

Jacob Holm & Sønner Holding A/S

Q1 2019

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QUARTERLY HIGHLIGHTS

Continued solid demand for consumer nonwovens



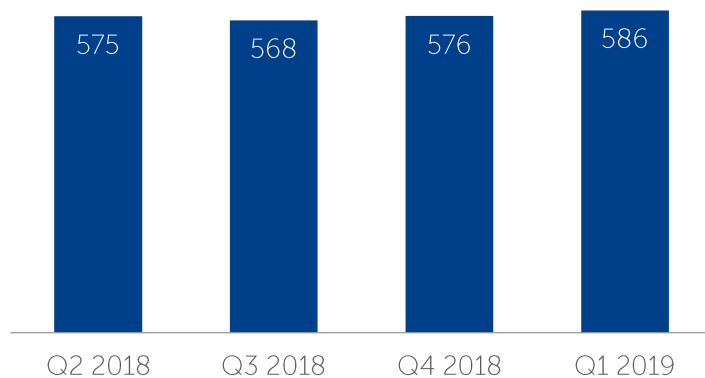
Comments

- Demand for consumer nonwovens remained solid throughout the first quarter of 2019. Selected volumes in the Sontara® segments remained lower due to advance inventory build by customers in anticipation of the communicated price increases and Brexit
- Uncertainties related to import tariffs in China and US plus the tight competitive environment in selected segments had a negative impact on the operating margins for the quarter
- Management is progressing well in implementing a set of defined measures to increase operating margins to target levels. Measures include cost reductions, organizational adjustments, fast tracking of next generation product launches, and expansion of supplier base
- The Company implemented IFRS 16 as of January 2019 resulting in an elevated net interest bearing debt of DKK 24 million and EBITDA of DKK 3 million

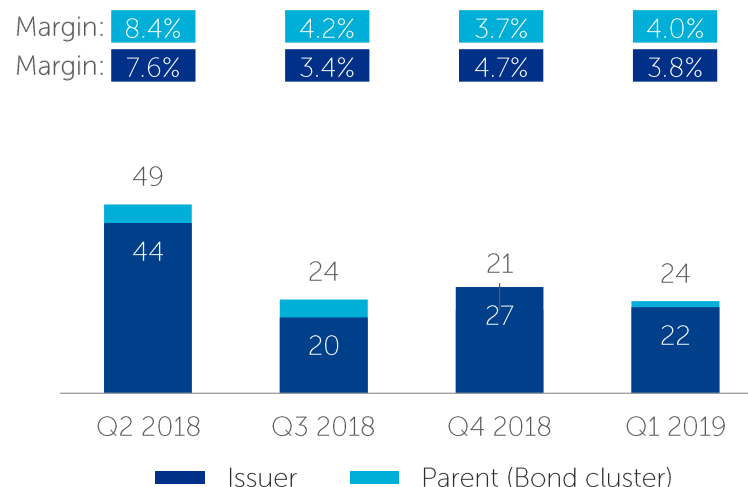
PROFIT & LOSS HIGHLIGHTS

Most input costs plateaued at the elevated levels from Q4 2018

Revenue (in DKK million)



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



Net finance charges (in DKK million)



Comments

- The demand for our spunlaced nonwoven fabrics remained strong throughout Q1 2019 with the exception of the Chinese market which remained impacted by the uncertainty about new tariffs
- The solid demand and continued high raw material levels drive increase in topline
- The consolidated EBITDA on Parent company level accounted for DKK 24 million in Q1 2019 (vs. DKK 21 million in Q4 2018). See the highlights of the consolidated financial statements of the Parent in the appendix

BALANCE SHEET HIGHLIGHTS

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

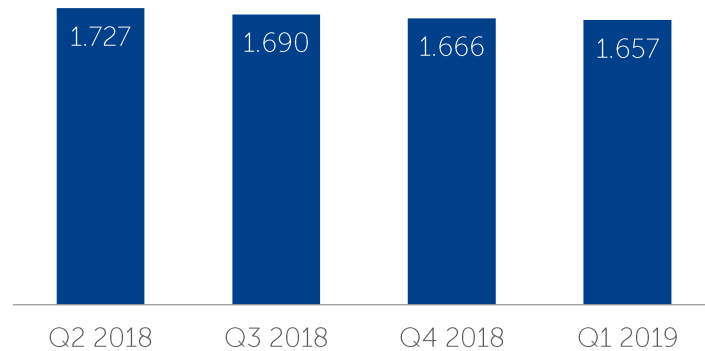
NWC

(in DKK million)



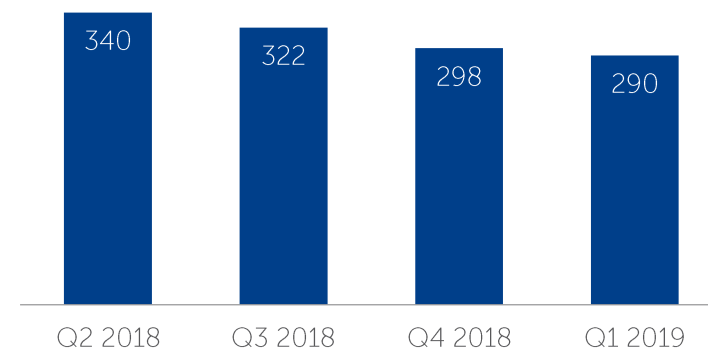
Total assets

(in DKK million)



Equity

(in DKK million)



Comments

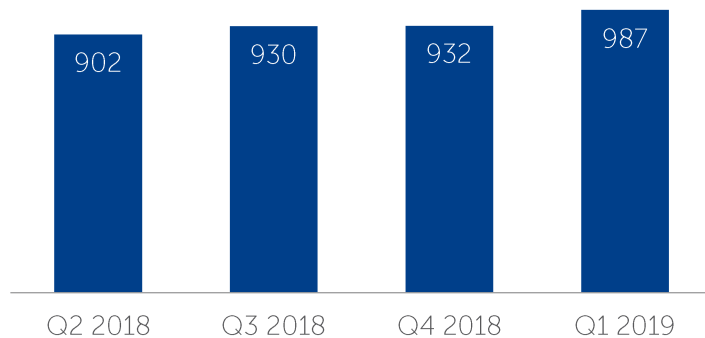
- Increase in volumes drove further increase in net working capital
- Balance sheet reduced due to depreciation exceeding capex and lower other receivables whereas inventory and trade receivables increased
- Equity decreased to DKK 290 million in Q1 2019. The decrease due to the net loss for Q1 2019 was partly offset by FX rate adjustments regarding subsidiaries

BALANCE SHEET HIGHLIGHTS

Further leverage ratio uptick due to drop-out of high Q1 2018 from LTM EBITDA

Net interest bearing debt⁽¹⁾

(in DKK million)



Breakdown and maturity profile as of 31 Mar 2019

(in DKK million)

Non-current IBL						
DKK 1,000		2019	2020	2021	After	Total
		unaudited	unaudited	unaudited	unaudited	unaudited
Bond		0	0	0	952.425	952.425
Lease liabilities		1.067	2.595	4.838	16.199	24.699
Financing costs		-1.886	-2.515	-2.515	-628	-7.544
		-819	80	2.323	967.996	969.580

Comments

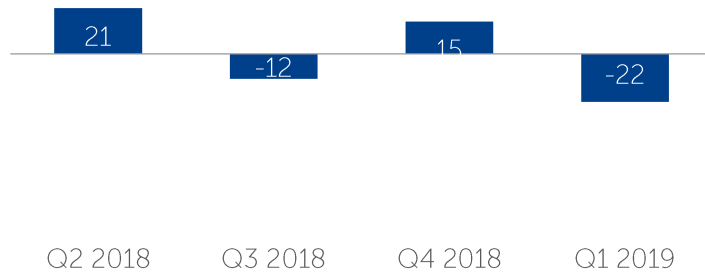
- Net interest bearing debt in Q1 2019 includes DKK 24 MM of lease liabilities
- Normalized leverage ratio⁽²⁾ at the end of Q1 2019 of 8.5x (vs. 6.7x at the end of Q4 2018)
- Defined measures have been implemented to reduce NIBD (e.g. optimization of NWC, capex control) and improving operating margins (e.g. price increases, increase share of programs with pass through pricing mechanism, capacity filling, and expansion of supplier base)

CASH FLOW HIGHLIGHTS

Capex focusing on facilitating debottlenecking and strengthening of performance

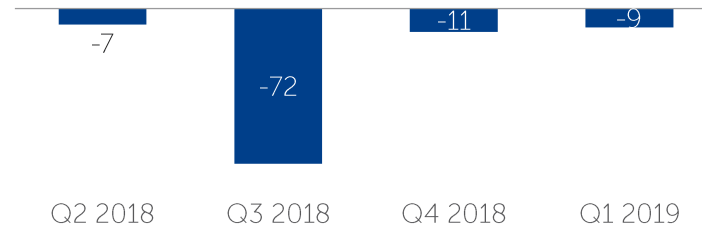
Cash flow from operations

(in DKK million)



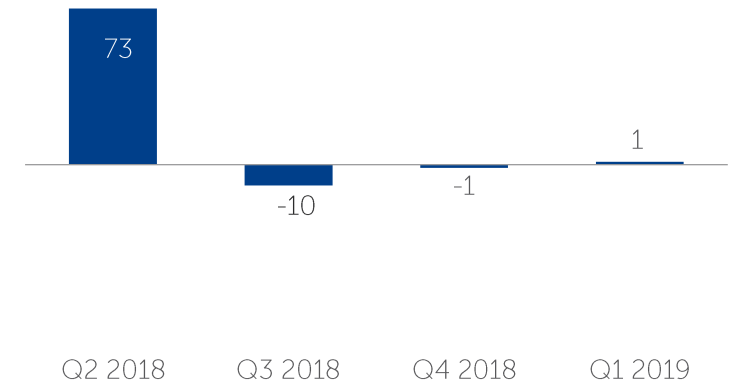
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



Comments

- Lower operating margins for the quarter impacting cash flow from operations
- Increasing revenue and thereby net working capital affecting cash flow from operations by DKK 28 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 ocean stretches out to the horizon.

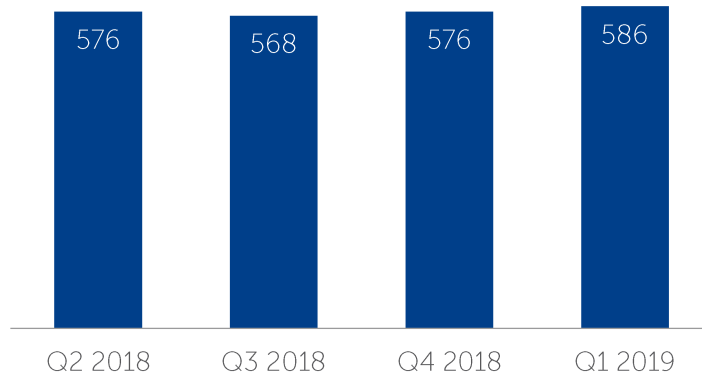
APPENDIX

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

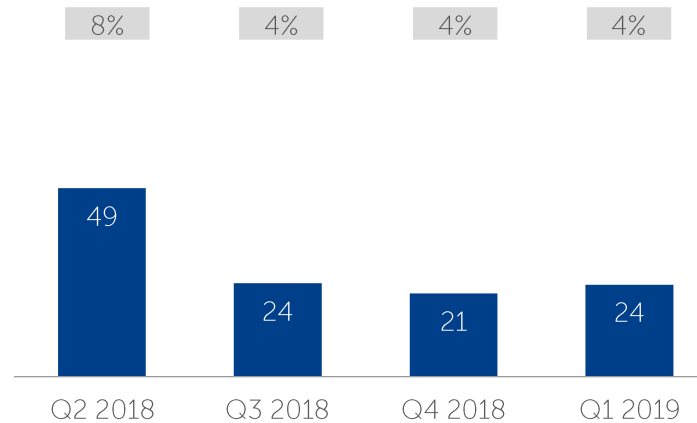
JACOB HOLM & SONS AG (CONSOLIDATED)

Profit & loss statement highlights

Revenue (in DKK million)



EBITDA & EBITDA margin (in DKK million)



Net finance charges (in DKK million)

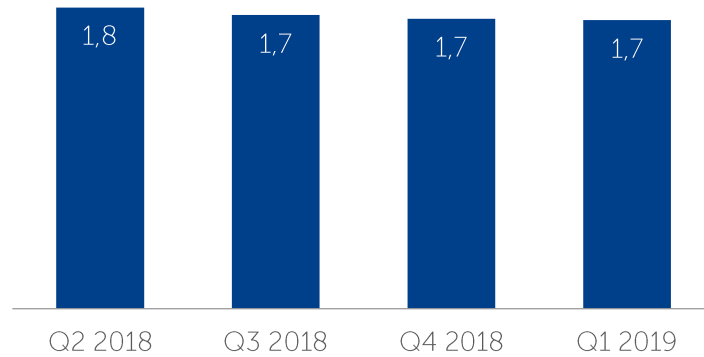


JACOB HOLM & SONS AG (CONSOLIDATED)

Balance sheet highlights

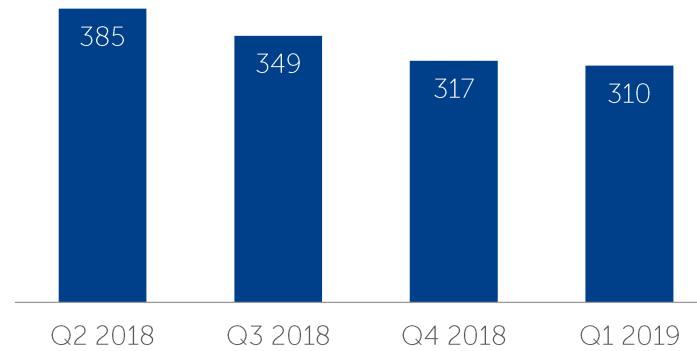
Total assets

(in DKK billion)



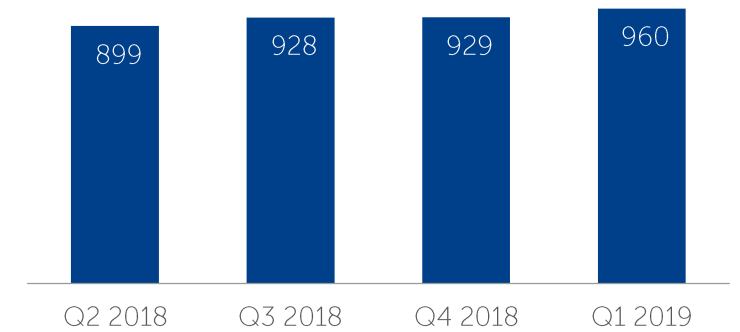
Equity

(in DKK million)



Net interest bearing debt⁽¹⁾

(in DKK million)

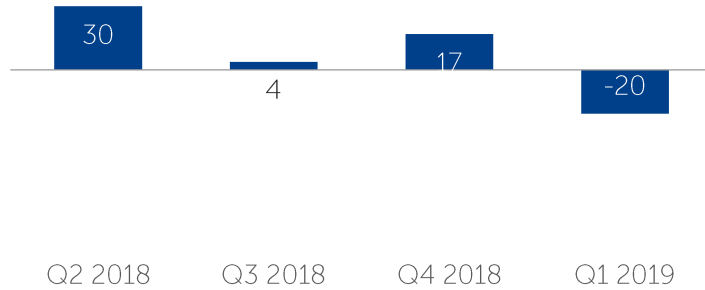


JACOB HOLM & SONS AG (CONSOLIDATED)

Cash flow statement highlights

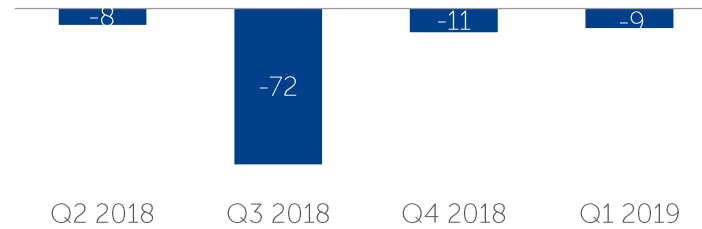
Cash flow from operations

(in DKK million)



Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



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