

SKAKO

INTERIM REPORT Q1

Accounting period:
1 January – 31 March 2021

2021

SKAKO A/S
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SKAKO is experiencing improved results compared to Q4 2020 as the company is gradually recovering from the negative impact from Covid-19.

This development is expected to continue through the rest of 2021.

Compared to Q1 2020 where the impact from Covid-19 was limited SKAKO had lower key financials.

Due to the difficult year over year comparison related to the impact on the business from Covid-19, we include quarter over quarter progress to show that we are gradually recovering from the negative impact from the pandemic. This comparison will be made for the rest of 2021.

Revenue
[DKKm]

85.9

Up from 83.2 in Q4 2020
Down from 97.8 in Q1 2020

EBIT
[DKKm]

3.5

Up from 2.2 in Q4 2020
Down from 5.6 in Q1 2020

EBIT margin

4.0%

Up from 2.6% in Q4 2020
Down from 5.7% in Q1 2020

ROIC

8.3%

Down from 9.5% in Q4 2020
Down from 13.5% in Q1 2020

Order backlog
[DKKm]

84.5

Down from 91.9 in Q4 2020
Down from 111.4 in Q1 2020

CONTENTS

1. Q1 2021 IN BRIEF	3
2. KEY FIGURES AND FINANCIAL RATIOS	4
3. FINANCIAL REVIEW Q1 2021	8
4. Q1 2021 REVIEW SKAKO CONCRETE	11
5. Q1 2021 REVIEW SKAKO VIBRATION	14
6. FINANCIAL STATEMENTS	18
6.1 Statement by management	19
6.2 Consolidated income statement	20
6.3 Consolidated statement of comprehensive income	21
6.4 Consolidated balance sheet	22
6.5 Consolidated cash flow statement	24
6.6 Consolidated statement of changes in equity	25
6.7 Segment information	27
6.8 Quarterly key figures and financial ratios	29

Important notice 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.

1 Q1 2021 IN BRIEF

Order intake
[DKKm]

78.5

Down from 80.2 in Q4 2020

Down from 85.5 in Q1 2020

Order backlog
[DKKm]

84.5

Down from 91.9 in Q4 2020

Down from 111.4 in Q1 2020

Revenue
[DKKm]

85.9

Up from 83.2 in Q4 2020

Down from 97.8 in Q1 2020

EBIT
[DKKm]

3.5

Up from 2.2 in Q4 2020

Down from 5.6 in Q1 2020

EBIT margin

4.0%

Up from 2.6% in Q4 2020

Down from 5.7% in Q1 2020

Earnings per share
[DKK]

0.74

Up from 0.13 in Q4 2020

Down from 1.48 in Q1 2020

Employees

196

Up from 195 in Q4 2020

Down from 206 in Q1 2020

ROIC

8.3%

Down from 9.5% in Q4 2020

Down from 13.5% in Q1 2020

**SKAKO
Concrete**

39,888 [DKKk]

EBIT margin 5.4%

**SKAKO
Vibration**

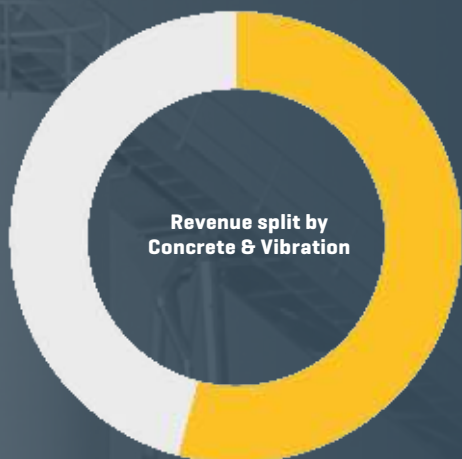
47,015 [DKKk]

EBIT margin 4.0%

Plant orders
[DKKk] **51,688**

Aftersales

34,252 [DKKk]



* Due to the difficult year over year comparison related to the impact on the business from Covid-19, we include quarter over quarter progress to show that we are gradually recovering from the negative impact from the pandemic.

2 KEY FIGURES AND FINANCIAL RATIOS

DKK Thousands	Q1 2021	Q1 2020	2020
INCOME STATEMENT			
Revenue	85,918	97,782	335,920
Gross profit	21,041	23,894	79,914
Operating profit (EBIT)	3,461	5,584	17,220
Net financial items	[943]	[825]	[3,084]
Profit before tax	2,518	4,759	14,136
Profit for the year	2,289	4,549	12,908
BALANCE SHEET			
Non-current assets	82,449	81,130	84,265
Current assets	241,073	234,276	239,842
Assets	323,522	315,407	324,107
Equity	132,354	128,942	129,301
Non-current liabilities	37,946	25,485	38,455
Current liabilities	153,221	160,979	156,351
Net debt	47,048	34,143	40,187
Net working capital	123,702	110,710	113,344
OTHER KEY FIGURES			
Investment in intangible assets	239	225	7,236
Investment in tangible assets	263	332	5,860
Cash flow from operating activities (CFFO)	[6,782]	[5,113]	4,803
Free cash flow	[7,284]	[1,715]	[8,293]
Average number of employees	196	206	195

Key figures and financial ratios*CONTINUED

DKK Thousands	Q1 2021	Q1 2020	2020
FINANCIAL RATIOS			
Gross profit margin	24.5%	24.4%	23.8%
Profit margin [EBIT margin]	4.0%	5.7%	5.1%
Liquidity ratio	157.3%	145.5%	153.4%
Equity ratio	40.9%	40.9%	39.9%
Return on equity	8.3%	13.5%	9.5%
Financial leverage	35.5%	26.5%	31.1%
Net debt to EBITDA*	2.1	1.3	1.7
NWC/Revenue	38.2%	30.7%	33.7%
Earnings per share	0.74	1.48	4.19
Equity value per share	42.9	41.8	41.9
Share price	59.8	38.0	49.8
Price-book ratio	1.4	0.9	1.2
Market capitalization	185,764	118,044	154,699
Order backlog	84,485	111,390	91,877

* For calculation of financial ratios please see page 10. Net working capital is calculated as Inventory, Trade receivables and Contract assets less Contract liabilities and Trade payables. Backlog represents revenue from signed contracts or orders executed but not yet completed or performed in full.

Key figures and financial ratios – EUR*

EUR Thousands	Q1 2021	Q1 2020	2020
INCOME STATEMENT			
Revenue	11,552	13,087	45,064
Gross profit	2,829	3,198	10,720
Operating profit (EBIT)	465	747	2,310
Net financial items	(127)	(110)	(414)
Profit before tax	339	637	1,896
Profit for the period	308	609	1,732
BALANCE SHEET			
Non-current assets	11,086	10,865	11,327
Current assets	32,414	31,373	31,240
Assets	43,500	42,238	43,567
Equity	17,796	17,267	17,381
Non-current liabilities	5,102	3,413	5,169
Current liabilities	20,602	21,558	21,017
Net interest-bearing debt	6,326	4,572	5,402
Net working capital	16,633	14,826	15,236
OTHER KEY FIGURES			
Investment in intangible and tangible assets	67	75	366
Cash flow from operating activities (CFFO)	(912)	(685)	786
Free cash flow	(979)	(230)	644
Average number of employees	196	210	191

Key figures and financial ratios – EUR* CONTINUED

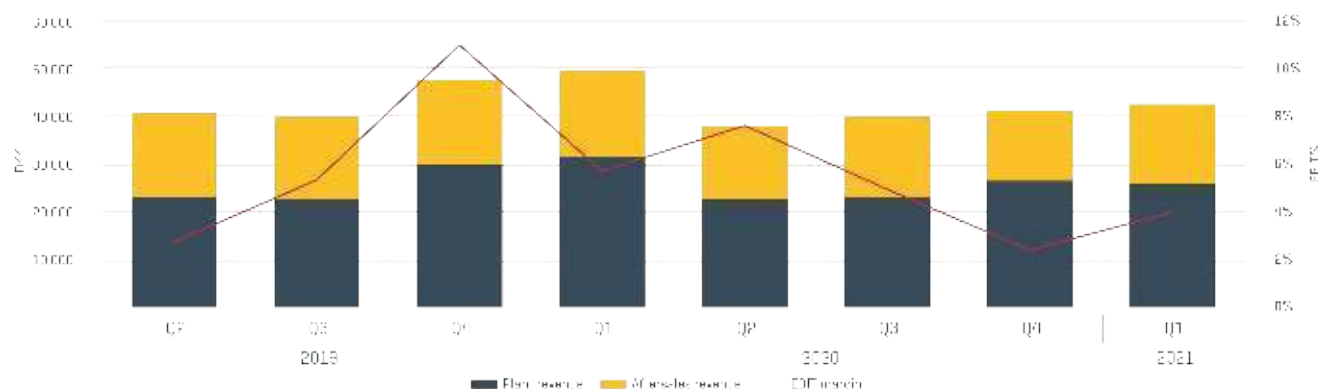
EUR Thousands	Q1 2021	Q1 2020	2020
FINANCIAL RATIOS			
Gross profit margin	24.5%	24.4%	23.8%
Profit margin (EBIT margin)	4.0%	5.7%	5.1%
Liquidity ratio	157.3%	145.5%	153.4%
Equity ratio	40.9%	40.9%	39.9%
Return on equity	8.3%	13.5%	9.5%
Financial leverage	35.5%	26.5%	31.1%
Net debt to EBITDA*	2.1	1.3	1.7
NWC/Revenue	38.2%	30.7%	33.7%
Earnings per share (EPS)	0.1	0.2	0.5
Equity value per share	5.8	5.6	5.6
Share price	8.0	5.1	6.69
Price-book ratio	1.4	0.9	1.2
Market cap	24,977	21,222	20,795
Order backlog	11,360	14,843	12,350

*On the translation of key figures and financial ratios from Danish kroner to euro, Danmarks Nationalbank's rate of exchange on 31 March 2021 of 743.93 has been used for balance sheet items, and the average rate of exchange of 743.72 has been used for income statement and cash flow on items.

3 FINANCIAL REVIEW Q1 2021

DKK Thousands	Q1 2021	Q1 2020	Change	Q4 2020	Change
Plant order revenue	51,688	63,132	[18.1%]	52,741	[2.0%]
Aftersales revenue	34,230	34,650	[1.2%]	30,503	12.2%
Total revenue	85,918	97,782	[12.1%]	83,244	3.2%
Production costs	[64,877]	[73,888]	[12.3%]	[66,899]	[3.0%]
Gross profit	21,041	23,894	[11.9%]	16,345	28.7%
Gross profit margin	24.5%	24.4%	0.1pp	19.6%	4.9pp
Distribution costs	[9,498]	[11,033]	[13.9%]	[7,169]	32.5%
Administrative expenses	[8,082]	[7,277]	11.1%	[6,964]	16.1%
Operating profit (EBIT)	3,461	5,584	[38.0%]	2,212	56.5%
Profit margin (EBIT margin)	4.0%	5.7%	[1.7pp]	2.6%	1.4pp
Profit for the period	2,289	4,549	[49.7%]	419	446%
Order backlog beginning of period	91,877	123,654	[25.7%]	94,900	[3.2%]
Order intake	78,526	85,518	[8.2%]	80,221	[2.1%]
Revenue	85,918	97,782	[12.1%]	83,244	3.2%
Order backlog end of period	84,485	111,390	[24.2%]	91,877	[8.0%]

Revenue and EBIT margin



As expected, SKAKO was still impacted by the Covid-19 pandemic in Q1 2021. However, after seeing decreasing revenue and EBIT-margins in H2 2020, we are now seeing improvements compared to Q4 2020. Compared to Q4 2020, revenue in Q1 2021 increased with 3.2% and the EBIT-margin increased from 2.6% in Q4 2020 to 4.0% in Q1 2021. We expect this development to continue through 2021. Q1 2020 was a very strong quarter that was only impacted by the Covid-19 pandemic in the last part of March while the entire Q1 2021 has been impacted. As a result, we have realized lower EBIT and EBIT-margin compared to Q1 2020. Since we expect the activity to return to the levels seen before Covid-19, we have chosen not to reduce the fixed cost base to same extent the decline in revenue resulting in a lower EBIT and EBIT-margin compared to Q1 2020. This is in accordance with our expectations for 2021 where we expect the majority of earnings to be realized in the second half of 2021 as business conditions improve. Despite a decline of 21.3% in revenue in Q1 2021 compared to Q1 2020, SKAKO Concrete managed to improve the EBIT-margin from 3.7% in Q1 2020 to 5.4% in Q1 2021 driving an improved result compared to Q1 2020. SKAKO Vibration had a slow start to 2021 but has seen activity and performance improve through Q1 2021. This development is expected to continue through Q2 2021. For a detailed financial review of each division, please see section 2.1 for SKAKO Concrete and section 3.1 for SKAKO Vibration.

Revenue

Compared to Q4 2020 revenue increased with 3.2% while revenue decreased with 12.1% in Q1 2021 compared to the same period last year. The decrease in revenue was realized in both divisions where SKAKO Concrete realized a decrease of 21.3% while SKAKO Vibration realized a decrease of 2.1% compared to Q1 2020.

Gross profit

Compared to Q4 2020 the gross profit margin increased with 4.9 percentage points. The improved gross profit margin is driven by improved project execution in SKAKO Concrete and a favourable product mix in Q1 2021 compared to Q4 2020. While revenue decreased with 12.1%, production costs decreased with 12.3% in Q1 2021 compared to the same period last year. This led to a gross profit margin of 24.5% in Q1 2021 (24.4% in Q1 2020) which represents an increase in gross profit margin of 0.1 percentage points compared to Q1 2020. The increase in gross profit margin is mainly due to an improvement of gross profit margin on plant orders and a favourable product mix in the Concrete Division. SKAKO Vibration realized a lower gross profit margin due to a lower revenue and execution of plant orders with lower margins.

Capacity costs

Due to increased sales activities, to support future growth and increased cost for communication and visual identity, we have seen increased capacity costs compared to Q4 2020. Distribution costs decreased with 13.9% in Q1 2021 compared to the same period last year, and administrative expenses increased by 11.1% in Q1 2021 compared to Q1 2020. The decrease in distribution expenses in Q1 2021 is primarily due to limited traveling and exhibition activities compared to Q1 2020 while the increase in administrative costs is due to increased costs for communication and visual identity.

Operating profit

Operating profit (EBIT) for Q1 2021 amounted to DKK 3.5m compared to DKK 2.2m in Q4 2020 and DKK 5.6m in Q1 2020. The lower operating profit (EBIT) in Q1 2021 compared to Q1 2020 is primarily due to a 12.1% decrease in revenue. Since we expect the activity to return to the levels seen before Covid-19, we have chosen not to reduce the fixed cost base to the same extent as the decline in revenue resulting in a lower EBIT and EBIT-margin compared to Q1 2020. The positive results are generated in both divisions where the Concrete Division has realized an EBIT of DKK 2.2m in Q1 2021 compared to an EBIT of DKK 1.9m in Q1 2020 while the Vibration Division has realized an EBIT of DKK 1.9 in Q1 2021 compared to an EBIT of DKK 4.1m in Q1 2020.

Order intake and backlog

In Q1 2021, order intake amounted to DKK 78.5m which is a decrease of 2.1% compared to Q4 2020 and a decrease of 8.2% compared to the same period last year. The order backlog at the beginning of Q2 2021 amounts to DKK 84.5m which is a decline of 12.1% compared to the order backlog at the beginning of Q2 2020. Due to the restrictions and uncertainties resulting from the Covid-19 pandemic our order intake has been limited in Q4 2020 and Q1 2021. We expect this to improve in the rest of 2021 to support our expectations to the year.

Cash flow developments

In the first three months of 2021, SKAKO generated cash flow from operating activities (CFFO) of DKK -6.8m compared to DKK 14.7m in Q4 2020 and DKK -5.1m in Q1 2020. The negative cash flow is primarily due to an increase in receivables from customer contracts that have not yet reached contractual milestones for invoicing while we have also reduced trade payables and seen a small increase in inventories.

Equity

The Group's equity was DKK 132.4m on 31 March 2021 (DKK 128.9m on 31 March 2020) corresponding to an equity ratio of 40.9% (40.9% on 31 March 2020). The increase in equity compared to the beginning of 2021 (DKK 129.3 on 31 December 2020) is mainly due to profit for the period of DKK 2.3m and a favourable development in exchange rates for USD and GBP.

ROIC

As of 31 March 2021, return on invested capital (rolling four quarters) amounted to 8.3% compared to 13.5% as of 31 March 2020. The reduction in return on invested capital is due to the lower result in period Q2 2020 to Q1 2021 that was impacted by Covid-19 compared to the period Q2 2019 to Q1 2020 and an increase in average invested capital. Average invested capital increased as a result of investments in Dartek and Conparts in Q4 2019 and Q4 2020.

Balance sheet

As of 31 March 2021, the Group's assets totalled DKK 323.5m [31 March 2020: 315.4m]. The increase in assets is primarily due an increase in cash.

Non-current assets increased by DKK 1.3m and amounted to DKK 82.4m [31 March 2020: DKK 81.1], while current assets increased by DKK 6.8m to DKK 241.1m [31 March 2020: DKK 234.3m].

Net debt increased by DKK 12.9m and totalled DKK 47.0m on 31 March 2021 [31 March 2020: DKK 34.1m]. The increase in net debt is due to the acquisition of Conparts ApS in Q4 2020 and a negative cash flow from operations in Q1 2021. The ratio of net debt to EBITDA amounts to 2.1 compared to 1.3 on 31 March 2020 and 1.7 at the end of 2020. It is our ambition to keep the ratio of net debt to EBITDA below 2.5.

Current liabilities amounted to DKK 153.5m [31 March 2020: DKK 161.0m]. The decrease in current liabilities is primarily due to a reduction in trade payables, prepayments from customers on construction contracts and other payables while banks loans and credit facilities has increased.

Events after the balance sheet date

There have been no events that materially affect the assessment of this interim report after the balance sheet date and up to today.

Outlook 2021

We maintain our guidance for 2021 as communicated in the annual report.

Based on market and business conditions, we are guiding for an operating profit (EBIT) of DKK 18-23m in 2021. Our expectations are back-end loaded, and we therefore expect the majority of earnings to be realized in H2 2021.

Due to the dynamic and unpredictable development of the Covid-19 situation and its effects on economies, this guidance is subject to a higher-than-normal degree of uncertainty.

The guidance is based on the assumption of continued gradual improvements of the market conditions during 2021 with no new material adverse events affecting the global economies.

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 2020 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 2021. We refer to the notes to the annual report for a description of material estimates and assumptions.

Compared with the description in Annual Report 2020, there have been no changes in the accounting estimates and assumptions made by Management in the preparation of the interim report.

Financial ratios

Financial ratios are calculated as follows:

- Gross profit margin = $\text{Gross profit} \times 100 / \text{Revenue}$
- Profit margin = $\text{EBIT} \times 100 / \text{Revenue}$
- Liquidity ratio = $\text{Total current assets} \times 100 / \text{Total current liabilities}$
- Equity ratio = $\text{Total equity} \times 100 / \text{Total assets}$
- Return on equity = $\text{Profit for the period} \times 100 / [\text{Equity this year} + \text{equity prior year}] / 2^*$
- Financial leverage = $\text{Net interest-bearing debt} \times 100 / \text{Equity}$
- Net debt to EBITDA = $\text{Net debt} / \text{EBITDA} [\text{EBIT less depreciations}]^*$
- NWC/Revenue = $\text{Net working capital} \times 100 / \text{Revenue}^*$
- Earnings per share = $\text{Profit for the period} / \text{Shares in free flow}$
- Equity value per share = $\text{Equity} / \text{Total shares}$
- Share price = Share price at end of period
- Price-book ratio = $\text{Share price} / \text{Equity per share}$
- Market capitalization = $\text{Total number of share} \times \text{Share price}$
- ROIC = $\text{NOPAT} / [\text{Invested capital this year} + \text{invested capital prior year}] / 2^*$
- NOPAT = $\text{Profit for the period} +/- \text{net financial income}^*$
- Invested capital = $\text{Total assets} - \text{net cash and credits} - \text{deferred tax assets} - \text{non-interest-bearing current liabilities}$

*Measured over a 12-month period [1 April 2020 to 31 March 2021]

4 BUSINESS UNIT CONCRETE

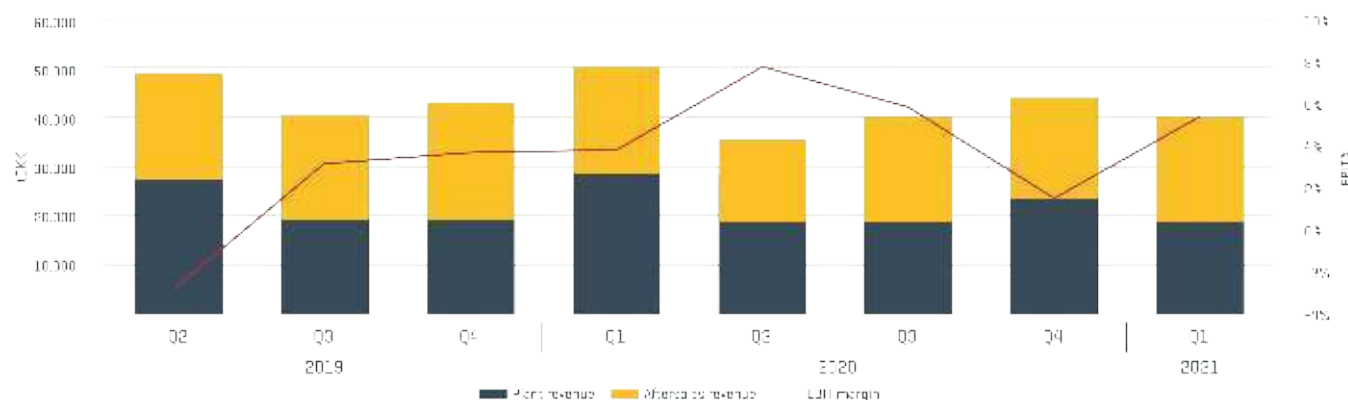


Q1 2021 FINANCIAL REVIEW

SKAKO CONCRETE

DKK million	Q1 2021	Q1 2020	Change	Q4 2020	Change
Plant order revenue	17.1	28.4	[39.8%]	24.5	[30.2%]
Aftersales revenue	22.8	22.3	2.2%	21.1	[8.1%]
Total revenue	39.9	50.7	[21.3%]	45.6	[12.5%]
Gross profit	8.5	8.9	[4.5%]	8.5	0.0%
Gross profit margin	21.3%	17.5%	3.8pp	19.6%	1.7pp
Operating profit (EBIT)	2.2	1.9	15.8%	0.7	214.3%
EBIT margin	5.4%	3.7%	1.7pp	1.5%	3.9pp
Order book, beginning	34.5	64.6	[46.6%]	42.9	[19.6%]
Order intake	35.9	33.5	7.2%	37.2	[3.5%]
Order book, ending	30.5	47.4	[33.5%]	34.5	[11.6%]

Revenue and EBIT margin



Financial performance in Q1 2021

The reoccurrence of Covid-19 in Q4 2020 still impacted SKAKO Concrete in Q1 2021. Despite a decrease in revenue compared to Q1 and Q4 2020, SKAKO Concrete managed to increase the EBIT-margin compared to both quarters. The EBIT-margin was realized with 5.4% in Q1 2021 compared to 1.5% in Q4 2020 and 3.7% in Q1 2020. This is in line with our strategic initiatives presented in the annual report for 2020. The lower plant order intake in Q4 2020 due to the Covid-19 pandemic resulted in a decrease in revenue from plant orders in Q1 2021. This is in accordance with our expectations for 2021 where we also expect order intake to increase through the rest of 2021 as restrictions and uncertainties from Covid-19 are expected to ease.

Revenue from plant orders decreased with 39.8% while aftersales revenue increased with 2.2% compared to Q1 2020. In total, revenue decreased with 21.3% compared to Q1 2020. The decrease in revenue from plant orders is mainly due to a lower order backlog at the beginning of 2021 compared to the beginning of 2020. Also, revenue from plant orders in Q1 2020 was higher than usual. Gross profit and gross profit margin were realized with DKK 8.5m and 21.3% compared to DKK 8.9m and 17.5% in Q1 2020. The increase in gross profit margin is mainly due to improved margins on plant orders and revenue mix between plant orders and aftersales. Aftersales revenue has a higher contribution margin than revenue from plant orders.

EBIT and EBIT-margin were realized with DKK 2.2m and 5.4% compared to DKK 1.9m and 3.7% in Q1 2020. The increase in EBIT and EBIT margin is mainly due to improved margins on plant orders and revenue mix between plant orders and aftersales. Capacity cost savings also contributed towards an improved margin.

Order intake amounted to DKK 35.9 m in Q1 2021 which is an increase of 7.2% compared to Q1 2020. Even though order intake increased compared to Q1 2020, uncertainties resulting from the reoccurrence of Covid-19 in Q4 2020 have also had an effect on order intake in Q1 2021 where final decisions were postponed. As restrictions and uncertainties from Covid-19 are expected to ease through the rest of 2021, we also expect to see order intake improve.

Strategic initiatives

During Q1 2021 we have continued implementation of our strategic master plan and its five overall tracks with individual task forces. Primary focus is on development of primary markets and increased focus on customers and plant orders to provide sustainable solutions and optimized products. Implementation of the strategic master plan is on track.



5 BUSINESS UNIT VIBRATION

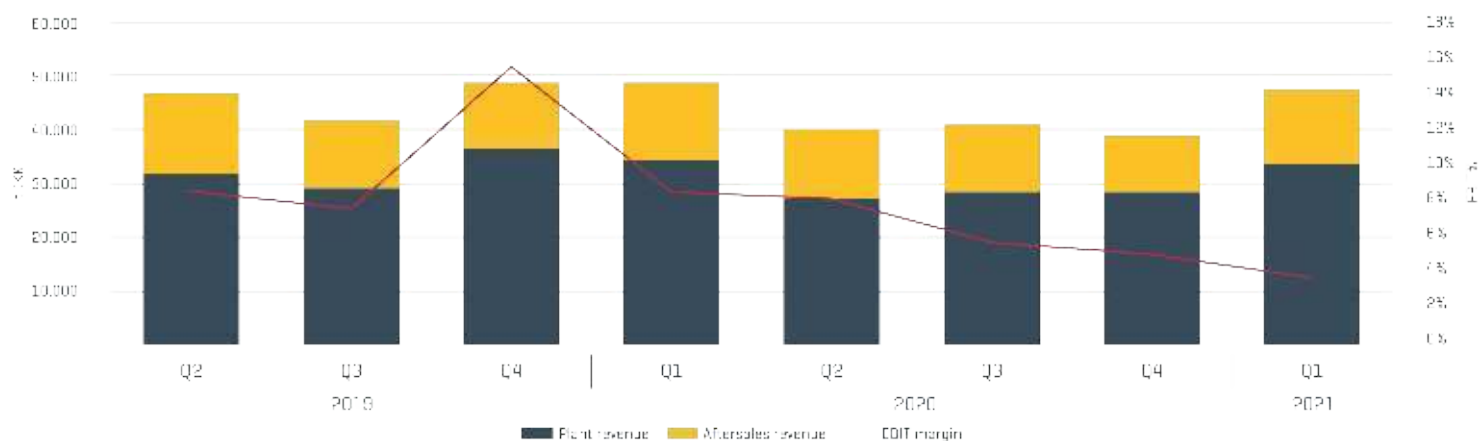


Q1 2021 FINANCIAL REVIEW

SKAKO VIBRATION

DKK million	Q1 2021	Q1 2020	Change	Q4 2020	Change
Plant revenue	34.9	35.1	[0.6%]	28.7	21.6%
Aftersales revenue	12.1	12.9	[6.2%]	10.3	17.5%
Total revenue	47.0	48.0	[2.1%]	39.0	20.5%
Gross profit	11.9	14.0	[15.0%]	7.8	52.6%
Gross profit margin	25.4%	29.2%	[3.8pp]	20.0%	5.4pp
Operating profit (EBIT)	1.9	4.1	[51.2%]	2.0	[5.0%]
EBIT margin	4.0%	8.6%	[4.6pp]	5.1%	[1.1pp]
Order book, beginning	58.6	60.0	[2.3%]	53.0	10.6%
Order intake	42.8	52.9	[19.1%]	44.6	[4.0%]
Order book, ending	54.3	65.0	[16.5%]	58.6	[7.3%]

Revenue and EBIT margin



Financial performance in Q1 2021

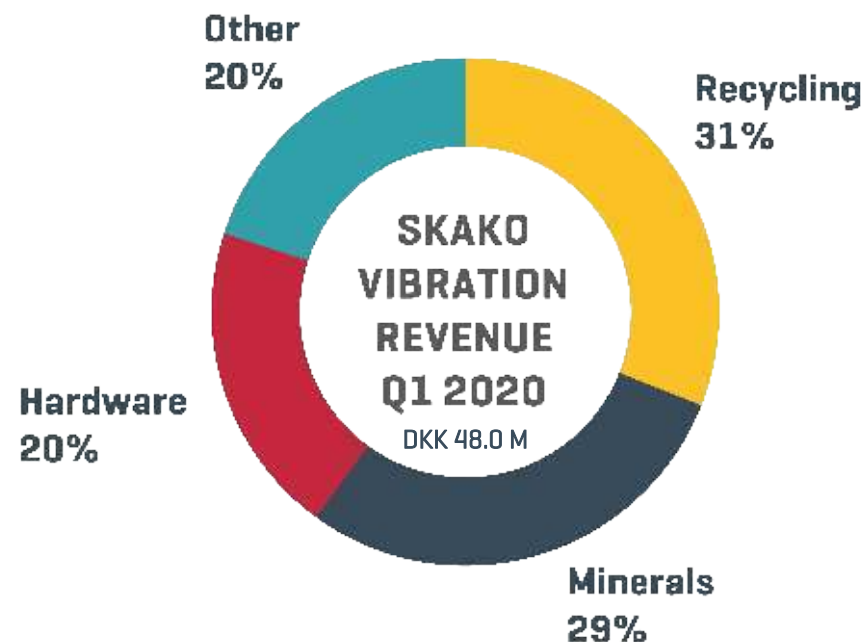
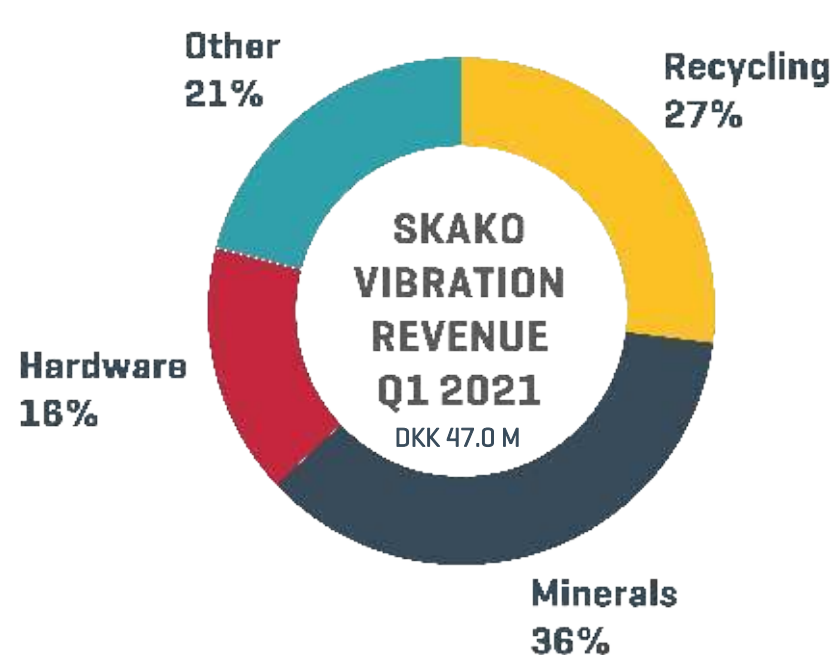
The reoccurrence of Covid-19 in Q4 2020 still impacted SKAKO Vibration in Q1 2021. However, the hardware segment has seen activity increase compared to Q4 2020 and has shown a strong performance in the last part of Q1 2021. In general, activity and performance have been improving in all segments through Q1 2021 with EBIT-margins also improving through the quarter. With increasing activity in the minerals and recycling segments, we expect this trend to continue through Q2 2021 driving improved earnings for SKAKO Vibration in the rest of 2021. Restrictions and uncertainties in many European countries due to the Covid-19 pandemic resulted in reduced revenue from the minerals and recycling segments. This is, however, in accordance with our expectations for 2021 where we expect to see improved market conditions in the rest of 2021 as restrictions and uncertainties from Covid-19 are expected to ease. As communicated in our guidance for 2021, our expectations for the year are back-end loaded.

Revenue from plant orders decreased with 0.6% while aftersales revenue decreased with 6.2% compared to Q1 2020. In total, revenue decreased with 2.1% compared to Q1 2020. While revenue from plant orders is close to the level from Q1 2020, the decrease in revenue from aftersales is mainly due to uncertainties resulting from the resurgence of Covid-19 in Q4 2020 carrying into Q1 2021.

Gross profit and gross profit margin were realised with DKK 1.9m and 25.4% compared to DKK 4.1m and 29.2% in Q1 2020. The decrease in gross profit is a result of lower revenue and a lower gross profit margin. The lower gross profit margin is due to the fact that we executed and delivered plant orders with high margin in Q1 2020 compared to Q1 2021. Furthermore, the largest decrease in revenue comes from aftersales where we generally obtain higher margins than on plant orders.

EBIT and EBIT margin were realized with DKK 1.9m and 4.0% compared to DKK 4.1m and 8.6% in Q1 2020. The lower EBIT and EBIT margin is mainly due to the decrease in gross profit.

Order intake amounted to DKK 42.8 m in Q1 2021 which is a decrease of 19.1% compared to Q1 2020. Uncertainties resulting from the reoccurrence of Covid-19 have had an effect on order intake in Q1 2021 where final decisions were postponed. As restrictions and uncertainties from Covid-19 are expected to ease through the rest of 2021, we also expect to see order intake improve.



Hardware segment

Investments in the hardware segment started to rise again in January compared to end of 2020. This industry segment is strongly linked to the automotive segment which was driven by Chinese growth during this first quarter of the year. Thanks to our strong reputation in this field, we have immediately benefited from the renewed confidence in the future of our customers in terms of order intake but our revenue in this segment in Q1 declined due to the low order intake in the previous quarter.

Mineral segment

Although industries of North African countries have not fully restarted in the first quarter of 2021, our share of turnover increased mainly due to the significant orders we received from mineral customers in Q4 2020.

At the start of the year, this segment showed some uncertainties, but the current price rise of raw materials should unblock the situation and significantly increase the level of investments in Europe and Africa.

Recycling segment

The share of recycling in our turnover increased considerably last year, in line with SKAKO Vibration's strategy. This share fell slightly during the first quarter 2021 although we were able to continue to deliver the equipment for the large order for Tapojärvi in Italy despite the limitations caused by Covid-19.

The latest figures from our order intake show an upturn in activity in this segment, which is also linked to commodity prices, although less directly than the mineral segment, and we expect to see increased revenue from this segment in the coming quarters.

6 FINANCIAL STATEMENTS



6.1 STATEMENT BY MANAGEMENT

We have considered and approved the interim report of SKAKO A/S for the period 1 January – 31 March 2021.

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 2020 of SKAKO A/S. Furthermore, the interim report for the period 1 January – 31 March 2021 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 31 March 2021 and of the results of the Group's operations and cash flows for the first three months of 2021.

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, 25 May 2021

Executive Board

Steffen Kremmer
Director

Lionel Girieud
Director

Morten Kofod-Jensen
Group CFO

Board of Directors

Jens Wittrup Willumsen
Chairman

Lars Tveen
Deputy Chairman

Carsten Krogsgaard Thomsen

Christian Herskind Jørgensen

Sophie Louise Knauer

6.2 CONSOLIDATED INCOME STATEMENT

DKK Thousands	Q1 2021	Q1 2020	2020
Revenue from contracts with customers	85,918	97,782	335,920
Production costs	[64,877]	[73,888]	[256,006]
Gross profit	21,041	23,894	79,914
Distribution costs	[9,498]	[11,033]	[35,039]
Administrative expenses	[8,082]	[7,277]	[27,655]
Operating profit (EBIT)	3,462	5,584	17,220
Financial income	-	3	461
Financial expenses	[943]	[828]	[3,545]
Profit before tax	2,518	4,759	14,136
Tax on profit for the period	[229]	[210]	[1,228]
Profit for the period	2,289	4,549	12,908
Profit for the period attributable to SKAKO A/S shareholders	2,289	4,549	12,908
Earnings per share [EPS], DKK	0.74	1.48	4.19
Diluted earnings per share [EPS], DKK	0.74	1.48	4.19

6.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK Thousands	Q1 2021	Q1 2020	2020
Profit for the year	2,289	4,549	12,908
Other comprehensive income:			
Items that have been or may subsequently be reclassified to the income statement:			
Foreign currency translation, subsidiaries	748	[183]	[1,453]
Value adjustments of hedging instruments	[7]	35	146
Other comprehensive income	741	[148]	[1,307]
Comprehensive income	3,030	4,401	11,601
Comprehensive income attributable to SKAKO A/S shareholders	3,030	4,401	11,601

6.4 CONSOLIDATED BALANCE SHEET

31 MARCH

DKK Thousands	31 March 2021	31 March 2020	31 December 2020
Intangible assets	38,102	33,656	38,961
Intangible assets under development	2,465	5,049	2,226
Intangible assets	40,567	38,705	41,187
Leased assets	9,589	9,499	9,874
Land and buildings	5,916	5,674	5,988
Plant and machinery	762	494	807
Operating equipment, fixtures and fittings	2,534	3,209	2,909
Leasehold improvements	510	296	528
Tangible assets under construction	58	56	454
Property, plant and equipment	19,369	19,228	20,560
Other receivables	1,516	1,442	1,521
Deferred tax assets	20,997	21,754	20,997
Other non-current assets	22,513	23,196	22,518
Total non-current assets	82,449	81,129	84,265
Inventories	57,447	60,251	55,126
Trade receivables	73,879	63,986	73,439
Contract assets	69,370	83,944	66,376
Income tax	598	797	610
Other receivables	9,297	6,026	7,792
Prepaid expenses	2,414	4,134	3,079
Other investments	-	74	-
Cash	28,068	15,065	33,420
Current assets	241,073	234,277	239,842
Assets	323,522	315,406	324,107

Consolidated balance sheet 31 March CONTINUED

DKK Thousands	31 March 2021	31 March 2020	31 December 2020
Share capital	31,064	31,064	31,064
Foreign currency translation reserve	[476]	46	[1,224]
Hedging reserve	177	73	184
Proposed dividends	9,252	-	9,252
Retained earnings	92,337	97,759	90,025
Equity	132,354	128,942	129,301
Other payables	6,269	-	6,270
Leasing	5,803	6,418	6,556
Loans and borrowings	22,399	15,383	22,326
Provisions	3,475	3,685	3,303
Non-current liabilities	37,946	25,486	38,455
Loans and borrowings	9,195	8,595	10,118
Bank loans and credit facilities	34,535	15,634	31,261
Leasing	3,183	3,179	3,346
Provisions	1,936	1,986	1,997
Contracts liabilities	6,704	18,075	6,051
Trade payables	70,290	79,395	75,546
Income tax	611	247	450
Other liabilities	26,768	33,867	27,582
Current liabilities	153,222	160,978	156,351
Liabilities	191,168	186,464	194,806
EQUITY AND LIABILITIES	323,522	315,406	324,107

6.5 CONSOLIDATED CASH FLOW STATEMENT

DKK Thousands	Q1 2021	Q1 2020	2020
Profit before tax	2,519	4,759	14,133
Adjustments	3,707	2,487	9,112
Changes in receivables, etc.	[4,269]	[9,511]	[1,531]
Change in inventories	[2,321]	[447]	4,678
Change in trade payables and other liabilities, etc.	[5,419]	[2,045]	[17,933]
Cash flow from operating activities before financial items and tax	[5,783]	[4,757]	8,459
Financial items received and paid	[943]	[825]	[3,084]
Taxes paid and received	[53]	469	[572]
Cash flow from operating activities	[6,779]	[5,113]	4,803
Investment in intangible assets	[239]	[225]	[2,729]
Investment in tangible assets	[263]	[332]	[5,860]
Acquisition of entities	-	-	[4,507]
Cash flow from investing activities	[502]	3,398	[13,096]
New borrowings	263	-	19,282
Repayments	[2,029]	[1,021]	[8,382]
Paid interim dividends	-	-	[6,168]
Change in short-term bank facilities	3,274	[4,743]	10,884
Cash flow from financing activities	1,508	[9,719]	15,616
Change in cash and cash equivalents	[5,773]	[11,434]	7,323
Cash and cash equivalents beginning of the period	33,420	26,559	26,560
Foreign exchange adjustment, cash and cash	421	13	[463]
Cash and cash equivalents at the end of the period	28,068	15,138	33,420
Breakdown of cash and cash equivalents at the end of the year:			
Cash and other investments	28,068	15,138	33,420
Cash and cash equivalents at the end of the year:	28,068	15,138	33,420

6.6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Proposed dividends	Equity
Equity 1 January 2021	31,064	[1,224]	184	90,025	9,252	129,301
Comprehensive income in Q1 2021:						
Profit for the period				2,289		2,289
Other comprehensive income:						
Foreign currency translation adjustments, subsidiaries		748				748
Value adjustments of hedging instruments			[7]			[7]
Other comprehensive income	-	748	[7]		-	741
Comprehensive income, period	-	748	[7]	2,289	-	3,030
Share-based payment, warrants	-	-	-	23	-	23
Equity at the end of period	31,064	[476]	177	92,337	9,252	132,354

Consolidated statement of changes in equity CONTINUED

	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity
Equity 1 January 2020	31,064	229	38	93,086	124,417
Comprehensive income in 2020:					
Profit for the period				4,549	4,549
Other comprehensive income:					
Foreign currency translation adjustments, subsidiaries		[183]			[183]
Value adjustments of hedging instruments			35		35
Other comprehensive income	-	[183]	35	-	[148]
Comprehensive income, period	-	[183]	35	4,549	4,401
Share-based payment, warrants				124	124
Equity at the end of the period	31,064	46	73	97,759	128,942

6.7 SEGMENT INFORMATION

Q1 2021	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Revenue, external	39,889	46,029	-	-	85,918
Revenue, internal		986	-	(986)	-
Total revenue	39,888	47,015		(986)	85,918
Depreciations	(683)	(1,118)		-	(1,801)
Operating profit (EBIT)	2,153	1,885	(576)	-	3,462
Order backlog, beginning	34,496	42,423	-	(1,212)	91,877
Order intake	35,859	42,756	-	(89)	78,526
Order backlog, ending	30,467	54,334	-	(316)	84,485
Segment non-current assets	36,008	42,423	4,018		82,449
Segment assets	125,450	196,975	4,670	(3,572)	323,523
Segment liabilities	54,887	134,949	4,904	(3,572)	191,168
Investments in intangible and tangible asset	239	263	-	-	502
Average number of employees	86	110	-	-	196

Segment information CONTINUED

Q1 2020	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Revenue, external	50,657	47,125	-	-	97,782
Revenue, internal	3	833	-	(836)	-
Total revenue	50,660	47,958	-	(836)	97,782
Depreciations	(564)	(741)	-	-	(1,305)
Operating profit (EBIT)	1,871	4,125	(412)		5,584
Order backlog, beginning	64,571	60,014	-	(931)	123,654
Order intake	33,454	52,946	-	(882)	85,518
Order backlog, ending	47,365	65,002	-	(977)	111,390
Segment non-current assets	30,698	46,402	4,029		46,402
Segment assets	123,422	192,558	4,536	(5,110)	315,406
Segment liabilities	53,356	133,753	4,991	(5,110)	190,419
Investments in intangible and tangible asset	391	166	-	-	557
Average number of employees	96	114	-	-	210

6.8 QUARTERLY KEY FIGURES AND FINANCIAL RATIOS

DKK Thousands	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Full year 2020
INCOME STATEMENT						
Revenue	85,918	83,244	79,968	74,926	97,782	335,919
Gross profit	21,041	16,345	18,998	20,677	23,894	79,913
Operating profit (EBIT)	3,461	2,212	3,926	5,497	5,584	17,220
Net financial items	[943]	[1,271]	[500]	[488]	[825]	[3,084]
Profit before tax	2,518	942	3,426	5,009	4,759	14,136
Profit for the year	2,289	419	3,065	4,875	4,549	12,908
BALANCE SHEET						
Non-current assets	82,449	84,265	80,342	80,941	81,130	84,265
Current assets	241,073	239,842	249,485	236,325	234,276	239,842
Assets	323,522	324,107	329,832	317,267	315,407	324,107
Equity	132,354	129,301	136,224	133,337	128,942	129,301
Non-current liabilities	37,946	38,455	24,518	24,925	25,485	38,455
Current liabilities	153,221	156,351	169,090	159,004	160,979	156,351
Net debt	47,048	40,187	40,203	29,972	34,143	40,187
Net working capital	123,702	113,344	132,803	122,675	110,710	113,344
OTHER KEY FIGURES						
Investment in intangible and tangible assets	502	10,695	988	856	557	13,096
Cash flow from operating activities (CFFO)	[6,782]	[14,725]	9,279	4,525	[5,113]	4,803
Free cash flow	[7,284]	[482]	[10,267]	4,226	[1,715]	[8,293]
Average number of employees	196	195	206	204	210	195

Quarterly key figures and financial ratios CONTINUED

DKK Thousands	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Full year 2020
FINANCIAL RATIOS						
Gross profit margin	24.5%	19.6%	23.8%	27.6%	24.4%	23.8%
Profit margin [EBIT margin]	4.0%	2.7%	4.9%	7.3%	5.7%	5.1%
Liquidity ratio	157.3%	153.4%	147.5%	148.6%	145.5%	153.4%
Equity ratio	40.9%	39.9%	41.3%	42.0%	40.9%	39.9%
Return on equity	8.3%	16.9%	15.1%	16.0%	13.6%	16.9%
Financial leverage	35.5%	31.1%	29.5%	22.5%	26.5%	31.1%
NWC/revenue	38.2%	33.7%	38.1%	35.7%	30.7%	33.7%
Earnings per share	0.74	0.13	0.99	1.58	1.48	4.18
Equity value per share	42.9	41.9	44.2	43.2	41.8	41.9
Share price	59.8	49.8	43.9	40.2	38.0	49.8
Price-book ratio	1.4	1.2	1.0	0.9	0.9	1.2
Market capitalisation	185,764	154,700	136,372	124,878	118,044	154,700

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