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**COMPANY ANNOUNCEMENT NO. 03-2019**

**Strategic review of SBS Automotive division concluded**

In November 2018, the Board of Directors of SBS Group resolved to initiate a strategic review to clarify how SBS Automotive would be best positioned relative to developments in the independent European market for spare parts for passenger cars and delivery vans. The analysis has focused on SBS Automotive's development and forward-looking potential compared to the opportunities related to active participation in market consolidation. This analysis has now been completed.

Since November 2018, discussions have been held with various market participants concerning the potential development of SBS Automotive through active participation in the market consolidation. These discussions have provided the Board of Directors of SBS Group with a clear perspective on SBS Automotive's strengths and the division's market position and opportunities related to participation in the consolidation. On that background, the Board of Directors has reached the conclusion that SBS Automotive will continue as an independent company under the current ownership in SBS Group.

As stated in the 2018 Annual Report, SBS Automotive has been strengthened after several years of focus on improving the division's operational platform and earnings capability as well as adjusting the market approach to accommodate the ongoing consolidation among customers, particularly in Germany where the structural changes have had the greatest impact. SBS Automotive has increased earnings for 3 consecutive years and reached an EBITDA margin (recurring) of 8.2% in 2018 against 6.8% in 2017. Simultaneously, SBS Automotive has successfully entered into an increasing number of partnerships in the German market to secure a solid long-term position for the NK programme in large distributors' product portfolios as well.

The Board of Directors assesses that SBS Automotive is well-positioned to generate growth and maintain good earnings margins in the coming years. The strategic review has furthermore uncovered a series of potentials for ensuring the company a stronger market position, and these potentials will now be pursued.

The Board of Directors will continue to monitor market developments and continuously assess, which options will provide the greatest value for SBS Group and its shareholders.

SBS Group's outlook for 2019 is unchanged from the 2018 Annual Report (announcement no 01/2019): Revenue of DKK 680-700 million and EBITDA (recurring) at the level of DKK 70-80 million.

*Additional information:*

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