CLEAR PROFIT IMPROVEMENT IN THE FOURTH QUARTER 2020/2021 - THE OUTLOOK FOR 2021/22 INDICATES SIGNIFICANT CONTINUED IMPROVEMENT.

June 21, 2021

In Duroc's year-end report July 2019-June 2020, the Group showed an operating profit of SEK 10.3 million and an adjusted EBIT of SEK 19.4 million for the fourth quarter. In connection with the portfolio companies reporting the development for April and May, it has emerged that the result has improved significantly. The total operating profit and adjusted EBIT for these two months amounts to SEK 19.9 million. The business during the current month follows the same positive pattern. All figures for the current period, April-June 2021, are preliminary and unaudited.

For the financial year 2021/22, which begins on 1 July 2021, a significant improvement in the full-year result is expected in relation to 2020/21 in the existing portfolio. The strong earnings trend is mainly attributable to the long-term action programs implemented in the companies. These include investments in product development, improved product mix, significant investments in efficiency improvements as well as capacity strengthening, in combination with good cost control. A gradual normalization of the supply, respectively in regard to pricing, of input goods in production, now also allows a strengthening of the companies' current results.

Duroc's balance sheet is strong, with limited elements of intangible assets, a large element of owned production properties, and a low debt / equity ratio.

Most of Duroc's companies today are experiencing good demand for their products and the negative effects that the Covid pandemic brought with them now seem to be fading. An exception in this picture, however, is the operations in the French part of the Cotting Group, where disruptions, mainly in the automotive industry, have repercussions on the demand for technical textiles.

Overall, the subsidiaries' long-term business plans indicate that Duroc's earnings will strengthen significantly in the coming years. Together with Duroc's sound financial position, this creates significant scope for continued investments in profitable growth - organically as well as through opportunistic acquisitions in both existing businesses and emerging sectors.

Duroc's organization has been clarified and strengthened with external board members in the portfolio companies during the soon-to-be-completed financial year, and this, together with our good earnings development and sound balance sheet, allows for a continued high pace in our investment operations in the future.

For further information

John Häger, CEO Duroc, 0702 48 72 99

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Duroc AB (publ)
Box 5277, SE-102 46 Stockholm, Sweden Street address: Linnégatan 18
Corporate ID number: 556446-4286