

# Q4 and full year 2023 results

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CFO Marie Danielsson

15 February 2024

# BEWI



# Cautionary note regarding forward-looking statements

This presentation, prepared by BEWI ASA (the "Company"), may contain statements about future events and expectations that are forward-looking statements. Any statement in this presentation that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements.

The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements. This presentation contains alternative performance measures, or non-IFRS financial measures. Definitions and calculations are presented in our quarterly report.



While the European building  
& construction markets  
collapsed in 2023...

...we saved  
~63 million tonnes CO<sub>2</sub>..  
over the lifetime of insulation sold from BEWI in 2023



*BEWI has installed solar panels at two facilities in Portugal with a total capacity of more than 1 400 kWp, being able to generate 1 922 MWh per year, potentially reducing GHG emissions by 500 tonnes per year. Energy not used will be shared with up to 800 families*



..and with a vision to  
protect people and goods for  
a better everyday

..we recycled more used EPS  
than ANY other insulation  
company in Europe..

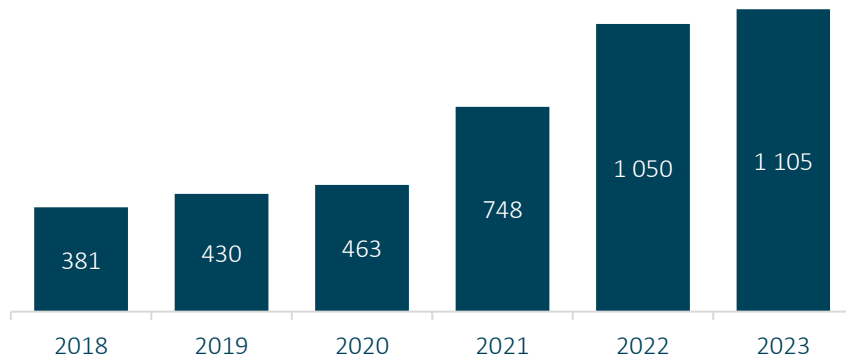


*Collecting used EPS at collection station in Nacka, Sweden*

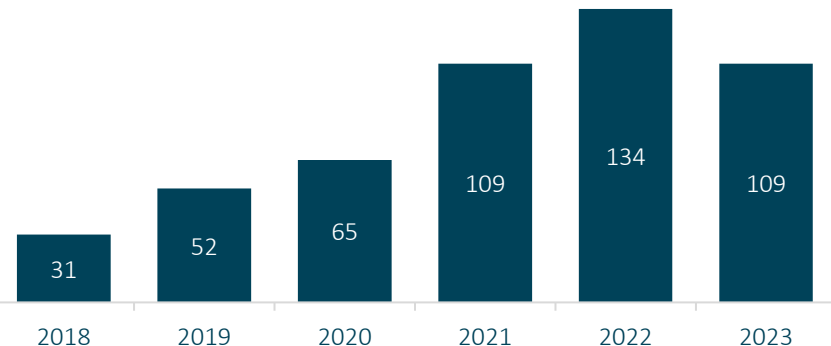
# 2023: Sales growth from acquisitions

Proven ability to adapt, resulting in earnings improvement

Net sales  
EUR million



Adj. EBITDA  
EUR million



Fourth quarter of 2023

- Annual sales growth in downstream segments driven by acquisitions
- Successfully reduced cost and capacity to markets, while at the same time positioned for long-term growth
  - Strong profitability improvement for I&C
  - Reduced demand from building and construction, impacting all segments
  - Solid volumes to food packaging, increased volumes to automotive
- Significantly increased use of recycled content

## 2023 key figures

Revenue

EUR 1.1 billion  
+5%

Adj. EBITDA

EUR 109 million  
-19%

Collected EPS for recycling

~27 400 tonnes  
-7%

# Highlights

## Delivering on key priorities for long-term growth

**BEW/**

Securing a robust platform for sustainable profitable growth

1 Increasing collection and use of recycled material



2 Capacity and cost optimisation



3 Integrating acquired companies



4 Capitalising on investments



5 Strengthening financial position

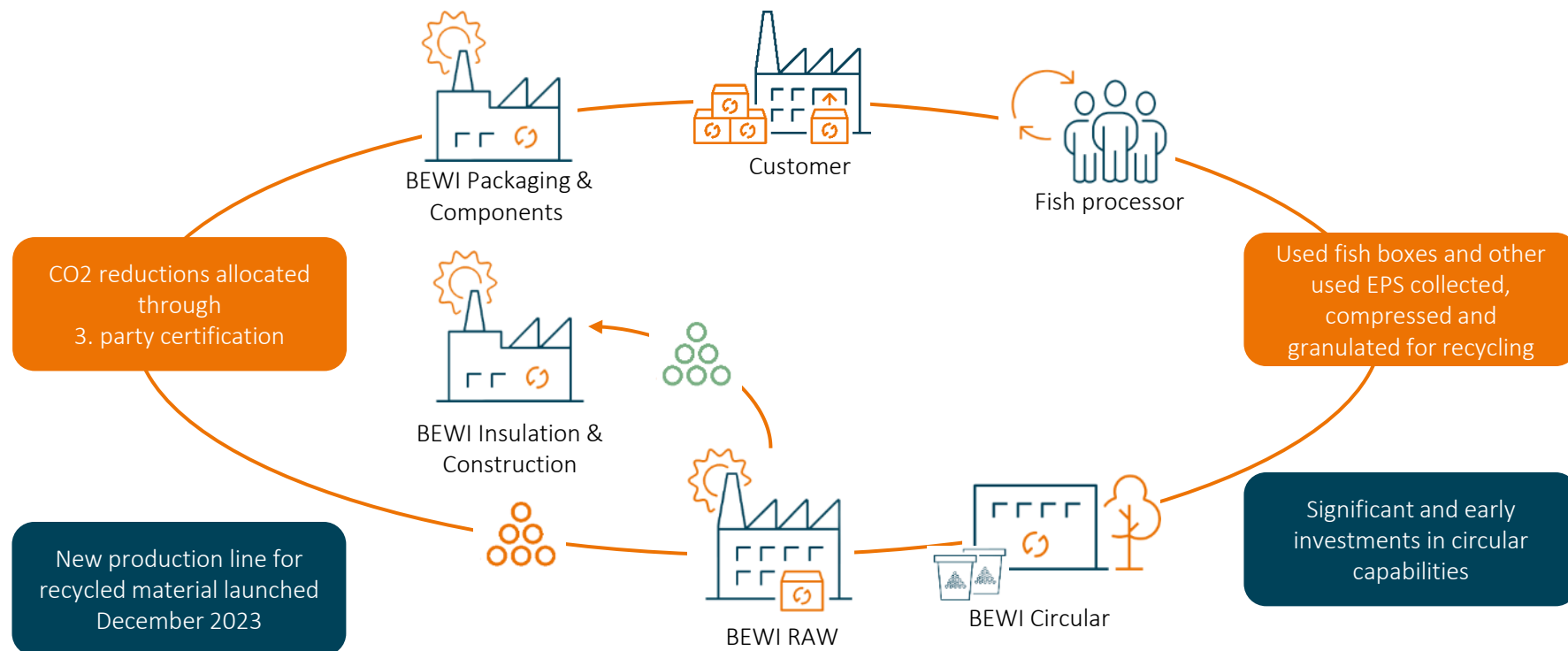


6 Evaluating strategic opportunities for growth



# Uniquely positioned to reduce environmental impact

- ✓ Increase use of recycled material through mass balance approach
- ✓ Enabled by integrated business and investments in circular capabilities
- ✓ Provide BEWI with unique competitive advantage





Fourth quarter and full year 2023

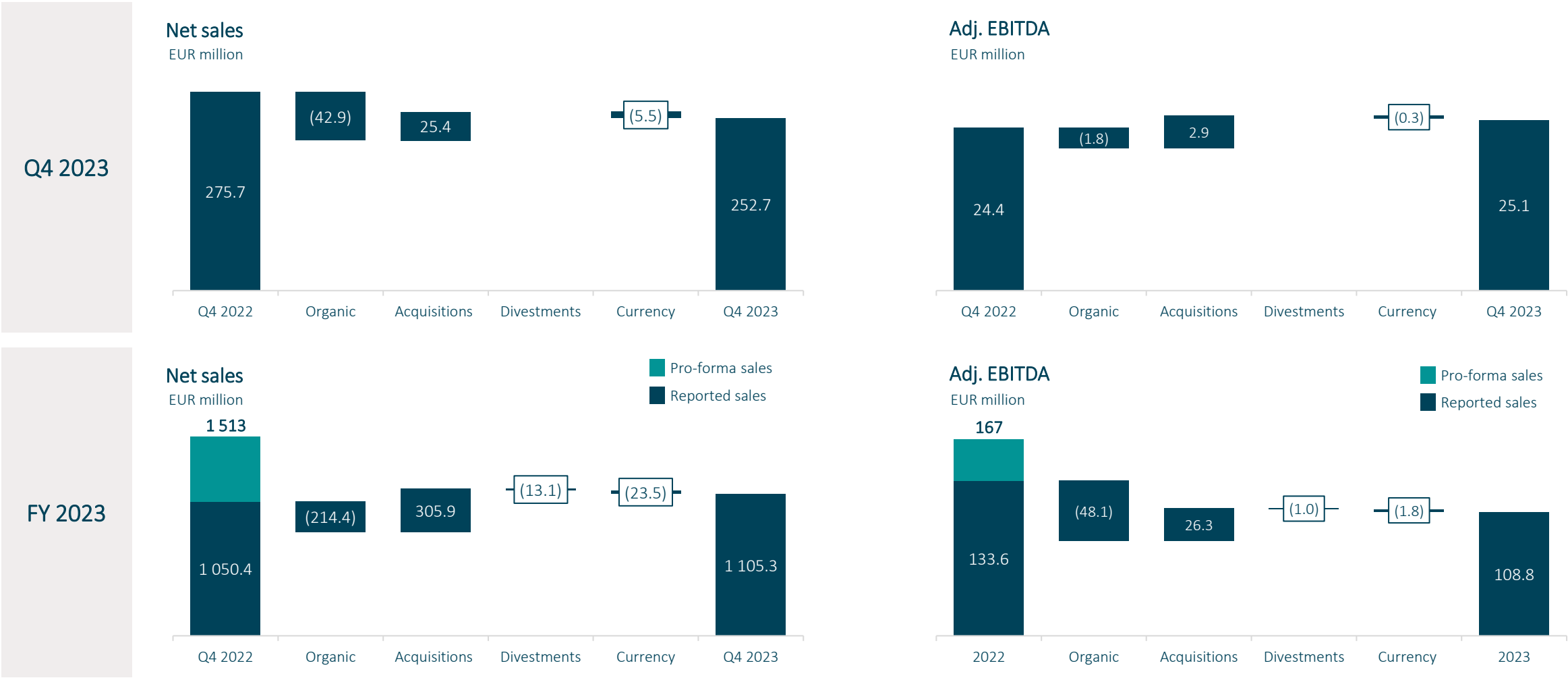
# Group financials

*An innovative insulation solution for pitched roofs, enabling lower CO2 emissions*



# Financial overview Q4 and full year 2023

## Significant EBITDA improvement for insulation segment



# Financials



## Consolidated P&L

Amounts in EUR million	Q4 2023	Q4 2022	2023	2022
Net Sales	252.7	275.7	1 105.3	1 050.4
Other operating income	1.5	-	1.5	-
<b>Total operating income</b>	<b>254.3</b>	<b>275.7</b>	<b>1 106.8</b>	<b>1 050.4</b>
Raw materials and consumables	-101.0	-105.1	-455.3	-432.4
Goods for resale	-25.1	-32.0	-95.3	-136.1
Other external costs	-54.6	-85.4	-249.9	-229.9
Personnel cost	-50.3	-48.9	-205.2	-149.3
Depreciation/ amortisation/ impairment	-16.4	-14.7	-68.4	-47.2
- attributable to operations	-8.5	-7.3	-33.7	-24.1
- attributable to IFRS 16	-5.1	-3.9	-21.1	-12.0
- attributable to fair value adjustments in business combinations	-2.9	-3.5	-13.7	-11.2
Share of income from associated comp.	-0.1	-0.1	1.3	2.8
Capital gain/loss from sale of assets and other adjustments	-1.0	-0.2	-0.6	9.7
<b>Operating income (EBIT)</b>	<b>5.8</b>	<b>-10.7</b>	<b>33.5</b>	<b>68.0</b>
Net financial items	-11.5	-6.5	-42.5	-25.5
Income tax expense	-3.8	9.5	-6.6	-7.2
<b>Profit/ loss for the period</b>	<b>-9.5</b>	<b>-7.8</b>	<b>-15.6</b>	<b>35.4</b>

### Fourth quarter of 2023

- Net sales of EUR 252.7 million, down 8%
- EBIT of EUR 5.8 million (-10.7)
  - Raw materials incl. goods for resale ~50% of sales, in line with Q422
  - External costs down ~EUR 31 million
    - EUR 17.2 million explained by EU settlement agreement
    - Residual related to cost reductions and lower volumes
  - Personnel cost up related to acquisitions completed in Q422
    - 3 216 employees end Q4 (3 356), down from 3 290 end Q3
  - Increased depreciation and amortization from acquired companies and financial leasing (IFRS 16)
- Net financial items of EUR -11.5 million (-6.5)
  - Increased interest and interest-bearing debt from acquisitions
- Tax expense of EUR 3.8 million
- Net result of EUR -9.5 million

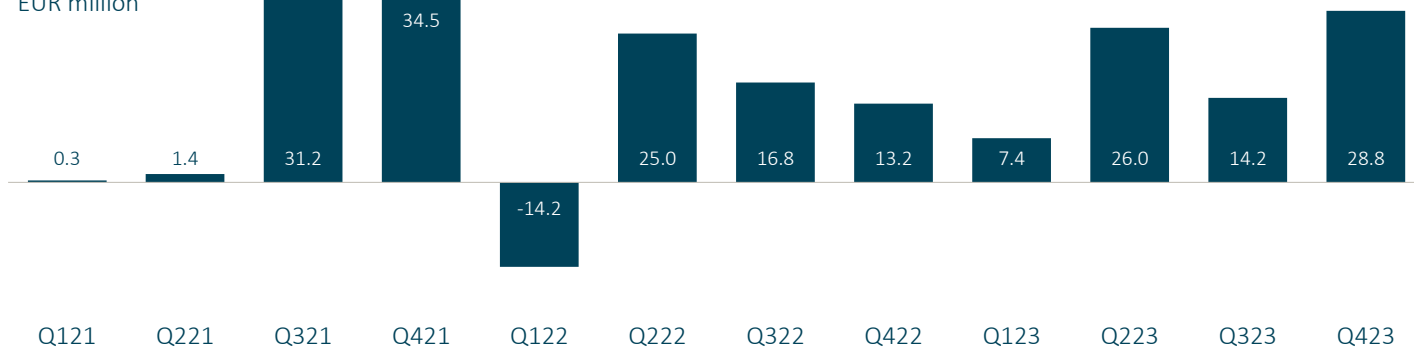


# Financials

## Strong cash flow from operations

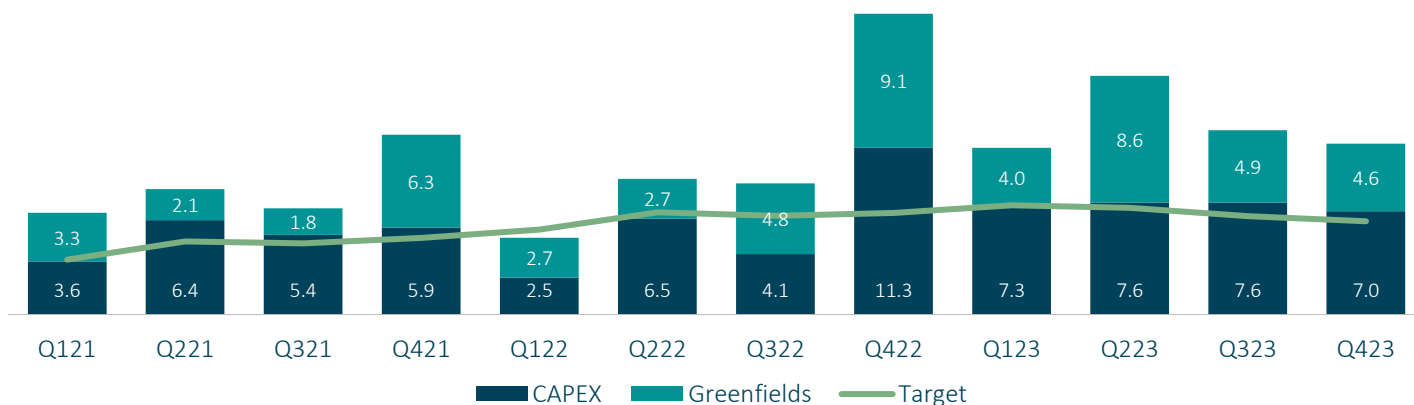
### Cash flow from operations

EUR million



### CAPEX

EUR million



### Fourth quarter of 2023

- Operating cash flow of EUR 28.8 million (13.2)
  - Working capital reduction of EUR 27.3 million (3.9)
  - Higher interest rates and taxes
- CAPEX of EUR 11.6 million (20.4)
  - EUR 4.6 million to investment programmes (9.1)
  - CAPEX for 2024 estimated to EUR 20 million

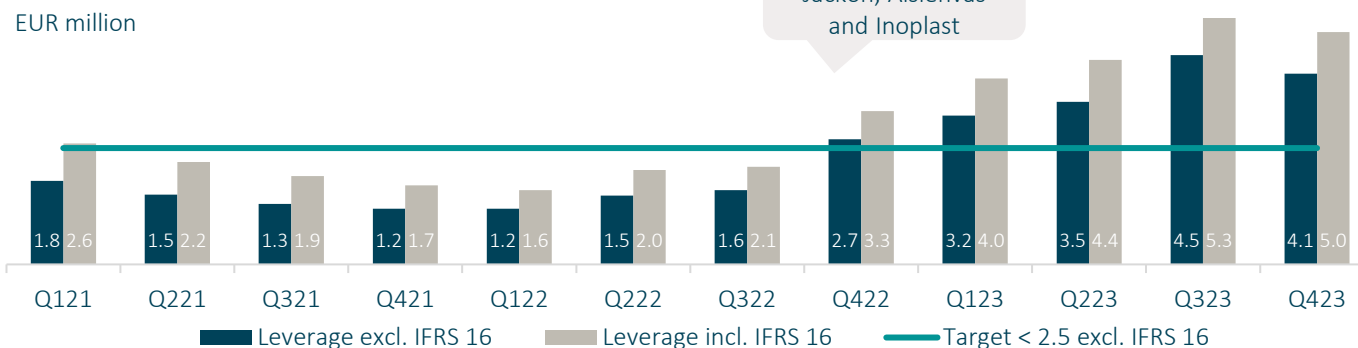
### Key organic growth initiatives

- Packaging facility Jøsnøya, Norway
- New extruder in Etten-Leur, Netherlands
- Production line for construction boards in Belgium
- ICT/ ERP investments

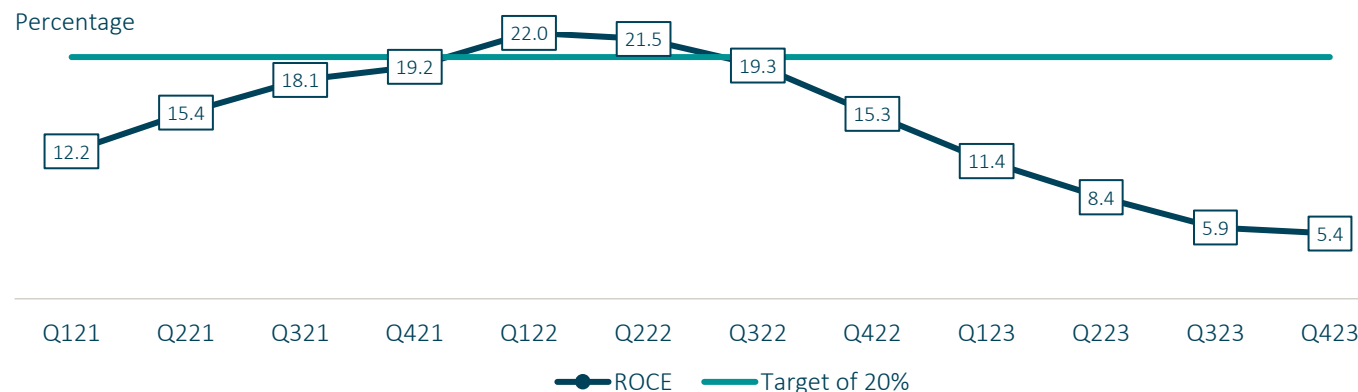
# Financials

## Executing on key priorities to strengthen financial position

### Leverage: Net debt/ EBITDA ratio<sup>(1)</sup>



### ROCE



(1) EBITDA ratio: adjusted EBITDA rolling 12-months pro-forma acquired entities,

(2) ROCE: Rolling 12 months adjusted EBITA as a percentage of average capital employed during the same periode. Capital employed is defined as total equity plus net debt

- Large acquisitions, combined with downturn in markets impacting leverage and ROCE
- Available cash and credit EUR ~94 million
  - Incl. EUR 30 million unutilized credit facility
- Net debt excl. IFRS 16 of EUR 331.1 million
  - Continued focus on strengthening financial position, incl. reduced CAPEX for 2024, optimizing working capital and completing real estate divestments

EUR million	31.12.23	30.09.23	31.12.22
Cash and Cash equivalents	63.6	43.1	47.5
Non-current liabilities	381.6	385.5	336.7
Current liabilities	13.1	24.7	93.1
<b>Net debt excl. IFRS</b>	<b>331.1</b>	<b>367.1</b>	<b>382.3</b>
Debt related to IFRS 16	216.6	195.8	168.4
<b>Net debt in total</b>	<b>547.6</b>	<b>562.9</b>	<b>550.7</b>





Fourth quarter and full year 2023

# Segment review

*BEWI produces ~25 million fish boxes per year, securing safe transportation of ~2 billion meals*



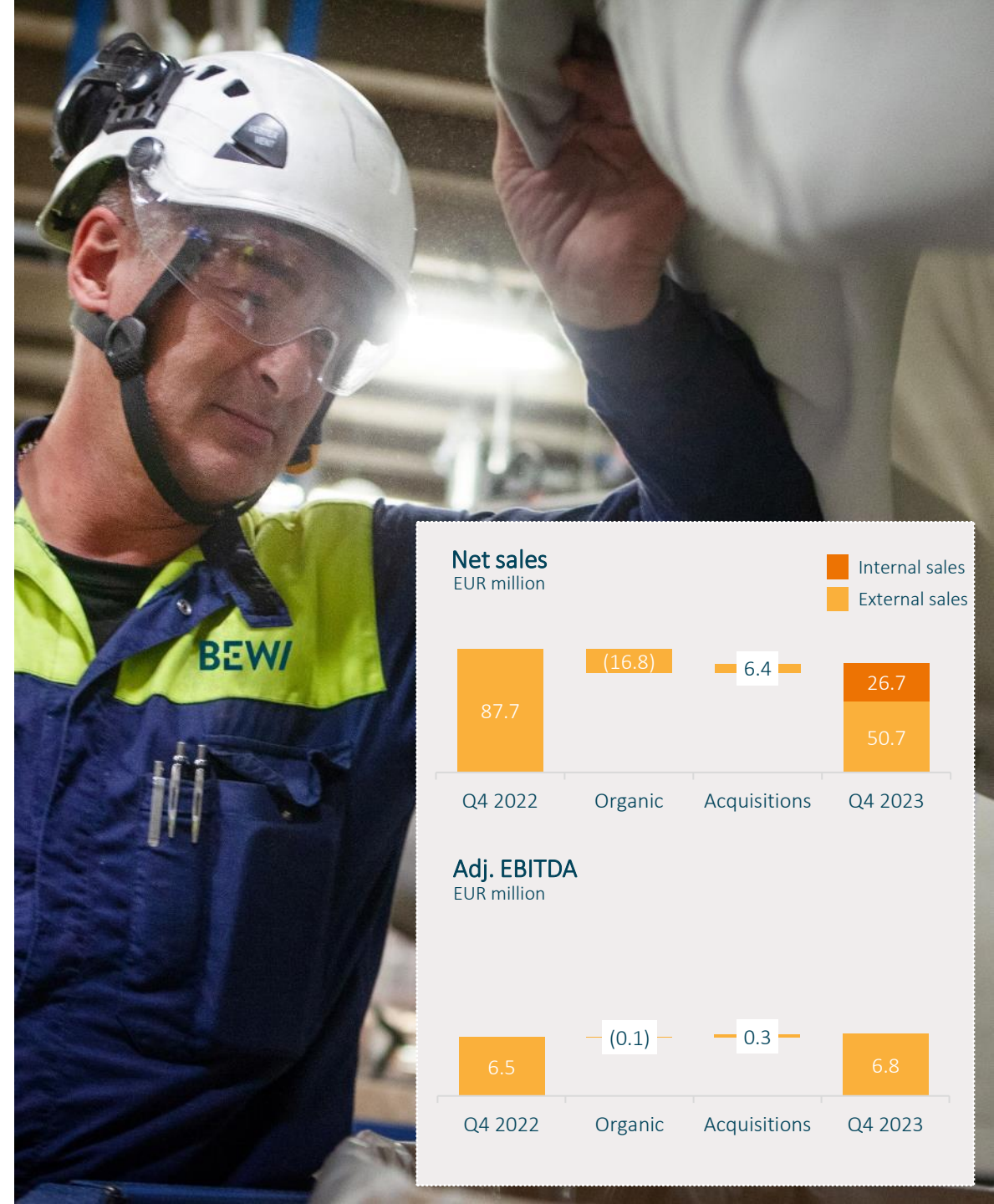
# RAW

Increased earnings from acquisition of Jackon, improved efficiency and lower fixed cost

## Fourth quarter of 2023

- Net sales of EUR 77.4 million, down 12%
  - Jackon contributed with EUR 6.4 million
  - Official EPS raw material prices down by ~12% since Q422 and up ~2% since Q323
- Adj. EBITDA of EUR 6.8 million (6.5), 8.8% margin
  - Jackon contributed with EUR 0.3 million
  - Increased EBITDA margin from improved efficiency and lower fixed cost more than compensating for lower GAP and lower volumes

Fourth quarter of 2023





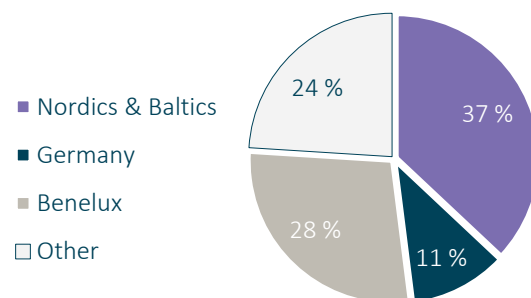


# Insulation & Construction

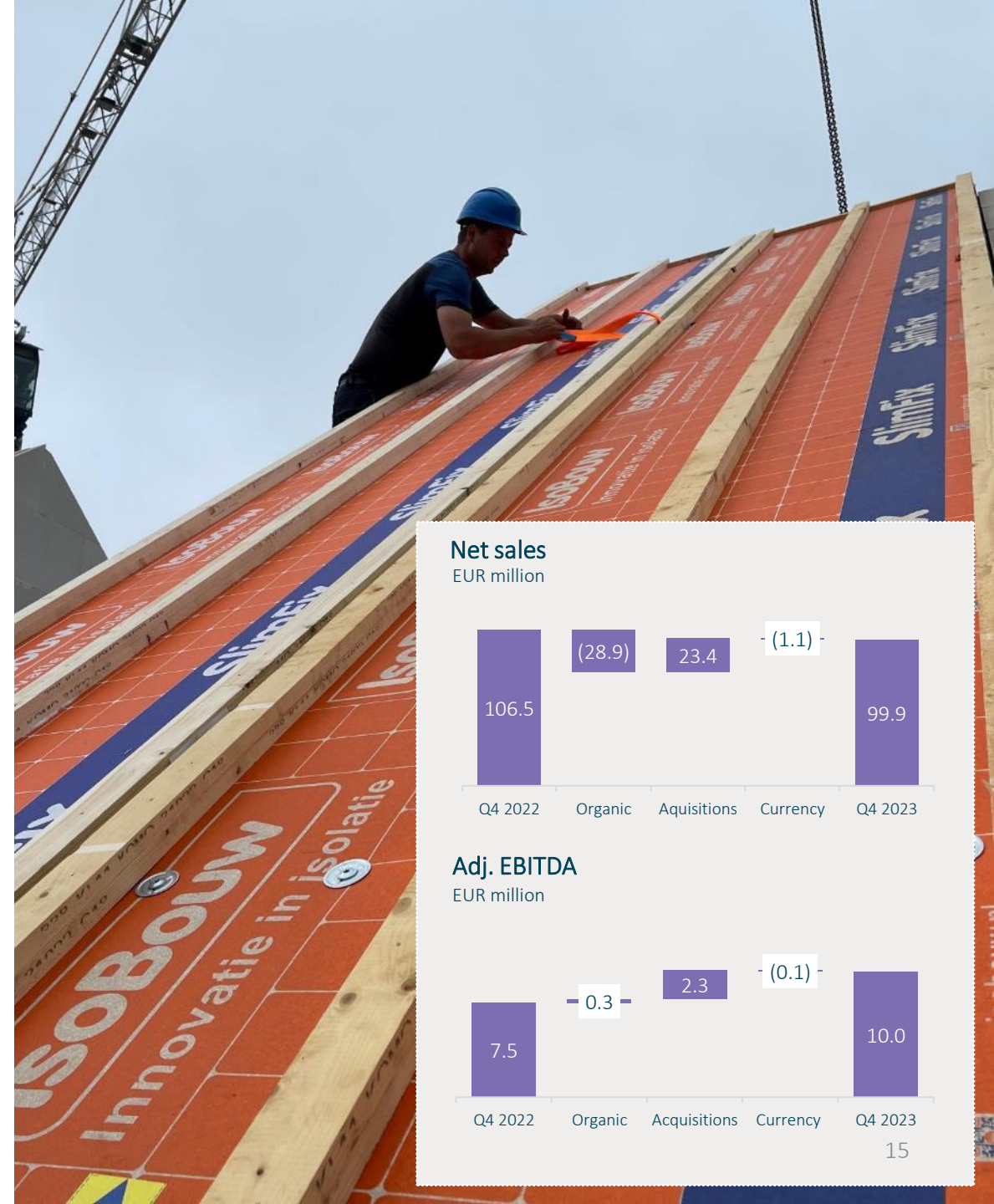
Organic growth in EBITDA despite significantly lower activity in the building and construction industry impacting volumes

## Fourth quarter of 2023

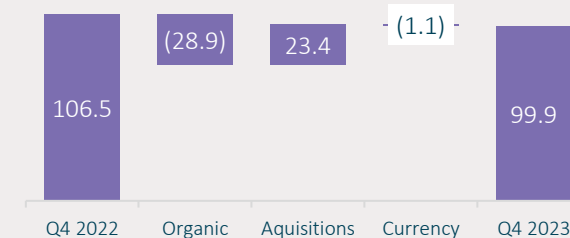
- Net sales of EUR 99.9 million, down 6%
  - Q4 seasonally slow
  - 22% growth from acquisitions
  - Negative organic growth from lower volumes and prices
- Adj. EBITDA of EUR 10.0 million (7.5), 10.0% margin
  - Margin improved from 7.1% for Q422 due to cost- and capacity reductions combined with good price management



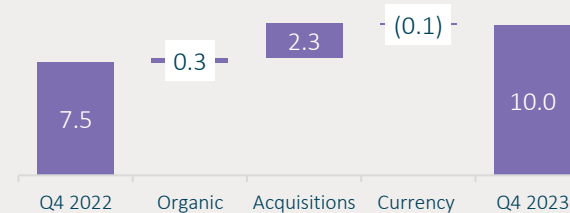
Fourth quarter of 2023



### Net sales EUR million



### Adj. EBITDA EUR million



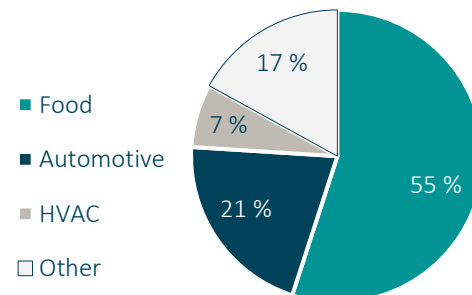


# Packaging & Components

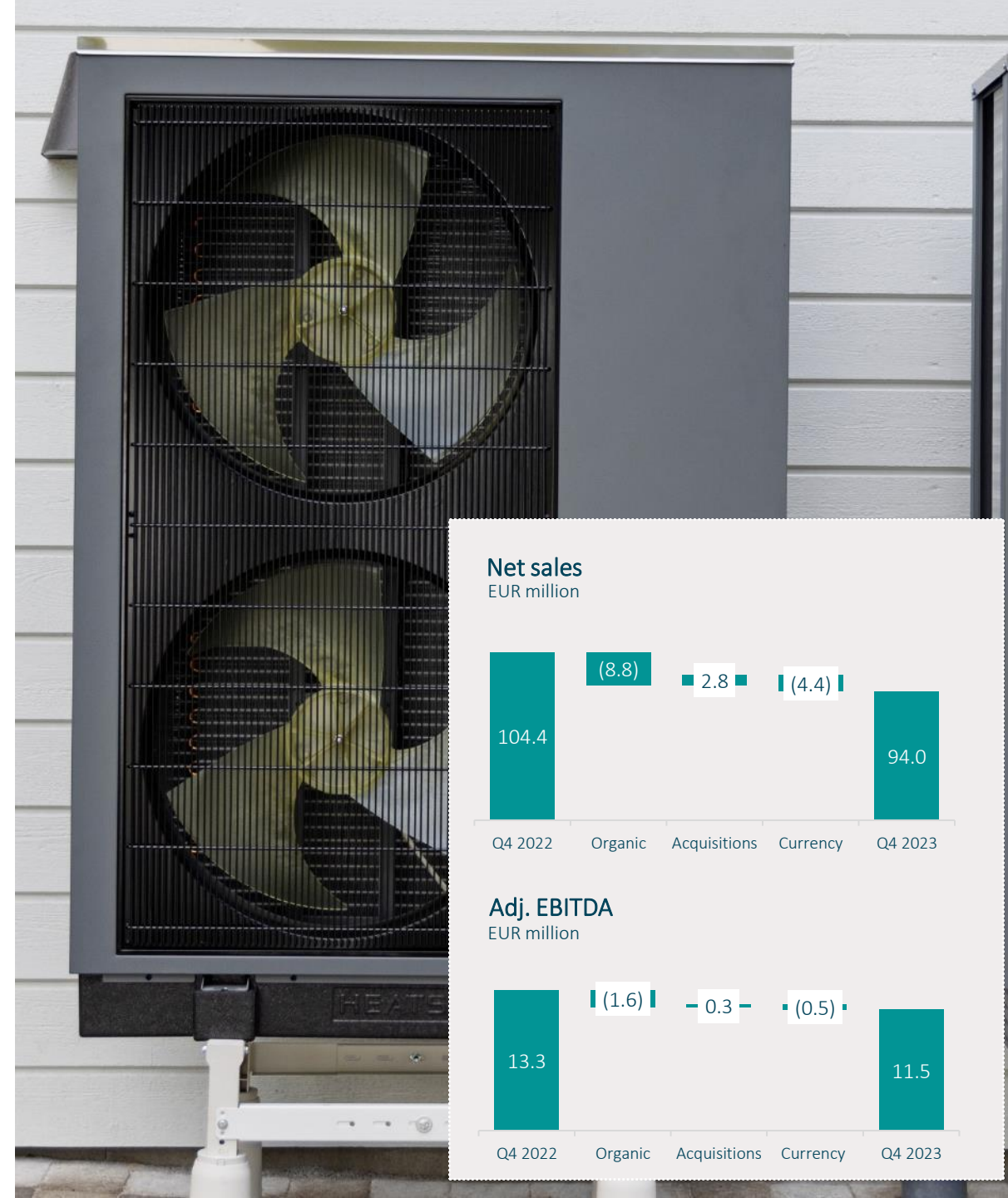
Increased contribution from automotive business, lower volumes of fish boxes

## Fourth quarter of 2023

- Net sales of EUR 94.0 million, down 10%
  - 3% growth from acquired companies
  - Negative organic growth from lower volumes of industrial products and fish boxes, partly offset by growth for automotive
- Adj. EBITDA of EUR 11.5 million (13.3), 12.2% margin
  - Margin slightly down from Q422
  - Organic reduction due to lower volumes



Fourth quarter of 2023







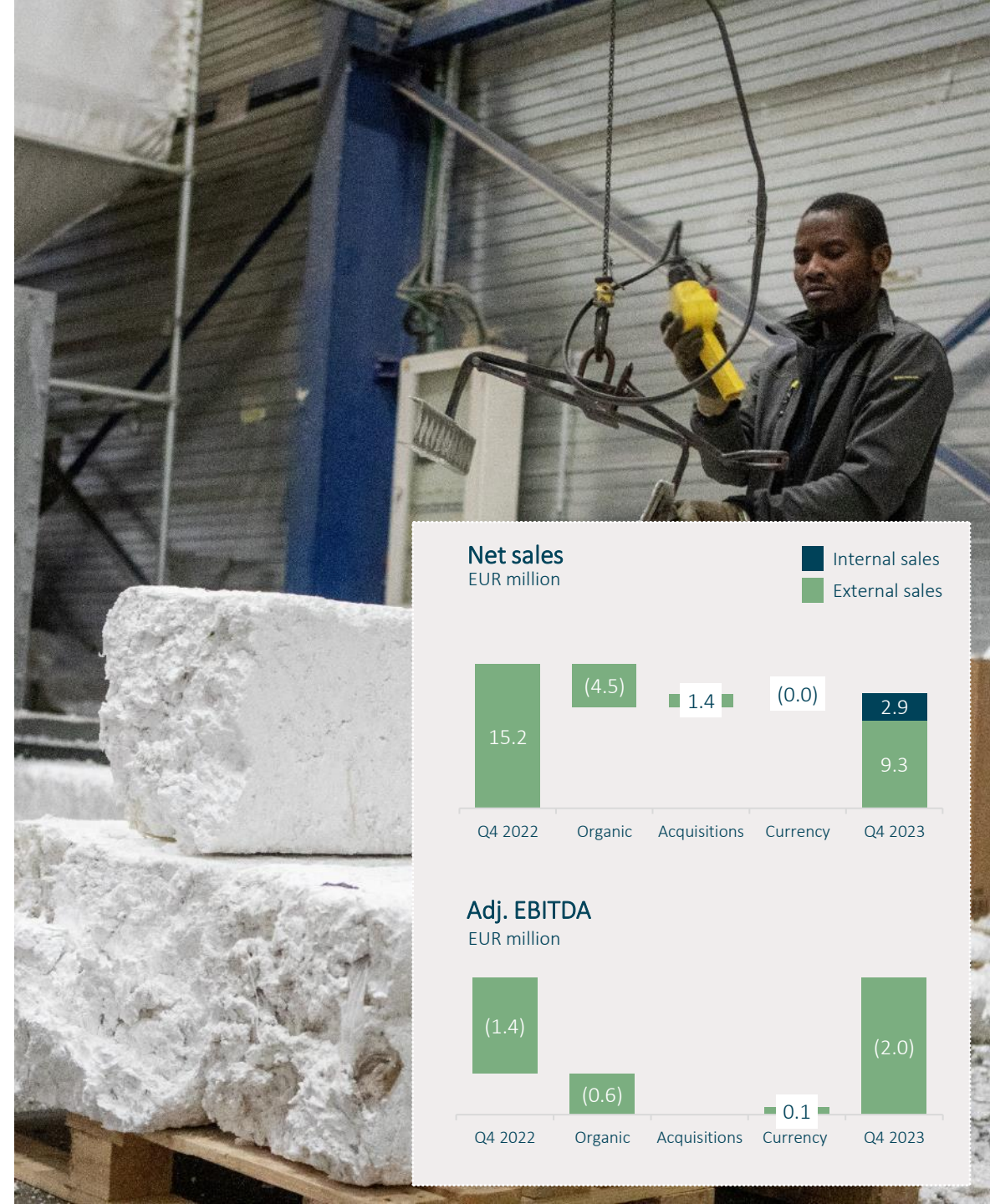
# Circular

Significant increase in use of recycled material. Results impacted by lower prices and volumes

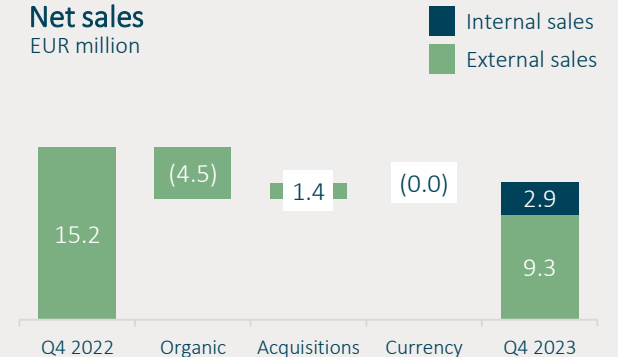
## Fourth quarter of 2023

- Net sales of EUR 12.1 million, down 20%
  - 9% growth from acquisitions
  - Negative organic growth due to lower volumes and prices
  - Increase in own consumption of recycled material
- Adj. EBITDA of EUR -2.0 million (-1.4), margin -16.4%
  - Reduced EBITDA from lower prices and volumes

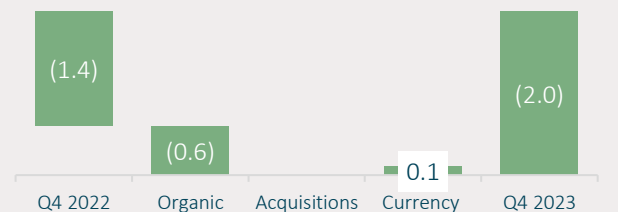
Fourth quarter of 2023



### Net sales EUR million



### Adj. EBITDA EUR million





Fourth quarter and full year 2023

# Strategy recap and outlook

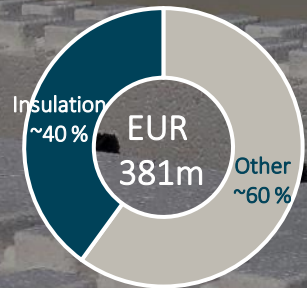


*A new 11 000 sqm warehouse for the grocery wholesaler ASKO, built in 2023 outside Trondheim including PIR sandwich wall elements from BEWI*

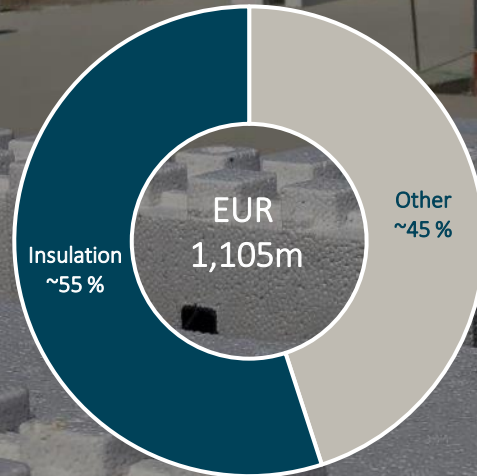


# Strong ambitions for further growth

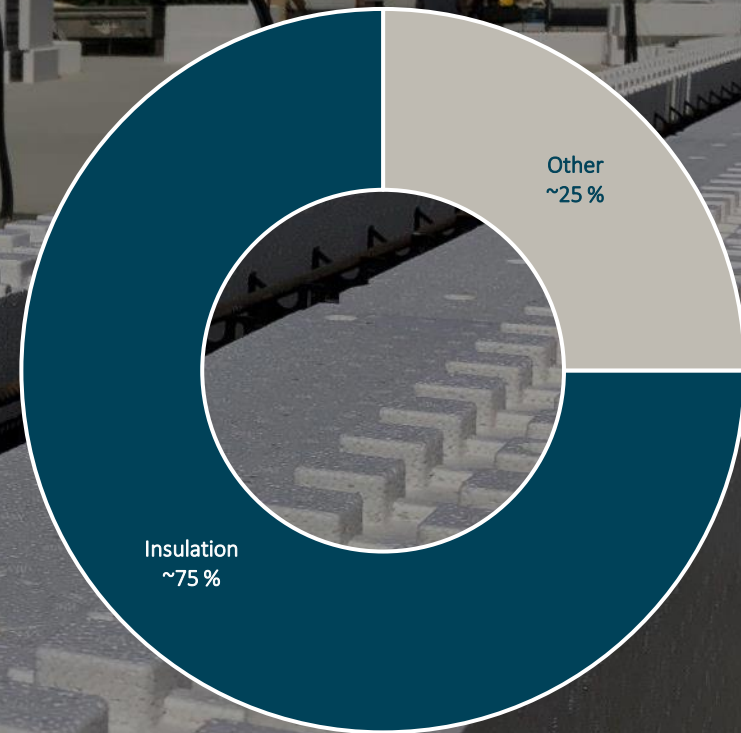
Need for improved energy efficiency makes insulation solutions key growth driver



2018



2023



3-5 years

Ambition to double revenue next 3-5 years with increased exposure to insulation



# Strong market fundamentals

## 1 Climate change requires more efficient use of natural resources

EU Green Deal - drives decarbonization

40% of energy consumption in EU comes from buildings

75% of existing buildings are not considered energy efficient

- Buildings will require energy renovation on a large scale for EU to reach its climate reduction targets
- Regulations and incentive schemes from EU will drive development

Sources: European Council, Fit for 55

Fourth quarter of 2023





# Strong market fundamentals

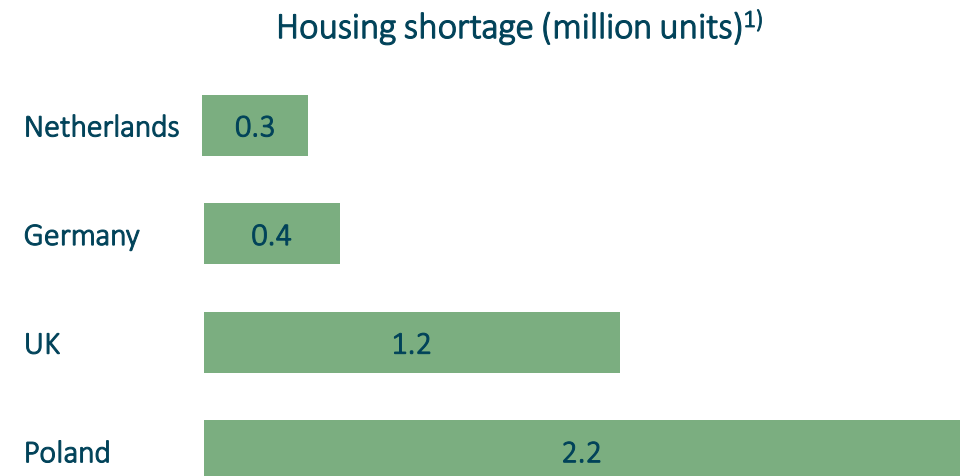
## 2 Housing shortage



1) Kepler Cheveraux

Fourth quarter of 2023

Soft activity in the building and construction industry  
increase shortage in selected regions



# Ready, set, go!

BEWI is uniquely positioned to accelerate growth when the market rebounds

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- ✓ Strong market fundamentals
- ✓ “Tuned” production footprint and cost structure
- ✓ Unutilized capacity
- ✓ Broad product offering
- ✓ Strengthened balance sheet and cash position
- ✓ Clear growth strategy and growing M&A pipeline



Significant potential for CO2 savings from energy efficient insulation solutions



# Outlook

## Well-positioned for growth

- Historically challenging markets in 2023
- Demonstrated a strong ability to adapt to shifting conditions
- Solid platform for further growth
- Confident in strong fundamentals and growth opportunities ahead





**BEWI**  
*for a better everyday*