

AX V Nissens ApS

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 38 64 75 71

Interim financial report

First quarter 2021/22

1 May 2021 - 31 July 2021



DELIVERING THE DIFFERENCE

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Statement by Management on the interim report

Today, the Board of Directors and the Executive Board have discussed and approved the interim report of AX V Nissens Aps for the period ending 31 July 2021.

The interim consolidated financial statement has not been subject to audit or review.

The interim consolidated financial statement of AX V Nissens ApS has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

It is our opinion that the interim consolidated financial statements give a true and fair view of the Group's financial position on 31 July 2021 and of the results of the Group's operations and cash flows for the financial year 1 May 2021 – 31 July 2021

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

Horsens, 20 August 2021

Executive Board

Mikkel Kroghslund Andersen
CEO

Jakob Backs
CFO

Board of Directors:

Niels Jacobsen
Chairman

Lars Cordt
Vice Chairman

Alan Nissen
Vice Chairman

Søren Klarskov Vilby

Povl Christian Lütken Frigast

Marc de Jong

Management's review

Financial highlights for the Group

Key figures

	Q1 2021/2022	Q1 2020/2021	Full year 2020/2021
		*	*
In DKK millions			
Revenue	465.8	308.6	2,438.6
EBITDA before special items	73.5	69.5	310.2
Operating profit before special items	53.9	54.4	167.0
Operating profit/loss after special items	53.7	54.4	190.9
Profit before tax	41.2	42.6	121.9
Profit for the period from continuing operations	26.8	30.2	88.2
Profit/(loss) for the period from discontinuing operations	7.5	-6.9	0.0
Profit for the period	34.3	30.2	88.2
Non-current assets	1,076.5	1,972.4	1,989.9
Current assets	2,481.8	1,182.0	1,455.9
Total assets	3,558.3	3,154.4	3,445.8
Equity	1,329.4	1,224.0	1,291.1
Non-current liabilities	1,129.6	1,359.4	1,362.3
Current liabilities	1,099.3	571.0	792.4
Cash flows from operating activities	170.5	29.3	152.8
Cash flow from investing activities	-10.9	-18.3	-91.4
Cash flows from financing activities	-24.5	-18.3	-95.9
Total cash flows	135.1	-7.3	-34.4
Financial ratios			
EBITDA before special items margin	15.8%	14.9%	12.7%
Operating margin before special items	11.5%	9.0%	6.8%
Operating margin after special items	11.5%	9.0%	7.8%
Current ratio	225.8%	207.0%	183.7%
Equity ratio	37.4%	38.8%	37.5%
Return on equity	2.6%	1.9%	7.1%
Average number of full-time employees	1,568	1,369	1,417

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios".

*On 19 July 2021 AX V Nissens ApS and its subsidiary K. Nissen International A/S has entered into an agreement concerning the sale of the Nissens Cooling Solutions division. At 31 July 2021, Nissens Cooling Solutions division was classified as a disposal group held for sale and as a discontinued operation. Income statement as per 31 July 2020 is restated.

The comparative figures, for Income Statement for Full year 2020/2021, Balance sheet, Cash flow and Financial ratios as per 30 April 2021 and 31 July 2020, have not been restated.

For further details please refer to note 4.

Management commentary

On 19 July 2021, the Group announced that AX V Nissens ApS and its subsidiary K. Nissen International A/S has entered into an agreement concerning the sale of the Nissens Cooling Solutions division to a newly established company owned by A. P. Møller Holding A/S (the "NCS Sale").

Completion of the NCS Sale is expected to occur during Q4 of 2021.

Financial

The consolidated financial statements for the continuing operations of AX V Nissens ApS for Q1 2021/22 show Revenue of 465.8 DKKm compared to 308.6 DKKm in Q1 2020/21. The increased Revenue in the Automotive division is impacted by the acquisition of the AVA group companies as well as regaining revenue compared to Q1 2020/21 which was negatively impacted by COVID-19.

EBITDA before special items reached 73.5 DKKm compared to 69.5 DKKm in Q1 2020/21 as a result of growth in revenue offset by integration costs of the AVA companies, freight costs, planned investments in overheads and group costs fully carried by the Automotive Division.

Management regards the result of Q1 2021/22 as satisfactory given the current business environment.

Outlook

In FY2021/2022, the Group expects a revenue between 1,300 MDKK and 1,400 MDKK driven by continued growth in the Automotive division including the full year impact of AVA group companies.

EBITDA before special items is expected to end between 150 DKKm and 180 DKKm, mainly driven by sales growth in the Automotive division offset by material and freight increases as well as planned overhead investments including integration costs of the AVA companies.

The current unpredictable global financial environment and Covid-19 contains high elements of uncertainty which may impact the financial year 2021/22 negatively.

Consolidated interim financial statements

Income statement

Note	DKKm	Q1 2021/22	Q1 2020/21 restated
3	Revenue	465.8	308.6
	Cost of raw materials and consumables	-289.1	-170.1
	Other operating income	1.0	0.5
	Other external costs	-51.3	-30.4
	Staff costs	-52.9	-39.1
	EBITDA before special items	73.5	69.5
	Depreciation and amortisation	-19.6	-15.1
	Operating profit before special items	53.9	54.4
	Special items	-0.2	0.0
	Operating profit after special items	53.7	54.4
	Finance income	4.7	4.6
	Finance costs	-17.2	-16.4
	Profit before tax from continuing operations	41.2	42.6
	Tax	-14.4	-12.4
	Profit for the period from continuing operations	26.8	30.2
	Discontinued operations		
	Profit/(loss) after tax for the year from discontinued operations	7.5	-6.9
4	Profit for the year	34.3	23.3
	Attributed to:		
	Equity holders of AX V Nissens ApS	34.3	23.3
		34.3	23.3

Consolidated interim financial statements

Statement of other comprehensive income

Note	Q1 2020/21	Q1 2020/21 Restated
DKKm		
Profit for the period	34.3	23.3
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	3.4	-8.5
Value adjustment of hedging instruments:		
Value adjustment for the year	0.0	-0.1
Value adjustment transferred to financial costs	0.7	0.7
Items that are or may subsequently be reclassified to the income statement	4.1	-7.9
Income tax effect	-0.2	-0.1
Other comprehensive loss for the period, net of tax	3.9	-8.0
Total comprehensive income	38.2	15.3
Attributed to:		
Equity holders of AX V Nissens ApS	38.2	15.3
	38.2	15.3

Consolidated interim financial statements

Balance sheet

Note	DKKmn	31 July 2021	30 April 2021	31 July 2020
	ASSETS			
	Non-current assets			
	Intangible assets	923.3	1,518.3	1,538.9
	Property, plant and equipment	141.3	454.1	425.9
	Investments in associate	0.0	1.4	0.0
	Deferred tax assets	8.5	12.0	5.9
	Deposits	3.4	4.1	1.7
	Total non-current assets	1,076.5	1,989.9	1,972.4
	Current assets			
	Inventory	361.9	660.9	492.9
	Trade and other receivables	355.4	634.3	498.4
	Income tax receivable	0.0	0.0	2.8
	Cash and cash equivalents	295.9	160.7	187.9
	Total current assets	1,013.2	1,455.9	1,182.0
4	Assets held for sale	1,468.6	0.0	0.0
	TOTAL ASSETS	3,558.3	3,445.8	3,154.4

Consolidated interim financial statements

Balance sheet

Note	DKKm	31 July 2021	30 April 2021	31 July 2020
	EQUITY AND LIABILITIES			
	Equity			
	Share capital	12.4	12.4	12.4
	Foreign currency translation reserve	1.3	-2.1	-7.4
	Reserve for financial instruments	-0.6	-1.1	-2.6
	Retained earnings	1,316.3	1,282.0	1,221.6
	Total equity	1,329.4	1,291.2	1,224.0
	Non-current liabilities			
	Borrowings	1,042.6	1,122.1	1,118.2
	Deferred tax liabilities	53.6	142.8	156.6
	Provisions	2.0	12.3	8.2
	Lease liabilities	22.6	60.4	54.9
	Other payables	8.8	23.4	21.5
	Contract liabilities	0.0	1.3	0.0
	Total non-current liabilities	1,129.6	1,362.3	1,359.4
	Current liabilities			
	Contract liabilities	3.2	7.1	2.7
	Trade and other payables	491.1	649.0	448.0
	Income tax payable	37.8	22.0	24.5
	Payable to group enterprises	72.2	75.3	69.6
	Provisions	1.7	3.8	3.7
	Lease liabilities	19.5	35.1	22.5
	Total current liabilities	625.5	792.3	571.0
4	Liabilities directly associated with the assets held for sale	473.8	0.0	0.0
	Total liabilities	2,228.9	2,154.6	1,930.4
	TOTAL EQUITY AND LIABILITIES	3,558.3	3,445.8	3,154.4

Consolidated interim financial statements

Cash flow statement

Note	DKKm	Q1 2021/22	Full year 2020/21	Q1 2020/21
Operating activities				
	Profit before tax for the period	56.3	121.9	37.4
	Finance income	-6.5	-11.6	-12.9
	Finance expenses	18.9	80.6	29.5
	Share-based payment expense	0.0	0.7	0.3
	Changes in working capital	67.7	-111.4	-48.4
	Non-cash operating items	46.9	113.4	27.0
		183.3	193.6	32.9
	Finance income, received	0.6	1.3	0.3
	Income tax paid	-13.4	-42.1	-3.9
	Net cash flows from operating activities	170.5	152.8	29.3
Investing activities				
	Purchase of intangible assets	-1.0	-11.9	-0.2
	Development expenditures capitalised	-2.5	-11.3	-2.5
	Purchase of property, plant and equipment	-6.7	-43.2	-15.7
	Proceeds from sale of property, plant and equipment	0.1	1.4	0.0
	Change in deposits	-0.8	-0.3	0.1
	Investments in subsidiaries	0.0	-34.1	0.0
	Investments in associates	0.0	-0.9	0.0
	Acquisition of a subsidiary, net of cash acquired	0.0	9.0	0.0
	Net cash flows used in investing activities	-10.9	-91.3	-18.3
Financing activities				
	Repayments of borrowings	-0.0	-9.7	0.0
	Net interest paid, borrowings	-14.7	-59.4	-13.5
	Payment of principal portion of lease liabilities	-9.7	-29.0	-4.8
	Proceeds from loan with Group companies	-0.1	2.2	0.0
	Net cash flows from financing activities	-24.5	-95.9	-18.3
	Cash flow for the period	135.1	-34.4	-7.3
	Cash and cash equivalents at 1 May	160.8	195.2	195.2
	Cash and cash equivalents at 31 July	295.9	160.8	187.9

The Group has unused credit facilities amounting to 125.0 DKKm.

Consolidated interim financial statements

Statement of changes in equity

DKKm	Share capital	Foreign currency translation reserve	Reserve for financial instruments	Retained earnings	Total equity
Equity 1 May 2021	12.4	-2.1	-1.1	1,282.0	1,291.2
Total comprehensive income 31 July 2021					
Profit for the period	0.0	0.0	0.0	34.3	34.3
Other comprehensive income					
Unrealized loss on interest rate swap	0.0	0.0	0.7	0.0	0.7
Exchange differences on translation of foreign operations	0.0	3.4	0.0	0.0	3.4
Tax on other comprehensive income	0.0	0.0	-0.2	0.0	-0.2
Total other comprehensive income	0.0	3.4	0.5	0.0	3.9
Total comprehensive income for the period	0.0	3.4	0.5	34.3	38.2
Transactions with owners					
Equity-settled share-based payments	0.0	0.0	0.0	0.0	0.0
Total transactions with owners	0.0	0.0	0.0	0.0	0.0
Equity 31 July 2021	12.4	1.3	-0.6	1,316.3	1,329.4

DKKm	Share capital	Foreign currency translation reserve	Reserve for financial instruments	Retained earnings	Total equity
Equity 1 May 2020	12.4	1.1	-3.1	1,198.0	1,208.4
Total comprehensive income 31 July 2020					
Profit for the period	0.0	0.0	0.0	23.3	23.3
Other comprehensive income					
Unrealized loss on interest rate swap	0.0	0.0	0.6	0.0	0.6
Exchange differences on translation of foreign operations	0.0	-8.5	0.0	0.0	-8.5
Tax on other comprehensive income	0.0	0.0	-0.1	0.0	-0.1
Total other comprehensive income	0.0	-8.5	0.5	0.0	-8.0
Total comprehensive income for the period	0.0	-8.5	0.5	23.3	15.3
Transactions with owners					
Equity-settled share-based payments	0.0	0.0	0.0	0.3	0.3
Total transactions with owners	0.0	0.0	0.0	0.3	0.3
Equity 31 July 2020	12.4	-7.4	-2.6	1,221.6	1,224.0

Consolidated interim financial statements

Notes

1 Accounting policies

This unaudited interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU.

Accounting policies applied in preparing the interim financial report are consistent with those applied in preparing AX V Nissens ApS's consolidated interim report for the period 1 May - 31 July 2021. The consolidated interim financial statements for AX V Nissens ApS for the period 1 May - 31 July 2021 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

2 Significant accounting judgements, estimates and assumptions

In preparing the interim financial report, Management makes various accounting estimates and assumptions, which form the basis of presentation, recognition and measurement of AX V Nissens ApS's assets and liabilities. All significant accounting estimates and judgements are consistent with the description in the annual report for 1 May 2019 – 30 April 2020. Refer to descriptions in the individual notes to the consolidated financial statement in the annual report page 37-38.

3 Seasonality of operations

Due to the seasonal nature of the product range in both the Automotive and the Cooling Solution divisions Q1 is historically the quarter of the year with the highest share of revenue.

4 Discontinued operations

On 19 July 2021, AX V Nissens ApS and its subsidiary K. Nissen International A/S has entered into an agreement concerning the sale of the Nissens Cooling Solutions division to a newly established company owned by A. P. Møller Holding A/S (the "NCS Sale").

Immediately before the classification of Nissens Cooling Solutions as discontinued operations, it is assessed that no impairment loss was identified. At 31 July 2021, the Nissens Cooling Solutions division was classified as a disposal group held for sale and as a discontinued operation.

Completion of the NCS Sale is expected to occur during Q4 of 2021.

Result for the period – discontinued operations are presented below:

DKKm	Q1 2021/22	Q1 2020/21
Revenue	356.8	298.8
Expenses	-324.2	-280.9
Other operating income	2.4	2.1
EBITDA before special items	35.0	20.0
Depreciation and amortisation	-20.0	-20.4
Operating profit	15.0	-0.4
Net finance cost	0.1	-4.9
Result before tax	15.1	-5.3
Tax	-7.6	-1.6
Result for the period from discontinued operations	7.5	-6.9

Consolidated interim financial statements

Notes

Balance sheet items comprise:

DKKm	31 July 2021
ASSETS	
Intangible assets	579.1
Property, plant and equipment	300.0
Other assets	3.0
Total non-current assets	882.1
Inventory	262.7
Trade and other receivables	319.2
Income tax receivable	4.6
Total current assets	586.5
Total assets held for sale	1,468.6
LIABILITIES	
Borrowings	81.4
Deferred tax liabilities	83.0
Provisions	12.5
Lease liabilities	50.3
Trade and other payables	243.6
Payable to group enterprises	3.0
Total liabilities related to assets held for sale	473.8
NET ASSETS DIRECTLY RELATED TO ASSETS HELD FOR SALE	994.8

Net cash flow incurred for Nissens Cooling Solutions are, as follows:

DKKm	Q1 2021/22
Operating cash flow for discontinuing operations	78.3
Investing cash flow for discontinuing operations	-8.4
Financing cash flow for discontinuing operations	-5.6
Net cash impact from discontinuing operations	64.3