

TO: THE DANISH FINANCIAL SUPERVISORY AUTHORITY
AND NASDAQ COPENHAGEN

COMPANY ANNOUNCEMENT
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2019 was a record year for Schouw & Co.

Highlights

Realised in 2019

- Revenue rose by 15% to DKK 20,946 million (2018: DKK 18,253 million)
- EBITDA rose by 24% to DKK 1,951 million (2018: DKK 1,579 million)
- Cash flow from operating activities improved by 68% to DKK 1,410 million (2018: DKK 837 million)
- ROIC excl. goodwill was 12.3 % (2018: 14.5%)
- Business activity at a record high despite very competitive markets and changing market conditions. Strong improvements in revenue and EBITDA. Stronger cash flows from operations. Several substantial investment processes now completed.
- Proposal that the dividend for the 2019 financial year be increased to DKK 14 per share.

Outlook for 2020

- In 2020, we will continue the work to secure and anchor our market positions, strengthen our solid and long-standing customer relations, optimise production setups and logistic flows, and we will invest in innovation and futureproofing.
- The Group prioritises to maintain competitive strength, leverage recent years' substantial investments and optimise earnings. Guidance for higher revenue and for EBITDA to remain high.
- For 2020, we expect consolidated revenue of about DKK 21.6 billion and EBITDA in the range of DKK 1,935-2,105 million.

Briefly on the development of the companies in 2019

BioMar

BioMar had a good finish to the year and outperformed its guidance, which had already been raised twice during the year. Both revenue and volumes sold improved for the year, and reported EBITDA improved by more than was expected. BioMar started up new production capacity in Chile and Denmark during the year and is currently bringing on more capacity in Australia, Ecuador and China.

Fibertex Personal Care

Fibertex Personal Care reported unchanged revenue with overall volumes sold in line with the year before but based on higher volumes sold from the factory in Denmark and lower volumes from the factory in Malaysia. However, the company also reported a sharp EBITDA improvement driven by favourable developments in prices of raw materials and in foreign exchange rates as well as strong positive cash flows from operations.

Fibertex Nonwovens

Fibertex Nonwovens reported a fair revenue improvement driven mainly by the acquisition of the spunlace business in the USA in January 2019. Reported EBITDA fell short of expectations, in part due to a write-down of operations in India and South Africa at the end of the year. Relocation of production capacity from South Africa to the USA is under way.

GPV

GPV more than doubled its revenue in 2019 after acquiring the Swiss-based EMS business CCS at the end of December 2018. The company also improved its reported EBITDA substantially, but the financial results of the former GPV were affected by a changes in Thai baht exchange rates and the costs of building operations in Mexico. The integration of CCS was a success.

HydraSpecma

HydraSpecma reported revenue improvements driven by strong business activity and sales of products for wind turbines and other stationary equipment. Reported EBITDA also improved, but weakened demand for products for the vehicles segment towards the end of the year weighed on the overall improvement. Completing investments in new facilities and in automation leads to efficiency improvements.

Borg Automotive

Borg Automotive reported a moderate decline in revenue due to generally muted demand in the European markets. Reported EBITDA fell year on year, in part due to the lower revenue and the resulting drop in efficiency, but also due to nonrecurring costs in connection with restructuring activities in Belgium.

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

"In several areas, 2019 was clearly the best year ever for Schouw & Co. For the first time ever, we generated revenue of more than DKK 20 billion, and our operating profit was the highest in our 142-year history. We generated cash flows from operating activities of more than DKK 1.4 billion. This is a performance I am both proud of and very pleased with.

At the start of 2019, one of the key focus areas for Schouw & Co. was to derive value from recent years' very large investments and to generate strong cash flows. That was a goal for us throughout the year. Several things have been quite successful, while elsewhere the work also continues into 2020. For example, BioMar has installed new capacity in Australia, Denmark, Ecuador and China, and the effects of these projects will take a few years to feed through. Challenging market conditions, such as a slowdown in the automotive industry, have put earnings by some of our companies under pressure, but in general our businesses delivered very strong cash flows from operations.

The strongest revenue improvement came from GPV, which at the end of 2018 acquired Swissbased EMS company CCS, which was a good deal larger than the former GPV. The integration process was very

smooth and very successful. Schouw & Co. acquired GPV in 2016, and compared to the company back then, today's GPV is a thoroughly transformed company with a strong platform and prospects for significant value creation.

Over the past few years, we have built a strong foundation for value creation. All of our businesses are well-invested, and we have the capacity for further growth. Our businesses operate in different markets, but they all have a positive underlying long-term outlook.

There is increasing global demand for healthy and sustainable foods, and aquaculture is the most responsible way to increase the supply of fish and shellfish. BioMar supplies quality feed to the aquaculture industry with the focus on food safety and sustainable raw materials and full traceability in the supply chain. Our other businesses also have fundamental growth drivers. For example, there is a growing need for the products from Fibertex Personal Care due to the expansion of the middle class in Asia where demand for hygiene products is growing considerably, and as GPV's customers invest in Industry 4.0 and the Internet of Things, etc., it generates fundamental growth for the EMS industry.

We expect growth to continue in 2020 and are guiding for revenue of DKK 22 billion. Several of our businesses operate in very competitive markets where short-term growth opportunities are under pressure, and we are also seeing signs of a slowdown in the general economic cycle. Overall, however, we expect earnings to match our revenue performance."

Jørn Ankær Thomsen
Chairman

Jens Bjerg Sørensen
President

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

FRIDAY, 6 MARCH 2020 at 09:00 CET.

Those wishing to attend the phone conference are invited to dial one of the following numbers:
DK: +45 7872 3250 // UK: +44 333 300 9266 // SE: +46 8 505 583 65 // US: +1 833 526 8395

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