

Jacob Holm & Sønner Holding A/S

Q2 2017

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QUARTERLY HIGHLIGHTS

Solid Q2 2017 results despite increasing raw material prices



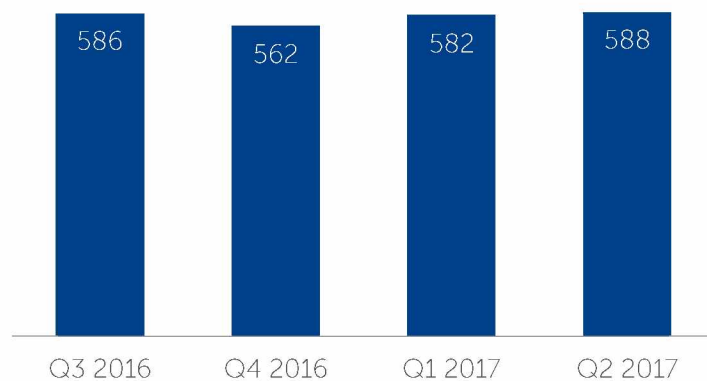
Comments

- Improved EBITDA margin vs. previous quarter despite increasing raw material prices
- Balance sheet impacted by refinancing of SEK bond which was redeemed fully on 25 April 2017
- The competitive situation in North America and Europe continued to be tight due to the unfavorable supply demand balance in selected end markets
- Insourcing of logistics operation successfully executed with no impact on service levels and lower cost structure in future

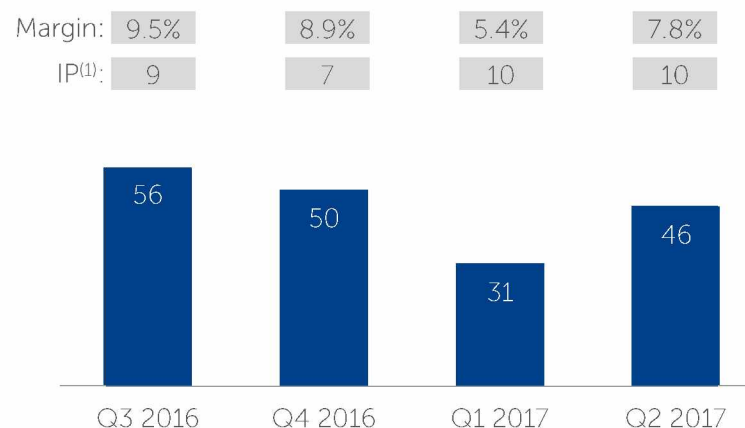
PROFIT & LOSS HIGHLIGHTS

Slightly higher revenue driven by raw material price increases

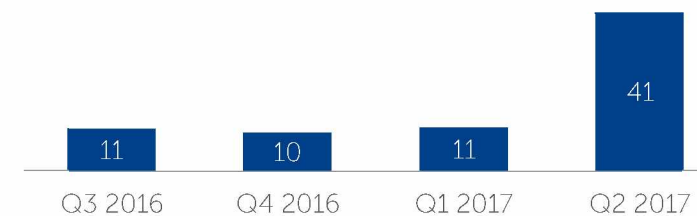
Revenue (in DKK million)



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



Net finance charges (in DKK million)



Comments

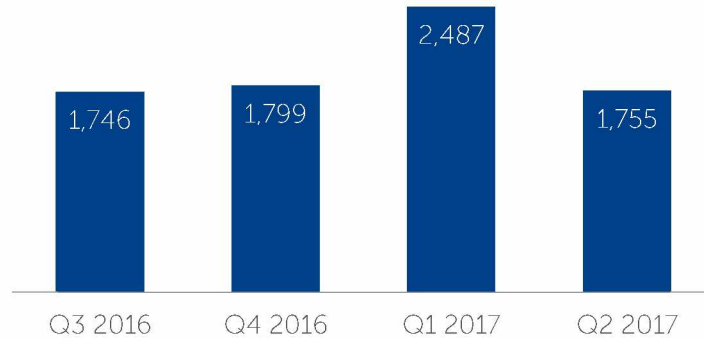
- Increasing raw material prices driving higher top-line
- Quarter on quarter EBITDA margin improvement of 2.4% despite increasing raw material prices and contractual lag in passing through on sales prices put isolated pressure on quarter profitability
- Net finance charges included the call premium for the SEK bond of DKK 20 million, a write-off of DKK 8 million of unamortized financing costs as well as 25 days of interest on both outstanding bonds (DKK 2 million)
- The consolidated EBITDA on Parent company level accounted for DKK 51 million in Q2 2017 (vs. DKK 40 million in Q1 2017)

BALANCE SHEET HIGHLIGHTS

Bond refinancing with negative impact on net interest bearing debt

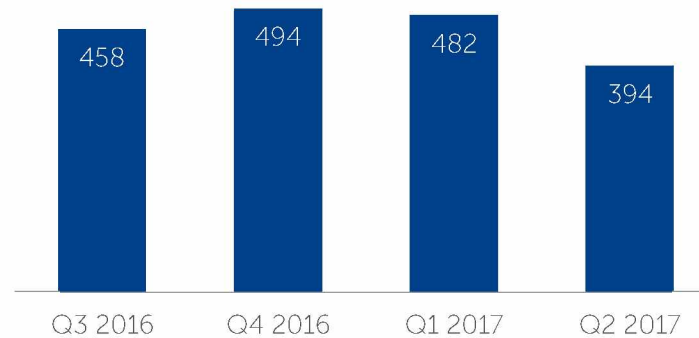
Total assets

(in DKK million)



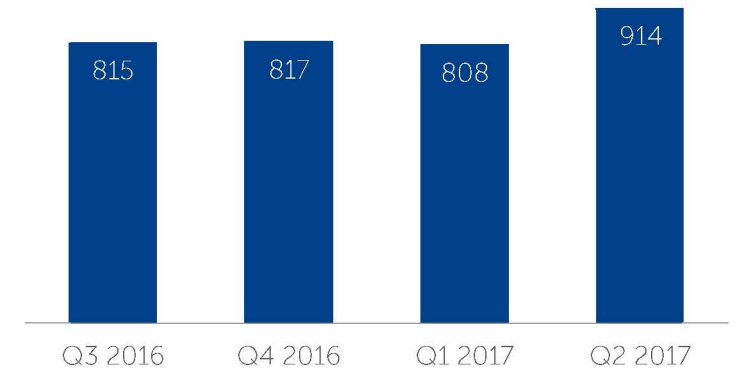
Equity

(in DKK million)



Net interest bearing debt⁽¹⁾

(in DKK million)



Comments

- SEK bond fully redeemed on 25 April 2017
- Equity compared to Q1 2017 impacted by the negative net result, paid dividend to the Parent company and a negative FX effect
- Payment of the call premium, bond refinancing costs, distribution of dividend as well as an increase in net working capital driving the increase in NIBD at the end of Q2 2017, resulting in a normalized⁽²⁾ leverage ratio at the end of Q2 2017 of approx. 4.4x

BALANCE SHEET HIGHLIGHTS

Interest bearing liabilities breakdown and maturity profile as of 30 June 2017

Interest bearing liabilities	2017	2018	2019	2020	Total
DKK 1,000	unaudited	unaudited	unaudited	unaudited	unaudited
Bond	0	0	0	744,000	744,000
Credit institutions	52,112	39,024	91,429	0	182,565
Financing costs	-1,556	-2,807	-2,490	-4,652	-11,505
	50,556	36,217	88,939	739,348	915,060

Comments

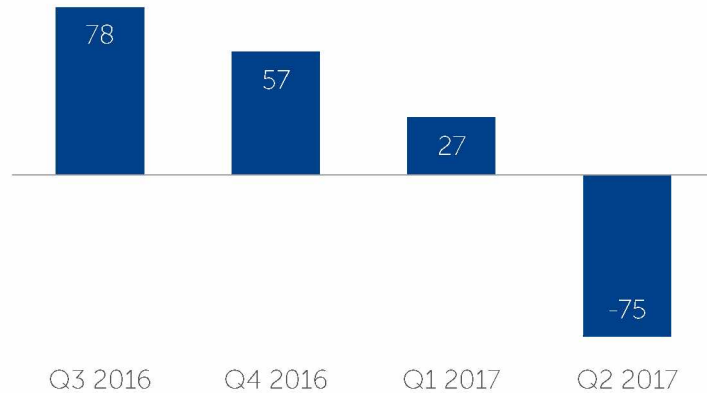
- SEK bond fully redeemed on 25 April 2017
- Downpayment of USD 10 million on term loan in Q2 2017

CASH FLOW HIGHLIGHTS

Timing difference of new bond settlement and old bond redemption

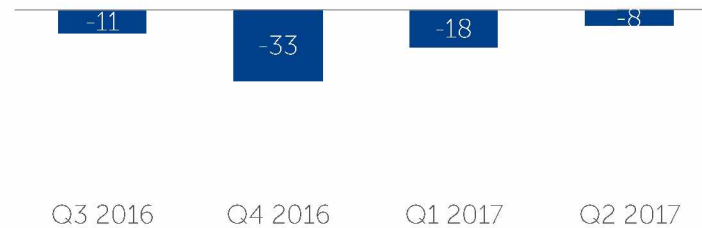
Cash flow from operations

(in DKK million)



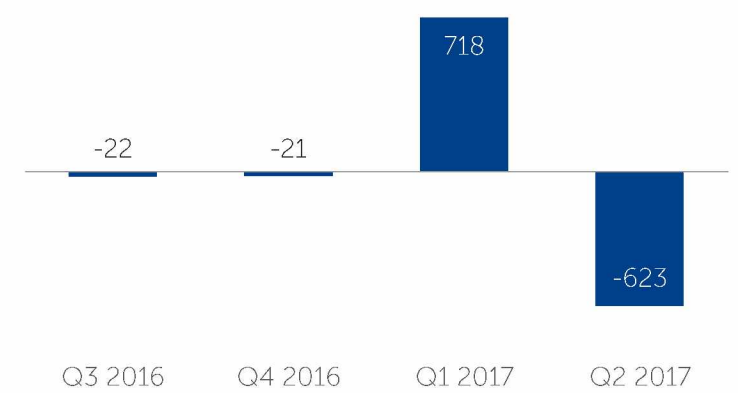
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



Comments

- Operational cash flow impacted by finance charges and an increase of net working capital compared to Q1 2017
- Cash flow from financing activities include the SEK bond redemption as well as a USD 10 million down-payment of term loans in the Asheville plant

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