

1 January – 30 September 2018

**SKAKO**

# **INTERIM REPORT Q3 2018**

SKAKO A/S

CVR 36 44 04 14

Bygmestervej 2, 5600 Faaborg

## IMPORTANT INFORMATION ABOUT THIS DOCUMENT

This document contains forward-looking statements. Words such as believe, expect, may, will, plan, strategy, prospect, foresee, estimate, project, anticipate, can, intend, outlook, guidance, target and other words and terms of similar meaning in connection with any discussion of future operation of financial performance identify forward-looking statements. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

# KEY FIGURES AND FINANCIAL RATIOS – DKK

INCOME STATEMENT, DKK THOUSANDS	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
Revenue from contracts with customers	85,761	90,816	245,400	266,869	350,375
Gross profit	21,798	20,210	52,153	62,477	83,801
Operating profit (EBIT)	7,333	6,237	5,105	13,957	20,237
Net financial items	(667)	(713)	(2,194)	(2,037)	(2,818)
Profit before tax	6,667	5,524	2,912	11,920	(6,712)
Profit for the period	6,805	5,544	2,892	12,154	(6,160)
<b>BALANCE SHEET, DKK THOUSANDS</b>					
Non-current assets	39,482	72,265	39,482	72,265	38,912
Current assets	207,236	201,576	207,236	201,576	200,152
Assets	270,111	273,841	270,111	273,841	261,414
Equity	99,184	114,146	99,184	114,146	95,701
Non-current liabilities	3,361	11,816	3,361	11,816	3,483
Current liabilities	159,772	147,879	159,772	147,879	152,894
Net interest-bearing debt	20,122	29,716	20,122	29,716	25,956
Net working capital	86,982	97,708	86,982	97,708	99,242
<b>OTHER KEY FIGURES, DKK THOUSANDS</b>					
Investment in intangible and tangible assets	746	3,933	1,995	6,378	4,480
Cash flow from operating activities (CFFO)	4,080	(5,584)	9,118	(6,631)	(9,060)
Free cash flow	3,334	(9,517)	7,123	(13,009)	(16,547)
Average number of employees	201	188	201	188	182
<b>FINANCIAL RATIOS</b>					
Gross profit margin	25.4%	22.3%	21.3%	23.4%	23.9%
Profit margin (EBIT margin)	8.6%	6.9%	2.1%	5.2%	5.8%
Liquidity ratio	129.7%	136.3%	129.7%	136.3%	130.9%
Equity ratio	36.7%	41.7%	36.7%	41.7%	36.6%
Return on equity	(14.5%)	18.8%	(14.5%)	18.8%	(6.2%)
Financial leverage	20.3%	26.0%	20.3%	26.0%	27.1%
NWC/revenue	26.4%	27.7%	26.4%	27.7%	28.3%
Earnings per share, DKK	2.21	1.80	0.94	3.94	(2.00)
Equity value per share, DKK	31.9	36.7	31.9	36.7	30.8
Share price, DKK	65.2	82.0	65.2	82.0	91.0
Price-book ratio	2.0	2.2	2.0	2.2	3.0
Market capitalisation, DKK thousands	202,538	254,725	202,538	254,725	282,684
<b>ADDITIONAL NUMBERS, DKK THOUSANDS</b>					
Order backlog	107,539	91,314	107,539	91,314	72,775

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 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
Revenue from contracts with customers	11,511	12,209	32,938	35,877	47,046
Gross profit	2,926	2,717	7,000	8,399	11,252
Operating profit (EBIT)	984	838	685	1,876	2,717
Net financial items	(90)	(96)	(294)	(274)	(378)
Profit before tax	895	743	391	1,603	(901)
Profit for the period	914	745	388	1,634	(827)
<b>BALANCE SHEET, EUR THOUSANDS</b>					
Non-current assets	5,295	9,710	5,295	9,710	5,221
Current assets	27,793	27,085	27,793	27,085	26,857
Assets	36,225	36,795	36,225	36,795	35,077
Equity	13,302	15,337	13,302	15,337	12,841
Non-current liabilities	451	1,588	451	1,588	467
Current liabilities	21,428	19,870	21,428	19,870	20,516
Net interest-bearing debt	2,699	3,993	2,699	3,993	3,483
Net working capital	11,665	13,129	11,665	13,129	13,317
<b>OTHER KEY FIGURES, EUR THOUSANDS</b>					
Investment in intangible and tangible assets	100	528	268	857	601
Cash flow from operating activities (CFFO)	547	(750)	1,223	(891)	(1,216)
Free cash flow	447	(1,278)	955	(1,748)	(2,220)
Average number of employees	201	188	201	188	182
<b>FINANCIAL RATIOS</b>					
Gross profit margin	25.4%	22.3%	21.3%	23.4%	23.9%
Profit margin (EBIT margin)	8.6%	6.9%	2.1%	5.2%	5.8%
Liquidity ratio	129.7%	136.3%	129.7%	136.3%	130.9%
Equity ratio	36.7%	41.7%	36.7%	41.7%	36.6%
Return on equity	(14.5%)	18.8%	(14.5%)	18.8%	(6.2%)
Financial leverage	20.3%	26.0%	20.3%	26.0%	27.1%
NWC/revenue	26.4%	27.7%	26.4%	27.7%	28.3%
Earnings per share, EUR	0.30	0.24	0.13	0.53	0.72
Equity value per share, EUR	4.3	4.9	4.3	4.9	4.4
Share price, EUR	8.7	11.0	8.7	11.0	12.4
Price-book ratio	2.0	2.2	2.0	2.2	2.8
Market capitalisation, EUR thousands	27,163	34,227	27,163	34,227	37,931
<b>ADDITIONAL NUMBERS, EUR THOUSANDS</b>					
Order backlog	14,436	12,270	14,436	12,270	9,765

\*On the translation of key figures and financial ratios from Danish kroner to euro, Danmarks Nationalbank's rate of exchange at 30 September 2018 of 745.64 has been used for balance sheet items, and the average rate of exchange of 745.03 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 2018.

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 2017 of SKAKO A/S. Furthermore, the interim report for the period 1 January – 30 September 2018 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 2018 and of the results of the Group's operations and cash flows for the first nine months of 2018.

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, 1 November 2018

## Executive Board

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Søren Pedersen  
Director

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Lionel Girieud  
Director

## Board of Directors

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Jens Wittrup Willumsen  
Chairman

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Christian Herskind Jørgensen  
Deputy Chairman

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Carsten Krogsgaard Thomsen

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Lars Tveen

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Samuel Waldorph Andreassen

# HIGHLIGHTS

Group order intake in Q1-Q3 2018 increased by 12.5% compared to Q1-Q3 2017 while revenue declined by 8.0%. At the beginning of Q4 2018 the order backlog amounts to DKK 107.5m, which is an increase of 48% compared to the beginning of 2018, where the order backlog was DKK 72.8m.

The EBIT result in Q1-Q3 2018 amounted to a profit of DKK 5.1m compared to a positive EBIT result of DKK 14.0m in Q1-Q3 2017. The lower EBIT is due to one-time extra costs from reorganization of Group management and profit impact from lower revenue and gross margin in H1 2018.

In Q3 2018 we have seen improvements in operations and the results hereof, and the EBIT result for Q3 2018 of DKK 7.3m is the best EBIT result in a single quarter for many years. We expect this development to be maintained through Q4 2018.

As announced in company announcement 10/2018 from 16 June 2018, SKAKO Concrete has finalized the restructuring process that was initiated in Q4 2017. We have reached a sales agreement for the production building in Lille, and the sale is expected to be concluded in Q4 2018 with an expected positive cash flow of DKK 14.5-15.0m. The sales price on the building corresponds to the booked value.

We maintain our guidance for an operating profit (EBIT) of DKK 15-20m for 2018.

## 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.

Our production facility is in Faaborg in Denmark, and the products are based on own developed technology.



# MANAGEMENT COMMENTARY

## Performance review

	Q3 2018	Q3 2017	Change	Q1-Q3 2018	Q1-Q3 2017	Change
<b>DKK THOUSANDS</b>						
Revenue from contracts with customers	85,761	90,816	(5.6%)	245,400	266,869	(8.0%)
Production costs	(63,963)	(70,606)	(9.4%)	(193,247)	204,392	(5.5%)
<b>Gross profit</b>	<b>21,798</b>	<b>20,210</b>	<b>7.9%</b>	<b>52,153</b>	<b>62,477</b>	<b>(16.5%)</b>
<i>Gross profit margin</i>	25.4%	22.3%	3.1pp	21.3%	23.4%	(2.1pp)
Distribution costs	(8,175)	(9,074)	(9.9%)	(27,524)	(29,486)	(6.7%)
Administrative expenses	(6,290)	(4,899)	28.4%	(19,524)	(19,034)	2.6%
<b>Operating profit (EBIT)</b>	<b>7,333</b>	<b>6,237</b>	<b>17.6%</b>	<b>5,105</b>	<b>13,957</b>	<b>(63.4%)</b>
<i>Profit margin (EBIT margin)</i>	8.6%	6.9%	1.7pp	2.1%	5.2%	(3.1pp)
<b>Profit for the period</b>	<b>6,805</b>	<b>5,544</b>	<b>22.8%</b>	<b>2,892</b>	<b>12,154</b>	<b>(76.2%)</b>
Order backlog beginning of period	122,465	109,262	12.1%	72,775	109,103	(33.3%)
Order intake	70,835	72,868	(2.7%)	280,164	249,080	12.5%
Revenue	(85,761)	(90,816)	(5.6%)	(245,400)	(266,869)	(8.0%)
<b>Order backlog end of period</b>	<b>107,539</b>	<b>91,314</b>	<b>17.8%</b>	<b>107,539</b>	<b>91,314</b>	<b>17.8%</b>

## Revenue

Revenue decreased by 5.6 % in Q3 2018 and by 8.0 % in Q1-Q3 2018 compared to the same periods last year. The decrease in Q1-Q3 2018 is caused by a decrease in the Concrete Division where revenue has declined by 16.0 %, while the Vibration Division experienced a small decrease of 0.9 %. The decline in revenue in the Concrete Division is primarily explained by the low order backlog entering 2018 as explained in the Annual Report 2017, and that the construction of large plant projects has started later than expected. We have seen a positive development in Q3 2018 and expect this to continue through Q4 2018.

Revenue, DKK millions	Concrete			Vibration			Group*		
	Q1-Q3 2018	Q1-Q3 2017	Change	Q1-Q3 2018	Q1-Q3 2017	Change	Q1-Q3 2018	Q1-Q3 2017	Change
Plants	49.1	70.5	(30.4%)	95.6	104.6	(8.6%)	143.1	172.9	(17.2%)
Aftersales	62.0	61.7	0.5%	41.5	33.7	23.1%	102.3	94.0	8.8%
<b>Total</b>	<b>111.1</b>	<b>132.2</b>	<b>(16.0%)</b>	<b>137.1</b>	<b>138.3</b>	<b>(0.9%)</b>	<b>245.4</b>	<b>266.9</b>	<b>(8.0%)</b>

\* After eliminations

## Gross profit

Production costs decreased by 9.4% in Q3 2018 and by 5.5% in Q1-Q3 2018 compared to the same periods last year. This led to a gross profit margin of 25.4% in Q3 2018 (22.3% in Q3 2017) and 21.3% in Q1-Q3 2018 (23.4% in Q1-Q3 2017). The decrease in gross profit margin year to date is mainly due to costs for finalizing some plant projects in the Concrete Division in H1 2018, but also extra costs from reorganization of Group management which effect the gross margin for the Group. As explained in the Interim Report Q2 2018, we have implemented updated project management procedures in the Concrete Division, and we start to see the positive effects from this as gross margin for Q3 2018 has improved compared to previous periods in 2018. Due to a better product mix, we also see high gross profit margins in the Vibration Division.

# MANAGEMENT COMMENTARY - continued

## Capacity costs

Distribution costs decreased by 6.7% in Q1-Q3 2018 and by 9.9% in Q3 2018 compared to the same period last year, while Administrative expenses increased by 2.6 % in Q1-Q3 2018 and by 28.4% in Q3 2018 compared to 2017. The increase in Administrative expenses in Q1-Q3 2018 is caused by one-time extra costs related to reorganization of Group management as announced in the company announcement 9/2018, and unusually low Administrative expenses in Q3 2017. The overall decrease in capacity costs confirms the company's ability to harvest both the expected lower costs from the restructuring project in Concrete France, and the general focus on improving the company's cost positions and efficiency.

## Operating profit

Operating profit (EBIT) for Q1-Q3 2018 was DKK 5.1m compared to DKK 14.0m in Q1-Q3 2017, while operation profit (EBIT) for Q3 2018 was DKK 7.3m compared to DKK 6.2m in Q3 2017.

The lower operating profit in Q1-Q3 2018 compared to Q1-Q3 2017 is due to the results in H1 2018, where impact from lower than expected revenue and gross margin resulted in a loss from operating activities. As can be seen, the financial performance has improved significantly in Q3 2018.

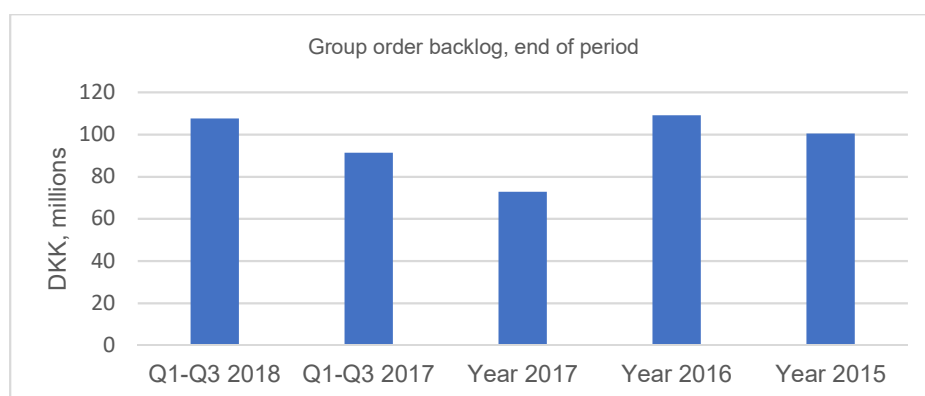
We expect the financial performance from Q3 2018 to continue through Q4 2018.

## Order intake and backlog

In Q1-Q3 2018 order intake was DKK 280.2m, which is an increase of 12.5% compared to the same period last year. In Q3 2018 we have experienced a minor slowdown in order intake in both Divisions, which can be explained by delayed signing of some large orders. We expect order intake to improve through Q4 2018 to secure a strong order backlog for 2019.

Order intake in Q1-Q3 2018 for the Concrete Division was DKK 152.2m compared to DKK 124.0m in Q1-Q3 2017 and order intake in Q1-Q3 2018 for the Vibration Division was DKK 130.8m compared to DKK 128.8m in Q1-Q3 2017.

The Group order backlog at the beginning of Q4 2018 amounts to DKK 107.5m which is a growth of 17.8% compared to the order backlog at the beginning of Q4 2017. Compared to the order backlog at the beginning of 2018 the order backlog has increased by 48%.



The improved order intake and backlog is primarily driven by a major project in the Concrete Division as announced in the company announcement 24/2017 and confirmed on 9 May 2018.

Order intake, DKK millions	Concrete			Vibration			Group*		
	Q1-Q3 2018	Q1-Q3 2017	Year 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
Order book, beginning	24.1	46.6	46.6	48.7	64.1	64.1	72.8	109.1	109.1
Order intake	152.2	124.0	152.4	130.8	128.8	165.4	280.2	249.1	314.1
Revenue	(111.1)	(132.2)	(174.9)	(137.1)	(138.3)	(180.8)	(245.4)	(266.9)	(350.4)
Order book, ending	65.2	38.4	24.1	42.4	54.7	48.7	107.5	91.3	72.8

\*After eliminations



# MANAGEMENT COMMENTARY - continued

## Cash flow developments

In the first nine months of 2018, the Group generated cash flow from operating activities (CFFO) of DKK 9.1m compared to DKK -6.6m in Q1-Q3 2017. The positive development in CFFO is primarily caused by the positive results from operations and pre-payments from large plant projects. Long payment terms on plant projects in Morocco and delays caused by national monetary policies in Morocco still have negative influence on the Group's CFFO and net working capital. However, we are confident in receiving the payments.

As announced in company announcement 10/2018, the sale of the production building in France is expected to be concluded in Q4 of 2018 with an expected positive cash flow of DKK 14.5 – 15.0m. The sales price on the building corresponds to the booked value.

## 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 2017 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 2018. The implementation of such standards and interpretations has not had any significant impact on the consolidated financial statements for the first nine months of 2018.

Compared with the description in Annual Report 2017, there have been no changes in the accounting estimates and assumptions made by Management in the preparation of the interim report. We refer to the notes to the annual Report 2017 for a description of significant estimates and assessments.

With effect from 1 January 2018 SKAKO A/S has implemented the following new or changed standards and interpretations:

- IFRS 9: Financial Instruments
- IFRS 15: Revenue from contracts and customers

When implementing IFRS 9 from 1 January 2018, comparative figures have not been adjusted. The effect of the implementation of IFRS 9 is considered immaterial. The effect of implementation is also considered immaterial to the Interim report Q3 2018.

When implementing IFRS 15 from 1 January 2018, comparative figures have not been adjusted. SKAKO A/S considers the presented figures already compliant with IFRS 15.

Due to the implementation of IFRS 9 and 15, accounting policies have been changed in the following areas:

- Impairment of receivables is measured using an expected credit loss on receivables (IFRS 9).
- According to IFRS 15 the previous "risk and rewards" framework is replaced by a control framework. This means that revenue from a sales transaction is recognized when (at a point in time) or as (over time) control of a good or plant project is transferred to a customer. For sale of goods and plant projects in SKAKO A/S this transition to change of control has no impact on revenue recognition. Revenue is measured according to IFRS 15 to the amount SKAKO A/S expects to receive from the customer for the delivery of goods or plant projects in the same way as for previous standards. Therefore, this change has no implications. SKAKO A/S uses the following five criteria when recognizing and measuring revenue according to IFRS 15 step; (i) identify the contract with the customer; (ii) identify what delivery obligations the contract contains; (iii) determine the transaction price; (iv) allocate the transaction price to identified delivery obligations; (v) recognize revenue when (at a point in time) or as (over time) SKAKO A/S fulfils the obligations towards the customer.

IFRS 16 Leases, requires lessees to recognise nearly all leases on the balance sheet. Management is in the process of evaluating the expected future impact of the application of IFRS 16 on the amounts reported and disclosed by the Group. Management expects the implementation of this standard to have a limited impact on the recognition of tangible assets and financial debt on the balance sheet. The standard is also expected to have a limited impact on the classification of expenses in the income statement, the classification of cash flows in the cash flow statement as well as the related key figures. IFRS 16 is effective for financial years beginning on or after 1 January 2019.

## Events after the balance sheet date

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

## Outlook 2018

We maintain our guidance for an operating profit (EBIT) of DKK 15-20m for 2018.

SKAKO has considerable not-recognised tax assets and the effective tax rate for 2018 is expected to be at the level of 0 %.

## CONSOLIDATED INCOME STATEMENT

DKK thousands	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
Revenue from contracts with customers	85,761	90,816	245,400	266,869	350,375
Production costs	(63,963)	(70,606)	(193,247)	(204,392)	(266,574)
<b>Gross profit</b>	<b>21,798</b>	<b>20,210</b>	<b>52,153</b>	<b>62,477</b>	<b>83,801</b>
Distribution costs	(8,175)	(9,074)	(27,524)	(29,486)	(36,890)
Administrative expenses	(6,290)	(4,899)	(19,524)	(19,034)	(26,674)
<b>Operating profit (EBIT)</b>	<b>7,333</b>	<b>6,237</b>	<b>5,105</b>	<b>13,957</b>	<b>20,237</b>
Special items	0	0	0	0	(24,131)
<b>Operating profit (EBIT) after special items</b>	<b>7,333</b>	<b>6,237</b>	<b>5,105</b>	<b>13,957</b>	<b>(3,894)</b>
Financial income	33	10	83	26	30
Financial expenses	(700)	(723)	(2,277)	(2,063)	(2,848)
<b>Profit before tax</b>	<b>6,666</b>	<b>5,524</b>	<b>2,911</b>	<b>11,920</b>	<b>(6,712)</b>
Tax on profit for the period	139	20	(19)	234	552
<b>Profit for the period</b>	<b>6,805</b>	<b>5,544</b>	<b>2,892</b>	<b>12,154</b>	<b>(6,160)</b>
<b>Profit for the period attributable to SKAKO A/S shareholders</b>	<b>6,805</b>	<b>5,544</b>	<b>2,892</b>	<b>12,154</b>	<b>(6,160)</b>
Earnings per share (EPS), DKK	2.21	1.80	0.94	3.94	(2.00)
Diluted earnings per share (EPS), DKK	2.21	1.80	0.94	3.94	(1.99)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK thousands	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
<b>Profit for the year</b>	<b>6,805</b>	<b>5,544</b>	<b>2,892</b>	<b>12,154</b>	<b>(6,160)</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	601	(168)	9	(1,034)	(1,140)
Value adjustments of hedging instruments	50	(29)	12	41	(79)
<b>Other comprehensive income</b>	<b>651</b>	<b>(197)</b>	<b>21</b>	<b>(993)</b>	<b>(1,219)</b>
<b>Comprehensive income</b>	<b>7,456</b>	<b>5,347</b>	<b>2,913</b>	<b>11,161</b>	<b>(7,379)</b>
<b>Comprehensive income attributable to SKAKO A/S shareholders</b>	<b>7,456</b>	<b>5,347</b>	<b>2,913</b>	<b>11,161</b>	<b>(7,379)</b>

# CONSOLIDATED BALANCE SHEET

DKK thousands	30 September 2018	30 September 2017	31 Dec 2017
Other intangible assets	7,607	4,677	5,088
Intangible assets under development	346	2,144	2,882
<b>Intangible assets</b>	<b>7,953</b>	<b>6,821</b>	<b>7,970</b>
Land and buildings	4,786	36,915	4,887
Plant and machinery	158	3,014	163
Operating equipment, fixtures and fittings	1,761	622	944
Leasehold improvements	83	96	75
Tangible assets under construction	0	444	15
<b>Property, plant and equipment</b>	<b>6,788</b>	<b>41,091</b>	<b>6,084</b>
Other receivables	1,159	1,128	1,147
Deferred tax assets	23,581	23,225	23,711
<b>Other non-current assets</b>	<b>24,740</b>	<b>24,353</b>	<b>24,858</b>
<b>Total non-current assets</b>	<b>39,481</b>	<b>72,265</b>	<b>38,912</b>
Inventories	50,202	48,012	45,662
Trade receivables	77,519	59,352	73,012
Work in progress for third parties	63,078	80,452	68,648
Income tax	950	114	648
Other receivables	7,732	5,444	6,996
Prepaid expenses	1,705	1,566	2,155
Other investments	74	74	74
Cash	5,977	6,562	2,957
<b>Current assets</b>	<b>207,237</b>	<b>201,576</b>	<b>200,152</b>
Assets held for sale	23,393	0	22,350
<b>Assets</b>	<b>270,111</b>	<b>273,841</b>	<b>261,414</b>

# CONSOLIDATED BALANCE SHEET

DKK thousands	30 September 2018	30 September 2017	31 Dec 2017
Share capital	31,064	31,064	31,064
Foreign currency translation reserve	(384)	(287)	(393)
Hedging reserve	(22)	86	(34)
Retained earnings	68,526	83,283	65,064
<b>Total equity</b>	<b>99,184</b>	<b>114,146</b>	<b>95,701</b>
Bank loans and credit facilities	0	8,433	0
Financial leasing	0	165	0
Provisions	3,361	3,218	3,483
<b>Non-current liabilities</b>	<b>3,361</b>	<b>11,816</b>	<b>3,483</b>
Bank loans and credit facilities	26,049	27,539	28,677
Financial leasing	50	141	237
Provisions	4,625	8,828	9,050
Prepayments from customers	26,958	7,680	10,134
Trade payables	76,860	82,428	77,946
Income tax	0	187	120
Other liabilities	25,231	20,749	26,730
Deferred income	0	327	0
<b>Current liabilities</b>	<b>159,773</b>	<b>147,879</b>	<b>152,894</b>
Liabilities related to assets held for sale	7,793	0	9,336
<b>Liabilities</b>	<b>170,927</b>	<b>159,695</b>	<b>165,713</b>
<b>EQUITY AND LIABILITIES</b>	<b>270,111</b>	<b>273,841</b>	<b>261,414</b>

# CONSOLIDATED CASH FLOW STATEMENT

DKK thousands	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
Profit before tax	6,667	5,524	2,912	11,920	(6,712)
Adjustments	(1,174)	1,765	(1,622)	4,544	32,222
Change in receivables, etc.	(5,026)	(7,650)	766	(23,266)	(27,286)
Change in inventories	(1,029)	(3,698)	(4,540)	(4,587)	(4,630)
Change in trade payables and other liabilities, etc.	5,290	(812)	14,238	7,771	11,044
<b>Cash flow from operating activities before financial items and tax</b>	<b>4,728</b>	<b>(4,871)</b>	<b>11,754</b>	<b>(3,618)</b>	<b>4,638</b>
Restructuring costs paid	0	0	0	0	(9,853)
Financial items received and paid	(667)	(713)	(2,194)	(2,037)	(2,818)
Taxes paid	19	0	(442)	(976)	(1,027)
<b>Cash flow from operating activities</b>	<b>4,080</b>	<b>(5,584)</b>	<b>9,118</b>	<b>(6,631)</b>	<b>(9,060)</b>
Investment in intangible assets	(444)	(721)	(634)	(1,971)	(3,007)
Investment in tangible assets	(302)	(3,212)	(1,361)	(4,407)	(4,480)
<b>Cash flow from investing activities</b>	<b>(746)</b>	<b>(3,933)</b>	<b>(1,995)</b>	<b>(6,378)</b>	<b>(7,487)</b>
Change in borrowings	(503)	(482)	(1,543)	(1,291)	(2,455)
Change in short-term bank facilities	(1,818)	7,780	(2,628)	11,525	12,663
<b>Cash flow from financing activities</b>	<b>(2,321)</b>	<b>7,298</b>	<b>(4,171)</b>	<b>10,234</b>	<b>10,208</b>
Change in cash and cash equivalents	1,013	(2,219)	2,952	(2,775)	(6,339)
Cash and cash equivalents beginning of period	4,933	8,827	3,031	9,461	9,461
Foreign exchange adjustment, cash and cash equivalents	105	28	68	(50)	(91)
<b>Cash and cash equivalents at end of period</b>	<b>6,051</b>	<b>6,636</b>	<b>6,051</b>	<b>6,636</b>	<b>3,031</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK thousands	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity
Equity at 01 January 2018	31,064	(393)	(34)	65,064	95,701
<b>Comprehensive income in Q1- Q3 2018:</b>					
Profit for the period				2,892	2,892
<b>Other comprehensive income:</b>					
Foreign currency translation adjustments, subsidiaries		9			9
Value adjustments of hedging instruments			12		12
Other comprehensive income	-	9	12	-	21
<b>Comprehensive income, period</b>	<b>-</b>	<b>9</b>	<b>12</b>	<b>2,892</b>	<b>2,913</b>
Share-based payment, warrants				570	570
<b>Equity at end of period</b>	<b>31,064</b>	<b>(384)</b>	<b>(22)</b>	<b>68,526</b>	<b>99,184</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>



## SEGMENT INFORMATION

DKK thousands Q1-Q3 2018	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Total revenue, external	111,059	134,341			245,400
Total revenue, internal	35	2,765	-	(2,800)	-
<b>Total revenue</b>	<b>111,094</b>	<b>137,106</b>	<b>-</b>	<b>(2,800)</b>	<b>245,400</b>
<b>Operating profit (EBIT)</b>	<b>(4,260)</b>	<b>10,739</b>	<b>(1,373)</b>	<b>0</b>	<b>5,106</b>
Profit margin (EBIT margin)	(3.8%)	7.8%			2,1%
<b>Revenue per business area</b>					
Revenue Plants	49,132	95,630		(1,633)	143,129
Revenue Aftersales	61,961	41,477		(1,167)	102,271
<b>Total revenue</b>	<b>111,093</b>	<b>137,107</b>		<b>(2,800)</b>	<b>245,400</b>
Order intake	152,174	130,795		(2,805)	280,164
Backlog	65,222	42,394		(77)	107,539
Net Working Capital	23,884	63,113	(15)	-	86,982
Average number of employees	102	99			201

DKK thousands Q1-Q3 2017	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Revenue, external	131,554	135,315	-	-	266,869
Revenue, Internal	599	2,982	-	(3,581)	-
<b>Total revenue</b>	<b>132,153</b>	<b>138,297</b>	<b>-</b>	<b>(3,581)</b>	<b>266,869</b>
<b>Operating profit (EBIT)</b>	<b>3,678</b>	<b>12,284</b>	<b>(2,005)</b>	<b>-</b>	<b>13,957</b>
Profit margin (EBIT margin)	2.8%	9.1%			5.2%
<b>Revenue per business area</b>					
Revenue Plants	70,483	104,601		(2,175)	172,909
Revenue Aftersales	61,670	33,696		(1,406)	93,960
<b>Total Revenue</b>	<b>132,153</b>	<b>138,297</b>		<b>(3,581)</b>	<b>266,869</b>
Order intake	123,983	128,822		(3,724)	249,081
Backlog	38,359	54,737		(1,782)	91,314
Net Working Capital	42,047	55,688	(27)		97,708
Average number of employees	100	88	-	-	188

# QUARTERLY KEY FIGURES AND FINANCIAL RATIOS

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Full year 2017
<b>INCOME STATEMENT, DKK THOUSANDS</b>								
Revenue from contracts with customers	85,761	82,622	77,017	83,506	90,816	88,766	87,287	350,375
Gross profit	47,394	17,038	13,316	21,324	20,210	21,542	20,725	83,801
Operating profit (EBIT) before special item	7,334	186	(2,415)	6,280	6,237	4,915	2,805	20,237
Operating profit (EBIT) after special items	7,334	186	(2,415)	(17,851)	6,237	4,915	2,805	(3,894)
Net financial items	(667)	(747)	(780)	(781)	(713)	(682)	(642)	(2,818)
Profit before tax	6,667	(561)	(3,195)	(18,632)	5,524	4,233	2,163	(6,712)
Profit for the period	6,806	(640)	(3,274)	(18,314)	5,544	4,239	2,371	(6,160)
<b>BALANCE SHEET, DKK THOUSANDS</b>								
Non-current assets	39,482	39,090	39,701	38,912	72,265	69,345	69,290	38,912
Current assets	207,236	199,946	197,421	200,152	201,576	192,402	177,409	200,152
Assets	270,111	262,375	259,478	261,414	273,841	261,747	246,699	261,414
Equity	99,184	91,517	92,255	95,701	114,146	108,573	104,734	95,701
Non-current liabilities	3,361	3,358	3,411	3,483	11,816	12,326	12,978	3,483
Current liabilities	159,772	159,203	154,892	152,894	147,879	140,846	128,987	152,894
Net interest-bearing debt	20,122	23,124	35,252	25,956	29,716	20,276	25,238	25,956
Net working capital	86,982	88,889	96,409	99,242	97,708	87,669	88,591	99,242
<b>OTHER KEY FIGURES, DKK THOUSANDS</b>								
Investment in intangible and tangible assets	746	43	1,206	(1,898)	3,933	1,009	1,436	4,480
Cash flow from operating activities (CFFO)	4,080	12,744	(7,709)	(2,429)	(5,584)	5,922	(6,969)	(9,060)
Free cash flow	3,334	12,701	(8,915)	(3,538)	(9,517)	4,913	(8,405)	(16,547)
Average number of employees	201	198	192	182	188	189	185	182
<b>FINANCIAL RATIOS</b>								
Gross profit margin	25.4%	20.6%	17.3%	25.5%	22.3%	24.3%	23.7%	23.9%
Profit margin (EBIT margin)	8.6%	0.2%	(3.1%)	7.5%	6.9%	5.5%	3.2%	5.8%
Liquidity ratio	129.7%	125.6%	127.5%	130.9%	136.3%	136.6%	137.5%	131.8%
Equity ratio	36.7%	34.9%	35.4%	36.6%	41.7%	41.5%	42.5%	36.6%
Return on equity	(14.5%)	(16.7%)	(12.0%)	(6.2%)	18.8%	17.9%	21.0%	(6.2%)
Financial leverage	20.3%	25.3%	38.2%	27.1%	26.0%	18.7%	24.1%	27.1%
NWC/revenue	26.4%	26.6%	28.3%	28.3%	27.7%	26.5%	27.6%	28.3%
Earnings per share, DKK	2.21	(0.21)	(1.06)	(5.94)	1.80	1.37	0.77	(2.00)
Equity value per share, DKK	31.9	29.5	29.7	30.8	36.7	35.0	33.7	30.8
Share price, DKK	65.2	85.2	94.0	91.0	82.0	76.0	73.5	91.0
Price-book ratio	2.0	2.9	3.2	3.0	2.2	2.2	2.2	3.0
Market capitalisation, DKK thousands	202,538	264,667	292,003	282,683	254,725	236,087	228,321	282,683