EAC’s H1 2013 Interim Report

Presentation by
CEO Niels Henrik Jensen &
CFO Michael Østerlund Madsen

15 August 2013

AGENDA

EAC Group

Highlights

Businesses

Santa Fe Group

Plumrose

EAC Group

Income Statement

Balance Sheet

Group outlook

Q&A Session

Disclaimer

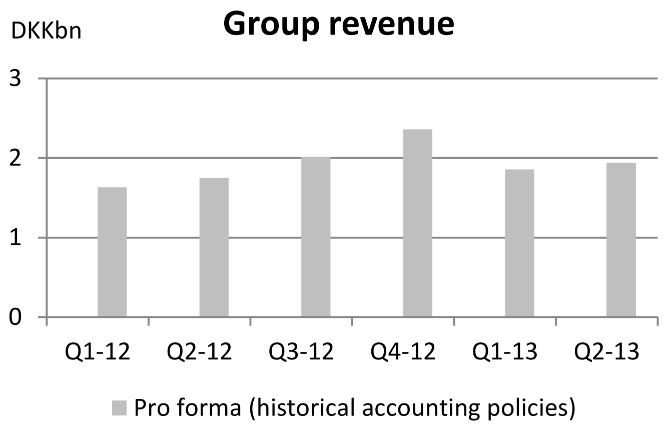
The outlook for 2013 reflects management's expectations of future events and must be viewed in the context of the business environments and currency markets, which may cause actual results to deviate materially from those projected by EAC.

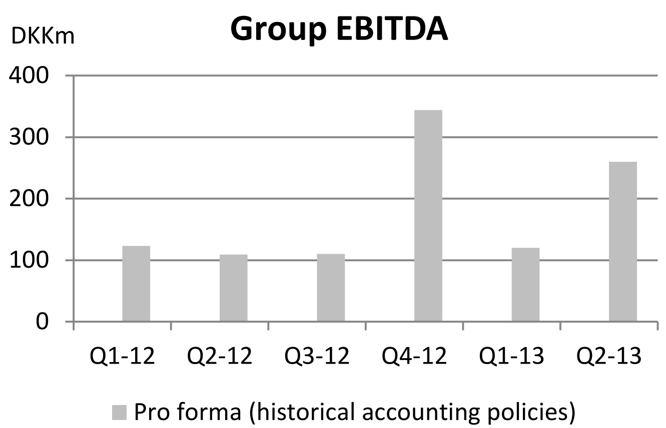
HIGHLIGHTS FROM H1 2013

Group earnings driven by Plumrose

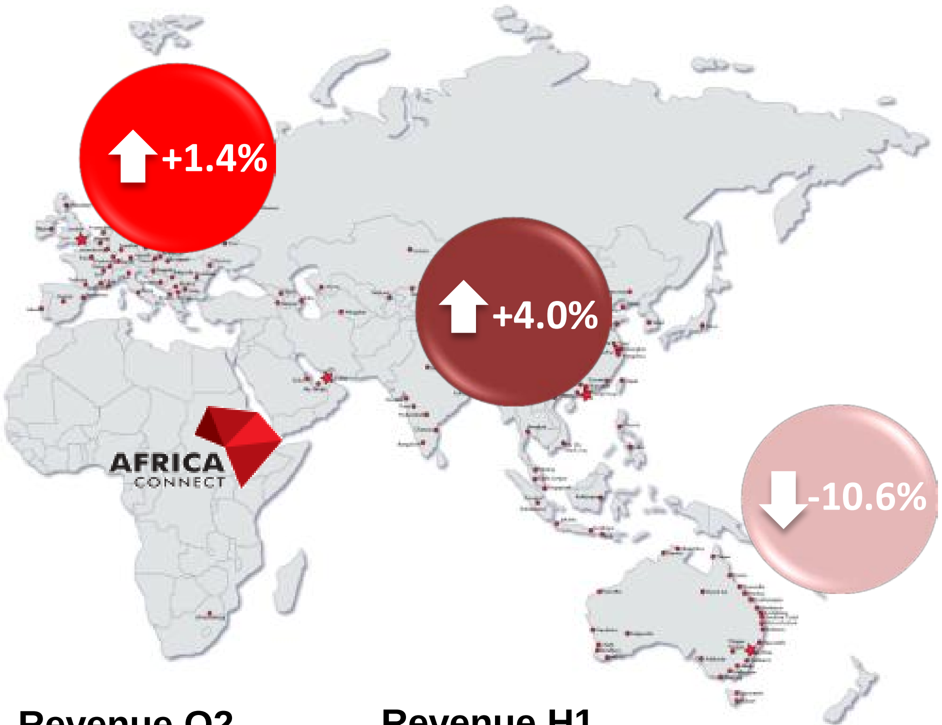
Santa Fe Group
- New international relocation contracts won
- Weaker markets in Australia and EMEA
- Lower margins

Plumrose
- Volume growth and price increases
- Limited competition
- Strong profitability



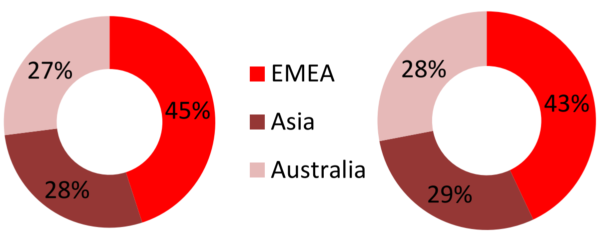


MARKET UPDATE



Revenue Q2

Revenue H1



EMEA

- New clients drive 63% growth in Relocation Services
- Moving Services down 4.3% due to lover activity levels

Asia

- Continued double-digit growth in higher-margin services
- Moving business slightly ahead of last year

Australia

- Depressed long-distance domestic market
- Aggravated decline in demand
- Heavy price competition

BUSINESS SEGMENTS

Moving Services

- Less activity in Inter-European relocations and national moves
- Slight increase in Asia
- Reduced demand in Australia

-5.3%

Relocation Services

- Significant wins of blue-chip contracts
- High double-digit growth in EMEA
- Continued double-digit growth in Asia

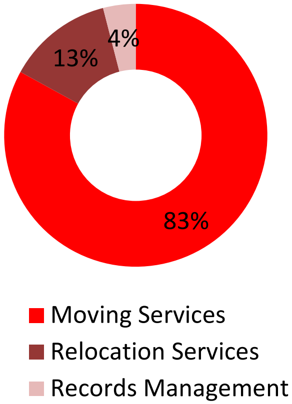
+32.4%

Records Management

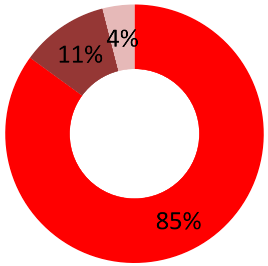
- 10% volume growth
- Existing and new customers continue to build up storages
- Expansion

+10.8%

Revenue Q2



Revenue H1



RESPONSE TO CURRENT CHALLENGES

Europe	Australia
Challenges	
• Less support from global relo companies, corporate austerities, low consumer confidence, fierce competition.	• Plunging demand for national long-distance moves, due to downturn in the mining and energy industries, low consumer confidence, fierce competition.
Response	
• Added impetus to corporate tenders on international relocations • Investments in infrastructure • Focus on systems and processes • Services to private customers • Cost-effective solutions, e.g. Eco-wrap and increased eco-efficiency	• New management will increase focus on customers and Relocation Services • Organisational adjustments, e.g. closing of loss-making branches • Substitution of lost business with local and international moves • Market share gains

SANTA FE GROUP

H1 FINANCIALS

Double-digit growth in higher-margin services

- Relocation Services and Records Management

Deteriorating profits in traditional Moving business

- EMEA and Australia

Winning increased share of corporate solutions

- Costs front-loaded; earnings back-loaded due to implementation

DKKm	Q2 2012	Q2 2013	Growth	H1 2012	H1 2013	Growth
Revenue	591	**561**	-5.1%	1,162	**1,129**	-2.8%
EBITDA	23	**15**	-34.8%	49	**22**	-55.1%
EBITDA margin (%)	*3.9*	***2.7***	*-1.2pp*	*4.2*	***1.9***	*-2.3pp*
ROIC (% p.a.)	*3.7*	***4.6***	*+0.9pp*	*7.8*	***3.4***	*-4.4pp*

SANTA FE GROUP

2013 OUTLOOK

Assumptions

- Stabilisation of European economies, yet no growth
- Somewhat weaker FDI flow into major Asian markets
- No improvement in Australia – lower FY revenue
- Increased fixed costs related to new contracts
- Strong H2 can not offset subdued H1 earnings

Revised outlook

- Revenue of around DKK 2.5bn (previously around DKK 2.6bn)
- EBITDA margin of around 5.0% (previously around 6.5%)

MARKET CONDITIONS

A contracting market

- 25% inflation eroding consumers' purchasing power
- Political and economic uncertainty

Reduced supply of alternative food products

- Widespread scarcity of foreign currency (USD)
- Plumrose had secured raw material sourcing

Market leading position consolidated

- Prices raised without loosing ground or acceptance
- Substantial A&P activities to promote key brands
- Re-launch of speciality products

ACTIVITIES

Own brands

- Total volumes up 2.2%:
  - La Montserratina volumes up 18.6%
  - Plumrose volumes up 1.0%

Co-packing, feed mill

- Increase in non-branded co-packed products and fresh meat

Pig farms

- 30% growth in output (= 1,000 pigs/week)
- Higher selling prices
- Solid demand from 3rd parties

H1 FINANCIALS

Pro forma figures (historical accounting policies):

- Revenue and EBITDA growth fuelled by:
  - Higher volumes in all segments
  - Progressive increase of selling prices

DKKm	Q2 2012	**Q2 2013**	*Growth*	H1 2012	**H1 2013**	*Growth*
Revenue	1,156	**1,379**	+19.3%	2,216	**2,669**	+20.4%
EBITDA	94	**252**	+168.1%	203	**372**	+83.3%
EBITDA margin (%)	*8.1*	***18.3***	*+10.2pp*	*9.2*	***13.9***	*+4.7pp*
ROIC (% p.a.)	*19.0*	***48.7***	*+29.7pp*	*19.0*	***36.0***	*+17.0pp*

FULL-YEAR OUTLOOK

Assumptions

- Challenging environment with low visibility
- Escalating inflation likely to affect Plumrose's customer segments and increase costs
- Continuous shortages
- No price control for Plumrose's products
- Access to USD for raw material imports

Revised outlook (IAS 29)

- Softer performance in H2
- Revenue of around DKK 7.3bn – previously around DKK 6.1bn
- EBITDA margin of around 6.0% - previously around 3.0%

The forecast is uncertain and hence likely to change as the year progresses

GROUP INCOME STATEMENT

PLUMROSE REPORTED UNDER HYPERINFLATION

DKKm	H1 2012	H1 2013
Revenue	3,527	**4,125**
EBITDA	167	**261**
EBITDA margin (%)	*4.7*	***6.3***
Operating profit (EBIT)	53	**142**
Financials, net	-30	**-20**
Taxes	56	**142**
Net profit	-31	**-18**
Non-controlling interests	8	**71**
EAC's share of net profit	-39	**-89**

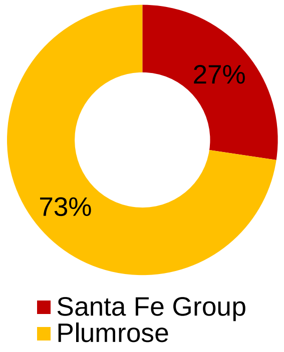
Currency effects

- DKK 106m in Plumrose
- Limited impact in Santa Fe

- DKK 9m in Plumrose
- Limited impact in Santa Fe

DKK 411m financial income
DKK 431m financial expenses

Share of revenue



Devaluation of the Bolivar (VEF) in February 2013

- One-off FX loss at consolidated level of DKK 155m

GROUP BALANCE SHEET

DKKm	H1 2012	H1 2013
Total assets	6,288	**6,416**
Working capital	1,306	**1,331**
Net interest bearing debt	1,361	**1,245**
EAC's share of equity	2,630	**2,617**
Cash & cash equivalents	565	**609**
ROIC (%)	8.0	**11.6**
Equity ratio (%)	41.8	**40.8**

Net interest bearing debt:

Cash	DKK	- 609m
LT-borrow.	DKK	1,038m
ST-borrow	DKK	816m
Santa Fe	DKK	293m
Plumrose	DKK	1,015m
Parent & oth.	DKK	-63m

Cash & cash equivalents:

Santa Fe	DKK	171m
Plumrose	DKK	375m
Parent & oth.	DKK	63m

Devaluation of the Bolivar (VEF) in February 2013

- DKK 640m write-down of the investment in Plumrose directly on equity

EAC

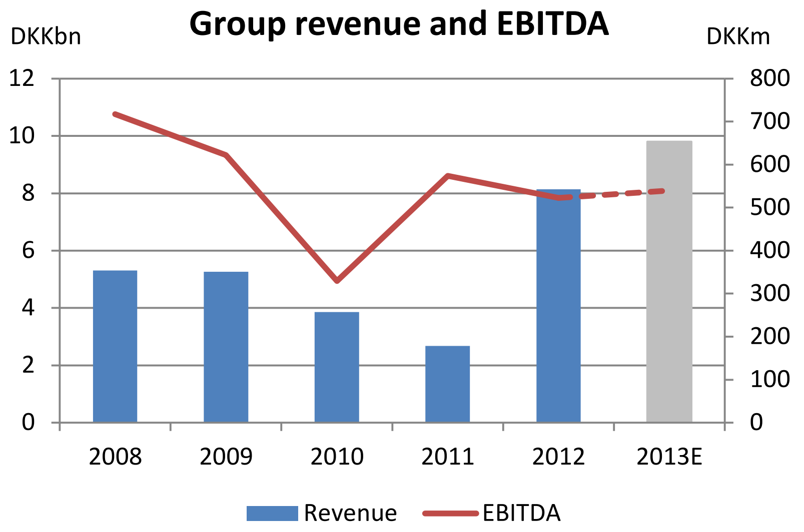
FULL-YEAR GROUP OUTLOOK

Currency assumptions

- Exchange rate of 5.60 DKK/USD
- Official VEF/USD exchange rate of 6.30; significant impact from VEF devaluation

Revised outlook

- Revenue of around DKK 9.8bn (around DKK 8.7bn in the previous outlook)
- EBITDA margin of around 5.5% (around 3.5% in the previous outlook)



The macroeconomic situation is uncertain, not least in Venezuela. Changes in the assumptions are likely to occur and may significantly affect the outlook.

Q&A Session

ADDITIONAL INFORMATION

Niels Henrik Jensen
President & CEO

Telephone: +45 3525 4300
Mobile: +45 2023 2188
E-mail: nhj@eac.dk

Michael Østerlund Madsen
Group CFO

Telephone: +45 3525 4300
Mobile: +45 2041 0957
E-mail: mom@eac.dk

Shareholders Secretariat
A/S Det Østasiatiske Kompagni
Indiakaj 20,
DK-2100 København Ø
Telefon: +45 3525 4300
E-mail: investorinformation@eac.dk