



Danish Crown

HALF-YEAR REPORT 2025/26

Leverandørselskabet Danish Crown AmbA

CVR no. 21 64 39 39

MANAGEMENT'S REVIEW

Danish Crown is one of the world's leading food companies who works determinedly towards more sustainability in both production and commercialisation of animal protein-based food.

The first half of 2025/26 unfolded in one of the most challenging market environments for pork seen in recent history. European pork markets were characterised by persistent oversupply and intensified competitive pressure, exacerbated by outbreaks of African Swine Fever (ASF) in Spain, which led to increased volumes of meat being redirected into the European market. These conditions created significant pressure on market prices and farmer profitability across the industry.

Against this backdrop, Danish Crown continued to execute its transformation programme and delivered results in line with expectations, while making measurable progress in strengthening the group's competitive position. During the period, Danish Crown significantly narrowed the competitiveness gap to Germany in pork, reflecting improved cost control, more disciplined operational execution and the early effects of a more integrated and efficient group structure. A similar positive development was seen within beef, where Danish Crown strengthened its position relative to the quotation peers in Germany and the Netherlands, despite ongoing intense competition for raw materials across Europe.

Although competitiveness improved, the difficult market conditions had a pronounced effect on returns to our owners. Danish Crown deliberately absorbed part of the market pressure internally and adjusted quotations to support balance in the value chain. Nevertheless, current market price levels do not ensure sustainable profitability at farm level, underscoring both the severity of the market situation and the continued need to accelerate the group's transformation towards a more resilient and cost-efficient business model.

Operationally, the group continued to benefit from earlier restructuring initiatives and capacity adjustments, which are now contributing to a leaner cost base. This includes reduced distribution and administrative costs, as well as improving stability at the group's German site in Essen. The positive operational development at Essen during the period led management to reverse previous plans to divest the site, reinforcing confidence in its long-term role within Danish Crown's industrial footprint.

Towards the end of the financial period, increased geopolitical instability, particularly in the Middle East, contributed to rising energy and freight costs and emerging inflationary pressure on selected inputs. Combined with expectations of higher interest expenses, this development adds further uncertainty to the operating environment and places continued emphasis on strict cost management and financial robustness.

Financial review for the first half-year 2025/26

Compared to the same period last year, revenue declined by 3%, reflecting both lower volumes and lower average sales prices. Volumes were impacted by a reduced supply of pigs for slaughter in several of the group's core markets, while sales prices were negatively affected by continued pressure in the European fresh meat market. This pressure has been driven by tariffs from China leading to an increased supply of meat. Market conditions worsened as a consequence of ASF in Spain from early December. In an effort to mitigate the full impact of these market conditions, Danish Crown absorbed part of the pressure within the group while also reducing quotations to our owners. All in all, this has put significant pressure on our gross profit margin, which falls from 14.2% to 11.8%.

MANAGEMENT'S REVIEW

Distribution costs and administration costs decreased respectively 3.6% and 6.6% compared to last year. Both decreases are driven by the full effect of the restructuring of the organisation in November 2024. Distribution costs were also affected by the lower sales volume.

A reversal of the impairment of the Essen site has been made in first half of 2025/26, resulting in a positive effect on specific items of DKK 183 million.

When looking at the EBIT level for the first six months in 2025/26 of DKK 631 million compared to same period last year of DKK 1,325 million, it is affected significantly by the fact that the quotation policy has been different. In the first half of 2024/25 the aim was to pay out a supplementary payment of DKK/kg 1.3, but through the change in quotation policy in April 2025, app. DKK 600 million was paid out to our Danish farmers in the quotation during second half of 2024/25. When adjusting for this in last year's first half EBIT, the EBIT for 2025/26 is reduced to being DKK 105 million behind 2024/25.

In the first half year, the group's net financing costs decreased compared to last year, which is driven by the general decreasing interest rate levels, as net interest-bearing debt have been kept at the same level as last year.

Net profit for the first half-year of 2025/26 amounts to DKK 552 million against DKK 811 million last year, and when adjusting last year's result for change in quotation policy net profit increased by DKK 200 million.

The balance sheet total increased by DKK 0.6 billion since the end of the last financial year but has decreased DKK 0.3 billion since the end of the first half-year of 2024/25.

Part of the increase compared to last year relates to reversal of the impairment of fixed assets in Essen and part of the increase is due to an increase in net working capital.

Free cash flow of DKK 0.0 billion in the first half year which is lower than last year's DKK 0.6 billion. This is driven by the revised quotation policy, by the worsened net working capital, and a higher level of investments.

The solvency ratio of 24.7% is almost one percentage point down compared to the end of March 2025, which is affected by the lower earnings in the first half of 2025/26. By the end of the half-year, the group's debt leverage is 5.2x compared to 3.0x at the same time last year.

Overall, the performance in the first half of 2025/26 was as expected. Given the extraordinary market conditions, it is important to see competitiveness strengthen, which confirms the transformation is moving Danish Crown in a stronger position. Management remains fully aware that the transformation must continue at high pace to ensure long-term value creation and a stronger economic foundation for our owners.

STATEMENT BY THE EXECUTIVE MANAGEMENT

Today, the Executive Management has considered and adopted the half-year report of Leverandørselskabet Danish Crown AmbA for the financial period 1 October 2025 - 31 March 2026.

The half-year report has not been audited or reviewed by the company's auditors elected by the Board of Representatives.

In our opinion, the consolidated half-year report gives a true and fair view of the group's assets, liabilities and financial position at 31 March 2026 and of the results of the group's activities and the group's cash flows for the period 1 October 2025 - 31 March 2026.

We believe that the management's review contains a fair review of the development in the group's activities and financial affairs, the half-year result, the group's financial position and the financial position as a whole of the enterprises included in the consolidated financial statements.

Randers, 21 May 2026

Executive Management:



Niels Duedahl
Group CEO



Anders Aakær Jensen
Group CFO

Consolidated summarised income statement 1 October - 31 March

DKKm	2025/26	2024/25
Revenue	31,605	32,436
Production costs	-27,882	-27,821
Gross profit	3,723	4,615
Distribution costs	-2,333	-2,421
Administration costs	-857	-918
Other operating income	79	23
Other operating costs	-2	-1
Income from investments in associates and joint ventures	21	27
Operating profit before special items (EBIT)	631	1,325
Special items	183	-15
Operating profit after special items	814	1,310
Financial income	97	95
Financial costs	-331	-396
Profit before tax	580	1,009
Tax on profit for the period	-28	-198
Profit for the period	552	811

Consolidated summarised income statement 1 October - 31 March

DKKm	2025/26	2024/25
Profit for the period	552	811
Items subsequently recycled to the income statement	20	63
Other comprehensive income	20	63
Comprehensive income for the period	572	874

Consolidated summarised balance sheet

Balance - assets

DKKm	31.03.2026	30.09.2025	31.03.2025
Goodwill	3,116	3,105	3,154
Software	53	72	83
Acquired patents, trademarks and similar rights	240	318	375
Intangible assets	3,409	3,495	3,612
Land and buildings	4,447	4,416	4,596
Plant and machinery	2,949	3,083	3,096
Other fixtures, fittings, tools and equipment	258	208	219
Property, plant and equipment in progress and prepayments	1,038	790	787
Lease assets	777	784	737
Property, plant and equipment	9,469	9,281	9,435
Equity investments in associates and joint ventures	327	309	306
Other securities and equity investments	8	8	9
Financial assets	335	317	315
Deferred tax assets	78	76	83
Non-current assets	13,291	13,169	13,445
Inventories	5,740	5,187	5,662
Biological assets	30	30	34
Inventories	5,770	5,217	5,696
Trade receivables	6,862	7,151	7,221
Receivables from and prepayments to cooperative owners	140	204	148
Other contract receivables	210	188	165
Receivables from associates	25	25	21
Other receivables	870	749	752
Prepayments	225	140	206
Receivables	8,332	8,457	8,513
Other securities and equity investments	2	2	2
Cash	211	197	259
Current assets	14,315	13,873	14,470
Total assets	27,606	27,042	27,915

Consolidated summarised balance sheet

Balance - liabilities

DKKm	31.03.2026	30.09.2025	31.03.2025
Cooperative owner's accounts	544	685	694
Owner's accounts	847	916	916
Other reserves and retained earnings	5,421	5,415	5,523
Equity (including minority interests)	6,812	7,016	7,133
Pension obligations	38	22	40
Deferred tax liabilities	445	446	412
Other provisions	140	139	139
Mortgage debt	2,779	2,764	2,804
Other debt, issued bonds	2,551	2,539	4,675
Other non-current debt	33	76	0
Bank debt	2,307	3,965	2,158
Lease debt	644	600	613
Non-current liabilities	8,937	10,551	10,841
Other provisions	166	220	186
Mortgage debt	0	29	4
Other debt, issued bonds	2,077	2,071	223
Other non-current debt	22	44	0
Bank debt	2,827	232	2,382
Lease debt	134	183	123
Trade payables	3,942	4,049	3,925
Payables to associates	11	9	10
Income tax payable	90	42	162
Other payables	2,561	2,552	2,895
Deferred income	27	44	31
Current liabilities	11,857	9,475	9,941
Total liabilities	20,794	20,026	20,782
Total equity and liabilities	27,606	27,042	27,915

Consolidated summarised statement of changes in equity

DKKm	Cooperative owner's accounts	Owner's accounts	Reserve for foreign currency translation adjustments	Reserve for value adjustments of hedging instruments	Retained earnings	Total	Equity attributable to non-controlling interests	Total equity
Equity 30.09.2024	842	940	-165	54	5,812	7,483	98	7,581
Profit for the period	0	0	0	0	802	802	9	811
Total other comprehensive income	0	0	134	-71	0	63	0	63
Payment of contributed capital	-148	-24	0	0	0	-172	0	-172
Supplementary payments disbursed	0	0	0	0	-1,141	-1,141	-9	-1,150
Equity 31.03.2025	694	916	-31	-17	5,473	7,035	98	7,133
Profit for the period	0	0	0	0	-33	-33	10	-23
Total other comprehensive income	0	0	-171	115	-4	-60	-2	-62
Payment of contributed capital	-9	0	0	0	0	-9	0	-9
Supplementary payments disbursed	0	0	0	0	-5	-5	-18	-23
Equity 30.09.2025	685	916	-202	98	5,431	6,928	88	7,016
Profit for the period	0	0	0	0	543	543	9	552
Total other comprehensive income	0	0	45	-25	0	20	0	20
Payment of contributed capital	-141	-69	0	0	0	-210	0	-210
Supplementary payments disbursed	0	0	0	0	-566	-566	0	-566
Equity 31.03.2026	544	847	-157	73	5,408	6,715	97	6,812

Consolidated summarised cash flow statement 1 October - 31 March

DKKm	2025/26	2024/25
Operating profit before special items (EBIT)	631	1,325
Other adjustments	423	304
Change in net working capital	-524	-580
Cash flows from operating activities	530	1,049
Cash flows from investing activities	-532	-435
Free cash flow	-2	614
Cash flows from financing activities	16	-624
Change in cash and cash equivalents	14	-10
Cash and cash equivalents as at 1 October	197	269
Cash and cash equivalents as at 31 March	211	259

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The half-year report for 2025/26 includes summarised consolidated financial statements for Leverandørselskabet Danish Crown AmbA and its subsidiaries.

The half-year report for first half-year 2025/26 is presented according to the same accounting principles and with the same significant accounting estimates as in the annual report 2024/25 for Leverandørselskabet Danish Crown AmbA.

The consolidated financial statements of Leverandørselskabet Danish Crown AmbA are presented in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Leverandørselskabet Danish Crown AmbA is a cooperative domiciled in Denmark.

Moreover, reference is made to the description of accounting policies and significant accounting estimates in note 31 and 1, respectively, in the annual report 2024/25.

The consolidated financial statements are presented in Danish kroner (DKK) rounded to nearest DKK million, which is the presentation currency for the group's activities.

NOTE 2 SEASONAL FLUCTUATIONS

Due to seasonal fluctuations, the group's inventory values are historically higher at the end of the first half-year than at the end of the second half-year as inventories are built up for sales in the peak season.