

Svendborg, 31 August 2016

STOCK MARKET ANNOUNCEMENT NO. 10-2016
Interim financial report for the period 1 January – 30 June 2016 (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 2016.

Summary

Group revenue totaled DKK 413.0 million, broken down as follows:

- SBS Automotive's revenue was DKK 336.5 million with a rising trend in Q2 as against DKK 341.4 million in the first 6 months of 2015.
- Once again SBS Friction set record with revenue of DKK 76.5 million as against DKK 73.6 million in the first 6 months of 2015.

Group operating profit before depreciation, amortisation, impairment losses and special items (EBITDA-recurring) improved to 37.5 million as against DKK 34.9 million in the same period 2015. The increase is due to stronger earnings in SBS Friction and cost adjustments.

Cash flow from operating activities improved compared to the same period 2015 as a result of increased focus on net working capital.

Notox was closed down in the first half year and this affects profit after tax negatively by DKK 0.6 million. The efforts to divest the assets of Notox continue.

Consolidated profit after tax was DKK 7.8 million as against DKK 9.1 million in the same period 2015. Consolidated profit is in line with expectations.

The transfer of the packaging operation from Holstebro, Denmark, to an external partner in Poland is completed as planned.

In June 2016, the Group entered into an agreement with the Group's banking institutions to prolong the existing financing agreement to the effect that it covers the expected financing requirements up to 31 August 2017.

Outlook for 2016

The Group expects to generate unchanged revenue in 2016 in the range of DKK 770-800 million and EBITDA recurring of DKK 55-62 million. The close-down of Notox has no effect on EBITDA recurring.

Key figures

<i>DKK million</i>	2016*	2015*	2015
Group	Q1-Q2	Q1-Q2	Year
Net revenue	413.0	415.0	766.2
Operating profit before depreciations and special items (EBITDA recurring)	37.5	34.9	54.8
Special items	-10.1	-0.8	-11.1
Operating profit before depreciations (EBITDA)	27.4	34.1	43.7
Operating profit (EBIT)	20.1	26.6	29.0
Financial items, net	-8.4	-9.1	-17.6
Profit/loss of continued activities before tax	11.7	17.5	11.4
Profit/loss of discontinued activities after tax	-0.6	-2.8	-177.4
Profit/loss after tax	7.8	9.1	-171.9

Key figures

<i>DKK million</i>	2016*	2015*	2015
	Q1-Q2	Q1	Year
Equity	-192.4	-12.8	-196.8
Total assets	481.3	644.0	463.2
Cash flow from operating activities	27.1	-28.8	-29.2
Cash flow to investing activities, net	-6.6	-4.3	-14.4
Total cash flows for the period	-	0.1	0.1
Net interest-bearing debt	470.0	485.5	484.4
Net working capital (NWC)	173.1	223.5	186.0
Operating profit before depreciation, amortisation, impairment losses and special items, margin	9,1	8,4	7,2
EBITDA margin	6,6	8,2	5,7
EBIT margin	4,9	6,4	3,8
Return on invested capital in % (ROIC excl. GW)	8,9	6,4	11,7
Return on equity in % (ROE)	I/A	I/A	I/A
Equity ratio in %	-40,0	-2,0	-42,5
Earnings per share and diluted earnings per share in DKK (EPS basic)	2.4	2.9	-53.6
Net asset value per share in DKK (BVPS)	-60,0	-4,0	-61,3
Price/net asset value	-0,4	-9,3	-0,5
Market price at year end	21,0	37,0	28,8

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 2015.

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

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