



Scan Global Logistics Holding ApS

Interim Report

Q1 2016

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Highlights Q1 2016



2016 showed improved profitability with an increase of 43% in operating profit.

The positive earnings trend continued, driven by a strong performance from key entities such as Denmark and Project Division. Furthermore positive developments were also seen in the Road activities and in South East Asia in general.

In Q1 2016, the SGL Holding Group generated revenues of DKK 716 million, against DKK 721 million in Q1 2015.

End 2015 it was decided to cease the high volume co-loading activities in Hong Kong, which negatively affected the revenue year-on-year in the Air segment. This was mainly offset by increases in the Sea segment, but also Projects and Warehousing contributed positively. Furthermore the approx. 3% year-on-year appreciation of the USD/DKK also had a positive impact.

In Q1 2016 gross profit of DKK 111 million increased with 14% compared to Q1 2015.

The increase was a result of the higher activities in the Sea division and slightly higher margin on the Air division. Ceasing the co-loading business did not material effect the GP level since this is traditional a very low margin business.

Staff costs increased slightly less than budgeted and ended the quarter at approx. 10% above same period last year.

Depreciation and amortisation remained at the same level as in 2015 resulting in an 43% increase in operating profit before special items; to DKK 20 million in Q1 2016 from DKK 14 million during same period last year.

In Q1 2016 net financial items was DKK -9 million, against DKK -4 million in Q1 2015.

The increase in net financial expenses of DKK 5 million is due to a net exchange rate gain in Q1 2015 of DKK 4 million and a net exchange rate loss of DKK 1 million in Q1 2016.

The total free cash flow ended at DKK 6 million for Q1 2016 (2015: DKK -8 million) an improvement of DKK 14 million compared to Q1 2015. This was mainly achieved by the improved operating profit combined with a much smaller increase in NWC.

In June 2015 Scan Global Logistics Holding ApS placed a DKK 375 million senior secured bond loan.

The company Bond is expected to be listed on the Nasdaq Stock Exchange in Stockholm during the second quarter of 2016. As a consequence of that, the SGL Holding Group will report Q2 2016 after the rules of International Financial Reporting Standards (IFRS).

The main impact will be on revenue recognition and goodwill amortisation.

In Q1 2016 a goodwill amortisation of DKK 4 million is included in the profit and loss statement. The goodwill amortisation will be reversed at transition to IFRS.

Profit and Loss statement	Q1 2016	Q1 2015
Revenue	716	721
Cost of operations	-568	-597
Other external expenses	-37	-27
Gross profit	111	97
Staff costs	-84	-76
Operating profit before amortisation, depreciation and special items	27	21
Amortisation and depreciation of intangibles, property, plant and equipment	-7	-7
Operating profit before special items	20	14
Net special items	-	-4
Net financial items	-9	-4
Profit before tax	11	6
Tax	-5	-2
Profit for the period	6	4

Note: Unaudited

Key figures	Q1 2016	Q1 2015
Gross profit margin*	15.5%	13.5%
Operating profit margin (EBITDA margin)*	3.8%	2.9%
Operating profit margin (EBIT margin)*	2.8%	1.9%
Return on assets*/**	10.3%	6.6%
Equity ratio	1.5%	Neg
Return on equity**	258.8%	Neg
NIBD end of period	264	371
Leverage**/**	2.4	4.4

* Before special items.

** Calculated over a 12-month period.

**Leverage = NIBD/Operating Profit bef. amortisation, depreciation and special items (EBITDA) annualized.

Note: Unaudited.

Scan Global Logistics Holding ApS (Group)
(DKKm)



Balance Sheet	31.3.2016	31.3.2015	31.12.2015
Intangibles assets	202	220	207
Property, plant and equipment	14	12	14
Deferred tax asset	11	22	11
Other receivables	8	8	8
Total fixed assets	235	262	240
Trade receivables	410	578	444
Other Receivables	19	20	18
Corporation tax	6	6	8
Cash and cash equivalents	86	44	80
Total current assets	521	648	550
Total assets	756	910	790
Share capital	3	3	3
Retained earnings	8	-25	3
Total equity	11	-22	6
Minority interest	4	-1	3
Financial liabilities	342	325	341
Total non-current liabilities	342	325	341
Financial liabilities	-	90	-
Trade payables and WIP	330	455	360
Other payables	63	58	70
Corporation tax	6	5	10
Total current liabilities	399	608	440
Total liabilities	741	933	781
Total equity and liabilities	756	910	790

Note: Unaudited

Scan Global Logistics Holding ApS (Group)
(DKKm)



Cash flow	Q1 2016	Q1 2015
Operating profit before amortisation, depreciation after special items	27	17
Other adjustments	-1	5
Paid tax	-7	-1
Paid interest	-7	-4
Change in working capital	-4	-24
Cash flow from operations	8	-7
Cash flow from investments	-2	-1
Free cash flow	6	-8
Financing		
Change in loans and credits facilities	-	18
Cash flow from financing	-	18
Change in cash and cash equivalents	6	10
Cash and cash equivalents at the beginning	80	34
Cash and cash equivalents at end	86	44
Change in cash and cash equivalents	6	10

Note: Unaudited