

Jacob Holm & Sønner Holding A/S

Q3 2018

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QUARTERLY HIGHLIGHTS

Continued cost increases of key resources outpacing pass through to customers



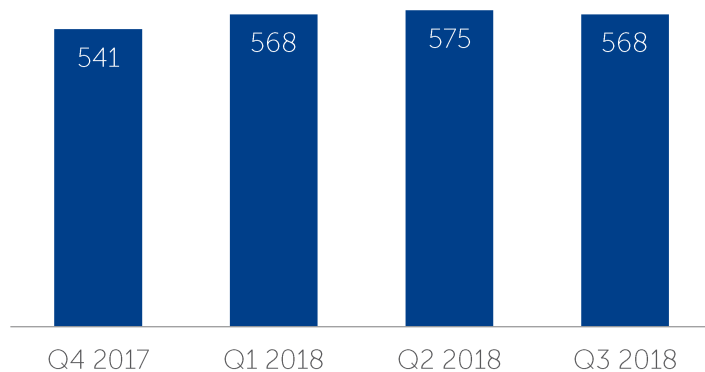
Comments

- Solid volumes development yoy driven by high customer demand for most of the core programs in consumer wipes, critical cleaning and health care segments
- Key cost drivers such as raw materials (pulp, PET) saw significant price increases impacting profitability of the Group resp. of the nonwoven producers generally
- Price increase announced in September 2018 and implemented in Q4 2018 for programs in consumer wipes and hygiene, other segments to follow in Q1 2019

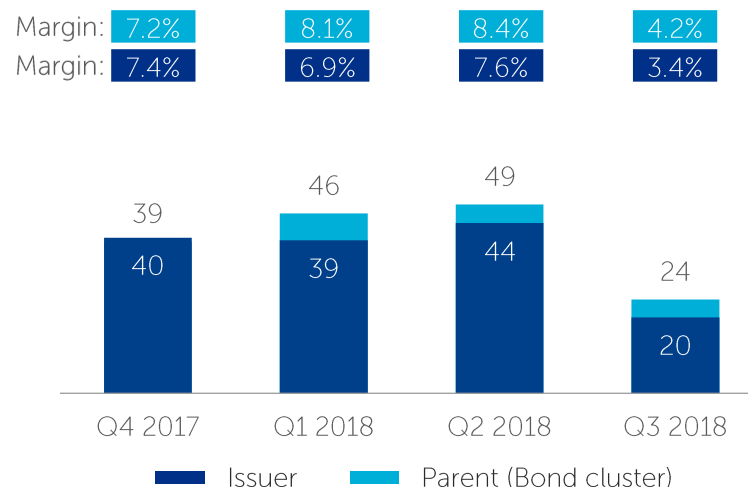
PROFIT & LOSS HIGHLIGHTS

Continued headwinds from raw material price and freight rate increases

Revenue (in DKK million)



EBITDA & EBITDA margin⁽¹⁾ (in DKK million)



Net finance charges (in DKK million)



Comments

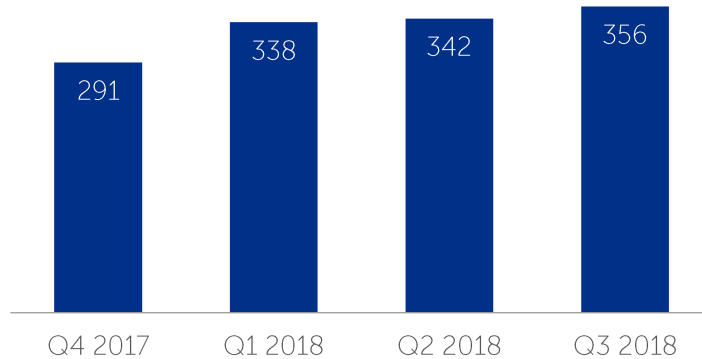
- Revenue driven by solid absolute volumes and increasing raw material prices on most larger programs except for beauty care. The competitive situation remained tense with an oversupplied market mainly in consumer wipes
- Key raw materials such as pulp and PET with significant price increases throughout the year putting pressure on operating margins due to lag in pass through
- Q3 2018 increase in net finance charges reflecting the margin increase on the Bonds as a result from the tap issue
- The consolidated EBITDA on Parent company level accounted for DKK 24 million in Q3 2018 (vs. DKK 49 million in Q2 2018). See the highlights of the consolidated financial statements of the Parent in the appendix

BALANCE SHEET HIGHLIGHTS

Net working capital continued at high level

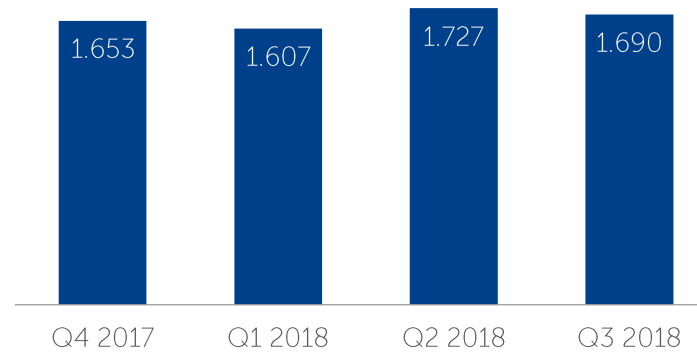
NWC

(in DKK million)



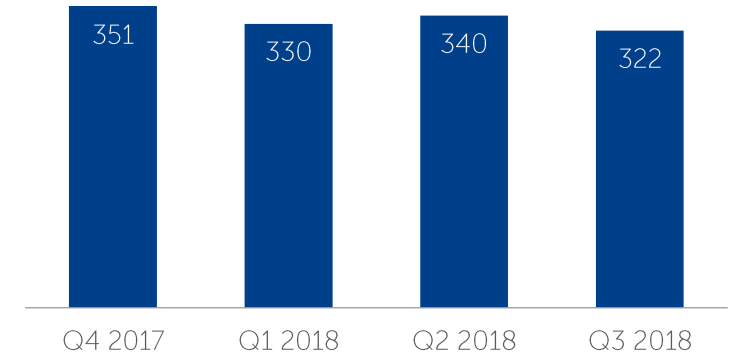
Total assets

(in DKK million)



Equity

(in DKK million)



Comments

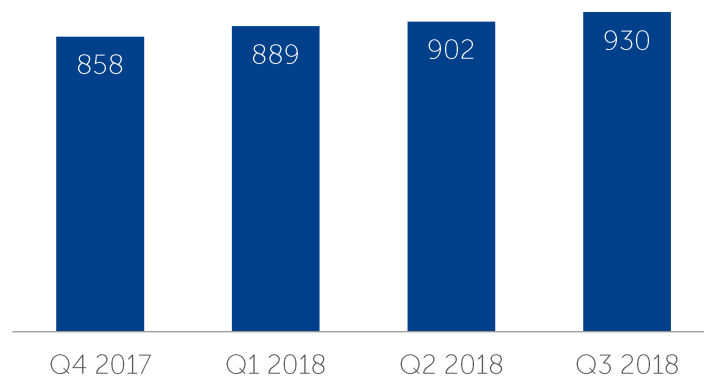
- Net working capital has mainly increased from lower trade payables whereas inventory and trade receivables slightly reduced during the quarter
- Balance sheet reduced due to depreciation exceeding capex spent as well as reduced working capital components
- Equity impacted by net loss in Q3 2018

BALANCE SHEET HIGHLIGHTS

Low operating result and cash flow in Q3 2018 resulting in increased leverage ratio

Net interest bearing debt⁽¹⁾

(in DKK million)



Breakdown and maturity profile as of 30 September 2018

(in DKK million)

Non-current IBL DKK 1,000	2018	2019	2020	After	Total
	unaudited	unaudited	unaudited	unaudited	unaudited
Bond	0	0	0	951.150	951.150
Credit institutions	597	373	0	0	970
Financing costs	-629	-2.515	-2.515	-3.143	-8.802
	-32	-2.142	-2.515	948.007	943.318

Comments

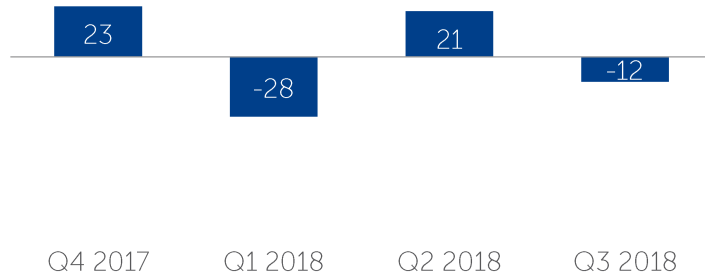
- NIBD increased due to negative cash flow in Q3 2018
- Normalized leverage ratio⁽²⁾ at the end of Q3 2018 of 5.9x (vs. 4.8x at the end of Q2 2018)

CASH FLOW HIGHLIGHTS

Remaining proceeds from tap issue invested in short-term Bond securities

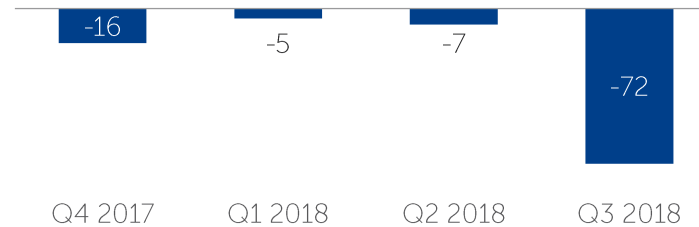
Cash flow from operations

(in DKK million)



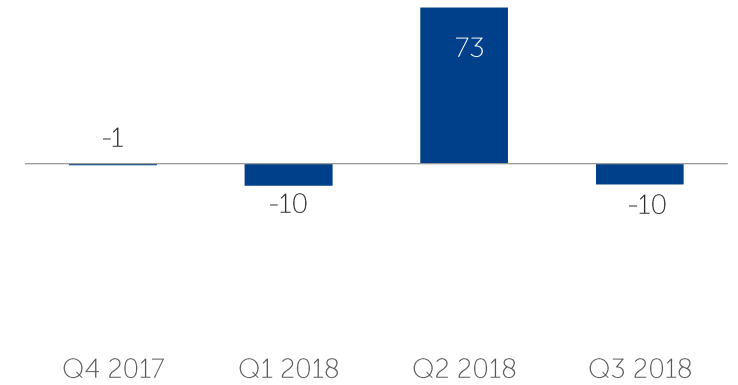
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



Comments

- Low operating result impacting cash flow from operations
- Remaining proceeds from tap issue invested in short-term fixed income securities and selected targeted machine upgrades.

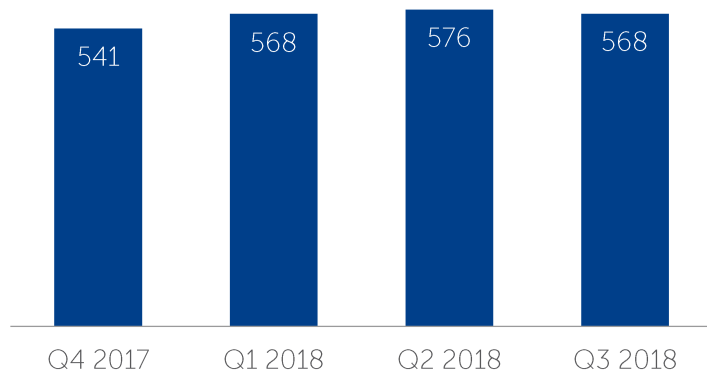
APPENDIX

CONSOLIDATED FINANCIAL STATEMENTS OF JACOB HOLM & SONS AG (PARENT)

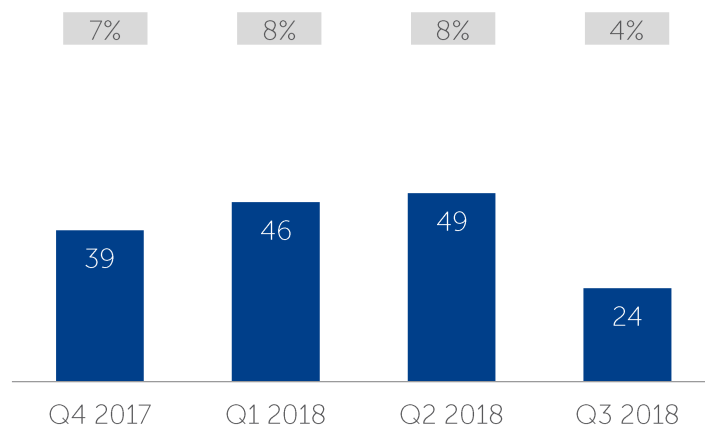
JACOB HOLM & SONS AG (CONSOLIDATED)

Profit & loss statement highlights

Revenue (in DKK million)



EBITDA & EBITDA margin (in DKK million)



Net finance charges (in DKK million)

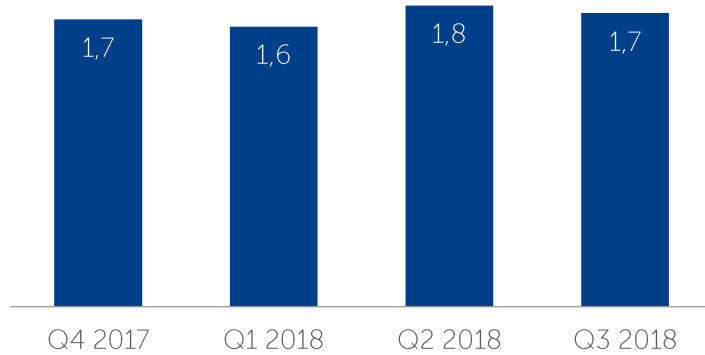


JACOB HOLM & SONS AG (CONSOLIDATED)

Balance sheet highlights

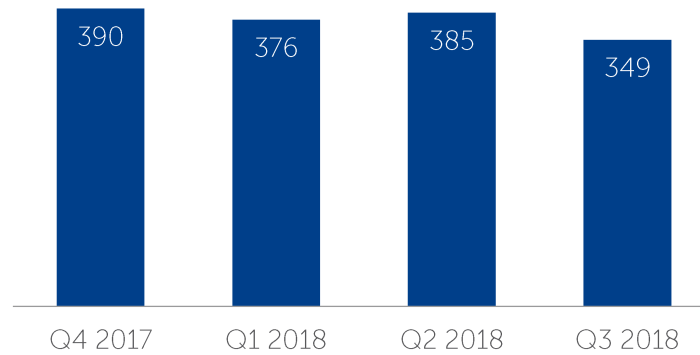
Total assets

(in DKK billion)



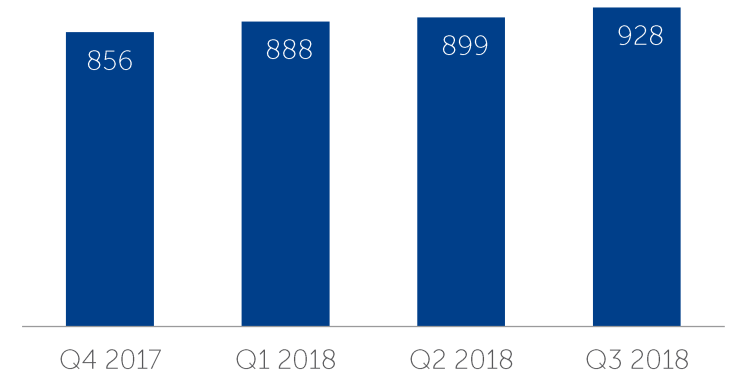
Equity

(in DKK million)



Net interest bearing debt⁽¹⁾

(in DKK million)

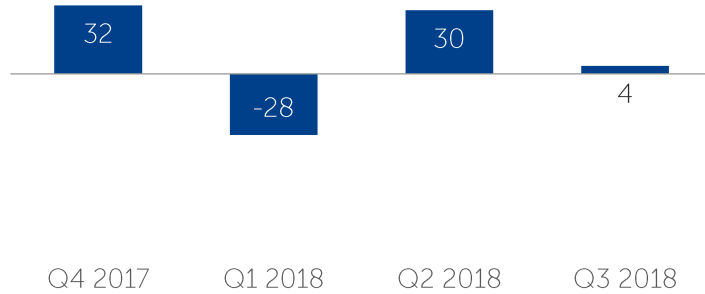


JACOB HOLM & SONS AG (CONSOLIDATED)

Cash flow statement highlights

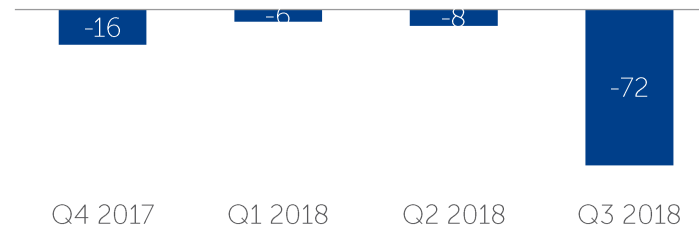
Cash flow from operations

(in DKK million)



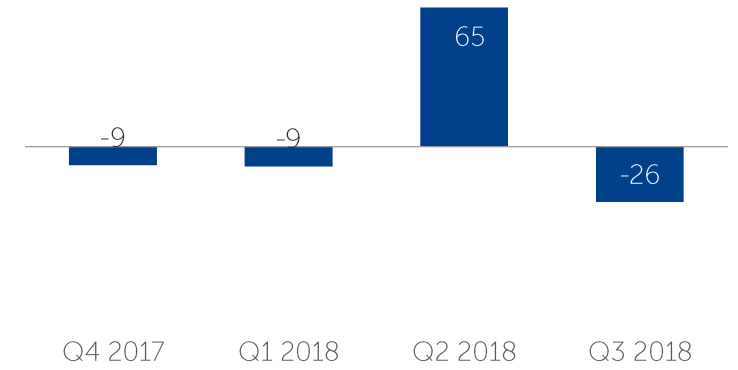
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



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