



**HAARSLV™**

# **PRESS RELEASE: ANNUAL REPORT 2022 AND OUTLOOK 2023**



**POULTRY  
RENDERING**



**MEAT  
RENDERING**



**FISH  
PROCESSING**



**INDUSTRIAL  
PROCESSING**

# ANNUAL REPORT 2022

We have seen a strong recovery during 2022, following the cancellation of the Covid-19 restrictions. However, the tragic and unexpected event, the Russian invasion of Ukraine in February 2022, have had a significant negative impact on the business in 2022.

We are deeply concerned by the situation taking place in Ukraine and our thoughts are with all the people whose lives have been affected by this disaster.

We took immediate action to ensure the safety of all our employees in the region. Furthermore, Haarslev decided to suspend the acceptance of new orders for projects in Russia and Belarus, and the company also early on engaged advisors to ensure compliance with sanction laws.

The negative financial impact from the invasion of Ukraine in 2022 is approx. DKK 90-110m of which DKK 60m is a write down of the balance sheet value regarding current contracts with customers in the Russian region and is recognized as Special Items in the Annual report. The residual DKK 30-50m relates to increased raw material and component prices and logistic costs negatively impacting the results as the vast majority of our contracts with other non-Russian customers had been entered with a fixed sales price.

Though our operating margins were impacted by the invasion of Ukraine, we have been navigating relatively well through the challenges relating to material availability and substantial price increases in steel and logistics. The financial impact on order intake and revenue from suspending acceptance of new orders for projects in Russia and Belarus was largely compensated by orders from other markets internationally.

Our focus has been on continued innovation, strengthening and scaling our operating model while ensuring full focus on customer deliveries.

Group revenue for 2022 increased by 14% to DKK 1.636.500k (2021: DKK 1.430.045k). Gross margin (including special and exceptional items) decreased from 22% in 2021 to 15% in 2022.

The Group's income statement for 2022 shows a loss after tax of DKK 107.127k (2021: profit after tax of DKK 14.067k). We consider the financial results of 2022 acceptable taking the external challenges during the year into consideration.



## EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)

The normalized EBITDA (excluding special and exceptional items) has decreased to DKK 95m in 2022 from DKK 149m in 2021.

The decrease is driven by the direct impact from the invasion of Ukraine and also indirect impacts due to increased steel and components prices and logistic costs, which have not been possible to pass on to customers.

## Capital resources and funding

A new bank agreement covering the period to June 30th, 2025, was signed in December 2022. Based hereon and the budget for 2023, we consider that the Group's capital resources and funding will be on a sufficient level throughout 2023.

## Outlook 2023

During Q3 2022 we decided to implement several initiatives to improve the execution in the whole value chain of our business. Our new strategy "BETTER TOMORROW" set the vision and actions for the coming three years. Action plans for 2023 are being implemented with focus on commercial activities in our key markets and improving the execution in our Supply Chain. This is expected to give a better result for 2023 and a good foundation for the coming years.

We are entering 2023 with a solid backlog and a positive momentum, especially in North America where investment appetite is clearly increasing, and we have received several greenfield orders through 2022 and expect more to come in 2023. Overall, our pipeline is solid with a healthy distribution across segments and geographies.

For 2023, we expect a revenue of DKK 1,450m – 1,550m and a profit before net financials in the level of DKK 90m compared to a loss of DKK 43m in 2022. Profit before net financials is impacted by exceptional items, which includes high uncertainty especially in contracts with customers in Russia.

Revenue in 1Q23 is 20% above 1Q22 and EBITDA is more than twice as high as in 1Q22.

