NASDAQ Copenhagen A/S
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Announcement no. 29/ 2017
24 April 2017
Company reg. (CVR) no. 15701315

Interim report – First quarter of 2017

Summary: SP Group generated profit before tax and non-controlling interests of DKK 49.6 million in Q1 2017, a 91.3% increase from DKK 25.9 million in Q1 2016. Relative to the year-earlier period, revenue was up by 36.4% to DKK 476.8 million and EBITDA was up by 62.7% to DKK 72.8 million from DKK 44.8 million. The earnings are higher than expected and the guidance for 2017 is upgraded relative to the guidance provided in the Annual Report. We now expect profit before tax and non-controlling interests at the level of DKK 150-170 million on revenue of DKK 1.7-1.8 billion. If we can continue to accelerate performance in the current market, SP Group may report even higher revenue and earnings for FY 2017.

The Board of Directors of SP Group A/S has today considered and approved the interim report for the three months ended 31 March 2017.

Highlights of the interim report:

- The Q1 2017 revenue was up by DKK 127.3 million to DKK 476.8 million, or by 36.4% relative to the year-earlier period. Organic growth was 20.8%.
- Earnings before depreciation, amortisation and impairment losses (EBITDA) for Q1 2017 were DKK 72.8 million, as against DKK 44.8 million in Q1 2016. Company acquisitions added DKK 8.6 million to EBITDA.
- Profit before net financials (EBIT) came to DKK 52.6 million in Q1 2017, against DKK 28.3 million in Q1 2016.
- Net financials were an expense of DKK 3.1 million in Q1 2017, a DKK 0.7 million decline on Q1 2016 resulting from exchange rate adjustments, the lower level of interest rates and the greater debt.
- Profit before tax and non-controlling interests was DKK 49.6 million in Q1 2017, as against DKK 25.9 million in Q1 2016.
- Earnings per share (diluted) came to DKK 16.60 in Q1 2017, against DKK 8.77 in Q1 2016. This is an increase of 89.3%.
- Sales of own brands rose by 53.3% to DKK 81.4 million, for an organic growth rate of 28.6%. All four business areas with SP Group brands (ergonomics, guidewires, ventilation components and med-tech packaging) generated strong growth.
- There was a cash inflow from operating activities of DKK 60.6 million in Q1 2017, against DKK 37.2 million in Q1 2016.
- Net interest-bearing debt (NIBD) amounted to DKK 430.3 million at 31 March 2017, against DKK 410.0 million at 31 March 2016. At 31 December 2016, NIBD was DKK 407.7 million.
- We now expect profit before tax and non-controlling interests at the level of DKK 150-170 million on revenue of DKK 1.7-1.8 billion. If we can continue to accelerate performance in the current market, SP Group may report even higher revenue and earnings for FY 2017.

Statement by CEO Frank Gad: "*Despite the many market challenges, we succeeded in once again growing our sales and earnings in the first quarter. We haven't previously generated organic growth of over 20%. The first quarter of 2017 marks our best quarter ever in terms of both the top and bottom lines."*

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FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK '000 (key ratios excepted)	Q1 2017 (unaud.)	Q1 2016 (unaud.)	FY 2016 (audited)
Income statement			
Revenue	476,820	349,506	1,519,044
Profit before depreciation, amortisation and impairment losses (EBITDA)	72,819	44,756	202,857
Depreciation, amortisation and impairment losses	-20,184	-16,439	-69,442
Profit before net financials (EBIT)	52,635	28,317	133,415
Net financials	-3,057	-2,397	-10,799
Profit before tax and non-controlling interests	49,578	25,920	122,616
Profit for the period	38,443	20,024	93,387
of which attributable to SP Group A/S	38,394	19,852	92,420
Earnings per share (DKK)	17.24	9.05	41.87
Diluted earnings per share (DKK)	16.60	8.77	40.33
Balance sheet			
Non-current assets	785,704	653,528	669,136
Total assets	1,442,265	1,135,161	1,200,671
Equity	481,858	402,831	427,636
Equity including non-controlling interests	483,249	405,451	428,976
Investments in property, plant and equipment (excluding acquisitions)	22,215	39,094	107,035
Net interest-bearing debt (NIBD)	430,252	409,961	407,711
NIBD/EBITDA (LTM)	1.9	2.3	2.0
Cash flows			
Cash flows from:			
- operating activities	60,613	37,229	140,439
- investing activities	-69,369	-39,695	-80,126
- financing activities	40,549	-11,376	-124,102
Change in cash and cash equivalents	31,793	-13,842	-63,789
Key ratios			
EBITDA margin (%)	15.3	12.8	13.4
EBIT margin (%)	11.0	8.1	8.8
Profit before tax and non-controlling interests as a percentage of revenue	10.4	7.4	8.1
Return on invested capital including goodwill (%)			15.5
Return on invested capital excluding goodwill (%)			18.6
Return on equity, excluding non-controlling interests			22.6
Equity ratio, excluding non-controlling interests (%)	33.4	35.5	35.6
Equity ratio, including non-controlling interests (%)	33.5	35.7	35.7
Financial gearing	0.9	1.0	1.0
Cash flow per share, DKK	26.2	16.5	61.3
Total dividends for the year per share (DKK)			6.0
Market price, end of period (DKK per share)	704.0	365.0	674.0
Net asset value per share, end of period (DKK)	217	184	192
Market price/net asset value, end of period	3.25	1.98	3.52
Number of shares, end of period	2,278,000	2,224,000	2,278,000
of which treasury shares, end of period	56,781	36,215	46,359
Average no. of employees	1,752	1,485	1,559

MANAGEMENT COMMENTARY

Q1 PERFORMANCE REVIEW

We continued to record higher sales to many of our customers across industries and geographies in the first quarter of 2017. The improvements were the most pronounced in our international markets, as sales outside Denmark grew by 61.8% in the first quarter. Sales to our Danish customers were up by 11.5%.

Our performance numbers relative to the corresponding period of 2016:

	Q1 2017
Healthcare	41.2%
Cleantech	55.4%
Food-related	14.6%
Automotive	145.7%
Oil and gas	-75.9%
of which own brands	53.3%

Most of the change in revenue was due to higher volume sales. Changes in foreign exchange rates did not contribute to the revenue increase, as the currency effect accounted for virtually none of the 36.4% overall revenue improvement. Acquired businesses and operations contributed about 15.6 percentage points.

Sales to the healthcare industry were up by 41.2% year-on-year to DKK 183.7 million and now account for 38.5% of consolidated revenue.

Sales to the cleantech industry were up by 55.4% to DKK 147.3 million and now make up 30.9% of consolidated revenue.

Sales to food-related industries were up by 14.6% to DKK 66.0 million and now make up 13.8% of consolidated revenue.

Sales to the oil and gas industry declined despite the slightly higher oil prices.

Sales of our own brands were up by 53.3% and now account for 17.1% of consolidated revenue.

SP Medical reported a 20.9% improvement in guidewire sales. Ergomat reported a 27.3% improvement in sales of ergonomic products. TPI reported a 39.1% improvement in sales of farm ventilation components.
MedicoPack, which did not form part of the comparative figures, also reported fair growth in sales of own brands to DKK 13.1 million. The improvements were driven by new innovative solutions and products, improved marketing opportunities and a larger sales force. The resulting growth contributed to the higher earnings.

SP Group continued its intensified marketing efforts towards both existing and potential customers. We won new customers in the first quarter and are taking proactive steps to develop and market a number of new solutions e.g. for the healthcare, cleantech and food-related industries, which we believe hold an attractive growth potential for our Company.

Our sales to the healthcare industry are growing strongly, and we have won orders for many new plastics components and coating solutions for regular shipment.

We expect the acquisitions of LM Skumplast A/S and MM Composite A/S to further accelerate our sales to the cleantech industry. Together, we can offer our customers innovative and value-adding solutions.

International sales now make up 58.8% of revenue (compared with 49.6% in Q1 2016).

SP Group continually seeks to optimise its business under the prevailing market conditions by raising production efficiency, aligning capacity and pursuing tight cost management.

In addition to capacity adjustments, we focus on adjusting our general costs on an ongoing basis. Our goal at SP Group is for all of our production facilities to manufacture and deliver better, cheaper and faster. We continually consider steps to cut consumption of input materials and resources (reducing carbon emissions, etc.) and to reduce the time necessary to commission equipment and switch-over times. We are continuing the current roll-out of our LEAN project, which aims to improve our processes and flows and to enhance the skill sets of our organisation.

Currently, some 64% of our staff are employed outside Denmark.

The Group's headcount grew by 165 in the three months to 31 March 2017 (62 through acquisitions and 103 due to organic growth).

The new employees are based in Poland (68), Denmark (60), the USA (18), Slovakia (14) and China (6). There was a net reduction of 1 employee in other countries of operation.

At 31 March 2017, SP Group had 1,861 employees worldwide.

As announced in Announcement No. 17/2017, SP Group has launched a DKK 30 million share buy-back programme under the Safe Harbour regulations to cover existing warrant programmes (Market Abuse Regulation).

In April 2017, the Company sold 29,000 treasury shares to cover the cost of warrants exercised under the 2012, 2013 and 2014 warrant programmes (as announced in Company Announcement No. 25/2017). The proceeds added DKK 9.2 million in cash to equity, raising the equity ratio by 0.6 of a percentage point.

On 6 January 2017, SP Group acquired LM Skumplast A/S (as announced in company Announcement No. 02/2017), a company offering customised PUR and PIR foam solutions. LM Skumplast subsequently changed its name to Tinby Skumplast A/S. CEO Kim Andersen will stay on with the company. The company has performed extremely well since the acquisition.

On 21 March 2017, SP Group acquired MM Composite A/S (as announced in company Announcement No. 14/2017), a company offering customised composite solutions and with production facilities in the USA and Denmark. The former owners Kent Bøllingtoft Madsen and Mogens D. Marxen will stay on with the company. The company has performed extremely well since the acquisition.

Both acquisitions are well-run businesses, and they will enhance SP Group's value proposition to customers in the cleantech industry. Both acquisitions were made through borrowed funds.

Business activity increased in Q1 2017 due to Easter falling in the second quarter (in 2016, Easter fell in the first quarter) and driven by the very bullish financial markets in the early months of the year. As a result, our activity levels have been higher than anticipated at the beginning of the year.

FINANCIAL PERFORMANCE REVIEW

Revenue for the first three months of 2017 amounted to DKK 476.8 million, a 36.4% improvement from DKK 349.5 million in the year-earlier period. Approximately 15.6 percentage points of the improvement derived from acquired businesses and operations.

The consolidated Q1 2017 EBITDA was DKK 72.8 million compared with DKK 44.8 million in Q1 2016. Approximately DKK 8.6 million of the revenue increase derived from acquired businesses and operations. The EBITDA margin improved to 15.3% from 12.8% in the Q1 2016 period.

Profit before net financials (EBIT) came to DKK 52.6 million in Q1 2017, against DKK 28.3 million in Q1 2016. The Q1 2017 EBIT margin was 11.0%, compared with 8.1% in Q1 2016.

Net financials were an expense of DKK 3.1 million in Q1 2017, a DKK 0.7 million decline relative to Q1 2016 that was due to exchange rate adjustments, the lower level of interest rates and the greater debt.

The profit before tax and non-controlling interests amounted to DKK 49.6 million in Q1 2017 as against DKK 25.9 million in Q1 2016.

Total assets amounted to DKK 1,442.3 million at 31 March 2017, compared with DKK 1,135.2 million at 31 March 2016. The equity ratio was 33.5% at 31 March 2017, as against 35.7% at 31 March 2016 and 35.7% at 31 December 2016.

Total assets grew by approximately DKK 241.6 million during the first three months of the year due to the acquisitions of Tinby Skumplast A/S and MM Composite A/S (approximately DKK 160.0 million) an increase in gross working capital (of about DKK 81.6 million), an increase in property, plant and equipment (DKK 2.1 million) and a drop in cash holdings (of about DKK 2.1 million).

Net interest-bearing debt amounted to DKK 430.3 million at 31 March 2017, against DKK 407.7 million at 31 December 2016 and DKK 410.0 million at 31 March 2016. Being focused on working capital, the Group has sold selected trade receivables. Net interest-bearing debt was 1.9 times LTM EBITDA (DKK 230.9 million), marking an improvement on the level recorded in the Group's previous best year to date. NIBD/EBITDA was 2.3 at 31 March 2016. We remain strongly committed to reducing the interest-bearing debt by increasing cash flows from operating activities.

Contributing to equity in the Q1 reporting period were exchange rate adjustments of foreign subsidiaries (by DKK 4.2 million) and value adjustment of financial instruments acquired to hedge future cash flows, such instruments consisting mainly of forward contracts (PLN against EUR, by DKK 18.6 million).

Equity was impacted by the purchase of treasury shares in the reporting period for a net amount of DKK 7.0 million.

Cash flows

Cash flows from operating activities were DKK 60.6 million in Q1 2017, which was DKK 23.4 million more than in Q1 2016.

The Group spent DKK 24.9 million on investments in Q1 2017, DKK 44.5 million on acquisitions, raised new long-term debt of DKK 64.7 million, reduced non-current loans by DKK 17.1 million, bought treasury shares for DKK 7.0 million and paid a deposit of DKK 2.7 million.

Accordingly, the net change in cash and cash equivalents was a DKK 31.8 million inflow.

Management believes that the company continues to have adequate capital resources relative to its operations as well as sufficient cash resources to meet its current and future liabilities. The company has good, long-standing and constructive relationships with its financial business partners and expects to continue those relationships.

OUTLOOK FOR THE REST OF 2017

The global economy is expected to continue on the road to recovery in 2017, but it remains fragile and marred by political uncertainty and financial volatility. Weak economic growth is generally expected in our neighbouring European markets, as a number of countries continue to have disturbingly large public sector deficits and large public debts.

Brexit is expected to have only a marginal direct effect on SP Group, but it will affect us indirectly through several of our customers.

Any potential new trade barriers between the USA and the EU would have a significant negative impact on the performance of SP Group.

We plan to launch a number of new products and solutions, especially to customers in the healthcare, cleantech and food-related industries. These new solutions are expected to contribute to growth and earnings.

In connection with the signing of a new logistics agreement with a customer,we will no longer buy components and resell them at no markup. This will reduce full-year revenue by about DKK 70 million. The effect of the change in 2017 is estimated at about DKK 55 million.

We intend to maintain a high level of investment in 2017. We expect the largest single investment to be made in our medical devices operations.

Depreciation and amortisation charges are expected to be slightly higher than in 2016.

Financial expenses are expected to be at the level of 2016.

By combining these factors with tight cost management and swift capacity alignment, and by maintaining a strong focus on risk management, cash management and capital management, our Group is strongly positioned for the future.

Backed by an accelerated performance towards the end of the quarter, we now expect profit before tax and non-controlling interests at the level of DKK 150-170 million on revenue of DKK 1.7-1.8 billion.

If we can continue to accelerate performance in the current market, SP Group may report even higher revenue and earnings for FY 2017.

OTHER MATTERS

As our Coating business accounts for less than 10% of our consolidated business and is run as part of the overall business, it no longer constitutes an separate segment. Accordingly, the Group has only one segment and does not provide individual segment reporting.

All companies of the SP Group reported improving sales and EBITDA in the first quarter of 2017 compared with the same period of 2016. The companies selling our own brands reported the largest advances.

We took over a leased 6,700 m² building in Poland in the first quarter. The building is used by SP Moulding and Gibo Plast in their production of large injection-molded and vacuum-formed plastics.

Activities are being expanded in the USA, Denmark, Poland, Slovakia, Latvia, Sweden, Norway, the Netherlands and China.

We are confident that the acquisitions of MedicoPack PlexxOpido, LM Skumplast and MM Composite will further accelerate SP Group's growth and earnings.

The companies all performed as expected during the reporting period. These companies did not form part of the SP Group in the first quarter of 2016.

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the interim report of SP Group A/S for the three months ended 31 March 2017.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 '*Interim Financial Reporting*' as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 31 March 2017 and of the results of the Group's operations and cash flows for the three months ended 31 March 2017.

Furthermore, in our opinion, the Management commentary gives a true and fair review of the development of the Group's activities and financial affairs, the financial results for the period and the Group's financial position in general as well as a true and fair description of the principal risks and uncertainties which the Group faces.

Søndersø, 24 April 2017

Executive Board

Frank Gad CEO	Jørgen Hønnerup Nielsen CFO

Board of Directors

Niels K. Agner Chairman	Erik P. Holm Deputy Chairman	
Erik Christensen	Hans W. Schur	Hans-Henrik Eriksen

INCOME STATEMENT (summary)

DKK '000	Q1 2017 (unaud.)	Q1 2016 (unaud.)	FY 2016 (audited)
Revenue	476,820	349,506	1,519,044
Production costs	-324,006	-241,932	-1,053,294
Contribution margin	**152,814**	**107,574**	**465,750**
Profit before depreciation, amortisation and impairment losses (EBITDA)	**72,819**	**44,756**	**202,857**
Depreciation, amortisation and impairment losses	-20,184	-16,439	-69,442
Profit before net financials (EBIT)	**52,635**	**28,317**	**133,415**
Net financials	-3,057	-2,397	-10,799
Profit before tax and non-controlling interests	**49,578**	**25,920**	**122,616**
Tax on the profit for the period	-11,135	-5,896	-29,229
Profit for the period	**38,443**	**20,024**	**93,387**
SP Group A/S' share	**38,394**	**19,852**	**92,420**
Earnings per share (DKK)	17.24	9.05	41.87
Diluted earnings per share (DKK)	16.60	8.77	40.33

STATEMENT OF COMPREHENSIVE INCOME

DKK '000	Q1 2017 (unaud.)	Q1 2016 (unaud.)	FY 2016 (audited)
Profit for the period	**38,443**	**20,024**	**93,387**
Items that may be reclassified to the income statement:			
Exchange rate adjustment relating to foreign companies	4,197	-3,608	-4,922
Net fair value adjustment of financial instruments acquired to hedge future cash flows	18,627	-172	-18,051
Other comprehensive income	**22,824**	**-3,780**	**-22,973**
Comprehensive income	**61,267**	**16,244**	**70,414**
Allocation of comprehensive income for the period:			
Parent company shareholders	61,216	16,087	69,564
Non-controlling shareholders	51	157	850

BALANCE SHEET (summary)

DKK '000	31.03. 2017 (unaud.)	31.03. 2016 (unaud.)	31.12. 2016 (audited)
Intangible assets	243,838	173,349	174,306
Property, plant and equipment	530,832	475,909	486,486
Financial assets	3,071	478	381
Deferred tax assets	7,963	3,792	7,963
Total non-current assets	**785,704**	**653,528**	**669,136**
Inventories	322,670	251,207	282,572
Receivables	282,288	189,671	195,238
Cash	51,603	40,755	53,725
Total current assets	**656,561**	**481,633**	**531,535**
Total assets	**1,442,265**	**1,135,161**	**1,200,671**
Equity including non-controlling interests	483,249	405,451	428,976
Non-current liabilities	408,065	266,219	228,328
Current liabilities	550,951	463,491	543,367
Equity and liabilities	**1,442,265**	**1,135,161**	**1,200,671**

CASH FLOW STATEMENT (summary)

DKK '000	Q1 2017 (unaud.)	Q1 2016 (unaud.)	FY 2016 (audited)
Cash flows from operating activities	60,613	37,229	140,439
Cash flows from investing activities	-69,369	-39,695	-80,126
Cash flows from financing activities	40,549	-11,376	-124,102
Change in cash and cash equivalents	**31,793**	**-13,842**	**-63,789**

CHANGES IN EQUITY since 1 January:

	Equity attributable to parent company shareholders		Equity including non-controlling interests	
DKK '000	2017 (unaud.)	2016 (unaud.)	2017 (unaud.)	2016 (unaud.)
Balance at 1 January (after tax)	**427,636**	**391,098**	**428,976**	**393,561**
Capital increase	0	0	0	0
Exchange rate adj., foreign subsidiaries	4,195	-3,593	4,197	-3,608
Acquisition of treasury shares	-7,044	-4,413	-7,044	-4,413
Sale of treasury shares	0	0	0	0
Other adjustments	0	0	0	0
Dividends paid	0	0	0	0
Value adjustment of derivative financial instruments (after tax)	18,627	-172	18,627	-172
Change in ownership, non-controlling interests	0	0	0	0
Recognition of share-based payment	50	59	50	59
Profit for the period (after tax)	38,394	19,852	38,443	20,024
Balance at 31 March (after tax)	**481,858**	**402,831**	**483,249**	**405,451**

Effective 6 January 2017, the Group acquired all shares in LM Skumplast A/S, a company specialising in foam plastics solutions.

Effective 21 March 2017, the Group acquired all shares in MM Composite A/S, a company specialising in composite solutions.

Preliminary fair values of the assets and liabilities at the dates of acquisition are set out below.

	DKK '000
Property, plant and equipment	33,293
Customer files	22,000
Investments	2,700
Inventories	24,290
Trade receivables	22,075
Other receivables	1,800
Cash	5,519
Deferred tax	-7,462
Leasing debt	-4,500
Bank debt	-7,500
Trade payables	21,167
Income tax payable	-2,545
Other payables	-10,851
Acquired net assets	**57,652**
Goodwill	50,719
Total consideration	**108,371**
Cash consideration	47,340
Debt instruments	27,812
Conditional consideration	33,219
Total consideration	**108,371**

The acquired entities had combined EBITDA of about DKK 14 million in the most recent financial year.

The consideration amounted to DKK 108,371 thousand, which amount includes a conditional purchase consideration of DKK 33,219 thousand. An amount of DKK 47,340 million has been paid in cash. Debt instruments totalling DKK 27,812 thousand, which fall due in the period 2017-2020, have been issued.

The debt instruments totalling DKK 27,812 thousand have been recognised at fair value at the date of acquisition. The undiscounted amount is DKK 29,860 thousand.

The conditional consideration of DKK 33,219 thousand is recognised at its fair value at the date of acquisition. The amount recognised is the maximum that may become payable, because the earn-out conditions are expected to be met. The undiscounted amount is DKK 35,000 thousand.

Acquisition costs are expected to total DKK 1.0 million, which amount has been recognised in 2017.

In connection with the acquisitions, goodwill was been made up at DKK 50,719 thousand after recognition at fair value of identifiable assets, liabilities and contingent liabilities. Goodwill represents the expected value of synergies and know-how resulting from the combination with SP Group. Goodwill is not depreciable for tax purposes.

Accounting policies
The interim report for the three months to 31 March 2017 is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed companies. Other than as set out below, the accounting policies are consistent with those applied in Annual Report 2016, in which the accounting policies are set out in their entirety in note 1 to the financial statements.

Changes to accounting policies
Effective from 1 January 2017, SP Group A/S has implemented the following new or amended standards and interpretations:
Amendments to IAS 7 on disclosure requirements for cash flows, Amendments to IFRS 12 on the recognition of deferred tax assets for unrealised losses and partial implementation of Annual Improvements to IFRS 2014-2016. In Annual Improvements to IFRS 2014-2016, only the amendment to IFRS 12 *Disclosure of Interests in Other Entities* took effect from 1 January 2017 with a specification of the extent of the disclosure requirements of IFRS 12. The rest of the amendments will not take effect until 1 January 2018.

The new disclosure requirements of IAS 7 are not mandatory for interim reports and therefore will only apply as from the 2017 Annual Report.

None of the above amendments have affected recognition or measurement in the interim report.

Accounting estimates and judgments
In preparing the interim financial statements, Management makes accounting judgments and estimates that affect the use of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these judgments.

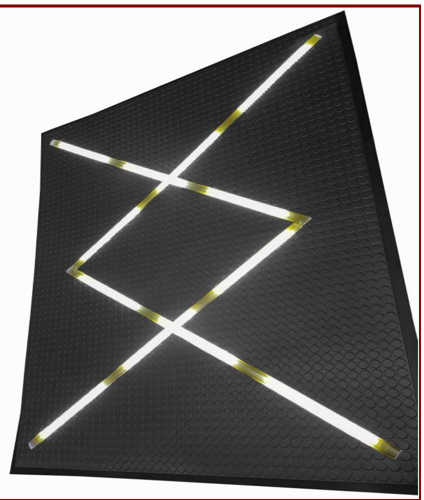
The most significant estimates made by Management when applying the accounting policies and the most significant judgment uncertainty related to preparing these interim financial statements are the same as those used to prepare the consolidated and the parent company financial statements for 2016. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2016.

Impairment test
The annual test for impairment of intangible assets, including goodwill, will be made at 31 December 2017 following the completion of budgets and strategy plans for the upcoming period. Management has not identified evidence of impairment of the carrying amount of goodwill at 31 March 2017 and, accordingly, has not tested goodwill for impairment at 31 March 2017. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2016.

Forward-looking statements
This interim report contains forward-looking statements reflecting Management's current perception of future trends and financial performance. Statements relating to 2017 and the following years are inherently subject to uncertainty and SP Group's actual results may thus differ from expectations. Factors that may cause actual results to differ from expectations include, but are not limited to, changes in SP Group's activities, raw materials prices, foreign exchange rates and economic conditions. This interim report does not constitute an invitation to buy or sell shares in SP Group A/S.

About SP Group
SP Group manufactures moulded plastic and composite components and applies plastic coatings on plastic and metal surfaces.

SP Group is a leading supplier of plastic manufactured products for the manufacturing industries in Denmark and has increasing exports and growing production from own factories in Denmark, China, Brazil, the USA, Latvia, Slovakia and Poland. SP Group also has sales and service subsidiaries in Sweden, Norway, the Netherlands and Canada. SP Group is listed on NASDAQ Copenhagen A/S and had an average of 1,752 employees in the first quarter and about 1,300 registered shareholders at 31 March 2017.



Ergomat's new, innovative, ergonomic mat with built-in LED technology.