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PRESS RELEASE

Faerch Group delivers another record year in 2020

Despite challenging markets during the Corona pandemic, Faerch Group delivered another record year in 2020 with operating profit amounting to EUR 92m. Faerch strengthened its position with the acquisition of Sirap in Italy, Poland and Spain. The new ownership of the Faerch Group by A.P. Moller Holding provides additional momentum for expanding its lead in the industry's transition towards circularity further and generating long-term growth.

For the tenth year in a row, Faerch delivered in spite of the Corona pandemic yet another record in 2020 with operating profit (EBITDA) growth to EUR 92m (DKK 683m). Sales volumes increased to 6.5 billion pieces, while revenue declined by EUR 35m to EUR 370m (DKK 2,759m) due to exceptionally low raw material prices, which Faerch passed on to customers on the basis of resin pass-through mechanisms in place. The company's EBITDA margin increased to 25% and contributed strongly to its solid cash flow of EUR 17m (DKK 127m).

“During the Corona crisis, it has been our top priority as a trusted long-term partner to our customers to contribute to a stable food supply. We successfully navigated Faerch safely through the pandemic”, says Lars Gade Hansen, CEO of Faerch Group. “We delivered a strong financial result and gained market shares. UK & Ireland and France, where economies suffered most from the Corona crisis, experienced declines in the Food-To-Go segment during the lockdown. Nordics & Central and segments like Fresh Meat, Dairy and Food Service grew significantly”, he continues.

Faerch's MAPET®II products for the Fresh Meat segment benefited from a strong tailwind during the pandemic and the industry-wide shift towards mono-PET solutions, resulting in 56% growth in volume. The Dairy segment demonstrated a similar conversion development into PET, delivering a growth of 21%.

“We are delighted to report that we started to benefit from our unique capabilities as an integrated tray recycler. We have seen a massive sustainable increase in demand for circular packaging across Europe”, Lars Gade Hansen says. “We supported our customers on their way

towards circular packaging solutions, making a positive contribution to the environment and leading to major commercial wins for Faerch and positively impacting our results in 2020 and going forward”, he continues.

The acquisition of the Sirap tray business in Italy, Poland and Spain, which was completed in early January 2021, represents the biggest acquisition in Faerch’s history, allowing to roll out circular solutions across these markets and benefit from the differentiating products Sirap brings into the Group.

The recent acquisition of the Faerch Group by A.P. Moller Holding provides new opportunities for growth, in particular by expanding the unique tray recycling business across Europe.

Financial highlights from 2020:

- Operating profit (EBITDA) grew by 2.5% to EUR 91.7m (DKK 683m).
- Revenue decreased by EUR 35m (-8.7%) to EUR 370.3m (DKK 2,759m) due to low raw material prices and resin pass-through mechanisms.
- Sales volume grew to 6.5bn trays.
- Positive free cash flow amounted to EUR 17.0m (DKK 127m).

About The Faerch Group

Founded in 1969 and headquartered in Holstebro, Denmark, the Faerch Group (‘Faerch’) is a leading European manufacturer of sustainable food packaging solutions within the Ready Meals, Protein, Food-to-Go and Dairy segments. Faerch has taken the lead in making rigid food packaging circular with products made from up to 100% recycled content and fully recyclable to new food grade products. As an integrated recycler, Faerch recycles food trays back into new food grade products at industrial scale. Faerch employs more than 2,200 people, spread across 16 production sites in Denmark, Great Britain, France, Italy, Poland, Spain, the Czech Republic and the Netherlands. Sales offices cover all of Europe.

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