

Jacob Holm & Sønner Holding A/S

Q2 2019

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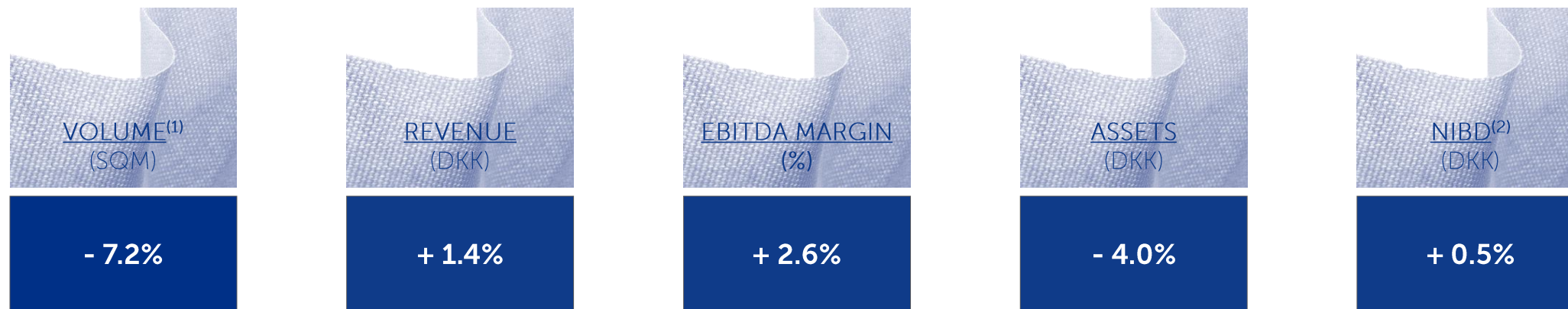
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QUARTERLY HIGHLIGHTS

Initiatives aiming at revamping operating margins show preliminary results



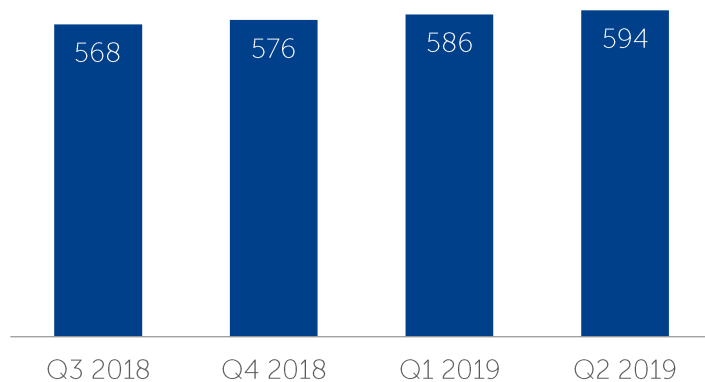
Comments

- Demand for consumer nonwovens remained solid throughout the first quarter of 2019 both in Europe and the US. Selected volumes in the Sontara® segments remained lower due to continued uncertainties related to the US / China trade situation plus the tight competitive environment
- Volume development impacted by lower output in one site a.o. due to mix change and efforts to decrease finished goods inventory levels
- Management continued to implement a set of defined measures to revamp operating margins and conducted a major reorganization to increase specialization of resources and define clear strategic and financial accountabilities within the organization
- Group is working on establishing a non-recourse factoring program in alignment with the bond agreement for net working capital financing purposes

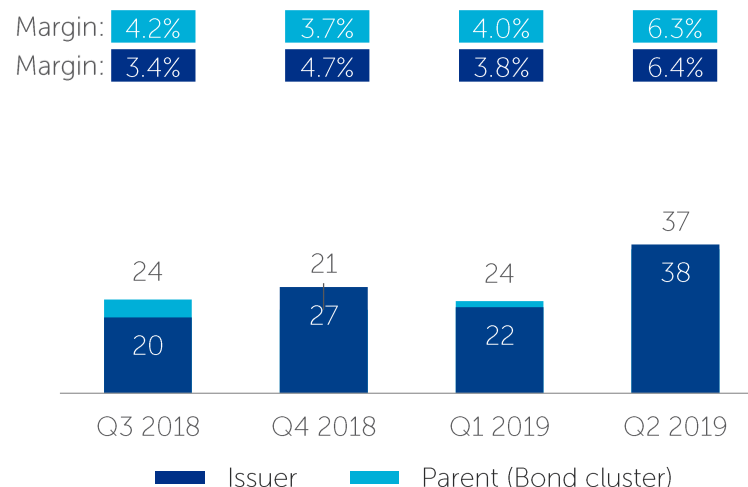
PROFIT & LOSS HIGHLIGHTS

Q2 2019 with positive margin evolution vs. previous quarters

Revenue (in DKK million)



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



Net finance charges (in DKK million)



Comments

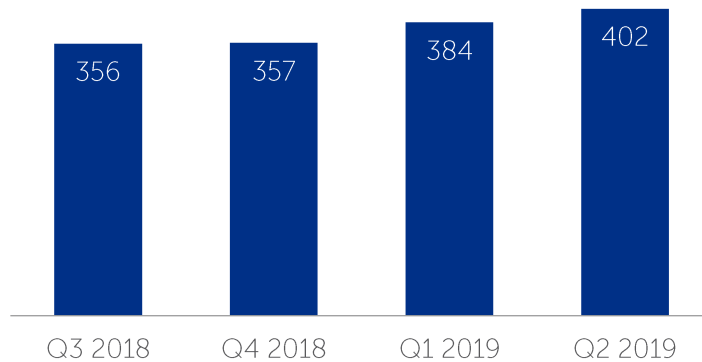
- Overall trends within global spunlaced nonwoven continue:
 - Demand for our hygiene and consumer spunlaced nonwoven fabrics remained strong
 - Volumes into Chinese market remained low as a consequence of the pending tariff resolution between the US and China
 - Selected key input costs slightly reduced to below record levels of Q4 2018 providing some margin relief
- The consolidated EBITDA on Parent company level accounted for DKK 37 million in Q2 2019 (vs. DKK 24 million in Q1 2019). See the highlights of the consolidated financial statements of the Parent in the appendix

BALANCE SHEET HIGHLIGHTS

Continued high NWC levels and reducing equity due to net loss

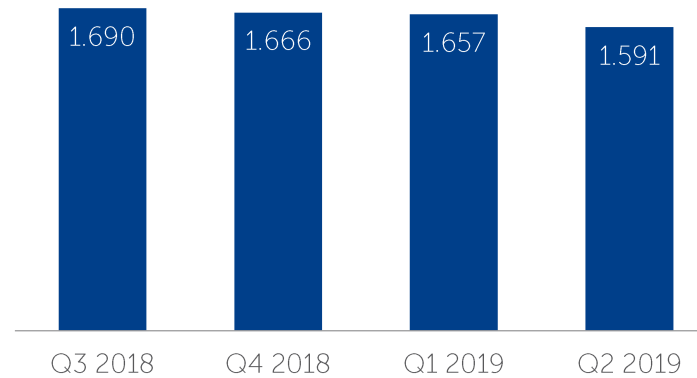
NWC

(in DKK million)



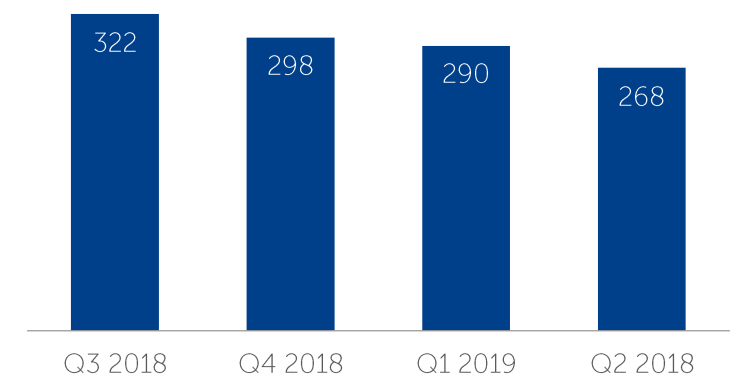
Total assets

(in DKK million)



Equity

(in DKK million)



Comments

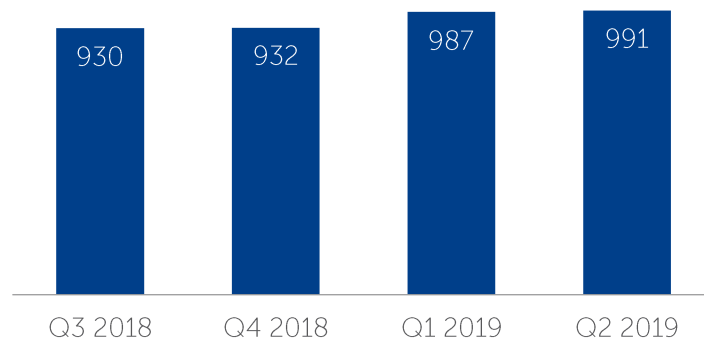
- Reduced accounts payable at the end of Q2 2019 as a result of utilizing cash discount options drive net working capital further up despite lower inventory levels
- Balance sheet reduced partly due to FX impact and capex being lower than depreciation
- Equity decreased to DKK 268 million in Q2 2019 mainly due to the net loss in the period

BALANCE SHEET HIGHLIGHTS

Reduction of LTM EBITDA despite uptick in EBITDA in Q2 2019 vs. previous quarters

Net interest bearing debt⁽¹⁾

(in DKK million)



Breakdown and maturity profile as of 30 Jun 2019

(in DKK million)

Non-current IBL					
	2019	2020	2021	After	Total
DKK 1,000	unaudited	unaudited	unaudited	unaudited	unaudited
Bond	0	0	0	951.150	951.150
Lease liabilities	750	2.563	4.780	16.004	24.097
Financing costs	-1.257	-2.515	-2.515	-629	-6.916
	-507	48	2.265	966.525	968.331

Comments

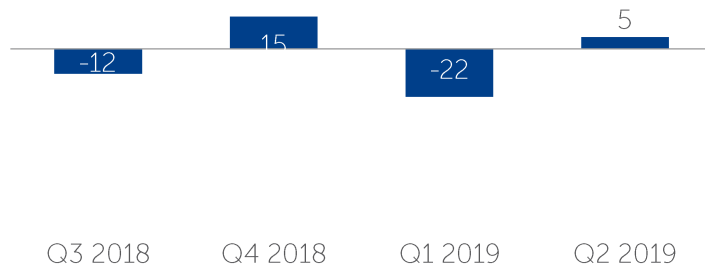
- Net interest bearing debt in Q2 2019 includes DKK 24 MM of lease liabilities
- Normalized leverage ratio⁽²⁾ at the end of Q2 2019 of 9.9x (vs. 8.5x at the end of Q1 2019)
- Group is working on establishing a non-recourse factoring program to support the net working capital financing

CASH FLOW HIGHLIGHTS

Positive operational cash flow despite further increase of working capital

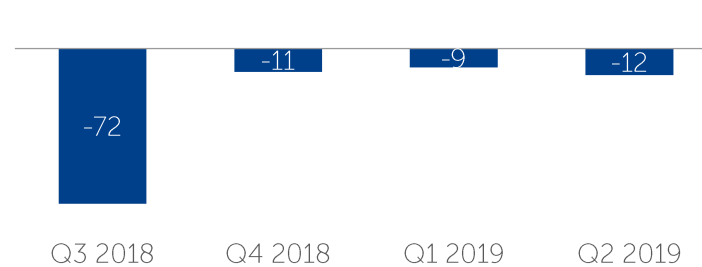
Cash flow from operations

(in DKK million)



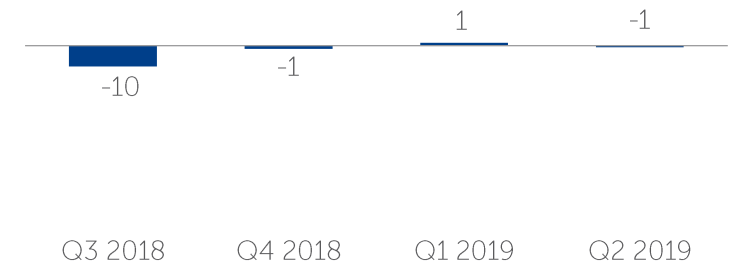
Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



Comments

- Higher operating margins for the quarter positively impacting cash flow from operations
- Continuation of capex program to debottleneck and strengthening of operational performance at all sites
- Group committed to a larger investment in Q4 2019 in order to secure and optimize utility supply at one of the production sites. The investment can be financed using available cash and cash equivalents

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.

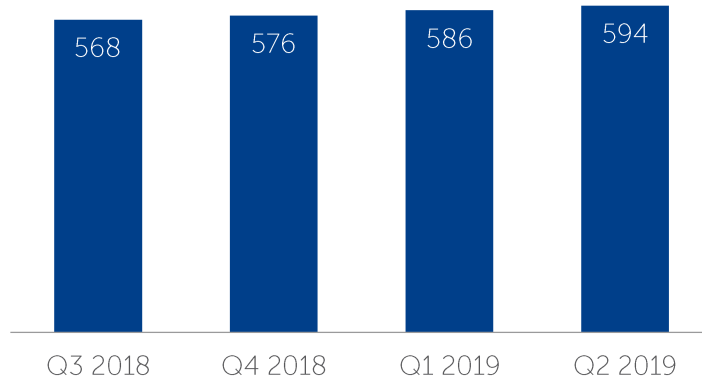
APPENDIX

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

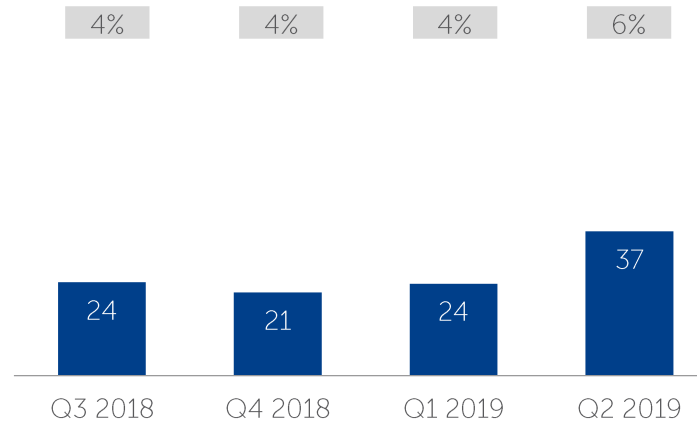
JACOB HOLM & SONS AG (CONSOLIDATED)

Profit & loss statement highlights

Revenue (in DKK million)



EBITDA & EBITDA margin (in DKK million)



Net finance charges (in DKK million)

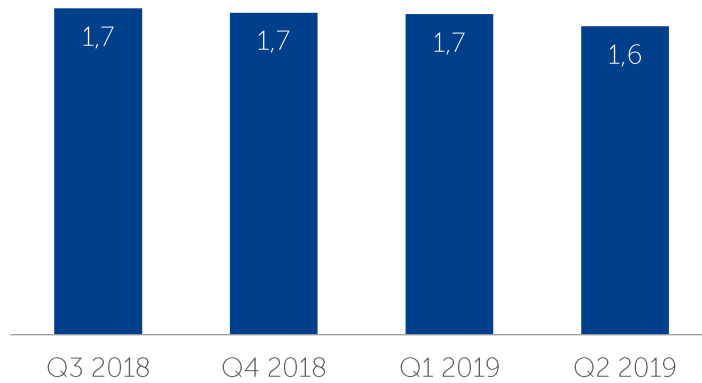


JACOB HOLM & SONS AG (CONSOLIDATED)

Balance sheet highlights

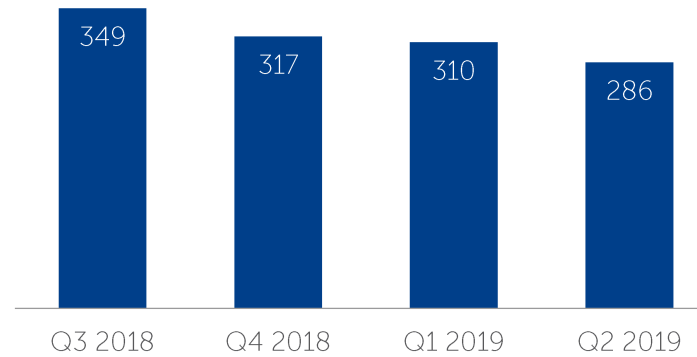
Total assets

(in DKK billion)



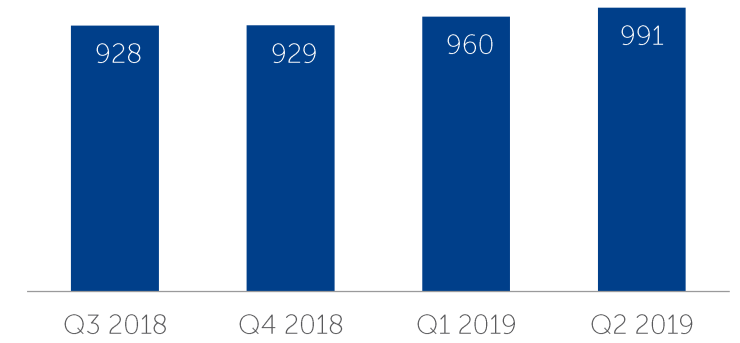
Equity

(in DKK million)



Net interest bearing debt⁽¹⁾

(in DKK million)

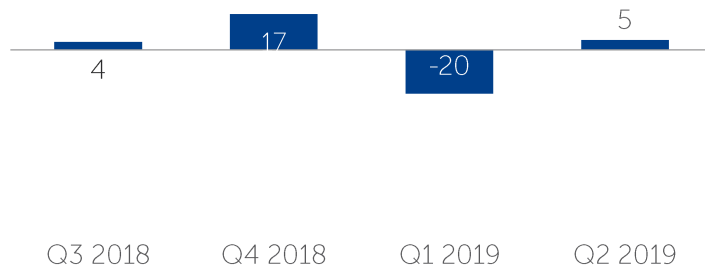


JACOB HOLM & SONS AG (CONSOLIDATED)

Cash flow statement highlights

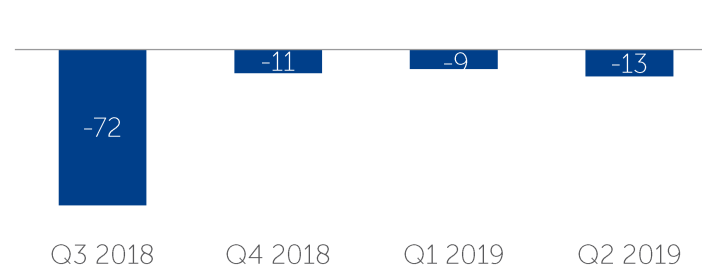
Cash flow from operations

(in DKK million)



Cash flow from investing

(in DKK million)



Cash flow from financing

(in DKK million)



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