



Press release

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# Nexam Chemical sharpens strategy and extends cost savings program

**Nasdaq First North-listed Nexam Chemical – a cleantech company that invents, develops, produces and sells additives to the plastics industry worldwide – has previously announced that it will perform a strategic review of the business, as part of changes in management earlier this year. The strategic review has now concluded, and as part of the review a second stage of the company's already initiated cost savings program is being performed. Together with a new, sharpened commercial strategy, Nexam is well positioned to resume a profitable growth trajectory.**

## **Presentation:**

Nexam Chemical will present a more detailed overview of the cost savings program, and commercial strategy, on September 8th at 14:30 CET. The presentation will be held in English via the following link: <https://vimeo.com/event/3682486>. Opportunities for press, analysts and shareholders to ask questions will be given at the end of the presentation.

As part of the previously announced strategic review of the business, Nexam Chemical has expanded the ongoing cost savings program. The additional program adds 8 MSEK annual savings to the first part of the program, which was announced in January 2023 and consisted of 5 MSEK annual savings. The first program has been fully implemented and has full financial impact since August 2023, the second program will gradually reduce cost during the second half of 2023, reaching full effect of 13 MSEK/y for both programs in the beginning of 2024. The cost saving programs cover all areas of the business, with specific focus on reductions of overhead personnel cost, external services and consultants, and increasing externally financed R&D and technical product rationalizations. Both programs have been carefully tuned to maintain the Sales and Innovation capabilities.

*"Nexam Chemical has a solid underlying business, with a large degree of recurring sales to major industrial customers and a unique potential to fundamentally change the future of the global plastics industry through a portfolio of – largely patented – additives. These additives improve the properties of materials, allow for higher technology levels, increased recycling and upcycling of recycled materials" says Ronnie Törnqvist, Chief Executive Officer at Nexam Chemical and continues:*

*"The strategic review we have conducted during my first 100 days as CEO, and the extended cost savings program we are now performing as a part of that, will put Nexam in a position to be profitable also when the market volumes are weaker. This is a necessary base to resume a profitable growth trajectory over the next few quarters and to start fulfilling part of the extensive market potential", says Ronne Törnqvist.*



The cost savings program, in combination with the investment made in production facilities at the company headquarters in Lomma, allowing for a higher degree of own production, supports a continued positive development of the gross margin. This, in addition to the savings program, adds to the prerequisites for profitable growth.

*“The expanded cost savings program, now concluded investments in production facilities, and the improvements generated in gross margins, is significantly lowering our break-even level. We further have the opportunity to reduce capital tied up in both finished goods and raw materials and expect the operational cash flow to be positive within the coming months. This, in combination with our existing credit facility of 20 MSEK, means we are well positioned to grow profitably from this point forward”, says Marcus Nyberg, Chief Financial Officer of Nexam Chemical.*

The strategic review has, in addition to the expanded cost savings program, furthermore resulted in a sharpened commercial strategy, with a specific focus on:

- Leveraging Nexam’s unique abilities and technologies to continue to drive the market in close co-operation with all key global players within PET foam, both existing and additional customers.
- Building on Nexam’s extensive market presence within the additives markets in Scandinavia and Eastern Europe, with special focus on packaging solutions for recycled plastics.
- Maintaining and supporting the unique position in the steadily growing and highly specialized market in high temperature plastics and composites, with emphasis on customer financed R&D initiatives
- Developing the market based on upgrading of recycled plastics leveraging Nexam’s unique concept “Reactive recycling”, a growing global customer portfolio, the high general interest for our solutions, patented technologies and broad knowledge to apply in the largest volume plastic materials. The recently started production applications in PET, PE and PP recycling, as well as Nexam’s recently announced patents (covering 50% of all virgin plastic) have triggered an enormous global interest in the industry and the addressable market is virtually unlimited. The main focus now is to turn the projects into ongoing business and to copy successes to the benefit of more customers and society at large

*“I am pleased with the way the board and management team have performed both the strategic review and expanded cost savings program, which will together result in a more customer focused, leaner and more growth-oriented company. I am confident that we will start seeing results of this clear turn-around already in the coming quarters,”, says Cecilia Jinert Johansson, chairman of the board of Nexam Chemical.*

*Note: This press release has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.*



**For more information, please contact:**

Ronnie Törnqvist, VD, +46-706 25 41 85, [ronnie.tornqvist@nexamchemical.com](mailto:ronnie.tornqvist@nexamchemical.com)

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**About Nexam Chemical**

*Nexam Chemical develops technology and products that make it possible to significantly improve the production process and properties of most types of plastics in a cost-effective manner and with retained production technology. The improved properties include strength, toughness, temperature and chemical resistance as well as service life. The improvements in properties that can be achieved by using Nexam Chemical's technology make it possible to replace metals and other heavier or more expensive materials with plastics in a number of applications. In applications where plastic is already used, Nexam Chemicals products can improve the manufacturing process, reducing material use and enable more environmental friendly alternatives. Example of commercial applications: pipe manufacturing, foam production and high-performance plastics. More information about the business will be found on [www.nexamchemical.com](http://www.nexamchemical.com). The company's Certified Adviser is FNCA Sweden AB. FNCA Sweden AB can be reached at [info@fnca.se](mailto:info@fnca.se) or by phone +46-8 528 00 399.*