

COMPANY ANNOUNCEMENT AND PRESS RELEASE

Gabriel Holding A/S
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Annual report 2024/2025
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Gabriel Holding A/S – Annual Report 2024/25

Gabriel delivers solid improvement in key figures in the financial year 2024/25

Summary

Gabriel delivers solid improvement in key figures in a financial year where the continuing operations delivers revenue growth and significant improvement in profit, while the discontinued operations are strengthened in Europe and undergoing restructuring in Mexico.

In the 2024/25 financial year Gabriel Group delivered revenue of DKK 902.7 million, compared with DKK 912.3 million in the 2023/24 financial year. Operating profit (EBIT) in 2024/25 amounted to DKK 28.2 million, compared with DKK 10.9 million in 2023/24.

The results are due to a strong improvement in the continuing operations, a continued strong execution of the FurnMaster business in Europe, but also an expected negative result from the FurnMaster business unit in Mexico caused by the ongoing restructuring.

In light of the fact that the market conditions for growth, as expected, were challenged by, among other things, geopolitical influences and the ongoing restructuring of the Mexican FurnMaster business unit, the development in both revenue and profit is satisfactory.

Gabriel announced in August 2024 that the company would seek the FurnMaster business units sold. FurnMaster were therefore considered as discontinued activities in the 2023/24 annual report. The divestment was not carried out in the financial year 2024/25, primarily due to external influences that have changed the global M&A activity level for a period of time. The identified irregularities in the Mexican entity, and the consequences of this obviously also played a role in relation to the sale of that entity. The FurnMaster business units are still classified as discontinued activities and assets intended for sale, as a result of the fact that management expect that a sale can be completed in the financial year 2025/26.

The initiated external expert investigation concerning the irregularities that were found and corrected in connection with the presentation of the Group's annual accounts for 2023/24 was carried out.

For an account of the discontinued activities, see Note 9.

In 2024/25, continuing operations generated revenue of DKK 516.0 million (DKK 483.5 million), corresponding to a growth of DKK 32.5 million (7%). Operating profit (EBIT) was DKK 44.1 million (DKK 19.7 million). In addition, the following selected key figures (comparative figures in brackets) have been achieved in the continuing business:

- Operating profit margin (EBITDA margin) was 16.2% (11.7%).
- Operating profit (EBIT) was DKK 44.1 million (DKK 19.7 million).
- The operating margin (EBIT margin) was 8.5% (4.1%).
- Profit before tax was DKK 33.8 million (DKK 4.0 million).
- Profit after tax was DKK 24.8 million (DKK -1.5 million).
- Cash flow from operating activities in Gabriel Group as a whole amounted to DKK 119.7 million (DKK 37.3 million).

The improvement in the continuing business is due to the fact that the global textile business has achieved growth in both North America, Europe, and Asia, while SampleMaster has delivered revenue on a par with the previous year.

In the annual report for the financial year 2023/24, the management of the continuing operations for the financial year 2024/25 expected revenue in the range of DKK 485-530 million and a primary profit (EBIT) of DKK 20-30 million. During the year, the expectations for the year's primary profit (EBIT) were revised upwards three times, while the expectations for revenue were clarified during the year.

The realised operating profit (EBIT) from continuing operations of DKK 44.1 million exceeds management's expectations for the full year and is a result of targeted efforts to improve productivity.

In addition to the above-mentioned development in the company's activity, the financial year was marked by the conduct of the external expert investigation initiated as a result of the irregularities identified in the Mexican FurnMaster business unit and the corrections made therefrom. The conclusions of this study are set out in the financial review in this annual report on page 11.

Expectations for the future

Management expects the challenging market conditions that have affected the furniture industry to continue in the 2025/26 financial year, primarily due to continued geopolitical risks.

However, the continuing operations have achieved growth in revenue and profit in the financial year 2024/25, and it is the management's expectation that this trend can continue.

On this basis, revenue from continuing operations is expected to amount to DKK 510-550 million and a primary profit (EBIT) of DKK 40-50 million.

As in previous years, the expectations for the financial year 2025/26 is subject to a high degree of uncertainty, primarily due to the above-mentioned market risks.

The Board of Directors recommends the following to the Annual General Meeting of Gabriel Holding A/S, to be held on 11 December 2025:

- Approval of the annual report 2024/25.
- Submission of the remuneration report for an advisory vote.
- Distribution of dividend of DKK 5.00 per share of DKK 20.
- Approval of remuneration to the Board of Directors for the current financial year.
- The Board of Directors proposes re-election of Søren Mygind Eskildsen, Randi Toftlund Pedersen, Hans O. Damgaard, and Søren B. Lauritsen as members of the Board of Directors elected by the Company's Annual General Meeting.
- The Board of Directors proposes election of EY Godkendt Revisionspartnerselskab as the company's auditor

- The Board of Directors is authorised to allow the company to acquire treasury shares up to a total nominal value of DKK 7,560,000, corresponding to 20% of the company's share capital.
- Approval of amendment of the articles of association.

The official annual report is published on the company's website. As a result of the Group's efforts in sustainability, no printed version of the accounts is prepared.

Financial highlights for the Group

FINANCIAL HIGHLIGHTS	Unit	2024/25	2023/24	2022/23	2021/22 ¹	2020/21 ¹
Revenue	DKK million	516.0	483.5	454.5	1065.0	809.7
Growth ²	%	6.7	6.4	-12.6	31.5	11.3
of which exports	DKK million	482.4	447.3	423.1	884.6	688.0
Export percentage	%	93	93	93	83	85
Earnings before depreciation, amortisation and impairment losses (EBITDA)	DKK million	83.7	56.8	46.9	96.0	96.5
Operating profit (EBIT)	DKK million	44.1	19.7	13.1	53.5	58.6
Net finance income and costs	DKK million	-13.1	-16.6	-10.4	15.5	-2.8
Profit from continuing operations before tax	DKK million	33.8	4.0	3.1	69.1	58.8
Tax	DKK million	-9.0	-5.5	-4.6	-22.4	-12.6
Profit/loss from continuing operations after tax	DKK million	24.8	-1.5	-1.4	46.7	46.2
Loss from discontinued operations after tax	DKK million	-17.3	-14.2	-42.7		
Profit/loss for the year	DKK million	7.5	-15.7	-44.1	46.7	46.2
Cash flows from:						
Operating activities	DKK million	119.7	37.3	26.5	9.1	39.4
Investing activities	DKK million	-14.9	-20.9	-34.8	-41.1	-36.6
Financing activities	DKK million	-78.8	-15.9	-27.6	-45.2	-32.0
Cash flows for the year	DKK million	26.1	0.5	-52.2	-77.2	-29.2
Investments in property, plant and equipment	DKK million	8.9	13.9	23.7	32.2	27.8
Depreciation, amortisation and impairment losses	DKK million	39.6	37.1	33.8	42.6	37.9
Equity ²	DKK million	263.7	261.6	275.7	347.1	322.1
Statement of financial position total ²	DKK million	745.7	777.2	773.7	861.0	731.2
Invested capital	DKK million	350.5	362.6	538.3	569.2	474.7
Working capital	DKK million	141.7	156.9	258.1	299.6	223.8
Average number of employees	Number	386	389	396	1,358	1,163
Revenue per employee	DKK million	1.3	1.2	1.1	0.8	0.7

FINANCIAL RATIOS	Unit	2024/25	2023/24	2022/23	2021/22 ¹	2020/21 ¹
Gross margin	%	55.0	51.7	51.4	32.5	36.4
EBITDA margin	%	16.2	11.7	10.3	9.0	11.9
EBIT margin	%	8.5	4.1	2.9	5.0	7.2
Return on invested capital (ROIC) before tax	%	9.5	0.9	0.6	15.3	13.3
Return on invested capital (ROIC) after tax	%	7.0	-0.3	-0.3	11.0	10.4
Earnings/loss per share (EPS)	DKK	4.0	-8.3	-23.4	24.7	24.4
Loss per share from continuing operations	DKK	13.1	-0.8	-0.7		
Return on equity	%	9.4	-0.5	-0.5	17.1	15.3
Equity ratio	%	35.4	33.7	35.6	40.3	44.1
Equity ratio, continuing operations	%	39.1	36.7			
Book value per share at year end	DKK	140	138	146	184	170
Market price at year end	DKK	240	270	306	515	630
Price/book value	DKK	1.7	2.0	2.1	2.8	3.7
Price earnings (PE)	DKK	60.7	-32.5	-13.1	20.8	25.8
Price cash flow (PCF)	DKK	3.8	13.7	21.8	107.1	30.3
Proposed dividend per DKK 20 share	DKK	5.00	0.00	0.00	10.75	9.75
Dividend yield	%	2.1	0.0	0.0	2.1	1.5
Payout ratio	%	127	0	0	35	40

Please see page 101 for definitions of financial ratios.

¹ No adjustment regarding discontinued operations was made to the financial highlights for the years 2020/21 – 2021/22.

² No adjustment regarding discontinued operations was made to the financial highlights for the years 2020/21 – 2022/23.