schouw+co

2021

INTERIM REPORT

SECOND QUARTER

Company announcement no. 6
12 August 2021

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This is a translation of Schouw & Co.'s Interim Report for the three months ended 30 June 2021. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.

Management's report

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Statement by Jens Bjerg Sørensen, President of Schouw & Co.:

CONTINUING IMPROVEMENTS

Schouw & Co. builds on the momentum of its recent improvements in revenue and earnings. We are seeing the benefits of recent years' investments in production capacity, product development and optimisation along with our persistent focus on innovation and partnerships along the entire value chain.

The main factor of uncertainty today is the scarcity and considerable upward price spikes on raw materials, components and freight. We prioritise maintaining a high level of service for our customers, and it will necessitate an increase in inventories, but for us, long-term value creation is more important than short-term optimisation.

We are upgrading our full-year guidance for the second time this year.

HIGHLIGHTS

- Strong Q2 performance with revenue and EBITDA improving
- Good demand in a number of important product areas
- Challenging situation with prices of raw materials and transport costs spiking
- Reliability of supply takes priority over short-term optimisation
- Guidance raised for full-year revenue and EBITDA

Q2 REVENUE
5.6
DKK BILLION

Q2 EBITDA
557
DKK MILLION

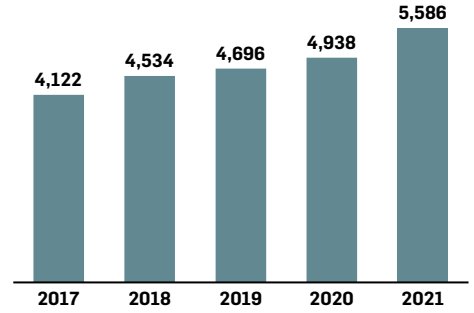
ROIC
16.2 %
EXCLUDING GOODWILL

Financial highlights and key ratios

GROUP SUMMARY (DKKm)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue and income					
Revenue	5,586	4,938	10,492	9,740	21,273
Operating profit before depreciation/amortisation (EBITDA)	557	517	1,043	951	2,209
Depreciation and impairment losses	210	208	421	413	833
EBIT	347	309	622	537	1,376
Profit/loss after tax in associates and joint ventures	13	-6	0	8	-36
Gains on equity divestments	0	2	3	2	2
Net financials	-29	-33	-22	-64	-133
Profit before tax	332	272	604	484	1,209
Profit for the period	246	203	453	362	909
Cash flows					
Cash flows from operating activities	269	607	170	789	2,296
Cash flow from investing activities	-239	-79	-367	-213	-533
Of which investment in property, plant and equipment	-193	-79	-324	-213	-454
Cash flows from financing activities	-189	-488	117	-488	-1,630
Cash flows for the period	-158	40	-81	87	133
Invested capital and financing					
Invested capital (ex. goodwill)	10,186	10,119	10,186	10,119	9,421
Total assets	19,150	18,419	19,150	18,419	17,994
Working capital	3,864	3,681	3,864	3,681	3,107
Net interest-bearing debt (NIBD)	2,511	3,046	2,511	3,046	1,936
Share of equity attributable to shareholders of Schouw & Co.	9,866	9,350	9,866	9,350	9,606
Non-controlling interests	10	0	10	0	0
Total equity	9,876	9,350	9,876	9,350	9,605
Financial data					
EBITDA margin (%)	10.0	10.5	9.9	9.8	10.4
EBIT margin (%)	6.2	6.2	5.9	5.5	6.5
EBT margin (%)	5.9	5.5	5.8	5.0	5.7
Return on equity (%)	10.4	10.3	10.4	10.3	9.5
Equity ratio (%)	51.6	50.8	51.6	50.8	53.4
ROIC excluding goodwill (%)	16.2	13.4	16.2	13.4	15.3
ROIC including goodwill (%)	13.0	10.9	13.0	10.9	12.3
NIBD/EBITDA ratio	1.1	1.5	1.1	1.5	0.9
Average no. of employees	9,971	9,422	9,818	9,419	9,393
Per share data					
Earnings per share (of DKK 10)	10.20	8.49	18.83	15.25	38.04
Diluted earnings per share (of DKK 10)	10.15	8.49	18.74	15.25	38.00
Net asset value per share (of DKK 10)	411.44	389.99	411.44	389.99	400.58
Share price, end of period (per share DKK 10)	688.00	528.00	688.00	528.00	616.00
Price/Net asset value	1.67	1.35	1.67	1.35	1.54
Market capitalisation, end of period	16,498	12,659	16,498	12,659	14,771

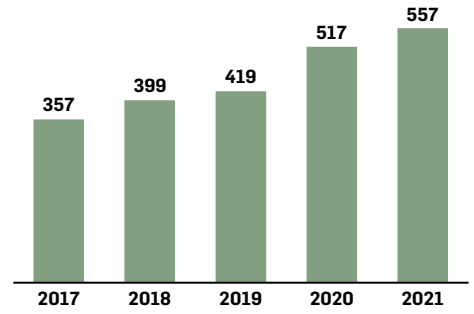
Revenue, second quarter

(DKKm)



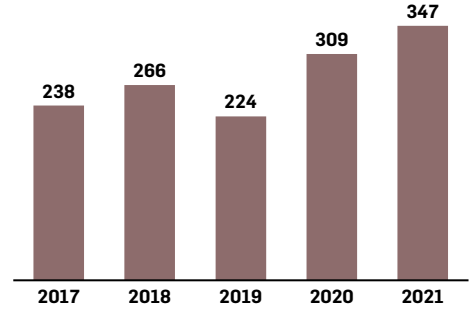
EBITDA, second quarter

(DKKm)



EBIT, second quarter

(DKKm)



Interim report – Second quarter of 2021

Strong Q2 performance with 13% revenue and 8% EBITDA improvements despite challenging supply situation, higher prices of raw materials and sharply increased freight costs. Good demand in a number of important product areas.

Financial performance

(DKKm)	Q2 2021	Q2 2020	Change	
Revenue	5,586	4,938	648	13%
EBITDA	557	517	41	8%
EBIT	347	309	39	13%
Associates and JVs	13	-6	19	n/a
Profit before tax	332	272	60	22%
Cash flows from operating activities	269	607	-338	-56%

(DKKm)	YTD 2021	YTD 2020	Change	
Revenue	10,492	9,740	752	8%
EBITDA	1,043	951	93	10%
EBIT	622	537	85	16%
Associates and JVs	0	8	-8	n/a
Profit before tax	604	484	120	25%
Cash flows from operating activities	170	789	-619	-78%
Net interest-bearing debt	2,511	3,046	-535	-18%
Working capital	3,864	3,681	182	5%
ROIC excl. goodwill	16.2%	13.4%	2.8%	
ROIC incl. goodwill	13.0%	10.9%	2.2%	

Schouw & Co. had a good overall second quarter of 2021, with the group's businesses generally experiencing good demand. However, all portfolio companies faced challenges of supply, high component and raw materials prices as well as sharply higher freight costs.

Consolidated revenue improved by 13% to DKK 5,586 million in Q2 2021 from DKK 4,938 million in Q2 2020. Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive all produced double-digit growth rates, but BioMar and, to a lesser extent, Fibertex Personal Care also contributed.

EBITDA was up by 8% from DKK 517 million in Q2 2020 to DKK 557 million in Q2 2021. The improvement was attributable to Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive, while BioMar reported a slight decline. As expected, Fibertex Personal Care reported a steep decline in earnings relative to last year, which was due to adverse developments in prices of raw materials, which can only be passed on to selling prices at a certain time lag.

The aggregate share of profit after tax in associates and joint ventures was DKK 13 million in Q2 2021, compared with a DKK 6 million share of loss in Q2 2020. In both periods, the share of profit or loss derived from BioMar's associates and joint ventures, and the positive change was predominantly attributable to the Chilean fish farming company Salmones Austral.

Consolidated net financial items were an expense of DKK 29 million in Q2 2021, compared with a DKK 33 million expense in Q2 2020. The improvement was due to a reduced negative impact of foreign exchange adjustments, etc. relative to Q2 2020.

ROIC excluding goodwill increased from 15.9% at 31 March 2021 to 16.2% at 30 June 2021, driven by the profit improvement.

Liquidity and capital resources

The Group's operating activities produced a DKK 269 million cash inflow in Q2 2021, compared with a cash inflow of DKK 607 million in Q2 2020. Fibertex Nonwovens and GPV contributed to improving the cash flows, while the remaining businesses all reported lower operating cash flows than last year generally due to increased business activity and larger inventories. Cash flows for investing activities in Q2 2021 amounted to DKK 239 million, against only DKK 79 million in Q2 2020.

The consolidated net interest-bearing debt was increased from DKK 2,214 million at 31 March 2021 to DKK 2,511 million at 30 June 2021. By comparison, net interest-bearing debt at 30 June 2020 was DKK 3,046 million. This brought the key credit ratio NIBD/EBITDA to 1.1 at 30 June 2021.

Working capital increased from DKK 3,656 million at 31 March 2021 to DKK 3,864 million at 30 June 2021. By comparison, working capital amounted to DKK 3,681 million at 30 June 2020.

Group developments

The Group's businesses generally experienced good demand and were well prepared to pursue opportunities that presented themselves. In some areas, production capacity was limited, but the businesses have exploited the opportunities available to expand capacity and optimise utilisation rates.

All our businesses have felt the effects of the prevailing supply challenges. Prices of a large number of raw materials and components have risen sharply, lead times have increased and the supply accuracy of many regular suppliers is below normal levels. In addition, freight costs have spiked. We prioritise maintaining a high level of service for our customers, and our reliability of supply takes priority over short-term inventory optimisation and cost savings.

The following is a brief review of business developments in the portfolio companies for the quarter. See the individual company reviews on the following pages for more information.

Interim report – Second quarter of 2021

BioMar lifted volume sales by 4% following a gradual normalisation in several markets. Higher prices of raw materials led to a further revenue improvement, but also put EBITDA slightly under pressure. The share of profit from associates and joint ventures improved sharply, mainly driven by the Chilean fish farming company Salmones Austral.

Fibertex Personal Care continues to see decent demand in core markets. Volume sales declined, but higher prices of raw materials resulted in a 2% revenue increase. As expected, realised EBITDA declined sharply due to higher prices of raw materials, which can only be passed on to selling prices at a certain time lag.

Fibertex Nonwovens achieved significant revenue improvements following a sharp rise in sales to the European automotive and construction industries combined with sustained business activity in the North American market. Realised EBITDA was considerably higher than expected, despite the challenge posed by high prices of raw materials and freight costs.

GPV generated decent revenue and EBITDA improvements despite continuing component supply challenges. Strong demand, good cost management and high capacity utilisation were the main drivers of improvement.

HydraSpecma reported strong revenue and EBITDA on a considerable improvement in sales of products for the vehicles segment, while maintaining its strong sales of solutions for wind turbines.

Borg Automotive has generated strong revenue and EBITDA improvements due to growing demand and a successful acquisition of the Spanish turbocharger business TMI at the beginning of the year. The agreed acquisition of the trading business SBS Automotive was completed on 1 July.

SCHOUW & CO. SHARES

Schouw & Co. shares appreciated by 4% during the second quarter to DKK 688.00 at 30 June 2021 from DKK 664.00 at 31 March 2021.

An ordinary dividend of DKK 14 per share was distributed during the quarter.

Events after the balance sheet date
Other than as set out elsewhere in this interim report, Schouw & Co. is not aware of events occurring after 30 June 2021 which are expected to have a material impact on the Group's financial position or outlook.

Accounting policies
The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for the consolidated and parent company financial statements of listed companies.

Schouw & Co. has implemented the standards and interpretations which are effective from 2021.

See the 2020 Annual Report for a full description of the accounting policies.

Judgments and estimates
The preparation of interim financial statements requires management to make accounting judgments and estimates that affect recognised assets, liabilities, income and expenses. Actual results may differ from these judgments and estimates.

Special risks
The overall risk factors the Schouw & Co. Group faces are discussed in the 2020 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2020 Annual Report.

Roundings and presentation
The amounts appearing in this interim report have generally been rounded to the nearest million using standard rounding principles. Accordingly, some additions may not add up.

Outlook

All of the Group's businesses anticipate strong business activity in the second half of 2021, although the sourcing of raw materials and components constitutes a challenge. Revenue and EBITDA guidance raised.

Outlook for 2021
The current high level of activity across the globe has led to a challenging situation with long lead times and considerable price rises on a number of key raw materials and components at a time when transport costs have surged.

The Group's businesses are generally seeing strong demand, and the higher prices of raw materials and components will likely drive up revenue. Our businesses have considerable production capacity, but they are all feeling the challenges of sourcing sufficient supplies for production and passing on the increased costs to selling prices. In addition, the coronavirus pandemic is adding to the uncertainty in certain markets, though overall expectations are somewhat more positive than was the case at the beginning of the year.

Against that background, Schouw & Co. is raising its guidance for full-year revenue to about DKK 23.7 billion (from previously about DKK 22.5 billion) and EBITDA in the DKK 2,155–2,340 million range (from previously DKK 2,105–2,315 million).

The following brief comments sum up the guidance for the individual portfolio companies. See the individual company reviews on the following pages for more information.

BioMar expects improved volume sales and based on the higher prices of raw materials raises its guidance to full-year revenue of about DKK 13.0 billion. The company reduces its EBITDA guidance to the DKK 940–985 million range and raises the forecast for the share of profit from associates and joint ventures by a considerable margin to DKK 50 million.

Fibertex Personal Care expects to report revenue in the DKK 2.2–2.3 billion range and EBITDA unchanged in the DKK 320–360 million range. The company's full-year guidance remains subject to developments in the supply situation, foreign exchange rates and to changes in prices of raw materials.

Fibertex Nonwovens continues to expect full-year revenue in the DKK 1.9–2.0 billion range. The full-year EBITDA is raised to the DKK 270–290 million range, assuming that increased costs of raw materials and freight can be passed on to selling prices.

GPV maintains its guidance of full-year revenue of about DKK 2.9–3.0 billion while EBITDA is raised to the DKK 260–300 million range. The company maintains a broad EBITDA range due to the challenges of sourcing materials for production.

HydraSpecma expects a challenging supply situation and higher prices of raw materials. Nevertheless, the company raises its full-year guidance to revenue in the DKK 2.2–2.3 billion range and EBITDA in the DKK 245–265 million range. The full-year earnings will include a DKK 12 million gain from the sale of a property.

Borg Automotive's guidance upgrade announced after the first quarter included the expected effects of the SBS Automotive acquisition. The good performance in the second quarter gives reason to upgrade the guidance once more, and Borg Automotive now expects full-year revenue of about DKK 1.3 billion. The EBITDA guidance is raised to the DKK 160–180 million range before any inventory adjustments relating to purchase price allocation relating to the acquisition of SBS Automotive.

REVENUE (DKKm)	2021F after Q2	2021F after Q1	2020 real.
BioMar	13,000	12,000	11,649
Fibertex Personal Care	2,250	2,200	2,118
Fibertex Nonwovens	1,950	1,950	1,791
GPV	2,950	2,950	2,887
HydraSpecma	2,250	2,200	1,977
Borg Automotive	1,300	1,250	871
Other/eliminations	0	0	-19
Total revenue	23,700	22,550	21,273

EBITDA (DKKm)	2021F after Q2	2021F after Q1	2020 real.
BioMar	940-985	950-1,020	972
Fibertex Personal Care	320-360	320-360	406
Fibertex Nonwovens	270-290	245-265	270
GPV	260-300	250-290	271
HydraSpecma	245-265	230-250	211
Borg Automotive	160-180	150-170	108
Other	-40	-40	-29
Total EBITDA	2,155-2,340	2,105-2,315	2,209
PPA depreciation*	-90	-85	-89
Other depreciation	-750	-775	-744
Total EBIT	1,315-1,500	1,245-1,455	1,376
Associates, JVs, etc.	50	25	-36
Equity divestments	0	0	2
Other financial items	-65	-75	-133
Profit before tax	1,300-1,485	1,195-1,405	1,209

* Before any additional PPA amortisation/depreciation relating to the acquisition of SBS Automotive

Management Statement

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 30 June 2021.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2021 and of the results of the Group's operations and cash flows for the three months ended 30 June 2021.

Furthermore, in our opinion the management's report includes a fair review of the development and performance of the business, the results for the period and the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Aarhus, 12 August 2021

Executive Management

Jens Bjerg Sørensen
President and CEO

Peter Kjær

Board of Directors

Jørn Ankær Thomsen
Chairman

Jørgen Wisborg
Deputy Chairman

Kjeld Johannesen

Agnete Raaschou-Nielsen

Hans Martin Smith

Kenneth Skov Eskildsen

Financial calendar for 2021

11/11/2021 ▷ Release of Q3 2021 interim report

The company provides detailed information about contacts and times of conference calls held in connection with the release of its interim reports through company announcements and postings on its website, www.schouw.dk.



Our businesses

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17 HydraSpecma
18 Borg Automotive

Portfolio company financial highlights – Q2

	BioMar		Fibertex Personal Care		Fibertex Nonwovens		GPV		HydraSpecma		Borg Automotive		Group	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
INCOME STATEMENT														
Revenue	2,858	2,695	558	548	511	392	763	676	609	458	293	173	5,586	4,938
Gross profit	341	340	97	151	129	99	123	100	160	110	79	28	928	828
EBITDA	215	222	61	124	82	60	77	62	86	46	48	11	557	517
Depreciation and impairment losses	86	85	33	35	25	26	28	29	23	21	14	12	210	208
EBIT	129	137	28	89	57	34	49	32	63	25	33	-1	347	309
Profit after tax in associates and JVs	13	-6	0	0	0	0	0	0	0	0	0	0	13	-6
Gains on equity divestments	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Net financial items	-24	-19	-4	-5	-8	-9	-7	-3	-3	-14	2	0	-29	-33
Profit before tax	118	113	24	85	49	25	41	29	60	11	35	-1	332	272
Tax on profit for the period	-38	-34	-7	-20	-13	-6	-5	-4	-14	-3	-8	0	-86	-69
Profit for the period	80	79	17	65	36	19	36	25	46	8	28	-1	246	203
Non-controlling interests	0	0	0	0	0	0	0	0	-1	0	0	0	-1	0
Schouw & Co.'s share of profit	80	79	17	65	35	19	36	25	45	9	28	-1	245	203
CASH FLOWS														
Cash flows from operating activities	77	260	22	143	53	48	-3	-17	40	86	66	75	269	607
Cash flow from investing activities	-83	-37	-69	-5	-60	-16	-16	-1	2	-17	-14	-2	-239	-79
Cash flows from financing activities	-64	-79	44	-164	1	-38	25	-67	-41	-62	-54	-73	-189	-488
BALANCE SHEET														
Intangible assets[1]	1,301	1,292	70	75	132	143	399	421	244	244	327	309	3,501	3,510
Property, plant and equipment	1,636	1,699	1,276	1,272	997	943	409	451	336	270	101	93	4,773	4,758
Other non-current assets	979	1,115	37	68	9	7	148	174	111	122	97	83	1,399	1,591
Cash and cash equivalents	457	543	26	28	95	99	228	192	69	63	30	46	558	615
Other current assets	4,266	3,912	713	576	819	743	1,365	1,313	1,141	989	619	427	8,919	7,944
Total assets	8,639	8,559	2,122	2,019	2,052	1,936	2,550	2,550	1,901	1,688	1,174	959	19,150	18,419
Shareholders' equity	2,544	2,597	1,017	1,055	745	629	951	876	627	530	529	508	9,876	9,350
Interest-bearing liabilities	2,665	2,869	523	453	943	1,035	778	978	762	750	157	32	3,110	3,705
Other liabilities	3,430	3,093	582	511	364	272	821	697	511	408	488	419	6,164	5,364
Total equity and liabilities	8,639	8,559	2,122	2,019	2,052	1,936	2,550	2,550	1,901	1,688	1,174	959	19,150	18,419
Average no. of employees	1,382	1,379	769	740	1,049	1,005	3,845	3,626	1,189	1,176	1,722	1,482	9,971	9,422
FINANCIAL KEY FIGURES														
EBITDA margin	7.5%	8.2%	10.9%	22.6%	16.0%	15.3%	10.0%	9.1%	14.1%	10.0%	16.2%	6.3%	10.0%	10.5%
EBIT margin	4.5%	5.1%	5.0%	16.3%	11.1%	8.7%	6.4%	4.8%	10.4%	5.4%	11.3%	-0.5%	6.2%	6.2%
ROIC excluding goodwill	18.0%	18.9%	13.1%	17.1%	16.2%	5.6%	14.8%	7.4%	16.3%	11.6%	23.8%	13.1%	16.2%	13.4%
ROIC including goodwill	13.0%	13.9%	12.3%	16.1%	15.0%	5.2%	13.2%	6.6%	14.5%	10.3%	12.7%	6.9%	13.0%	10.9%
Working capital	1,399	1,405	305	283	511	491	742	792	685	632	229	86	3,864	3,681
Net interest-bearing debt	2,170	2,284	497	425	848	936	550	786	692	687	127	-15	2,511	3,046

Notes: 1) Intangible assets in portfolio businesses stated exclusive of consolidated goodwill in Schouw & Co.

Portfolio company financial highlights – H1

	BioMar		Fibertex Personal Care		Fibertex Nonwovens		GPV		HydraSpecma		Borg Automotive		Group	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
INCOME STATEMENT														
Revenue	5,129	5,076	1,089	1,084	1,031	837	1,504	1,355	1,184	991	565	405	10,492	9,740
Gross profit	590	620	203	269	273	198	241	187	308	247	151	79	1,765	1,600
EBITDA	355	380	141	225	177	114	152	108	150	103	88	35	1,043	951
Depreciation and impairment losses	171	166	66	70	51	51	56	59	46	43	30	24	421	413
EBIT	183	214	75	155	127	63	96	49	104	61	57	11	622	537
Profit after tax in associates and JVs	0	8	0	0	0	0	0	0	0	0	0	0	0	8
Gains on equity divestments	0	0	0	0	0	0	0	0	0	0	0	0	3	2
Net financial items	-31	-29	-4	-4	-9	-21	0	-15	-4	-20	-2	-5	-22	-64
Profit before tax	153	194	70	151	118	42	97	34	101	40	55	6	604	484
Tax on profit for the period	-52	-53	-17	-35	-29	-11	-14	-8	-24	-9	-13	-2	-151	-122
Profit for the period	101	140	53	116	89	31	82	26	77	31	43	4	453	362
Non-controlling interests	0	0	0	0	-1	3	0	0	-1	1	0	0	-1	3
Schouw & Co.'s share of profit	101	140	53	116	88	34	82	26	76	32	43	4	452	365
CASH FLOWS														
Cash flows from operating activities	-164	163	63	249	107	94	100	52	61	114	-34	82	170	789
Cash flow from investing activities	-107	-93	-77	-12	-113	-51	-30	-14	-25	-38	-17	-5	-367	-213
Cash flows from financing activities	210	43	24	-241	9	-26	-51	-97	-32	-57	51	-67	117	-488
BALANCE SHEET														
Intangible assets[1]	1,301	1,292	70	75	132	143	399	421	244	244	327	309	3,501	3,510
Property, plant and equipment	1,636	1,699	1,276	1,272	997	943	409	451	336	270	101	93	4,773	4,758
Other non-current assets	979	1,115	37	68	9	7	148	174	111	122	97	83	1,399	1,591
Cash and cash equivalents	457	543	26	28	95	99	228	192	69	63	30	46	558	615
Other current assets	4,266	3,912	713	576	819	743	1,365	1,313	1,141	989	619	427	8,919	7,944
Total assets	8,639	8,559	2,122	2,019	2,052	1,936	2,550	2,550	1,901	1,688	1,174	959	19,150	18,419
Shareholders' equity	2,544	2,597	1,017	1,055	745	629	951	876	627	530	529	508	9,876	9,350
Interest-bearing liabilities	2,665	2,869	523	453	943	1,035	778	978	762	750	157	32	3,110	3,705
Other liabilities	3,430	3,093	582	511	364	272	821	697	511	408	488	419	6,164	5,364
Total equity and liabilities	8,639	8,559	2,122	2,019	2,052	1,936	2,550	2,550	1,901	1,688	1,174	959	19,150	18,419
Average no. of employees	1,387	1,361	763	740	1,050	999	3,728	3,622	1,177	1,181	1,698	1,501	9,818	9,418
FINANCIAL KEY FIGURES														
EBITDA margin	6.9%	7.5%	12.9%	20.8%	17.2%	13.6%	10.1%	8.0%	12.7%	10.4%	15.5%	8.7%	9.9%	9.8%
EBIT margin	3.6%	4.2%	6.8%	14.3%	12.3%	7.6%	6.4%	3.6%	8.8%	6.1%	10.2%	2.8%	5.9%	5.5%
ROIC excluding goodwill	18.0%	18.9%	13.1%	17.1%	16.2%	5.6%	14.8%	7.4%	16.3%	11.6%	23.8%	13.1%	16.2%	13.4%
ROIC including goodwill	13.0%	13.9%	12.3%	16.1%	15.0%	5.2%	13.2%	6.6%	14.5%	10.3%	12.7%	6.9%	13.0%	10.9%
Working capital	1,399	1,405	305	283	511	491	742	792	685	632	229	86	3,864	3,681
Net interest-bearing debt	2,170	2,284	497	425	848	936	550	786	692	687	127	-15	2,511	3,046

Notes: 1) Intangible assets in portfolio businesses stated exclusive of consolidated goodwill in Schouw & Co.

BioMar

After a gradual return to normality in several markets, improved volume sales and higher prices of raw materials led to further revenue improvements. Full-year revenue guidance is raised while full-year EBITDA guidance is reduced.

BioMar	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue	2,858	2,695	5,129	5,076	11,649
EBITDA	215	222	355	380	972
EBIT	129	137	183	214	637
Associates and JVs	13	-6	0	8	-36

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 10-11

BioMar is one of the world's largest manufacturers of quality feed for the fish and shrimp farming industries. The company's operations are divided into four divisions:

- The Salmon Division covering operations in Norway, Scotland, Chile and Australia. The division supplies high-yielding feed for Atlantic salmon, Pacific salmon and trout.
- The EMEA Division covering the EMEA region and involving all operations other than salmon. The division has production facilities in Denmark, France, Spain, Greece and Turkey.
- The LatAm Division covering Latin American operations involving shrimp and fish species other than salmon. The division has production facilities in Ecuador and Costa Rica.
- The Asia Division covering operations involving fish and shrimp in Asia. The division has production facilities in China and Vietnam.

BioMar	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Volume ('000 tonnes)					
Salmon Division	211	218	398	413	962
Other divisions	111	91	190	166	380
Total	322	310	588	579	1,342
Revenue (DKKm)					
Salmon Division	1,957	1,924	3,629	3,686	8,511
Other divisions	901	771	1,500	1,390	3,138
Total	2,858	2,695	5,129	5,076	11,649
EBITDA (DKKm)					
Salmon Division	104	119	186	210	553
Other divisions	111	102	169	170	419
Total	215	222	355	380	972

The business operations in Turkey and China are 50/50 joint ventures with local partners and therefore not consolidated.

Financial performance

Despite the persistent negative impact of the coronavirus pandemic on international aquaculture markets, BioMar managed to grow volume sales in the second quarter of 2021 by 4% year-on-year. Realised revenue was up by 6% from DKK 2,695 million in Q2 2020 to DKK 2,858 million in Q2 2021. In addition to higher volume sales, the revenue improvement was attributable particularly to higher selling prices caused by higher prices of raw materials. Relative to last year, the effect of exchange rate developments was largely neutral during the quarter.

The Salmon Division reported a volume decline that was mainly driven by the Chilean operations, as sales were reduced due to a combination of reduced fish stock biomass, algal blooms and local strikes. The division reported improvements in its other geographical regions.

The EMEA Division reported an important volume improvement in the second quarter of 2021 relative to the second quarter of 2020. The developments overall came about by demand normalising in northern Europe and a gradual recovery of demand in Spain following the severe damage to fish farming installations caused by Hurricane Gloria in January 2020.

The LatAm Division reported year-on-year improvements in volume sales in the second quarter of 2021. The advances indicate that the difficult conditions facing shrimp farmers caused by the coronavirus pandemic are gradually improving as demand is growing and selling prices are recovering. In addition, BioMar has expanded its customer portfolio in the various markets through a strong offering of products, concepts and services.

Realised EBITDA fell slightly from DKK 222 million in Q2 2020 to DKK 215 million in Q2 2021. The reduction was due to general fierce competition for volume sales and challenges in fully offsetting the sharp rise in prices of raw materials. Relative to last year, the effect of exchange rate developments had a slightly negative impact during the quarter.

BioMar had working capital of DKK 1,399 million at 30 June 2021, which was on a level with the amount at 30 June 2020. The current working capital includes increased amounts of trade receivables and inventories, which were partly offset by an increase in trade payables. The use of supply chain financing increased from DKK 860 million at 30 June 2020 to DKK 957 million at 30 June 2021, partly as a result of higher prices of raw materials.

ROIC excluding goodwill remained high, at 18.0% at 30 June 2021 compared with 18.1% at 31 March 2021.

Joint ventures and associates

BioMar manufactures fish feed in China and Turkey through two 50/50 joint ventures with local partners. These activities are not consolidated, but having a strong presence in these markets is very important to BioMar due to their large growth potential.

The two feed businesses reported combined Q2 2021 revenue (100% basis) of DKK 224 million and EBITDA of DKK 15 million, against revenue of DKK 161 million and EBITDA of DKK 13 million in Q2 2020. The revenue improvement was attributable to the operations in China, which also supported the earnings performance, whereas Turkey remains challenged by the coronavirus pandemic and the country's macroeconomic conditions.

BioMar

The associated businesses include the Chilean fish farming company Salmones Austral and the three minor businesses, Letsea, ATC Patagonia and LCL Shipping.

The non-consolidated joint ventures and associates are recognised in the Q2 2021 consolidated financial statements at a DKK 13 million share of profit after tax, compared with a DKK 6 million share of loss in the Q2 2020 period. The improvement was generally attributable to Salmones Austral in Chile, as settlement prices on farmed salmon are now improving strongly in that market from a low point caused by the pandemic.

Business review

Most parts of the world have been affected by the coronavirus situation since the first quarter of 2020. Conditions have varied from country to country, but BioMar has consistently adapted to the situation in each market, implementing a large number of measures to protect its employees and to support local communities in the worst affected areas.

The negative impact on BioMar's overall volume sales has been relatively modest to date, but certain markets have faced greater challenges than others. Currently, the most significant impact of the pandemic is the surge in prices of raw materials and transport costs, which are affecting BioMar's markets to varying degrees.

In February 2021, BioMar signed a partnership agreement with Viet-Uc, a leading player in Vietnam's shrimp farming industry. Under the agreement, BioMar becomes the majority owner and takes operational charge of a relatively new feed factory previously owned by Viet-Uc. The process of defining the partnership has been rendered difficult by the persistent travel restrictions, but the process of obtaining the necessary regulatory approvals has now been completed. The new partnership is expected to produce substantial synergies and to strengthen BioMar's global position in the shrimp feed market. In addition, BioMar has strengthened its organisation by dedicating management resources for Asia in order to emphasise its commitment to this important geographical region.

Outlook

From an overall perspective, long-term demand for farmed fish and shrimp generally seems sound. Many markets have overcome most of the disruption from the coronavirus pandemic, although the markets in South America and southern Europe still have some way to go before reaching normality. To date, the coronavirus pandemic has had only a limited impact on BioMar's overall volume sales. However, there have been shifts in geographical sales, and in some cases, sales of quite advanced feed products have been replaced by relatively lower-priced standard products.

The outlook for 2021 assumes market conditions remaining stable and the gradual return to normality continuing in all core markets. Based on that assumption, BioMar expects an increase in volume sales driven in part by gradual normalisation, in part by the effects of the strategic investments made in recent years.

Full-year revenue and EBITDA are, as always, subject to changes in prices of raw materials and in foreign exchange rates. The current pricing of raw materials and the prospects for the upcoming period gives reason to raise the revenue guidance but it also challenges the earnings guidance.

As a result, BioMar is raising its full-year revenue guidance to about DKK 13.0 billion from previously about DKK 12.0 billion, while at the same time reducing the EBITDA guidance to DKK 940–985 million from previously DKK 950–1,020 million.

Associates and joint ventures are recognised at a share of profit after tax. The largest contributor in this category is the fish farming company Salmones Austral, whose results are highly dependent on prices of farmed salmon in Chile. From the start of the year, BioMar expected its associates and joint ventures to contribute a combined share of profit for 2021 of approximately DKK 40 million, a strong improvement from the DKK 36 million loss recorded in 2020. After the first quarter, the expected salmon prices in Chile made BioMar reduce the expected share of profit for 2021 to about DKK 25 million, but with the latest trend in Chilean salmon prices, the estimated FY 2021 share of profit has now been raised to about DKK 50 million.

Fibertex Personal Care

Demand remaining strong in core markets. EBITDA reduced as expected due to the challenging situation of raw materials prices and supply chains. Full-year earnings guidance maintained.

Fibertex Personal Care	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue	558	548	1,089	1,084	2,118
EBITDA	61	124	141	225	406
EBIT	28	89	75	155	269

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 10-11

Fibertex Personal Care is one of the world's largest manufacturers of spunbond/spunmelt nonwovens for the personal care industry. The company has nonwovens production facilities in Denmark and Malaysia.

Operations include printing on nonwoven textiles for the personal care industry. Fibertex Personal Care is the market leader in this field. Printing operations are based in Germany, Malaysia and the USA. Both business areas focus mainly on materials for diapers, sanitary towels and incontinence products.

Financial performance

Fibertex Personal Care reported Q2 2021 revenue of DKK 558 million, up by 2% from DKK 548 million in Q2 2020. The improvement was driven by higher prices of raw materials, which triggered higher selling prices on sales volumes that were lower than last year's.

The Q2 2021 EBITDA was DKK 61 million, compared with DKK 124 million in Q2 2020. The considerable decline in earnings was expected and was due to adverse developments in prices of raw materials, which can only be passed on to selling prices at a certain time lag. As a result, the unfavourable price trends for raw materials had a negative impact of about DKK 65 million compared to the second quarter of 2020.

Fibertex Personal Care	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue (DKKm)	558	548	1,089	1,084	2,118
- nonwovens Denmark	186	184	356	367	696
- nonwovens Malaysia	291	280	577	551	1,065
- printing activities	81	84	156	166	357

Fibertex Personal Care increased its working capital from DKK 283 million at 30 June 2020 to DKK 305 million at 30 June 2021. The main reason for the higher working capital was the higher prices of raw materials and the resulting value increase of inventories.

The lower earnings reduced ROIC excluding goodwill to 13.1% at 30 June 2021 from 17.3% at 31 March 2021.

Business review

The market for spunbond nonwovens continues to enjoy attractive growth rates, particularly in Asia which is expected to see average growth rates in the coming years that are somewhat higher than global rates.

In order to capitalise on the growing demand for nonwovens in Asia, Fibertex Personal Care is expanding capacity by installing a Reicofil R5 production line in Malaysia. The new line applies state-of-the-art spunbond technology facilitating more efficient production of ultrafine fibres, which enables the company to reduce the weight of its products while retaining important features such as tensile strength and softness. Customised design elements installed on the line facilitate efficient production of small nonwovens rolls, which are in high demand in Asia. The new line will be set up at the factory in Sendayan and is expected to be operational in the first half-year of 2022. In addition to establishing a new nonwovens line in Malaysia, Fibertex Personal Care is adding a new print line at its US operations, which is expected to be commissioned by the end of 2021.

Turning to environmental matters, Fibertex Personal Care has completed installing solar panels on a 10,000 m² area on the roof of its factory in Malaysia, which are expected to provide the factory with about 2,600 MWH of green energy per year.

The coronavirus situation continues to restrict in-person contact with customers, suppliers and other business partners. However, an early sense of optimism prevails, and the personal care industry's largest trade fair, INDEX, is scheduled to be held in Geneva in October. Fibertex Personal Care plans to attend the event to launch products with customised prints, visual effects and softness features, and the company is prepared to set up new partnerships to develop a more sustainable supply chain.

Outlook

The coronavirus pandemic has challenged global supply chains, causing prices of raw materials, such as polypropylene, to surge, especially in Europe and the USA. In addition, a shortage of raw materials has forced Fibertex Personal Care to buy raw materials in the spot market at prices significantly higher than in the ordinary contracts market.

Most of Fibertex Personal Care's sales contracts have built-in automatic price adjustment mechanisms, ensuring that price changes of raw materials are reflected in selling prices at a certain time lag. While prices of raw materials are expected to trend lower towards the end of the year, price developments in 2021 are expected to have an overall negative impact on earnings, because prices of raw materials are still expected to be higher at the end of 2021 than at the beginning of the year.

The company's full-year guidance remains subject to developments in the supply situation, foreign exchange rates and to changes in prices of raw materials. Currently, Fibertex Personal Care expects FY 2021 revenue of approximately DKK 2.2–2.3 billion with the EBITDA guidance unchanged in the DKK 320–360 million range.

Fibertex Nonwovens

Significant improvements in revenue and earnings. Sharp rise in sales to the European automotive and construction industries combined with sustained business activity in the North American market. Full-year earnings forecast raised.

Fibertex Nonwovens	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue	511	392	1,031	837	1,791
EBITDA	82	60	177	114	270
EBIT	57	34	127	63	166

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 10-11

Fibertex Nonwovens is a globally leading manufacturer of nonwovens, i.e. fibre sheets produced on high-tech processing facilities with various purpose-specific post-processings. The products are used for a number of different industrial and healthcare purposes. The company's core markets are in Europe and in North and South America, while its secondary markets are in Africa.

Financial performance

Fibertex Nonwovens reported Q2 2021 revenue of DKK 511 million, a 30% increase from DKK 392 million in Q2 2020. The improvement was primarily attributable to a sharp increase in sales of materials to the automotive and construction industries during the second quarter of 2020 when the European automotive and other industries were severely affected by the pandemic. In other words, the positive performance was driven mainly by Europe, but sales in North America, of primarily filtration materials and materials for disposable wipes, also improved.

Realised EBITDA for the second quarter was DKK 82 million, up from DKK 60 million in Q2 2020, which was considerably higher than expected. The main drivers of the earnings increase were a combination of strong business activity during the quarter and the positive effects of previous cost-saving initiatives. The anticipated negative impact of surging prices of raw materials and transport services were mitigated during the quarter by successful efforts to offset higher costs in selling prices.

Due to the greater volume of business activity, the company's working capital increased from DKK 491 million at 30 June 2020 to DKK 511 million at 30 June 2021. ROIC excluding goodwill increased from 14.9% at 31 March 2021 to 16.2% at 30 June 2021, due to the increase in earnings.

Business review

Over the last few years, Fibertex Nonwovens has consolidated its position as a leading manufacturer of special-purpose nonwovens. Recent years' investments to expand global production capacity have been instrumental for the company to capitalise on the opportunities arising in the wake of the coronavirus pandemic, based on a surge in the consumption of filtration materials and materials for wipes, much of which is used for cleaning and disinfection purposes.

Generally good market conditions have prevailed throughout the second quarter, where strong demand for filtration materials and materials for wipes in North America has dominated the recent period, causing market overheating due to the build-up of buffer stocks by a number of customers. On the contrary, the shortage of electronics and other components mean that the automotive industry is once again forced to cut back on production for a while.

The massive increases in prices of raw materials and transport costs have to a large extent been offset through higher selling prices. However, the market is still finding its level and the pressure on earnings is expected to grow in the upcoming period as the high prices of raw materials feed through.

The positive developments in Europe have continued, especially in terms of demand for the more specialised applications, and in the second quarter, Fibertex Nonwovens announced a DKK 300 million investment for capacity expansion in order to meet the growing demand for nonwovens in Europe. The investment is for a new production line in the Czech Republic and for capacity expansion in Turkey. The capacity expansion in Europe follows a previous announcement in 2021 of a similar investment for capacity expansion in the USA.

Outlook

Going forward, Fibertex Nonwovens expects promising growth opportunities in the use of nonwovens for industrial and healthcare-related purposes. Fibertex Nonwovens continues to expect satisfactory market activity along with good capacity utilisation for the company. However, it also expects a slight reduction in volume sales for the rest of the year due to the temporary slump in activity in the automotive industry and the apparent reduction in demand for filtration materials and materials for wipes in North America.

The current increased levels of activity across the world have resulted in global shortages of materials and components, which in turn have led to sharply rising prices of raw materials and supply shortages. Combined with steeply rising freight rates, the company's earnings might be under pressure until a new equilibrium has been established. Accordingly, the outlook for the rest of 2021 remains subject to uncertainty with respect to prices of raw materials and the chances of offsetting higher costs in selling prices.

Against this background, Fibertex Nonwovens maintains expectation to generate full-year 2021 revenue of DKK 1.9–2.0 billion, while raising its EBITDA guidance to the DKK 270–290 million range from previously DKK 245–265 million.

GPV

Decent revenue and EBITDA improvements despite continuing component supply challenges. Full-year revenue guidance maintained and earnings guidance raised.

GPV	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue	763	676	1,504	1,355	2,887
EBITDA	77	62	152	108	271
EBIT	49	32	96	49	151

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 10-11

GPV is a leading European EMS (Electronics Manufacturing Services) company. The company is a high-mix/low-medium volume manufacturer in the B2B market. Core products are electronics, mechanics, cable harnessing, mechatronics (combination of electronics, mechanics and software) and associated services.

The company's customers are mainly major international businesses typically headquartered in Europe or North America, and GPV supplies its customers' international units in more than fifty countries. GPV has a strong production platform and operates production facilities in Denmark, Switzerland, Germany, Austria, Slovakia, Thailand, Sri Lanka, China and Mexico.

Financial performance

GPV reported Q2 2021 revenue of DKK 763 million, a 13% increase from DKK 676 million in Q2 2020. The improvement was driven by increased demand from a number of the company's customers.

The supply of production materials remains under heavy pressure, resulting in higher component prices and longer lead times. As a result, GPV has encouraged customers to extend their planning periods, which has obviously made for a longer order horizon.

The Q2 2021 earnings were much better than expected, resulting in EBITDA of DKK 77 million, up from DKK 62 million in Q2 2020. Earnings were lifted by the increased sales along with good cost management and high capacity utilisation at GPV's factories.

Working capital fell from DKK 792 million at 30 June 2020 to DKK 742 million at 30 June 2021. ROIC excluding goodwill improved to 14.8% at 30 June 2021 from 13.3% at 31 March 2021, driven mainly by the improved earnings and lower invested capital.

Business review

Meeting customer requirements for high quality standards and reliability of supply is a big priority for GPV. Needless to say, the standard the company aims to uphold for reliability of supply has come under pressure due to the challenges of sourcing materials for production. To ensure adequate flexibility, GPV installed additional production capacity at selected factory sites during the first half of 2021, and the company is planning to install additional capacity in the second half of the year. In addition, GPV runs an ongoing investment programme aiming to increase automation and efficiency. The programme involves an ongoing focus on digitising business processes, including the use of value-creating video streaming for customer audits, certification audits and implementing new products.

GPV has decided to consolidate its manufacturing operations in Asia at two major factories, one in Thailand and one in Sri Lanka. The company expects to launch two already planned expansion projects at the two sites in the second half of 2021. Further to the decision to consolidate, the company has begun closing down its Chinese manufacturing unit, and the future operations in China will concentrate on sourcing materials and procuring components for GPV's factories. The changes to be made in China are not expected to have any significant impact on the financial results for 2021.

Outlook

GPV estimates that the positive business activity experienced in the first half of 2021 will continue into the third quarter, while it remains more uncertain how demand will develop in the fourth quarter of the year. Recently, increased demand has extended considerably the lead times for electronic components, and several suppliers are currently not capable of meeting their usual levels of supply accuracy. This creates challenging conditions, which GPV is trying to deal with in close collaboration with its customers.

GPV continues to anticipate some degree of uncertainty surrounding the coronavirus pandemic, particularly in Thailand and Sri Lanka, and how it may impact the company in the second half of 2021. In terms of a comparison with last year, it should also be noted that business activity in H2 2020 was heavily supported by one specifically large order from a MedTech customer in the ventilator segment.

Based on the fair level of business activity in the first half-year of 2021 and the good prospects for the third quarter, GPV retains its full-year revenue forecast of DKK 2.9–3.0 billion, and raises its EBITDA guidance to the DKK 260–300 million range from previously DKK 250–290 million.

HydraSpecma

Strong revenue and EBITDA performance following sharp improvement in sales of products to the vehicles segment. Full-year revenue and earnings guidance upgraded despite challenging supply situation and higher prices of materials.

HydraSpecma	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue	609	458	1,184	991	1,977
EBITDA	86	46	150	103	211
EBIT	63	25	104	61	123

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 10-11

HydraSpecma is a manufacturing, trading and engineering company specialising in Power & Motion whose core business is hydraulic components and systems for industry and the aftermarket. The company is a market leader in the Nordic region and also serves customers from units in Poland, the UK, China, India, Brazil and the USA.

Financial performance

HydraSpecma experienced strong demand for both components and systems in its Power & Motion segment during the second quarter of 2021. This has sharply increased sales year-on-year, especially in the vehicles segment to the Commercial Vehicle, Construction Equipment and Material Handling customer groups. In the second quarter of 2020, sales were strongly impacted by the coronavirus pandemic. At the same time, the company has retained its healthy sales to the wind turbine segment.

As a result, HydraSpecma reported Q2 2021 revenue of DKK 609 million, a 33% increase from DKK 458 million in Q2 2020. The realised EBITDA for Q2 2021 was DKK 86 million, compared with DKK 46 million in Q2 2020. The figure includes a DKK 12 million gain on the sale of a property in Greve, Denmark, but adjusted for this factor EBITDA still improved by 60%.

Working capital increased from DKK 632 million at 30 June 2020 to DKK 685 million at 30 June 2021, mainly due to the increase in business activity. ROIC excluding goodwill increased from 13.2% at 31 March 2021 to 16.3% at 30 June 2021, driven mainly by the earnings improvement including the gain from the property sale in Greve.

Business review

HydraSpecma's new production and logistics facilities covering 11,000 m² near Gothenburg are now in operation following a well-planned and successful relocation process. The new facilities will enable the company to optimise its production flows and increase production capacities to meet the growing demand from European customers in the Commercial Vehicles segment.

In April, HydraSpecma sold a property at Greve outside Copenhagen, but will be renting the site until a new tech centre, currently being built at nearby Ishøj, is ready for occupation later this year. The new tech centre will serve as HydraSpecma's pick-up site for customers in the Zealand region, and together with the company's strong logistics setup that includes the site at Skjern in Jutland and the company's web shop, the new tech centre will offer a level of service that is second to none in the industry.

HydraSpecma continues to expect that the geographical distribution of the business will shift towards Asia in the coming years, with business activity growing especially in the wind turbine segment. To accommodate this shift, HydraSpecma has begun to establish new production facilities on the outskirts of Chennai in India, where the company has operated from relatively small premises for a number of years. Initially, the new facilities will include a leased plant of some 4,200 m², which is expected to be ready in the second quarter of 2022. In China, HydraSpecma has established a joint management of the two local units in Tianjin and Shanghai in order to enhance the focus on earnings and the growing business opportunities in the region.

HydraSpecma continually reviews its product offering and takes steps to strengthen its competence centres in the most important segments, whether in terms of its proprietary, specialty or customer-specific products. The recently opened electrification competence centre has attracted a positive response in the market and has led to new projects in several customer segments.

Outlook

HydraSpecma expects to continue its positive sales performance to global OEM customers in the vehicles segment during the second half of 2021, but it also anticipates a temporary setback in sales to the wind turbine segment.

On the supply side, the company is facing challenges by way of sharply increasing prices of products containing steel and rubber, and costs of overseas transport have also risen considerably. Manufacturers of hydraulics and electric components have extended their lead times, and due to the current strong demand, shipment accuracy does not meet usual standards. This leads to issues in production, as HydraSpecma incurs extra costs in maintaining the high service levels that it wishes to extend to its customers.

For the year overall, however, the high level of business activity is expected to have a positive effect. Based on the current outlook, HydraSpecma is raising its guidance for full-year revenue to the DKK 2.2–2.3 billion range (from previously about DKK 2.2 billion) and EBITDA in the DKK 245–265 million range (from previously DKK 230–250 million).

Borg Automotive

Strong improvements to revenue and earnings driven by increased demand and successful acquisition of turbocharger operations. Trading company SBS Automotive consolidated from 1 July. Full-year guidance raised.

Borg Automotive	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenue	293	173	565	405	871
EBITDA	48	11	88	35	108
EBIT	33	-1	57	11	60

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 10-11

Europe's largest independent remanufacturing company, Borg Automotive, produces sells and distributes remanufactured automotive parts to aftermarket customers and OE manufacturers in Europe.

Borg Automotive sells its products under four different brands: the international brand Lucas and the company's three proprietary brands: Elstock, DRI and TMI. The company's main products are starters, alternators, brake callipers, air-condition compressors, EGR valves, steering racks, pumps and turbochargers. The company's business model is supported by a sales deposit system that encourages customers to return defective spare parts as they are replaced, so they can be used as cores for remanufacturing purposes.

Headquartered in Silkeborg, Denmark, Borg Automotive has a sales subsidiary in Belgium and production facilities in Poland, the UK and Spain. Effective 1 July 2021, Borg Automotive acquired SBS Automotive, a trading company based in Støvring, Denmark and with sales offices in Germany, France and Russia.

Financial performance

Borg Automotive reported an increase in business activity in several markets during the second quarter of 2021 despite the ongoing coronavirus pandemic. The company has also seen positive effects of its successful start to selling turbochargers, realising revenue of DKK 293 million for the quarter. By comparison, revenue was DKK 173 million in Q2 2020, when the market was extremely depressed due to the coronavirus pandemic.

EBITDA for Q2 2021 was DKK 48 million, compared with DKK 11 million in Q2 2020. The improvement was mainly attributable to the increase in revenue, but initiatives and cost adjustments launched in 2020 to counter the effects of the pandemic also boosted Q2 earnings.

Working capital increased from an unusual low of DKK 86 million at 30 June 2020 to DKK 229 million at 30 June 2021. ROIC excluding goodwill increased from 19.2% at 31 March 2021 to 23.8% at 30 June 2021, due to the increase in earnings.

Business review

Unlike the extremely low level seen in the second quarter of 2020, business activity approached normal levels during the second quarter of 2021, even though a number of important markets in Europe remain affected by the coronavirus pandemic. Borg Automotive's customer base was largely the same as last year, other than the addition of a few minor customers in connection with the acquisition of the operations from the Spanish company Turbo Motor Inyección (TMI) shortly before the end of 2020.

An ongoing priority at Borg Automotive has been to develop the product programme, and the acquisition of the turbocharger operations in Spain accommodates customer demand. In addition, the company has focused on optimising production and ensuring complementary operations at the production units in Poland, the UK and Spain. The company has stepped up investments in recent years in order to accommodate growing demand and manage the expansion of its product portfolio, but also to handle greater product complexity and increasing electrification.

Effective from 1 July 2021, Borg Automotive acquired SBS Automotive, a trading company dealing in automotive spare parts headquartered in Støvring. SBS Automotive has some 130 employees and generated revenue of DKK 455 million and EBITDA of DKK 20 million in 2020. SBS complements Borg Automotive's operations and is considered an important factor in Borg Automotive's strategic development. The deal was concluded based on an earn-out model in which the enterprise value was set at five times the 2022 EBITDA.

Outlook

Already at the beginning of the year, expectations to the general demand trends were positive, and Borg Automotive anticipates positive effects from acquiring the TMI turbocharger operations in Spain effective from 1 January and the trading company SBS Automotive effective from 1 July. However, as Borg Automotive generates 10-15% of its overall sales in the UK, this country's exit from the EU has led to a more complex trading environment and added costs. Also, the coronavirus pandemic continues to drive uncertainty in the market.

Borg Automotive's guidance upgrade announced after the first quarter included the expected effects of the SBS Automotive acquisition. The excellent performance in the second quarter and the strong financial results mean the company is raising its guidance once more. Accordingly, Borg Automotive now expects to generate revenue of approximately DKK 1,300 million instead of previously about DKK 1,250 million. The EBITDA guidance is raised by about DKK 10 million to the range of DKK 160–180 million before any inventory adjustments relating to purchase price allocation following the acquisition of SBS Automotive.

Interim financial statements

20 Statements of income and comprehensive income
21 Balance sheet · Assets and liabilities
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23 Statement of changes in equity
24 Notes to the financial statements

Statements of income and comprehensive income

Note	Income statement	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
1	Revenue	5,586	4,938	10,492	9,740	21,273
	Cost of sales	-4,658	-4,110	-8,727	-8,140	-17,746
	Gross profit	928	828	1,765	1,600	3,528
	Other operating income	17	9	27	13	27
	Distribution costs	-376	-327	-722	-658	-1,331
2	Administrative expenses	-222	-196	-444	-405	-831
	Other operating expenses	-1	-5	-3	-13	-17
	EBIT	347	309	622	537	1,376
	Profit after tax in associates	6	-10	-7	1	-44
	Profit after tax in joint ventures	7	4	7	8	8
	Gains on divestments	0	2	3	2	2
	Financial income	17	8	62	35	76
	Financial expenses	-45	-41	-84	-99	-209
	Profit before tax	332	272	604	484	1,209
	Tax on profit for the period	-86	-69	-151	-122	-300
	Profit for the period	246	203	453	362	909
	Shareholders of Schouw & Co.	245	203	452	365	912
	Non-controlling interests	1	0	1	-3	-3
	Profit for the period	246	203	453	362	909
6	Earnings per share (DKK)	10.20	8.49	18.83	15.25	38.04
6	Diluted earnings per share (DKK)	10.15	8.49	18.74	15.25	38.00

Note	Statement of comprehensive income	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
	Items that cannot be reclassified to the income statement:					
	Actuarial gains/losses on defined benefit pension liabilities	0	0	0	0	-17
	Items that can be reclassified to the income statement:					
	Foreign exchange adjustments of foreign units, etc.	-42	-33	108	-203	-492
	Value adjustment of hedging instruments	12	17	13	10	-8
	Hedging instruments transferred to cost of sales	0	0	8	-2	-2
	Hedging instruments transferred to financials	-2	-1	-4	-1	2
	Other comprehensive income from associates and JVs	0	0	0	0	-11
	Other adjustments to other comprehensive income	-1	-1	1	0	-2
	Tax on other comprehensive income	1	-3	0	-2	3
	Other comprehensive income after tax	-32	-22	126	-197	-528
	Profit for the period	246	203	453	362	909
	Total recognised comprehensive income	214	182	579	165	381
	Attributable to					
	Shareholders of Schouw & Co.	213	182	577	167	383
	Non-controlling interests	1	0	1	-3	-2
	Total recognised comprehensive income	214	182	579	165	381

Amounts in DKK million

Balance sheet • Assets and liabilities

Note	Assets	30/6 2021	31/12 2020	30/6 2020	31/12 2019
	Intangible assets	3,501	3,423	3,510	3,568
	Property, plant and equipment	4,773	4,659	4,758	4,956
	Lease assets	673	721	740	827
	Equity investments in associates	351	347	423	427
	Equity investments in joint ventures	143	134	138	136
	Securities	81	80	79	79
	Deferred tax	118	104	127	122
	Receivables	34	41	84	107
	Total non-current assets	9,673	9,509	9,859	10,222
	Inventories	4,340	3,692	3,807	3,868
3	Receivables	4,531	4,071	4,112	4,112
	Income tax receivable	48	88	25	37
	Cash and cash equivalents	558	635	615	538
	Total current assets	9,477	8,486	8,560	8,554
	Total assets	19,150	17,994	18,419	18,777

Note	Liabilities and equity	30/6 2021	31/12 2020	30/6 2020	31/12 2019
6	Share capital	255	255	255	255
	Hedge transaction reserve	7	-10	3	-3
	Exchange adjustment reserve	-145	-253	47	251
	Retained earnings	9,749	9,257	9,045	8,658
	Proposed dividend	0	357	0	357
	Equity attributable to parent company shareholders	9,866	9,606	9,350	9,519
	Non-controlling interests	10	0	0	2
	Total equity	9,876	9,605	9,350	9,521
	Deferred tax	350	357	406	409
	Other payables	383	344	316	306
	Interest-bearing debt	2,083	1,742	1,761	2,976
	Non-current liabilities	2,816	2,443	2,483	3,691
	Interest-bearing debt	1,027	856	1,943	909
	Trade payables and other payables	4,944	4,574	4,148	4,173
	Liability regarding put option	353	360	388	369
	Corporate income tax	134	155	108	114
	Current liabilities	6,458	5,946	6,586	5,565
	Total liabilities	9,274	8,389	9,069	9,256
	Total equity and liabilities	19,150	17,994	18,419	18,777

Notes without reference 5 and 7-9.

Amounts in DKK million

Cash flow statement

Note		Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
	Profit before tax	332	272	604	484	1,209
	Adjustment for non-cash operating items etc.:					
	Depreciation and impairment losses	210	208	421	413	833
	Other non-cash operating items, net	-16	-7	-19	-10	-7
	Provisions	20	1	28	3	24
	Share of profit after tax in associates and JVs	-13	6	0	-8	36
	Financial income	-17	-8	-62	-35	-76
	Financial expenses	45	41	84	99	209
	Cash flows from operations before changes in working capital	561	512	1,055	945	2,228
	Changes in working capital	-195	176	-714	11	471
	Cash flows from operations	366	688	341	957	2,699
	Interest received	4	3	8	6	19
	Interest paid	-33	-39	-47	-66	-113
	Cash flows from ordinary activities	336	652	301	897	2,605
	Income tax paid	-67	-45	-132	-108	-309
	Cash flows from operating activities	269	607	170	789	2,296
	Purchase of intangible assets	-13	-6	-23	-11	-48
	Purchase of property, plant and equipment	-193	-79	-324	-213	-454
	Sale of property, plant and equipment	26	1	37	3	9
4	Acquisitions	-47	0	-47	0	-60
	Divestments	0	0	1	0	0
	Additions/disposals of other financial assets	-12	5	-11	8	22
	Cash flows from investing activities	-239	-79	-367	-213	-533

Note		Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
	Loan financing:					
	Repayment of non-current liabilities	-35	-135	-101	-242	-360
	Proceeds from non-current liabilities incurred	1	72	73	74	0
	Increase of bank overdrafts	181	-89	481	6	-945
	Cash flows from debt financing	147	-152	453	-162	-1,305
	Shareholders:					
	Dividends paid	-336	-336	-336	-336	-336
	Purchase/sale of treasury shares, net	0	0	0	9	11
	Cash flows from financing activities	-189	-488	117	-488	-1,630
	Cash flows for the period	-158	40	-81	87	133
	Cash and cash equivalents, beginning of period	723	578	635	538	538
	Value adjustment of cash and cash equivalents	-6	-3	4	-10	-37
	Cash and cash equivalents, end of period	558	615	558	615	635

Amounts in DKK million

Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Shareholders' equity
Equity at 1 January 2020	255	-3	251	8,658	357	9,519	2	9,521
Profit and other comprehensive income:								
Foreign exchange adjustments of foreign subsidiaries		0	-204	0	0	-204	1	-203
Value adjustment of hedging instruments for the period		10	0	0	0	10	0	10
Hedging instruments transferred to cost of sales		-2	0	0	0	-2	0	-2
Hedging instruments transferred to financials		-1	0	0	0	-1	0	-1
Other comprehensive income from associates and joint ventures		0	0	0	0	0	0	0
Other adjustments to other comprehensive income		0	0	0	0	0	0	0
Tax on other comprehensive income		-2	0	0	0	-2	0	-2
Profit for the period		0	0	365	0	365	-3	362
Total recognised comprehensive income		6	-204	366	0	167	-3	165
Transactions with owners:								
Share-based payment		0	0	10	0	10	0	10
Distributed dividends		0	0	21	-357	-336	0	-336
Value adjustment of put option		0	0	-19	0	-19	0	-19
Treasury shares bought/sold		0	0	9	0	9	0	9
Total transactions with owners during the period		0	0	21	-357	-336	0	-336
Equity at 30 June 2020	255	3	47	9,045	0	9,350	0	9,350
Equity at 1 January 2021	255	-10	-253	9,257	357	9,606	0	9,605
Profit and other comprehensive income:								
Foreign exchange adjustments of foreign subsidiaries		0	108	0	0	108	0	108
Value adjustment of hedging instruments for the period		13	0	0	0	13	0	13
Hedging instruments transferred to cost of sales		8	0	0	0	8	0	8
Hedging instruments transferred to financials		-4	0	0	0	-4	0	-4
Other adjustments to other comprehensive income		0	0	1	0	1	0	1
Tax on other comprehensive income		1	0	0	0	0	0	0
Profit for the period		0	0	452	0	452	1	453
Total recognised comprehensive income		17	108	452	0	577	1	579
Transactions with owners:								
Share-based payment		0	0	12	0	12	0	12
Distributed dividends		0	0	21	-357	-336	0	-336
Additions/disposals of non-controlling interests		0	0	0	0	0	9	9
Value adjustment of put option		0	0	7	0	7	0	7
Total transactions with owners during the period		0	0	40	-357	-317	9	-308
Equity at 30 June 2021	255	7	-145	9,749	0	9,866	10	9,876

Amounts in DKK million

Notes to the financial statements

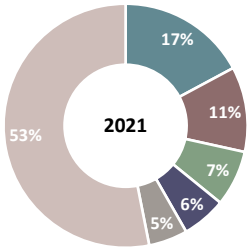
1
Segment reporting

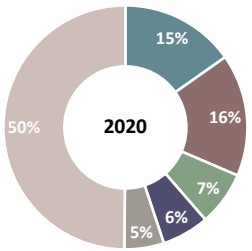
Reporting segments YTD 2021	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	HydraSpecma	Borg Automotive	Reporting segments	Non-reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	5,129	1,080	1,031	1,504	1,184	565	10,492	0	0	0	10,492
Intra-group revenue	0	9	0	0	0	0	9	0	6	-14	0
Segment revenue	5,129	1,089	1,031	1,504	1,184	565	10,501	0	6	-14	10,492
EBITDA	355	141	177	152	150	88	1,063	0	-20	0	1,043
Depreciation and impairment losses	171	66	51	56	46	30	420	0	0	0	421
EBIT	183	75	127	96	104	57	643	0	-20	0	622
Share of profit in associates and JVs	0	0	0	0	0	0	0	0	0	0	0
Tax on profit for the period	-52	-17	-29	-14	-24	-13	-149	0	-2	0	-151
Profit for the period	101	53	89	82	77	43	444	0	9	0	453
Segment assets:	9,069	2,170	2,084	2,550	1,901	1,690	19,463	0	10,709	-11,021	19,150
Of which goodwill	1,431	99	117	171	144	516	2,478	0	0	0	2,478
Equity investments in associates and JVs	486	0	0	0	8	0	494	0	0	0	494
Segment liabilities	6,095	1,105	1,307	1,599	1,273	645	12,024	0	1,869	-4,618	9,274
Working capital	1,399	305	511	742	685	229	3,870	0	-6	0	3,864
Net interest-bearing debt	2,170	497	848	550	692	127	4,884	0	-2,373	0	2,511
Cash flows from operating activities	-164	63	107	100	61	-34	133	0	27	10	170
Capital expenditure	56	77	113	30	25	9	310	0	0	0	310
Acquisitions and divestments	39	0	0	0	0	8	47	0	-1	0	46
Average no. of employees	1,387	763	1,050	3,728	1,177	1,698	9,803	0	15	0	9,818

Based on management control and financial management, Schouw & Co. has identified six reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive. All inter-segment transactions were made on an arm's length basis.

The data on revenue by geography are based on customers' geographical location, while data on intangible assets and property, plant and equipment by geography are based the geographical location of the assets. The specification shows individual countries that account for more than 5% of the Group in terms of revenue or assets. As Schouw & Co.'s consolidated revenue is generated in some 100 different countries, a very large proportion of revenue derives from the 'Other' category.

Revenue by country:





	YTD 2021	YTD 2020
Norway	1,801	1,484
Chile	1,185	1,579
Denmark	777	700
UK	616	610
Germany	541	510
Other	5,572	4,857
Total	10,492	9,740

Amounts in DKK million

Notes to the financial statements

1
Segment reporting (continued)

Reporting segments YTD 2020	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	HydraSpecma	Borg Automotive	Reporting segments	Non-reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	5,076	1,075	837	1,355	991	405	9,739	1	0	0	9,740
Intra-group revenue	0	9	0	0	0	0	9	0	5	-14	0
Segment revenue	5,076	1,084	837	1,355	991	405	9,748	1	5	-14	9,740
EBITDA	380	225	114	108	103	35	966	1	-16	0	951
Depreciation and impairment losses	166	70	51	59	43	24	413	0	0	0	413
EBIT	214	155	63	49	61	11	554	0	-17	0	537
Share of profit in associates and JVs	8	0	0	0	0	0	8	0	0	0	8
Tax on profit for the period	-53	-35	-11	-8	-9	-2	-119	0	-3	0	-122
Profit for the period	140	116	31	26	31	4	349	0	13	0	362
Segment assets:	8,990	2,067	1,968	2,550	1,688	1,475	18,737	11	10,726	-11,055	18,419
Of which goodwill	1,398	99	119	177	139	516	2,448	0	0	0	2,448
Equity investments in associates and JVs	554	0	0	0	8	0	562	0	0	0	562
Segment liabilities	5,962	964	1,306	1,675	1,158	451	11,516	6	2,401	-4,855	9,069
Working capital	1,405	283	491	792	632	86	3,689	0	-8	0	3,681
Net interest-bearing debt	2,284	425	936	786	687	-15	5,104	4	-2,063	0	3,046
Cash flows from operating activities	163	249	94	52	114	82	754	1	26	8	789
Capital expenditure	98	12	51	17	38	5	221	0	0	0	221
Acquisitions and divestments	0	0	0	0	0	0	0	0	0	0	0
Average no. of employees	1,361	740	999	3,622	1,181	1,501	9,404	0	14	0	9,419

Notes to the financial statements

2
Costs

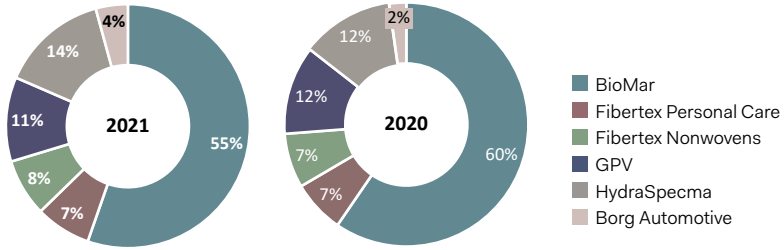
Share-based payment: Share option programme
The company maintains an incentive programme for the Executive Management and senior managers, including the executive managements of subsidiaries. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at around the time of grant plus a calculated rate of interest from the date of grant until the date of exercise. The 2021 grant is described in greater detail in company announcement no. 2/2021 of 12 March 2021.

Outstanding options	Executive management	Other	Total
Total outstanding options at 31 December 2020	217,000	1,050,000	1,267,000
Lapsed in 2021	-55,000	-212,000	-267,000
Granted in 2021	40,000	363,000	403,000
Total outstanding options at 30 June 2021	202,000	1,201,000	1,403,000

3
Receivables (current)

	30/6 2021	**30/6 2020**
Trade receivables	4,130	3,803
Other current receivables	327	243
Prepayments	74	66
Total current receivables	4,531	4,112

Trade receivables by portfolio company:



Amounts in DKK million

	Not fallen due	Due between (days) 1-30	31-90	>91	Total
30/6 2021					
Total receivables	3,524	316	159	283	4,282
Impairment losses on trade receivables	-25	-4	-6	-117	-153
Trade receivables, net	3,499	312	153	166	4,130
Proportion of total receivables expected to be settled					96.4%
Impairment rate	0.7%	1.2%	4.0%	41.4%	3.6%

	Not fallen due	Due between (days) 1-30	31-90	>91	Total
30/6 2020					
Total receivables	3,173	394	143	241	3,951
Impairment losses on trade receivables	-42	-7	-8	-91	-148
Trade receivables, net	3,131	387	135	150	3,803
Proportion of total receivables expected to be settled					96.2%
Impairment rate	1.3%	1.8%	5.8%	37.7%	3.8%

	30/6 2021	**30/6 2020**
Impairment losses on trade receivables		
Impairment losses, beginning of period	-142	-171
Foreign exchange adjustments	-1	3
Impairment losses for the period	-9	-6
Realised loss	0	26
Impairment losses, end of period	-153	-148

Notes to the financial statements

4
Acquisitions

	Viet-Uc	TMI	YTD 2021	YTD 2020
Property, plant and equipment	25	0	25	0
Lease assets	2	0	2	0
Inventories	1	0	1	0
Cash and cash equivalents	1	0	1	0
Net assets acquired	29	0	29	0
Of which non-controlling interests	-9	0	-9	0
Goodwill	86	0	86	0
Acquisition cost	105	0	105	0
of which cash and cash equivalents	-1	0	-1	0
Contingent consideration (earn-out)	-66	0	-66	0
Paid earn out	0	8	8	0
Total cash acquisition costs	39	8	47	0

By taking over a majority shareholding in Vietnamese shrimp feed producer Viet-Uc, BioMar has taken an important step towards establishing a global presence in the production of shrimp feed. The acquisition provides crucial access to the Vietnamese market for shrimp farming, whose annual production of more than 600,000 tonnes of shrimp makes it one of the world's largest of its kind.

BioMar acquired 67.5% of the shares effective 1 May 2021 at an expected total purchase price of DKK 105 million. The purchase sum consists of DKK 39 million in cash and expected earn-out payments of DKK 66 million. The final purchase price will be made up on the basis of the company's EBIT for the years 2024 and 2025.

No values in excess of carrying amounts were identified in the company in connection with the acquisition. The acquisition involves goodwill of DKK 86 million. The acquisition of Viet-Uc involved costs of DKK 1.1 million, which amount has been recognised under administrative expenses. Had the company been acquired effective from 1 January 2021, its profit would have been DKK 2 million less, while revenue would have been the same.

In June 2021, Borg Automotive paid DKK 8 million as the initial part of earn-out payments relating to the acquisition of Turbo Motor Inyección (TMI). The second and final part of the earn-out payments is expected to be paid in 2022.

5
Capital resources

It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/renegotiation dates and counterparties, with due consideration to costs. The Group's capital resources consist of cash and undrawn credit facilities. The Group's objective is to have sufficient capital resources to make company acquisitions and to allow it to continue in an adequate manner to operate the business and to react to unforeseen fluctuations in its cash holdings.

Facility	Loans and lines	Of which utilised	Unutilised	Commitment	Avg. term to maturity
Revolving credit facility	3,275	402	2,873	Committed	2 yrs 6 mths (+2 years)
Other credit facilities	829	766	63	Uncommitted	
Schuldschein	1,011	1,011	0	Committed	3 yrs 2 mths
Mortgages	117	117	0	Committed	4 yrs 6 mths
Other long-term debt	118	118	0	Uncommitted	3 yrs 6 mths
Leases	695	695	0	Committed	
Cash and cash equivalents			558		
30 June 2021	6,045	3,110	3,494		

The Group's companies get a significant proportion of their financing from resources and credit facilities of the parent company Schouw & Co. The parent company Schouw & Co.'s financing consists mainly of a syndicated bank facility, which in December 2020 was refinanced with a total facility line of DKK 3,275 million (of which DKK 500 million as an accordion). The facility has a three-year term with an option for a one-year extension after the first and second year. In addition, in April 2019, the parent company Schouw & Co. issued Schuldscheins for a total of EUR 136 million (DKK 1,011 million) maturing in 2024 (80%) and 2026 (20%).

Notes to the financial statements

6
Share capital and earnings per share (DKK)

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. Each share carries one vote. All shares rank equally. The share capital is fully paid up and no changes have been made during the past five years.

Treasury shares	Number of shares	Nominal value (DKK)	Cost	Percentage of share capital
Treasury shares held at 1 Jan. 2020	1,544,280	15,442,800	469	6.06%
Share option programme	-20,000	-200,000	-3	-0.08%
Treasury shares held at 30 June 2020	1,524,280	15,242,800	466	5.98%
Share option programme	-3,556	-35,560	-1	-0.01%
Treasury shares held at 31 Dec. 2020	1,520,724	15,207,240	466	5.96%
Share option programme	0	0	0	0.00%
Treasury shares held at 30 June 2021	1,520,724	15,207,240	466	5.96%

The Group's holding of treasury shares had a market value of DKK 1,046.3 million at 30 June 2021. The portfolio of treasury shares is recognised at DKK 0.

	Q2 2021	**Q2 2020**	**YTD 2021**	**YTD 2020**
Share of the profit for the year attributable to shareholders of Schouw & Co.	245	203	452	365
Average number of shares	25,500,000	25,500,000	25,500,000	25,500,000
Average number of treasury shares	-1,520,724	-1,524,280	-1,520,724	-1,531,423
Average number of outstanding shares	23,979,276	23,975,720	23,979,276	23,968,577
Average dilutive effect of outstanding share options *	125,311	0	111,076	0
Diluted average number of outstanding shares	24,104,587	23,975,720	24,090,352	23,968,577
Earnings per share of DKK 10	10.20	8.49	18.83	15.25
Diluted earnings per share of DKK 10	10.15	8.49	18.74	15.25

* See note 2 for information on options that may cause dilution.

7
Fair value of categories of financial assets and liabilities

	30/6 2021	**31/12 2020**	**30/6 2020**
Financial assets			
Securities (1)	0	0	0
Other securities and investments (2)	80	79	77
Derivative financial instruments (2)	21	12	16
Other securities and investments (3)	1	1	2
Financial liabilities			
Derivative financial instruments (2)	9	53	13

Securities measured at fair value through other comprehensive income (level 3) amounted to DKK 1 million at the beginning of the year and DKK 1 million at the end of the second quarter.

The Group uses interest rate swaps and forward currency contracts to hedge fluctuations in the level of interest rates and foreign exchange rates. Forward exchange contracts and interest rate swaps are valued using generally accepted valuation techniques based on relevant observable swap curves and exchange rates (level 2). The fair values applied are calculated mainly by external sources on the basis of discounted future cash flows. Other securities and investments forming part of a trading portfolio (level 2) includes the shareholding in Incuba A/S.

The fair value of derivative financial instruments is calculated by way of valuation models such as discounted cash flow models. Anticipated cash flows for individual contracts are based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable market data, including exchange rate volatilities, or correlations between yield curves and credit risks.

Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments at the end of the reporting period.

Notes to the financial statements

8
Related party transactions

Under Danish legislation, Givesco A/S, Lysholt Allé 3, DK-7100 Vejle, members of the Board of Directors, the Executive Management and senior management as well as their family members are considered to be related parties. Related parties also comprise companies in which the individuals mentioned above have material interests. Related parties also comprise subsidiaries, joint arrangements and associates, in which Schouw & Co. has control, significant influence or joint control of as well as members of the boards of directors, management boards and senior management of those companies.

Management's share option programmes are set out in note 2.

	YTD 2021	YTD 2020
Joint ventures:		
During the reporting period, the Group sold goods in the amount of	1	12
At 30 June, the Group had a receivable of	29	33
At 30 June, the Group had debt in the amount of	1	1
Associates:		
During the reporting period, the Group sold goods in the amount of	150	139
During the reporting period, the Group bought goods in the amount of	37	16
At 30 June, the Group had a receivable of	134	120
At 30 June, the Group had debt in the amount of	8	12

During 2021, the Group has traded with BioMar-Sagun, BioMar-Tongwei, LetSea, Salmones Austral, ATC Patagonia, LCL Shipping, Young Tech Co. and Micron Specma India.

Other than as set out above, there were no transactions with related parties.

Schouw & Co. has registered the following shareholders as holding 5% or more of the share capital: Givesco A/S (28.09%), Direktør Svend Hornsylds Legat (14.82%) and Aktieselskabet Schouw & Co. (5.96%).

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Special risks, judgments and estimates, and accounting policies

For the Group's special risks, judgments and estimates, and accounting policies please see the Management's report page 6.

schouw+co

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