

COMPANY ANNOUNCEMENT AND PRESS RELEASE

Gabriel Holding A/S
Company registration no. 58868728
Interim report H1 2019/20
[1 October 2019 – 31 March 2020]

Gabriel Holding A/S – first half of the 2019/20 financial year

Summary:

Gabriel Holding A/S realises a solid first half of the 2019/20 financial year.

The outbreak of coronavirus (Covid-19) has an adverse effect on market conditions for the company. As a result, the expectations for the 2019/20 financial year are updated.

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

Expectations for the 2019/20 financial year:

- Revenue and earnings realised for the first half-year are in line with management's expectations.
- As a result of the outbreak of coronavirus (Covid-19), however, prospects for continued growth in the coming months have deteriorated significantly.
- The outbreak will have an adverse effect on market conditions for the company and visibility on the market is very limited at present. This makes it difficult to determine valid expectations for revenue

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and profit for the full 2019/20 financial year, and a high level of uncertainty is thus associated with them.

- A moderately adverse market effect is expected throughout the second half-year. On that basis, the company's expectations for the full financial year are revenue of DKK 670-690 million (DKK 708 million) and profit before tax of DKK 10-15 million (DKK 69.3 million).
- The expectations for the second half-year are thus a 25-30% decrease in revenue and a loss before tax of DKK 22-27 million.

GROUP					
Financial highlights, DKK million	2019/20	2018/19	2019/20	2018/19	2018/19
	H1	H1	Q2	Q2	Full year
Net revenue	418.0	343.7	213.6	178.4	708.2
Operating profit (EBIT)	39.7	36.0	22.6	19.2	61.9
Share of profit after tax in joint venture	1.9	1.1	0.6	0.4	2.3
Net finance income and costs	-4.9	-0.7	-2.1	-	-1.3
Profit before tax	36.7	36.4	21.1	19.6	62.9
Tax	-8.1	-8.1	-4.1	-4.5	-13.9
Profit for the period	28.6	28.4	17.0	15.2	49.0
Statement of financial position total	688.4	503.2			562.3
Equity	290.6	261.7			281.2
Invested capital	490.0	310.0			349.1
Working capital	193.8	144.5			166.3
Cash flows from operating activities	14.9	18.4	5.7	12.1	43.8
Investments in property, plant and equipment	4.6	10.9	1.2	4.6	25.2
Depreciation, amortisation and impairment losses	17.7	8.8	5.8	5.8	19.2
Financial ratios:					
Gross margin, %	37.3	41.2	37.6	41.4	40.1
Operating margin (EBIT margin), %	9.5	10.5	10.6	10.8	8.7
Return on invested capital (ROIC) before tax, %	19.9	24.9	22.6	26.6	22.7
Earnings per share (EPS), DKK	30.3	30.0	35.9	32.1	25.9
Return on equity, %	20.7	23.2	24.6	24.8	18.5
Price earnings (PE), DKK	23.7	19.4	20.0	18.1	27.5
Number of employees (average over the period)	1,156	689	1,190	761	855
- including production staff	837	495	870	495	645