Active and long-term ownership of leading Danish B2B businesses

January 2018

CEO JENS BJERG SØRENSEN
VP BUSINESS DEVELOPMENT, STRATEGY & IR KASPER OKKELS
Schouw & Co. at a glance

**HISTORY**
- 139 years of company history
- 125 years in packaging
- 29 years as a conglomerate

**FINANCIALS**
- 14.4 billion DKK revenue (2016)
- 1,038 million DKK EBIT (2016)
- 20.2% ROIC ex. goodwill (2016)

**FOOTPRINT**
- ~6,500 employees across the globe
- 25 countries with production sites
- 2 major long-term shareholders
Our value proposition

1. Diversified portfolio
2. Leading B2B businesses
3. Active/long-term ownership
4. Europe based, global outlook
5. ROIC focused
6. Financially strong

MISSION

We build a portfolio of leading Danish industrial businesses and develop them through value-creating, active and long-term ownership
Strategic goals

<table>
<thead>
<tr>
<th>GROWTH</th>
<th>PROFIT</th>
<th>RETURN</th>
<th>GEARING</th>
<th>PAYOUT</th>
<th>PORTFOLIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerable growth every year</td>
<td>Benchmark level profitability</td>
<td>ROIC &gt; 15% (dependent on risk)</td>
<td>Investment grade capital structure</td>
<td>Constant or increasing dividends</td>
<td>5-7 big and strong businesses</td>
</tr>
</tbody>
</table>
10 years of development

**Revenue (DKK bn)**

- 07: 8.2
- 08: 9.8
- 09: 8.4
- 10: 9.5
- 11: 11.9
- 12: 12.5
- 13: 11.6
- 14: 11.8
- 15: 12.6
- 16: 14.4

**ROIC ex goodwill**

- 07: 11%
- 08: 8%
- 09: 10%
- 10: 14%
- 11: 15%
- 12: 16%
- 13: 17%
- 14: 18%
- 15: 20%

**FTEs**

- 07: 3,541
- 08: 3,743
- 09: 3,344
- 10: 3,166
- 11: 2,873
- 12: 2,052
- 13: 2,139
- 14: 2,382
- 15: 4,108

**EBIT (DKK m)**

- 07: 439
- 08: 124
- 09: 190
- 10: 369
- 11: 646
- 12: 772
- 13: 685
- 14: 708
- 15: 831
- 16: 1,038

**NIBD/EBITDA**

- 07: 3.5
- 08: 4.0
- 09: 3.9
- 10: 2.9
- 11: 2.6
- 12: 1.7
- 13: 0.0
- 14: 0.0
- 15: -0.4
- 16: -0.7

**Market Cap (DKK m)**

- 07: 5,094
- 08: 2,000
- 09: 2,375
- 10: 3,188
- 11: 2,173
- 12: 3,511
- 13: 5,313
- 14: 6,812
- 15: 9,131
- 16: 12,489

**Revenue (DKK bn)** increased by +6.5% from 2007 to 2016.

**ROIC ex goodwill** increased by +9.4% from 2007 to 2016.

**FTEs** increased by +1.7% from 2007 to 2016.

**EBIT (DKK m)** increased by +10.0% from 2007 to 2016.

**NIBD/EBITDA** decreased by -4.2 times from 2007 to 2016.

**Market Cap (DKK m)** increased by +10.5% from 2007 to 2016.
The strategic journey of Schouw & Co.

Diversification 1988
From focused packaging business to a diversified industrial conglomerate

Bigger and stronger portfolio 2001
Adding new businesses in the portfolio to create a conglomerate with scale and strength

Consolidating the conglomerate 2006
Strengthening by capex and bolt-on acquisitions and divestment of non-core activities

Go Strong 2016
Sustaining the growth platform and adding new businesses to the portfolio

Go Strong 2020

M&A activity

Consolidated revenue DKKbn

0.3
2.2
7.4
14.4
+20
x65
In the portfolio since 2006

In the portfolio since 2001

In the portfolio since 1988/2016

In the portfolio since 2017

In the portfolio since 2016

RESULTS ARE CREATED BY PEOPLE
BioMar: World’s 3\textsuperscript{rd} largest fish quality feed producer

- The \textbf{World’s third largest} producer of quality feed for industrial fish farming
- Manufactures \textit{feed for salmon}, trout, sea bass, sea bream, tilapia, shrimp and 40 other species
- Aquaculture is the \textbf{only sustainable way} to increase the supply of fish
Fibertex Personal Care: Global spunbond manufacturer

- The World’s #5 manufacturer of spunbond nonwoven fabrics for hygiene applications
- The products are sold to global customers and used in baby diapers, femcare and incontinence products
- Increasing middle class and hygiene awareness increases the demand for Fibertex Personal Care’s products

<table>
<thead>
<tr>
<th>Volume</th>
<th>Sales</th>
<th>EBIT</th>
<th>Employees</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>~110,000 tonnes</td>
<td>DKK ~2.0bn</td>
<td>DKK 250-270m</td>
<td>around 600</td>
<td>5.3% CAGR 2012-2016</td>
</tr>
</tbody>
</table>
Fibertex Nonwovens: Leading in industrial nonwovens

- Leading European manufacturer of nonwovens for various industrial applications
- Huge versatility in product application; sales to automotive industry, construction sector, furniture/bedding, advanced products and wipes
- Strong focus on increasing share of value-added products by New Product Development and geographical expansion with global customers

<table>
<thead>
<tr>
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<th>Employees</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>~55,000 tonnes</td>
<td>DKK ~1.4bn</td>
<td>DKK 80-100m</td>
<td>around 1,100</td>
<td>9.6% CAGR 2012-2016</td>
</tr>
</tbody>
</table>
HydraSpecma: Leading Nordic hydraulic business

- The leading hydraulic company in Scandinavia
- Partly solving complex hydraulic solutions for global industrial customers, partly wholesaler of hydraulic components to Scandinavian OEMs
- Strong hydraulic knowhow and understanding of customers’ needs combined with day-to-day logistics and state-of-the-art webshop

### Key Figures

<table>
<thead>
<tr>
<th>Volume</th>
<th>Sales</th>
<th>EBIT</th>
<th>Employees</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>~4.5 million hoses</td>
<td>DKK ~1.8bn</td>
<td>DKK ~100m</td>
<td>around 1,100</td>
<td>34.9% CAGR 2012-2016</td>
</tr>
</tbody>
</table>
Borg: Europe’s largest auto remanufacturer

- Europe’s leading remanufacturer to the automotive industry
- Remanufactures mechanical parts and mechatronics as starters, alternators, brakes, air condition compressors and steering for all types of cars
- Solid growth from a growing carpark, longer vehicle lifetime and a global focus on sustainability and circular economy

Notes: 1) 2017 full-year pre-PPA comparable figures
GPV: International electronics and mechanics

- **The leading Danish** EMS producer with significant presence in low-cost-countries
- Electronic Manufacturing Services (EMS) and advanced mechanics are supplied to global customers in regulated industries demanding high quality
- EMS is growing due to increased use of outsourcing and more and more B2B products using electronics due to Internet of Things, Big Data, etc.

### Key Figures

<table>
<thead>
<tr>
<th>Volume</th>
<th>Sales</th>
<th>EBIT</th>
<th>Employees</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>~10 million</td>
<td>DKK ~1.1bn</td>
<td>DKK 70-80m</td>
<td>around 1,100</td>
<td>5.1% CAGR¹ 2012-2016</td>
</tr>
</tbody>
</table>

Notes: 1) Growth adjusted for non-continuing businesses
Strong position in global growth industries

**Global GDP growth (2015-20)**

~3.5%

**Fish feed**

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (m tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>20</td>
</tr>
<tr>
<td>2020</td>
<td>24</td>
</tr>
</tbody>
</table>

**Hygiene spunbond**

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (m tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.0</td>
</tr>
<tr>
<td>2020</td>
<td>2.5</td>
</tr>
</tbody>
</table>

**Industrial nonwovens**

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (m tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.3</td>
</tr>
<tr>
<td>2020</td>
<td>3.3</td>
</tr>
</tbody>
</table>

**Hydraulics**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (USD bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>53</td>
</tr>
<tr>
<td>2020</td>
<td>71</td>
</tr>
</tbody>
</table>

**Auto remanufacturing**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (USD bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>32</td>
</tr>
<tr>
<td>2020</td>
<td>44</td>
</tr>
</tbody>
</table>

**EMS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (USD bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>350</td>
</tr>
<tr>
<td>2020</td>
<td>450</td>
</tr>
</tbody>
</table>

Source: Schouw & Co. estimates from various sources
NIBD development reflects high activity

Development in NIBD DKKbn

-0.6 0.6 1.1 0.6 1.1 0.6 1.1

Selected investments
- BioMar expansion in Karmøy, Norway DKK ~350m
- Fibertex Personal Care in Sendayan, Malaysia DKK ~400m
- Fibertex Nonwovens expansions and line upgrades DKK ~125m
- GPV in Guadalajara, Mexico and new SMT capacity DKK ~50m

Notes: 1) Some of the investments lies outside the 2016H1-2017Q3 period
Strong underlying development...

<table>
<thead>
<tr>
<th></th>
<th>2016 Q3-YTD (DKKm)</th>
<th>2017 Q3-YTD (DKKm)</th>
<th>Change in adjusted EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EBIT</td>
<td>723</td>
<td>778</td>
<td>+122m (+17%)</td>
</tr>
<tr>
<td>PPA</td>
<td>36</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Transaction costs</td>
<td>1</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>44</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Adj. EBIT</td>
<td>716</td>
<td>838</td>
<td>+34m (+5%)</td>
</tr>
<tr>
<td>2017 M&amp;A</td>
<td>30</td>
<td>118</td>
<td></td>
</tr>
<tr>
<td>Adj. organic EBIT</td>
<td>686</td>
<td>720</td>
<td></td>
</tr>
</tbody>
</table>
...in a turbulent marketplace...

Global growth agenda
Strong growth fundamentals as the world economy continue recovering

Intensified competition
Large capex intensifies competition to secure growth and profit

Fluctuating raw materials
Volatile raw material prices are impacting short-term profits

Volatile currency markets
Significant fluctuations in major currencies, e.g. USD, MYR, GBP, TRY

- Our businesses are well positioned to operate in unpredictable environments
- Innovation and future-proofing is part of the Schouw & Co. DNA
- We have well-invested businesses primed for profitable growth
...but solid strategic opportunities

Growing global demand for farmed fish

Hygiene awareness in Asia’s growing middle class

Consolidation and leverage on scale and investments

Scale from integration of recently acquired Specma

Global green agenda and focus on circular economy

Value-creating growth and transformation in EMS
Our 2020 strategic ambition

**Scenario**

**GO strong**

*January 2017 revised* (i.e. before acquisition of Borg)

**2020 ambition**

- **Revenue**
  - DKK +20bn

- **EBIT**
  - DKK 1.xbn

- **ROIC**
  - >15%

**Make required CAPEX investments** (for organic growth)
- DKK 2-3bn

**Complete x M&A bolt-on acquisitions**
- DKK x bn

**Expand the portfolio with one new business**
- DKK 1.0-1.5bn
Contact

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CEO/President
Jens Bjerg Sørensen
Supporting material
Ownership

- **Givesco**: Main shareholder for more than 40 years; controlled by the Eskildsen family.
- **Hornsyllds Legat**: Trust whose sole purpose is to own shares in Schouw & Co.
- **Treasury shares**: Shares owned by Schouw & Co.
- **Institutions and retail**: Danish and international shareholders (about 50/50 split).

### Pie Chart

- **Givesco**: 28%
- **Hornsyllds Legat**: 15%
- **Institutions and retail**: 50%
- **Treasury shares**: 7%
Active ownership: the transformation of Fibertex

2001
- Fibertex, then partly owned by EAC, was seeking a long-term owner willing to invest in growth
- Schouw & Co. acquired the shares in the combined Fibertex business at DKK 350m

2002-2009
- Green-field expansion in Malaysia for hygiene products
- Acquisition and construction of a new factory in the Czech Republic

2010
- Fibertex de-merged into two

2011-
- Continued expansion in Asia
- 5 lines in Malaysia – 8 lines in total
- Technological upgrade in Denmark
- Total investments DKK ~2bn
- Strict focus on innovation
- Print business in Germany, Asia and US
- Investment plan ‘capturing the future’
- Relocation of 200 jobs
- M&A in France, US, Turkey, S. Africa
- Turned around from loss to profit
- State-of-the-art equipment at all sites
- Leading position in most segments

Revenue
- DKK 600m
- CAGR 11%

Total revenue (2017)
- DKK ~3.4bn
Our modus operandi is active ownership

- Diversified Portfolio
- Active and Developing Ownership
- Openness
- Financial Versatility

- Future-proofing
- Profitable Growth
- Efficient Use of Capital
- Active Ownership Model

Strategy Wheel
Diversified portfolio

Investment criteria

INDUSTRY
B2B with preferences for processing industry & logistics

SIZE
Minimum revenue, or potential of, DKK 1bn

GEOGRAPHY
HQ in Denmark, but internationally focused

OWNERSHIP
Preferences for 100% (minimum majority share)

LEADING POSITION
Opportunity to set the agenda within niche segments

MANAGEMENT
Strong and ambitious management

NEW OWNER NEED
Need for a new owner to support transformation

ACTIVE OWNERSHIP
Possibility to exercise active ownership
BioMar: Strong position and growth outlook

**Aquaculture is a growth industry**
- Increasing global population increases the global demand for proteins
- Fish, and especially salmon, is healthy due to the high content of Omega 3
- Aquaculture feed conversion rate is high (2-3x better than poultry/pigs)
- The only sustainable way to increase the supply of fish is by fish farming as wild-catch cannot grow

**BioMar is well positioned**
- BioMar is global no. 3 in feed for high-value species like salmonids
- Farmed salmon is less than 10% of global farmed fish and BioMar’s current markets are less than 30% of the total addressable market for high-value feed
- BioMar aims to grow volume by 50% by 2021 with EBIT of 6% and ROIC > 15%
- Expansion into new markets/species is key to the growth agenda

**VALUE PROPOSITION**

**MARKET OVERVIEW 2016**

<table>
<thead>
<tr>
<th>Specie</th>
<th>Revenue</th>
<th>Market</th>
<th>M.share</th>
<th>Size (2016)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salmonids</td>
<td>~75% of revenue</td>
<td>Norway</td>
<td>North Sea 20-25%</td>
<td>~1.6 mton</td>
<td>CAGR 10-15% -7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Chile 25-30%</td>
<td>~0.4 mton</td>
<td>CAGR 16-17% -0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~1.4 mton</td>
<td>CAGR 18-20% -2%</td>
</tr>
<tr>
<td>Bass, bream, portion trout</td>
<td>~25% of revenue</td>
<td>Scotland</td>
<td></td>
<td>~0.7 mton</td>
<td>CAGR 16-20% -3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EastMed</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>WestMed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Baltic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tilapia, shrimp</td>
<td>&lt;5% of revenue</td>
<td>Costa Rica</td>
<td></td>
<td>~10 mton</td>
<td>CAGR 16-20% -4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td></td>
<td></td>
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</tbody>
</table>

**FINANCIAL DEVELOPMENT**

<table>
<thead>
<tr>
<th>Volume (kton)</th>
<th>Revenue (DKKbn)</th>
<th>EBIT (DKKm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>980 980 996 955 966</td>
<td>8.2 8.7 9.4 8.9</td>
<td>438 394 447 581</td>
</tr>
</tbody>
</table>

**COMPETITIVE ENVIRONMENT**

**Raw materials**
- Marine Protein/Oil
  - Nordsildmel (meal/oil)
  - Aker BioMarine (krill)
- Protein commodities
  - Cargill (veg. protein)
  - Caramuru (veg. protein)
  - ED&F (veg. oils)
- Additives
  - DSM (pigment, vitamins)
  - Lallemand (probiotics)

**Feed manufactures**
- Salmon
  - Skretting
  - EWOS/Cargill
  - Marine Harvest
- EMEA
  - Skretting
  - Aller Aqua

**Fish farmers**
- Salmon
  - Marine Harvest (global)
  - Leroy, Salmar, NRS, Grieg (Norway)
  - Scottish Seafarm (UK)
  - Aqua Chile, Multiexport, Camanchaca (Chile)
- Other species
  - Dias, Selonda (Greece)
  - Many local

Notes: 1) Total addressable market. 2) Non-exhaustive list of selected market participants
BioMar: Huge ‘world’ outside salmon

Introduction to Schouw & Co.

AQUACULTURE FEED MARKET FORECAST

KEY SUCCESS FACTORS

Values

Courage
Innovation
Respect
Openness
Execution

Guiding principles

Innovation
Cooperation
Sustainability
Performance

“Let’s innovate aquaculture”

- BioMar continuously strives to improve its ability to innovate
- BioMar is determined to embrace long-term commitments towards and with stakeholders
- BioMar is devoted to developing sustainable aquaculture
- BioMar is committed to enabling the aquaculture industry to be a long-term profitable provider of safe, healthy seafood

AQUACULTURE FEED MARKET FORECAST

- All high-value species are growing, however at a lower pace

‘Must haves’

- Technical quality of the pellet
- Reliability
- Logistics
- Sustainability

Differentiators

- Growth performance
- Price to quality
- Technical follow-up
- Innovativeness

- Feed with superior growth performance, while maintaining quality of the end product, is the main differentiator
- Feed suppliers can further differentiate themselves through improved price to quality ratio, technical follow-up and ongoing innovativeness in improved feed capabilities

Notes:

1) How much feed to gain 1 kg weight. 2) The share for human consumption. 3) How much energy the animal retains until slaughtering. 4) Full lifecycle carbon footprint (incl. processing), Source: ewg.org
Fibertex Personal Care: Strong growth in Asia

**Top 3 market participants in Asia and Europe**

<table>
<thead>
<tr>
<th>Region</th>
<th>Kimberly-Clark</th>
<th>P&amp;G</th>
<th>Unicharm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>17%</td>
<td>42%</td>
<td>16%</td>
</tr>
<tr>
<td>Europe</td>
<td>12%</td>
<td>9%</td>
<td>18%</td>
</tr>
<tr>
<td>Rest</td>
<td>58%</td>
<td>29%</td>
<td>29%</td>
</tr>
</tbody>
</table>

**Global growth in nonwovens consumption**

- 2010: 6.3, 1.3, 1.6
- 2015: 9.0, 2.4, 3.4
- 2020: 12.1, 3.8, 5.8

**Hygiene spunbond growth**

- 2010-2015: +7.4%
- 2015-2020: +6.1%

**Main growth drivers**

- Growing population
- Aging population
- Increasing income
- Technology development

**ASIA IS THE FASTEST GROWING REGION**

- Baby: ~70%
- Femcare: ~10%
- Incontinence: ~20%

**Spunbond hygiene categories**

- CAGR 2015-20:
  - Asia: 34% (~10%)
  - Europe: 20% (~1%)
  - RoW: 46%

**Main market participants**

**Hygiene spunbond**

- Global: Avintiv (Berry Plastics), Fitesa, Avgol
- Europe: Pegas (Czech Rep.), Union (Italy)
- Asia: Toray (Japan), Ashai (Japan)
- RoW: Unicharm, Kao (Asia)

**Machinery and Raw materials**

- Global: Procter & Gamble (Pampers, Always), SCA (Libero, Libresse), Kimberly Clark (Huggies, Kotex)
- Europe: Ontex (Europe), Abena (Europe), Unicharm (Asia), Kao (Asia)

**Business segment**

- Consumer Goods Manufactures

Notes: 1) Source: Euromonitor 2016, 2) Select market participants only
Fibertex Nonwovens: Solid progress and traction

**NEEDLEPUNCH TECHNOLOGY**

- **Roll goods**
- **Laminates/composites**
- **Sheets**

*Needlepunch products*

50-2,000 g/m²

**BUSINESS SEGMENTS**

- **Automotive**
  - Motor insulation
  - Headliners
  - Seating
  - Wheel and underbody
- **Wipes**
  - Technical & cosmetic wipes
  - Washing gloves
- **Industrial**
  - Bedding
  - Furniture
  - Flooring
- **Construction**
  - Geotextiles
  - Roofing
  - Specialities
- **Advanced products**
  - Medico
  - Filtration
  - Composites

**GLOBAL AUTOMOTIVE SEGMENT**

<table>
<thead>
<tr>
<th>Industry focus areas</th>
<th>2012</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>79</td>
<td>102</td>
</tr>
</tbody>
</table>

**FIN’s auto segment**

- Largest segment, ~30% of revenue
- 2012-2015 CAGR ~10%
- Margins above average
- Big customers like HP Pelzer, Faurecia, Autoneum, Grupo Antolin

**Global automotive industry growth drivers**

- Lighter cars to reduce fuel consumption and lower emissions
- Reduction of noise and increase
- Platform modularisation
- Higher safety requirements

**Transformation by extending geographical footprint**

- **Revenue**
- **EBIT**

* 2017Q2 LTM figures

Notes: 1) Fibertex Nonwovens also uses spunlacing technology where fibres are bonded together by water under high pressure. 2) Source: IHS Database
HydraSpecma: Combining two hydraulic businesses

**Strong in Denmark and in wind**
- Small but highly profitable
- Revenue of DKK ~550m and +10% EBIT
- Two segments; Danish OEM and global wind turbine manufacturers

**Wind industry growing**
- Sub-supplier margins under pressure
- Low visibility in wind turbine industry
- Wind industry volatile and project based

**Strategic ambition to grow**
- Wish to reduce high exposure to wind
- Broadening geographical presence
- Ambition of reaching DKK 1bn in revenue

**HYDRA-GERNE PRIOR TO ACQUISITION**

**ACQUISITION OF SPECMA**
- M&A required
- Specma acquired early 2016
  - A leading Nordic hydraulics and fluid conveyance application provider with strong geographical presence
  - Revenue of DKK +1.0bn, i.e. significantly bigger than the 'old' Hydra-Grene
  - Unique match between products, competences and knowhow
  - Acquired at 8.2x EBITDA before synergies

**Strategic rationale**
- Highly complementing customer segments
- Broad geographical presence
- Obtaining exposure to many international industrial segments
- Strong platform for future growth
- Economies of scale
- Synergies primarily within sourcing and cross-selling opportunities

**CUSTOMER SECTIONS**
- ~40% of sales
- ~60% of sales

**PRODUCTS**
- Total sales of DKK ~1.8bn

**Material handling**
- ~60% of sales

**Vehicles**
- ~60% of sales

**Nordic OEMs**
- ~40% of sales

**Sweden**
- Denmark
- Finland

**Global accounts**
- Other
- Wind
Borg: European autoreman set to grow

**Remanufacturing Drivers**

1. **Growing carpark & new sales**
   - 2.3% annual car park growth towards 2020

2. **Longer vehicle lifetime**
   - +1 year in average lifetime since 2010

3. **Declining number of accidents**
   - 1% annual reduction in accidents since 2010

4. **Structural change**
   - Growing aftermarket liberalisation via regul.

5. **Maturing remanufacturing capabilities**
   - Drives industry promotion/knowledge sharing

6. **Global green agenda**
   - Supply concern ‘critical’ to EU (focus on CO2)

**Forecast**

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<td>EUR billion</td>
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<td>10.1</td>
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**Vision:** Providing the best customer experience in remanufactured automotive solutions

That means:

- Pan-European availability of a broad program of applications
- Product experience and quality in top class
- High usability in services and tools in the complete distribution channel
- Best core return concept
- Environmental care – in actions and products
- Competitive price and profitability in the complete distribution channel
- All provided by competent and responsible people, interdependent and transparent in relations, striving for continuous improvement.
The remanufacturing process
The remanufacturing process
GPV: Increased use of electronics drives growth

**Significant growth ambition**

- **GPV 2015**: 850
- **GPV 2020**: +1,500

**Industry growth drivers**
- Global EMS market is EUR +500bn with estimated CAGR of 5-7%
- OEMs increase focus on core production and outsourcing of non-core production, such as electronics and mechanics
- Electronics are used in more and more products among others due to ‘Internet of Things’ and ‘Big Data’
- The penetration of electronics and software in B2B products is increasing

**Customer segments**
- **Cleantech** (e.g. intelligent pumps, smart meters, efficiency enhancing products, battery management)
- **Instruments & Industry** (e.g. instruments for measurements, process control, standalone equipment, logistics to customers’ end customers)
- **Medico** (focus on tractability and certification)
- **Marine & Defense** (extreme conditions - extreme demands)

**Input materials**
- Main input
  - Electronic components
  - Printed Circuit Boards
  - Metal

**EMS businesses**
- Selected listed peers
  - SVI (Thailand)
  - Scanfil (Finland)
  - Note (Sweden)
  - Kitron (Norway)

**Customers**
- Leading international B2B companies
  - ABB
  - Grundfos
  - Spectris
  - Etc.

**Selected market participants**
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