Press release

21 March 2019

Stern announces its results for 2018

Stern Groep N.V., listed Dutch mobility group in automotive retail and services, announces its results for 2018.

Key points in 2018

- **Net revenue amounted to € 1,106.4 million (2017: € 1,124.7 million)**
- **Gross EBITDA amounted to € 69.7 million (2017: € 69.5 million)**
- **Profit before tax was € 3.4 million (2017: € 9.4 million)**
- **Profit after tax came to € 0.5 million (2017: € 7.5 million)**
- **The high tax burden recognised is due to the reduction of the corporation tax rate, ultimately to 20.5%**
- **Profit before tax in the first two months of 2019 is up approximately € 1.0 million compared to the same period in 2018**
- **A dividend proposal will be published on 28 March 2019 at the same time as the convening notice for the General Meeting to be held on 9 May 2019**
- **The 2018 annual report will be available online from 28 March 2019**

Henk van der Kwast, Chief Executive Officer:

"2018 was an eventful year for Stern. We are preparing Stern for the major changes that are coming to the automotive sector. At the operational level, we worked hard on the necessary improvements and optimisation of our business processes in order to serve our customers better. Noticeable progress has been made here, but the effects of the measures are not yet visible in the result. We are also making more structural improvements, and already started early in the year on the optimisation of our branch network on the basis of contribution and strategic importance. We made a strategic decision to sell our lease business to a partner with which we can establish a long-term cooperation. We believe we have found an ideal partner in ALD Automotive. Unfortunately, we were unable to avoid the negative effects of the WLTP (Worldwide harmonized Light vehicles Test Procedure) and an unfavourable development of costs. Part of the proceeds of the sale of the lease portfolio will be used to accelerate the planned digitalisation of the business, the further optimisation of our dealer network, the design of an attractive used car brand and the expansion of our own SternPoint network. After a further restructuring of the group's financing, Stern will distribute dividend and/or repurchase its own shares in accordance with its current dividend policy. With our integrated market proposition, we continue to strive to be the most valued and recommended mobility partner in the Netherlands."

Consolidated key figures [1]

(€ 1,000,-)*	2018	2017	index
Net revenue	1.106.402	1.124.677	98,4
EBITDA gross [2]	69.712	69.468	100,4
EBITDA net [3]	14.806	20.453	72,4
EBIT	7.247	12.690	57,1
Profit after taks	486	7.499	6,5
Net cash flow [4]	8.045	15.203	52,9
Gross cashf low [5]	58.232	58.733	99,1
Balance sheet total	675.404	625.113	108,0
Equity	155.161	159.348	97,4
Interest-bearing loans [6]	337.114	302.916	111,3
- of which Stern Mobility Solutions	212.804	201.284	105,7
Solvancy	23,0	25,5	90,1
Per sharel (* € 1,-)			
Number of shares outstanding	5.675.000	5.675.000	100,0
Average number of outstanding shares	5.675.000	5.675.000	100,0
Earnings per share	0,09	1,32	6,8
EBITDA gross per share	12,28	12,24	100,4

(1) The consolidated statement of income and statement of financial position are attached to this press release.
(2) Gross EBITDA is the profit before tax and before interest expenses + interest expenses in cost of sales + regular depreciation expenses + depreciation expenses for the lease fleet and the rental fleet
(3) Net EBITDA is the profit before tax and before interest expenses + regular depreciation expenses
(4) Net cash flow is the profit after tax + regular depreciation expenses
(5) Gross cash flow is the profit after tax + regular depreciation expenses + depreciation expenses for the lease fleet and the rental fleet
(6) Interest-bearing loans concerns interest-bearing loans less cash and cash equivalents.

Notes to the consolidated figures

EBIT

EBIT amounted to € 7.2 million (2017: € 12.7 million). Stern Mobility Solutions achieved EBIT of € 9.0 million (2017: € 10.3 million). The decline in EBIT is due to the lower residual value result as well as the increased proportion of private lease in the fleet. These lease contracts are less profitable than the commercial lease contracts. The proportion of private lease has (in numbers) increased from 21.7% at the end of 2017 to 25.7% at the end of 2018.
Dealergroup Stern achieved EBIT of € 3.2 million (2017: € 4.9 million). The decline was mainly due to the continuing volume and margin pressure on passenger cars, combined with higher employee expenses as a result of the CLA increase in 2018.
Net non-recurring income and expense was virtually nil in 2018. In 2017, there was net non-recurring income of € 1.3 million. The major income item in 2018 was the book gain on two premises (a book gain of € 2.1 million collectively), while the main non-recurring expense item concerned reorganisation costs of € 1.9 million. A start was made on reducing the number of FTEs in the fourth quarter of 2018 in anticipation of the proposal to 'rightsize' Dealergroup Stern as explained during the capital markets update on 20 December 2018.
Significant investment was also made on Fast Forward in terms of both time and money in 2018. In addition to consultancy costs, significant costs were incurred for the optimisation of the ICT systems in 2018 in connection with the implementation of more digital processes for lead following in the Customer Service Center.

Finance expenses

Finance expenses of € 4.0 million were up € 0.7 million compared to 2017. Working capital remained at a high level in 2018 due to the continuing inventory and registration pressure from the industry. The interest benefit on the refinancing in mid-2017 mostly concerned the financing of the lease portfolio: this interest expense is recognised in the cost of sales.

Profit before and after tax

The profit before tax in 2018 came to € 3.4 million. The tax burden in 2018 came to € 2.9 million, and concerns a regular tax gain of € 0.4 million and a non-recurring tax expense of € 3.1 million. The profit after tax in 2018 accordingly came to € 0.5 million.

The non-recurring tax expense of € 3.1 million relates to the write-down of the deferred tax asset due to forward carry-over losses. At the end of 2017, this was carried at the current nominal corporation tax rate of 25%. A change to legislation was adopted by the Dutch Senate in mid-December 2018 as a result of which the nominal corporation tax rate will be reduced in steps to ultimately 20.5% in 2021. According to IFRS, this means that the whole deferred tax asset has to be carried at this lower rate. The actual cash outflow for corporation tax in 2018 was only € 0.6 million.

Statement of financial position

Total assets stood at € 675.4 million at year-end 2018, compared to € 625.1 million at year-end 2017. € 31.2 million of the increase of € 50.3 million was due to the increase in the lease and rental portfolios and € 10.7 million was due to an increase in trade receivables. The effect of IFRS 15 (recognition of repurchase obligations in the statement of financial position) is approximately € 10.3 million.

Equity declined in the year by € 4.2 million to € 155.2 million at year-end 2018. The decline is due to the profit after tax in 2018 of € 0.5 million, the negative change in value of the interest-rate swaps of € 0.4 million and a decline of € 4.3 million due to the final dividend for 2017 distributed in 2018.

Stern Group's overall solvency at year-end 2018 stood at 23.0% (2017: 25.5%).

Key figures per segment

The core activities of Stern Groep N.V. are divided into four segments:

- Dealergroup Stern
- Stern Mobility Solutions
- Stern Car Services
- Other

The key figures per segment (actual 2018 versus 2017) are as follows:

	EBIT		EBITDA gross		Revenue		Total assets	
(figures x € 1,000)	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Dealergroup Stern	3,239	4,918	6,493	8,039	1,112,589	1,119,041	300,779	280,667
Stern Mobility Solutions	9,045	10,344	64,063	59,572	179,192	170,070	299,848	265,169
Stern Car Services	-665	-1,001	-46	-522	35,544	32,707	8,126	8,320
Other	-4,372	-1,571	-798	2,379	0	135	66,651	70,957
Elimination of internal revenue					-220,923	-197,276		
	7,247	12,690	69,712	69,468	1,106,402	1,124,677	675,404	625,113

Highlights Dealergroup Stern

444,000 new passenger cars were registered in the Netherlands in 2018, an increase of 7.1% compared to 2017. Only 25.8% of these registered cars were sold to consumers. The remainder was sold mainly to lease companies and rental companies. The proportion of cars sold to consumers in the Netherlands in 2017 was still 30.7%. Five years ago, the proportion sold to consumers was around 40%. Sales to consumers are declining, mainly due to the strong growth of private lease, and sales to lease companies are rising. This is main reason for the tighter margins on new passenger cars seen in 2018.

Revenue declined on balance by € 6.5 million (0.6%) to € 1,112.6 million. Stern applies IFRS 15 with effect from 2018. As a result, sales of cars for which Dealergroup Stern has concluded a repurchase obligation may no longer be recognised as revenue. Instead, these cars remain on the balance sheet and the margin is gradually credited to the result over the agreed term.

The effect on revenue (which is lower) and inventory (which is higher) amounted to approximately € 10.3 million at the end of 2018. Without this effect, revenue would have risen marginally.

Dealergroup Stern sold a total of 23,595 new passenger cars in 2018, a decline of 2.7% compared to 2017. The market share for new passenger cars was 5.3% (2017: 5.9%). The decline in market share was partly due to our cautious stance with respect to subscribing to tenders for supplies to large lease companies, which are usually associated with extremely limited residual margins.
Dealergroup Stern sold a total of 5,711 new light commercial vehicles in 2018, an increase of 1.8% compared to 2017. The market share for new light commercial vehicles was 7.2% (2017: 7.6%).

The margin on sales of new passenger cars rose marginally in the year under review. The volume in 2018 was lower as a result of our cautious stance with respect to supplies to lease companies and large business customers, however the relative margin on these transactions was slightly higher, meaning that the margin was higher on balance. The number of used car sales declined marginally, but due to the important improvement in relative margins the margin was ultimately higher in 2018.
Revenue and the margin on after-sales (workshops and parts) increased slightly. The first improvements in the workshops from the implementation of Fast Forward are visible, and the improvement in workshop productivity is proceeding according to plan. There were many temporary mechanics hired in 2018, as a result of high absenteeism in the workshops in the first half of 2018 and tightness in the labour market. Since these temporary hires had less experience with the relevant brands, failure and goodwill costs in the workshops significantly increased. Hires of temporary mechanics have now been reduced to almost nil.
Employee expenses were up 2.6% as a result of the above-mentioned CLA increases, the costs of hiring additional (temporary) mechanics in the workshops and significant reorganisation expenses.
Dealergroup Stern accordingly realised an **operating profit** (EBIT) of € 3.2 million in 2018, which is significantly lower than in 2017.

The total assets of Dealergroup Stern at the end of 2018 stood at € 300.8 million, up 7.2% on the end of 2017. The inventory of new cars at year-end 2018 stood at € 138.2 million, in line with 2017. € 65.2 million of the inventory of new cars had been sold at year-end 2018 for delivery in early 2019.

Highlights Stern Mobility Solutions

The number of mobility contracts at Stern Mobility Solutions (SternLease, SternPartners and SternRent collectively) stood at 16,062 at the end of 2018, an increase of 13.0% compared to year-end 2017.
The national lease fleet increased to approximately 1,000,000 vehicles in 2018. The lease fleet of SternLease increased by 16.3% due to autonomous growth in 2018 to 12,818 vehicles. Despite the growth of the lease fleet, the **operating profit** (EBIT) of Stern Mobility Solutions declined from € 10.3 million in 2017 to € 9.0 million in 2018. The decline in EBIT was mainly due to the lower residual value result as well as the increased proportion of private lease in the fleet.
In 2017, there was a positive residual value adjustment on the fleet of approximately € 1.9 million. This year, the residual value adjustment led to a write-down of € 0.4 million compared to the end of 2017. The positive residual value adjustment on petrol vehicles was offset by the negative residual value adjustment on the diesel vehicles in 2018. This negative adjustment concerns only diesel passenger cars. The values of diesel light commercial vehicles were unaffected by the negative sentiment concerning diesel.
The gross EBITDA of Stern Mobility Solutions came to € 64.1 million in 2018, an increase of 7.5% compared to 2017. The increase in the fleet led to an increase in total assets of € 34.7 million (13.1%) compared to year-end 2017.

Highlights Stern Car Services

This segment consists of SternPoint (car body repairs, minor repairs and light commercial vehicle interiors). The activities of SternTec were operationally integrated into SternPoint in 2018. Light commercial vehicle interiors will from now on be offered at several different SternPoints. This integration has also realised immediate cost savings in the areas of premises and management.
Revenue at SternPoint was up 8.7% compared to 2017. The car body repair market in the Netherlands (based on Audatex calculations) was approximately 2.7% higher than in 2017, mainly due to a higher average repair bill per occurrence. Repair bills per collision have increased due to the greater complexity of cars, mainly due to electronics.
The SternPoint branch in Geldrop was closed in Q2-2018. The activities have been moved to the branch in Den Bosch that was opened in 2017. The branches in Amsterdam South-East and Amsterdam West were closed in Q4-2018. The activities have been moved to the branch in Amstelveen that was opened in 2017 and the existing branch in Amsterdam North. This achieved immediate cost savings without any significant loss of revenue.

In order to remain profitable in the competitive car body repair market, car body repair shops require a higher minimum capacity and brand certifications. We expect further combinations of smaller branches into large already existing SternPoints to become a more frequent occurrence in the coming period.
The number of SternPoint branches currently stands at 15. Stern Car Services aims to achieve national relevance with a network of car body repair branches with carefully selected brand certifications on a geographical basis.

The **operating profit (EBIT)** of Stern Car Services was negative in 2018, mainly due to the start-up losses of the five branches started in 2017 and the reorganisation costs relating to the integration of SternTec into SternPoint. The operating profit, however, showed a clear improvement on 2017.

Highlights Other

The operating profit of the Other segment was € 4.4 million negative in 2018 compared to € 1.6 million negative in 2017. Approximately € 0.9 million in reorganisation costs is recognised in the result for 2018. In addition, the costs of centralising the Customer Service Center (CSC) of Dealergroup Stern of approximately € 1.0 million, the organisational consultancy costs for the Fast Forward project and for the sale of the shares in SternLease BV of approximately € 0.8 million were charged to this segment. Lastly, a significant portion of the negative result concerns holding costs that were not recharged. Stern has intentionally decided not to recharge all the holding costs to the segments, meaning that the Other segment will realise a negative operating profit by definition.

Sale of SternLease BV

Agreement was reached with ALD Automotive regarding the sale of all the shares in SternLease BV on 1 March 2019. At the same time, a 7-year strategic partnership agreement was concluded with ALD Automotive for the introduction of lease contracts and the delivery of cars and mobility services by Stern. The transaction is expected to be settled at the end of May 2019, subject to approval by the shareholders at the General Meeting on 9 May 2019 and after approval has been obtained from the ACM. The proceeds of the sale of the shares in SternLease will amount to over € 85 million, and the net book gain to be recognised in 2019 will amount to approximately € 23 million after the majority of the goodwill of the Stern Mobility Solutions segment is written down. The sale will reduce the total assets of Stern Groep N.V. by approximately € 240 million and the solvency ratio will increase by around 15 percentage points.

Stern proposes to use part of the proceeds of the sale of the lease portfolio to accelerate the planned digitalisation of the company, optimising its dealer network and expanding its SternPoint network to a nationally relevant scale. At the General Meeting on 9 May 2019, the shareholders will be requested to approve the proposed transaction and the partnership agreement.

Financing

Stern has facilities at banks amounting to € 281 million, with € 80 million available for Retail finance and € 201 million for the financing of the Lease portfolio, with € 171 million based on a securitisation facility. These facilities run for three years until 30 June 2020.
The banks providing the financing (ABN-AMRO, ING and Rabobank) are each providing an equal amount of the total funding. In addition, Stern has a financing facility of € 105 million available from Mercedes-Benz Financial Services for the financing of the rental fleet and all the used-car inventory of Stern.
On the closing of the transaction, the funding of the lease operations will be either taken over or repaid in full by ALD Automotive, at ALD Automotive's discretion.

Stern Group is negotiating with the banks on a new credit facility for Stern Groep NV after the sale of SternLease BV. A new arrangement is expected to be agreed by 22 March 2019. The new facility will be based on a borrowing base that will be calculated in the same way as the current arrangement and will be offered by the same three banks. The size of the new facility will take account of the plans prepared by Stern for the organisation after the sale of SternLease BV.

Dividend proposal

A dividend proposal will be published on 28 March 2019 at the same time as the convening notice for the General Meeting to be held on 9 May 2019.

Outlook

Assuming the sale of SternLease is approved, 2019 will feature the implementation of the extensive cooperation with ALD Automotive and intensifying the cost-saving programme at Dealergroup Stern and for parts of the overhead. The cost-saving effort will be directed mainly at less productive and effective businesses and processes. Savings will also be realised, and income will be increased, due to the benefits of the improvement programme already in place under Fast Forward at the workshops and more effective lead follow-up. Filling available capacity in the workshops will also be improved as a result of the Customer Service Center now coming into full operation. The sales personnel will become more effective through the application of more digital processes in lead follow-up. The sale of SternLease will moreover substantially strengthen the capital position of Stern Group and certain processes already initiated under Fast Forward Reloaded can be more quickly realised.

Hard choices will also be made during the year with respect to car brands, dealer branches and optimal business sizes for each dealer cluster. If Stern has so far often been a trend follower, it is now time for the company to work on becoming future-proof. Already developed and to some extent implemented improvement plans at a number of clusters within Dealergroup Stern give us confidence that results will recover in the near future. At these clusters, we will make every effort to bring about this improvement as quickly as possible. We are not yet as confident regarding a limited number of car brands, and we have to consider how to proceed in these cases. The result of **Dealergroup Stern** will on balance improve substantially in 2019 compared to 2018. We will devote much more effort than previously to the sale of used passenger cars and light commercial vehicles in 2019. As part of this effort, a new and attractive used car brand will be launched in the market which, in combination with financial mobility products such as used car lease, should ensure growth, better margins and more autonomy.

At **Stern Mobility Solutions**, we expect the positive development at SternRent to continue. The fleet has now grown to almost 3,000 vehicles. Mango Mobility will from now on concentrate on electric cars carried by Dealergroup Stern and on electric bicycles and scooters. Its name will soon change to Stern Electric.
At **Stern Car Services**, SternPoint was reoriented last year from a universal car body repair service into a business focusing much more on brand-certified car body repairs. SternTec has also been integrated into the SternPoint business. SternPoint is expected to show a clear profit in 2019, partly due to additional repairs referred from ALD Automotive.

Overall, we expect the sale of SternLease and the associated partnership agreement to give a substantial boost to our capital position and a recovery in the group's result. The effect of this will only become fully visible in 2020.

The profit before tax in the first two months of 2019 is up approximately € 1.0 million compared to the same period in 2018. The actions taken in Q4-2018 that should lead to a clear reduction in employee expenses and other costs relating to personnel are proceeding according to plan.

KEY DATES

2018 annual report available online	28 March 2019
Publication first quarter results 2019	9 May 2019 before market opening
General Meeting	9 May 2019
Publication of first half results 2019	22 August 2019 before market opening

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Profile of Stern Groep N.V.

Stern is a large Dutch mobility group that has been listed on Euronext Amsterdam since 2000. Since then, the intended significant growth has been realised in the major car-intensive regions of the country: North and South Holland, Utrecht and North Brabant. The network has more than 85 branches with approximately 2,100 employees (FTE), and collectively realises net annual revenue (excluding BPM) in excess of € 1 billion. Stern will continue its growth strategy in the coming years.

Stern believes in individual mobility, sustainability and diversity. For this reason, it offers a wide variety of car brands and additional mobility services. For those preferring a means of transport other than a car, through Mango Mobility Stern offers electric 2, 3 and 4 wheel transport solutions with speeds of up to 45 kilometres an hour.

With Stern Mobility Solutions, Stern is engaged in services including leasing (SternLease), rental (SternRent), fleet management (SternPartners), insurance (SternPolis), finance (SternCredit) and extended guarantees (SternGarant). Stern Mobility Solutions manages over 16,000 vehicles and more than 60,000 contracts.

With a growing network of currently 15 branches, the Stern Car Services division offers services in the area of (brand-certified) repairs, multi-brand after-sales and the intake and provision of rental cars (SternPoint).

Dealergroup Stern has five clusters representing several leading brands such as 1) Mercedes-Benz, 2) Renault and Nissan, 3) Ford, 4) Volvo, Land Rover and Fiat, 5) Volkswagen, Audi, Kia and Opel. Dealergroup Stern has a total of approximately 70 branches.

The specifications included in the attachment are taken from the draft 2018 financial statements of Stern Groep N.V. The figures in this report have not been audited.

Consolidated statement of income

(amounts x € 1,000)

	2018	**2017**
Net revenue	**1,106,402**	1,124,677
Cost of sales	**(909,071)**	(934,201)
Gross profit	**197,331**	190,476
Other income	**6,457**	8,090
Employee expenses	**(126,004)**	(118,334)
Amortisation of intangible assets	**(59)**	(59)
Depreciation of property, plant and equipment	**(7,500)**	(7,704)
Other operating expenses	**(62,978)**	(59,779)
Operating profit (EBIT)	**7,247**	12,690
Result from associates	**172**	72
Financial income and expenses	**(4,009)**	(3,326)
Profit before tax	**3,410**	9,436
Income taxes	**(2,924)**	(1,937)
Profit after tax (attributable to the shareholders of Stern Groep N.V.)	**486**	7,499
Earnings per share		
Weighted average number of outstanding shares	**5,675,000**	5,675,000
Earnings per share based on profit after tax	**€ 0.09**	€ 1.32
Earnings per share diluted – based on profit after tax	**€ 0.09**	€ 1.32

Consolidated statement of comprehensive income

(amounts x € 1,000)

	2018	2017
Profit after tax (attributable to the shareholders of Stern Groep N.V.	**486**	7,499
Other comprehensive income		
Other comprehensive income to be transferred to the statement of income in the following periods		
Effective portion of changes to the cash flow hedge	**(556)**	707
Income taxes	**139**	(177)
Income and expenses not recognised in the statement of income	**(417)**	530
Total comprehensive income after tax (attributable to the shareholders of Stern Groep N.V.)	**69**	8,029

Consolidated statement of financial position at 31 December

(amounts x € 1,000)

	31 December 2018	31 December 2017
Assets		
Non-current assets		
Intangible assets	**30,572**	30,502
Property, plant and equipment	**327,490**	297,056
Investments in associates	**1,164**	976
Other financial assets	**14,472**	13,638
Deferred tax assets	**18,073**	20,288
	391,771	362,460
Current assets		
Inventory	**237,556**	227,208
Trade receivables	**35,304**	24,568
Other accounts receivable, accrued income and prepaid expenses	**10,026**	9,661
Cash and cash equivalents	**747**	1,216
	283,633	262,653
Total assets	**675,404**	625,113

(amounts x € 1,000)

	31 December 2018	31 December 2017
Liabilities		
Equity (attributable to the shareholders of Stern Groep N.V.)		
Issued capital	**593**	593
Reserves	**154,568**	158,755
	155,161	159,348
Non-current liabilities		
Interest-bearing loans	**243,973**	206,444
Provisions	**1,400**	1,447
Prepaid receipts from lease and warranties	**1,521**	1,303
	246,894	209,194
Current liabilities		
Interest-bearing loans	**93,888**	97,688
Provisions	**713**	640
Creditors	**139,909**	134,362
Derivatives	**842**	285
Tax and social insurance contributions	**6,143**	4,068
Repurchase obligations	**10,312**	-
Other liabilities and accruals and deferred income:	**21,542**	19,528
	273,349	256,571
Total equity and liabilities	**675,404**	625,113

Movements in equity

(amounts x € 1,000)

	Issued capital	Share premium reserve	Other reserves	Revaluation reserve	Unallocated result	Total
Balance at 1 January 2018	**593**	**114,734**	**33,740**	**4,688**	**5,593**	**159,348**
Profit after tax	-	-	-	876	(390)	486
Other comprehensive income after tax	-	-	-	(417)	-	(417)
Total comprehensive income for 2018 (attributable to the shareholders of Stern Groep N.V.)	-	-	-	459	(390)	69
Result appropriation	-	-	5,593	-	(5,593)	-
Cash dividend	-	-	(4,256)	-	-	(4,256)
Balance at 31 December 2018	**593**	**114,734**	**35,077**	**5,147**	**(390)**	**155,161**

	Issued capital	Share premium reserve	Other reserves	Revaluation reserve	Unappropriated result	Total
Balance at 1 January 2017	**593**	**114,734**	**27,772**	**2,252**	**11,643**	**156,994**
Profit after tax	-	-	-	1,906	5,593	7,499
Other comprehensive income after tax	-	-	-	530	-	530
Total comprehensive income for 2017 (attributable to the shareholders of Stern Groep N.V.)	-	-	-	2,436	5,593	8,029
Result appropriation	-	-	11,643	-	(11,643)	-
Cash dividend	-	-	(5,675)	-	-	(5,675)
Balance at 31 December 2017	**593**	**114,734**	**33,740**	**4,688**	**5,593**	**159,348**

Consolidated cash flow statement

(amounts x € 1,000)

		2018		2017
Profit before tax	**3,410**		9,436	
Adjustments for:				
Result from associates	**(172)**		(72)	
Result Bovemij Verzekeringsgroep N.V.	**(876)**		(1,906)	
Interest expense in result	**4,009**		3,326	
Amortisation of intangible assets	**59**		59	
Depreciation of property, plant and equipment	**57,682**		51,232	
Result on sale of business segments	**(750)**		-	
Income from sale of property, plant and equipment	**(5,416)**		(5,394)	
Contribution to/ (withdrawal from) allowances	**26**		(315)	
Prepaid receipts from lease and warranties	**218**		(2)	
Changes in working capital:				
• movement in inventory	**(10,900)**		(4,289)	
• movement in accounts receivable	**(11,075)**		20,965	
• movement in accounts payable	**20,482**		(5,390)	
Cash flow from business operation		**56,697**		67,650
Tax paid	(928)		(401)	
Interest paid	(4,155)		(2,882)	
		(5,083)		(3,283)
Cash flow from operating activities		**51,614**		64,367
Acquisitions	**(431)**		(949)	
Received from sale of business divisions	**1,371**		-	
Investments in financial non-current assets	**-**		(500)	
Investments in property, plant and equipment	**(149,110)**		(138,608)	
Divestments of property, plant and equipment	**66,614**		76,313	
Cash flow from investment activities		**(81,556)**		(63,744)
Dividends paid	**(4,256)**		(5,675)	
Movement in interest-bearing loans	**33,729**		5,275	
Cash flow from financing activities		**29,473**		(400)
Movement in cash		**(469)**		223
Balance of cash and cash equivalents at opening date	**1,216**		993	
Balance of cash and cash equivalents at closing date	**747**		1,216	
Movement in cash		**(469)**		223