schouw&co

2023
INTERIM REPORT

SECOND QUARTER

Company announcement no. 11
15 August 2023

Contents

Aktieselskabet Schouw & Co. · Chr. Filtenborgs Plads 1 · 8000 Aarhus C · Danmark · CVR no. 63965812

Management's report

This is a translation of Schouw & Co.'s Interim Report for the six months ended 30 June 2023. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.

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

USE OF CAPITAL IN FOCUS

In the second quarter, we saw a distinct effect of acquisitions made, and both revenue and EBITDA are improving. We take a positive view on the rest of 2023 and are raising our full-year EBITDA guidance.

Our debt has increased through a number of strategic investments for acquisitions, capacity expansion and for increasing inventories. Our full-year revenue has risen by more than 40% over the past 18 months, and the significant growth has required stable and strong capital resources.

Efficient use of capital is a key focus for all our businesses, and relative to revenue we reduced our working capital once again this past quarter. At the same time, we have major investments for new capacity acquisitions that are not yet operational and which therefore have not contributed to our financial results. Accordingly, we expect to improve the return on invested capital over the coming quarters.

HIGHLIGHTS

- Revenue up by 23% to DKK 9.2bn
- EBITDA up by 18% to DKK 666m
- Higher interest expenses sharpen focus on efficient use of capital
- Full-year revenue and EBITDA guidance raised

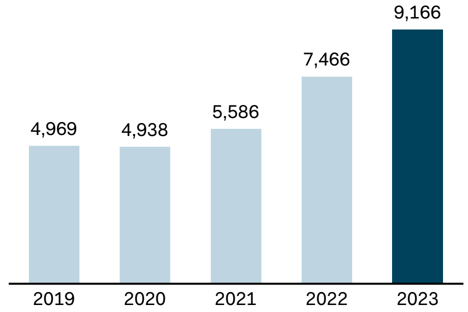
REVENUE	EBITDA	ROIC
9.2	666	11.3%
DKKBN	DKKM	EXCLUDING GOODWILL

Financial highlights and key ratios

GROUP SUMMARY (DKKm)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Revenue and income					
Revenue	9,166	7,466	17,844	13,764	32,637
Operating profit before depreciation/amortisation (EBITDA)	666	564	1,177	928	2,282
Depreciation, amortisation and impairment losses	261	220	528	435	994
EBIT	406	344	649	493	1,288
Profit/loss after tax in associates and joint ventures	38	40	37	51	130
Net financial items	-129	-29	-210	49	-114
Profit before tax	314	355	477	593	1,304
Profit for the period	225	282	335	472	993
Cash flows					
Cash flows from operating activities	354	467	258	-166	319
Cash flow from investing activities	-271	-486	-851	-780	-1,499
Of which investment in property, plant and equipment	-291	-267	-505	-541	-1,068
Cash flows from financing activities	-160	58	505	939	1,377
Cash flows for the period	-78	39	-89	-6	196
Invested capital and financing					
Invested capital (ex. goodwill)	15,567	12,687	15,567	12,687	14,952
Total assets	29,503	24,459	29,503	24,459	28,445
Working capital	7,465	5,688	7,465	5,688	6,969
Net interest-bearing debt (NIBD)	6,825	4,307	6,825	4,307	5,790
Share of equity attributable to shareholders of Schouw & Co.	10,068	10,465	10,068	10,465	10,348
Non-controlling interests	890	439	890	439	889
Total equity	10,958	10,905	10,958	10,905	11,237
Financial data					
EBITDA margin (%)	7.3	7.6	6.6	6.7	7.0
EBIT margin (%)	4.4	4.6	3.6	3.6	3.9
EBT margin (%)	3.4	4.8	2.7	4.3	4.0
Return on equity (%)	8.0	10.3	8.0	10.3	9.3
Equity ratio (%)	37.1	44.6	37.1	44.6	39.5
ROIC excluding goodwill (%)	11.3	11.5	11.3	11.5	11.2
ROIC including goodwill (%)	9.5	9.4	9.5	9.4	9.3
NIBD/EBITDA ratio	2.6	2.1	2.6	2.1	2.4
Average no. of employees	15,740	11,566	15,501	11,315	12,278
Per share data					
Earnings per share (of DKK 10)	9.19	11.59	13.47	19.20	40.59
Diluted earnings per share (of DKK 10)	9.18	11.58	13.45	19.18	40.58
Net asset value per share (of DKK 10)	427.97	442.69	427.97	442.69	441.88
Share price, end of period (per share DKK 10)	539.00	494.50	539.00	494.50	524.00
Price/Net asset value	1.26	1.12	1.26	1.12	1.19
Market capitalisation, end of period	12,680	11,690	12,680	11,690	12,271

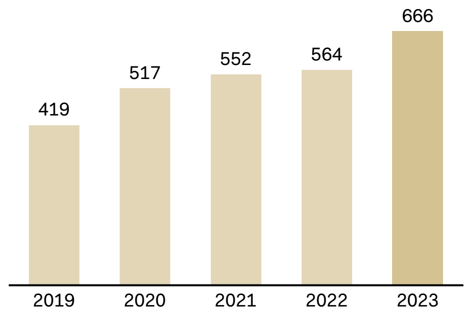
Revenue, second quarter

DKKm



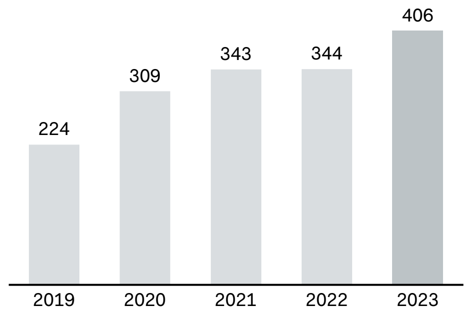
EBITDA, second quarter

DKKm



EBIT, second quarter

DKKm



Interim report – Second quarter of 2023

Good quarterly performance generally producing the improvements expected in light of the completed acquisitions along with higher selling prices balancing out increased costs. Revenue increase coupled with EBITDA improvement.

(DKKm)	Q2 2023	Q2 2022	Change	
Revenue	9,166	7,466	1,699	23%
EBITDA	666	564	102	18%
EBIT	406	344	62	18%
Associates and JVs	38	40	-2	-5%
Profit before tax	314	355	-41	-11%
Cash flows from operating activities	354	467	-113	-24%

(DKKm)	YTD 2023	YTD 2022	Change	
Revenue	17,844	13,764	4,080	30%
EBITDA	1,177	928	249	27%
EBIT	649	493	156	32%
Associates and JVs	37	51	-14	-27%
Profit before tax	477	593	-116	-20%
Cash flows from operating activities	258	-166	423	n/a
Net interest-bearing debt	6,825	4,307	2,518	58%
Working capital	7,465	5,688	1,777	31%
ROIC excl. goodwill	11.3%	11.5%	-0.2pp	
ROIC incl. goodwill	9.5%	9.4%	0.1pp	

The Schouw & Co. Group delivered a good overall performance in the second quarter of 2023, producing the improvements expected in light of the acquisitions made and the efforts to align selling prices with increased costs.

Consolidated revenue for Q2 2023 was up by 23% to DKK 9,166 million from DKK 7,466 million in Q2 2022. The increase derived mainly from GPV following its combination with Enics in October 2022 and from BioMar and HydraSpecma. Borg Automotive and Fibertex Nonwovens both reported earnings in line with last year, while Fibertex Personal Care saw its revenue drop relative to Q2 2022. The overall H1 2023 revenue was up by 30% year on year to DKK 17,844 million.

Reported EBITDA was up by 18% from DKK 564 million in Q2 2022 to DKK 666 million in Q2 2023. The EBITDA improvement was also driven especially by GPV, while Fibertex Personal Care, HydraSpecma and BioMar also improved, whereas Borg Automotive and to a limited extend Fibertex Nonwovens reported lower EBITDA than last year. The H1 2023 EBITDA was up by 27% year on year to DKK 1,177 million.

Associates and joint ventures contributed an aggregate share of profit after tax of DKK 38 million in Q2 2023, compared with DKK 40 million in Q2 2022. For both years, the share of profit in associates and joint ventures related to BioMar.

Consolidated net financial items were a net expense of DKK 129 million in Q2 2023, which was an increase from a DKK 29 million net expense in Q2 2022. The increase in actual interest expenses amounted to DKK 73 million, resulting from the increase in net interest-bearing debt and generally higher interest rates. The rest of the increase was attributable to foreign exchange adjustments etc.

ROIC excluding goodwill fell slightly, from 11.4% at 31 March 2023 to 11.3% at 30 June 2023.

Liquidity and capital resources

The Schouw & Co. Group's operations produced a DKK 354 million cash inflow in Q2 2023, compared with a DKK 467 million inflow in Q2 2022. The reduction of cash flows from operations was mainly attributable to BioMar, while Fibertex Nonwovens, GPV and Borg Automotive all improved their cash flows from operations relative to last year.

Consolidated working capital increased during the quarter from DKK 7,408 million at 31 March 2023 to DKK 7,465 million at 30 June 2023, while BioMar increased its use of supply chain financing from DKK 734 million at 31 March 2023 to DKK 844 million at 30 June 2023. The modest increase in working capital arose from increased working capital in BioMar, Borg Automotive and GPV and reduced working capital in Fibertex Nonwovens, Fibertex Personal Care and HydraSpecma. By comparison, the overall working capital amounted to DKK 5,688 million at 30 June 2022, at which time the most recent acquisitions were not consolidated. Working capital is an important focus area for all of the Group's companies and has been steadily reduced as a percentage of consolidated revenue during recent quarters.

The combined cash flows for investing activities amounted to DKK 271 million in Q2 2023. By comparison, cash flows for investing activities in Q2 2022 amounted to DKK 486 million.

Group developments

The companies of the Schouw & Co. Group have continuously managed to adapt to varying market conditions over the past few years, and the Group's industry and geographical diversification has contributed to stability and risk reduction.

Thanks to the Group's financial strength, the portfolio companies have been able to build good competitive positions. Growing and developing the businesses take high priority at Schouw & Co., as illustrated by recent years' investments in production capacity

Interim report – Second quarter of 2023

combined with major strategic initiatives, including the combination of GPV and Swiss-based EMS business Enics in October 2022 and HydraSpecma's acquisition of the wind division from Ymer in February 2023.

The following is a brief review of business developments of the portfolio companies for the quarter.

BioMar lifted revenue by 3% due to higher selling prices reflecting the rising costs, while volume sales were slightly lower than last year. EBITDA was up slightly despite the reduced volumes. The share of profit from associates and joint ventures was reduced slightly from last year, mainly due to non-recurring costs in Salmones Austral which offset improved earnings in the joint ventures.

GPV reported a revenue improvement of 139% as a result of the combination with Enics, increased demand and continued high prices of components and materials. As expected, the company delivered a strong earnings performance, as EBITDA nearly doubled over last year.

HydraSpecma reported an 18% revenue improvement that was driven by increased sales to a number of OEM customers and the acquisition of the wind division from Ymer Technology. The reported EBITDA was up by 10%, mainly driven by increased revenue and high capacity utilisation in the Global OEM division.

Borg Automotive reported marginal revenue growth, with increased sales of remanufactured products offsetting a reduction in sales of goods for resale. Reported EBITDA was somewhat lower than last year, mainly due to reduced earnings from goods for resale.

Fibertex Personal Care reported a year-on-year decline in revenue. The decline was driven by lower prices of raw materials, which triggered lower selling prices, in addition to a year-on-year decline in sales volumes, which had been expected. EBITDA improved substantially despite the reduced volume sales, driven especially by favourable developments in prices of raw materials.

Fibertex Nonwovens maintained revenue in line with last year, mainly due to higher selling prices, which offset a drop in volumes sold, and adverse foreign exchange developments. Reported EBITDA was maintained nearly at last year's level, which was slightly lower than expected. In particular, the US operations weighed on earnings.

Events after the balance sheet date

Other than as set out elsewhere in this interim report, Schouw & Co. is not aware of events occurring after 30 June 2023 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.

See the 2022 Annual Report for a full description of the accounting policies. In addition, Schouw & Co. is implementing the standards and interpretations which are effective from 2023.

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 2022 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2022 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

After the company had paid dividends of DKK 15 per share, the price of Schouw & Co. shares fell by 6% during the second quarter to DKK 539 at 30 June 2023 from DKK 575.00 at 31 March 2023. At 31 December 2022, the price per share was DKK 524.00.

Outlook

High level of business activity expected in 2023 despite persistent market uncertainties. Major investments and higher interest expenses sharpen focus on efficient use of capital. Revenue and EBITDA guidance raised.

Outlook for 2023
The companies of the Schouw & Co. Group have generally performed well under the turbulent conditions of the last couple of years, and Schouw & Co. has strengthened the foundation for its future development through considerable organic and acquisitive investments. Overall, the Group's businesses have made substantial investments for organic expansion, while also making major acquisitions that individually will support transformation and long-term strategic development. The most significant effects can be seen from the acquisition of the EMS company Enics, which was acquired to combine with GPV in October 2022. In addition, HydraSpecma's acquisition of the wind division from Ymer Technology was recognised with effect from 1 February 2023.

Schouw & Co. expects to maintain a high level of business activity for the remainder of 2023. Even though there are still market uncertainties, the Group's companies are experiencing good demand in quite a few areas and considerable customer interest in new products and solutions currently in the pipeline.

The major investments carried out mean that the Group has significant production capacity at its disposal. Accordingly, efforts will be directed at exploiting the business potential of this capacity with a sharpened focus on efficient use of capital and profitable growth.

The following is a brief review of the revenue and EBITDA forecasts for the individual companies in 2023:

BioMar maintains its full-year EBITDA forecast. Volume sales are expected to increase in 2023 over the previous year, but given the prospects of more stable prices of raw materials, the company lowers its full-year revenue forecast slightly. The expected share of profit from associates and joint ventures is reduced slightly, mainly due to incurred non-recurring costs in Salmones Austral.

GPV raises its full-year revenue forecast sharply on expectations of higher prices of materials and a higher level of activity in the second half of the year than previously anticipated, although the level of activity in the second half is expected to fall relative to the first half of the year. The company also raises its EBITDA forecast considerably due to the increase in business activity.

HydraSpecma maintains its full-year EBITDA forecast, as a high level of business activity, particularly in the Global OEM division, is expected to offset weaker activity in the Renewables division. The full-year revenue forecast is lowered, however, in part due to the weak Swedish currency.

Borg Automotive maintains its full-year revenue forecast, in part due to increased price levels and despite continued uncertainty as to general market developments in the second half of the year. However, the higher price level is the result of higher cost prices and increasing costs, which in combination with subdued demand weighs on the full-year EBITDA forecast. The agreement concerning the acquisition of SBS Automotive in 2021 was concluded on the basis of an earn-out model according to which the enterprise value is stated as 5x 2022 EBITDA, and an interim provision for settlement of the acquisition was recognised in the financial statements for 2022. However, the final value of SBS Automotive has yet to be determined and, pending this, the interim provision is maintained.

Fibertex Personal Care raises its full-year EBITDA forecast considerably, mainly on expectations of favourable developments in prices of raw materials and lower energy costs than previously assumed. However, prospects of lower prices of raw materials means that the revenue forecast is also lowered. The strong competition in the Asian market will continue to weigh on the company's nonwoven operations in Malaysia, and the challenging competitive situation will weigh on earnings in 2024 as well.

Fibertex Nonwovens reduces its full-year revenue forecast slightly on the basis of lower volume sales projected for the rest of the year. However, Fibertex Nonwovens maintains its full-year EBITDA forecast, supported by, among other things, the assessment that energy costs for 2023 will be lower than previously assumed.

Schouw & Co. Group's overall guidance
The Schouw & Co. Group generates a substantial part of its revenue by converting purchased raw materials or by processing other purchased components and materials, and such purchased goods often represent a very large proportion of the value of a finished product. Changes in prices of purchased goods or changes in foreign exchange rates must typically be included in selling prices, and significant changes may therefore have a significant impact on revenue, even if the underlying activity has

Outlook

not changed. Similarly, changes in revenue resulting from changes in prices of materials will not necessarily trickle down to earnings.

Since the guidance for 2023 was announced in the Q1 2023 interim report, prices of certain components and materials used by GPV have turned out to be higher than previously expected. At the same time, GPV expects the underlying level of activity to increase in the second half of the year. On the other hand, revenue is expected to decline slightly in other business areas due to prospects of lower prices of a number of raw materials and other input materials.

These developments have the overall effect that the Group's FY 2023 revenue guidance range is expanded slightly upwards, even though the expected actual level of the underlying activities is generally unchanged with GPV as the exception. Overall, the Schouw & Co. Group now projects full-year 2023 consolidated revenue in the DKK 36.6-38.3 billion range against the previous range of DKK 36.0-38.2 billion.

Schouw & Co. provides consolidated earnings guidance at EBITDA level based on an aggregation of individual portfolio company forecasts, but actual portfolio company EBITDA results may deviate from these individual forecasts. Accordingly, the actual guidance is expressed through consolidated EBITDA for 2023, which based on the strengthened guidance for the second half of the year is now expected to be in the range of DKK 2,480-2,730 million compared with the previous range of DKK 2,400-2,650 million.

Associates and joint ventures, which are predominantly part of the BioMar business, are now expected to contribute a combined share of profit after tax of approximately DKK 100 million for 2023, compared with the previous estimate of approximately DKK 115 million. The reduced share of profit is attributable to incurred non-recurring costs in the Chilean fish farming company Salmones Austral.

The estimated depreciation and amortisation charges for the year have generally not changed since the release of the Q1 2023 interim report. On the other hand, the consolidated financial items for 2023 are now expected to be an expense in the region of DKK 400 million which is considerably more than previously expected. This is mainly a result of the higher general level of interest rates, but is also due to the fact that the average interest-bearing debt is now expected to be higher through the year than previously anticipated. In addition, the original guidance was provided excluding foreign exchange adjustments. There were substantial negative foreign exchange adjustments in the second quarter, which thus were not included in the original guidance. In the updated guidance, foreign exchange adjustments, etc. are included at a DKK 40 million expense based on developments in the first half of the year, but actual foreign exchange adjustments may inherently develop in a positive or negative direction during the rest of the year.

REVENUE (DKKm)	**2023 guidance after Q2**	**Prev. 2023 guidance**	**Actual 2022**
BioMar	18,000-18,500	18,000-19,000	17,861
GPV	9,900-10,300	8,800-9,200	5,923
HydraSpecma	2,900-3,100	3,100-3,300	2,536
Borg Automotive	1,700-1,900	1,700-1,900	1,815
Fibertex Personal Care	1,900-2,100	2,100-2,300	2,454
Fibertex Nonwovens	2,200-2,400	2,300-2,500	2,060
Other/eliminations	0	0	-13
Total revenue	36,600-38,300	36,000-38,200	32,637

EBITDA (DKKm)	**2023 guidance after Q2**	**Prev. 2023 guidance**	**Actual 2022**
BioMar	1,080-1,150	1,080-1,150	1,013
GPV	650-700	590-640	465
HydraSpecma	310-340	310-340	306
Borg Automotive	130-160	160-190	180
Fibertex Personal Care	230-260	180-210	269
Fibertex Nonwovens	140-170	140-170	111
Parent company	-60-50	-60-50	-61
EBITDA	2,480-2,730	2,400-2,650	2,282
PPA depreciation/amortisation	-180	-180	-130
Other depreciation/amortisation	-920	-920	-864
EBIT	1,380-1,630	1,300-1,550	1,288
Associates and JVs	100	115	130
Net financial items	-400	-250	-114
Total profit before tax	1,080-1,330	1,165-1,415	1,304

The negative effects of interest rate developments estimated in the previous guidance have been too low. The increase in the general level of interest rates serve to emphasise the importance of capital discipline, and all of the Group's companies have a sharpened focus on efficient use of capital. Finally, it should be noted that financial items will also include an adjustment for the still outstanding final earn-out payments for Borg Automotive's purchase of SBS Automotive in 2021, which may have a positive or negative impact.

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 30 June 2023.

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 30 June 2023 and of the results of the Group's operations and cash flows for the six months ended 30 June 2023.

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, 15 August 2023

Executive Management

Jens Bjerg Sørensen
President and CEO

Peter Kjær

Board of Directors

Jørgen Dencker Wisborg
Chairman

Kenneth Skov Eskildsen
Deputy Chairman

Kjeld Johannesen

Agnete Raaschou-Nielsen

Hans Martin Smith

Søren Stæhr

Financial calendar for 2023

14 November 2023 ▻ Release of Q3 2023 interim report

The company provides detailed information about contact and time of conference call held in connection with the release of its interim report through company announcements and postings on its website, www.schouw.dk.

Our businesses

Portfolio company financial highlights – Q2

	BioMar		GPV		HydraSpecma		Borg Automotive		Fibertex Personal Care		Fibertex Nonwovens		Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
INCOME STATEMENT														
Revenue	4,180	4,048	2,712	1,134	769	652	486	482	459	590	563	563	9,166	7,466
Contribution margin	406	393	329	170	198	173	112	125	90	75	92	103	1,228	1,039
EBITDA	266	261	189	97	82	74	44	59	59	43	39	40	666	564
Depreciation, amortisation and impairment losses	83	86	74	32	31	24	19	18	30	34	24	26	261	220
EBIT	183	175	115	66	51	51	25	41	29	10	15	13	406	344
Profit after tax in associates and JVs	38	40	0	0	0	0	0	0	0	0	0	0	38	40
Net financial items	-50	-22	-74	-10	-11	2	9	-7	-8	-7	-31	-5	-129	-29
Profit before tax	171	193	41	56	40	52	34	34	21	3	-16	9	314	355
Tax on profit/loss for the year	-31	-37	-26	-20	-9	-11	-6	-5	-5	3	-6	-2	-89	-73
Profit before non-controlling interests	140	156	16	36	30	42	28	29	16	6	-22	6	225	282
Non-controlling interests	-6	-8	0	0	0	0	0	0	0	0	0	1	-9	-7
Profit for the year	133	148	16	36	30	41	28	29	16	6	-21	7	216	274
CASH FLOWS														
Cash flows from operating activities	72	453	56	-40	62	68	14	-33	56	73	68	-75	354	467
Cash flow from investing activities	-56	-276	-79	-63	-63	-9	-18	-21	-24	-12	-32	-104	-271	-486
Cash flows from financing activities	-119	-91	36	53	11	-61	6	60	-41	-63	-1	179	-160	58
BALANCE SHEET														
Intangible assets*	1,440	1,590	1,040	426	600	219	278	314	62	66	124	133	4,571	3,774
Property, plant and equipment	1,713	1,750	1,017	536	445	335	195	141	1,227	1,385	1,508	1,381	6,126	5,549
Other non-current assets	1,192	1,276	234	130	135	117	130	135	42	40	8	8	1,773	1,718
Cash and cash equivalents	483	536	259	166	87	56	42	43	23	25	130	61	603	496
Other current assets	6,733	6,014	5,411	2,669	1,444	1,277	1,316	1,177	603	781	965	1,023	16,430	12,923
Total assets	11,561	11,166	7,960	3,927	2,712	2,004	1,961	1,810	1,957	2,297	2,735	2,606	29,503	24,459
Shareholders' equity	2,805	2,854	2,250	1,187	874	714	542	570	958	1,039	896	832	10,958	10,905
Interest-bearing liabilities	3,621	3,240	2,705	1,395	1,166	760	545	449	611	783	1,427	1,357	7,599	4,989
Other liabilities	5,135	5,072	3,005	1,345	672	531	873	791	387	475	411	417	10,945	8,566
Total equity and liabilities	11,561	11,166	7,960	3,927	2,712	2,004	1,961	1,810	1,957	2,297	2,735	2,606	29,503	24,459
Average no. of employees	1,604	1,539	8,806	4,680	1,496	1,283	2,013	2,181	705	797	1,097	1,069	15,740	11,566
FINANCIAL KEY FIGURES														
EBITDA margin	6.4%	6.5%	7.0%	8.6%	10.7%	11.4%	9.1%	12.3%	13.0%	7.4%	6.9%	7.1%	7.3%	7.6%
EBIT margin	4.4%	4.3%	4.2%	5.8%	6.6%	7.8%	5.2%	8.6%	6.4%	1.6%	2.6%	2.4%	4.4%	4.6%
ROIC excluding goodwill	17.3%	14.0%	11.1%	14.2%	15.6%	17.1%	11.1%	15.0%	9.3%	8.9%	1.0%	2.5%	11.3%	11.5%
ROIC including goodwill	12.7%	10.1%	10.2%	13.0%	13.7%	15.4%	7.6%	9.6%	8.8%	8.4%	0.9%	2.3%	9.5%	9.4%
Working capital	2,144	1,664	2,779	1,516	889	806	725	581	365	478	574	647	7,465	5,688
Net interest-bearing debt	2,968	2,519	2,446	1,228	1,079	704	504	407	588	758	1,297	1,296	6,825	4,307

* Excluding consolidated goodwill in Schouw & Co.

Portfolio company financial highlights – H1

	BioMar		GPV		HydraSpecma		Borg Automotive		Fibertex Personal Care		Fibertex Nonwovens		Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
INCOME STATEMENT														
Revenue	7,851	7,083	5,373	2,143	1,560	1,295	967	954	968	1,217	1,132	1,078	17,844	13,764
Contribution margin	664	643	659	322	393	347	215	238	192	175	187	192	2,310	1,918
EBITDA	383	315	368	188	169	157	73	97	129	112	80	82	1,177	928
Depreciation, amortisation and impairment losses	167	169	152	62	62	47	37	40	62	67	48	50	528	435
EBIT	216	147	216	126	107	110	37	57	67	45	32	32	649	493
Profit after tax in associates and JVs	37	51	0	0	0	0	0	0	0	0	0	0	37	51
Net financial items	-95	-40	-113	-9	-21	4	4	68	-15	-9	-52	0	-210	49
Profit before tax	158	158	102	117	86	114	41	125	52	36	-20	31	477	593
Tax on profit/loss for the year	-33	-38	-54	-32	-18	-23	-7	-13	-12	-6	-6	-7	-142	-122
Profit before non-controlling interests	126	120	48	85	68	91	33	112	40	30	-25	24	335	472
Non-controlling interests	-10	-13	0	0	0	-1	0	0	0	0	1	-1	-18	-15
Profit for the year	116	107	48	85	67	90	33	112	40	30	-24	23	316	456
CASH FLOWS														
Cash flows from operating activities	-21	84	-32	-163	105	84	-42	-163	124	33	48	-85	258	-166
Cash flow from investing activities	-90	-314	-146	-132	-486	-31	-33	-28	-33	-29	-64	-245	-851	-780
Cash flows from financing activities	49	255	112	242	426	-56	78	194	-81	13	-4	331	505	939
BALANCE SHEET														
Intangible assets*	1,440	1,590	1,040	426	600	219	278	314	62	66	124	133	4,571	3,774
Property, plant and equipment	1,713	1,750	1,017	536	445	335	195	141	1,227	1,385	1,508	1,381	6,126	5,549
Other non-current assets	1,192	1,276	234	130	135	117	130	135	42	40	8	8	1,773	1,718
Cash and cash equivalents	483	536	259	166	87	56	42	43	23	25	130	61	603	496
Other current assets	6,733	6,014	5,411	2,669	1,444	1,277	1,316	1,177	603	781	965	1,023	16,430	12,923
Total assets	11,561	11,166	7,960	3,927	2,712	2,004	1,961	1,810	1,957	2,297	2,735	2,606	29,503	24,459
Shareholders' equity	2,805	2,854	2,250	1,187	874	714	542	570	958	1,039	896	832	10,958	10,905
Interest-bearing liabilities	3,621	3,240	2,705	1,395	1,166	760	545	449	611	783	1,427	1,357	7,599	4,989
Other liabilities	5,135	5,072	3,005	1,345	672	531	873	791	387	475	411	417	10,945	8,566
Total equity and liabilities	11,561	11,166	7,960	3,927	2,712	2,004	1,961	1,810	1,957	2,297	2,735	2,606	29,503	24,459
Average no. of employees	1,599	1,524	8,679	4,505	1,423	1,261	1,992	2,145	709	795	1,081	1,068	15,501	11,315
FINANCIAL KEY FIGURES														
EBITDA margin	4.9%	4.5%	6.8%	8.8%	10.8%	12.1%	7.6%	10.1%	13.3%	9.2%	7.1%	7.6%	6.6%	6.7%
EBIT margin	2.8%	2.1%	4.0%	5.9%	6.9%	8.5%	3.8%	5.9%	7.0%	3.7%	2.8%	2.9%	3.6%	3.6%
ROIC excluding goodwill	17.3%	14.0%	11.1%	14.2%	15.6%	17.1%	11.1%	15.0%	9.3%	8.9%	1.0%	2.5%	11.3%	11.5%
ROIC including goodwill	12.7%	10.1%	10.2%	13.0%	13.7%	15.4%	7.6%	9.6%	8.8%	8.4%	0.9%	2.3%	9.5%	9.4%
Working capital	2,144	1,664	2,779	1,516	889	806	725	581	365	478	574	647	7,465	5,688
Net interest-bearing debt	2,968	2,519	2,446	1,228	1,079	704	504	407	588	758	1,297	1,296	6,825	4,307

* Excluding consolidated goodwill in Schouw & Co.

BioMar

> We are innovators dedicated to an efficient and sustainable global aquaculture

BioMar is one of the world's largest manufacturers of quality feed for the fish and shrimp farming industries. The core business areas are feed for salmon and trout as well as shrimp, sea bass and European bass. Innovation is an integral part of BioMar's business model, coupled with a focus on sustainability, which forms a key aspect of global aquaculture today.

Market

Aquaculture plays a key role in the food supply of the future, as fish farming is the best way to secure a more sustainable approach to increasing the supply of fish and avoid overfishing the oceans. There is a global need for healthy and sustainable sources of protein, and according to FAO, the UN Food and Agriculture Organization, the global production of fish in 2030 is expected to be about 15% higher than the current output. Already, more than 50% of the world's fish and shrimp are raised in aquaculture, which is the fastest growing food production industry.

Feed plays a very significant role in aquaculture, being the predominant factor in determining the nutritive content and thereby the state of health of a fish. Feed is also a major factor in the climate impact of fish and shrimp farming, as feed ingredients have the greatest climatic impact. Continuous investment in R&D is thus essential when it comes to producing healthy and sustainable fish for human consumption.

For many years, BioMar has been a leader in ongoing product development and in working with new, innovative and more sustainable ingredients. With its customised products for a broad range of species combined with a presence in Europe, Latin America and Asia, BioMar has a strong, central position in the market.

Geography

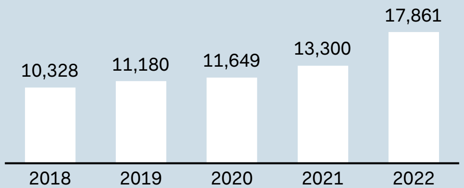
BioMar is headquartered in Aarhus, Denmark, and the company's operations are divided into divisions. The Salmon Division covers salmon feed from feed factories in Norway, Scotland, Chile and Australia.

The remaining feed operations are divided geographically into: The EMEA Division with factory sites in Denmark, France, Spain, Greece and Turkey; the LatAm Division with factory sites in Ecuador and Costa Rica; and the Asia Division with factory sites in China and Vietnam. BioMar also operates a Tech Division that is focused on technology for developing more efficient and sustainable feed solutions.

Ownership – past and present

In 2005, Schouw & Co. took a 68.8% majority interest in BioMar, then a listed company. BioMar became a wholly-owned subsidiary following a merger in 2008.

Revenue performance (DKKm)



BioMar

Revenue improvement continues, driven by higher selling prices at slightly reduced volume sales. The revenue outlook for the year is lowrered following more stable prices of raw materials. Full-year earnings guidance maintained.

DKKm	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Volume ('000 t)	341	352	627	640	1,456
- Salmon	223	235	421	436	1,016
- other divisions	118	116	206	204	441
Revenue	4,180	4,048	7,851	7,083	17,861
- Salmon	2,930	2,926	5,712	5,217	13,510
- other divisions	1,250	1,121	2,138	1,866	4,350
EBITDA	266	261	383	315	1,013
- Salmon	141	152	213	214	669
- other divisions	125	109	171	102	343
EBIT	183	175	216	147	602
CF from operations	72	453	-21	84	299
Working capital	2,144	1,664	2,144	1,664	1,977
ROIC ex goodwill	17.3%	14.0%	17.3%	14.0%	16.1%

Following a highly turbulent year in 2022 with quite substantial increases in costs of raw materials, energy and freight, BioMar experienced more settled conditions in the first half of 2023. The second quarter of the year saw a higher degree of stability and indications that the raw material situation has begun to normalise. Some raw materials have started to fall in price, but other raw materials continue to pose a challenge. The price of fish oil, for example, is currently at an all-time high. Overall, the continued high price levels of raw materials enabled BioMar to increase its Q2 2023 revenue by 3% to DKK 4,180 million, even with a 3% drop in volume sales relative to Q2 2022. In the quarter the revenue was negatively impacted by changes in foreign exchange rates of DKK 260 million. The overall H1 2023 revenue was up by 11% year on year to DKK 7,851 million.

The Salmon Division reported a drop in volume sales in the second quarter, in part caused by regulatory restrictions imposed on aquaculture in Chile, while volume sales improved in Scotland and Australia, in particular. However, overall revenue was in line with the year-earlier period. The division's earnings fell slightly, partly as a result of increased prices of raw materials combined with negative exchange-rate effects.

The EMEA division maintained volume sales relative to the second quarter of 2022, but reported an increase in revenue that was partly driven by strengthened sales in the eastern part of the Mediterranean region. The same applied to sales in Turkey, which are not recognised in the consolidated balance sheet, however. Earnings improved relative to the second quarter of 2022 when business was impacted by the extremely volatile situation which arose after trade with Russia was discontinued.

The LatAm Division reported both volume and revenue improvements, driven by strengthened contract positions in a market otherwise challenged by low prices on farmed shrimp. BioMar continues to strengthen its offering of products, concepts and services, mainly in the Ecuadorian market where the company has now added new production capacity.

The consolidated part of the Asia Division, which only covers operations in Vietnam, is still under development. Volume sales have increased, but earnings from these operations remain impacted by costs incurred for market penetration purposes. Operations in the Tech Division, which was established after the acquisition of AQ1, are well underway. While there has been sound market interest in the technology solution, the division is experiencing some reluctance to invest among customers, as they are feeling the effects of currently very low settlement prices for farmed shrimp.

EBITDA for Q2 2023 improved slightly to DKK 266 million from DKK 261 million in Q2 2022, despite a drop in volume sales. In other words, the EBITDA reflects an improved balance between costs and realised selling prices. For the H1 2023 period, EBITDA was DKK 383 million, for a 22% increase over the previous year, which in the Q1 2022 period included provisions for losses in relation to Russia.

Working capital increased from DKK 1,664 million at 30 June 2022 to DKK 2,144 million at 30 June 2023. The increase was mainly attributable to the effects of higher prices of raw materials, but partly also to increases in buffer stocks and debtor days. The use of supply chain financing fell from DKK 1,231 million at 30 June 2022 to DKK 884 million at 30 June 2023, partly due to new collaboration arrangements with suppliers, which have not yet been incorporated in the supply chain financing programme.

ROIC excluding goodwill was 17.3% at 30 June 2023, marginally lower than the level at 31 March 2023.

Joint ventures and associates

BioMar manufactures fish feed in China and Turkey through two 50/50 joint ventures with local partners. These activities are not consolidated, but due to their large growth potential, being strongly represented in these markets is very important to BioMar. The two feed businesses reported a significant combined improvement for Q2 2023 (100% basis) with revenue of DKK 510 million and EBITDA of DKK 69 million, against revenue of DKK 356 million and EBITDA of DKK 25 million in Q2 2022.

The associated businesses 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 were recognised in the Q2 2023 consolidated financial statements at a DKK 38 million share of profit after tax, compared

BioMar

with a DKK 40 million share in the Q2 2022 period. The modest change was due to an increased share of profit in the joint venture operations, which was, however, offset by a reduced share of profit in the associated companies, where the decline was mainly attributable to non-recurring costs relating to reestablishing a joint venture activity under Salmones Austral.

Business review
BioMar endeavours to be a strong partner to all its stakeholders. Over the coming quarterly periods, a key objective will be to bring more stability and predictability to the feed market and where possible to capitalise on the downward trends in prices of raw materials. In addition, BioMar will be strongly focused on delivering on the company's sustainability ambitions, which are demanded by customers and consumers and therefore essential in the long term. These efforts are consistent with the elements of BioMar's updated strategy, which includes a global commercial excellence program intended to strengthen customer service and exploit the revenue potential.

Outlook
From an overall perspective, long-term demand for farmed fish and shrimp generally seems sound. BioMar is well positioned in the market, with a high level of quality and a strong focus on sustainability and advanced fish farming technology. In the short term, demand for feed may be affected by current market conditions and by selling prices of farmed fish and shrimp. In shrimp farming, due to the short farming period relative to, say, salmon farming, demand for feed is easily affected by volume adjustments in farming operations.

BioMar continues to expect to grow 2023 volume sales year on year, but given the prospects of more stable prices of raw materials, the company lowers its full-year 2023 revenue guidance to the DKK 18.0-18.5 billion range from previously DKK 18.0-19.0 billion, but changes in raw materials prices and foreign exchange rates may still significantly affect the full-year revenue. The FY 2023 EBITDA forecast is unchanged and expected to be in the DKK 1,080-1,150 million range.

Associates and joint ventures are recognised at a share of profit after tax. The full-year forecast for the share of profit after tax is reduced to around DKK 100 million from the previous forecast of approximately DKK 115 million. The reduction is mainly due to the non-recurring costs incurred in Salmones Austral.

GPV

Accomplish more – sustainably

GPV is a leading European EMS (Electronics Manufacturing Services) business. GPV manufactures electronics, mechanics, cable harnessing and mechatronics (combination of electronics, mechanical technology and software) for its range of international customers. GPV's solutions are used in customer end products in the market segments of Industrials, Measurement & Control, BuildingTech, Transport, CleanTech, MedTech and HighTech Consumer.

Market

Electronics play an ever more prominent role in society, whether in everyday life or in industry and manufacturing. In these sectors, the integration of electronics, increased data usage and increased automation will serve to make everyday life easier, optimise manufacturing processes, reduce resource consumption and increase quality of life. In the production of advanced electronics, increased specialisation results in a tendency for many businesses to focus on their core services and to outsource the manufacturing of electronics to dedicated EMS partners such as GPV.

GPV's market is in the high-mix segment, which is generally characterised by highly complex manufacturing processes. GPV supplies many different products to customers in the mentioned market segments in which electronics play an increasingly important role. Many of these products provide direct or indirect support for the green transition.

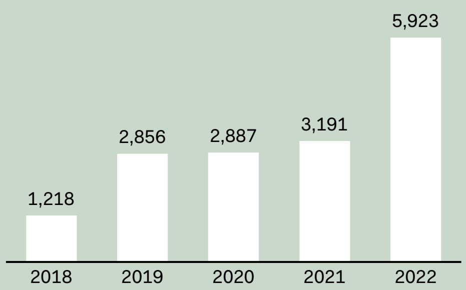
Geography

Head office in Vejle, Denmark, and manufacturing facilities in Denmark, Sweden, Finland, Estonia, Switzerland, Germany, Austria, Slovakia, Sri Lanka, Thailand, Malaysia, China and Mexico.

Ownership – past and present

GPV was founded in 1961 and became a part of the Schouw & Co. Group in 2016. The company has subsequently expanded through combinations with a number of complementary businesses, and today, GPV is the second-largest European-headquartered EMS company. Schouw & Co. holds an 80% ownership interest in GPV.

Revenue performance (DKKm)



GPV

Strong Q2 EBITDA as expected. Strong revenue improvement following the combination with Enics, healthy demand and high prices of components and materials. Substantial increase in revenue and earnings forecasts.

DKKm	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Revenue	2,712	1,134	5,373	2,143	5,923
EBITDA	189	97	368	188	465
EBIT	115	66	216	126	292
CF from operations	56	-40	-32	-163	-281
Working capital	2,779	1,516	2,779	1,516	2,566
ROIC ex goodwill	11.1%	14.2%	11.1%	14.2%	11.5%

GPV reported revenue at an all-time high of DKK 2,712 million for the second quarter of 2023, a 139% increase from DKK 1,134 million in Q2 2022. The huge improvement was primarily attributable to the combination with Swiss company Enics and to continuing growth in demand from a large group of customers. In addition, the elevated prices of components and materials also lifted revenue considerably, but with an adverse effect on margins. The overall H1 2023 revenue was up by 151% year on year to DKK 5,373 million.

Strong Q2 2023 earnings as expected, resulting in EBITDA of DKK 189 million, up from DKK 97 million in the same period of 2022. EBITDA was supported by the combination with Enics, despite the ongoing costs incurred to ensure a good integration process for the combined company. Also contributing were the increased sales, effective cost management and high capacity utilisation at GPV's factories. The H1 2023 EBITDA was up by 95% year on year to DKK 368 million.

Working capital grew to DKK 2,779 million at 30 June 2023 from DKK 1,516 million at 30 June 2022. The large increase was primarily attributable to the combination with Enics and the increase in revenue. An increase in inventories based on increased commitments from customers also added to the working capital, but through focused efforts to reduce inventories during the second quarter, GPV has managed to stabilise its working capital. ROIC excluding goodwill was 11.1% at 30 June 2023, in line with the level at 31 March 2023.

Business review

The integration of the two companies, GPV and Enics, commenced immediately after the combination in October 2022. During the first couple of months, the focus was on introducing the concept of 'One. New. Leader.' The objective was to build a mutual understanding of and to ensure a common approach to customers and suppliers under the GPV brand. During the first quarter of 2023, the focus was on building a foundation for the new combined organisation, which was successfully implemented in the second quarter. The integration process has had good momentum, which is expected to continue for the rest of 2023.

Meeting customer demands is a big priority for GPV. To ensure adequate flexibility, the company continues investing to expand capacity and increase automation, primarily in the major expansion projects at two factories, one in Thailand and one in Sri Lanka. At the end of March 2023, GPV took delivery of the newly constructed mechanics facility in Thailand, which began operations immediately thereafter. This leads to the next phase of GPV's expansion in Thailand, i.e. to increase the production of electronics. At the end of the second quarter of 2023, GPV also took over the new electronics factory in Sri Lanka, which has now commenced operations.

In addition, GPV initiated an expansion of electronics production in Mexico during the second quarter, where the initial phase of doubling the production area is expected to be completed in early 2024. GPV has also entered into an agreement for a substantial expansion of the production facilities in Slovakia, where customers have shown great interest in expanding the collaboration.

Outlook

Based on the good results following the second quarter, GPV is now cautiously optimistic about the full-year 2023 performance. Demand from a number of customers remains healthy, while other customers have postponed their orders. The supply of components and materials has generally improved, but substantial lead times remain for a number of key electronic components, and component prices are expected to remain high for the rest of 2023. The high component prices will continue to have a positive impact on revenue in the second half of 2023, but at the present time, the underlying level of activity is expected to fall relative to the first half of the year.

As a result, GPV upgrades its guidance FY 2023 revenue to the DKK 9.9-10.3 billion range from previously DKK 8.8-9.2 billion. The full-year EBITDA forecast range is raised to the DKK 650-700 million range from previously DKK 590-640 million inclusive of estimated integration costs of approximately DKK 20 million.

HydraSpecma

Making Power & Motion green

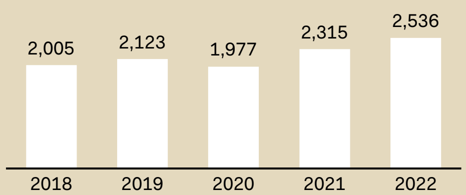
HydraSpecma is a market-leading specialist supplier of hydraulic solutions and components to the aftermarket and OEMs with roots in the Nordic region. HydraSpecma generates value through its production and fast delivery of hydraulic and electric solutions and products, by having the most comprehensive product range in the market and by providing technical advisory services. The products form part of wind turbines, lorries, contractors' equipment and agricultural machinery.

Market
Hydraulic solutions are the basic tools of the Power & Motion business area. Transmission of extreme power is essential in a broad range of technical applications, such as contractors' equipment and cranes, in agriculture and forestry and in other areas where heavy machinery can generate power and motion. In mobile hydraulic solutions, power is typically generated by diesel engines, and their systems use a number of different components, such as hoses, fittings and valves. Increasingly, focus is on electrification of power generation in an attempt to limit the use of fossil fuels and to reduce climate impact. HydraSpecma supplies entire electric solutions as well as hybrid solutions in which certain parts of a system are electrified. HydraSpecma supplies complete customised solutions and systems as well as components for the entire "Power & Motion" segment. The company serves a broad range of industries, from the wind turbine sector to the vehicle and shipping industries. HydraSpecma is a supplier to large OEM customers as well as to the aftermarket, and its customer-facing organisational structure consists of three divisions: Renewables, Global OEM and Nordic OEM/IAM (the Nordic OEM and industrial aftermarket). HydraSpecma is present in international markets with a broad product range in order to be close to its customers and able to supply the needed products and services fast and efficiently.

Geography
Head office in Skjern, Denmark. Facilities in Denmark, Sweden, Finland, Norway, Poland, the UK, the Netherlands, China, India, the USA and Brazil.

Ownership – past and present
Hydra-Grene A/S was founded as an independent business in 1974 and has been a wholly-owned part of the Schouw & Co. Group since 1988. Specma AB was founded in 1918 and has formed part of HydraSpecma since 2016. In the first quarter of 2023, HydraSpecma acquired the wind division from Swedish industrial group Ymer Technology, strengthening its position as a system developer and supplier to the wind turbine segment.

Revenue performance (DKKm)



HydraSpecma

Large revenue improvement driven by acquisitions and strong activity in the Global OEM division, while activity in the wind turbine business remains subdued. Full-year EBITDA forecast maintained, but revenue constrained by foreign exchange conditions.

DKKm	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Revenue	769	652	1,560	1,295	2,536
EBITDA	82	74	169	157	306
EBIT	51	51	107	110	211
CF from operations	62	68	105	84	190
Working capital	889	806	889	806	814
ROIC ex goodwill	15.6%	17.1%	15.6%	17.1%	17.6%

HydraSpecma generated revenue of DKK 769 million in the second quarter of 2023 for a year-on-year increase of 18%. A large part of the improvement was attributable to the acquisition of the wind division from Ymer Technology, but the Global OEM division also contributed. The overall H1 2023 revenue was up by 20% year on year to DKK 1,560 million.

The reported EBITDA for Q2 2023 was up by 10% to DKK 82 million. The earnings improvement was mainly driven by higher sales and high capacity utilisation in the Global OEM division. The H1 2023 EBITDA was up by 8% year on year to DKK 169 million.

Working capital increased from DKK 84 million at 30 June 2022 to DKK 889 million at 30 June 2023. A large part of the increase was attributable to acquisitions, but increased business activity in the Global OEM division also contributed to the increase. ROIC excluding goodwill fell from 16.5% at 31 March 2023 to 15.6% at 30 June 2023, mainly reflecting the acquisition of business activity and an investment in a new production facility in Poland.

Business review

Effective from 1 February 2023, HydraSpecma acquired Swedish industrial group Ymer Technology's wind division. Immediately following the acquisition, work began to integrate the acquired business activities and HydraSpecma's existing wind turbine operations in the newly-established Renewables division. The key focus of the integration process is to create a common platform that will enable HydraSpecma to be seen by its customers and suppliers as one combined company. The integration process has had good momentum, which is expected to continue in the period to the second quarter of 2024.

In its consistent efforts to develop and improve the solutions demanded by its customers, HydraSpecma has established an R&D department under the Renewables division that in addition to developing customer-specific systems will also develop proprietary solutions. HydraSpecma will also continue through its Center of Excellence to build on its competencies in electrification and software development for more sustainable solutions.

Due to surging demand from customers in the vehicles business in central Europe, HydraSpecma has launched the construction of a new production unit in Poland. This new 16,000 m² factory, designed to be carbon neutral, is located directly adjacent to the current production site in Stargard. The initial stage of 3,000 m² was completed in the second quarter, and the remaining phase of 13,000 m² is slated for completion by the end of the year. When the new production unit has been completed, the current production facility will be put up for sale.

Outlook

The general supply situation has improved steadily, which means that global OEM customers, especially in the vehicles segment, will be better able to utilise their production capacity and eliminate their substantial order backlogs. Accordingly, HydraSpecma expects to be able to maintain a good level of sales for the rest of the year, even though a number of large customers currently seem to be experiencing a reduced order intake. Customers in the stationary equipment segment are experiencing increased business activity in some areas, whereas the current subdued activity level in the Renewables segment is expected to continue into the coming year.

As a result, HydraSpecma expects to sustain a high level of activity overall, with the weaker activity in the Renewables division being offset by growing activity in the Global OEM division, which in addition to an inflow of new customers has won added market shares with existing customers. While the Nordic OEM/IAM division is expected to maintain its current level of activity, its revenue will likely be reduced due to the weak Swedish currency.

Against that background, HydraSpecma now expects full-year revenue in the DKK 2.9-3.1 billion range from previously DKK 3.1-3.3 billion, while maintaining its EBITDA forecast in the DKK 310-340 million range.

Borg Automotive

We give new life to vehicles by providing sustainable automotive solutions

Borg Automotive is Europe's largest independent automotive remanufacturing business. The company's principal business activity is to remanufacture defective parts, such as brake callipers, turbochargers, starters and alternators, and to sell them in the B2B market under a circular business model. Borg Automotive offers a full product range by also supplying new products to complement remanufactured items. Borg Automotive has a strong market position, and remanufacturing is a business area offering a wide range of environmental and resource benefits.

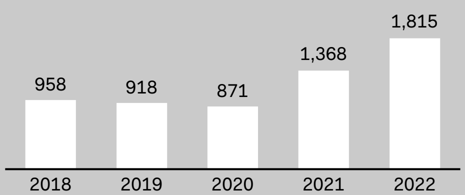
Market
With about 250 million cars on the European roads and an average age of more than 11 years, there is a great need to ensure spare parts for a growing fleet. The proportion of electric and hybrid cars on the roads is growing, but these also need spare parts. About half of the items in Borg Automotive's product range can be used whether a vehicle has an electric motor or a combustion engine. The transition is in progress, both in the industry at large and at Borg Automotive.

Borg Automotive offers a broad product range. Most of the products have been remanufactured, which means parts produced on the basis of an existing product that have less of an environmental impact and in a process requiring fewer resources and materials. The company's business model applies a return system combined with remanufacturing and is a good example of a circular business model.

Geography
Headquartered in Silkeborg, Denmark. Production/distribution facilities in Poland, the UK, Spain and Germany.

Ownership – past and present
Borg Automotive was founded in 1975 and has been a part of the Schouw & Co. Group since 2017. Growth through acquisitions is part of the strategy. Borg Automotive acquired the Spanish remanufacturing business TMI in 2020 and added the trading company SBS Automotive in 2021.

Revenue performance (DKKm)



Borg Automotive

Improved sales of remanufactured products and increased price level contributed to maintaining revenue despite reduced sales of goods for resale. Full- year earnings forecast lowered due to higher costs and growing competition.

DKKm	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Revenue	486	482	967	954	1,815
EBITDA	44	59	73	97	180
EBIT	25	41	37	57	104
CF from operations	14	-33	-42	-163	-150
Working capital	725	581	725	581	618
ROIC ex goodwill	11.1%	15.0%	11.1%	15.0%	14.4%

Borg Automotive reported an increase in sales of remanufactured products in Q2 2023, offsetting the drop in sales of goods for resale. Revenue was supported by a higher price level. As a result, revenue came to DKK 486 million for the quarter, which was marginally higher than in the year-earlier period. Despite discontinued sales to Russia, total revenue grew from DKK 954 million in H1 2022 to DKK 967 million in H1 2023.

The reported EBITDA for Q2 2023 was DKK 44 million, compared with DKK 59 million in Q2 2022. The performance for the quarter was particularly impacted by reduced earnings from goods for resale. To a lesser extent, the performance was also impacted by higher production costs on remanufactured products, among other things resulting from lower capacity utilisation during the quarter. Total EBITDA for H1 2023 was DKK 73 million, compared with DKK 97 million in H1 2022.

Working capital amounted to DKK 725 million at 30 June 2023, as compared with DKK 581 million at 30 June 2022. The DKK 144 million increase was mainly driven by higher inventory levels. Return on invested capital (ROIC) excluding goodwill fell from 13.0% at 31 March 2023 to 11.1% at 30 June 2023 due to the lower earnings and higher average invested capital.

Business review
Through the acquisition of SBS Automotive in 2021, Borg Automotive added a trading company dealing in automotive spare parts that complements its traditional remanufacturing operations. Remanufactured products make up the core of Borg Automotive's business and continue to bring in most of its revenue. The company sells its remanufactured products under four different brands: the international brand Lucas and the company's three proprietary brands: Elstock, DRI and TMI. The recently added trading goods are sold under the NK or Eurobrakes brands.

As part of the strategic development of SBS Automotive's trading platform, new product groups were launched during Q2 2023 to strengthen the overall value proposition for existing and new customers. Borg Automotive's target is to cover 90% of all passenger cars in the market, and a total of 165 new product references were added to the product programme in Q2 2023 as part of the ongoing development of the overall market proposition.

Furthermore, in Q2 2023, Borg Automotive was approved as a supplier to an OE manufacturer of lorries with a view to extending the product programme into a new segment.

Outlook
Demand for automotive spare parts in the European aftermarket fell during the second half of 2022. The decline was due to several factors, including a change in driving patterns and a reduction of inventories by distributors and dealers. Borg Automotive seeks to consistently adapt to the changing market conditions, including by optimising capacity and taking other measures to retain its margins and earnings.

The market seems to have stabilised somewhat during H1 2023. The level of activity is still expected to be more subdued in 2023 than in 2022, and after Q2, expectations for the remaining part of the year have become more cautious than after Q1 2023. Despite continued uncertainty about general market developments in the second half, Borg Automotive maintains its full-year revenue forecast for 2023 of DKK 1.7–1.9 billion, as revenue for the year is supported by a higher price level.

However, the higher price level is caused by higher cost prices and increasing costs, which in combination with the subdued demand is intensifying competition and putting earnings under pressure. This is particularly the case for goods for resale. The full-year EBITDA forecast range is therefore lowered to DKK 130-160 million from the previous forecast of DKK 160-190 million.

The agreement concerning the acquisition of SBS Automotive in 2021 was concluded on the basis of an earn-out model, according to which the enterprise value is stated as 5x 2022 EBITDA, and an interim provision for settlement of the acquisition was recognised in the financial statements for 2022. However, the final value of SBS Automotive has yet to be determined and, pending this, the interim provision is maintained.

Fibertex
Personal Care

Sustainable is Possible. We reimagine, reduce and reuse to enable future fit solutions for our industry

Fibertex Personal Care is among the world's largest manufacturers of spunmelt non-wovens for the personal care industry, manufacturing mainly diapers, sanitary towels and incontinence products. Operations also include printing on nonwovens for the personal care industry. Both business areas offer customised solutions, and the products are subject to tough requirements in terms of safety, health and comfort.

Market
Diapers, sanitary towels and incontinence products are typical necessities; that is, articles that are difficult to do without. In other words, demand for the products is relatively stable, and they are used all over the world. The general economic developments and gains in standards of living are the factors generating growth and expanding the market. Growth has historically been strongest in Asia, where the adoption of disposable diapers manufactured from nonwoven materials is significantly lower than in Europe and the US. Asia is also experiencing the biggest improvements in income and standards of living, and a long-term increase in the use of nonwovens is expected in the region.

Nonwovens is a non-woven material made from plastics. It has a range of applications and is characterised by being light and soft, and it can be manufactured using less resources, including at lower costs, than other materials.

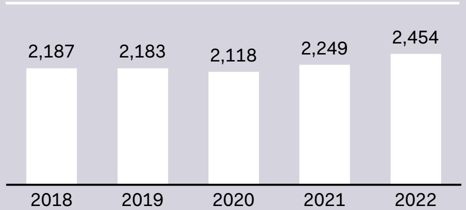
Among the world's ten largest manufacturers of nonwovens for personal care, Fibertex Personal Care has a global market share of over 5%. The company operates manufacturing facilities in Europe and Asia, as well as specialised print production facilities in Europe and the USA. Fibertex Personal Care stands out as a leader in innovation with a great focus on sustainability, including through the use of certified, recycled and bio-based materials, the adoption of which is expected to increase.

Customers use nonwovens to manufacture hygiene products, which are then distributed to consumers via supermarkets, public institutions and web shops. Customers consist of medium-sized and multinational brand names.

Geography
Head office in Aalborg, Denmark. Nonwovens manufacturing facilities in Denmark and Malaysia and printing facilities in Germany and the USA.

Ownership – past and present
Fibertex was founded in 1968 and acquired by Schouw & Co. in 2002. The Personal Care activities have been a part of Fibertex since 1998 and were hived off as an independent portfolio business directly under Schouw & Co. in 2011.

Revenue performance (DKKm)



Fibertex Personal Care

Favourable developments in prices of raw materials lifted EBITDA, whereas revenue fell due to the lower raw materials prices and reduced volumes. Full-year EBITDA forecast upgraded despite subdued revenue expectations.

DKKm	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Revenue	459	590	968	1,217	2,454
EBITDA	59	43	129	112	269
EBIT	29	10	67	45	128
CF from operations	56	73	124	33	206
Working capital	365	478	365	478	414
ROIC ex goodwill	9.3%	8.9%	9.3%	8.9%	7.4%

Fibertex Personal Care generated revenue of DKK 459 million in Q2 2023, a year-on-year decline of 22% from DKK 590 million in Q2 2022. The decline was driven by lower prices of raw materials, which triggered lower selling prices, combined with a 9% year-on-year decline in sales volumes of nonwovens. The overall H1 2023 revenue was down by 20% year on year to DKK 968 million.

Despite the reduced volume sales, the reported EBITDA for Q2 2023 was DKK 59 million, a 37% year on year increase. The improved EBITDA was driven mainly by favourable developments in prices of raw materials. Energy costs in 2023 were on a par with the year-earlier period, which was lower than originally expected. EBITDA for H1 2023 was up by 15% year on year to DKK 129 million.

Fibertex Personal Care reduced its working capital from DKK 478 million at 30 June 2022 to DKK 365 million at 30 June 2023. The main reason for the lower working capital was a drop in receivables and inventories.

Return on invested capital (ROIC) excluding goodwill increased from 7.8% at 31 March 2023 to 9.3% at 30 June 2023 due to higher earnings in Q2 and lower average invested capital.

Business review

Fibertex Personal Care focuses strongly on efficiency, innovation and sustainability. The company has pioneered a nonwoven material weighing just 5 grams per m², whereas the lightest nonwoven materials in diapers today typically weigh 8-10 grams per m². The lower weight greatly reduces the consumption of raw materials and the CO_2 in the value chain.

Asian manufacturers of nonwovens have invested heavily in recent years to ramp up their production capacity, both to accommodate the expected growth in the personal care market and to work the market for face masks and protective suits, which emerged in connection with the coronavirus pandemic. The reduced demand for materials for coronavirus-related products has resulted in surplus production capacity in the region, however. This imbalance is amplified by a declining birth rate in China, which naturally directly impacts the sale of diapers, the item constituting the single largest use of nonwovens.

Fibertex Personal Care has also invested to expand capacity, commencing construction of a new production line in Malaysia which, however, is not expected to be operational until the first half of 2024 due to technical challenges involving the slitter. The excess production capacity in Asia will remain a challenge for some time, but that will not change the fact that the market is still expected to see sound underlying growth, which will absorb the idle capacity over time.

The European market, on the other hand, is more consolidated. Whereas sales of diapers are stagnant, diaper pants are gaining a growing share of the market, and as this type of diaper comprises proportionately more nonwovens, the total consumption is rising.

Outlook

Fibertex Personal Care expects solid capacity utilisation at all its factories in 2023. However, strong competition in the Asian market will continue to weigh on the company's nonwoven operations in Malaysia, where additional production capacity is scheduled to be phased in during 2024. The challenging competitive climate in Asia will continue to impact earnings in 2024, but Fibertex Personal Care expects that its investments in new technology will strengthen its competitive position, enabling the company to maintain its market position.

In light of the current assessment of the likely raw materials price trend for the remainder of the year, Fibertex Nonwovens is lowering its full-year revenue forecast for 2023 to the DKK 1.9-2.1 billion range from the previous range of DKK 2.1-2.3 billion. Lower raw materials prices continue to have a positive impact on EBITDA, however. Furthermore, energy costs for 2023 are expected to be lower than previously assumed, and the full-year EBITDA forecast range is therefore raised to the DKK 230-260 million range from previously DKK 180-210 million.

Fibertex Nonwovens

> We pioneer and innovate the way industries work with nonwovens and performance materials

Fibertex Nonwovens is among the world's leading manufacturers of specialised nonwovens. Nonwovens are fibre sheets produced on high-tech processing facilities with various purpose-specific post-processings. The processed materials have a broad range of different applications, including in cars, in the construction industry and for filtration solutions. They are also used in the healthcare sector for disposable wipes and other products.

Market

In cars, nonwovens are used to reduce weight and thereby lower carbon emissions, but nonwovens are also used as an acoustic fabric, which absorbs sound and thereby increases comfort. Through innovation and new products, the use of nonwovens in cars has increased significantly in recent years, and today, many new cars contain about 30 square metres of nonwovens.

Nonwovens are also used in construction, contributing to prolonging the life of roads and bridges, and as filtration solutions, because the material can be used to construct energy-efficient liquid and air filter solutions in cars, for industrial filtration and in ventilation systems, for example.

In the disposable wipes segment, nonwovens form part of products for industrial cleaning and as part of disinfection solutions for the healthcare sector, for which Fibertex Nonwovens supplies a number of products, including special-purpose disinfectant wipes. Customers demand sustainable solutions, and thanks to new technology, Fibertex Nonwovens is able to produce wipes from non-synthetic fibre, replacing the use of synthetic fibre. Recently, Fibertex Nonwovens launched a range of products based on organic cotton for use in, for example, feminine hygiene and skin care products.

Fibertex Nonwovens increasingly manufactures circular solutions, and the company aims to increase the proportion of recycled plastics in production, which means using much fewer resources and lowering greenhouse gas emissions substantially.

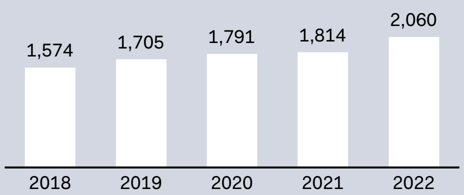
Geography

Head office in Aalborg, Denmark. Production facilities in Denmark, France, the Czech Republic, Turkey, the USA, South Africa and Brazil.

Ownership – past and present

Fibertex was founded in 1968 and acquired by Schouw & Co. in 2002. The company previously included the Personal Care activities, which were hived off as an independent portfolio company in 2011.

Revenue performance (DKKm)



Fibertex Nonwovens

Revenue in line with the year-earlier figure despite drop in volume sales, which lowers the full-year revenue forecast. Performance negatively impacted by US operations, but full-year EBITDA forecast for 2023 maintained.

DKKm	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Revenue	563	563	1,132	1,078	2,060
EBITDA	39	40	80	82	111
EBIT	15	13	32	32	11
CF from operations	68	-75	48	-85	-7
Working capital	574	647	574	647	593
ROIC ex goodwill	1.0%	2.5%	1.0%	2.5%	1.0%

Fibertex Nonwovens generated revenue of DKK 563 million in Q2 2023, in line with revenue in Q2 2022. The unchanged revenue was driven by higher selling prices, which offset a drop in volumes sold and adverse foreign exchange developments. The volume reduction was mainly driven by restrained construction industry activity and a decline in sales of wipes, whereas sales to the automotive industry were strengthened. The overall H1 2023 revenue was up by 5% year on year to DKK 1,132 million.

Reported Q2 2023 EBITDA was DKK 39 million, which was slightly less than expected, compared with DKK 40 million in Q2 2022. EBITDA was particularly impacted by the performance of the US activities due to an imbalance between costs and selling prices and with costs incurred in connection with major organisational developments and significant product development. On the other hand, energy costs in 2023 were on a par with the year-earlier period, which was lower than originally expected. Total EBITDA for H1 2023 was DKK 80 million, compared with DKK 82 million in H1 2022.

Working capital fell from DKK 647 million at 30 June 2022 to DKK 574 million at 30 June 2023, mainly driven by reduced inventories. Return on invested capital (ROIC) excluding goodwill improved slightly from 0.9% at 31 March 2023 to 1.0% at 30 June 2023. The moderate return was attributable to the currently reduced earnings, but also to the major investments in new technology and production capacity, which has not yet been brought into use.

Business review

Fibertex Nonwovens has invested to expand its global production capacity in recent years. This was instrumental in enabling Fibertex Nonwovens to capitalise on the business opportunities unfolding in the wake of the coronavirus pandemic, which, however, were followed by a prolonged period of extremely challenging market conditions.

By continually investing in innovation and sustainable solutions, Fibertex Nonwovens has made its factories competitive, and the company continues to see a strong growth potential. This applies in particular to products for more specialised applications. In order to meet such future demand, Fibertex Nonwovens in 2021 launched a programme to invest approximately DKK 600 million, which is intended to provide a platform for strong future growth and significantly improved earnings in the years ahead. The programme is mainly for two production lines applying the spunlacing technology, where the fibres of the non-woven textiles are entangled using high-speed jets of water.

The first of the two production lines has been installed at the company's site in Greenville, South Carolina, and it will be gradually phased in for production during 2023. Already, the company is seeing considerable market interest for the products the line will manufacture.

Outlook

Fibertex Nonwovens felt the effects in 2022 of an unfortunate combination of negative demand and escalating costs. This challenging situation is also affecting the company's expectations for 2023, as the new production capacity currently underway is being phased in at a slower pace than originally expected.

However, the current situation does not change the expectations of sound growth in most market segments over the coming years. Fibertex Nonwovens has the right technology and a promising pipeline and is therefore well positioned in the international competition. The short-term goal for 2023 is still to secure the company's market position and sustainable earnings power, so the company will be in a position to implement its plans for the coming years to capitalise on the capacity-expanding investments.

In light of the prospects of lower volume sales for the remainder of the year, Fibertex Nonwovens is lowering its full-year revenue forecast for 2023 to the DKK 2.2-2.4 billion range from the previous range of DKK 2.3-2.5 billion. However, Fibertex Nonwovens maintains its previously announced full-year EBITDA forecast in the DKK 140-170 million range, supported by, among other things, the assessment that energy costs for 2023 will be lower than previously assumed.

Interim financial statements

Statements of income and comprehensive income

Note	Income statement	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
1	Revenue	9,166	7,466	17,844	13,764	32,637
2	Operating expenses	-8,503	-6,909	-16,671	-12,823	-30,355
	Other operating income	5	6	11	10	26
	Other operating expenses	-1	0	-7	-22	-26
	EBITDA	666	564	1,177	928	2,282
	Depreciation, amortisation and impairment losses	-261	-220	-528	-435	-994
	EBIT	406	344	649	493	1,288
	Profit after tax in associates	5	32	-9	36	80
	Profit after tax in joint ventures	33	8	46	16	50
	Financial income	70	40	145	166	215
	Financial expenses	-199	-69	-355	-116	-328
	Profit before tax	314	355	477	593	1,304
	Tax on profit for the period	-89	-73	-142	-122	-311
	Profit for the period	225	282	335	472	993
	Attributable to					
	Shareholders of Schouw & Co.	216	274	316	456	960
	Non-controlling interests	9	7	18	15	33
	Profit for the period	225	282	335	472	993
6	Earnings per share (DKK)	9.19	11.59	13.47	19.20	40.59
6	Diluted earnings per share (DKK)	9.18	11.58	13.45	19.18	40.58

Note	Statement of comprehensive income	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
	Items that cannot be reclassified to the income statement:					
	Actuarial gains/losses on defined benefit pension liabilities	0	0	0	0	40
	Tax on other comprehensive income	0	0	0	0	-9
	Total items that cannot be reclassified to the income statement	0	0	0	0	31
	Items that can be reclassified to the income statement:					
	Foreign exchange adjustments of foreign subsidiaries	-144	163	-279	280	100
	Value adjustment of hedging instruments	19	6	9	15	30
	Hedging instruments transferred to operating expenses	5	6	-10	18	1
	Hedging instruments transferred to financials	-2	2	-5	3	0
	Hyperinflation restatements	-17	41	-20	41	45
	Other comprehensive income from associates and JVs	0	0	0	0	-13
	Other adjustments to other comprehensive income	0	1	0	-1	3
	Tax on other comprehensive income	-5	0	3	-7	-26
	Total items that can be reclassified to the income statement	-145	220	-302	348	140
	Other comprehensive income after tax	-145	220	-302	348	171
	Profit for the period	225	282	335	472	993
	Total recognised comprehensive income	81	502	33	820	1,164
	Attributable to					
	Shareholders of Schouw & Co.	78	466	30	769	1,113
	Non-controlling interests	3	36	3	51	52
	Total recognised comprehensive income	81	502	33	820	1,164

Amounts in DKK million

Balance sheet • Assets and liabilities

Note	Assets	30/6 2023	31/12 2022	30/6 2022	31/12 2021
	Intangible assets	4,571	4,267	3,774	3,526
	Property, plant and equipment	6,126	6,093	5,549	5,078
	Lease assets	601	694	605	687
	Equity investments in associates	458	498	478	411
	Equity investments in joint ventures	191	182	163	148
	Securities	94	92	93	91
	Deferred tax	222	189	168	131
	Receivables	207	199	211	241
	Total non-current assets	12,470	12,214	11,041	10,313
	Inventories	9,080	9,043	6,996	5,514
3	Receivables	7,006	6,181	5,753	5,022
	Prepayments	244	240	110	71
	Income tax receivable	101	56	63	77
	Cash and cash equivalents	603	712	496	490
	Total current assets	17,033	16,231	13,419	11,175
	Total assets	29,503	28,445	24,459	21,488

Note	Liabilities and equity	30/6 2023	31/12 2022	30/6 2022	31/12 2021
6	Share capital	255	255	255	255
	Hedge transaction reserve	6	9	17	-13
	Exchange-adjustment reserve	-142	121	289	45
	Hyperinflation restatements	25	45	41	0
	Retained earnings	9,924	9,535	9,864	9,582
	Proposed dividend	0	383	0	383
	Equity attributable to parent company shareholders	10,068	10,348	10,465	10,252
	Non-controlling interests	890	889	439	397
	Total equity	10,958	11,237	10,905	10,649
	Deferred tax	538	480	426	372
	Other payables	199	213	426	522
	Liability regarding put option	513	483	0	0
	Interest-bearing debt	3,269	5,842	4,152	2,384
	Non-current liabilities	4,519	7,017	5,004	3,277
	Interest-bearing debt	4,330	838	837	1,070
	Trade payables and other payables	8,834	8,492	6,931	5,895
	Customer prepayments	218	275	181	111
	Prepayments	111	17	80	40
	Liability regarding put option	381	388	416	374
	Income tax	151	180	105	72
	Current liabilities	14,026	10,191	8,550	7,562
	Total liabilities	18,544	17,208	13,555	10,839
	Total equity and liabilities	29,503	28,445	24,459	21,488

Notes without reference 5 and 7 to 9.

Amounts in DKK million

Cash flow statement

Note		Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
	EBITDA	666	564	1,177	928	2,282
	Adjustments for non-cash operating items etc.:					
	Changes in working capital	-70	-35	-565	-982	-1,548
	Provisions	5	11	20	18	9
	Other non-cash operating items, net	-20	-13	14	10	-19
	Cash flows from operations before interest and tax	582	526	645	-25	724
	Net interest paid	-94	-27	-154	-37	-136
	Income tax paid	-134	-33	-233	-103	-269
	Cash flows from operating activities	354	467	258	-166	319
	Purchase of intangible assets	-15	-9	-23	-16	-38
	Purchase of property, plant and equipment	-291	-267	-505	-541	-1,068
	Sale of property, plant and equipment	0	1	12	0	5
4	Acquisitions	2	-211	-378	-226	-414
	Acquisition of associates	-1	0	-1	0	0
	Dividends received from associates	21	0	21	0	10
	Loans to associate	0	0	10	0	0
	Loans to customers (repayment of loans)	0	0	1	0	0
	Additions/disposals of other financial assets	12	0	11	2	6
	Cash flows from investing activities	-271	-486	-851	-780	-1,499

Note		Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
	Loan financing:					
	Repayment of non-current liabilities	-83	-68	-194	-141	-332
	Proceeds from non-current liabilities incurred	2	0	2	0	2,569
	Increase of bank overdrafts	278	556	999	1,626	-207
	Cash flows from debt financing	197	488	806	1,485	2,030
	Shareholders:					
	Capital contributions, etc. by non-controlling interests	0	0	0	0	12
	Dividends paid	-355	-365	-355	-365	-374
	Purchase of treasury shares	-19	-66	-19	-181	-292
	Sale of treasury shares	17	0	73	0	0
	Cash flows from financing activities	-160	58	505	939	1,377
	Cash flows for the period	-78	39	-89	-6	196
	Cash and cash equivalents, beginning of period	693	457	712	490	490
	Value adjustment of cash and cash equivalents	-13	0	-20	12	25
	Cash and cash equivalents, end of period	603	496	603	496	712

Amounts in DKK million

Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjust-ment reserve	Hyperinflation adjustments	Retained earnings	Proposed dividend	Total	Non-controlling interests	Shareholders' equity
Equity at 1 January 2022	255	-13	45	0	9,582	383	10,252	397	10,649
Profit and other comprehensive income:									
Profit for the period		0	0	0	456	0	456	15	472
Other comprehensive income		29	244	41	-2	0	313	36	348
Total recognised comprehensive income		29	244	41	455	0	769	51	820
Transactions with owners:									
Share-based payment		0	0	0	16	0	16	0	16
Distributed dividends		0	0	0	27	-383	-356	-9	-365
Value adjustment of put option		0	0	0	-34	0	-34	0	-34
Purchase of treasury shares		0	0	0	-181	0	-181	0	-181
Total transactions with owners during the period		0	0	0	-173	-383	-555	-9	-564
Equity at 30 June 2022	255	17	289	41	9,864	0	10,465	439	10,905
Equity at 1 January 2023	255	9	121	45	9,535	383	10,348	889	11,237
Profit and other comprehensive income									
Profit for the period		0	0	0	316	0	316	18	335
Other comprehensive income		-3	-263	-20	0	0	-286	-16	-302
Total recognised comprehensive income		-3	-263	-20	317	0	30	3	33
Transactions with owners:									
Share-based payment		0	0	0	13	0	13	0	13
Distributed dividends		0	0	0	30	-383	-353	-2	-355
Value adjustment of put option		0	0	0	-23	0	-23	0	-23
Purchase of treasury shares		0	0	0	-19	0	-19	0	-19
Sale of treasury shares		0	0	0	73	0	73	0	73
Total transactions with owners during the period		0	0	0	73	-383	-310	-2	-312
Equity at 30 June 2023	255	6	-142	25	9,924	0	10,068	890	10,958

Amounts in DKK million

Notes to the financial statements

1
Segment reporting

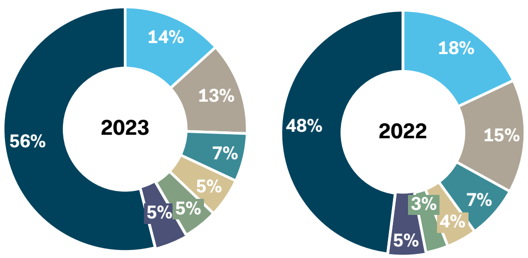
Reporting segments YTD 2023	BioMar	GPV	HydraSpecma	Borg Automotive	Fibertex Personal Care	Fibertex Nonwovens	Reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	7,851	5,373	1,560	967	962	1,132	17,844	0	0	17,844
Intra-group revenue	0	0	0	0	7	0	7	7	-13	0
Segment revenue	7,851	5,373	1,560	967	968	1,132	17,851	7	-13	17,844
EBITDA	383	368	169	73	129	80	1,203	-26	0	1,177
Depreciation, amortisation and impairment losses	167	152	62	37	62	48	527	0	0	528
EBIT	216	216	107	37	67	32	675	-26	0	649
Share of profit in associates and JVs	37	0	0	0	0	0	37	0	0	37
Tax on profit/loss for the year	-33	-54	-18	-7	-12	-6	-131	-12	0	-142
Profit for the year	126	48	68	33	40	-25	290	45	0	335
Segment assets	11,991	7,960	2,712	2,477	2,005	2,767	29,912	16,115	-16,524	29,503
Of which goodwill	1,577	350	284	516	99	121	2,947	0	0	2,947
Equity investments in associates and JVs	639	0	10	0	0	0	649	0	0	649
Segment liabilities	8,756	5,710	1,838	1,419	998	1,838	20,559	7,073	-9,088	18,544
Working capital	2,144	2,779	889	725	365	574	7,477	-13	1	7,465
Net interest-bearing debt	2,968	2,446	1,079	504	588	1,297	8,881	-2,056	0	6,825
Cash flows from operating activities	-21	-32	105	-42	124	48	182	63	13	258
Capital expenditure	132	145	108	33	33	64	516	0	0	516
Acquisitions	1	0	378	0	0	0	379	0	0	379
Average no. of employees	1,599	8,679	1,423	1,992	709	1,081	15,483	18	0	15,501

Based on management control and financial management, Schouw & Co. has identified six reporting segments, which are BioMar, GPV, HydraSpecma, Borg Automotive, Fibertex Personal Care and Fibertex Nonwovens. Management primarily evaluates reporting segments based on the performance measures EBITDA and EBIT but also regularly considers the segments' cash flows from operations and working capital. All inter-segment transactions were made on an arm's length basis.

Capex is defined as the net cash flow for the year for investment in property plant and equipment and intangible assets. Acquisitions are defined as cash flows for the year from investment in acquisition and divestment of enterprises, including associates and joint ventures, and capital increases.

The data on revenue by geography are based on customers' geographical location. The specification shows individual countries that in terms of revenue account for more than 5% of the Group. 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:



	YTD 2023	YTD 2022
Norway	2,482	2,489
Chile	2,290	2,050
Denmark	1,189	993
Sweden	964	543
Switzerland	848	412
UK	817	729
Other	10,071	6,548
Total	17,844	13,764

Amounts in DKK million

Notes to the financial statements

1
Segment reporting (continued)

Reporting segments YTD 2022	BioMar	GPV	HydraSpecma	Borg Automotive	Fibertex Personal Care	Fibertex Nonwovens	Reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	7,083	2,143	1,295	954	1,210	1,078	13,764	0	0	13,764
Intra-group revenue	0	0	0	0	6	0	6	6	-12	0
Segment revenue	7,083	2,143	1,295	954	1,217	1,078	13,770	6	-12	13,764
EBITDA	315	188	157	97	112	82	951	-23	0	928
Depreciation, amortisation and impairment losses	169	62	47	40	67	50	435	0	0	435
EBIT	147	126	110	57	45	32	516	-23	0	493
Share of profit in associates and JVs	51	0	0	0	0	0	51	0	0	51
Tax on profit/loss for the year	-38	-32	-23	-13	-6	-7	-119	-3	0	-122
Profit for the year	120	85	91	112	30	24	462	10	0	472
Segment assets	11,597	3,927	2,004	2,326	2,345	2,638	24,836	13,437	-13,814	24,459
Of which goodwill	1,689	188	137	516	99	122	2,752	0	0	2,752
Equity investments in associates and JVs	631	0	9	0	0	0	640	0	0	640
Segment liabilities	8,312	2,740	1,290	1,240	1,258	1,774	16,615	3,997	-7,058	13,555
Working capital	1,664	1,516	806	581	478	647	5,692	-4	0	5,688
Net interest-bearing debt	2,519	1,228	704	407	758	1,296	6,911	-2,604	0	4,307
Cash flows from operating activities	84	-163	84	-163	33	-85	-209	30	13	-166
Capital expenditure	113	133	16	20	29	245	555	1	0	556
Acquisitions	203	0	15	8	0	0	226	0	0	226
Average no. of employees	1,524	4,505	1,261	2,145	795	1,068	11,298	17	0	11,315

Amounts in DKK million

Notes to the financial statements

2
Operating expenses

	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Cost of goods sold	6,672	5,414	13,034	9,861
Staff costs	1,036	740	2,044	1,460
Repairs and maintenance	80	66	158	131
Energy costs	136	147	288	280
Freight costs	208	222	408	441
Other costs	371	319	739	650
Total operating expenses	8,503	6,909	16,671	12,823

Share-based payment: Share option programme
The company has an incentive programme for the Management and senior managers, including the executive management 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 2023 grant is described in greater detail in company announcement no. 9/2023 of 12 May 2023, but the number of options has subsequently been increased by 6,000. Outstanding options relating to prior-year programmes are show in the table below. Of the 197,000 options exercised in 2023, 55,000 were settled for difference, as for banking compliance reasons it is not possible to transfer shares from the company's holding to option recipients not resident in an EU country.

Outstanding options	Executive management	Other	Total
Total outstanding options at 31 December 2022	209,000	1,323,000	1,532,000
Exercised (from 2020 grant)	-15,000	-182,000	-197,000
Lapsed (from 2019 grant)	-47,000	-265,000	-312,000
Granted in 2023	70,000	403,000	473,000
Total outstanding options at 30 June 2023	217,000	1,279,000	1,496,000

3
Receivables (current)

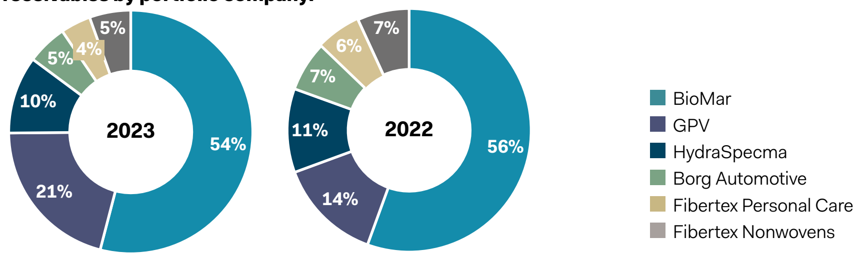
	30/6 2023	30/6 2022
Trade receivables	6,579	5,364
Other current receivables	426	389
Total current receivables	7,006	5,753

		Due between (days)			
30/6 2023	Not fallen due	1-30	31-90	>91	Total
Total receivables	5,554	695	220	279	6,748
Impairment losses on trade receivables	-34	-6	-14	-115	-169
Trade receivables, net	5,519	690	206	164	6,579
Proportion of total receivables expected to be settled					97.5%
Impairment rate	0.6%	0.8%	6.4%	41.1%	2.5%

		Due between (days)			
30/6 2022	Not fallen due	1-30	31-90	>91	Total
Total receivables	4,711	452	144	243	5,550
Impairment losses on trade receivables	-46	-12	-16	-112	-186
Trade receivables, net	4,665	440	128	131	5,364
Proportion of total receivables expected to be settled					96.6%
Impairment rate	1.0%	2.7%	11.2%	46.2%	3.4%

	30/6 2023	30/6 2022
Impairment losses on trade receivables		
Impairment losses, beginning of period	-195	-163
Foreign exchange adjustments	7	7
Impairment losses for the period	-5	-70
Realised loss	25	40
Impairment losses, end of period	-169	-186

Trade receivables by portfolio company:



Amounts in DKK million

Notes to the financial statements

4
Acquisitions

	YTD 2023	YTD 2022
Customer relations	118	24
Technology	140	26
Other intangible assets	25	8
Property, plant and equipment	8	2
Lease assets	1	0
Financial assets	3	0
Inventories	92	19
Receivables	76	49
Cash and cash equivalents	40	3
Credit institutions	-100	0
Trade payables	-52	-7
Other payables	-42	-6
Tax payable	-62	-14
Deferred tax	-1	-6
Net assets acquired	245	98
Goodwill	172	131
Acquisition cost	417	229
of which cash and cash equivalents	-40	-3
Contingent consideration (earn-out)	0	-8
Earn-out settled	0	8
Total cash acquisition costs	378	226

HydraSpecma acquired the wind division from Ymer Technology effective on 1 February 2023. The acquisition included approximately 180 employees working for companies in Sweden, Denmark, the USA, India and China. The acquisition gives HydraSpecma strong competencies within cooling and conditioning of wind turbine nacelles, which complement HydraSpecma's existing expertise as a subcontractor to the wind turbine industry.

A preliminary purchase price allocation was prepared in connection with the acquisition, which identified values of customers, technology and inventories in excess of carrying amounts. Goodwill has provisionally been calculated at DKK 172 million. The cash acquisition price has been calculated at DKK 378 million. Transaction costs in connection with the acquisition have amounted to DKK 10 million, of which DKK 8 million was recognised in 2022.

Had the acquisition been made effective from 1 January 2023, earnings would have been DKK 3 million higher and revenue would have been DKK 44 million higher.

In 2022, the Group acquired the Dutch company GSS Hydraulics B.V. and the Australian company AQ1.

Amounts in DKK million

Notes to the financial statements

5
Capital resources

It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/ renegotiation 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	1,504	1,771	Committed	2 yrs 6 mths
Other credit facilities	717	529	188	Uncommitted	
Term loan	2,662	2,662	0	Committed	1 yrs 3 mths
Schuldschein	1,013	1,013	0	Committed	1 yrs 2 mths
Mortgages	242	242	0	Committed	18 yrs 9 mths
NIB loans	400	400	0	Committed	5 yrs 6 mths
Leases	648	648	0	Committed	3 years
Cash and cash equivalents			603		
Facility before deduction of guarantee commitments	8,957	6,998	2,562		
Guarantee commitments deducted from the facility			-84		
Capital resources at 30 June 2023			2,478		

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. The 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. The second extension option was exercised in December 2022, and the facility now runs until January 2026.

In April 2019, Schouw & Co. issued Schuldscheins for a total of EUR 136 million (DKK 1,011 million) maturing in 2024 (80%) and 2026 (20%). In December 2021, Schouw & Co. set up a DKK 400 million seven-year loan with the Nordic Investment Bank related to specific Danish capacity-expanding investments and development costs.

6
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
Treasury shares held at 1 January 2022	1,531,102	15,311,020	471	6.00%
Purchase of treasury shares	328,741	3,287,410	181	1.29%
Treasury shares held at 30 June 2022	1,859,843	18,598,430	652	7.29%
Purchase of treasury shares	222,333	2,223,330	111	0.87%
Treasury shares held at 31 December 2022	2,082,176	20,821,760	763	8.17%
Share option programme	-142,000	-1,420,000	-20	-0.56%
Purchase of treasury shares	34,000	340,000	19	0.13%
Treasury shares held at 30 June 2023	1,974,176	19,741,760	762	7.74%

The Group's holding of treasury shares had a market value of DKK 1,064 million at 30 June 2023. The portfolio of treasury shares is recognised at DKK 0.

In 2023, Schouw & Co. sold shares held in treasury for proceeds of DKK 73 million in connection with the Group's share option programme. Also in connection the options being exercised, 34,000 shares were bought back for a consideration of DKK 19 million.

	Q2 2023	**Q2 2022**	**YTD 2023**	**YTD 2022**
Share of the profit for the year attributable to shareholders of Schouw & Co	216	274	316	456
Average number of shares	25,500,000	25,500,000	25,500,000	25,500,000
Average number of treasury shares	-1,974,176	-1,811,276	-2,013,961	-1,722,415
Average number of outstanding shares	23,525,824	23,688,724	23,486,039	23,777,585
Average dilutive effect of outstanding share options *	46,000	11,406	37,178	22,960
Diluted average number of outstanding shares	23,571,824	23,700,130	23,523,217	23,800,545
Earnings per share of DKK 10	9.19	11.59	13.47	19.20
Diluted earnings per share of DKK 10	9.18	11.58	13.45	19.18

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

Amounts in DKK million

Notes to the financial statements

7
Fair value of categories of financial assets and liabilities

	30/6 2023	31/12 2022	30/6 2022
Financial assets			
Other securities and investments (2)	92	91	91
Derivative financial instruments (2)	39	59	75
Other securities and investments (3)	2	1	1
Financial liabilities			
Derivative financial instruments (2)	30	50	30
Contingent consideration (3)	204	200	181
Liabilities regarding put options (3)	894	871	416

The fair value of financial assets and liabilities measured at amortised cost corresponds in all material respects to the carrying amount. Securities measured at fair value through other comprehensive income (level 3) amounted to DKK 1 million at the beginning of the year. At 30 June 2023, the holding had increased to DKK 2 million due to a minor addition.

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). 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. Fair values are also based on credit risk. 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.

Contingent consideration (earn-out) is measured at fair value on the basis of the income approach. The fair value of the contingent consideration amounted to DKK 200 million at the beginning of the year. At the end of the quarter, the fair value of the contingent consideration was DKK 204 million. The change for the year consists of amortisation of the liability.

The liability relating to put options amounted to DKK 871 million at the beginning of the year. A change in the liability of DKK 30 million and a foreign exchange adjustment of DKK 7 million (reduction of the liability) were recognised during the year. At the end of the quarter, the liability amounted to DKK 894 million.

8
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.

	YTD 2023	YTD 2022
Joint ventures:		
During the reporting period, the Group sold goods in the amount of	5	2
At 30 June, the Group had a receivable of	39	14
Associates:		
During the reporting period, the Group sold goods in the amount of	266	396
During the reporting period, the Group bought goods in the amount of	66	66
At 30 June, the Group had a receivable of	200	251
At 30 June, the Group had debt in the amount of	6	4
During the reporting period, the Group received dividends in the amount of	21	0

During 2023, the Group has traded with BioMar-Sagun, BioMar-Tongwei, LetSea, ATC Petagonia, Salmones Austral, 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 Hornsylds Legat (14.82%) and Aktieselskabet Schouw & Co. (7.74%).

9
Special risks, judgments and estimates, and accounting policies

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

Amounts in DKK million

schouw&co

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