NASDAQ Copenhagen A/S
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Announcement no. 60 / 2014
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Company reg. (CVR) no.
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Interim report - Third quarter of 2014

Summary: SP Group generated profit before tax and non-controlling interests of DKK 38.4 million in 9M 2014, against DKK 36.4 million in 9M 2013. Year-on-year, revenue was up by 7.2% to DKK 871.2 million and EBITDA improved to DKK 84.8 million from DKK 84.4 million. We maintain the FY 2014 guidance announced in the 2013 Annual Report. We continue to expect a slight increase in profit before tax and non-controlling interests in 2014 relative to 2013 (DKK 50.2 million) and slightly higher revenue than in 2013 (DKK 1,102 million), but market prospects remain unclear.

The Board of Directors of SP Group A/S has today considered and approved the interim report for the three months ended 30 September 2014.

Highlights of the interim report:

- The 9M 2014 revenue was up by DKK 58.3 million to DKK 871.2 million, equal to a 7.2% improvement on the year-earlier period. Q3 revenue was up by 8.0% year-on-year to DKK 298.2 million.
- Earnings before depreciation, amortisation and impairment losses (EBITDA) for the 9M 2014 period were DKK 84.8 million, as against DKK 84.4 million in 9M 2013. Earnings were adversely affected by the costs of acquiring Bröderna Bourghardt AB (DKK 0.4 million), of starting up SP Extrusion A/S (DKK 3.2 million) and of the production start-up by Tinby and Ergomat in the USA (DKK 1.5 million). EBITDA for Q3 2014 was DKK 30.4 million, compared with DKK 31.3 million in Q3 2013.
- Earnings before financial items (EBIT) came to DKK 45.0 million in the 9M 2014 period, against DKK 46.7 million in 9M 2013. EBIT for the third quarter was DKK 17.6 million, as against DKK 19.2 million in Q3 2013.
- Net financials were an expense of DKK 6.6 million in 9M 2014, a DKK 3.8 million improvement on 9M 2013 resulting from the slightly lower level of interest rates and exchange rate adjustments. Net financials for the third quarter were an expense of DKK 0.4 million, against an expense of DKK 4.0 million in Q3 2013.
- Profit before tax and non-controlling interests amounted to DKK 38.4 million in 9M 2014, against DKK 36.4 million in 9M 2013. The Q3 2014 profit before tax and minority interests was DKK 17.2 million, up from DKK 15.2 million in Q3 2013 and the best quarterly result ever.
- Earnings per share (diluted) came to DKK 14.51 in 9M 2014, against DKK 14.60 in 9M 2013. The fall was mainly due to a reduction in the holding of treasury shares resulting from the exercise of warrants.
- The Coating business (Accoat) reported revenue of DKK 126.2 million for the 9M 2014 period, against DKK 134.4 million in 9M 2013. EBITDA fell to DKK 13.5 million from DKK 18.5 million in 9M 2013.
- The Plastics businesses (SP Moulding, SP Medical, Tinby, TPI, Ergomat, Gibo Plast, SP Extrusion and Bröderna Bourghardt) reported an aggregate revenue improvement of DKK 66.5 million to DKK 750.2 million. EBITDA was up by 8.1% to DKK 78.9 million in the 9M 2014 period from DKK 73.0 million in 9M 2013.
- There was a cash inflow from operating activities of DKK 50.9 million in the 9M 2014 period, against DKK 35.0 million in 9M 2013.
- Net interest-bearing debt (NIBD) amounted to DKK 454.3 million at 30 September 2014, against DKK 416.4 million at 30 September 2013. At 31 December 2013, NIBD was DKK 430.0 million.
- We continue to expect a slight increase in profit before tax and non-controlling interests in 2014 relative to 2013 (DKK 50.2 million) and slightly higher revenue than in 2013 (DKK 1,102 million), but market prospects remain unclear.

CEO Frank Gad said: "The Q3 *2014 period was our best ever quarterly bottom-line performance. We continue to expect to improve on our performance in 2014 relative to 2013, which is our best year to date, provided the positive developments in the global economy continue."*

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FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK '000 (key ratios excepted)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Acc. Q3 2014 (unaud.)	Acc. Q3 2013 (unaud.)	FY 2013 (audited)
Income statement					
Revenue	298,161	276,046	871,157	812,880	1,102,053
Profit before depreciation, amortisation and impairment losses (EBITDA)	30,390	31,344	84,828	84,353	114,180
Depreciation, amortisation and impairment losses	-12,763	-12,132	-39,836	-37,629	-48,838
Profit before net financials (EBIT)	17,627	19,212	44,992	46,724	65,342
Net financials	-399	-4,023	-6,561	-10,371	-15,180
Profit before tax and non-controlling interests	17,228	15,189	38,431	36,353	50,162
Profit for the period	13,076	11,725	29,490	28,784	39,077
of which attributable to SP Group A/S	12,317	11,768	28,642	28,815	39,039
Earnings per share (DKK)			14.51	14.60	19.91
Diluted earnings per share (DKK)			13.97	14.18	18.74
Balance sheet					
Non-current assets			563,870	512,067	538,012
Total assets			954,992	864,036	884,740
Equity			273,500	235,076	243,996
Equity including non-controlling interests			282,555	243,369	252,326
Investments in property, plant and equipment(excluding acquisitions)	11,927	13,966	56,680	36,995	67,242
Net interest-bearing debt (NIBD)			454,261	416,438	430,030
NIBD/EBITDA (last 12-month period)			4.0	3.6	3.8
Cash flows					
Cash flows from:					
- operating activities	29,407	8,844	50,934	34,997	66,903
- investing activities	-13,343	-14,871	-46,513	-47,370	-67,133
- financing activities	-14,904	-8,059	-36,914	-34,784	-47,861
Change in cash and cash equivalents	1,160	-14,086	-32,493	-47,157	-48,091
Key ratios					
EBITDA margin (%)	10.2	11.4	9.7	10.4	10.4
EBIT margin (%)	5.9	7.0	5.2	5.7	5.9
Profit before tax and non-controlling interests as a percentage of revenue	5.8	5.5	4.4	4.5	4.6
Return on invested capital including goodwill (%)					9.8
Return on invested capital excluding goodwill (%)					11.7
Return on equity, excluding non-controlling interests					16.6
Equity ratio, excluding non-controlling interests (%)			28.6	27.2	27.6
Equity ratio, including non-controlling interests (%)			29.6	28.2	28.5
Financial gearing			1.6	1.7	1.7
Cash flow per share, DKK			24.8	17.2	32.1
Total dividends for the year per share (DKK)			-	-	3.0
Market price, end of period (DKK per share)			237.0	170.0	230.0
Net asset value per share, end of period (DKK)			137	119	125
Market price/net asset value, end of period			1.73	1.43	1.84
Number of shares, end of period			2,024,000	2,024,000	2,024,000
of which treasury shares, end of period			22,264	51,534	77,815
Average no. of employees			1,249	1,104	1,136

MANAGEMENT COMMENTARY

9M PERFORMANCE REVIEW

We continued to record rising sales to many of our customers across industries and geographies in the first nine months of 2014. The improvements were the most pronounced in our international markets, as sales outside Denmark grew by 10.0% in the 9M period. Sales to our international customers improved by 17.0% in the third quarter.

Our performance relative to the corresponding period of 2013.

	Q3 2014	Acc. Q3 2014
Healthcare	11.7%	7.5%
Cleantech	-8.0%	9.2%
Food-related	20.1%	14.1%
Automotive	29.3%	-1.7%
Oil and gas	16.2%	2.1%
of which own brands	-0.8%	-0.7%

Almost the entire change in revenue was due to higher volume sales.

Sales to the healthcare industry rose by 7.5% year-on-year to DKK 336.0 million and now account for 38.6% of consolidated revenue. Q3 sales were up by 11.7% year-on-year.

Sales to the cleantech industry were up by 9.2% year-on-year to DKK 245.0 million and now account for 28.1% of consolidated revenue. The increase was driven by more projects and new product launches. Sales in the third quarter were down by 8.0% year-on-year, however.

Sales to the food-related industries were up by 14.1% year-on-year to DKK 141.0 million and now account for 16.2% of consolidated revenue. Q3 sales were up by 20.1% year-on-year.

Sales to the automotive industry fell by 1.7% year-on-year to DKK 23.8 million and now account for 2.7% of consolidated revenue. Q3 sales were up by 29.3% year-on-year.

Sales to the oil and gas industry were up by 2.1% year-on-year to DKK 14.6 million and now account for 1.7% of consolidated revenue. Q3 sales were up by 16.2% year-on-year.

SP Group continued to step up marketing efforts towards both existing and potential customers. The inflow of new customers continued in the 9M period, and we are taking proactive steps to develop and market a number of new solutions, e.g. for the healthcare, cleantech and food-related industries as well as the oil and gas industry, which we believe hold an attractive growth potential.

We have won several minor coating orders from the oil and gas industry. Our sales to this important industry now account for 1.7% of consolidated revenue.

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.

Sales of guidewires and ergonomic products improved, whereas the sale of products under own brands from TPI (ventilation equipment) declined. Overall, sales of SP's in-house brands amounted to DKK 136.1 million, a drop of 0.7% relative to Q3 2013. The third quarter saw in-house brand sales drop by 0.8%. On the other hand, Ergomat reported its best ever quarterly performance in the third quarter.

International sales now account for 51.4% of revenue (compared with 50.0% in 9M 2013).

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

In addition to capacity alignment, we are also dedicated to reducing our general costs. 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 raw 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 63% of our staff are employed outside Denmark.

As announced in Announcement No. 9/2014, SP Group acquired 80% of the shares in Bröderna Bourghardt AB on 24 February 2014.

As announced in Announcement No. 15/2014, SP Group has launched an DKK 8 million share buy-back programme under the Safe Harbour regulations to cover existing warrant programmes. The share buy-back programme will run until the end of 2014. The share buy-back programme will be extended until 10 April 2015 and increased by DKK 6 million to DKK 14 million, as announced in Announcement No. 61/2014.

FINANCIAL PERFORMANCE REVIEW

Earnings

Revenue in the first nine months of 2014 was up by 7.2% to DKK 871.2 million from DKK 812.9 million for the year-earlier period. Revenue was up by 8.0% in the third quarter.

The consolidated 9M 2014 EBITDA was DKK 84.8 million compared with DKK 84.4 million in 9M 2013. The EBITDA margin fell to 9.7% from 10.4% last year. The Q3 2014 EBITDA margin was 10.2%.

Earnings before financial items (EBIT) came to DKK 45.0 million in 9M 2014, against DKK 46.7 million in 9M 2013. The EBIT margin was 5.2% in the 9M 2014 period, against 5.7% in 9M 2013. The Q3 2014 EBIT margin was 5.9%.

Net financials were an expense of DKK 6.6 million in 9M 2014, a DKK 3.8 million improvement relative to 9M 2013 that was due to the slightly lower level of interest rates, lower interest margins and to exchange rate adjustments.

The US dollar strengthened in Q3 2014, producing a realised exchange gain.

The profit before tax and non-controlling interests amounted to DKK 38.4 million for 9M 2014 as against DKK 36.4 million in 9M 2013. Net profit for the third quarter was DKK 17.2 million, as against DKK 15.2 million in Q3 2013. The Q3 2014 period was our best ever quarterly bottom-line performance

Balance sheet

Total assets amounted to DKK 955.0 million at 30 September 2014, compared with DKK 864.0 million at 30 September 2013. The equity ratio was 29.6% at 30 September 2014, as against 28.2% at 30 September 2013 and 28.5% at 31 December 2013.

Total assets rose by approximately DKK 70 million during the first nine months of the year, mainly due to an increase in net working capital (DKK 33 million), the acquisition of Bröderna Bourghardt AB (DKK 13 million), a drop in cash holdings (DKK 1 million) and net investment in new machinery (DKK 25 million).

Net interest-bearing debt amounted to DKK 454.3 million at 30 September 2014, against DKK 430.0 million at 31 December 2013 and DKK 416.4 million at 30 September 2013. Giving priority to the amount of capital tied up, the Group has sold selected trade receivables. Net interest-bearing debt was 4.0 times EBITDA of the last 12-month period, which at DKK 114.6 million was close to the level recorded for 2013, the Group's best year to date. NIBD/EBITDA was 3.6 at 30 September 2013.

We remain strongly focused on reducing the interest-bearing debt by increasing cash flows from operating activities.

Equity increased due to exchange rate adjustment of foreign subsidiaries (by DKK 4.2 million) and value adjustment of financial instruments (by DKK 3.2 million) acquired to hedge future cash flows, such instruments consisting mainly of forward contracts (PLN against EUR). Also, equity was impacted by dividends paid of DKK 6.8 million and by the purchase of treasury shares (DKK 0.9 million) to cover the costs of warrants exercised and the ongoing purchasing of treasury shares under the existing share buy-back programme (announced in Company announcement no. 15/2014).

Cash flows

Cash flows from operating activities were DKK 50.9 million in Q3 2014, which was DKK 15.9 million more than in Q3 2013.

In the 9M 2014 period, the Group spent DKK 46.5 million on investments and DKK 29.2 million on reducing non-current loans, paid dividends of DKK 6.8 million and spent a net amount of DKK 0.9 million buying and selling treasury shares.

Accordingly, the Group recorded a net cash outflow of DKK 32.5 million.

Management believes that the Company continues to have an adequate level of capital resources relative to its operations and plans 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 2014

The global economy is expected to continue on the road to recovery in 2014, but it remains fragile and marred by 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 debts.

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

The level of investment will remain high in 2014, although it will be lower than in 2013. 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 2013.
Financial expenses are expected to be lower than in 2013.

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

We maintain the FY 2014 guidance announced in the 2013 Annual Report: We continue to expect a slight increase in profit before tax and non-controlling interests in 2014 relative to 2013 (DKK 50.2 million) and slightly higher revenue than in 2013 (DKK 1,102 million), but market prospects remain unclear.

Events after the balance sheet date
No significant events have occurred from the balance sheet date until the publication of this interim report that have not been disclosed in this interim report and that materially affect an assessment of the Group's financial position.

COATINGS

(Accoat)

DKK '000	Q3 2014	Q3 2013	Acc. Q3 2014	Acc. Q3 2013
Revenue	37,328	45,555	126,235	134,422
Profit before depreciation, amortisation and impairment losses (EBITDA)	2,792	6,666	13,484	18,513
Profit before net financials (EBIT)	497	4,490	6,686	11,950
Average no. of employees			81	82

9M highlights
The 9M revenue amounted to DKK 126.2 million, against DKK 134.4 million in the year-earlier period.

EBITDA was down in 9M 2014 compared with 9M 2013 because of a change in the product mix. The level of business activity was slightly lower than anticipated at the beginning of the year and costs were higher.

As announced in Company announcement no. 32/2014, the positions as director of R&D for SP Group and managing director of Accoat were combined in mid-May with a view to making the organisation more efficient and reducing costs.

Since the announcement, Managing Director Jens Hinke has held the new position. These management changes are expected to make the company even more customer focused, and eventually to boost business activity and earnings.

The factory in Brazil serves customers in the medical devices industry. Longer term, plans are to win orders from the Brazilian oil and gas industry as well as from the country's cleantech industry.
The coating facility in Stoholm, Denmark won new, small orders that will ship later in 2014. The facility's solutions provide friction reduction and corrosion protection in pipes for the oil and gas industry.
At current oil prices, coating of pipes is a powerful value creator for oil producers, because coating helps to increase production, extend pipe life expectancy and thereby reduce production costs.

Accoat's pipe coatings continue to meet customer expectations, giving Accoat better and better references in the oil industry.

Accoat continues its marketing efforts towards customers in the oil and gas industry, mainly in Europe, having won new jobs for future shipment. Accoat increased its sales to the medical devices industry.

Accoat is working closely with selected customers to develop new coating solutions for the oil and gas industry. Those solutions are expected to be ready for market launch later this year and in 2015.

A number of customers in the medical devices and chemical industries are increasingly demanding Accoat's services for friction reduction and corrosion protection.

Accoat now expects its 2014 revenue to be lower than the 2013 figure. EBITDA is also expected to decline relative to 2013.

PLASTICS

(SP Moulding, SP Medical, Gibo Plast, Ergomat, Tinby, TPI Polytechniek, SP Extrusion and Bröderna Bourghardt)

DKK '000	Q3 2014	Q3 2013	Acc. Q3 2014	Acc. Q3 2013
Revenue	262,239	232,137	750,194	683,730
Profit before depreciation, amortisation and impairment losses (EBITDA)	29,644	27,121	78,862	72,968
Profit before net financials (EBIT)	20,007	17,970	48,297	44,292
Average no. of employees			1,154	1,009

9M highlights
Revenue amounted to DKK 750.2 million in 9M 2014, against DKK 683.7 million in 9M 2013, equal to a 9.7% increase. Q3 revenue was up by 13.0%.

EBITDA increased to DKK 78.9 million in 9M 2014 from DKK 73.0 million in 9M 2013.
The newly acquired Bröderna Bourghardt contributed DKK 17.2 million to 9M revenue through its operations in Sweden and Latvia. Bröderna Bourghardt is performing well and, as expected, is bringing in new customers to SP Group's existing business operations.

The six Polish factories operated by Gibo, Ergomat SP Moulding, SP Medical and Tinby continue their strong performances and are generating positive earnings and creating more jobs. The Danish factories reported slightly higher earnings improvements and increased headcounts. In China, SP Moulding is experiencing higher sales and increasing earnings.
All installations continue to implement production efficiency improvements, such as our LEAN projects, energy optimisation (reducing carbon emissions), more automation, focus on raw materials consumption, scrappings and switch-over times.

SP Moulding and SP Medical continue to step up marketing efforts towards new customer leads. The stronger marketing focus in a number of markets has produced several new, regular customers.

SP Medical reported a 5.5% increase in the production and sale of guidewires in the 9M 2014 period that was achieved mainly through wider and more comprehensive market coverage.

Tinby's customers in the cleantech and insulation industries are reporting growth.

Ergomat reported higher sales and stronger earnings. Global 9M sales were up by 5.4%, while in the third quarter, sales were up by 9.2% globally.

TPI Polytechniek reported a drop in revenue and earnings, mainly due to the prevailing political uncertainty. New customers have been identified in Asia, the Middle East and Africa. The Scandinavian market continues to feel the lack of appetite or opportunities for investing in large animal housing facilities.

A number of new PUR products have been launched in 2014, and additional product launches are planned for later in the year.

Tinby has expanded its production of PUR components in China for customers in the cleantech industry.

Tinby has established local production and a service centre in the USA in order to provide better service to its North American customers. The facilities were set up at Ergomat's existing location.

Gibo Plast has developed new projects and solutions for customers in the cleantech and automotive industries, which the company expects will contribute to sales and earnings in 2014 and onwards.

In the USA, Ergomat has established local production of ergonomic mats in order to provide a better service (by reducing leadtimes) to the many US-based customers.

Ergomat has established a new subsidiary in Poland that has taken over production of ergonomic mats from Tinby, and the company has stepped up its local sales efforts.

As expected, starting up SP Extrusion and Tinby's and Ergomat's production facilities in the USA impacted EBIT for the 9M 2014 period.

We continue to expect revenue and EBITDA improvements in the PLASTICS business in 2014 relative to 2013. The healthcare and cleantech activities will be expanded in the USA, Denmark, Poland, Latvia and China. Sales and marketing activities will be stepped up globally.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and approved the interim report of SP Group A/S for the nine months ended 30 September 2014.

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 Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 September 2014 and of the results of the Group's operations and cash flows for the nine months ended 30 September 2014.

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, 4 November 2014

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	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Acc. Q3 2014 (unaud.)	Acc. Q3 2013 (unaud.)	FY 2013 (audited)
Revenue	298,161	276,046	871,157	812,880	1,102,053
Production costs	-219,080	-197,988	-627,977	-583,276	-775,861
Contribution margin	**79,081**	**78,058**	**243,180**	**229,604**	**326,192**
Profit before depreciation, amortisation and impairment losses (EBITDA)	**30,390**	**31,344**	**84,828**	**84,353**	**114,180**
Depreciation, amortisation and impairment losses	-12,763	-12,132	-39,836	-37,629	-48,838
Profit before net financials (EBIT)	**17,627**	**19,212**	**44,992**	**46,724**	**65,342**
Net financials	-399	-4,023	-6,561	-10,371	-15,180
Profit before tax and non-controlling interests	**17,228**	**15,189**	**38,431**	**36,353**	**50,162**
Tax on the profit for the period	-4,152	-3,464	-8,941	-7,569	-11,085
Profit for the period	**13,076**	**11,725**	**29,490**	**28,784**	**39,077**
SP Group A/S' share	**12,317**	**11,768**	**28,642**	**28,815**	**39,039**
Earnings per share (DKK)			14.51	14.60	19.91
Diluted earnings per share (DKK)			13.97	14.18	18.74

STATEMENT OF COMPREHENSIVE INCOME

DKK '000	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Acc. Q3 2014 (unaud.)	Acc. Q3 2013 (unaud.)	FY 2013 (audited)
Profit for the period	**13,076**	**11,725**	**29,490**	**28,784**	**39,077**
Items that may be reclassified to profit or loss					
Exchange rate adjustment relating to foreign subsidiaries	4,378	-333	4,174	-3,975	-3,775
Net fair value adjustment of financial instruments acquired to hedge future cash flows	869	9,710	3,188	-6,235	353
Other comprehensive income	**5,247**	**9,377**	**7,362**	**-10,210**	**-3,422**
Comprehensive income	**18,323**	**21,102**	**36,852**	**18,574**	**35,655**
Allocation of comprehensive income for the period:					
Parent company shareholders	17,538	21,123	36,058	18,629	35,663
Non-controlling shareholders	785	-21	794	-55	-8

BALANCE SHEET (summary)

DKK '000	30.09. 2014 (unaud.)	30.09. 2013 (unaud.)	31.12. 2013 (audited)
Intangible assets	134,609	130,731	131,189
Property, plant and equipment	426,232	378,307	400,877
Financial assets	3,029	3,029	3,029
Deferred tax assets	0	0	2,917
Total non-current assets	**563,870**	**512,067**	**538,012**
Inventories	214,757	199,722	198,744
Receivables	149,700	127,021	120,007
Cash	26,665	25,226	27,977
Total current assets	**391,122**	**351,969**	**346,728**
Total assets	**954,992**	**864,036**	**884,740**
Equity including non-controlling interests	282,555	243,369	252,326
Non-current liabilities	239,056	248,349	256,926
Current liabilities	433,381	372,318	375,488
Equity and liabilities	**954,992**	**864,036**	**884,740**

CASH FLOW STATEMENT (summary)

DKK '000	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Acc. Q3 2014 (unaud.)	Acc. Q3 2013 (unaud.)	FY 2013 (audited)
Cash flows from operating activities	29,407	8,844	50,934	34,997	66,903
Cash flows from investing activities	-13,343	-14,871	-46,513	-47,370	-67,133
Cash flows from financing activities	-14,904	-8,059	-36,914	-34,784	-47,861
Change in cash and cash equivalents	**1,160**	**-14,086**	**-32,493**	**-47,157**	**-48,091**

CHANGES IN EQUITY since 1 January:

	Equity attributable to parent company shareholders		Equity including non-controlling interests	
DKK '000	2014 (unaud.)	2013 (unaud.)	2014 (unaud.)	2013 (unaud.)
Balance at 1 January (after tax)	**243,996**	**227,046**	**252,326**	**240,131**
Exchange rate adj., foreign subsidiaries	4,228	-3,951	4,174	-3,975
Acquisition of treasury shares	-12,499	-12,012	-12,499	-12,012
Sale of treasury shares	11,556	5,711	11,556	5,711
Dividends paid	-6,023	-4,963	-6,023	-5,394
Value adjustment of derivative financial instruments (after tax)	3,188	-6,235	3,188	-6,235
Change in ownership, non-controlling interests	0	0	-69	-4,306
Recognition of share-based payment	412	665	412	665
Profit for the period (after tax)	28,642	28,815	29,490	28,784
Balance at 30 September (after tax)	**273,500**	**235,076**	**282,555**	**243,369**

BUSINESS SEGMENTS

DKK '000	Coatings Q3 2014 (unaud.)	Coatings Q3 2013 (unaud.)	Plastics Q3 2014 (unaud.)	Plastics Q3 2013 (unaud.)	Other *) Q3 2014 (unaud.)	Other *) Q3 2013 (unaud.)	Group Q3 2014 (unaud.)	Group Q3 2013 (unaud.)
Revenue	**37,328**	**45,555**	**262,239**	**232,137**	**-1,406**	**-1,646**	**298,161**	**276,046**
Profit before depreciation, amortisation and impairment losses (EBITDA)	**2,792**	**6,666**	**29,644**	**27,121**	**-2,046**	**-2,443**	**30,390**	**31,344**
Depreciation, amortisation and impairment losses	-2,295	-2,176	-9,637	-9,151	-831	-805	-12,763	-12,132
Profit before net financials (EBIT)	**497**	**4,490**	**20,007**	**17,970**	**-2,877**	**-3,248**	**17,627**	**19,212**
Net financials							-399	-4,023
Profit before tax							**17,228**	**15,189**
Tax on profit for the period							-4,152	-3,464
Profit for the period							**13,076**	**11,725**

*) Comprises eliminations and unallocated overhead costs

DKK '000	Coatings Acc. Q3 2014 (unaud.)	Coatings Acc. Q3 2013 (unaud.)	Plastics Acc. Q3 2014 (unaud.)	Plastics Acc. Q3 2013 (unaud.)	Other *) Acc. Q3 2014 (unaud.)	Other *) Acc. Q3 2013 (unaud.)	Group Acc. Q3 2014 (unaud.)	Group Acc. Q3 2013 (unaud.)
Revenue	**126,235**	**134,422**	**750,194**	**683,730**	**-5,272**	**-5,272**	**871,157**	**812,880**
Profit before depreciation, amortisation and impairment losses (EBITDA)	**13,484**	**18,513**	**78,862**	**72,968**	**-7,518**	**-7,128**	**84,828**	**84,353**
Depreciation, amortisation and impairment losses	-6,798	-6,563	-30,565	-28,676	-2,473	-2,390	-39,836	-37,629
Profit before net financials (EBIT)	**6,686**	**11,950**	**48,297**	**44,292**	**-9,991**	**-9,518**	**44,992**	**46,724**
Net financials							-6,561	-10,371
Profit before tax							**38,431**	**36,353**
Tax on profit for the period							-8,941	-7,569
Profit for the period							**29,490**	**28,784**
Segment assets	95,471	107,593	760,140	659,615	69,687	68,573	925,298	835,781
Unallocated assets							29,694	28,255
							954,992	**864,036**

Warrant programme for the Company's Executive Board and senior managers

The Board of Directors resolved on 30 April 2014 (see company announcement no. 26/2014) to set up an incentive programme for the Company's Executive Board and 25 senior managers. The programme is based on warrants to be issued by the Board of Directors exercising the authorisation provided in article 5(4) of the articles of association and granted at the Annual General Meeting held on 19 April 2013, on which occasion the programme was presented to the shareholders. A total of 50,000 warrants were issued, of which 10,000 were awarded to the Executive Board and the rest were awarded to the senior managers.

The reason for the award was a desire to align the interests of the senior managers with those of the Group.

The exercise price was fixed at DKK 280.00 per share with a nominal value of DKK 10 plus a 7.5% premium calculated from 1 April 2014 and until the date of exercise. The exercise price was fixed on the basis of the official market price during the period from immediately before the release of the Annual Report on 27 March 2014 and until 29 April 2014.

Warrants issued under the programme may be exercised to buy shares in the Company during the period from 1 April 2017 to 31 March 2020, always provided that warrants can only be exercised during the first two weeks of a trading window in which the Company's in-house rules allow management to trade in the Company's shares.

Warrants issued have an estimated aggregate market value of approximately DKK 153,500. The market value of the warrants issued was calculated using the Black–Scholes model with volatility being calculated on the basis of the price of the Company's shares during the six month period prior to the award, a level of interest rates of 0.38%, a price per share of DKK 263.00 and assuming that warrants awarded are exercised in April 2017. Allowance is made for any dividend payments to be made during the period.

The Executive Board and the 25 senior managers were given the option of buying the warrants at market price as calculated above against payment in cash. The offer to buy remained in force for two months after the date of award.

Members of the Executive Board and 10 senior managers (12 participants) have opted to buy their warrants (total of 24,000 warrants).

If a participant resigns from the group company in which he or she is employed, the number of warrants will be reduced on a pro rata basis so as to reflect that the participant was only associated with the Group for a part of the term of the programme. This does not apply if a participant has bought and paid for his or her warrants.

As a result, 100,000 warrants are exercisable under existing programmes as from 2014 (of which 96,000 were exercised in April and May 2014), 100,000 warrants become exercisable in 2015, 100,000 become exercisable in 2016, and 50,000 become exercisable in 2017.

Accounting policies

The interim report for the nine months to 30 September 2014 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 2013, in which the accounting policies are set out in their entirety in note 1 to the financial statements.

Changes to accounting policies

Effective 1 January 2014, SP Group implemented IFRS 10-12 as amended, IAS 27 (2011), IAS 28 (2011), amendments to IAS 27 (2011), amendments to IAS 32, amendments to IAS 39 and IFRIC 21. The implementation of the new and amended standards and interpretations has not had any material impact on recognition or measurement.

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 2013. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2013.

Impairment test

The annual test for impairment of intangible assets, including goodwill, will be made at 31 December 2014 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 30 September 2014 and, accordingly, has not tested goodwill for impairment at 30 September 2014. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2013.

Forward-looking statements

This interim report contains forward-looking statements reflecting Management's current perception of future trends and financial performance. Statements relating to 2014 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 components as well as plastic coatings.

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 and Poland. SP Group also has sales subsidiaries in Sweden, the Netherlands and Canada. SP Group is listed on NASDAQ OMX Copenhagen and had some 1,200 employees and about 850 registered shareholders at 30 September 2013.

SP Group's two business areas have the following activities:

- Coatings
- Plastics