PWT GROUP

PWT Holding A/S

Financial statement 2nd half year of the financial year 2018
1 July – 31 December 2018

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MANAGEMENT COMMENTS

PWT GROUP – HALF YEAR FIGURES

1 JULY – 31 DECEMBER 2018

EBITDA for second half of 2018 has increased to DKK 36.7 million compared to DKK 35.2 million the year before, despite a challenging market in retail.

PWT Group revenue declined by 2% in the second half of 2018, and gross margin improved by 1.0% points. Capacity costs have been realized slightly below last year's level.

Realized financial costs for both years are affected by adjustments on USD hedging instruments.

Year to date the Group performance is still below expectations.

Net debt at 31 December 2018 is DKKm 258 (31 December 2018 253 DKKm).

As earlier communicated, PWT Group will in March 2019 close the acquisition of Brandstad retail stores, adding to its current network of stores in Norway. The acquisition is expected to have limited impact on PWT Group's short term liquidity and a positive contribution to PWT Group's earnings in 2019.

PWT Group's management team continue to see improvement potential both in the operations and in the product range offered to customers.

INCOME STATEMENT

Income statement *DKK millions*	**01.07 - 31.12** **2018**	**2017**	**01.01 - 31.12** **2018**	**2017**
Sales	**444,7**	**453,3**	**827,9**	**846,6**
Cost of goods	203,0	211,3	379,3	394,7
Gross profit	**241,7**	**242,1**	**448,6**	**451,9**
Margin %	*54,4%*	*53,4%*	*54,2%*	*53,4%*
Expenses	205,0	206,9	409,0	402,4
EBITDA	**36,7**	**35,2**	**39,6**	**49,6**
Margin %	*8,2%*	*7,8%*	*4,8%*	*5,9%*
Depreciation	16,1	13,0	30,0	24,0
EBIT	**20,6**	**22,2**	**9,6**	**25,6**
Net financial items	18,4	16,1	23,4	44,5
Taxes	3,6	6,5	0,1	2,2
Profit	**-1,4**	**-0,4**	**-13,9**	**-21,1**
Comprehensive income	**-1,2**	**-0,4**	**-13,7**	**-21,1**

Net Debt	257,7	253,4
EBITDA - recurring - Last 12 months	39,6	49,6
Equity % of Total assets	*49,4%*	*50,9%*

BALANCE SHEET

Balance sheet ***DKK millions***	**31.12.2018**	**31.12.2017**
Goodwill	620,5	620,5
Deposits	14,5	15,2
Other non-current assets	76,4	77,9
Inventories	198,1	191,1
Accounts receivable	58,6	55,8
Other receivables	15,0	18,2
Cash	17,2	19,9
Total assets	**1.000,3**	**998,6**
Equity	494,2	507,8
Provisions	10,2	9,0
Bonds / Long term loan	251,6	250,8
Deferred income tax	22,0	22,1
Bank loans	25,8	21,8
Accounts payable	109,4	93,4
Corporation tax	0,0	3,1
Other non-interest-bearing debt	87,1	90,6
Total debt & equity	**1.000,3**	**998,6**

CASH FLOW

Cash flow *DKK millions*	01.07 - 31.12 2018	 2017	01.01 - 31.12 2018	 2017
EBITDA	**36,7**	**35,2**	**39,6**	**49,6**
Net working capital change	28,4	16,2	5,0	9,6
Taxes	-3,1	-1,8	-3,2	-1,8
Operational cash flow	**62,0**	**49,6**	**41,4**	**57,4**
Cash investments	-11,1	-14,4	-30,2	-28,3
Net investments	**-11,1**	**-14,4**	**-30,2**	**-28,3**
Cash flow before financing	**50,9**	**35,2**	**11,2**	**29,0**
Net financial items	-9,3	-14,7	-17,8	-26,2
Repurchase bonds /repayment bank loan	0,0	-45,0	0,0	-45,0
Cash capital increase	0,0	0,0	0,0	0,0
Debt service	**-9,3**	**-59,7**	**-17,8**	**-71,2**
Cash flow after debt service	**41,6**	**-24,5**	**-6,6**	**-42,2**