



# THE CIRCULAR ECONOMY OF PLASTICS

Sustainable Innovation



## **COMPANY**

**Kompuestos** is one of the first compounding producers in Europe.

One of the leading international suppliers of high performance compounds and masterbatches; used as raw materials in multiple industries all around the globe.



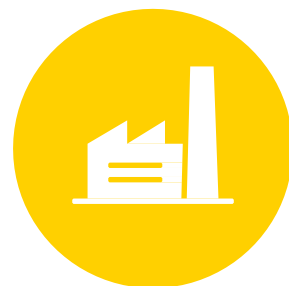
# KOMPUESTOS TODAY

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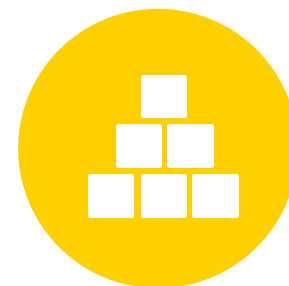
SUSTAINABILITY | EXPERTISE | **PROXIMITY** | INNOVATION



**+70**  
employees



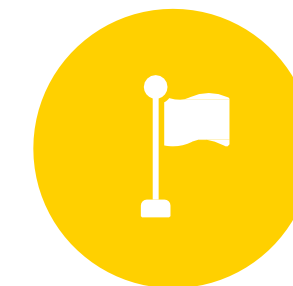
**2**  
plants



**+150.000**  
capacity mT



**+1.200**  
clients



**+70**  
countries

# INTRODUCING MASTERBATCH



Raw Material  
Polymers



Additives, Pigments,  
Minerals and Fillers



Masterbatches

# INTRODUCING MASTERBATCH



Raw Material  
Polymers



Masterbatches



Finished Products

# MARKETS WE SERVE

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## Agriculture

Greenhouses, Plastic Reservoirs, Pipes



## Packaging

Bags, Films, Boxes, Palets



## Housewares & Appliances

Cutlery, Films, Tupperware



## Healthcare & Hygiene

Dipers, Toothbrush, Bottles



## Automotive

Engine pieces, Bumper, Airbags, Seatbelts



## Construction & Urbanism

Nets, Helmets, Pipes, Cones



## Toys, Sports & Goods

Leggo, Football, Chessboard, Cards



## Furniture & Garden

Flower Pots, Hoose, Chairs, Sprinkler



# 360° PRODUCTS

SUSTAINABILITY | EXPERTISE | **PROXIMITY** | INNOVATION

- **Compostable** Resins

Greener Solutions

- **Additives**

Broad Functionality for plastic

- **Black** Masterbatches

Depth and performance

- **Mineral** Masterbatches

High-Performance mineral concentrates

- **White** Masterbatches

Purity and easy dispersion

- **Color** Masterbatches

Life and functionality for plastic



# ADDITIVES

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BROAD **FUNCTIONALITY** FOR PLASTIC

**Enhance** the performance of plastic products.

Additive masterbatches provide the necessary properties to plastic to match the clients request for each specific application.

- ✓ Dessicants
- ✓ Antiblock
- ✓ Antistatic
- ✓ Antioxidant
- ✓ Slip
- ✓ UV Protection
- ✓ Antifogging
- ✓ Processing aids



# COLOR MASTERBATCHES

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## LIFE AND FUNCTIONALITY FOR PLASTIC

**Customised Color Formulation** adapting to every clients needs.

- ✓ Kompuestos has developed **more than 20.000 different colour formulations** for plastic applications which cover the entire spectrum of technical requirements.
- ✓ **Black** Masterbatches: excellent dispersion and tinting strength, to cover from inexpensive up to high-end applications, with sophisticated carbon black based formulations. Special use in agriculture and construction applications.
- ✓ **White** Masterbatches: High level of tinting with excellent opacity. Intensive use in food packaging.



# THE GREEN PLASTIC REVOLUTION

Europarl.con/news

## Plastic Oceans: MEPs back EU ban on throwaway plastics by 2021

These products, which make up over 70% of marine litter, will be banned from the EU market from 2021, under draft plans approved by Parliament.

MEPs added to this list products made of oxo-degradable plastics, such as bags or packaging and fast-food containers made of expanded polystyrene.

ClimateAction.org

## EU to ban single-use plastics in wide ranging new rules

The European Commission has handed down a new directive to tackle plastic pollution at its very heart.

On Monday, the Commission proposed new rules, which include an outright ban on single-use plastics, such as cotton buds, cutlery, plates, straws and drink stirrers.

BBCNews.com

## Single-use plastics ban approved by European Parliament

The European Parliament has voted for a complete ban on a range of single-use plastics across the union in a bid to stop pollution of the oceans.

MEPs backed a ban on plastic cutlery and plates, cotton buds, straws, drink-stirrers and balloon sticks.

LaVanguardia.com

## ¿Son los bioplásticos la solución definitiva?

Aparecen nuevas alternativas que aseguran ser realmente sostenibles en cuanto su origen, producción y final de vida útil.

Los bioplásticos o los plásticos biodegradables se plantean como la solución a esta problemática

NationalGeographic.com

## Spain will ban single-use plastics

The Environment Commission of the Congress approves to eliminate the commercialization of non-reusable plastic utensils from 2020.

Glasses, cutlery and small single-use plastic containers are common items in our day-to-day life, but they could have their days numbered.



## **KOMPUESTOS' GREEN SOLUTIONS**

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COMPOSTABLE



LOWER CARBON FOOTPRINT



# EXFILL

## EXCELLENCE IN MINERAL BASED CONCENTRATES

Exfill® products can go as high as **70%** of the final plastic packaging, which significantly helps in reducing the content of petroleum-derived polymers while maintaining and enhancing the mechanical properties of the packaging.

Using calcium carbonate significantly **reduces the carbon footprint** of the final packaging.

16 DIFFERENT GRADES

*EXFILL® is registered brand of Plásticos Compuestos S.A*



Blown Film



Blown Moulding



Injection Moulding



# WHY EXFILL

## HIGH-PERFORMANCE MINERAL BASED CONCENTRATES



Our mineral concentrates are completely **recyclable** and naturally **engineered to reduce** the use of petrochemical-based products.



Using mineral fillers helps **minimize the carbon footprint** of finished products.



As this product is used, you add **ecological value** to plastic by increasing productivity and **lowering energy consumption**.



**Dosage 5-70%\***

*\*Depending on final application*



# BIOKOMP

## GREEN SOLUTIONS RESIN CONCENTRATES

Biokomp® is a family of biodegradable resins made from different starches such as corn, potato, cereals, and other biologically sourced polymers.

Our resins are designed to run on existing standard industrial equipment, offering the opportunity to completely replace traditional plastics.

Biokomp® resins can be processed by conventional extrusion, cast film, blown, sheet, extrusion coating, and injection molding lines without the need of further technological investments.

**Biokomp® is completely biodegradable and compostable.**

*Biokomp® is registered brand of Plásticos Compuestos S.A*



Blown Film



Blown Moulding



Injection Moulding



# THE GREEN PLASTIC REVOLUTION AT KOMPUESTOS

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- ✓ Standard polymers such as; PE, PP, PS,..., can be used for multiple applications regardless of the final product due to its outstanding and long term mechanical features.
- ✓ **Bioplastics, however, require specific formulation** for each individual application.  
The overengineering of conventional polymers changes to **specific tailor made solutions** for each application.
- ✓ At **Kompuestos** we have been formulating our own products since day one, thus we count with **over 30 years of experience in formulating customized products** for our clients.





Compost      Compost Home

58 °

25 °

Soil

23 °

Water

21 °

Marine Water

Aerobic Digestion

Anaerobic Digestion

Funghi + Bacteria + Actinomycete

Bacteria (inactive Funghi)

✓ Industrial Compostability  
EN 13432

✓ Home Compostability  
Nf T 51-800

✓ Soil Biodegradability  
EN 17033

✓ OK Biodegradable Water  
EN 13432

✓ OK Biodegradable Marine  
ASTM D7081

**Kompuestos holds 14 compostability and biodegradability certificates for Biokomp product range and 3 biodegradability certificates for Okean products**



# THE GREEN PLASTIC REVOLUTION AT KOMPUESTOS

## The Issue



## Raising Awareness



Compromise



I+D+i



EU Directive: UE 2015/70  
Spanish Royal Decree 293/2018

## The Solution

A circular Economy.



Biodegradable and  
Compostable Solutions



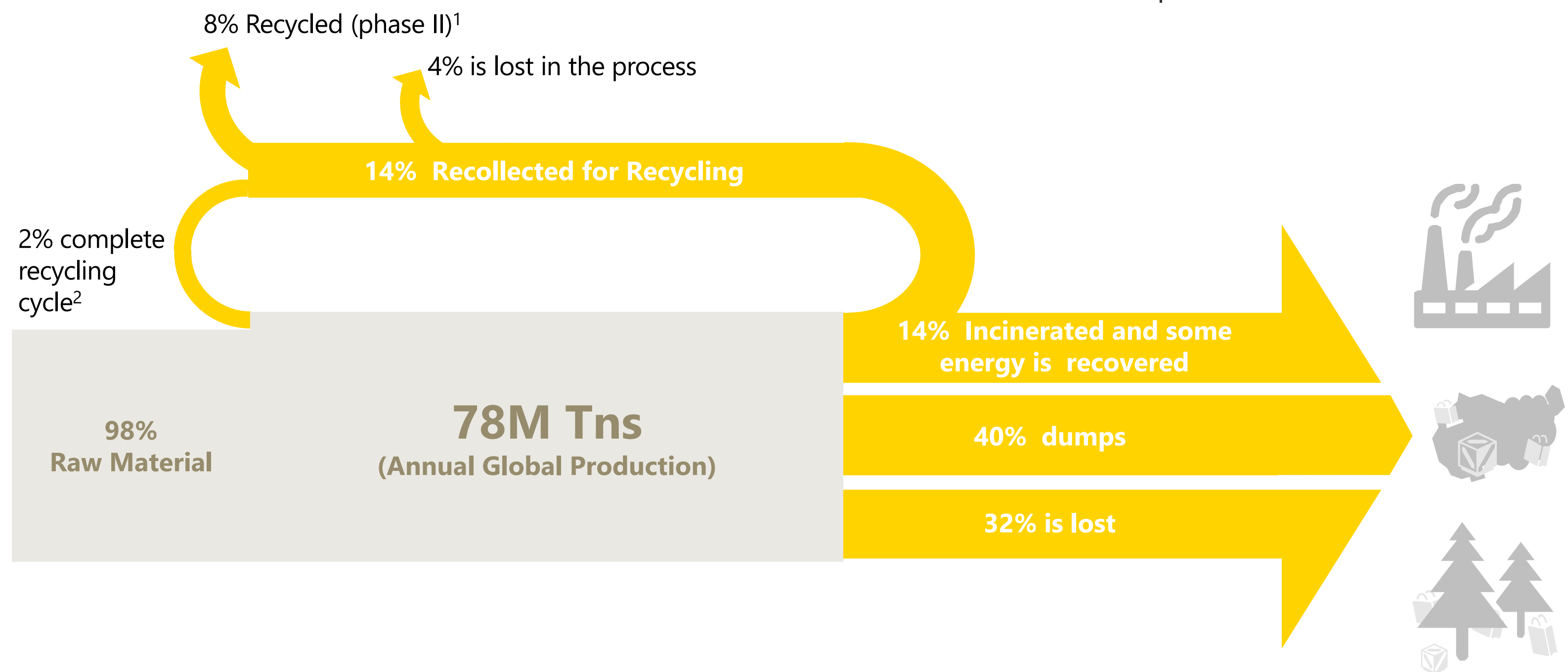
Recycling



# CIRCULAR ECONOMY

**Kompuestos'** Compromise with Ellen MacArthur's Foundation

- Increase Recycling Efforts
- Compostable Solutions



<sup>1</sup> Phase II: Recycled at lower quality divisions

<sup>2</sup> Recycled at similar quality standards



# THE PLASTICS MARKET IS HUGE AND GROWING

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## Plastics global market<sup>1</sup>:

- USD 553 billion in 2017
- Estimated annual growth rate of 4% in 2017-2025 (USD 721 billion in 2025)

## Fillers market<sup>2</sup>:

- Production of 20 million tons in 2016; 25 million tons in 2024 (annual growth rate of 2.5%)
- Volume growth limited by the need to obtain raw materials and the limitations to the opening of new quarries
- Significant growth in demand due to the replacement of polymer to reduce the use of hydrocarbons in the manufacture of plastics (being also cheaper)
- According to Kompuestos' management estimates, the Company has a market share in Europe of around 10%<sup>3</sup> in its activity segment

## Masterbatch market<sup>4</sup>:

- Global market of USD 9 billion in 2016
- Estimated annual growth rate of 6.6% in 2017-2025 (USD 16 billion in 2025)
- Color masterbatch segment will have a higher growth rate than the rest (7.1% vs 6.6%)

<sup>1</sup> Source: "Plastics Market Size, Share & Trends Analysis Report by Product (PE, PP, PU, PVC, PET, Polystyrene, ABS, PBT, PPO, Epoxy Polymers, LCP, PC, Polyamide), by Application, and Segment Forecasts, 2019 – 2025". Grand View Research, January 2019

<sup>2</sup> Source: "Fillers market report, 5th edition". Ceresana, February 2018

<sup>3</sup> Management estimates based on a market size of European market of around 350.000 tons

<sup>4</sup> Source: "Masterbatch Market Analysis, By Type, By Carrier Polymer (PP, PE, PVC, PET), By End Use (Packaging, Construction, Consumer Goods, Automotive, Agriculture), By Region, And Segment Forecasts, 2018 – 2025". Grand View Research, October 2017

# **THERE IS A BIG OPPORTUNITY TO BOOST THE GROWTH OF KOMPUESTOS' GREEN SOLUTIONS**

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**Plastics are considered, together with climate change, as one of the main problems that affect nature:**

- It is estimated that of the 335 million tons of plastic produced a year globally, 8 million tons end at sea.
- The production of traditional plastics accelerates the consumption of scarce non-renewable resources and with a high carbon footprint (oil, coal, gas).
- Greenpeace calculates that at the current rate, plastic production will quadruple in 2050.

**Regulators are making progress in enforcing regulations that reduce the ecological impact of plastics:**

- Restriction on single-use plastic bags (2015).
- Prohibition by the European Parliament of disposable plastics from 2021.
- Reduction of 25% of the consumption of plastic containers for food in the EU.
- Objective of plastic bottles recycling of 90% for 2025 in the EU.





# **CONSTANTLY INVESTIGATING ON THE DEVELOPMENT OF **NEW AND INNOVATIVE** PRODUCTS**

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**Around 80% of its total revenues come from products released in the last 5 years**

**Recent proprietary developments include:**

- Antimicrobial and antibacterial masterbatches with direct food contact
- Advanced protection systems against UV and IR radiation while maintaining the transparency of the plastic resins
- A range of compostable resins based on renewable sources that provide similar properties to those common plastics
- Anti-fog solutions to prevent the formation of water droplets on the surface of plastic packaging
- A range of water-soluble and biodegradable solutions for disposable products such as hygiene articles

**Kompuestos has been invited to lead various projects at European level with top companies and technological centers (Aimplas, LEITAT) to bring together its expertise and capacity of innovation to develop advanced plastic solutions**



# KOMPUESTOS' MANAGEMENT TEAM IS LED BY PROFESSIONALS WITH VALUABLE EXPERIENCE IN THE INDUSTRY

Kompuestos' team comprises 69 full time experienced professionals

**Ignacio Duch**  
*CEO*

- 59 years old
- Industrial Engineering from UPC, MBA from IESE
- Previous positions: ITW
- Founder of Kompuestos

**David Villaró**  
*General Manager*

- 39 years old
- Chemical Engineering from UPC, MBA from IESE
- Previous positions: Caixa Capital Risc, Arthur D. Little, Accenture, Solvay
- Joined Kompuestos in 2016

**Ignacio Tauste**  
*Production Director*

- 34 years old
- Chemical Engineering from UPC, Executive Master in Operations from ESADE
- Joined Kompuestos in 2010

**Núria Matellán**  
*CFO*

- 34 years old
- Degree in Economics from Valladolid University
- Previous positions: Deloitte
- Joined Kompuestos in 2011

**Carlos Tarragona**  
*Commercial Director*

- 32 years old
- Economics UAB, Communications UB, Executive MBA from IESE
- Joined Kompuestos in 2012

**Tomás Suc**  
*Business Developer*

- 61 years old
- Industrial Colorimetry
- Previous positions: Galloplast, BASF
- Joined Kompuestos in 2017

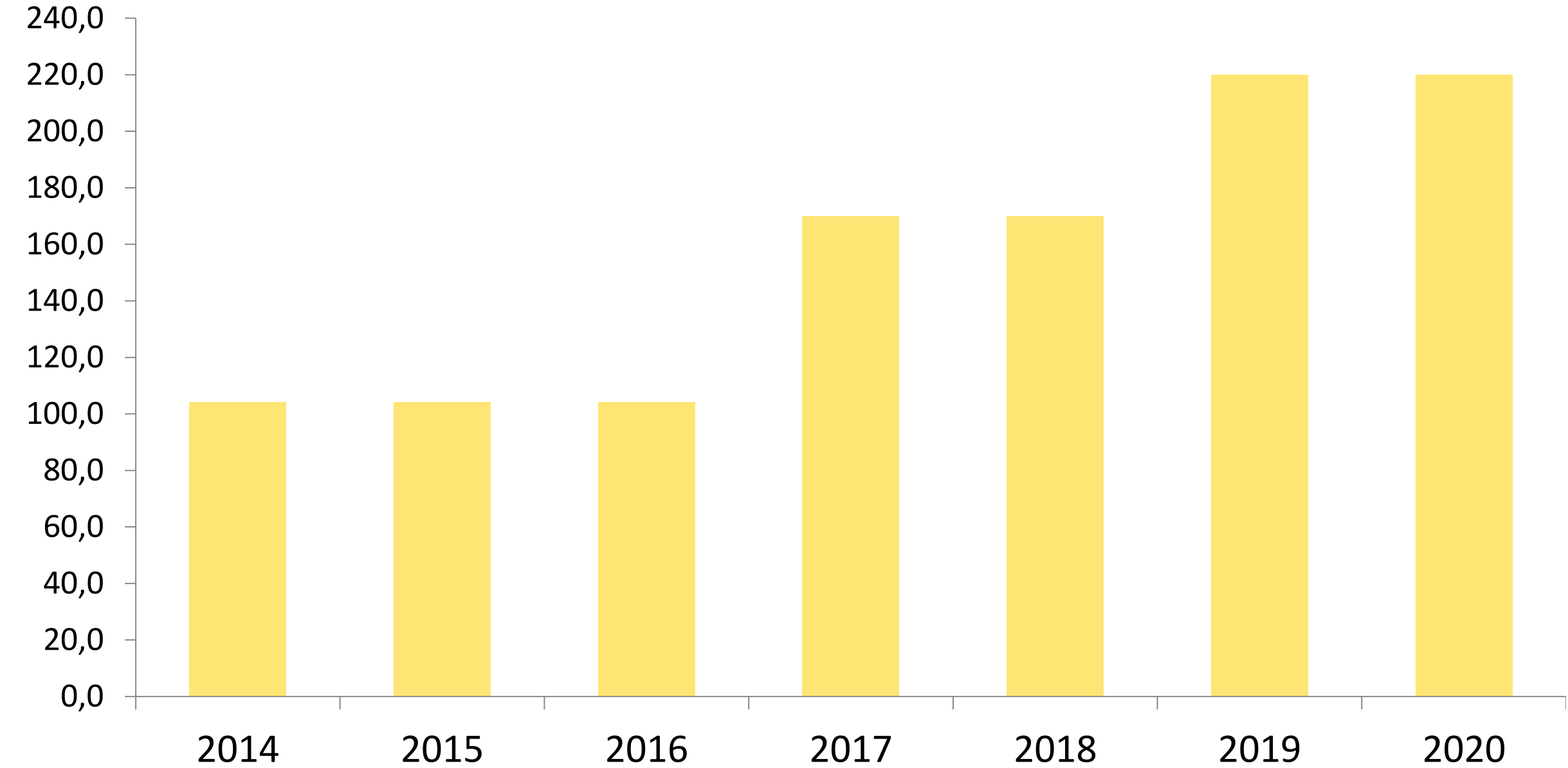
**Gregory Coué**  
*R+D Director*

- 34 years old
- PhD Biomedical Chemistry Twente University, MSc in Merial Science Univ. Bordeaux
- Previous positions: Henkel
- Joined Kompuestos in 2015



# KOMPUESTOS HAS DOUBLED ITS CAPACITY SINCE 2016<sup>1</sup>

A new production line was installed and operational in 3Q 2019

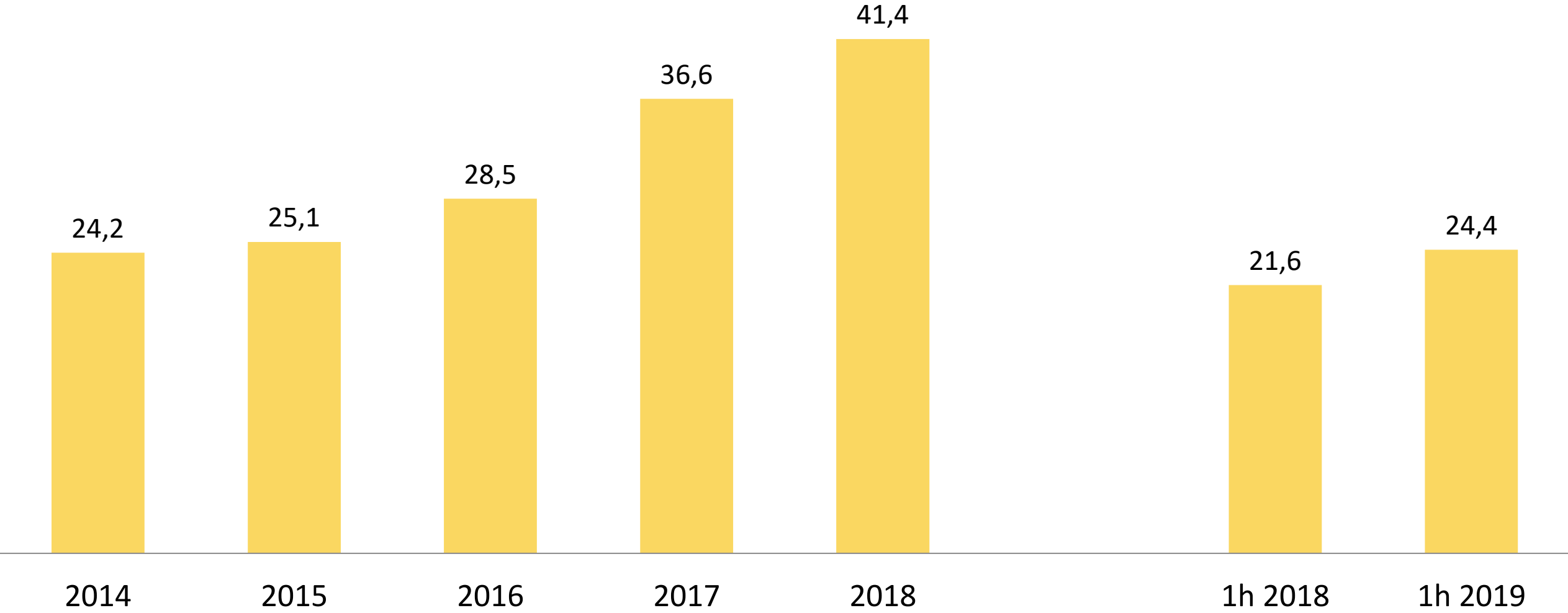


<sup>1</sup> Nominal capacity in thousand of metric tonnes



# REVENUES ARE GROWING RAPIDLY AS ADDITIONAL CAPACITY IS BEING USED

## Total Revenues



Note: in million Euros

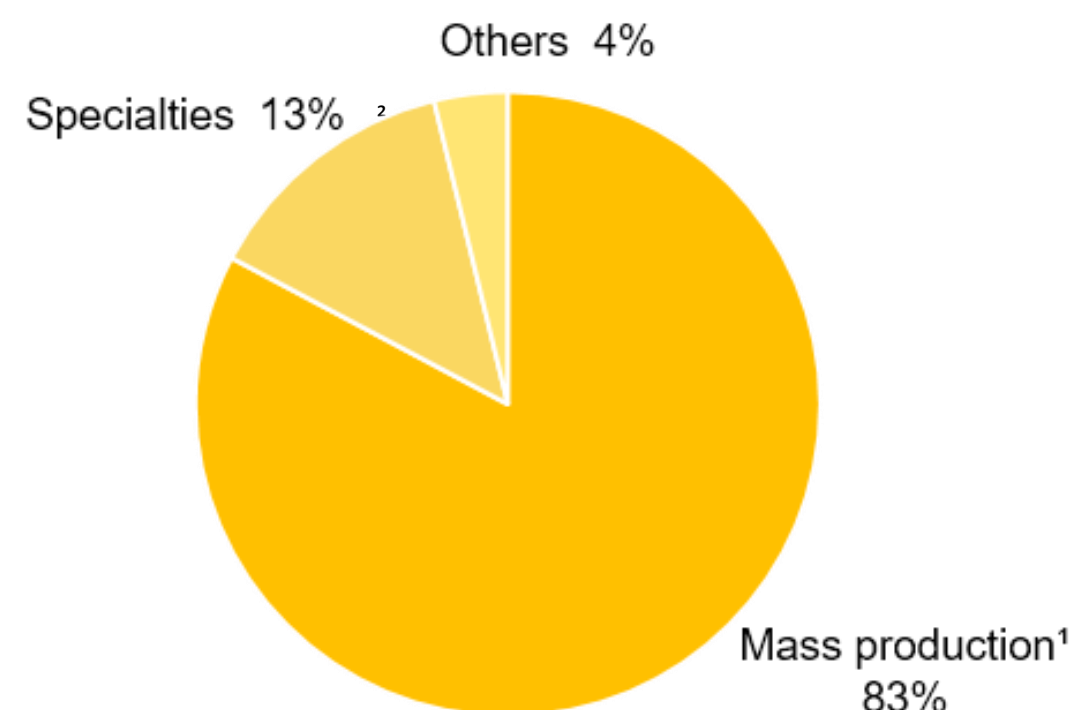




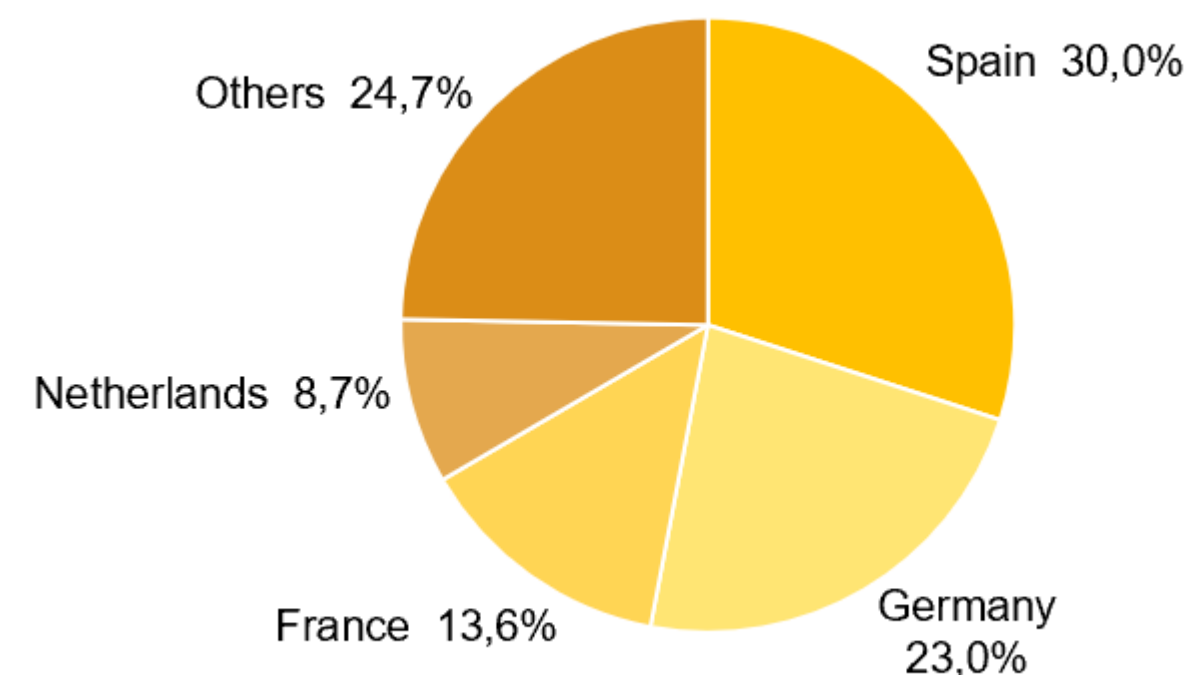
# REVENUES BREAKDOWN

Around 80% of Kompuestos' total revenues come from products released in the last 5 years

## Revenues breakdown by product category



## Revenues breakdown by geography³



Note: Revenues breakdown by product category based on 1H 2019 data and revenues breakdown by geography based on 2018 total revenues

¹ Includes mineral, white and black masterbatches

² Includes additives and color masterbatches

³ Breakdown by volume



# HISTORICAL P&L

Kompuestos is audited by KPMG. The ERP system is currently in implementation (NAV)

In '000 €	2014	2015	2016	2017	2018	1h 2018	1H 2019
<b>Total revenues</b>	<b>24.198,5</b>	<b>25.052,7</b>	<b>28.542,7</b>	<b>36.577,2</b>	<b>41.386,1</b>	<b>21.593,6</b>	<b>24.434,3</b>
% growth		3,5%	13,9%	28,1%	13,1%		13,2%
Cost of goods sold	(14.107,8)	(16.328,7)	(19.059,9)	(26.545,3)	(29.447,0)	(15.395,1)	(17.205,4)
Gross margin	10.090,7	8.724,0	9.482,8	10.031,9	11.939,0	6.198,5	7.228,8
% margin	41,7%	34,8%	33,2%	27,4%	28,8%	28,7%	29,6%
Personnel expenses	(2.356,8)	(2.612,3)	(2.906,3)	(3.464,0)	(3.419,3)	(1.458,1)	(1.819,2)
Other operating expenses	(5.152,3)	(5.230,8)	(5.268,2)	(5.842,0)	(6.176,0)	(3.134,2)	(4.245,6)
Works related to own assets	-	71,8	453,3	1.387,2	1.243,0	443,4	824,9
Grants & other results	-	12,7	51,3	295,5	166,0	95,0	(1,2)
<b>EBITDA<sup>1</sup></b>	<b>2.581,5</b>	<b>965,4</b>	<b>1.813,0</b>	<b>2.408,5</b>	<b>3.752,8</b>	<b>2.144,6</b>	<b>1.987,8</b>
% margin	10,7%	3,9%	6,4%	6,6%	9,1%	9,9%	8,1%
D&A	(1.643,6)	(1.199,6)	(1.135,2)	(1.736,6)	(2.327,7)	(1.147,4)	(1.010,9)
EBIT	937,9	(234,3)	677,8	671,9	1.425,1	997,2	976,9
% margin	3,9%	(0,9%)	2,4%	1,8%	3,4%	4,6%	4,0%
Financial result	(446,6)	(461,9)	(508,5)	(537,1)	(832,8)	(378,3)	(545,2)
<b>Profit before tax</b>	<b>491,4</b>	<b>(696,1)</b>	<b>169,3</b>	<b>134,8</b>	<b>592,3</b>	<b>618,9</b>	<b>431,7</b>
% margin	2,0%	(2,8%)	0,6%	0,4%	1,4%	2,9%	1,8%



<sup>1</sup> 2018FY normalized EBITDA (excluding non-recurrent items) amounted to €4.013k. 1H2019 normalized EBITDA amounted to €2.227k



# HISTORICAL BALANCE SHEET

<i>In '000 €</i>	2014	2015	2016	2017	2018	1H 2019
<b>Non-current assets</b>	<b>13.623,3</b>	<b>15.321,9</b>	<b>18.115,1</b>	<b>19.573,3</b>	<b>21.063,5</b>	<b>23.081,4</b>
Inventories	6.058,2	7.147,8	7.998,7	5.352,3	6.675,6	7.270,6
Trade receivables	2.088,7	3.523,9	3.887,5	5.468,3	5.791,5	8.751,9
Other current assets	179,3	333,9	266,5	281,9	205,3	181,5
Operating cash & equivalents	200,7	1.343,6	134,8	274,6	2.184,9	92,3
<b>Current assets</b>	<b>8.526,9</b>	<b>12.349,3</b>	<b>12.287,5</b>	<b>11.377,0</b>	<b>14.857,2</b>	<b>16.296,4</b>
<b>Total assets</b>	<b>22.150,1</b>	<b>27.671,2</b>	<b>30.402,6</b>	<b>30.950,3</b>	<b>35.920,8</b>	<b>39.377,8</b>
<b>Shareholders' equity</b>	<b>8.501,0</b>	<b>10.566,1</b>	<b>10.332,7</b>	<b>10.086,5</b>	<b>12.156,4</b>	<b>12.674,1</b>
Long-term financial debt	1.577,8	6.381,2	6.399,2	6.164,9	7.666,9	9.225,7
Other long-term liabilities	370,6	368,5	344,8	212,7	149,8	191,7
<b>Non-current liabilities</b>	<b>1.948,3</b>	<b>6.749,6</b>	<b>6.744,0</b>	<b>6.377,6</b>	<b>7.816,6</b>	<b>9.417,5</b>
Short-term financial debt	6.122,1	4.400,6	6.227,8	8.846,3	8.544,9	7.460,4
Trade payables	5.302,9	5.727,3	6.592,5	5.322,6	7.099,9	9.586,2
Other payables	275,8	227,4	505,6	317,4	302,9	239,6
<b>Current liabilities</b>	<b>11.700,8</b>	<b>10.355,4</b>	<b>13.325,9</b>	<b>14.486,3</b>	<b>15.947,7</b>	<b>17.286,2</b>
<b>Total liabilities &amp; shareh. equity</b>	<b>22.150,1</b>	<b>27.671,2</b>	<b>30.402,6</b>	<b>30.950,3</b>	<b>35.920,8</b>	<b>39.377,8</b>

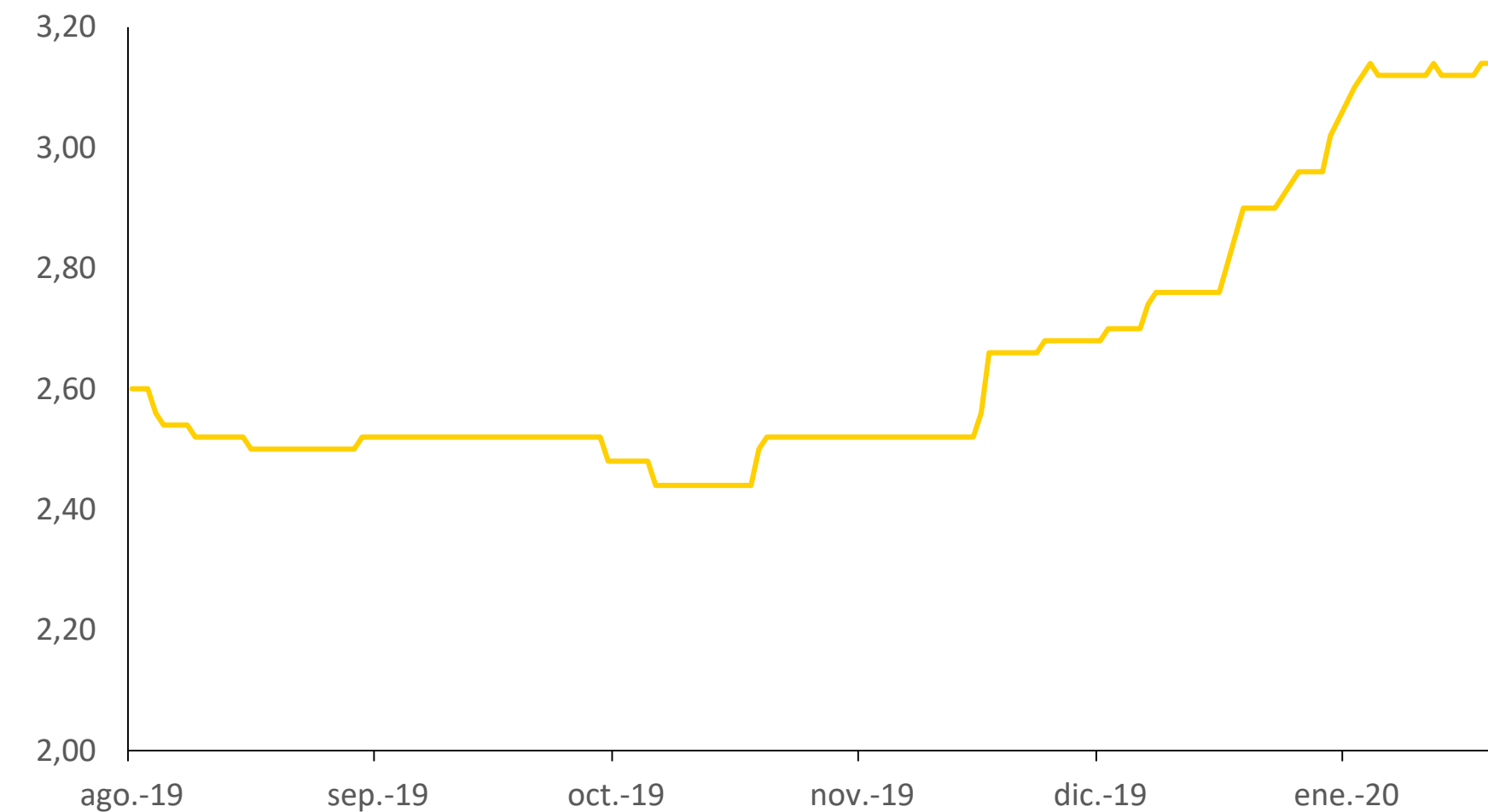
Note: In August 2019, Kompuestos executed a capital increase of €5,0 million



## **KOMPUESTOS IS QUOTED ON THE MAB (SPANISH ALTERNATIVE MARKET)**

- On August 12, 2019, Kompuestos went public on the MAB (Mercado Alternativo Bursátil – Spanish Alternative Market)
- Kompuestos raised €5,0 million of new money
- Kompuestos was the first company listed on the MAB whose IPO included a secondary tranche, allowing the total divestment of private equity funds
  - Secondary tranche amounted to €5,1 million
- Investors investing in Kompuestos in the IPO included pension funds, medium and small cap funds, sicavs and family offices
- Market capitalization on IPO was €31,6 million. Current market capitalization is around €38,0 millions, representing an increase of 20% since IPO
- The Board of Directors includes 7 members: 5 representatives of the main shareholders and two independent members<sup>1</sup>

**Share price graph**



<sup>1</sup> Two new representatives of the shareholders are expected to be appointed in the Shareholders' Meeting to be held on February 14, 2020



## **REASONS TO QUOTE ON THE MAB**

- Capture new financial resources and diversify financing sources in order to develop investment and R&D strategies for Kompuestos' green solutions, including:
  - Development and commercialization of biodegradable bioplastics: Biokomp and Okean lines
  - Investment in industrial capacity for the production of bioplastics up to 25,000 tons per year
  - Development and commercialization of the recycle line
  - Investment in industrial capacity for recycle line
- Expand shareholder base
- Provide a liquidity mechanism to current and new shareholders
- Have access to listed securities to expand staff loyalty programs
- Increase Kompuestos' notoriety, brand image, transparency and solvency, strengthening relationships with investor community, customers, suppliers and financing providers
- Have an objective valuation of Kompuestos that can be used as a reference for potential future corporate transactions



# KOMPUESTOS IN THE WORLD

IN CONSTANT **EXPANSION**

**+80** COUNTRIES  
AROUND THE WORLD

**70%** OF OUR PRODUCTS  
ARE EXPORTED

1986

**Foundation** of Plásticos Compuestos SA

Development of **infrared masterbatches** for greenhouses

**Black- and white** batches

First independent Spanish producer of polymers with **minerals Talc and CaCo3** as **additive masterbatches** for anti-fibrillation in PP.

**Paper-like** batches

**Color-batches** & single pigment concentrates

1990

Joint Venture with **CABOT**

**Talc-compounds** for the appliance and automotive industry

**Moisture scavenger** and extension of additive-concentrates range

Production of the **first breathable film masterbatch in Europe** using CaCO3

80% CaCO3 batches for **ultrafine film**

High loading of extra fine minerals in polymer

International business incomes **>50% total revenue**

2000

2008

Development of **flushing technology** for plastic coloration

New investors; Caixa Capital Risk, Institut Català de Finances

First compatibilizers for polymer blending

New Branding of Kompuestos  
Creation of biopolymers unit Biokomp®

2018

2019

**IPO** of Kompuestos on the MAB

New **capital increase** of €5 million

**Divestment** of private equity funds: Caixa Capital Risk, Institut Català de Finances

New nominal production capacity is added up to 220.510 mT

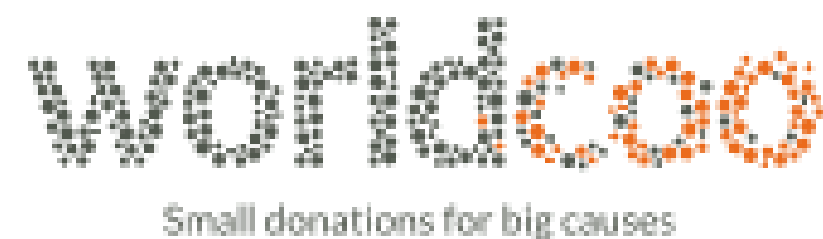




## KOMPUESTOS' CONTRIBUTION TO CLEANER OCEANS

At Kompuestos we take on our role as a partner for sustainable future, understanding the importance of our actions and our responsibility towards nature and society.

As our commitment to a greener future **Kompuestos** collaborates with **WorldCoo** an **International NGO**, who leads a project dedicated to the preservation of our oceans along side with the **CRAM Foundation**. Kompuestos is also a part of the **Ellen Macarthur Foundation**.





# THANK YOU

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