



Nederman

Q3

Interim report

January - September 2017

Quarter 3, 2017

- Incoming orders amounted to SEK 761.0m (696.6), which organically is an increase of 11.6 percent compared with the same period last year.
- Net sales amounted to SEK 768.7m (792.0), which organically is a decrease of 0.8 percent compared with the same period last year.
- Operating profit was SEK 69.3m (68.6), giving an operating margin of 9.0 percent (8.7).
- Net profit was SEK 42.9m (47.9).
- Earnings per share were SEK 3.67 (4.09).

January - September, 2017

- Incoming orders amounted to SEK 2,341.5m (2,161.8), which organically is an increase of 6.8 percent compared with the same period last year.
- Net sales amounted to SEK 2,288.5m (2,287.2), which organically is a decrease of 1.6 percent compared with the same period last year.
- Operating profit was SEK 179.0m (164.8), giving an operating margin of 7.8 percent (7.2).
- Net profit was SEK 113.1m (111.0).
- Earnings per share were SEK 9.68 (9.49).



CEO's comments

Good order intake and profitability, stable cash flow

The third quarter 2017 was another positive quarter for Nederman with a good order intake, improved profitability and a strong and stable cash flow. Order intake totalled SEK 761.0m (696.6), equivalent to an organic growth of 11.6 percent. Sales amounted to SEK 768.7m (792.0). Sales were somewhat lower than the comparative quarter in 2016, but the order backlog at the end of the quarter is higher than at the same point last year. Group operating profit for the quarter was SEK 69.3m (68.6), corresponding to an operating margin of 9.0 percent (8.7).

The positive development in order intake was achieved again through growth across all divisions with particularly good performance in APAC where order intake grew organically by 18 percent. It is also pleasing to note that the positive development in the Americas continued in the third quarter of the year with an increase in order intake of just over 14 percent. In EMEA, the solid development continued with an organic growth in orders of just over 7 percent.

The European market is showing continued signs of recovery, evident in among other things good project sales in the quarter and continued stable development of core business with sales of products and smaller systems.

In the Americas, the market situation continues to be characterised by uncertainty with prolonged decision-making processes, although the positive undertones are strengthening in the USA with order intake from projects that are at a higher level than in 2016. Canada had a strong order intake in regards to both major projects and within the core business. Mexico and Brazil posted a weaker third quarter although Brazil is beginning to show signs of a more stable performance for the last quarter of the year.

APAC had a good third quarter with good organic order growth and continued improvement of profitability. The Chinese market is beginning to show positive signs. During the quarter, Nederman won an order for an incineration plant for hazardous waste. This deal is the first of its kind for Nederman in China and the project has been a collaboration between Nederman EMEA, which has significant expertise within this field, and Nederman APAC.



In Australia, the positive vibe from the second quarter continued while the business situation in India has weakened as a result of the new indirect tax (GST) which has been introduced throughout the country.

Overall, the third quarter of the year was a good quarter for Nederman with good growth in order intake, profitability and cash flow. The order backlog is now at a higher level than at the corresponding time in 2016, which means that we continue to have a positive outlook for the full year 2017.

Nederman's ambitious drive to adopt a leading position in digitalisation of our solutions continued during the third quarter of the year. For further information, see page 6.

Sven Kristensson, CEO



Americas operating segment

Americas reported a positive development in order intake in the third quarter of the year as well. Incoming orders grew organically by 14.3 percent to SEK 322.7m (290.1). Sales totalled SEK 287.1m (318.9), equivalent to an organic fall of 5.8 percent. The adjusted operating profit was SEK 31.5m (33.0), corresponding to an adjusted operating margin of 11.0 percent (10.4).

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 continues to entail deferment in the demand for major systems. There has though been some stabilisation and there is a growing demand for certain industrial segments, including the wood industry.

After a long period of decline, the Brazilian economy has begun to show signs of recovery. The political situation in Brazil remains unstable, which makes it hard to forecast development trends in the next few quarters. In the long-term, it is thought that 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 increased demand for Nederman's products and solutions. The Mexican economy is expected to continue its very limited growth in 2017.

Development per country

The US saw good order growth in the quarter, partly due to two major orders. After-sales services continue to show significant strength. The activity level has been high during the quarter with participation in industry fairs and targeted efforts to increase product sales in the welding sector as well as additional activities to further strengthen the after-sales market.

Incoming orders in the quarter: SEK 322.7m (290.1)

Further growth in orders in the USA.
Continued positive performance in Canada.
Weak development in Brazil and Mexico.

Canada posted strong growth in order intake following good demand for smaller systems from the wood and energy sectors. Sales also saw a positive trend in the quarter.

Brazil had a weak development in order intake, but there are positive signs that a recovery has begun. Mexico experienced slightly weaker performance in the quarter.

Incoming orders and sales

Incoming orders amounted to SEK 322.7m during the quarter. Organically, this corresponds to an increase of 14.3 percent compared with the corresponding quarter of 2016. Incoming orders for the period January - September totalled SEK 905.6m. Organically, this corresponds to an increase of 5.8 percent compared with 2016. Net sales during the quarter amounted to SEK 287.1m. Organically, this corresponds to a decrease of 5.8 percent compared with the corresponding quarter of 2016. Net sales for the period January - September totalled SEK 918.6m. Organically, this corresponds to a decrease of 6.6 percent compared with 2016.

Key ratios

SEK million	1 Jul-30 Sep			1 Jan-30 Sep			Full year 2016	Oct-Sep 12 months
	2017	2016	Organic* growth, %	2017	2016	Organic* growth, %		
Incoming orders	322.7	290.1	14.3	905.6	834.8	5.8	1,194.5	1,265.3
External net sales	287.1	318.9	-5.8	918.6	955.7	-6.6	1,307.1	1,270.0
Depreciation	-3.6	-3.5		-12.1	-11.0		-15.7	-16.8
Adjusted operating profit	31.5	33.0		91.5	97.7		140.4	134.2
Adjusted operating margin, %	11.0	10.4		10.0	10.2		10.7	10.6

* 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 continued to have a positive development in incoming orders in the third quarter of the year. Incoming orders grew organically by 7.3 percent to SEK 342.9m (322.5). The organic growth in orders in the first nine months of the year was 6.3 percent. Sales in the quarter totalled SEK 376.1m (355.8). Profitability also strengthened in the quarter with an adjusted operating profit of SEK 51.4m (47.0), corresponding to an adjusted operating margin of 13.7 percent (13.2). EMEA's investment in digital sales channels developed well in the quarter and the number of partners being introduced to Nederman's partner web shop continues to grow.

General market situation

Market conditions within EMEA continue to stabilise, which has also resulted in increased project sales for Nederman. Industrial investment remains at a relatively low level, but there are continuing signs of recovery. The long-term effects of the UK's decision to leave the EU continue to be difficult to assess, and the political situation in Turkey and the conflict in Syria are continuing 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 several major orders won while the core business with sales of products and smaller systems continues to show a positive trend. The order backlog is at a good level.

The order intake in Germany remained at a good level during the quarter following strong development of the core business. Southern Europe posted a weaker quarter but is showing growth for the first nine months of the year. A major order within the energy sector was booked in the quarter.

Among the Nordic countries, Norway saw a good quarter with a positive development of core business and the after-sales market. Other countries within the region posted a weaker quarter. In the UK, core business developed well in the third quarter with growth in both order intake and sales. Eastern Europe had a good development with growth in most market segments. A major order for the process industry was booked

Incoming orders in the quarter: SEK 342.9m (322.5)

Positive development in several markets.
A number of major orders booked in the quarter.
Digital sales channels increasingly important.

in the quarter. Sales via partners were in line with the third quarter of 2016. These sales show good growth for the first nine months of the year.

Incoming orders and sales

Incoming orders amounted to SEK 342.9m during the quarter. Organically, this corresponds to an increase of 7.3 percent compared with the corresponding quarter of 2016. Incoming orders for the period January - September totalled 1,116.6m. Organically, this corresponds to an increase of 6.3 percent compared with 2016. Net sales during the quarter amounted to SEK 376.1m. Organically, this corresponds to an increase of 6.2 percent compared with the corresponding quarter of 2016. Net sales for the period January - September totalled SEK 1,088.6m. Organically, this corresponds to an increase of 3.3 percent compared with 2016.

Key ratios

SEK million	1 Jul-30 Sep			1 Jan-30 Sep			Full year 2016	Oct-Sep 12 months
	2017	2016	Organic* growth, %	2017	2016	Organic* growth, %		
Incoming orders	342.9	322.5	7.3	1,116.6	1,043.9	6.3	1,439.4	1,512.1
External net sales	376.1	355.8	6.2	1,088.6	1,046.5	3.3	1,420.6	1,462.7
Depreciation	-5.6	-5.5		-16.3	-17.2		-22.2	-21.3
Adjusted operating profit	51.4	47.0		138.0	117.6		168.1	188.5
Adjusted operating margin, %	13.7	13.2		12.7	11.2		11.8	12.9

* 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 had a strong development in order intake during the third quarter, while sales were weaker. Incoming orders grew organically by 18.0 percent to SEK 95.4m (84.0), while sales decreased organically by 8.0 percent to 105.5m (117.3). Profitability continued to strengthen within the operating segment and the adjusted operating profit was SEK 5.2m (2.9), corresponding to an adjusted operating margin of 4.9 percent (2.5). The goal for 2017 that APAC will show a positive full-year result remains unchanged.

General market situation

There are still good opportunities within the APAC region although some industrial segments in the commodity-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 entail a greater focus on environmental issues, in particular in regard to pollutant emissions and in industries where the risk of dust explosions exist. However, there is inertia before the new legislation will lead to actual investments, although a number of positive signs are emerging. In India, a marked deterioration in the quarter was noted due to changes in the tax system, which makes it somewhat more difficult to forecast the closing quarter of the year. Good signs of recovery continue to be seen in Australia.

Development per country

The positive trend in orders in the quarter is due primarily to the good development in China where Nederman achieved very good project sales and a solid development of core business with sales of products and smaller systems. During the quarter, a major order for an incineration plant for hazardous waste was booked. This is a new segment for Nederman APAC and the project has been run as a collaboration with Nederman EMEA and involved a considerable degree of knowledge transfer between the two operating segments.

India posted a weak quarter due to changes in the tax system and the outlook for the last quarter of 2017 is difficult to assess. Thailand, Indonesia and Malaysia reported a weak performance in the quarter.

Incoming orders in the quarter: SEK 95.4m (84.0)

Strong development in China.
Significant deterioration in India.
Continued positive signs in Australia.

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 amounted to SEK 95.4m during the quarter. Organically, this corresponds to an increase of 18.0 percent compared with the corresponding quarter of 2016. Incoming orders for the period January - September totalled SEK 319.3m. Organically, this corresponds to an increase of 11.1 percent compared with 2016. Net sales during the quarter amounted to SEK 105.5m. Organically, this corresponds to a decrease of 8.0 percent compared with the corresponding quarter of 2016. Net sales for the period January - September totalled SEK 281.3m. Organically, this corresponds to a decrease of 3.5 percent compared with 2016.

Key ratios

SEK million	1 Jul-30 Sep			1 Jan-30 Sep			Full year 2016	Oct-Sep 12 months
	2017	2016	Organic* growth, %	2017	2016	Organic* growth, %		
Incoming orders	95.4	84.0	18.0	319.3	283.1	11.1	358.4	394.6
External net sales	105.5	117.3	-8.0	281.3	285.0	-3.5	379.6	375.9
Depreciation	-0.9	-1.3		-2.7	-3.6		-4.7	-3.8
Adjusted operating profit	5.2	2.9		-2.2	-12.2		-9.3	0.7
Adjusted operating margin, %	4.9	2.5		-0.8	-4.3		-2.5	0.2

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

Nederman Digital Solutions is creating new values

Today's ever-faster digitalisation is creating new opportunities for Nederman to develop and improve its customer offering. The opportunities associated with connected services, the Internet of Things (IoT) and mobile devices such as smart phones and tablets together offer a platform that can provide Nederman's customers with new services and new values. Nederman's organisation for Digital Solutions has been established in order to manage and develop these opportunities.

Strategic goals

The aim of the new organisation over the coming years is to develop new digital solutions into a complete ecosystem of services that can be marketed to new and existing installations of Nederman's systems. To achieve this, the company will successively build up the new competence necessary to create an attractive offering with a robust infrastructure for the IoT.

Digital flow from filter to facts

The vision is to create a digital flow from filter to facts. The first step, Performance Tracking, is the ability to provide customers with data on the performance of their filter solutions through digital solutions. The goal of the next step, Process Optimisation, is to be able to help customers to utilise this knowledge in order to optimise their processes. A further step, Compliance, means that customers have total control of, and reliable documentation about, their industrial environment and their emissions.

Nederman Insight

The digital knowledge offering is based on Nederman's IoT platform - Nederman Insight. This platform, consisting of hardware installed in Nederman's products and solutions, and software that communicates with the cloud, provides customers with information and insight into critical parameters and processes.

Nederman has conducted pilot studies in four different industrial segments since 2016, which together represent approximately 25 percent of Nederman's total sales. The results of the studies are implemented in Nederman Insight as services and solutions with the aim of becoming crucial to the customer's business.

As the new digital services and solutions are successively launched, they will strengthen Nederman's offering while at the same time consolidating and strengthening customer relationships in a way that was not previously possible.

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 third quarter of 2017. In Asia, many markets are developing favourably. In China, there is a clear increase in environmental initiatives and legislation. How quickly this will impact Nederman's business is difficult to judge.

Quarter 3, 2017

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 761.0m (696.6). Organically, this corresponds to an increase of 11.6 percent compared with the corresponding period last year.

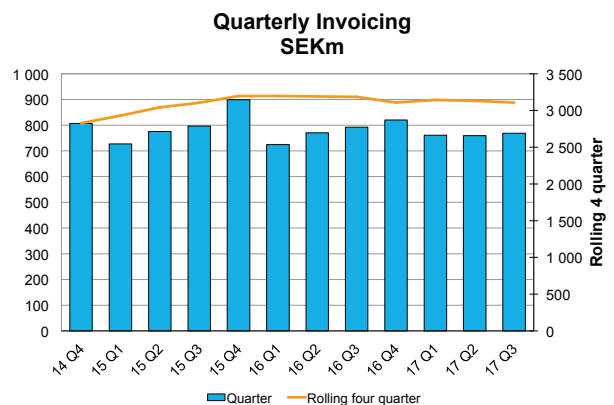
Net sales for the quarter amounted to SEK 768.7m (792.0). Organically, this corresponds to a decrease of 0.8 percent compared with the corresponding period last year.

Profit/loss

- The consolidated operating profit for the quarter was SEK 69.3m (68.6), which gave an operating margin of 9.0 percent (8.7).
- Adjusted operating profit amounted to SEK 69.3m (68.6).
- Adjusted operating margin was 9.0 percent (8.7).
- Profit before tax decreased to SEK 63.2m (67.2).
- Net profit was SEK 42.9m (47.9), which gave earnings per share of SEK 3.67 (4.09).

Capital expenditure

Capital expenditure during the quarter was SEK 10,0m (10,9).



January – September 2017

Incoming orders and sales

Incoming orders were SEK 2,341.5m (2,161.8). Organically, this corresponds to an increase of 6.8 percent compared with the corresponding period last year.

Net sales amounted to SEK 2,288.5m (2,287.2). Organically, this corresponds to a decrease of 1.6 percent compared with the corresponding period last year.

Profit/loss

- Consolidated operating profit for the period was SEK 179.0m (164.8), which gave an operating profit margin of 7.8 percent (7.2).
- Adjusted operating profit amounted to SEK 179.0m (164.8).
- Adjusted operating margin was 7.8 percent (7.2).
- Profit before tax increased to SEK 162.2m (157.7).
- Net profit was SEK 113.1m (111.0), which gave earnings per share of SEK 9.68 (9.49).

Cash flow and capital expenditure

The cash flow for the period amounted to SEK 37.1m (-16.2). Compared with the corresponding period last year, cash flow was primarily affected positively by changes in working capital.

Capital expenditure during the period was SEK 36.7m (30.3), of which capitalised development costs amounted to SEK 5.2m (4.5).

Other financial information

Liquidity: At the end of the period the Group had SEK 314.3m in cash and cash equivalents as well as SEK 98.0m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 481.9m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 254.9m within Nederman's loan agreement with SHB.

The equity in the Group as of 30 September 2017 amounted to SEK 995.6m (903.9).

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 38.5 percent as of 30 September 2017 (34.7). The net debt/equity ratio was 45.7 percent (72.4).

Number of employees

The average number of employees during the period was 1,702 (1,755). The number of employees at the end of the period was 1,769 (1,797).

Key figures, Group

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2017	2016	2017	2016	2016	12 months
Net sales	768.7	792.0	2,288.5	2,287.2	3,107.3	3,108.6
Adjusted EBITDA	82.3	80.0	217.0	200.3	298.0	314.7
Adjusted EBITDA margin, %	10.7	10.1	9.5	8.8	9.6	10.1
Operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Operating margin, %	9.0	8.7	7.8	7.2	8.1	8.5
Adjusted operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Adjusted operating margin, %	9.0	8.7	7.8	7.2	8.1	8.5
Profit before tax	63.2	67.2	162.2	157.7	231.7	236.2
Net profit	42.9	47.9	113.1	111.0	172.1	174.2
Earnings per share, SEK	3.67	4.09	9.68	9.49	14.72	14.90
Return on shareholders' equity, %	17.4	21.9	15.3	17.0	18.9	18.3
Return on operating capital, %	18.8	17.8	16.1	14.5	16.8	17.6
Net debt					524.3	454.5
Net debt/equity ratio, %					53.4	45.7
Net debt/Adjusted EBITDA, multiple					1.8	1.4
Interest cover ratio					11.8	11.0

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

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 2018. 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 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 replaces 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 been reviewed by the company's auditor.

Helsingborg, 18 October 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 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2017	2016	2017	2016	2016	12 months
Net sales	768.7	792.0	2,288.5	2,287.2	3,107.3	3,108.6
Cost of goods sold	-478.7	-512.3	-1,420.2	-1,477.7	-1,996.3	-1,938.8
Gross profit	290.0	279.7	868.3	809.5	1,111.0	1,169.8
Selling expenses	-155.3	-158.7	-496.0	-481.3	-648.1	-662.8
Administrative expenses	-55.9	-53.0	-170.9	-161.6	-209.0	-218.3
Research and development expenses	-2.0	-1.7	-8.4	-6.0	-7.8	-10.2
Other operating income/expenses	-7.5	2.3	-14.0	4.2	4.2	-14.0
Operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Financial income	-0.6	5.2	1.8	9.4	2.8	-4.8
Financial expense	-5.5	-6.6	-18.6	-16.5	-21.4	-23.5
Net financial income/expense	-6.1	-1.4	-16.8	-7.1	-18.6	-28.3
Profit before tax	63.2	67.2	162.2	157.7	231.7	236.2
Taxes	-20.3	-19.3	-49.1	-46.7	-59.6	-62.0
Net profit	42.9	47.9	113.1	111.0	172.1	174.2
Net profit attributable to:						
The parent company's shareholders	42.9	47.9	113.1	111.0	172.1	174.2
Earnings per share						
before dilution (SEK)	3.67	4.09	9.68	9.49	14.72	14.90
after dilution (SEK)	3.67	4.09	9.68	9.49	14.72	14.90

Consolidated statement of comprehensive income in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2017	2016	2017	2016	2016	12 months
Net profit	42.9	47.9	113.1	111.0	172.1	174.2
Other comprehensive income						
Items that cannot be reclassified to the income statement						
Revaluation of defined-benefit pension plans	-1.6	-6.1	-2.3	-7.6	-2.3	3.0
Tax relating to items that cannot be reclassified to the income statement	0.4	1.7	0.6	2.1	0.6	-0.9
	-1.2	-4.4	-1.7	-5.5	-1.7	2.1
Items that have been or can be reclassified to the income statement						
Exchange differences arising on translation of foreign operations	-22.2	13.2	-36.9	21.1	34.8	-23.2
Cash flow hedges	-0.4	-0.7	4.1	-3.7	-2.8	5.0
Tax relating to items that can be reclassified to the income statement	0.1	0.2	-0.9	0.8	0.6	-1.1
	-22.5	12.7	-33.7	18.2	32.6	-19.3
Other comprehensive income for the period, net after tax	-23.7	8.3	-35.4	12.7	30.9	-17.2
Total comprehensive income for the period	19.2	56.2	77.7	123.7	203.0	157.0
Total comprehensive income attributable to:						
The parent company's shareholders	19.2	56.2	77.7	123.7	203.0	157.0

Consolidated statement of financial position in summary

SEK million	Note	30 Sep 2017	30 Sep 2016	31 Dec 2016
Assets				
Goodwill		682.6	697.4	708.8
Other intangible assets		119.5	112.3	119.0
Tangible assets		239.5	261.0	263.8
Long-term receivables		5.1	5.6	5.5
Deferred tax assets		66.4	71.8	60.7
Total fixed assets		1,113.1	1,148.1	1,157.8
Inventories		394.6	368.1	380.6
Accounts receivable	1	496.8	544.2	525.1
Other current receivables	1	268.2	291.7	302.1
Cash and cash equivalents	1	314.3	254.0	287.8
Total current assets		1,473.9	1,458.0	1,495.6
Total assets		2,587.0	2,606.1	2,653.4
Equity				
		995.6	903.9	982.2
Liabilities				
Long-term interest-bearing liabilities	1	662.4	792.0	702.4
Other long-term liabilities		1.5	1.3	1.4
Pension liabilities		106.0	115.9	109.2
Other provisions		7.5	8.7	6.5
Deferred tax liabilities		19.6	28.7	20.9
Total long-term liabilities		797.0	946.6	840.4
Current interest-bearing liabilities	1	0.4	0.4	0.5
Accounts payable	1	254.5	275.4	315.2
Other current liabilities	1	514.6	442.5	488.9
Provisions		24.9	37.3	26.2
Total current liabilities		794.4	755.6	830.8
Total liabilities		1,591.4	1,702.2	1,671.2
Total equity and liabilities		2,587.0	2,606.1	2,653.4

Consolidated statement of changes in equity in summary

SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016
Opening balance at the beginning of the period	982.2	837.1	837.1
Net profit	113.1	111.0	172.1
Other comprehensive income			
Change in translation reserve for the period	-36.9	21.1	34.8
Cash flow hedges, net of tax	3.2	-2.9	-2.2
Revaluation of defined-benefit pension plans, net of tax	-1.7	-5.5	-1.7
Total other comprehensive income for the period	-35.4	12.7	30.9
Total comprehensive income for the period	77.7	123.7	203.0
Transactions with Group owners			
Dividend paid	-64.3	-58.4	-58.4
Share-based payments	-	1.5	0.5
Closing balance at the end of period	995.6	903.9	982.2

Consolidated cash flow statement in summary

SEK million	Note	1 Jan-30 Sep 2017	1 Jan-30 Sep 2016	Full year 2016	Oct-Sep 12 months
Operating profit		179.0	164.8	250.3	264.5
Adjustment for:					
Depreciation of fixed assets		38.0	35.5	47.7	50.2
Other adjustments		2.0	-9.5	-23.4	-11.9
Interest received and paid incl. other financial items		-15.8	-8.5	-16.9	-24.2
Taxes paid		-34.5	-48.6	-62.2	-48.1
Cash flow from operating activities before changes in working capital		168.7	133.7	195.5	230.5
Cash flow from changes in working capital		-32.0	-49.5	44.2	61.7
Cash flow from operating activities		136.7	84.2	239.7	292.2
Net investment in fixed assets		-35.2	-29.7	-42.5	-48.0
Acquisitions	2	-	5.2	5.2	-
Cash flow before financing activities		101.5	59.7	202.4	244.2
Dividend paid		-64.3	-58.4	-58.4	-64.3
Cash flow from other financing activities		-0.1	-17.5	-124.8	-107.4
Cash flow for the period		37.1	-16.2	19.2	72.5
Cash and cash equivalents at beginning of period		287.8	261.4	261.4	254.0
Translation differences		-10.6	8.8	7.2	-12.2
Cash and cash equivalents at end of period		314.3	254.0	287.8	314.3

Income statement for the parent company in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2017	2016	2017	2016	2016	12 months
Operating profit/loss	-19.5	-14.8	-58.1	-44.7	-59.0	-72.4
Result from investment in subsidiaries	48.9	2.5	110.7	79.3	85.2	116.6
Other financial items	-5.0	-2.5	4.6	8.4	18.3	14.5
Profit/loss after financial items	24.4	-14.8	57.2	43.0	44.5	58.7
Appropriations	-	-	-	-	101.8	101.8
Profit/loss before tax	24.4	-14.8	57.2	43.0	146.3	160.5
Taxes	-5.1	-9.3	-5.1	-9.3	-14.1	-9.9
Net profit/loss for the period	19.3	-24.1	52.1	33.7	132.2	150.6

Statement of comprehensive income for the parent company in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2017	2016	2017	2016	2016	12 months
Net profit/loss	19.3	-24.1	52.1	33.7	132.2	150.6
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	19.3	-24.1	52.1	33.7	132.2	150.6

Balance sheet for the parent company in summary

SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016
Assets			
Total fixed assets	1,513.1	1,472.6	1,539.6
Total current assets	477.2	297.2	463.5
Total assets	1,990.3	1,769.8	2,003.1
Shareholder's equity	777.6	692.3	789.8
Liabilities			
Total long-term liabilities	662.2	791.3	701.9
Total current liabilities	550.5	286.2	511.4
Total liabilities	1,212.7	1,077.5	1,213.3
Total equity and liabilities	1,990.3	1,769.8	2,003.1

Statement of changes in parent company shareholders' equity in summary

SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016
Opening balance at the beginning of the period	789.8	715.5	715.5
Net profit	52.1	33.7	132.2
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	52.1	33.7	132.2
Transactions with owners			
Dividend paid	-64.3	-58.4	-58.4
Share-based payments	-	1.5	0.5
Closing balance at the end of period	777.6	692.3	789.8

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

	30 Sep 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	-	-	496.8	496.8
Foreign exchange forward contracts entered *)	-	1.4	-	1.4
Other current receivables	-	-	193.5	193.5
Cash and cash equivalents	-	-	314.3	314.3
Total	-	1.4	1,004.6	1,006.0
Financial leasing liabilities	-	-	0.2	0.2
Bank loans	-	-	662.6	662.6
Accounts payable	-	-	254.5	254.5
Foreign exchange forward contracts entered *)	-	0.2	-	0.2
Other current liabilities	-	-	456.7	456.7
Total	-	0.2	1,374.0	1,374.2

*) 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 in 2016 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 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2017	2016	2017	2016	2016	12 months
Operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Acquisition cost	-	-	-	-	-	-
Restructuring cost	-	-	-	-	-	-
Adjusted operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Adjusted operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Net sales	768.7	792.0	2,288.5	2,287.2	3,107.3	3,108.6
Adjusted operating margin, %	9.0	8.7	7.8	7.2	8.1	8.5
Operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Depreciation and amortization	13.0	11.4	38.0	35.5	47.7	50.2
EBITDA	82.3	80.0	217.0	200.3	298.0	314.7
EBITDA	82.3	80.0	217.0	200.3	298.0	314.7
Acquisition cost	-	-	-	-	-	-
Restructuring cost	-	-	-	-	-	-
Adjusted EBITDA	82.3	80.0	217.0	200.3	298.0	314.7
Adjusted EBITDA	82.3	80.0	217.0	200.3	298.0	314.7
Net sales	768.7	792.0	2,288.5	2,287.2	3,107.3	3,108.6
Adjusted EBITDA margin, %	10.7	10.1	9.5	8.8	9.6	10.1
Cash and cash equivalents					287.8	314.3
Long-term interest-bearing liabilities					702.4	662.4
Pension liabilities					109.2	106.0
Current interest-bearing liabilities					0.5	0.4
Net debt					524.3	454.5
Net debt					524.3	454.5
Equity - Closing balance					982.2	995.6
Net debt/equity ratio, %					53.4	45.7
Equity - Opening balance	976.3	847.2	982.2	837.1	837.1	903.9
Equity - Closing balance	995.6	903.9	995.6	903.9	982.2	995.6
Equity - average	985.9	875.5	988.9	870.5	909.7	949.7
Net profit	42.9	47.9	113.1	111.0	172.1	174.2
Return on shareholders' equity, %	17.4	21.9	15.3	17.0	18.9	18.3

Note 3: Alternative performance measures, cont.

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2017	2016	2017	2016	2016	12 months
Equity - average	985.9	875.5	988.9	870.5	909.7	949.7
Net Debt - opening balance	527.2	675.1	524.3	635.6	635.6	654.3
Net Debt - closing balance	454.5	654.3	454.5	654.3	524.3	454.5
Net Debt - average	490.9	664.7	489.4	645.0	580.0	554.4
Operating capital - average	1,476.8	1,540.2	1,478.3	1,515.4	1,489.7	1,504.1
Adjusted operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Return on operating capital, %	18.8	17.8	16.1	14.5	16.8	17.6
Net debt					524.3	454.5
Adjusted EBITDA					298.0	314.7
Net debt/Adjusted EBITDA, multiple					1.8	1.4
Profit before tax					231.7	236.2
Financial expense					-21.4	-23.5
Acquisition cost					-	-
Restructuring cost					-	-
EBT excl. financial expenses, acquisition costs and restructuring costs					253.1	259.7
Financial expense					-21.4	-23.5
Interest cover ratio, multiple					11.8	11.0
Incoming orders, same period in previous year	696.6	846.7	2,161.8	2,439.6	3,171.8	
Change in incoming orders, organic	82.5	-152.1	144.1	-272.8	-209.0	
Change in incoming orders, currency effects	-18.1	-2.5	35.6	-35.3	-8.4	
Change in incoming orders, acquisitions	-	4.5	-	30.3	37.9	
Incoming orders	761.0	696.6	2,341.5	2,161.8	2,992.3	
Order growth, %, organic	11.6	-18.0	6.8	-11.2	-6.7	
Order growth, %, currency effects	-2.3	-0.3	1.5	-1.6	-0.3	
Order growth, %, acquisitions	-	0.6	-	1.4	1.3	
Order growth, %,	9.3	-17.7	8.3	-11.4	-5.7	
Net sales, comparative period previous year	792.0	796.7	2,287.2	2,299.4	3,198.0	
Change in net sales, organic	-6.6	-7.4	-36.2	-17.7	-127.1	
Change in net sales, currency effects	-16.7	-7.5	37.5	-34.8	-7.3	
Change in net sales, acquisitions	-	10.2	-	40.3	43.7	
Net sales	768.7	792.0	2,288.5	2,287.2	3,107.3	
Sales growth, %, organic	-0.8	-0.9	-1.6	-0.8	-4.0	
Sales growth, %, currency effects	-2.1	-1.0	1.7	-1.5	-0.2	
Sales growth, %, acquisitions	-	1.3	-	1.8	1.4	
Sales growth, %	-2.9	-0.6	0.1	-0.5	-2.8	

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
	2017	2016	2017	2016	2016	12 months
EMEA						
Incoming orders	342.9	322.5	1,116.6	1,043.9	1,439.4	1,512.1
External net sales	376.1	355.8	1,088.6	1,046.5	1,420.6	1,462.7
Depreciation	-5.6	-5.5	-16.3	-17.2	-22.2	-21.3
Adjusted operating profit	51.4	47.0	138.0	117.6	168.1	188.5
Adjusted operating margin, %	13.7	13.2	12.7	11.2	11.8	12.9
APAC						
Incoming orders	95.4	84.0	319.3	283.1	358.4	394.6
External net sales	105.5	117.3	281.3	285.0	379.6	375.9
Depreciation	-0.9	-1.3	-2.7	-3.6	-4.7	-3.8
Adjusted operating profit	5.2	2.9	-2.2	-12.2	-9.3	0.7
Adjusted operating margin, %	4.9	2.5	-0.8	-4.3	-2.5	0.2
Americas						
Incoming orders	322.7	290.1	905.6	834.8	1,194.5	1,265.3
External net sales	287.1	318.9	918.6	955.7	1,307.1	1,270.0
Depreciation	-3.6	-3.5	-12.1	-11.0	-15.7	-16.8
Adjusted operating profit	31.5	33.0	91.5	97.7	140.4	134.2
Adjusted operating margin, %	11.0	10.4	10.0	10.2	10.7	10.6
Other - non-allocated						
Depreciation	-2.9	-1.1	-6.9	-3.7	-5.1	-8.3
Adjusted operating profit	-18.8	-14.3	-48.3	-38.3	-48.9	-58.9
The Group						
Incoming orders	761.0	696.6	2,341.5	2,161.8	2,992.3	3,172.0
Net sales	768.7	792.0	2,288.5	2,287.2	3,107.3	3,108.6
Depreciation	-13.0	-11.4	-38.0	-35.5	-47.7	-50.2
Adjusted operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Acquisition cost	-	-	-	-	-	-
Restructuring cost	-	-	-	-	-	-
Operating profit	69.3	68.6	179.0	164.8	250.3	264.5
Profit before tax	63.2	67.2	162.2	157.7	231.7	236.2
Net profit	42.9	47.9	113.1	111.0	172.1	174.2

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 2017 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, 18 October 2017

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, 18 October 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 62 or UK tel. no. +44 203 008 9806. 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

- Year End Report 15 February 2018
- Interim report 1: 19 April 2018
- AGM: 19 April 2018
- Interim report 2: 12 July 2018
- Interim report 3: 18 October 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 18 October 2017.

Further information can be obtained from

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For further information, see Nederman's website:
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Swedish corporate identity no.: 556576-4205

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