
Press Release

Record revenue Profitability affected by hurricane Michael.

A decorative graphic consisting of several overlapping, rounded rectangular shapes in shades of blue and grey, positioned to the right of the main headline.

Highlights 2018

- **Revenue** increased to 343.8 million euro as a result of high activity levels in the business regions and in the plants throughout the year.
- **Operating profit** (EBIT) amounts to 26.9 million euro, which is 9.9% lower than last year. EBIT is affected by the impact of hurricane Michael (-2.1 million euro). Despite receiving an advance from the insurance company, JENSEN-GROUP decided to defer the income from the insurance claims until the claims are completely settled. Management believes that the insurance coverage is adequate.
Recurring EBIT is estimated at 29.0 million euro or 2.9% lower than last year.
- **Cash flow** (EBITDA) amounts to 33.5 million euro, a 2.1% decrease compared to last year. Without impact of hurricane Michael, EBITDA would be 34.0 million euro, in line with last year.
- Total **net finance cost** amounts to 1.3 million euro. This primarily relates to interest charges (0.4 million euro), currency loss (0.2 million euro) and other bank charges (0.7 million euro).
- The **net tax charges** amount to 7.6 million euro and are lower than last year because of lower profit before tax.
- **Net income attributable to the shareholders** amounts to 19.1 million euro compared to 21.1 million euro last year (earnings per share of 2.44



euro).

- **Net cash** decreased by 17.6 million euro, from 23.0 million euro to 5.4 million euro.
- Based on the good recurring result of the year 2018 and the strong financial position, the Board proposes to the Annual Shareholders' meeting to approve a **dividend** of 1.00 euro per share. The order backlog at the beginning of the year as well as the cash position makes management confident that the Company is off to a good start into 2019.

Subject to approval by the Annual Shareholders' meeting of May 21, 2019, the share will trade ex-coupon as of May 29, 2019 and the dividend will be payable as from May 31, 2019 at the counters of KBC bank upon presentation of coupon n°14.

- On October 10, JENSEN USA was hit by **hurricane Michael**. The effect of hurricane Michael on Panama City and the surrounding areas has been truly devastating.

The main JENSEN USA facility was still standing, albeit with extensive damage. JENSEN USA had a disaster plan in place and implemented it immediately. Our local team together with disaster recovery companies worked to restart production. Starting Monday October,29 2018, JENSEN USA has been running close to normal capacity.

We would like to take this opportunity to express our gratitude for the commitment and efforts of our American colleagues, who made it possible to secure and restart the operations so quickly.



- On January 2, 2018 JENSEN-GROUP acquired a participation of 30% in **Inwatec, ApS**, a Danish company that manufactures high-end heavy-duty laundry products. JENSEN-GROUP has the option to increase its shareholding from 2020-2023. This investment in laundry robotics and AI (Artificial Intelligence) confirms the Group's vision to lead in innovation and to automate all processes in the laundry.
- On April 10, 2018, the JENSEN-GROUP increased its shareholding in **TOLON GLOBAL MAKINA Sanyı Ve Tikaret Sirketi A.S.**, Turkey, by 6.33% to 42.66%. The JENSEN-GROUP has the option to acquire up to 49% of the shares.

Outlook

In 2018, the JENSEN-GROUP received 321.8 million euro orders, 6.3% below 2017. The order book mix is composed of fewer large orders and many more smaller projects sufficient to get off to a good start into 2019.

The main business risks have not changed materially from last year. Major risk factors are the volatility in the financial markets affecting our customers' investment decisions and their capacity to find financing, competitive pressure, political instability and uncertainty in certain parts of the world. The Group does not expect a significant impact from the Brexit. The potential impact of possible protectionist movements in various parts of the world cannot be assessed today. Other risks that mainly affect our margin are exchange rate volatility and fluctuating raw material prices, energy and transportation costs.

Key figures

Income Statement Consolidated, unaudited key figures

	Dec 31, 2018 12M	Dec 31, 2017 12M	Change
(million euro)			
Revenue	343.8	338.1	1.7%
Operating result (EBIT)	26.9	29.9	-9.9%
Cash flow from operations (EBITDA) ¹	33.5	34.2	-2.1%
Financial result	-1.3	-0.7	81.8%
Profit before taxes	25.6	29.1	-12.2%
Taxes	-7.6	-8.8	-13.8%
Net income from continuing operations	18.0	20.4	-11.5%
Result from assets held for sale	-0.1	0.0	-656.5%
Result of companies consolidated under equity method	0.9	0.6	47.2%
Result attributable to Non Controlling Interest	-0.3	-0.1	177.6%
Net income (Group share in the profit)	19.1	21.1	-9.5%
Net cash flow ²	25.7	25.5	0.9%

Balance sheet Consolidated, unaudited key figures

	Dec 31, 2018 12M	Dec 31, 2017 12M	Change
(million euro)			
Equity	126.0	113.5	11.0%
Net financial debt (+)/Net cash (-)	-5.4	-23.0	-76.8%
Assets held for sale	0.4	0.4	4.8%
Total assets	255.7	231.9	10.2%

Consolidated, unaudited key figures per share

	Dec 31, 2018 12M	Dec 31, 2017 12M	Change
(euro)			
Cash flow from operations (EBITDA) ¹	4.29	4.38	-2.1%
Profit before taxes	3.27	3.73	-12.3%
Net profit share of the Group (EPS)	2.44	2.70	-9.6%
Net cash flow ²	3.29	3.26	0.9%
Equity	16.11	14.52	11.0%
Number of shares (end of period)	7,818,999	7,818,999	
Number of shares (average)	7,818,999	7,818,999	

¹ EBITDA = earnings before interest, taxes, depreciation and amortization. This is operating profit plus depreciation and amounts written off on stocks, trade debtors, impairment losses and provisions for other liabilities and charges.

² The net cash flow is the net income (Group share in the profit) excluding depreciation, amounts written off on stocks, trade debtors, impairment losses and provisions for other liabilities and charges.

Consolidated statement of comprehensive income *

<i>(in thousands of euro)</i>	<i>December 31, 2018</i>	<i>December 31, 2017</i>
Revenue	343,782	338,088
IIa. Trade goods	-157,719	-157,355
IIb Services and other goods	-45,949	-37,982
IIc. Remuneration, social sec. costs and pensions	-106,458	-108,223
Depreciation, amortisation, write downs of assets, impairments	-4,887	-4,621
Total expenses	-315,013	-308,181
Other Income / (Expense)	-1,833	-25
Operating profit before tax and finance (cost)/ income	26,936	29,882
Interest income	1,420	1,054
Other financial income	1,755	1,467
Financial income	3,175	2,521
Interest charges	-1,867	-1,527
Other financial charges	-2,644	-1,728
Financial charges	-4,510	-3,255
Profit before tax	25,601	29,148
Income tax expense	-7,562	-8,773
Profit for the year from continuing operations	18,039	20,375
Result from assets held for sale	-128	23
Share in result of associates and joint ventures accounted for using the equity method	866	589
Consolidated profit for the year	18,777	20,986
Result attributable to Non-Controlling Interest	-331	-119
Consolidated result attributable to equity holders	19,108	21,106
Other comprehensive income (OCI):		
<i>Items that may be subsequently reclassified to Profit and Loss</i>		
Financial instruments	233	-244
Currency translation differences	178	-3,792
<i>Items that will not be reclassified to Profit and Loss</i>		
Actual gains/(losses) on Defined Benefit Plans	1,535	39
Tax on OCI	-442	62
Other comprehensive income for the year	1,504	-3,936
Total comprehensive income for the year	20,281	17,051
Profit attributable to:		
Non-Controlling Interest	-331	-119
Equity holders of the company	19,108	21,106
Total comprehensive income attributable to:		
Non-Controlling Interest	-331	-114
Equity holders of the company	20,612	17,165
Basic and diluted earnings per share (in euro)	2.44	2.70
Weighted average number of shares	7,818,999	7,818,999

*Unaudited figures



Financial calendar

- March 29, 2019: Publication Annual Report 2018 on the corporate website.
- May 21, 2019:10.00 am: Annual and Extraordinary Shareholders' meeting at JENSEN-GROUP Headquarters, Ghent.
- August 8, 2019 (evening): Half year results 2019 (Analyst Meeting August 9, 2019).

Profile

The JENSEN-GROUP 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 environment friendly and innovative products and services that address specific customer needs. Our success results from combining our global skills with our local presence. The JENSEN-GROUP has operations in 23 countries and has distribution in more than 40 countries. Worldwide, JENSEN-GROUP employs about 1,634 employees.

This press release is also available on the corporate website www.jensen-group.com.

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