

# CEMBRIT

# 2018

## Interim financial report – 1<sup>st</sup> Quarter



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## Presentation of the group

Cembrit is a leading European manufacturer and distributor of fibre cement products and offers a wide range of products and solutions for roofing as well as exterior and interior cladding.

Besides delivering building materials, Cembrit provides complete installation systems as well as technical solutions for residential houses, holiday cottages, trade, industry and agricultural buildings, offices as well as public buildings, including for both new build and renovation projects.

Fibre cement is a light, strong and flexible composite building and construction material, where cement is reinforced with cellulose fibres, characterised by several attractive product features, including, low maintenance, high durability and a competitive price level.

The fibre cement product category has historically been taking share as compared to rival building materials products.

The Group operates production facilities in Czech Republic, Finland, Hungary and Poland. In addition to manufacturing facilities, the Group has a number of warehouses in Europe. The Group covers the majority of Western and Eastern Europe through its sales entities or indirect sales.

Cembrit creates first class fibre-cement products. Cembrit's products and solutions add exciting new design opportunities for moulding attractive, durable settings for people's lives.

### List of Group companies

<u>Company name</u>	<u>Country</u>	<u>Direct Group holding (pct.)</u>
Cembrit Group A/S	Denmark	100%
Cembrit Holding A/S	Denmark	100%
Cembrit A/S	Denmark	100%
Cembrit Logistics A/S	Denmark	100%
Cembrit as	Norway	100%
Cembrit a.s.	Czech Republic	100%
Cembrit Kft.	Hungary	100%
Cembrit Ltd.	United Kingdom	100%
Cembrit Production Oy	Finland	100%
Cembrit Oy	Finland	100%
Cembrit Sp. Z.o.o.	Poland	100%
Cembrit NV/SA	Belgium	100%
Cembrit Production S.A.	Poland	100%
Cembrit AB	Sweden	100%
Cembrit Ireland Ltd.	Ireland	100%
Cembrit Inc.	USA	100%
Cembrit GmbH	Germany	100%
DKCF ApS	Denmark	100%
Cembrit SAS	France	100%
LLC Cembrit	Russia	100%
Cembrit BV	Netherlands	100%

## Comments by the CEO

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The result for Q1 2018 was overall in line with management's expectations.

Revenue came in slightly below Q1 2017, mainly driven by weather-related delay in Nordic construction market activity and fewer sales days in March 2018 compared to March 2017 due to the Easter Holidays. Revenue outside the Nordic market grew by 11%.

Costs related to freight and SG&A amounted to DKKm 79.9, which is 3% lower than Q1 2017. EBITDA for Q1 2018 ended up at DKKm -1.5.

In Q1 2018, costs of DKKm 5.8 related to restructuring activities and historic costs related to sales activities was categorized as special non-recurring items.

Cash flow from operating activities was in line with expectations and ended up at DKKm -92.1, mainly driven by seasonality in accounts receivable. In addition, inventories grew by DKKm 14 in Q1 2018 in preparation of peak construction demand during summer. Inventory reduction initiatives in the Hungarian production facility did not yet show an impact in Q1.

Investments in Q1 2018 was at DKKm 6.4, DKKm 11.9 below the level in Q1 2017. The main reason for this is a lower level of investments in intangible assets, primarily the ERP system, which was finished during 2017, and a lower level of investments in tangible assets.

Cash flow from operating and investing activities ended up at DKKm -98.4, compared to a cash flow of DKKm -227.3 in Q1 2017. At quarter end, Cembrit had available liquidity of DKKm 76 consisting of unutilized credit facilities and available cash.

In January 2018 Cembrit Holding received an equity issue of DKKm 90 from its shareholders to maintain healthy liquidity while implementing new strategic initiatives.

Based on the market outlook and a number of improvement initiatives launched by the new management team since Q4 2017, performance is expected to improve in 2018. The Group expects a minor growth in top line driven by both existing and new markets and sees a potential to improve operating profit and NWC by optimization of the operational set up, general cost savings and inventory reductions.

## Financial highlights

	<b>Q1 2018</b> DKK (000)	<b>Q1 2017</b> DKK (000)	<b>YTD 2018</b> DKK (000)	<b>YTD 2017</b> DKK (000)
<b>INCOME STATEMENT</b>				
Revenue	340.016	351.731	340.016	351.731
Gross profit	78.475	83.677	78.475	83.677
Earnings before depr., amort. and impair. (EBITDA)	(1.521)	1.319	(1.521)	1.319
<b>CASH FLOW</b>				
Cash flow from operating activities	(92.066)	(209.121)	(92.066)	(209.121)
Cash flow from investments	(6.362)	(18.246)	(6.362)	(18.246)
<b>BALANCE SHEET</b>				
Total assets			1.874.267	1.923.319
Equity			509.330	557.014
Working capital			292.302	243.997
Net Interest Bearing debt			860.042	797.992
<b>FINANCIAL RATIOS</b>				
Gross margin	23,1%	23,8%	23,1%	23,8%
EBITDA margin	-0,4%	0,4%	-0,4%	0,4%
Equity ratio			27,2%	29,0%

## Consolidated income statement

	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>YTD 2018</b>	<b>YTD 2017</b>
	DKK (000)	DKK (000)	DKK (000)	DKK (000)
Revenue	340.016	351.731	340.016	351.731
Production costs	(261.541)	(268.054)	(261.541)	(268.054)
<b>Gross profit</b>	<b>78.475</b>	<b>83.677</b>	<b>78.475</b>	<b>83.677</b>
Freight	(7.523)	(7.962)	(7.523)	(7.962)
Sales and marketing costs	(51.498)	(52.190)	(51.498)	(52.190)
Administrative costs and net other operating income	(20.976)	(22.205)	(20.976)	(22.205)
<b>Earnings before depr., amort. and impairm. (EBITDA)</b>	<b>(1.521)</b>	<b>1.319</b>	<b>(1.521)</b>	<b>1.319</b>
Special non-recurring items	(5.826)	(58)	(5.826)	(58)
Depreciation and impairment of tangible assets	(22.251)	(21.109)	(22.251)	(21.109)
<b>Earnings before amort. and impairm. of intangible assets (EBITA)</b>	<b>(29.598)</b>	<b>(19.848)</b>	<b>(29.598)</b>	<b>(19.848)</b>
Amortisation and impairment of intangible assets	(2.352)	(3.082)	(2.352)	(3.082)
<b>Earnings before interest and tax (EBIT)</b>	<b>(31.950)</b>	<b>(22.930)</b>	<b>(31.950)</b>	<b>(22.930)</b>
Financial income	21.418	13.021	21.418	13.021
Financial costs	(35.539)	(65.707)	(35.539)	(65.707)
<b>Earnings before tax (EBT)</b>	<b>(46.072)</b>	<b>(75.616)</b>	<b>(46.072)</b>	<b>(75.616)</b>
Tax on profit/loss for the period	6.531	14.826	6.531	14.826
<b>Profit/loss for the period</b>	<b>(39.541)</b>	<b>(60.790)</b>	<b>(39.541)</b>	<b>(60.790)</b>

## Consolidated statement of comprehensive income

	<b>Q1 2018</b> DKK (000)	<b>Q1 2017</b> DKK (000)	<b>YTD 2018</b> DKK (000)	<b>YTD 2017</b> DKK (000)
<b>Profit/loss for the period</b>	<b>(39.541)</b>	<b>(60.790)</b>	<b>(39.541)</b>	<b>(60.790)</b>
<b>Other comprehensive income</b>				
<b>Items that can be reclassified to the income statement:</b>				
Foreign exchange adjustment regarding foreign operations	(329)	7.976	(329)	7.976
Value adjustments of hedging instruments:				
Value adjustment for the period	1.915	1.019	1.915	1.019
Value adjustments transferred to revenue	(660)	(145)	(660)	(145)
Value adjustments transferred to production costs	1.331	(58)	1.331	(58)
Value adjustments transferred to balance sheet items	0	374	0	374
Tax on other comprehensive income	(345)	(231)	(345)	(231)
<b>Other comprehensive income for the period after tax</b>	<b>1.913</b>	<b>8.935</b>	<b>1.913</b>	<b>8.935</b>
<b>Comprehensive income for the period</b>	<b>(37.628)</b>	<b>(51.855)</b>	<b>(37.628)</b>	<b>(51.855)</b>
Comprehensive income for the period attributable to :				
Cembrit Group A/S shareholders' share of compreh. inc. for the period	(37.628)	(51.855)	(37.628)	(51.855)
	<b>(37.628)</b>	<b>(51.855)</b>	<b>(37.628)</b>	<b>(51.855)</b>

## Consolidated cash flow statement

	Q1 2018 DKK (000)	Q1 2017 DKK (000)	YTD 2018 DKK (000)	YTD 2017 DKK (000)
EBIT from P&L	(31.950)	(22.930)	(31.950)	(22.930)
Depreciations and write downs of tangible assets	22.251	21.109	22.251	21.109
Amortizations and write downs of intangible assets	2.352	3.082	2.352	3.082
Gain, loss on sold assets and other adjustments	320	1.395	320	1.395
<b>Total adjusted EBITDA</b>	<b>(7.027)</b>	<b>2.656</b>	<b>(7.027)</b>	<b>2.656</b>
<b>Change in provisions</b>	<b>(1.569)</b>	<b>(2.347)</b>	<b>(1.569)</b>	<b>(2.347)</b>
<b>Change in working capital</b>	<b>(60.515)</b>	<b>(153.052)</b>	<b>(60.515)</b>	<b>(153.052)</b>
Financial payments received and made	(15.215)	(48.642)	(15.215)	(48.642)
Corporation tax paid	(7.740)	(7.736)	(7.740)	(7.736)
<b>Cash flow from operating activities</b>	<b>(92.066)</b>	<b>(209.121)</b>	<b>(92.066)</b>	<b>(209.121)</b>
Investments in intangible assets	(3.554)	(10.141)	(3.554)	(10.141)
Investments in tangible assets	(2.466)	(8.140)	(2.466)	(8.140)
<b>Total investments</b>	<b>(6.020)</b>	<b>(18.281)</b>	<b>(6.020)</b>	<b>(18.281)</b>
Disposal of intangible assets	0	1	0	1
Disposal of tangible assets	12	42	12	42
<b>Total disposals</b>	<b>12</b>	<b>43</b>	<b>12</b>	<b>43</b>
<b>Change in other financial assets</b>	<b>(354)</b>	<b>(8)</b>	<b>(354)</b>	<b>(8)</b>
<b>Cash flow from investments</b>	<b>(6.362)</b>	<b>(18.246)</b>	<b>(6.362)</b>	<b>(18.246)</b>
<b>Cash flow from operating and investing activities</b>	<b>(98.428)</b>	<b>(227.367)</b>	<b>(98.428)</b>	<b>(227.367)</b>
Dividend	0	0	0	0
Capital increases	90.000	0	90.000	0
External banks	2.389	(17.648)	2.389	(17.648)
Leasing	(75)	(134)	(75)	(134)
Changes in NIBD	833	285.916	833	285.916
<b>Cash flow from financing activities</b>	<b>93.147</b>	<b>268.134</b>	<b>93.147</b>	<b>268.134</b>
<b>Change in cash funds</b>	<b>(5.281)</b>	<b>40.767</b>	<b>(5.281)</b>	<b>40.767</b>



## Consolidated balance sheet – Assets

	<b>31.03.2018</b> DKK (000)	<b>31.12.2017</b> DKK (000)	<b>31.03.2017</b> DKK (000)
Intangible assets	179.828	178.619	162.565
Tangible assets	936.235	955.630	982.521
Other fin. assets	707	352	350
Deferred tax assets	95.137	86.308	100.830
<b>Total non-current assets</b>	<b>1.211.906</b>	<b>1.220.910</b>	<b>1.246.266</b>
Inventories	364.623	350.532	322.950
Accounts receivable	234.589	195.875	231.509
Prepaid expenses	13.033	11.017	10.202
Other receivables	41.100	41.495	54.659
Cash and cash equivalents	9.017	18.401	57.732
<b>Total current assets</b>	<b>662.361</b>	<b>617.321</b>	<b>677.052</b>
<b>Total assets</b>	<b>1.874.267</b>	<b>1.838.230</b>	<b>1.923.319</b>

## Consolidated balance sheet – Equity and Liabilities

	<b>31.03.2018</b> DKK (000)	<b>31.12.2017</b> DKK (000)	<b>31.03.2017</b> DKK (000)
Share capital	71.524	41.860	41.761
Reserves	437.806	414.830	515.254
<b>Total shareholders equity</b>	<b>509.330</b>	<b>456.690</b>	<b>557.014</b>
Deferred tax liabilities	64.573	65.820	67.967
Provisions	55.142	54.218	55.980
Pension liabilities and other liabilities	2.169	2.181	2.200
Bond issued	850.956	850.131	846.668
Finance lease	656	551	855
<b>Long-term liabilities</b>	<b>973.495</b>	<b>972.901</b>	<b>973.670</b>
Pension liabilities and other liabilities	287	289	232
Finance lease	313	491	651
Other provisions	15.838	18.360	25.345
Cash pool and external banks	15.208	15.857	(106)
Accounts payable	168.537	164.822	184.100
Current tax liabilities	12.744	8.412	10.295
Prepayments from customers	2.551	634	925
Other short-term liabilities	175.964	199.775	171.192
<b>Short-term liabilities</b>	<b>391.442</b>	<b>408.640</b>	<b>392.634</b>
<b>Total liabilities</b>	<b>1.364.937</b>	<b>1.381.541</b>	<b>1.366.304</b>
<b>Total equity and liabilities</b>	<b>1.874.267</b>	<b>1.838.230</b>	<b>1.923.319</b>

## Statement of changes in equity

DKK (000)	Share capital	Foreign exchange adjustment	Value adjustment of hedging	Non distributable reserves	Retained earnings	Proposed dividend	Total
<b>Equity at 1 January 2018</b>	41.860	19.300	(2.171)	5.382	392.587	0	456.958
<b>Comprehensive income for the period</b>							
Profit/loss for the period					(39.541)		(39.541)
<b>Other comprehensive income</b>							
Foreign exchange adjustments regarding foreign operations		(329)					(329)
Value adjustments of hedging instruments:							
Value adjustments for the period			1.915				1.915
Value adjustments transferred to revenue			(660)				(660)
Value adjustments transferred to production costs			1.331				1.331
Value adjustments transferred to balance sheet items			0				0
Tax on other comprehensive income*			(345)				(345)
Other comprehensive income total	<u>0</u>	<u>(329)</u>	<u>2.241</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.913</u>
<b>Comprehensive income for the year</b>	<u>0</u>	<u>(329)</u>	<u>2.241</u>	<u>0</u>	<u>(39.541)</u>	<u>0</u>	<u>(37.628)</u>
Capital increase	29.664				60.336		90.000
Acquisition of treasury shares							0
Share-based payment, share options				0			0
<b>Equity at 31 March 2018</b>	<u>71.524</u>	<u>18.971</u>	<u>70</u>	<u>5.382</u>	<u>413.382</u>	<u>0</u>	<u>509.330</u>
<b>Equity at 1 January 2017</b>	41.761	(8.198)	(7.647)	3.543	579.660	0	609.119
<b>Comprehensive income for the period</b>							
Profit/loss for the period					(60.790)		(60.790)
<b>Other comprehensive income</b>							
Foreign exchange adjustments regarding foreign operations		7.976					7.976
Value adjustments for the period			1.019				1.019
Value adjustments transferred to revenue			(145)				(145)
Value adjustments transferred to production costs			(58)				(58)
Value adjustments transferred to balance sheet items			374				374
Tax on other comprehensive income*			(231)				(231)
Other comprehensive income total	<u>0</u>	<u>7.976</u>	<u>959</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8.935</u>
<b>Comprehensive income for the year</b>	<u>0</u>	<u>7.976</u>	<u>959</u>	<u>0</u>	<u>(60.790)</u>	<u>0</u>	<u>(51.855)</u>
Capital increase							0
Acquisition of treasury shares							0
Share-based payment, share options				(250)			(250)
<b>Equity at 31 March 2017</b>	<u>41.761</u>	<u>(222)</u>	<u>(6.688)</u>	<u>3.293</u>	<u>518.870</u>	<u>0</u>	<u>557.014</u>

# Notes

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## **1 Update of material risk factors and events after reporting period**

No significant changes in risk factors have been identified which will affect the Group through the coming quarter. For additional explanations regarding risks and uncertainties, please refer to the Risk Management description in the Annual report 2017 for Cembrit Group.

## **2 Accounting policies**

The Interim Financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Danish disclosure requirements for listed companies.

Except as stated below, accounting policies applied in preparing the Interim Financial Report are consistent with those applied in preparing the 2017 Annual Report. The 2017 Annual Report provides a full description of Group accounting policies.

The Interim Financial Report have not been audited or subject to a review by the auditors.

The Report is presented in Danish kroner (DKK) which is the presentation currency of the activities of the Group and the functional currency of the parent company. All figures refer to thousands of Danish kroner (DKK '000) unless otherwise specified.

### *Consolidated report*

The consolidated report comprises the parent company, Cembrit Group A/S and all enterprises in which the Group holds the majority of the voting rights or in which the Group in some other way holds control. The consolidated report is based on the financial report of the parent company and the individual subsidiaries which are recognized in accordance with the Group accounting policies. All items of a uniform nature are added together, while intercompany income, costs, balances and shareholdings are eliminated. Unrealized gains and losses on transactions between consolidated enterprises are also eliminated.

The items in the financial reports of subsidiaries are included one hundred per cent in the consolidated report. There are no minority interests.

### *Translation of foreign currency*

The functional currency is determined for each of the reporting enterprises. The functional currency is the currency primarily used by the individual reporting enterprises in connection with day-to-day operations. Transactions in another currency than the functional currency are transactions in foreign currency.

Transactions in another currency than Cembrit Group A/S' functional currency are translated at the exchange rate of the day of transaction. Financial assets and liabilities in foreign currency are translated at the exchange rates prevailing at the balance sheet date. Any foreign exchange differences between the rates prevailing at the date of the transaction and the payment date or the balance sheet date, as the case may be, are recognized in the income statement as financial items.

Non-monetary assets and liabilities in foreign currency are recognized at the rate of exchange prevailing at the date of the transaction. Non-monetary items that are measured at fair value (shares) are translated at the exchange rate prevailing at the date of the latest fair value adjustment.

The income statements of foreign subsidiaries with a functional currency that differs from Danish kroner are translated at average exchange rates while their balance sheet items are translated at the exchange rates quoted at the balance sheet date. The differences deriving from the translation of the income statements of foreign business units at average exchange rates and of their balance sheet items at the rate of exchange at the balance sheet date are adjusted in the equity.

The foreign exchange adjustment of receivables from or debt to subsidiaries that are considered part of the parent company's total investment in the subsidiary concerned, is recognized in the statement of comprehensive income in the consolidated financial statements.

The adjusted financial statements are translated at the exchange rate quoted on the balance sheet date.

### *Changes in accounting policies*

Cembrit Group A/S has from 1 January 2018 implemented the following new reporting standards (IAS and IFRS) and amendments (IFRIC):

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15
- IFRS 22 Foreign Currency Transactions and Advance Consideration

Implementation of the new standards, amendments and interpretations have not had any material impact on the Group's financial statements.

### 3 Significant estimates and assessments by Management

The preparation of the Interim Financial Report requires that the Management makes estimates and assumptions, which by definition will seldom equal the actual results, that affect the reported amounts and disclosures in the statements and in the notes to the financial statements.

Management bases its estimates on historical experience and other assumptions considered relevant at the time. These estimates and assumptions form the basis for the recognized carrying amounts of assets and liabilities and the derived effects on the income statement and other comprehensive income. The actual result may deviate over time.

The estimates made and the underlying assumptions are reconsidered on an ongoing basis.

### 4 Net Interest Bearing Debt and change in cash funds explanation

	31.03.2018 DKK (000)	31.12.2017 DKK (000)	31.03.2017 DKK (000)
Cash at hand	308	291	637
External bank (not part of cash pool)	8.709	18.110	13.518
Cash pool (asset)	0	(0)	43.577
<b>Total cash funds</b>	<b>9.017</b>	<b>18.401</b>	<b>57.732</b>
External banks (not part of cash pool)	(6.638)	(4.239)	(0)
Cash pool (liability)	(8.562)	(11.618)	0
<b>Total cash pool and external banks</b>	<b>(15.201)</b>	<b>(15.857)</b>	<b>(0)</b>
<b>Net cash/revolver</b>	<b>(6.184)</b>	<b>2.544</b>	<b>57.732</b>
<b>Bond loan</b>	<b>850.956</b>	<b>850.131</b>	<b>846.668</b>
FX market value	1.934	4.764	7.549
Financial lease	969	1.042	1.506
<b>Total NIBD</b>	<b>847.675</b>	<b>858.481</b>	<b>913.456</b>
Total cash funds	9.017	18.401	57.732
Cash pool (liability)	(8.562)	(11.618)	0
<b>Total cash at end of period</b>	<b>454</b>	<b>6.784</b>	<b>57.733</b>
Total opening balance	6.784	16.973	16.973
Cash flow from operating activities	(92.066)	(193.611)	(209.121)
Cash flow from investing activities	(6.362)	(74.510)	(18.246)
Cash flow from financing activities	93.147	257.202	268.134
<b>Change in cash funds</b>	<b>(5.281)</b>	<b>(10.919)</b>	<b>40.767</b>
FX	(1.049)	730	(7)
<b>Total cash at end</b>	<b>454</b>	<b>6.784</b>	<b>57.733</b>
Available liquidity	75.841	84.569	79.757

## 5 Segment information

The internal reporting framework used for reporting on revenue and expenses to the General Management Team and the Board of Directors has been established to reflect and report on the global functional responsibility setup at Cembrit. This setup consolidates functions by type, and Management reviews the results of the Group as a whole to assess performance. Thus, there is only one operating segment.

The Group operates primarily on the European Market. The geographical distribution of revenue is based on the country in which the goods are delivered.

### Accounting policy

Revenue includes sales of goods and related services, less goods returned and volume and cash discounts. Sales are recognized at the time of risk transfer relating to the goods sold, provided that the revenue can be measured on a reliable basis and payment is expected to be received. A liability is recognized when it is contractually agreed that goods can be returned and this is likely.

	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>YTD 2018</b>	<b>YTD 2017</b>
	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>
<b>Revenue by geographical area</b>				
Denmark	82.753	88.944	82.753	88.944
Nordic excl. Denmark	188.982	201.728	188.982	201.728
West Europe	48.455	45.378	48.455	45.378
Other	19.826	15.681	19.826	15.681
	<b><u>340.016</u></b>	<b><u>351.731</u></b>	<b><u>340.016</u></b>	<b><u>351.731</u></b>
<b>Revenue by product group</b>				
Roofing	148.093	158.567	148.093	158.567
Façade/function boards	151.114	154.831	151.114	154.831
Other	40.809	38.333	40.809	38.333
	<b><u>340.016</u></b>	<b><u>351.731</u></b>	<b><u>340.016</u></b>	<b><u>351.731</u></b>
<b>Assets by geographical area</b>				
Denmark			82.124	69.106
Nordic excl. Denmark			250.106	273.778
East Europe			749.291	773.536
Other			34.542	28.666
			<b><u>1.116.063</u></b>	<b><u>1.145.086</u></b>

## 6 Special non-recurring items

Special non-recurring items consist of costs and income of a special nature in relation to the activities of the Group. The cost consists of costs related to historic sales activities and restructuring costs. The cost is classified as special non-recurring items in order to give a more true and fair view of the Group's other operational activities.

Special non-recurring items consist of costs and income of a one-off nature in relation to the Group's primary activities.

	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>YTD 2018</b>	<b>YTD 2017</b>
	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>	<u>DKK (000)</u>
Sales activities	3.266	0	3.266	0
Restructuring	<u>2.560</u>	<u>58</u>	<u>2.560</u>	<u>58</u>
	<b><u>5.826</u></b>	<b><u>58</u></b>	<b><u>5.826</u></b>	<b><u>58</u></b>



## Statement by Management

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The Board of Directors and the Executive Board have considered and adopted the Interim Financial Report of Cembrit Group A/S for the three-month period ended 31 March 2018.

The Interim Financial Report, which has not been audited or reviewed by the Company auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the Interim Financial Statements give a true and fair view of the Cembrit Group's assets, equity, liabilities and financial position at 31 March 2018 and the results of the Group's activities and the cash flow for the three-month period ended 31 March 2018.

We also find that the Management's commentary provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group and a description of major risks and elements of uncertainty faced by the Group.

Copenhagen, 29 May 2018

### Executive Board


  
Jørn Mørkeberg Nielsen  
CEO

  
Jacob Moesgård  
CFO

### Board of Directors

  
Kent Arentoft  
Chairman

  
Jan Warrer

  
Denis Viet Jacobsen

  
Johan Olof Cervin

  
Sigge Lennart Haraldsson