
Press Release

A year of high investments

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Highlights 2016

- Revenue 2016 amounts to 318.2 million euro, a 11.1% increase compared to last year.
- Operating profit (EBIT) amounts to 25.1 million euro, which is 1.1% higher than last year.
- Cash flow (EBITDA) amounts to 28.5 million euro, a 10.3% decrease compared to last year.
- Net income attributable to the shareholders amount to 17.1 million euro compared to 17.5 million euro last year (earnings per share of 2.19 euro).
- Net debt decreased by 3.3 million euro, from a net debt position of 0.1 million euro to 3.2 million euro net cash.
- The Board proposes to the Annual Shareholders' meeting to approve a base dividend of 0.25 euro per share plus a supplemental dividend of 0.25 euro per share or in total 0.50 euro per share.
- On January 29, 2016 JENSEN-GROUP acquired an equity stake of 30% in TOLON GLOBAL MAKINA Sanyı Ve Tikaret Sirketi A.S., Turkey, and agreed to acquire in total an additional 19% of the shares over the coming three years.
- On April 1, 2016 JENSEN-GROUP opened a Sales and Service Center in Denmark.
- On July 1, 2016 JENSEN-GROUP took over the activities of its distributor in Norway.
- In October 2016, the JENSEN-GROUP and ABS Laundry Business Solutions joined forces by forming a new Joint Venture, Gotli Labs AG, to provide solutions for data management in heavy-duty laundries.

Key figures

Income Statement Consolidated, audited key figures

	Dec 31, 2016	Dec 31, 2015	Change
(million euro)	12M	12M	
Revenue	318,2	286,3	11,1%
Operating result (EBIT)	25,1	24,8	1,1%
Cash flow from operations (EBITDA) ¹	28,5	31,7	-10,3%
Financial result	-1,3	-1,2	9,3%
Profit before taxes	23,7	23,6	0,6%
Taxes	-6,8	-5,9	14,6%
Net income from continuing operations	16,9	17,7	-4,1%
Result from discontinued operations	-0,2	-0,1	131,8%
Result of companies consolidated under equity method	0,3		
Result attributable to Minority Interest	-0,2		
Net income (Group share in the profit)	17,1	17,5	-2,4%
Net cash flow ²	20,5	24,6	-16,5%

Balance sheet Consolidated, audited key figures

	Dec 31, 2016	Dec 31, 2015	Change
(million euro)	12M	12M	
Equity	100,2	87,1	15,1%
Net financial debt (+)/Net cash (-)	-3,2	0,1	-4382,4%
Assets held for sale	0,5	0,5	3,0%
Total assets	210,6	186,6	12,8%

Consolidated, audited key figures per share

	Dec 31, 2016	Dec 31, 2015	Change
(euro)	12M	12M	
Cash flow from operations (EBITDA) ¹	3,64	4,06	-10,3%
Profit before taxes	3,04	3,02	0,7%
Net profit share of the Group (EPS)	2,19	2,24	-2,2%
Net cash flow ²	2,63	3,14	-16,2%
Equity	12,82	11,14	15,1%
Number of shares (end of period)	7.818.999	7.818.999	
Number of shares (average)	7.818.999	7.818.999	

¹ EBITDA = earnings before interest, taxes, depreciation and amortization. This is operating profit plus depreciation and amounts written off on stocks, trade debtors, impairment losses and provisions for other liabilities and charges.

² The net cash flow is the net income (Group share in the profit) excluding depreciation, amounts written off on stocks, trade debtors, impairment losses and provisions for other liabilities and charges.

Operating activities

- **Revenue** increased to 318.2 million euro thanks to a good order intake throughout the year.
- Consolidated **EBIT** is 25.1 million euro compared to 24.8 million euro last year. The intense competition on large projects and further investments in production capacity, product transfers, sales force and product development in response to growth, have held back further increases in profitability.

Other activities

- Total net finance cost amounts to 1.3 million euro. This primarily relates to interest charges (0.6 million euro), currency losses (0.2 million euro) and bank charges (0.5 million euro).
- The net tax charges amount to 6.8 million euro.
- Compared to December 2015, the net debt decreased by 3.3 million euro, from 0.1 million euro net debt to 3.2 million euro net cash.
- On January 29, 2016 JENSEN-GROUP acquired an equity stake of 30% in TOLON GLOBAL MAKINA Sanyı Ve Tikaret Sirketi A.S., Turkey, and agreed to acquire in total an additional 19% of the shares over the coming three years.
- On April 1, 2016 JENSEN-GROUP opened a Sales and Service Center in Denmark.
- On July 1, 2016 JENSEN-GROUP took over the activities of its distributor in Norway.
- The JENSEN-GROUP and ABS Laundry Business Solutions joined forces by forming a new Joint Venture, Gotli Labs AG, to provide solutions for data management in heavy-duty laundries.
- On February 1, 2017 JENSEN-GROUP decided to acquire one of its major German suppliers. This backward integration improves our ability to control the quality and react more quickly to market conditions. As this transaction represents only a change of supplier, it does not have a material impact on the Company's consolidated figures.

Outlook

The order backlog at year-end is 51% higher than last year; taking into account equipment already produced by year-end the production backlog is 57% higher than at December 31, 2015. Management estimates that approximately 10% of this order backlog relates to revenues in 2018 and later. The JENSEN-GROUP considers the order backlog strong to get off to a good start in 2017.

The main business risks have not changed materially from last year. Major risk factors are the volatility in the financial markets affecting our customers' investment decisions and their capacity to find financing, competitive pressure and political instability and uncertainty in certain parts of the world. The Group does not expect a significant impact from the Brexit. The potential impact of possible protectionist movements in various parts of the world cannot be assessed today. Other risks that mainly affect our margin are exchange rate volatility and fluctuating raw material prices, energy and transportation costs.

Dividend

JENSEN-GROUP has a dividend policy of distributing 0.25 euro per share unless the results and/or the financial position do not allow payment of a dividend. Moreover, for the year 2016, the Board proposes to the Annual Shareholders' meeting to approve a supplemental dividend of 0.25 euro per share based on the excellent results of 2016. The order backlog at the beginning of the year as well as the cash position gives management confidence to get off to a good start of 2017.

Subject to approval by the Annual Shareholders' meeting of May 16, 2017, the share will trade ex-coupon as of May 29, 2017 and the dividend will be payable as from May 31, 2017 at the counters of KBC bank upon presentation of coupon n°12.



Financial calendar

- March 27, 2017: Publication Annual Report 2016 on the corporate website.
- May 15, 2017 (evening): Publication of the Trading Update 1st. quarter 2017.
- May 16, 2017:10.00 am: Annual Shareholders' meeting at JENSEN-GROUP Headquarters, Ghent.
- August 10, 2017 (evening): Half year results 2017 (Analyst Meeting August 11, 2017).

Consolidated statement of comprehensive income

<i>(in thousands of euro)</i>	<i>December 31, 2016</i>	<i>December 31, 2015</i>
Revenue	318.169	286.301
Raw materials and consumables	-153.524	-135.612
Services and other goods	-36.778	-31.822
Employee compensation and benefit expense	-99.175	-88.379
Depreciation, amortisation, write downs of assets, impairments	-3.853	-6.495
Total expenses	-293.330	-262.308
Other Income / (Expense)	224	807
Operating profit before tax and finance (cost)/ income	25.063	24.800
Interest income	1.034	970
Other financial income	1.078	1.522
Financial income	2.112	2.492
Interest charges	-1.675	-1.413
Other financial charges	-1.765	-2.294
Financial charges	-3.440	-3.707
Profit before tax	23.735	23.585
Income tax expense	-6.803	-5.935
Profit for the year from continuing operations	16.932	17.650
Result from discontinued operations	-248	-107
Result of companies consolidated under equity method	251	0
Consolidated profit for the year	16.935	17.543
Result attributable to Minority Interest	-184	0
Consolidated result attributable to equity holders	17.119	17.543
Other comprehensive income (OCI):		
<i>Items that may be subsequently reclassified to Profit and Loss</i>		
Financial instruments	356	271
Currency translation differences	-176	2.241
<i>Items that will not be reclassified to Profit and Loss</i>		
Actual gains/(losses) on Defined Benefit Plans	-1.353	227
Tax on OCI	299	-150
Other comprehensive income for the year	-874	2.590
Total comprehensive income for the year	16.061	20.133
Profit attributable to:		
Equity holders of the company	17.119	17.543
Minority Interest	-184	0
Total comprehensive income attributable to:		
Equity holders of the company	16.061	20.133
Minority Interest	-179	0
Basic and diluted earnings per share (in euro)	2,19	2,24
Weighted average number of shares	7.818.999	7.818.999



Audit

The Statutory Auditor has confirmed that the audit of the consolidated accounts of JENSEN-GROUP, which is substantially complete, has as off today not revealed any material misstatement in the draft consolidated accounts, and that the accounting data which are reported in the press release are consistent, in all material respects, with the draft consolidated accounts from which these data have been taken.

Profile

The JENSEN-GROUP assists heavy-duty laundries worldwide to provide quality textile services economically. We have become a preferred supplier in the laundry industry by leveraging our broad laundry expertise to design and supply sustainable single machines, systems and integrated solutions. We are continuously growing by extending our offer and by developing environmental friendly and innovative products and services that address specific customer needs. Our success results from combining our global skills with our local presence. The JENSEN-GROUP has operations in 24 countries and has distribution in more than 40 countries. Worldwide, JENSEN-GROUP employs about 1,600 employees.

This press release is also available on the corporate website www.jensen-group.com.

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