



Interim report for BEWiSynbra Group for the period January to June 2019

Highlights for 2019

Numbers in parentheses refers to the corresponding periods in the previous year.

Second quarter

- BEWiSynbra Group reported net sales of SEK 1,221.6 million for the second quarter (SEK 1,034.4 million), an increase of 18 per cent compared to the corresponding quarter last year
- Adjusted EBITDA2 was SEK 171.5 million (SEK 83.7 million), while adjusted EBITA amounted to SEK 116.0 million (SEK 61.9 million)
- Earnings were negatively impacted by items affecting comparability of SEK 3.3 million for the quarter (positively impacted by SEK 25.1 million)
- EBIT for the Group was SEK 95.0 million (SEK 78.8 million)

First half year

- Net sales amounted to SEK 2,297.8 million for the first half of 2019 (SEK 1,525.6 million), an increase of 51 per cent compared to the corresponding period last year
- Adjusted EBITDA2 was SEK 310.0 million (SEK 118.0 million), while adjusted EBITA amounted to SEK 201.7 million (SEK 84.3 million)
- Earnings have been negatively impacted by items affecting comparability of SEK 26.0 million so far this year (positively impacted by SEK 15.8 million)
- EBIT for the Group was SEK 141.5 million (SEK 89.7 million)
- BEWiSynbra Circular has further strengthened its recycling activities this year, including the acquisitions of 51 per cent of the Belgian recycling company EcoFill in March and the Danish recycling company Eurec in July

Rik Dobbelaere, CEO of BEWiSynbra Group:

BEWiSynbra experienced good demand and delivers stable volumes in most operating markets in the second quarter of 2019. Our Packaging & Components segment is still negatively affected by lower volumes sold in Norway due to lower activity in the fish slaughteries we serve and lower demand from the automotive industry in Sweden. The decline in slaughtered volumes follows normal fluctuations over time in the industry for salmon farming.

During the spring we have experienced high product availability in the EPS Raw material market which put pressure on profitability in segment RAW. However, the development in the raw material market had a positive impact on results and margins in our downstream segments, Packaging & Components and Insulation. This proves that our integrated business model, with control of the whole value chain from raw material production to finished goods, serves as a stabilizing factor for the Group as a whole and makes us well-equipped to face different market scenarios.

Within segment RAW we have experienced major operational challenges in one production line. This drive both direct and indirect costs due to inefficiency in production. The challenges are expected to be resolved early 2020.

We are pleased to see that the integration of BEWi and Synbra is progressing and that previously communicated cost reducing measures implemented in Sweden have a positive margin contribution also this quarter, although the region still experiences a challenging market situation.

In BEWiSynbra we are proud of our products and we believe that EPS is a unique material with superior qualities. EPS is 98 per cent air, which means that it has a range of benefits, such as being lightweight, thermal efficient and shock absorbing, all resulting in lower consumption of energy in the transportation of goods and insulation of buildings. However, we are fully aware of the responsibility it brings to be a producer of a material made from 2 per cent plastics. This is why sustainability is one of our strategic drivers.

EPS is 100 per cent recyclable and re-usable. Today, the main challenge related to recycling and re-using EPS is the collection of used EPS. Therefore, one of BEWiSynbra's strategic priorities has been to launch a series of recycling initiatives focusing on increasing the collection of used EPS.

Following our launch of BEWiSynbra Circular in October last year, we have acquired the Belgian recycling company EcoFill and the Danish recycling company Eurec, both with solutions that fit our ambitions going forward. In addition, we have established compacting- and collecting stations in various locations and launched the concept "Use-ReUse" to raise awareness on the ease and importance of recycling EPS.

Please see the full interim report for the period January – June 2019 attached.

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About BEWiSynbra Group AB

BEWiSynbra Group is one of the largest vertically integrated producers of expandable polystyrene (EPS) in Europe, focusing on sustainable solutions for packaging and technical components, as well as insulation. Sustainability and innovation are key drivers for the Group's competitive advantage, and BEWiSynbra has an ambitious approach to its recycling initiatives.

The information is such that BEWiSynbra Group AB (publ) is required to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 27 August 2019.