

COMPANY ANNOUNCEMENT AND PRESS RELEASE

Gabriel Holding A/S

Gabriel Holding A/S delivers revenue of DKK 1,065 million, equivalent to 32% growth. Operating profit (EBIT) increases by 11% to DKK 64.9 million.

Selected financial ratios

- Revenue increased to DKK 1,065 million (DKK 809.7 million)
- EBITDA margin was 10.1% (11.9%)
- Operating profit (EBIT) was DKK 64.9 million (DKK 58.6 million)
- EBIT margin was 6.1% (7.2%)
- Profit before tax was DKK 80.6 million (DKK 58.8 million)
- Profit after tax was DKK 58.2 million (DKK 46.2 million)
- Return on invested capital (ROIC) before tax was 15.3% (13.3%)
- Earnings per share (EPS) increased to DKK 30.8 (DKK 24.4)
- Cash flow from operating activities in the period was DKK 9.1 million (DKK 39.4 million)
- The Board of Directors proposes a dividend of DKK 10.75 per DKK 20 share, equivalent to a payout ratio of 35%

Summary

Revenue of DKK 1,065 million (DKK 809.7 million) was realised in the 2021/22 financial year, equivalent to 32% growth, and with exports contributing 83% (85%). The realised revenue is the highest in the Group's history and a record for the eighth consecutive year. This development in revenue has generally exceeded management's expectations and is a result of growth rates of 32%, 37%, 46% and 12% respectively in the four quarters of the year.

In the annual report covering the 2020/21 financial year, management stated that it expected revenue of the order of DKK 890-930 million for the 2021/22 financial year. This original expectation was upwardly adjusted in step with higher than expected realised revenue. The realised development in revenue is a result of growth in all business units.

Earnings before depreciation, amortisation and impairment losses (EBITDA) increased to DKK 107.5 million (DKK 96.5 million), an increase of 11%.

Operating profit (EBIT) was DKK 64.9 million (DKK 58.6 million) and profit before tax was DKK 80.6 million (DKK 58.8 million). The EBIT margin was 6.1% (7.2%).

Operating profit (EBIT) for the year thus increased by 11%, while profit for the year before tax increased by 37%.

In the annual report for the 2020/21 financial year, management stated that it expected profit before tax of DKK 64-67 million. This expectation was adjusted during the year in step with higher than expected revenue and amounted to around DKK 73 million in the Q3 report. However, the preliminary results after the fourth quarter were below this expectation, which was consequently adjusted on 28 October 2022 to EBIT of the order of DKK 65 million.

The operating profit for the full financial year is negatively affected by increases in the costs of raw materials, components, carriage and energy which have not been fully compensated through adjustments to the Group's selling prices. Shifts in the Group's product mix and adjustment costs incurred must be added to this.

Expectations for the future

Management believes that revenue and profit in the coming 2022/23 financial year will continue to be challenged by the international political situation, energy supply and inflation and the resulting market and logistics challenges and uncertainties.

On this basis, management expects revenue of the order of DKK 1,000-1,100 million and operating profit (EBIT) of the order of DKK 50-60 million. Management notes that a higher than normal level of uncertainty, resulting from geopolitical challenges, surrounds the expectations for the year.

The Board of Directors recommends the following to the general meeting of Gabriel Holding A/S, to be held on 15 December 2022:

- Approval of the annual report for 2021/22
- Submission of the remuneration report for a consultative vote
- Distribution of a dividend of DKK 10.75 per DKK 20 share
- Approval of the remuneration of the Board of Directors for the current financial year
- Re-appointment of Jørgen Kjær Jacobsen, Hans O. Damgaard and Søren B. Lauritsen and election of Randi Toftlund Pedersen and Søren Mygind Eskildsen as new board members appointed by the general meeting.
- Re-appointment of KPMG Statsautoriseret Revisionspartnerselskab as auditors.

The official annual report is published on the company's website and the printed version of the report will be available by 1 December 2022 at the company's office.

FINANCIAL HIGHLIGHTS*	Unit	2021/22	2020/21	2019/20	2018/19	2017/18
Revenue	DKK million	1,065.0	809.7	727.3	708.2	601.1
Growth	%	31.5	11.3	2.7	17.8	21.7
of which exports	DKK million	884.6	688.0	629.0	633.3	540.1
Export percentage	%	83	85	86	89	90
Earnings before depreciation, amortisation and impairment losses (EBITDA)	DKK million	107.5	96.5	80.3	81.1	70.8
Operating profit (EBIT)	DKK million	64.9	58.6	41.9	61.9	55.0
Net finance income and costs	DKK million	15.5	-2.8	-12.8	-1.3	-1.4
Profit before tax	DKK million	80.6	58.8	32.0	62.9	56.1
Tax	DKK million	-22.4	-12.6	-7.0	-13.9	-12.7
Profit after tax	DKK million	58.2	46.2	25.0	49.0	43.4
Cash flows from:						
Operating activities	DKK million	9.1	39.4	57.2	43.8	40.2
Investing activities	DKK million	-41.1	-36.6	-30.5	-80.2	-37.9
Financing activities	DKK million	-45.2	-32.0	-18.1	35.7	-10.4
Cash flows for the year	DKK million	-77.2	-29.2	8.6	-0.7	-8.1
Investments in property, plant and equipment	DKK million	32.2	27.8	22.7	25.2	19.1
Depreciation, amortisation and impairment losses	DKK million	42.6	37.9	38.4	19.2	17.8
Equity	DKK million	358.7	322.1	283.4	281.2	249.6
Statement of financial position total	DKK million	868.5	731.2	645.5	562.3	433.9
Invested capital	DKK million	580.8	474.7	411.3	349.1	204.4
Working capital	DKK million	311.3	223.8	172.3	166.3	135.1
Average number of employees	Number	1,358	1,163	1,151	855	517
Revenue per employee	DKK million	0.8	0.7	0.6	0.8	1.2
FINANCIAL RATIOS						
Gross margin	%	32.5	36.4	37.6	40.1	39.5
EBITDA margin	%	10.1	11.9	11.0	11.5	11.8
EBIT margin	%	6.1	7.2	5.8	8.7	9.2
Return on invested capital (ROIC) before tax	%	15.3	13.3	8.4	22.7	28.1
Return on invested capital (ROIC) after tax	%	11.0	10.4	6.6	17.7	21.7
Earnings per share (EPS)	DKK	30.8	24.4	13.2	25.9	23.0
Return on equity	%	17.1	15.3	8.9	18.5	18.4
Equity ratio	%	41.3	44.1	43.9	50.0	57.6
Book value per share at year end	DKK	190	170	150	149	132
Market price at year end	DKK	515	630	690	712	608
Price/book value	DKK	2.7	3.7	4.6	4.8	4.6
Price earnings (PE)	DKK	16.7	25.8	52.2	27.5	26.5
Price cash flow (PCF)	DKK	107.1	30.3	22.8	30.7	28.6
Proposed dividend per DKK 20 share	DKK	10.75	9.75	5.00	10.50	9.50
Dividend yield	%	2.1	1.5	0.7	1.5	1.6
Payout ratio	%	35	40	38	41	41

* Financial ratios for 2018/19 and 2017/18 have not been adjusted for the implementation of IFRS 16.

Gabriel Holding A/S
Hjulmagervej 55
9000 Aalborg, Denmark
Company registration no. 58868728
Phone: +45 9630 3100
Contact person: Anders Hedegaard Petersen, CEO