

## **COMPANY ANNOUNCEMENT AND PRESS RELEASE**

Gabriel Holding A/S

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**Gabriel Holding A/S realises a solid first half of the 2019/20 financial year but the outbreak of coronavirus (Covid-19) has an adverse effect on market conditions for the company. As a result, the expectations for the 2019/20 financial year are updated.**

On 20 March 2020, Gabriel Holding A/S temporarily suspended its financial expectations for the 2019/20 financial year.

In accordance with the Group's financial calendar, the financial statements for the first half of the year (1 October 2019 to 31 March 2020) will be published on 30 April 2020. The interim report will be published in its entirety on that date, but a summary for the period and an update on financial expectations are published below.

### **Summary**

- Revenue increased by DKK 74.2 million (22%) to DKK 418.0 million (DKK 343.7 million)
  - The increase in the second quarter was 20% to DKK 213.6 million (DKK 178.4 million)
- Operating profit (EBIT) increased by 10% to DKK 39.7 million (DKK 36.0 million)
  - The increase in the second quarter was 18% to DKK 22.6 million (DKK 19.2 million)
- Net finance income and costs in the half-year was DKK -4.9 million (DKK -0.7 million), primarily as a result of increased drawing on credit facilities, currency movement in the period and the effect of IFRS 16
- Profit before tax increased to DKK 36.7 million (DKK 36.4 million)
  - In the second quarter, profit before tax increased by 8% to DKK 21.1 million (DKK 19.6 million)
- Return on invested capital was 19.9% (24.9%)
- Operating margin was 9.5% (10.5%).

### **Expectations for the 2019/20 financial year:**

- Revenue and earnings realised for the first half-year are in line with management's expectations.
- As a result of the outbreak of coronavirus (Covid-19), however, prospects for continued growth in the coming months have deteriorated significantly.

- The outbreak will have an adverse effect on market conditions for the company and visibility on the market is very limited at present. This makes it difficult to determine valid expectations for revenue and profit for the full 2019/20 financial year, and a high level of uncertainty is thus associated with them.
- A moderately adverse market effect is expected throughout the second half-year. On that basis, the company's expectations for the full financial year are revenue of DKK 670-690 million (DKK 708 million) and profit before tax of DKK 10-15 million (DKK 69.3 million).
- The expectations for the second half-year are thus a 25-30% decrease in revenue and a loss before tax of DKK 22-27 million.

| <b>GROUP</b>                                     |                |                |                |                |                  |
|--|----------------|----------------|----------------|----------------|------------------|
| <b>Financial highlights, DKK million</b>         | <b>2019/20</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2018/19</b> | <b>2018/19</b>   |
|  | <b>H1</b>      | <b>H1</b>      | <b>Q2</b>      | <b>Q2</b>      | <b>Full year</b> |
| Net revenue                                      | <b>418.0</b>   | 343.7          | <b>213.6</b>   | 178.4          | 708.2            |
| Operating profit (EBIT)                          | <b>39.7</b>    | 36.0           | <b>22.6</b>    | 19.2           | 61.9             |
| Share of profit after tax in joint venture       | <b>1.9</b>     | 1.1            | <b>0.6</b>     | 0.4            | 2.3              |
| Net finance income and costs                     | <b>-4.9</b>    | -0.7           | <b>-2.1</b>    | -              | -1.3             |
| Profit before tax                                | <b>36.7</b>    | 36.4           | <b>21.1</b>    | 19.6           | 62.9             |
| Tax  | <b>-8.1</b>    | -8.1           | <b>-4.1</b>    | -4.5           | -13.9            |
| Profit for the period                            | <b>28.6</b>    | 28.4           | <b>17.0</b>    | 15.2           | 49.0             |
| Statement of financial position total            | <b>688.4</b>   | 503.2          |                |                | 562.3            |
| Equity   | <b>290.6</b>   | 261.7          |                |                | 281.2            |
| Invested capital                                 | <b>490.0</b>   | 310.0          |                |                | 349.1            |
| Working capital                                  | <b>193.8</b>   | 144.5          |                |                | 166.3            |
| Cash flows from operating activities             | <b>14.9</b>    | 18.4           | <b>5.7</b>     | 12.1           | 43.8             |
| Investments in property, plant and equipment     | <b>4.6</b>     | 10.9           | <b>1.2</b>     | 4.6            | 25.2             |
| Depreciation, amortisation and impairment losses | <b>17.7</b>    | 8.8            | <b>5.8</b>     | 5.8            | 19.2             |
| Financial ratios:                                |                |                |                |                |                  |
| Gross margin, %                                  | <b>37.3</b>    | 41.2           | <b>37.6</b>    | 41.4           | 40.1             |
| Operating margin (EBIT margin), %                | <b>9.5</b>     | 10.5           | <b>10.6</b>    | 10.8           | 8.7              |
| Return on invested capital (ROIC) before tax, %  | <b>19.9</b>    | 24.9           | <b>22.6</b>    | 26.6           | 22.7             |
| Earnings per share (EPS), DKK                    | <b>30.3</b>    | 30.0           | <b>35.9</b>    | 32.1           | 25.9             |
| Return on equity, %                              | <b>20.7</b>    | 23.2           | <b>24.6</b>    | 24.8           | 18.5             |
| Price earnings (PE), DKK                         | <b>23.7</b>    | 19.4           | <b>20.0</b>    | 18.1           | 27.5             |
| Number of employees (average over the period)    | <b>1,156</b>   | 689            | <b>1,190</b>   | 761            | 855              |
| – including production staff                     | <b>837</b>     | 434            | <b>870</b>     | 419            | 645              |