



Scandinavian Brake Systems A/S
Kuopiovej 11
5700 Svendborg
Denmark

Tel +45 63 21 15 15
Fax +45 63 21 15 95
E-mail sbs@sbs.dk
www.sbs.dk
CVR-nr. DK 32 77 42 10
LEI-kode 529900DY2V39LC8FJ309

NASDAQ OMX Copenhagen A/S

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STOCK MARKET ANNOUNCEMENT NO. 04-2017

INTERIM FINANCIAL REPORT FOR THE PERIOD 1 JANUARY - 30 JUNE 2017 (extract)

Today, the Board of Directors of Scandinavian Brake Systems A/S (SBS) has discussed and approved the interim financial report for the period 1 January – 30 June 2017.

Summary

Group revenue for the period totaled DKK 416.3 million against DKK 413.0 million in the first 6 months of 2016.

Group operating profit before depreciation, amortisation, impairment losses and special items (EBITDA recurring) was DKK 38.6 million against DKK 37.5 million in the same period 2016, and consolidated profit after tax was DKK 16.0 million against DKK 7.8 million in the same period 2016, which is in line with expectations.

In March 2017, the Group entered into on a long-term financing agreement with the Group's banking institutions to the effect that it covers the expected financing requirements for the implementation of the Group's activities up to 1 April 2020.

In the divisions, the period has been characterized by focusing on strategic areas. SBS Automotive has particularly focused on operational optimizations and market persuasion. SBS Friction has focused on expanding the aftermarket product portfolio, product development of green pads and strengthening the foundation for further growth within the OEM market.

Outlook for 2017

For 2017, the Group expects unchanged revenue in the range of DKK 760-790 million and EBITDA recurring of DKK 55-65 million.

Key figures

<i>DKK million</i>	2017*	2016*	2016
Group	Q1-Q2	Q1-Q2	Year
Net revenue	416.3	413.0	769.7
Operating profit before depreciations and special items (EBITDA-recurring)	38.6	37.5	49.5
Special items	-	-10.1	-10.9
Operating profit before depreciations (EBITDA)	38.6	27.4	38.6
Operating profit (EBIT)	30.9	20.1	19.4
Financial items, net	-10.6	-8.4	-26.2
Profit/loss of continued activities before tax	20.4	11.7	-6.8
Profit/loss of discontinued activities after tax	-0.9	-0.6	10.0
Profit/loss after tax	16.0	7.8	6.3

Key figures

	2017*	2016*	2016
<i>DKK million</i>	Q1-Q2	Q1-Q2	Year
Equity	-171.5	-192.4	-183.8
Total assets	463.5	481.3	441.2
Cash flow from operating activities	39.2	27.1	7.9
Cash flow to investing activities, net	-8.1	-6.6	-15.1
Total cash flows for the period	-	-	-0.1
Net interest-bearing debt	429.6	470.0	468.9
Net working capital (NWC)	168.4	173.1	188.7
Operating profit before depreciation, amortisation, impairment losses and special items (EBITDA-recurring margin)	9.3	9.1	6.4
EBITDA margin	9.3	6.6	5.0
EBIT margin	7.4	4.9	2.5
Return on invested capital in % (ROIC excl. GW)	14.3	8.9	8.6
Return on equity in % (ROE)	I/A	I/A	I/A
Equity ratio in %	-37.0	-40.0	-41.6
Earnings per share and diluted earnings per share in DKK (EPS basic)	5.0	2.4	2.0
Net asset value per share in DKK (BVPS)	-53.5	-60.0	-57.3
Price/net asset value	-0.5	-0.4	-0.5
Market price at year end	27.6	21.0	26.7

Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. Other financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies in the SBS Annual Report 2016. SBS presents alternative target results in the interim financial report which are not defined in accordance with IFRS. These key figures are supposed to contribute to increased comparability and value in evaluating profit/loss of the year and previous years.

* The interim financial report has not been audited or reviewed.

For further information, please contact Mads Bonde, CEO, ph. +45 63 21 15 15
Website: www.sbs.dk