2017

Interim report 2017 Q1

Company announcement No. 7/2017
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schouw+co

Highlights

- The Schouw & Co. Group off to a good start to 2017.
- Consolidated revenue was up by 29% to DKK 3,584 million.
- EBIT improved by 14% to DKK 178 million.
- Organic growth of 20% in revenue and of 3% in EBIT.
- All portfolio companies maintain their full-year revenue and EBIT forecasts.
- Newly-acquired Borg Automotive included in guidance from 1 April.
- FY 2017 guidance now for revenue of approximately DKK 16.4 billion and EBIT in the DKK 1,065-1,135 million range.

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

"Generally, we've had a good start to 2017 and, as expected, we achieved a very satisfactory first quarter with substantial growth in both revenue and EBIT.

All of our portfolio companies are facing extremely competitive markets. Winning new orders and contracts and ensuring the necessary compensation for rising prices of raw materials is extremely demanding. However, all of our businesses are well positioned in their markets, and they each have a number of current initiatives aimed at maintaining an attractive long-term earnings level.

Towards the end of the quarter, we successfully concluded an agreement to acquire Borg Automotive, thereby adding a new leg involving circular economy and sustainability to our portfolio. We believe this acquisition will have a value-adding effect both short term and long term. Due to the effect of recognising Borg Automotive as a part of Schouw & Co. going forward, we are raising our full-year guidance."

Financial highlights and key ratios

GROUP SUMMARY (DKK MILLION)	Q1 2017	Q1 2016	2016 Total
Revenue and income			
Revenue	3,584	2,776	14,369
Operating profit before depreciation (EBITDA)	284	256	1,472
Depreciation and impairment losses	106	99	434
Operating profit (EBIT)	178	157	1,038
Profit after tax in associates and joint ventures	0	14	566
Financial items, net	-15	-14	-27
Profit before tax	163	157	1,578
Profit for the period	122	116	1,339
Cash flows			
Cash flows from operating activities	14	110	1,598
Cash flows from investing activities	-301	-739	-395
Of which investment in property, plant and equipment	-246	-145	-828
Cash flows from financing activities	116	118	-925
Cash flows for the period	-171	-511	277
Invested capital and financing			
Invested capital excluding goodwill	5,778	5,114	5,416
Total assets	12,412	10,750	12,273
Working capital	1,948	1,933	1,727
Net interest bearing debt (NIBD)	-754	154	-1,028
Share of equity attributable to shareholders of Schouw & Co.	7,959	6,764	7,797
Non-controlling interests	16	20	18
Total equity	7,976	6,784	7,814
Financial data			
EBITDA margin (%)	7.9	9.2	10.2
EBIT margin (%)	5.0	5.6	7.2
EBT margin (%)	4.6	5.7	11.0
Return on equity (%)	18.3	9.7	18.6
Equity ratio (%)	64.3	63.1	63.7
ROIC excluding goodwill (%)	20.0	18.2	20.2
ROIC including goodwill (%)	16.6	14.9	16.6
NIBD/EBITDA	-0.5	0.1	-0.7
Avg. number of employees during the period	4,604	3,018	4,108

GROUP SUMMARY (DKK MILLION)	Q1 2017	Q1 2016	2016 Total
Per share data			
Earnings per share (of DKK 10)	5.20	4.95	56.56
Diluted earnings per share (of DKK 10)	5.16	4.94	56.41
Net asset value per share (of DKK 10)	334.38	284.53	328.38
Share price, end of period (of DKK 10)	639.50	409.00	526.00
Price/net asset value	1.91	1.44	1.60
Market capitalisation	15,222	9,724	12,489

Definitions of financial ratios

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33. Other key ratios are calculated in accordance with "Recommendations and Ratios 2015" issued by the Danish Finance Society.

The financial ratios provided in this interim report are calculated in the following manner:

Return on equity	$\frac{\text{Profit for the last 12 months excluding non-controlling interests}}{\text{Avg. equity excluding non-controlling interests}}$
ROIC excluding goodwill	$\frac{\text{EBITA the last 12 months}}{\text{Avg. invested capital excluding goodwill}}$
ROIC including goodwill	$\frac{\text{EBITA the last 12 months}}{\text{Avg. invested capital including goodwill}}$
Equity ratio	$\frac{\text{Equity, end of period}}{\text{Total liabilities and equity, end of period}}$
NIBD/EBITDA	$\frac{\text{NIBD, end of period}}{\text{EBITDA the last 12 months}}$
Earnings per share (EPS)	$\frac{\text{Profit for the last 12 months excluding non-controlling interests}}{\text{Average number of shares in circulation}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Diluted average number of shares in circulation}}$
Net asset value per share	$\frac{\text{Equity excluding non-controlling interests, end of period}}{\text{No. of shares excl. treasury shares, end of period}}$
Price/net asset value (P/NAV)	$\frac{\text{Market capitalisation, end of period}}{\text{Equity excluding non-controlling interests, end of period}}$
Market capitalisation	Number of shares, ex treasury shares, x share price

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Financial performance

(DKK million)	YTD 2017	YTD 2016	Change	
Revenue	3,584	2,776	808	29%
EBITDA	284	256	28	11%
EBIT	178	157	22	14%
Associates etc.	0	14	-14	-99%
Profit before tax	163	157	6	4%
Cash flow from operations	14	110	-96	-88%
Net interest-bearing debt	-754	154	-908	-
Working capital	1,948	1,933	14	1%
ROIC excl. goodwill	20.0%	18.2%	1.8pp	
ROIC incl. goodwill	16.6%	14.9%	1.7pp	

Overall, the Schouw & Co. businesses are off to a good start to the year. Consolidated revenue was up by 29% from DKK 2,776 million in Q1 2016 to DKK 3,584 million in Q1 2017. The improvement was mainly attributable to BioMar and the acquisition of GPV, but the other portfolio companies also contributed.

EBIT was up by 14% from DKK 157 million in Q1 2016 to DKK 178 million in Q1 2017. The improvement in this metric was also mainly attributable to BioMar and GPV. Fibertex Nonwovens and HydraSpecma also contributed to the improvement, whereas Fibertex Personal Care reported EBIT that, as expected, did not match the unusually good Q1 2016 performance.

Associates and joint ventures combined for a break-even result, as compared with a profit of DKK 14 million in Q1 2016, which amount included the now divested company Kramp.

Consolidated net financial items were an expense of DKK 15 million, in line with the year-earlier period. Recognised net financial items for the Q1 2017 period included a DKK 9 million foreign exchange loss compared with a DKK 13 million loss in Q1 2016.

As a result, profit before tax improved from DKK 157 million in Q1 2016 to DKK 163 million in Q1 2017.

Liquidity and capital resources

The consolidated operating activities generated a cash inflow of DKK 14 million in Q1 2017, compared with DKK 110 million in Q1 2016. The change was mainly due to lower profits in Fibertex Personal Care and a larger working capital in the Fibertex businesses. Cash flows for investing activities in Q1 2017 amounted to DKK 301 million, the amount being mainly spent on property, plant and equipment in Fibertex Personal Care and BioMar. By comparison, DKK 739 million was spent on investing activities in Q1 2016, the main transaction then being the Specma acquisition.

At 31 March 2017, the Group had a consolidated net deposit of DKK 754 million. By comparison, the Group had consolidated net interest-bearing debt of DKK 154 million at 31 March 2016 and a DKK 1,028 million net deposit at 31 December 2016. Consideration for the acquisition of Borg Automotive was paid after the end of the Q1 2017 period.

The Group had working capital of DKK 1,948 million at 31 March 2017, which was in line with the amount at 31 March 2016. The main changes in the underlying components were an increase in GPV's working capital and a corresponding reduction for BioMar.

Group developments

On 20 March 2017, Schouw & Co. agreed to acquire a majority ownership interest in Danish industrial company Borg Automotive. The acquisition means Schouw & Co. has established a new activity for the Group involving the remanufacturing of components for the automotive industry, initiating a long-term investment in circular economy and sustainability.

Borg Automotive remanufactures used auto parts such as starters, alternators, brake calipers and air-condition compressors. Headquartered in Silkeborg, Denmark, the company operates production facilities in Poland, the UK and a sales and R&D subsidiary in Belgium. Borg Automotive employs about 1,400 people, of whom some 1,200 work in Poland.

The company has been valued at a total of about DKK 1.15 billion (enterprise value for the entire business). A few technical details of the transaction structure still remain to be settled, but for all intents and purposes Schouw & Co. acquired an 85% ownership interest in the combined company and now has a right and an obligation to acquire the outstanding shares within a two-year period.

The agreement was concluded subject to the approval of the relevant authorities, which approval was later obtained and the transaction was finalised effective 3 April 2017. Accordingly, Borg Automotive is fully consolidated by Schouw & Co. ➔

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effective from the beginning of April 2017. As the terms for the acquisition of the outstanding ownership interest have been agreed, the company is consolidated with no non-controlling interests being recognised. Instead, the remaining purchase price is recognised as a balance sheet liability.

Borg Automotive changed its financial year in connection with the acquisition to match the calendar year. As part of the acquisition, an ordinary purchase price allocation (PPA) will be prepared, which will involve EBIT-reducing adjustments, mainly by way of higher amortisation and depreciation charges. Preliminary estimates indicate the adjustments will reduce EBIT by about DKK 50 million in 2017 and by about DKK 22 million annually in subsequent years.

With the acquisition as of the beginning of April 2017, Borg Automotive is expected to contribute revenue of about DKK 800 million and EBIT of DKK 110-130 million in the nine-month consolidation period of 2017 less the above-mentioned DKK 50 million PPA adjustment.

The following is a brief review of the other portfolio companies and their performances in the three months to 31 March 2017. See the individual company reviews on the following pages for more information.

BIOMAR reported strong improvements in both revenue and EBIT that were mainly driven by a good performance in the Salmon division and increased volumes in Norway, Scotland and Chile.

The company's current projects to expand capacity in Norway and develop the joint ventures in China and Turkey are progressing to plan. On 24 March, BioMar announced plans to set up production in Australia.

FIBERTEX PERSONAL CARE reported a moderate revenue improvement, but also EBIT that, as anticipated, was lower than the unusually good performance of Q1 2016.

The company added a new print line at Innowo Print in Germany, and the major expansion of the nonwovens output capacity in Malaysia remains on track.

FIBERTEX NONWOVENS reported strong improvements in both revenue and EBIT driven by higher revenue at all production sites.

The company is generally experiencing stable market conditions, but prices of the most widely used consumables spiked in the first quarter, necessitating price increases in all product areas.

HYDRASPECMA reported improvements in both revenue and EBIT driven by growing business activity at OEM customers as well as industrial and aftermarket customers.

The company has taken steps to establish warehousing facilities in the USA from which to serve its US customers. Production will still be based in Denmark and China.

GPV reported significant improvements in revenue and EBIT relative to the Q1 2016 period, when the company was not consolidated.

GPV commissioned its new factory facility in Mexico in the first quarter, strengthening its presence in the North American market. Effective from 1 March 2017, GPV acquired BHE, an EMS company based in Horsens, Denmark, as part of its strategic growth plan.

Special risks

The overall risk factors the Schouw & Co. Group faces are discussed in the 2016 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2016 Annual Report.

Events after the balance sheet date

Apart from the acquisition of Borg Automotive on 3 April 2017 and other than as set out elsewhere in this interim report, Schouw & Co. is not aware of any other events occurring after 31 March 2017, which are expected to have a material impact on the Group's financial position or outlook.

Outlook

The companies of the Schouw & Co. Group got off to a good start to the year in the first quarter of 2017. Most of the segments our portfolio companies are involved in have good momentum. Although winning orders is very demanding and requires highly competitive prices and terms, all of the portfolio companies maintain their previous guidance on revenue and earnings.

BIOMAR continues to expect an increase in revenue and an improvement in core earnings in 2017. However, the 2016 EBIT included positive effects of significant income flows relating to special circumstances that cannot be expected to occur again to the same extent in 2017. Accordingly, the profit range guided for 2017 is lower than the EBIT realised in 2016.

FIBERTEX PERSONAL CARE expects larger volumes to drive revenue growth in 2017. A particular focus will be on the completion of the new factory unit being built in Malaysia. The full-year EBIT is expected to be in a range close to the 2016 EBIT.

FIBERTEX NONWOVENS expects to increase revenue in 2017 based in part on its greater output capacity and new technology in its upgraded production lines. The company expects to increase full-year EBIT relative to 2016.

HYDRASPECMA expects a moderate increase in full-year revenue in 2017. Synergies from the Specma acquisition continue to materialise, but the company has also launched a number of forward-looking initiatives that will increase costs in the short term. As a result, full-year EBIT is expected to be in a range close to the 2016 EBIT.

GPV expects to increase revenue from like-for-like activities in 2017. The most recent acquisition will add to the company's overall revenue, but necessary integration costs will detract from the 2017 EBIT. As a result, the full-year EBIT is expected to drop slightly in 2017 relative to 2016 full-year EBIT.

REVENUE (DKK million)	2017 After Q1	2017 Original	2016 actual
BioMar	c. 9,400	c. 9,400	8,867
Fibertex Personal Care	c. 2,000	c. 2,000	1,792
Fibertex Nonwovens	c. 1,400	c. 1,400	1,301
HydraSpecma	c. 1,800	c. 1,800	1,747
Borg Automotive	c. 800	-	-
GPV[1]	c. 975	c. 975	668
Other/eliminations	-	-	-6
Total revenue	**16.4bn**	**15.6bn**	**14,369**

EBIT (DKK million)	2017 After Q1	2017 Original	2016 actual
BioMar	510-550	510-550	581
Fibertex Personal Care	230-260	230-260	246
Fibertex Nonwovens	80-100	80-100	81
HydraSpecma	100-120	100-120	111
Borg Automotive[2]	60-80	-	-
GPV[1]	50-60	50-60	44
Other	c. -35	c. -30	-24
Total EBIT	**995-1,135**	**940-1,060**	**1,038**
Associates etc.	c. 20	c. 20	566
Financial items, net	c. -40	c. -25	-27
Profit before tax	**975-1,115**	**935-1,055**	**1,578**

Notes
1) GPV only recognised for 9 month in 2016
2) After about DKK 50 million from Purchase Price Allocation

Obviously, the effect of the Borg Automotive acquisition, which will be consolidated for the final nine months of the year, should be added to the guidance announced in the 2016 Annual Report. Borg Automotive is expected to contribute revenue of about DKK 800 million and EBIT of DKK 110-130 million less PPA adjustments of about DKK 50 million. The Borg Automotive acquisition also had an impact on the parent company profit (the 'Other' category) of about DKK 5 million in transaction costs.

As a result, Schouw & Co. expects consolidated full-year 2017 revenue of about DKK 16.4 billion. However, for several of the portfolio companies, revenue will depend strongly on how prices of raw materials develop, and any price fluctuations can significantly change revenue without necessarily having any notable effect on earnings.

Schouw & Co. applies a profit forecast range for each individual business, and aggregating these ranges and adding the effect of the Borg Automotive acquisition indicates EBIT guidance in the range of DKK 995-1,135 million. However, consolidated EBIT is expected to be in the upper end of that range, meaning in the range of DKK 1,065-1,135 million.

Associates and joint ventures, which are recognised at a share of profit after tax, are expected to contribute combined profit of end DKK 20 million for 2017. Disregarding the share of profit in 2016 that derived from the now divested shares in Kramp and from Incuba Invest's sale of shares in Scandinavian Micro Biodevices, the guidance is for a combined improvement.

The acquisition of Borg Automotive is expected to increase the consolidated financing expenses by only a moderate amount, but the transaction does increase the foreign exchange exposure. Adding the foreign exchange losses recognised in the Q1 2017 financial statements, the Group's consolidated financial items are expected to be an expense in the region of DKK 40 million, subject to any positive or negative effects of any further exchange rate fluctuations.

Schouw & Co. shares and shares held in treasury

Schouw & Co.'s share capital comprises 25,500,000 shares with a nominal value of DKK 10 each for a total nominal share capital of DKK 255,000,000. Each share carries one vote.

Schouw & Co. shares appreciated by 22% during the first quarter of 2017, from DKK 526.00 at 31 December 2016 to DKK 639.50 at 31 March 2017. After the Annual General Meeting held on 20 April 2017, the share price was adjusted by the DKK 12 per share dividend paid to the shareholders on 25 April 2015.

At the end of 2016, the company held 1,756,930 treasury shares, equal to 6.89% of the share capital. Schouw & Co. used 60,000 shares in the first quarter of 2017 in connection with options exercised under the Group's share incentive scheme. Accordingly, at 31 March 2017, the company held 1,696,930 treasury shares, equal to 6.65% of the share capital.

The market value of the holding of treasury shares was DKK 1,085 million at 31 March 2017. The portfolio of treasury shares is recognised at DKK 0.

Roundings and presentation

The amounts appearing in this interim report have generally been rounded to one decimal place using standard rounding principles. Accordingly, some additions may not add up.

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 consolidated and parent company financial statements of listed companies.

Schouw & Co. has implemented the standards and interpretations which are effective from 2017. None of those standards and interpretations have had an effect on recognition and measurement in 2017.

See Annual Report 2016 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.

Financial calendar for 2017

17 August 2017
Release of H1 2017 interim report

13 November 2017
Release of Q3 2017 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

BioMar

BioMar is the world's third-largest manufacturer of quality feed for the fish farming industry. The company's operations are divided into three divisions: the Salmon division for the salmon operations based in northern (Norway and Scotland) and southern (Chile) waters, an EMEA division for all operations not covered by the Salmon division and an Emerging Markets division for new territories and other business development activities.

Financial performance

BioMar reported a substantial revenue improvement of 30% in Q1 2017 to DKK 1,996 million from DKK 1,532 million in Q1 2016. The advance was driven by a 24% increase in volumes sold, mainly consisting of volume increases in the Salmon division with all three geographical areas (Norway, Scotland and Chile) reporting improvements. In the EMEA division, an increase in volumes sold from the factory in Denmark was offset by a slight drop in sales in Greece. Foreign exchange developments and prices of raw materials had only a moderate impact in the first quarter.

EBIT more than doubled from DKK 22 million in Q1 2016 to DKK 51 million in Q1 2017. The significant improvement was based on a number of factors, the main one being an increase in volumes. Efficiency enhancements and focused margin management have continued to drive operational improvements in 2017, and a change in product mix drove strong sales of functional feed. As expected, margins in Chile were lower than in Q1 2016, but overall EBIT improved due to the greater level of business activity.

BioMar's working capital fell from DKK 782 million at 31 March 2016 to DKK 514 million at 31 March 2017. The large reduction was mainly due to an increase in supplier credit achieved through a focused effort and greater use of supply chain financing. The EBIT improvement and the lower average working capital lifted the return on invested capital, ROIC, excluding goodwill to 38.2% at 31 March 2017 from 22.3% at 31 March 2016.

Business development

In its salmon business, BioMar is consistently strengthening its market-driven approach. Over the past several years, the company has succeeded in optimising its product range, introducing various functional types of feed with a value-adding effect for customers. BioMar is gradually winning back the volumes lost in Chile due to the severe algal blooms of early 2016. The current attractive settlement prices coupled with generally good fish farming conditions provide a strong platform for growth in the Salmon division, but as always market concerns are focused on regulation and the effects it could have on the potential for growth.

In the crucial Norwegian market, the construction of a new production line at the existing factory in Karmøy is progressing to plan. Expected to become operational in the second quarter of 2017, the new production line will have an annual capacity of 140,000 tonnes. In addition, BioMar is making further investments in functional feeds and new logistical solutions and has signed a long-term lease for another natural gas powered ship that will help cut transport-related carbon emissions.

BioMar expects the improvements to continue as the EMEA division strengthens its platform for growth by addressing new markets and now having production facilities in Turkey. The new factory in Turkey, built in association with Turkish company Sagun Group, began commercial production in Q3 2016. After a slow start, production is now improving by the month, and the market is developing favourably.

In China, BioMar is constructing a new fish feed factory in Wuxi near Shanghai in a joint venture with Chinese partner Tongwei Co. Ltd. The factory, which is expected to open in the second half of 2017, will have a capacity of about 50,000 tonnes. The new factory joint venture will complement Tongwei's current production by focusing on feed for high-value fish farming, utilising BioMar's special expertise in this area, and will strengthen BioMar's position in the Chinese market. In November 2016, the Chinese joint venture acquired fish feed producer Haiwei and its factory near Hong Kong. The transaction will help accelerate market penetration and generate higher sales in 2017.

On 24 March 2017, BioMar announced an almost DKK 300 million investment in a new feed factory in Australia. The project is currently awaiting approval from the Australian authorities, and the new facility is expected to be ready by the end of 2019. With an annual capacity of about 110,000 tonnes of fish feed, the new factory will be a significant factor in BioMar's global expansion. ➜

BioMar

Outlook

BioMar expects to increase volumes sold in 2017, mainly through added sales of salmon feed. As a result, the company is guiding for a substantial revenue increase in 2017 over 2016, and given the prospects of moderate increases in raw materials prices, BioMar expects to generate revenue of not less than DKK 9.4 billion in 2017. The revenue guidance is, as always, subject to any subsequent changes in prices of raw materials.

The 2016 EBIT included positive effects of significant income flows relating to special circumstances that cannot be expected to occur again to the same extent in 2017. On the other hand, the anticipated volume increase and the generally good economic conditions for fish farming drive expectations of higher core earnings. Against this background, BioMar continues to expect EBIT in the DKK 510-550 million range for 2017.

	Q1 2017	Q1 2016	2016 Total
Volume (1,000 t)	205	165	966
Revenue (DKK million)	1,996	1,532	8,867
- of which Salmon north	1,038	680	4,593
- of which Salmon south	603	491	1,903
- of which EMEA and Emerging	355	361	2,371

	Q1 2017	Q1 2016	2016 Total
INCOME STATEMENT			
Revenue	1,996.5	1,532.1	8,867.5
Gross profit	207.5	162.0	1,133.2
EBITDA	86.6	56.0	722.4
Depreciation and impairment	35.1	34.0	141.4
Operating profit (EBIT)	51.5	22.0	581.0
Profit after tax from ass. and joint ventures	0.7	1.1	12.6
Financial items, net	-5.8	-0.1	-16.4
Profit before tax	46.4	23.0	577.1
Tax for the period	-11.6	-10.5	-148.4
Profit for the period	34.8	12.5	428.7
CASH FLOWS			
Cash flows from operating activities	-50.6	-24.8	884.2
Cash flows from investing activities	-80.5	-79.2	-375.6
Cash flows from financing activities	73.0	-17.8	-633.7
BALANCE SHEET			
Intangible assets *	398.1	394.0	405.9
Property, plant and equipment	1,070.7	898.1	1,049.3
Other non-current assets	397.8	286.8	374.1
Cash and cash equivalents	603.2	325.2	329.5
Other current assets	2,804.4	2,534.8	3,408.6
Total assets	5,274.2	4,438.9	5,567.4
Equity	2,185.7	1,863.6	2,347.7
Interest-bearing debt	768.7	779.9	668.6
Other creditors	2,319.8	1,795.4	2,551.1
Total liabilities and equity	5,274.2	4,438.9	5,567.4
Average number of employees	901	896	887
FINANCIAL KEY FIGURES			
EBITDA margin	4.3%	3.7%	8.1%
EBIT margin	2.6%	1.4%	6.6%
ROIC excl. goodwill	38.2%	22.3%	35.8%
ROIC incl. goodwill	25.8%	15.9%	24.4%
Working capital	514.3	781.7	413.7
Net interest-bearing debt	97.8	389.2	-234.1

* Excluding goodwill on consolidation in Schouw & Co. of DKK 430.2 million

All amounts in DKK million

Fibertex Personal Care

Fibertex Personal Care is one of the world's largest manufacturers of spunbond/spunmelt nonwoven fabrics for the personal care industry. Its products are key components in baby diapers, sanitary towels and incontinence products. The company has production facilities in Denmark and Malaysia and mainly sells its products in Europe and South-east Asia to customers representing multinational brands for the consumer goods market.

Its operations also include Innowo Print, a market leader in direct printing on nonwoven textiles for the personal care industry. Innowo Print has production facilities in Germany and Malaysia.

Financial performance

Fibertex Personal Care generated revenue of DKK 473 million in Q1 2017, compared with DKK 458 million in Q1 2016. The increase was driven by growth in the print operations and higher raw materials prices triggering higher selling prices on sales volumes slightly lower than last year.

Q1 2017 EBIT was DKK 55 million, compared with DKK 87 million in Q1 2016. The decline was mainly due to a DKK 9 million negative impact from raw materials prices in Q1 2017. The opposite occurred in Q1 2016 when price developments for raw materials had a positive effect of about DKK 12 million.

Due to the higher prices of raw materials, Fibertex Personal Care's working capital has increased from DKK 288 million at 31 March 2016 to DKK 316 million at 31 March 2017. ROIC excluding goodwill fell from 23.0% at 31 March 2016 to 15.3% at 31 March 2017.

Business development

Maintaining good professional relationships with customers is absolutely essential. Part of the means to achieving this is through extensive product development and product optimisation efforts. The company is working to develop softer products, to enhance their skin-comfort and produce thinner and more lightweight materials while at the same time improving their ability to conduct and encapsulate liquids. At the same time, the company is working to improve its in-house processes in order to ensure customers have a highly reliable supply and a degree of flexibility in their sourcing of nonwovens that allows them to respond to market fluctuations.

In 2016, Fibertex Personal Care launched an investment to build another factory unit in Malaysia, which will increase the company's total output capacity in the country. The project includes a new production site 25 km south of the existing factory at Nilai outside Kuala Lumpur. The new site may eventually have as many as four production lines and thus provides a suitable base for future expansion.

Construction of the new factory building began in August 2016, and machinery installation is scheduled to start early in the second quarter of 2017. This will be Fibertex Personal Care's eighth production line and the company's fifth in Malaysia. Not only will it help grow capacity for the company's current product range; it will also facilitate the production of super-soft products, a category in very high demand in Asian markets. The overall investment amounts to around DKK 400 million.

In addition to establishing a new factory unit in Malaysia, Fibertex Personal Care expanded its existing plant at Nilai in order to add print facilities. When completed, the extension will have room for two print lines, the first of which has already been installed. Efforts to build up a market for this new service in South-east Asia are well under way. Printing on these lightweight materials is a speciality and is attracting considerable interest.

The print business is also being expanded at Innowo Print in Germany, as this unit has increased output capacity by adding a new print line at the end of March 2017. The expansion was driven by growing demand in Europe.

Outlook

Fibertex Personal Care reported EBIT for the Q1 2017 period in line with expectations and, as anticipated, was unable to match the unusually good Q1 2016 performance which was strongly driven by raw materials prices.

The outlook for the rest of 2017 is basically good. Fibertex Personal Care will remain focused on optimising its business and on utilising its overall production capacity. Work continues on setting up an eighth production line at the new factory unit in Malaysia, with commissioning scheduled for the turn of the year. ➔

OUR BUSINESSES

Fibertex Personal Care

Against this backdrop, Fibertex Personal Care continues to expect full-year revenue of about DKK 2.0 billion in 2017. However, the revenue guidance is, as always, subject to any subsequent changes in prices of raw materials and in foreign exchange rates. Similarly, the full-year EBIT will depend on how prices of raw materials develop and on possible shifts in foreign exchange rates, but, given the current outlook, the company maintains its EBIT guidance of DKK 230-260 million.

	Q1 2017	Q1 2016	2016 Total
Revenue (DKK million)	473	458	1,792
- from Denmark	174	186	695
- from Malaysia	250	244	955
- from Germany	49	28	142

	Q1 2017	Q1 2016	2016 Total
INCOME STATEMENT			
Revenue	473.1	458.4	1,791.5
Gross profit	97.0	124.4	398.3
EBITDA	83.0	116.2	361.8
Depreciation and impairment	27.6	28.8	116.2
Operating profit (EBIT)	55.4	87.4	245.6
Financial items, net	-4.0	-9.4	-6.9
Profit before tax	51.4	78.0	238.6
Tax for the period	-12.1	-17.9	-60.5
Profit for the period	39.3	60.1	178.1
CASH FLOWS			
Cash flows from operating activities	52.9	111.5	331.4
Cash flows from investing activities	-137.5	-65.5	-361.3
Cash flows from financing activities	97.8	-32.1	25.3
BALANCE SHEET			
Intangible assets *	82.7	65.3	85.6
Property, plant and equipment	1,283.3	1,057.8	1,171.0
Other non-current assets	35.6	80.8	44.5
Cash and cash equivalents	36.3	44.2	23.0
Other current assets	592.5	578.6	563.5
Total assets	2,030.4	1,826.7	1,887.6
Equity	819.9	810.1	876.9
Interest-bearing debt	806.8	637.2	609.6
Other creditors	403.7	379.4	401.1
Total liabilities and equity	2,030.4	1,826.7	1,887.6
Average number of employees	621	521	574
FINANCIAL KEY FIGURES			
EBITDA margin	17.5%	25.4%	20.2%
EBIT margin	11.7%	19.1%	13.7%
ROIC excl. goodwill	15.3%	23.0%	18.4%
ROIC incl. goodwill	14.3%	21.3%	17.1%
Working capital	315.7	287.7	294.7
Net interest-bearing debt	770.5	515.3	586.0

* Excluding goodwill on consolidation in Schouw & Co. of DKK 48.1 million

OUR BUSINESSES

Fibertex Nonwovens

Fibertex Nonwovens is among Europe's leading manufacturers of nonwovens, i.e. non-woven textiles used for a large number of industrial purposes. The company's core markets are in Europe and North America and its secondary markets are in Africa and Asia.

Financial performance

Fibertex Nonwovens reported Q1 2017 revenue of DKK 382 million, a 13% increase from DKK 338 million in Q1 2016. The revenue improvement was based on revenue growth at all Fibertex Nonwoven factory sites, with especially the USA and South Africa improving over 2016 and the European factories reporting continued growth.

Q1 2017 EBIT was DKK 30 million, compared with DKK 22 million in Q1 2016, the improvement driven by stronger demand from the automotive and several other segments and by high capacity utilisation at the European factories. Also, the USA and South Africa both reported earnings improvements.

The higher business activity drove up working capital to DKK 411 million at 31 March 2017 from DKK 379 million at 31 March 2016. ROIC excluding goodwill increased from 7.0% at 31 March 2016 to 8.3% at 31 March 2017.

Business development

Fibertex Nonwovens reported a generally positive performance for the Q1 2017 period, with growing sales to the automotive industry, an improved product mix that included higher sales of advanced products, and European sales of products for the construction industry and for infrastructure projects that improved relative to last year. In addition, the company grew its business activity in the Middle East and Asia, reporting sales to major infrastructure projects, for example. The sales subsidiaries set up in India and China supported this performance.

In recent years, Fibertex Nonwovens has consolidated its position as a leading manufacturer of industrial nonwovens. In terms of development and innovation, the company has built a solid portfolio of new projects, including products for the automotive and composite industries and for filtration and acoustic purposes. In order to capitalise on the future growth potential, Fibertex Nonwovens expanded capacity by adding two new production lines in the Czech Republic and South Africa, respectively, in 2016, and the company is planning further capacity increases and production line upgrades in 2017 in order to grow revenue and increase the proportion of value-added products.

The main focus in the strategically important North American market in 2016 was to build up the market and prepare the manufacturing facility in the USA for a future increase in local production for the North American customer base. Fibertex Nonwovens' US subsidiary enjoyed the fruit of these efforts in the first quarter of 2017, reporting a revenue increase and improved earnings. The company has also built a strong customer portfolio for its future growth. Setting up in the USA is considered an important long-term investment in an attractive market that is expected to offer a significant growth potential going forward.

Market conditions remained challenging in South Africa in 2017, as weak economic activity and low commodity prices continues to slow infrastructure and mining projects, both in South Africa and in neighbouring countries. On the other hand, the South African factory is seeing signs of increasing business activity based in part of growing sales in local markets and on greater integration during 2016 with the global sales organisation which is intended to improve sales from South Africa to relevant export markets.

Outlook

Fibertex Nonwovens anticipates a stable level of business activity in 2017. Conditions in most markets and segments are generally expected to be stable. However, prices of the largest consumables, such as polypropylene, polyester and viscose, spiked in the first quarter of the year, triggering price increases in all product areas. The price increases are expected to offset much of the higher input prices, but a negative impact on earnings will be felt until the new selling prices have been fully implemented.

Fibertex Nonwovens expects to increase its full-year EBIT in 2017, with support from the production lines upgraded in 2016 and the new capacity established in the Czech Republic and South Africa. Given the structural investments made and the company's increased efforts to work the market, with the focus on growing sales of value-added products, Fibertex Nonwovens has built

Fibertex Nonwovens

a solid platform from which to grow its future earnings. South Africa will still be a weak-activity market in 2017, but the greater integration with the global sales organisation is expected to improve earnings.

Against this backdrop, Fibertex Nonwovens continues to guide for full-year 2017 revenue of about DKK 1.4 billion. The full-year EBIT forecast remains in the range of DKK 80-100 million, but now with a greater probability of EBIT ending at the upper end of the range.

	Q1 2017	Q1 2016	2016 Total
INCOME STATEMENT			
Revenue	382.2	337.7	1,301.4
Gross profit	90.0	77.2	296.1
EBITDA	51.2	43.8	162.5
Depreciation and impairment	21.4	21.4	81.8
Operating profit (EBIT)	29.8	22.5	80.6
Profit after tax from associates	0.0	0.0	0.0
Financial items, net	-8.4	-3.2	-20.2
Profit before tax	21.4	19.2	60.5
Tax for the period	-7.9	-6.4	-19.9
Profit before non-controlling interests	13.5	12.8	40.6
Non-controlling interests	1.1	1.2	4.2
Profit for the period	14.6	13.9	44.7
CASH FLOWS			
Cash flows from operating activities	0.4	10.2	113.7
Cash flows from investing activities	-22.6	-21.9	-108.4
Cash flows from financing activities	20.4	42.2	-12.6
BALANCE SHEET			
Intangible assets *	161.1	164.3	164.1
Property, plant and equipment	753.1	717.2	753.9
Other non-current assets	4.4	0.0	4.3
Cash and cash equivalents	46.4	89.0	48.7
Other current assets	615.7	573.2	560.6
Total assets	1,580.7	1,543.7	1,531.6
Equity	516.3	465.3	503.8
Interest-bearing debt	794.9	832.3	782.3
Other creditors	269.5	246.1	245.5
Total liabilities and equity	1,580.7	1,543.7	1,531.6
Average number of employees	841	785	810
FINANCIAL KEY FIGURES			
EBITDA margin	13.4%	13.0%	12.5%
EBIT margin	7.8%	6.6%	6.2%
ROIC excl. goodwill	8.3%	7.0%	7.7%
ROIC incl. goodwill	7.6%	6.3%	7.0%
Working capital	410.8	379.3	383.0
Net interest-bearing debt	748.5	743.3	733.5

* Excluding goodwill on consolidation in Schouw & Co. of DKK 32.0 million

All amounts in DKK million

HydraSpecma

HydraSpecma is a specialised trading company and manufacturer of hydraulic components and systems development for industry. The company is a hydraulics market leader in the Nordic region, which is the base of its core operations, but it also serves customers in other parts of Europe, in China and in selected business segments in overseas markets.

Financial performance

HydraSpecma reported Q1 2017 revenue of DKK 476 million, a 5.2% increase from DKK 453 million in Q1 2016. The advance was evenly distributed on most segments with positive growth in business with OEM customers and with industrial and aftermarket customers. In the OEM segment, the automotive segment (lorries and buses) and the wind segment performed strongly, whereas the marine segment continues to feel the effect of generally slumping market demand.

EBIT was DKK 35 million in Q1 2017 compared with DKK 30 million in Q1 2016. Amortisation and depreciation charges totalling DKK 6 million weighed on earnings in both periods due to purchase price allocation. As a result, the earnings improvement was driven mainly by the higher level of business activity and by the effects of the costs incurred for structural changes only being recognised in subsequent quarterly periods.

Working capital amounted to DKK 491 million at 31 March 2017, which was in line with the figure at 31 March 2016. ROIC excluding goodwill fell from 23.6% at 31 March 2016 to 16.8% at 31 March 2017, the main reason being that Specma had only been recognised for three of the preceding 12 months at the end of the first quarter of 2016.

Business development

HydraSpecma reported positive developments in business activity in its core markets of Denmark and Sweden for the Q1 2017 period, whereas sales to the Indian and Chinese markets fell short of expectations. In India, the level of business activity in the wind segment was much lower this year than last, although business activity is expected to pick up in the coming quarters. In China, business activity in the marine segment, in particular, was lower than it was last year.

HydraSpecma has a strong base in the Nordic region and a solid platform for serving international customers globally. With its extensive hydraulics expertise, HydraSpecma is able to serve local customers in the Nordic, Chinese and Indian markets as well as other strategic customers globally with its full range of services, spanning from new product development to supplying finished units.

Since the merger in early 2016, HydraSpecma has focused especially on achieving procurement synergies. Current initiatives include optimising the integration of Hydra-Grene and Specma, particularly in terms of cross-selling, optimising operational structures and implementing organisational changes.

Effective from 1 October 2016, HydraSpecma acquired the activities of the Chinese company Etola Hydraulic Systems (Tianjin) Co. Together with Hydra's pre-acquisition operations, the activities were rolled into a new company, Hydra-Etola, which has a strengthened production platform close to important wind turbine customers in the Beijing region as well as a potential to increase sales to overseas customers. HydraSpecma has retained production facilities in the Shanghai region that were originally a part of Specma.

In addition, HydraSpecma has taken steps to establish warehousing facilities in the USA from which to serve its US customers in the wind segment. Production will still be based in Denmark and China.

Outlook

HydraSpecma expects to maintain its excellent sales performance with OEM customers in the automotive segment, the wind segment and in other selected industry areas. The company also expects a positive sales performance in the aftermarket, including the mining industry, in the latter part of 2017. Sales to the marine segment, on the other hand, are expected to be a challenge due to overcapacity in the market, and activity in the defence industry is expected to soften.

However, political changes may also impact market developments, including possible major amendments to subsidy schemes for installing wind turbines or new customs barriers. ➔

HydraSpecma

HydraSpecma maintains its guidance for full-year 2017 revenue of about DKK 1.8 billion. The company has launched a number of initiatives and made investments that will increase costs in the short term, but which are important for achieving future goals. Against that backdrop, HydraSpecma maintains expectation of a full-year EBIT in the range of DKK 100-120 million after amortisation and depreciation charges of about DKK 23 million due to purchase price allocation.

	Q1 2017	Q1 2016	2016 Total
INCOME STATEMENT			
Revenue	476.4	452.9	1,746.9
Gross profit	133.0	115.0	443.7
EBITDA	50.5	44.3	169.9
Depreciation and impairment	15.1	14.4	59.4
Operating profit (EBIT)	35.5	29.9	110.6
Financial items, net	-4.1	-3.3	-7.8
Profit before tax	31.4	26.7	102.8
Tax for the period	-7.0	-5.5	-22.3
Profit before non-controlling interests	24.4	21.2	80.5
Non-controlling interests	0.2	-0.4	-1.4
Profit for the period	24.6	20.8	79.1
CASH FLOWS			
Cash flows from operating activities	6.3	9.2	127.7
Cash flows from investing activities	-7.7	-488.4	-545.0
Cash flows from financing activities	-0.4	533.5	445.5
BALANCE SHEET			
Intangible assets	312.5	339.0	315.7
Property, plant and equipment	188.7	167.9	191.9
Other non-current assets	7.8	4.7	6.7
Cash and cash equivalents	103.2	61.8	36.0
Other current assets	805.0	767.8	806.1
Total assets	1,417.2	1,341.2	1,356.4
Equity	433.5	366.9	407.1
Interest-bearing debt	603.6	614.3	594.4
Other creditors	380.1	360.0	354.9
Total liabilities and equity	1,417.2	1,341.2	1,356.4
Average number of employees	1,092	804	1,020
FINANCIAL KEY FIGURES			
EBITDA margin	10.6%	9.8%	9.7%
EBIT margin	7.4%	6.6%	6.3%
ROIC excl. goodwill	16.8%	23.6%	16.1%
ROIC incl. goodwill	14.2%	21.7%	13.6%
Working capital	491.2	491.3	462.9
Net interest-bearing debt	500.4	551.2	497.0

All amounts in DKK million

GPV

GPV is Denmark's largest EMS (Electronic Manufacturing Services) company and a significant international player in its field. The company is a high-mix/low-medium (HMLM) volume manufacturer. GPV's core products are both electronics and mechatronics (combination of electronics, software and mechanical technology). Its customers are primarily major international businesses with a leading position in their particular field and typically headquartered in Europe or North America. GPV is headquartered in Denmark and has production facilities in Denmark, in Bangkok, Thailand and in Guadalajara, Mexico.

GPV was acquired by Schouw & Co. at 1 April 2016 and was thus only consolidated as of the second quarter of 2016. For ease of comparison, however, the income statement items in the financial highlights table also contain Q1 2016 and full-year 2016 figures. A relatively large minority shareholder of the Thai subsidiary was bought out as part of the acquisition. As a result, the balance sheet figures are not directly comparable, and balance sheet items for Q1 2016 have been left out of the table.

Financial performance

GSV reported Q1 2017 revenue of DKK 261 million, compared with revenue of DKK 209 million in Q1 2016 when the company was not consolidated. The Q1 2017 EBIT amounted to DKK 17 million, as compared with DKK 16 million in Q1 2016.

Effective from 1 March 2017, GPV acquired the EMS company BHE. The acquisition has a slight, positive effect on Q1 2017 revenue, whereas costs relating to the transaction weighed on EBIT.

Working capital at 31 March 2017 was DKK 221 million. ROIC excluding goodwill was 15.7% at 31 March 2017, including the effect of the recent acquisition of BHE.

Business development

GPV sells its products to international customer units in large parts of the world and ships to customers in more than 30 countries.

The HMLM volume segment of the technical electronics and mechatronics market is highly demanding in terms of testing skills and service excellence. Meeting customer requirements for high quality standards and reliability of supply is a big priority for GPV, and the company has built sufficient flexibility to absorb to a reasonable extent shifts in demand caused by market fluctuations.

Its electronics factory site recently established in Guadalajara, Mexico, is a strategic location for GPV in terms of manufacturing and shipping in the three major time zones of Asia, Europe and the Americas. The new factory was commissioned in the first quarter of 2017 and will enable GPV to share in its existing customers' growth in North America and to expand its share of the HMLM volume technical electronics market. The current political situation in the USA could potentially result in changes being made to the current trade agreement between the USA and Mexico. Should such changes be made, GPV would investigate the possibilities of adding sufficient local US content to its products to be able to continue exporting to the USA.

Effective from 1 March 2017, GPV acquired BHE, an EMS company based in Horsens, Denmark, at an enterprise value of DKK 42 million. Acquiring BHE is consistent with GPV's strategic 2020 growth plan, a key element of which is to take part in consolidating northern Europe's EMS market. The BHE operations will be integrated with GPV's current platform during 2017.

Outlook

The trend of outsourcing production in the sectors in which GPV finds its customers is expected to continue, as customers increasingly focus on their core skills. This approach allows OEM customers to cut back on their capital expenditure and inventories while still retaining access to flexibility and, through GPV, an outsourcing partner capable of handling their manufacturability analysis, complex production, test designs, testing and logistics.

The general market in 2017 is expected to see a moderately positive trend in Europe, but weaker market conditions in China and Russia and relatively uncertain market conditions in the United States. GPV does not depend on specific customers, and the recent examples of activity expansion offer a potential for further growth.

GPV

The BHE acquisition has had a positive effect on the 2017 guidance. BHE's ordinary operations are expected to support the financial results, but a negative contribution is expected for 2017 due to necessary integration costs.

As a result, GPV maintains its guidance for full-year 2017 revenue of about DKK 975 million and EBIT in the DKK 50-60 million range.

	Q1 2017	Q1 2016	2016 Total
INCOME STATEMENT			
Revenue	260.9	209.1	876.8
Gross profit	56.2	43.0	183.4
EBITDA	23.2	22.4	84.2
Depreciation and impairment	6.2	6.3	23.6
Operating profit (EBIT)	17.0	16.1	60.6
Financial items, net	-1.0	-1.8	-7.2
Profit before tax	15.9	14.3	53.5
Tax for the period	-2.8	0.1	6.7
Profit for the period	13.1	14.4	60.1
CASH FLOWS			
Cash flows from operating activities	6.1	29.2	106.5
Cash flows from investing activities	-52.4	-4.4	-41.7
Cash flows from financing activities	23.3	-8.7	-27.7
BALANCE SHEET			
Intangible assets	16.1		0.0
Property, plant and equipment	223.4		199.3
Other non-current assets	25.5		24.6
Cash and cash equivalents	31.0		51.5
Other current assets	457.6		362.1
Total assets	753.6		637.5
Equity	187.0		164.5
Interest-bearing debt	327.2		291.2
Other creditors	239.4		181.8
Total liabilities and equity	753.6		637.5
Average number of employees	1,138		1,074
FINANCIAL KEY FIGURES			
EBITDA margin	8.9%	10.7%	9.6%
EBIT margin	6.5%	7.7%	6.9%
ROIC excl. goodwill	15.7%		15.9%
ROIC incl. goodwill	15.5%		15.9%
Working capital	221.0		181.4
Net interest-bearing debt	296.2		239.7

All amounts in DKK million

Consolidated financial statement

schouw+co

Statements of income and comprehensive income

Note	Income statement	Q1 2017	Q1 2016	2016 Total
1	Revenue	3,583.6	2,775.7	14,369.1
	Cost of sales	-2,999.1	-2,295.7	-11,952.3
	Gross profit	584.5	480.0	2,416.8
	Other operating income	2.8	7.5	73.8
	Distribution costs	-239.5	-200.6	-879.4
2	Administrative expenses	-169.2	-130.0	-570.6
	Other operating expenses	-0.3	-0.1	-2.1
	Operating profit (EBIT)	178.3	156.8	1,038.5
	Profit after tax in associates	0.9	16.4	571.5
	Profit after tax in joint ventures	-0.8	-2.1	-5.1
	Financial income	4.3	10.0	33.3
	Financial expenses	-19.4	-24.3	-59.9
	Profit before tax	163.3	156.8	1,578.3
	Tax on profit	-41.0	-40.7	-239.5
	Profit for the period	122.3	116.1	1,338.8
	Attributable to			
	Shareholders of Schouw & Co.	123.6	117.0	1,341.5
	Non-controlling interests	-1.3	-0.9	-2.7
	Profit for the period	122.3	116.1	1,338.8
8	Earnings per share (DKK)	5.20	4.95	56.56
8	Diluted earnings per share (DKK)	5.16	4.94	56.41

Comprehensive income	Q1 2017	Q1 2016	2016 Total
Items that can be reclassified to the profit and loss statement:			
Exchange rate adjustment of foreign subsidiaries	14.3	-39.1	-16.0
Hedging instruments recognised	1.9	-16.4	-4.1
Hedging instruments transferred to cost of sales	0.3	-0.8	-0.8
Hedging instruments transferred to financials	1.2	0.2	7.1
Other comprehensive income from ass. and joint ventures	-0.8	-1.3	10.0
Other adjustment on equity	0.7	-0.2	-4.3
Tax on other comprehensive income	-0.7	4.1	-0.2
Other comprehensive income after tax	16.9	-53.5	-8.3
Profit for the period	122.3	116.1	1,338.8
Total recognised comprehensive income	139.2	62.6	1,330.5
Attributable to			
Shareholders of Schouw & Co.	140.3	63.6	1,334.6
Non-controlling interests	-1.1	-1.0	-4.1
Total recognised comprehensive income	139.2	62.6	1,330.5

All amounts in DKK million

Balance sheet · assets and liabilities

Note	Assets	31/3 2017	31/12 2016	31/3 2016	31/12 2015
	Goodwill	1,180.6	1,168.6	1,147.0	1,006.1
	Completed development projects	18.1	7.7	0.0	0.0
	Development projects in progress	0.6	0.0	0.0	0.0
	Other intangible assets	281.4	305.2	325.9	169.9
	Intangible assets	1,480.7	1,481.5	1,472.9	1,176.0
	Land and buildings	1,401.9	1,420.6	1,312.6	1,260.2
	Plant and machinery	1,388.8	1,328.0	1,129.0	1,152.3
	Other fixtures, tools and equipment	118.3	93.5	98.2	65.4
	Assets under construction, etc.	694.3	608.0	400.0	298.3
	Property, plant and equipment	3,603.3	3,450.1	2,939.8	2,776.2
	Equity investments in associates	86.9	62.6	587.0	570.3
	Equity investments in joint ventures	168.2	171.2	106.5	109.1
	Securities	119.8	121.3	110.8	83.9
	Deferred tax	40.0	35.5	16.4	18.1
	Receivables	129.8	138.9	164.3	177.7
	Other non-current assets	544.7	529.5	985.0	959.1
	Total non-current assets	5,628.7	5,461.1	5,397.7	4,911.3
	Inventories	2,264.5	1,970.5	1,728.1	1,435.1
3	Receivables	2,942.1	3,103.7	2,708.1	2,752.7
	Income tax receivable	63.3	55.3	23.7	5.9
	Securities	0.0	0.0	0.1	0.1
	Cash and cash equivalents	1,513.4	1,682.4	892.5	1,410.7
	Total current assets	6,783.3	6,811.9	5,352.5	5,604.5
	Total assets	12,412.0	12,273.0	10,750.2	10,515.8

Note	Liabilities and equity	31/3 2017	31/12 2016	31/3 2016	31/12 2015
5	Share capital	255.0	255.0	255.0	255.0
	Hedge transaction reserve	-7.8	-10.7	-25.3	-12.4
	Exchange adjustment reserve	254.5	240.4	224.1	263.1
	Retained earnings	7,151.6	7,006.1	6,055.6	5,895.1
	Proposed dividend	306.0	306.0	255.0	255.0
	Share of equity attributable to the parent company	7,959.3	7,796.8	6,764.4	6,655.8
	Non-controlling interests	16.5	17.6	19.7	20.7
	Total equity	7,975.8	7,814.4	6,784.1	6,676.5
	Deferred tax	186.2	188.6	201.9	147.9
	Pensions and similar liabilities	91.9	100.4	111.4	106.3
6	Credit institutions	516.0	402.2	700.5	686.6
	Non-current liabilities	794.1	691.2	1,013.8	940.8
6	Current portion of non-current debt	139.2	152.1	187.5	190.6
6	Credit institutions	172.5	168.8	318.4	109.4
	Trade payables and other payables	3,252.2	3,339.4	2,399.7	2,567.1
	Income tax	78.2	107.1	46.7	31.4
	Current liabilities	3,642.1	3,767.4	2,952.3	2,898.5
	Total liabilities	4,436.2	4,458.6	3,966.1	3,839.3
	Total liabilities and equity	12,412.0	12,273.0	10,750.2	10,515.8

Notes without reference 7 & 9.

CONSOLIDATED STATEMENT

All amounts in DKK million

Cash flow statement

Note		Q1 2017	Q1 2016	2016 Total
	Profit before tax	163.3	156.8	1,578.3
	Adjustment for operating items of a non-cash nature, etc.:			
	Depreciation and impairment losses	106.1	99.3	434.0
	Other operating items, net	-16.6	-38.2	13.7
	Provisions	1.3	0.1	-1.1
	Profit/(loss) after tax in associates and joint ventures	-0.1	-14.3	-566.4
	Financial income	-4.3	-10.0	-33.3
	Financial expenses	19.4	24.3	59.9
	Cash flows from operating activities before changes in working capital	269.1	218.0	1,485.1
	Changes in working capital	-194.1	-59.6	371.6
	Cash flows from operating activities	75.0	158.4	1,856.7
	Interest income received	2.6	7.3	25.2
	Interest expenses paid	-12.9	-12.3	-54.5
	Cash flows from ordinary activities	64.7	153.4	1,827.4
	Income tax paid	-51.1	-43.9	-229.3
	Cash flows from operating activities	13.6	109.5	1,598.1
	Purchase of intangible assets	-1.9	-1.7	-18.8
	Purchase of property, plant and equipment	-246.4	-145.2	-828.3
	Sale of property, plant and equipment	1.1	0.1	5.9
4	Acquisition of enterprises	-30.0	-565.1	-551.0
	Acquisition/capital increase in ass. and joint ventures	-23.5	0.0	-74.3
	Divestment of associates	0.0	0.0	1,033.8
	Received dividend from associates	0.0	0.8	64.3
	Additions/disposals of other financial assets	0.0	-27.5	-27.1
	Cash flows from investing activities	-300.7	-738.6	-395.5

	Q1 2017	Q1 2016	2016 Total
Debt financing:			
Repayment of non-current liabilities	-26.9	-27.9	-488.7
Proceeds from incurring non-current financial liabilities	136.1	16.0	103.5
Increase (repayment) of bank overdrafts	-12.3	89.3	-332.3
Shareholders:			
Capital contributions, etc. by non-controlling interests	0.0	0.0	1.0
Dividend paid	0.0	0.0	-237.7
Purchase/sale of treasury shares, net	19.5	40.9	28.9
Cash flows from financing activities	116.4	118.3	-925.3
Cash flows for the period	-170.7	-510.8	277.3
Cash and cash equivalents at 1 Jan.	1,682.4	1,410.7	1,410.7
Value adjustment of cash and cash equivalents	1.7	-7.4	-5.6
Cash and cash equivalents at 31 Mar./Dec.	1,513.4	892.5	1,682.4

CONSOLIDATED STATEMENT

All 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	Total equity
Equity at 1 January 2016	255.0	-12.4	263.1	5,895.1	255.0	6,655.8	20.7	6,676.5
Other comprehensive income								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	-39.0	0.0	0.0	-39.0	-0.1	-39.1
Value adj. of hedging instruments recognised	0.0	-16.4	0.0	0.0	0.0	-16.4	0.0	-16.4
Hedging instruments transferred to cost of sales	0.0	-0.8	0.0	0.0	0.0	-0.8	0.0	-0.8
Hedging instruments transferred to financials	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.2
Other comprehensive income from associates and JVs	0.0	0.0	0.0	-1.3	0.0	-1.3	0.0	-1.3
Other adjustment on equity	0.0	0.0	0.0	-0.2	0.0	-0.2	0.0	-0.2
Tax on other comprehensive income	0.0	4.1	0.0	0.0	0.0	4.1	0.0	4.1
Profit for the period	0.0	0.0	0.0	117.0	0.0	117.0	-0.9	116.1
Total recognised comprehensive income	0.0	-12.9	-39.0	115.5	0.0	63.6	-1.0	62.6
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	4.1	0.0	4.1	0.0	4.1
Treasury shares bought/sold	0.0	0.0	0.0	40.9	0.0	40.9	0.0	40.9
Transactions with the owners	0.0	0.0	0.0	45.0	0.0	45.0	0.0	45.0
Equity at 31 March 2016	255.0	-25.3	224.1	6,055.6	255.0	6,764.4	19.7	6,784.1
Equity at 1 January 2017	255.0	-10.7	240.4	7,006.1	306.0	7,796.8	17.6	7,814.4
Other comprehensive income								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	14.1	0.0	0.0	14.1	0.2	14.3
Value adj. of hedging instruments recognised	0.0	1.9	0.0	0.0	0.0	1.9	0.0	1.9
Hedging instruments transferred to cost of sales	0.0	0.3	0.0	0.0	0.0	0.3	0.0	0.3
Hedging instruments transferred to financials	0.0	1.2	0.0	0.0	0.0	1.2	0.0	1.2
Other comprehensive income from associates and JVs	0.0	0.0	0.0	-0.8	0.0	-0.8	0.0	-0.8
Other adjustment on equity	0.0	0.0	0.0	0.7	0.0	0.7	0.0	0.7
Tax on other comprehensive income	0.0	-0.5	0.0	-0.2	0.0	-0.7	0.0	-0.7
Profit for the period	0.0	0.0	0.0	123.6	0.0	123.6	-1.3	122.3
Total recognised comprehensive income	0.0	2.9	14.1	123.3	0.0	140.3	-1.1	139.2
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	2.6	0.0	2.6	0.0	2.6
Treasury shares bought/sold	0.0	0.0	0.0	19.6	0.0	19.6	0.0	19.6
Transactions with the owners	0.0	0.0	0.0	22.2	0.0	22.2	0.0	22.2
Equity at 31 March 2017	255.0	-7.8	254.5	7,151.6	306.0	7,959.3	16.5	7,975.8

CONSOLIDATED STATEMENT

All amounts in DKK million

Notes to the financial statements

1 SEGMENT REPORTING

Total reportable segments YTD 2017	BioMar	Fibertex Personal Care	Fibertex Nonwovens	HydraSpecma	GPV	Total
External revenue	1,996.5	467.7	380.9	476.4	260.7	3,582.2
Intra-group revenue	0.0	5.4	1.3	0.0	0.2	6.9
Segment revenue	1,996.5	473.1	382.2	476.4	260.9	3,589.1
Depreciation and impairment	35.1	27.6	21.4	15.1	6.2	105.4
EBIT	51.5	55.4	29.8	35.5	17.0	189.2
Segment assets	5,704.4	2,078.5	1,612.7	1,417.2	753.6	11,566.4
Including goodwill	789.9	99.1	123.3	152.2	16.1	1,180.6
Equity investments in associates and joint ventures	181.2	0.0	0.0	2.6	0.0	183.8
Segment liabilities	3,088.5	1,210.5	1,064.4	983.7	566.6	6,913.7
Working capital	514.3	315.7	410.8	491.2	221.0	1,953.0
NIBD	97.8	770.5	748.5	500.4	296.2	2,413.4
Cash flows from operating activities	-50.6	52.9	0.4	6.3	6.1	15.1
Cash flows from investing activities	-80.5	-137.5	-22.6	-7.7	-52.4	-300.7
Cash flows from financing activities	73.0	97.8	20.4	-0.4	23.3	214.1
Capital expenditure *	57.0	137.7	22.6	7.8	42.4	267.5
Average number of employees	901	621	841	1,092	1,138	4,593

Total reportable segments YTD 2016	BioMar	Fibertex Personal Care	Fibertex Nonwovens	HydraSpecma	GPV	Total
External revenue	1,532.1	452.6	336.1	452.9	-	2,773.7
Intra-group revenue	0.0	5.8	1.6	0.0	-	7.4
Segment revenue	1,532.1	458.4	337.7	452.9	-	2,781.1
Depreciation and impairment	34.0	28.8	21.4	14.4	-	98.6
EBIT	22.0	87.4	22.5	29.9	-	161.8
Segment assets	4,869.1	1,874.8	1,575.7	1,341.2	-	9,660.8
Including goodwill	772.9	99.1	120.3	154.8	-	1,147.1
Equity investments in associates and joint ventures	82.8	0.0	0.0	2.6	-	85.4
Segment liabilities	2,575.3	1,016.6	1,078.4	974.3	-	5,644.6
Working capital	781.7	287.7	379.3	491.3	-	1,940.0
NIBD	389.2	515.3	743.3	551.2	-	2,199.0
Cash flows from operating activities	-24.8	111.5	10.2	9.2	-	106.1
Cash flows from investing activities	-79.2	-65.5	-21.9	-488.4	-	-655.0
Cash flows from financing activities	-17.8	-32.1	42.2	533.5	-	525.8
Capital expenditure *	52.8	65.5	21.9	416.7	-	556.9
Average number of employees	896	521	785	804	-	3,006

* Capital expenditure consists of additions of intangible assets and property, plant and equipment, including additions on acquisition

All amounts in DKK million

Notes to the financial statements

1 SEGMENT REPORTING (CONTINUED)

Based on management control and financial management, Schouw & Co. has identified five reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens, HydraSpecma and GPV.

All inter-segment transactions were made on an arm's length basis.

Reconciliation of consolidated revenue, EBIT, assets and liabilities

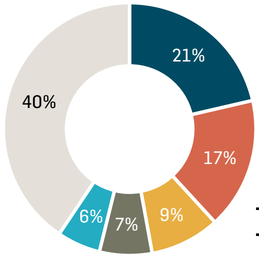
YTD 2017	Group revenue	EBIT	Assets	Liabilities
Reporting segments	3,589.1	189.2	11,566.4	6,913.7
Non-reporting segments	1.4	0.5	101.9	35.1
The parent company	2.0	-11.4	8,453.2	493.9
Group elimination etc.	-8.9	0.0	-7,709.5	-3,006.5
Total	3,583.6	178.3	12,412.0	4,436.2

YTD 2016	Group revenue	EBIT	Assets	Liabilities
Reporting segments	2,781.1	161.8	9,660.8	5,644.6
Non-reporting segments	1.9	1.3	142.2	35.2
The parent company	1.5	-6.3	6,914.8	150.4
Group elimination etc.	-8.8	0.0	-5,967.6	-1,864.1
Total	2,775.7	156.8	10,750.2	3,966.1

The data on revenue by geography are based on customers' geographical location. 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 the revenue derives from the 'Other' category.

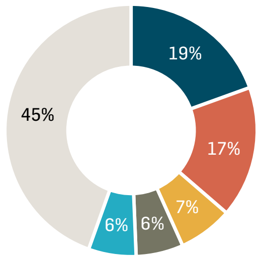
Revenue by country:

YTD 2017



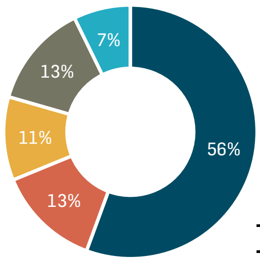
	YTD 2017	YTD 2016
Norway	766	541
Chile	603	468
Denmark	320	193
UK	241	168
Sweden	200	170
Other	1,454	1,236
Total	3,584	2,776

YTD 2016



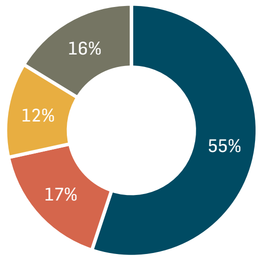
Revenue by segments:

YTD 2017



	YTD 2017	YTD 2016
BioMar	1,996	1,532
FPC	473	458
FIN	382	338
HydraSpecma	476	453
GPV	261	0
Other etc.	-4	-5
Total	3,584	2,776

YTD 2016



All amounts in DKK million

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 date of grant plus a premium (2017 allocation: 3% p.a.) from the date of grant until the date of exercise.

Outstanding options	Management	Other	Total
Granted in 2013	40,000	0	40,000
Granted in 2014	55,000	50,000	105,000
Granted in 2015	55,000	172,000	227,000
Granted in 2016	55,000	199,000	254,000
Outstanding options in total at 31 December 2016	205,000	421,000	626,000
Granted in 2017	55,000	238,000	293,000
Exercised (from the share options granted in 2014)	0	-20,000	-20,000
Exercised (from the share options granted in 2015)	0	-40,000	-40,000
Outstanding options in total at 31 March 2017	260,000	599,000	859,000

The following assumptions were applied in calculating the fair value of outstanding share options at the date of grant:

Presumptions for the fair value:	2017 grant	2016 grant	2015 grant	2014 grant
Expected volatility	23.27%	31.50%	27.62%	26.12%
Expected term	48 mths	48 mths	48 mths	48 mths
Most recent dividend per share **	DKK 10	DKK 8	DKK 6	DKK 5
Risk-free interest rate	-0.25%	0.10%	0.00%	0.65%
Other information regarding the options:				
Strike price in DKK *	671.93	450.88	379.50	297.50
Fair value in DKK per option **	68.45	69,65	40.99	30.87
Fair value in total in DKK millions **	20.1	17.7	9.3	6.9
Can be exercised from	March 2020	March 2019	March 2017	March 2016
Can be exercised to	March 2021	March 2020	March 2019	March 2018

*) On exercise after four years (at the latest possible date)
**) At the date of grant

Options exercised in 2017:	Exercised from 2015 grant	Exercised from 2014 grant
Exercised number of shares	40,000	20,000
Average exercise price in DKK	348.86	279.68
Average share price in DKK on exercise	595.75	560.50
Group's cash proceeds in DKK million	13.9	5.6

The expected volatility is calculated as 12 months' historical volatility based on average prices. Exercise of the share options is subject to the holders being in continuing employment during the above-mentioned periods. If the share option holder leaves the company's employ before a share option vests, the holder may in some cases have a right to exercise the share options early during a four-week period following Schouw & Co.'s next following profit announcement. In the event of early exercise, the number of share options will be reduced proportionately.

CONSOLIDATED STATEMENT

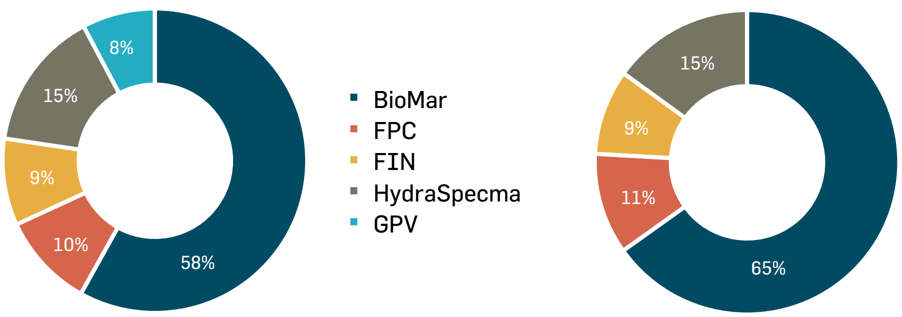
Notes to the financial statements

3 RECEIVABLES - CURRENT

	31/3 2017	31/3 2016
Trade receivables	2,748.0	2,425.0
Other current receivables	162.9	253.2
Accruals and deferred income	31.2	29.9
Receivables current	2,942.1	2,708.1

Trade receivables by portfolio company:

31/3 2017 | 31/3 2016



	31/3 2017	31/3 2016
Impairment losses on trade receivables		
Impairment losses at 1 January	-158.2	-206.8
Exchange adjustments	-0.3	1.0
Additions on company acquisitions	0.0	-1.0
Reversed impairment losses	0.2	0.3
Impairment losses for the period	-3.7	-7.6
Realised loss	0.0	0.3
Impairment losses	-162.0	-213.8

		Due between (days)			
31/3 2017	Not due	1-30	31-90	>91	Total
Trade receivables not considered to be impaired	2,408.0	189.7	76.7	30.0	2,704.4
Trade receivables individually assessed to be impaired	-6.6	22.5	16.2	173.5	205.6
Trade receivables in total	2,401.4	212.2	92.9	203.5	2,910.0
Impairment losses on trade receivables	-6.9	-4.0	-1.7	-149.4	-162.0
Trade receivables net	2,394.5	208.2	91.2	54.1	2,748.0
Proportion of the total receivables which is expected to be settled					94.4%
Impairment percentage	0.3%	1.9%	1.9%	73.4%	5.6%

		Due between (days)			
31/3 2016	Not due	1-30	31-90	>91	Total
Trade receivables not considered to be impaired	1,930.9	199.6	129.7	29.3	2,289.5
Trade receivables individually assessed to be impaired	8.9	33.7	41.2	265.5	349.3
Trade receivables in total	1,939.8	233.3	170.9	294.8	2,638.8
Impairment losses on trade receivables	-3.1	-2.5	-4.0	-204.2	-213.8
Trade receivables net	1,936.7	230.8	166.9	90.6	2,425.0
Proportion of the total receivables which is expected to be settled					91.9%
Impairment percentage	0.2%	1.1%	2.3%	69.3%	8.1%

A total of 7.1% (2016: 13.2%) of receivables at the balance sheet date were impaired to a greater or lesser extent. There is a continual follow-up on overdue debtors.

All amounts in DKK million

Notes to the financial statements

4 ACQUISITIONS

	31/3 2017	31/3 2016
Intangible assets	0.0	177.7
Property, plant and equipment	3.2	76.5
Financial assets	0.6	4.2
Inventories	22.6	235.5
Receivables	14.8	204.0
Tax asset	0.3	0.8
Cash and cash equivalents	0.0	60.9
Credit institutions	-10.9	-140.6
Deferred tax	0.0	-54.1
Provisions	0.0	-4.3
Trade payables	-12.2	-99.6
Other liabilities	-4.5	-74.1
Net assets acquired	13.9	386.9
Goodwill	16.1	155.8
Cost	30.0	542.7
Of which cash and cash equivalents	0.0	-60.9
Cash cost total	30.0	481.8
Prepayment for the purchase of GPV	0.0	83.3
Total cash payments regarding acquisition of enterprises	30.0	565.1

Effective 1 March 2017, the Group acquired BHE, an EMS company based in Horsens, Denmark, for a cash consideration of DKK 30.0 million. Acquiring BHE forms part of GPV's growth strategy.

Established in 1984, BHE has over a number of years generated annual revenue of about DKK 100 million, selling mainly to the Danish and German markets.

As a purchase price allocation has yet to be completed, the preliminary goodwill calculated at DKK 16.1 million is subject to reservations. Acquisition costs have yet to be calculated but are expected to amount to about DKK 0.5 million.

Had BHE been recognised as from 1 January 2017, revenue would have been DKK 14 million higher, while EBIT would have been the same.

Acquisition made after the balance sheet date
At 1 April 2017, Schouw & Co. acquired a majority shareholding in industrial company Borg Automotive of Silkeborg, Denmark. The acquired assets and liabilities, goodwill, etc. have not yet been calculated.

5 SHARE CAPITAL

Treasury shares	Number of shares	Cost in DKK million	Percentage of share capital
1 January 2016	1,906,130	352.0	7.48%
Movements in Q1 2016			
Share option programme	-180,000	-21.8	-0.71%
31 March 2016	1,726,130	330.2	6.77%
Movements in Q2-Q4 2016			
Share option programme	-4,000	-0.4	-0.01%
Additions	34,800	13.1	0.13%
31 December 2016	1,756,930	342.9	6.89%
Movements in Q1 2017			
Share option programme	-60,000	-7.0	-0.24%
31 March 2017	1,696,930	335.9	6.65%

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid up.

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 5,100,000 treasury shares, equal to 20.0% of the share capital. The authorisation is valid until 1 April 2021.

The company acquires treasury shares for allocation to the Group's share option programmes.

A total of 60,000 shares held in treasury were used in connection with options exercised in 2017. The shares had an aggregate fair value of DKK 35.0 million at the time of exercise.

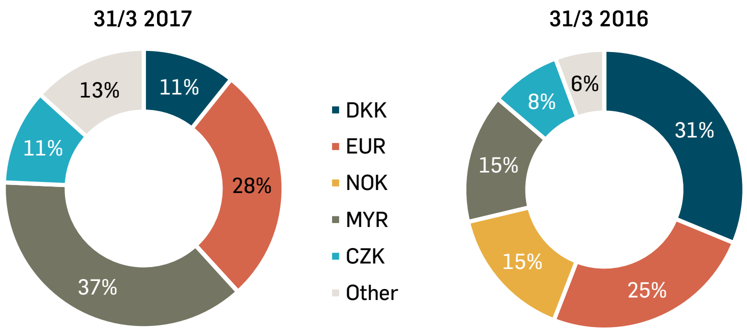
The Group's holding of treasury shares had a market value of DKK 1,085 million at 31 March 2017.

The share capital has not changed in the past five years.

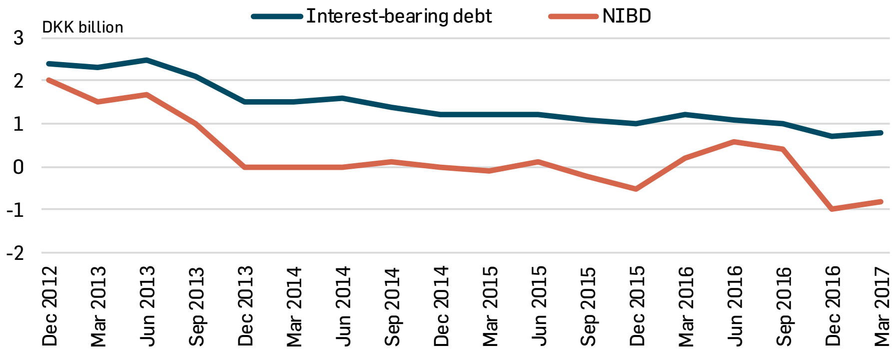
Notes to the financial statements

6 INTEREST-BEARING DEBT

Percentage breakdown of interest-bearing debt by currency:



Consolidated interest-bearing debt:



The weighted average effective rate of interest at 31 March 2017 was 3.6% (31 March 2016: 2.8%).

7 FAIR VALUE OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	31/3 2017	31/12 2016	31/3 2016
Financial assets			
Securities measured at fair value through profit or loss – level 1	2.3	2.3	0.0
Derivative financial instruments to hedge future cash flows – level 2	7.1	17.8	1.8
Securities measured at fair value – level 3	117.5	119.0	110.9
Financial liabilities			
Derivative financial instruments to hedge future cash flows – level 2	19.2	34.4	35.2

Securities measured at fair value through other comprehensive income (level 3) amounted to DKK 119.0 million at the beginning of the year. The change for the reporting period was due to foreign exchange adjustments of minus DKK 1.5 million. There has been no changes to listed securities (level 1) in 2017.

The Group uses interest rate swaps and forward currency contracts to hedge fluctuations in interest rate levels 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.

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 yield curves and exchange rates. In addition, fair values are based on non-observable market data, including exchange rate volatilities, or correlations between yield curve, exchange rates 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.

Fair value hierarchy

Level 1 Listed shares, stated at market value of shareholding.
Level 2 Financial instruments valued by external credit institutions using generally accepted valuation techniques on the basis of observable data.
Level 3 Unlisted shares, stated at estimated value.

All amounts in DKK million

Notes to the financial statements

8 EARNINGS PER SHARE (DKK)

	Q1 2017	Q1 2016
Share of the profit for the period attributable to shareholders of Schouw & Co.	123.6	117.0
Average number of shares	25,500,000	25,500,000
Average number of treasury shares	-1,741,708	-1,862,262
Average number of outstanding shares	23,758,292	23,637,738
Average dilutive effect of outstanding share options *	173,887	49,641
Diluted average number of outstanding shares	23,932,179	23,687,379
Earnings per share of DKK 10	5.20	4.95
Diluted earnings per share of DKK 10	5.16	4.94

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

9 RELATED PARTY TRANSACTIONS

Under Danish legislation, Givesco A/S, Svinget 24, DK-7323 Give, 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 remuneration and share option programmes are set out in note 2.

	YTD 2017	YTD 2016
Joint Ventures:		
During the financial year, the Group sold goods of	6.3	0.4
At 31 March the Group had a receivable of	20.9	0.2
Associates:		
During the financial year, the Group sold goods of	2.8	8.3
During the financial year, the Group bougth goods of	6.7	4.6
During the financial year, the Group received interest income of	0.0	0.1
At 31 March the Group had a receivable of	0.3	27.5
At 31 March the Group had debt of	0.6	0.2
During the financial year, the Group received dividends of	0.0	0.8

During 2017, the Group traded with Incuba Invest, BioMar-Sagun, BioMar-Tongwei, LetSea, ATC Patagonia and Young Tech Co.

Other than as set out above, no transactions were made during the year with related parties.

All amounts in DKK million

Management statement

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 31 March 2017.

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 and liabilities and financial position at 31 March 2017 and of the results of the group's operations and cash flows for the period 1 January to 31 March 2017.

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, 4 May 2017

Aktieselskabet Schouw & Co.

Chr. Filtenborgs Plads 1
DK-8000 Aarhus C, Denmark
T +45 86 11 22 22
www.schouw.dk
schouw@schouw.dk
Company reg. (CVR) no. 63965812

Executive Management

Jens Bjerg Sørensen
President

Peter Kjær

Board of Directors

Jørn Ankær Thomsen
Chairman

Jørgen Wisborg
Deputy Chairman

Erling Eskildsen

Niels Kristian Agner

Kjeld Johannesen

Agnete Raaschou-Nielsen

Hans Martin Smith