

COMPANY ANNOUNCEMENT AND PRESS RELEASE

Gabriel Holding A/S

Gabriel Holding A/S realises revenue of DKK 727.3 million and profit before tax of DKK 32.0 million

Selected financial ratios

- Revenue increased to DKK 727.3 million (DKK 708.2 million)
- Operating profit (EBIT) was DKK 41.9 million (DKK 61.9 million)
- Operating margin was 5.8% (8.7%)
- Profit before tax was DKK 32.0 million (DKK 62.9 million)
- Profit after tax was DKK 25.0 million (DKK 49.0 million)
- Return on invested capital (ROIC) before tax was 8.4% (22.7%)
- Earnings per share (EPS) decreased to DKK 13.2 (DKK 25.9)
- Cash flows from operating activities in the period were DKK 57.2 million (DKK 43.8 million)
- The Board of Directors proposes a dividend of DKK 5.00 per DKK 20 share.

Summary

The Group's revenue increased by 3% to DKK 727.3 million in the financial year.

The export share was 86% compared to 89% last year.

In the first half of the financial year, the Group's revenue increased by 22% to a record DKK 418.0 million (DKK 343.7 million). Growth in the half-year was as expected and was realised through solid growth rates in Europe and North America.

The outbreak of coronavirus (Covid-19) and the resulting market restrictions and consequences significantly changed the conditions for growth, which affected the second half-year.

Global restrictions in distribution possibilities in the third quarter meant a 22% decrease in revenue, while stabilisation in the fourth quarter led to a 10% decrease in revenue in that quarter. In total a 15% decrease in revenue was thus realised in the second half-year.

Profit before tax was DKK 32.0 million for the financial year (DKK 62.9 million).

In the annual report for 2018/19, management had expected a 15-20% increase in revenue in the 2019/20 financial year and a 10-15% increase in profit before tax.

However, as a result of the outbreak of coronavirus (Covid-19), expectations were suspended in March. Guidance was reinstated in April and later adjusted upward in June and August.

The Group's total profit after tax was DKK 25.0 million (DKK 49.0 million).

Expectations for the future

The outbreak of Covid-19 makes market prospects very unclear and entails a high risk of sudden changes in the market conditions.

Expectations for the year are based on the assumption that the global market for contract furniture will be stable, although at a lower level than 12 months ago.

Based on the Group's continued outreach activities, constantly increasing efforts in development and sales initiatives, and continued strong sales pipeline, revenue growth to DKK 760-790 million is expected (DKK 725 million in 2019/20).

Revenue in the year of comparison (2019/20) differed significantly in the first and second half-year respectively. Revenue development in the first half of the 2020/21 financial year is therefore expected to be negative, but positive in the second half of the year.

Profit before tax is expected to be of the order of DKK 50-55 million (DKK 32 million).

The expected results reflect the improvement contributed by implemented cost adjustments, but are not fully back to their pre-Covid-19 level, due to continued investment in future growth. As with revenue development, major differences are also expected in profit before tax between the first and second halves of the 2020/21 financial year.

The total expectations for the 2020/21 financial year are revenue of the order of DKK 760-790 million and profit before tax of the order of DKK 50-55 million.

It should be noted that a high level of uncertainty surrounds the expectations as a result of Covid-19. They are based on a generally stable market and the Group's expected revenue growth could be affected by economic fluctuations on the primary markets.

The Board of Directors recommends that the general meeting of Gabriel Holding A/S, to be held on 10 December 2020, should approve the following:

- to pay a dividend of DKK 5.0 per DKK 20 share.
- to re-appoint Jørgen Kjær Jacobsen, Hans O. Damgaard, Søren B. Lauritsen and Pernille Fabricius as board members appointed by the general meeting.
- to authorise the Board of Directors to permit the company to acquire treasury shares to a total nominal value of DKK 7,560,000, the equivalent of 20% of the company's share capital; and
- to re-appoint KPMG Statsautoriseret Revisionspartnerselskab as auditors.
- The annual report is recommended for adoption at the company's general meeting, to be held in Aalborg at 2:00 p.m. on 10 December 2020.

The official annual report is published on the company's website and the printed version of the report will be available by 27 November 2020 at the company's office.

FINANCIAL HIGHLIGHTS *	Unit	2019/20	2018/19	2017/18	2016/17	2015/16
Revenue	DKK million	727.3	708.2	601.1	494.0	392.8
Growth	%	2.7	17.8	21.7	26.2	16.6
of which exports	DKK million	629.0	633.3	540.1	449.2	355.0
Export percentage	%	86	89	90	91	90
Earnings before depreciation, amortisation and impairment losses (EBITDA)	DKK million	80.3	81.1	70.8	56.8	47.4
Operating profit (EBIT)	DKK million	41.9	61.9	55.0	45.4	40.1
Net finance income and costs	DKK million	-12.8	-1.3	-1.4	-2.8	-1.8
Profit before tax	DKK million	32.0	62.9	56.1	45.7	42.8
Tax	DKK million	-7.0	-13.9	-12.7	-10.4	-8.5
Profit after tax	DKK million	25.0	49.0	43.4	35.3	34.3
Cash flows from:						
Operating activities	DKK million	57.2	43.8	40.2	26.6	34.8
Investing activities	DKK million	-30.5	-80.2	-37.9	-49.6	-9.2
Financing activities	DKK million	-18.1	35.7	-10.4	18.1	-13.4
Cash flows for the year	DKK million	8.6	-0.7	-8.1	-4.9	12.2
Investments in property, plant and equipment	DKK million	22.7	25.2	19.1	16.0	8.3
Depreciation, amortisation and impairment losses	DKK million	38.4	19.2	17.8	13.2	10.0
Equity	DKK million	283.4	281.2	249.6	221.0	201.6
Statement of financial position total	DKK million	645.5	562.3	433.9	398.3	289.7
Invested capital	DKK million	411.3	349.1	204.4	195.0	122.3
Working capital	DKK million	172.3	166.3	135.1	100.5	81.6
Average number of employees	Number	1,151	855	517	404	292
Revenue per employee	DKK million	0.6	0.8	1.2	1.2	1.3
FINANCIAL RATIOS						
Gross margin	%	37.6	40.1	39.5	41.5	41.0
Operating margin (EBIT margin)	%	5.8	8.7	9.2	9.2	10.2
Return on invested capital (ROIC) before tax	%	8.4	22.7	28.1	28.8	24.1
Return on invested capital (ROIC) after tax	%	6.6	17.7	21.7	22.2	19.3
Earnings per share (EPS)	DKK	13.2	25.9	23.0	18.7	18.2
Return on equity	%	8.9	18.5	18.4	16.7	18.1
Equity ratio	%	43.9	50.0	57.6	55.5	69.6
Book value per share at year end	DKK	150	149	132	117	107
Market price at year end	DKK	690	712	608	475	570
Price/book value	DKK	4.6	4.8	4.6	4.1	5.3
Price earnings (PE)	DKK	52.2	27.5	26.5	25.5	31.4
Price cash flow (PCF)	DKK	22.8	30.7	28.6	33.7	31.0
Proposed dividend per DKK 20 share	DKK	5.00	10.50	9.50	7.65	7.25
Dividend yield	%	0.7	1.5	1.6	1.6	1.3
Payout ratio	%	38	41	41	41	40

Financial ratios are calculated in accordance with CFA Society Denmark's "Recommendations & Financial Ratios 2015".

Please see page 79 for definitions of financial ratios.

* Financial ratios have not been adjusted for the implementation of IFRS 16.

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