PWT GROUP

PWT Holding A/S

Financial statement 2nd quarter of the financial year 2019
1 April – 30 June 2019

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PWT GROUP – QUARTERLY FIGURES

1 APRIL – 30 JUNE 2019

In second quarter of 2019, both revenue, gross margin, operationel expenditures and EBITDA was realized at the same level as second quarter of 2018.

Year to date EBITDA has increased to DKK 59.7 million, compared to DKK 52.9 million the year before.

At the start of March 2019 PWT Group acquired the Brandstad retail stores in Norway. The acquisition is performing as expected and has contributed with a positive effect on EBITDA in 2019.

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

Year to date the Group delivers results in line with management's expectations.

Net debt at 30 June 2019 is DKKm 557 (30 June 2018 588 DKKm).

As earlier communicated, PWT Group has implemented IFRS 16 for the fiscal year of 2018, which has had an impact on the figures compared to previously reported figures. Please see the appendix for financial statements excluding the IFRS 16 impact, for comparison to previous quarterly figures.

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*	**01.04 - 30.06** **2019**	**2018**	**01.01 - 30.06** **2019**	**2018**
Sales	**212,5**	**212,4**	**393,6**	**383,2**
Cost of goods	93,2	94,3	179,8	176,3
Gross profit	**119,3**	**118,1**	**213,9**	**206,9**
Margin %	*56,2%*	*55,6%*	*54,3%*	*54,0%*
Expenses	78,1	77,1	154,2	154,0
EBITDA	**41,3**	**41,0**	**59,7**	**52,9**
Margin %	*19,4%*	*19,3%*	*15,2%*	*13,8%*
Depreciation	33,4	31,2	64,9	61,7
EBIT	**7,9**	**9,8**	**-5,3**	**-8,8**
Net financial items	-8,9	-1,3	-15,6	-9,9
Taxes	0,4	-1,9	3,8	4,1
Profit	**16,4**	**12,9**	**-17,0**	**-14,6**
Comprehensive income	**16,4**	**12,9**	**-17,0**	**-14,6**

Net Debt	557,1	588,0
EBITDA - recurring - Last 12 months	144,5	- *
Equity % of Total assets	*37,9%*	*38,8%*

*Not shown because it is not comparable

Balance sheet *DKK millions*	**30.06.2019**	**30.06.2018**
Goodwill	622,0	622,6
Deposits	14,3	15,3
Other non-current assets	314,3	368,6
Inventories	223,1	195,5
Accounts receivable	51,6	42,7
Other receivables	6,0	13,3
Cash	16,6	13,1
Total assets	**1.247,8**	**1.271,3**
Equity	473,4	493,7
Provisions	8,8	7,3
Bonds / Long term loan	251,9	251,2
Lease debt (non-current)	148,0	207,3
Deferred income tax	17,3	18,1
Bank loans	73,5	61,7
Lease debt (current)	99,8	80,5
Accounts payable	84,3	73,9
Corporation tax	0,0	3,1
Other non-interest-bearing debt	90,6	74,5
Total debt & equity	**1.247,8**	**1.271,3**

Cash flow *DKK millions*	01.04 - 30.06 2019	 2018	01.01 - 30.06 2019	 2018
EBITDA	**41,3**	**41,0**	**59,6**	**52,9**
Net working capital change	29,6	22,4	-38,8	-23,4
Taxes	-0,1	0,0	-0,1	-0,1
Operational cash flow	**70,8**	**63,4**	**20,6**	**29,3**
Cash investments	-4,6	-2,3	-9,7	-19,1
Net investments	**-4,6**	**-2,3**	**-9,7**	**-19,1**
Cash flow before financing	**66,2**	**61,0**	**11,0**	**10,3**
Net financial items	-5,4	-4,2	-10,2	-8,5
Repayment lease debt	-26,8	-25,4	-52,1	-49,9
Debt service	**-32,2**	**-29,7**	**-62,3**	**-58,4**
Cash flow after debt service	**34,0**	**31,4**	**-51,3**	**-48,2**

APPENDIX – FINANCIEAL STATEMENT WITHOUT IMPLEMENTATION OF IFRS 16

Income statement - without IFRS 16	**01.04 - 30.06**		**01.01 - 30.06**	
DKK millions	**2019**	**2018**	**2019**	**2018**
Sales	**212,5**	**212,4**	**393,6**	**383,2**
Cost of goods	93,2	94,3	179,8	176,3
Gross profit	**119,3**	**118,1**	**213,8**	**206,9**
Margin %	*56,2%*	*55,6%*	*54,3%*	*54,0%*
Expenses	104,9	102,5	206,3	204,0
EBITDA	**14,4**	**15,6**	**7,5**	**2,9**
Margin %	*6,8%*	*7,3%*	*1,9%*	*0,8%*
Depreciation	8,1	6,9	15,8	13,9
EBIT	**6,3**	**8,6**	**-8,3**	**-11,0**
Net financial items	-6,8	1,1	-11,5	-5,0
Taxes	0,3	-2,1	3,5	3,5
Profit	**-0,2**	**7,6**	**-16,2**	**-12,5**
Comprehensive income	**-0,2**	**7,6**	**-16,2**	**-12,5**

Net Debt	309,2	300,2
EBITDA - recurring - Last 12 months	44,2	38,1
Equity % of Total assets	*47,5%*	*50,3%*

APPENDIX – FINANCIEAL STATEMENT WITHOUT IMPLEMENTATION OF IFRS 16

Balance sheet - without IFRS 16 ***DKK millions***	**30.06.2019**	**30.06.2018**
Goodwill	622,0	622,6
Deposits	14,3	15,3
Other non-current assets	72,2	83,6
Inventories	223,1	195,5
Accounts receivable	51,6	42,7
Other receivables	6,0	13,3
Cash	16,6	13,1
Total assets	**1.005,7**	**986,2**
Equity	478,0	495,9
Provisions	8,8	7,3
Bonds / Long term loan	251,9	251,2
Deferred income tax	18,6	18,7
Bank loans	73,5	61,7
Accounts payable	84,3	73,9
Corporation tax	0,0	3,1
Other non-interest-bearing debt	90,6	74,5
Total debt & equity	**1.005,7**	**986,2**

Cash flow - without IFRS 16	**01.04 - 30.06**		**01.01 - 30.06**	
DKK millions	**2019**	**2018**	**2019**	**2018**
EBITDA	**14,4**	**15,6**	**7,5**	**2,9**
Net working capital change	29,6	22,4	-38,8	-23,4
Taxes	-0,1	0,0	-0,1	-0,1
Operational cash flow	**44,0**	**37,9**	**-31,4**	**-20,6**
Cash investments	-4,6	-2,3	-9,7	-19,1
Net investments	**-4,6**	**-2,3**	**-9,7**	**-19,1**
Cash flow before financing	**39,4**	**35,6**	**-41,1**	**-39,7**
Net financial items	-5,4	-4,2	-10,2	-8,5
Debt service	**-5,4**	**-4,2**	**-10,2**	**-8,5**
Cash flow after debt service	**34,0**	**31,4**	**-51,3**	**-48,2**