

AS STORENT INVESTMENTS INTERIM REPORT

JANUARY – MARCH | 2019



CONTENTS

MANAGEMENT REPORT	3
STATEMENT OF THE MANAGEMENT BOARD	4
CONSOLIDATED INCOME STATEMENT (unaudited)	5
CONSOLIDATED BALANCE SHEET (unaudited)	6
FINANCIAL COVENANTS (unaudited)	7

MANAGEMENT REPORT

April 30, 2019

Storent was established in 2008 in Latvia with an objective to become the most efficient construction equipment rental company in the Baltics and the Nordic countries. Today Storent group operates 30 rental depots in 6 countries.

Total revenue for Storent group in Q1 2019 has shown one-digit growth compared to Q1 2018 with various changes by countries. The main driver for rent incomes growth was the strong market position in Latvian and Lithuanian markets, which are key income generating entities in Storent group.

The Baltic region has shown two-digit growth in Q1 2019 with continuous highest growth rate in Latvia, which is followed by Lithuania. The Baltic region continues to generate roughly two-thirds of the group incomes. Rent incomes are expected to grow at a higher rate during Q2 2019 as the market demand will be driven by opening up of the construction season. EU funded projects remain a significant growth driver of the Baltic construction market.

The Nordic region has shown decrease in sales volume mostly due to major changes at our Finnish operation (Leinolift). Swedish operation continues with rapid growth of rent incomes, increasing number of employees and strengthening of brand awareness in the local market.

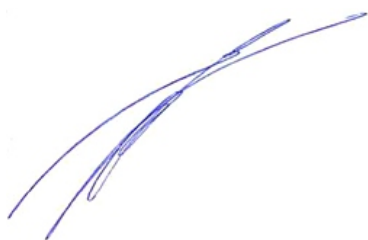
In **Kaliningrad region** government financed projects remain to be the main demand driver on the construction market. We have seen decrease of rent incomes in Q1 2019, because of overall lack of mid to large scale relevant construction and industrial projects on the market. Cash flow problems of local players also caused slowdown of the sector during Q1.

Outlook for Q2 looks positive in all countries, construction season has started and many large and mid-size projects have already kicked off. We continuously work to increase our team's expertise, especially in sales to ensure the best service to our customers. Capex program for 2019 has started, existing fleet will be supplemented with new equipment items for our customer convenience.

STATEMENT OF THE MANAGEMENT BOARD

The financial and other additional information published in the Interim report January – March 2019 is true and complete. Consolidated financial statement gives a true and fair view of the actual financial position and results of operations.

Consolidated financial statements in the report for the period January – March 2019 are not yet audited.



Andris Bisnieks
Member of the Management Board



Andris Pavlovs
Member of the Management Board

CONSOLIDATED INCOME STATEMENT

(unaudited) EUR

DESCRIPTION	Q 1 2019	Q 1 2018	2018 total
REVENUE	8 660 983	8 495 827	45 595 831
NET REVENUE	8 628 230	8 455 971	45 364 616
OTHER OPERATING INCOME	32 753	39 856	231 215
EXPENSES	(7 272 297)	(6 998 199)	(32 841 302)
COSTS OF MATERIAL AND SERVICES RECEIVED	(3 313 491)	(3 028 191)	(15 816 913)
PERSONNEL EXPENSES	(2 021 657)	(1 967 482)	(10 347 035)
OTHER OPERATING EXPENSES	(1 937 148)	(2 002 525)	(6 677 355)
EBITDA	1 388 687	1 497 628	12 754 528
EBITDA %	16%	18%	28%
DEPRECIATION AND AMORTIZATION	(2 741 769)	(2 497 156)	(10 096 060)
EBIT	(1 353 082)	(999 527)	2 658 468
EBIT %	-16%	-12%	6%
OTHER INCOME AND EXPENSES	(869 027)	(785 604)	(2 961 814)
INTEREST AND SIMILAR INCOME	1 938	588	151 097
INTEREST AND SIMILAR EXPENSES	(870 965)	(786 192)	(3 112 911)
EBT	(2 222 110)	(1 785 131)	(303 345)
EBT %	-26%	-21%	-1%
INCOME TAX EXPENSE	(359)	43 790	446 073
PROFIT / (LOSS) FOR THE YEAR	(2 222 469) -26%	(1 741 341) -20%	142 728 0%

CONSOLIDATED BALANCE SHEET

(unaudited) EUR

DESCRIPTION	31.03.2019	31.03.2018	31.12.2018
ASSETS TOTAL	78 685 497	84 824 802	80 206 815
NON-CURRENT ASSETS	68 850 633	70 468 634	68 993 624
INTANGIBLE ASSETS	16 587 866	16 274 324	16 503 986
PROPERTY, PLANT AND EQUIPMENT	52 262 767	54 194 310	52 489 637
CURRENT ASSETS	9 834 864	9 709 979	11 213 191
INVENTORIES	1 364 532	1 060 672	1 325 174
LONG-TERM INVESTMENTS KEPT FOR SALE	0	0	0
TRADE RECEIVABLES	5 373 422	5 878 389	5 157 397
DEFERRED INCOME TAX ASSETS	494 642	166 291	500 226
CASH	2 602 267	2 604 627	4 230 394
LIABILITY TOTAL	78 685 497	80 178 613	80 206 815
EQUITY	24 716 889	25 157 486	26 871 951
SHARE CAPITAL	33 316 278	33 316 278	33 316 278
ASSETS REVALUATION RESERVES	30 134	34 770	31 293
RESERVES	57 433	112 858	(11 133)
RETAINED EARNINGS	(8 686 956)	(8 306 420)	(6 464 487)
DEFERRED LIABILITIES	1 474 236	2 042 790	2 098 177
DEFERRED INCOME TAX LIABILITIES	459 465	530 944	461 470
OTHER PROVISIONS	1 014 772	1 511 846	1 636 707
LIABILITIES	52 494 371	52 978 337	51 236 687
NON-CURRENT LIABILITIES	34 047 385	34 644 899	32 649 665
CURRENT LIABILITIES	18 446 986	18 333 438	18 587 022

FINANCIAL COVENANTS

(unaudited) EUR

Storent has fulfilled both financial covenants at the end of March 2019.

	31.03.2019
EBITDA 12 MONTHS	12 645 586
NET DEBT	43 727 243
NET DEBT / EBITDA RATIO	3.5
SHAREHOLDER EQUITY	24 716 889
TOTAL ASSETS	78 685 497
SHAREHOLDER EQUITY TO ASSETS	31%

STORENT

RENTAL EQUIPMENT EXPERTS



www.storent.com