

COMPANY ANNOUNCEMENT AND PRESS RELEASE

Gabriel Holding A/S
Company registration no. 58868728
Interim report H1 2020/21
(1 October 2020 – 31 March 2021)

Gabriel Holding A/S – first half of the 2020/21 financial year

Summary:

Gabriel Holding A/S expectations for the full 2020/21 financial year as upwardly adjusted in March are maintained.

- As expected, the current pandemic continued to create challenging conditions for growth
- The Group's revenue was DKK 388.3 million (DKK 418.0 million), a decrease of 7%
 - Revenue in the second quarter was DKK 201.8 million (DKK 213.6 million), a decrease of 6%
 - Organic revenue growth of 11% was realised in March 2021 compared to March 2020
- The Group earned gross profit of 37.0% in the first half. Gross profit in the second quarter was negatively affected by a major correction in the Group's Mexican subsidiary where a system error had been accumulating, and recognising, various costs of sales as inventory for an extended period. The error was corrected in connection with the monthly accounts for March.
- Earnings before depreciation, amortisation and impairment losses (EBITDA) decreased by 15% to DKK 48.6 million (DKK 57.4 million)
- Operating profit (EBIT) decreased by 25% to DKK 29.7 million (DKK 39.7 million)
- Profit before tax decreased by 21% to DKK 29.1 million (DKK 36.7 million)
 - Profit before tax in the second quarter was DKK 16.8 million (DKK 21.1 million), a decrease of 20%
- Return on invested capital was 13.5% (19.9%)
- Operating margin was 7.6% (9.5%)

Expectations for the 2020/21 financial year:

- In the 2019/20 annual report, management predicted that the Group's revenue and earnings in the second half of the year 2020/21 would bounce back from a negative trend for the first half.
- After five months' operation, the realised results exceeded management's expectations for the full financial year. On that basis, the total expectations were upwardly adjusted to revenue in the upper half of the announced range of DKK 760-790 million and profit before tax of the order of DKK 55-60 million (instead of the original DKK 50-55 million).

- Despite the extraordinary correction of cost of sales in the Group's subsidiary in Mexico in March 2021, management maintains these expectations for the full 2020/21 financial year.

GROUP					
Financial highlights, DKK million	2020/21	2019/20	2020/21	2019/20	2019/20
	H1	H1	Q2	Q2	Full year
Net revenue	388.3	418.0	201.8	213.6	727.3
Earnings before depreciation, amortisation and impairment losses (EBITDA)	48.6	57.4	23.9	28.4	80.3
Operating profit (EBIT)	29.7	39.7	14.7	22.6	41.9
Share of profit after tax in joint venture	1.7	1.9	0.9	0.6	2.9
Net finance income and costs	-2.3	-4.9	1.2	-2.1	-12.8
Profit before tax	29.1	36.7	16.8	21.1	32.0
Tax	-7.0	-8.1	-4.0	-4.1	-7.0
Profit for the period	22.0	28.6	12.8	17.0	25.0
Statement of financial position total	667.6	688.4			645.5
Equity	296.7	290.6			283.4
Invested capital	430.7	490.0			411.3
Working capital	203.6	193.8			172.3
Cash flows from operating activities	7.8	14.9	6.6	5.7	57.2
Investments in property, plant and equipment	1.9	4.6	0.7	1.2	22.7
Depreciation, amortisation and impairment losses	18.9	17.7	9.2	5.8	38.4
Financial ratios:					
Gross margin, %	37.0	37.3	35.4	37.6	37.6
Operating margin (EBIT margin), %	7.6	9.5	7.3	10.6	5.8
Return on invested capital (ROIC) before tax, %	13.5	19.9	15.6	22.6	8.4
Earnings per share (EPS), DKK	23.3	30.3	27.1	35.9	13.2
Return on equity, %	15.0	20.7	17.4	24.6	8.9
Market price at year end, DKK	700	718			690
Price earnings (PE), DKK	30.0	23.7	25.8	20.0	52.2
Number of employees (average over the period)	1,153	1,156	1,183	1,190	1,151
– including production staff	901	837	929	870	785