

PRESS RELEASE

Aalborg Portland Holding A/S
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Aalborg Portland Holding financial statements 2021

Global operations deliver record revenue and earnings

The financial statements for Aalborg Portland Holding A/S show record revenue of more than DKK 10bn and earnings before interest and tax (EBIT) of DKK 1.6bn. The growth was primarily achieved in global markets, including Turkey, Belgium and China. However, Aalborg Portland in Denmark reported a marked decrease in income of approx. DKK 110m.

With a sound economy and a strong balance sheet the Group is solidly equipped for further investments in sustainability and more than DKK 720m has been allocated for this purpose in the next three years.

Aalborg Portland Holding is the parent of a number of cement and concrete companies in countries including Belgium, USA, Turkey, Malaysia, China and the Nordics.

In 2021, the Aalborg Portland Holding Group achieved all-time high revenue of DKK 10.1bn and record earnings of DKK 1.6bn before interest and tax (EBIT). This was an increase of more than 25% in relation to 2020. Profit after tax was DKK 1.1bn against DKK 0.9bn the previous year.

Generally, the Group achieved good growth in its business units around the world, but with large differences in income performance. The cement company in Turkey delivered a marked increase in earnings before interest and tax (EBIT) of DKK 285m, while Aalborg Portland in Denmark, despite sales growth, experienced a decrease in earnings of DKK 110m due to rising energy and logistical costs.

"Overall, we achieved a result in 2021 which lived up to expectations. We are satisfied that despite the last two years of global uncertainty due to COVID-19, we have solid growth, rising global income and a continued healthy economy," says Henning Bæk, Executive Vice President and CFO of Aalborg Portland Holding.

"This year it is clear once again that the global markets play an important part for the Group in terms of both growth and risk diversification, and we have seen progress across virtually the whole spectrum. Our operations particularly in Turkey, Egypt and Belgium contributed to both top and bottom-line growth, while we experienced decreased earnings in the Nordic and Baltic countries despite rising revenue," continues Henning Bæk.

The progress in Turkey was among the leading reasons for the growth. Despite difficult market conditions due to the continued political uncertainty, revenue in Turkey increased from DKK 1,057m in 2020 to DKK 1,289m in 2021, while earnings before interest and tax (EBIT) climbed from DKK -25m to DKK 260m.

"With continued streamlining of operations and solid earnings, a low interest-bearing debt in 2020 turned into net cash in 2021, with a further increase in shareholders' equity. The Group is therefore well-equipped for continued long-term and value-creating investments in energy-saving and environmentally sustainable projects," explains Henning Bæk.

Financial platform for sustainable investments

The Group has a goal to reduce CO₂ by 30% per tonne of cement by 2030. Accordingly, over the next three years, more than DKK 720m has been allocated to investment projects designed to strengthen sustainability at global level. This investment will take place not least in Denmark, which has one of Europe's largest cement plants and is home to the Group's global research and development division.

2021 saw the market launch of the Group's new cement, FutureCEM™. This product has up to 30% smaller CO₂ footprint than conventional cement, and the marketing is well under way. In addition, the work continues on converting fuels to more sustainable alternatives by increasing the proportion of alternative fuels, biomass and gas and exploring the potential for CO₂ capture.

"We have many projects in the pipeline, and we have still to see the full benefit of a number of the investments we have made in recent years. The Group has a strong financial platform on which to actively participate in tackling some of the major challenges which we, other industrial companies and society are facing. New technologies and energy infrastructures must be established and matured, and we are ready to contribute to this development and to the fulfilment of the national climate goals," says Henning Bæk.

Currently, the Aalborg Portland Holding Group is facing significantly increased energy, freight and raw material prices as well as rising prices on CO₂ quotas. Henning Bæk therefore points out that if the green transition of energy-intensive industry is to continue to be funded by private investments there is a need to ensure stable and long-term framework conditions that support the earnings capacity and competitiveness of companies.

Facts about Aalborg Portland Holding A/S

Highlights	<i>DKKm</i>	2021	2020
Revenue		10,116	9,133
Operating profit (EBITDA)		2,448	2,075
Earnings before interest and tax (EBIT)		1,630	1,301
Profit for the year		1,122	931
Shareholders' equity		8,388	7,741
Total assets		14,092	13,700
Interest-bearing debt		-914	6
EBITDA ratio		24.2%	22.7%
Return on capital employed (RoCE)		13%	10%

Equity ratio	60%	56%
Interest-bearing debt/EBITDA factor	-0.4	0.0

Further information

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About Aalborg Portland Holding

Aalborg Portland Holding is a world-leading supplier of cement and cement products and has strong focus on sustainability, innovation and customer needs.

In 2021, the Aalborg Portland Holding Group had revenue exceeding DKK 10bn and more than 3,000 employees, including 770 in Denmark. The Group has cement and ready-mixed concrete companies in more than 18 countries with operations comprising:

- Production, sale and distribution of 10.7m tonnes of grey and white cement from 11 plants and 32 terminals in Denmark, Belgium, Egypt, China, Malaysia, Turkey and USA.
- Production of 4.4m m³ of ready-mixed concrete at 100 plants in Denmark, Norway, Sweden, Belgium, France and Turkey.
- Production and sale of 9.5m tonnes of aggregates such as granite, gravel and sand from 10 sites in Denmark, Sweden and Belgium.
- Recycling of waste products.

Since 2004 Aalborg Portland Holding has been owned by Cementir Holding N.V., an international supplier of cement and concrete listed on the Italian stock exchange in Milan.