

23 November 2018

Solid performance continued with high sales growth and increased profitability



“We are pleased with our sales and profitability performance, as we achieved good top line growth in all major regions and good profitability across the board. The higher input costs we’re experiencing are being offset by strong factory performance and high productivity.

It’s also gratifying that our sustainability efforts are being recognised, with the Standard & Poor’s Trucost analysis confirming that 100 percent of ROCKWOOL’s products contribute to meeting UN Sustainable Development Goals”.

CEO Jens Birgersson

Highlights

- Sales in the first nine months reached EUR 1,962 million, a growth of 16.1 percent in local currencies including acquisitions, which contributed three percentage points. The negative currency impact was three percentage points.
- In Q3 2018, sales increased 14.6 percent in local currencies and reached EUR 692 million.
- EBIT in the first nine months of 2018 ended at EUR 258 million, an increase of 39 percent, with a 13.2 percent EBIT margin, up 2.5 percentage points from last year.
- EBIT in Q3 2018 reached EUR 97 million, an increase of 28 percent and an EBIT margin of 14.0 percent, up 1.6 percentage points from last year.
- Investments in the first nine months of 2018 reached EUR 141 million, up EUR 48 million compared to last year, primarily due to ongoing capacity expansions in Poland and the United States.
- Annualised return on invested capital reached 22.8 percent compared to 17.0 percent last year, driven by higher operational earnings.
- On 31 October 2018, the Group acquired 100 percent of the shares in KEWO Insulation business near Yangzhou, China. The acquisition has no material impact on the outlook for the year.

Outlook 2018

- Growth in net sales is now expected to be 14-15 percent in local currencies, including around 2-3 percent from the acquisition of Flumroc (previously announced 13-15 percent).
- EBIT margin is expected to reach around 13 percent.
- Investment level excluding acquisitions is now expected to be around EUR 230 million (previously announced EUR 260 million).

Conference call

The ROCKWOOL Group will host an earning call on 23 November 2018 at 11.00 CET. To attend the conference call dial +4570223500, +44(0)2075721187 or +1 6467224972. Passcode 77040530#. The conference call will be transmitted live on www.rockwoolgroup.com

Main figures / key figures for the Group

	Unaudited			Audited	
	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017	FY 2017
Income statement (EURm)					
Net sales	692	612	1,962	1,730	2,374
EBITDA	137	119	382	308	417
Depreciation, amortisation and write-downs	40	43	124	123	160
EBIT	97	76	258	185	258
Profit before tax	95	75	250	182	275
Profit for the period	76	56	199	135	214
Balance sheet (EURm)					
Non-current assets			1,392	1,333	1,383
Current assets			955	771	781
Total assets			2,347	2,104	2,164
Equity			1,821	1,573	1,685
Non-current liabilities			135	145	122
Current liabilities			391	386	358
Net interest-bearing cash/(debt)			316	216	241
Net working capital			250	196	190
Invested capital			1,526	1,379	1,452
Cash flow (EURm)					
Cash flow from operating activities	161	157	261	234	332
Investments and acquisitions	52	30	123	93	165
Free cash flow	110	127	138	141	167
Others					
Number of employees at end of period			11,330	10,805	11,046
Ratios					
EBITDA margin	19.8%	19.4%	19.5%	17.8%	17.6%
EBIT margin	14.0%	12.4%	13.2%	10.7%	10.8%
Return on invested capital (rolling 4 quarters)			22.8%	17.0%	17.9%
Return on equity (rolling 4 quarters)			16.5%	11.7%	13.3%
Equity ratio			77.4%	74.6%	77.5%
Share information (DKK)					
Earnings per share	25.6	18.8	67.4	45.5	72.9
Cash flow per share	54.8	53.8	89.0	79.9	114
Book value per share			617	531	569
Share capital (million)			220	220	220
Price per A share			2,292	1,567	1,594
Price per B share			2,751	1,709	1,752
Market cap (million)			55,053	35,596	36,367
Number of own shares			85,465	214,190	206,840

For a definition of key figures and ratios, please refer to page 101 of the ROCKWOOL Group Annual Report 2017.

Management report for the period 1 January to 30 September 2018

Group performance

ROCKWOOL Group delivered positive sales development in the large European markets as well as in North America in the first nine months of 2018, resulting in a solid improvement in profitability. Even with a slightly lower sales growth rate in Q3 at 14.6 percent in local currencies, compared to Q2, we are pleased with the performance, as this was also affected by the higher sales level in Q3 last year. The increase in sales has been driven by improved market conditions and an increased demand for non-combustible insulation products.

We are seeing an increase in input costs, mainly from the price increase in oil, gas and energy-related raw materials as well as higher logistics costs caused by longer transportation distances and inflation. This is partly offset by the good factory performance with high productivity.

In the first nine months of 2018, the ROCKWOOL Group generated net sales of EUR 1,962 million, an increase of 16.1 percent in local currencies including three percentage points growth from the Flumroc acquisition. Foreign exchange rates had a negative impact of 2.7 percentage points on the increase, primarily due to last year's development of the Russian rouble and the U.S. and Canadian dollars. This brings the sales growth to 13.4 percent in reported figures.

**Group sales
+16.1%**

In Q3 2018, net sales amounted to EUR 692 million, an increase of 14.6 percent in local currencies, with 3.3 percentage points growth from the Flumroc acquisitions. In reported figures, the sales growth was 13.1 percent. Especially building insulation in Eastern Europe had a good quarter.

Regional sales development

In the first nine months, sales in Western Europe reached EUR 1,167 million, an increase of 17.8 percent in local currencies and 17.1 percent in reported figures. Excluding Flumroc, sales improved 12.1 percent in local currencies compared to last year. Growth was seen in all key markets, and especially Germany, France and the UK continued performing well. In Q3 2018, sales in Western Europe increased 14.2 percent in local currencies and reached EUR 404 million (14.0 percent in reported figures), with continued healthy growth in our key markets.

**Sales in Western Europe
+17.8%**

In Eastern Europe, sales reached EUR 376 million in the first 9 months, up 22.5 percent in local currencies and 17.1 percent in reported figures, where all significant markets delivered double-digit growth, with Poland and Russia as significant drivers. Russia continued the good development and experienced double-digit sales growth in Q3. In Q3 2018, sales in Eastern Europe increased 28.0 percent in local currencies and reached EUR 148 million (22.3 percent in reported figures).

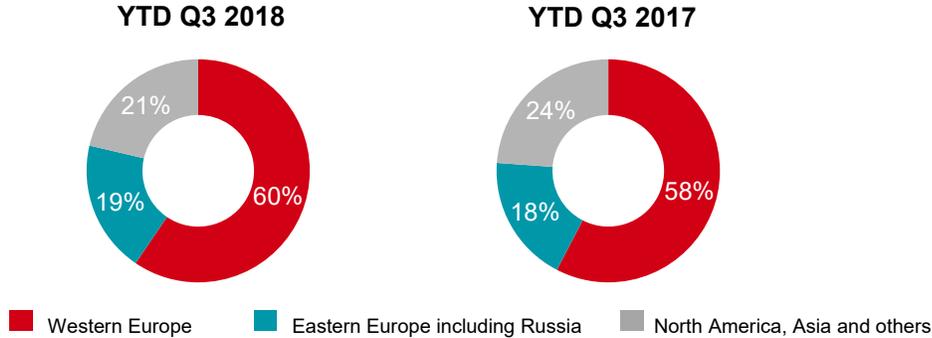
**Sales in Eastern Europe
+22.5%**

In the rest of the world, sales in the first nine months of the year continued to show positive development and reached EUR 419 million, an increase of 6.8 percent in local currencies, especially North America and China contributed positively. In reported figures, sales in the first nine months grew only 1.6 percent due to negative currency

**Sales in rest of the world
+6.8%**

impact from North America. In Q3 2018, sales amounted to EUR 139 million, up 3.9 percent in local currencies (2.6 percent in reported figures).

Regional sales



Group profitability

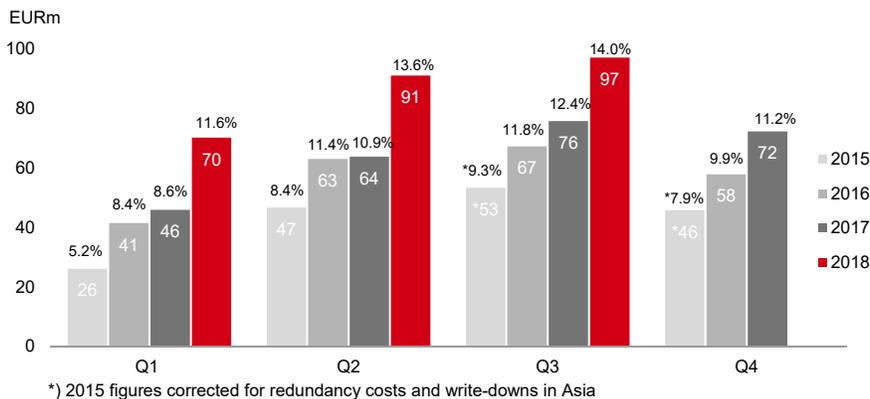
EBITDA for the first nine months increased by 24 percent to EUR 382 million resulting in an EBITDA margin of 19.5 percent compared to 17.8 percent for same period last year with limited currency impact. The EBITDA increase stems mainly from improved pricing quality, which together with good factory productivity have offset the pressure from input costs and a negative impact from product and factory mix. In Q3 2018, EBITDA amounted to EUR 137 million, up 16 percent, with an EBITDA margin of 19.8 percent.

EBITDA margin
+1.7 %-points

EBIT for the first nine months of 2018 increased by 39 percent and reached EUR 258 million, corresponding to a 13.2 percent EBIT margin – an increase of 2.5 percentage points. EBIT for Q3 2018 was EUR 97 million equal to an EBIT margin of 14.0 percent for the period up 1.6 percentage points from Q3 last year.

EBIT margin
+2.5 %-points

EBIT & EBIT MARGIN



The effective tax rate was 20.5 percent for the first nine months, a decrease of 1.9 percentage points from year-end 2017. The decrease is mainly due to the decreasing trend of corporate tax rates in general as well as one-off adjustments to valuation of tax assets due to the increased profitability and outlook.

Net profit for the first nine months of 2018 amounted to EUR 199 million, which is an improvement of EUR 64 million compared to last year. The net profit for Q3 2018 amounted to EUR 76 million.

Cash flow and balance sheet

Cash flow from operations before financial items and tax in the first nine months of 2018 was EUR 326 million, which is EUR 60 million higher than the same period last year. The increase comes mainly from higher earnings.

Operational cash flow before
financial items and tax
+60 mEUR

Net working capital amounted to EUR 250 million, an increase of EUR 54 million from the first nine months of 2017 due to higher trade receivables related to the growing sales and a planned increase in the seasonal inventory to secure future deliveries. As a percentage of annualised net sales, net working capital was 9.6 percent or 1.1 percentage points higher than last year.

Capital expenditure during the first nine months of 2018 was EUR 141 million compared to EUR 93 million last year. The capital expenditure was partly offset by sales of listed securities in Flumroc amounting to EUR 18 million in the first half of 2018. The largest individual investments in 2018 relate to the upgrade of one of the factories in Poland and the ongoing factory project in the United States (West Virginia).

Free cash flow at EUR 138 million at level with last year.

Free cash flow
Stable

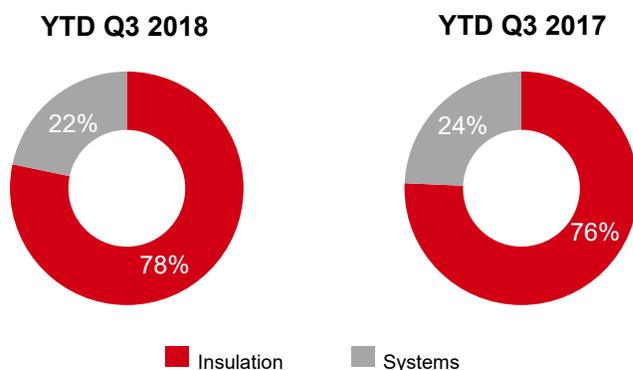
Annualised return on invested capital was 22.8 percent compared to 17.0 percent for the same period last year, driven by improved profitability.

ROIC
+5.8%-points

Total assets at the end of the first nine months of 2018 amounted to EUR 2,347 million. The equity ratio at the end of the period was 77 percent, up 2.8 percentage points compared to same period last year.

Business segments

Sales per business



Key figures Insulation segment

EURm	Q3		YTD	
	2018	2017	Q3 2018	Q3 2017
External net sales	548	471	1,536	1,309
EBIT	78	59	203	129
EBIT margin	12.4%	11.0%	11.8%	8.6%

Sales for the first nine months of 2018 in the Insulation segment reached EUR 1,536 million, which is an increase of 20.0 percent in local currencies. Acquisitions contributed 4.4 percentage points of the growth. In reported figures, the total growth was 17.3 percent. The sales increase was mainly carried by the building insulation segment across Europe and North America. In Q3 2018, sales increased 18.4 percent in local currencies, and reached EUR 548 million.

**Insulation sales
+20.0%**

The Insulation segment EBIT for the first nine months of 2018 reached EUR 203 million with an EBIT margin of 11.8 percent, an increase of 3.2 percentage points compared to the same period last year, with most markets contributing positively. In Q3 2018, EBIT reached EUR 78 million and an EBIT margin of 12.4 percent, up 1.4 percentage points from last year.

**Insulation EBIT margin
+3.2 %-points**

On 31 October 2018, the acquisition of Yangzhou KEWO Energy Conservation New Materials Co. Ltd was completed. The company has a manufacturing facility located 200 km northwest of Shanghai and employs 140 people. KEWO has capacity to contribute with net sales on an annual basis of around EUR 30 million. The additional capacity and location of the factory will allow for ROCKWOOL in China to continue the positive development we have achieved over the past few years. The impact on net sales and EBIT for 2018 is limited.

We have reserved a land plot in France for future expansions.

Key figures System segment

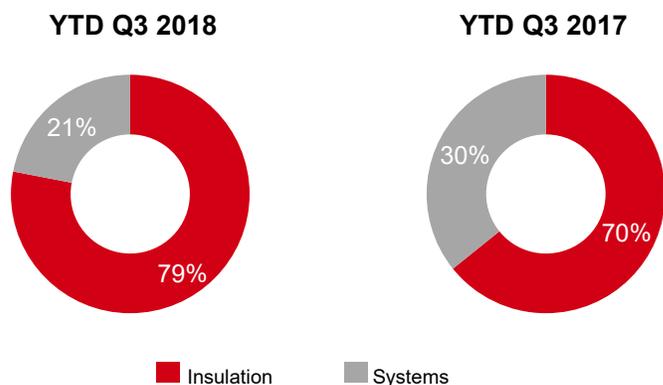
EURm			YTD	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017
External net sales	143	141	426	421
EBIT	19	17	55	56
EBIT margin	13.1%	12.1%	12.9%	13.4%

The System segment sales in the first nine months of 2018 amounted to EUR 426 million, which is an increase of 3.8 percent in local currencies and 1.2 percent in reported figures. In Q3 2018, sales amounted to EUR 143 million, up 2.3 percent in local currencies from last year, which is a lower growth compared to the previous quarter as Grodan sales development in North America is still low.

**Systems sales
+3.8%**

In the first nine months of the year, the System segment generated an EBIT of EUR 55 million with an EBIT margin of 12.9 percent. This is 0.5 percentage points lower than in 2017, and relates mainly to the decrease in Grodan and one-off costs. In Q3 2018, EBIT amounted to EUR 19 million with an EBIT margin of 13.1 percent, an improvement of 1.0 percentage points compared to same period last year.

**Systems EBIT margin
-0.5 %-points**

EBIT per business


Outlook for the full year 2018

- Growth in net sales is now expected to be 14-15 percent in local currencies, including around 2-3 percent from the acquisition of Flumroc (previously announced 13-15 percent).
- EBIT margin is expected to reach around 13 percent.
- Investment level excluding acquisitions is now expected to be around EUR 230 million (previously announced EUR 260 million), mainly due to paying a number of large contracts later than expected.

2018 outlook overview

	8 February 2018	30 April 2018	18 May 2018	13 August 2018	24 August 2018	23 November 2018
Net sales	Growth of 7-10 percent in local currencies, including around two percent from the acquisition of Flumroc	Growth of 7-10 percent in local currencies, including around two percent from the acquisition of Flumroc	Growth of 7-10 percent in local currencies, including around two percent from the acquisition of Flumroc	Growth of 13-15 percent in local currencies, including around 2-3 percent from Flumroc	Growth of 13-15 percent in local currencies, including around 2-3 percent from Flumroc	Growth of 14-15 percent in local currencies, including around 2-3 percent from Flumroc
EBIT margin	At least 11 percent	Around 13 percent	Around 13 percent	Around 13 percent	Around 13 percent	Around 13 percent
Investments excluding acquisitions	Around EUR 230 million	Around EUR 230 million	Around EUR 260 million	Around EUR 260 million	Around EUR 260 million	Around EUR 230 million

Further information:

Kim Junge Andersen, Chief Financial Officer
 ROCKWOOL International A/S
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At ROCKWOOL Group, we are committed to enriching the lives of everyone who experiences our products. Our expertise is perfectly suited to tackle many of today's biggest sustainability and development challenges, from energy consumption to noise pollution and water scarcity to flooding. Our range of products reflects the diversity of the world's needs, supporting our stakeholders in reducing their own carbon footprint along the way.

Stone wool is a versatile material and forms the basis of all our businesses. With more than 11,000 passionate colleagues in 39 countries, we are the world leader in stone wool solutions, from building insulation to acoustic ceilings, external cladding systems to horticultural solutions, engineered fibres for industrial use to insulation for the process industry and marine & offshore.

Management statement

The Board of Directors and the Registered Directors have today considered and approved the interim report of ROCKWOOL International A/S for the first nine months of 2018.

This interim report, which has not been audited or reviewed by the ROCKWOOL Group auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting", as approved by the EU and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report presents a true and fair view of Group's assets and liabilities, and the financial position at 30 September 2018 and the result from Group's operations and cash flow for the period 1 January to 30 September 2018.

Furthermore, we believe that the management report gives a true and fair review of the development of the Group's activities and financial matters, the result for the period and the Group's financial position overall as well as a description of the most significant risks and uncertainties the Group is facing.

Besides what has been disclosed in this interim report no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2017.

23 November 2018

Registered Directors

Jens Birgersson
CEO

Kim Junge Andersen
CFO

Board of Directors

Henrik Brandt
Chairman

Carsten Bjerg
First Deputy Chairman

Søren Kähler
Second Deputy Chairman

Thomas Kähler

Andreas Ronken

Jørgen Tang-Jensen

René Binder Rasmussen

Connie Enghus Theisen

Christian Westerberg

Income statement

EURm	Unaudited				Audited
	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017	FY 2017
Net sales	691.8	611.5	1,961.7	1,729.9	2,373.9
Other operating income	0.9	1.9	3.1	5.8	8.9
Operating income	692.7	613.4	1,964.8	1,735.7	2,382.8
Raw material costs and Production material costs	236.3	209.0	657.6	597.5	816.0
Delivery costs and indirect costs	98.9	84.4	275.3	241.7	330.0
Other external costs	58.8	61.5	172.2	169.3	235.0
Personnel costs	161.5	139.8	478.1	419.0	584.8
Operating costs	555.5	494.7	1,583.2	1,427.5	1,965.8
EBITDA	137.2	118.7	381.6	308.2	417.0
Depreciation, amortisation and write-downs	40.1	43.0	123.6	122.9	159.5
EBIT	97.1	75.7	258.0	185.3	257.5
Income from investments in associated companies	0.0	0.2	0.0	0.7	28.6
Financial items	-2.1	-0.6	-8.3	-4.3	-11.1
Profit before tax	95.0	75.3	249.7	181.7	275.0
Tax on profit for the period	19.5	19.6	51.2	47.2	61.5
Profit for the period	75.5	55.7	198.5	134.5	213.5
Attributable to:					
Non-controlling interests	0.0	0.1	0.0	0.1	0.2
Shareholders of ROCKWOOL International A/S	75.5	55.6	198.5	134.4	213.3
	75.5	55.7	198.5	134.5	213.5
Earnings per share of DKK 10 (EUR 1.3)	3.4	2.5	9.0	6.1	9.8
Earnings per share of DKK 10 (EUR 1.3), diluted	3.4	2.5	9.0	6.1	9.8

Statement of comprehensive income

EURm	Unaudited				Audited
	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017	FY 2017
Profit for the period	75.5	55.7	198.5	134.5	213.5
Items that will not be reclassified to the income statement:					
Actuarial gains and losses of pension obligations	0.0	0.0	0.0	0.0	11.7
Tax on other comprehensive income	0.0	0.0	0.0	0.0	-0.4
Items that may be subsequently reclassified to the income statement:					
Exchange rate adjustments of foreign subsidiaries	3.5	-18.0	-9.7	-49.1	-32.1
Hedging instruments, value adjustments	-0.6	0.0	1.7	-0.4	-0.9
Tax on other comprehensive income	0.1	0.0	-0.3	0.1	1.6
Other comprehensive income	3.0	-18.0	-8.3	-49.4	-20.1
Comprehensive income for the period	78.5	37.7	190.2	85.1	193.4
Attributable to:					
Non-controlling interests	0.0	0.1	0.0	0.1	0.2
Shareholders of ROCKWOOL International A/S	78.5	37.6	190.2	85.0	193.2
	78.5	37.7	190.2	85.1	193.4

Segment and sales reporting

YTD Q3	Unaudited						The ROCKWOOL Group	
	Insulation segment		Systems segment		Eliminations		2018	2017
EURm	2018	2017	2018	2017	2018	2017	2018	2017
External net sales	1,536.1	1,309.4	425.6	420.5	0.0	0.0	1,961.7	1,729.9
Internal net sales	178.4	187.6	0.0	0.0	-178.4	-187.6	0.0	0.0
Total net sales	1,714.5	1,497.0	425.6	420.5	-178.4	-187.6	1,961.7	1,729.9
EBIT	203.0	129.0	55.0	56.3	0.0	0.0	258.0	185.3
<i>EBIT margin</i>	<i>11.8%</i>	<i>8.6%</i>	<i>12.9%</i>	<i>13.4%</i>			<i>13.2%</i>	<i>10.7%</i>
Goods transferred at a point in time	1,536.1	1,309.4	425.6	420.5			1,961.7	1,729.9

Geographical split of external net sales

EURm	Q3 2018		Q3 2017		FY 2017
	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017	
Western Europe	404.3	354.5	1,166.9	996.5	1,381.0
Eastern Europe including Russia	148.1	121.1	375.5	320.6	439.3
North America, Asia and others	139.4	135.9	419.3	412.8	553.6
Total external net sales	691.8	611.5	1,961.7	1,729.9	2,373.9

Balance sheet

(condensed)	Unaudited		Audited
EURm	Q3 2018	Q3 2017	FY 2017
Assets			
Intangible assets	183.1	138.7	183.3
Tangible assets	1,171.1	1,092.9	1,154.2
Other financial assets	6.5	50.2	6.8
Deferred tax assets	31.2	50.9	39.0
Total non-current assets	1,391.9	1,332.7	1,383.3
Inventories	235.5	193.1	197.7
Receivables	399.6	324.0	338.6
Cash	320.1	254.0	244.5
Total current assets	955.2	771.1	780.8
Total assets	2,347.1	2,103.8	2,164.1
Equity and liabilities			
Share capital	29.5	29.5	29.5
Foreign currency translation	-145.3	-152.6	-135.6
Proposed dividend	0.0	0.0	71.1
Retained earnings	1,930.5	1,691.4	1,710.8
Hedging	2.8	0.4	1.4
Non-controlling interests	3.6	3.9	7.3
Total equity	1,821.1	1,572.6	1,684.5
Non-current liabilities	134.6	145.3	121.6
Current liabilities	391.4	385.9	358.0
Total liabilities	526.0	531.2	479.6
Total equity and liabilities	2,347.1	2,103.8	2,164.1

Cash flow statement

(condensed)	Unaudited				Audited
EURm	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017	FY 2017
EBIT	97.1	75.7	258.0	185.3	257.5
Adjustments for depreciation, amortisation and write-downs	40.1	43.0	123.6	122.9	159.5
Other adjustments	2.6	6.6	9.1	2.9	-3.4
Change in net working capital	39.6	38.0	-64.4	-44.5	-20.1
Cash flow from operations before financial items and tax	179.4	163.3	326.3	266.6	393.5
Cash flow from operating activities	161.4	157.1	260.6	233.5	332.2
Cash flow from investing activities	-51.6	-30.0	-123.1	-93.0	-129.7
Cash flow from acquisitions	0.0	0.0	0.0	0.0	-35.3
Cash flow from operating and investing activities (free cash flow)	109.8	127.1	137.5	140.5	167.2
Cash flow from financing activities	4.0	1.9	-61.0	-49.3	-49.0
Change in cash available	113.8	129.0	76.5	91.2	118.2
Cash available – beginning of period	202.8	87.7	242.9	119.1	119.1
Exchange rate adjustments	0.1	1.4	-2.7	7.8	5.6
Cash available – end of period	316.7	218.1	316.7	218.1	242.9
Unutilised, committed credit facilities			429.3	430.0	429.8

Statement of changes in the equity

	Unaudited							
EURm	Share capital	Foreign currency translation	Proposed dividend	Retained earnings	Hedging	Equity before non-controlling interests	Non-controlling interests	Total
Equity 1/1 2018	29.5	-135.6	71.1	1,710.8	1.4	1,677.2	7.3	1,684.5
Profit for the period				198.5		198.5		198.5
Other comprehensive income		-9.7			1.4	-8.3		-8.3
Comprehensive income for the period	0.0	-9.7	0.0	198.5	1.4	190.2	0.0	190.2
Sale and purchase of own shares				19.3		19.3		19.3
Expensed value of options/RsUs issued				1.3		1.3		1.3
Transactions non-controlling interests						0.0	-3.7	-3.7
Dividend paid to the shareholders			-71.1	0.6		-70.5		-70.5
Equity Q3 2018	29.5	-145.3	0.0	1,930.5	2.8	1,817.5	3.6	1,821.1
Equity 1/1 2017	29.5	-103.5	55.6	1,549.8	0.7	1,532.1	3.8	1,535.9
Profit for the period				134.4		134.4	0.1	134.5
Other comprehensive income		-49.1			-0.3	-49.4		-49.4
Comprehensive income for the period	0.0	-49.1	0.0	134.4	-0.3	85.0	0.1	85.1
Sale and purchase of own shares				5.5		5.5		5.5
Expensed value of options/RsUs issued				1.3		1.3		1.3
Dividend paid to the shareholders			-55.6	0.4		-55.2		-55.2
Equity Q3 2017	29.5	-152.6	0.0	1,691.4	0.4	1,568.7	3.9	1,572.6

Main figures in DKK million

	Unaudited				Audited
	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017	FY 2017
Net sales	5,159	4,548	14,631	12,866	17,659
Depreciation, amortisation and write-downs	300	320	922	914	1,187
EBIT	724	563	1,925	1,378	1,916
Profit before tax	709	560	1,863	1,351	2,046
Profit for the period	563	414	1,481	1,000	1,588
Total assets			17,501	15,657	16,111
Equity			13,579	11,703	12,541
Cash flow from operating activities	1,204	1,168	1,944	1,737	2,471
Investments and acquisitions	385	223	918	692	1,227
Exchange rate	7.46	7.44	7.46	7.44	7.44

Accounting policies

The interim report has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly interim reports by listed companies.

The interim report follows the same accounting policies as the Annual report for 2017, except for the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2018 as adopted by the European Union. Implementation of the standards and amendments have not had any material impact on the Group's Financial Statements and are likewise not expected to have any significant future impact.

Of the new standards and amendments implemented the most significant are as follows:

IFRS 9

IFRS 9 contains requirements for the classification and measurement of financial assets and financial liabilities, impairment methodology and general hedge accounting. The implementation of IFRS 9 has not changed the existing accounting policies nor had an impact on the consolidated financial statements, but has changed the basis for calculating the allowance for doubtful receivables from incurred losses to expected losses. The standard has been implemented using 1 January 2018 as the date of initial application.

IFRS 15

IFRS 15 introduces a new framework for revenue recognition and measurement. The standard has resulted in only minor changes to existing accounting practices and external reporting disclosure requirements. The implementation of IFRS 15 has not changed the existing accounting policies nor had an impact on the consolidated financial statements. IFRS 15 has been applied following the modified retrospective approach and with no restatement of the comparison period.

Disclaimer

The statements on the future in this report, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the Group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors.