography and applications): Both within PET-foam and outside

Increase of leads and projects in the recycling area

-Nexam Performance Masterbatch:

Stay on the growth track: Actions taken have been successful.

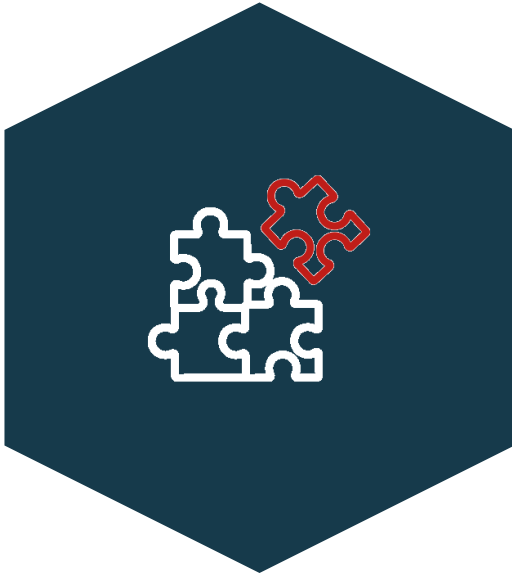
Strong potential for successes in new areas; strive for break through

PET fibre and recycling: Has started. Will start to have a business impact in 2022

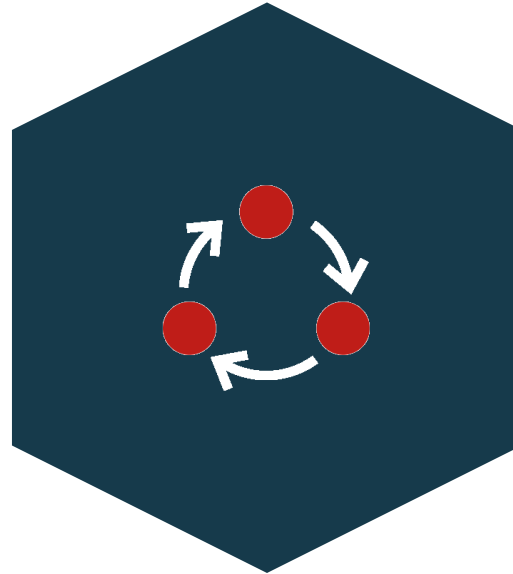
Polyolefins

Continue to be a growth company!

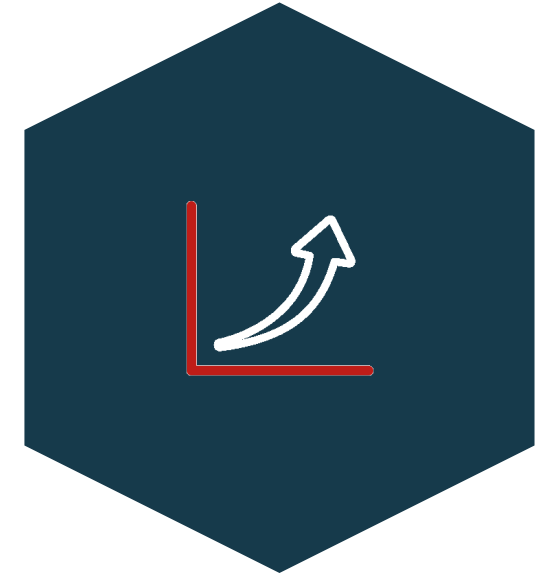
Improving Sustainability in plastics with creative chemistry is our growth strategy



Efficient solutions for quality and capacity improvement, with cost saving potential.



Our solutions contribute to a more sustainable and circular industry.



We are just at the beginning of a long journey, offering unique solutions in growing markets.

Q&A



See new Nexam animation
on nexamchemical.com



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