SANTA FE
GROUP

Q3 INTERIM REPORT 18

Company Announcement
No. 9/15 November 2018

CONTENTS

Interim Report Q3 2018

MOVING MARKET DOWNTURN CONTINUES

Consolidated highlights from Q3 2018:

- Revenue decreased by 9.1% in local currencies to EUR 79.1m (EUR 88.1m) in the continuing Moving and Relocation Services businesses.
- Total revenue was down 10.1% in local currencies to EUR 79.2m (EUR 89.1m) also impacted by the divestment of Records Management activities.
- Revenue from higher-margin Relocation Services decreased by only 0.7% in local currencies, constituting 18% (16%) of total revenue.
- The continuing Moving and Relocation Services businesses realised an EBITDA before special items profit of EUR 3.5m (EUR 6.6m).
- Total EBITDA before special items was a profit of EUR 3.5m (EUR 7.0m) impacted by lower revenue and to a limited extent by the divestment of the Records Management activities.
- Net loss was EUR 0.6m versus a profit of EUR 4.1m in the same period last year.

Consolidated highlights from Q1-Q3 2018:

- Revenue decreased by 8.7% in local currencies to EUR 200.4m (EUR 227.2m) in the continuing Moving and Relocation Services businesses.
- Total revenue was down 10.3% in local currencies to EUR 200.7m (EUR 231.5m) also impacted by the divestment of Records Management activities.
- Revenue from higher-margin Relocation Services increased by 5.9% in local currencies, constituting 20% (17%) of total revenue.
- The continuing Moving and Relocation Services businesses realised an EBITDA before special items loss of EUR 3.7m versus a profit of EUR 3.4m during the same period last year.
- Total EBITDA before special items was a loss EUR 3.6m versus a profit of EUR 5.3m impacted by lower revenue and also the divestment of the Records Management activities.
- Net loss was EUR 12.4m (EUR 0.5m).

Full-year outlook revised:

Important markets in Europe failed to meet expectations in the Q3 peak season, as activity levels for existing clients declined more than expected. The UK market remains very weak. While revenue in Australia have stabilised, operating margins have been below expectations. As a consequence, the full-year outlook is revised as follows:

- Santa Fe Group's consolidated **revenue** is expected to be around EUR 260m (previously around EUR 270m)
- Consolidated **EBITDA before special items** is expected to be a loss of around EUR 4m (previously around EUR 0m).
- **Special items** are expected to be a net loss of around EUR 2m (previously a net gain of around 5m) as the net gain from the divestment of the warehouse building in Beijing related to the Records Management divestment is now only expected to be recognised in 2019. Additional restructuring will continue in Europe and Asia.

Commenting on the results, Group CEO Martin Thaysen says:

"The corporate moving market continues to decline and the downturn during peak became much more intense than anticipated. Across Europe, our corporate existing client activity levels disappointed severely, and the success in Relocation Services and Consumer business was not sufficient to compensate. We have finally stabilised the revenue in Australia, but the margins came under increased pressure. In Asia and in Americas, we have successfully mitigated the impact of lower activity levels from European-based corporates by securing more local business. The financial performance in Q3 and the downgraded full-year outlook are obviously extremely unsatisfactory, and with the market downturn, we are responding vigorously with continuous restructuring and cost reductions."

Comparative figures for 2017 are stated in brackets. All currency effects refer to translation effects from reporting currencies unless otherwise stated.

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FINANCIAL HIGHLIGHTS AND KEY RATIOS

EURm	**Q3 2018**	Q3 2017	**Q1-Q3 2018**	Q1-Q3 2017	FY 2017
CONSOLIDATED INCOME STATEMENT					
Revenue	79.2	89.1	200.7	231.5	299.8
Earnings before depreciation, amortisation and special items (EBITDA before special items)	3.5	7.0	-3.6	5.3	6.3
Special items, net	-0.7	-1.1	-1.3	1.4	12.3
Earnings before depreciation and amortisation (EBITDA)	2.8	5.9	-4.9	6.7	18.6
Operating profit (EBIT)	1.0	4.9	-9.6	3.1	13.5
Financials, net	-0.6	0.2	-1.4	-0.3	-1.2
Share of profit in associates	-0.1	0.0	0.1	0.0	0.2
Profit before taxes (EBT)	0.3	5.1	-10.9	2.8	12.5
Income tax	0.9	1.0	1.4	3.3	8.2
Profit from continuing operations	-0.6	4.1	-12.4	-0.5	4.3
Profit from discontinued operations	-	-	-	0.0	0.0
Profit/loss for the period	-0.6	4.1	-12.4	-0.5	4.3
Earnings per share (diluted) EUR, continuing operations	-0.1	0.3	-1.0	-0.1	0.3

EURm	**30.09.2018**	30.09.2017	31.12.17
CONSOLIDATED BALANCE SHEET			
Total assets	202.1	215.5	211.8
Santa Fe Group's share of equity	70.3	79.0	83.5
Non-controlling interests	-	-	-
Working capital employed	3.1	3.0	7.1
Net interest bearing debt, end of period	16.6	11.8	12.8
Net interest bearing debt, average	15.4	5.1	7.1
Invested capital	81.3	84.2	90.6
Cash and cash equivalents	23.5	19.8	18.9
Investments in intangible assets and property, plant and equipment	3.5	5.6	6.9
CASH FLOW			
Operating activities	-16.3	-13.6	-13.3
Investing activities	13.1	5.9	4.6
Financing activities	7.8	-14.6	-14.5
RATIOS			
EBITDA margin (%), before special items	-1.8	2.3	2.1
Operating margin (%)	-4.8	1.3	4.5
Equity ratio (%)	34.8	36.6	39.4
Return on average invested capital (%), annualised	-14.9	5.0	15.9
Return on parent equity (%). annualised	-21.4	-1.5	4.6
Equity per share (diluted)	5.8	6.6	6.9
Market price per share, DKK	21.8	52.5	44.5
Number of treasury shares	302,494	302,494	302,494
Number of employees end of period	2,247	2,427	2,386

The ratios have been calculated in accordance with definitions on page 88 in the Annual Report 2017. For the detailed income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, refer to pages 8-12.

FINANCIAL REVIEW

CONSOLIDATED INCOME STATEMENT – Q3

Revenue in the third quarter of EUR 79.2m (EUR 89.1m) was equivalent to a decrease of 10.1% in local currencies and 11.1% in EUR. Revenue in the continuing Moving and Relocation Serces businesses decreased by 9.1% in local currencies to EUR 79.1m (EUR 88.1m) and in particular the European key markets Germany and UK suffered. Revenue was impacted by low activity from existing customers combined with the lack of new business to compensate, and the divested Records Management business.

CURRENCY IMPACT

EURm	Growth	Q3 2018
Revenue 2017		89.1
Currency translation adjustment	-1.0%	-0.9
Divestments, Records Management	-1.0%	-0.9
Organic growth in local currencies	-9.1%	-8.1
Revenue 2018	**-11.1%**	**79.2**

EBITDA before special items was a profit of EUR 3.5m (EUR 7.0m). On a comparable basis the EBITDA before special items in the continuing Moving and Relocation Services business was a profit of EUR 3.5m in Q3 2018 versus EUR 6.6m in Q3 2017. Revenue and margins for Moving Services were below the same quarter last year and the fixed cost reductions did not fully compensate.

Special items were an expense of EUR 0.7m in Q3 2018 (EUR 1.1m) and mainly related to restructuring cost.

Reported **EBITDA** was a profit of EUR 2.8m (EUR 5.9m) in Q3 2017 impacted by the lower revenue which was not fully mitigated by cost savings.

Amortisation and depreciation of intangibles, property, plant and equipment in Q3 2018 amounted to EUR 1.8m (EUR 1.4m). The increased amortisations did partly relate to the new CORE Technology platform commenced as of March 2017 and the continued investments in the project.

Financial expenses and income, net was an expense of EUR 0.6m during Q3 2018 versus a net income of EUR 0.2m in the same quarter last year. Interest expenses amounted to EUR 1.0m (EUR 0.8m) due to higher cost on the new, larger financing facilities which Santa Fe entered into in Q1 2018. Furthermore Q3 2017 benefitted from foreign exchange gains.

Net loss in Q3 2018 was EUR 0.6m versus a profit of EUR 4.1m in Q3 2017.

OTHER EVENTS AND STRATEGIC INITIATIVES

Responding to the market downturn

The Santa Fe Group is responding to the industry-wide downturn in the corporate moving market by re-allocating resources to support growth initiatives, by continuing the on-going cost savings initiatives and by instigating further restructuring plans. We are adding focus on the consumer market, where we supported by our re-designed consumer-friendly website experienced an increase in leads of more than 50% in Q3 compared to last year and we are now realising double digit growth in our consumer business. In the market for Immigration Services, on the back of the new strategic customer win (as reported in the Interim Report for H1 2018) a strong pipeline of other large opportunities is now being worked on.

The size of the organisation has been reduced by 7.4% year-on-year leading to a saving in staff cost of EUR 2.1m compared to Q3 last year, or EUR 8.4m annualised. Excess warehouse capacity is being sub-leased or returned to landlords, supplier contracts are being re-negotiated and IT network management is being centralised to reduce cost. These actions are expected to provide savings of at least EUR 1.0m. Initiatives are being curtailed and managerial structures are being further streamlined with the aim to reduce overheads and fixed costs by another EUR 1-2m annualised as efficiencies are achieved.

Refinancing and Capital Structure

On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility, subject to customary conditions being satisfied, which refinanced the existing facilities during Q1 2018. The facility was a combined EUR 30m six years Senior Secured Unitranche Loan and a short-term EUR 10m Credit Facility. Terms and conditions are as customary for such loans. The loan does not require any mandatory instalments. The Santa Fe Group has options to prepay up to EUR 11m of the Senior Secured Unitranche Loan without penalty under certain conditions. The loan facility can be fully prepaid after 3 years and 9 months after the closing date against prescribed prepayment fees. (cf. note 4.5 on page 71 - Liquidity risk in the Santa Fe Group Annual Report 2017). The facility was amended on 11 July 2018 whereby the short-term EUR 10m Credit Facility originally expiring on 15 August 2018 was replaced by a EUR 8m short term credit facility expiring 31 January 2019.

As previously announced (cf. page 4 in the Santa Fe Group Interim Report H1 – company announcement no. 8/2018) the Board of Directors has initiated a review of various options to strengthen the capital structure, aimed at ensuring sufficient financial solidity for 2019 and 2020 and thereby also addressing the EUR 8m repayment scheduled for 31 January 2019. The review remains ongoing and has not yet been concluded. It is however progressing well, and expectations are that decisions or recommendations can be presented before year-end.

Divestment of Records Management

On 15 November 2017, the Santa Fe Group finalised and signed the agreement to divest the Records Management business in China and a warehouse property in Beijing to Iron Mountain Inc. against a cash consideration of EUR 23m. The divestment is expected to result in a divestment gain of approximately EUR 19m and net proceeds after tax of around EUR 15m. The transaction will predominantly take the form of an asset transfer. The business sale did close end of 2017, whereas it has not yet been possible to close the property sale. Iron Mountain Inc. remains interested in acquiring the property, but due to delays in obtaining local approvals Santa Fe Group has opened up for other potential buyers to present offers for the property in order to expedite a transaction. Current expectation is a transaction can be closed either with Iron Mountain Inc. or with another buyer during first half of 2019. The net gain before tax from the divestment is recognised as special items. All holdbacks related to the divestment of Records Management in 10 markets (cf. announcement no 7/2016) have been released during the first 10 months of 2018. The total released amount is EUR 2.7m

Build-up in the USA

As announced in the 2017 Annual Report the Group entered into an agreement with Fidelity Residential Solutions in February2018, which will enable the Group to offer home-sale services to clients in the US and place the Group in a much stronger position towards US based customers. The new capabilities are now being marketed with the aim of securing a launching customer in the near future.

New technology platform

Phase 1 of the CORE technology programme was launched into the production environment in November 2016 and was fully deployed by end of February 2017. Amortisation commenced as of March 2017. More than 16,000 assignees have until now engaged with Santa Fe through the portals. The new technology platform has improved customer experience and provided a platform with a very strong personal data security. Phase 2, focusing on supporting operational processes while continuing to improve the customer experience, is in the design stage and is anticipated to gradually be rolled out over the coming years. Various options remain under consideration for Phase 2. The total investment recognised during Q1-Q3 2018 was around EUR 1.8m related to various functionality upgrades.

In May the Santa Fe Group successfully launched a new consumer website. The website presents Santa Fe as a modern, friendly and digital brand and focuses on streamlining the lead generation journey as well as improving the customer experience. The website delivers a nimble and modern digital platform that easily and securely exchanges data with CORE. The new website has been successful in generating the targeted increase in leads.

Long Term Incentive Programme

A long-term incentive programme was launched end of March 2017, cf. company announcement no. 5/2017. Under this programme, up to 311,500 share options would be granted in 2018 to the Executive Board and certain other employees, cf. company announcement no. 5/2018. Executives in Santa Fe have purchased shares in the Company, and has in proportion to the shares purchased, been granted share options amounting to 197,500 in 2018. On completion of the 2018 grant, the participants now hold 108,650 shares in the Santa Fe Group A/S, and a total of 449,500 options have been granted to the participants (of which 266,000 to the Executive Board). The terms governing the programme are in accordance with the Remuneration Policy and Incentive Guidelines as approved by the general meeting on 27 March 2018. The grant is offered as part of the continued efforts to create value and align performance with shareholder interests.

CONSOLIDATED INCOME STATEMENT – Q1-Q3

Revenue of the Santa Fe Group was EUR 200.7m in Q1-Q3 2018 (EUR 231.5m) equivalent to a revenue decline of 10.3% in local currencies and 13.3% in EUR. Revenue in the continuing Moving and Relocation Services businesses decreased by 8.7% in local currencies to EUR 200.4m (EUR 227.2m).

Developments in exchange rates between the reporting currency EUR and the functional currencies of subsidiaries affected the Group revenue negatively by EUR 6.8m. as the Euro strengthened against AUD, USD and a number of currencies in Asia.

CURRENCY IMPACT

EURm	Growth	Q1-Q3 2018
Revenue 2017		231.5
Currency translation adjustment	-2.9%	-6.8
Divestments, Records Management	-1.7%	-3.8
Organic growth in local currencies	-8.7%	-20.2
Revenue 2018	**-13.3%**	**200.7**

On **EBITDA before special items** level the Group lost EUR 3.6m in the first nine month of 2018 versus a profit of EUR 5.3m during the same period last year. On a comparable basis the EBITDA before special items in the continuing Moving and Relocation Services business was a loss of EUR 3.7m in Q1-Q3 2018 versus a profit of EUR 3.4m in Q1-Q3 2017. The reduced revenue had a negative impact on earnings. This was, partially mitigated by fixed costs savings, primarily within staff costs, following restructuring initiatives completed over the past couple of years.

Special items was a loss of EUR 1.3m in Q1-Q3 2018 (an income of EUR 1.4m Q1-Q3 2017) containing restructuring costs and divestment costs associated with the Records Management transaction. Special items in Q1-Q3 2017 includes a non-recurring gain of EUR 4.3m related to the Records Management divestment.

Reported EBITDA was a loss of EUR 4.9m (a profit of EUR 6.7m).

Amortisation and depreciation of intangibles, property, plant and equipment in Q1-Q3 2018 amounted to EUR 4.7m (EUR 4.1m).

Financial expenses and income, net was an expense of EUR 1.4m during Q1-Q3 2017 (EUR 0.3m) primarily related to interest expenses of EUR 2.8m (EUR 1.0m) impacted by increased cost on the new, larger loan facility and by capitalised borrowing costs of EUR 0.4m, associated with the prior loan facility, which was expensed in Q1 2018 as a result of the refinancing. Net exchange gains were EUR 1.1m (Q1-Q3 2017: EUR 0.6m).

The **effective tax rate** for Q1-Q3 2018 continue to be impacted by certain entities not recognising deferred tax assets in respect of losses for the period due to uncertainty with respect of utilisation, primarily in Australia and Europe.

Net profit/loss in Q1-Q3 2017 was a net loss of EUR 12.4m (EUR 0.5m).

Non-controlling interests' share of net profit amounted to EUR 0.0m for Q3 2018 (EUR 0.4m) as a result of the acquisition of the remaining 50% of the shares in Sino Santa Fe on 7 July 2017.

Santa Fe Group A/S' share of the net profit/loss for Q1-Q3 2018 was a loss of EUR 12.4m (EUR 0.9m).

CONSOLIDATED BALANCE SHEET

Total equity by the end of Q1-Q3 2018 was EUR 70.3m (EUR 83.5m end of 2017) corresponding to a equity ratio of 34.8% (39.4% end of 2017). The equity was negatively impacted by losses for the period.

Intangible assets

Following the disappointing financial performance in Q1-Q3 and the reduced Outlook for 2018, the impairment test performed for EMEA at year end has been reassessed. When performing impairment tests of cash-generating units, the recoverable amount calculated as the discounted value of expected future cash flows (value in use) is compared to the carrying amount on the balance sheet of the invested capital of the cash-generating units. The revenue- and margin projections in the updated impairment assessment have been adjusted to reflect the shortfall seen during Q1-Q3 2018. The WACC rate and terminal growth is assumed unchanged. At 31 December 2017, the recoverable amount of the cash-generating unit exceeded its carrying amount (including goodwill) by EUR 24m. The performance setback in Q1-Q3 2018 has reduced the headroom significantly but the overall conclusion made by Management end of 2017 is unchanged as of 30 September 2018. As a consequence of the significantly reduced headroom reasonably possible changes in the key assumptions may trigger an impairment of goodwill at year-end. For further information refer to the Annual Report 2017, note 3.1 on page 62 and 63.

Working capital employed amounted to EUR 3.1m (EUR 3.0m) equivalent to a 1% increase in local currencies. The ambition to improve collections and reduce overdue receivables through the enforcement of stricter credit limits was not achieved during the quarter and remains a focus area for Q4.

Invested capital decreased by 3% to EUR 81.3m (EUR 84.2m) mainly as a result of.

Return on average invested capital, annualised (ROIC) in Q1-Q3 2018 was -14.9% (5.0%).

Net interest bearing debt amounted to EUR 16.6m (EUR 11.8m) and was impacted by the cash drain from operational losses for the first 9 months of 2018, taxes paid, primarily related to the gain on the Records Management divestment in China, and CORE Technology investments. This was to some extent offset by the cash proceeds received from the Records Management transaction in China (EUR 12.5m), release of a EUR 1.6m of Records Management holdback and sale of a building in Copenhagen for a cash consideration of EUR 1.9m.

NET INTEREST BEARING DEBT

EURm	Q1-Q3 2018	Q1-Q3 2017
Loans and credit facilities	36.8	23.9
Mortgage	-	3.8
Finance lease	3.3	3.9
Total borrowings	**40.1**	**31.6**
Cash and cash equivalents	-23.5	-19.8
Net interest bearing debt	**16.6**	**11.8**

Cash outflow from operating activities of EUR 16.3m (EUR 13.6m) was predominantly a consequence of the loss for the period combined with paid tax on the Records Management gain in China as well as higher financial expenses paid.

Cash inflow from investing activities of EUR 13.1m (EUR 5.9m) was largely related to proceeds of EUR 14.2m received from the Records Management divestments in China and Portugal including a EUR 1.6m holdback release. This was offset by investments in development and software costs primarily associated with the new CORE Technology platform for the Santa Fe Group.

Cash flow from financing activities was positive at EUR 7.8m (EUR -14.6m) driven by the refinancing where existing facilities of around EUR 29m were repaid and replaced by a new six year facility of which EUR 38m was drawn in Q1-Q3 2018.

CONDENSED CASH FLOW STATEMENT

EURm	Q1-Q3 2018	Q1-Q3 2017
Cash flow from operating activities	-16.3	-13.6
Cash flow from investing activities	13.1	5.9
Free cash flow	-3.2	-7.7
Cash flow from financing activities	7.8	-14.6
Cash flow for the year	**4.6**	**-22.3**

SUBSEQUENT EVENTS

No material events have taken place after 30 September 2018.

Full-year outlook revised

Important markets in Europe failed to meet expectations in the Q3 peak season, as activity levels for existing clients declined more than expected. The UK market remains very weak. While we have stabilised revenue in Australia, operating margins have been below expectations. As a consequence, the full-year outlook is revised as follows:

Santa Fe Group's consolidated **revenue** is expected to be around EUR 260m (previously around EUR 270m)

Consolidated **EBITDA before special items** is expected to be a loss of around EUR 4m (previously around EUR 0m).

Special items are expected to be a net loss of around EUR 2m (previously a net gain of around 5m) as the net gain from the divestment of the warehouse building in Beijing related to the Records Management divestment is now only expected to be recognised in 2019. Additional restructuring will continue in Europe and Asia.

Financial expenses are expected to be higher than in 2017 due to higher cost on the new, larger facilities having refinanced existing facilities during Q1 2018.

Non-controlling interests' share of net profit was eliminated in the second-half year 2017 following the acquisition of the 50% minority shareholding in Santa Fe China and will be zero in 2018.

The full-year outlook is sensitive to movements in exchange rates amongst others. Santa Fe's business is seasonal and the outlook is highly dependent on the local fourth quarter peak season in Australia, which falls in December.

BUSINESS LINE PERFORMANCE

Financial performance by business lines and region

Business and pipeline development
During the quarter, the Santa Fe Group did not secure any new strategic or large contracts. Significant renewals included a contract with the Australian government agency for moving services and a contract extension for a large automotive company in Germany for local DSP and IMMS. The active pipeline for the coming 12 months decreased during Q3 versus Q2, mainly due to deferral of one strategic opportunity for Q4 2019. The pipeline however remains strong. No significant accounts were lost during the quarter, but in October it was confirmed that one strategic account will not be renewed. 4 other strategic contracts are up for renewal within the coming 12 months, and current expectation is that these will be retained.

Key Client Management continues to be an important strategic focus area in order to further develop customer relationships and support growth opportunities, with a view to diversify our wins both from a service offering and geographical point of view.

Revenue by business lines
The Santa Fe Group continues the strategic focus on expanding from traditional Moving Services into other Relocation Services, which typically generates higher margins. Revenue from Relocation Services reached 18% of total revenue in Q3 2018 versus 16% Q3 2017. The increase reflects that revenue from relocation services held up well as revenue from Moving Services declined.

Moving Services
Overall revenue in Q3 2018 from Moving Services decreased by 10.5% in local currencies and by 11.9% in EUR to a total of EUR 65.1m (EUR 73.9m).

Relocation Services
Revenue in Q3 2018 decreased just slightly by 0.7% in local currencies and by 1.4% in EUR amounting to EUR 14.0m (EUR 14.2m).

Records Management
Revenue in Q3 2018 was EUR 0.1m (EUR 1.0m) as a result of the divestment of the Records Management business.

EUROPE

Overall Q3 2018 revenue in Europe of EUR 42.6m (EUR 50.1m) was 15.3% below Q3 2017 in local currencies. The main issues were a continued very weak performance in the UK business, where the market continues to decline, and Germany also having a very soft quarter.

Revenue from **Moving Services** in Europe decreased 17.7% in local currencies during Q3 2018 to EUR 34.0m (EUR 41.4m). The revenue declines in UK and Germany were the key contributors to the shortfall versus Q3 2017, with less activity from existing corporate clients. The UK market continues to be very weak, following the Brexit uncertainties affecting both in- and outbound relocations. Many especially existing small- to midsized companies generated lower activity levels than last year. The lost business including the strategic client (as announced in the Interim Report for Q3 2016) also impacted Q3, and there has not been sufficient new business secured to compensate. UK and Germany almost account for the total revenue decline in Europe, but a decline in France also contributed.

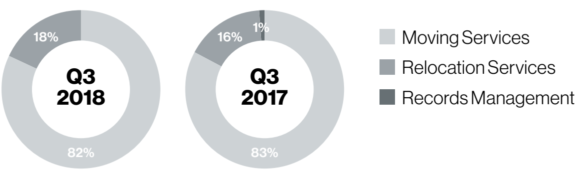
Relocation Services within Europe Q3 2018 decreased by 1.9% in local currencies to EUR 8.6m (EUR 8.7m) The decrease was mainly due to the UK being 13% behind Q3 2017 in local currencies. The rest of Europe did almost offset the UK shortfall with an increase of 12% in local currencies due to new contracts signed in 2017 with strong performances in countries such as Germany, Spain and Belgium.

EBITDA before special items in Europe was a profit of EUR 2.6m compared to a profit of EUR 5.1m in Q3 2017. The lower revenue impacted results, with UK, Germany and France explaining 100% of the EBITDA shortfall versus last year.

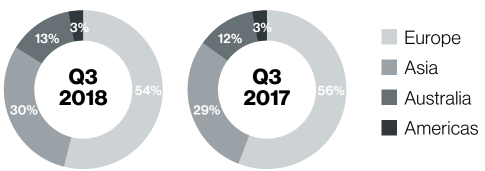
ASIA

Revenue in Asia in Q3 2018 reached EUR 24.1m (EUR 26.1m). In local currencies revenue declined by 6.2% or by 3.0% in the continuing Moving & Relocation businesses.

Revenue by business line



Revenue by region



REVENUE BY BUSINESS LINES AND SEGMENTS

	Q3 2018					Q3 2017					Change in %, EUR	Change in %, LC
EURm	Europe	Asia	Australia	Americas	**Santa Fe Group**	Europe	Asia	Australia	Americas	**Santa Fe Group**	**Santa Fe Group**	
Moving Services	34.0	19.7	9.7	1.7	**65.1**	41.4	20.9	10.1	1.5	**73.9**	-11.9	-10.5
Relocation Services	8.6	4.3	0.5	0.6	**14.0**	8.7	4.2	0.5	0.8	**14.2**	-1.4	-0.7
Records Management	0.0	0.1	0.0	0.0	**0.1**	0.0	1.0	0.0	0.0	**1.0**	-90.0	-90.0
Total revenue	**42.6**	**24.1**	**10.2**	**2.3**	**79.2**	**50.1**	**26.1**	**10.6**	**2.3**	**89.1**	**-11.1**	**-10.1**
Change in %, EUR	-15.0	-7.7	-3.8	0.0	-11.1							
Change in %, LC	-15.3	-6.2	3.1	0.2	-10.1							

Revenue from **Moving Services** in Asia decreased 4.4% in local currencies to EUR 19.7m (EUR 20.9m). The decline in revenue in the Asian region was mainly seen in Hong Kong, Singapore, Qatar, Dubai and South Africa. In Q3 2017 Qatar benefitted from a large one-off outbound project. Singapore was hit by lower activity level in general, but in particular within the corporate segment.

Revenue from **Relocation Services** in Asia was EUR 4.3m (EUR 4.2m) equivalent to a 4.1% increase in local currencies with improvement mainly due to new contracts signed in 2017 and China being the star performer in the region during the quarter.

Activity from the discontinued **Records Management** business in Asia ceased with the divestment of the China business in December 2017. Revenue in Q3 2017 amounted to EUR 1.0m.

EBITDA before special items in Asia in Q3 2018 was a profit of EUR 3.1m versus a profit of EUR 4.2m during Q3 2017. On a comparable basis the core Moving and Relocation Services business realised a profit of EUR 3.1m during Q3 2018 compared to a profit of EUR 3.7m Q3 2017, reflecting the lower revenue from the moving business.

AUSTRALIA

In Australia, the Q3 2018 revenue was EUR 10.2m (EUR 10.6m) equivalent to an increase of 3.1% in local currency, marking a turning point for the Australian business after several years of decline. The depreciation of the AUD against the EUR had a significant impact in the quarter.

The Australian **Moving Services** revenue increased by 3.1% in Q3 2018 in local currency to EUR 9.7m (EUR 10.1m). The positive development is to some extent a result of increased leads being generated from the re-designed website in combination with new corporate customers, which start to impact the financial performance. Progress is however not happening as quickly as expected, but it is a step in the right direction.

Revenue from **Relocation Services** from the emerging business was EUR 0.5m (EUR 0.5m) which was 3% above Q3 2017 in local currencies.

EBITDA before special items in Australia in Q3 2018 was a loss of EUR 2.5m (EUR 1.6m). The revenue increase in local currency combined with restructuring implemented during 2017 did not deliver the anticipated earnings improvement, as margins were under pressure. Further restructuring is on-going and additional initiatives under consideration.

AMERICAS

Revenue in Americas in Q3 2018 reached EUR 2.3m (EUR 2.3m) which was above Q3 2017 by 0.2% in local currency. The efforts to make inroads into the corporate relocation market in the US are ongoing and supported by the home-sale capabilities offered through the partnership with Fidelity Residential Solutions. This was partly off-set by lower activity levels from European-based corporates.

Revenue from **Moving Services** in Americas was EUR 1.7m (EUR 1.5m).

Revenue from **Relocation Services** in Americas was EUR 0.6m (EUR 0.8m).

EBITDA before special items was a profit of EUR 0.2m (EUR 0.2m).

REVENUE BY BUSINESS LINES AND SEGMENTS

	Q1-Q3 2018					Q1-Q3 2017					Change in %, EUR	Change in %, LC
EURm	Europe	Asia	Aus-tralia	Ame-ricas	**Santa Fe Group**	Europe	Asia	Aus-tralia	Ame-ricas	**Santa Fe Group**	**Santa Fe Group**	
Moving Services	75.5	47.0	33.1	4.0	**159.6**	92.5	53.7	37.6	3.8	**187.6**	-14.9	-11.9
Relocation Services	24.4	13.0	1.4	2.0	**40.8**	23.2	12.2	1.6	2.6	**39.6**	3.0	5.9
Records Management	0.0	0.3	0.0	0.0	**0.3**	0.2	4.1	0.0	0.0	**4.3**	-93.0	-92.7
Total revenue	**99.9**	**60.3**	**34.5**	**6.0**	**200.7**	**115.9**	**70.0**	**39.2**	**6.4**	**231.5**	**-13.3**	**-10.3**
Change in %, EUR	-13.8	-13.9	-12.0	-6.3	-13.3							
Change in %, LC	-13.3	-9.4	-4.7	1.1	-10.3							

CONSOLIDATED QUARTERLY SUMMARY

EURm	2018				2017				
	Q1	Q2	Q3	Q3 YTD	Q1	Q2	Q3	Q3 YTD	FY
EUROPE									
Revenue	**28.2**	**29.1**	**42.6**	**99.9**	**30.8**	**35.0**	**50.1**	**115.9**	**149.8**
- Growth vs. same qtr. prev. year (%)	-8.4	-16.9	-15.0	-13.8	-11.2	0.6	-3.8	-4.7	-4.0
EBITDA before special items	**-1.6**	**-1.5**	**2.6**	**-0.5**	**-1.3**	**0.2**	**5.1**	**4.0**	**5.0**
- EBITDA margin (%)	-5.7	-5.2	6.1	-0.5	-4.2	0.6	10.2	3.5	3.3
ASIA									
Revenue	**16.5**	**19.7**	**24.1**	**60.3**	**21.1**	**22.8**	**26.1**	**70.0**	**90.1**
- Growth vs. same qtr. prev. year (%)	-21.8	-13.6	-7.7	-13.9	-16.6	-17.4	-25.6	-20.5	-22.0
EBITDA before special items	**-0.9**	**0.9**	**3.1**	**3.1**	**0.6**	**2.0**	**4.2**	**6.8**	**8.8**
- EBITDA margin (%)	-5.5	4.6	12.9	5.1	2.8	8.8	16.1	9.7	9.8
AUSTRALIA									
Revenue	**14.4**	**9.9**	**10.2**	**34.5**	**17.5**	**11.1**	**10.6**	**39.2**	**51.2**
- Growth vs. same qtr. prev. year (%)	-17.7	-10.8	-3.8	-12.0	1.2	-7.5	-13.8	-5.8	-11.3
EBITDA before special items	**-0.6**	**-2.0**	**-2.5**	**-5.1**	**-0.4**	**-2.0**	**-1.6**	**-4.0**	**-4.9**
- EBITDA margin (%)	-4.2	-20.2	-24.5	-14.8	-2.3	-18.0	-15.1	-10.2	-9.6
AMERICAS									
Revenue	**1.8**	**1.9**	**2.3**	**6.0**	**2.0**	**2.1**	**2.3**	**6.4**	**8.7**
- Growth vs. same qtr. prev. year (%)	-10.0	-9.5	0.0	-6.3	-20.0	5.0	-20.7	-13.5	-6.5
EBITDA before special items	**-0.1**	**-0.2**	**0.2**	**-0.1**	**-0.3**	**-0.2**	**0.2**	**-0.3**	**0.0**
- EBITDA margin (%)	-5.6	-10.5	8.7	-1.7	-15.0	-9.5	8.7	-4.7	0.0
UNALLOCATED AND OTHER									
EBITDA before special items	**-0.6**	**-0.5**	**0.1**	**-1.0**	**-0.2**	**-0.1**	**-0.9**	**-1.2**	**-2.6**
SANTA FE GROUP									
Revenue	**60.9**	**60.6**	**79.2**	**200.7**	**71.4**	**71.0**	**89.1**	**231.5**	**299.8**
- Growth vs. same qtr. prev. year (%)	-14.7	-14.6	-11.1	-13.3	-10.5	-7.1	-13.0	-10.5	-11.5
EBITDA before special items	**-3.8**	**-3.3**	**3.5**	**-3.6**	**-1.6**	**-0.1**	**7.0**	**5.3**	**6.3**
- EBITDA margin (%)	-6.2	-5.4	4.4	-1.8	-2.2	-0.1	7.9	2.3	2.1

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

EURm	**Q3 2018**	Q3 2017	**Q1-Q3 2018**	Q1-Q3 2017	FY 2017
Revenue	79.2	89.1	200.7	231.5	299.8
Direct costs	47.9	52.6	117.5	132.5	171.3
Other external expenses	6.8	6.8	19.9	20.7	27.7
Staff costs	21.6	23.5	68.4	75.0	97.5
Other operating income	0.6	0.8	1.5	2.0	3.0
Operating profit before amortisation, depreciation, impairment and special items	**3.5**	**7.0**	**-3.6**	**5.3**	**6.3**
Special items, net	-0.7	-1.1	-1.3	1.4	12.3
Operating profit before amortisation, depreciation and impairment	**2.8**	**5.9**	**-4.9**	**6.7**	**18.6**
Amortisation and depreciation of intangibles, property, plant and equipment	1.8	1.4	4.7	4.1	5.6
Impairment of goodwill and trademarks, etc.	-	-0.4	-	-0.5	-0.5
Operating profit/loss	**1.0**	**4.9**	**-9.6**	**3.1**	**13.5**
Financial income	0.4	1.0	1.4	0.7	0.6
Financial expenses	1.0	0.8	2.8	1.0	1.8
Share of profit in associates	-0.1	0.0	0.1	0.0	0.2
Profit/loss before income tax expense	**0.3**	**5.1**	**-10.9**	**2.8**	**12.5**
Income tax expense	0.9	1.0	1.5	3.3	8.2
Profit/loss from continuing operations	**-0.6**	**4.1**	**-12.4**	**-0.5**	**4.3**
Profit/loss from discontinued operations	**-**	**-**	**-**	**0.0**	**0.0**
Net profit/loss for the period	**-0.6**	**4.1**	**-12.4**	**-0.5**	**4.3**
Equity holders of the parent	-0.6	4.1	-12.4	-0.9	3.9
Non-controlling interests	-	0.0	-	0.4	0.4
Earnings per share (EUR)	**-0.1**	**0.3**	**-1.0**	**-0.1**	**0.3**
From continuing operations	-0.1	0.3	-1.0	-0.1	0.3
From discontinued operations	0.0	0.0	0.0	0.0	0.0
Earnings per share diluted (EUR)	-0.1	0.3	-1.0	-0.1	0.3
From continuing operations	-0.1	0.3	-1.0	-0.1	0.3
From discontinued operations	0.0	0.0	0.0	0.0	0.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURm	**Q3 2018**	Q3 2017	FY 2017
Net profit/loss for the period	**-12.4**	**-0.5**	**4.3**
Other comprehensive income for the period			
Items not reclassifiable to the income statement			
Actuarial gain/(losses), defined benefit obligations	0.0	0.0	0.0
Taxes	0.0	0.0	0.0
Total items not reclassifiable to the income statement, net of tax	**0.0**	**0.0**	**0.0**
Items reclassifiable to the income statement			
Foreign currency translation adjustments, foreign entities	-0.8	-4.5	-4.9
Total items reclassifiable to the income statement, net of tax	**-0.8**	**-4.5**	**-4.9**
Total comprehensive income , net of tax	**-0.8**	**-4.5**	**-4.9**
Total comprehensive income	**-13.2**	**-5.0**	**-0.6**
Total comprehensive income attributable to:			
Equity holders of the Parent Santa Fe Group	-13.2	-5.2	-1.0
Non-controlling interests	0.0	0.2	0.4

BALANCE SHEET – ASSETS

EURm	**30.09.18**	30.09.17	31.12.17
Non-current assets			
Intangible assets	60.5	60.3	60.5
Property, plant and equipment	13.6	19.5	15.3
Investment in associates	2.8	3.0	2.8
Other investments	1.6	1.6	1.6
Deferred tax	1.6	2.7	1.6
Other receivables	0.8	1.2	1.2
Total non-current assets	**80.9**	**88.3**	**83.0**
Current assets			
Inventories	1.6	1.8	1.8
Trade receivables	60.9	62.2	61.0
Work in Progress	19.3	24.7	15.7
Other receivables	13.6	18.1	28.2
Current tax receivable	0.7	0.6	0.6
Cash and cash equivalents	23.5	19.8	18.9
	119.6	127.2	126.2
Assets held for sale	1.6	-	2.6
Total current assets	**121.2**	**127.2**	**128.8**
Total assets	**202.1**	**215.5**	**211.8**

BALANCE SHEET – EQUITY AND LIABILITIES

EURm	**30.09.18**	30.09.17	31.12.17
EQUITY			
Share capital	115.9	115.9	115.9
Translation reserve	-8.1	-6.7	-7.2
Treasury shares	-2.8	-3.2	-2.9
Retained earnings	-34.7	-27.0	-22.3
Santa Fe Group's share of equity	**70.3**	**79.0**	**83.5**
Non-controlling interests	0.0	0.0	0.0
Total equity	**70.3**	**79.0**	**83.5**
LIABILITIES			
Non-current liabilities			
Borrowings	31.7	24.9	3.2
Deferred tax	1.3	2.0	1.5
Provisions for other liabilities and charges	3.1	5.7	3.3
Defined benefit obligations	1.5	1.6	1.7
Total non-current liabilities	**37.6**	**34.2**	**9.7**
Current liabilities			
Borrowings	8.4	6.7	28.5
Trade payables	56.9	57.4	51.9
Work in Progress	6.8	6.5	5.9
Other liabilities	19.9	29.7	25.1
Current tax payable	2.2	2.0	5.7
Provisions for other liabilities and charges	0.0	0.0	1.5
	94.2	102.3	118.6
Liabilities held for sale	0.0	-	0.0
Total current liabilities	**94.2**	**102.3**	**118.6**
Total liabilities	**131.8**	**136.5**	**128.3**
Total equity and liabilities	**202.1**	**215.5**	**211.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURm	Share capital	Trans-lation-reserve	Treasury shares	Retained earnings	Proposed dividend for the year	SFG's share of equity	Non-controlling interests	Total equity
Equity at 1 January 2018	**115.9**	**-7.2**	**-2.9**	**-22.3**	**0.0**	**83.5**	**0.0**	**83.5**
Comprehensive income for the period								
Profit for the period	-	-	-	-12.4	-	-12.4	-	-12.4
Other comprehensive income								
Foreign currency translation adjustments, foreign entities	-	-0.9	0.1	-	-	-0.8	-	-0.8
Actuarial gain/(losses), defined benefit obligations	-	-	-	0.0	-	0.0	0.0	0.0
Tax on other comprehensive income	-	-	-	0.0	-	0.0	-	0.0
Total other comprehensive income	0.0	-0.9	0.1	0.0	0.0	-0.8	0.0	-0.8
Total other comprehensive income for the period	**0.0**	**-0.9**	**0.1**	**-12.4**	**0.0**	**-13.2**	**0.0**	**-13.2**
Transactions with the equity holders								
Share grant	-	-	-	0.0	-	0.0	-	0.0
Total transactions with the equity holders	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Equity at 30 September 2018	**115.9**	**-8.1**	**-2.8**	**-34.7**	**0.0**	**70.3**	**0.0**	**70.3**
Equity at 1 January 2017	**115.9**	**-2.4**	**-3.2**	**-23.5**	**0.0**	**86.8**	**2.2**	**89.0**
Comprehensive income for the period								
Profit for the period	-	-	-	-0.9	-	-0.9	0.4	-0.5
Other comprehensive income								
Foreign currency translation adjustments, foreign entities	-	-4.3	0.0	-	-	-4.3	-0.2	-4.5
Actuarial gain/(losses), defined benefit obligations	-	-	-	0.0	-	0.0	-	0.0
Tax on other comprehensive income	-	-	-	0.0	-	0.0	-	0.0
Total other comprehensive income	-	-4.3	0.0	0.0	0.0	-4.3	-0.2	-4.5
Total other comprehensive income for the period	**0.0**	**-4.3**	**0.0**	**-0.9**	**0.0**	**-5.2**	**0.2**	**-5.0**
Transactions with the equity holders								
Share grant	-	-	-	0.0	-	0.0	-	0.0
Total transactions with the equity holders	**0.0**	**0.0**	**0.0**	**-2.6**	**0.0**	**-2.6**	**-2.4**	**-5.0**
Equity at 30 September 2017	**115.9**	**-6.7**	**-3.2**	**-27.0**	**0.0**	**79.0**	**0.0**	**79.0**

CONSOLIDATED CASH FLOW STATEMENT

EURm	**30.09.18**	30.09.17	31.12.17
Cash flows from operating activities			
Operating profit/loss	-9.6	3.1	13.5
Adjustment for:			
Depreciation, amortisation and impairment losses	4.5	3.5	4.9
Gain on divestment of Records Management activities	-0.4	-4.2	-17.0
Other non-cash items	-0.7	-2.8	-4.1
Change in working capital	-1.6	-9.3	-5.6
Interest paid	-2.2	-0.9	-1.0
Interest received	0.2	0.1	0.1
Corporate tax paid	-6.5	-3.1	-4.1
Net cash flow from operating activities	**-16.3**	**-13.6**	**-13.3**
Cash flows from investing activities			
Dividends received from associates	0.2	0.3	0.5
Investments in intangible assets and property, plant and equipment	-3.3	-5.5	-6.5
Proceeds from sale of non-current assets	1.5	0.4	0.5
Divestment of Records Management activities	14.2	10.6	9.9
Change in non-current investments	0.5	0.1	0.2
Net cash flow from investing activities	**13.1**	**5.9**	**4.6**
Net cash flow from operating and investing activities	**-3.2**	**-7.7**	**-8.7**
Cash flows from financing activities			
Proceeds from borrowings	39.0	3.1	4.7
Repayment of borrowings	-29.8	-12.5	-13.9
Capitalised financing and legal expenses	-1.4	-0.2	-0.3
Cash proceeds related to purchase of non-controlling interests in subsidiaries	0.0	-5.0	-5.0
Net cash flow from financing activities	**7.8**	**-14.6**	**-14.5**
Changes in cash and cash equivalents	**4.6**	**-22.3**	**-23.2**
Cash and cash equivalents at beginning of year	18.9	43.6	43.6
Translation adjustments of cash and cash equivalents	0.0	-1.5	-1.5
Cash and cash equivalents end of period	**23.5**	**19.8**	**18.9**

NOTE 1. CORPORATE INFORMATION

Santa Fe Group A/S is a limited liability company incorporated and domiciled in Denmark.
The address of its registered office is 20 Indiakaj, DK-2100 Copenhagen Ø, Denmark.

The Santa Fe Group A/S and its subsidiaries (together the Santa Fe Group or the Group) provide moving and value-added relocation services to corporate and individual clients.

The Company has its listing on Nasdaq Copenhagen A/S, where its shares are publicly traded.

On 15 November 2018, the Board of Directors approved this interim report for issue.

Figures in the Interim Report Q3 2018 are presented in EUR million with one decimal point unless otherwise stated.

NOTE 2. ACCOUNTING POLICIES

Basis of preparation of the Interim Report Q3 2018
The Interim Report Q3 2018 has been prepared in accordance with IAS 34 Interim Financial Reporting (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

The Interim Report Q3 2018 contains condensed consolidated financial statements of Santa Fe Group A/S and does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's Annual Report 2017.

The Interim Report Q3 2018 has been prepared using the same accounting policies as the Company's Annual Report 2017, except as described below in note 3.

A description of the accounting policies is available in chapter 1-5 on pages 55-77 of the Company's Annual Report 2017.

NOTE 3. NEW ACCOUNTING STANDARDS, CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND PRESENTATION

Santa Fe Group A/S has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2018 as adopted by the European Union.

The impact of the implementation has been immaterial in relation to recognition and measurement.

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

IFRS 9 - Financial Instruments
IFRS 9 which replaces IAS 39, changes the classification and thus also the measurement of financial assets and liabilities. The implementation of IFRS 9 has not changed the existing accounting policies nor had an impact on the consolidated financial statements, except from a changed basis for calculating the allowance for doubtful receivables from incurred losses to expected losses. Based on the portfolio of financial assets and liabilities and the historical low realised loss on trade receivables the adoption of the new standard did not have a significant impact on the allowances and thereby there have been no measurable impact in the consolidated financial statements. The standard has been implemented using January 1, 2018 as the date of initial application.

IFRS 15 - Revenue from contracts with customers
IFRS 15 introduces a new framework for revenue recognition and measurement. The standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The standard has not resulted in changes to the existing accounting practices and therefore with no impact on the financial statements. IFRS 15 has been applied following the modified retrospective method.

Significant accounting estimates and judgements are described in the Company's Annual Report 2017, note 1.6, pages 57.

NOTE 4. SUBSEQUENT EVENTS

No material events have taken place after 30 September 2018.

NOTE 5. OPERATING SEGMENTS

Q3	Europe		Asia		Australia		Americas		Santa Fe Group (Reportable segment)		Corporate and unallocated activities		Santa Fe Group	
EURm	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Income statement														
Revenue	116.2	134.2	76.4	91.6	35.9	40.9	7.8	8.3	236.3	275.0	0.0	0.0	236.3	275.0
Intercompany revenue	16.3	18.3	16.1	21.6	1.4	1.7	1.8	1.9	35.6	43.5	0.0	0.0	35.6	43.5
External revenue	99.9	115.9	60.3	70.0	34.5	39.2	6.0	6.4	200.7	231.5	0.0	0.0	200.7	231.5
EBITDA before special items	-0.5	4.0	3.1	6.8	-5.1	-4.0	-0.1	-0.3	-2.6	6.5	-0.8	-1.2	-3.6	5.3
Balance sheet														
Total assets	116.5	124.1	53.8	54.3	10.1	15.1	4.4	3.9	184.8	197.4	17.3	18.1	202.1	215.5

The segment reporting is based on the internal management reporting.

Reconciliation items in “Corporate and unallocated items” are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Parent company and the Group functions in London.

The reportable segments provide moving and relocation services to corporate and individual clients. Due to the seasonal nature of these services, higher revenues and operating profits are usually expected in the second half of the year (Q3 in particular) rather than in the first 6 months. Higher revenue during Q3 is primarily driven by many relocations during the peak summer holiday season (including school holiday) in Europe and Asia which is the preferred relocation period. However, the peak season in Australia falls within December and January. This information is provided to allow for a better understanding of the results, however, management has concluded that this is not “highly seasonal” in accordance with IAS 34.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the interim report of Santa Fe Group A/S for the interim period 1 January to 30 September 2018.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Santa Fe Group's assets, liabilities and financial position as of 30 September 2018 and of the results of the Santa Fe Group's operations and the consolidated cash flow for the interim period 1 January to 30 September 2018.

Further, in our opinion the Management's review includes a financial review of the development in the Santa Fe Group's operations and conditions, the result for the period, cash flow and the financial position as a whole, and describes the most significant risks and uncertainty factors that the Group faces.

Copenhagen, 15 November 2018

Executive Board

Martin Thaysen Group CEO	Christian Møller Laursen Group CFO

Board of Directors

Henning Kruse Petersen Chairman	Preben Sunke Deputy Chairman	
Michael Hauge Sørensen	Jakob Holmen Kraglund	Jesper Teddy Lok