

# SKAKO

## INTERIM REPORT H1

# 2022

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Accounting period:  
1. January – 30. June 2022

Strong order inflow continued in H1 increasing order backlog with 174%. Growth in revenue and EBIT in H1 of 15% and 43%.

### Revenue

[DKKm]

H1: 202.6 [+14.9%]

Q2: 106.6 [+17.8%]

### EBIT

[DKKm]

H1: 10.8\* [+43.1%]

Q2: 5.3\* [+28.5%]

\*Before special items

### EBIT margin

H1: 5.3%\* [+1.0pp]

Q2: 5.0%\* [+0.5pp]

\*Before special items

### ROIC

H1: 11.1% [+4.1pp]

### Order backlog

[DKKm]

H1: 209.6 [+174%]

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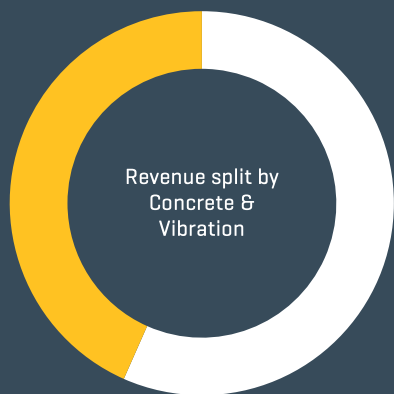
## Important notice about this document

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.

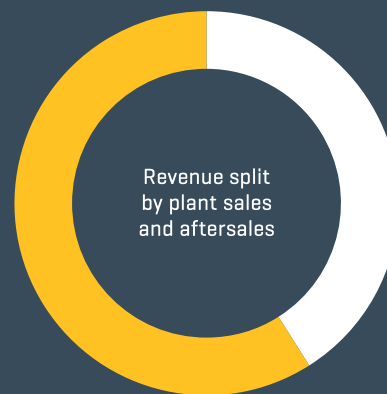
# 1 Q2 2022 IN BRIEF

Order intake [DKKm]	Order backlog [DKKm]	Revenue [DKKm]	EBIT before spec. items [DKKm]	EBIT margin before spec items	Earnings per share [DKK]	Employees	ROIC
163.2	209.6	106.6	5.3	5.0%	0.72	205	11.1%
+98% from Q2 2021	+174% from Q2 2021	+18% from Q2 2021	+29% from Q2 2021	+0.5pp from Q2 2021	-0.39 from Q2 2021	Up from 203 in Q1 2022	+4.1pp from Q2 2021

**SKAKO Concrete** **SKAKO Vibration**  
**DKK 46.7m** **DKK 61.0m**  
 EBIT margin 5.1% EBIT margin 6.4%



**Plant sales** **Aftersales**  
**DKK 62.9m** **DKK 43.7m**



## 2 KEY FIGURES AND FINANCIAL RATIOS

DKK thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
<b>INCOME STATEMENT</b>					
Revenue	106,584	90,476	202,601	176,394	363,706
Gross profit	26,334	21,637	51,663	42,678	92,408
Operating profit (EBIT) before special items	5,270	4,102	10,825	7,564	20,323
Special items	-1,650	0	-1,650	0	0
Operating profit (EBIT)	3,620	4,102	9,175	7,564	20,323
Net financial items	-1,266	-476	-1,738	-1,419	-4,906
Profit before tax	2,354	3,626	7,437	6,145	15,417
Profit for the period	2,222	3,410	5,838	5,700	13,189
<b>BALANCE SHEET</b>					
Non-current assets	79,865	82,561	79,865	82,561	84,216
Current assets	246,078	223,987	246,078	223,938	254,804
Assets	325,943	306,547	325,943	306,499	339,020
Equity	127,923	124,490	127,923	124,441	132,237
Non-current liabilities	30,056	37,804	30,056	37,805	29,122
Current liabilities	167,965	144,255	167,965	144,253	177,661
Net debt	30,171	50,167	30,171	50,167	26,987
Net working capital	106,488	117,647	106,488	117,647	105,703
<b>OTHER KEY FIGURES</b>					
Investment in intangible assets	1,238	1,026	1,473	1,265	3,962
Investment in tangible assets	540	501	1,005	764	3,504
Cash flow from operating activities (CFFO)	10,542	7,761	10,432	979	30,276
Free cash flow	8,763	6,234	7,953	-1,049	22,810
Average number of employees	205	198	205	198	199

# Key figures and financial ratios CONTINUED

DKK thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
<b>FINANCIAL RATIOS</b>					
Gross profit margin	24.7%	23.9%	25.5%	24.2%	25.4%
Profit margin [EBIT margin] before special items	5.0%	4.5%	5.3%	4.3%	5.6%
Profit margin [EBIT margin]	3.4%	4.5%	4.5%	4.3%	5.6%
Liquidity ratio	145.6%	155.3%	145.6%	155.3%	143.4%
Equity ratio	39.0%	40.6%	39.0%	40.6%	39.0%
Return on equity	10.6%	7.4%	10.6%	7.4%	10.2%
ROIC	11.1%	7.0%	11.1%	7.0%	10.3%
Financial leverage	24.2%	40.3%	24.2%	40.3%	20.4%
Net debt to EBITDA	1.1	2.4	1.1	2.4	1.0
NWC/Revenue	27.3%	34.6%	27.3%	34.6%	29.1%
Earnings per share	0.72	1.11	1.89	1.85	4.28
Equity value per share	41.48	40.4	41.5	40.4	42.9
Share price	55.0	57.0	55.0	57.0	55.2
Price-book ratio	1.3	1.4	1.3	1.4	1.3
Market capitalization	170,853	177,066	170,853	177,066	171,474
Order backlog	209,582	76,393	209,582	76,392	122,309

\* 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

€ thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
<b>INCOME STATEMENT</b>					
Revenue	14,326	12,161	27,231	23,719	48,885
Gross profit	3,539	2,908	6,944	5,739	12,420
Operating profit (EBIT) before special items	708	552	1,455	1,017	2,732
Special items	-222	0	-222	0	0
Operating profit (EBIT)	487	552	1,233	1,017	2,732
Net financial items	-170	-64	-234	-191	-659
Profit before tax	316	488	1,000	826	2,072
Profit for the year	299	459	785	766	1,773
<b>BALANCE SHEET</b>					
Non-current assets	10,735	11,103	10,735	11,103	11,319
Current assets	33,075	30,115	33,075	30,115	34,248
Assets	43,810	41,217	43,810	41,217	45,567
Equity	17,194	16,734	17,194	16,734	17,774
Non-current liabilities	4,040	5,084	4,040	5,084	3,914
Current liabilities	22,576	19,399	22,576	19,399	23,879
Net debt	4,055	6,746	4,055	6,746	3,627
Net working capital	14,313	15,821	14,313	15,821	14,207
<b>OTHER KEY FIGURES</b>					
Investment in tangible and intangible assets	239	205	333	273	1,003
Cash flow from operating activities (CFFO)	1,417	1,044	1,420	132	4,069
Free cash flow	1,178	838	1,087	-141	3,066
Average number of employees	205	198	205	198	199

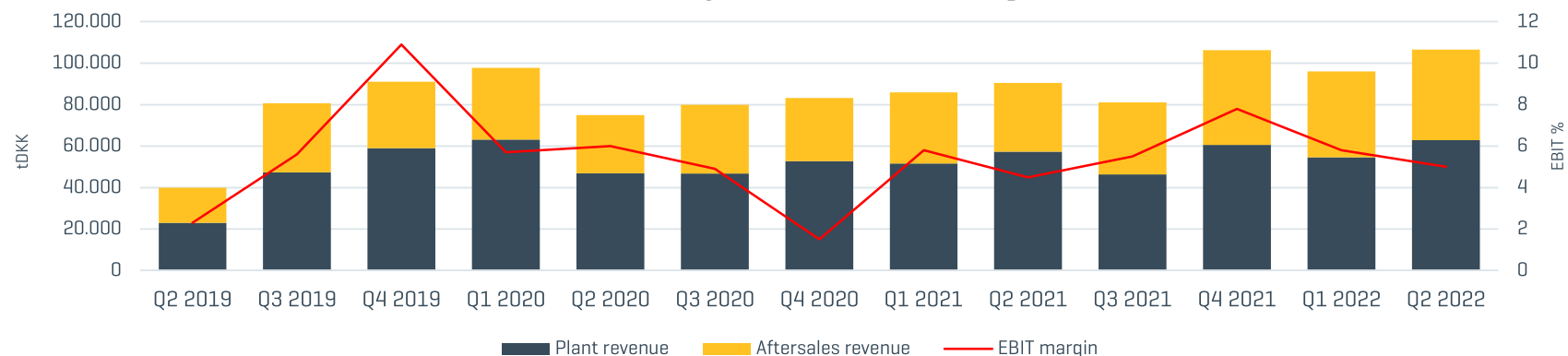
# Key figures and financial ratios – EUR CONTINUED

€ thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
<b>FINANCIAL RATIOS</b>					
Gross profit margin	24.7%	23.9%	25.5%	24.2%	25.4%
Profit margin (EBIT margin) before special items	5.0%	4.5%	5.3%	4.3%	5.6%
Profit margin (EBIT margin)	3.4%	4.5%	4.5%	4.3%	5.6%
Liquidity ratio	145.6%	155.3%	145.6%	155.3%	143.4%
Equity ratio	39.0%	40.6%	39.0%	40.6%	39.0%
Return on equity	10.6%	7.4%	10.6%	7.4%	10.2%
ROIC	11.1%	7.0%	11.1%	7.0%	10.3%
Financial leverage	24.2%	40.3%	24.2%	40.3%	20.4%
Net debt to EBITDA	1.1	2.4	1.1	2.4	1.0
NWC/Revenue	27.3%	34.6%	27.3%	34.6%	29.1%
Earnings per share	0.10	0.15	0.25	0.25	0.57
Equity value per share	5.58	5.4	5.58	5.4	5.76
Share price	7.39	7.67	7.39	7.67	7.42
Price-book ratio	1.33	1.4	1.33	1.4	1.29
Market capitalization	22,964	23,811	22,964	23,811	23,047
Order backlog	28,170	10,273	28,170	10,273	16,439

# 3 FINANCIAL REVIEW Q2 2022

DKK thousands	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change
Plant sales revenue	62,872	57,244	9.8%	117,439	108,932	7.8%
Aftersales revenue	43,712	33,232	31.5%	85,162	67,462	26.2%
<b>Total revenue</b>	<b>106,584</b>	<b>90,476</b>	<b>17.8%</b>	<b>202,601</b>	<b>176,394</b>	<b>14.9%</b>
Production costs	-80,250	-68,839	16.6%	-150,938	-133,715	12.9%
<b>Gross profit</b>	<b>26,334</b>	<b>21,637</b>	<b>21.7%</b>	<b>51,663</b>	<b>42,679</b>	<b>21.1%</b>
Gross profit margin	24.7%	23.9%	0.8pp	25.5%	24.2%	1.3pp
Distribution costs	-11,181	-9,872	13.3%	-22,565	-19,370	16.5%
Administrative expenses	-9,882	-7,663	29.0%	-18,272	-15,745	16.0%
<b>Operating profit (EBIT) before special items</b>	<b>5,270</b>	<b>4,103</b>	<b>28.5%</b>	<b>10,826</b>	<b>7,564</b>	<b>43.1%</b>
Operating profit margin (EBIT margin)	5.0%	4.5%	0.5pp	5.3%	4.3%	1.0pp
Special items	-1,650	0	-	-1,650	0	-
Operating profit (EBIT) after special items	3,620	4,103	-11.8%	9,175	7,564	-2.6%
Operating profit margin (EBIT margin)	3.4%	4.5%	-1.1pp	4.5%	4.3%	0.2pp
<b>Profit for the period</b>	<b>2,222</b>	<b>3,410</b>	<b>-34.8%</b>	<b>5,838</b>	<b>5,700</b>	<b>2.4%</b>
Order backlog beginning of period	152,985	84,485	81.1%	122,309	91,877	33.1%
Order intake	163,181	82,383	98.1%	289,874	160,909	80.1%
Revenue	-106,584	-90,476	17.8%	-202,601	-176,394	14.9%
<b>Order backlog end of period</b>	<b>209,582</b>	<b>76,392</b>	<b>174.4%</b>	<b>209,582</b>	<b>76,392</b>	<b>174.4%</b>

### SKAKO Group revenue and EBIT margin





The positive development in the key markets of SKAKO continued in Q2 2022 with a very high order intake in both divisions. The war in Ukraine and very high energy and steel prices have not yet impacted SKAKO due to indexation of customer contracts and a close cooperation with suppliers. This has resulted in very strong growth in revenue and operating profit in Q2.

## Order intake and backlog

Order intake in Q2 amounted to DKK 163m compared to DKK 82m in Q2 in 2021, an increase of 98%. Both divisions experienced a very strong order intake and especially the concrete business and the recycling business saw very high growth rates for their core products in key markets in line with our more focused go to market strategy. As a result of the strong order intake the order backlog at the end of Q2 increased with 174% to DKK 210m compared to last year giving a strong outset for the rest of the year and for next year as well. The pipeline of new orders also remains strong for both SKAKO Vibration and SKAKO Concrete.

## Revenue

Revenue in Q2 2022 was DKK 106.6m, which is an increase of 18% compared to the same period in 2021. The higher margin aftersales business increased with 32% compared with last year while plant sales increased with 9.8%. Thereby aftersales' share of total revenue increased to 42% in H1 compared to 38% H1 last year.

## Gross profit

Gross profit was DKK 26.3m in Q2 2022 which is an increase of 22% compared to Q2 2021, driven by higher revenue and an improved gross profit margin of 0.8pp. For H1 an improved gross profit margin of 1.3 pp was realized.

## Capacity costs

In Q2 2022, capacity costs increased with DKK 3.5 m or 20% compared to the same period in 2021. The main reasons for this relatively high increase is more personnel to support growth in especially the recycling business and higher costs related to travelling and exhibitions compared to last year where these costs were minimal due to Covid19 restrictions.

## Operating profit

Operating Profit (EBIT) before special items increased with 29% to DKK 5.3m in Q2 2022, compared to DKK 4.1m in Q2 2021.

This was driven by higher revenue and the increased share of aftersales revenue, with a more favorable margin, compared to plant sales.

Costs of DKK 1.7m related to the leaving of the CFO were provided for under special items in Q2.

## Profit for the period

Profit after tax amounted to DKK 2.2m in Q2 2022 compared to DKK 3.4m, last year. The quarter was negatively impacted by higher capacity costs to support future growth and the mentioned costs of DKK 1.7m, under special items related to the leaving of the CFO in Q2.

## Cash flow development

Cash flow from operating activities (CFF0) amounted to DKK 10.5m in Q2 2022 compared to DKK 0.8m last year. Thereby the generated cash flow from operations reached the expected level for H1 after the sluggish development in Q1 which preceded a very strong Q4 2021.

## Equity

Group equity was DKK 127.9m on 30 June corresponding to an equity ratio of 39.0% (40.6% on 30 June 2021). The small decline in equity is due to the payments of dividends.

## ROIC

As of 30 June 2022, return on invested capital (rolling four quarters) amounted to 11.1% compared to 7.0% as of 30 June 2021. The increase in return on invested capital is due to strong results in the last three quarters compared to the previous quarters impacted by Covid19.

## Balance sheet

As of 30 June 2022, the Group's assets totaled DKK 325.9m [30 June 2021: DKK 306.5m] Non-current assets decreased by DKK 2.7m and amounted to DKK 79.9m while current assets increased by DKK 22.1m to DKK 246.1m. The increase in current assets is primarily due to an increase in construction contracts assets.

Net debt decreased by DKK 20.0m compared to Q2 2021, and totaled DKK 30.2m on 30 June 2022m.. The ratio of net debt to EBITDA amounts to 1.1 compared to 2.4 on 30 June 2021 and 1.0 at the end of 2021. It is our ambition to keep the ratio of net debt to EBITDA below 2.5.

## 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 2022

Based on the results of H1 2022, the order backlog and the current market activity, we increase our guidance for 2022 to the following:

- We expect an operating profit (EBIT) before special items of DKK 24-28 [previously DKK 22-27m]
- We expect special items of DKK 2.0 m [previously DKK 0.0] regarding a provision for costs in connection with the CFO leaving SKAKO in Q2.

The guidance assumes a stable macroeconomic environment with no additional material adverse events effecting the markets of SKAKO.

## 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.

Except for the mentioned provision under special items related to the CFO leaving SKAKO in Q2 2022 the accounting policies used for the interim report are the same as the accounting policies used for Annual Report 2021 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 2022. We refer to the notes to the annual report for a description of material estimates and assumptions.

Compared with the description in Annual Report 2021, 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 =  $\text{Total assets} - \text{net cash and credits} - \text{deferred tax}$

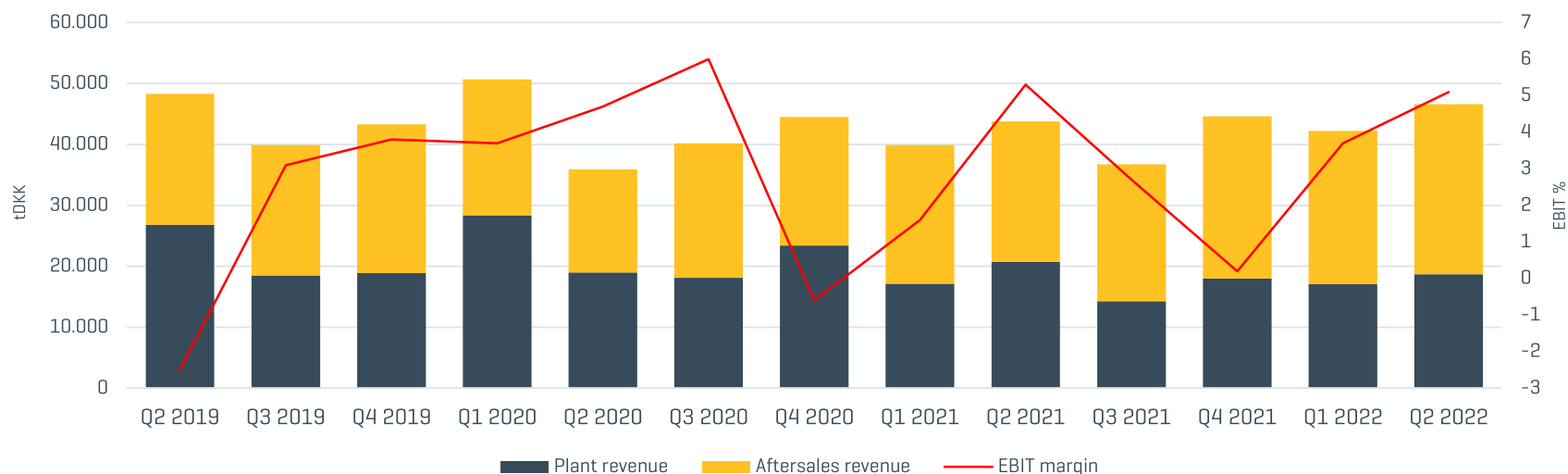
\*Measured over a 12-month period

# 4 BUSINESS UNIT CONCRETE

# Q2 2022 FINANCIAL REVIEW SKAKO CONCRETE

DKK million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change
Plant sales revenue	18.7	20.8	-10.1%	35.8	37.9	-5.5%
Aftersales revenue	27.9	23.0	21.3%	53.1	45.8	15.9%
<b>Total revenue</b>	<b>46.7</b>	<b>43.8</b>	<b>6.6%</b>	<b>88.9</b>	<b>83.7</b>	<b>6.2%</b>
<b>Gross profit</b>	<b>9.8</b>	<b>8.8</b>	<b>11.4%</b>	<b>18.7</b>	<b>17.3</b>	<b>8.1%</b>
Gross profit margin	21.0%	20.1%	0.9pp	21.0%	20.7%	0.3pp
<b>Operating profit (EBIT)</b>	<b>2.4</b>	<b>2.3</b>	<b>4.3%</b>	<b>4.0</b>	<b>4.5</b>	<b>-11.1%</b>
Profit margin (EBIT margin)	5.1%	5.3%	-0.2pp	4.5%	5.4%	-0.9pp
Order backlog beginning of period	82.1	30.5	169.2%	72.2	34.5	108.1%
Order intake	91.8	37.4	145.2%	143.9	73.3	96.3%
<b>Order backlog end of period</b>	<b>126.8</b>	<b>24.1</b>	<b>426.1%</b>	<b>126.8</b>	<b>24.1</b>	<b>426.1%</b>

SKAKO Concrete revenue and EBIT margin



# Financial performance in Q2 2022

SKAKO Concrete experiences a very positive development on all key markets and for all product types supporting a very strong order intake and pipeline. This has been supported by the successful execution of our sales strategy initiated in 2022 which has a more direct focus on our core products and aftersales. Our sales organization has been adapted to ensure the right focus on key markets and core products. This has been very well received by our customers with increased demand for our products as a result. With the new sales strategy we have also seen increased demand from new customers increasing their share of order intake.

Besides the positive impact from the new sales strategy, we have seen a rebound in our markets after Covid19 with customers accepting higher prices following the increasing energy and steel prices. This has resulted in an extraordinarily high order intake in H1. We expect this effect to dampen to some extent in the coming quarters with some decline in demand from the building and infrastructure industry. On the other hand, we expect to see increased demand from new projects within recycling to counter this development and therefore expect the positive development to continue in the coming quarters.

## Financial results

The key financials for SKAKO Concrete in Q2 and H1 are the following:

- Order intake in H1 was DKK 143.9m compared to DKK 73.3m in H1 2021 fueling an order backlog of DKK 126.8m at the end of H1, an increase of 426% compared to last year. Around 45% of the order backlog is for delivery next year giving a strong outset for 2023.
- Revenue increased with 6.6% and 6.2% in Q2 and H1 respectively driven by an increase in the profitable aftersales of 21% in Q2 and 16% in H1 while plant sales decreased in both periods due to low order intake in 2021. However, plant revenue will increase significantly in the coming quarters due to the current strong order backlog.
- Gross profit increased with 11.4% and 8.1% in Q2 and H1 2022 due to growth in revenue and an increase in gross profit margin of 0.9pp and 0.3 pp in the two respective periods. The increase in margin was driven by the higher and more profitable aftersales revenue.
- Operating profit(EBIT) increase with 4.3% in Q2 but decreased with 11.1% in H1 due to an increase in capacity costs where H1 2021 was impacted by very low costs to travelling and exhibitions under Covid19. Besides this further resources have been added in 2022 to accommodate the increasing activity and order intake. With the current high order backlog operating profit and margin is expected to increase significantly in H2.

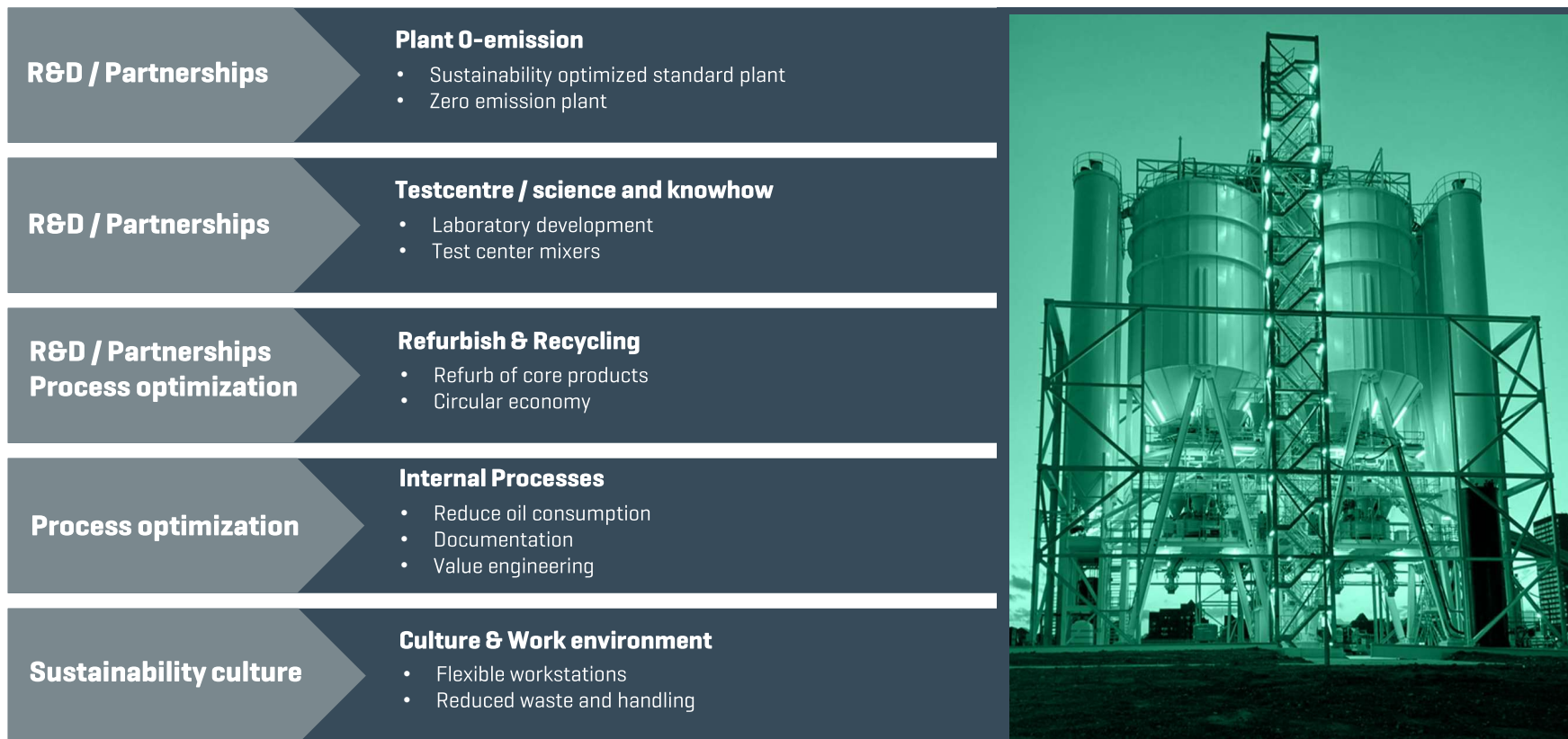
## Strategy

SKAKO Concrete has now successfully completed the first half of the strategy period and will continue to focus on execution to realize our financial ambitions towards 2024. The corner stones in the coming period are sustainability, digitization, and market focus based on a strong culture of execution.

Together with Danish Industry and The Industrial Foundation[Dansk Industri og Industriens Fond] SKAKO has completed the project called "Climate ready production company/Klimaklar produktionsvirksomhed". This has created the foundation for continuous monitoring and measurement of the company's environmental impact and CO2 emissions.

# Green Plant Vision

In continuation of the overall sustainability strategy manifested in the so-called **Green Plant Vision** which we introduced in 2021, the respective strategy tracks have further developed into concrete working groups with specific purposes illustrated in the following model:



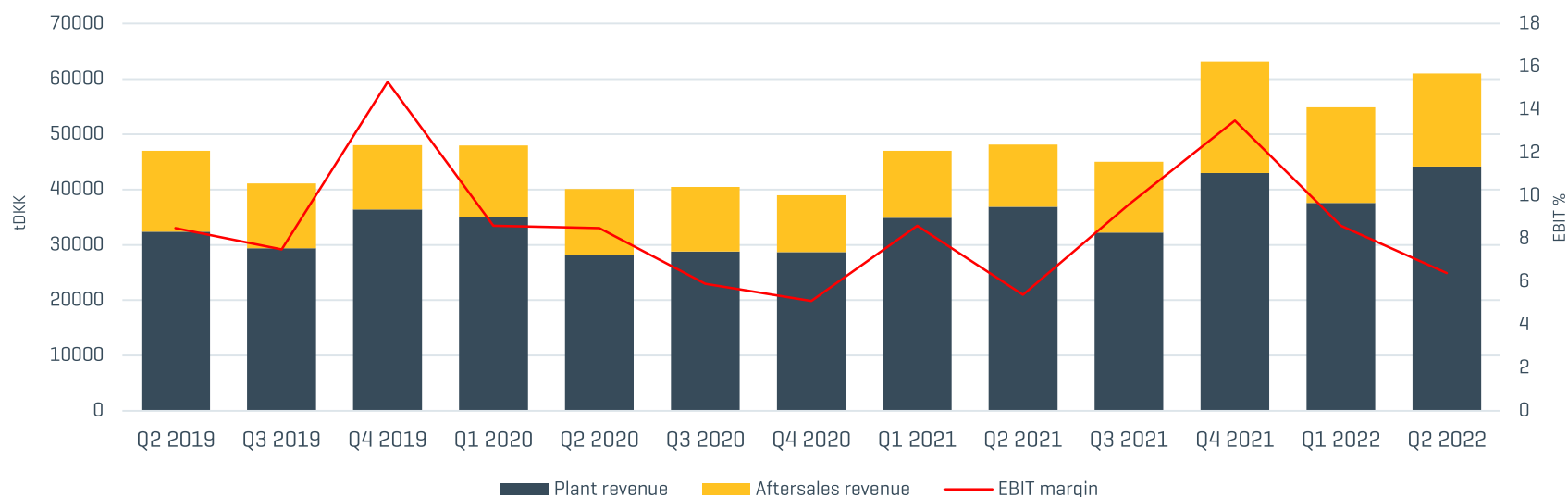


# 5 BUSINESS UNIT VIBRATION

# Q2 2022 FINANCIAL REVIEW SKAKO VIBRATION

DKK thousands	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change
Plant sales revenue	44.2	36.9	19.8%	81.8	71.8	13.9%
Aftersales revenue	16.8	11.2	50.0%	34.1	23.3	46.4%
<b>Total revenue</b>	<b>61.0</b>	<b>48.1</b>	<b>26.8%</b>	<b>115.9</b>	<b>95.1</b>	<b>21.9%</b>
<b>Gross profit</b>	<b>17.8</b>	<b>12.7</b>	<b>40.2%</b>	<b>34.4</b>	<b>24.6</b>	<b>39.8%</b>
Gross profit margin	29.2%	26.4%	2.8pp	29.7%	25.9%	3.8pp
<b>Operating profit (EBIT)</b>	<b>3.9</b>	<b>2.6</b>	<b>50.0%</b>	<b>8.6</b>	<b>4.5</b>	<b>91.1%</b>
Profit margin (EBIT margin)	6.4%	5.4%	1.0pp	7.4%	4.7%	2.7pp
Order backlog beginning of period	72.7	54.3	33.9%	53.9	58.6	-8.0%
Order intake	74.3	47.0	58.1%	148.0	89.7	65.0%
<b>Order backlog end of period</b>	<b>84.5</b>	<b>53.2</b>	<b>58.8%</b>	<b>84.5</b>	<b>53.2</b>	<b>58.8%</b>

SKAKO Vibration revenue and EBIT margin



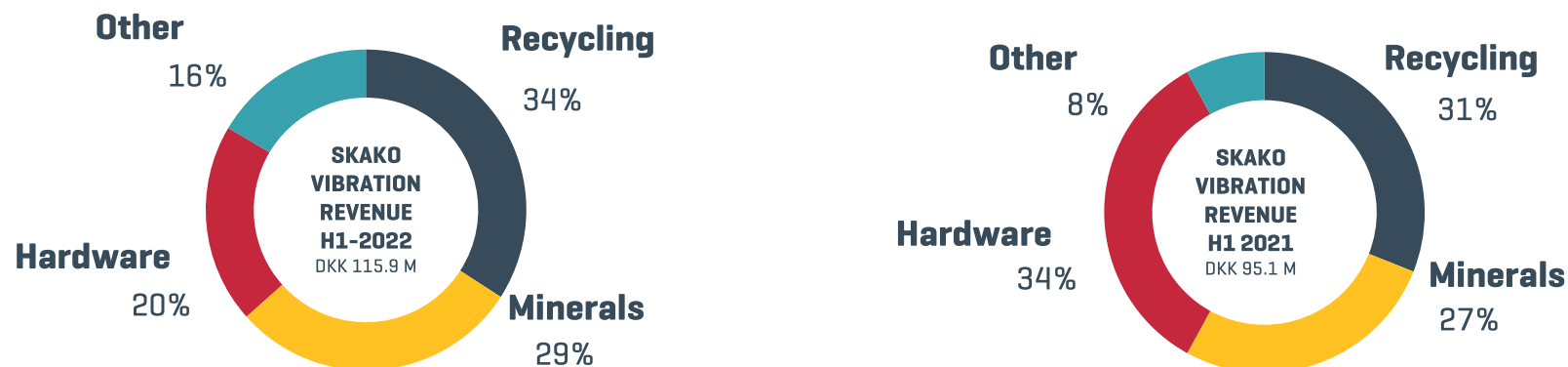


# Financial performance in Q2 2022

After being severely impacted by Covid19 in 2020 and 2021 all key markets of SKAKO Vibration rebounded in the first two quarters of 2022 with a high level of activity in especially the recycling segment. The mineral and hardware segments also show continued growth where SKAKO Vibration has benefitted from our customer's renewed confidence in the future due to our strong reputation in the field. SKAKO Vibration has therefore experienced a very strong order intake in H1. The key financials for Q2 and H1 2022 are the following:

- With an increased order intake of 58% and 65% in Q2 and H1 respectively the order backlog increased to DKK 84.5m, an increase of 59% compared to last year and thereby creating a strong foundation for growth in revenue and earnings in the second half of the year
- Revenue increased with 27% and 22% in Q2 and H1 respectively driven by strong growth in especially recycling and the profitable aftersales business
- Gross profit consequently increased with 40% in both Q2 and H1 and the margin increased with 2.8pp in Q2 and 3.8pp in H1
- Operating profit(EBIT) increased with 50% in Q2 and with 91% in H1 driven by higher revenue and higher gross profit margins. The margin consequently increased with 1.0pp in Q2 and 2.7pp in H1. A further increase is expected in H2 due to the strong order backlog

# Business unit Vibration



## Hardware segment

Investments in the hardware segment continued to increase in Q2 2022 compared to the same period in 2021. This industry segment is strongly linked to the automotive and building segment which have been growing in the past quarters. 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. SKAKO's key market is Germany, but Poland, Italy, Spain, Czech Republic, and France are also important for SKAKO. China is a potentially interesting market which SKAKO is currently exploring. India is a niche market for SKAKO with some loyal customers which SKAKO has worked with for years. The American market is handled through distributors and has a strong potential for growth.

## Mineral segment

The mineral market is recovering from the downturn in 2020 and 2021. The industries in North African countries have started to invest again and we expect to return to previous levels. The European construction industry has also reinvested massively after two years of declining activity. There are significant sales synergies between the mineral segment and the recycling segment regarding construction and demolition materials where we can use the same type of sorting and washing equipment.

## Recycling segment

In 2021 we realized strong growth in the recycling segment, and the market continued with a high level of activity in Q2. This confirms SKAKO Vibration's strategy, and we are now deploying the competences of SKAKO Dartek into the markets in the rest of Europe through sales synergies within the Group. We expect to see a continued increase in revenue from the recycling segment in the coming quarters. The focus of Recycling is mainly on Europe and our near markets where we have already had success and can continue to build on this. We have a high focus on the most important segments within Recycling and monitor the development closely so that we can adapt our sales organization and products to serve the relevant markets.

# 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 – 30 June 2022.

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 2021 of SKAKO A/S. Furthermore, the interim report for the period 1 January – 30 June 2022 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 June 2022 and of the results of the Group's operations and cash flows for the first six months of 2022.

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 well as a description of the principal risks and uncertainties facing SKAKO.

Faaborg, 24 August 2022

### EXECUTIVE BOARD

**Steffen  
Kremmer**  
Director

**Lionel  
Girieud**  
Director

### 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	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Revenue from contracts with customers	106,584	90,476	202,601	176,394	363,706
Production costs	-80,250	-68,839	-150,938	-133,715	-271,298
<b>Gross profit</b>	<b>26,334</b>	<b>21,637</b>	<b>51,663</b>	<b>42,679</b>	<b>92,408</b>
Distribution costs	-11,181	-9,872	-22,565	-19,370	-40,746
Administrative expenses	-9,882	-7,663	-18,272	-15,745	-31,340
<b>Operating profit (EBIT) before special items</b>	<b>5,271</b>	<b>4,102</b>	<b>10,826</b>	<b>7,564</b>	<b>20,323</b>
<b>Special items</b>	<b>-1,650</b>	<b>0</b>	<b>-1,650</b>	<b>0</b>	<b>0</b>
<b>Operating profit (EBIT)</b>	<b>3,620</b>	<b>4,102</b>	<b>9,175</b>	<b>7,564</b>	<b>20,323</b>
Financial income	0	0	0	0	721
Financial expenses	-1,266	-476	-1,738	-1,419	-5,627
<b>Profit before tax</b>	<b>2,354</b>	<b>3,626</b>	<b>7,437</b>	<b>6,145</b>	<b>15,417</b>
Tax on profit for the period	-132	-216	-1,599	-445	-2,228
<b>Profit for the period</b>	<b>2,222</b>	<b>3,410</b>	<b>5,838</b>	<b>5,700</b>	<b>13,189</b>
<b>Profit for the period attributable to SKAKO A/S shareholders</b>	<b>2,222</b>	<b>3,410</b>	<b>5,838</b>	<b>5,700</b>	<b>13,189</b>
Earnings per share (EPS), DKK	0.72	1.11	1.89	1.85	4.28
Diluted earnings per share (EPS), DKK	0.72	1.11	1.89	1.85	4.28

## 6.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
<b>Profit for the period</b>	<b>2,222</b>	<b>3,410</b>	<b>5,838</b>	<b>6,300</b>	<b>13,189</b>
<b>Other comprehensive income:</b>		<b>-204</b>		<b>544</b>	
<b>Items that have been or may subsequently be reclassified to the income statement:</b>				<b>-7</b>	
Foreign currency translation, subsidiaries	1,834		1,851		773
Value adjustments of hedging instruments			1		-233
<b>Other comprehensive income</b>	<b>1,834</b>	<b>-204</b>	<b>1,852</b>	<b>537</b>	<b>540</b>
<b>Comprehensive income</b>	<b>4,056</b>	<b>3,206</b>	<b>7,690</b>	<b>6,837</b>	<b>13,729</b>
<b>Comprehensive income attributable to SKAKO A/S shareholders</b>	<b>4,056</b>	<b>3,206</b>	<b>7,690</b>	<b>6,837</b>	<b>13,729</b>

## 6.4 CONSOLIDATED BALANCE SHEET

DKK thousands	30 June 2022	30 June 2021	31 December 2021
Intangible assets	36,609	37,735	39,068
Intangible assets under development	2,454	3,264	3,113
<b>Intangible assets</b>	<b>39,063</b>	<b>40,999</b>	<b>42,181</b>
Leased assets	7,646	10,019	8,035
Land and buildings	5,691	5,848	5,832
Plant and machinery	1,023	716	1,053
Operating equipment, fixtures and fittings	1,698	2,166	3,059
Leasehold improvements	2,762	529	1,630
Tangible assets under construction	85	58	97
<b>Property, plant and equipment</b>	<b>18,905</b>	<b>19,336</b>	<b>19,706</b>
Other receivables	1,292	1,516	1,272
Deferred tax assets	20,605	20,710	21,057
<b>Other non-current assets</b>	<b>21,897</b>	<b>22,226</b>	<b>22,329</b>
<b>Total non-current assets</b>	<b>79,865</b>	<b>82,561</b>	<b>84,216</b>
Inventories	77,203	54,155	64,080
Trade receivables	81,653	70,326	87,429
Contract assets	62,062	70,253	53,037
Income tax	525	69	0
Other receivables	8,323	9,493	8,340
Prepaid expenses	4,976	2,161	2,843
Cash	11,336	17,481	39,075
<b>Current assets</b>	<b>246,078</b>	<b>223,938</b>	<b>254,804</b>
<b>Assets</b>	<b>325,943</b>	<b>306,499</b>	<b>339,020</b>

# Consolidated balance sheet CONTINUED

DKK thousands	30 June 2022	30 June 2021	31 December 2021
Share capital	31,064	31,064	31,064
Foreign currency translation reserve	1,400	-680	-451
Hedging reserve	-48	177	-49
Proposed dividends			
Retained earnings	95,507	93,880	101,673
<b>Equity</b>	<b>127,923</b>	<b>124,441</b>	<b>132,237</b>
Other payables	7,728	6,269	7,995
Leasing	4,762	6,131	5,611
Loans and borrowings	11,478	22,231	11,787
Provisions	<b>6,088</b>	<b>3,174</b>	3,729
<b>Non-current liabilities</b>	<b>30,056</b>	<b>37,805</b>	<b>29,122</b>
Loans and borrowings	9,211	9,695	9,849
Bank loans and credit facilities	13,212	26,310	35,970
Leasing	2,844	3,282	2,845
Provisions	625	2,013	3,440
Contract liabilities	32,013	5,744	19,762
Trade payables	82,417	71,391	79,081
Income tax	1,239	432	316
Other liabilities	26,928	25,386	26,398
Deferred income	477	0	0
<b>Current liabilities</b>	<b>167,965</b>	<b>144,253</b>	177,661
<b>Liabilities</b>	<b>198,021</b>	<b>182,058</b>	206,783
<b>EQUITY AND LIABILITIES</b>	<b>325,944</b>	<b>306,499</b>	339,020



## 6.5 CONSOLIDATED CASH FLOW STATEMENT

DKK thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Profit before tax	2,354	3,626	7,437	6,145	15,417
Adjustments	4,097	1,743	6,572	5,450	14,702
Changes in receivables, etc.	18	2,728	-5,385	-1,541	-102
Change in inventories	-7,928	1,243	-13,123	-1,078	-11,003
Change in trade payables and other liabilities, etc.	13,319	-1,237	16,249	-6,656	17,785
<b>Cash flow from operating activities before financial items and tax</b>	<b>11,860</b>	<b>8,104</b>	<b>11,750</b>	<b>2,320</b>	<b>36,799</b>
Financial items received and paid	-1,266	-476	-1,738	-1,419	-4,906
Taxes paid and received	-51	134	556	78	-1,617
<b>Cash flow from operating activities</b>	<b>10,542</b>	<b>7,761</b>	<b>10,568</b>	<b>979</b>	<b>30,276</b>
Investment in intangible assets	-1,238	-1,026	-1,473	-1,265	-3,962
Investment in tangible assets	-540	-501	-1,005	-764	-3,504
Acquisition of entities	0	0	0	0	0
<b>Cash flow from investing activities</b>	<b>-1,779</b>	<b>-1,527</b>	<b>-2,479</b>	<b>-2,029</b>	<b>-7,466</b>
Change in borrowings	-3,183	1,707	-1,797	763	1,471
Repayments	0	-948	0	-1,772	-13,725
Paid dividends	-12,336	-9,252	-12,336	-9,252	-9,252
Change in short-term bank facilities	1,780	-8,226	-22,758	-4,951	4,708
<b>Cash flow from financing activities</b>	<b>-13,739</b>	<b>-16,719</b>	<b>-36,891</b>	<b>-15,212</b>	<b>-16,798</b>
Change in cash and cash equivalents	-4,975	-10,485	-28,802	-16,262	6,012
Cash and cash equivalents beginning of the period	15,091	28,068	39,075	33,420	33,420
Foreign exchange adjustment, cash and cash	1,220	-102	1,063	323	-357
<b>Cash and cash equivalents at the end of the period</b>	<b>11,336</b>	<b>17,481</b>	<b>11,336</b>	<b>17,481</b>	<b>39,075</b>
Breakdown of cash and cash equivalents at the end of the year:					
Cash and other investments	11,336	17,481	11,336	17,481	39,075
<b>Cash and cash equivalents at the end of the year:</b>	<b>11,336</b>	<b>17,481</b>	<b>11,336</b>	<b>17,481</b>	<b>39,075</b>

## 6.6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK Thousands	Share capital	Foreign currency translation reserve	Hedging reserve	Retained Earnings	Proposed Dividends	Equity
Equity 1 January 2022	31,064	-451	-49	89,338	12,335	132,237
<b>Comprehensive income in H1 2021</b>						
Profit for the period				5,838		5,552
Paid dividends					-12,335	-12,335
<b>Other comprehensive income:</b>						
Foreign currency translation adjustments, subsidiaries		1,851				1,851
Value adjustments of hedging instruments			1			1
Other comprehensive income		<b>2,137</b>	<b>1</b>	<b>5,838</b>	<b>-12,335</b>	<b>-4,645</b>
<b>Comprehensive income, period</b>	<b>-</b>	<b>2,137</b>	<b>1</b>	<b>5,883</b>	<b>-12,335</b>	<b>-4,645</b>
Share-based payment, warrants				331		331
<b>Equity 30 June 2022</b>	<b>31,064</b>	<b>1,400</b>	<b>-48</b>	<b>95,507</b>	<b>0</b>	<b>127,923</b>

# Consolidated statement of changes in equity

CONTINUED

DKK Thousands	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Proposed Dividends	Equity
Equity 1 January 2021	31,064	-1,224	184	87,976	9,252	127,252
<b>Comprehensive income in 2021:</b>						
Profit for the period				854	12,335	13,189
Paid dividends						
<b>Other comprehensive income:</b>						
Foreign currency translation adjustments, subsidiaries		773				773
Value adjustments of hedging instruments			-233			-233
Other comprehensive income		773	-233			540
<b>Comprehensive income, period</b>		<b>773</b>	<b>-233</b>	<b>854</b>	<b>12,335</b>	<b>13,729</b>
Share-based payment, warrants				508		508
<b>Equity 31 December 2021</b>	<b>31,064</b>	<b>451</b>	<b>-49</b>	<b>89,338</b>	<b>12,335</b>	<b>132,237</b>

## 6.7 SEGMENT INFORMATION

H2 2022	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Revenue, external	88,931	113,670			202,601
Revenue, internal	6	2,244		-2,250	0
<b>Total revenue</b>	<b>88,937</b>	<b>115,914</b>		<b>-2,250</b>	<b>202,601</b>
Depreciations	-1,549	-1,558			-3,107
<b>Operating profit (EBIT) before special items</b>	<b>4,004</b>	<b>8,587</b>	<b>-1,766</b>		<b>10,825</b>
<b>Special items</b>	<b>0</b>	<b>0</b>	<b>-1,650</b>		<b>-1,650</b>
<b>Operating profit (EBIT)</b>	<b>4,004</b>	<b>8,587</b>	<b>-3,416</b>		<b>9,175</b>
Order backlog, beginning	71,822	52,373		-131	124,326
<b>Order intake</b>	<b>143,880</b>	<b>147,997</b>		<b>-2,003</b>	<b>289,874</b>
<b>Order backlog, ending</b>	<b>126,764</b>	<b>84,456</b>		<b>-379</b>	<b>211,599</b>
Segment non-current assets	30,551	41,197	-8,117		79,865
Segment assets	148,921	225,018		-47,996	325,943
Segment liabilities	88,510	127,393		-17,882	198,021
Investments in intangible and tangible asset	871	1,608			2,479
Average number of employees	84	109	12		205

# Segment information CONTINUED

H1 2021	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Revenue, external	83,665	92,729		-	176,394
Revenue, internal	0	2,430		-2,430	0
<b>Total revenue</b>	<b>83,665</b>	<b>95,159</b>		<b>-2,430</b>	<b>176,394</b>
Depreciations	-1,642	-1,989		-	-3,631
<b>Operating profit (EBIT) before special items</b>	<b>4,526</b>	<b>4,547</b>	<b>-1,509</b>		<b>7,564</b>
<b>Special items</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Operating profit (EBIT)</b>	<b>4,526</b>	<b>4,547</b>	<b>-1,509</b>		<b>7,564</b>
Order backlog, beginning	34,496	58,593	-	-1,212	91,877
<b>Order intake</b>	<b>73,219</b>	<b>89,758</b>	<b>-</b>	<b>-2,068</b>	<b>160,909</b>
Order backlog, ending	<b>24,050</b>	<b>53,192</b>	<b>-</b>	<b>-850</b>	<b>76,392</b>
Segment non-current assets	35,989	41,788	4,784		82,561
Segment assets	103,443	199,509	5,460	-1,864	306,548
Segment liabilities	48,428	129,815	5,679	-1,864	182,058
Investments in intangible and tangible asset	1,265	764	-	-	2,029
Average number of employees	76	110	12	-	198

## 6.8 QUARTERLY KEY FIGURES AND FINANCIAL RATIOS

DKK thousands	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Full year 2021
<b>INCOME STATEMENT</b>						
Revenue	106,584	96,017	106,278	81,034	90,476	363,706
Gross profit	26,334	25,329	29,678	20,052	21,637	92,408
Operating profit (EBIT) before special items	5,270	5,555	8,334	4,425	4,102	20,323
Operating profit (EBIT)	3,620	5,555	8,334	4,425	4,102	20,323
Net financial items	-1,266	-472	-2,903	-584	-476	-4,906
Profit before tax	2,354	5,083	5,431	3,842	3,626	15,417
Profit for the year	2,222	3,616	4,775	2,715	3,410	13,189
<b>BALANCE SHEET</b>						
Non-current assets	79,865	80,084	84,216	82,562	82,561	84,216
Current assets	246,078	241,942	254,804	226,283	223,987	254,804
Assets	325,943	322,025	339,020	308,845	306,499	339,020
Equity	127,923	135,923	132,237	127,339	124,441	132,237
Non-current liabilities	30,056	32,770	29,122	36,038	37,805	29,122
Current liabilities	167,965	153,332	177,661	145,467	144,253	177,661
Net debt	30,171	27,819	26,987	49,638	50,167	26,987
Net working capital	106,488	114,973	105,703	119,507	117,647	105,703
<b>OTHER KEY FIGURES</b>						
Investment in intangible and tangible assets	1,779	700	4,131	1,306	1,527	7,466
Cash flow from operating activities (CFFO)	10,542	-110	26,746	12,887	7,761	30,276
Free cash flow	8,763	-810	22,615	11,581	6,234	22,810
Average number of employees	205	203	199	196	198	199

# Quarterly key figures and financial ratios CONTINUED

DKK thousands	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Full year 2021
<b>FINANCIAL RATIOS</b>						
Gross profit margin	24.7%	26.4%	27.9%	24.7%	23.9%	25.4%
Profit margin [EBIT margin] before special items	5.0%	5.8%	7.8%	5.5%	4.5%	5.6%
Profit margin [EBIT margin]	3.4%	5.8%	7.8%	5.5%	4.5%	5.6%
Liquidity ratio	145.6%	157.8%	143.4%	155.6%	155.3%	143.4%
Equity ratio	39.0%	42.2%	39.0%	41.2%	40.6%	39.0%
Return on equity	10.6%	10.9%	10.2%	5.9%	6.8%	10.2%
ROIC	11.1%	11.2%	7.0%	6.2%	7.0%	10.3%
Financial leverage	24.2%	19.2%	20.4%	39.0%	40.3%	20.4%
NWC/revenue	27.3%	30.8%	29.1%	35.1%	34.6%	29.1%
Earnings per share	0.72	1.17	1.55	0.88	1.11	4.28
Equity value per share	41.48	44.08	42.88	41.29	40.37	42.88
Share price	55.00	56.40	55.20	56.40	57.0	56.40
Price-book ratio	1.33	1.28	1.29	1.37	1.41	1.29
Market capitalization	170,853	175,202	171,474	175,202	177,066	171,474

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