

VKR Holding sets a new earnings record in 2021

In 2021, VKR Holding set a new record for both the top and bottom line, thereby emerging even stronger despite the continued impact of Covid-19. The impressive results were driven by organic growth and by acquisitions, and VKR Holding will continue to look for potential acquisitions. The return on VKR Holding’s financial portfolio also exceeded expectations and thereby contributed to the strong result to mark the VKR Group’s 80th anniversary. All in all, this year’s results created a solid foundation for 2022, which is expected to be challenging.

In 2021, VKR Holding generated a turnover of DKK 26.1 billion, which is an increase of 15.4 % compared to 2020. Operating profits landed at DKK 4.8 billion, which was the same level as last year. The financial portfolio accrued a record rate of return of DKK 2.6 billion. This produced a result of DKK 5 billion, which is an increase of 35 % compared to 2020.

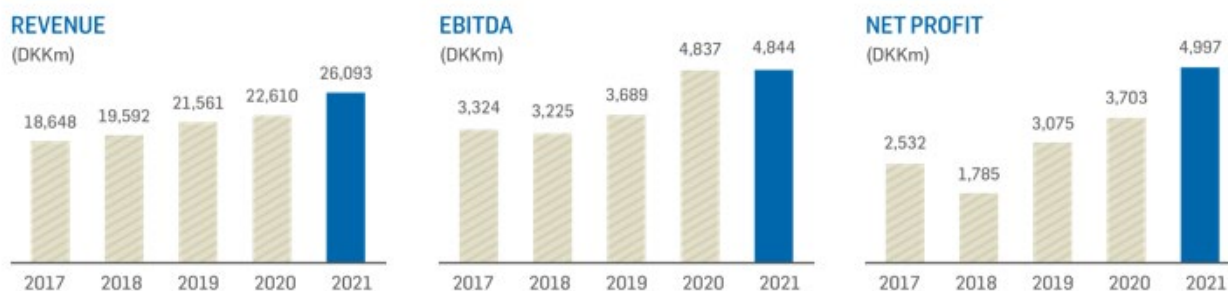
“Despite another turbulent year of Covid-19 and consequent global supply challenges, we produced excellent results in 2021. There is no doubt that this was due to the outstanding performance of our employees. Despite high infection rates and shutdowns, employees worked hard to ensure that the company emerged even stronger during this difficult year. At the same time, we can see from increasing demand that our windows are even more relevant than ever. Unfortunately, however, the tragic war in Ukraine will make 2022 far more uncertain and difficult to predict. Our thoughts are with our employees,” said Mads Kann-Rasmussen, CEO of VKR Holding.

Increased business activity despite supply chain hurdles

This year, Covid-19 challenged global markets with supply chain problems, including transport delays and rising raw material costs.

“In 2021, we continued to experience a strong focus on housing renovation and investment and a robust increase in demand. The VKR Group was confronted with supply chain hurdles, especially during the second half of the year. But due to our strong collaboration with partners and suppliers, and an improvement in supply by year end, we managed to secure another record year,” said Mads Kann-Rasmussen.

In total, the Group delivered an increase in turnover of 15.4 %. While 9.4 percentage points of the gain was from organic growth, 6.0 percentage points was from acquisitions.



CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE VKR GROUP

Key figures (DKK m)	2021	2020	2019	2018	2017
Net revenue	26,093	22,610	21,561	19,592	18,648
Earnings before depreciation (EBITDA)	4,844	4,837	3,689	3,225	3,324
Earnings before goodwill amortisation (EBITA)	4,074	4,199	3,005	2,669	2,849
Earnings before financial items and tax (EBIT)	3,907	4,049	2,857	2,617	2,820
Net financials	2,410	734	1,175	-281	458
Net profit for the year	4,997	3,703	3,075	1,785	2,532
Investment in tangible fixed assets (net)	627	604	599	592	864
Free cash flow before tax	198	5,221	3,226	663	2,164
Total assets	35,036	27,334	23,812	21,102	19,720
Equity	25,320	22,009	19,230	16,914	15,948
Financial ratios (%)					
EBITA margin	15.6	18.6	13.9	13.6	15.3
Return on capital employed	38.8	48.1	31.8	31.0	39.2
Equity ratio	72.3	80.5	80.8	80.2	80.9

In 2021, the DOVISTA Group became the largest manufacturer of Vertical windows in Europe. The DOVISTA Group continued its successful acquisition strategy by nearly doubling in size. It purchased Weru, a leading manufacturer of Vertical windows in Germany. In addition, the Competition Authorities approved the DOVISTA Group's acquisition of the window division of the Swiss company, Arbonia, which had been announced the previous year. The new acquisitions are considered a perfect match for the DOVISTA Group.

The VELUX Group closed 2021 with increased sales and a strong result, after experiencing heightened demand for Roof windows and skylights, once again. Rather than negatively impacting demand, the pandemic seemed to intensify a focus on home improvement. Both the residential and the commercial segments expanded business activity and contributed to the VELUX Group's solid results, despite supply chain problems.

In 2021, both business areas continued to focus on realising their ambitious sustainability goals. In November 2021, VKR Holding announced the establishment of KOMPAS, an independent venture capital fund. The fund will invest DKK 1 billion in start-ups that offer solutions to achieve sustainability and technological innovation in real estate and construction. VKR Holding is the cornerstone investor behind KOMPAS, which will operate independently and with a long-term vision. The fund's goal is to build a portfolio of direct investments in Europe, Israel and the United States.

At VKR Holding's annual general meeting on 24 March 2022, all sitting board members were re-elected. In addition, Per Skovsted, the former CIO of the VELUX FOUNDATIONS, was newly elected to the Board.

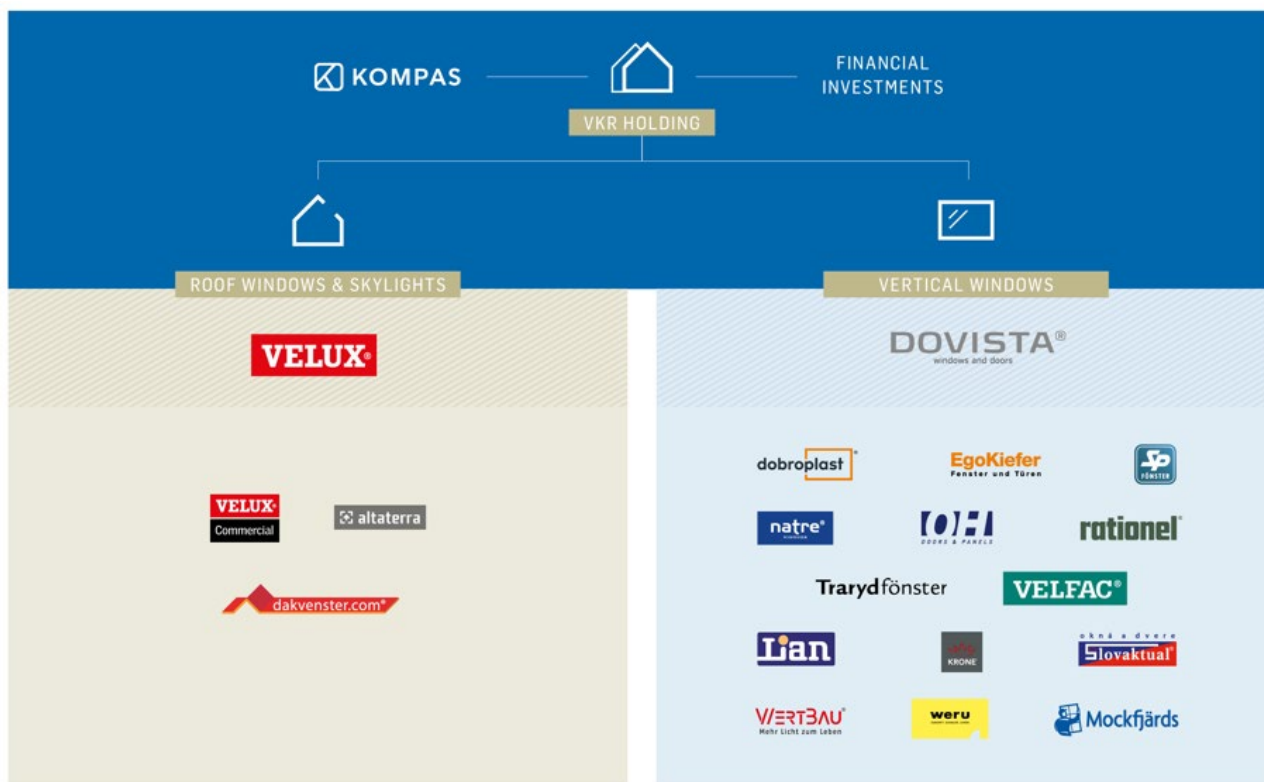
Expectations for 2022

“Although our expectations for 2022 are subject to some uncertainty, we are cautiously optimistic. We anticipate a continuation of the positive expansion of the construction industry and in the demand for home improvements in the coming years. In addition, VKR Holding will continue to focus on potential acquisitions in both our current business areas and in new areas, if the right opportunities arise. But the potential impact of the war in Ukraine on the world economy, energy prices and on inflation, could affect both costs and demand in 2022. We are following the tragic situation very closely,” said Mads Kann-Rasmussen.

About VKR Holding

VKR Holding is a holding and investment company that aims to create value through the ownership of companies and of financial investments. Its companies employ approximately 19,900 employees in 40 countries. VKR Holding is owned by family and foundation.

THE VKR GROUP AS OF 31 DECEMBER 2021



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