

## **STOCK EXCHANGE AND PRESS RELEASE**

Gabriel Holding A/S  
Interim report H1 2017/18  
(1 October 2017 – 31 March 2018)

### **Gabriel Holding A/S – first half of the 2017/18 financial year**

#### **Summary:**

**Gabriel Holding A/S realises growth of 21% in revenue and an increase of 18% in profit before tax.**

**Management is upwardly adjusting its expectations for revenue and earnings for the full financial year.**

- Revenue increased by DKK 51.6 million (21%) to DKK 292.9 million (DKK 241.3 million).
  - The increase in the second quarter was 19% to DKK 148.2 million (DKK 124.3 million).
- The operating profit (EBIT) increased by 28% to DKK 27.6 million (DKK 21.6 million).
  - The increase in the second quarter was 5% to DKK 13.9 million (DKK 13.3 million).
  - The “ENCOM” project supported by Innovation Fund Denmark in which investments have been made for a number of years in the development of an engineering-grade technical fabric for use as insulation in the building industry was discontinued in the second quarter of 2017/18. The effect on the interim financial statements is DKK 2.3 million net.
- Profit before tax from continuing operations increased by 18% to DKK 28.0 million (DKK 23.8 million).
  - Profit before tax in the second quarter decreased by 3% to DKK 13.8 million (DKK 14.3 million). Adjusted for the write-down on the innovation project, the increase in profit before tax would be 12%.
- Return on invested capital was 32.2% (31.2%).
- Operating margin was 9.4% (9.0%).
- Gabriel Holding A/S on 12 March 2018 signed a Letter of Intent with Aalborg-based developer A. Enggaard A/S with a view to selling the entire share capital of its fully-owned subsidiary Gabriel Ejendomme A/S.
- Expectations for the 2017/18 financial year:
  - After the first quarter, management stated that growth in revenue and earnings for the full year was getting close to 15% in the range of 10-15% stated in the annual report.
  - Revenue and earnings realised for the second quarter exceed management’s expectations, and it is now judged that the development will continue in the rest of the financial year. Expectations for the full year are therefore adjusted upward to growth in revenue and profit before tax of the order of 20%, the equivalent of DKK 590 million and DKK 56 million respectively.

Financial highlights, DKK million	GROUP				
	2017/18	2016/17	2017/18	2016/17	2016/17
	H1	H1	Q2	Q2	Full year
Net revenue	<b>292.9</b>	241.3	<b>148.2</b>	124.3	492.8
Operating profit (EBIT) from continuing operations	<b>27.6</b>	21.6	<b>13.9</b>	13.3	45.9
Share of profit after tax in joint venture	<b>1.3</b>	1.7	<b>0.6</b>	0.6	3.1
Net finance income and costs	<b>-0.9</b>	0.5	<b>-0.7</b>	0.4	-2.2
Profit before tax from continuing operations	<b>28.0</b>	23.8	<b>13.8</b>	14.3	46.8
Tax	<b>-6.2</b>	-5.2	<b>-3.3</b>	-3.3	-10.7
Profit after tax for the period from continuing operations	<b>21.8</b>	18.6	<b>10.5</b>	11.0	36.1
Profit/loss after tax for the period from discontinuing operations	<b>-0.2</b>	0.1	<b>-0.3</b>	0.0	-0.9
Profit for the period	<b>21.6</b>	18.7	<b>10.2</b>	11.0	35.3
Statement of financial position total	<b>404.8</b>	387.4			398.3
Equity	<b>228.3</b>	207.0			221.0
Invested capital	<b>186.7</b>	157.2			161.1
Working capital	<b>124.6</b>	100.5			100.5
Cash flows from operating activities	<b>14.8</b>	2.3	<b>7.6</b>	-4.1	25.6
Investments in property, plant and equipment	<b>6.4</b>	7.6	<b>1.9</b>	5.8	13.7
Depreciation, amortisation and impairment losses	<b>9.3</b>	4.4	<b>6.7</b>	2.3	10.9
Financial ratios:					
Gross margin, %	<b>39.2</b>	41.5	<b>39.6</b>	42.2	41.4
Operating margin (EBIT margin), %	<b>9.4</b>	9.0	<b>9.4</b>	10.7	9.3
Return on invested capital (ROIC) before tax, %	<b>32.2</b>	31.2	<b>32.4</b>	38.2	33.0
Earnings per share (EPS), DKK	<b>22.8</b>	19.8	<b>21.6</b>	23.4	19.1
Return on equity, %	<b>19.8</b>	19.1	<b>18.7</b>	22.5	17.1
Price earnings (PE), DKK	<b>23.3</b>	28.7	<b>24.7</b>	24.3	24.8
Number of employees (average for the period)	<b>469</b>	378	<b>463</b>	404	404
of whom in production	<b>265</b>	205	<b>267</b>	199	225