**Management’s commentary 2018**

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**Market overview**The total market in Denmark for Stryhns’ main business areas declined slightly in 2018 compared to the previous year. The market in Denmark remains subject to difficult framework conditions, and is still a highly competitive market with a strong focus on price.

**Development in the year**In 2018, Stryhns strengthened its positions in the market, with net revenue totalling DKK 925 million, representing an increase of DKK 230 million compared to 2017.

The profit before tax amounted to DKK 46.6 million, compared to DKK 43.3 million in 2017. The revenue and profit for the year are impacted by the acquisition of K-Salat. The profit largely lived up to the management’s expectations for 2018.

**Special risks**

Operating and price risks:  
The Danish and foreign market for raw materials is dominated by a small number of suppliers. The company’s activities are heavily dependent both on stable inputs and on price developments for the raw materials, primarily pork and liver as well as vegetable oils and marine ingredients.

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**Objectives and expectations for the coming year**In 2019, the company expects to maintain its market positions in a highly competitive market, and to maintain its financial position. Profit is expected to be on a par with 2018.

**R&D**The company continuously invests in the optimisation of its existing products as well as in the development of new products, thereby creating continuous innovations for Danish lunch tables and packed lunches.

**External environment**Stryhns A/S is continuously working to reduce the climate and environmental impacts of its activities, both internally and externally. The company’s climate and environmental policy is based on financially and environmentally sound operations, and is a natural and important element in the management’s objective of optimising both production conditions and product quality.

Specifically, in 2018 Stryhns A/S has invested in a new wastewater treatment plant at the factory in Graasten. This means that the wastewater which the company discharges to the local wastewater plant is much less polluted. Based on the experience with the wastewater treatment plant in Graasten, plans are to establish a similar wastewater treatment plant at the factory in Roskilde.

There is considerable focus on the external environment at Stryhns A/S, and the company is continuing to structure and gather additional data which can be used for environmental management and for documenting the scope for improvements in the external environment/climate. Responsible resources have been allocated to ensure progress in the area. This is being done in cooperation with an external waste management company which, in addition to the mapping, is helping to ensure the maximum recyclability of the waste at Stryhns. This includes recycling the sludge extracted from the new wastewater treatment plants.

In 2018, the gains from the significant investments made in new cooling principles and cooling solutions at the Roskilde factory have been realised, resulting in significant reductions in power consumption.

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