

PRESS RELEASE

Genan Holding A/S
Viborg, Monday, April 8, 2019

Annual Report 2018: Genan continues to prosper

The Genan Group increased turnover to DKK 341.2m last year. At the same time, earnings more than doubled with a DKK 39m net profit.

The consolidation of Danish environmental company Genan continued in 2018. Genan, owned by pension service provider PKA, is world leader in high-tech tire recycling; and last year, increasing demand for Genan's products and expertise resulted in a record-high turnover of DKK 341.2m. Compared to 2017, this corresponds to an approx. DKK 20m growth.

In 2018, operations yielded an EBITDA of DKK 75.4m (Earnings Before Interest, Taxes, Depreciation and Amortization), which corresponds to a 25% increase compared to 2017, when the so-called normalised EBITDA (earnings before extraordinary impacts) reached DKK 60.4m. Earnings before tax (EBT) totaled DKK 39m, which is more than twice the result of 2017, when earnings were DKK 17m.

- There is no doubt that the existence of Genan is becoming increasingly significant in a world facing environmental challenges in both greater numbers and of greater proportion. In Denmark, it can seem incomprehensible that many of the 20 million tonnes of used tires scrapped worldwide each year, are – in large parts of the world – either incinerated or left at landfills. This is in fact currently the case, but the will to change for the benefit of the environment is growing rapidly, and this is where we can make a big difference, Group CEO Poul Steen Rasmussen explains and continues:

- As many people know, Genan has had some rough years; but we are working to develop things for the better every day, and our key figures prove that we are succeeding. There is a large potential, and we will continue to develop both core business and new products, which can improve results both top and bottom line.

At present, Genan is manufacturing at five factories in Denmark, Germany and the USA respectively, counting a total of 228 employees worldwide. Genan has the capacity to recycle 375,000 tonnes of end-of-life tires in total per annum, which corresponds to an output of approx. 75% rubber granulate and powder, approx. 15% steel and approx. 10% textile fibers. In other words, the entire output can be recycled for new purposes, kilo by kilo, and in this connection, Genan has something very special to offer:

- Thanks to years of developing our technology and production, we have the largest and technologically highly advanced production machinery for tire recycling in the world. We are very proud of this, but at the same time, we are well aware that that this comes with an obligation. We must be the front-runners of this industry, developing new recycling methods and applications for rubber granulate and power, Poul Steen Rasmussen continues.



In recent years, focus in Genan has shifted from restructuring to consolidation and growth – and today, Genan’s equity totals DKK 334m (minorities excl.). This corresponds to a solvency ratio of 49%.

Additional capacity acquired

After the closing of its 2018 annual accounts, Genan has closed an agreement to acquire the largest tire recycling company in Portugal, BioSafe, with an annual production capacity of 25,000 tonnes. Takeover is expected to take place at the end of this month.

For 2019, Genan expects turnover and earnings at the same level as in 2018.

About Genan Holding A/S

Genan Holding A/S is the parent company of environmental company Genan, the largest and technologically highly advanced tire recycler in the world. Sustainability is the core value of the Genan group; and by utilising the resources of vast amounts of end-of-life tires, Genan helps solve a wide-ranging, global problem. Genan strives to run its production so it is as eco-friendly and energy-saving as possible; and all five recycling plants have implemented the ISO 14001 environmental management system. The acquisition of the Portuguese recycling plant will increase Genan’s total, annual production capacity to 400,000 tonnes of tires.

Any inquiries relating to this press release may be directed to:

- PR Coordinator Lisbet Vestergaard Thybo, Genan, tel. +45 8728 3026 and e-mail lvt@genan.eu