ÅRSRAPPORT PRISEN 2018

DANSKE REVISORER FSR*

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KARNOV GROUP

DI Dansk Industri

VELKOMST

Adm. direktør Charlotte Jepsen

FSR – danske revisorer

NÅR VI SKÆRER IND TIL BENET

Direktør, investeringer, Michael Nellemann Pedersen

PKA

SPOTLIGHT PÅ TO GODE ÅRSRAPPORTER (FRA SMALL- OG MIDCAP SEGMENTET)

Statsaut. revisor Jørgen Blom, viceformand for REGU

FSR

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Årsrapportprisen 2018
- *Særpriser i small- og midcap*

- For at understøtte den unikke, danske regnskabskultur har vi i år også vendt blikket mod small- og mid-cap segmenterne for at finde de gode eksempler, som andre kan blive inspireret af.
- Dommerkomiteen vil gerne belønne mindre og mellemstore virksomheder, som eksperimenterer med at udarbejde årsrapporter, der er interessante og spændende at læse med fokus på det væsentlige og relevante.

Årsrapportprisen 2018
- *Dommerkomiteen har fokuseret på at*

- Den samlede årsrapport har en generelt passende høj kvalitet.
- Ledelsesberetningen skal være velskrevet og interessant med fokus på det relevante og væsentlige.
- Der kan inddrages kriterier fra hovedprisen i bedømmelsen, og der fokuseres på, hvordan disse er tilpasset og håndteret af en mindre virksomhed.
- Der er ikke fastlagt detaljerede emner, idet disse afhænger af de årsrapporter og de eksempler og områder, som dommerkomiteen finder bør fremhæves.
- Som følge heraf vil der også kunne uddeles en eller flere priser i denne kategori, idet den eller de belønnede årsrapporter skal være god inspiration for andre.

Årsrap

-

ZEALAND PHARMA
Accelerating the late-stage clinical pipeline.
Zealand Pharma
Marianne Riis
lives with short bowel syndrome and is dependent on parenteral nutrition.
HARTMANN
science
symphogen
ANNUAL REPORT 2017
NNIT
Conscience driven. Value adding

En årsrapport, der skaber overblik

Statsaut. revisor Jørgen Blom, FSR

CFO Marianne Bock, Hartmann

Årsrapportprisen 2018
- Hartmann

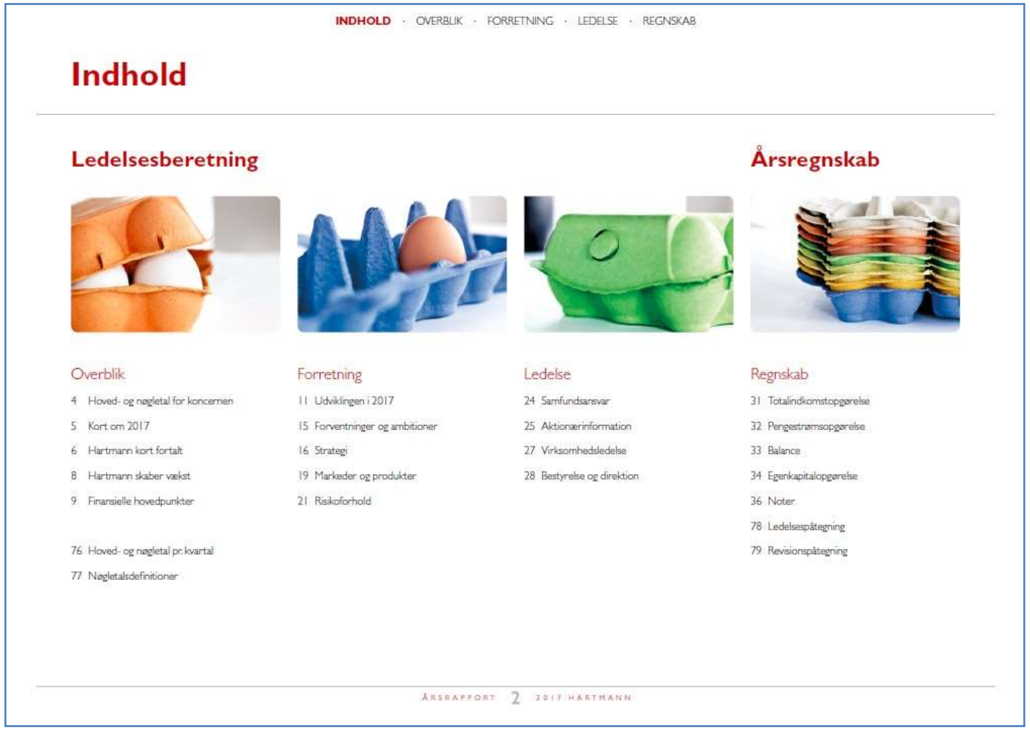
- Generelt
  - Præsentation i nedlagt A4-format
  - Overskueligt
  - Smukt og uhøjtidigt design.
- Ledelsesberetningen
  - Informativ i passende længde
  - God struktur
  - Hurtigt indblik over det væsentligste
  - Kommentering af Q4.
- Årsregnskabet
  - Passende i forhold til virksomhedens størrelse.
  - Noter i samme rækkefølge som de primære opgørelser.
  - Anvendt regnskabspraksis i tilknytning til de enkelte noter.
  - Regnskabsmæssige skøn samlet.

HARTMANN

PACK & PERFORM

Årsrapport 2017

Årsrapportprisen 2018
- Strukturen i årsrapporten



INDHOLD · OVERBLIK · FORRETNING · LEDELSE · REGNSKAB

Indhold

Ledelsesberetning

Årsregnskab

ÅRSRAPPORT 2 2017 HARTMANN

Årsrapportprisen 2018
- *Underafsnit i beretningen*

Årsrapportprisen 2018
- Overblik i beretningen

INDHOLD · **OVERBLIK** · FORRETNING · LEDELSE · REGNSKAB

Finansielle hovedpunkter

4. kvartal 2017

- Hartmann løftede den samlede omsætning til 564 mio. kr. (2016: 523 mio. kr.) og driftsresultatet til 74 mio. kr. (2016: 59 mio. kr.) svarende til en overskudsgrad på 13,0% (2016: 11,2%). Fremgang i salget af emballage på tværs af Hartmanns markeder og i Hartmann Technology havde en positiv effekt på indtjeningen.
- Den europæiske forretnings samlede omsætning steg til 349 mio. kr. (2016: 313 mio. kr.), og driftsresultatet udgjorde 52 mio. kr. (2016: 50 mio. kr.) svarende til en overskudsgrad på 14,7% (2016: 16,1%). Omsætningsvæksten blev opvejet af højere afskrivninger, en lavere gennemsnitlig salgspris og ugunstige valutakursudviklinger, ligesom sammenligningsperioden var positivt påvirket af et offentligt tilskud til energieffektive produktionsvirksomheder.
- På de amerikanske markeder øgede Hartmann omsætningen til 215 mio. kr. (2016: 210 mio. kr.) og driftsresultatet til 25 mio. kr. (2016: 13 mio. kr.) svarende til en overskudsgrad på 11,4% (2016: 6,3%). Indtjeningsfremgangen var drevet af en betydelig forbedring i den sydamerikanske forretning, som opvejede en lidt lavere indtjening i Nordamerika som følge af højere produktionsomkostninger og afskrivninger.
- Udsving i valutakurser påvirkede omsætningen med -23 mio. kr. og driftsresultatet med -7 mio. kr.

2017

- Koncernens samlede omsætning steg 5% til 2.207 mio. kr. (2016: 2.096 mio. kr.), og driftsresultatet udgjorde 235 mio. kr. (2016: 248 mio. kr.) svarende til en overskudsgrad på 10,7% (2016: 11,8%). De samlede anlægsinvesteringer udgjorde 208 mio. kr., og afkastet af den investerede kapital udgjorde 17% (2016: 21%).
- Bestyrelsen indstiller, at der udbetales et udbytte på 9,50 kr. pr. aktie (2016: 9,50 kr.).
- Den samlede europæiske omsætning steg til 1.290 mio. kr. (2016: 1.258 mio. kr.), og driftsresultatet udgjorde 158 mio. kr. (2016: 164 mio. kr.) svarende til en overskudsgrad på 12,2% (2016: 13,1%).
- På de amerikanske markeder udgjorde Hartmanns omsætning 917 mio. kr. (2016: 838 mio. kr.), og driftsresultatet var 103 mio. kr. (2016: 116 mio. kr.) svarende til en overskudsgrad på 11,2% (2016: 13,8%).
- Udsving i valutakurser påvirkede både omsætningen og driftsresultatet med -21 mio. kr. primært som følge af kursudviklingen i GBP.

Forventninger og ambitioner

- Hartmann forventer en omsætning på 2,2-2,3 mia. kr. og en overskudsgrad på 11,5-13% i 2018, som forventes at blive positivt påvirket af stigende kapacitetsudnyttelse og fortsat tilpasning af omkostningsniveauet. Moderat lavere vækstrater i Nordamerika og på visse europæiske markeder, hvor fund af fipronil i æg har en midlertidig indflydelse på efterspørgslen, ventes at påvirke udviklingen negativt.
- Afkastet af den investerede kapital ventes at udgøre mindst 18% i 2018.
- Hartmann har fastlagt en ambition om over tid at øge emballagesalget i takt med eller over markedsvæksten, øge koncernens omsætning løbende og opnå en overskudsgrad før særlige poster på mindst 14%.

> Vi løftede omsætningen i 2017, hvor vi fokuserede på at skabe en stærk produktionsplatform, så Hartmann kan udnytte de positive tendenser i vores markeder og sikre attraktiv vækst og lønsomhed fremover.
>
> Marianne Rørslev Bock, koncernfinansdirektør og konstitueret adm. direktør

Årsrapportprisen 2018
- *Oversigt over noterne*

Noter

Generelle

Totalindkomstopgørelsen

Pengestrømsopgørelsen

Balancen

Øvrige

Årsrapportprisen 2018
- Eksempel på præsentation af noter

Noter

05 Nettoomsætning

	Koncern		Moderselskab	
mio. kr.	2017	2016	2017	2016
Varesalg	2.196,4	2.081,8	1.218,2	1.244,0
Levering af tjenesteydelser	3,8	3,5	3,7	3,6
Effekt af valutakurssikring	7,1	10,8	4,3	12,4
Nettoomsætning	**2.207,3**	**2.096,1**	**1.226,2**	**1.260,0**

Anvendt regnskabspraksis

Nettoomsætning

Omsætning ved salg af handelsvarer og færdigvarer indregnes i årets resultat, når levering og risikoovergang til køber har fundet sted, og såfremt indtægten kan opgøres pålideligt og forventes modtaget. Omsætning vedrørende tjenesteydelser indregnes i takt med, at serviceydelserne leveres. Omsætning fra mindre reparations- og renoveringsarbejder indregnes, når opgaven er udført. Ved større opgaver indregnes omsætning i takt med, at opgaverne udføres. Omsætning måles til dagsværdien af det aftalte vederlag ekskl. moms og afgifter opkrævet på vegne af tredjepart. Alle former for afgivne rabatter modregnes i omsætningen.

06 Produktionsomkostninger

	Koncern		Moderselskab	
mio. kr.	2017	2016	2017	2016
Vareforbrug	1.091,6	1.014,3	779,6	806,3
Personaleomkostninger indeholdt i vareforbrug	(291,9)	(287,0)	(98,0)	(100,1)
Nedskrivning af varebeholdninger	0,8	0,8	(1,3)	(1,0)
Personaleomkostninger, jf. note 9	423,3	407,2	147,6	149,7
Afskrivninger, jf. note 16 og 17	123,7	95,9	34,9	28,7
Øvrige produktionsomkostninger	204,1	198,3	65,5	66,4
Effekt af valutakurssikring	(0,7)	(1,2)	(0,7)	(1,2)
Produktionsomkostninger	**1.550,9**	**1.428,3**	**927,6**	**948,8**

I øvrige produktionsomkostninger er indeholdt udviklingsomkostninger med 15,6 mio. kr. for både koncern og moderselskab (2016: 2,9 mio. kr.).

Anvendt regnskabspraksis

Produktionsomkostninger

I produktionsomkostninger indregnes direkte og indirekte omkostninger, herunder afskrivninger og gager, der er afholdt for at opnå årets nettoomsætning. Under produktionsomkostninger indregnes tillige forskningsomkostninger samt de udviklingsomkostninger, der ikke opfylder kriterierne for aktivering.

Årsrapportprisen 2018

- Et konkret roadmap

Sådan griber du det an

- Tal med investorerne løbende – hvad vil de gerne vide mere om?
- Vælg ét eller to fokusområder at opdatere per år
- Få det kreative på plads tidligt – design, strategi, overblik mm.
- Afstem forventninger med ledelsen for at sikre en smidig proces
- Vær i kontrol og undgå afhængighed af eksterne parter undervejs
- Styret proces og faste leverandører sikrer overskud til kreativitet

En klar beskrivelse af forretningsmodellen

Statsaut. revisor Jørgen Blom, FSR

CEO Britt Meelby Jensen, Zealand Pharma

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Årsrapportprisen 2018
- ***Zealand Pharma***

- Generelt - Flot designet årsrapport.
- Ledelsesberetningen
  - "Zealand in brief" samt to "letters" fra formand og CEO giver en tidlig, kort og god indsigt i virksomheden.
  - De to forretningsmodeller på hhv. diabetes og sjældne sygdomme fremgår klart.
  - Mål og forventninger til 2018 præsenteres lettilgængeligt.
  - Passende og relativt forståelig beskrivelse af R&D pipelinen.
  - Fokus på det relevante og væsentlige, og den kan fremhæves for sin (korte) længde i denne branche.

Årsrapportprisen 2018
- ***Zealand Pharma***

- Årsregnskabet
  - Virkning af de nye IFRS-standarder og særligt IFRS 15, Omsætning er behørigt omtalt.
  - Noterne præsenteres i samme rækkefølge som de primære opgørelser med tilhørende praksis og omtale af særligt vigtigt indhold.
  - Der er detaljeret omtale af omsætning fra licensaftalerne.
  - Noten om ”royalty bond” giver en passende, meget detaljeret omtale af en gældspost med usædvanligt indhold (i Danmark).

Årsrapportprisen 2018

- Zealand in Brief – 1 side

About Zealand Pharma. | Moving forward | Products and pipeline | Corporate matters | Financial statements | Other information

Zealand in brief.

Zealand is a late-stage biotech company with new products launching into major markets within 3 to 4 years.

Find out more about Zealand on
zealandpharma.com

Zealand

We are a world leader in the discovery and development of peptide therapeutics, focusing on specialty gastrointestinal and metabolic diseases.

We aim to advance medicines for rare diseases all the way to market to meet patients' needs, while we continue to grow through valuable partnerships in diabetes care.

We have a late-stage program in Phase 3 development and two Phase 3-ready programs, all with potential to launch into major markets: glepaglutide, a long-acting GLP-2 analog for short bowel syndrome, and dasiglucagon, a soluble, stable glucagon analog in liquid formulation in development as three distinct clinical programs.

We have a license agreement with Sanofi covering two marketed products. In 2017, Sanofi launched Soliqua® 100/33, a fixed-dose combination of the Zealand-invented GLP-1 lixisenatide and Lantus®, in the U.S., followed by the launch as Suliqua® in several European countries.

We continue to leverage our validated peptide platform and have multiple opportunities for near-term pipeline expansion.

Programs

Accelerating late-stage clinical programs with glepaglutide and three dasiglucagon product candidates as significant short- and long-term value drivers.

Peptides

A world leading peptide platform with product candidates for near-term pipeline expansion.

Financial strength

Financial strength with increasing royalty revenue from commercial products and partnerships.

Årsrapportprisen 2018
- Chairman's letter – 1 side

Chairman's letter

Well positioned to deliver on our ambition.

In 2015, we laid the foundation for a strong Zealand by defining a new direction for the Company whereby we will develop and commercialize selected medicines ourselves, while engaging in partnerships to secure significant value where this is more opportune.

In 2017, Zealand took a major step forward in implementing this strategy, with positive clinical results for our flagship programs. Dasiglucagon advanced to Phase 3 in one indication, and another indication is in preparation to start Phase 3 in 2018, as is glepaglutide, where best-in-class potential for treatment of short bowel syndrome has been underpinned by strong clinical results.

Good discipline and an experienced, competent and dedicated organization have been essential to secure this progress, together with collaborations with leading key opinion leaders in their respective fields as well as business partners with global expertise.

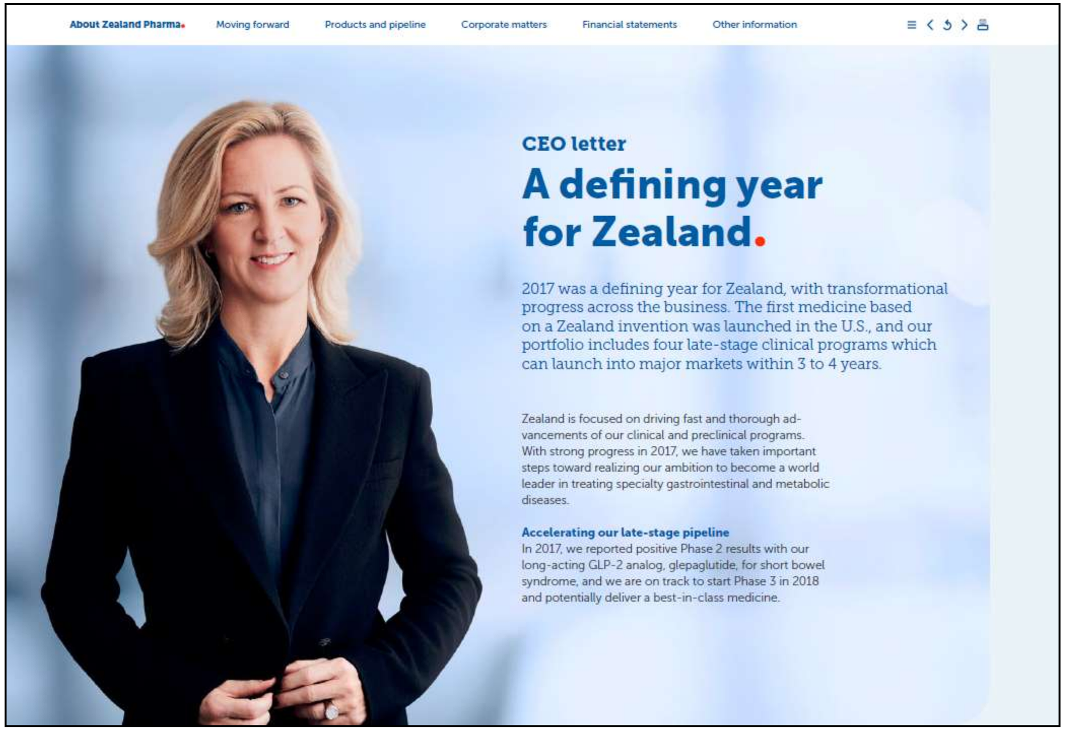
Helping people who suffer from severe gastrointestinal and metabolic diseases is a passion that fuels the speed and diligence of our progress.

Zealand has world-leading expertise in delivering differentiated peptide-based drug candidates, and I am excited about how this has been translated into the rich pipeline that Zealand has today. In addition, promising preclinical assets are in development which validate our platform and technology, giving us multiple options to expand our pipeline in line with our strategy, driving further shareholder value.

I want to thank the entire Zealand organization for a successful 2017. I also want to personally thank our shareholders for their valuable trust and support in our focused endeavor of delivering shareholder value. I am optimistic about the future and am looking forward to yet another successful business year for Zealand.

Martin Nicklasson
Chairman

Årsrapportprisen 2018
- CEO letter – 2 sider



Årsrapportprisen 2018

- Forretningsmodellen

Zealand's business model.

We discover and develop peptide therapeutics with a focus on specialty gastrointestinal and metabolic diseases.

A business model with two approaches

Zealand has a lean and agile organization, and we engage with partners across the value chain, such as leading CROs and CMOs. We aim to retain full ownership and control of product candidates within rare diseases all the way to the market in selected geographies.

In diabetes and other broad indications, we will engage in development and/or commercial partnerships, the timing of which will depend on value optimization, with the aim of optimizing the progress of our programs and value.

Peptide research platform

Zealand is a world leader with 20 years' experience in the discovery and development of peptide therapeutics.

Our success has largely come from our focus on the modification of endogenous gut peptide hormones, particularly glucagon, amylin, GLP-1, GLP-2 and GIP.

Today, we focus not only on optimizing the properties of endogenous hormones but also on exploring ion channels and other target classes.

Drug development

Zealand has built a world-class late-stage development organization to support the fast progress of the clinical portfolio in line with our ambition to bring our own products to the market, retaining control and value in-house.

Partnerships continue to be an important part of our business model and will enable us to move faster to market.

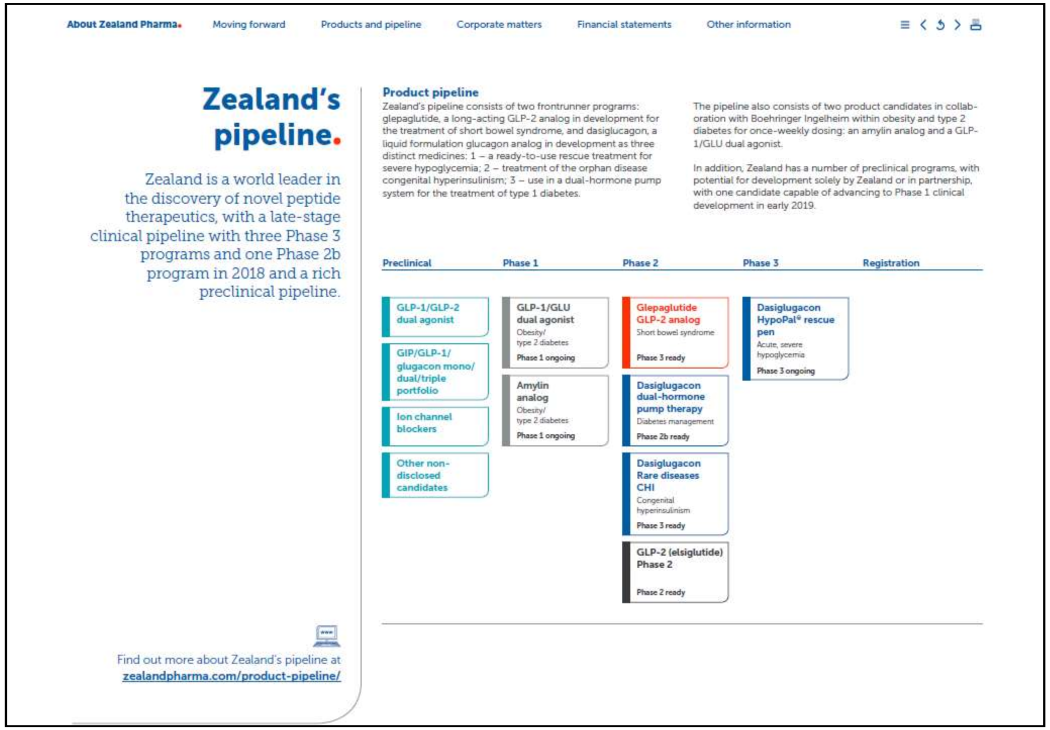
Commercialization

Zealand intends to commercialize our product candidates within rare diseases. The effort is commercially manageable, and we will retain full control and profitability. We will gradually build our commercial organization with a focus on the U.S. and Europe.

Business development

Zealand regards partnerships as pivotal to our success. Our Business Development team is responsible for identifying, structuring, negotiating and executing transactions with potential partners to build value and support Zealand's ambition.

Årsrapportprisen 2018
- Overblik over R&D pipeline



About Zealand Pharma. | Moving forward | Products and pipeline | Corporate matters | Financial statements | Other information

Zealand's pipeline.

Zealand is a world leader in the discovery of novel peptide therapeutics, with a late-stage clinical pipeline with three Phase 3 programs and one Phase 2b program in 2018 and a rich preclinical pipeline.

Product pipeline

Zealand's pipeline consists of two frontrunner programs: glepaglutide, a long-acting GLP-2 analog in development for the treatment of short bowel syndrome, and dasiglucagon, a liquid formulation glucagon analog in development as three distinct medicines: 1 – a ready-to-use rescue treatment for severe hypoglycemia; 2 – treatment of the orphan disease congenital hyperinsulinism; 3 – use in a dual-hormone pump system for the treatment of type 1 diabetes.

The pipeline also consists of two product candidates in collaboration with Boehringer Ingelheim within obesity and type 2 diabetes for once-weekly dosing: an amylin analog and a GLP-1/GLU dual agonist.

In addition, Zealand has a number of preclinical programs, with potential for development solely by Zealand or in partnership, with one candidate capable of advancing to Phase 1 clinical development in early 2019.

Preclinical	Phase 1	Phase 2	Phase 3	Registration
GLP-1/GLP-2 dual agonist	GLP-1/GLU dual agonist Obesity/ type 2 diabetes Phase 1 ongoing	Glepaglutide GLP-2 analog Short bowel syndrome Phase 3 ready	Dasiglugacon HypoPal® rescue pen Acute, severe hypoglycemia Phase 3 ongoing	
GIP/GLP-1/ glugacon mono/ dual/triple portfolio	Amylin analog Obesity/ type 2 diabetes Phase 1 ongoing	Dasiglugacon dual-hormone pump therapy Diabetes management Phase 2b ready		
Ion channel blockers		Dasiglugacon Rare diseases CHI Congenital hyperinsulinism Phase 3 ready		
Other non-disclosed candidates		GLP-2 (elsiglutide) Phase 2 Phase 2 ready		

Find out more about Zealand's pipeline at zealandpharma.com/product-pipeline/

Årsrapportprisen 2018

- Beskrivelse - et konkret R&D projekt

Phase 3 ready

Dasiglucagon for congenital hyperinsulinism.

Dasiglucagon is a potential first-in-class glucagon analog for the treatment of children with congenital hyperinsulinism.

Find out more about CHI at
zealandpharma.com/dasiglucagon-orphan/

About
Congenital hyperinsulinism (CHI) is a rare disease affecting mainly newborns and toddlers. It is caused by a defect in pancreatic ß-cells, resulting in insulin overproduction. This leads to persistently and often severely low blood sugar levels (hypoglycemia).

The most severely affected children need to have their pancreas surgically removed within a few months of birth in order to prevent hypoglycemia. This invariably results in the development of type 1 diabetes.

Current treatment options are insufficient: Fewer than one-third of newborns and two-thirds of older children respond to approved medical therapy.[1]

CHI develops in one out of 50,000 (or fewer) children.[2] This corresponds to 180-300 children diagnosed in the U.S. and Europe every year.

Dasiglucagon is a potential first-in-class glucagon analog invented by Zealand. It is stable in aqueous formulation, suitable for pump use and therefore for treatment of CHI. Glucagon is the physiological counterregulator of insulin, causing a rise in blood glucose.

2017 achievements and next step
In 2017, the U.S. FDA and the European Commission both granted orphan drug designation to dasiglucagon for the treatment of CHI. Dasiglucagon for CHI saw strong clinical progress in 2017, with the U.S. FDA approving Zealand's investigational new drug (IND) application. This positive regulatory milestone and the current clinical evidence enable Zealand to proceed directly to Phase 3 development of dasiglucagon for the treatment of CHI in 2018.

Zealand's ambition

Our aim is to improve the lives of children with congenital hyperinsulinism by providing a nonsurgical treatment option.

CHI pump treatment

During Phase 3, Zealand will evaluate the potential of chronic dasiglucagon infusions delivered via a pump to prevent hypoglycemia in up to 50 children with CHI, thereby reducing or eliminating the need for intensive hospital treatment, and potentially also delaying or eliminating the need for pancreatectomy.

"Congenital hyperinsulinism (CHI) is a rare condition in which children make too much of the hormone insulin. At present, treatment options are limited and complicated by side effects. The Royal Manchester Children's Hospital is home to the Northern Congenital Hyperinsulinism service (NORCHI). We look forward to new treatment options and are excited about Zealand Pharma's clinical development program using dasiglucagon."

Dr. Indi Banerjee, MBBS, MD, FRCPCH
University of Manchester, UK

For references, please see p. 95.

Årsrapportprisen 2018
- Klar i beskrivelsen – tre gode råd

- Brug ledelsesberetningen til at fortælle jeres historie – kort, præcist og målrettet
- Visualisér og simplificér forretningsmodel og andre elementer, der kan skabe indsigt og overblik
- Skær ind til benet – undgå for meget tekst og fremhæv kernebudskaber tidligt i rapporten

TRENDS I ÅRSRAPPORTERNE 2017

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20+ observationer fra gennemgangen

Statsaut. revisor Jørgen Blom

FSR – danske revisorer

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Årsrapportprisen 2018
- *Indledende observationer*

- Ca. 130 årsrapporter er gennemgået
- Danske årsrapporter har generelt et meget højt niveau
- Ingen revolutionerende ændringer i 2018
  - Mange virksomheder forbedrer og justerer lidt hvert år
  - Tendens til, at der udvikles mere på beretning end på regnskab
- Også mindre og mellemstore virksomheder arbejder med udvikling af gode og interessante elementer til inspiration

Årsrapportprisen 2018
- *Generelle observationer*

- Der arbejdes fortsat med præsentation af noterne, herunder
  - Verbal kommentering af noteoplysninger
  - Gruppering af noter med brug af resumé, grafik og illustrationer
  - Væsentlighed også overvejet ved gruppering af noterne.
- Informative ledelsesberetninger med fokus på relevans og væsentlighed
- Eksperimenter med info om forretningsmodel og strategi
- Fokus på at få et godt flow i beretningen
- God tendens til at oplyse om det relevante og væsentlige i beretningen og med links til uddybende rapporter på hjemmesiden.

Årsrapportprisen 2018
- *Anvendelse af grafiske virkemidler*

- Tendens til at lægge mere vægt på layout
- Flere bruger liggende A4-format, der understøtter læsning på skærm
- Brug af "navigationsmæssige virkemidler"
- "Knapper" til at finde relaterede forhold, der naturligt hører sammen
  - Den sidste form er fortsat ikke så udbredt og udgør en forbedringsmulighed
- Fremhævede tal ("fliser") har vundet en vis udbredelse.

Årsrapportprisen 2018
- *Trends i ledelsesberetningen*

- Mere integreret beretning med udgangspunkt i forretningsmodel m.v.
- Fokus på forhold, der kan påvirke forretningsmodellen
- Sammenhæng mellem forretningsmodel, strategi, risici, KPI'er, aflønning og måske til forventninger til fremtiden udgør en potentiel forbedringsmulighed
- Nye risikotyper har set dagens lys
- Længere og mere specifikke forudsigelser om fremtiden.

Årsrapportprisen 2018
- *Trends i årsregnskabet*

- Enkelte eksempler på verbal kommentering i direkte tilknytning til årsregnskabets primære opgørelser
- Det er dommerkomiteens indtryk, at der arbejdes godt og mere med væsentlighed i forhold til tidligere
- Det er særligt noterne, der arbejdes med at gøre informative og let tilgængelige
- De større virksomheder grupperer noterne med henblik på at øge læsevenligheden og informationsværdien
- Brug af mere grafik og illustrationer i noterne giver bedre overblik.

Årsrapportprisen 2018
- *Trends vedr. anvendelsen af APM'er*

- I årsregnskabet er anvendelsen af APM'er ofte begrænset til velkendte begreber som f.eks. EBIT eller EBITDA
- Begrebet "Særlige poster" fylder mere og mere !
- Til gengæld kan anvendelsen af APM'er være ganske omfattende i beretningen
- APM'er bør være måleenheder, der er valgt af ledelsen, og som primært er valgt, fordi de understøtter billedet af virksomhedens udvikling.

Fokus på Alternative Performance Measures

VP Group Accounting Tina Aggerholm, Carlsberg

Senior Analyst Jens Houe Thomsen, Jyske Bank

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REGNSKABSFORUM

KARNOV GROUP

DI Dansk Industri

Alternative Performance Measures *(APM)*

Motivering for emnet:

- APM'er og oplysninger om virksomhedens aktiviteter for at øge forståelsen af den forretningsmæssige og regnskabsmæssige udvikling
- Påvirke brugen af APM'er i årsrapporten med henblik på at skabe en god skik
- Præsentation og vægtning mellem APM'er, andre forretningsmæssige nøgletal samt IFRS.

ESMA's Guideline - APM

Definition:

"APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework."

Øvrige elementer:

- Disclosure Principles
- Presentation
- Reconciliations
- Explanation of the use of APMs
- Comparatives
- Consistency.

APM

- Generelle observationer

- EMSA udsendte i 2017 guidelines for brug af APM'er, herunder krav om afstemning af alle APM'er til regnskabstallene iht. IFRS.
- Stort set alle virksomheder anvender APM'er i større eller mindre grad ved beskrivelsen af den forretningsmæssige udvikling.

  - Kun en enkelt virksomhed anvender alternative målemetoder
  - Alle andre anvender alene APM som yderligere forklaring og til analysebrug.

APM

- Generelle observationer

- Flere virksomheder inddrager nøgletal for virksomhedens aktiviteter; f.eks. tons og liter, til beskrivelse af enten input eller output.
- APM'er og nøgletal for aktiviteten anvendes af mange virksomheder i beretningen.
- Med den øgede fokus på forretningsmodel/strategi og "Årsrapporten på 10 minutter" får APM'er og andre nøgletal en fremtrædende rolle på linie med omsætning, EBIT/resultat og cash flow.

APM
- Nødvendighed af dansk regulering?

- Der er endnu ingen dansk regulering, der implementerer regler for anvendelse af APM'er som f.eks. ESMA's guidelines.
- Den nuværende praksis viser en mangfoldig brug af APM'er og andre nøgletal.
- Det bør derfor overvejes i hvilken grad, der er behov for dansk regulering; samt hvordan den balanceres, så det stimulerer relevante oplysninger.

Eksempler
- Aktivitetsnøgletal

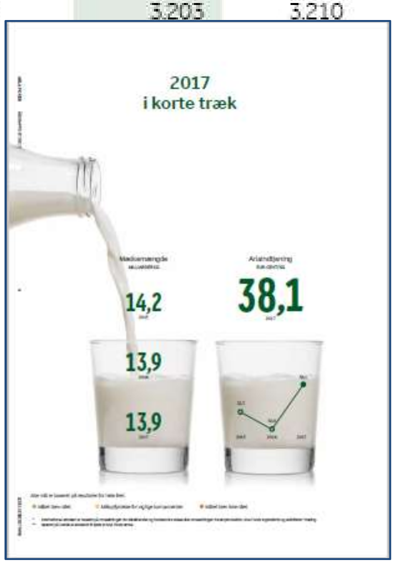
- **Arla** bruger indvejet råmælk, mens Carlsberg bruger solgte HL.
- Arla oplyser indtjening pr. kg. ejermælk i hoved- og nøgletal.
- **Carlsberg** oplyser volumen og pris/mix i segment- og regnskabs-beretning.
- Udfordring – hvordan skabes en god balance mellem forretnings- og regnskabsmæssig nøgletal?

Hoved- og nøgletal

Nøgletal (mEUR)	2017	2016
Arlaindtjening		
EUR-cent/kg ejermælk	38,1	30,9
Indvejning af rå mælk (mkg)		
Indvejet rå mælk fra ejere i Danmark	4.827	4.728
Indvejet rå mælk fra ejere i Storbritannien	3.203	3.210
Indvejet rå mælk fra ejere i Sverige		
Indvejet rå mælk fra ejere i Tyskland		

Beer volumes declined organically by 3%, mainly impacted by the lower volumes in Russia. Other beverages grew organically by 2%, driven by growth in the Nordics and Asia. Total volumes declined by 2% organically and 4% in reported terms.

Reported gross profit was DKK 31,483m (2016: DKK 31,419m). The solid price/mix and efficiency improvements meant that the gross margin improved by 70bp to 50.9%.



Eksempler

- *Analyse af udvikling*

- Der ses en tendens til at analysere udviklingen ved at opdele på organisk vækst, valutaeffekt og opkøb/frasalg.
- Definitioner fastsættes af den enkelte virksomhed, men ligner hinanden.
- **Nilfisk** viser udviklingen i faktiske tal i tabeller, der er enkle at afstemme. Guider på den organiske vækst.
- Andre giver oplysninger procentvis.
- Udfordring – hvordan håndteres disse analyser inden for APM-begrebet?

Revenue and growth by operating segment

EUR million	Revenue 2017	Revenue 2016	Organic Growth	Impact of acquisi-tions net	FX-rates impact	Total growth
EMEA	493.5	468.3	5.9%	0.2%	-0.7%	5.4%
Americas	284.3	275.1	5.7%	0.0%	-2.3%	3.4%
APAC	80.4	80.6	1.3%	0.0%	-1.3%	0.0%
Total Professional	858.2	824.0	5.4%	0.1%	-1.3%	4.2%
Specialty Professional	127.8	130.1	2.5%	-2.8%	-1.0%	-1.3%
Specialty Consumer	95.9	104.4	-7.7%	0.0%	-0.5%	-8.2%
Total Specialty	223.7	234.5	-2.1%	-1.5%	-0.7%	-4.3%
Total	1,081.9	1,058.5	3.7%	-0.3%	-1.2%	2.2%

3.0% - 4.0%

ORGANIC GROWTH

Eksempler
- Mellemtotaler og særlige poster

- Brugen af særlige poster og opdeling af årets resultat udvikler sig konstant og får øget fokus i virksomhederne.
- **ISS** opdeler fra 2017 resultat-opgørelsen i flere elementer af særlige poster.
- Udfordring – hvad bør indgå i særlige poster, og hvordan fremmes oplysningerne, så de præsenteres konsistent og informativt?

				2017
DKK million	Note	Adjusted results	Acquisition-related	Reported results
Revenue	2.1	**79,912**	-	**79,912**
Staff costs	6.3, 6.4	(50,199)	-	(50,199)
Consumables		(7,347)	-	(7,347)
Other operating expenses	7.7	(17,140)	-	(17,140)
Depreciation and amortisation [1]	4.6, 7.1	(710)	-	(710)
Operating profit before other items		**4,516**	-	**4,516**
Other income and expenses, net	2.3	(548)	-	(548)
Goodwill impairment	4.7	-	(90)	(90)
Amortisation/impairment of brands and customer contracts	4.6	-	(521)	(521)
Operating profit	2.1, 7.6	**3,968**	**(611)**	**3,357**
Financial income	5.3	38	-	38
Financial expenses	5.3	(576)	-	(576)
Profit before tax		**3,430**	**(611)**	**2,819**

Eksempler

- Oplysning om APM

- ESMA udsendte i 2017 en guidance for oplysning og afstemning af APM'er.
- **Novo Nordisk** har valgt at inkludere en afstemning af alle APM'er i noterne.
- **ISS** har valgt at beskrive brugen af APM'er generelt.
- Udfordring – hvordan balanceres kravet om afstemning og ligevægt i oplysningerne uden af tilføje mange uvæsentlige informationer eller reducere oplysningerne?

NON-IFRS FINANCIAL MEASURES

In the Annual Report, Novo Nordisk discloses certain financial measures of the Group's financial performance, financial position and cash flows that reflect adjustments to the most directly comparable measures calculated and presented in accordance with IFRS. These non-IFRS financial measures may not be defined and calculated by other companies in the same manner, and may thus not be comparable.

The non-IFRS financial measures presented in the Annual Report are:

- Sales and operating profit in local currencies
- Operating profit after tax to net operating assets
- Financial resources
- Free cash flow
- Cash to earnings

IFRS refers to an IFRS financial measure.

Sales and operating profit growth in local currencies
'Growth in local currencies' means that the effect of changes in exchange rates is included. The measure is defined as sales/operating profit for the year measured at prior-year average exchange rates compared with sales/operating profit for the prior year. Growth in local currencies is considered to be relevant information for investors in order to understand the underlying development in sales and operating profit by adjusting for the impact of currency fluctuations.

SALES IN LOCAL CURRENCIES

DKK million	2017	2016	2015
Net sales IFRS	111,696	111,780	107,927
Effect of exchange rate	2,609	2,110	(11,672)
Sales in local currencies	114,305	113,890	96,255

OPERATING PROFIT IN LOCAL CURRENCIES

DKK million	2017	2016	2015
Operating profit IFRS	48,967	48,432	49,444
Effect of exchange rate	1,770	1,099	(7,838)
Operating profit in local currencies	50,737	49,531	41,606

Operating profit after tax to net operating assets (OPAT/NOA)
Operating profit after tax to net operating assets is defined as 'operating profit after tax (using the effective tax rate) as a percentage of average inventories, receivables, property, plant and equipment, intangible assets and deferred tax assets less non-interest-bearing liabilities including provisions and deferred tax liabilities (where average is the sum of the above assets and liabilities at the beginning of the year and at year-end divided by two)'.

Management believes Operating profit after tax to net operating assets is a useful measure in providing investors and Management with information regarding the Group's performance. The calculation of the financial target 'Operating profit after tax to net operating assets' is a widely accepted measure of earnings efficiency in relation to total capital employed.

The following table shows the calculation of Operating profit after tax to net operating assets:

NOVO NORDISK ANNUAL REPORT 2017

DEFINITIONS

ISS uses various key figures, financial ratios (including alternative performance measures (APMs)) and non-financial ratios, all of which provide our stakeholders with useful and necessary information about the Group's financial position, performance and development in a consistent way. In relation to managing the business, achieving our strategic goals and ultimately creating value for our shareholders, these measures are considered essential.

Eksempler

- Alternative Business Performance

- **Ørsted** beskriver udviklingen i forretningen på baggrund af Alternativ Business Performance.
- Den alternative måling forklares i en note til årsrapporten og afstemmes til IFRS.
- Udfordring – hvordan håndteres forskelle mellem IFRS og business performance, så læserne forstår disse, og forklaringerne balanceres ligeværdigt?

Specifikation af forskellen mellem EBITDA efter business performance og IFRS, mio. kr.	2017	2016
EBITDA – business performance	22.519	19.109
Årets business performance-justeringer på omsætning	205	(3.808)
Årets business performance-justeringer på vareforbrug	(150)	1.638
EBITDA – IFRS	**22.574**	**16.939**
Årets business performance-justeringer i alt fordeler sig således:		
Årets værdiregulering af sikringskontrakter, der vedrører en fremtidig periode	(138)	(1.397)
Tilbageførsel af udskudte gevinster/tab vedrørende sikring fra tidligere perioder, hvor den afdækkede produktion eller handel indregnes i business performance-EBITDA i denne periode	193	(773)
Justeringer i alt	**55**	**(2.170)**

Årets værdiregulering af finansielle og fysiske sikringer, mio. kr.	2017	2016
Valuta	150	1.156
El (kommerciel og sikring)	(836)	(2.160)
Gas (kommerciel og sikring)	106	(735)
Olie	404	267
Kul	38	75
Værdireguleringer i alt	**(138)**	**(1.307)**

Tabellen viser værdireguleringen fordelt på produkt. Værdireguleringen er indregnet i IFRS-EBITDA, men ikke i business performance-EBITDA, da værdien vedrører fremtidige perioder.

Tilbageførsel af udskudte gevinster/tab vedrørende sikringer fra tidligere perioder, mio. kr.	2017	2016
Valuta	(12)	(615)
El (kommerciel og sikring)	297	(424)
Gas (kommerciel og sikring)	(106)	(1.539)
Olie	46	1.654
Kul	(32)	151
Udskudte gevinster/tab fra tidligere perioder i alt	**193**	**(773)**

Tabellen viser tilbageførsel af værdiregulering fordelt på produkt. Disse gevinster/tab er indregnet i business performance-EBITDA. Værdireguleringen er indregnet i IFRS- EBITDA i en tidligere periode.

Årets forskel mellem IFRS og business performance
Værdireguleringen vedrørende fremtidige perioder udgjorde -138 mio. kr. (2016: -1.397 mio. kr.) og tilbageførsel af udskudte gevinster/tab, der er indregnet i business performance i 2017, udgjorde 193 mio. kr. (2016: -773 mio. kr.).

Årets markedsværdiregulering af sikringskontrakter
2017 var hovedsageligt påvirket af tab på sikring af el som følge af stigende priser i 2017. Dette blev delvist modsvaret af en gevinst på sikring af olie som følge af den stigende oliepris i 2017.

2016 var hovedsageligt påvirket af tab på sikring af gas og el som følge af stigende priser i 2016. Dette blev delvist modsvaret af gevinst på valutasikring på grund af en svækket GBP i 2016.

Udskudte gevinster/tab fra tidligere perioder
I 2017 var der i business performance-EBITDA indregnet et tab på 193 mio. kr. Tabet var allerede indregnet i IFRS-EBITDA i en tidligere periode, hvorfor gevinsten blev tilbageført i justeringskolonnen i resultatopgørelsen. Tabet vedrørte primært sikring af el.

I 2016 var der i business performance-EBITDA indregnet en gevinst på 773 mio. kr. Gevinsten var allerede indregnet i IFRS-EBITDA i en tidligere periode, hvorfor gevinsten blev tilbageført i justeringskolonnen i resultatopgørelsen. Gevinsten vedrørte primært sikring af gas, el og valuta. Dette blev modsvaret af et tab på olie.

APM og forretningsnøgletal

Elementer i en god opbygning/beskrivelse:

- Klar definition af alle APM'er og forretningsnøgletal sammen med de finansielle nøgletal.
- Konsistent brug fra år til år.
- Klar sammenhæng til styring af virksomheden og strategien.
- Regnskabsmæssig beregning af væsentlige nøgletal, f.eks. investeret kapital, kan med fordel indarbejdes som en del af noterne.

APM og forretningsnøgletal

Elementer i en god opbygning/beskrivelse:

- Analytisk brug af APM'er med en klar sammenhæng til IFRS-regnskabstallene.
- APM'er beskrives detaljeret; afstemmes for alle regnskabsposter.
- Kommentarerne til IFRS skal have overvægt; eller som minimum ligeværdig med APM'er.
- Klare definitioner og nøgletal baseret på IFRS-regnskabstal reducerer behov for yderligere afstemninger, hvilket bidrager til overblik og klarhed.

Fokus på strategi – beskrivelse og opfølgning

Statsaut. revisor Torben Johansen, formand for REGU

FSR – danske revisorer

DANSKE REVISORER FSR FSR's Studie- og Understøttelsesfond REGNSKABSFORUM KARNOV GROUP DI Dansk Industri

Strategi
– *Generelle observationer*

Generelt mere fokus på beskrivelse af

- strategi
- forretningsmodel
- forretningsrisici

som delelementer i beretningen.

Stor forskel i prioritering, omfang og detaljeringsgrad i beskrivelserne.

Beskrivelse af trends i markedet vinder frem.

Strategi
– *Generelle observationer*

Beskrivelse af strategi

- på kort sigt (specifikke fokusområder for kommende år)
- på lang sigt (overordnet strategi).

Opfølgning på strategiske fokusområder og beskrivelse af opnåede resultater – stor forskellighed i:

- Omfang af beskrivelsen
- Niveau for beskrivelsen – overordnet / detailorienteret

Forventninger til fremtiden – stor forskel i omfang og indhold af beskrivelserne.

Strategi
– *Generelle observationer*

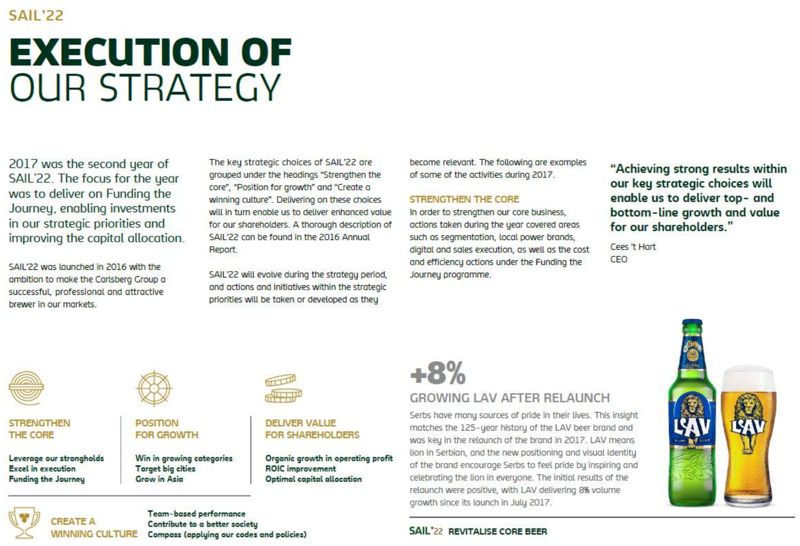
Elementer i en god <u>samlet</u> opbygning / beskrivelse:

- Beskrivelse af strategi, herunder påvirkning af markedstrends
- Beskrivelse af forretningsmodel
- Opfølgning på resultater af strategiarbejdet (ledelsens eksekvering på strategi)
- Fremadrettet – hvad er næste skridt?
- Sammenhæng med risikobeskrivelse
- Kobling til forventninger til fremtiden.

Strategi
– *Gode eksempler*

Carlsberg

- Kortere beskrivelse end de foregående år, da midt i strategiperioden
- Opfølgning på resultater af strategiarbejdet
- Gennemførte handlinger på de strategiske fokusområder
- Beskrivelse af resultater på strategiske KPI'er


SAIL'22

EXECUTION OF OUR STRATEGY

2017 was the second year of SAIL'22. The focus for the year was to deliver on Funding the Journey, enabling investments in our strategic priorities and improving the capital allocation.

SAIL'22 was launched in 2016 with the ambition to make the Carlsberg Group a successful, professional and attractive brewer in our markets.

The key strategic choices of SAIL'22 are grouped under the headings "Strengthen the core", "Position for growth" and "Create a winning culture". Delivering on these choices will in turn enable us to deliver enhanced value for our shareholders. A thorough description of SAIL'22 can be found in the 2016 Annual Report.

SAIL'22 will evolve during the strategy period, and actions and initiatives within the strategic priorities will be taken or developed as they become relevant. The following are examples of some of the activities during 2017.

STRENGTHEN THE CORE

In order to strengthen our core business, actions taken during the year covered areas such as segmentation, local power brands, digital and sales execution, as well as the cost and efficiency actions under the Funding the Journey programme.

"Achieving strong results within our key strategic choices will enable us to deliver top- and bottom-line growth and value for our shareholders."

Cees 't Hart
CEO

STRENGTHEN THE CORE
Leverage our strongholds
Excel in execution
Funding the Journey

POSITION FOR GROWTH
Win in growing categories
Target big cities
Grow in Asia

DELIVER VALUE FOR SHAREHOLDERS
Organic growth in operating profit
ROIC improvement
Optimal capital allocation

CREATE A WINNING CULTURE
Team-based performance
Contribute to a better society
Compass (applying our codes and policies)

+8%

GROWING LAV AFTER RELAUNCH

Serbs have many sources of pride in their lives. This insight matches the 125-year history of the LAV beer brand and was key in the relaunch of the brand in 2017. LAV means lion in Serbian, and the new positioning and visual identity of the brand encourage Serbs to feel pride by inspiring and celebrating the lion in everyone. The initial results of the relaunch were positive, with LAV delivering 8% volume growth since its launch in July 2017.

SAIL'22 REVITALISE CORE BEER

Strategi
– *Gode eksempler*

Nilfisk

- Beskrivelse af forretningsmodel opdelt i områder:
  - Our profile,
  - Our offerings,
  - Our operations,
  - Our markets,
  - Our people

- Kort og præcis strategibeskrivelse

- Gennemgang af opnåede resultater i 2017

Strategi
– *Gode eksempler*

Danish Crown

- Lancering af ny strategi begrundes; og derfor en længere beskrivelse
- Beskrivelse af fire strategiske fokusområder
- Praktiske eksempler fra organisationen på eksekvering på strategiske fokusområder


ONE UNITED GROUP

SAVINGS, CULTURE AND **PEPPER**

For Lars Feldskou, the target is simple: Save 500 million DKK before 2021. However, achieving this target calls for much more than just cost savings, says Danish Crown's Senior Vice President for Group Procurement. Most of all, it's about changing the culture.

"In our 4WD strategy, procurement is one example that 'Act as one' – in other words procuring goods and services as one united company – has a direct impact on the group's bottom line," says he. "By creating greater transparency about what we buy and from whom, we can use our procurement volume and international networks more effectively when trading with suppliers."

For example, Lars' team worked with DAT-Schaub in France to reduce spending on pepper by almost 2.5 million DKK as part of a group tender. Following on from this project, the company managed to cut its spending on garlic by an additional 2.2 million DKK through a close dialogue with the rest of the group, thereby capitalising on the knowledge possessed by colleagues at other locations.

"This year, we have been focusing on sharing knowledge and information across the group. For example, we're in the process of implementing an IT system which will support our reporting and sharing of information," says Lars. "This means that we will no longer have 20 different shoe suppliers, or situations where one supplier is in contact with three different buyers in the Danish Crown Group at the same time."

The strategy track 'Act as one' makes procurement a key priority, and Lars also points out that streamlining procurement is very much about changing the culture in the group.

"The business units are responsible for their own results," he explains. "4WD is motivating the units to work together to create even better results."

A VALUE-CREATING PARTNER FOR OUR CUSTOMERS

BACON **WITH BENEFITS**

In 2016, McDonald's named Tulip Ltd as its 'Supplier of the Year' in the UK. The award was the result of a four-year project which saw Tulip Ltd's factory in Bodmin working closely with McDonald's to optimise its bacon deliveries.

"The changes mean that we are now supplying bacon refrigerated rather than frozen, we have extended the bacon's shelf-life, and we are packing it in a new way, making it easier for McDonald's staff. In this way, we have helped McDonald's cut the time it takes to prepare the food by a couple of seconds, which is all-important in a fast-food context," says Steve Francis, CEO of Tulip Ltd.

Over a period, Tulip Ltd has invested more than 45 million DKK in the optimisation project. New and modern equipment has been installed, and the Bodmin factory has built an exact copy of a McDonald's kitchen so that the products can be tested on an ongoing basis and developed further to ensure that they work in the best possible way.

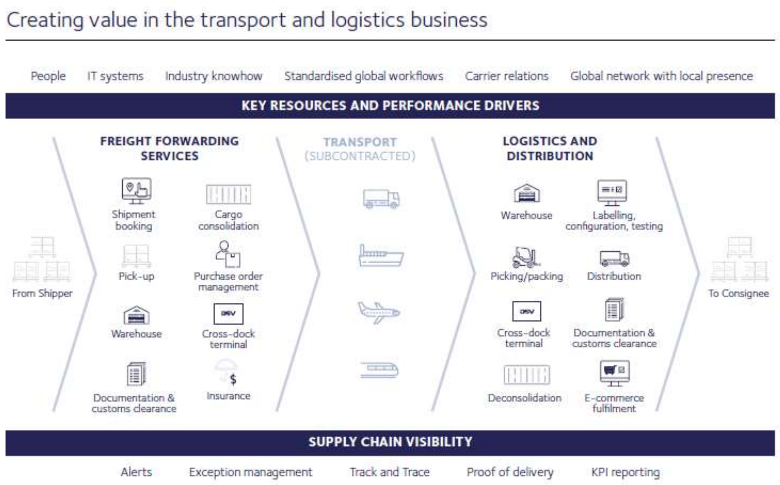
"The partnership shows how we can have a positive impact on the customer experience at McDonald's," says Steve. "Our partnership is really best practice."

Tulip Ltd has supplied bacon to McDonald's for more than 30 years. The bacon is delivered to all 1,200 McDonald's restaurants in the UK, which together serve three million customers a day.

Strategi
– *Gode eksempler*

DSV

- Forholder sig til DSV's markedsposition ift. strategiske fokusområder
- Inddrager markedstrends direkte i kommentering af strategiske fokusområder



Strategi
– *Gode eksempler*

TDC

- Direkte kobling mellem forretningsmodel og strategiske fokusområder
- Opfølgning på strategiske milestones for 2017
- Beskrivelse af markedstrends ift. strategipunkter
- Næste skridt – handlinger på strategiske fokusområder i 2018

Strategi
– *Gode eksempler*

ISS

- Strategi og forretningsmodel i kombineret beskrivelse
- Markedstrends påvirkning af strategien
- Næste skridt – fokus på ”strategic GREAT initiatives”, bl.a. med angivelse af investeringsniveau
- Sammenhæng mellem forretningsmodel/strategi og risici

OUR BUSINESS MODEL AND STRATEGY

We operate in a market where customers demand that the costs associated with their buildings and facilities continually decrease while the user experience improves.

Our business model and strategy are designed to drive shareholder value within these market conditions.

OUR VISION

"We are going to be the world's greatest service organisation"

Our ambition encompasses more than performing successfully across regions and industries. We intend to be the leading service organisation globally.

To achieve our vision, we must meet our customers' needs by offering reliability, responsiveness, convenience, and cost-effectiveness. In fact, we strive to go beyond that. We aim to meet customers' often unspoken needs and to support their overall business goals by helping to create workplaces that are pleasant, safe, and nurturing for their employees and visitors, as well as for the ISS employees who represent us there.

OUR MISSION

The spirit of our approach is articulated in our mission statement:

Service performance facilitating our customers' **purpose** through **people empowerment**

At its core, our mission statement tells a story of a differentiated value proposition. We do not simply deliver services but provide outcomes to customers and focus on how we support their purpose – and the needs of their end-users (see illustration below) – whether our customer is a hospital helping patients get well or a bank focused on providing a pleasant and safe working environment while maintaining compliance with regulatory obligations, and all in a cost-effective manner. Our mission is built on the empowerment of our 488,946 people globally, giving them the flexibility to deliver an exceptional customer experience through an approach rooted in our values and attitude and supported by robust processes and tools.

These factors form the foundation of our value proposition at the centre of which is our self-delivery model.

THE ISS WAY STRATEGY

Our strategy has choice-making at its core: clarity on the customer segments we target, the services we provide, and the places on the globe where we provide them. Through consolidation and alignment of our capabilities, our strategy drives the skill and scale benefits of being a large, global organisation. We strive to extract these benefits of skill and scale by leveraging our volume through aligning procurement and business processes, sharing of the concepts and best practices our organisation develops, and the proactive management of our comprehensive talent pool.

The advantages of driving these scale benefits are wide-ranging – in terms of both driving cost down and user experience up. Our customers increasingly demand aligned and consistent service performance across all sites. In addition to the savings that procurement drives, using the same supplier across customer

Strategi
– *Gode eksempler*

Elementer i en god <u>samlet</u> opbygning / beskrivelse:

- Beskrivelse af strategi, herunder påvirkning af markedstrends
- Beskrivelse af forretningsmodel
- Opfølgning på resultater af strategiarbejdet (ledelsens eksekvering på strategi)
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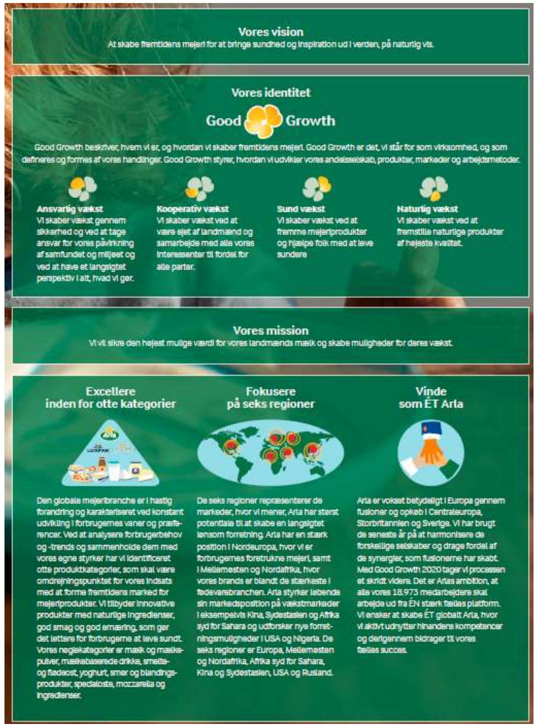
- Sammenhæng med risikobeskrivelse
- Kobling til forventninger til fremtiden.

Strategi

– *Gode eksempler*

ARLA

- Markedstrends relateres direkte til strategipunkter og tilpasning af virksomheden
- Næste skridt – fokus på essentielle strategiske prioriteter for 2018
- Reference mellem strategiske fokusområder og finansielle forventninger



Strategi
– *Gode eksempler*

Elementer i en god <u>samlet</u> opbygning / beskrivelse:

- Beskrivelse af strategi, herunder påvirkning af markedstrends
- Beskrivelse af forretningsmodel
- Opfølgning på resultater af strategiarbejdet (ledelsens eksekvering på strategi)
- Fremadrettet – hvad er næste skridt?
- Sammenhæng med risikobeskrivelse
- Kobling til forventninger til fremtiden

PAUSE

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FSR's Studie- og Understøttelsesfond
REGNSKABSFORUM
KARNOV GROUP
DI Dansk Industri

SWEDEN – GERMANY – UK
FIVE DANISH COMPETITORS
THREE DEEP DIVES
ONE WINNER

Global Head of Equity Sales Peter Karlsson (SE)

Managing Director Ralf Frank (DE)

Senior Investment Jed Wrigley (UK)

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DI Dansk Industri

Årsrapportprisen 2018
– *The Five Nominees* *(in alphabetical order)*

Årsrapportprisen 2018
- Arla (Example)

ARLA FOODS ANNUAL REPORT 2017

Market overview

High market and farmer milk prices, as well as significant volatility characterised 2017 both on a European and global scale, mainly driven by record-high fat price increases. 2017 again proved that milk price fluctuations remain a fundamental reality within the dairy industry. Worldwide milk production increased only modestly compared to last year on the back of higher market prices. Whilst the overall macroeconomic environment was healthy, the GBP remained under significant pressure as uncertainty continues to strain the UK economy during Brexit negotiations.

Healthy macroeconomic environment
Macroeconomic development was positive by nearly all measures during 2017, with stock markets up at record levels globally. Gross Domestic Product (GDP) increased in all major regions, with Europe and the US growing 2.2 per cent and China up 6.8 per cent. The development across emerging markets varied, with oil producing countries such as Saudi Arabia and Nigeria being impacted by continued relatively low oil prices.

Ongoing discussions about increased protectionism and potential negative impacts on international trade from political events abated following major elections in France and Germany, signalling a lessening of nationalist agendas throughout Europe. Despite positive macroeconomic indicators, exchange rates for the GBP remained low and the USD deteriorated when measured against the EUR. The GBP averaged 10.6 per cent below average rates of the last three years due to ongoing Brexit negotiations and open scenarios of negotiation outcomes. For currency development and risk mitigation measures refer to Note 4.3.2.

Strong milk price development driven by historic increases in fat prices
Following milk price increases in late 2016, markets were characterised by significant volatility throughout 2017. European and global prices diverged, which became most obvious with European cheese prices increasing significantly and then dropping again towards the end of the year. This was in contrast to Global Dairy Trade prices, which remained relatively stable in 2017. In Europe, prices of fat and protein, the two main components in milk, deviated significantly. Fat moved from a 27 per cent discount in 2016 to a 47 per cent premium versus protein in 2017, due to a lack of supply and increasing demand for fat-rich products versus plant-based alternatives. As a result, fat reached an all-time high price level at EUR 6,371 per tonne in the autumn of 2017.

This led to a unique market situation, where prices paid to farmers hit three-year highs at year-end, driven exclusively by the value of fat, while skim milk products continued to sell at or near intervention prices throughout the year. The market for organic milk is relatively more stable than the market for conventional milk, therefore, given the increases in conventional milk prices, the price difference between organic and conventional milk became smaller.

Milk production increases in the second half of the year due to higher milk prices
Since the removal of milk production quotas in 2015, European milk production has followed price changes with a time lag of approximately 6 to 9 months. Milk production followed the same pattern in 2017, with lower volumes in the first half of the year, followed by an increase in the second half. This development is the opposite of the market price and production patterns of 2016. As a result, European milk production increased 1.5 per cent in 2017, driven strongly by a surge in production late in the year. Milk production in other regions also increased in the second half of 2017, however only moderately due to unfavourable weather conditions in Oceania. New Zealand and US full-year milk volumes grew by 2.5 per cent and 1.5 per cent respectively.

Global dairy demand grows modestly driven by emerging markets
In a pattern similar to the last five years, increasing demand for dairy products continued to be driven largely by emerging markets, where expanded distribution and increasing consumption ensured demand growth at levels at or above GDP growth rates. Two examples were Nigeria and China, where dairy demand grew 2.6 per cent and 8.7 per cent respectively. Dairy demand remained solid in Europe and the United States, driven mainly by cheese and butter, while relatively low oil prices in MENA resulted in continued subdued demand.

Global Dairy Trade development, average, Whole Milk Powder
USD/TONNE

2015	2016	2017
2,418	2,463	3,067

64

OUR FINANCIAL REVIEW

Milk price volatility a fundamental reality for the dairy industry
The paradigm of milk price volatility highlighted in recent years is now a fundamental reality for the dairy industry. While milk prices and volumes both grew in 2017, this development masks the strong movements, up and down, that were now largely caused by changes in market supply. Global markets moved from a supply deficit in the first half of 2017 to a growing surplus towards the end of the year. The growing farmer milk supply towards the end of 2017 was driven by high milk prices. Hence, global market milk prices revealed the shifting supply and demand balance throughout 2017. More concrete signs of sustained supply growth from major exporters indicated that global prices had peaked for the current cycle and hence prices eased towards year-end.

Monthly average protein and fat prices
EUR/TONNE

Real GDP growth 2017
ANNUAL PER CENT CHANGE

China	Denmark	Germany	Nigeria	Russian Federation	Saudi Arabia	Sweden	United Kingdom	United States	Europe	World
6.8	1.9	2.0	0.8	1.8	0.1	3.1	1.7	2.2	2.2	3.6

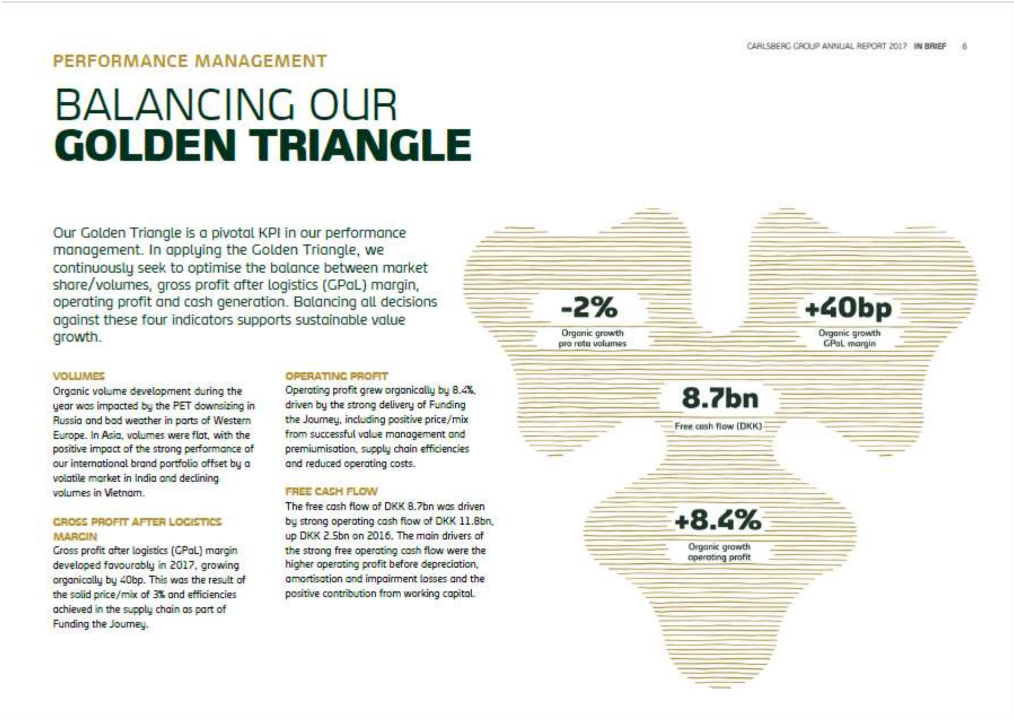
ARLA FOODS ANNUAL REPORT 2017

65

OUR FINANCIAL REVIEW

Årsrapportprisen 2018
– *The Five Nominees* *(in alphabetical order)*

Årsrapportprisen 2018
- Carlsberg (Example)



CARLSBERG GROUP ANNUAL REPORT 2017 IN BRIEF 6

PERFORMANCE MANAGEMENT

BALANCING OUR **GOLDEN TRIANGLE**

Our Golden Triangle is a pivotal KPI in our performance management. In applying the Golden Triangle, we continuously seek to optimise the balance between market share/volumes, gross profit after logistics (GPaL) margin, operating profit and cash generation. Balancing all decisions against these four indicators supports sustainable value growth.

VOLUMES
Organic volume development during the year was impacted by the PET downsizing in Russia and bad weather in parts of Western Europe. In Asia, volumes were flat, with the positive impact of the strong performance of our international brand portfolio offset by a volatile market in India and declining volumes in Vietnam.

GROSS PROFIT AFTER LOGISTICS MARGIN
Gross profit after logistics (GPaL) margin developed favourably in 2017, growing organically by 40bp. This was the result of the solid price/mix of 3% and efficiencies achieved in the supply chain as part of Funding the Journey.

OPERATING PROFIT
Operating profit grew organically by 8.4%, driven by the strong delivery of Funding the Journey, including positive price/mix from successful value management and premiumisation, supply chain efficiencies and reduced operating costs.

FREE CASH FLOW
The free cash flow of DKK 8.7bn was driven by strong operating cash flow of DKK 11.8bn, up DKK 2.5bn on 2016. The main drivers of the strong free operating cash flow were the higher operating profit before depreciation, amortisation and impairment losses and the positive contribution from working capital.

Årsrapportprisen 2018
– *The Five Nominees* *(in alphabetical order)*

Årsrapportprisen 2018
- DSV (Example)

Contents

2

Årsrapportprisen 2018

– *The Five Nominees* *(in alphabetical order)*

Årsrapportprisen 2018
- ISS (Example)

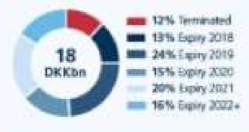
CONTRACT MATURITY

Our revenue base consists of yearly contracts which are renewed tacitly and thousands of multi-year contracts, the majority of which have an initial term of 3-5 years. A significant share of our revenue is therefore up for renewal every year. To mitigate this inherent business risk, we have a strong focus on customer satisfaction and as part of our contract management processes we continuously and proactively work with our customers to seek contract renewals or expansions well in advance of expiry. As a result, our retention rate of customer contracts is approximately 90% and even higher for key accounts.

In terms of revenue up for renewal in any given year, the majority relates to a very large number of small contracts. However, an analysis of our large key account customers (see chart below) helps illustrate those contracts which, individually, may have a visible impact on the Group's revenue development. This analysis is based on all global and regional key account customers and those local key account customers generating annual revenue in 2017 in excess of DKK 200 million. In 2017, 41 ISS customer contracts fell into these categories. Between them, they generated revenue of approximately DKK 18.0 billion, or 23% of Group revenue.

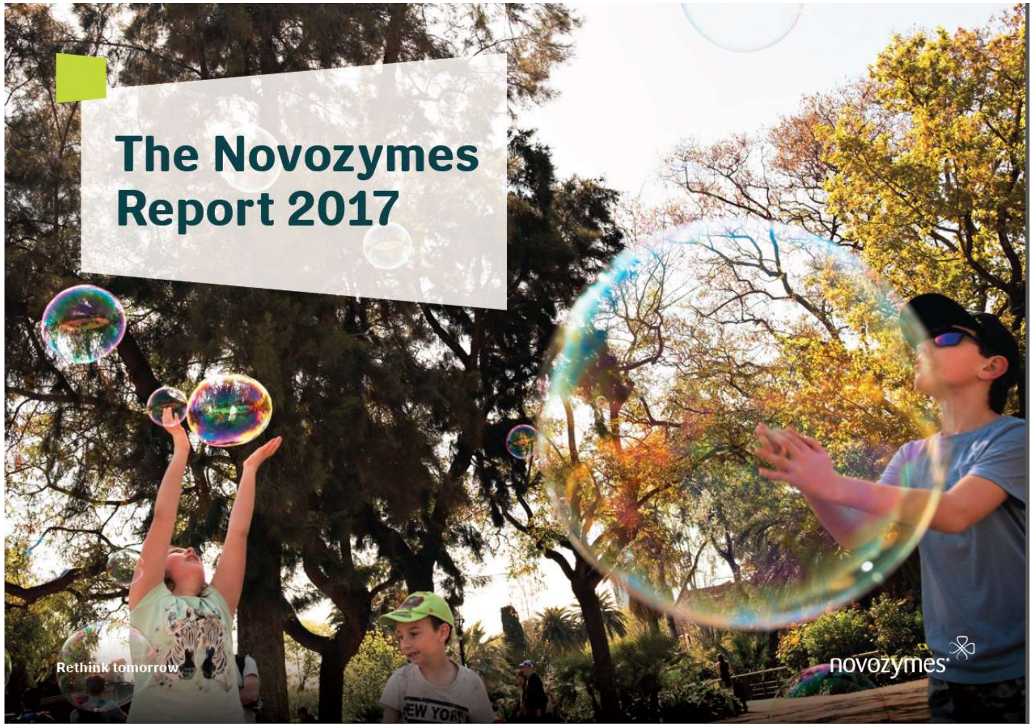
As illustrated in the chart to the right, annual revenue of approximately DKK 2.1 billion (2.7% of Group revenue) from five customers have been lost and will

CONTRACT MATURITY, MAJOR KEY ACCOUNTS

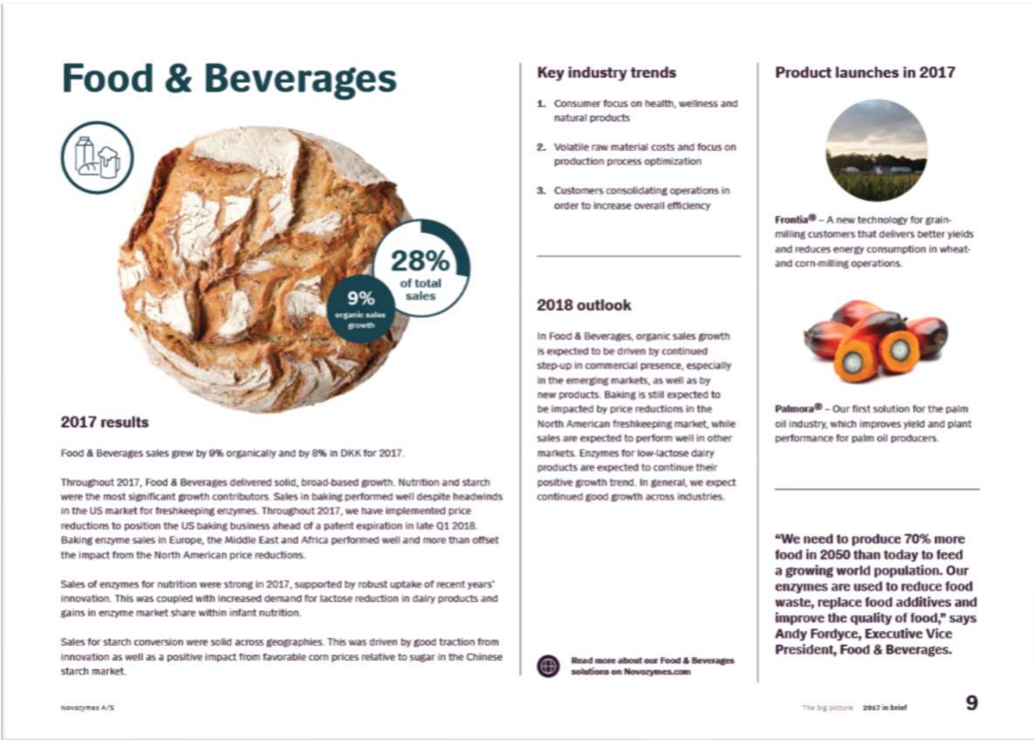


MAJOR KEY ACCOUNT DEVELOPMENTS	COUNTRIES	TERM	EFFECTIVE DATE
WINS			
Shire [1]	23 countries in Americas and Continental Europe	5 years	Q2 2017
South London and Maudsley NHS Foundation Trust	UK	5 years	Q2 2017
Banking segment company	UK	3 years	Q2 2017
Retail and wholesale segment contract [1]	4 countries in Americas and Continental Europe	5 years	Q2 2017
Sengkang Hospitals	Singapore	3 years	Q3 2017
Adana Integrated Health Campus	Turkey	5 Years	Q3 2017
Professional service company	UK	5 years	Q3 2017
ABB	4 countries in Asia & Pacific (mainly China and India)	5 years	Q4 2017
LEGO Group [1]	10 countries	5 years	Q1 2018

Årsrapportprisen 2018
– *The Five Nominees* *(in alphabetical order)*



Årsrapportprisen 2018
- Novozymes (Example)



Food & Beverages

28% of total sales

9% organic sales growth

2017 results

Food & Beverages sales grew by 9% organically and by 8% in DKK for 2017.

Throughout 2017, Food & Beverages delivered solid, broad-based growth. Nutrition and starch were the most significant growth contributors. Sales in baking performed well despite headwinds in the US market for freshkeeping enzymes. Throughout 2017, we have implemented price reductions to position the US baking business ahead of a patent expiration in late Q1 2018. Baking enzyme sales in Europe, the Middle East and Africa performed well and more than offset the impact from the North American price reductions.

Sales of enzymes for nutrition were strong in 2017, supported by robust uptake of recent years' innovation. This was coupled with increased demand for lactose reduction in dairy products and gains in enzyme market share within infant nutrition.

Sales for starch conversion were solid across geographies. This was driven by good traction from innovation as well as a positive impact from favorable corn prices relative to sugar in the Chinese starch market.

Key industry trends

1. Consumer focus on health, wellness and natural products
2. Volatile raw material costs and focus on production process optimization
3. Customers consolidating operations in order to increase overall efficiency

2018 outlook

In Food & Beverages, organic sales growth is expected to be driven by continued step-up in commercial presence, especially in the emerging markets, as well as by new products. Baking is still expected to be impacted by price reductions in the North American freshkeeping market, while sales are expected to perform well in other markets. Enzymes for low-lactose dairy products are expected to continue their positive growth trend. In general, we expect continued good growth across industries.

Read more about our Food & Beverages solutions on Novozymes.com

Product launches in 2017

Frontia® – A new technology for grain-milling customers that delivers better yields and reduces energy consumption in wheat- and corn-milling operations.

Palmora® – Our first solution for the palm oil industry, which improves yield and plant performance for palm oil producers.

"We need to produce 70% more food in 2050 than today to feed a growing world population. Our enzymes are used to reduce food waste, replace food additives and improve the quality of food," says Andy Fordyce, Executive Vice President, Food & Beverages.

Novozymes A/S

The big picture 2017 in brief 9

ÅRSRAPPORTPRISEN 2018
The Jury's Statement of Reasons

Torben Johansen, FSR

DANSKE REVISORER FSR
FSR's Studie- og Understøttelsesfond
REGNSKABSFORUM
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DI Dansk Industri

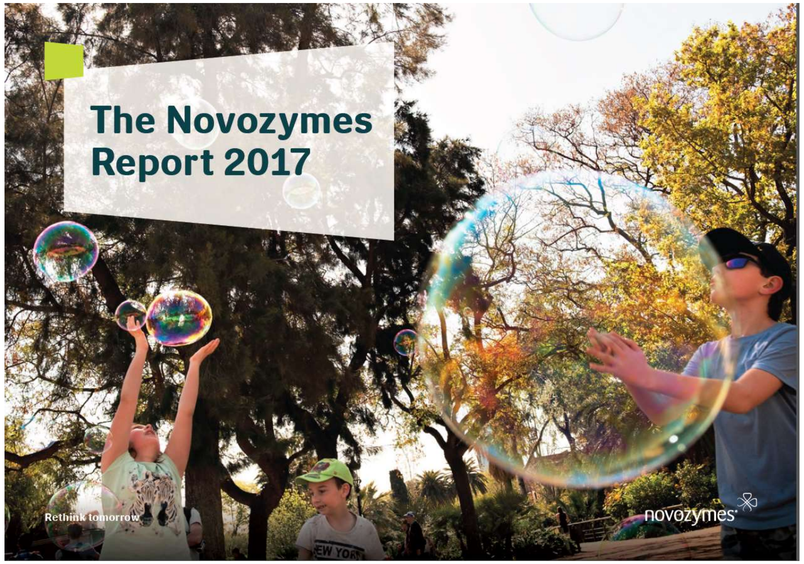
Årsrapportprisen 2018
– *The Five Nominees*

General focus areas:

- Focus on relevance and materiality
- Excellent presentation and easy to read
- High level of information value containing both a general view and clarifying comments/statements
- Focus on telling the story providing insight and understanding.

Årsrapportprisen 2018
– *The Five Nominees* *(in alphabetical order)*

Årsrapportprisen 2018
– *The Five Nominees* *(in alphabetical order)*

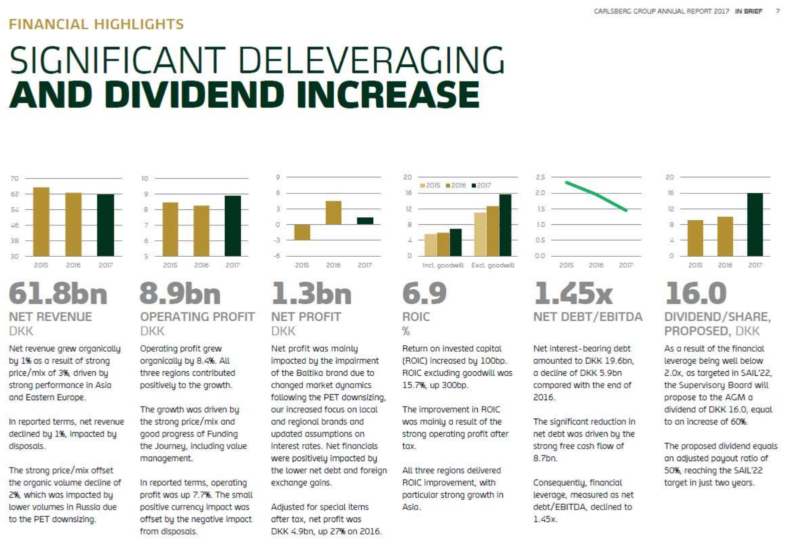


Årsrapportprisen 2018 –
– *Arla*

- Highly improved Management's Review with a good flow
- Detailed section on strategy focussing on trends, reaction to changes and priorities for 2018
- Deals well with risks, including Brexit
- The financial statements part has a high level of information
- Notes are well grouped, easily accessible and easy to read, good use of illustrations.

Årsrapportprisen 2018

– *Carlsberg*



CARLSBERG GROUP ANNUAL REPORT 2017 IN BRIEF 7

FINANCIAL HIGHLIGHTS

SIGNIFICANT DELEVERAGING
AND DIVIDEND INCREASE

61.8bn
NET REVENUE
DKK

Net revenue grew organically by 1% as a result of strong price/mix of 3%, driven by strong performance in Asia and Eastern Europe.

In reported terms, net revenue declined by 1%, impacted by disposals.

The strong price/mix offset the organic volume decline of 2%, which was impacted by lower volumes in Russia due to the PET downsizing.

8.9bn
OPERATING PROFIT
DKK

Operating profit grew organically by 8.4%. All three regions contributed positively to the growth.

The growth was driven by the strong price/mix and good progress of Funding the Journey, including value management.

In reported terms, operating profit was up 7.7%. The small positive currency impact was offset by the negative impact from disposals.

1.3bn
NET PROFIT
DKK

Net profit was mainly impacted by the impairment of the Baltika brand due to changed market dynamics following the PET downsizing, our increased focus on local and regional brands and updated assumptions on interest rates. Net financials were positively impacted by the lower net debt and foreign exchange gains.

Adjusted for special items after tax, net profit was DKK 4.9bn, up 27% on 2016.

6.9
ROIC
%

Return on invested capital (ROIC) increased by 100bp. ROIC excluding goodwill was 15.7%, up 300bp.

The improvement in ROIC was mainly a result of the strong operating profit after tax.

All three regions delivered ROIC improvement, with particular strong growth in Asia.

1.45x
NET DEBT/EBITDA

Net interest-bearing debt amounted to DKK 19.6bn, a decline of DKK 5.9bn compared with the end of 2016.

The significant reduction in net debt was driven by the strong free cash flow of 8.7bn.

Consequently, financial leverage, measured as net debt/EBITDA, declined to 1.45x.

16.0
DIVIDEND/SHARE, PROPOSED, DKK

As a result of the financial leverage being well below 2.0x, as targeted in SAIL'22, the Supervisory Board will propose to the AGM a dividend of DKK 16.0, equal to an increase of 60%.

The proposed dividend equals an adjusted payout ratio of 50%, reaching the SAIL'22 target in just two years.

- Excellent and informative annual report, but also long
- Especially strong in the part containing financial statements/notes
  - Informative notes w/illustrations and detailed comments
  - Well organised – easy to read
- ”In brief” provides a good general view
- Good follow-up on strategy.

Årsrapportprisen 2018 – *DSV*

Highlights 2017

Major accomplishments

UTi integration complete

Having completed most of the work in 2016, the DSV + UTi integration was effectively completed in 2017. We successfully combined the two businesses and realised synergies ahead of schedule.

M&A remains part of our stratgy and DSV is ready to pursue new opportunities in the market.

42.5% growth in earnings

The growth in earnings was partly driven by the synergies from the integration of UTi. In addition, the increased activity levels of 2017 provided the right environment for organic growth and improved productivity across all divisions.

myDSV

DSV's new self-service portal was launched in early 2017. At year-end, significant progress had been made in terms of customer migration from the existing DSV e-services platform. The next step is further rollout, and in time, myDSV will offer a full range of DSV self-service tools to all customers.

Growth in all divisions

DSV Air & Sea

In 2017, the division was able to re-focus on organic growth. As a result, DSV Air & Sea achieved 5.1% growth in gross profit in 2017 – and 53.2% growth in EBIT before special items.

Air freight volumes grew 10.6% and sea freight volumes 6.4%.

+53.2%
2016-2017
66%

■ EBIT before special items: DKK 3,225 million (66% of group EBIT)

DSV Road

By successfully navigating in a growing and still competitive market, DSV Road achieved growth in gross profit of 4.5% in 2017 – and growth of 15.9% in EBIT before special items.

Road shipments grew 6% in 2017.

+15.9%
2016-2017
24%

■ EBIT before special items: DKK 1,201 million (24% of group EBIT)

DSV Solutions

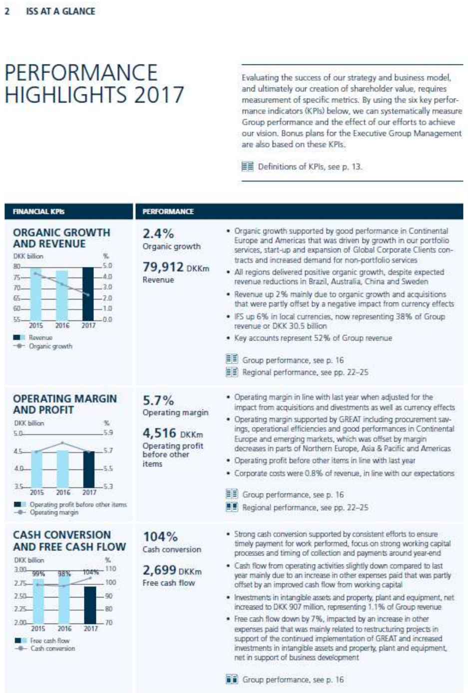
In 2017, both the traditional contract logistics market (industrial and retail) and e-commerce grew. This led DSV Solutions to achieve 3.8% growth in gross profit – and 28.2% growth in EBIT before special items.

+28.2%
2016-2017
10%

■ EBIT before special items: DKK 494 million (10% of group EBIT)

- Focus on relevance and importance, not much irrelevant material
- Fine introduction (highlights) provides a good general view
- Deals well with industry, market and strategy together with the technological challenges
- Informative segment information
- Notes with a high information value with short and precise comments, where relevant, and good specifications.

Årsrapportprisen 2018 – *ISS*



2 ISS AT A GLANCE

PERFORMANCE HIGHLIGHTS 2017

Evaluating the success of our strategy and business model, and ultimately our creation of shareholder value, requires measurement of specific metrics. By using the six key performance indicators (KPIs) below, we can systematically measure Group performance and the effect of our efforts to achieve our vision. Bonus plans for the Executive Group Management are also based on these KPIs.

Definitions of KPIs, see p. 13.

FINANCIAL KPIs	PERFORMANCE	
ORGANIC GROWTH AND REVENUE	2.4% Organic growth 79,912 DKKm Revenue	• Organic growth supported by good performance in Continental Europe and Americas that was driven by growth in our portfolio services, start-up and expansion of Global Corporate Clients contracts and increased demand for non-portfolio services • All regions delivered positive organic growth, despite expected revenue reductions in Brazil, Australia, China and Sweden • Revenue up 2% mainly due to organic growth and acquisitions that were partly offset by a negative impact from currency effects • IFS up 6% in local currencies, now representing 38% of Group revenue or DKK 30.5 billion • Key accounts represent 52% of Group revenue Group performance, see p. 16 Regional performance, see pp. 22–25
OPERATING MARGIN AND PROFIT	5.7% Operating margin 4,516 DKKm Operating profit before other items	• Operating margin in line with last year when adjusted for the impact from acquisitions and divestments as well as currency effects • Operating margin supported by GREAT including procurement savings, operational efficiencies and good performances in Continental Europe and emerging markets, which was offset by margin decreases in parts of Northern Europe, Asia & Pacific and Americas • Operating profit before other items in line with last year • Corporate costs were 0.8% of revenue, in line with our expectations Group performance, see p. 16 Regional performance, see pp. 22–25
CASH CONVERSION AND FREE CASH FLOW	104% Cash conversion 2,699 DKKm Free cash flow	• Strong cash conversion supported by consistent efforts to ensure timely payment for work performed, focus on strong working capital processes and timing of collection and payments around year-end • Cash flow from operating activities slightly down compared to last year mainly due to an increase in other expenses paid that was partly offset by an improved cash flow from working capital • Investments in intangible assets and property, plant and equipment, net increased to DKK 907 million, representing 1.1% of Group revenue • Free cash flow down by 7%, impacted by an increase in other expenses paid that was mainly related to restructuring projects in support of the continued implementation of GREAT and increased investments in intangible assets and property, plant and equipment, net in support of business development Group performance, see p. 16

- The annual report is detailed and with a high level of information, but a bit long
- Good focus on description of business model and strategy
- At a glance – good general overview with focus on KPI’s
- Generally speaking, the annual report has developed i.a. regarding notes.

Årsrapportprisen 2018
– ***Novozymes***

Sustainability highlights

76,000,000

tons of CO_2 emissions saved

In 2017, our customers saved an estimated 76 million tons of CO_2 emissions by applying Novozymes' products. The savings achieved are equivalent to taking approximately 32 million cars off the road.

24%

renewable energy

Energy from renewable sources accounted for 24% of the total energy consumed in 2017. In Denmark, we purchase all our electricity from renewable sources. In March 2017, we also began purchasing all our electricity in Brazil from renewable sources.

1.6

frequency of occupational accidents

In 2017, we experienced a decrease in the frequency of occupational accidents to 1.6 per million working hours, which met our target of 2.0 or below. This was driven by a continuous organizational focus on creating a safer and healthier working environment.

26%

women in senior management

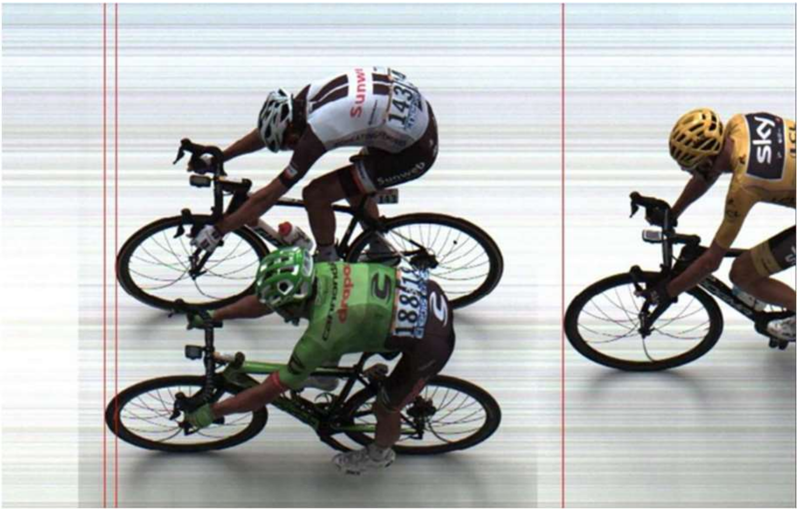
Novozymes is committed to ensuring equal opportunities and avoiding discrimination in the workplace. In 2017, 26% of senior management (directors and higher) were women. We are on track to meet our target to ensure that 30% of senior management positions are held by women in 2020.

Key figures	2017 realized	2017 target
Estimated reduction in CO_2 emissions through our customers' application of our products, in million tons	76	≥ 72
Water efficiency*	-2%	4%
Energy efficiency*	4%	7%
CO_2 intensity*	11%	9%
Renewable energy	24%	24%
Occupational accidents**	1.6	≤ 2.0
Employee absence	2.1%	≤ 2.0%
Women in senior management	26%	≥ 25%
Customer satisfaction	39	≥ 35
RobecoSAM class rating	Yearbook Member***	Medal

* Efficiency/intensity is measured by dividing net consumption by gross profit. The improvement is calculated as the relative improvement in efficiency/intensity compared with the base year 2014.
** Per million working hours.
*** Companies with good sustainability performance that have not received a medal distinction.

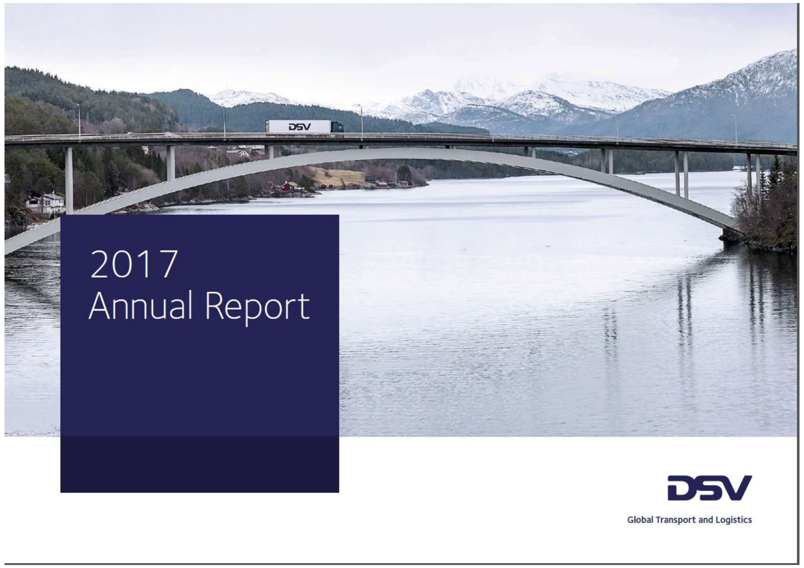
- Different and interesting annual report with integrated non-financial reporting
  - Sustainability highlights
  - Economic contribution
- Good introductory overview in "Big picture"
- Fine introductory section on P/L, Balance Sheet, Equity and cash flow
- Good and informative financial statements.

Årsrapportprisen 2018
– the Winner



- Of the five candidates, twostand out from the rest
- The decision was very close
- Both companies present a fantastic annual report each in their own way
- Informative in their individual context.

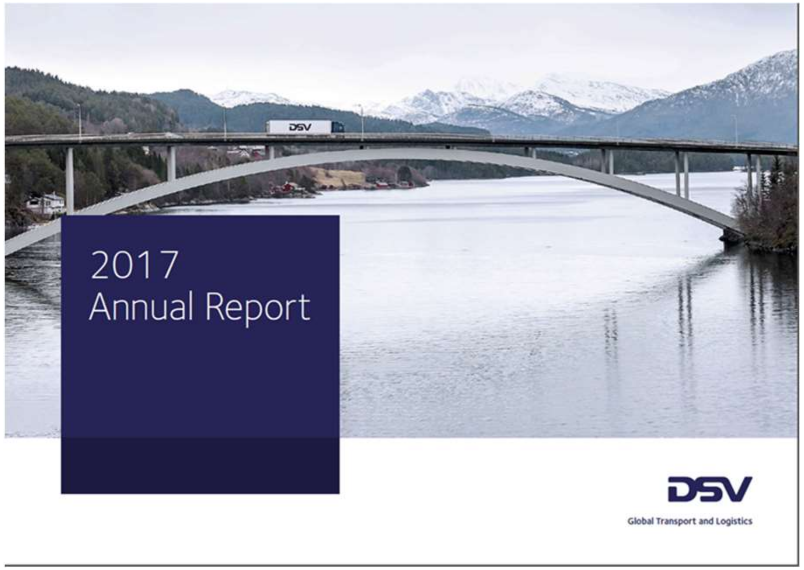
Årsrapportprisen 2018
– *The decision had to be made between:*



Årsrapportprisen 2018
– *Arla*

- Tells the story in a good and coherent way
- High level of information
- The annual report is easily accessible and easy to read
- Excellent presentation with many good aspects.

Årsrapportprisen 2018
– ***DSV***



- Informative with much focus on relevance and materiality
- Short and to the point regarding important information
- Clearly laid-out and well presented.

Årsrapportprisen 2018

– *The Jury's statement of reasons*

General focus areas:

- Focus on relevance and materiality
- Well presented and easy to read
- Serves as an inspiration in many areas to a great number of readers of financial statements
- Focus on telling the whole story, openly with the relevant information.

ÅRSRAPPORTPRISEN 2018

DANSKE REVISORER FSR*

FSR's Studie- og Understøttelsesfond

REGNSKABSFORUM

KARNOV GROUP

DI Dansk Industri

ÅRSRAPPORTPRISEN 2018

Director Kent Damsgaard, DI

CEO Charlotte Jepsen, FSR

Årsrapportprisen 2018
– *The Winner*

Årsrapportprisen 2018
– *The Jury's Statement of Reasons*

- Complex and different company reporting at a high level
- Appeals to a wider group of readers of financial statements
- Many innovative descriptions which inspire
- Easily accessible and easy to read with good use of illustrations
- Open on challenges and dealing with trends within the market in which the company operates
- Has developed a Management's Review with a good flow and a high level of information.

Årsrapportprisen 2018
– *The Jury's Statement of Reasons*

- Good description of strategy and priorities
- Suitable description of risk with an insight into the risks related to Brexit
- Financial statements part:
  - Good comments on P/L and equity
  - Informative notes with good comments and use of illustrations provide a good general view
  - Notes well grouped according to importance.

ÅRSRAPPORTPRISEN 2018

Director Kent Damsgaard, DI

CEO Charlotte Jepsen, FSR

DANSKE REVISORER FSR

FSR's Studie- og Understøttelsesfond

REGNSKABSFORUM

KARNOV GROUP

DI Dansk Industri

AFSLUTNING

Direktør Kent Damsgaard

DI

CHAMPAGNE i Atriet

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