

Perstorp Holding AB (Publ.)

Interim report 1 January - 31 March 2018

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Unleash your capabilities
with Capa™: a multi-talented
performance enhancer with
sustainability built in

¹⁾ Perstorp Continuing operations excludes the divested unit Perstorp Oxo Belgium AB in Q1 2017.

Interim report 1 January - 31 March 2018

Perstorp Holding AB (Publ.), corporate reg. no. 556667-4205, Parent company for Perstorp.

Perstorp is an international specialty chemicals Group and a global leader in high growth niches. The Group has around 1,600 employees and manufacturing facilities in Europe, North America and Asia. The Perstorp Group is controlled by the European private equity company PAI Partners.

Key figures in summary

January-March 2018

- ➔ Net sales, for continuing operations increased 8% to SEK 3,680 m (3,413).
- ➔ Sales prices in Q1 continued to be higher than the corresponding quarter last year linked to higher raw material prices and improved pricing.
- ➔ Organic volume-based sales growth was, excluding BioProducts, flat year-on-year.
- ➔ EBITDA excluding non-recurring items, for continuing operations amounted to SEK 607 m in the first quarter compared to SEK 571 m in the corresponding period last year.
- ➔ EBITDA-margin excluding non-recurring items for continuing operations was 16.5% (16.7).

Key figures in summary, continuing operations

SEK m unless otherwise stated	Quarter 1		Latest	Full year
	2018	2017	12 months	2017
Net sales	3,680	3,413	13,859	13,592
EBITDA	604	561	2,139	2,096
% of net sales	16.4	16.4	15.4	15.4
EBITDA excluding non-recurring items ¹⁾	607	571	2,169	2,133
% of net sales	16.5	16.7	15.7	15.7
Operating earnings (EBIT)	464	422	1,411	1,369
% of net sales	12.6	12.4	10.2	10.1
Net earnings/loss	-191	100	-386	-95
Free cash flow ²⁾	140	68	1,347	1,275

¹⁾ Non-recurring items are mainly attributable to restructuring and refinancing costs.



President's Comments

"The positive development in BA S&S can mainly be assigned to strong organic volume-based sales growth in all business units, especially in Caprolactones."

A financially strong beginning of the year

The market conditions remained solid in the first quarter of 2018 and Perstorp has demonstrated another strong result. EBITDA excluding non-recurring items for the first quarter amounted to SEK 607 m (571), which is on a record-high level and the sixth quarter in row with improved year-on-year EBITDA. The EBITDA margin for the first quarter, for continuing operations, amounted to 16.5% (16.7%). Net sales, for continuing operations increased by 8%, organic volume-based sales growth was, excluding BioProducts, flat year-on-year. Sales prices in the first quarter continued to be higher than the corresponding quarter last year linked to higher raw material prices and improved pricing in several of the business units.

Business Area Specialties & Solutions has continued to deliver a solid EBITDA, in the first quarter, amounting to SEK 240 (189) m. The positive development can mainly be assigned to strong organic volume-based sales growth in all business units, especially in business unit Caprolactones, as well as higher sales prices, balanced to some extent with negative currency effects. The extraordinary market situation for Caprolactones stabilized early in the quarter, which has resulted in somewhat improved unit margins.

Business Area Advanced Chemicals & Derivatives has delivered a somewhat weaker EBITDA in this quarter compared to a record strong Q1-17, amounting to SEK 396 (414) m. The decrease was due to a combination of slightly weaker performance for our Polyols in China, higher raw material costs and a more balanced supply situation.

For Business Area BioProducts, the somewhat positive trend has been broken. Sales amounted to SEK 345 (437) m, a decrease by 21%, mainly linked to lower sales prices following lower market prices and raw material prices together with lower volumes. EBITDA amounted to SEK -21 m (0). The market for RME is tough, however, interest among customers to convert back from HVO to high blend RME is increasing and the new Swedish tax legislation may also lead to somewhat higher future margins.

Outlook

General demand is expected to remain high across all three regions – EMEA, Americas and APAC, while a more normalized supply situation relative to last year persists. Increasing raw material prices put us to a constant test in terms of our ability to defend and build margins at the same pace.

Symbiosis of performance and care

Our Care 365 program pushes us to act broader and beyond statistics and numbers, getting to the heart of what matters in order to put care first. We are currently running an extensive project together with external consultants in order to strengthen and deepen our understanding for which behavioral changes will be needed to increase our maturity to get to a sustainably safer company. When looking at the hard numbers, there is a positive trend to be seen and I am convinced that we are moving in the right direction.

Perstorp has continued its journey towards a more digital future, with development of a roadmap for how digital transformation can enable us to work smarter and use our existing systems and processes more efficiently. Various pilot projects will be run during the year, where we will also see the implementation of a new CRM system to be able to work in new ways both internally as well as with our customers.

To be able to deliver on our strategy and to reach our targets, we need to continue to seek the full potential in ourselves. Leadership and continuous development of our leaders will be the key to make a step change going forward. And it starts with myself and my Leadership Team!

Malmö, April 2018

Jan Secher
President and CEO

Financial overview January - March 2018

Net sales and earnings, continuing operations

For continuing operations net sales amounted to SEK 3,680 m during the first quarter 2018, an increase of SEK 267 m or 8%. Volumes decreased 2% compared to last year mainly linked to lower volumes in BioProducts. Excluding BioProducts, organic volume based sales growth was flat in the first quarter 2018, compared to a strong first quarter 2017. Sales prices were 6% higher than last year linked to higher raw material prices and improved pricing.

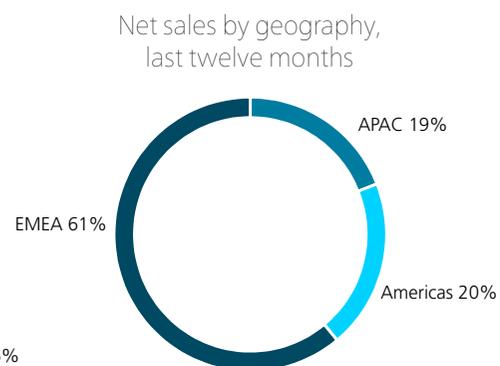
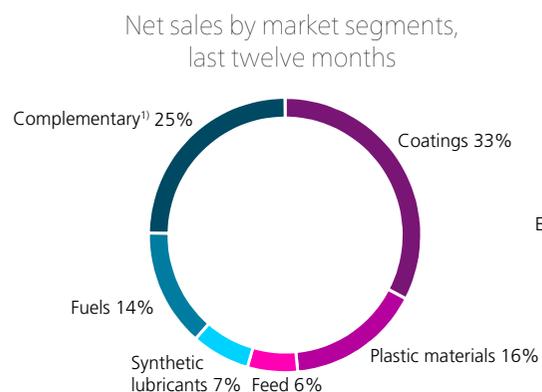
Average Dated Brent oil price increased 22% in the first quarter 2018 compared to the corresponding quarter last year and was 8% higher than in the fourth quarter 2017. The higher price on Dated Brent oil has impacted pricing on downstream derivatives like propylene and ethylene during the first quarter of 2018. Compared to both the corresponding quarter last year and the previous quarter, the Swedish krona strengthened against the USD and weakened against the EUR.

EBITDA excluding non-recurring items increased by SEK 36 m to SEK 607 m. The increase in EBITDA was attributable to improved margins for some product lines and favorable product mix. This corresponds to an EBITDA margin of 16.5% (16.7%).

Depreciation and amortization amounted to SEK 140 m (139) and EBIT amounted to SEK 464 m (422) for the period. Net financial expenses, including currency effects on net debt, amounted to SEK 612 m compared to SEK 304 m for the corresponding period in 2017. The deviation is mainly related to a weaker SEK, primarily against the EUR and USD, and was to some extent counterbalanced by lower interest rate following the refinancing of the floating rate notes in the end of 2017. Tax amounted to SEK -43 m (-18) and the net result amounted to SEK -191 m (100).

Income statement, continuing operations				
SEK m	Quarter 1		Latest 12 months	Full year 2017
	2018	2017		
Net sales	3,680	3,413	13,859	13,592
Cost of goods sold	-3,026	-2,753	-11,321	-11,048
Gross earnings	654	660	2,538	2,544
Operating earnings (EBIT)	464	422	1,411	1,369
Exchange rate effects on net debt	-263	89	-126	226
Other financial income and expenses	-349	-393	-1,636	-1,680
Earnings/loss before tax	-148	118	-351	-85
Tax	-43	-18	-35	-10
Net earnings/loss	-191	100	-386	-95

EBITDA	604	561	2,139	2,096
EBITDA excluding non-recurring items	607	571	2,169	2,133



¹⁾ Subsegments within complementary consists of bleaching, runway de-icer, oil drilling and completion fluids, pharmaceuticals and API, surfactants and detergents, tanning and other



Financial overview January - March 2018

Free cash flow

Free Cash flow was strong in the first quarter compared to the first quarter 2017 and amounted to SEK 140 m (68). The improved free cash flow was related to improved earnings, favorable development of working capital and somewhat lower investment. Cash flow from investment activities amounted to SEK -94 m (-100) during the first quarter. Utilization of the factoring program at March 31, 2018 amounted to EUR 118m (112).

Free cash flow analysis, Continuing operations ¹⁾				
SEK m	Quarter 1		Last 12 months	Full year 2017
	2018	2017		
EBITDA excluding non-recurring items	607	571	2,169	2,133
Change in Working Capital ²⁾	-373	-403	-177	-207
Maintenance capex	-77	-35	-348	-306
Free Cash Flow before strategic capex	157	133	1,644	1,620
% of EBITDA excluding non-recurring items	26	23	76	76
Strategic Capex	-17	-65	-297	-345
Free Cash Flow	140	68	1,347	1,275
% of EBITDA excluding non-recurring items	23	12	62	60

¹⁾ For further details on total cash flow, please see page 15.

²⁾ Excluding currency transaction effects and provisions.

Net debt and leverage

The Group's available funds, liquid funds and unutilized credit facilities, were SEK 1,168 m (881) at the end of the period, compared with SEK 1,220 m at the end of the fourth quarter 2017. Net debt excluding parent company loan and pension liabilities increased by SEK 390 m during the quarter. The increase was mainly related to a weaker SEK, primarily against the EUR. Leverage was 5.7x at the end of the first quarter 2018 compared to 5.7x at the end of the fourth quarter 2017.

Available funds and net debt			
SEK m	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Available funds	1,168	881 ²⁾	1,220
Net debt	12,892	12,671	12,496
Net debt excl Parent company loans and pension liabilities	12,446	12,242	12,056
Leverage ¹⁾	5.7x	6.4x	5.7x

¹⁾ Net debt excluding pension liabilities and shareholder loans/EBITDA excluding non-recurring items.

²⁾ Excludes cash proceeds from sale of Perstorp Oxo Belgium AB amounting to SEK 550 m.



Perstorp's additives have helped farmers to optimize their silage quality since the 1960's



Specialties & Solutions

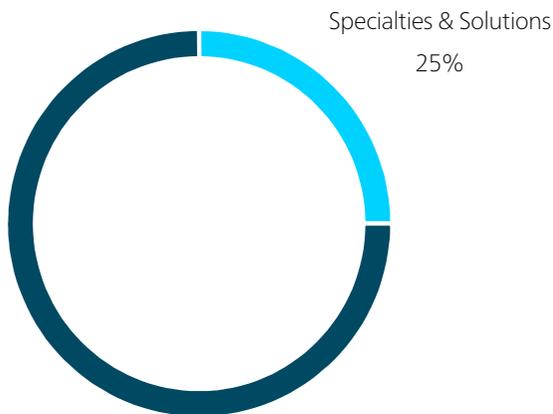
Specialties & Solutions consists of Business Units Caprolactones, Feed & Food, Specialty Polyols and Business Development.

January-March 2018

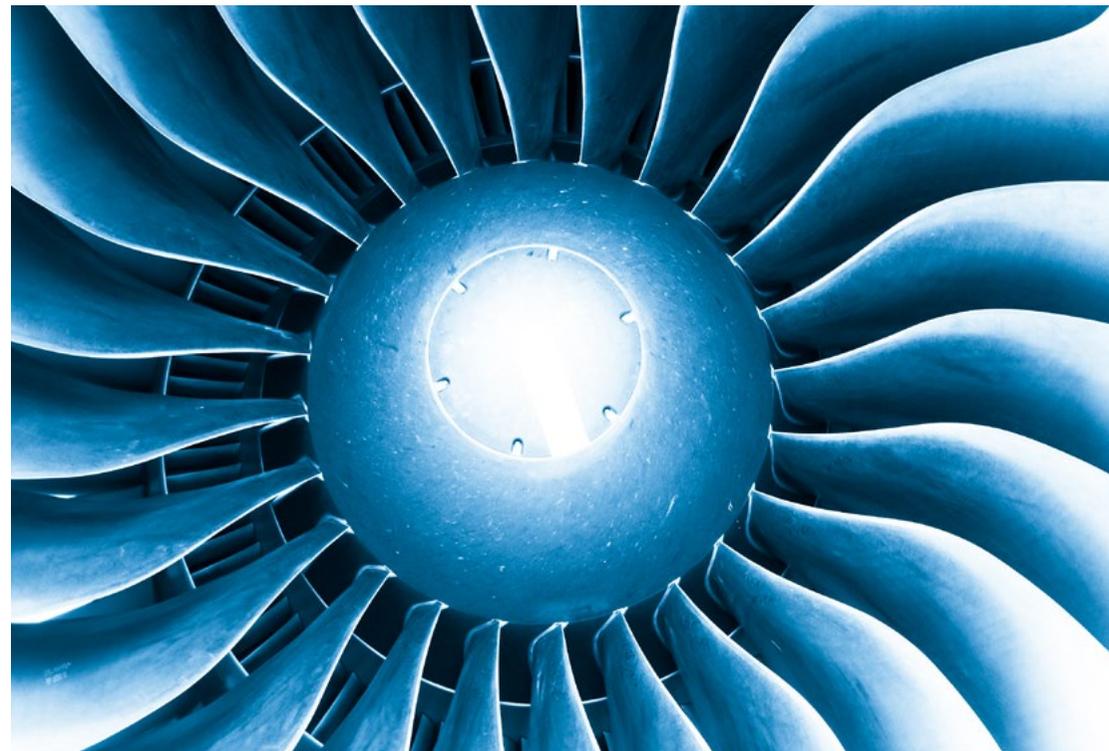
During the first quarter 2018 net sales amounted to SEK 920 m (785) which was 17% higher than the corresponding period in 2017. The positive development can mainly be assigned to stronger organic volume-based sales growth in all business units, in particular in business unit Caprolactones, and higher sales prices. EBITDA in the first quarter 2018 amounted to SEK 240 m (189), corresponding to an EBITDA margin of 26% (24), resulting from improved units margin, favorable product mix and stronger volumes for some product lines.

Specialties & Solutions				
SEK m	Quarter 1		Latest 12 months	Full year 2017
	2018	2017		
Net sales	920	785	3,339	3,204
EBITDA	240	189	776	725
EBITDA excluding non-recurring items	240	189	777	726

Share of Group net sales, quarterly



Perstorp can help you to realize the right properties for high-end aviation turbine oils





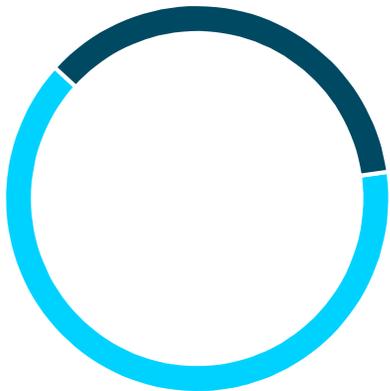
Advanced Chemicals & Derivatives

Advanced Chemicals & Derivatives consists of the Business Units Penta, Oxo, TMP & Neo and Formates.

January-March 2018

During the first quarter 2018 net sales amounted to SEK 2,351 m (2,129), which was 10% higher than the corresponding period in 2017. The positive improvement can mainly be assigned to higher sales prices. Organic volume-based sales growth was -4%, mainly linked to the very strong development in the first quarter 2017. EBITDA for the quarter amounted to SEK 396 m (414), corresponding to an EBITDA margin of 17% (19). The decrease was due to a combination of slightly weaker performance for our Polyols in China, higher raw material costs and a more balanced supply situation.

Share of Group net sales, quarterly



Advanced Chemicals & Derivatives
64%

Advanced Chemicals & Derivatives				
SEK m	Quarter 1		Latest 12 months ¹⁾	Full year 2017 ¹⁾
	2018	2017 ¹⁾		
Net sales	2,351	2,129	8,824	8,602
EBITDA	394	411	1,501	1,518
EBITDA excluding non-recurring items	396	414	1,505	1,523

¹⁾ During the first quarter 2017, one product line has been transferred to Business Area BioProducts. The amount is minor and historical numbers have been restated.



Our best-in-class Penta, TMP and Neo qualities provide the most robust and efficient resin production



BioProducts

BioProducts consists of the Business Unit BioProducts.

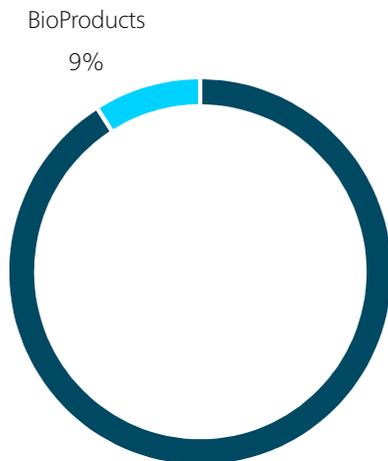
January-March 2018

During the first quarter 2018, Business Area BioProducts net sales amounted to SEK 345 m (437), which was 21% lower than the corresponding period in 2017. The decrease in sales was linked to lower sales prices together with lower volumes. EBITDA amounted to SEK -21 m (0). The decrease in earnings can primarily be assignable to lower volumes and weaker unit margins linked to weak RME spot prices.

BioProducts				
SEK m	Quarter 1		Latest 12 months ¹⁾	Full year 2017 ¹⁾
	2018	2017 ¹⁾		
Net sales	345	437	1,492	1,584
EBITDA	-21	0	-38	-17
EBITDA excluding non-recurring items	-21	0	-38	-17

¹⁾ During the first quarter 2017, one product line has been transferred from Business Area Advanced Chemicals & Derivatives. The amount is minor and historical numbers have been restated.

Share of Group net sales, quarterly



Perstorp offers solutions for both renewable Fuels as well as Fuel additives that reduce the health effects of diesel engine exhaust

Consolidated Income statement

Income statement, consolidated group					
SEK m	Note	Quarter 1		Latest	Full year
Continuing operations		2018	2017	12 months	2017
Net sales	2	3,680	3,413	13,859	13,592
Cost of goods sold		-3,026	-2,753	-11,321	-11,048
Gross earnings		654	660	2,538	2,544
Selling, administration and R&D costs		-218	-198	-938	-918
Other operating income and expenses ¹⁾		24	-41	-37	-102
Write-down of assets		3	0	-156	-159
Result from participations in associated companies		1	1	4	4
Operating earnings (EBIT)		464	422	1,411	1,369
Exchange-rate effects on net debt		-263	89	-126	226
Other financial income and expenses		-349	-393	-1,636	-1,680
Earnings/loss before tax		-148	118	-351	-85
Tax		-43	-18	-35	-10
Net earnings/loss		-191	100	-386	-95
<i>Discontinued operation</i>					
Net sales	2	-	-	0	-
Operating earnings (EBIT)		-	605	-1	604
Earnings/loss before tax		-	605	-1	604
Tax		-	0	0	-
Net earnings/loss		-	605	-1	604
Group, total					
Net sales		3,680	3,413	13,859	13,592
Operating earnings (EBIT)		464	1,027	1,410	1,973
Earnings/loss before tax		-148	723	-351	520
Tax		-43	-17	-36	-10
Net earnings/loss		-191	706	-387	510

Consolidated Group

EBITDA	2	604	1,166	2,139	2,701
EBITDA excluding non-recurring items	2	607	571	2,169	2,133

¹⁾ Other operating income and expenses primarily includes exchange rate effects on operational net receivables and non-recurring income and costs.

Perstorp offers two of the core components needed to make PVB (Polyvinyl Butyral) interlayer film for laminated safety glass



Consolidated Income statement

Comprehensive income report				
SEK m	Quarter 1		Latest 12 months	Full year 2017
	2018	2017		
Net result for the period	-191	706	-387	510
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit plan	-	-	-5	-5
<i>Items that may be subsequently reclassified to profit or loss</i>				
Currency translation effect	68	21	156	109
Other comprehensive income net after tax	68	21	151	104
Total comprehensive income	-123	727	-236	614
Attributable to:				
Parent company's shareholder	-138	712	-297	553
Non controlling interest	15	15	61	61



Pevalen™ is our true non-phthalate plasticizer for uncompromising results

Consolidated Balance sheet

Balance sheet, consolidated group				
SEK m	Note	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Tangible fixed assets		5,038	4,941	4,981
Intangible fixed assets		4,879	4,863	4,835
Participation in associated companies		69	65	68
Other non-current assets		558	830	575
Inventories		1,560	1,407	1,434
Other current assets		1,654	1,232	1,296
Cash & cash equivalents, incl. short-term investments		592	1,046	621
Total assets		14,350	14,384	13,810
Total equity	4	-2,506	-2,264	-2,383
Loan from parent company		24	20	22
Pension liability, others		422	409	418
Other non-current liabilities		13,749	13,869	13,355
Current liabilities		2,661	2,350	2,398
Total equity & liabilities		14,350	14,384	13,810
Working capital		961	837	546
Net debt		12,892	12,671	12,496
Net debt excluding parent company loan and pension liabilities		12,446	12,242	12,056
Capital employed		10,832	11,156	10,562
Number of full-time employees, end of period		1,580	1,456	1,555
Contingent liabilities		238	533	228
Assets pledged		8,067	8,785	7,653

Working Capital			
SEK m	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Inventories	1,560	1,407	1,434
Accounts receivable	1,241	899	1,004
Other current assets	384	312	282
Accounts payable	930	845	1,074
Other current liabilities	1,294	936	1,100
Total Working capital, continuing operations	961	837	546



Our new Neeture™ (part-renewable Neo) is part of our pro-environmental drive to nurture nature

Consolidated statement of changes in Equity

Total equity, 2018			
SEK m	Equity attributable to owners of the parent	Non controlling interest	Total equity
Opening balance, January 1, 2018	-2,527	144	-2,383
Total comprehensive income	-138	15	-123
Closing balance, March 31, 2018	-2,665	159	-2,506

Total equity, 2017			
SEK m	Equity attributable to owners of the parent	Non controlling interest	Total equity
Opening balance, January 1, 2017	-3,080	89	-2,991
Total comprehensive income	712	15	727
Closing balance, March 31, 2017	-2,368	104	-2,264



Capa™ for Thermoplastics has unique physical properties for a large range of applications e.g 3D printing and toys

Consolidated Cash flow statement

Cash Flow analysis, Consolidated Group					
SEK m	Note	Quarter 1		Latest	Full year
		2018	2017	12 months	2017
Operating activities					
Operating earnings		464	422	1,411	1,369
Adjustments:					
Depreciation and write-down		140	139	728	727
Other		10	-22	5	-27
Operating activities in discontinued operation		-	0	0	0
Interest received and other financial items		2	2	6	6
Interest paid and other financial items		-103	-80	-1,343	-1,320
Income tax paid		-38	-17	-123	-102
Cash flow from operating activities before change in working capital		475	444	684	653
Changes in working capital					
Increase (-) Decrease (+) in net working capital ¹⁾		-373	-403	-177	-207
Change in working capital in discontinued operations		-	-	-	-
Cash flow from operating activities		102	41	507	446
<i>Investing activities</i>					
Acquisition of net assets, subsidiaries		-	-	-105	-105
Acquisition of tangible and intangible fixed assets		-94	-100	-540	-546
Sale of net assets, subsidiaries		-	723	-1	722
Sale of shares in other participations		-	0	290	290
Change in financial assets, external		0	-55	55	0
Discontinued operation		-	0	0	0
Cash flow from investing activities		-94	568	-301	361
<i>Financing activities</i>					
Dividend paid to non-controlling interests in subsidiaries		-	-	-6	-6
New loans external		-	-	2,484	2,484
Amortization of loans external		-	-	-3,012	-3,012
Change in credit utilization		-50	-1	-129	-80
Cash flow from financing activities		-50	-1	-663	-614
Change in liquid funds, incl,short-term investments		-42	608	-457	193
Liquid fund opening balance, incl,short-term investments		621	434	1,046	434
Translation difference in liquid funds		13	4	3	-6
Liquid funds, end of period²⁾		592	1,046	592	621

¹⁾ Including trade receivable financing program.

²⁾ Restricted and held on escrow

243

771

243

164



Our Bioplastics provide excellent biodegradability combined with unique product stability for a more sustainable future



Parent company

Perstorp Holding AB (publ.) is wholly owned by Financière Forêt S.à.r.l and is the parent company of the Perstorp Holding Group. Perstorp Holding AB (publ.) had no external sales. Shareholder's equity at March 31, 2018 amounted to SEK 327 m compared to SEK 817 m at December 31, 2017.

Income statement				
SEK m	Quarter 1		Latest 12 months	Full year 2017
	2018	2017		
Net sales	10	24	45	59
Cost of goods sold	-	-	-	-
Gross earnings	10	24	45	59
Sales, marketing and admin costs	-37	-48	-170	-181
Other operating income and expenses	-1	-2	-14	-15
Operating earnings (EBIT)	-28	-26	-139	-137
Financial income and expenses	-463	-154	-1,132	-823
Appropriations	-	-	182	182
Earnings/loss before tax	-491	-180	-1,089	-778
Tax	-	-	-	-
Net earnings/loss ¹⁾	-491	-180	-1,089	-778

¹⁾ Comprehensive income equals Net earnings/loss for the year.

Balance sheet			
SEK m	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Tangible fixed assets	2	3	2
Intangible fixed assets	2	4	2
Shares in group companies	7,731	7,715	7,731
Long term receivables, group ¹⁾	6,937	0	6,822
Other non-current assets	366	576	355
Short term financial receivables group ¹⁾	758	6,144	586
Other current assets	33	1,330	23
Cash & cash equivalents	0	613	0
Total assets	15,829	16,385	15,521
Total equity	327	1,415	817
Loan from parent company	24	20	22
Other non-current liabilities	12,729	13,250	12,297
Current liabilities	2,749	1,700	2,385
Total equity & liabilities	15,829	16,385	15,521

¹⁾ Internal financial receivables was extended and reclassified from short term to long term during Q2 2017.



Key figures and FX-rates

Key figures								
SEK m unless otherwise stated	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>Continuing operations</i>								
Net Sales	3,680	3,602	3,289	3,288	3,413	3,088	2,784	2,654
Organic volume-based sales growth,%	-1%	6%	7%	7%	23%	27%	13%	6%
Marginal contribution	1,101	1,086	1,100	1,038	1,061	929	885	892
EBITDA excluding non-recurring items	607	485	575	502	571	461	476	409
% of net sales	16.5%	13.5%	17.5%	15.3%	16.7%	14.9%	17.1%	15.4%
Cash conversion, % of EBITDA excluding non-recurring items	23%	149%	23%	70%	12%	88%	75%	55%
<i>Consolidated group</i>								
Net earnings/loss	-191	-360	49	114	706	-428	-230	-395
Earnings, per share, diluted, SEK	-3.81	-7.20	0.99	2.28	14.11	-8.56	-4.60	-7.90
Net debt excluding pension liabilities and shareholder loans	12,446	12,056	11,716	12,078	12,242	12,964	11,975	11,770
Leverage ¹⁾	5.7x	5.7x	5.6x	6.0x	6.4x	7.0x	7.4x	7.6x

¹⁾ Net debt excluding pension liabilities and shareholder loans/EBITDA excluding non-recurring items

Currency rates								
Closing rate								
USD	8.36	8.23	8.11	8.47	8.93	9.10	8.62	8.48
EUR	10.29	9.85	9.57	9.67	9.55	9.57	9.63	9.42
GBP	11.76	11.10	10.87	11.01	11.13	11.18	11.17	11.39
Average rate								
USD	8.11	8.32	8.14	8.80	8.92	9.04	8.52	8.21
EUR	9.96	9.79	9.56	9.69	9.51	9.76	9.51	9.27
GBP	11.28	11.04	10.64	11.26	11.05	11.23	11.19	11.79



Notes

1. Accounting & valuation principles

The consolidated financial statements for Perstorp Holding AB have been prepared in accordance with IAS 34, Interim Financial Reporting, and the applicable regulations of the Swedish Annual Accounts Act. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting. The same accounting principles and calculation methods used in the interim reports were used in the annual accounts for 2017. The accounting principles of the Group and parent company are stated in Note 2 of the 2017 Annual Report. IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers came into effect as of 1 January 2018. The implementation of IFRS 9 and IFRS 15 has no material effect on the Group's or segments' financial reporting.

Furthermore, IFRS 16 Leases will be implemented on 1 January 2019. The Group has started to analyze and evaluate the effects of this new standard on the Group's financial reporting. This work is in an early phase, and the preliminary conclusion is scheduled to be available during quarter 4, 2018.

¹⁾ The Group is domiciled in Sweden. The result of its net sales from external customers in Sweden is 9% (13), and the total of net sales from external customers from other countries is 91% (87). No sales above 10% derived from a single external customer.

2. Segment information

Segment data ¹⁾					
SEK m	Note	Quarter 1		Latest	Full year
		2018	2017	12 months	2017
Net Sales					
Specialties & Solutions		920	785	3,339	3,204
Advanced Chemicals & Derivatives		2,351	2,129	8,824	8,602
BioProducts		345	437	1,492	1,584
Internal sales					
Specialties & Solutions		-2	-3	-8	-9
Advanced Chemicals & Derivatives		-22	-30	-73	-81
BioProducts		-1	0	-1	0
Other/eliminations		89	95	286	292
Continuing operations		3,680	3,413	13,859	13,592
Discontinued operations		-	-	-	-
TOTAL GROUP		3,680	3,413	13,859	13,592
EBITDA					
Specialties & Solutions		240	189	776	725
Advanced Chemicals & Derivatives		394	411	1,501	1,518
BioProducts		-21	0	-38	-17
Other/eliminations		-9	-39	-100	-130
Continuing operations		604	561	2,139	2,096
Discontinued operations		-	605	-1	604
TOTAL GROUP		604	1,166	2,139	2,701
<i>Non allocated items</i>					
Depreciation, Amortization and write down		-140	-139	-729	-728
Operating earnings (EBIT)		464	1,027	1,410	1,973
Financial income and expenses		-612	-304	-1,761	-1,453
Earnings/loss before tax		-148	723	-351	520
Tax		-43	-17	-36	-10
Net result		-191	706	-387	510

EBITDA excluding non-recurring items					
Specialties & Solutions		240	189	777	726
Advanced Chemicals & Derivatives		396	414	1,505	1,523
BioProducts		-21	0	-38	-17
Other/eliminations		-8	-32	-75	-99
Continuing operations		607	571	2,169	2,133
Discontinued operations		-	-	-	-
TOTAL GROUP		607	571	2,169	2,133

Notes

3. Definitions non IFRS measures

"Marginal contribution" is calculated as the difference between net sales and the variable elements of the Group's cost of goods sold, being variable production and distribution cost, freight and commission costs.

"EBITDA" represents the Group's operating earnings (or loss) (EBIT) before depreciation and amortization.

"EBITDA margin (adjusted for non-recurring items)" is calculated as EBITDA (adjusted for non-recurring items) divided by net sales.

"EBIT" is calculated as the Group's reported operating earnings (loss).

"Free cash flow" is calculated as EBITDA (excluding nonrecurring items) less change in working capital excluding exchange rate effects and provisions and investments.

"Cash conversion" is calculated as free cash flow divided by EBITDA (adjusted for non-recurring items).

"Organic volume-based sales growth" is defined as change in organic production volume sold (i.e., sold production volume times product price) between successive periods assuming a constant price over the relevant period and excluding foreign exchange effects and the impact of acquisitions.

4. Equity

At the end of March 2018 equity for the parent company, Perstorp Holding AB, amounts to SEK 327 m (1,415). Consolidated equity, including non controlling interest, for the Perstorp Group amounts to SEK -2,506 m (-2,264).

5. Transactions with related parties

The net amount borrowed from the Luxembourg-based parent company Financière Forêt S.à.r.l. amounted to SEK 24 (20) m.

6. Risk and uncertainty

Perstorp is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2017.

7. Divestment

In the end of Q1 2017 Perstorp divested its facility in Gent Belgium, Perstorp Belgium (Perstorp Oxo Belgium AB) to Synthomer (Synthomer plc). The total consideration for the sale is €78 million (subject to certain adjustments). The divestment is in line with Perstorp's strategy to focus on and expand its core chemicals activities. The capital gain amounts to SEK 604 m and is reported as discontinuing operations.

8. Other information

No major events have occurred since the balance sheet date and up to the publication of this report.

Perstorp's financial information comprises of Interim-, Annual- and a Sustainability report. The complete Annual Report for the full year 2017, is available in English and can be ordered in print format and can also be downloaded from the Group's website at www.perstorp.com.

Perstorp, April 30, 2018



Jan Secher, President and CEO

The report has not been reviewed by Perstorp's auditors.



We would like to understand how we can help to improve your business and give you a competitive edge

One molecule can change everything

Perstorp believes in improving everyday life - making it safer, better, more convenient and more environmentally sound for millions of people all over the world. As a trusted world industrial leader, our innovations provide essential properties for products used every day at home and work. You'll find us everywhere from your car and mobile phone to towering wind turbines and the local dairy farm. Simply put, we work to make good products even better.

Perstorp's focused innovation builds on more than 135 years of experience, representing a complete chain of solutions in organic chemistry, process technology and application development. Manufacturing is based in Asia, Europe and North America, with sales and support in all major markets. The Perstorp Group is controlled by funds managed and advised by the European private equity company PAI partners.

For more information, visit perstorp.com