



**Nederman**

Q2

Interim report

January - June 2017

### Quarter 2, 2017

- Incoming orders amounted to SEK 849.4m (726.5), which organically is an increase of 13.6% compared with the same period last year.
- Net sales amounted to SEK 759.2m (770.5), which organically is a decrease of 4.9% compared with the same period last year.
- Operating profit was SEK 60.9m (65.4), giving an operating margin of 8.0% (8.5).
- Net profit was SEK 38.3m (43.1).
- Earnings per share were SEK 3.28 (3.69).

### January - June, 2017

- Incoming orders amounted to SEK 1,580.5m (1,465.3), which organically is an increase of 4.4% compared with the same period last year.
- Net sales amounted to SEK 1,519.8m (1,495.2), which organically is a decrease of 2.0% compared with the same period last year.
- Operating profit was SEK 109.7m (96.2), giving an operating margin of 7.2% (6.4).
- Net profit was SEK 70.2m (63.2).
- Earnings per share were SEK 6.01 (5.41).



## CEO's comments

Nederman saw a positive performance during the second quarter of the year. Incoming orders totalled SEK 849.4m (726.5), equivalent to an organic growth of 13.6 percent. Sales amounted to SEK 759.2m (770.5). The slightly lower sales resulted from the lower order intake in the previous quarter. Group operating profit for the quarter totalled SEK 60.9m, corresponding to an operating margin of 8.0 percent (8.5).

The positive trend in order intake was achieved through good growth in all divisions with a particularly strong development in the Americas, where incoming orders increased by just over 27 percent organically. The positive development in the Americas is primarily due to good development in the USA where demand for the Group's solutions grew following a number of weaker quarters.

The European market has strengthened further and is now characterised by stability and growing cautious optimism. In the Americas, the market situation continues to be characterised by uncertainty with prolonged decision-making processes, although there are more positive undertones in the USA.

In Canada and Mexico, uncertainty has increased about the US administration's intentions in regard to the NAFTA trade agreement. Despite the continuing uncertainty, we saw positive developments in both countries during the second quarter of the year.

Our biggest challenge continues to be the uncertainty around sales of major projects in the USA and China. Demand in the USA has been affected by a downturn in industrial production in 2016. The strong order intake in the second quarter was very pleasing, but it is too early to draw any definite conclusions for the forthcoming quarters. At the same time, there are indications that companies in the region are planning to increase investments. In China, we are working with a number of interesting projects, but the market is still characterised by clear funding constraints. In the longer-term, however, Nederman sees future business opportunities in China due to increased environmental awareness.

With the exception of China, the majority of markets in APAC developed positively in the quarter. Growth was particularly pronounced in India, which has seen a positive development over a longer period. The focus for our business operations in APAC in the recent period has been to improve profitability. It is therefore particularly pleasing to note that we are moving towards profitability and that we have a positive view of APAC for the full year.



Overall, the second quarter of the year was a good quarter for Nederman with good growth in order intake. The order backlog is now at a higher level than at mid-2016, which means that our basic outlook is positive for the remainder of 2017.

Nederman's commitment to taking a leading position in digitalisation of our solutions continued during the second quarter, including the launch of Nederman Insight. As an important step on our way to achieving our ambitions, we have also recruited Aage Snorgaard to the position of SVP & Head of Digital Solutions.

Further strengthening of Group management has been made with Per Lind taking over a new role with responsibility for global key accounts. Tomas Hagström has been recruited to the position of SVP & Head of Division Americas.

**Sven Kristensson, CEO**



## Americas operating segment

The Americas had a strong growth in order intake during the second quarter of the year. Incoming orders grew organically by 27.4 percent to SEK 307.7m (232.1). Sales totalled SEK 314.6m (306.8), equivalent to an organic decrease of 2.5 percent. Adjusted operating profit was SEK 25.1m (30.3), corresponding to an adjusted operating margin of 8.0 percent (9.9).

### General market situation

The US market is characterised by continued uncertainty about the country's trade, tax, health and environmental policies, and this uncertainty is expected to last for some time, which still means shifting demand for larger systems. The recovery that can be discerned despite these concerns is not particularly pronounced.

After a long period of decline, the Brazilian economy is beginning to show signs of recovery. The political situation in Brazil continues to be unstable, which means that it is difficult to forecast developments for forthcoming quarters. In the long-term, it is thought that stronger economic trends and the authorities' stricter requirements for compliance with the country's environmental laws will have a positive effect on demand for Nederman's products and solutions.

The Canadian economy is currently developing positively, resulting in increasing demand for Nederman's products and solutions. The economy in Mexico is expected to have very limited growth in 2017.

### Development per country

The US market experienced good growth in order intake following a positive development for core business with smaller systems, products and after-sales services. The aftermarket showed renewed significant strength, possibly as a consequence of postponed investments. If the Trump administration succeeds in its ambitions to gain political support for its large infrastructure program and a business-friendly tax reform, this should stimulate investments in the long term and provide an incentive for increased manufacturing in the country.

### Incoming orders in the quarter: SEK 307.7m (232.1)

Important key account orders.  
Good order growth in the USA.  
Positive development in Canada.

Canada saw a good development in both order intake and sales after strong demand for smaller systems and after-sales services in particular in the quarter.

In Brazil, cautious growth in order intake was seen after good demand within Nederman's product range. Mexico posted a strong development in both incoming orders and sales. Nederman received important key account orders in both Brazil and Mexico during the quarter.

### Incoming orders and sales

Incoming orders amounted to SEK 307.7m during the quarter. Organically, this corresponds to an increase of 27.4 percent compared with the corresponding quarter of 2016. Incoming orders for the period January - June totalled SEK 582.9m. Organically, this corresponds to an increase of 0.9 percent compared with 2016. Net sales during the quarter amounted to SEK 314.6m. Organically, this corresponds to a decrease of 2.5 percent compared with the corresponding quarter of 2016. Net sales for the period January-June totalled SEK 631.5m. Organically, this corresponds to a decrease of 7.0 percent compared 2016.

### Key ratios

SEK million	1 Apr-30 Jun		Organic* growth, %	1 Jan-30 Jun		Organic* growth, %	Full year 2016	Jul-Jun 12 months
	2017	2016		2017	2016			
Incoming orders	307.7	232.1	27.4	582.9	544.7	0.9	1,194.5	1,232.7
External net sales	314.6	306.8	-2.5	631.5	636.8	-7.0	1,307.1	1,301.8
Depreciation	-4.3	-3.9		-8.5	-7.6		-15.7	-16.6
Adjusted operating profit	25.1	30.3		60.0	64.7		140.4	135.7
Adjusted operating margin, %	8.0	9.9		9.5	10.2		10.7	10.4

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



## EMEA operating segment

EMEA saw a continued positive trend in incoming orders during the second quarter of the year. Incoming orders grew organically by 7.8 percent to SEK 423.9m (386.5). The organic growth in orders for the first six months is 5.9 percent. Sales in the quarter amounted to SEK 351.3m (368.2). Despite the slightly lower sales, profitability in the quarter strengthened with an adjusted operating profit of SEK 49.0m (46.9), corresponding to an adjusted operating margin of 13.9 percent (12.7). EMEA's investment in digital sales channels developed well in the quarter and an increasing number of partners have now been introduced to Nederman's partner web shop.

### General market situation

The market situation within EMEA has stabilised further in the quarter. Industrial investments remain at a relatively low level, but signs of recovery are becoming increasingly evident. 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 continues to have a strong negative impact on sales in this part of EMEA.

### Development per country

A number of countries posted a positive performance in the quarter with a number of major orders booked, at the same time as the core business of product sales and sales of smaller systems continued to show good development.

The Benelux countries showed continued good growth, driven primarily by developments in Belgium and the Netherlands. Southern Europe also performed well, partly thanks to good growth in France.

The Nordic countries continued to see good development in the quarter following a strong performance in the Danish market, including a large order from a company within the composite industry. The core business with product sales and sales of smaller systems has developed well during the first two quarters of the year.

In the UK, a large order was booked from the aviation industry, which was one reason why the order intake also grew during the second quarter.

## Incoming orders in the quarter: SEK 423.9m (386.5)

Positive development in several markets.  
Major orders booked in the quarter.  
Digital sales channels increasingly important.

In Germany, incoming orders showed double-digit growth following a number of major orders from customers within the aluminium production industry, the recovery of precious metals and the foundry industry.

### Incoming orders and sales

Incoming orders amounted to SEK 423.9m during the quarter. Organically, this corresponds to an increase of 7.8 percent compared with the corresponding quarter of 2016. Incoming orders for the period January - June totalled SEK 773.7m. Organically, this corresponds to an increase of 5.9 percent compared with 2016. Net sales during the quarter amounted to SEK 351.3m. Organically, this corresponds to a decrease of 6.2 percent compared with the corresponding quarter of 2016. Net sales for the period January-June totalled SEK 712.5m. Organically, this corresponds to an increase of 1.9 percent compared with 2016.

### Key ratios

SEK million	1 Apr-30 Jun			1 Jan-30 Jun			Full year 2016	Jul-Jun 12 months
	2017	2016	Organic* growth, %	2017	2016	Organic* growth, %		
Incoming orders	423.9	386.5	7.8	773.7	721.5	5.9	1,439.4	1,491.6
External net sales	351.3	368.2	-6.2	712.5	690.7	1.9	1,420.6	1,442.4
Depreciation	-5.4	-6.0		-10.7	-11.6		-22.2	-21.4
Adjusted operating profit	49.0	46.9		86.6	70.6		168.1	184.1
Adjusted operating margin, %	13.9	12.7		12.2	10.2		11.8	12.8

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



## APAC operating segment

APAC saw a continued positive trend in incoming orders during the second quarter of the year, while sales were weaker. Incoming orders grew organically by 5.3 percent to SEK 117.8m (107.9), while sales fell organically by 7.2 percent to 93.3m (95.5). The adjusted operating profit was SEK -0.7m (-1.9), corresponding to an adjusted operating margin of -0.7 percent (-2.0). The goal for 2017 is that APAC will show a positive full-year result.

### General market situation

There are still good business opportunities within the APAC region although some industrial segments in the raw material intensive countries are characterised by weak demand and prolonged decision-making processes. In China, the new environmental legislation and other governmental initiatives are expected to mean a greater emphasis on environmental issues with a focus on pollutant emissions and industries at risk of dust explosion hazards. However, there is a degree of inertia before the new legislation will lead to actual investments although some positive signs are beginning to emerge. India is showing continued strength with good GDP growth and a high focus on environmental issues. Changes in the Indian tax system imply some uncertainty in the short-term, making the year's two closing quarters somewhat more difficult to predict. There are still good signs of recovery in Australia.

### Development per country

The positive development in orders in the quarter is the result of a good order intake in most of the region's markets. China had a positive development of the core business with product sales and smaller systems, while sales of major system solutions are still hampered by funding constraints. However, one major order from a Chinese smelter was booked in the quarter.

India recorded a strong order intake again in the second quarter. The market in Thailand continues to be weak. Two major orders during the quarter meant that the order intake was as planned, but the core business is still weak.

### Incoming orders in the quarter: SEK 117.8m (107.9)

Continued positive trend in India.  
Good development for core business in China.  
Continued positive signs in Australia.

In Australia, the positive trend from the previous quarter continued and the Australian market is characterised by a generally improved business climate, which over time is expected to increase sales opportunities for large and medium-sized projects.

### Incoming orders and sales

Incoming orders during the quarter totalled SEK 117.8m. Organically, this corresponds to an increase of 5.3 percent compared with the corresponding quarter of 2016. Incoming orders for the period January - June totalled SEK 223.9m. Organically, this corresponds to an increase of 8.0 percent compared with 2016. Net sales during the quarter totalled SEK 93.3m. Organically, this corresponds to a decrease of 7.2 percent compared with the corresponding quarter of 2016. Net sales for the period January-June totalled SEK 175.8m. Organically, this corresponds to a decrease of 0.2 percent compared 2016.

### Key ratios

SEK million	1 Apr-30 Jun		Organic* growth, %	1 Jan-30 Jun		Organic* growth, %	Full year 2016	Jul-Jun 12 months
	2017	2016		2017	2016			
Incoming orders	117.8	107.9	5.3	223.9	199.1	8.0	358.4	383.2
External net sales	93.3	95.5	-7.2	175.8	167.7	-0.2	379.6	387.7
Depreciation	-0.9	-1.2		-1.8	-2.3		-4.7	-4.2
Adjusted operating profit	-0.7	-1.9		-7.4	-15.1		-9.3	-1.6
Adjusted operating margin, %	-0.7	-2.0		-4.2	-9.0		-2.5	-0.4

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

## Future outlook

The situation in Europe has stabilised further with a positive development of incoming orders as well as sales. In the US, we also see a continued stable development of sales of the core business, while uncertainty surrounding major projects is expected to continue for some time even though we have seen a slight improvement in the second quarter of 2017. In Asia,

many markets are developing favourably. In China, economic activity is still at a low level, which limits the number of major investments and the economic development in the country is difficult to assess at the moment even though we are also beginning to see positive signs there.

## Organisational changes

### **Division Americas/Group Function**

As of August 14th 2017, Per Lind, currently SVP & Head of Division Americas will take overall responsibility for Nederman's strategically important key accounts. "We see a need to put more focus and management attention into developing long-term relationships, on the right level, with our most important key accounts. Per will remain part of the Nederman group management team." says Nederman's CEO Sven Kristensson.

As a consequence Tomas Hagström is appointed SVP & Head of Division Americas. Tomas has significant experience from senior management roles in sales & marketing, general management and business development at Honeywell, W.R. Grace, Perstorp Group and McKinsey & Co. Tomas will be part of group management, will report to Sven Kristensson, and will be based in Charlotte, North Carolina.

### **Group Function:**

Nederman is aiming to take a leading position in digitalising our solutions within industrial air filtration. Effective July 1st 2017, Aage Snorgaard is appointed as SVP & Head of Digital Solutions. Aage will be a part of group management and report to Sven Kristensson, CEO of Nederman. Aage has more than 25 years of experience from different VP, SVP and CEO positions in companies including Nokia Mobile Phones, Bruel & Kjaer Sound and Vibration Measurement A/S and Philips. "Aage brings to Nederman a very broad range of experience from working with global R&D, software development, service & application management, business development and product marketing and production." says CEO Sven Kristensson.

# Quarter 2, 2017

## Incoming orders and sales

Incoming orders during the quarter amounted to SEK 849.4m (726.5). Organically, this corresponds to an increase of 13.6 percent compared with the corresponding period last year.

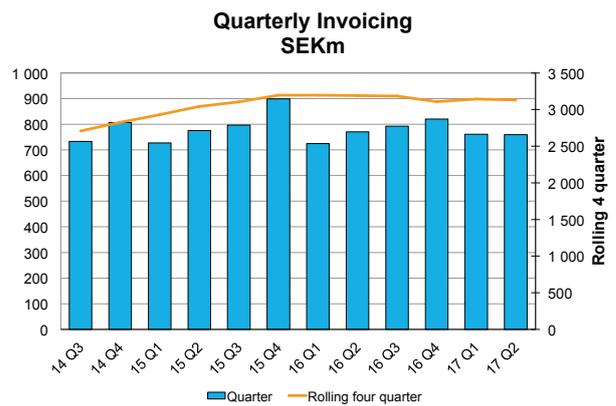
Net sales for the quarter amounted to SEK 759.2m (770.5). Organically, this corresponds to a decrease of 4.9 percent compared with the corresponding period last year.

## Profit/loss

- The consolidated operating profit for the quarter was SEK 60.9m (65.4), which gave an operating margin of 8.0 percent (8.5).
- Adjusted operating profit amounted to SEK 60.9m (65.4).
- Adjusted operating margin was 8.0 percent (8.5).
- Profit before tax decreased to SEK 53.9m (62.1).
- Net profit was SEK 38.3m (43.1), which gave earnings per share of SEK 3.28 (3.69).

## Capital expenditure

Capital expenditure during the quarter was SEK 10.6m (10.8).



## January - June 2017

### Incoming orders and sales

Incoming orders were SEK 1,580.5m (1,465.3). Organically, this corresponds to an increase of 4.4 percent compared with the corresponding period last year.

Net sales amounted to SEK 1,519.8m (1,495.2). Organically, this corresponds to a decrease of 2.0 percent compared with the corresponding period last year.

### Profit/loss

- Consolidated operating profit for the period was SEK 109.7m (96.2), which gave an operating profit margin of 7.2 percent (6.4).
- Adjusted operating profit amounted to SEK 109.7m (96.2).
- Adjusted operating margin was 7.2 percent (6.4).
- Profit before tax increased to SEK 99.0m (90.5).
- Net profit was SEK 70.2m (63.2), which gave earnings per share of SEK 6.01 (5.41).

### Cash flow and capital expenditure

The cash flow for the period amounted to SEK -20.8m (-15.7). Cash flow from operating activities has, on the other hand, increased to SEK 69.1m (44.1), primarily due to improved operating profit.

Capital expenditure during the period was SEK 26.8m (19.4), of which capitalised development costs amounted to SEK 3.9m (2.6).

### Other financial information

Liquidity: At the end of the period the Group had SEK 262.0m in cash and cash equivalents as well as SEK 100.6m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 464.5m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 253.9m within Nederman's loan agreement with SHB.

The equity in the Group as of 30 June 2017 amounted to SEK 976.3m (847.2).

An ordinary dividend of SEK 5.50 per share was paid to shareholders in the second quarter, amounting in total to SEK 64.3m.

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

The equity ratio for the Group was 38.2 percent as of 30 June 2017 (32.9). The net debt/equity ratio was 54.0 percent (79.7).

### Number of employees

The average number of employees during the period was 1,712 (1,801). The number of employees at the end of the period was 1,761 (1,852).

## Key figures, Group

SEK million	1 Apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
Net sales	759,2	770,5	1,519,8	1,495,2	3,107,3	3,131,9
Adjusted EBITDA	73,5	77,4	134,7	120,3	298,0	312,4
Adjusted EBITDA margin, %	9,7	10,0	8,9	8,0	9,6	10,0
Operating profit	60,9	65,4	109,7	96,2	250,3	263,8
Operating margin, %	8,0	8,5	7,2	6,4	8,1	8,4
Adjusted operating profit	60,9	65,4	109,7	96,2	250,3	263,8
Adjusted operating margin, %	8,0	8,5	7,2	6,4	8,1	8,4
Profit before tax	53,9	62,1	99,0	90,5	231,7	240,2
Net profit	38,3	43,1	70,2	63,2	172,1	179,1
Earnings per share, SEK	3,28	3,69	6,01	5,41	14,72	15,33
Return on shareholders' equity, %	15,4	20,3	14,3	15,0	18,9	19,7
Return on operating capital, %	15,8	17,4	14,6	12,8	16,8	17,4
Net debt					524,3	527,2
Net debt/equity ratio, %					53,4	54,0
Net debt/Adjusted EBITDA, multiple					1,8	1,7
Interest cover ratio					11,8	10,8

## 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 pages 48-49 and in note 24 in the 2016 Annual Report. No circumstances have arisen to change the assessment of identified risks.

### Nominations committee

In accordance with a decision in the Instructions for the Nominations committee, the chairman of the Board shall contact the three largest owners of the company in terms of votes based on ownership details in Euroclear Sweden's register as of the final banking day in August each year. Each of these three owners is entitled to appoint a representative to participate alongside the chairman of the Board in the Nominations committee until a new committee is appointed.

### 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 2016 Annual Report, pages 63-67 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, 12 July 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

**Sven Kristensson**

Member of the Board  
and CEO

**Johan Menckel**

Member of the Board

# 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 2016 amounted to SEK 3.1 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 into new customer and market segments
- Developed positions in the value chain
- Geographic expansion
- Development of new products and solutions.

During the last five years, sales growth has averaged 9.4 percent, which is within the goal of 8-10 percent. During the period, the adjusted operating margin varied between 6.4 and 8.5 percent and in 2016 amounted to 8.1 percent. The average dividend during the period was 46 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.

**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.

**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.

## Consolidated income statement in summary

SEK million	1 Apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
Net sales	759.2	770.5	1,519.8	1,495.2	3,107.3	3,131.9
Cost of goods sold	-469.9	-489.8	-941.5	-965.4	-1,996.3	-1,972.4
<b>Gross profit</b>	<b>289.3</b>	<b>280.7</b>	<b>578.3</b>	<b>529.8</b>	<b>1,111.0</b>	<b>1,159.5</b>
Selling expenses	-167.0	-162.8	-340.7	-322.6	-648.1	-666.2
Administrative expenses	-58.0	-54.2	-115.0	-108.6	-209.0	-215.4
Research and development expenses	-3.6	-2.3	-6.4	-4.3	-7.8	-9.9
Other operating income/expenses	0.2	4.0	-6.5	1.9	4.2	-4.2
<b>Operating profit</b>	<b>60.9</b>	<b>65.4</b>	<b>109.7</b>	<b>96.2</b>	<b>250.3</b>	<b>263.8</b>
Financial income	0.6	1.5	2.4	4.2	2.8	1.0
Financial expense	-7.6	-4.8	-13.1	-9.9	-21.4	-24.6
<b>Net financial income/expense</b>	<b>-7.0</b>	<b>-3.3</b>	<b>-10.7</b>	<b>-5.7</b>	<b>-18.6</b>	<b>-23.6</b>
<b>Profit before tax</b>	<b>53.9</b>	<b>62.1</b>	<b>99.0</b>	<b>90.5</b>	<b>231.7</b>	<b>240.2</b>
Taxes	-15.6	-19.0	-28.8	-27.3	-59.6	-61.1
<b>Net profit</b>	<b>38.3</b>	<b>43.1</b>	<b>70.2</b>	<b>63.2</b>	<b>172.1</b>	<b>179.1</b>
<b>Net profit attributable to:</b>						
The parent company's shareholders	38.3	43.1	70.2	63.2	172.1	179.1
<b>Earnings per share</b>						
before dilution (SEK)	3.28	3.68	6.01	5.41	14.72	15.33
after dilution (SEK)	3.28	3.68	6.01	5.39	14.72	15.33

## Consolidated statement of comprehensive income in summary

SEK million	1 Apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
<b>Net profit</b>	<b>38,3</b>	<b>43,1</b>	<b>70,2</b>	<b>63,2</b>	<b>172,1</b>	<b>179,1</b>
<b>Other comprehensive income</b>						
<b>Items that cannot be reclassified to the income statement</b>						
Revaluation of defined-benefit pension plans	-0,5	-0,3	-0,7	-1,6	-2,3	-1,4
Tax relating to items that cannot be reclassified to the income statement	0,1	0,1	0,2	0,4	0,6	0,4
	<b>-0,4</b>	<b>-0,2</b>	<b>-0,5</b>	<b>-1,2</b>	<b>-1,7</b>	<b>-1,0</b>
<b>Items that have been or can be reclassified to the income statement</b>						
Exchange differences arising on translation of foreign operations	-11,5	13,7	-14,8	7,9	34,8	12,1
Cash flow hedges	2,3	-4,8	4,5	-3,0	-2,8	4,7
Tax relating to items that can be reclassified to the income statement	-0,5	1,1	-1,0	0,7	0,6	-1,1
	<b>-9,7</b>	<b>10,0</b>	<b>-11,3</b>	<b>5,6</b>	<b>32,6</b>	<b>15,7</b>
<b>Other comprehensive income for the period, net after tax</b>	<b>-10,1</b>	<b>9,8</b>	<b>-11,8</b>	<b>4,4</b>	<b>30,9</b>	<b>14,7</b>
<b>Total comprehensive income for the period</b>	<b>28,2</b>	<b>52,9</b>	<b>58,4</b>	<b>67,6</b>	<b>203,0</b>	<b>193,8</b>
<b>Total comprehensive income attributable to:</b>						
The parent company's shareholders	28,2	52,9	58,4	67,6	203,0	193,8

## Consolidated statement of financial position in summary

SEK million	Note	30 June 2017	30 June 2016	31 Dec 2016
<b>Assets</b>				
Goodwill		696.6	690.2	708.8
Other intangible assets		121.7	109.2	119.0
Tangible assets		251.8	259.0	263.8
Long-term receivables		5.1	5.2	5.5
Deferred tax assets		69.7	76.0	60.7
<b>Total fixed assets</b>		<b>1,144.9</b>	<b>1,139.6</b>	<b>1,157.8</b>
Inventories		402.3	367.4	380.6
Accounts receivable	1	485.0	503.5	525.1
Other current receivables	1	263.6	312.8	302.1
Cash and cash equivalents	1	262.0	248.5	287.8
<b>Total current assets</b>		<b>1,412.9</b>	<b>1,432.2</b>	<b>1,495.6</b>
<b>Total assets</b>		<b>2,557.8</b>	<b>2,571.8</b>	<b>2,653.4</b>
<b>Equity</b>				
		<b>976.3</b>	<b>847.2</b>	<b>982.2</b>
<b>Liabilities</b>				
Long-term interest-bearing liabilities	1	680.7	812.8	702.4
Other long-term liabilities		1.5	1.2	1.4
Pension liabilities		108.1	110.2	109.2
Other provisions		8.1	8.5	6.5
Deferred tax liabilities		20.3	29.1	20.9
<b>Total long-term liabilities</b>		<b>818.7</b>	<b>961.8</b>	<b>840.4</b>
Current interest-bearing liabilities	1	0.4	0.6	0.5
Accounts payable	1	263.7	297.5	315.2
Other current liabilities	1	470.1	425.8	488.9
Provisions		28.6	38.9	26.2
<b>Total current liabilities</b>		<b>762.8</b>	<b>762.8</b>	<b>830.8</b>
<b>Total liabilities</b>		<b>1,581.5</b>	<b>1,724.6</b>	<b>1,671.2</b>
<b>Total equity and liabilities</b>		<b>2,557.8</b>	<b>2,571.8</b>	<b>2,653.4</b>

## Consolidated statement of changes in equity in summary

SEK million	30 June 2017	30 June 2016	31 Dec 2016
Opening balance at the beginning of the period	982.2	837.1	837.1
Net profit	70.2	63.2	172.1
Other comprehensive income			
Change in translation reserve for the period	-14.8	7.9	34.8
Cash flow hedges, net of tax	3.5	-2.3	-2.2
Revaluation of defined-benefit pension plans, net of tax	-0.5	-1.2	-1.7
<b>Total other comprehensive income for the period</b>	<b>-11.8</b>	<b>4.4</b>	<b>30.9</b>
<b>Total comprehensive income for the period</b>	<b>58.4</b>	<b>67.6</b>	<b>203.0</b>
Transactions with Group owners			
Dividend paid	-64.3	-58.4	-58.4
Share-based payments	-	1.0	0.5
<b>Closing balance at the end of period</b>	<b>976.3</b>	<b>847.2</b>	<b>982.2</b>

## Consolidated cash flow statement in summary

SEK million	Note	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016	Jul-Jun 12 months
Operating profit		109.7	96.2	250.3	263.8
Adjustment for:					
Depreciation of fixed assets		25.0	24.1	47.7	48.6
Other adjustments		5.3	-7.4	-23.4	-10.7
Interest received and paid incl. other financial items		-8.6	-6.2	-16.9	-19.3
Taxes paid		-28.0	-35.5	-62.2	-54.7
<b>Cash flow from operating activities before changes in working capital</b>		<b>103.4</b>	<b>71.2</b>	<b>195.5</b>	<b>227.7</b>
Cash flow from changes in working capital		-34.3	-27.1	44.2	37.0
<b>Cash flow from operating activities</b>		<b>69.1</b>	<b>44.1</b>	<b>239.7</b>	<b>264.7</b>
Net investment in fixed assets		-25.8	-19.7	-42.5	-48.6
Acquisitions	2	-	5.2	5.2	-
<b>Cash flow before financing activities</b>		<b>43.3</b>	<b>29.6</b>	<b>202.4</b>	<b>216.1</b>
Dividend paid		-64.3	-58.4	-58.4	-64.3
Cash flow from other financing activities		0.2	13.1	-124.8	-137.7
<b>Cash flow for the period</b>		<b>-20.8</b>	<b>-15.7</b>	<b>19.2</b>	<b>14.1</b>
Cash and cash equivalents at beginning of period		287.8	261.4	261.4	248.5
Translation differences		-5.0	2.8	7.2	-0.6
<b>Cash and cash equivalents at end of period</b>		<b>262.0</b>	<b>248.5</b>	<b>287.8</b>	<b>262.0</b>

## Income statement for the parent company in summary

SEK million	1 apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
Operating profit/loss	-17.1	-13.3	-38.6	-29.9	-59.0	-67.7
Result from investment in subsidiaries	61.8	76.8	61.8	76.8	85.2	70.2
Other financial items	10.9	12.1	9.6	10.9	18.3	17.0
<b>Profit/loss after financial items</b>	<b>55.6</b>	<b>75.6</b>	<b>32.8</b>	<b>57.8</b>	<b>44.5</b>	<b>19.5</b>
Appropriations	-	-	-	-	101.8	101.8
<b>Profit/loss before tax</b>	<b>55.6</b>	<b>75.6</b>	<b>32.8</b>	<b>57.8</b>	<b>146.3</b>	<b>121.3</b>
Taxes	-	-	-	-	-14.1	-14.1
<b>Net profit/loss for the period</b>	<b>55.6</b>	<b>75.6</b>	<b>32.8</b>	<b>57.8</b>	<b>132.2</b>	<b>107.2</b>

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

SEK million	1 apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
<b>Net profit/loss</b>	<b>55.6</b>	<b>75.6</b>	<b>32.8</b>	<b>57.8</b>	<b>132.2</b>	<b>107.2</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>55.6</b>	<b>75.6</b>	<b>32.8</b>	<b>57.8</b>	<b>132.2</b>	<b>107.2</b>

## Balance sheet for the parent company in summary

SEK million	30 June 2017	30 June 2016	31 Dec 2016
<b>Assets</b>			
Total fixed assets	1,535.7	1,473.5	1,539.6
Total current assets	460.9	475.4	463.5
<b>Total assets</b>	<b>1,996.6</b>	<b>1,948.9</b>	<b>2,003.1</b>
<b>Shareholder's equity</b>	<b>758.3</b>	<b>715.9</b>	<b>789.8</b>
<b>Liabilities</b>			
Total long-term liabilities	680.5	812.1	701.9
Total current liabilities	557.8	420.9	511.4
<b>Total liabilities</b>	<b>1,238.3</b>	<b>1,233.0</b>	<b>1,213.3</b>
<b>Total equity and liabilities</b>	<b>1,996.6</b>	<b>1,948.9</b>	<b>2,003.1</b>

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

SEK million	30 June 2017	30 June 2016	31 Dec 2016
Opening balance on 1 January	789.8	715.5	715.5
Net profit	32.8	57.8	132.2
Other comprehensive income			
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>32.8</b>	<b>57.8</b>	<b>132.2</b>
Transactions with owners			
Dividend paid	-64.3	-58.4	-58.4
Share-based payments	-	1.0	0.5
<b>Closing balance at the end of period</b>	<b>758.3</b>	<b>715.9</b>	<b>789.8</b>

## Related party transactions with the parent company

<b>SEK million</b>	<b>30 June 2017</b>
Subsidiaries	
Net sales	14.4
Dividend received	61.8
Financial income	16.0
Receivables as per 30 June	904.6
Liabilities as per 30 June	533.5

## Pledged assets and contingent liabilities for the parent company

<b>SEK million</b>	<b>30 June 2017</b>	<b>30 June 2016</b>	<b>31 Dec 2016</b>
Pledged assets	none	none	none
Contingent liabilities	114.5	133.9	110.4

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

	30 June 2017			
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	-	-	485,0	485,0
Foreign exchange forward contracts entered *)	-	2,5	-	2,5
Other current receivables	-	-	174,1	174,1
Cash and cash equivalents	-	-	262,0	262,0
<b>Total</b>	-	<b>2,5</b>	<b>921,1</b>	<b>923,6</b>
Financial leasing liabilities	-	-	0,2	0,2
Bank loans	-	-	680,9	680,9
Accounts payable	-	-	263,7	263,7
Foreign exchange forward contracts entered *)	-	0,5	-	0,5
Other current liabilities	-	-	415,6	415,6
<b>Total</b>	-	<b>0,5</b>	<b>1 360,4</b>	<b>1 360,9</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 2016 Annual Report.

## Note 2: Acquisitions

The acquisition analysis of the 2015 acquisition of National Conveyors Company Inc. (NCC) has been adjusted by SEK 5.2m 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 operating capital  
Net debt/Adjusted EBITDA  
Interest Cover Ratio  
Organic growth

SEK million	1 Apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
Operating profit	60.9	65.4	109.7	96.2	250.3	263.8
Acquisition cost	-	-	-	-	-	-
Restructuring cost	-	-	-	-	-	-
<b>Adjusted operating profit</b>	<b>60.9</b>	<b>65.4</b>	<b>109.7</b>	<b>96.2</b>	<b>250.3</b>	<b>263.8</b>
Adjusted operating profit	60.9	65.4	109.7	96.2	250.3	263.8
Net sales	759.2	770.5	1,519.8	1,495.2	3,107.3	3,131.9
<b>Adjusted operating margin, %</b>	<b>8.0</b>	<b>8.5</b>	<b>7.2</b>	<b>6.4</b>	<b>8.1</b>	<b>8.4</b>
Operating profit	60.9	65.4	109.7	96.2	250.3	263.8
Depreciation and amortization	12.6	12.0	25.0	24.1	47.7	48.6
<b>EBITDA</b>	<b>73.5</b>	<b>77.4</b>	<b>134.7</b>	<b>120.3</b>	<b>298.0</b>	<b>312.4</b>
EBITDA	73.5	77.4	134.7	120.3	298.0	312.4
Acquisition cost	-	-	-	-	-	-
Restructuring cost	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>73.5</b>	<b>77.4</b>	<b>134.7</b>	<b>120.3</b>	<b>298.0</b>	<b>312.4</b>
Adjusted EBITDA	73.5	77.4	134.7	120.3	298.0	312.4
Net sales	759.2	770.5	1,519.8	1,495.2	3,107.3	3,131.9
<b>Adjusted EBITDA margin, %</b>	<b>9.7</b>	<b>10.0</b>	<b>8.9</b>	<b>8.0</b>	<b>9.6</b>	<b>10.0</b>
Cash and cash equivalents					287.8	262.0
Long-term interest-bearing liabilities					702.4	680.7
Pension liabilities					109.2	108.1
Current interest-bearing liabilities					0.5	0.4
<b>Net debt</b>					<b>524.3</b>	<b>527.2</b>
Net debt					524.3	527.2
Equity - Closing balance					982.2	976.3
<b>Net debt/equity ratio, %</b>					<b>53.4</b>	<b>54.0</b>
Equity - Opening balance	1,012.4	852.5	982.2	837.1	837.1	847.2
Equity - Closing balance	976.3	847.2	976.3	847.2	982.2	976.3
Equity - average	994.4	849.8	979.3	842.2	909.7	911.8
Net profit	38.3	43.1	70.2	63.2	172.1	179.1
<b>Return on shareholders' equity, %</b>	<b>15.4</b>	<b>20.3</b>	<b>14.3</b>	<b>15.0</b>	<b>18.9</b>	<b>19.7</b>

## Note 3: Alternative performance measures, cont.

SEK million	1 Apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
Equity - average	994.4	849.8	979.3	842.2	909.7	911.8
Net Debt - opening balance	561.1	633.3	524.3	635.6	635.6	675.1
Net Debt - closing balance	527.2	675.1	527.2	675.1	524.3	527.2
Net Debt - average	544.2	654.2	525.8	655.4	580.0	601.2
Operating capital - average	1,538.6	1,504.0	1,505.1	1,497.6	1,489.7	1,513.0
Adjusted operating profit	60.9	65.4	109.7	96.2	250.3	263.8
<b>Return on operating capital, %</b>	<b>15.8</b>	<b>17.4</b>	<b>14.6</b>	<b>12.8</b>	<b>16.8</b>	<b>17.4</b>
Net debt					524.3	527.2
Adjusted EBITDA					298.0	312.4
<b>Net debt/Adjusted EBITDA, multiple</b>					<b>1.8</b>	<b>1.7</b>
Profit before tax					231.7	240.2
Financial expense					-21.4	-24.6
Acquisition cost					-	-
Restructuring cost					-	-
EBT excl. financial expenses, acquisition costs and restructuring costs					253.1	264.8
Financial expense					-21.4	-24.6
<b>Interest cover ratio, multiple</b>					<b>11.8</b>	<b>10.8</b>
Incoming orders, same period in previous year	726.5	812.2	1,465.3	1,592.9	3,171.8	
Incoming orders, organic	95.7	-83.8	61.6	-120.7	-209.0	
Incoming orders, currency effects	27.2	-18.5	53.6	-32.7	-8.4	
Incoming orders, acquisitions	-	16.6	-	25.8	37.9	
<b>Incoming orders</b>	<b>849.4</b>	<b>726.5</b>	<b>1,580.5</b>	<b>1,465.3</b>	<b>2,992.3</b>	
Order growth, %, organic	13.6	-10.3	4.4	-7.6	-6.7	
Order growth, %, currency effects	3.3	-2.5	3.5	-2.2	-0.3	
Order growth, %, acquisitions	-	2.3	-	1.8	1.3	
<b>Order growth, %</b>	<b>16.9</b>	<b>-10.5</b>	<b>7.9</b>	<b>-8.0</b>	<b>-5.7</b>	
Net sales, comparative period previous year	770.5	775.5	1,495.2	1,502.7	3,198.0	
Net sales, organic	-36.3	-1.5	-29.5	-10.3	-127.1	
Net sales, currency effects	25.0	-16.5	54.1	-27.3	-7.3	
Net sales, acquisitions	-	13.0	-	30.0	43.7	
<b>Net sales</b>	<b>759.2</b>	<b>770.5</b>	<b>1,519.8</b>	<b>1,495.2</b>	<b>3,107.3</b>	
Sales growth, %, organic	-4.9	-0.2	-2.0	-0.7	-4.0	
Sales growth, %, currency effects	3.4	-2.1	3.7	-1.8	-0.2	
Sales growth, %, acquisitions	-	1.7	-	2.0	1.4	
<b>Sales growth, %</b>	<b>-1.5</b>	<b>-0.6</b>	<b>1.7</b>	<b>-0.5</b>	<b>-2.8</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 Apr-30 Jun		1 Jan-30 Jun		Full year	Jul-Jun
	2017	2016	2017	2016	2016	12 months
<b>EMEA</b>						
Incoming orders	423.9	386.5	773.7	721.5	1,439.4	1,491.6
External net sales	351.3	368.2	712.5	690.7	1,420.6	1,442.4
Depreciation	-5.4	-6.0	-10.7	-11.6	-22.2	-21.4
Adjusted operating profit	49.0	46.9	86.6	70.6	168.1	184.1
Adjusted operating margin, %	13.9	12.7	12.2	10.2	11.8	12.8
<b>APAC</b>						
Incoming orders	117.8	107.9	223.9	199.1	358.4	383.2
External net sales	93.3	95.5	175.8	167.7	379.6	387.7
Depreciation	-0.9	-1.2	-1.8	-2.3	-4.7	-4.2
Adjusted operating profit	-0.7	-1.9	-7.4	-15.1	-9.3	-1.6
Adjusted operating margin, %	-0.7	-2.0	-4.2	-9.0	-2.5	-0.4
<b>Americas</b>						
Incoming orders	307.7	232.1	582.9	544.7	1,194.5	1,232.7
External net sales	314.6	306.8	631.5	636.8	1,307.1	1,301.8
Depreciation	-4.3	-3.9	-8.5	-7.6	-15.7	-16.6
Adjusted operating profit	25.1	30.3	60.0	64.7	140.4	135.7
Adjusted operating margin, %	8.0	9.9	9.5	10.2	10.7	10.4
<b>Other - non-allocated</b>						
Depreciation	-2.0	-0.9	-4.0	-2.6	-5.1	-6.4
Adjusted operating profit	-12.5	-9.9	-29.5	-24.0	-48.9	-54.4
<b>The Group</b>						
Incoming orders	849.4	726.5	1,580.5	1,465.3	2,992.3	3,107.5
Net sales	759.2	770.5	1,519.8	1,495.2	3,107.3	3,131.9
Depreciation	-12.6	-12.0	-25.0	-24.1	-47.7	-48.6
Adjusted operating profit	60.9	65.4	109.7	96.2	250.3	263.8
Acquisition cost	-	-	-	-	-	-
Restructuring cost	-	-	-	-	-	-
Operating profit	60.9	65.4	109.7	96.2	250.3	263.8
Profit before tax	53.9	62.1	99.0	90.5	231.7	240.2
Net profit	38.3	43.1	70.2	63.2	172.1	179.1

## Financial calendar

### Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Wednesday, 12 July at 10.00. 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 61 or UK tel. no. +44 203 008 9804. 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

- Q3 Report: 18 October 2017
- Year End Report 15 February 2018

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 12 July 2017.

### Further information can be obtained from

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

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## Definitions

### **Adjusted EBITDA**

Operating profit before depreciation/amortization and impairment loss, 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 costs

### **Annual average**

Average of year-beginning and year-end balance.

### **Earnings per share (after dilution)**

Net profit attributable to Parent Company shareholders in relation to average number of share outstanding plus average number of convertibles and options, 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/amortization and impairment loss.

### **EBITDA margin**

EBITDA as a percentage of net sales.

### **Equity ratio**

Equity divided by total assets (balance sheet total).

### **Interest Cover Ratio**

Profit before tax with return of financial expenses in relation to financial expenses.

### **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/loss**

Operating profit after depreciation/amortization and impairment loss.

### **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.

### **Return on 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