

CENBRIT

2019

Interim financial report – 4th quarter



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“Cembrit continues to focus on creating an efficient operating platform, winning customers in selected markets and becoming a provider of solutions to our customers, and this is starting to make an impact across the business. We continue to strengthen the foundation of the company and build on our strong platform in a fibre-cement market that continues to grow and gain share from traditional building materials.”

Jørn Mørkeberg Nielsen
CEO

Other highlights:

- Like-for-like revenue growth of 0% for Q4 and 2% for full-year 2019, with a strong start to 2020
- Adjusted EBITDA for Q4 amounted to DKKm 42.3, up DKKm 20.7 on Q4 2018
- Adjusted EBITDA of DKKm 183.0 for 2019 is an all-time high for the Cembrit Group
- The 2019 Annual Report will be published no later than by the end of April 2020

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Financial highlights

	Q4 2019 DKK (000)	Q4 2018 DKK (000)	FY 2019 DKK (000)	FY 2018 DKK (000)
INCOME STATEMENT				
Revenue	369,480	402,416	1,602,117	1,654,710
Adjusted gross profit	118,941	103,563	469,093	425,795
Gross profit	118,941	103,563	455,393	425,795
Adjusted earnings before interest, tax, depr. and amort. (EBITDA)	42,346	21,689	183,026	112,009
Earnings before interest, tax, depr. and amort. (EBITDA)	42,346	21,689	168,000	112,009
CASH FLOW				
Cash flow from operating activities before tax	74,460	112,182	133,632	97,148
Cash flow from investing activities	(23,813)	(44,733)	(59,657)	(62,214)
BALANCE SHEET				
Total assets			1,823,861	1,763,002
Equity			400,584	459,700
Working capital			200,123	198,482
Net Interest-bearing debt, excluding leases			854,767	806,409
FINANCIAL RATIOS				
Adjusted gross margin	32.2%	25.7%	29.3%	25.7%
Gross margin	32.2%	25.7%	28.4%	25.7%
Adjusted EBITDA margin	11.5%	5.4%	11.4%	6.8%
EBITDA margin	11.5%	5.4%	10.5%	6.8%
Equity ratio			22.0%	26.1%

Financial ratios have been calculated as defined in the 2018 Annual Report.

IFRS 16, the new lease accounting standard, was implemented in 2019. The comparative figures for 2018 in the above table have not been restated. Further information is provided on in note 2.

Business review

2019 has been a busy year for Cembrit, with many strategic initiatives starting to make an impact on the company's financials. We continue to win new customers in growth markets and develop our strong business relationships with existing customers.

While some markets showed a weaker development in Q4 2019, we have seen a very positive development in the beginning of 2020 especially in the Nordic, UK- & Ireland region. Market data indicates continued low-single-digit construction growth in our markets going forward, and although fibre-cement makes up only a small part of building materials sales in Europe, it is expected to continue to gain share from traditional building materials. While we do not currently expect a downturn in the economy, such an event would be mitigated by Cembrit's high level of exposure to the renovation market, which historically has made up a significant part of sales.

During the last 12 months, the management team has executed a large number of strategic projects to improve Cembrit's commercial and operational excellence. These initiatives include:

- Targeted go-to-market strategies for each product and country
- Yield and efficiency improvements in production, particularly in Hungary
- Product pruning
- Warehouse consolidation
- Improved capacity utilisation across production facilities
- Increased use of shared services
- Improvement and upgrades to the company's ERP

Cembrit continues to introduce new and improved products to the market. In 2019, Cembrit introduced the new facade board Patina Inline, with 3D effects inspired by nature. This new product enables Cembrit to meet the rising demand from architects and builders for exterior facades that add character and depth to a building's idiom, allowing it to blend in with the surrounding environment.

Finally, the yield-lag issues that we experienced at our Hungarian production facility are now very close to being resolved, with yield in Q4 close to that of our other factories. We expect continued full-year effect in our financials going forward and increased volume output potential in 2020.

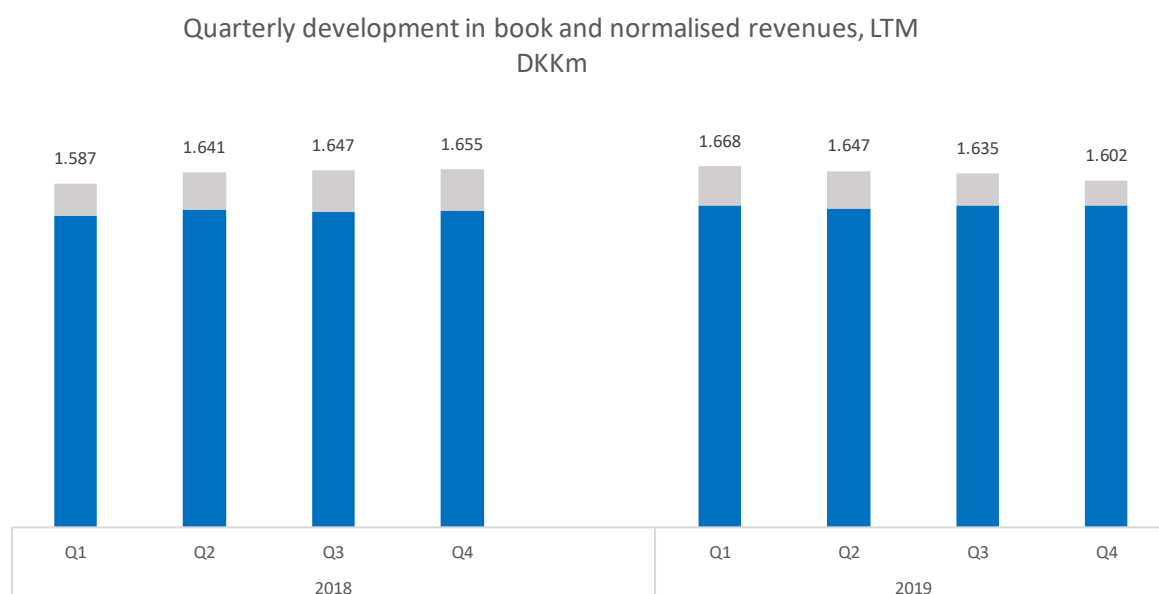
Revenue

Revenue for Q4 2019 amounted to DKKm 369.5, compared to DKKm 402.4 in Q4 2018. As communicated previously, Cembrit has phased out certain low-performing products and markets to

streamline operations and improve margins. Adjusted for these, like-for-like revenue growth was flat for Q4 2019 and 2% for full-year 2019.

Revenue growth in Q4 2019 was lower than expected, but 2020 has started positively. Please refer to note 5 for Q4 2019 revenue growth by market.

The sales pattern for Cembrit's products is seasonal. Revenue is traditionally highest in the second and third quarters and lowest in the first quarter. The graph below shows LTM (last 12 months) revenue on a quarterly basis, taking the seasonality in Cembrit's business into account.



The blue bars show like-for-like revenue, which for Q4 2019 was flat and for full-year 2019 was up 2%.

Profitability

Together with continued robust performance across the business, the improvement in operational efficiency - including at the Hungarian production facility - has increased the adjusted gross margin to 32.2% in Q4 2019, up 6.5 percentage-points from Q4 2018. Moreover, the adjusted gross margin has consistently increased each quarter throughout the year. The full-year effect of this will be seen in 2020. The adjusted gross margin for full-year 2019 was 29.3%.

Combined with a continued focus on SG&A cost reductions the adjusted gross margin improvement has increased the adjusted EBITDA margins for Q4 from 5.4% to 11.5%, an improvement of 6.1 percentage-points. The adjusted EBITDA margin for full-year 2019 reached 11.4%.

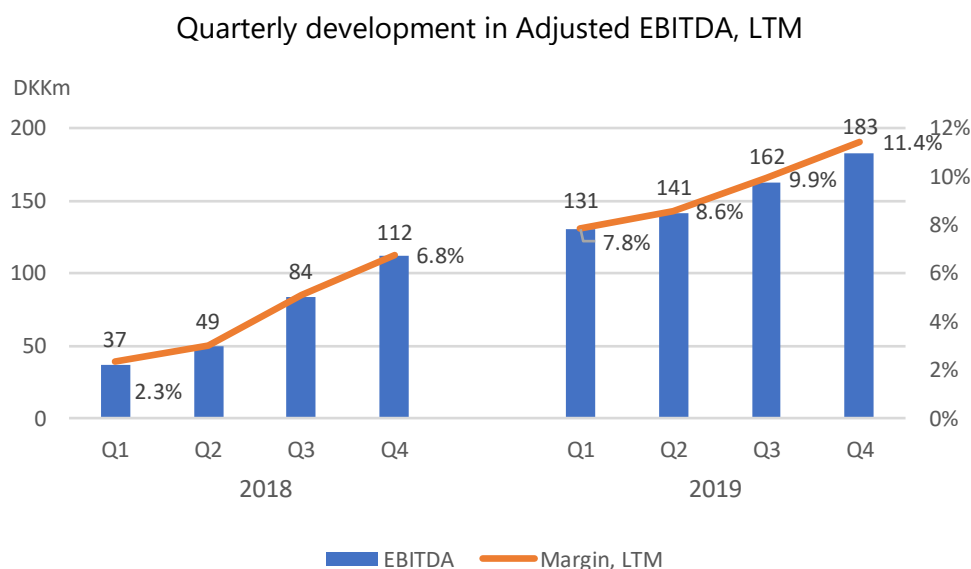
Adjusted gross profit, adjusted EBITDA and related ratios

Adjusted gross profit, adjusted EBITDA and related ratios were introduced in the Q3 2019 report, where further details can be found. The adjustment mainly relates to ongoing restructuring of the business and a reduced cost price for facade boards, ensuring a more profitable facade business.

The effect of the new lease accounting standard on the income statement is DKKm 34.8 for full-year 2019.

Efforts to improve operational efficiency and increase capacity will continue to be a key driver of Cembrit's margin and EBITDA development in 2020. Other strategic initiatives, such as selected price increases, improved sourcing and a reduction in low-volume products, will also support margins going forward.

The graph below shows adjusted EBITDA, LTM, by quarter, taking the seasonality in Cembrit's business into account.



The above adjusted EBITDA, LTM graph has not been adjusted to reflect the new lease accounting standard for data before 2019 (adjusted EBITDA, LTM, is based on the reported EBITDA for each quarter).

Costs of a special nature in relation to Cembrit's activities are shown as special non-recurring items in the income statement. These amounted to DKKm 18.5 for full-year 2019 (full-year 2018: DKKm 30.8) and are specified in detail in note 6.

Profit after tax for full-year 2019 was DKKm -64.0, compared to DKKm -84.6 for full-year 2018. This includes a DKKm 7.5 write-down of tax asset (tax loss carry-forward) and, adjusted for this after tax for full-year 2019 was DKKm -56.5.

New lease accounting standard

IFRS 16, the new lease accounting standard, was implemented in the first quarter of 2019. IFRS 16 requires all leases – except for short-term leases and leases of low-value assets – to be recognised in the balance sheet as a right-of-use asset and lease liability measured at the present value of future lease payments. The right-of-use asset is subsequently depreciated over the lease term in a similar way to other assets such as property, plant and equipment, and interest on the lease liability is calculated in a similar way to finance leases under IAS 17 Leases. Further information on IFRS 16 is included in note 2.

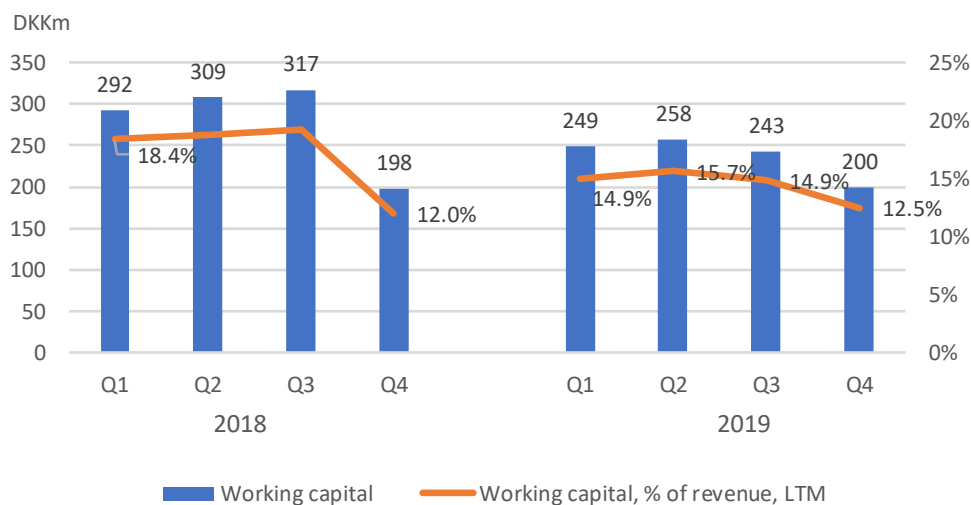
Cash flow

Cash flow from operating activities before tax for Q4 2019 amounted to DKKm 74.5, driven by general profitability improvements and working capital performance. Cash flow from operating activities before tax for Q4 2019 was DKKm 37.7 lower than in Q4 2018, due to a smaller reduction in working capital in Q4 2019 than in Q4 2018, mainly related to inventory. In Q4 2018, the inventory level was reduced by more than DKKm 50, which had a material positive impact on cash flow from operating activities before tax for Q4 2018. In Q4 2019 Cembrit has maintained the inventory level from the end of Q4 2018.

Working capital at the end of Q4 2019 was DKKm 200, which is in line with Q4 2018. The company continues to focus on structural inventory reduction and improving accounts receivables processes. Accounts payable reflect the good activity level. The company has initiated a working capital improvement project with the assistance of external consultants, and a reduction in working capital is expected over the coming 12 months.

The graph below shows working capital in DKKm at the end of the quarter and working capital as a percentage of revenue, LTM. Average working capital has seen a marked improvement versus 2018, and Management continues to work to improve this further.

Quarterly development in working capital



Investments for Q4 2019 totalled DKKm 25.1. The company completed several maintenance and capacity improvements projects during 2019 to safeguard and improve production efficiency and production capacity.

Available liquidity at the end of Q4 2019 was DKKm 79.1. Further details are included in note 4.

Capital structure

Total equity at the end of Q4 2019 was DKKm 400.6 with an equity ratio of 22%.

Consolidated net interest-bearing debt at 31 December 2019 amounted to DKKm 949.7, including lease liabilities (cf. IFRS 16) of DKKm 94.9.

Net interest-bearing debt decreased in Q4 2019 mainly due to the reduction in working capital and EBITDA improvement.

Outlook

Performance for full-year 2019 was in line with overall expectations, with organic like-for-like revenue growth of 2%, as well as implementation of a number of value-creating strategic projects including significant efficiency improvements at the plant in Hungary. Furthermore, EBITDA and cash flows from operating and investing activities for full-year 2019 were in line with expectations.

We see good potential for further increases in 2020 and Cembrit has made a positive start to the year. Based on market intelligence, we expect to see growth in the fibre-cement market. The effects of the United Kingdom's decision to leave the EU may cause us to revise our strategy for this market,

although we do not currently see signs that the overall market will turn negative – rather, we are presently seeing a strong development in the UK.

Further insight into expectations for 2020 will be presented in the 2019 Annual Report.

DISCLAIMER

This interim financial report contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of Cembrit Group A/S, may cause actual developments and results to differ materially from the expectations expressed in this report.

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, commercial, industrial and agricultural buildings, offices and public buildings, including for both new build and renovation projects.

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

The fibre-cement product category has historically been gaining market share relative to rival building materials products.

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

Cembrit produces first-class fibre-cement products. Cembrit's products and solutions offer exciting new design opportunities for creating attractive, durable settings for people's lives.

Further details are included in the 2018 Annual Report and on Cembrit's website, www.cembrit.com.

Statement by Management

The Board of Directors and the Executive Board have considered and adopted the Interim Financial Report of Cembrit Group A/S for the 12-month period ended 31 December 2019.

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 additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of Cembrit Group A/S's assets, equity, liabilities and financial position at 31 December 2019, and of the results of the Group's activities and cash flow for the period 1 January to 31 December 2019.

We also find that the Business review, together with the notes, provides a fair statement of developments in the activities and financial situation of the Group, the financial results for the period, the general financial position of the Group, and a description of the major risks and elements of uncertainty faced by the Group.

Copenhagen, 28 February 2020

Executive Board

Jørn Mørkeberg Nielsen
CEO

Karsten Riis Andersen
CFO

Board of Directors

Kent Arentoft
Chairman

Denis Viet-Jacobsen

Jan Warrer

Johan Cervin

Sigge Haraldsson

Consolidated income statement

	Q4 2019 DKK (000)	Q4 2018 DKK (000)	FY 2019 DKK (000)	FY 2018 DKK (000)
Revenue	369,480	402,416	1,602,117	1,654,710
Cost of goods sold	<u>(250,539)</u>	<u>(298,853)</u>	<u>(1,146,724)</u>	<u>(1,228,915)</u>
Gross profit	118,941	103,563	455,393	425,795
Sales and distribution costs	(57,488)	(64,539)	(218,394)	(240,458)
Administrative costs and other operating income, net	<u>(19,107)</u>	<u>(17,335)</u>	<u>(68,999)</u>	<u>(73,328)</u>
Earnings before interest, tax, depr. and amort. (EBITDA)	42,346	21,689	168,000	112,009
Special non-recurring items	(12,278)	(18,324)	(18,516)	(30,803)
Depreciation and impairment of property, plant and equipment	<u>(39,820)</u>	<u>(20,712)</u>	<u>(114,918)</u>	<u>(85,806)</u>
Earnings before amort. and impairm. of intangible assets (EBITA)	(9,752)	(17,347)	34,566	(4,600)
Amortisation and impairment of intangible assets	<u>(8,810)</u>	<u>(4,723)</u>	<u>(22,923)</u>	<u>(18,691)</u>
Earnings before interest and tax (EBIT)	(18,562)	(22,070)	11,643	(23,291)
Financial items, net	<u>(14,144)</u>	<u>(29,114)</u>	<u>(70,846)</u>	<u>(75,797)</u>
Earnings before tax (EBT)	(32,706)	(51,184)	(59,203)	(99,088)
Tax on profit/loss for the period	<u>(2,610)</u>	<u>20,281</u>	<u>(4,771)</u>	<u>14,533</u>
Profit/loss for the period	(35,316)	(30,903)	(63,974)	(84,555)

Consolidated statement of comprehensive income

	Q4 2019 DKK (000)	Q4 2018 DKK (000)	FY 2019 DKK (000)	FY 2018 DKK (000)
Profit/loss for the period	(35,316)	(30,903)	(63,974)	(84,555)
Other comprehensive income				
Items that can be reclassified to the income statement:				
Foreign exchange adjustment regarding foreign operations	10,892	(1,353)	6,746	(7,465)
Value adjustments of hedging instruments:				
Value adjustments for the period	(240)	2,794	1,402	(31)
Value adjustments transferred to revenue	(428)	(454)	(1,177)	(1,583)
Value adjustments transferred to cost of goods sold	433	(188)	(391)	1,630
Value adjustments transferred to balance sheet items	1,563	3,056	(2,416)	3,056
Tax on other comprehensive income	292	(160)	482	(450)
Other comprehensive income for the period after tax	12,512	3,695	4,647	(4,843)
Comprehensive income for the period	(22,804)	(27,208)	(59,327)	(89,398)
Comprehensive income for the period attributable to:				
Shareholders in Cembrit Group A/S	(22,804)	(27,208)	(59,327)	(89,398)
	(22,804)	(27,208)	(59,327)	(89,398)

Consolidated cash flow statement

	Q4 2019 DKK (000)	Q4 2018 DKK (000)	FY 2019 DKK (000)	FY 2018 DKK (000)
EBIT from income statement	(18,562)	(22,070)	11,643	(23,291)
Depreciation and impairment of tangible assets	39,820	20,712	114,918	85,806
Amortisation and impairment of intangible assets	8,810	4,723	22,923	18,690
Gain/loss on sold assets and other adjustments	1,829	125	(136)	(243)
Total adjusted EBITDA	31,897	3,490	149,348	80,962
Change in provisions	(9,163)	(4,370)	(12,450)	(5,782)
Change in working capital	51,726	113,062	(3,266)	21,968
Cash flow from operating activities before tax	74,460	112,182	133,632	97,148
Corporation tax paid	1,199	2,819	(12,645)	(12,534)
Cash flow from operating activities	75,659	115,001	120,987	84,614
Investments in intangible assets	(2,213)	(2,106)	(6,358)	(8,787)
Investments in property, plant and equipment	(22,897)	(42,118)	(54,561)	(52,796)
Total investments	(25,110)	(44,224)	(60,919)	(61,583)
Disposal of intangible assets	0	0	0	0
Disposal of tangible assets	1,290	87	1,299	318
Total disposals	1,290	87	1,299	318
Change in other financial assets	7	(596)	(37)	(949)
Cash flow from investing activities	(23,813)	(44,733)	(59,657)	(62,214)
Cash flow from operating and investing activities	51,846	70,268	61,330	22,400
Other	1,531	(2,506)	1,531	(2,417)
Capital increases	0	0	282	92,139
Financial payments received and made	(16,274)	(24,867)	(68,704)	(69,537)
Leases	(5,191)	(75)	(35,048)	(291)
Changes in NIBD	1,853	(14,766)	8,014	(12,450)
Cash flow from financing activities	(18,081)	(42,214)	(93,925)	9,861
Change in cash funds	33,765	28,054	(32,595)	32,261
Cash and cash pool balance at beg. of period	(32,985)	6,918	32,771	6,785
Foreign exchange adjustments	(3,694)	(394)	(3,090)	(2,051)
Change in cash funds	33,765	28,054	(32,595)	29,844
Cash and cash pool balance at period-end	(2,915)	34,578	(2,915)	34,578

Consolidated balance sheet – Assets

	31.12.2019	31.12.2018
	DKK (000)	DKK (000)
Intangible assets	152,058	168,652
Property, plant and equipment	896,756	919,894
Other financial assets	93,361	1,305
Deferred tax assets	125,344	108,747
Total non-current assets	1,267,519	1,198,598
Inventories	315,020	297,370
Accounts receivable	156,017	185,954
Prepaid expenses	11,234	20,823
Other receivables	49,959	25,679
Cash	24,112	34,578
Total current assets	556,342	564,404
Total assets	1,823,861	1,763,002

Consolidated balance sheet – Equity and liabilities

	31.12.2019 DKK (000)	31.12.2018 DKK (000)
Share capital	71,524	71,524
Reserves	329,060	388,176
Total shareholders' equity	400,584	459,700
Deferred tax liabilities	61,030	61,284
Provisions	44,576	49,153
Pension liabilities and other liabilities	3,346	2,441
Bond issued	845,895	837,681
Lease liabilities	67,080	440
Long-term liabilities	1,021,927	951,000
Pension liabilities and other liabilities	175	231
Lease liability	27,834	314
Other provisions	10,604	16,501
External financing	27,027	1,807
Accounts payable	171,775	172,887
Current tax liabilities	19,434	8,851
Prepayments from customers	2,310	217
Other short-term liabilities	142,191	151,494
Short-term liabilities	401,350	352,302
Total liabilities	1,423,277	1,303,302
Total equity and liabilities	1,823,861	1,763,002

Consolidated statement of changes in equity

DKK (000)	Share capital	Foreign exchange adjustment	Value adjustment of hedging	Non distribut- able reserves	Retained earnings	Proposed dividend	Total
Equity at 1 January 2019	71,524	11,835	452	5,382	370,507	0	459,700
Comprehensive income for the period							
Profit/loss for the period					(63,974)		(63,974)
Other comprehensive income							
Foreign exchange adjustments regarding foreign operations		6,746					6,746
Value adjustments of hedging instruments:							
Value adjustments for the period			1,402				1,402
Value adjustments transferred to revenue			(1,177)				(1,177)
Value adjustments transferred to cost of goods sold			(391)				(391)
Value adjustments transferred to balance sheet items			(2,416)				(2,416)
Tax on other comprehensive income			482				482
Other comprehensive income, total	0	6,746	(2,100)	0	0	0	4,647
Comprehensive income for the year	0	6,746	(2,100)	0	(63,974)	0	(59,327)
Capital increase					285		285
Equity at 31 December 2019	71,524	18,581	(1,648)	5,382	306,818	0	400,658
Equity at 1 January 2018	41,860	19,300	(2,171)	5,382	392,587	0	456,958
Comprehensive income for the period							
Profit/loss for the period					(84,555)		(84,555)
Other comprehensive income							
Foreign exchange adjustments regarding foreign operations		(7,465)					(7,465)
Value adjustments for the period			(31)				(31)
Value adjustments transferred to revenue			(1,583)				(1,583)
Value adjustments transferred to cost of goods sold			1,630				1,630
Value adjustments transferred to balance sheet items			3,056				3,056
Tax on other comprehensive income			(450)			2	(448)
Other comprehensive income, total	0	(7,465)	2,622	0	0	2	(4,841)
Comprehensive income for the year	0	(7,465)	2,622	0	(84,555)	2	(89,396)
Capital increase	29,664				62,474		92,138
Equity at 31 December 2018	71,524	11,835	451	5,382	370,506	2	459,700

Notes

1 Update on material risk factors

No significant changes in risk factors have been identified that will affect the Group in the coming quarter. Risk will always play an important part in our business, and identifying, mitigating and managing risk are in focus in our day-to-day work. The key risks are: safety, market, production, raw materials and energy, foreign exchange rates and human resources. Detailed descriptions of these risks are provided in the 2018 Annual Report.

The sales pattern is seasonal, with revenue highest in the second and third quarters and lowest in the first quarter. Further information is included in the Business review.

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 additional Danish disclosure requirements for listed companies.

Except as stated below, the recognition and measurement principles applied in preparing the Interim financial report are consistent with those applied in preparing the 2018 Annual Report. The 2018 Annual Report provides a full description of the accounting policies.

The Q4 2019 Interim financial report has not been audited or subject to a review by the auditors.

Changes in accounting policies

Cembrit has adopted all new or revised and amended International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) issued by IASB and endorsed by the EU effective for the financial year 2019. The new lease accounting standard (IFRS 16) was implemented in the first quarter. This requires all leases – except for short-term leases and leases of low-value assets – to be recognised in the balance sheet as a right-of-use asset and lease liability measured at the present value of future lease payments. The right-of-use asset is subsequently depreciated over the lease term in a similar way to other assets such as property, plant and equipment, and interest on the lease liability is calculated in a similar way to finance leases under IAS 17 Leases.

For full-year 2019, the EBITDA impact was DKKm 34.8, EBIT impact DKKm 2.6 and operating cash flow impact DKKm 30.4. Non-current assets at 31 December 2019 were up DKKm 93.4 and net interest-bearing debt was up DKKm 94.9.

The Cembrit Group's leases primarily comprise forklift trucks, cars, IT and rental of warehouses and premises.

The comparative figures for Q4 2018 and full-year 2018 have not been restated and follow IAS 17 instead of IFRS 16.

3 Significant estimates and assessments by Management

Preparation of the Interim financial report requires Management to make estimates and assumptions – which might deviate from actual results – that affect the reported amounts and disclosures in the financial statements and in the notes.

Management bases its estimates on historical experience and other assumptions considered relevant at the time. These estimates and assumptions form the basis for the recognised 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 Credit facilities and available liquidity

	Q4 2019	Q4 2018
	DKK (000)	DKK (000)
Bond issued	845,895	837,681
Credit facilities	82,025	82,025
Total facilities	927,920	919,706
Cash	24,112	34,578
Utilised	-872,922	-839,488
Available liquidity	79,110	114,796

The bond amount to be repaid at 31 December 2019 was DKKm 859.0 (EURm 115), and the transaction costs, which are amortised, were DKKm 13.1. Accordingly, the carrying amount of the bond loan at the end of Q4 2019 was DKKm 845.9 (Q3 2019: DKKm 843.8).

Available liquidity increased by DKKm 30.1 during Q4 2019 mainly as a result of a reduction in working capital and an improvement in earnings.

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 chosen to reflect Cembrit's global

functional responsibility set-up. This set-up consolidates functions by type, and Management reviews the Group's results to assess performance. Thus, there is only one operating segment, which is unchanged from year-end 2018.

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

	Q4 2019	Q4 2018	FY 2019	FY 2018
	DKK (000)	DKK (000)	DKK (000)	DKK (000)
Revenue by geographical area				
Denmark	115,336	114,368	503,334	484,178
United Kingdom	54,681	59,170	220,619	236,907
Sweden	40,748	44,279	161,830	174,568
Nordic (excl. Denmark and Sweden) and Ireland	87,325	99,530	380,478	423,559
Western Europe (excl. United Kingdom and Ireland)	42,958	52,658	203,231	211,320
Other	28,432	32,412	132,624	124,178
	369,480	402,416	1,602,117	1,654,710
Revenue by product group				
Roofing	164,988	176,069	727,165	737,522
Facade/function boards	155,279	176,254	670,274	712,364
Other	49,213	50,092	204,678	204,824
	369,480	402,416	1,602,117	1,654,710
Assets by geographical area				
Denmark			155,491	73,450
Nordic (excl. Denmark), the UK and Ireland			283,395	239,833
Eastern Europe			704,042	723,664
Other			14,980	32,882
			1,157,908	1,069,829

The adoption of IFRS 16 Leases has increased assets by geographical area at 31 December 2019 by DKKm 93.4 compared to 31 December 2018. Further information about IFRS 16 is included in note 2.

6 Special non-recurring items

Special non-recurring items are used in connection with presentation of the income statement to distinguish consolidated EBITDA from exceptional items in order to give a true and fair view of the Group's operating activities.

A high level of Management attention is applied to ensure that only exceptional items not associated with the Group's ordinary operations are classified as special non-recurring items. The same classification is used for the internal reporting to the Board of Directors. Special non-

recurring items provide insight into the running of the business and how the business is monitored by Management.

Special non-recurring items are disclosed in the income statement. They comprise income and costs and are specified below:

	Q4 2019	Q4 2018	FY 2019	FY 2018
	DKK (000)	DKK (000)	DKK (000)	DKK (000)
Sales activities	0	-10,000	0	-10,000
M&A activities	0	-5,727	0	-5,727
Restructuring	-1,178	-2,597	-7,416	-15,076
Other	-11,100	0	-11,100	0
	-12,278	-18,324	-18,516	-30,803

Restructuring for full-year 2019 at DKKm 7.4 mainly consists of costs related to re-organisation of the business to optimise future performance.

Other special non-recurring items for full-year 2019 at DKKm 11.1 consist of increased provisions due to a lower interest level, which impacts the discounting of the liability and adjustment of the warranty provision.

In Q4 2018, inventory write-down totalling DKKm 10 was recognised in special non-recurring items (further details are included in note 5 in the 2018 Annual Report). There were no material changes to the inventory write-down for 2019.

7 Financial risks and derivative financial instruments

Cembrit's financial risk exposure is unchanged compared to the disclosure in the consolidated financial statements in the 2018 Annual Report.

8 Events after the balance sheet date

No events have occurred after the balance sheet date that will have a material impact on the parent company's or the Cembrit Group's financial position.