



BEWi intends to acquire Synbra to strengthen its European position as the preferred partner for particle foam products

BEWi presents preliminary financial information for 2017

Press release February 14, 2018

BEWi Group AB (publ) ("BEWi"), a leading full-line supplier in the Nordic countries of particle foam products, has through a Dutch wholly-owned subsidiary, entered into a conditional agreement today with funds managed by Gilde Buy Out Partners ("Gilde") and its co-investors to acquire Synbra Holding B.V. ("Synbra").

Synbra is a specialist in particle foam and specialty foams for industrial products and solutions and sustainable insulation systems with operations in Northern Europe and Portugal. The combined Group would become a leading European provider of value-adding particle foam products, with a strong potential for accelerated growth. The acquisition is subject to financing and regulatory approval, completion of relevant works council consultations procedures and notifications under the SER Merger Code will be made.

In order to present proforma financial information in connection with the transaction, BEWi presents a preliminary financial information summary for full year 2017.

Summary:

- BEWi intends to acquire Synbra through a newly incorporated Dutch wholly-owned subsidiary
- The contemplated acquisition strengthens and expands BEWi's position as a European supplier of particle foam products and related services, with a broader market reach and product range
- Purchase price will be a cash consideration of EUR 117.5 million (approximately SEK 1,165 million) on a cash and debt free basis. BEWi intends to finance the acquisition by own cash, a directed share issue and a bond issuance
- Closing is expected in the first half of 2018, subject to customary conditions, regulatory approval, completion of the relevant works council consultation procedures, notifications in accordance with relevant legislation and BEWi issuing a bond for the financing of the Synbra acquisition
- In connection with the transaction, Synbra has entered into a conditional agreement to sell 66 percent of the shares in Synbra's German subsidiary IsoBouw GmbH to Hirsch Servo Gruppe ("Hirsch"), an Austrian manufacturer active in the EPS business and hence IsoBouw would not be part of the contemplated joint BEWi and Synbra Group. The divestment of IsoBouw to Hirsch is subject to, inter alia, regulatory approval. The remaining 34 percent of the shares in IsoBouw GmbH will be acquired by BEWi. Hirsch has entered into an agreement with Saint-Gobain Rigips to acquire Saint-Gobain's insulation operations conducted in four production units in Germany.

About Synbra^[1]:

The intended Synbra acquisition would contribute with a balanced and attractive customer portfolio, as well as modern production facilities and highly committed staff. Synbra has approximately 710 employees (not including IsoBouw GmbH) and operates 10 strategically located production facilities in the Netherlands, Denmark and Portugal. Synbra's net sales in 2017 was approximately EUR 233 million excluding IsoBouw GmbH (approximately SEK 2 300 million).

Synbra's portfolio of products, geographic footprint and skilled employees will be a valuable addition to BEWi and the combined Group's expansion strategy and will make the combined Group the leading full-line particle foam supplier in Northern Europe. Additionally, the acquisition will provide BEWi with the opportunity to accelerate its broad product and service portfolio and support the combined businesses' objective of becoming the preferred partner for particle foam products used for efficient packaging, building and insulation.

About the transaction:

As a result of this contemplated acquisition, BEWi and Synbra would become one of the largest manufacturer of particle foam, also known as expanded polystyrene ("EPS") and related materials in Europe. BEWi and Synbra together are anticipated to drive growth within this product segment, outperforming the European particle foam/EPS market on average.

BEWi's major shareholders have proposed the appointment of Gunnar Syvertsen as the new chairman of BEWi Group AB. Gunnar has been a member of the BEWi board since 2014 and his experience includes General Manager in Heidelberg Cement North Europe. Following the contemplated transaction, the combined Group management is expected to include senior members of both companies, to ensure knowledge-sharing and efficient implementation of the integration process.

Christian Bekken, President and CEO BEWi, comments:

"Synbra's European focus will fit very well with BEWi's existing operations in the Nordic countries. We look forward to warmly welcoming all Synbra colleagues to BEWi and jointly further develop our business in Europe and to working together with its management, staff and distributors to further strengthen our joint market position. Synbra would enable us to provide customers with a broader product and service offering according to best industry practices. The intended acquisition of Synbra is a logical step in our vision to becoming the market leader as well as be working closely with our customers."

Rik Dobbelaere, President and CEO of Synbra, adds:

"Synbra and BEWi represent an excellent operational combination and we have a common long-term vision and commitment to be the product leader and number one in the market. BEWi's company culture is also very much in line with Synbra's, and these are the factors that will contribute to our further success and profitable growth."

Tom L.M. Muizers, Partner of Gilde, said:

"We believe that BEWi would be an excellent new owner for Synbra. With its dedicated management and operational excellence, BEWi will be able to add significant long-term value to Synbra and its customers."

Preliminary figures for BEWi and proforma financials

The below presented financial information for the full year 2017 is preliminary figures and have not been subject to audit or review by BEWi's and Synbra's auditors. BEWi reports in accordance with IFRS while Synbra reports in accordance with Dutch GAAP.

Additional financial information about BEWi will be presented in the 2017 full-year report on 20 February 2018.

MSEK	FY 2016 BEWi	FY 2016 Synbra (excl Isobouw)	FY 2016 Combined (excl Isobouw)	FY 2017 Pre BEWi	FY 2017 Pre Synbra (excl Isobouw)	FY 2017 Pre Combined (excl Isobouw)	New BEWi Group Proforma
Net sales	1,607	1,872	3,479	1,876	2,304	4,108	4,180
EBITDA, adjusted	121	187	308	111	267	378	405
EBITDA marginal, adjusted	7.5%	10.0%	8.9%	5.9%	11.6%	9.0%	9.7%
Items affecting comparability	-13	0	-13	-25	-30	-55	0
EBITDA	108	187	295	86	237	323	405
EBITDA margin	6.7	10.0%	8.5%	4.6%	10.3%	7.7%	9.7%
CAPEX, maintenance			64			54	54
CAPEX, expansion			84			135	57

Note: The proforma figures are based on preliminary numbers for 2017 in BEWi and Synbra excluding Isobouw GmbH to which lost contribution due to operational issues in BEWi in 2017 has been added as well as contribution related to annualization of pay-off from investments and acquisitions in 2017. Increased rental cost following the divestment of real estates has been included as well as short term net synergies.

The proforma calculation is intended to describe a hypothetical situation if Synbra would have been acquired as per 1 January 2017 and is not an indicative of the actual outcome of the operating results in the future.

Synbra's figures in EUR have been converted to SEK at an exchange rate of EUR/SEK 9.90.

The transaction in brief:

The total purchase price is EUR 117.5 million (approximately SEK 1,165 million) on a cash and debt free basis.

BEWi intends to finance the acquisition through own cash, a directed share issue and a bond issuance:

Own cash: BEWi is about to divest three properties in Denmark and two properties in Sweden. The properties will be divested for a total value of SEK 113 million and leased back to BEWi with an annual rent of approx. SEK 11 million.

Share issue: BEWi has mandated Arctic Securities AS to assess the preconditions for a private placement of series A shares in BEWi, directed to Swedish, Norwegian and international investors.

Bond issuance: BEWi has mandated Nordea Bank AB (publ) to assess the preconditions for a bond issuance by BEWi.

The transaction is subject to receipt of advice by the relevant works council which is mandatory under the Dutch Works Councils Act and completion of the transaction is subject to customary conditions, notifications in accordance with the relevant legislation, regulatory approval and BEWi issuing a bond for the financing of the Synbra acquisition.

In connection with the transaction, Synbra has signed a conditional agreement with Hirsch to dispose 66 percent of the shares in Synbra's German subsidiary IsoBouw GmbH to Hirsch and the remaining 34 percent of the shares in IsoBouw to BEWi through a wholly owned Swedish subsidiary. As a consequence hereof, the combined Group would become minority owners of IsoBouw and would participate in the further development of the company. However, IsoBouw would no longer be a subsidiary or part of the contemplated combined Group. Completion of the disposal of IsoBouw is subject to regulatory approval.

It is anticipated that both the Synbra and IsoBouw transactions will be concluded during the first six months of 2018.

About BEWi Group:

The BEWi Group was formed when the Norwegian family firm BEWi AS and Styrochem of Finland merged in 2014. In parallel with the merger, six production units were acquired from the UK packaging company DS Smith: the Danish firm DS Smith Flamingo with operations in Holbæk, Høbro, Tørring and Saby; and DS particle foam operations in Värnamo and Urshult in Sweden. BEWi had a turnover of SEK 1,607 million in 2016, employs approximately 300 people at 14 locations in the Nordic countries, and its headquarters are located in Solna, Sweden.

About Synbra:

Founded in 1957, Synbra has established itself as a market leader in its chosen geographies. Under private equity ownership since 2000, the business has been transformed through continuous product innovation, operational excellence and M&A. Headquartered in Etten-Leur, the Netherlands, Synbra has approximately 900 employees and operates 14 strategically located production facilities in the Netherlands, Denmark, Germany and Portugal.

About Gilde Buy Out Partners

Gilde Buy Out Partners is a leading European private equity investor in mid-market transactions with operations in the DACH region and the Benelux. Gilde manages funds in excess of EUR 3 billion and has offices in Zurich, Frankfurt, Utrecht and Brussels. Since its inception in 1982, Gilde has invested in over 250 companies across a diverse range of sectors. With EUR 1.1 billion, the current investment fund Gilde Buy-Out Fund V is among the largest dedicated mid-market buy-out investment funds in Europe. Gilde controls majority shareholdings in, amongst others, companies like albelli, Oystershell Laboratories, Losberger, amor, t-groep, Royal Reesink, Comcave, Riri, TMC, Royal Ten Cate and Enkco.. For more information, please visit www.gilde.com

For further information, please contact:

Christian Bekken, CEO, BEWi Group. Tel: +47 905 55 141

Marie Danielsson, CFO, BEWi Group. Tel: +46 70 661 00 47

Advisors

Arctic Securities has been engaged as financial advisor to BEWi regarding the acquisition of Synbra, the transaction with Hirsch and the directed share issue and Nordea has been engaged as bookrunner for the bond issuance. Advokatfirman Lindahl has acted as legal advisor to BEWi.

The information is such that BEWi 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 persons set out above, at 6.30 p.m. CET on 14 February, 2018.

[1] Excluding Synbra's current German operations

BEWi Group manages and controls the entire chain from the manufacture of raw materials to finished products for the construction, packaging, and technical packaging industries. We invest in new techniques and development of innovative environmentally sound products, which creates value across the chain. As the market continues to grow, BEWi will also grow, both organically as well as through acquisitions in order to create positive synergies around purchases, raw material management, marketing information, customer focus, efficient production and administration.

BEWi Group is owned to 48.5% by the Norwegian family Bekken through BeWi Holding, to 48.% by Verdane Capital Advisors and to 3% by Group management.