

Jacob Holm & Sønner Holding A/S

Q3 2019

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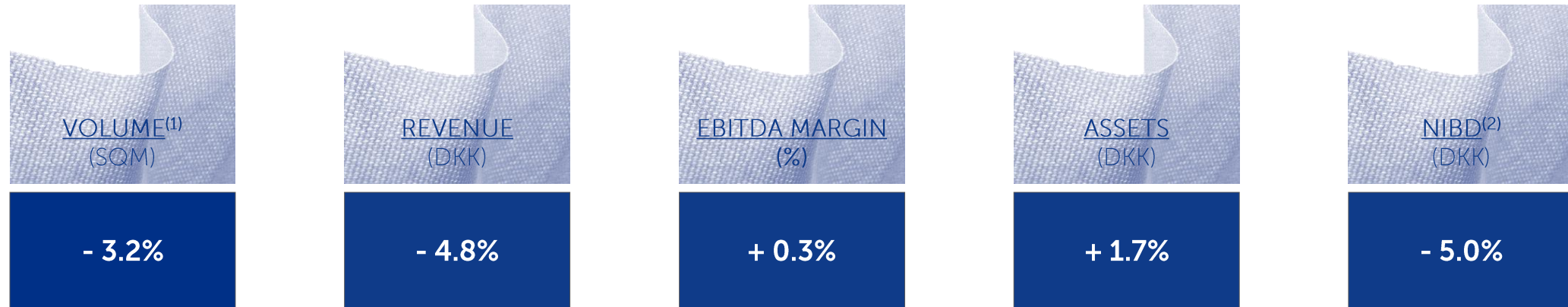
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QUARTERLY HIGHLIGHTS

Continued revamp of operating margins after input cost peak in Q4 2018



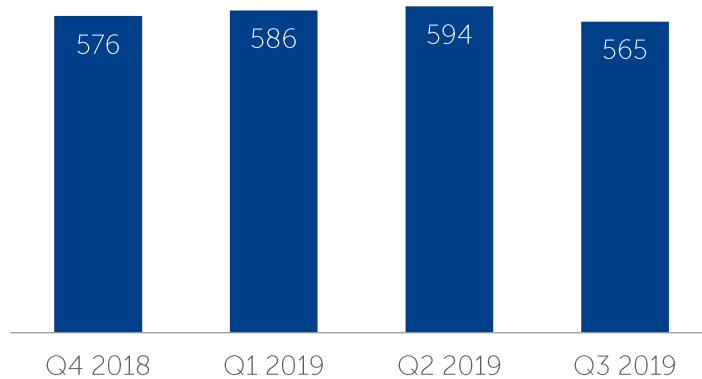
Comments

- Market demand remained solid but softened in selected end markets vs. the previous quarters resulting in slightly lower volumes at comparable pricing levels
- The Group's revenue remained constant vs. the same period in the previous year. Also EBITDA margin remained at comparable level. Lower volumes were mainly counterbalanced by a reduction in COGS from raw material prices and raw material efficiency
- Strong cash flow in Q3 2019 driven by reduction of net working capital and the divestment of bond portfolio
- After the balance sheet date, the Group implemented the non-recourse factoring program and consummated the investment at one of the production sites to secure and optimize utility supply. The Group also successfully extended multi-year supply contracts with two major customers
- The previous announced reorganization into business units and the subsequent strengthening of the management team has been implemented as of Q3 2019 for all commercial functions

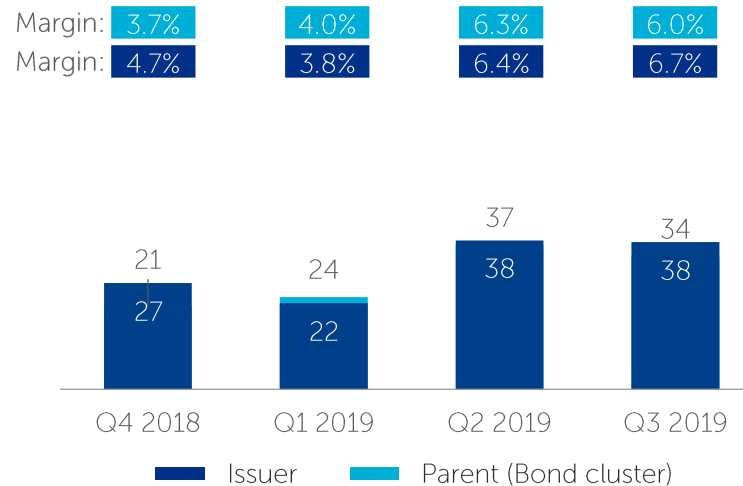
PROFIT & LOSS HIGHLIGHTS

Sustainable solutions on the upswing

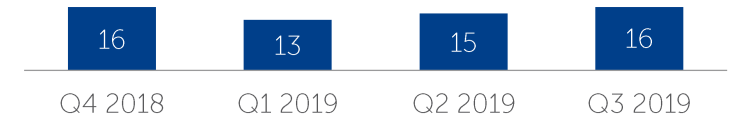
Revenue (in DKK million)



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



Net finance charges (in DKK million)



Comments

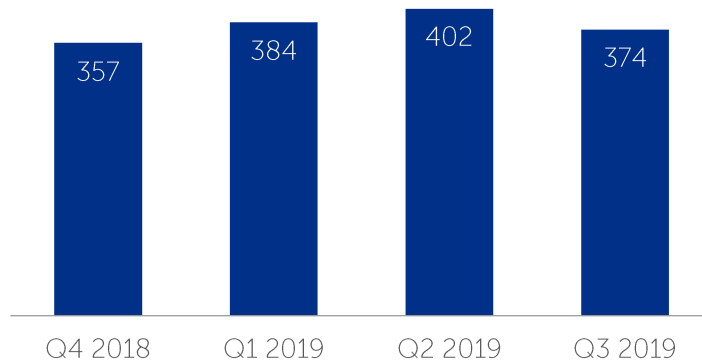
- Topline continued to be impacted by low volumes exported to China and the tighter competitive environment in specialty applications. However, we continue to observe strong interest and also demand for our sustainable plastic-free product portfolio made from renewable and recycled raw materials and which we continuously expand internally or in collaboration with our development partners
- Operating profit at previous quarter's level. Lower volume compensated by solid production performance, favorable product mix, reduction in raw material costs and an insurance compensation
- The consolidated EBITDA on Parent company level accounted for DKK 34 million in Q3 2019 (vs. DKK 37 million in Q2 2019). See the highlights of the consolidated financial statements of the Parent in the appendix

BALANCE SHEET HIGHLIGHTS

Reduced net working capital level added liquidity

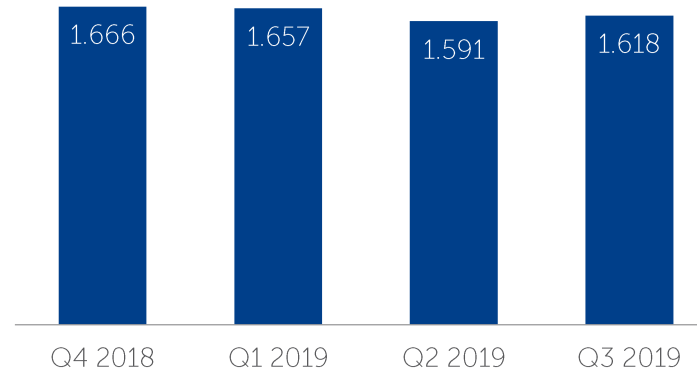
NWC

(in DKK million)



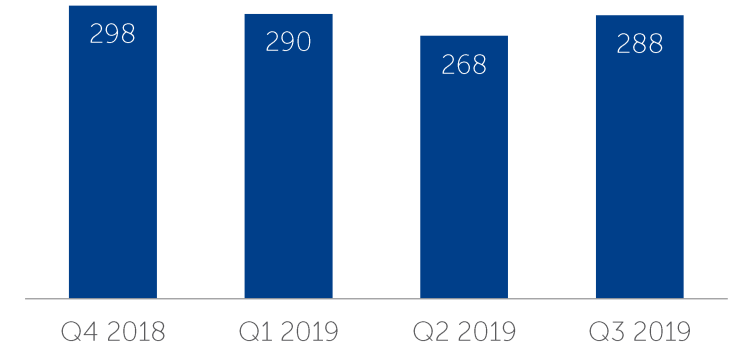
Total assets

(in DKK million)



Equity

(in DKK million)



Comments

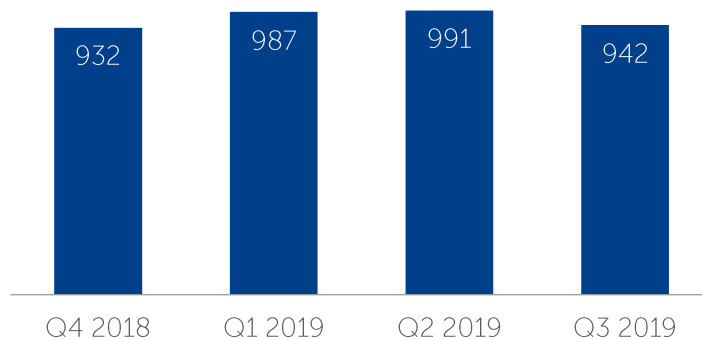
- Lower volumes and subsequently lower accounts receivables resulting in release of liquidity tied in net working capital
- Total balance sheet and equity increased due to FX impact

BALANCE SHEET HIGHLIGHTS

Leverage ratio reduction but continuously at elevated level

Net interest bearing debt⁽¹⁾

(in DKK million)



Breakdown and maturity profile as of Sep 2019

(in DKK million)

Non-current IBL	2019	2020	2021	After	Total
	unaudited	unaudited	unaudited	unaudited	unaudited
DKK 1,000					
Bond	0	0	0	952.425	952.425
Lease liabilities	419	2.681	4.998	16.736	24.834
Financing costs	-629	-2.515	-2.515	-629	-6.288
	-210	166	2.483	968.532	970.971

Comments

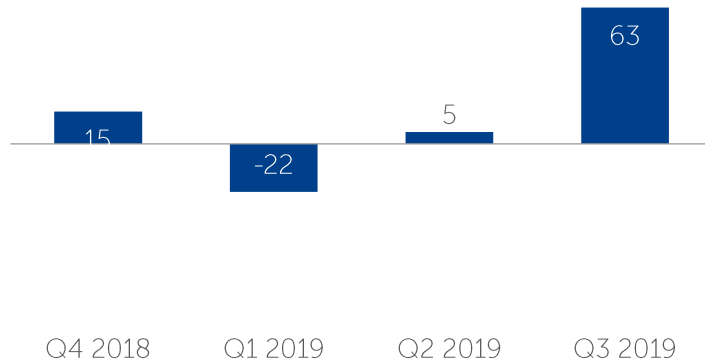
- Net interest bearing debt in Q3 2019 includes DKK 25 MM of lease liabilities
- Normalized leverage ratio⁽²⁾ at the end of Q3 2019 of 8.8x (vs. 9.9x at the end of Q2 2019)
- Non-recourse factoring program established after balance sheet date to support NWC funding. Impact on financial statements only from Q4 2019. Expected factoring amount upon completion approx. DKK 60 – 100 million at a total cost similar to a revolving credit line

CASH FLOW HIGHLIGHTS

Net working capital reduction driving strong operating cash flow

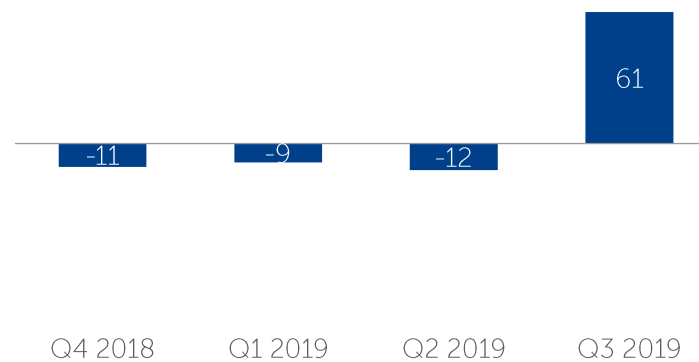
Cash flow from operations

(in DKK million)



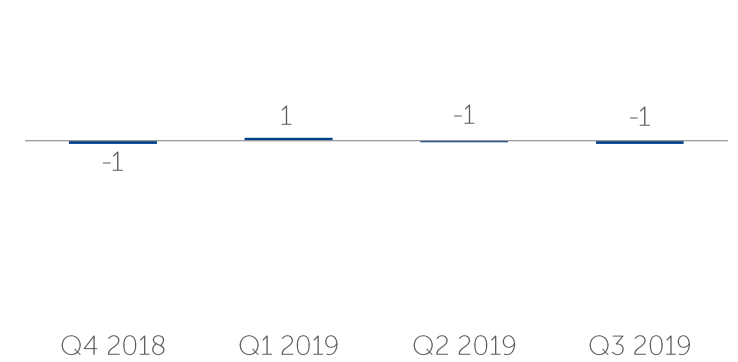
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



Comments

- Lower volumes and consequently accounts receivable driving positive cash flow from operations
- Positive cash flow from investing as a result of realizing the investments into a liquid bond portfolio
- Group consummated the announced investment to secure and optimize utility supply at one of the production sites after the balance sheet date. The terms are undisclosed. The impact on cash flow from investing will be reflected in the Q4 2019 financial results. Annual cash savings expected in the range of DKK 8 – 10 million

A man in a striped shirt and shorts stands on the deck of a sailboat, looking out at the ocean. The sun is low in the sky, creating a warm, golden glow. The sailboat's mast and rigging are visible in the foreground, and the sea extends to the horizon under a clear blue sky.

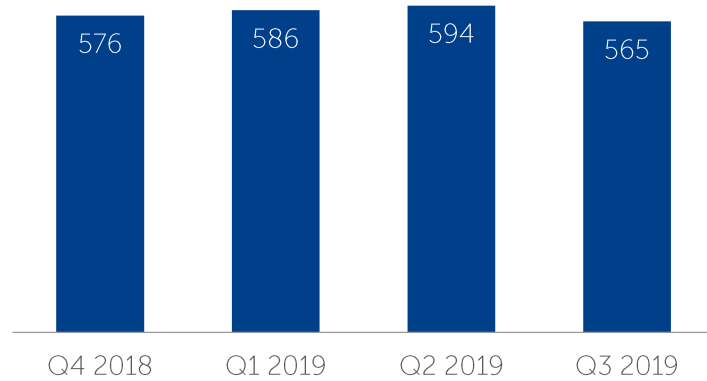
APPENDIX

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

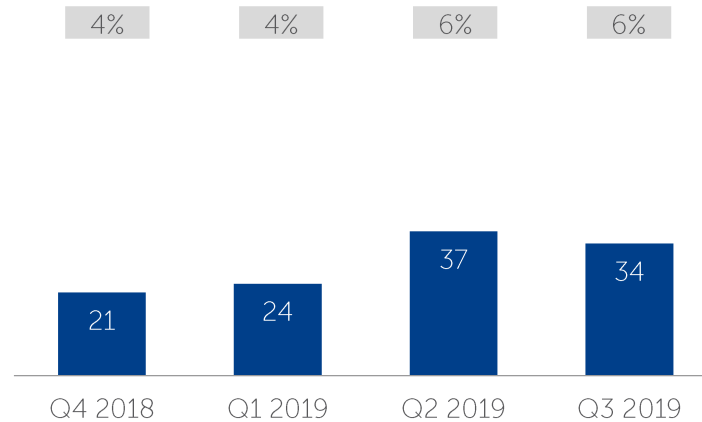
JACOB HOLM & SONS AG (CONSOLIDATED)

Profit & loss statement highlights

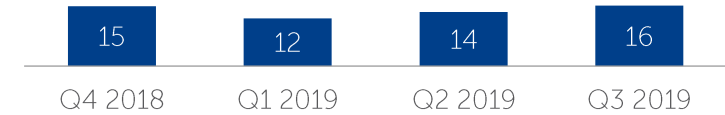
Revenue (in DKK million)



EBITDA & EBITDA margin (in DKK million)



Net finance charges (in DKK million)

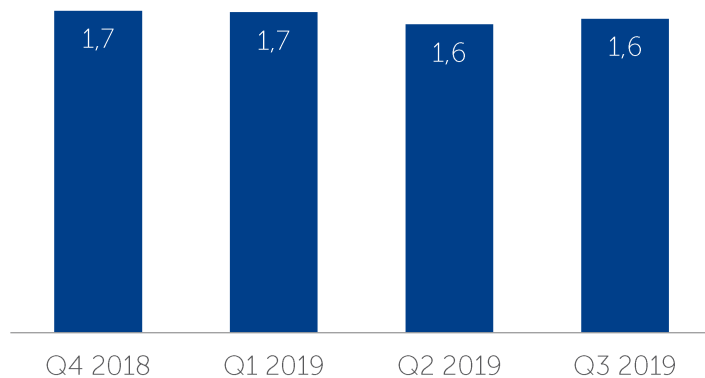


JACOB HOLM & SONS AG (CONSOLIDATED)

Balance sheet highlights

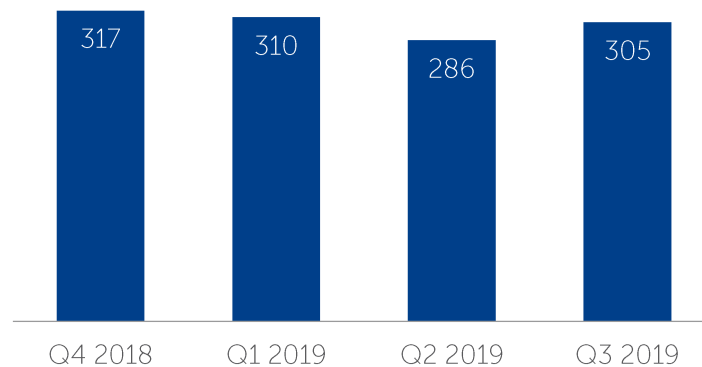
Total assets

(in DKK billion)



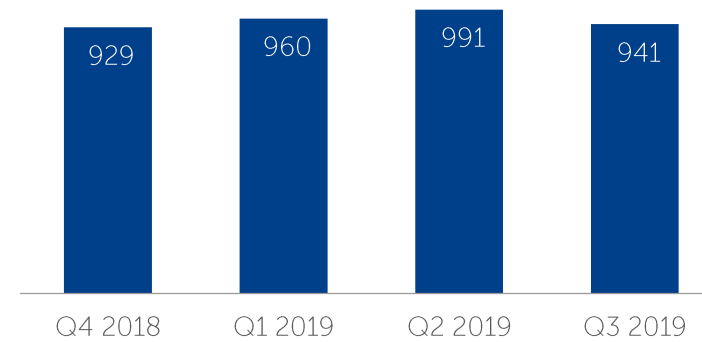
Equity

(in DKK million)



Net interest bearing debt⁽¹⁾

(in DKK million)

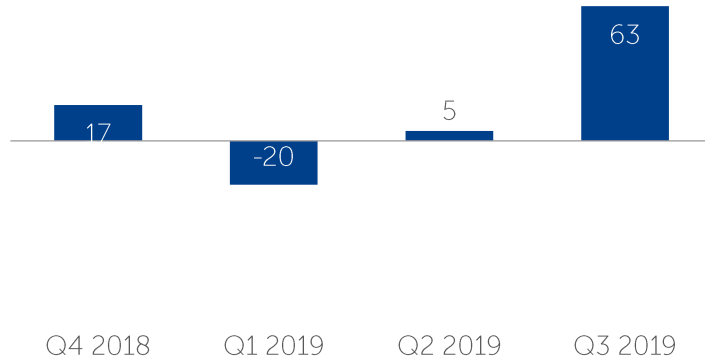


JACOB HOLM & SONS AG (CONSOLIDATED)

Cash flow statement highlights

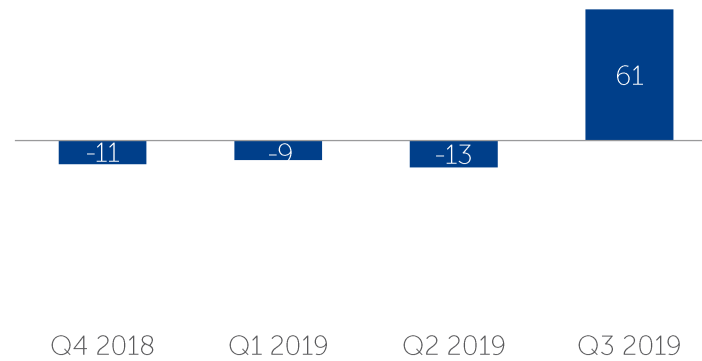
Cash flow from operations

(in DKK million)



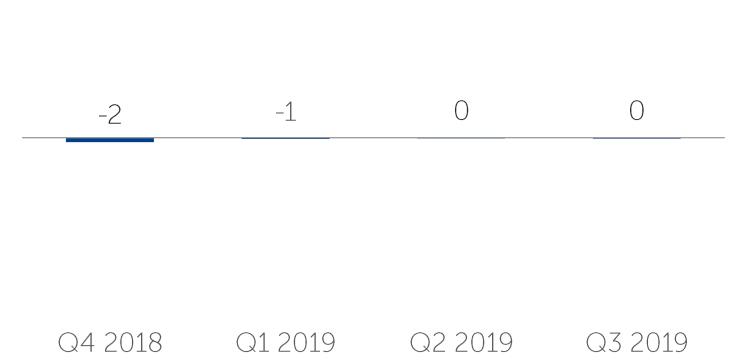
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



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