

Press Release

Record revenue, profit and strategic investments in 2023

HIGHLIGHTS

(in thousands of euro)	YTD Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Orders received	363,092	135,818	71,274	70,458	85,542
Revenue	400,121	100,683	92,740	108,920	97,778

- JENSEN-GROUP's **revenue** of the fourth quarter amounts to **100.7 MEUR**, resulting in a record annual revenue of **400.1 MEUR** (+17%).
- The **order intake** in 2023 represents an amount of **363.1 MEUR**, nearly matching the highest ever level reached in the previous year.
- The **operating profit (EBIT)** amounts to **40.7 MEUR**, compared to 22.4 million euro in 2022, marking a substantial growth of 81.8%.
- Consequently, the **cash flow from operations (EBITDA)** amounts to **48.4 MEUR**, representing an 85% increase compared to previous year.
- The consolidated result attributable to equity holders lead to an **Earnings per Share** of **3.39 euro per share**, an increase of 61.4% in comparison to 2.10 euro per share per end of December 2022.
- The Board will propose at the Annual Shareholders' meeting to approve a **gross dividend** of **0.75 euro per share**. Subject to approval at the Annual Shareholders' meeting of May 21, 2024, the share will trade ex-coupon as of May 28, 2024 and the dividend will be payable as from May 30, 2024 at the counters of KBC bank.

Expansion of the Executive Management Team

The JENSEN-GROUP is pleased to announce the appointment of **Mads Andresen as Chief Innovation Officer**, effective January 1, 2024. In his new role, Mr. Andresen, founder of Inwatec, is in charge of driving innovation across the entire JENSEN-GROUP portfolio of applications and technologies and developing a fully integrated laundry automation strategy, powered by AI, machine learning and robotics.

State of the business 2023

In 2023, the JENSEN-GROUP reached a new milestone of 400.1 million euro, representing a 17.1% growth compared to 341.6 million euro in 2022. This increase is attributable to an exceptionally high order backlog at the end of 2022, a modest order intake in the first semester and a notably stronger order intake in the second semester of 2023. With orders accumulated throughout 2023 totaling 363.1 million euros, nearly matching the record set in the previous year, this achievement confirms our strong market position.

The EBIT of the Group amounted to 40.7 million euro in 2023, compared to 22.4 million euro in 2022, marking a substantial growth of 81.8%. This remarkable increase can be attributed to enhanced revenues fueled by robust global demand and carefully implemented price increases as well as improved operational efficiency stemming from ameliorated supply chain conditions and reduced freight costs in specific global regions.

To pave the way for the next phase of growth, the Group executed the following investments during 2023:

- the acquisition of 49% of the shares of Inax Corporation, a leading Japanese manufacturer and distributor of commercial laundry equipment,
- the acquisition of Ole Alkeborg, a manufacturing facility that will supplement production space and committed for additional capital expenditures of 6 million euro for 2024,
- the investment in larger production premises for Inwatec, the Group's AI and robotics subsidiary in Denmark.

Consequently, starting from April 2023, Inax has positively contributed of 1.8 million euro to the earnings from companies accounted for by the equity method. The combined earnings from Tolon and Inax, increased from 1 million euro to 2.1 million euro. However, this was adversely impacted by the hyperinflation effects on the Turkish entities of Tolon, leading to a negative impact of 0,9 million euro.

On the balance sheet, working capital increased from 127.9 million euro to 152.0 million euro at the end of 2023, due to the higher operating activities, and predominantly due to the economic environment wherein customers have sought extended payment terms to finance their projects. The Group reports a net financial cash position of 35.9 million euro, including 4 million euro of leasing debt, compared to 11.5 million euro at end 2022. The increase in net cash is mainly caused by the capital increase of 26.8 million euro in April 2023, related to our strategic acquisition of 49% interest in Inax Corporation. This positive impact on our cash has been somewhat mitigated by an increase in working capital demands.

Share buy-back program

As per March 9, 2023, we bought back 113,873 shares at an average price of 30.07 euro for a total amount of 3.4 million euro. In view of the transaction with Miura, the JENSEN-GROUP suspended its buy-back program. During the extra-ordinary shareholders' meeting of May 16, 2023, the shareholders voted on the cancellation of the treasury shares. On August 10, 2023, the program was re-launched to buy back the remaining 668,027 shares. As at December 31, 2023, 15,122 shares have been bought back at an average price of 33.02 euro for a total amount of 0.5 million euro.

Outlook

The JENSEN-GROUP received orders totaling EUR 363.1 million in 2023, close to the record level of orders received in the previous year. Whereas the incoming order volume was slightly lower than previous year's level in the first semester of 2023, the volume of orders received in the second half of 2023 showed an increase.

The Group's aim for 2024 is to keep the momentum and solidify its market position and profitability level by relentlessly focusing on commercial excellence and manufacturing productivity. The Group will continue to drive customer centricity and sustainable innovation through the development of new products and services and by means of its participating interest in Inwatec ApS. while further enhancing the optimization and digitalization of business processes and applications.

Risk factors to be taken into account for 2024 include the uncertainty regarding the overall political climate, the impact of geopolitical and military threats, travel restrictions across the world in the event of a new pandemic emerging, a slowing-down of demand due to an economic recession in our key markets, our customers' ability to access financing when confronted with higher interest rates, the fluctuating availability of raw materials, energy and transportation costs, exchange rate volatility, and competitive pressures.

Key figures

Financial year ended (in thousands of euro)	December 31 2023	December 31 2022	Variance %
Revenue	400,121	341,639	17%
Operating profit (EBIT)	40,743	22,411	82%
EBITDA	48,376	26,211	85%
Net interest charges	-341	1,092	-131%
Share in result of associates and companies consolidated under equity method	2,141	986	117%
Profit before taxes	41,926	21,532	95%
Profit for the period from continuing operations	31,432	16,564	90%
Result from assets held for sale	-124	-139	-11%
Result attributable to non-controlling interest	277	100	177%
Consolidated result attributable to equity holders	31,031	16,325	90%
Added value	166,862	126,092	32%
Netto cashflow	38,664	20,125	92%
Equity	262,142	170,567	54%
Net financial debt (+) / net cash (-)	-35,873	-11,524	211%
Working capital	151,962	127,894	19%
Non-current assets (NCA)	69,877	61,526	14%
Capital employed (CE)	221,840	189,420	17%

RATIOS

EBIT / Revenue	10.18%	6.56%	55%
EBITDA / Revenue	12.09%	7.67%	58%
ROCE (EBIT / CE)	19.81%	13.09%	51%
ROE (Net profit / equity)	14.34%	10.02%	43%
Gearing (Net debt(+) net cash (-)/ equity)			
EBITDA interest coverage	-141.87	24.00	-
Net financial debt (+) or net cash (-)/ EBITDA	-0.49	-1.00	-51%
Working capital / revenue	34.97%	31.99%	9%
EV/EBITDA (December 31)	4.94	7.40	-33%

Key figures per share

Financial year ended (in euro)	December 31 2023	December 31 2022	Variance %
Operating cash flow (EBITDA)	5.29	3.37	57%
Consolidated result attributable to equity holders (= earnings per share)	3.39	2.10	61%
Net cash flow	4.23	2.58	64%
Equity (= book value)	27.26	21.98	24%
Gross dividend	0.50	0.50	
Number of shares outstanding (average)	9,150,330	7,786,615	18%
Number of shares outstanding (year-end)	9,616,286	7,758,946	24%

Consolidated statement of profit and loss

(in thousands of euro)	December 31 2023	December 31 2022
Revenue	400,121	341,639
Raw material expenses	-188,928	-175,488
Services and other goods	-45,772	-39,151
Employee benefit expenses	-118,486	-99,881
Depreciation and amortisation expense	-7,633	-7,155
Total expenses	-360,819	-321,675
Other operating income	1,797	2,481
Other operating expenses	-356	-34
Operating profit (EBIT)	40,743	22,411
Interest income	1,994	891
Other financial income	1,703	2,554
Financial income	3,697	3,445
Interest charges	-1,653	-1,983
Other financial charges	-3,002	-3,327
Financial charges	-4,655	-5,310
Share in result of associates and companies accounted for using the equity method	2,141	986
Profit before tax	41,926	21,532
Income tax expense	-10,494	-4,968
Profit for the period from continuing operations	31,432	16,564
Profit / (loss) for the period from discontinued operations	-124	-139
Consolidated profit for the year	31,308	16,425
Result attributable to non-controlling interests	277	100
Result attributable to equity holders	31,031	16,325
Basic and diluted earnings per share (in euro)	3.39	2.10
Weighted average number of shares	9,150,330	7,786,615

Consolidated statement of comprehensive income

(in thousands of euro)	December 31 2023	December 31 2022
Consolidated profit for the year	31,308	16,425
<u>Items that may be subsequently reclassified to profit or loss</u>		
Financial instruments	253	-236
Currency translation differences related to associates and companies accounted for using the equity method	-3,589	-690
Currency translation differences - other	-1,633	1,624
<u>Items that will not be reclassified to profit or loss</u>		
Remeasurements gains/(losses) on defined benefit plans	-1,365	4,599
Tax on OCI	266	-1,147
Other comprehensive income for the year	-6,068	4,150
Total comprehensive income for the year	25,240	20,575
<u>Total comprehensive income attributable to:</u>		
Non-controlling interests	273	100
Equity holders of the company	24,967	20,475

Glossary - definitions

- EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) = Operating profit (EBIT) Depreciation, amortization, write-downs on trade receivables, write-downs on contract assets, write-downs on inventory, changes in provisions
- Net cash flow = Consolidated result attributable to the equity holders + depreciation, amortization, write-downs on trade receivables, write-downs on contract assets, write-downs on inventory, changes in provisions
- Net financial debt (+)/Net cash (-) = Borrowings (non-current and current) + government grant - financial fixed assets at amortized cost - financial fixed assets at fair value through OCI - cash and cash equivalents

Consolidated cash flow statement

(in thousands of euro)	December 31 2023	December 31 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated result attributable to equity holders	31,031	16,325
Result attributable to non-controlling interests	277	100
Adjusted for		
- Current and deferred tax	10,494	4,968
- Interest and other financial income and expenses	958	1,865
- Depreciation and amortization expenses	5,995	6,405
- Write down on trade receivables	1,210	327
- Write down on inventory	309	403
- Changes in provisions	62	-3,329
- Gain/loss on the sale of tangible fixed assets	-22	0
- Companies accounted for using equity method	-2,141	-986
Interest received	1,994	891
Changes in working capital	-24,014	-41,612
Decrease / increase (-) in advance payments on purchases	3,081	-2,304
Decrease / increase (-) in inventory	-7,289	-6,819
Decrease / increase (-) in contract assets (before netting)	-11,227	-46,843
Decrease / increase (-) in long- and short-term amounts receivable	-28,466	-16,875
Increase / decrease (-) in trade and other payables	9,788	4,075
Increase / decrease (-) in contract liabilities (before netting)	10,098	27,157
Corporate income tax paid	-4,534	-3,470
Net cash generated / (used) by operating activities - total	21,621	-18,112
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of intangible and tangible fixed assets	-8,086	-5,551
Sales of intangible and tangible fixed assets	137	11
Acquisition of subsidiaries and participations (net of cash acquired)	-6,101	0
Proceeds (+) from sale of financial instruments	13,771	3,719
Purchases (-) of financial instruments	-12,478	-2,051
Net cash generated / (used) by investing activities	-12,756	-3,871
Net cash flow before financing activities	8,864	-21,983
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition (-) of treasury shares	-2,074	-1,850
Capital increase	26,820	0
Dividend	-3,972	-3,899
Proceeds from government grants	0	397
Proceeds (+) from new borrowings	1,502	1,233
Repayment (-) of borrowings	-15,636	-2,785
Payments of lease liabilities	-1,328	-1,857
Interest paid	-1,653	-1,983
Other financial income	121	50
Other financial charges	-954	-785
Net cash generated / (used) by financing activities	2,826	-11,481
Net increase / (decrease) in cash and cash equivalents	11,691	-33,463
Cash, cash equivalent and bank overdrafts at the beginning of the year	29,913	60,682
Exchange gains / (losses) on cash and bank overdrafts	-147	2,694
Cash, cash equivalent and bank overdrafts at the end of the year	41,456	29,913

Audit

The Statutory Auditor has confirmed that the audit of the consolidated accounts of JENSEN-GROUP, which is substantially complete, has as of today not revealed any material misstatement in the draft consolidated accounts, and that the accounting data which are reported in the press release are consistent, in all material respects, with the draft consolidated accounts from which these data have been taken.

Financial calendar

- March 8, 2024: Annual results 2023 (Analysts' meeting).
- May 17, 2024: Trading update Q1 2024.
- May 21, 2024: Annual Shareholders' meeting.
- August 8, 2024: Half-year results 2024 (Analysts' meeting).
- November 7, 2024: Trading update Q3 2024.

About the JENSEN-GROUP

The JENSEN-GROUP, listed on Euronext Brussels, assists heavy-duty laundries worldwide to provide quality textile services economically. We have become a preferred supplier in the laundry industry by leveraging our broad laundry expertise to design and supply sustainable single machines, systems and integrated solutions. We are continuously growing by extending our offer and by developing environmentally friendly and innovative products and services that address specific customer needs. The JENSEN-GROUP is the top-of-mind supplier when it comes to sustainable solutions through its CleanTech concept, highly automated material handling solutions as well as groundbreaking new approaches utilizing robotics and AI in industrial laundries. Our success results from combining our global skills with our local presence. The JENSEN-GROUP has operations in 22 countries and has distribution in more than 50 countries. As per December 31, 2023, the JENSEN-GROUP employs worldwide 1,830 employees.

(End of press release)

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