

Jacob Holm & Sønner Holding A/S

Q4 2018

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QUARTERLY HIGHLIGHTS

Various measures implemented to mitigate impact of continued increases in key resources



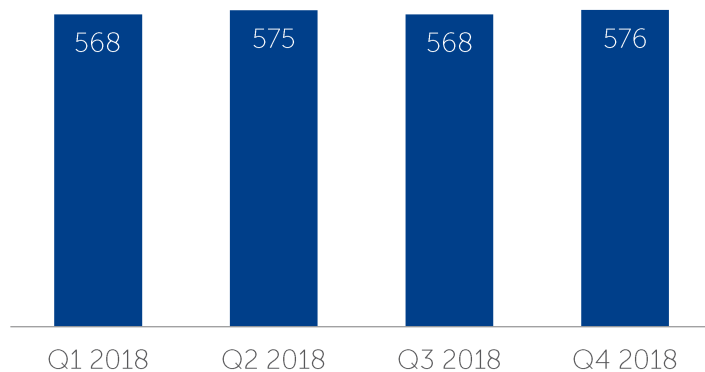
Comments

- The overall levels of profitability of consumer nonwovens producers globally continued to be heavily negatively impacted by the significant increases in costs (e.g. raw materials, freight rates, utility rates) and the continued tight competitive situation in specific segments
- Additionally, the continued trade tension between the US and China also negatively impacted the Group's profitability due to lower than normal exports to China
- The price increases communicated in September 2018 and effective in Q4 2018 for two and in Q1 2019 for four segments already demonstrated a positive impact on topline and provided some margin relief. However, most contracted volumes have pricing formulas which often include time lag which negatively impacts margin development in quarters with increasing raw materials
- Tightened pricing policy also positively drives product and customer portfolio optimization, one of the Group's primary goals

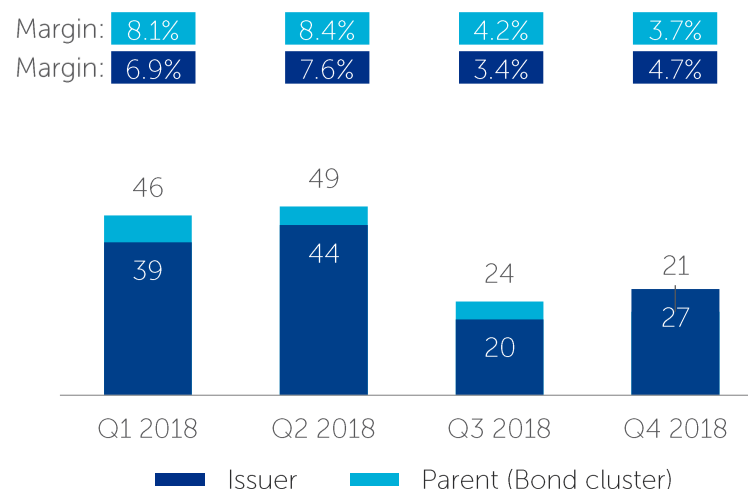
PROFIT & LOSS HIGHLIGHTS

Strong demand and stringent focus on restoring profitability

Revenue (in DKK million)



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



Net finance charges (in DKK million)



Comments

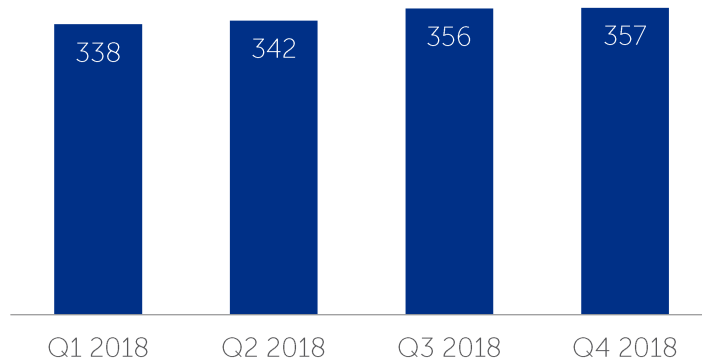
- Revenue driven by unprecedented increases in raw material prices which had been partially been passed through to customers via pricing formulas or the communicated price increases
- The demand for our spunlaced nonwoven fabrics remained strong throughout Q4 2018 with the exception of the Chinese market which remained impacted by the uncertainty about new tariffs
- The consolidated EBITDA on Parent company level accounted for DKK 21 million in Q4 2018 (vs. DKK 24 million in Q3 2018). See the highlights of the consolidated financial statements of the Parent in the appendix

BALANCE SHEET HIGHLIGHTS

Net working capital continued at increased levels and equity lowered due to net loss

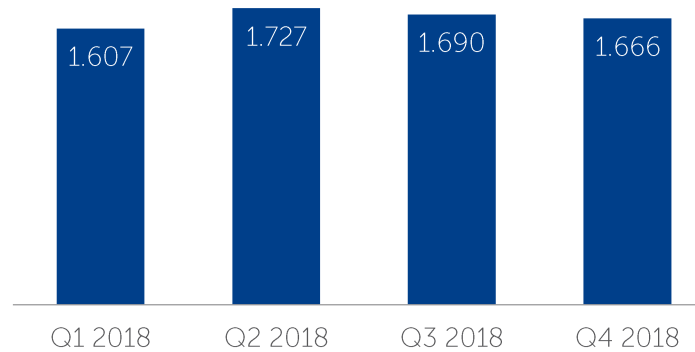
NWC

(in DKK million)



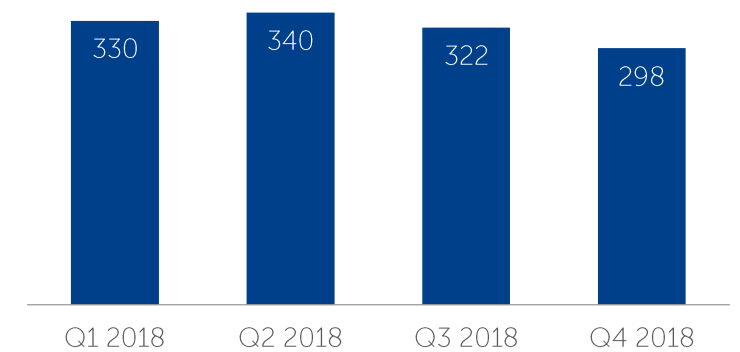
Total assets

(in DKK million)



Equity

(in DKK million)



Comments

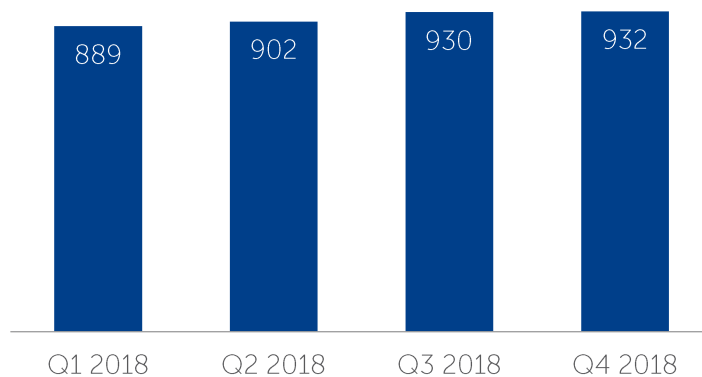
- Balance sheet reduced due to depreciation exceeding capex and lower other receivables whereas inventory and trade receivables increased
- Equity mainly impacted by net loss in Q4 2018

BALANCE SHEET HIGHLIGHTS

Depressed earnings in Q4 2018 caused leverage ratio uptick

Net interest bearing debt⁽¹⁾

(in DKK million)



Breakdown and maturity profile as of 31 Dec 2018

(in DKK million)

Non-current IBL					
	2019 unaudited	2020 unaudited	2021 unaudited	After unaudited	Total unaudited
DKK 1,000					
Bond	0	0	0	952.425	952.425
Credit institutions	373	0	0	0	373
Financing costs	-2.515	-2.515	-2.515	-627	-8.172
	-2.142	-2.515	-2.515	951.798	944.626

Comments

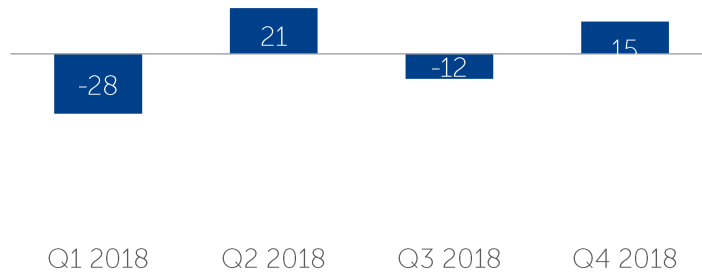
- Normalized leverage ratio⁽²⁾ at the end of Q4 2018 of 6.7x (vs. 5.9x at the end of Q3 2018)

CASH FLOW HIGHLIGHTS

Capex focusing on facilitating debottlenecking and strengthening of performance

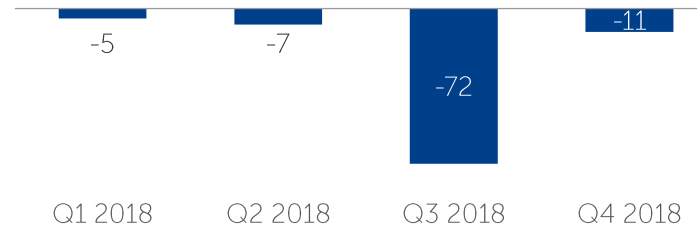
Cash flow from operations

(in DKK million)



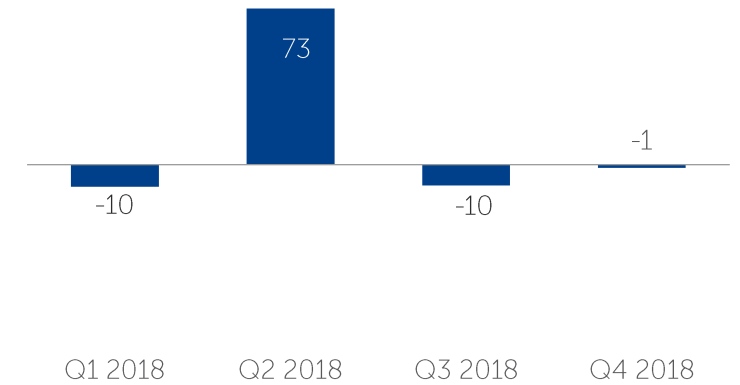
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



Comments

- Low operating margins impacting cash flow from operations
- In Q4 2018, the Group has increased the capex spent to facilitate debottlenecking of one production line and further strengthen the productivity. Q3 2018 cash flow from investing included a DKK 64 MM investment in short-term securities.

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.

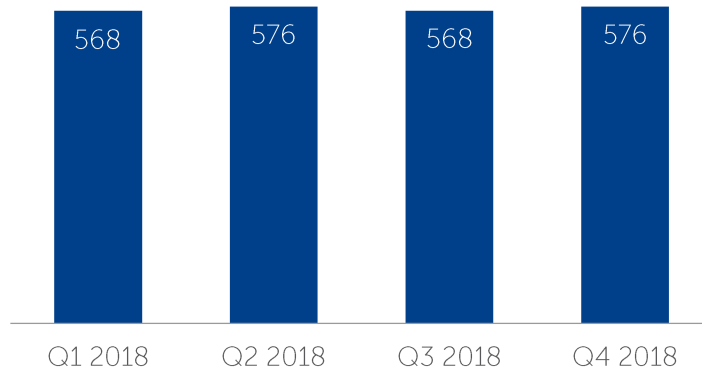
APPENDIX

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

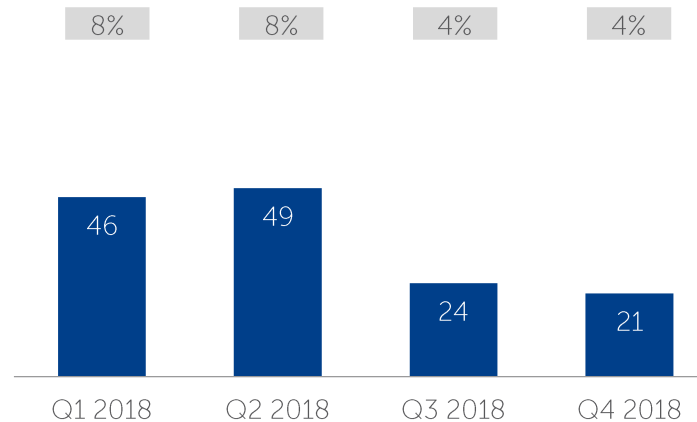
JACOB HOLM & SONS AG (CONSOLIDATED)

Profit & loss statement highlights

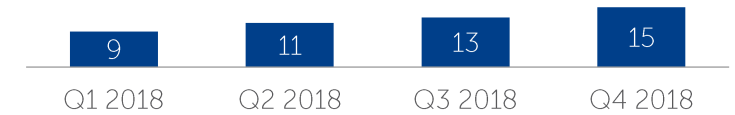
Revenue (in DKK million)



EBITDA & EBITDA margin (in DKK million)



Net finance charges (in DKK million)

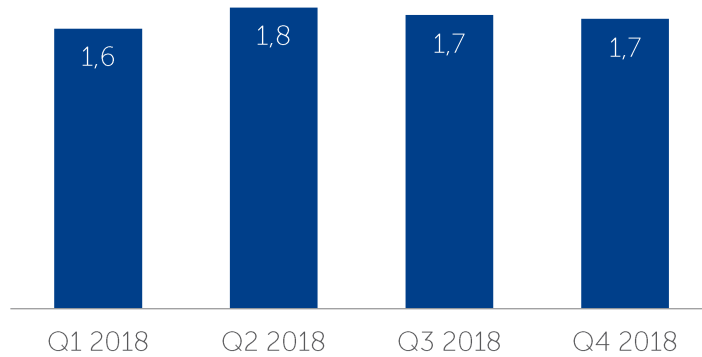


JACOB HOLM & SONS AG (CONSOLIDATED)

Balance sheet highlights

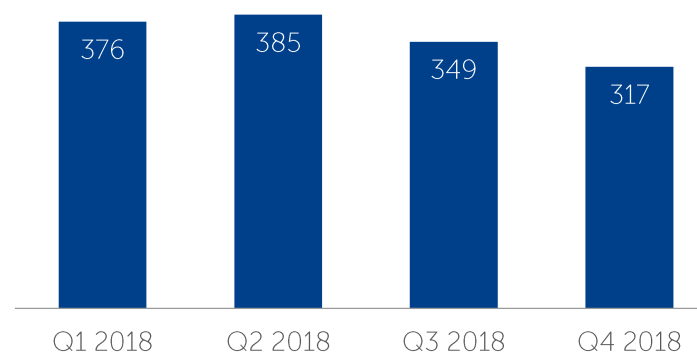
Total assets

(in DKK billion)



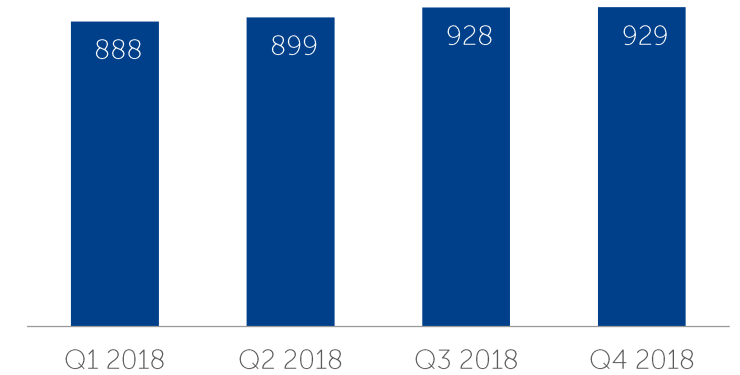
Equity

(in DKK million)



Net interest bearing debt⁽¹⁾

(in DKK million)

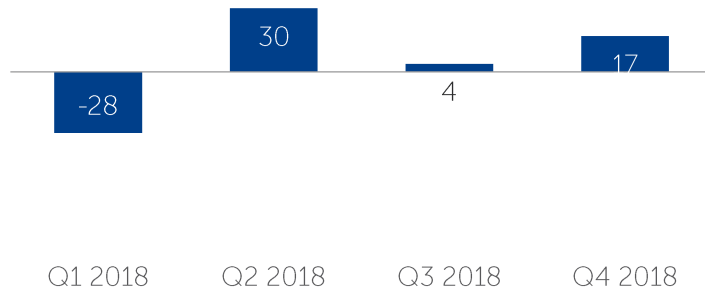


JACOB HOLM & SONS AG (CONSOLIDATED)

Cash flow statement highlights

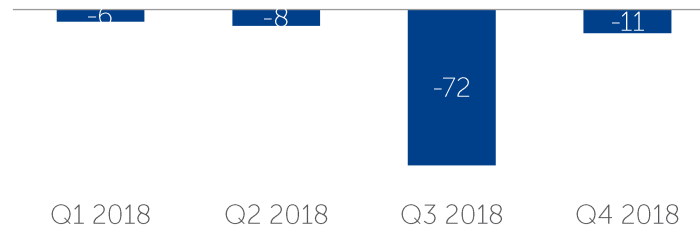
Cash flow from operations

(in DKK million)



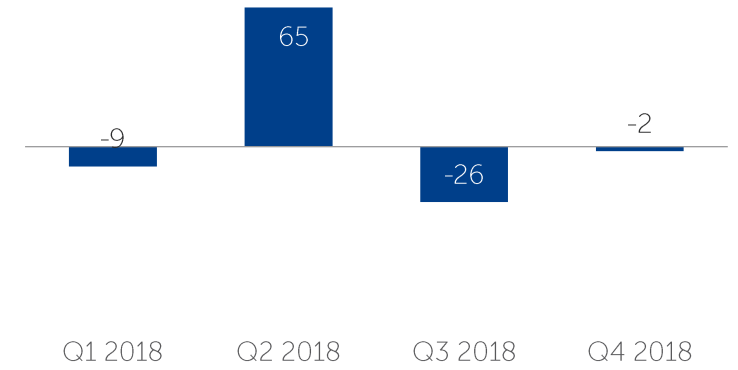
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



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