



## Interim report

January - September 2016

### Q3 2016

- Incoming orders amounted to SEK 696.6m (846.7), which organically is a decrease of 18.0% compared with the same period last year.
- Net sales amounted to SEK 792.0m (796.7), which organically is a decrease of 0.9% compared with the same period last year.
- Adjusted operating profit was SEK 68.6m (71.6), giving an adjusted operating margin of 8.7% (9.0).
- Operating profit was SEK 68.6m (51.4), giving an operating margin of 8.7% (6.5).
- Net profit was SEK 47.9m (28.7).
- Earnings per share were SEK 4.09 (2.45).

### January-September, 2016

- Incoming orders was SEK 2,161.8m (2,439.6), which organically is a decrease of 11.2% compared with the same period last year.
- Net sales amounted to SEK 2,287.2m (2,299.4), which organically is a decrease of 0.8% compared with the same period last year.
- Adjusted operating profit was SEK 164.8m (174.0), giving an adjusted operating margin of 7.2% (7.6).
- Operating profit was SEK 164.8m (153.8), giving an operating margin of 7.2% (6.7).
- Net profit was SEK 111.0m (91.5).
- Earnings per share were SEK 9.49 (7.83).



## CEO's comments

"Nederman's core business with products and services had a solid performance during the quarter within both EMEA and the USA. It was particularly pleasing to note the strong recovery in Europe in September after weak demand in June and July in the wake of the UK's decision to leave the EU. The European market is judged now to be considerably more stable than right after the UK referendum.

Our greatest challenge is the uncertainty around sales of major projects in the USA and China. Demand in the USA has been affected by the slowdown in industrial production in the last twelve months. A further factor that is deemed to have an effect on some investment decisions is the uncertainty associated with the forthcoming presidential election.

In China, we are seeing lower economic activity which limits the number of major investments and the economic development in the country is difficult to assess at the moment.

In the quarter, we completed the last measures relating to cost and structural adjustments in Thailand and Australia as planned. In the USA, the business for shock-absorbing cabinets for electronic equipment was phased out as planned and previously announced during the quarter.

The Group's operating profit in the quarter was satisfactory. Cash flow from operating activities has improved in comparison with the same period last year."

**Sven Kristensson, CEO**





## Operating segment - Americas

**The Americas operating segment reported a solid performance by the core business. The decline in orders is due to the lack of major projects in the USA, which is seeing lower industrial activity as well as protracted decision-making processes partly influenced by uncertainty in the upcoming November election.**

### General market situation

USA reported continued lower industrial production and uncertainty linked to the imminent US presidential election. This, together with lower activity within the mining and energy sectors, has led to a fall in demand for large systems. The American import duties on steel from China which were introduced earlier in the year are expected to lead in the long-term to improved business opportunities within the country's metal industries. The growth outlook for Mexico remains good for the end of 2016. The Brazilian economy is still weak, but the authorities' stricter requirements for compliance with the country's tough environmental laws have had a positive effect earlier in the year on the demand for Nederman's products and solutions.

### Development per country

The US market continues to be characterised by long drawn out decision-making processes, which have had a very negative effect on sales of large systems. During the quarter, the number of potential projects has also declined in certain sectors and the overall outlook for system sales in the coming quarters is weaker than before. The housing market continues to perform well in the US, which had a positive effect on Nederman's sales to the wood products industry. The core business with products and services, with the exception of sales related to the energy sector, had a solid performance in the quarter.

Canada had a weak performance in the quarter, but shows a positive trend for the first nine months. The positive development is primarily driven by an agreement with a national distributor in the welding segment.

Incoming orders in the quarter:  
SEK 290.1m (401.1)

Solid performance by the core business in the USA.  
Fewer major projects.

In Brazil, Nederman was affected in the quarter by the low economic activity in the country. After a strong first quarter, sales volume has been weaker and Brazil is now overall in line with the corresponding time in 2015.

### Incoming orders and sales

Incoming orders amounted to SEK 290.1 m during the quarter. Organically, this corresponds to a decrease of 29.3% compared with the corresponding quarter of 2015.

The Incoming orders for the period January - September amounted to SEK 834.8m. Organically, this corresponds to a decrease of 25.0% compared with the corresponding quarter of 2015.

Net sales during the quarter amounted to SEK 318.9m. Organically, this corresponds to a decrease of 7.1% compared with the corresponding quarter of 2015.

Net sales for the period January - September amounted to SEK 955.7m. Organically, this corresponds to a decrease of 5.8% compared with the corresponding quarter of 2015.

### Key ratios

SEK million	1 Jul-30 Sep		Organic growth, %	1 Jan-30 Sep		Organic growth, %	Full year 2015	Oct-Sep 12 months
	2016	2015		2016	2015			
Incoming orders	290.1	401.1	-29.3	834.8	1,093.3	-25.0	1,380.1	1,121.6
External net sales	318.9	335.8	-7.1	955.7	993.4	-5.8	1,379.6	1,341.9
Depreciation	-3.5	-3.3		-11.0	-9.5		-12.8	-14.3
Adjusted operating profit	33.0	33.7		97.7	118.5		163.8	143.0
Adjusted operating margin, %	10.4	10.0		10.2	11.9		11.9	10.7



## Operating Segment - EMEA

EMEA had a weak incoming orders at the beginning of Q3, partly due to a temporary slowdown in the UK market in the wake of Britain's decision to leave the EU. Towards the end of the quarter, there was a significant increase in incoming orders in the UK and several other countries, which meant that the core business increased slightly compared to the same quarter last year. The absence of sales of large projects in the quarter and the weak start to the quarter meant that the incoming orders decreased organically by 2.5%.

### General market situation

There are still no clear signs of economic recovery within the EMEA region. Industrial investment remains at a low level, but the impression is that some recovery is starting to take place. The long term effects of the UK's decision to leave the EU remain difficult to assess. The political situation in Turkey and the conflict in Syria are having a strong negative impact on sales in this part of the EMEA.

### Development per country

The market in the UK and Ireland showed a marked slowdown after the referendum on an EU exit, but recovered strongly towards the end of the quarter. This meant that incoming orders decreased only marginally for the quarter as a whole. Core business developed positively in the quarter, but no major orders were booked, unlike the corresponding quarter of 2015.

In Germany, incoming orders developed positively during the third quarter, partly thanks to a major project for flue-gas treatment for a facility for fire testing.

In the Nordic region, new orders rose compared with the corresponding quarter in 2015 following strong growth in the core business in Denmark and Norway. The quarter also saw an order booked from a major manufacturer of wind turbines.

In the Benelux countries, the core business performed well, which meant that new orders overall were in line with the corresponding quarter in 2015 despite the fact that this year's quarter, in contrast to the same quarter last year, saw no major orders.

Incoming orders in the quarter:  
SEK 322.5m (332.2)

Strong end to the quarter.  
Solid performance by the core  
business in the majority of markets.

The Turkish market was very weak in the quarter as a result of the political situation. The Polish and Czech markets were also weak during the quarter.

### Incoming orders and sales

Incoming orders amounted to SEK 322.5 during the quarter. Organically, this corresponds to a decrease of 2.5% compared with the corresponding quarter of 2015.

The incoming orders for the period January - September amounted to SEK 1,043.9m. Organically, this corresponds to a decrease of 2.6% compared with the corresponding quarter of 2015.

Net sales during the quarter amounted to SEK 355.8m. Organically, this corresponds to a decrease of 0.7% compared with the corresponding quarter of 2015.

Net sales for the period January - September amounted to SEK 1,046.5m. Organically, this corresponds to a decrease of 0.1% compared with the corresponding quarter of 2015.

### Key ratios

SEK million	1 Jul-30 Sep		Organic growth, %	1 Jan-30 Sep		Organic growth, %	Full year 2015	Oct-Sep 12 months
	2016	2015		2016	2015			
Incoming orders	322.5	332.2	-2.5	1,043.9	1,076.9	-2.6	1,431.5	1,398.5
External net sales	355.8	359.7	-0.7	1,046.5	1,049.3	-0.1	1,455.8	1,453.0
Depreciation	-5.5	-5.2		-17.2	-16.1		-21.6	-22.7
Adjusted operating profit	47.0	54.1		117.6	117.1		168.6	169.4
Adjusted operating margin, %	13.2	15.0		11.2	11.2		11.6	11.6



## Operating segment - APAC

Several markets in APAC had a positive development during the third quarter, including Southeast Asian countries (excluding Thailand) and India. Australia too saw the first signs of increased demand. Developments in China were weak in the quarter, mainly due to no major orders being booked as was also the case in the same period last year. The incoming orders for the operating segment as a whole amounted to SEK 84.0m (113.4).

### General market situation

Within the APAC region, there continues to be a number of significant business opportunities, although some industrial segments are characterised by weak demand and prolonged decision-making processes. In China, the new environmental law that took effect on January 1, 2016 means an increased focus on environmental issues, particularly in terms of pollutant emissions and dust explosions, which are a major risk in many industries and where the consequences can be devastating. However, there is inertia before the new legislation will lead to actual investments. India continues to show good growth, particularly within manufacturing industry which is posting double digit growth.

### Comments per country

In China, orders decreased in the quarter, mainly due to the order in the third quarter of 2015 worth SEK 26m relating to gas treatment for a district heating plant that had no counterpart in this year's quarter. Core business also decreased in the quarter following a positive trend during the first half of the year

Southeast Asia, with the exception of Thailand, experienced a positive trend during the quarter. The incoming orders in Thailand continued to be weak. Restructuring of the product supply in Thailand has now been completed. Both Indonesia and Malaysia had a positive development in incoming orders in the quarter.

India also saw a development of incoming orders level in comparison with the corresponding period of 2015. Growth during the year has been good and is driven by the general high growth experienced by the country's manufacturing industries.

Incoming orders in the quarter:  
SEK 84.0m (113.4)

Positive trend in India.  
Weaker development in China.  
Positive signs in Australia.

In Australia, greater economic confidence can now be seen for the first time in several years. Nederman implemented measures to streamline operations in Australia earlier in 2016, which had a positive impact on profits this quarter.

### Incoming orders and sales

The incoming orders during the quarter amounted to SEK 84.0 m. Organically, this corresponds to a decrease of 24.7% compared with the corresponding quarter of 2015.

The incoming orders for the period January - September amounted to SEK 283.1m. Organically, this corresponds to an increase of 8.8% compared with the corresponding quarter of 2015.

Net sales during the quarter amounted to SEK 117.3m. Organically, this corresponds to an increase of 17.9% compared with the corresponding quarter of 2015.

Net sales for the period January - September amounted to SEK 285.0m. Organically, this corresponds to an increase of 14.8% compared with the corresponding quarter of 2015.

### Key ratios

SEK million	1 Jul-30 Sep		Organic growth, %	1 Jan-30 Sep		Organic growth, %	Full year 2015	Oct-Sep 12 months
	2016	2015		2016	2015			
Incoming orders	84.0	113.4	-24.7	283.1	269.4	8.8	360.2	373.9
External net sales	117.3	101.2	17.9	285.0	256.7	14.8	362.6	390.9
Depreciation	-1.3	-1.2		-3.6	-4.2		-5.3	-4.7
Adjusted operating profit	2.9	-1.0		-12.2	-13.9		-5.7	-4.0
Adjusted operating margin, %	2.5	-1.0		-4.3	-5.4		-1.6	-1.0

## Outlook

The situation in Europe is stable with a cautiously positive development of Nederman's core business. In the US, we also see a continued stable development of sales of the Group's products and services, while uncertainty surrounding major

projects is expected to continue for a while. In China, economic activity is lower than before, which limits the number of major investments and it is difficult to evaluate the economic development in the country at the moment.

## Organisational changes

### Group function

Nederman's Senior Vice President and CFO, Stefan Fristedt, has handed in his resignation in order to take up the position of Executive Vice President and CFO at Mölnlycke Health Care Group.

Matthew Cusick, currently CFO of the EMEA division, has been appointed Senior Vice President and CFO of the Nederman Group in his place. Matthew Cusick has been employed at Nederman since 2011 and besides being CFO for the EMEA division has held the role of Group Controller. Matthew also has experience from the Getinge Group in various roles as well as experience as an external auditor.

"I'm really pleased that we have found an internal candidate which ensures continuity and a controlled handover. Matthew has successfully developed within Nederman and has actively contributed to the good development in the EMEA division.

I would also like to thank Stefan for his significant contributions during his time at Nederman and wish him well in his future endeavours," says Nederman's CEO Sven Kristensson.

The organisational change will come into force on 1 November 2016.

### Division APAC

Torbjörn Bäck, Senior Vice President and Divisional Director for APAC, has decided to move back to Sweden for family reasons. Torbjörn will leave the Group during Q1 2017. Sven Kristensson, CEO, will take over the role as Divisional Director until further notice.

"I would like to thank Torbjörn for his work for Nederman in his time with the company", comments Nederman's CEO Sven Kristensson.

# Q3, 2016

## Incoming orders and sales

Incoming orders during the quarter amounted to SEK 696.6m (846.7). Organically, this corresponds to a decrease of 18.0% compared with the corresponding quarter of 2015.

Net sales for the quarter amounted to SEK 792.0m (796.7). Organically, this corresponds to a decrease of 0.9% compared with the corresponding quarter of 2015.

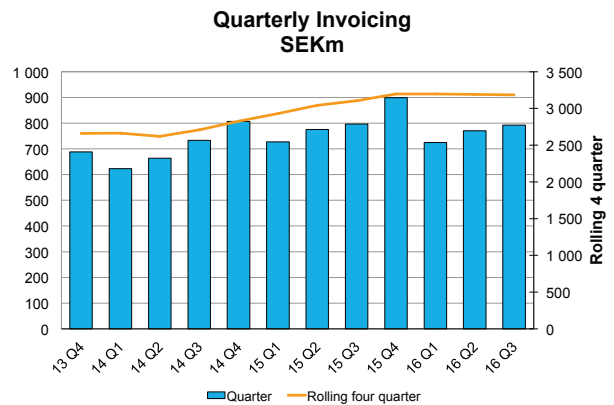
## Profit/loss

The consolidated operating profit for the quarter was SEK 68.6m (51.4), which gave an operating profit margin of 8.7 per cent (6.5).

Adjusted operating profit amounted to SEK 68.6 million (71.6). Adjusted operating margin amounted to 8.7 (9.0) per cent. The profit before tax increased to SEK 67.2m (41.3). Net profit was SEK 47.9 (28.7), which gave earnings per share of SEK 4.09 (2.45).

## Capital expenditure

Capital expenditure during the quarter was SEK 10.9m (13.6).



## January - September 2016

### Incoming orders and sales

Incoming orders were SEK 2,161.8m (2,439.6). Organically, this corresponds to a decrease of 11.2% compared with the corresponding quarter of 2015.

Net sales amounted to SEK 2,287.2m (2,299.4). Organically, this corresponds to a decrease of 0.8% compared with the corresponding quarter of 2015.

### Profit

The consolidated operating profit for the period was SEK 164.8m (153.8), which gave an operating profit margin of 7.2 per cent (6.7).

Adjusted operating profit amounted to SEK 164.8 million (174.0).

Adjusted operating margin amounted to 7.2 (7.6) per cent.

Profit before tax increased to SEK 157.7m (132.7).

Net profit was SEK 111.0 (91.5), which gave earnings per of SEK 9.49 (7.83).

### Cash flow and capital expenditure

The cash flow for the period was SEK -16.2m (-83.9).

Compared with the corresponding period last year, cash flow was primarily affected positively by changes in working capital and from the lower investment level. Operating profit contributed slightly more than the same period last year.

Capital expenditure during the period was SEK 30.3m (51.0), of which capitalised development costs amounted to SEK 4.5m (6.3).

### Other financial information

Liquidity: At the end of the period the Group had SEK 254.0m in cash and cash equivalents as well as SEK 100.8m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 355.1m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 253.6m within Nederman's loan agreement with SHB.

The equity in the Group as of 30 September 2016 amounted to SEK 903.9m (782.9).

An ordinary dividend of SEK 5.00 per share was paid to shareholders in the second quarter, amounting in total to SEK 58.4m.

The total number of shares outstanding was 11,691,969 at the end of the period.

The equity ratio for the Group was 34.7 per cent as of 30 September 2016 (31.9). The net debt/equity ratio was 72.4 per cent (83.9).

### Number of employees

The average number of employees during the period was 1,755 (1,802). The number of employees at the end of the period was 1,797 (1,906).



## Key figures, Group

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2015	Oct-Sep 12 months
	2016	2015	2016	2015		
Net sales	792.0	796.7	2,287.2	2,299.4	3,198.0	3,185.8
Adjusted EBITDA	80.0	83.4	200.3	210.3	311.0	301.0
Adjusted EBITDA margin, %	10.1	10.5	8.8	9.1	9.7	9.5
Operating profit	68.6	51.4	164.8	153.8	242.0	253.0
Operating margin, %	8.7	6.5	7.2	6.7	7.6	7.9
Adjusted operating profit	68.6	71.6	164.8	174.0	263.1	253.9
Adjusted operating margin, %	8.7	9.0	7.2	7.6	8.2	8.0
Profit before tax	67.2	41.3	157.7	132.7	214.9	239.9
Net profit	47.9	28.7	111.0	91.5	152.8	172.3
Earnings per share, SEK	4.09	2.45	9.49	7.83	13.07	14.73
Return on shareholders' equity, %	21.9	14.8	17.0	16.1	19.5	20.4
Return on operating capital, %	17.8	20.3	14.5	17.0	19.0	16.9
Net debt					635.6	654.3
Net debt/equity ratio, %					75.9	72.4
Net interest-bearing debt/Adjusted EBITDA, multiple					2.0	2.2
Interest cover ratio					8.9	11.3

## Other information

### Risks and uncertainties

The Nederman Group and the parent company are exposed to a number of risks, mainly due to purchasing and selling of products in foreign currencies. The risks and uncertainties are described in more detail in the Directors' Report on page 44 and in note 24 in the 2015 Annual Report. No circumstances have arisen to change the assessment of identified risks.

### Nominations committee

According to guidelines adopted by the AGM, a nominations committee has been appointed comprising Göran Espelund (Chairman), Lannebo Fonder, Anders Mörck, Investment AB Latour, Sophia Pettersson, Ernström & Co and the Chairman of the Board Jan Svensson ahead of the AGM in 2017. For questions concerning the work of the nominations committee, please contact: [goran.espelund@lannebofonder.se](mailto:goran.espelund@lannebofonder.se)

### Accounting policies

The consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles, except for amendments mentioned below, as described in the 2015 Annual Report, pages 52-56 apply both to the Group and the parent company.

#### Changes that will come into effect on 1 January 2016 and beyond

**IFRS 15**, effective for financial years beginning no earlier than 1 January 2018, will not have any material impact on reporting of consolidated income, although the Group will be affected by extended disclosure requirements.

**IFRS 9**, effective for financial years beginning no earlier than 1 January 2018, will not have any material impact on the consolidated reporting of financial instruments.

**IFRS 16** replacing IAS 17 from 1 January 2019. So far there is no information when the EU will approve the standard, so no decision has been made about when or how the standard will be applied. Any evaluation of the impact of the standard has not yet begun.

## Statement

The Board and CEO confirm that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the Group. The interim report has been reviewed by the Company's auditor.

**Helsingborg, 19 October 2016**

**Jan Svensson**

Chairman

**Per Borgvall**

Member of the board

**Gunilla Fransson**

Member of the board

**Gunnar Gremlin**

Member of the board

**Ylva Hammargren**

Member of the board

**Fabian Hielte**

Member of the board

**Sven Kristensson**

Chief Executive Officer

**Johan Menckel**

Member of the board

**Jonas Svensson**

Employee representative

# This is Nederman

## A Swedish environmental technology company

Nederman's expertise and turnkey solutions within industrial air filtration protect people, machinery and the environment from the harmful effects of industrial processes. In this way Nederman helps to create safe work spaces, efficient production and significant environmental benefits. This interplay between health, environment and efficiency comes together to form the concept of eco-efficiency.

**Eco-efficiency** means that we contribute to both economic efficiency and long-term sustainable production. In terms of economy, it is about high production efficiency and product quality, machinery that has a long life and minimised environmental costs. From an environmental perspective it is about benefits from reduced emissions, more efficient use of materials and recycling, and lower energy consumption.

**Nederman's customers** are found in industries such as metal, wood and composite processing, food processing, pharmaceutical production, waste management, agriculture, textile industry, chemical industry, process industry, power generation and the automotive aftermarket.

## Strong global position

Nederman has a strong global presence in regard to both sales and manufacturing. Sales are conducted through its own sales companies and distributors in over 50 countries. The main focus of sales is in Europe and North America, but Nederman is also active in a number of markets in Asia and South America. Manufacturing is carried out on five continents. Turnover in 2015 amounted to SEK 3.2 billion.

## Strategy and financial objectives

Nederman's aim is to achieve a sales growth of 8-10 percent over a business cycle and that an operating margin of at least reach 10 percent shall be achieved. To achieve these goals, Nederman is focusing on four priority areas:

- Expansion of business operations to new customer and market segments.
- Streamlined distribution and increased aftermarket share of total sales.
- Geographic expansion in markets with favourable industrial development.
- Development of new products, solutions and turnkey concepts.

During the last five years, sales growth has averaged 13.6 percent, which is significantly higher than the goal of 8-10



percent. During the period, the adjusted operating margin varied between 6.4 and 8.5 percent and in 2015 amounted to 8.2 percent. The average dividend during the period was 48 percent of net profit.

## Three sales segments

Nederman's sales model is divided into three segments in order to deliver solutions to customers' challenges as effectively as possible.

**Product sales** Nederman has a wide range of standard products that solve common problems related to smoke, gas, dust, materials recycling, the working environment and efficient production. Product sales make up around 39 percent of group turnover.

**Solutions** Nederman's solutions are designed to solve more complex tasks and specific customer problems. Business activities include careful preliminary study of the customer's business operations and needs, planning and system design, installation, commissioning and training. Solution sales account for around 44 percent of turnover.

**Service and aftermarket** Service is an integral part of Nederman's offering and a focus area for growth. By offering qualified service with good availability, Nederman helps to ensure continuous operation without expensive interruptions to customers' production. Service and aftermarket makes up around 17 percent of turnover.

## Consolidated income statement

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2016	2015	2016	2015	2015	12 months
Net sales	792.0	796.7	2,287.2	2,299.4	3,198.0	3,185.8
Cost of goods sold	-512.3	-515.3	-1,477.7	-1,485.3	-2,070.4	-2,062.8
<b>Gross profit</b>	<b>279.7</b>	<b>281.4</b>	<b>809.5</b>	<b>814.1</b>	<b>1,127.6</b>	<b>1,123.0</b>
Selling expenses	-158.7	-154.5	-481.3	-474.2	-640.7	-647.8
Administrative expenses	-53.0	-53.6	-161.6	-161.3	-212.0	-212.3
Research and development expenses	-1.7	-1.2	-6.0	-3.7	-6.4	-8.7
Acquisition cost	-	-0.2	-	-0.2	-1.1	-0.9
Restructuring cost	-	-20.0	-	-20.0	-20.0	-
Other operating income/expenses	2.3	-0.5	4.2	-0.9	-5.4	-0.3
<b>Operating profit</b>	<b>68.6</b>	<b>51.4</b>	<b>164.8</b>	<b>153.8</b>	<b>242.0</b>	<b>253.0</b>
Financial income	5.2	0.1	9.4	2.0	2.9	10.3
Financial expense	-6.6	-10.2	-16.5	-23.1	-30.0	-23.4
<b>Net financial income/expenses</b>	<b>-1.4</b>	<b>-10.1</b>	<b>-7.1</b>	<b>-21.1</b>	<b>-27.1</b>	<b>-13.1</b>
<b>Profit before tax</b>	<b>67.2</b>	<b>41.3</b>	<b>157.7</b>	<b>132.7</b>	<b>214.9</b>	<b>239.9</b>
Taxes	-19.3	-12.6	-46.7	-41.2	-62.1	-67.6
<b>Net profit</b>	<b>47.9</b>	<b>28.7</b>	<b>111.0</b>	<b>91.5</b>	<b>152.8</b>	<b>172.3</b>
<b>Net profit attributable to:</b>						
The parent company's shareholders	47.9	28.7	111.0	91.5	152.8	172.3
<b>Earnings per share</b>						
before dilution (SEK)	4.09	2.45	9.49	7.83	13.08	14.74
after dilution (SEK)	4.09	2.44	9.49	7.80	13.03	14.72

## Consolidated statement of comprehensive income

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2016	2015	2016	2015	2015	12 months
<b>Net profit</b>	<b>47.9</b>	<b>28.7</b>	<b>111.0</b>	<b>91.5</b>	<b>152.8</b>	<b>172.3</b>
<b>Other comprehensive income</b>						
<b>Items that cannot be reclassified to the income statement</b>						
Revaluation of defined-benefit pension plans	-6.1	-0.6	-7.6	-0.2	1.8	-5.6
Tax relating to items that cannot be reclassified to the income statement	1.7	-0.0	2.1	-0.0	-0.5	1.6
	<b>-4.4</b>	<b>-0.6</b>	<b>-5.5</b>	<b>-0.2</b>	<b>1.3</b>	<b>-4.0</b>
<b>Items that have been or can be reclassified to the income statement</b>						
Exchange differences arising on translation of foreign operations	13.2	-7.2	21.1	4.7	-7.1	9.3
Cash flow hedges	-0.7	-0.2	-3.7	-0.2	1.4	-2.1
Tax relating to items that can be reclassified to the income statement	0.2	-0.0	0.8	0.0	-0.3	0.5
	<b>12.7</b>	<b>-7.4</b>	<b>18.2</b>	<b>4.5</b>	<b>-6.0</b>	<b>7.7</b>
<b>Other comprehensive income for the period, net after tax</b>	<b>8.3</b>	<b>-8.0</b>	<b>12.7</b>	<b>4.3</b>	<b>-4.7</b>	<b>3.7</b>
<b>Total comprehensive income for the period</b>	<b>56.2</b>	<b>20.7</b>	<b>123.7</b>	<b>95.8</b>	<b>148.1</b>	<b>176.0</b>
<b>Total comprehensive income attributable to:</b>						
The parent company's shareholders	56.2	20.7	123.7	95.8	148.1	176.0

## Consolidated statement of financial position in summary

SEK million	Note	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>Assets</b>				
Goodwill		697.4	680.0	688.6
Other intangible assets		112.3	94.3	102.4
Tangible assets		261.0	262.4	262.8
Long-term receivables		5.6	5.4	5.1
Deferred tax assets		71.8	108.8	76.3
<b>Total fixed assets</b>		<b>1,148.1</b>	<b>1,150.9</b>	<b>1,135.2</b>
Inventories		368.1	354.2	330.7
Accounts receivable	1	544.2	485.4	538.8
Other current receivables	1	291.7	218.4	299.7
Cash and cash equivalents	1	254.0	248.6	261.4
<b>Total current assets</b>		<b>1,458.0</b>	<b>1,306.6</b>	<b>1,430.6</b>
<b>Total assets</b>		<b>2,606.1</b>	<b>2,457.5</b>	<b>2,565.8</b>
<b>Equity</b>				
		<b>903.9</b>	<b>782.9</b>	<b>837.1</b>
<b>Liabilities</b>				
Long-term interest-bearing liabilities	1	792.0	765.4	788.2
Other long-term liabilities		1.3	1.2	1.2
Pension liabilities		115.9	110.5	107.7
Other provisions		8.7	12.0	8.2
Deferred tax liabilities		28.7	17.3	29.8
<b>Total long-term liabilities</b>		<b>946.6</b>	<b>906.4</b>	<b>935.1</b>
Current interest-bearing liabilities	1	0.4	30.0	1.1
Accounts payable	1	275.4	300.2	362.1
Other current liabilities	1	442.5	388.8	384.3
Provisions		37.3	49.2	46.1
<b>Total current liabilities</b>		<b>755.6</b>	<b>768.2</b>	<b>793.6</b>
<b>Total liabilities</b>		<b>1,702.2</b>	<b>1,674.6</b>	<b>1,728.7</b>
<b>Total equity and liabilities</b>		<b>2,606.1</b>	<b>2,457.5</b>	<b>2,565.8</b>

## Consolidated statement of changes in equity in summary

SEK million	30 Sep 2016	30 Sep 2015	31 Dec 2015
Opening balance on 1 January	837.1	733.3	733.3
Net profit	111.0	91.5	152.8
Other comprehensive income			
Change in translation reserve	21.1	4.7	-7.1
Cash flow hedges, net of tax	-2.9	-0.2	1.1
Revaluation of defined-benefit pension plans, net of tax	-5.5	-0.2	1.3
<b>Total other comprehensive income for the year</b>	<b>12.7</b>	<b>4.3</b>	<b>-4.7</b>
<b>Total comprehensive income for the year</b>	<b>123.7</b>	<b>95.8</b>	<b>148.1</b>
Transactions with Group owners			
Dividend paid	-58.4	-46.7	-46.7
Share-based payments	1.5	0.5	2.4
<b>Closing balance at the end of period</b>	<b>903.9</b>	<b>782.9</b>	<b>837.1</b>

## Cash flow statement for the Group in summary

SEK million	Note	1 Jan-30 Sep 2016	1 Jan-30 Sep 2015	Full year 2015	Oct-Sep 12 months
Operating profit		164.8	153.8	242.0	253.0
Adjustment for:					
Depreciation of fixed assets		35.5	36.3	47.9	47.1
Other adjustments		-9.5	7.7	1.4	-15.8
Interest received and paid incl. other financial items		-8.5	-17.6	-25.7	-16.6
Taxes paid		-48.6	-50.6	-60.8	-58.8
<b>Cash flow from operating activities before changes in working capital</b>		<b>133.7</b>	<b>129.6</b>	<b>204.8</b>	<b>208.9</b>
Cash flow from changes in working capital		-49.5	-100.1	-124.1	-73.5
<b>Cash flow from operating activities</b>		<b>84.2</b>	<b>29.5</b>	<b>80.7</b>	<b>135.4</b>
Net investment in fixed assets		-29.7	-47.8	-63.6	-45.5
Acquisitions	2	5.2	-22.4	-43.2	-15.6
<b>Cash flow before financing activities</b>		<b>59.7</b>	<b>-40.7</b>	<b>-26.1</b>	<b>74.3</b>
Dividend paid		-58.4	-46.7	-46.7	-58.4
Cash flow from other financing activities		-17.5	3.5	4.4	-16.6
<b>Cash flow for the period</b>		<b>-16.2</b>	<b>-83.9</b>	<b>-68.4</b>	<b>-0.7</b>
Cash and cash equivalents at the beginning of the period		261.4	325.0	325.0	261.4
Translation differences		8.8	7.5	4.8	6.1
<b>Cash and cash equivalents at the end of the period</b>		<b>254.0</b>	<b>248.6</b>	<b>261.4</b>	<b>266.8</b>



## Income statement for the parent company in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2016	2015	2016	2015	2015	12 months
Operating profit	-14.8	-10.6	-44.7	-42.4	-68.1	-70.4
Result from investment in subsidiaries	2.5	54.9	79.3	163.2	174.3	90.4
Other financial items	-2.5	-6.1	8.4	-7.2	5.2	20.8
<b>Profit/loss after financial items</b>	<b>-14.8</b>	<b>38.1</b>	<b>43.0</b>	<b>113.6</b>	<b>111.4</b>	<b>40.8</b>
Appropriations	-	-	-	-	82.7	82.7
<b>Profit before tax</b>	<b>-14.8</b>	<b>38.1</b>	<b>43.0</b>	<b>113.6</b>	<b>194.1</b>	<b>123.5</b>
Taxes	-9.3	-	-9.3	-	1.0	-8.3
<b>Net profit/loss</b>	<b>-24.1</b>	<b>38.1</b>	<b>33.7</b>	<b>113.6</b>	<b>195.1</b>	<b>115.2</b>

## Statement of comprehensive income for the parent company in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2016	2015	2016	2015	2015	12 months
<b>Net profit/loss</b>	<b>-24.1</b>	<b>38.1</b>	<b>33.7</b>	<b>113.6</b>	<b>195.1</b>	<b>115.2</b>
Other comprehensive income	-	-	-	-	-	-
Items that cannot be reclassified to the income statement	-	-	-	-	-	-
Items that have been or can be reclassified to the income statement	-	-	-	-	-	-
Other comprehensive income for the period, net after tax	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-24.1</b>	<b>38.1</b>	<b>33.7</b>	<b>113.6</b>	<b>195.1</b>	<b>115.2</b>

## Balance sheet for the parent company in summary

SEK million	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>Assets</b>			
Total fixed assets	1,472.6	1,464.5	1,472.1
Total current assets	297.2	247.7	354.1
<b>Total assets</b>	<b>1,769.8</b>	<b>1,712.2</b>	<b>1,826.2</b>
<b>Shareholders' equity</b>	<b>692.3</b>	<b>632.1</b>	<b>715.5</b>
<b>Liabilities</b>			
Total long-term liabilities	791.3	764.0	787.2
Total current liabilities	286.2	316.1	323.5
<b>Total liabilities</b>	<b>1,077.5</b>	<b>1,080.1</b>	<b>1,110.7</b>
<b>Total equity and liabilities</b>	<b>1,769.8</b>	<b>1,712.2</b>	<b>1,826.2</b>

## Statements of changes in parent company shareholders' equity in summary

SEK million	30 Sep 2016	30 Sep 2015	31 Dec 2015
Opening balance on 1 January	715.5	564.7	564.7
Net profit	33.7	113.6	195.1
Other comprehensive income			
<b>Total other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>33.7</b>	<b>113.6</b>	<b>195.1</b>
Transactions with owners			
Dividend paid	-58.4	-46.7	-46.7
Share-based payments	1.5	0.5	2.4
<b>Closing balance at the end of period</b>	<b>692.3</b>	<b>632.1</b>	<b>715.5</b>

## Related party transactions of the parent company

<b>SEK million</b>	<b>30 Sep 2016</b>
Subsidiaries	
Net sales	20.7
Dividend received	79.3
Financial income and expenses	17.4
Receivables as per 30 Sep	747.0
Liabilities as per 30 Sep	255.4

## Note 1: Fair value and reported value in the statement of financial position

	30 September 2016			
SEK million	Measured at fair value through profit and loss	Derivatives that are used for hedge accounting	Financial assets and liabilities not recorded at fair value	Total book value
Accounts receivable	-	-	544.2	544.2
Foreign exchange forward contracts entered *)	-	0.6	-	0.6
Other current receivables	-	-	211.6	211.6
Cash and cash equivalents	-	-	254.0	254.0
<b>Total</b>	<b>-</b>	<b>0.6</b>	<b>1,009.8</b>	<b>1,010.4</b>
Financial leasing liabilities	-	-	0.5	0.5
Bank loans	-	-	791.8	791.8
Accounts payable	-	-	275.4	275.4
Foreign exchange forward contracts entered *)	-	3.6	-	3.6
Other current liabilities	-	-	403.5	403.5
<b>Total</b>	<b>-</b>	<b>3.6</b>	<b>1,471.2</b>	<b>1,474.8</b>

\*) The Group holds financial instruments in the form of currency futures that are recorded at fair value in the balance sheet. The fair value of currency futures is determined by discounting the difference between the contracted forward rate and the forward rate that can be subscribed on the closing date for the remaining contracted period. Discounting is made using market rates. The fair value for all contracts has been determined from directly or indirectly observable market data, i.e. level 2 according to IFRS 7. For other financial instruments, the fair value and the book value are materially consistent. For further information, refer to note 24 in the 2015 Annual Report.

## Note 2: Acquisitions

The acquisition analysis of the 2015 acquisition of National Conveyors Company Inc. (NCC) has been adjusted by SEK 5.2 million mainly due to the adjustment of the purchase price after the final calculation of net working capital. The adjustment has reduced goodwill by the same amount.

## NOTE 3: Alternative performance measures

In addition to information on our reported IFRS results, we provide certain information on an underlying business performance basis. We believe that our underlying business performance measures provide meaningful supplemental information to both management, investors and other stakeholders. These underlying business performance measures should not be viewed in isolation or as substitutes to the equivalent IFRS measures, but should be used in conjunction with the most directly comparable IFRS measures in the reported results. This is a consistent application compared to previous periods. The following underlying business measures are used:

Adjusted operating profit  
Adjusted operating margin  
EBITDA  
Adjusted EBITDA

Adjusted EBITDA margin  
Net debt  
Net debt/equity ratio  
Return on shareholders' equity

Return on working capital  
Net debt/Adjusted EBITDA  
Interest cover ratio  
Organic growth

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2016	2015	2016	2015	2015	12 months
Operating profit	68.6	51.4	164.8	153.8	242.0	253.0
Acquisition cost	-	-0.2	-	-0.2	-1.1	-0.9
Restructuring cost	-	-20.0	-	-20.0	-20.0	-
<b>Adjusted operating profit</b>	<b>68.6</b>	<b>71.6</b>	<b>164.8</b>	<b>174.0</b>	<b>263.1</b>	<b>253.9</b>
Adjusted operating profit	68.6	71.6	164.8	174.0	263.1	253.9
Net sales	792.0	796.7	2,287.2	2,299.4	3,198.0	3,185.8
<b>Adjusted operating margin, %</b>	<b>8.7</b>	<b>9.0</b>	<b>7.2</b>	<b>7.6</b>	<b>8.2</b>	<b>8.0</b>
Operating profit	68.6	51.4	164.8	153.8	242.0	253.0
Depreciation	-11.4	-11.8	-35.5	-36.3	-47.9	-47.1
<b>EBITDA</b>	<b>80.0</b>	<b>63.2</b>	<b>200.3</b>	<b>190.1</b>	<b>289.9</b>	<b>300.1</b>
EBITDA	80.0	63.2	200.3	190.1	289.9	300.1
Acquisition cost	-	-0.2	-	-0.2	-1.1	-0.9
Restructuring cost	-	-20.0	-	-20.0	-20.0	-
<b>Adjusted EBITDA</b>	<b>80.0</b>	<b>83.4</b>	<b>200.3</b>	<b>210.3</b>	<b>311.0</b>	<b>301.0</b>
Adjusted EBITDA	80.0	83.4	200.3	210.3	311.0	301.0
Net sales	792.0	796.7	2,287.2	2,299.4	3,198.0	3,185.8
<b>Adjusted EBITDA margin, %</b>	<b>10.1</b>	<b>10.5</b>	<b>8.8</b>	<b>9.1</b>	<b>9.7</b>	<b>9.5</b>
Cash and cash equivalents					261.4	254.0
Long-term interest-bearing liabilities					788.2	792.0
Pension liabilities					107.7	115.9
Current interest-bearing liabilities					1.1	0.4
<b>Net debt</b>					<b>635.6</b>	<b>654.3</b>
Net debt					635.6	654.3
Equity - closing balance					837.1	903.9
<b>Net debt/equity ratio, %</b>					<b>75.9</b>	<b>72.4</b>
Equity - opening balance	847.2	762.0	837.1	733.3	733.3	782.9
Equity - closing balance	903.9	782.9	903.9	782.9	837.1	903.9
Equity - average	875.5	772.4	870.5	758.1	785.2	843.4
Net profit	47.9	28.7	111.0	91.5	152.8	172.3
<b>Return on shareholders' equity, %</b>	<b>21.9</b>	<b>14.8</b>	<b>17.0</b>	<b>16.1</b>	<b>19.5</b>	<b>20.4</b>

## NOTE 3: Alternative performance measures, continued

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2015	Oct-Sep 12 months
	2016	2015	2016	2015		
Equity - average	875.5	772.4	870.5	758.1	785.2	843.4
Net Debt - opening balance	675.1	625.6	635.6	556.6	556.6	657.3
Net Debt - closing balance	654.3	657.3	654.3	657.3	635.6	654.3
Net Debt - average	664.7	641.5	645.0	606.9	596.1	655.8
Working capital - average	1,540.2	1,413.9	1,515.4	1,365.0	1,381.3	1,499.2
Adjusted operating profit	68.6	71.6	164.8	174.0	263.1	253.9
<b>Return on working capital, %</b>	<b>17.8</b>	<b>20.3</b>	<b>14.5</b>	<b>17.0</b>	<b>19.0</b>	<b>16.9</b>
Net debt					635.6	654.3
Adjusted EBITDA					311.0	301.0
<b>Net debt/Adjusted EBITDA, multiple</b>					<b>2.0</b>	<b>2.2</b>
Profit before tax					214.9	239.9
Financial expense					-30.0	-23.4
Acquisition cost					-1.1	-0.9
Restructuring cost					-20.0	-
EBT excl. financial expense, acquisition cost and re- structurin costs					266.0	264.3
Financial expense					-30.0	-23.4
<b>Interest cover ratio</b>					<b>8.9</b>	<b>11.3</b>
Incoming orders, same period in previous year	846.7	701.1	2,439.6	2,025.7	2,764.8	
Incoming orders, organic	-152.1	68.2	-272.8	145.2	108.0	
Incoming orders, currency effects	-2.5	76.5	-35.3	267.8	287.7	
Incoming orders, acquisitions	4.5	0.9	30.3	0.9	11.3	
<b>Incoming orders</b>	<b>696.6</b>	<b>846.7</b>	<b>2,161.8</b>	<b>2,439.6</b>	<b>3,171.8</b>	
Order growth, %, organic	-18.0	10.7	-11.2	8.1	4.4	
Order growth, %, currency effects	-0.3	10.0	-1.6	12.3	10.0	
Order growth, %, acquisitions	0.6	0.1	1.4	0.0	0.4	
<b>Order growth, %,</b>	<b>-17.7</b>	<b>20.8</b>	<b>-11.4</b>	<b>20.4</b>	<b>14.7</b>	
Net sales, same period previous year	796.7	733.0	2,299.4	2,020.0	2,826.9	
Net sales, organic	-7.4	-10.8	-17.7	22.3	40.2	
Net sales, currency effects	-7.5	72.9	-34.8	255.5	295.6	
Net sales, acquisitions	10.2	1.6	40.3	1.6	35.3	
<b>Net sales</b>	<b>792.0</b>	<b>796.7</b>	<b>2,287.2</b>	<b>2,299.4</b>	<b>3,198.0</b>	
Sales growth, %, organic	-0.9	-1.6	-0.8	1.3	1.7	
Sales growth, %, currency effects	-1.0	10.1	-1.5	12.4	10.2	
Sales growth, %, acquisitions	1.3	0.2	1.8	0.1	1.2	
<b>Sales growth, %</b>	<b>-0.6</b>	<b>8.7</b>	<b>-0.5</b>	<b>13.8</b>	<b>13.1</b>	

## Operating segment reporting

Non-allocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2016	2015	2016	2015	2015	12 months
<b>EMEA</b>						
Incoming orders	322.5	332.2	1,043.9	1,076.9	1,431.5	1,398.5
External net sales	355.8	359.7	1,046.5	1,049.3	1,455.8	1,453.0
Depreciation	-5.5	-5.2	-17.2	-16.1	-21.6	-22.7
Adjusted operating profit	47.0	54.1	117.6	117.1	168.6	169.4
Adjusted operating margin, %	13.2	15.0	11.2	11.2	11.6	11.6
<b>APAC</b>						
Incoming orders	84.0	113.4	283.1	269.4	360.2	373.9
External net sales	117.3	101.2	285.0	256.7	362.6	390.9
Depreciation	-1.3	-1.2	-3.6	-4.2	-5.3	-4.7
Adjusted operating profit	2.9	-1.0	-12.2	-13.9	-5.7	-4.0
Adjusted operating margin, %	2.5	-1.0	-4.3	-5.4	-1.6	-1.0
<b>Americas</b>						
Incoming orders	290.1	401.1	834.8	1,093.3	1,380.1	1,121.6
External net sales	318.9	335.8	955.7	993.4	1,379.6	1,341.9
Depreciation	-3.5	-3.3	-11.0	-9.5	-12.8	-14.3
Adjusted operating profit	33.0	33.7	97.7	118.5	163.8	143.0
Adjusted operating margin, %	10.4	10.0	10.2	11.9	11.9	10.7
<b>Other - non-allocated</b>						
Depreciation	-1.1	-2.1	-3.7	-6.5	-8.2	-5.4
Adjusted operating profit	-14.3	-15.2	-38.3	-47.7	-63.6	-54.2
<b>Group</b>						
Incoming orders	696.6	846.7	2,161.8	2,439.6	3,171.8	2,894.0
Net sales	792.0	796.7	2,287.2	2,299.4	3,198.0	3,185.8
Depreciation	-11.4	-11.8	-35.5	-36.3	-47.9	-47.1
Adjusted operating profit	68.6	71.6	164.8	174.0	263.1	253.9
Acquisition cost	-	-0.2	-	-0.2	-1.1	-0.9
Restructuring cost	-	-20.0	-	-20.0	-20.0	-
Operating profit	68.6	51.4	164.8	153.8	242.0	253.0
Profit before tax	67.2	41.3	157.7	132.7	214.9	239.9
Net profit	47.9	28.7	111.0	91.5	152.8	172.3

# Auditor's Review Report

Nederman Holding AB (publ), Swedish corporate identity no. 556576-4205

## Introduction

We have carried out a review of the interim financial information in summary (the interim report) for Nederman Holding AB as per 30 September 2016 and the nine-month period that ended on this date. The preparation of these accounts and their presentation in this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act is the responsibility of the Board of Directors and the CEO. Our responsibility is to express an opinion on this interim report based on our review.

## The focus and scope of the review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially narrower in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted accounting principles in Sweden.

The audit measures taken in a review do not enable us to obtain assurance that we would become aware of all significant matters that might have been identified in an audit. The conclusion based on a review does not therefore have the assurance that a conclusion based on an audit has.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information has not been prepared, in all material respects, for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act.

Helsingborg, 19 October 2016

Ernst & Young AB

Staffan Landén

Authorized Public Accountant



## Financial calendar

### Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Wednesday, 19 October at 10.00. Nederman's President and CEO, Sven Kristensson and CFO, Stefan Fristedt will present the report and answer questions.

To participate in the conference please call SE: +46 8 566 426 65 or UK tel. no. +44 203 008 9803. The conference will also be streamed over the internet.

Visit our website to participate in the webcast

<http://www.nedermangroup.com/sv-SE/Investors/Reports/Webcast>.

### Dates for the publication of financial information

- 2016 Year-end report: 10 February 2017
- Q1 Report: 19 April 2017
- Annual General Meeting: 19 April 2017
- Q2 Report: 12 July 2017
- Q3 Report: 18 October 2017

This report contains forward-looking statements that are based on the current expectations of Nederman's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

Nederman is required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instrument Trading Act. The information was submitted for publication on 19 October 2016 at 08.00.

### Further information can be obtained from

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For further information, see Nederman's website [www.nederman.com](http://www.nederman.com)

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## Definitions

**Adjusted EBITDA**

Operating profit before depreciation and amortisation, excluding acquisition and restructuring costs.

**Adjusted EBITDA margin**

Adjusted EBITDA as percentage of net sales.

**Adjusted operating margin**

Adjusted operating profit as percentage of net sales.

**Adjusted operating profit**

Operating profit excluding acquisition and restructuring cost

**Annual average**

Average of year-beginning and year-end balance.

**Earnings per share (after dilution)**

Net profit attributable to Parent Company shareholders plus average number of convertibles and options divided by average number of shares outstanding, as calculated in accordance with IAS 33.

**Earnings per share (before dilution)**

Net profit attributable to Parent Company shareholders divided by average number of shares outstanding.

**EBITDA**

Operating profit before depreciation and amortisation.

**EBITDA margin**

EBITDA as a percentage of net sales.

**Equity/asset ratio**

Equity divided by total assets (balance sheet total).

**Interest coverage ratio**

Profit before tax with return of financial costs in relation to financial cost

**Net debt**

Interest bearing liabilities (including pensions) minus cash and cash equivalents

**Net debt/equity ratio**

Net debt divided by shareholders' equity.

**Operating capital**

Shareholders' equity plus net debt.

**Operating margin**

Operating profit as percentage of net sales.

**Operating profit**

Operating profit after depreciation and impairment.

**Organic growth**

The organic growth is the growth exclusive of acquisition and currency effects compared with the same period last year.

**Return on shareholders' equity**

Net profit for the period divided by average shareholders' equity

**Return on operating capital**

Adjusted operating profit as a percentage of average operating capital