

The SKAKO logo is rendered in a bold, yellow, sans-serif font, positioned in the upper right corner of the page. The background of the entire page is a photograph of industrial white storage tanks with metal ladders and walkways against a blue sky with light clouds.

# SKAKO

1 January – 30 September 2017

# INTERIM REPORT Q3 2017

# KEY FIGURES AND FINANCIAL RATIOS – DKK

<b>INCOME STATEMENT, DKK THOUSANDS</b>	<b>Q3 2017</b>	<b>Q3 2016</b>	<b>Q1-Q3 2017</b>	<b>Q1-Q3 2016</b>	<b>Year 2016</b>
Revenue	90,816	68,953	266,869	222,806	308,059
Gross profit	20,210	18,001	62,477	58,896	84,306
Operating profit (EBIT)	6,237	3,767	13,957	8,829	16,411
Net financial items	(713)	(570)	(2,037)	(2,021)	(3,265)
Profit before tax	5,524	3,197	11,920	6,808	13,146
Profit for the period	5,544	3,788	12,154	9,138	16,540
<b>BALANCE SHEET, DKK THOUSANDS</b>					
Non-current assets	72,265	63,672	72,265	63,672	68,470
Current assets	201,576	171,217	201,576	171,217	176,601
Assets	273,841	234,889	273,841	234,889	245,071
Equity	114,146	93,499	114,146	93,499	102,360
Non-current liabilities	11,816	11,622	11,816	11,622	13,545
Current liabilities	147,879	129,768	147,879	129,768	129,166
Net interest-bearing debt	29,716	36,828	29,716	36,828	16,870
Net working capital	97,708	90,637	97,708	90,637	81,058
<b>OTHER KEY FIGURES, DKK THOUSANDS</b>					
Investment in intangible and tangible assets	3,933	1,352	6,378	3,076	5,849
Cash flow from operating activities (CFFO)	(5,584)	2,209	(6,631)	(3,688)	16,853
Free cash flow	(9,517)	857	(13,009)	(6,764)	11,004
Average number of employees	188	183	188	183	183
<b>FINANCIAL RATIOS</b>					
Gross profit margin	22.3%	26.1%	23.4%	26.4%	27.4%
Profit margin (EBIT margin)	6.9%	5.5%	5.2%	4.0%	5.3%
Liquidity ratio	136.3%	131.9%	136.3%	131.9%	136.7%
Equity ratio	41.7%	39.8%	41.7%	39.8%	41.8%
Return on equity	18.8%	18.9%	18.8%	18.9%	17.7%
Financial leverage	26.0%	39.4%	26.0%	39.4%	16.5%
NWC/revenue	27.7%	29.3%	27.7%	29.3%	26.3%
Earnings per share, DKK	1.80	1.23	3.94	2.96	5.36
Equity value per share, DKK	36.7	30.1	36.7	30.1	33.0
Share price, DKK	82.0	81.0	82.0	81.0	92.5
Price-book ratio	2.2	2.7	2.2	2.7	2.8
Market capitalisation, DKK thousands	254,725	251,619	254,725	251,619	287,343
<b>ADDITIONAL NUMBERS, DKK THOUSANDS</b>					
Order backlog	91,314	91,095	91,314	91,095	109,103

Financial ratios are calculated in accordance with "Recommendations and Financial Ratios 2015" from the Danish Society of Financial Analysts. Net working capital is calculated as Inventory, Trade receivables and Work in progress for third parties less Prepayments from customers and Trade payables. Backlog represents anticipated revenue from contracts or orders executed but not yet completed or performed in full, and the revenue that is expected to be recognized in the future.

## KEY FIGURES AND FINANCIAL RATIOS – EUR\*

INCOME STATEMENT, EUR THOUSANDS	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Revenue	12,209	9,270	35,877	29,954	41,415
Gross profit	2,717	2,420	8,399	7,918	11,334
Operating profit (EBIT)	838	506	1,876	1,187	2,206
Net financial items	(96)	(77)	(274)	(272)	(439)
Profit before tax	742	429	1,602	915	1,767
Profit for the period	745	509	1,634	1,228	2,224
<b>BALANCE SHEET, EUR THOUSANDS</b>					
Non-current assets	9,710	8,555	9,710	8,555	9,200
Current assets	27,085	23,006	27,085	23,006	23,729
Assets	36,795	31,561	36,795	31,561	32,929
Equity	15,337	12,563	15,337	12,563	13,754
Non-current liabilities	1,588	1,562	1,588	1,562	1,820
Current liabilities	19,870	17,437	19,870	17,437	17,356
Net interest-bearing debt	3,993	4,948	3,993	4,948	2,267
Net working capital	13,129	12,179	13,129	12,179	10,892
<b>OTHER KEY FIGURES, EUR THOUSANDS</b>					
Investment in intangible and tangible assets	528	182	857	413	786
Cash flow from operating activities (CFFO)	(750)	297	(891)	(496)	2,264
Free cash flow	(1,278)	115	(1,748)	(909)	1,479
Average number of employees	188	183	188	183	183
<b>FINANCIAL RATIOS</b>					
Gross profit margin	22.3%	26.1%	23.4%	26.4%	27.4%
Profit margin (EBIT margin)	6.9%	5.5%	5.2%	4.0%	5.3%
Liquidity ratio	136.3%	131.9%	136.3%	131.9%	136.7%
Equity ratio	41.7%	39.8%	41.7%	39.8%	41.8%
Return on equity	18.8%	18.9%	18.8%	18.9%	17.7%
Financial leverage	26.0%	39.4%	26.0%	39.4%	16.5%
NWC/revenue	27.7%	29.3%	27.7%	29.3%	26.3%
Earnings per share, EUR	0.24	0.17	0.53	0.40	0.72
Equity value per share, EUR	4.9	4.0	4.9	4.0	4.4
Share price, EUR	11.0	10.9	11.0	10.9	12.4
Price-book ratio	2.2	2.7	2.2	2.7	2.8
Market capitalisation, EUR thousands	34,227	33,809	34,227	33,809	38,650
<b>ADDITIONAL NUMBERS, EUR THOUSANDS</b>					
Order backlog	12,270	12,240	12,270	12,240	14,675

\*On the translation of key figures and financial ratios from Danish kroner to euro, Danmarks Nationalbank's rate of exchange at 30 September 2017 of 744.23 has been used for balance sheet items, and the average rate of exchange of 743.84 has been used for income statement and cash flow items.

Backlog represents anticipated revenue from contracts or orders executed but not yet completed or performed in full, and the revenue that is expected to be recognized in the future.

# MANAGEMENT STATEMENT

We have considered and approved the interim report of SKAKO A/S for the period 1 January – 30 September 2017.

The interim report, which has not been audited or reviewed by our auditors, has been prepared in accordance with IAS 34 *Interim financial reporting*, as adopted by the European Union and accounting policies set out in the annual report for 2016 of SKAKO A/S. Furthermore, the interim report for the period 1 January – 30 September 2017 has been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position on 30 September 2017 and of the results of the Group's operations and cash flows for the first nine months of 2017.

We also believe that the Management commentary contains a fair review of the development in the Group's business and financial position, the results for the period and the Group's financial position as a whole as well as a description of the principal risks and uncertainties facing SKAKO.

Faaborg, 31 October 2017

## Executive Board

\_\_\_\_\_  
Søren Pedersen  
Director

\_\_\_\_\_  
Lionel Girieud  
Director

\_\_\_\_\_  
Jakob Have  
CFO

## Board of Directors

\_\_\_\_\_  
Jens Wittrup Willumsen  
Chairman

\_\_\_\_\_  
Christian Herskind Jørgensen  
Deputy Chairman

\_\_\_\_\_  
Carsten Krogsgaard Thomsen

\_\_\_\_\_  
Lars Tveen

\_\_\_\_\_  
Samuel Waldorph Andreasen

# HIGHLIGHTS

There is high activity on most of our primary markets and we are pleased to note that the Group's revenue in Q3 2017 increased by 31.7% and by 19.8% in Q1-Q3 2017 compared to the same periods last year. Operating profit (EBIT) increased by 65.6% in Q3 2017 and by 58.1% in Q1-Q3 2017 compared to the same periods last year. The order backlog at the beginning of Q4 2017 was DKK 91.3m compared to DKK 91.1m at the same period last year. Our pipelines in both divisions are good.

Restructuring of SKAKO Concrete, cf. Company Announcement 21/2017.

## **Close-down of the SKAKO Concrete production in Lille, France**

We will close down the SKAKO Concrete production in Lille, France. To a great extent, the future SKAKO Concrete production will take place by using to the Group well-known sub suppliers in European low-cost countries while assembling and quality tests will be carried out in Denmark.

Consequently, all SKAKO Concrete's French production employees will be dismissed. We have reached an agreement with the French union representatives and the French authorities. We have accrued for the expected compensation for the severance packages.

The close-down of the SKAKO Concrete production in France will not affect our market activities in France. The French market will continue to be a primary market for SKAKO Concrete and we will maintain an unchanged staffing of the sales and service functions in France.

## **Sales of production building and plot of land connected**

Simultaneously with the close-down of the SKAKO Concrete production in France we will start a sales process of the production building and the plot of land connected. The production building and the plot of land connected are categorised in the balance sheet as "Land and buildings" at a value of DKK 32.6 million. Based on estimates from two recognized local real estate agents we estimate that sale hereof will result in a loss of DKK 5-10 million compared to book value. The sales process is expected to be concluded within 12 months.

## **Restructuring costs**

In size and extent, the defined initiatives are more far-reaching than the initiatives we would normally implement as part of the daily activities and the total restructuring costs of approx. DKK 25 million, which exclusively affect Q4 2017, will reduce our cost base considerably and as of 2018 result in annual savings of approx. DKK 6 million beyond future benefits from economies of scale. Half of the total restructuring costs are related to non-liquidity-affecting matters primarily related to write-down of production building and other non-current assets. When the sale of the building has been concluded, the total restructuring is expected to have a positive effect on the liquidity.

## **Asset-Light setup**

When the restructuring has been fully implemented, we will have an Asset-Light setup ensuring a large scalability and a significant improvement of the expected return of the invested capital.

In addition, we will have a central warehouse and logistics setup in Denmark that – beside a considerable reduction of our cost base – is also expected to reduce the working capital and ensure shorter delivery time.

## **Outlook**

We maintain our guidance for 2017 for an operating profit (EBIT) before special items of DKK 17.5-22.5m. Special items are expected to amount to DKK 25m.

At present SKAKO experiences a positive market development. Based on this experience we expect the operating profit (EBIT) in 2018 to be higher than in 2017. Consequently, we expect an increase of minimum the previously mentioned savings of DKK 6m.

SKAKO has considerable not-recognised tax assets and the effective tax rate for the coming years is expected to be at the level of 0%.

# ABOUT SKAKO

The SKAKO Group has two business areas:

- SKAKO Vibration: Vibratory feeding, conveying and screening equipment
- SKAKO Concrete: Concrete batching plants for ready-mix, precast and jobsite plants

## **SKAKO Vibration**

SKAKO Vibration develops, designs and sells high-end vibratory feeding, conveying and screening equipment used across the complete spectrum of material handling and processing. Our main focus is on plant sales with a solid after sales division.

Our production facilities are in Faaborg in Denmark and Strasbourg in France and the products are based on application know-how and own developed technology.

The global market is penetrated using a niche strategy with a sector-driven focus. We are strong within the automotive sector, the mining sector and especially the phosphate mining sector. The main markets are EU and North Africa. We have strong focus on expanding in Morocco to support our significant growth within supplying to the phosphate mining sector. Focus is also on becoming one of the leading global participants in the automotive industry.

## **SKAKO Concrete**

SKAKO Concrete develops, designs and sells a versatile high-end product range of all types of concrete batching plants for ready-mix, precast and jobsite plants. Our main focus is on plant sales with a strong after sales division. The products are based on own developed technology.



# MANAGEMENT COMMENTARY

## Performance review

DKK thousands	Q3 2017	Q3 2016	Change	Q1-Q3 2017	Q1-Q3 2016	Change
Revenue	90,816	68,953	31.7%	266,869	222,806	19.8%
Production costs	70,606	50,952	38.6%	204,392	163,910	24.7%
<b>Gross profit</b>	<b>20,210</b>	<b>18,001</b>	<b>12.3%</b>	<b>62,477</b>	<b>58,896</b>	<b>6.1%</b>
<i>Gross profit margin</i>	<i>22.3%</i>	<i>26.1%</i>	<i>-3.8pp</i>	<i>23.4%</i>	<i>26.4%</i>	<i>-3.0pp</i>
Distribution costs	9,074	8,854	2.5%	29,486	30,353	-2.9%
Administrative expenses	4,899	5,380	-8.9%	19,034	19,714	-3.5%
<b>Operating profit (EBIT)</b>	<b>6,237</b>	<b>3,767</b>	<b>65.6%</b>	<b>13,957</b>	<b>8,829</b>	<b>58.1%</b>
<i>Profit margin (EBIT margin)</i>	<i>6.9%</i>	<i>5.5%</i>	<i>1.4pp</i>	<i>5.2%</i>	<i>4.0%</i>	<i>1.2pp</i>
<b>Profit for the period</b>	<b>5,544</b>	<b>3,788</b>	<b>46.4%</b>	<b>12,154</b>	<b>9,138</b>	<b>33.0%</b>
Order backlog beginning of period	109,262	96,438	13.3%	109,103	92,097	18.5%
Order intake	72,868	63,610	14.6%	249,080	221,804	12.3%
Revenue	90,816	68,953	31.7%	266,869	222,806	19.8%
<b>Order backlog end of period</b>	<b>91,314</b>	<b>91,095</b>	<b>0.2%</b>	<b>91,314</b>	<b>91,095</b>	<b>0.2%</b>

Revenue increased by 31.7% in Q3 2017 and by 19.8% in Q1-Q3 2017 compared to the same periods last year. The increase in Q1-Q3 2017 was primarily driven by a 32.7% growth in the Concrete division. The growth was mainly driven by increased plant sales but we also had solid growth in aftersales. Revenue increased by 10.0% in the Vibration division.

Production costs increased by 38.6% in Q3 2017 and by 24.7% in Q1-Q3 2017 compared to the same periods last year. This led to a gross profit margin of 22.3% in Q3 2017 (26.1% in Q3 2016) and 23.4% in Q1-Q3 2017 (26.4% in Q1-Q3 2016). The decrease in gross profit margin is due to change in product mix, dismissal costs and lower than expected margins on projects. It is our clear assessment that we should be able to realise higher margins on our products in the future. See section *Highlights*.

Distribution costs increased by 2.5% in Q3 2017 but decreased by 2.9% in Q1-Q3 2017 mainly due to our participation in the BAUMA exhibition in 2016.

Administrative expenses decreased by 8.9% in Q3 2017 and by 3.5% in Q1-Q3 2017 mainly due to increased efficiency.

Operating profit (EBIT) increased by 65.6% in Q3 2017 and by 58.1% in Q1-Q3 2017 compared to the same periods last year. Increased revenue contributed positively to operating profit and lower gross profit margin had a negative effect. Profit margin (EBIT margin) was 6.9% in Q3 2017 (5.5% in Q3 2016) and 5.2% in Q1-Q3 2017 (4.0% in Q1-Q3 2016).

Profit for the period in Q3 2017 was DKK 5,544k (DKK 3,788k in Q3 2016) and DKK 12,154k in Q1-Q3 2017 (DKK 9,138k in Q1-Q3 2016).

### Order intake and backlog

SKAKO Vibration and SKAKO Concrete are both experiencing increased activity, especially in the Nordic countries and in North America. The number and size of enquiries are growing from existing and new customers.

Order intake in Q3 2017 increased by 14.6% to DKK 72,868k and increased by 12.3% to DKK 249,080k in Q1-Q3 2017 compared to the same periods last year.

Order intake in Q3 2017 for the Concrete Division was DKK 36,443k (DKK 29,737k in Q3 2016) and DKK 123,958k in Q1-Q3 2017 (DKK 96,773k in Q1-Q3 2016).

Order intake in Q3 2017 for the Vibration division was DKK 37,483k (DKK 34,880k in Q3 2016) and DKK 128,787k in Q1-Q3 2017 (DKK 128,037k in Q1-Q3 2016).

## MANAGEMENT COMMENTARY - continued

The order backlog at the beginning of Q4 2017 was DKK 91.3m compared to DKK 91.1m at the same period last year.

### **Cash flow developments**

Cash flow from operating activities (CFFO) in Q3 2017 amounted to DKK -5,584k (DKK 2,209k in Q3 2016) and DKK -6,631k in Q1-Q3 2017 (DKK -3,688k in Q1-Q3 2016).

Free cash flow in Q3 2017 amounted to DKK -9,517k (DKK 857k in Q3 2016) and DKK -13,009k in Q1-Q3 2017 (DKK -6,764k in Q1-Q3 2016).

The negative development in the free cash flow is primarily due to the fact that payment for two major projects will not be due until after the turn of the year.

### **Accounting policies as well as financial estimates and assumptions**

The interim report has been prepared in accordance with IAS 34, *Interim financial reporting*, as adopted by the EU and further Danish disclosure requirements in respect of interim reports for listed companies.

The accounting policies used for the interim report are the same as the accounting policies used for Annual Report 2016 to which we refer for a full description. The Group has adopted all new, amended and revised accounting standards and interpretations as published by the IASB and adopted by the EU effective for the accounting period beginning on 1 January 2017. The implementation of such standards and interpretations has not had any significant impact on the consolidated financial statements for the first nine months of 2017.

Compared with the description in Annual Report 2016, there have been no changes in the accounting estimates and assumptions made by Management in the preparation of the interim report.

### **Events after the balance sheet date**

After the balance sheet date SKAKO Concrete have initiated a restructuring process, as communicated in Company Announcement 21/2017.

There have been no events to change the assessment of the interim report after the balance sheet date until today.



## MANAGEMENT COMMENTARY - continued

### **Market and business conditions going forward**

There is high activity on most of our primary markets and we are pleased to note that the Group's revenue in Q3 2017 increased by 31.7% and by 19.8% in Q1-Q3 2017 compared to the same periods last year. Operating profit (EBIT) increased by 65.6% in Q3 2017 and by 58.1% in Q1-Q3 2017 compared to the same periods last year. The order backlog at the beginning of Q4 2017 was DKK 91.3m compared to DKK 91.1m at the same period last year. Our pipelines in both divisions are good.

### **Outlook**

As communicated in Company Announcement 21/2017 we have initiated a restructuring process in SKAKO Concrete. The total restructuring costs of approx. DKK 25m. which exclusively affect Q4 2017 will reduce our cost base considerably and as of 2018 result in annual savings of approx. DKK 6m.

We maintain our guidance for 2017 for an operating profit (EBIT) before special items of DKK 17.5-22.5m. Special items are expected to amount to DKK 25m.

At present SKAKO experiences a positive market development. Based on this experience we expect the operating profit (EBIT) in 2018 to be higher than in 2017. Consequently, we expect an increase of minimum the previously mentioned savings of DKK 6m.

SKAKO has considerable not-recognised tax assets and the effective tax rate for the coming years is expected to be at the level of 0%.

## CONSOLIDATED INCOME STATEMENT

DKK thousands	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Revenue	90,816	68,953	266,869	222,806	308,059
Production costs	(70,606)	(50,952)	(204,392)	(163,910)	(223,753)
<b>Gross profit</b>	<b>20,210</b>	<b>18,001</b>	<b>62,477</b>	<b>58,896</b>	<b>84,306</b>
Distribution costs	(9,074)	(8,854)	(29,486)	(30,353)	(39,418)
Administrative expenses	(4,899)	(5,380)	(19,034)	(19,714)	(28,477)
<b>Operating profit (EBIT)</b>	<b>6,237</b>	<b>3,767</b>	<b>13,957</b>	<b>8,829</b>	<b>16,411</b>
Financial income	10	50	26	96	58
Financial expenses	(723)	(620)	(2,063)	(2,117)	(3,323)
<b>Profit before tax</b>	<b>5,524</b>	<b>3,197</b>	<b>11,920</b>	<b>6,808</b>	<b>13,146</b>
Tax on profit for the period	20	591	234	2,330	3,394
<b>Profit for the period</b>	<b>5,544</b>	<b>3,788</b>	<b>12,154</b>	<b>9,138</b>	<b>16,540</b>
<b>Profit for the period attributable to SKAKO A/S shareholders</b>	<b>5,544</b>	<b>3,788</b>	<b>12,154</b>	<b>9,138</b>	<b>16,540</b>
Earnings per share (EPS), DKK	1.80	1.23	3.94	2.96	5.36
Diluted earnings per share (EPS), DKK	1.80	1.23	3.94	2.96	5.36

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK thousands	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
<b>Profit for the year</b>	<b>5,544</b>	<b>3,788</b>	<b>12,154</b>	<b>9,138</b>	<b>16,540</b>
<b>Other comprehensive income:</b>					
<b>Items that have been or may subsequently be reclassified to the income statement:</b>					
Foreign currency translation, subsidiaries	(168)	(596)	(1,034)	(822)	496
Value adjustments of hedging instruments	(29)	78	41	132	153
<b>Other comprehensive income</b>	<b>(197)</b>	<b>(518)</b>	<b>(993)</b>	<b>(690)</b>	<b>649</b>
<b>Comprehensive income</b>	<b>5,347</b>	<b>3,270</b>	<b>11,161</b>	<b>8,448</b>	<b>17,189</b>
<b>Comprehensive income attributable to SKAKO A/S shareholders</b>	<b>5,347</b>	<b>3,270</b>	<b>11,161</b>	<b>8,448</b>	<b>17,189</b>

# CONSOLIDATED BALANCE SHEET

DKK thousands	30 Sep 2017	30 Sep 2016	31 Dec 2016
Other intangible assets	4,677	1,927	5,356
Intangible assets under development	2,144	2,153	542
<b>Intangible assets</b>	<b>6,821</b>	<b>4,080</b>	<b>5,898</b>
Land and buildings	36,915	34,422	34,488
Plant and machinery	3,014	2,805	2,727
Operating equipment, fixtures and fittings	622	1,418	1,116
Leasehold improvements	96	85	58
Tangible assets under construction	444	53	453
<b>Property, plant and equipment</b>	<b>41,091</b>	<b>38,783</b>	<b>38,842</b>
Other receivables	1,128	1,144	1,145
Deferred tax assets	23,225	19,665	22,585
<b>Other non-current assets</b>	<b>24,353</b>	<b>20,809</b>	<b>23,730</b>
<b>Total non-current assets</b>	<b>72,265</b>	<b>63,672</b>	<b>68,470</b>
Inventories	48,012	48,383	43,425
Trade receivables	59,352	64,718	65,521
Work in progress for third parties	80,452	45,428	48,830
Income tax	114	130	185
Other receivables	5,444	3,573	7,593
Prepaid expenses	1,566	2,071	1,586
Other investments	74	74	74
Cash	6,562	6,840	9,387
<b>Current assets</b>	<b>201,576</b>	<b>171,217</b>	<b>176,601</b>
<b>Assets</b>	<b>273,841</b>	<b>234,889</b>	<b>245,071</b>

# CONSOLIDATED BALANCE SHEET

DKK thousands	30 Sep 2017	30 Sep 2016	31 Dec 2016
Share capital	31,064	31,064	31,064
Foreign currency translation reserve	(287)	(571)	747
Hedging reserve	86	24	45
Retained earnings	83,283	62,982	70,504
<b>Total equity</b>	<b>114,146</b>	<b>93,499</b>	<b>102,360</b>
Bank loans and credit facilities	8,433	9,825	9,724
Financial leasing	165	320	237
Provisions	3,218	1,477	3,584
<b>Non-current liabilities</b>	<b>11,816</b>	<b>11,622</b>	<b>13,545</b>
Bank loans and credit facilities	27,539	33,240	16,014
Financial leasing	141	282	282
Provisions	8,828	4,435	8,714
Prepayments from customers	7,680	11,235	9,847
Trade payables	82,428	56,657	66,872
Income tax	187	8	743
Other liabilities	20,749	23,568	24,812
Deferred income	327	343	1,882
<b>Current liabilities</b>	<b>147,879</b>	<b>129,768</b>	<b>129,166</b>
<b>Liabilities</b>	<b>159,695</b>	<b>141,390</b>	<b>142,711</b>
<b>EQUITY AND LIABILITIES</b>	<b>273,841</b>	<b>234,889</b>	<b>245,071</b>

# CONSOLIDATED CASH FLOW STATEMENT

DKK thousands	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Profit before tax	5,524	3,197	11,920	6,808	13,146
Adjustments	1,765	4,485	4,544	8,501	10,136
Change in receivables, etc.	(7,650)	392	(23,266)	(2,558)	(5,182)
Change in inventories	(3,698)	1,327	(4,587)	(125)	4,833
Change in trade payables and other liabilities, etc.	(812)	(6,572)	7,771	(13,775)	(2,166)
<b>Cash flow from operating activities before financial items and tax</b>	<b>(4,871)</b>	<b>2,829</b>	<b>(3,618)</b>	<b>(1,149)</b>	<b>20,767</b>
Financial items received and paid	(713)	(570)	(2,037)	(2,021)	(3,265)
Taxes paid	0	(50)	(976)	(518)	(649)
<b>Cash flow from operating activities</b>	<b>(5,584)</b>	<b>2,209</b>	<b>(6,631)</b>	<b>(3,688)</b>	<b>16,853</b>
Investment in intangible assets	(721)	(1,277)	(1,971)	(2,721)	(5,030)
Investment in tangible assets	(3,212)	(75)	(4,407)	(355)	(819)
<b>Cash flow from investing activities</b>	<b>(3,933)</b>	<b>(1,352)</b>	<b>(6,378)</b>	<b>(3,076)</b>	<b>(5,849)</b>
Change in borrowings	(482)	(2,449)	(1,291)	(4,326)	(2,392)
<b>Cash flow from financing activities</b>	<b>(482)</b>	<b>(2,449)</b>	<b>(1,291)</b>	<b>(4,326)</b>	<b>(2,392)</b>
Change in cash and cash equivalents	(9,999)	(1,592)	(14,300)	(11,090)	8,612
Cash and cash equivalents beginning of period	(10,932)	(24,760)	(6,553)	(15,094)	(15,094)
Foreign exchange adjustment, cash and cash equivalents	28	25	(50)	(143)	(71)
<b>Cash and cash equivalents at end of period</b>	<b>(20,903)</b>	<b>(26,327)</b>	<b>(20,903)</b>	<b>(26,327)</b>	<b>(6,553)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK thousands	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity
Equity at 01 January 2017	31,064	747	45	70,504	102,360
<b>Comprehensive income in Q1-Q3 2017:</b>					
Profit for the period				12,154	12,154
<b>Other comprehensive income:</b>					
Foreign currency translation adjustments, subsidiaries		(1,034)			(1,034)
Value adjustments of hedging instruments			41		41
Other comprehensive income	-	(1,034)	41	-	(993)
<b>Comprehensive income, period</b>	<b>-</b>	<b>(1,034)</b>	<b>41</b>	<b>12,154</b>	<b>11,161</b>
Share-based payment, warrants				625	625
<b>Equity at end of period</b>	<b>31,064</b>	<b>(287)</b>	<b>86</b>	<b>83,283</b>	<b>114,146</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK thousands	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity
Equity at 01 January 2016	31,064	251	(108)	53,590	84,797
<b>Comprehensive income in Q1-Q3 2016:</b>					
Profit for the period				9,138	9,138
<b>Other comprehensive income:</b>					
Foreign currency translation adjustments, subsidiaries		(822)			(822)
Value adjustments of hedging instruments			132		132
Other comprehensive income	-	(822)	132	-	(690)
<b>Comprehensive income, period</b>	-	<b>(822)</b>	<b>132</b>	<b>9,138</b>	<b>8,448</b>
Share-based payment, warrants				100	100
Disposal of treasury shares				154	154
<b>Equity at end of period</b>	<b>31,064</b>	<b>(571)</b>	<b>24</b>	<b>62,982</b>	<b>93,499</b>

## SEGMENT INFORMATION

<b>DKK thousands</b> <b>Q1-Q3 2017</b>	<b>Concrete</b>	<b>Vibration</b>	<b>Not distributed including parent company</b>	<b>Eliminations</b>	<b>Group total</b>
External revenue	131,554	135,315	-	-	266,869
Internal revenue	599	2,982	-	(3,581)	-
Total revenue	132,153	138,297	-	(3,581)	266,869
Depreciations	(2,136)	(521)	(316)	-	(2,973)
Operating profit (EBIT)	3,678	12,284	(2,005)	-	13,957
Financial income	139	124	-	(237)	26
Financial expenses	(1,231)	(946)	(123)	237	(2,063)
Result before tax	2,586	11,462	(2,128)	-	11,920
Tax on profit for the period	100	130	4	-	234
Profit for the period	2,686	11,592	(2,124)	-	12,154
Segment non-current assets	63,899	6,148	2,218	-	72,265
Segment assets	138,320	145,376	3,326	(13,181)	273,841
Segment liabilities	72,732	96,772	3,372	(13,181)	159,695
Investments in intangible and tangible asset	5,354	1,024	-	-	6,378
Average number of employees	100	88	-	-	188

<b>DKK thousands</b> <b>Q1-Q3 2016</b>	<b>Concrete</b>	<b>Vibration</b>	<b>Not distributed including parent company</b>	<b>Eliminations</b>	<b>Group total</b>
External revenue	99,344	123,462	-	-	222,806
Internal revenue	197	2,349	-	(2,546)	-
Total revenue	99,541	125,811	-	(2,546)	222,806
Depreciations	(2,026)	(641)	(450)	-	(3,117)
Operating profit (EBIT)	2,516	8,099	(1,786)	-	8,829
Financial income	62	34	-	-	96
Financial expenses	(931)	(777)	(409)	-	(2,117)
Result before tax	1,647	7,356	(2,195)	-	6,808
Tax on profit for the period	4,047	(1,717)	-	-	2,330
Profit for the period	5,694	5,639	(2,195)	-	9,138
Segment non-current assets	57,542	3,903	2,227	-	63,672
Segment assets	137,520	109,057	4,333	(16,021)	234,889
Segment liabilities	62,861	79,179	15,371	(16,021)	141,390
Investments in intangible and tangible asset	2,650	426	-	-	3,076
Average number of employees	100	83	-	-	183

## QUARTERLY KEY FIGURES AND FINANCIAL RATIOS

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Full year 2016
<b>INCOME STATEMENT, DKK THOUSANDS</b>								
Revenue	90,816	88,766	87,287	85,253	68,953	79,354	74,499	308,059
Gross profit	20,210	21,542	20,725	25,410	18,001	24,303	16,592	84,306
Operating profit (EBIT)	6,237	4,915	2,805	7,582	3,767	6,131	(1,069)	16,411
Net financial items	(713)	(682)	(642)	(1,244)	(570)	(587)	(864)	(3,265)
Profit before tax	5,524	4,233	2,163	6,338	3,197	5,544	(1,933)	13,146
Profit for the period	5,544	4,239	2,371	7,402	3,788	6,210	(860)	16,540
<b>BALANCE SHEET, DKK THOUSANDS</b>								
Non-current assets	72,265	69,345	69,290	68,470	63,672	63,721	63,111	68,470
Current assets	201,576	192,402	177,409	176,601	171,217	178,021	173,522	176,601
Assets	273,841	261,747	246,699	245,071	234,889	241,742	236,633	245,071
Equity	114,146	108,573	104,734	102,360	93,499	90,129	83,763	102,360
Non-current liabilities	11,816	12,326	12,978	13,545	11,622	12,868	14,189	13,545
Current liabilities	147,879	140,846	128,987	129,166	129,768	138,746	138,680	129,166
Net interest-bearing debt	29,716	20,276	25,238	16,870	36,828	38,228	36,338	16,870
Net working capital	97,708	87,669	88,591	81,058	90,637	92,693	81,709	81,058
<b>OTHER KEY FIGURES, DKK THOUSANDS</b>								
Investment in intangible and tangible assets	3,933	1,009	1,436	2,773	1,352	1,316	408	5,849
Cash flow from operating activities (CFFO)	(5,584)	5,922	(6,969)	20,541	2,209	(601)	(5,296)	16,853
Free cash flow	(9,517)	4,913	(8,405)	17,767	857	(1,916)	(5,704)	11,004
Average number of employees	188	189	185	183	183	183	182	183
<b>FINANCIAL RATIOS</b>								
Gross profit margin	22.3%	24.3%	23.7%	29.8%	26.1%	30.6%	22.3%	27.4%
Profit margin (EBIT margin)	6.9%	5.5%	3.2%	8.9%	5.5%	7.7%	(1.4%)	5.3%
Liquidity ratio	136.3%	136.6%	137.5%	136.7%	131.9%	128.3%	125.1%	136.7%
Equity ratio	41.7%	41.5%	42.5%	41.8%	39.8%	37.3%	35.4%	41.8%
Return on equity	18.8%	17.9%	21.0%	17.7%	18.9%	20.8%	19.4%	17.7%
Financial leverage	26.0%	18.7%	24.1%	16.5%	39.4%	42.4%	43.4%	16.5%
NWC/revenue	27.7%	26.5%	27.6%	26.3%	29.3%	29.2%	25.3%	26.3%
Earnings per share, DKK	1.80	1.37	0.77	2.40	1.23	2.01	-0.28	5.36
Equity value per share, DKK	36.7	35.0	33.7	33.0	30.1	29.0	27.0	33.0
Share price, DKK	82.0	76.0	73.5	92.5	81.0	62.0	49.6	92.5
Price-book ratio	2.2	2.2	2.2	2.8	2.7	2.1	1.8	2.8
Market capitalisation, DKK thousands	254,725	236,087	228,321	287,343	251,619	192,597	154,078	287,343