

24 August 2022

Strong sales growth and profitability in H1; volatile environment leads to lower full-year EBIT margin estimate

Highlights

- Sales in H1 2022 reached 1942 MEUR, an increase of 31 percent in local currencies compared to H1 last year.
- Sales in Q2 2022 amounted to 1018 MEUR, an increase of 26 percent in local currencies compared to Q2 2021. Volume remained stable at a high level during the quarter.
- EBITDA in H1 2022 reached 342 MEUR, up 14 percent, with a 17.6 percent EBITDA margin.
- EBITDA in Q2 2022 reached 187 MEUR, an increase of 17 percent. Due to the soaring energy and material costs EBITDA margin at 18.4 percent was down 2.2 percentage points from last year.
- EBIT in H1 2022 increased 16 percent to 233 MEUR, with a 12.0 percent EBIT margin, down 1.9 percentage points from H1 2021.
- EBIT in Q2 2022 increased 18 percent to 131 MEUR with a 12.9 percent EBIT margin, down 1.4 percentage points from Q2 2021.
- Investments excl. acquisitions reached 155 MEUR in H1 2022, at the level of last year.
- Annualised return on invested capital reached 18 percent compared to 19 percent in H1 2021.
- Continued good progress on our sustainability goals.
- Shareholders may now and until 7 September 2022 request conversion of A shares to B shares. For further please refer to <https://www.rockwool.com/group/about-us/investors/conversion-shares/>.



"We saw continued strong growth in the second quarter of the year, driven by high volume and necessary price increases. Price increases helped profitability to recover in the second quarter despite rampant inflation.

Looking ahead to the remainder of the year, we see a tougher macroeconomic environment and in particular yet another surge in energy costs and price volatility. We expect this will impact us negatively with in excess of 100 MEUR in the second half of the year, which cannot be fully priced in with such short notice. We maintain our sales growth forecast, but based on current energy price expectations, lower the full-year EBIT margin estimate to 10-12 percent".

CEO Jens Birgersson

Outlook 2022

- Growth in net sales of 20-25 percent in local currencies.
- EBIT margin between 10 and 12 percent (as announced on 18 August 2022).
- Investment level around 375 MEUR (as announced on 18 August 2022).

Earnings call

ROCKWOOL Group will host an earnings call on 24 August 2022 at 14.00 CEST. The call will be transmitted live on www.rockwool.com/group/.

Main figures / key figures for the Group

			Unaudited		Audited
	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Income statement items in MEUR					
Net sales	1 018	778	1 942	1 449	3 088
EBITDA	187	160	342	299	602
Amortisation, depreciation and write-downs	56	49	109	98	201
EBIT	131	111	233	201	401
Profit before tax	86	109	169	197	393
Profit for the period	62	84	125	152	303
Balance sheet items in MEUR					
Non-current assets			2 267	2 017	2 129
Current assets			1 305	887	951
Total assets			3 572	2 904	3 080
Equity			2 573	2 182	2 394
Non-current liabilities			195	180	163
Current liabilities			804	542	523
Net interest-bearing cash / (debt)			-78	16	76
Net working capital			505	321	306
Invested capital			2 645	2 157	2 294
Cash flow items in MEUR					
Cash flow from operating activities	105	145	107	174	426
Cash flow from investing activities	85	68	155	151	310
Free cash flow	20	77	-48	23	116
Others					
Number of full-time employees (end of period)			12 424	11 644	11 968
Ratios					
EBITDA margin	18.4%	20.6%	17.6%	20.7%	19.5%
EBIT margin	12.9%	14.3%	12.0%	13.9%	13.0%
ROIC (rolling 4 quarters)			18.0%	19.3%	18.8%
Return on equity (rolling 4 quarters)			11.6%	14.4%	13.5%
Equity ratio			72.0%	75.0%	77.7%
Stock market information (DKK)					
Earnings per share	21	29	43	52	104
Cash flow per share	36	50	37	60	147
Book value per share			885	749	823
Share capital (million)			216	216	216
Price per A share			1 579	2 647	2 379
Price per B share			1 584	3 049	2 859
Market cap (million)			34 104	61 263	56 295
Number of own shares			52 202	59 428	56 228

For definition of key figures and ratios see page 97 in the ROCKWOOL Group Annual Report 2021 available on our website: www.rockwool.com/group/.

Management report for the period 1 January to 30 June 2022

Global sales development

Sales showed strong growth and reached a record high level, primarily driven by necessary sales price increases. All Insulation business units continued to experience solid demand and delivered double-digit growth. Systems segment continued as expected to struggle due to lower sales in North America.

In the first half of 2022, ROCKWOOL Group generated net sales of 1942 MEUR, an increase of 31 percent in local currencies. Currency translation had a positive impact of three percentage points, which resulted in sales growth of 34 percent in reported figures.

Group sales

+31%

In Q2 2022, ROCKWOOL Group generated record level net sales of 1018 MEUR, an increase of 26 percent in local currencies compared to Q2 2021. The growth was driven by necessary price increases with high volumes at the level of last year. Currency translation had a positive impact of five percentage points, which resulted in sales growth of 31 percent in reported figures.

Regional sales development

In the first half of the year, sales in Western Europe amounted to 1150 MEUR, up 29 percent in local currencies, and 30 percent in reported figures. Sales in all markets increased compared to same period last year. In Q2 2022, sales in Western Europe amounted to 593 MEUR, up 26 percent in local currencies and up 27 percent in reported figures compared to same period last year. All markets experienced double-digit growth, especially Germany, the United Kingdom, Italy, and Norway contributed to the sales growth.

Sales in Western Europe

+29%

In Eastern Europe, sales for the first half of 2022 amounted to 395 MEUR, an increase of 66 percent in local currencies and 69 percent in reported figures. Sales in Q2 2022 amounted to 217 MEUR, up 57 percent in local currencies and 69 percent in reported figures. Most countries experienced double-digit sales growth in the quarter, with especially strong performance in Poland, Romania, and Hungary.

Sales in Eastern Europe

+66%

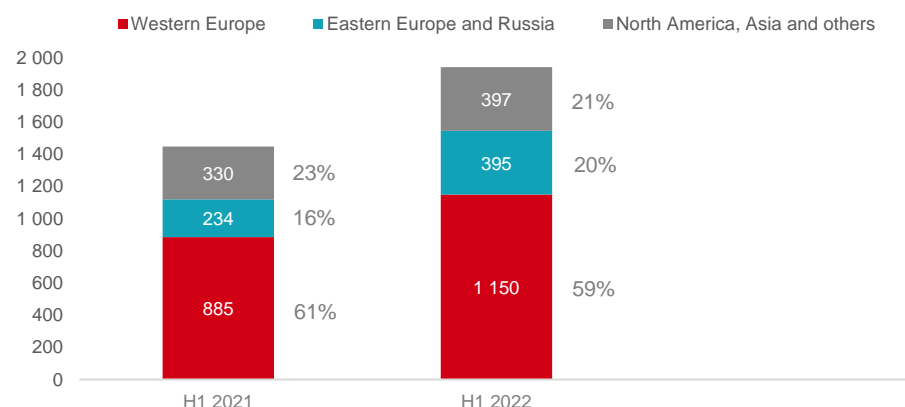
In the rest of the world, H1 sales amounted to 397 MEUR, an increase of 11 percent in local currencies and 20 percent in reported figures. In Q2 2022, sales amounted to 208 MEUR, up four percent in local currencies and 14 percent in reported figures. We experienced a strong quarter in Canada contrasted by a weak one in the United States.

Sales in rest of the world

+11%

Regional sales

MEUR



Group profitability

During the first half of the year, EBITDA increased 14 percent to 342 MEUR resulting in an EBITDA margin of 17.6 percent compared to 20.7 percent for the same period last year. The decline in margin is driven by high input cost and lower demand in the Systems segment in North America.

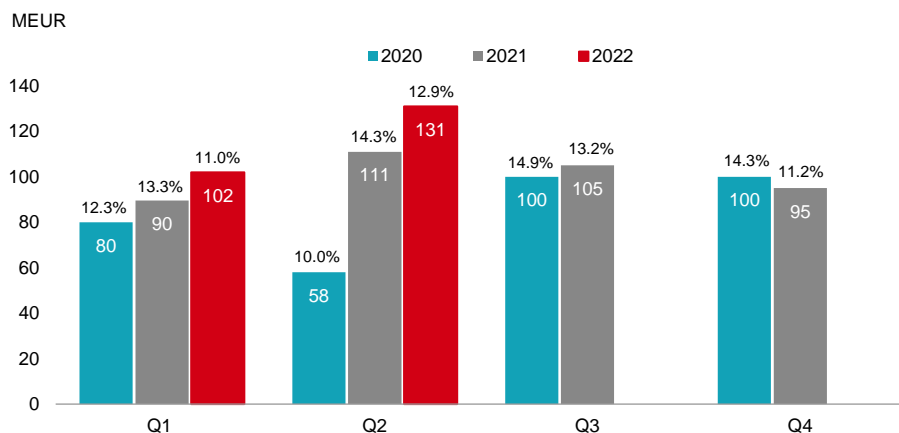
EBITDA
+14%

In Q2 2022, EBITDA reached 187 MEUR an increase of 17 percent compared to Q2 2021. The aggregated price increase during Q2 was 27 percent compared to the same period last year. In the quarter, we saw a continued high inflation of more than 60 percent on material, energy and logistic costs. While the sales price increases in absolute amounts fully offset the increase in input and logistic costs, there is still a decline in EBITDA margin of 2.2 percentage points. Further price increases have been initiated for the second half of the year.

EBIT for the first half of 2022 increased 16 percent, reaching 233 MEUR, corresponding to an EBIT margin of 12.0 percent compared to 13.9 percent for the same period last year. In Q2 2022, EBIT amounted to 131 MEUR with an EBIT margin of 12.9 percent. EBIT was, in addition to the decline in EBITDA, impacted by higher depreciation primarily from the new production facility in the United States.

EBIT margin
-1.9%-points

EBIT & EBIT margin



During March, an intercompany balance between ROCKWOOL A/S and our subsidiary in Russia became unhedged and we have consequently recorded an unrealised exchange loss of 58 MEUR end of Q2 2022.

The effective tax rate was 26 percent for the first half of 2022, up 3.2 percentage points from the same period last year and up three percentage points from full year 2021. The increase is caused by the unrealised exchange loss.

Net profit for the first half of 2022 amounted to 125 MEUR, which is 27 MEUR lower than in the same period last year.

Balance sheet

Net working capital ended H1 2022 at 505 MEUR, an increase of 199 MEUR compared to year-end 2021 and 184 MEUR compared to Q2 2021, mainly reflecting the higher inventory values due to higher purchase costs and increased trade receivables. The net working capital ratio ended at 14.1 percent, 2.7 percentage points higher than last year.

Due to higher invested capital, annualised return on invested capital ended at 18.0 percent compared to 19.3 percent for the same period last year.

ROIC
-1.3%-points

At the end of H1 2022, total assets amounted to 3572 MEUR, an increase of 492 MEUR compared to year-end 2021 and 668 MEUR compared to Q2 2021. The increase is mainly related to ongoing investments combined with increased inventories and trade receivables due to sales growth and increased sales prices, as well as increased exchange rates of the U.S. and Canadian dollar.

At the end of the period, the equity ratio remained solid at 72 percent after dividend payment of 101 MEUR.

As announced on 4 August 2022, the Company has called for an Extraordinary General Meeting on 31 August 2022 to seek shareholder approval for a proposal to utilise between 100-200 MDKK (13-26 MEUR) prior to the 2023 Annual General Meeting to support the reconstruction of Ukraine.

Cash Flow

Cash flow from operations before financial items and tax in the first half of 2022 amounted to 154 MEUR, down 48 MEUR from the same period last year.

Change in net working capital had a negative impact on cash flow of 184 MEUR compared to 99 MEUR in H1 last year, primarily due to higher inventory values and higher trade receivables from the increase in sales.

Capital expenditure excluding acquisitions was 155 MEUR in H1 compared to 150 MEUR in the same period last year. The ongoing relocation of the factory in China, the new Rockfon line in Poland, the additional Grodan capacity in Toronto, and the conversion to electrical melter in Flumroc (Switzerland), were the largest individual projects in H1 2022.

Free cash flow in Q2 2022 was 20 MEUR reducing the negative free cash flow in H1 to -48 MEUR compared to 23 MEUR in the same period last year.

Cash flow from financing was 132 MEUR in H1, mainly due to drawings on our credit facilities.

The Group's financial situation remains solid with net interest-bearing debt of 78 MEUR at the end of H1 2022 and unused credit facilities of 375 MEUR.

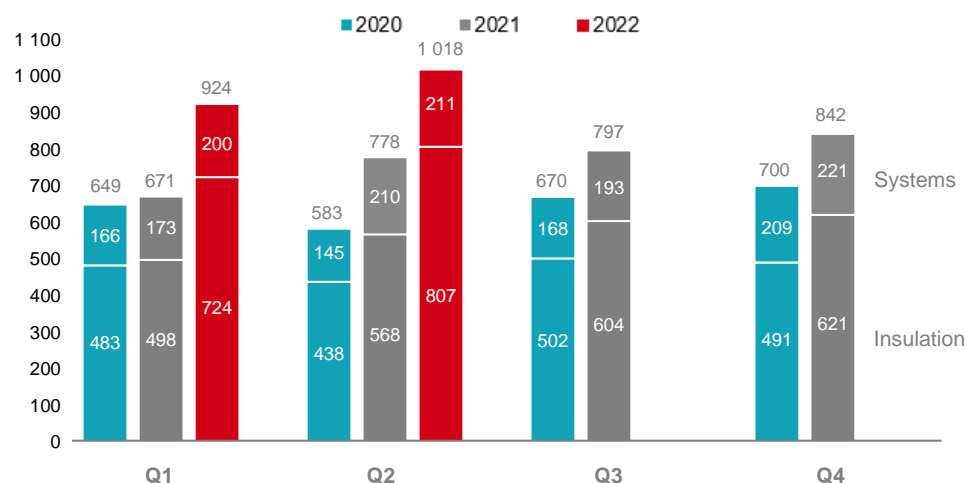
Operational cash flow before financial items and tax
-48 MEUR

Free cash flow
20 MEUR in Q2 2022

Business segments

Sales per business

MEUR



Key figures Insulation segment

MEUR	Q2 2022	Q2 2021	YTD	YTD
			Q2 2022	Q2 2021
External net sales	807	568	1 531	1 066
EBIT	110	69	189	128
EBIT margin	12.1%	10.6%	10.9%	10.5%

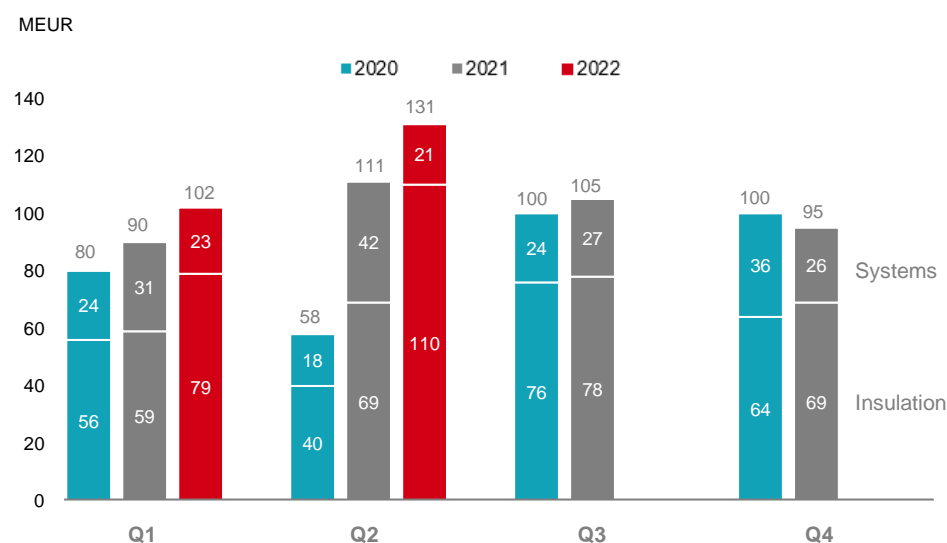
Insulation segment sales for the first half of 2022 reached 1531 MEUR, which is an increase of 40 percent in local currencies and 44 percent in reported figures. In Q2 2022, sales reached 807 MEUR, which is an increase of 37 percent in local currencies and 42 percent in reported figures compared to Q2 last year. The Q2 growth was driven by sales price increases in all main markets.

Insulation sales
+40%

Insulation segment EBIT for the first half of 2022 reached 189 MEUR with an EBIT margin of 10.9 percent, an increase of 0.4 percentage points compared to the same period last year. In Q2 2022, EBIT increased by 41 MEUR to 110 MEUR. The EBIT margin ended at 12.1 percent, 1.5 percentage points above last year due to country mix and necessary sales price increases.

Insulation EBIT margin
+0.4%-points

EBIT per business



Key figures Systems segment

MEUR	Q2 2022	Q2 2021	YTD	YTD
			Q2 2022	Q2 2021
External net sales	211	210	411	383
EBIT	21	42	44	73
EBIT margin	10.0%	20.1%	10.8%	19.0%

Systems segment sales for the first half of 2022 amounted to 411 MEUR, which is an increase of four percent in local currencies and seven percent in reported figures. In Q2 2022, sales amounted to 211 MEUR, which is a decrease of 3.5 percent in local currencies and at level in reported figures compared to Q2 2021. Rockfon and Rockpanel performed well and contributed with double-digit growth. Grodan sales were still negatively impacted by an overstocked supply chain in North America.

Systems sales
+4%

Systems segment EBIT was 44 MEUR in the first half of 2022, a decrease of 39 percent and an EBIT margin of 10.8 percent, a decrease of 8.2 percentage points compared to the same period last year. In Q2 2022, EBIT amounted to 21 MEUR with an EBIT margin of 10.0 percent, down 10.1 percentage points. The lower margin relates mainly to impact from a negative product mix, reduced volume cost leverage, and continued investments in business expansions.

Systems EBIT margin
-8%-points

Sustainability

ROCKWOOL's commitment to contribute positively to society while at the same time reducing our operational footprint remains strong. In 2016, we set six sustainability goals that are aligned with the United Nations Sustainable Development Goals (SDGs), among others involving relative carbon emission reductions (that is, emissions per tonne produced). In 2020, we expanded our sustainability commitment, adding two science-based target goals related to absolute carbon emission reductions. One can read more about these commitments in our annual and sustainability reports.

Progress on sustainability goals

Already in 2021, we met our 2022 intermediate goals on CO₂ emission intensity, water efficiency, landfill waste and reclaimed waste schemes. In the first half of 2022, we maintained our strong performance within all these areas.

In 2021, we offered reclaimed waste schemes in 17 countries. We are currently preparing to launch the schemes in two additional countries later in the year.

In relation to our goal on energy efficiency in offices, we have successfully renovated two offices to high energy efficiency levels during the first half year and are busy renovating additional offices to be finalised before end of year.

We have achieved a good improvement in our safety performance measured as Lost Time Incidents rate.

Our investments upgrading melting technology to use renewable electricity such as in the relocated factory in China will contribute positively to our Science Based Targets.

Conversion of shares

In accordance with ROCKWOOL's articles of association, shareholders may now (as per this announcement) and until 7 September 2022 request conversion of A shares to B shares. Further information on how to submit a conversion request and on the terms and conditions can be found on the company's website:

<https://www.rockwool.com/group/about-us/investors/conversion-shares/>.

Outlook for the full year 2022

During the second quarter and into July, we experienced a significant increase in energy market volatility with unprecedented surges in natural gas and electricity prices.

Even though our energy-related input costs are extraordinarily volatile, as planned we will continue to raise prices gradually for the remainder of the year.

We forecast sales growth in local currencies of 20 to 25 percent primarily driven by price, while we based on current energy price expectations, forecast an EBIT margin between 10 to 12 percent.

We expect the full year investment level to be around 375 MEUR.

2022 outlook overview

	9 February 2022	18 May 2022	18 August 2022	24 August 2022
Net sales in local currencies	Sales growth of 15-20 percent	Sales growth of 20-25 percent	Sales growth of 20-25 percent	Sales growth of 20-25 percent
EBIT margin	Around 13 percent	Around 13 percent	Between 10-12 percent	Between 10-12 percent
Investments excluding acquisitions	Around 500 MEUR	Around 425 MEUR	Around 375 MEUR	Around 375 MEUR

Further information:

Kim Junge Andersen, Chief Financial Officer
 ROCKWOOL A/S
 +45 46 56 03 00

At ROCKWOOL Group, we are committed to enriching the lives of everyone who experiences our products. Our expertise is perfectly suited to tackle many of today's biggest sustainability and development challenges, from energy consumption to noise pollution and water scarcity to flooding. Our range of products reflects the diversity of the world's needs, supporting our stakeholders in reducing their own carbon footprint along the way.

Stone wool is a versatile material and forms the basis of all our businesses. With more than 12 400 passionate colleagues in 40 countries, we are the world leader in stone wool solutions, from building insulation to acoustic ceilings, external cladding systems to horticultural solutions, engineered fibres for industrial use to insulation for the process industry and marine & offshore.

Management statement

The Board of Directors and the Registered Directors have today considered and approved the interim report of ROCKWOOL A/S for the first half of 2022.

This interim report, which has not been audited or reviewed by the ROCKWOOL Group auditor, has been prepared in accordance with IAS 34 “Interim Financial Reporting”, as approved by the EU and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report presents a true and fair view of Group’s financial position at 30 June 2022 and of the result from Group’s operations and cash flow for the period 1 January to 30 June 2022.

Furthermore, we believe that the management report includes a true and fair presentation about the development in the Group’s operations and financial matters, the result for the period and the Group’s financial position overall as well as a description of the most significant risks and uncertainties faced by the Group.

Besides what has been disclosed in this interim report no changes in the Group’s most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated Annual Report for 2021.

24 August 2022

Registered Directors

Jens Birgersson
CEO

Kim Junge Andersen
CFO

Board of Directors

Thomas Kähler
Chairman

Carsten Bjerg
Deputy Chairman

Rebekka Glasser Herlofsen

Carsten Kähler

Ilse Irene Henne

Jørgen Tang-Jensen

Connie Enghus Theisen

Christian Westerberg

Berit Anette Kjerulf

Income statement

MEUR			Unaudited		Audited
	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Net sales	1 018	778	1 942	1 449	3 088
Other operating income	2	1	3	2	6
Operating income	1 020	779	1 945	1 451	3 094
Raw material costs and production material costs	424	276	816	498	1 116
Delivery costs and indirect costs	141	107	269	198	438
Other external costs	62	51	117	99	205
Personnel costs	206	185	401	357	733
Operating costs	833	619	1 603	1 152	2 492
EBITDA	187	160	342	299	602
Amortisation, depreciation and write-downs	56	49	109	98	201
EBIT	131	111	233	201	401
Income from investments in associated companies	-	-	-	-	1
Financial items	-45	-2	-64	-4	-9
Profit before tax	86	109	169	197	393
Tax on profit for the period	24	25	44	45	90
Profit for the period	62	84	125	152	303
<i>Profit for the period attributable to:</i>					
Non-controlling interests	-	-	-	-	-
Shareholders of ROCKWOOL A/S	62	84	125	152	303
Earnings per share of 10 DKK (1.3 EUR)	2.9	3.9	5.8	7.0	14.1
Diluted earnings per share of 10 DKK (1.3 EUR)	2.9	3.9	5.8	7.0	14.0

Statement of comprehensive income

MEUR			Unaudited		Audited
	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Profit for the period	62	84	125	152	303
<i>Items that will not be reclassified to income statement:</i>					
Actuarial gains and losses of pension obligations	-	-	-	-	28
Tax on other comprehensive income	-	-	-	-	-2
<i>Items that may be subsequently reclassified to income statement:</i>					
Currency adjustment from translation of entities	154	6	154	38	78
Hedging instruments, value adjustments	2	-2	2	-2	-
Other comprehensive income	156	4	156	36	104
Comprehensive income for the period	218	88	281	188	407
<i>Comprehensive income for the period attributable to:</i>					
Non-controlling interests	-	-1	-	-1	-
Shareholders of ROCKWOOL A/S	218	89	281	189	407

Business segments and sales reporting

YTD Q2	Unaudited						ROCKWOOL Group	
	Insulation segment		Systems segment		Eliminations		2022	2021
MEUR	2022	2021	2022	2021	2022	2021	2022	2021
External net sales	1 531	1 066	411	383	-	-	1 942	1 449
Internal net sales	203	158	-	-	-203	-158	-	-
EBIT	189	128	44	73	-	-	233	201
<i>EBIT margin</i>	<i>10.9%</i>	<i>10.5%</i>	<i>10.8%</i>	<i>19.0%</i>			<i>12.0%</i>	<i>13.9%</i>
Goods transferred at a point in time	1 531	1 066	411	383			1 942	1 449

Geographical split of net sales

MEUR	Unaudited			Audited	
	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Western Europe	593	468	1 150	885	1 834
Eastern Europe and Russia	217	129	395	234	562
North America, Asia and others	208	181	397	330	692
Total net sales	1 018	778	1 942	1 449	3 088

Balance sheet

(condensed)	Unaudited		Audited
MEUR	Q2 2022	Q2 2021	FY 2021
Assets			
Intangible assets	171	173	176
Tangible assets	1 974	1 727	1 829
Right-of-use assets	59	46	61
Other financial assets	11	9	11
Deferred tax assets	52	62	52
Non-current assets	2 267	2 017	2 129
Inventories	433	233	317
Receivables	613	483	468
Cash	259	171	166
Current assets	1 305	887	951
Total assets	3 572	2 904	3 080
Equity and liabilities			
Share capital	29	29	29
Currency translation adjustments	20	-173	-134
Proposed dividend	-	-	102
Retained earnings	2 523	2 326	2 398
Hedging	1	-3	-1
Non-controlling interests	-	3	-
Total equity	2 573	2 182	2 394
Non-current liabilities	195	180	163
Current liabilities	804	542	523
Total liabilities	999	722	686
Total equity and liabilities	3 572	2 904	3 080

Cash flow statement

(condensed)	Unaudited			Audited	
MEUR	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
EBIT	131	111	233	201	401
Adjustments for amortisation, depreciation and write-downs	56	49	109	98	201
Adjustments of non-cash operating items	-1	1	-4	2	-5
Changes in net working capital	-70	-2	-184	-99	-82
Cash flow from operations before financial items and tax	116	159	154	202	515
Cash flow from operating activities	105	145	107	174	426
Cash flow from investing activities	-85	-68	-155	-150	-302
Business acquisitions, net of cash	-	-	-	-1	-8
Free cash flow	20	77	-48	23	116
Cash flow from financing activities	-4	-97	132	-95	-194
Net cash flow	16	-20	84	-72	-78
Cash available – beginning of period	228	186	165	240	240
Exchange rate adjustments on cash available	13	3	8	1	3
Cash available – end of period	257	169	257	169	165
Unutilised, committed credit facilities			375	510	600

Statement of changes in the equity

	Unaudited							
	Shareholders of ROCKWOOL A/S						Non-controlling interests	Total equity
MEUR	Share capital	Currency translation adjustments	Proposed dividend	Retained earnings	Hedging	Total		
Equity 1 January 2022	29	-134	102	2 398	-1	2 394	-	2 394
Profit for the period				125		125		125
Other comprehensive income		154			2	156		156
Comprehensive income for the period	-	154	-	125	2	281	-	281
Purchase of own shares				-2		-2		-2
Expensed value of Restricted Share Units issued				1		1		1
Dividend paid			-102	1		-101		-101
Equity 30 June 2022	29	20	-	2 523	1	2 573	-	2 573
Equity 1 January 2021	29	-212	94	2 178	-1	2 088	4	2 092
Profit for the period				152		152		152
Other comprehensive income		39			-2	37	-1	36
Comprehensive income for the period	-	39	-	152	-2	189	-1	188
Share buy-back programme				-3		-3		-3
Purchase of own shares				-3		-3		-3
Expensed value of Restricted Share Units issued				1		1		1
Dividend paid			-94	1		-93		-93
Equity 30 June 2021	29	-173	-	2 326	-3	2 179	3	2 182

Main figures in DKK million

MDKK	Unaudited			Audited	
	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	FY 2021
Net sales	7 574	5 787	14 447	10 775	22 966
Amortisation, depreciation and write-downs	416	366	814	732	1 493
EBIT	978	828	1 735	1 494	2 979
Profit before tax	644	806	1 257	1 460	2 923
Profit for the period	464	622	930	1 127	2 251
Total assets			26 572	21 592	22 902
Equity			19 137	16 226	17 803
Cash flow from operating activities	776	1 082	794	1 298	3 166
Cash flow from investing activities	631	509	1 154	1 125	2 306
Exchange rate	7.44	7.44	7.44	7.44	7.44

Accounting policies

This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2021 with no significant changes.

Significant accounting estimates and assumptions

In preparing this interim report Management has made various accounting estimates and assumptions that may significantly influence the amounts recognised in the Consolidated Financial Statement and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report are stated in Note 1.1 in the Annual Report 2021 and primarily relates to impairment testing, expected lifetime for tangible assets, deferred tax assets and uncertain tax positions and pension obligations.

Disclaimer

The statements on the future in this report, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the Group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors.