

# 2021

INTERIM REPORT

- FIRST QUARTER

Company announcement no. 5  
6 May 2021

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This is a translation of Schouw & Co.'s Interim Report for the three months ended 31 March 2021. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.

## Management's report

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## Statement by Jens Bjerg Sørensen, President of Schouw & Co.:

### A STRONG FIRST QUARTER

Schouw & Co. is off to a very good start to 2021, reporting growth in both revenue and earnings. We are seeing the positive effects of previous years' investments in capacity and innovation, and we have a strong platform for sustained value creation.

Considerable market uncertainty remains, and especially shortages or actual lack of raw materials and components resulting in higher prices are weighing on prospects. We expect the situation to normalise as the year progresses, however.

Backed by our good start to the year, we are upgrading our full-year guidance.

### HIGHLIGHTS

Strong Q1 performance with revenue and EBITDA improving

Return on invested capital (excluding goodwill) at a solid 15.9%

After the end of the quarter, Borg Automotive agreed to acquire SBS Automotive.

Increased guidance for full-year revenue and EBITDA due to Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive

Q1 REVENUE

**4.9**

DKKBN

Q1 EBITDA

**486**

DKKM

ROIC

**15.9 %**

EXCLUDING GOODWILL

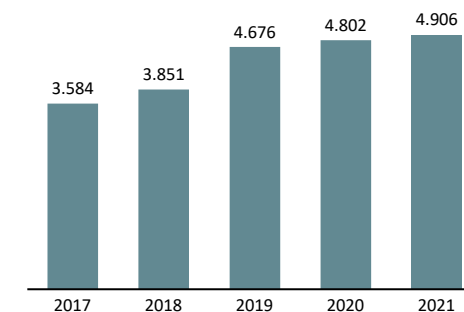
# Financial highlights and key ratios

## GROUP SUMMARY (DKKm)

	YTD 2021	YTD 2020	FY 2020
<b>Revenue and income</b>			
Revenue	4,906	4,802	21,273
Operating profit before depreciation/amortisation (EBITDA)	486	434	2,209
Depreciation and impairment losses	211	205	833
EBIT	275	229	1,376
Profit/loss after tax in associates and joint ventures	-13	14	-36
Gains on equity divestments	3	0	2
Net financials	7	-31	-133
Profit before tax	272	212	1,209
Profit for the period	207	159	909
<b>Cash flows</b>			
Cash flows from operating activities	-99	181	2,296
Cash flow from investing activities	-129	-134	-533
Of which investment in property, plant and equipment	-132	-133	-454
Cash flows from financing activities	305	-1	-1,630
Cash flows for the period	77	47	133
<b>Invested capital and financing</b>			
Invested capital (ex. goodwill)	10,021	10,336	9,421
Total assets	18,473	18,308	17,994
Working capital	3,656	3,829	3,107
Net interest-bearing debt (NIBD)	2,214	3,164	1,936
Share of equity attributable to shareholders of Schouw & Co.	9,977	9,500	9,606
Non-controlling interests	0	0	0
Total equity	9,977	9,500	9,605
<b>Financial data</b>			
EBITDA margin (%)	9.9	9.0	10.4
EBIT margin (%)	5.6	4.8	6.5
EBT margin (%)	5.5	4.4	5.7
Return on equity (%)	9.8	9.8	9.5
Equity ratio (%)	54.0	51.9	53.4
ROIC excluding goodwill (%)	15.9	12.5	15.3
ROIC including goodwill (%)	12.7	10.1	12.3
NIBD/EBITDA ratio	1.0	1.6	0.9
Average no. of employees	9,670	9,426	9,393
<b>Per share data</b>			
Earnings per share (of DKK 10)	8.63	6.76	38.04
Diluted earnings per share (of DKK 10)	8.59	6.76	38.00
Net asset value per share (of DKK 10)	416.05	396.24	400.58
Share price, end of period (per share DKK 10)	664.00	450.80	616.00
Price/Net asset value	1.60	1.14	1.54
Market capitalisation at year end	15,922	10,808	14,771

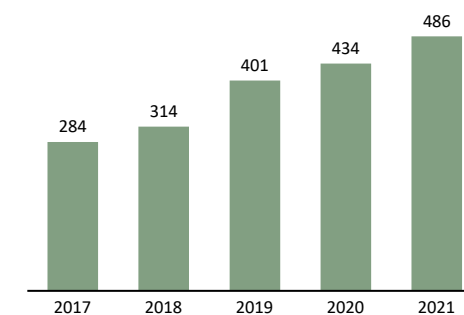
## Revenue, first quarter

(DKKm)



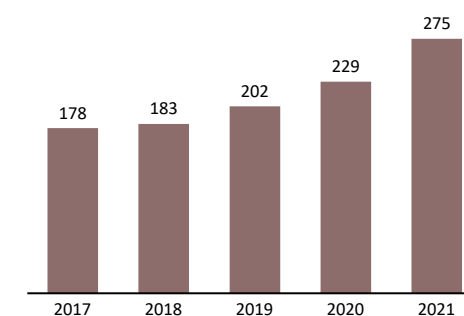
## EBITDA, first quarter\*

(DKKm)



## EBIT, first quarter\*

(DKKm)



\* Comparative figures for 2017–2018 not restated to reflect IFRS 16

# Interim report – First quarter of 2021

Strong first quarter with 12% EBITDA improvement despite the ongoing impact of the coronavirus pandemic and unfavourable trends in prices of raw materials and foreign exchange rates. Better-than-expected demand in a number of important product areas.

## Financial performance

(DKKm)	YTD 2021	YTD 2020	Change	
Revenue	4,906	4,802	104	2%
EBITDA	486	434	52	12%
EBIT	275	229	46	20%
Associates and JVs	-13	14	-27	-191%
Profit before tax	272	212	60	28%
Cash flows from operating activities	-99	181	-281	-155%
Net interest-bearing debt	2,214	3,164	-950	-30%
Working capital	3,656	3,829	-173	-5%
ROIC excl. goodwill	15.9%	12.5%	3.4%	
ROIC including goodwill	12.7%	10.1%	2.6%	

The Schouw & Co. Group had a good first quarter of 2021, even though the coronavirus pandemic continues to impact a large number of markets across the world. At the start of the year, the Group's businesses faced prospects of negative trends in demand, prices of raw materials and foreign exchange rates, which formed the basis of the full-year guidance provided. During the first quarter, the negative trends anticipated in prices of raw materials and foreign exchange rates materialised, but several of our businesses also experienced demand that was better than expected.

Consolidated revenue improved by 2% to DKK 4,906 million in Q1 2021 from DKK

4,802 million in Q1 2020. Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive all contributed strongly to the improvement, while Fibertex Personal Care matched its level from last year when foreign exchange developments offset the effect of an increase in volume sales. BioMar reported a revenue decline that was mainly due to foreign exchange developments and a moderate fall in volume sales.

EBITDA was up by 12% from DKK 434 million in Q1 2020 to DKK 486 million in Q1 2021. The improvement was mainly attributable to Fibertex Nonwovens and GPV, but Borg Automotive and HydraSpecma also contributed. BioMar and Fibertex Personal Care both reported lower EBITDA year on year, the main reasons being foreign exchange developments for BioMar and higher prices of raw materials for Fibertex Personal Care.

The aggregate share of profit/loss after tax in associates and joint ventures was a loss of DKK 13 million in Q1 2021, compared with an aggregate profit of DKK 14 million in Q1 2020. In both periods, the share of profit or loss was from BioMar's associates and joint ventures, and the change was predominantly attributable to the Chilean fish farming company Salmones Austral.

Consolidated net financial items were an income of DKK 7 million in Q1 2021, compared with a DKK 31 million expense in Q1 2020. The improvement was based on a positive foreign exchange adjustment of DKK 24 million for Q1 2021 against a negative adjustment in Q1 2020 of DKK 11 million and a decline in actual net interest expenses to DKK 18 million in Q1 2021 from DKK 21 million in Q1 2020.

ROIC excluding goodwill improved from 15.3% at 31 December 2020 to 15.9% at 31 March 2021, driven by the improved earnings and the lower invested capital.

## Liquidity and capital resources

The Group's operating activities produced a DKK 99 million cash outflow in Q1 2021, compared with a cash inflow of DKK 181 million in Q1 2020. GPV and Fibertex Nonwovens contributed to improving the cash flows, while the other businesses all reported lower operating cash flows than last year. Cash flows for investing activities in Q1 2021 amounted to DKK 129 million, against DKK 134 million in Q1 2020.

The consolidated net interest-bearing debt increased from DKK 1,936 million at 31 December 2020 to DKK 2,214 million at 31 March 2021. By comparison, net interest-

bearing debt at 31 March 2020 was DKK 3,164 million. This brought the key credit ratio NIBD/EBITDA to 1.0 at 31 March 2021.

The Group's working capital increased from DKK 3,107 million at 31 December 2020 to DKK 3,656 million at 31 March 2021. By comparison, working capital amounted to DKK 3,829 million at 31 March 2020.

## Group developments

Several of the Group's businesses experienced greater-than-expected demand for a number of their products in the first quarter. While the companies were generally well-prepared to pursue opportunities, limited production capacity was a factor in certain areas and the supply situation in terms of raw materials and components became more and more challenging during the quarter.

The following is a brief review of business developments in the portfolio companies for the quarter. See the individual company reviews on the following pages for more information.



# Interim report – First quarter of 2021

**BioMar** managed to a large degree to mitigate the coronavirus pandemic's negative impact on sales. The company experienced only a marginal setback in volume sales, but foreign exchange developments reduced reported revenue and EBITDA.

**Fibertex Personal Care** reported healthy demand and increased its volume sales, but the effects were eliminated by lower foreign exchange rates relative to last year. As expected, reported EBITDA declined due to higher prices of raw materials, which can only be passed on to selling prices with some delay.

**Fibertex Nonwovens** reported a strong revenue improvement based on an increase in global sales, including of products for construction works, filtration materials and materials for disposable wipes. Likewise reported EBITDA was much higher than expected. After the end of the first quarter, the company announced investments to bolster the capacity of its factories in the Czech Republic and Turkey.

**GPV** reported fair revenue improvements based in part on increased sales to customers in the Semiconductor, Cleantech and Industry segments. Reported EBITDA was also higher than expected thanks to increased

business activity, good cost management and high capacity utilisation.

**HydraSpecma** reported better-than-expected business activity and a considerable improvement in sales of products for the vehicles segment, while maintaining its strong sales of solutions for wind turbines. As a result, the company improved both revenue and EBITDA year on year.

**Borg Automotive** is off to a good start to the year, driven by increased business activity in several markets and a good start to the newly acquired turbocharger operations. As a result, the company improved both revenue and EBITDA year on year. After the end of the first quarter, Borg Automotive agreed to acquire trading company SBS Automotive.

## Events after the balance sheet date

After the end of the first quarter, Borg Automotive agreed to acquire trading company SBS Automotive. The deal is expected to close at 1 July 2021 and is described in further detail in the review of Borg Automotive on page 17. In addition, Fibertex Nonwovens has announced investments to bolster the capacity of its factories in the Czech Republic and Turkey.

Schouw & Co. is not aware of any other events occurring after 31 March 2021 other than as set out elsewhere in this interim report which are expected to have a material impact on the Group's financial position or outlook.

## Accounting policies

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for the consolidated and parent company financial statements of listed companies.

Schouw & Co. has implemented the standards and interpretations which are effective from 2021.

See the 2020 Annual Report for a full description of the accounting policies.

## Judgments and estimates

The preparation of interim financial statements requires management to make accounting judgments and estimates that affect recognised assets, liabilities, income and expenses. Actual results may differ from these judgments and estimates.

## Special risks

The overall risk factors the Schouw & Co. Group faces are discussed in the 2020 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2020 Annual Report.

## Roundings and presentation

The amounts appearing in this interim report have generally been rounded to the nearest million using standard rounding principles. Accordingly, some additions may not add up.

## SCHOUW & CO. SHARES

Schouw & Co. shares appreciated by 8% during the first quarter to DKK 664.00 at 31 March 2021 from DKK 616.00 at 31 December 2020.

# Outlook

All portfolio companies upgrading or confirming their full-year volume sales forecasts despite the challenges imposed by supply and component shortages and developments in prices of raw materials. Revenue and EBITDA guidance raised.

## Outlook for 2021

There were solid indications at the beginning of 2021 that developments in prices of raw materials would be challenging relative to the favourable developments of 2020. Along with foreign exchange developments and uncertain demand trends, this formed the basis of the full-year guidance provided.

While foreign exchange rates and prices of raw materials developed unfavourably during the first quarter, several areas are now seeing stronger demand than previously expected. The strong first quarter results support a more positive outlook for the full year, although some factors are currently subject to above-normal uncertainty. Unsurprisingly, this includes the ongoing coronavirus situation, but clearly it also relates to the uncertainty of supply and to prices of a wide range of raw materials and components.

Based on the stronger demand, Schouw & Co. is raising its guidance for full-year revenue of about DKK 22.5 billion (from previously about DKK 21.9 billion) and EBITDA in the DKK 2,105-2,315 million range (from previously DKK 2,015-2,225 million).

The following is a brief review of the full-year outlook for each individual company in 2021:

**BioMar** maintains its guidance of revenue of about DKK 12.0 billion and EBITDA in the DKK 950-1,020 million range, but as always subject to changes in prices of raw materials and foreign exchange rates. BioMar's associates and joint ventures are now expected to contribute a profit share after tax of approximately DKK 25 million instead of the previous estimate of approximately DKK 40 million.

**Fibertex Personal Care** maintains its guidance for revenue of about DKK 2.2 billion and EBITDA in the DKK 320-360 million range. However, the company's full-year guidance is provided subject to developments in the supply situation, foreign exchange rates and to changes in prices of raw materials.

**Fibertex Nonwovens** raises its FY 2021 revenue guidance by about DKK 100 million to the DKK 1.9-2.0 billion range. Based on its strong first-quarter performance, the company also raises its FY 2021 earnings guidance to EBITDA in the DKK 245-265 million range from the previous forecast of DKK 220-250 million.

**GPV** raises its full-year revenue guidance to the DKK 2.9-3.0 billion range (from previously about DKK 2.7 billion) and its EBITDA guidance range to DKK 250-290 million (from previously DKK 220-250 million).

**HydraSpecma** is raising its guidance to full-year revenue of about DKK 2.2 billion (from previously about DKK 2.1 billion) and EBITDA in the DKK 230-250 million range (from previously DKK 210-230 million). The full-year earnings will include approximately a DKK 10 million gain from the sale of property.

**Borg Automotive** is reporting growing business activity and expects to acquire SBS Automotive by mid-year. On that background, the company is raising its guidance to full-year revenue of about DKK 1,250 million and EBITDA in the range of DKK 150-170 million before possible inventory adjustments relating to purchase price adjustments resulting from the acquisition of SBS Automotive. Borg Automotive previously guided for full-year revenue of DKK 1,050 million and EBITDA in the range of DKK 130-150 million.

REVENUE (DKKm)	2021F after Q1	2021F orig.	2020 real.
BioMar	12,000	12,000	11,649
Fibertex Personal Care	2,200	2,200	2,118
Fibertex Nonwovens	1,950	1,850	1,791
GPV	2,950	2,700	2,887
HydraSpecma	2,200	2,100	1,977
Borg Automotive	1,250	1,050	871
Other/eliminations	0	0	-19
<b>Total revenue</b>	<b>22,550</b>	<b>21,900</b>	<b>21,273</b>

EBITDA (DKKm)	2021F after Q1	2021F orig.	2020 real.
BioMar	950-1,020	950-1,020	972
Fibertex Personal Care	320-360	320-360	406
Fibertex Nonwovens	245-265	220-250	270
GPV	250-290	220-250	271
HydraSpecma	230-250	210-230	211
Borg Automotive	150-170	130-150	108
Other	-40	-35	-29
<b>Total EBITDA</b>	<b>2,105-2,315</b>	<b>2,015-2,225</b>	<b>2,209</b>
PPA depreciation*	-85	-85	-89
Other depreciation	-775	-775	-744
<b>Total EBIT</b>	<b>1,245-1,455</b>	<b>1,155-1,365</b>	<b>1,376</b>
Associates, JVs, etc.	25	40	-36
Equity divestments	0	0	2
Other financial items	-75	-90	-133
<b>Profit before tax</b>	<b>1,195-1,405</b>	<b>1,105-1,315</b>	<b>1,209</b>

\* Before any additional PPA amortisation/depreciation relating to the acquisition of SBS Automotive

# Management Statement

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 31 March 2021.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets,

liabilities and financial position at 31 March 2021 and of the results of the Group's operations and cash flows for the three months ended 31 March 2021.

Furthermore, in our opinion the management's report includes a fair review of the development and performance of the business, the results for the period and the Group's financial position in general and describes the principal risks and uncertainties that it faces.

*Aarhus, 6 May 2021*

## Executive Management

Jens Bjerg Sørensen  
*President and CEO*

Peter Kjær

## Board of Directors

Jørn Ankær Thomsen  
*Chairman*

Jørgen Wisborg  
*Deputy Chairman*

Kjeld Johannesen

Agnete Raaschou-Nielsen

Hans Martin Smith

Kenneth Skov Eskildsen

### Financial calendar for 2021

12/08/2021 ▷ Release of H1 2021 interim report

11/11/2021 ▷ Release of Q3 2021 interim report

The company provides detailed information about contacts and times of conference calls held in connection with the release of its interim reports through company announcements and postings on its website, [www.schouw.dk](http://www.schouw.dk).





## **Our businesses**

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# Portfolio company financial highlights – Q1

	BioMar		Fibertex Personal Care		Fibertex Nonwovens		GPV		HydraSpecma		Borg Automotive		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>INCOME STATEMENT</b>														
Revenue	2,271	2,381	530	536	521	445	741	679	575	533	272	232	4,906	4,802
Gross profit	249	280	106	118	144	99	117	87	148	137	72	51	837	772
<b>EBITDA</b>	140	159	80	101	96	54	76	46	65	57	40	24	486	434
Depreciation and impairment losses	85	81	33	36	25	25	28	30	23	21	16	12	211	205
<b>EBIT</b>	54	77	47	66	70	29	48	16	41	36	24	12	275	229
Profit after tax in associates and JVs	-13	14	0	0	0	0	0	0	0	0	0	0	-13	14
Gains on equity divestments	0	0	0	0	0	0	0	0	0	0	0	0	3	0
Net financial items	-7	-11	0	1	-1	-12	8	-12	0	-7	-4	-5	7	-31
<b>Profit before tax</b>	34	81	47	67	69	17	55	5	41	29	20	7	272	212
Tax on profit for the period	-14	-19	-11	-15	-16	-5	-9	-4	-9	-7	-5	-1	-65	-53
<b>Profit for the period</b>	20	62	36	51	53	12	46	1	31	23	15	6	207	159
Non-controlling interests	0	0	0	0	0	3	0	0	0	0	0	0	0	3
<b>Schouw &amp; Co.'s share of the profit</b>	20	62	36	51	53	15	46	1	31	23	15	6	207	162
<b>CASH FLOWS</b>														
Cash flows from operating activities	-240	-97	41	105	54	46	103	70	21	28	-100	7	-99	181
Cash flow from investing activities	-24	-56	-8	-7	-53	-34	-14	-13	-27	-21	-3	-3	-129	-134
Cash flows from financing activities	275	121	-19	-77	8	12	-76	-30	9	4	105	7	305	-1
<b>BALANCE SHEET</b>														
Intangible assets <sup>1</sup>	1,228	1,328	71	76	134	148	400	428	247	238	336	316	3,443	3,561
Property, plant and equipment	1,660	1,672	1,249	1,311	957	957	420	455	332	260	95	92	4,732	4,776
Other non-current assets	1,010	1,142	38	72	8	8	155	180	116	123	88	87	1,438	1,632
Cash and cash equivalents	486	496	29	55	152	82	302	235	71	53	17	17	723	578
Other current assets	3,873	3,783	572	580	777	753	1,213	1,160	1,095	1,009	609	493	8,138	7,761
<b>Total assets</b>	8,258	8,421	1,960	2,095	2,028	1,948	2,489	2,458	1,861	1,681	1,146	1,005	18,473	18,308
Shareholders' equity	2,481	2,561	1,009	1,000	709	621	937	841	603	500	489	499	9,977	9,500
Interest-bearing liabilities	2,707	2,995	478	621	979	1,048	820	1,002	780	786	188	75	2,968	3,788
Other liabilities	3,070	2,865	472	474	340	279	732	615	478	395	468	432	5,529	5,020
<b>Total equity and liabilities</b>	8,258	8,421	1,960	2,095	2,028	1,948	2,489	2,458	1,861	1,681	1,146	1,005	18,473	18,308
Average no. of employees	1,395	1,338	755	740	1,053	993	3,609	3,620	1,169	1,192	1,675	1,529	9,670	9,426
<b>FINANCIAL KEY FIGURES</b>														
EBITDA margin	6.1%	6.7%	15.0%	18.9%	18.4%	12.2%	10.2%	6.8%	11.2%	10.8%	14.7%	10.4%	9.9%	9.0%
EBIT margin	2.4%	3.3%	8.8%	12.3%	13.5%	6.6%	6.4%	2.4%	7.2%	6.8%	9.0%	5.2%	5.6%	4.8%
ROIC excluding goodwill	18.1%	18.6%	17.3%	13.5%	14.9%	4.2%	13.3%	6.1%	13.2%	13.1%	19.2%	13.8%	15.9%	12.5%
ROIC including goodwill	13.1%	13.6%	16.2%	12.7%	13.8%	3.9%	11.9%	5.5%	11.7%	11.7%	9.9%	7.5%	12.7%	10.1%
Working capital	1,327	1,502	279	313	498	498	663	720	659	662	233	140	3,656	3,829
Net interest-bearing debt	2,196	2,455	450	566	827	966	518	767	707	733	171	58	2,214	3,164

Notes: 1) Intangible assets in portfolio businesses stated exclusive of consolidated goodwill in Schouw & Co.

# BioMar

Foreign exchange developments reduced revenue and EBITDA, while volume sales were maintained. Regulatory approval of new partnership in Vietnam expected in second quarter. Full-year revenue guidance maintained.

BioMar is one of the world's largest manufacturers of quality feed for the fish and shrimp farming industries. The company's operations are divided into four divisions:

- The Salmon Division covering operations in Norway, Scotland, Chile and Australia. The division supplies high-yielding feed for Atlantic salmon, Pacific salmon and trout.
- The EMEA Division covering the EMEA region and involving all operations other than salmon. The division has production facilities in Denmark, France, Spain, Greece and Turkey.
- The LatAm Division covering Latin American operations involving shrimp and fish species other than salmon. The division has production facilities in Ecuador and Costa Rica.

BioMar	YTD 2021	YTD 2020	FY 2020
<i>Volume ('000 tonnes)</i>			
Salmon Division	187	195	962
Other divisions	79	75	380
Total	266	270	1,342
<i>Revenue (DKKm)</i>			
Salmon Division	1,672	1,762	8,511
Other divisions	599	619	3,138
Total	2,271	2,381	11,649
<i>EBITDA (DKKm)</i>			
Salmon Division	82	91	553
Other divisions	58	68	419
Total	140	159	972

- The Asia Division covering operations involving fish and shrimp in Asia. The division has two factories in China and, from 2021, a new factory in Vietnam.

The business operations in Turkey and China, both which are run through 50/50 joint ventures with local partners, are not consolidated.

## Financial performance

The coronavirus pandemic continues to impact the international aquaculture markets, resulting in muted demand for farmed fish and shrimp from key segments such as hotels, restaurants and caterers. During the period, BioMar managed to limit the volume decline in the first quarter of 2021 to a modest 1% year on year. Nevertheless, the reported revenue was down by 5% from DKK 2,381 million in Q1 2020 to DKK 2,271 million in Q1 2021, mostly due to foreign exchange developments, which reduced Q1 revenue by about DKK 70 million year on year.

The Salmon Division reported a volume decline that was mainly driven by the Chilean operations, as sales were reduced by a combination of reduced shares of a few customer contracts, reduced fish stock biomass and changes to feed plans resulting from the coronavirus pandemic. In addition, Chile

suffered algal blooms in March which could affect market developments for a period of time. The division reported improvements in its other geographical regions.

The EMEA Division reported a modest year-on-year improvement in volume sales. Overall, the performance was based on contract re-wins in the Mediterranean markets offset by less favourable fish farming conditions in northern Europe relative to last year.

The LatAm Division reported a year-on-year improvement in volume sales despite the persistently challenging market conditions for fish farmers. The positive developments were driven largely by alternative products, concepts and services launched by BioMar.

Realised EBITDA for Q1 2021 was DKK 140 million, compared with DKK 159 million in Q1 2020. The decline was mainly attributable to foreign exchange developments, which had a negative impact relative to last year.

Working capital fell from DKK 1,502 million at 31 March 2020 to DKK 1,327 million at 31 March 2021. Most working capital components contributed to the lower amount with the exception of inventories, which increased due to the newly opened operations in

BioMar	YTD 2021	YTD 2020	FY 2020
Revenue	2,271	2,381	11,649
EBITDA	140	159	972
EBIT	54	77	637
Associates and JVs	-13	14	-36

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON P. 10

Australia and sluggish sales in Chile. The use of supply-chain financing increased from DKK 645 million at 31 March 2020 to DKK 843 million at 31 March 2021, marking only a slight change from DKK 829 million at 31 December 2020.

ROIC excluding goodwill remained high, at 18.1% at 31 March 2021, compared with 18.4% at 31 December 2020.

## Joint ventures and associates

BioMar manufactures fish feed in China and Turkey through 50/50 joint ventures with local partners. These activities are not consolidated, but having a strong presence in these markets is very important to BioMar due to their large growth potential.

The two feed businesses reported combined Q1 2021 revenue (100% basis) of DKK 161 million and EBITDA of DKK 7 million, against revenue of DKK 139 million and EBITDA of DKK 12 million in Q1 2020. The revenue improvement was attributable to the operations in China, which also supported the earnings performance, whereas Turkey remains challenged by the coronavirus pandemic and macroeconomic conditions.

The non-consolidated businesses also include the Chilean fish farming company Salmones Austral and three minor businesses, ▶▶

Letsea, ATC Patagonia and LCL Shipping. The non-consolidated joint ventures and associates are recognised in the Q1 2021 consolidated financial statements at a DKK 13 million share of loss after tax, compared with a DKK 14 million share of profit in the Q1 2020 period. The decline was mainly attributable to Salmenes Austral, which continues to struggle with low settlement prices on farmed salmon due to the coronavirus pandemic.

### Business review

Most parts of the world have been affected by the coronavirus pandemic since the first quarter of 2020. Conditions have varied from country to country, but BioMar has consistently adapted to the situation in each market, implementing a large number of measures to protect its employees and to support local communities in the most affected areas. The negative impact on BioMar's overall volume sales has been relatively modest to date, although certain markets have been severely challenged, such as Chile, Ecuador and the Mediterranean markets.

In February 2021, BioMar signed a partnership agreement with Viet-UC, a leading player in Vietnam's shrimp farming industry. Under the agreement BioMar becomes a co-owner and takes operational charge of a relatively new feed factory owned by Viet-UC. The process of defining the partnership

has been rendered difficult by the persistent travel restrictions, but the process of obtaining the necessary regulatory approvals is progressing to plan and is expected to be concluded in the second quarter of 2021. The new partnership is expected to produce substantial synergies and to strengthen BioMar's global position in the shrimp feed business. In addition, BioMar will be strengthening its organisation by dedicating management resources for Asia in order to emphasise its commitment to this important geographical region.

### Outlook

From a general perspective, demand for farmed fish and shrimp is progressing well in most markets. However, the coronavirus pandemic has disrupted the usual sales channels for farmed fish and shrimp, leading to import/export restrictions and creating a highly volatile supply/demand situation and, as a result, volatile pricing.

To date, the coronavirus pandemic has had only a limited impact on BioMar's overall volume sales. However, there have been shifts in geographical sales, and in some cases, sales of quite advanced feed products have been replaced by relatively standard products.

According to current assessments, the main

sources of uncertainty are the market in Chile and the ongoing coronavirus pandemic in all markets. The outlook for 2021 presupposes a gradual normalisation of market conditions in the core markets. Based on that assumption, BioMar expects an increase in volume sales driven in part by gradual normalisation, in part by the effects of the strategic investments made in recent years.

Against this background, BioMar continues to expect to generate full-year 2021 revenue of about DKK 12.0 billion, but changes in raw materials prices and foreign exchange rates may, as always, impact revenue. Earnings may also be affected by foreign exchange developments, but also here, BioMar maintains its guidance, expecting 2021 EBITDA in the range of DKK 950-1,020 million.

Associates and joint ventures, which are recognised at a share of profit after tax, are now expected to contribute a share of profit in 2021 in the neighbourhood of DKK 25 million instead of DKK 40 million as previously guided. The reduced estimated share of profit is still a significant improvement relative to 2020 and predominantly attributable to Salmenes Austral.

# Fibertex Personal Care

Healthy demand in key markets, but challenging situation for raw materials prices and supply chains. New production capacity underway in Malaysia and the USA. Full-year revenue guidance maintained.

Fibertex Personal Care is one of the world's largest manufacturers of spunbond/spunmelt nonwovens for the personal care industry. The company has nonwovens production facilities in Denmark and Malaysia.

Operations include printing on nonwoven textiles for the personal care industry. Fibertex Personal Care is the market leader in this field. Printing operations are based in Germany, Malaysia and the USA. Both business areas focus mainly on materials for diapers, sanitary towels and incontinence products.

## Financial performance

Fibertex Personal Care generated revenue of DKK 530 million in Q1 2021, compared with DKK 536 million in Q1 2020. The slight decrease in revenue was mainly attributable to foreign exchange developments, which offset the effect of an increase in volume sales.

Reported EBITDA for Q1 2021 was DKK 80 million, compared with DKK 101 million in Q1 2020. The considerable decline in earn-

Fibertex Personal Care	YTD 2021	YTD 2020	FY 2020
Revenue (DKK m)	530	536	2,118
- from Denmark	170	183	696
- from Malaysia	285	271	1,065
- printing activities	75	82	357

ings had been expected and was largely due to adverse developments in prices of raw materials, which can only be passed on to selling prices with some delay.

Working capital fell from DKK 313 million at 31 March 2020 to DKK 279 million at 31 March 2021, mainly due to a drop in receivables. ROIC excluding goodwill fell from 18.3% at 31 December 2020 to 17.3% at 31 March 2021, due to the lower earnings of the quarter.

## Business review

The Asian and US markets continue to see good growth rates, and Fibertex Personal Care is ready to pursue opportunities for investing in new output capacity. The company has taken steps to add another nonwovens production line in Malaysia. It will be set up at the factory in Sendayan and is expected to be commissioned early in the first quarter of 2022. In addition to establishing a new line in Malaysia, Fibertex Personal Care is adding a new print line at its US operations, which is expected to be commissioned in the second half of 2021. Representing a combined investment of about DKK 250 million, the two new lines will add more than 10% to the existing capacity within each of the business areas.

As the European nonwovens market for the

personal care industry is relatively consolidated, Fibertex Personal Care has taken steps to develop and streamline its existing business. A range of new soft products launched by a relatively broad customer portfolio is an important means for Fibertex Personal Care to strengthen its position in this market.

To that end, Fibertex Personal Care has added a number of specialty products to its product portfolio. In addition, the company has made efforts to develop new value-adding services, including a new service that enables designers and product specialists to digitally approve their print designs, thereby optimising the entire approval process. This new service will be launched in the second half of 2021.

Fibertex Personal Care's efforts in terms of sustainable development involve six of the United Nations' seventeen Sustainable Development Goals (SDGs), and a number of new initiatives and projects have been launched under the new slogan 'Sustainable is Possible'. Under the environmental SDGs, Fibertex Personal Care is currently completing the installation of 10,000m<sup>2</sup> of solar panels at the factory in Malaysia.

## Outlook

On account of the coronavirus pandemic,

Fibertex Personal Care	YTD 2021	YTD 2020	FY 2020
Revenue	530	536	2,118
EBITDA	80	101	406
EBIT	47	66	269

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demand for nonwovens for the production of personal protective equipment remains strong. Fibertex Personal Care has ramped up operations involving printing on face masks, while remaining focused on producing materials for its three core business areas: diapers, sanitary towels and incontinence products.

From a general perspective, Asia is expected to see growth in all three core areas, but particularly incontinence products have shown positive trends in the European market.

Like many other companies, Fibertex Personal Care saw the supply chain for its raw materials coming under pressure in the first quarter of the year. The availability of polypropylene in Europe is particularly an issue. The serious situation is expected to continue in the second quarter. It is being monitored closely, as polypropylene is the company's most important raw material.

As a result, the full-year guidance is provided subject to developments in the supply situation and foreign exchange rates and to changes in prices of raw materials. Currently, Fibertex Personal Care maintains its guidance of revenue of approximately DKK 2.2 billion and EBITDA in the range of DKK 320-360 million in 2021.

# Fibertex Nonwovens

Best quarterly revenue and EBITDA performance in company history. Significant improvement in the North American market and in sales of materials for filtration and wipes. Full-year guidance raised.

Fibertex Nonwovens is a globally leading manufacturer of nonwovens, i.e. fibre sheets produced on high-tech processing facilities with various purpose-specific post-processings. The products are used for a number of different industrial and healthcare purposes. The company's core markets are in Europe and North and South America, while its secondary markets are in Africa.

## Financial performance

Fibertex Nonwovens reported Q1 2021 revenue of DKK 521 million, a 17% increase from DKK 445 million in Q1 2020. The revenue improvement was driven especially by a surge in global sales of products for construction works, filtration materials and materials for disposable wipes as well as a generally positive performance in North America, where sales improved by no less than 37%. The European revenue was up 14% year on year, impacted by reduced demand in the industrial segments.

Reported EBITDA for the first quarter was DKK 96 million, up from DKK 54 million in Q1 2020, which was considerably higher than expected. The earnings increase was driven by a combination of increased volume sales, improved product mix and various cost cuts. In addition, first-quarter earnings were supported by favourable raw materials transactions. However, the sharply upward

trends in prices during the quarter will lead to muted results in the upcoming period.

Despite the increase in business activity, working capital at 31 March 2021 was held at DKK 498 million, in line with the level at 31 March 2020. ROIC excluding goodwill increased from 12.2% at 31 December 2020 to 14.9% at 31 March 2021, due to the sustained earnings increase.

## Business review

In recent years, Fibertex Nonwovens has consolidated its position as a leading manufacturer of special-purpose nonwovens. Recent years' investments to expand global production capacity have been instrumental for the company to capitalise on the opportunities that have arisen in the wake of the coronavirus pandemic, based on a surge in the consumption of filtration materials and materials for wipes, much of which is used for cleaning and disinfection purposes.

Market conditions in the first quarter of 2021 were largely stable and with generally growing demand. However, the period was also affected by the global shortage of electronics components, which forced the automotive industry to cut back on production once again, by extension reducing Fibertex Nonwovens' sales to this important segment. Similarly, the generally increased

demand in the global market for raw materials and components means that security of supply and massive increases in prices of raw materials and transport costs present an ever-greater challenge.

The positive trends in North America have continued. The US business is considered an important, long-term operation in an attractive growth market, and Fibertex Nonwovens has decided to invest approximately DKK 300 million to ramp up production capacity and accommodate the growing demand. Europe also offers good opportunities for investment, and at the end of the first quarter, the company announced investments of around DKK 300 million to bolster the capacity of its factories in the Czech Republic and Turkey. The new investments in the USA and Europe reflect the company's strategic ambition to strengthen its position as a supplier of materials for special-purpose wipes.

## Outlook

Going forward, Fibertex Nonwovens expects promising growth opportunities in the use of nonwovens for industrial and healthcare-related purposes. However, the outlook for the rest of 2021 remains subject to some degree of uncertainty with respect to the development of prices of raw materials. The currently increased level of activity has resulted in global shortages of raw materials

Fibertex Nonwovens	YTD 2021	YTD 2020	FY 2020
Revenue	521	445	1,791
EBITDA	96	54	270
EBIT	70	29	166

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and components, leading to sharply rising prices on raw materials and supply shortages. Combined with sharply rising freight rates, earnings will be under pressure until a new equilibrium has been found.

Fibertex Nonwovens expects satisfactory market activity for the rest of 2021 along with good capacity utilisation for the company. The company continues to expect demand for filtration materials and materials for wipes to remain high, making this a logical focal area for future strategic investments.

Against this background, Fibertex Nonwovens raises its FY 2021 revenue guidance by about DKK 100 million to the DKK 1.9-2.0 billion range. Based on the strong first-quarter performance, the company also raises its FY 2021 earnings guidance to EBITDA in the range of DKK 245-265 million from the previous forecast of DKK 220-250 million.

# GPV

## Revenue and EBIT improvements despite raw materials supply challenges. Decision to consolidate operations in Asia at the two major factories in Thailand and Sri Lanka. Full-year guidance raised.

GPV is a leading European EMS (Electronics Manufacturing Services) company. The company is a high-mix/low-medium volume manufacturer in the B2B market. Core products are electronics, mechanics, cable harnessing, mechatronics (combination of electronics, mechanics and software) and associated services.

The company's customers are mainly major international businesses typically headquartered in Europe or North America, and GPV supplies its customers' international units in more than fifty countries. GPV has a strong production platform and operates production facilities in Denmark, Switzerland, Germany, Austria, Slovakia, Thailand, Sri Lanka, China and Mexico.

### Financial performance

GPV reported Q1 2021 revenue of DKK 741 million, a 9% increase from DKK 679 million in Q1 2020. The improvement was driven by increased demand during the quarter, especially from a number of customers in the Semiconductor, Cleantech and Industry business areas.

Shipments of electronics components came under even more pressure in the first quarter, due to increased consumption of components, in particular for electrification, computers and 5G networks. This has

led to higher component prices and longer lead times. As a result, GPV has encouraged customers to extend their forecast periods, which has obviously made for a longer order horizon.

The Q1 2021 earnings were much better than expected, resulting in EBITDA of DKK 76 million, up from DKK 46 million in Q1 2020. Earnings were lifted by the higher business activity resulting from increased sales to a broad range of customers along with good cost management and high capacity utilisation at GPV's factories.

Working capital fell from DKK 720 million at 31 March 2020 to DKK 663 million at 31 March 2021. ROIC excluding goodwill improved to 13.3% at 31 March 2021 from 11.0% at 31 December 2020, driven mainly by the improved earnings and lower invested capital.

### Business review

Meeting customer requirements for high product quality and reliability of supply is a top priority for GPV. To ensure adequate flexibility, the company has an ongoing investment programme to step up automation and efficiency. This involves ongoing focus on digitising business processes, including the use of video streaming for customer audits, certification audits and implementing new products.

GPV has decided to consolidate its manufacturing operations in Asia at two major factories, one in Thailand and one in Sri Lanka. The company expects to launch two already planned expansion projects at the two sites. However, the actual implementation of the projects will depend on how the coronavirus pandemic develops. The decision to consolidate means that the Chinese manufacturing unit will close and that the future operations in China will concentrate on sourcing materials and procuring components for GPV's factories. The changes to be made in China are not expected to have any significant impact on the financial results for 2021.

### Outlook

GPV estimates that the positive market trends seen in the first quarter of 2021 will continue into the second quarter, but acknowledges that it remains more uncertain how demand will develop in the second half of 2021.

Recently, increased demand has extended considerably the lead times for electronic components, and several suppliers are currently not capable of meeting their usual levels of supply accuracy. This creates challenging conditions of increased component prices and unusually long lead times, which GPV is trying to deal with in close collaboration with its customers.

GPV	YTD 2021	YTD 2020	FY 2020
Revenue	741	679	2,887
EBITDA	76	46	271
EBIT	48	16	151

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GPV remains concerned about developments in the coronavirus pandemic and how it might affect the market situation. However, the company has a strong pipeline with an ongoing inflow of new contracts and new customers, which will support its business activity over the longer term. However, considering the time frame usually required for integrating such new activities, the process is not expected to offset the potentially negative impact of the coronavirus pandemic that may materialise in the coming quarters.

On account of the fair level of activity in the first quarter and the likelihood of it continuing in the second quarter, GPV now takes a more positive view of the prospects for the overall level of activity for 2021. As a result, GPV is raising its full-year revenue guidance to the DKK 2.9-3.0 billion range (from previously about DKK 2.7 billion) and its EBITDA guidance range to DKK 250-290 million (from previously DKK 220-250 million).

# HydraSpecma

Positive start to the year with increased revenue and earnings. Sharp improvement in sales of products to the vehicles segment and sales of solutions for wind turbines remaining strong. Full-year guidance raised.

HydraSpecma is a manufacturing, trading and engineering company specialising in Power & Motion whose core business is hydraulic components and systems for industry and the aftermarket. The company is a market leader in the Nordic region and also serves customers from units in Poland, the UK, China, India, Brazil and the USA.

## Financial performance

The first quarter proved to be even better than expected for HydraSpecma. The company recorded a sharp improvement in sales of products to the vehicles segment, as especially sales to global OEM customers in Commercial Vehicle and Construction equipment were much higher than anticipated, and HydraSpecma maintained its strong sales of solutions for wind turbines.

As a result, HydraSpecma reported Q1 2021 revenue of DKK 575 million, an 8% increase from DKK 533 million in Q1 2020. As a direct result of the revenue improvement, reported EBITDA rose by 12% to DKK 65 million in Q1 2021 from DKK 57 million in Q1 2020.

HydraSpecma reduced its working capital slightly, from DKK 662 million at 31 March 2020 to DKK 659 million at 31 March 2021. ROIC excluding goodwill improved from 12.9% at 31 December 2020 to 13.2% at 31 March 2021, as a result of the increased earnings.

## Business review

Obviously, the increase in business activity will impact the company's production capacity, and HydraSpecma is looking forward to commissioning its new logistics and production facilities located in the Gothenburg area, which will help the company optimise its current production and increase capacity to meet the growing demand from European customers in the vehicles segment. The handover of the new facilities, totalling 11,000 m<sup>2</sup>, took place on schedule in April 2021, and over the next few months, HydraSpecma will be moving its operations from the current location in central Gothenburg to the new site outside the city.

In addition, HydraSpecma is setting up a new tech centre at Ishøj outside Copenhagen with facilities designed to serve the company's customers in the Zealand region. The new tech centre is expected to be operational by the end of the third quarter of 2021, and in April 2021, HydraSpecma agreed to sell its current property in nearby Greve. The sale of the property in Greve is expected to produce an accounting gain of approximately DKK 10 million.

The geographical distribution of the business is expected to continue to shift towards Asia, with business activity growing especially in the wind turbine segment. To

accommodate the shift, HydraSpecma has begun to establish new production facilities on the outskirts of Chennai in India, where the company has operated from relatively small premises for a number of years. The new facilities will include a property of, initially, about 4,200 m<sup>2</sup>, which is expected to be ready in the second quarter of 2022, with further expansion available.

HydraSpecma has received positive market response from its efforts to continue to expand its product range and build an electrification knowledge centre at Skjern, Denmark. The initiative has already yielded several sustainable products as well as solutions that combine electric and hydraulic components to produce hybrid solutions.

## Outlook

HydraSpecma expects to continue to increase its sales to global OEM customers in the vehicles segment and to retain its current strong sales to the wind turbine segment. Other customers are also experiencing growing business activity, and many of them are gradually recovering to pre-pandemic levels.

However, the increased market activity has led to rising prices of hydraulics and electrification products, also resulting in increased transport costs. At the same time, lead times

HydraSpecma	YTD 2021	YTD 2020	FY 2020
Revenue	575	533	1,977
EBITDA	65	57	211
EBIT	41	36	123

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for many components have increased due to a shortage of materials and limited capacity at suppliers, which may result in temporary dips in expected growth.

HydraSpecma continues its efforts to align to the future market situation while also making the necessary investments to ensure that the organisation remains agile and retains its competitive strength and high levels of service.

The expected increase in business activity will support the full-year results, and the sale of the property in Greve, Denmark, will be EBITDA-supportive. Based on the current outlook, HydraSpecma is raising its guidance to full-year revenue of about DKK 2.2 billion (from previously about DKK 2.1 billion) and EBITDA in the DKK 230-250 million range (from previously DKK 210-230 million).



# Borg Automotive

Good start to the year driven by increased demand and the successful acquisition of turbocharger operations. Agreement to acquire trading company SBS Automotive signed after the end of the quarter, and full-year guidance upgraded.

Europe's largest independent remanufacturing company, Borg Automotive produces, sells and distributes remanufactured automotive parts to the European market.

Borg Automotive sells its products under four different brands: the international brand Lucas and the company's three proprietary brands: Elstock, DRI and TMI. The company's main products are starters, alternators, brake callipers, air-condition compressors, EGR valves, steering racks, pumps and turbochargers. The company's business model is supported by a sales deposit system that encourages customers to return defective spare parts as they are replaced, so they can be used as cores for remanufacturing purposes.

Headquartered in Silkeborg, Denmark, Borg Automotive has a sales subsidiary in Belgium and production facilities in Poland, the UK and Spain. In May 2021, the company agreed to acquire trading company SBS Automotive in a deal expected to close at 1 July 2021.

## Financial performance

Borg Automotive reported an increase in business activity in several markets during the first quarter of 2021 despite the coronavirus pandemic. Reported Q1 revenue was DKK 272 million, up from DKK 232 million in Q1 2020. The improvement reflects

predominantly a positive trend in aftermarket sales and a good start to the newly acquired turbocharger operations.

Reported Q1 2021 EBITDA was DKK 40 million, compared with DKK 24 million in Q1 2020. The improvement was mainly attributable to the increase in revenue, but initiatives and cost adjustments launched in 2020 to counter the effects of the pandemic also boosted Q1 earnings.

Working capital increased from DKK 140 million at 31 March 2020 to DKK 233 million at 31 March 2021. The increase in working capital relative to last year was due to growing business activity as well as higher trade receivables and larger inventories. ROIC excluding goodwill increased from 17.5% at 31 December 2020 to 19.2% at 31 March 2021, driven mainly by the earnings improvement.

## Business review

Q1 2021 sales were on an upward trend year on year, driven by increased activity in the aftermarket despite traffic intensity remaining low in a number of crucial European markets. Borg Automotive's customer base was largely unchanged during the period, other than the addition of a few customers in connection with the acquisition of the turbocharger operations from the Span-

ish company Turbo Motor Inyección (TMI) shortly before the end of 2020.

An ongoing priority at Borg Automotive has been to develop the product programme, and the acquisition of the turbocharger operations in Spain accommodates customer demand. In addition, the company has focused on optimising production and ensuring complementary operations at the production units in Poland, the UK and Spain. The company has stepped up investments in recent years in order to accommodate growing demand and manage the expansion of its product portfolio, but also to handle the greater product complexity and increasing electrification.

After the end of the first quarter, Borg Automotive agreed to acquire SBS Automotive, a trading company dealing in automotive spare parts based in Støvring, Denmark and with distribution facilities in Denmark, Germany, France and Poland. The company has some 130 employees and generated revenue of DKK 455 million and EBITDA of about DKK 20 million in 2020. SBS Automotive complements Borg Automotive's operations and is considered an important factor in Borg Automotive's strategic development. The deal is expected to close at 1 July 2021 and was concluded based on an earn-out model in which the enterprise value was set at five times the 2022 EBITDA.

Borg Automotive	YTD 2021	YTD 2020	FY 2020
Revenue	272	232	871
EBITDA	40	24	108
EBIT	24	12	60

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## Outlook

Demand is expected to continue to grow in 2021 along with the effects of the TMI and SBS Automotive acquisitions. However, as Borg Automotive generates about 20% of its overall sales in the UK, this country's exit from the EU will lead to increased costs and a more complex trading environment. Also, the coronavirus pandemic continues to create some degree of uncertainty in the market.

Earlier in the year, Borg Automotive guided for full-year revenue of around DKK 1,050 million and EBITDA in the DKK 130-150 million range. The company is off to a good start to the year and will benefit from the effects of the acquisition of SBS Automotive, which is expected to contribute revenue of about DKK 200 million in the second half of the year. On that background, Borg Automotive now expects to generate revenue of approximately DKK 1,250 million and EBITDA in the range of DKK 150-170 million before any inventory adjustments relating to purchase price adjustments relating to the acquisition of SBS Automotive.



## Interim financial statements

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# Statements of income and comprehensive income

Note	Income statement	YTD 2021	YTD 2020	FY 2020	Note	Statement of comprehensive income	YTD 2021	YTD 2020	FY 2020
1	Revenue	4,906	4,802	21,273		Items that cannot be reclassified to the income statement:			
	Cost of sales	-4,069	-4,030	-17,746		Actuarial gains/losses on defined benefit pension liabilities	0	0	-17
	<b>Gross profit</b>	837	772	3,528		Items that can be reclassified to the income statement:			
	Other operating income	10	5	27		Foreign exchange adjustments of foreign units, etc.	151	-170	-492
	Distribution costs	-346	-331	-1,331		Value adjustment of hedging instruments	0	-6	-8
2	Administrative expenses	-223	-209	-831		Hedging instruments transferred to cost of sales	8	-2	-2
	Other operating expenses	-3	-7	-17		Hedging instruments transferred to financials	-2	0	2
	<b>EBIT</b>	275	229	1,376		Other comprehensive income from associates and JVs	0	0	-11
	Profit after tax in associates	-14	11	-44		Other adjustments to other comprehensive income	2	1	-2
	Profit after tax in joint ventures	1	4	8		Tax on other comprehensive income	-1	1	3
	Gains on divestments	3	0	2		<b>Other comprehensive income after tax</b>	158	-175	-528
	Financial income	46	27	76		Profit for the period	207	159	909
	Financial expenses	-39	-58	-209		<b>Total recognised comprehensive income</b>	365	-17	381
	<b>Profit before tax</b>	272	212	1,209		Attributable to			
	Tax on profit for the period	-65	-53	-300		Shareholders of Schouw & Co.	364	-14	383
	<b>Profit for the period</b>	207	159	909		Non-controlling interests	0	-2	-2
	Shareholders of Schouw & Co.	207	162	912		<b>Total recognised comprehensive income</b>	365	-17	381
	Non-controlling interests	0	-3	-3					
	<b>Profit for the period</b>	207	159	909					
5	Earnings per share (DKK)	8.63	6.76	38.04					
5	Diluted earnings per share (DKK)	8.59	6.76	38.00					

# Balance sheet • Assets and liabilities

Note	Assets	31/3 2021	31/12 2020	31/3 2020	31/12 2019	Note	Liabilities and equity	31/3 2021	31/12 2020	31/3 2020	31/12 2019
	Intangible assets	3,443	3,423	3,561	3,568		Share capital	255	255	255	255
	Property, plant and equipment	4,732	4,659	4,776	4,956		Hedge transaction reserve	-4	-10	-9	-3
	Lease assets	717	721	761	827		Exchange adjustment reserve	-103	-253	80	251
	Equity investments in associates	350	347	441	427		Retained earnings	9,471	9,257	8,817	8,658
	Equity investments in joint ventures	138	134	138	136		Proposed dividend	357	357	357	357
	Securities	81	80	78	79		<b>Equity attributable to parent company shareholders</b>	<b>9,977</b>	<b>9,606</b>	<b>9,500</b>	<b>9,519</b>
	Deferred tax	116	104	122	122		Non-controlling interests	0	0	0	2
	Receivables	37	41	92	107		<b>Total equity</b>	<b>9,977</b>	<b>9,605</b>	<b>9,500</b>	<b>9,521</b>
	<b>Total non-current assets</b>	<b>9,613</b>	<b>9,509</b>	<b>9,969</b>	<b>10,222</b>		Deferred tax	363	357	410	409
	Inventories	3,888	3,692	3,617	3,868		Other payables	309	344	299	306
3	Receivables	4,211	4,071	4,102	4,112		Interest-bearing debt	1,975	1,742	2,867	2,976
	Income tax receivable	39	88	41	37		<b>Non-current liabilities</b>	<b>2,647</b>	<b>2,443</b>	<b>3,577</b>	<b>3,691</b>
	Cash and cash equivalents	723	635	578	538		Interest-bearing debt	993	856	921	909
	<b>Total current assets</b>	<b>8,860</b>	<b>8,486</b>	<b>8,339</b>	<b>8,554</b>		Trade payables and other payables	4,386	4,574	3,820	4,173
	<b>Total assets</b>	<b>18,473</b>	<b>17,994</b>	<b>18,308</b>	<b>18,777</b>		Liability regarding put option	358	360	387	369
							Corporate income tax	113	155	104	114
							<b>Current liabilities</b>	<b>5,849</b>	<b>5,946</b>	<b>5,231</b>	<b>5,565</b>
							<b>Total liabilities</b>	<b>8,496</b>	<b>8,389</b>	<b>8,808</b>	<b>9,256</b>
							<b>Total equity and liabilities</b>	<b>18,473</b>	<b>17,994</b>	<b>18,308</b>	<b>18,777</b>

Notes without reference 4 and 6-8.

# Cash flow statement

Note	YTD 2021	YTD 2020	FY 2020
Profit before tax	272	212	1,209
Adjustment for non-cash operating items etc.:			
Depreciation and impairment losses*	211	205	833
Other non-cash operating items, net	-4	-3	-7
Provisions	8	2	24
Share of profit after tax in associates and JVs	13	-14	36
Financial income	-46	-27	-76
Financial expenses	39	58	209
<b>Cash flows from operations before changes in working capital</b>	<b>494</b>	<b>433</b>	<b>2,228</b>
Changes in working capital	-519	-164	471
<b>Cash flows from operations</b>	<b>-25</b>	<b>269</b>	<b>2,699</b>
Interest received	4	3	19
Interest paid	-13	-27	-113
<b>Cash flows from ordinary activities</b>	<b>-35</b>	<b>245</b>	<b>2,605</b>
Income tax paid	-65	-63	-309
<b>Cash flows from operating activities</b>	<b>-99</b>	<b>181</b>	<b>2,296</b>
Purchase of intangible assets	-11	-5	-48
Purchase of property, plant and equipment	-132	-133	-454
Sale of property, plant and equipment	12	2	9
Acquisitions	0	0	-60
Divestments	1	0	0
Additions/disposals of other financial assets	1	3	22
<b>Cash flows from investing activities</b>	<b>-129</b>	<b>-134</b>	<b>-533</b>

\*Of which depreciation and amortisation of lease assets amounted to DKK 53 million in Q1 2021 (2020: DKK 51 million).

Note	YTD 2021	YTD 2020	FY 2020
Loan financing:			
Repayment of non-current liabilities	-66	-106	-360
Proceeds from non-current liabilities incurred	72	2	0
Increase of bank overdrafts	299	95	-945
<b>Cash flows from debt financing</b>	<b>305</b>	<b>-9</b>	<b>-1,305</b>
Shareholders:			
Dividends paid	0	0	-336
Purchase/sale of treasury shares, net	0	9	11
<b>Cash flows from financing activities</b>	<b>305</b>	<b>-1</b>	<b>-1,630</b>
Cash flows for the period	77	47	133
Cash and cash equivalents, beginning of period	635	538	538
Value adjustment of cash and cash equivalents	11	-7	-37
<b>Cash and cash equivalents, end of period</b>	<b>723</b>	<b>578</b>	<b>635</b>

# Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Shareholders' equity
<b>Equity at 1 January 2020</b>	255	-3	251	8,658	357	9,519	2	9,521
Profit and other comprehensive income:								
Foreign exchange adjustments of foreign subsidiaries		0	-171	0	0	-171	1	-170
Value adjustment of hedging instruments for the period		-6	0	0	0	-6	0	-6
Hedging instruments transferred to cost of sales		-2	0	0	0	-2	0	-2
Hedging instruments transferred to financials		0	0	0	0	0	0	0
Other comprehensive income from associates and joint ventures		0	0	0	0	0	0	0
Other adjustments to other comprehensive income		0	0	1	0	1	0	1
Tax on other comprehensive income		2	0	0	0	1	0	1
Profit for the period		0	0	162	0	162	-3	159
<b>Total recognised comprehensive income</b>		-6	-171	163	0	-14	-2	-17
Transactions with owners:								
Share-based payment		0	0	5	0	5	0	5
Value adjustment of put option		0	0	-18	0	-18	0	-18
Treasury shares bought/sold		0	0	9	0	9	0	9
<b>Total transactions with owners during the period</b>		0	0	-4	0	-4	0	-4
<b>Equity at 31 March 2020</b>	255	-9	80	8,817	357	9,500	0	9,500
Equity at 1 January 2021	255	-10	-253	9,257	357	9,606	0	9,605
Profit and other comprehensive income:								
Foreign exchange adjustments of foreign subsidiaries		0	151	0	0	151	0	151
Value adjustment of hedging instruments for the period		0	0	0	0	0	0	0
Hedging instruments transferred to cost of sales		8	0	0	0	8	0	8
Hedging instruments transferred to financials		-2	0	0	0	-2	0	-2
Other comprehensive income from associates and joint ventures		0	0	0	0	0	0	0
Other adjustments to other comprehensive income		0	0	2	0	2	0	2
Tax on other comprehensive income		0	0	0	0	-1	0	-1
Profit for the period		0	0	207	0	207	0	207
<b>Total recognised comprehensive income</b>		6	151	208	0	364	0	365
Transactions with owners:								
Share-based payment		0	0	5	0	5	0	5
Value adjustment of put option		0	0	2	0	2	0	2
Treasury shares bought/sold		0	0	0	0	0	0	0
<b>Total transactions with owners during the period</b>		0	0	7	0	7	0	7
<b>Equity at 31 March 2021</b>	255	-4	-103	9,471	357	9,977	0	9,977

# Notes to the financial statements

## 1

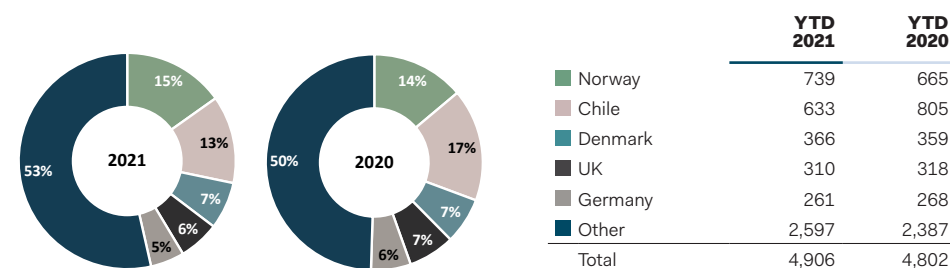
### Segment reporting

Reporting segments YTD 2021	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	Hydra-Specma	Borg Automotive	Reporting segments	Non-reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	2,271	526	521	741	575	272	4,906	0	0	0	4,906
Intra-group revenue	0	4	0	0	0	0	4	0	3	-7	0
Segment revenue	2,271	530	521	741	575	272	4,910	0	3	-7	4,906
EBITDA	140	80	96	76	65	40	495	0	-9	0	486
Depreciation and impairment losses	85	33	25	28	23	16	211	0	0	0	211
EBIT	54	47	70	48	41	24	284	0	-9	0	275
Share of profit in associates and JVs	-13	0	0	0	0	0	-13	0	0	0	-13
Tax on profit for the period	-14	-11	-16	-9	-9	-5	-64	0	-1	0	-65
Profit for the period	20	36	53	46	31	15	202	0	6	0	207
Segment assets:	8,688	2,008	2,060	2,489	1,861	1,662	18,767	0	10,717	-11,010	18,473
Of which goodwill	1,356	99	117	170	143	516	2,401	0	0	0	2,401
Equity investments in associates and JVs	480	0	0	0	8	0	487	0	0	0	487
Segment liabilities	5,777	950	1,319	1,552	1,258	657	11,512	0	1,766	-4,782	8,496
Working capital	1,327	279	498	663	659	233	3,659	0	-3	0	3,656
Net interest-bearing debt	2,196	450	827	518	707	171	4,868	0	-2,654	0	2,214
Cash flows from operating activities	-240	41	54	103	21	-100	-121	0	18	4	-99
Capital expenditure	25	8	53	14	27	3	130	0	0	0	130
Acquisitions and divestments	0	0	0	0	0	0	0	0	-1	0	-1
Average no. of employees	1,395	755	1,053	3,609	1,169	1,675	9,656	0	14	0	9,670

Based on management control and financial management, Schouw & Co. has identified six reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive. All inter-segment transactions were made on an arm's length basis.

The data on revenue by geography are based on customers' geographical location, while data on intangible assets and property, plant and equipment by geography are based on the geographical location of the assets. The specification shows individual countries that account for more than 5% of the Group in terms of revenue or assets. As Schouw & Co.'s consolidated revenue is generated in some 100 different countries, a very large proportion of revenue derives from the 'Other' category.

### Revenue by country:



# Notes to the financial statements

## 1

### Segment reporting (continued)

Reporting segments YTD 2020	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	Hydra- Specma	Borg Automotive	Reporting segments	Non-reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	2,381	532	445	679	533	232	4,802	0	0	0	4,802
Intra-group revenue	0	4	0	0	0	0	4	0	3	-7	0
Segment revenue	2,381	536	445	679	533	232	4,806	0	3	-7	4,802
EBITDA	159	101	54	46	57	24	442	0	-9	0	434
Depreciation and impairment losses	81	36	25	30	21	12	205	0	0	0	205
EBIT	77	66	29	16	36	12	237	0	-9	0	229
Share of profit in associates and JVs	14	0	0	0	0	0	14	0	0	0	14
Tax on profit for the period	-19	-15	-5	-4	-7	-1	-52	0	-1	0	-53
Profit for the period	62	51	12	1	23	6	154	0	5	0	159
Segment assets:	8,852	2,143	1,980	2,458	1,681	1,521	18,635	11	10,973	-11,312	18,308
Of which goodwill	1,419	99	120	178	134	516	2,467	0	0	0	2,467
Equity investments in associates and JVs	571	0	0	0	8	0	579	0	0	0	579
Segment liabilities	5,860	1,095	1,327	1,617	1,181	507	11,587	6	2,499	-5,284	8,808
Working capital	1,502	313	498	720	662	140	3,836	0	-7	0	3,829
Net interest-bearing debt	2,455	566	966	767	733	58	5,545	5	-2,386	0	3,164
Cash flows from operating activities	-97	105	46	70	28	7	159	0	18	4	181
Capital expenditure	59	7	34	13	21	3	137	0	0	0	137
Acquisitions and divestments	0	0	0	0	0	0	0	0	0	0	0
Average no. of employees	1,338	740	993	3,620	1,192	1,529	9,412	0	14	0	9,426



# Notes to the financial statements

## 2

### Costs

#### Share-based payment: Share option programme

The company maintains an incentive programme for the Executive Management and senior managers, including the executive managements of subsidiaries. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at around the time of grant plus a calculated rate of interest from the date of grant until the date of exercise. The 2021 grant is described in greater detail in company announcement no. 2/2021 of 12 March 2021.

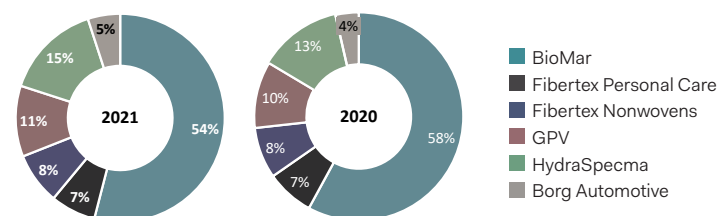
Outstanding options	Executive management	Other	Total
Total outstanding options at 31 December 2020	217,000	1,050,000	1,267,000
Lapsed in 2021	-55,000	-212,000	-267,000
Granted in 2021	40,000	363,000	403,000
Total outstanding options at 31 March 2021	202,000	1,201,000	1,403,000

## 3

### Receivables (current)

	31/3 2021	31/3 2020
Trade receivables	3,873	3,719
Other current receivables	260	313
Prepayments	78	70
<b>Total current receivables</b>	<b>4,211</b>	<b>4,102</b>

#### Trade receivables by portfolio company:



Amounts in DKK million

31/3 2021	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
Total receivables	3,202	355	188	278	4,022
Impairment losses on trade receivables	-20	-7	-8	-115	-149
<b>Trade receivables, net</b>	<b>3,182</b>	<b>348</b>	<b>180</b>	<b>163</b>	<b>3,873</b>

Proportion of total receivables expected to be settled					96.3%
Impairment rate	0.6%	1.8%	4.3%	41.4%	3.7%

31/3 2020	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
Total receivables	3,108	384	131	241	3,863
Impairment losses on trade receivables	-25	-4	-7	-108	-144
<b>Trade receivables, net</b>	<b>3,083</b>	<b>380</b>	<b>124</b>	<b>133</b>	<b>3,719</b>

Proportion of total receivables expected to be settled					96.3%
Impairment rate	0.8%	1.0%	5.5%	44.7%	3.7%

#### Impairment losses on trade receivables

	31/3 2021	31/3 2020
Impairment losses, beginning of period	-142	-171
Foreign exchange adjustments	-2	3
Additions on company acquisitions	0	0
Impairment losses for the period	-5	0
Realised loss	0	24
<b>Impairment losses, end of period</b>	<b>-149</b>	<b>-144</b>

# Notes to the financial statements

## 4

### Capital resources

It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/renewal dates and counterparties, with due consideration to costs. The Group's capital resources consist of cash and undrawn credit facilities. The Group's objective is to have sufficient capital resources to make company acquisitions and to allow it to continue in an adequate manner to operate the business and to react to unforeseen fluctuations in its cash holdings.

Facility	Loans and lines	Of which utilised	Unutilised	Commitment	Avg. term to maturity
Revolving credit facility	3,275	232	3,043	Committed	2 yrs 9 mths (+2 yrs)
Standby facility	1,000	0	1,000	Committed	0 mths
Other credit facilities	886	731	155	Uncommitted	
Schuldschein	1,011	1,011	0	Committed	3 yrs 5 mths
Mortgages	128	128	0	Committed	4 yrs 8 mths
Other long-term debt	125	125	0	Uncommitted	3 yrs 9 mths
Leases	741	741	0	Committed	
Cash and cash equivalents			723		
<b>31 March 2021</b>	<b>7,166</b>	<b>2,968</b>	<b>4,921</b>		

The Group's companies get a significant proportion of their financing from resources and credit facilities of the parent company Schouw & Co. The parent company Schouw & Co.'s financing consists mainly of a syndicated bank facility, which in December 2020 was refinanced with a total facility line of DKK 3,275 million (of which DKK 500 million as an accordion). The new facility has a three-year term with an option for a one-year extension after the first and second year. In connection with refinancing the bank facility, the international bank Hongkong & Shanghai Banking Corporation (HSBC) joined the existing bank consortium consisting of Danske Bank, DNB and Nordea. In addition, in April 2019, the parent company Schouw & Co. issued Schuldscheins for a total of EUR 136 million (DKK 1,011 million) maturing in 2024 (80%) and 2026 (20%), and in April 2020 two committed bilateral facilities for a total of DKK 1,000 million were established to ensure maximum economic versatility for the Group during the coronavirus pandemic. The bilateral facilities expire in April 2021 and will not be extended.

# Notes to the financial statements

## 5

### Share capital and earnings per share (DKK)

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. Each share carries one vote. All shares rank equally. The share capital is fully paid up and no changes have been made during the past five years.

Treasury shares	Number of shares	Nominal value (DKK)	Cost	Percentage of share capital
<b>Shares held at 1 January 2020</b>	1,544,280	15,442,800	469	6.06%
Share option programme	-20,000	-200,000	-3	-0.08%
<b>Shares held at 31 March 2020</b>	1,524,280	15,242,800	466	5.98%
Share option programme	-3,556	-35,560	-1	-0.01%
<b>Shares held at 31 Dec. 2020</b>	1,520,724	15,207,240	466	5.96%
Share option programme	0	0	0	0.00%
<b>Shares held at 31 March 2021</b>	1,520,724	15,207,240	466	5.96%

The Group's holding of treasury shares had a market value of DKK 1,009.8 million at 31 March 2021. The portfolio of treasury shares is recognised at DKK 0.

	YTD 2021	YTD 2020
Share of the profit for the year attributable to shareholders of Schouw & Co	207	162
Average number of shares	25,500,000	25,500,000
Average number of treasury shares	-1,520,724	-1,538,566
<b>Average number of outstanding shares</b>	<b>23,979,276</b>	<b>23,961,434</b>
Average dilutive effect of outstanding share options *	97,312	0
<b>Diluted average number of outstanding shares</b>	<b>24,076,588</b>	<b>23,961,434</b>
Earnings per share of DKK 10	8.63	6.76
Diluted earnings per share of DKK 10	8.59	6.76

\* See note 2 for information on options that may cause dilution.

Amounts in DKK million

## 6

### Fair value of categories of financial assets and liabilities

	31/3 2021	31/12 2020	31/3 2020
Financial assets			
Securities (1)	0	0	0
Other securities and investments (2)	80	79	77
Derivative financial instruments (2)	9	12	51
Other securities and investments (3)	1	1	1
Financial liabilities			
Derivative financial instruments (2)	29	53	26

Securities measured at fair value through other comprehensive income (level 3) amounted to DKK 1 million at the beginning of the year and DKK 1 million at the end of the first quarter.

The Group uses interest rate swaps and forward currency contracts to hedge fluctuations in the level of interest rates and foreign exchange rates. Forward exchange contracts and interest rate swaps are valued using generally accepted valuation techniques based on relevant observable swap curves and exchange rates (level 2). The fair values applied are calculated mainly by external sources on the basis of discounted future cash flows. Other securities and investments forming part of a trading portfolio (level 2) includes the shareholding in Incuba A/S.

The fair value of derivative financial instruments is calculated by way of valuation models such as discounted cash flow models. Anticipated cash flows for individual contracts are based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable market data, including exchange rate volatilities, or correlations between yield curves and credit risks.

Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments at the end of the reporting period.

# Notes to the financial statements

## 7

### Related party transactions

Under Danish legislation, Givesco A/S, Lysholt Allé 3, DK-7100 Vejle, members of the Board of Directors, the Executive Management and senior management as well as their family members are considered to be related parties. Related parties also comprise companies in which the individuals mentioned above have material interests. Related parties also comprise subsidiaries, joint arrangements and associates, in which Schouw & Co. has control, significant influence or joint control of as well as members of the boards of directors, management boards and senior management of those companies.

Management's share option programmes are set out in note 2.

	<b>YTD 2021</b>	<b>YTD 2020</b>
Joint ventures:		
During the reporting period, the Group sold goods in the amount of	1	8
At 31 March, the Group had a receivable of	17	38
At 31 March, the Group had debt in the amount of	1	1
Associates:		
During the reporting period, the Group sold goods in the amount of	94	59
During the reporting period, the Group bought goods in the amount of	17	9
At 31 March, the Group had a receivable of	117	98
At 31 March, the Group had debt in the amount of	5	4

During 2021, the Group has traded with BioMar-Sagun, BioMar-Tongwei, LetSea, Salmones Austral, ATC Patagonia, LCL Shipping, Young Tech Co. and Micron Specma India.

Other than as set out above, there were no transactions with related parties.

Schouw & Co. has registered the following shareholders as holding 5% or more of the share capital: Givesco A/S (28.09%), Direktør Svend Hornslyds Legat (14.82%) and Aktieselskabet Schouw & Co. (5.96%).

## 8

### Special risks, judgments and estimates, and accounting policies

For the Group's special risks, judgments and estimates, and accounting policies please see the Interim report page 6.

**schouw+co**

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