

Financial statement

January - December 2016

Q4 2016

- Incoming orders amounted to SEK 830.5m (732.2), which organically is an increase of 9.1% compared with the same period last year.
- Net sales amounted to SEK 820.1m (898.6), which organically is a decrease of 12.6% compared with the same period last year.
- Adjusted operating profit was SEK 85.5m (89.1), giving an adjusted operating margin of 10.4% (9.9).
- Operating profit was SEK 85.5m (88.2), giving an operating margin of 10.4% (9.8).
- Net profit was SEK 61.1m (61.3).
- Earnings per share were SEK 5.23 (5.24).

January - December 2016

- Incoming orders amounted to SEK 2,992.3m (3,171.8), which organically is a decrease of 6.7% compared with the same period last year.
- Net sales amounted to SEK 3,107.3m (3,198.0), which organically is a decrease of 4.0% compared with the same period last year.
- Adjusted operating profit was SEK 250.3m (263.1), giving an adjusted operating margin of 8.1% (8.2).
- Operating profit was SEK 250.3m (242.0), giving an operating margin of 8.1% (7.6).
- Net profit was SEK 172.1m (152.8).
- Earnings per share were SEK 14.72 (13.07).
- The Board of Directors proposes a dividend of SEK 5.50 (5.00) per share.



CEO's comments

"Nedermans product, service and smaller solution sales, also named core business, had a solid performance during the quarter within both the EMEA and the Americas with an organic growth in incoming orders of 10.5% and 17.3% respectively. Total incoming orders in the quarter increased by SEK 98m, corresponding to an organic growth of 9.1%. Incoming orders for the full year totalled 2,992.3m (3,171.8), which organically is a decrease of 6.7%.

The European market is deemed to be stable and is characterised by cautious optimism. In the Americas, the market situation continues to be characterised by great uncertainty with prolonged decision-making processes, although there are positive undertones in the USA. The uncertain situation in the region is expected though to continue for several quarters to come.

Our greatest challenge continues to be the uncertainty around sale of major projects in the USA and China. Demand in the USA has been affected by the downturn in industrial production in the last twelve months. In China, we see lower economic activity which limits the number of major investments and the economic development in the country is difficult to assess at the moment. Yet in the long-term, Nederman foresees future business opportunities in China due to increased environmental awareness.

In the APAC region, we completed the final measures relating to cost and structural adjustments in Thailand and Australia. The market situation in Thailand continues to be difficult, but in Australia our measures have had a very positive effect on profitability in this market.

The Group's operating profit in the quarter was satisfactory. Cash flow from operating activities was improved for the full year."

Sven Kristensson, CEO





Operating segment - Americas

Incoming orders in the quarter increased by 17.3% at the same time as adjusted operating profit fell to SEK 42.7m (45.3) due to lower invoicing volume. Sales for the full year totalled 1,307.1m (1,379.6). The reason for the fall is fewer major projects in 2016.

General market situation

The US market continues to be characterised by great uncertainty although some positive undertones can be discerned. This uncertainty, which is expected to continue for some time, together with lower activity within the mining and energy sector, has led to weak demand for large systems throughout 2016. The US industrial segment with the strongest development during the year has been the wood products industry. The Brazilian economy is still weak, but the authorities' stricter requirements for compliance with the country's environmental laws have had a positive effect on 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 has had a large negative effect on Nederman's sales of large systems. During the quarter, the number of potential projects has been low and the overall outlook for system sales in the coming quarters continues to be weak. The housing market continues to perform well in the US, which had a positive effect on Nederman's sales to the wood products industry. Nederman's core business with products and services had a solid performance during the quarter.

Canada had a good performance in the quarter and shows a positive trend for the full year. The positive development is driven, among other factors, by an agreement with a national distributor in the welding segment, which has resulted in a positive effect on core business.

Brazil has been characterised for a long time by low economic activity. Despite this, Nederman has had a relatively good de-

Incoming orders
in the quarter:
SEK 359.7m (286.8)

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

velopment in the country and after a weaker third quarter, incoming orders increased again in the last quarter of the year.

Incoming orders and sales

Incoming orders amounted to SEK 359.7m during the quarter. Organically, this corresponds to an increase of 17.3% compared with the corresponding quarter of 2015.

Incoming orders for the 2016 full year totalled SEK 1,194.5m. Organically, this corresponds to a decrease of 16.7% compared with 2015.

Net sales during the quarter amounted to SEK 351.4m. Organically, this corresponds to a decrease of 16.6% compared with the corresponding quarter of 2015.

Net sales for the 2016 full year totalled SEK 1,307.1m. Organically, this corresponds to a decrease of 8.7% compared with 2015.

Key ratios

SEK million	Oct 1 - Dec 31		Organic growth, %	Jan 1 - Dec 31		Organic growth, %
	2016	2015		2016	2015	
Incoming orders	359.7	286.8	17.3	1,194.5	1,380.1	-16.7
External net sales	351.4	386.2	-16.6	1,307.1	1,379.6	-8.7
Depreciation	-4.7	-3.3		-15.7	-12.8	
Adjusted operating profit	42.7	45.3		140.4	163.8	
Adjusted operating margin, %	12.2	11.7		10.7	11.9	



EMEA operating segment

EMEA's strong close to Q3 continued into Q4 with double-digit growth in incoming orders. The strong close to the year also gave organic growth for the year as a whole. Growth during the quarter has been achieved thanks to continued strong development of core business, and also to a good level of system sales. There was continued improvement in profitability for the whole year.

General market situation

There are 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 are difficult to assess, and the political situation in Turkey and the conflict in Syria are having a strong negative impact on sales in this part of the EMEA region.

Development per country

The market in the UK and in Ireland saw strong growth in Q4 with good sales figures for system solutions and a positive development for core business.

In Germany, incoming orders developed positively in Q4 with a solid development for core business.

The Nordic countries saw double-digit growth in the quarter driven by a strong performance in the Danish market.

In the Benelux countries, Belgium posted a strong Q4 while the development in the Dutch market was weaker.

Southern Europe, and especially France and Spain, also experienced a positive development in the quarter.

The Turkish market saw weak development in the quarter. The Polish and Czech markets were also weak during the quarter.

**Incoming orders
in the quarter:
SEK 395.5m (354.6)**

Strong growth in incoming orders in the quarter (10.5%) resulted in organic growth for the full year (0.6%).

Incoming orders and sales

Incoming orders amounted to SEK 395.5m during the quarter. Organically, this corresponds to an increase of 10.5% compared with the corresponding quarter of 2015.

Incoming orders for the 2016 full year totalled SEK 1,439.4m. Organically, this corresponds to an increase of 0.6% compared with 2015.

Net sales during the quarter totalled to SEK 374.1m. Organically, this corresponds to a decrease of 8.9% compared with the corresponding quarter of 2015.

Net sales for the 2016 full year totalled 1,420.6m. Organically, this corresponds to a decrease of 2.5% compared with 2015.

Key ratios

SEK million	2016	Oct 1 - Dec 31 2015	Organic growth, %	2016	Jan 1 - Dec 31 2015	Organic growth, %
Incoming orders	395.5	354.6	10.5	1,439.4	1,431.5	0.6
External net sales	374.1	406.5	-8.9	1,420.6	1,455.8	-2.5
Depreciation	-5.0	-5.5		-22.2	-21.6	
Adjusted operating profit	50.5	51.5		168.1	168.6	
Adjusted operating margin, %	13.5	12.7		11.8	11.6	



APAC operating segment

Nederman is currently carrying out a realignment of its business activities in Asia. In China, developments are characterised by continued uncertainty and low investments while there is cautious optimism in several other Asian countries. Incoming orders in the quarter for the operating segment as a whole totalled SEK 75.3m (90.8).

General market situation

There are good opportunities within the APAC region although some industrial segments are characterised by weak demand and prolonged decision-making processes. This applies not least to the commodity-intensive countries. In China, the new environmental legislation which came into force on 1 January 2016 entails a greater focus on environmental issues, in particular in regard to pollutant emissions and industries at risk of dust explosion hazards. However, there is inertia before the new legislation will lead to actual investments. India continues to show good growth, particularly within the manufacturing industry which is posting double digit growth.

Development per country

In China, the market remained cautious with slower expansion of industrial production in the quarter, which resulted in lower order intake and sales.

South-east Asia had a weak fourth quarter. Above all it was the development in Thailand that burdened the region with continued weak demand.

India reported weaker growth during Q4 but experienced a positive trend in 2016 as a whole. The positive development is driven, among other factors, by the general high growth experienced by the country's manufacturing industries.

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 continued to have a positive impact on profitability in Q4.

Incoming orders
in the quarter:
SEK 75.3m (90.8)

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

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 75.3m. Organically, this corresponds to a decrease of 21.2% compared with the corresponding quarter of 2015.

Incoming orders for the 2016 full year totalled SEK 358.4m. Organically, this corresponds to an increase of 1.7% compared with 2015.

Net sales during the quarter amounted to SEK 94.6m. Organically, this corresponds to a decrease of 13.2% compared with the corresponding quarter of 2015.

Net sales for the 2016 full year totalled SEK 379.6m. Organically, this corresponds to an increase of 7.0% compared with 2015.

Key ratios

SEK million	2016	Oct1 - Dec31 2015	Organic growth, %	2016	Jan1 - Dec31 2015	Organic growth, %
Incoming orders	75.3	90.8	-21.2	358.4	360.2	1.7
External net sales	94.6	105.9	-13.2	379.6	362.6	7.0
Depreciation	-1.1	-1.1		-4.7	-5.3	
Adjusted operating profit	2.9	8.2		-9.3	-5.7	
Adjusted operating margin, %	3.1	7.7		-2.5	-1.6	

Future outlook

The situation in Europe is stable with a positive development of Nedermans product, service and smaller solution sales, also named 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 some time. In China, economic activity is lower than before, which limits the number of major investments and the economic development in the country is difficult to assess at the moment.

Dividend

The Board of Directors proposes a dividend to shareholders of SEK 5.50 per share (5.00).

Q4 2016

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 830.5m (732.2). Organically, this corresponds to an increase of 9.1% compared with the corresponding quarter of 2015.

Net sales for the quarter amounted to SEK 820.1 million (898.6). Organically, this corresponds to a decrease of 12.6% compared with the corresponding quarter of 2015.

Profit/loss

The consolidated operating profit for the quarter was SEK 85.5m (88.2), which gave an operating profit margin of 10.4 per cent (9.8).

Adjusted operating profit amounted to SEK 85.5m (89.1).

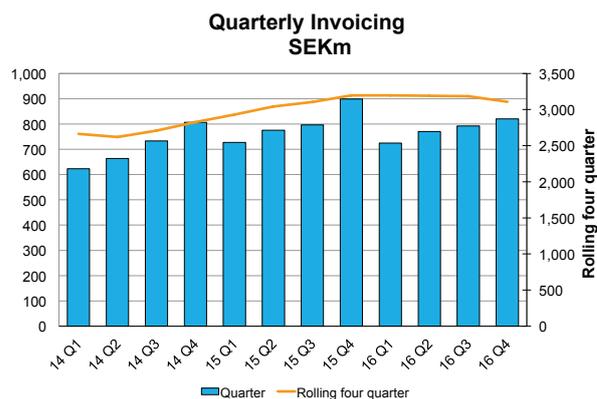
Adjusted operating margin was 10.4% (9.9).

Profit before tax decreased to SEK 74.0m (82.2).

Net profit was SEK 61.1 (61.3), which gave earnings per share of SEK 5.23 (5.24).

Capital expenditure

Capital expenditure during the quarter was SEK 15.6m (16.0).



January - December 2016

Incoming orders and sales

Incoming orders were SEK 2,992.3m (3,171.8). Organically, this corresponds to a decrease of 6.7% compared with the corresponding quarter of 2015.

Net sales amounted to SEK 3,107.3m (3,198.0). Organically, this corresponds to a decrease of 4.0% compared with the corresponding quarter of 2015.

Profit/loss

Consolidated operating profit for the quarter was SEK 250.3m (242.0), which gave an operating profit margin of 8.1% (7.6). Adjusted operating profit amounted to SEK 250.3m (263.1). Adjusted operating margin was 8.1% (8.2). Profit before tax increased to SEK 231.7m (214.9). Net profit was SEK 172.1 (152.8), which gave earnings per share of SEK 14.72 (13.07).

Cash flow and capital expenditure

Cash flow for the year amounted to SEK 19.2m (-68.4). Compared with the corresponding period last year, cash flow was primarily affected positively by changes in working capital and a lower level of investments. Operating profit contributed slightly more than the same period last year.

Capital expenditure during the period was SEK 45.9m (67.0), of which capitalised development costs amounted to SEK 6.7m (7.9).

Other financial information

Liquidity: At the end of the period the Group had SEK 287.8m in cash and cash equivalents as well as SEK 101.9m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 445.7m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 252.3m within Nederman's loan agreement with SHB.

The equity in the Group as of 31 December 2016 amounted to SEK 982.2m (837.1).

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 37.0 per cent as of 31 December 2016 (32.6). The net debt/equity ratio was 53.4 per cent (75.9).

Number of employees

The average number of employees during the period was 1,760 (1,833). The number of employees at the end of the period was 1,743 (1,916).

Key figures, Group

SEK million	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Net sales	820.1	898.6	3,107.3	3,198.0
Adjusted EBITDA	97.7	100.7	298.0	311.0
Adjusted EBITDA margin, %	11.9	11.2	9.6	9.7
Operating profit	85.5	88.2	250.3	242.0
Operating margin, %	10.4	9.8	8.1	7.6
Adjusted operating profit	85.5	89.1	250.3	263.1
Adjusted operating margin, %	10.4	9.9	8.1	8.2
Profit before tax	74.0	82.2	231.7	214.9
Net profit	61.1	61.3	172.1	152.8
Earnings per share, SEK	5.23	5.24	14.72	13.07
Return on shareholders' equity, %	25.9	30.3	18.9	19.5
Return on operating capital, %	22.3	24.5	16.8	19.0
Net debt			524.3	635.6
Net debt/equity ratio, %			53.4	75.9
Net debt/Adjusted EBITDA, multiple			1.8	2.0
Interest cover ratio			11.8	8.9

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

Accounting policies

The consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The 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 2017 and beyond

IFRS 15, effective for fiscal 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 fiscal 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. The standard is expected to be approved by the EU during 2017. An evaluation of the impact of the standard has been started.

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 report has not been reviewed by the company's auditor.

Helsingborg, 10 February 2017

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

Member of the Board and
CEO

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 per cent. 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	Oct1 - Dec 31		Jan1 - Dec 31	
	2016	2015	2016	2015
Net sales	820.1	898.6	3,107.3	3,198.0
Cost of goods sold	-518.6	-585.1	-1,996.3	-2,070.4
Gross profit	301.5	313.5	1,111.0	1,127.6
Selling expenses	-166.8	-166.5	-648.1	-640.7
Administrative expenses	-47.4	-50.7	-209.0	-212.0
Research and development expenses	-1.8	-2.7	-7.8	-6.4
Acquisition cost	-	-0.9	-	-1.1
Restructuring cost	-	-	-	-20.0
Other operating income/expenses	0.0	-4.5	4.2	-5.4
Operating profit	85.5	88.2	250.3	242.0
Financial income	-6.6	0.9	2.8	2.9
Financial expense	-4.9	-6.9	-21.4	-30.0
Net financial income/expense	-11.5	-6.0	-18.6	-27.1
Profit before tax	74.0	82.2	231.7	214.9
Taxes	-12.9	-20.9	-59.6	-62.1
Net profit	61.1	61.3	172.1	152.8
Net profit attributable to:				
The parent company's shareholders	61.1	61.3	172.1	152.8
Earnings per share				
before dilution (SEK)	5.23	5.25	14.72	13.08
after dilution (SEK)	5.23	5.23	14.72	13.03

Consolidated statement of comprehensive income

SEK million	Oct1 - Dec31		Jan1 - Dec31	
	2016	2015	2016	2015
Net profit	61.1	61.3	172.1	152.8
Other comprehensive income				
Items that cannot be reclassified to the income statement				
Revaluation of defined-benefit pension plans	5.3	2.0	-2.3	1.8
Tax relating to items that cannot be reclassified to the income statement	-1.5	-0.5	0.6	-0.5
	3.8	1.5	-1.7	1.3
Items that have been or can be reclassified to the income statement				
Exchange differences arising on translation of foreign operations	13.7	-11.8	34.8	-7.1
Cash flow hedges	0.9	1.6	-2.8	1.4
Tax relating to items that can be reclassified to the income statement	-0.2	-0.3	0.6	-0.3
	14.4	-10.5	32.6	-6.0
Other comprehensive income for the period, net after tax	18.2	-9.0	30.9	-4.7
Total comprehensive income for the period	79.3	52.3	203.0	148.1
Total comprehensive income attributable to:				
The parent company's shareholders	79.3	52.3	203.0	148.1

Consolidated statement of financial position in summary

SEK million	Note	31 Dec 2016	31 Dec 2015
Assets			
Goodwill		708.8	688.6
Other intangible assets		119.0	102.4
Tangible assets		263.8	262.8
Long-term receivables		5.5	5.1
Deferred tax assets		60.7	76.3
Total fixed assets		1,157.8	1,135.2
Inventories		380.6	330.7
Accounts receivable	1	525.1	538.8
Other current receivables	1	302.1	299.7
Cash and cash equivalents	1	287.8	261.4
Total current assets		1,495.6	1,430.6
Total assets		2,653.4	2,565.8
Equity			
		982.2	837.1
Liabilities			
Long-term interest-bearing liabilities	1	702.4	788.2
Other long-term liabilities		1.4	1.2
Pension liabilities		109.2	107.7
Other provisions		6.5	8.2
Deferred tax liabilities		20.9	29.8
Total long-term liabilities		840.4	935.1
Current interest-bearing liabilities	1	0.5	1.1
Accounts payable	1	315.2	362.1
Other current liabilities	1	488.9	384.3
Provisions		26.2	46.1
Total current liabilities		830.8	793.6
Total liabilities		1,671.2	1,728.7
Total equity and liabilities		2,653.4	2,565.8

Consolidated statement of changes in equity in summary

SEK million	31 Dec 2016	31 Dec 2015
Cash and cash equivalents at beginning of period	837.1	733.3
Net profit	172.1	152.8
Other comprehensive income		
Change in translation reserve for the year	34.8	-7.1
Cash flow hedges, net of tax	-2.2	1.1
Revaluation of defined-benefit pension plans, net of tax	-1.7	1.3
Total other comprehensive income for the year	30.9	-4.7
Total comprehensive income for the year	203.0	148.1
Transactions with Group owners		
Dividend paid	-58.4	-46.7
Share-based payments	0.5	2.4
Closing balance at the end of period	982.2	837.1

Consolidated cash flow statement in summary

SEK million	Note	Jan 1 - Dec 31	
		2016	2015
Operating profit		250.3	242.0
Adjustment for:			
Depreciation of fixed assets		47.7	47.9
Other adjustments		-23.4	1.4
Interest received and paid incl. other financial items		-16.9	-25.7
Taxes paid		-62.2	-60.8
Cash flow from operating activities before changes in working capital		195.5	204.8
Cash flow from changes in working capital		44.2	-124.1
Cash flow from operating activities		239.7	80.7
Net investment in fixed assets		-42.5	-63.6
Acquisitions	2	5.2	-43.2
Cash flow before financing activities		202.4	-26.1
Dividend paid		-58.4	-46.7
Cash flow from other financing activities		-124.8	4.4
Cash flow for the year		19.2	-68.4
Cash and cash equivalents at beginning of period		261.4	325.0
Translation differences		7.2	4.8
Cash and cash equivalents at end of period		287.8	261.4

Income statement for the parent company in summary

SEK million	Oct1 - Dec 31		Jan1 - Dec 31	
	2016	2015	2016	2015
Operating profit	-14.3	-25.7	-59.0	-68.1
Result from investment in subsidiaries	5.9	11.1	85.2	174.3
Other financial items	9.9	12.4	18.3	5.2
Profit/loss after financial items	1.5	-2.2	44.5	111.4
Appropriations	101.8	82.7	101.8	82.7
Profit before tax	103.3	80.5	146.3	194.1
Taxes	-4.8	1.0	-14.1	1.0
Net profit for the period	98.5	81.5	132.2	195.1

Statement of comprehensive income for the parent company in summary

SEK million	Oct1 - Dec 31		Jan1 - Dec 31	
	2016	2015	2016	2015
Net profit/loss	98.5	81.5	132.2	195.1
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	-	-	-	-
Total comprehensive income for the period	98.5	81.5	132.2	195.1

Balance sheet for the parent company in summary

SEK million	31 Dec 2016	31 Dec 2015
Assets		
Total fixed assets	1,539.6	1,472.1
Total current assets	463.5	354.1
Total assets	2,003.1	1,826.2
Shareholder's equity	789.8	715.5
Liabilities		
Total long-term liabilities	701.9	787.2
Total current liabilities	511.4	323.5
Total liabilities	1,213.3	1,110.7
Total equity and liabilities	2,003.1	1,826.2

Statement of changes in parent company shareholders' equity in summary

SEK million	31 Dec 2016	31 Dec 2015
Opening balance on 1 January	715.5	564.7
Net profit	132.2	195.1
Other comprehensive income		
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	132.2	195.1
Transactions with owners		
Dividend paid	-58.4	-46.7
Share-based payments	0.5	2.4
Closing balance at the end of period	789.8	715.5

Related party transactions with the parent company

SEK million	31 Dec 2016
Subsidiaries	
Net sales	24.2
Dividend received	95.2
Group contribution received	101.8
Financial income	32.2
Receivables as per 31 Dec	895.7
Liabilities as per 31 Dec	482.4

Pledged assets and contingent liabilities for the parent company

SEK million	31 Dec 2016	31 Dec 2015
Pledged assets	none	none
Contingent liabilities	110.4	131.4

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

	31 Dec 2016			
SEK million	Measured at fair value via income statement	Derivatives that are used for hedge accounting	Financial instruments not reported at fair value	Total carrying amount
Accounts receivable	-	-	525.1	525.1
Foreign exchange forward contracts entered *)	-	0.7	-	0.7
Other current receivables	-	-	202.4	202.4
Cash and cash equivalents	-	-	287.8	287.8
Total	-	0.7	1,015.3	1,016.0
Financial leasing liabilities	-	-	0.5	0.5
Bank loans	-	-	702.4	702.4
Accounts payable	-	-	315.2	315.2
Foreign exchange forward contracts entered *)	-	3.7	-	3.7
Other current liabilities	-	-	430.2	430.2
Total	-	3.7	1,448.3	1,452.0

*) 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 primarily 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 equity

Return on working capital
Net debt/Adjusted EBITDA
Interest Cover Ratio
Organic growth

SEK million	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Operating profit	85.5	88.2	250.3	242.0
Acquisition cost	-	-0.9	-	-1.1
Restructuring cost	-	-	-	-20.0
Adjusted operating profit	85.5	89.1	250.3	263.1
Adjusted operating profit	85.5	89.1	250.3	263.1
Net sales	820.1	898.6	3,107.3	3,198.0
Adjusted operating margin, %	10.4	9.9	8.1	8.2
Operating profit	85.5	88.2	250.3	242.0
Depreciation	-12.2	-11.6	-47.7	-47.9
EBITDA	97.7	99.8	298.0	289.9
EBITDA	97.7	99.8	298.0	289.9
Acquisition cost	-	-0.9	-	-1.1
Restructuring cost	-	-	-	-20.0
Adjusted EBITDA	97.7	100.7	298.0	311.0
Adjusted EBITDA	97.7	100.7	298.0	311.0
Net sales	820.1	898.6	3,107.3	3,198.0
Adjusted EBITDA margin, %	11.9	11.2	9.6	9.7
Cash and cash equivalents			287.8	261.4
Long-term interest-bearing liabilities			702.4	788.2
Pension liabilities			109.2	107.7
Current interest-bearing liabilities			0.5	1.1
Net debt			524.3	635.6
Net debt			524.3	635.6
Equity - Closing balance			982.2	837.1
Net debt/equity ratio, %			53.4	75.9
Equity - Opening balance	903.9	782.9	837.1	733.3
Equity - Closing balance	982.2	837.1	982.2	837.1
Equity - average	943.1	810.0	909.7	785.2
Net profit	61.1	61.3	172.1	152.8
Return on shareholders' equity, %	25.9	30.3	18.9	19.5

Note 3: Alternative performance measures, cont.

SEK million	Oct1 - Dec31		Jan1 - Dec31	
	2016	2015	2016	2015
Equity - average	943.1	810.0	909.7	785.2
Net Debt - opening balance	654.3	657.2	635.6	556.6
Net Debt - closing balance	524.3	635.6	524.3	635.6
Net Debt - average	589.3	646.4	580.0	596.1
Working capital - average	1,532.4	1,456.4	1,489.7	1,381.3
Adjusted operating profit	85.5	89.1	250.3	263.1
Return on operating capital, %	22.3	24.5	16.8	19.0
Net debt			524.3	635.6
Adjusted EBITDA			298.0	311.0
Net debt/Adjusted EBITDA, multiple			1.8	2.0
Profit before tax			231.7	214.9
Financial expense			-21.4	-30.0
Acquisition cost			-	-1.1
Restructuring cost			-	-20.0
EBT excl. financial expenses, acquisition costs and restructuring costs			253.1	266.0
Financial expense			-21.4	-30.0
Interest cover ratio			11.8	8.9
Incoming orders, same period in previous year	732.2	739.1	3,171.8	2,764.8
Incoming orders, organic	63.8	-37.2	-209.0	108.0
Incoming orders, currency effects	26.9	19.9	-8.4	287.7
Incoming orders, acquisitions	7.6	10.4	37.9	11.3
Incoming orders	830.5	732.2	2,992.3	3,171.8
Order growth, %, organic	9.1	-5.2	-6.7	4.4
Order growth, %, currency effects	3.3	2.8	-0.3	9.9
Order growth, %, acquisitions	1.0	1.5	1.3	0.4
Order growth, %	13.4	-0.9	-5.7	14.7
Net sales, comparative period previous year	898.6	806.9	3,198.0	2,826.9
Net sales, organic	-109.4	18.0	-127.1	40.2
Net sales, currency effects	27.5	40.0	-7.3	295.6
Net sales, acquisitions	3.4	33.7	43.7	35.3
Net sales	820.1	898.6	3,107.3	3,198.0
Sales growth, %, organic	-12.6	2.6	-4.0	1.7
Sales growth, %, currency effects	3.5	4.7	-0.2	10.2
Sales growth, %, acquisitions	0.4	4.1	1.4	1.2
Sales growth, %	-8.7	11.4	-2.8	13.1

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	Oct1 - Dec 31		Jan1 - Dec 31	
	2016	2015	2016	2015
EMEA				
Incoming orders	395.5	354.6	1,439.4	1,431.5
External net sales	374.1	406.5	1,420.6	1,455.8
Depreciation	-5.0	-5.5	-22.2	-21.6
Adjusted operating profit	50.5	51.5	168.1	168.6
Adjusted operating margin, %	13.5	12.7	11.8	11.6
APAC				
Incoming orders	75.3	90.8	358.4	360.2
External net sales	94.6	105.9	379.6	362.6
Depreciation	-1.1	-1.1	-4.7	-5.3
Adjusted operating profit	2.9	8.2	-9.3	-5.7
Adjusted operating margin, %	3.1	7.7	-2.5	-1.6
Americas				
Incoming orders	359.7	286.8	1,194.5	1,380.1
External net sales	351.4	386.2	1,307.1	1,379.6
Depreciation	-4.7	-3.3	-15.7	-12.8
Adjusted operating profit	42.7	45.3	140.4	163.8
Adjusted operating margin, %	12.2	11.7	10.7	11.9
Other - non-allocated				
Depreciation	-1.4	-1.7	-5.1	-8.2
Adjusted operating profit	-10.6	-15.9	-48.9	-63.6
The Group				
Incoming orders	830.5	732.2	2,992.3	3,171.8
Net sales	820.1	898.6	3,107.3	3,198.0
Depreciation	-12.2	-11.6	-47.7	-47.9
Adjusted operating profit	85.5	89.1	250.3	263.1
Acquisition cost	-	-0.9	-	-1.1
Restructuring cost	-	-	-	-20.0
Operating profit	85.5	88.2	250.3	242.0
Profit before tax	74.0	82.2	231.7	214.9
Net profit	61.1	61.3	172.1	152.8

Financial calendar

Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Friday, 10 February at 9.00. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions.

To participate in the conference please call +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

- 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 has been made public at 08.00 CET on 10 February 2017.

Further information can be obtained from

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Definitions

Return on equity

Net profit for the period divided by average shareholders'

Return on working capital

Adjusted operating profit as a percentage of average operating

EBITDA

Operating profit before depreciation and amortisation.

EBITDA margin

EBITDA as a percentage of net sales.

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 profit

Operating profit excluding acquisition and restructuring

Adjusted operating margin

Adjusted operating profit as percentage of net sales.

Net debt

Interest-bearing liabilities (including pensions) minus cash

Net debt/equity ratio

Net debt divided by shareholders' equity.

Operating capital

Shareholders' equity plus net debt.

Organic growth

Organic growth is the growth rate that does not come from acquisitions and currency effects, compared with the corresponding period in the previous year.

Earnings per share (before dilution)

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

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.

Interest Cover Ratio

Pre-tax profit with return of financial costs in relation to financial costs

Operating profit/loss

Operating profit after depreciation and impairment.

Operating margin

Operating profit as percentage of net sales.

Equity ratio

Equity divided by total assets (balance sheet total).

Annual average

Average of year-beginning and year-end balance.