

TO THE DANISH FINANCIAL SUPERVISORY AUTHORITY
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Strong results for 2022 and additional progress anticipated for 2023

Based on the preliminary and unaudited income statements from the Group businesses, Schouw & Co. currently estimates its consolidated revenue for 2022 at approximately DKK 32.6 billion, as compared with the most recent guidance of DKK 30.1–32.0 billion, while consolidated EBITDA is estimated at about DKK 2,280 million, as compared with the guided range of DKK 2,090–2,260 million.

In particular, BioMar and GPV are reporting higher-than-expected revenue and EBITDA for the fourth quarter. Among the Group's other portfolio companies, HydraSpecma, Borg Automotive and Fibertex Personal Care are reporting earnings in the upper half of their most recently announced guidance ranges, whereas Fibertex Nonwovens is reporting earnings at the lower end of the anticipated range.

BioMar's acquisition of shrimp feed manufacturer Viet-Uc and Borg Automotive's acquisition of trading company SBS Automotive in 2021 were both based on earnout models that will be recalculated as part of the year-end reporting. Preliminary calculations indicate that the recalculations may increase the Group's net financing costs for 2022.

Schouw & Co. expects to maintain a high level of business activity in 2023 despite the persistent and significant market uncertainties. To this should be added the full-year effect of the EMS business acquired in October 2022 for the purpose of combining it with GPV, and the full-year guidance also includes the contribution from HydraSpecma's acquisition of the Wind Division of Ymer Technology effective on 1 February 2023.

As a result, Schouw & Co. expects to generate revenue of approximately DKK 36-38 billion and EBITDA in the range of DKK 2,350–2,650 million in 2023. As always, however, changes in prices of raw materials and foreign exchange rates may rather substantially impact the consolidated revenue without necessarily having a notable effect on earnings.

In its annual report for 2021, Schouw & Co. announced a long-term ambition to grow consolidated revenue, including from acquisitions, to more than DKK 35 billion with EBITDA of more than DKK 3 billion by the end of 2025. Recent acquisitions completed have contributed significantly to achieving this ambition, and the very high rate of inflation on prices of materials have triggered a significant revenue increase. As a result, the revenue ambition would now logically be around DKK 40 billion, while the EBITDA ambition remains for EBITDA of more than DKK 3 billion by the end of 2025.

Schouw & Co.'s 2022 Annual Report is scheduled for release on Thursday, 3 March 2023.

Aktieselskabet Schouw & Co.

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