

TO: THE DANISH FINANCIAL SUPERVISORY AUTHORITY
AND NASDAQ COPENHAGEN

COMPANY ANNOUNCEMENT
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The conglomerate shows its strength in 2020

Highlights

Realised in 2020

- A highly unusual year with increased volume sales and a strong EBITDA improvement. Solid cash flows from operations and sharply reduced debt along with successful capitalisation of business opportunities.
- Revenue rose by 2% to DKK 21,273 million (2019: DKK 20,946 million)
- EBITDA rose by 13% to DKK 2,209 million (2019: DKK 1,951 million)
- Cash flow from operating activities improved by 63% to DKK 2,296 million (2019: DKK 1,410 million)
- ROIC excl. goodwill was 15.3 % (2019: 12.3%)
- Proposal that the dividend for the 2020 financial year remain at DKK 14 per share.

Outlook for 2021

- Guidance for higher revenue and for EBITDA to remain high.
- Business activity is expected to remain at a high level, and increased investments to be made during the year will provide the basis for additional growth. The coronavirus remains a part of everyday life, but the Group's businesses stand well prepared for the changing market conditions.
- For 2021, we expect consolidated revenue of about DKK 21.9 billion and EBITDA in the range of DKK 2,015-2,225 million.

Briefly on the development of the companies in 2020

BioMar

BioMar had a good year with revenue and EBITDA improving and strong positive cash flows from operations. Despite the unusual conditions caused by the coronavirus pandemic, BioMar managed to maintain near-normal operations during the year. The company established new product capacity in Australia, China and Ecuador and, after the end of the financial year, the planned agreement for a partnership in Viet-UC in Vietnam was finally concluded.

Fibertex Personal Care

Fibertex Personal Care reported good financial results and maintained large cash inflows from operations. The company increased its volume sales, but lower selling prices resulting from lower prices of raw materials and lower exchange rates led to a drop in revenue. New production capacity is underway in Malaysia and the USA.

Fibertex Nonwovens

Fibertex Nonwovens reported strong improvements in both revenue and EBITDA. By quickly adapting to the changing market situation brought about by the coronavirus pandemic, the company managed to increase sales of materials for healthcare-related purposes. Full-year EBITDA better than expected.

GPV

GPV reported a strong earnings improvement in an otherwise challenging year. A surge in volume sales to selected segments, mainly to MedTech, offset slumping trends in other segments. Full-year EBITDA better than expected.

HydraSpecma

HydraSpecma closed out a challenging year on a strong note in the fourth quarter, increasing sales of products for the vehicles segment and retaining strong sales of solutions for wind turbines and other stationary equipment. As a result, the full-year EBITDA was better than expected.

Borg Automotive

Borg Automotive clearly felt negative effects of the coronavirus pandemic, especially in April and May when a number of important European markets experienced a significant drop in traffic intensity. However, the company ended the year on a positive note with growing demand. At the end of 2020, Borg Automotive acquired the turbocharger operations of Spanish remanufacturing company Turbo Motor Inyección.

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

“Our basic mantra at Schouw & Co. is that results are created by people. When the coronavirus crisis struck in early 2020, there was no doubt whatsoever that the health and safety of our nearly 10,000 employees would be our top priority. Already in February, we defined the foundation for our corona strategy: ‘people first, profit next’.

The culture at Schouw & Co. is based on strong values and on delegating responsibility to the executives and managements of our businesses. It has been very reassuring to see how managers and staff alike in more than thirty countries have taken responsibility, and it has been great to witness how people produce solid results when shown trust and given opportunities. I am honestly very proud and impressed by the efforts made by our loyal and dedicated employees across the Group.

As in many other years, openness to change and business acumen were key at Schouw & Co. in 2020. We managed to respond to sudden changes to the market situation, adapting quickly and efficiently. We saw our customers’ factories closing at very short notice and had to halt our own production, virtually overnight. On the other hand, there were also examples of how the coronavirus pandemic caused a surge in demand for PPEs and hospital equipment. We have pursued opportunities, been creative, used the potential of our value chains and made the best of a highly extraordinary situation.

The strength of our conglomerate becomes clear in times of global turbulence and uncertainty. Our six portfolio businesses give us significant risk diversification, both geographically and in terms of the industries they operate in.

Schouw & Co.'s strategy and business model are unchanged and very clear. We develop and transform a diversified portfolio of leading B2B businesses through long-term, inspiring and responsible ownership. Our long-term focus remains the cornerstone of our Group, but we never forget that solid day-to-day operations are the foundations of profitability.

Over the past few years, we have upgraded our ESG reporting on environmental, social and governance issues. To complement our annual report, we also publish an ESG report, in which we comment on many of our initiatives and non-financial performance indicators. Our businesses managed to reduce their relative energy consumption and had fewer lost-time injuries in virtually every year from 2016 to 2020. We own a number of businesses where an increased focus on ESG will create additional value."

Jørn Ankær Thomsen
Chairman

Jens Bjerg Sørensen
President

Schouw & Co. will be hosting a phone conference (in English) for analysts, the media, etc. on

FRIDAY, 5 MARCH 2021 at 09:00 CET.

Those wishing to attend the phone conference are invited to dial one of the following numbers:
DK: +4532714988 // UK: +442030595869 // US: +16313026547.

Questions relating to the above should be directed to Jens Bjerg Sørensen, President, phone no. +45 86 11 22 22.