

Quarter 3, 2018

- Incoming orders amounted to SEK 817.9m (761.0), which currency adjusted is an increase of 1.2 percent compared with the same period last year.
- Net sales amounted to SEK 835.2m (768.7), which currency adjusted is an increase of 2.5 percent compared with the same period last year.
- Operating profit was SEK 50.6m (69.3), giving an operating margin of 6.1 percent (9.0).
- Net profit was SEK 32.9m (42.9).
- Earnings per share were SEK 0.94 (1.22).*

January - September, 2018

- Incoming orders amounted to SEK 2,511.7m (2,341.5), which currency adjusted is an increase of 5.4 percent compared with the same period last year.
- Net sales amounted to SEK 2,484.9m (2,288.5), which currency adjusted is an increase of 6.6 percent compared with the same period last year.
- Adjusted operating profit was SEK 181.4m (179.0), giving an adjusted operating margin of 7.3 percent (7.8).
- Operating profit was SEK 177.6m (179.0), giving an operating margin of 7.1 percent (7.8).
- Net profit was SEK 113.5m (113.1).
- Earnings per share were SEK 3.23 (3.23).*

* As a consequence of the share split adopted by the annual general meeting, the earnings per share for the prior year has been adjusted. See page 9 for further information.



CEO's comments

A quarter with challenges and positive signs

The third quarter of the year was a very challenging quarter for Nederman in several ways. In the USA, we were affected by production and distribution disruption at and around our production facilities which are all located in North and South Carolina where Tropical Storm Florence caused devastation.

In APAC, Nederman had problems of other kinds during the quarter. In China, the caution we could already see in the second quarter increased. Nederman's customers have had difficulty finding financing for larger projects, which has resulted in a weak order intake in the quarter. The economic situation in China has also meant that our customers are deferring their payments longer than before. Rapidly rising commodity prices have also put pressure on the Group's profitability in the region.

EMEA had stable development in the quarter with organic growth of the order intake of 3.5 percent and sales of SEK 410.5 million (376.1).

All in all, the many challenges during the quarter, together with challenging comparative figures from the very strong third quarter of 2017, meant that the order intake decreased organically by 5.6 percent. However, the acquisitions of NEO Monitors and Auburn Filter Sense have had a very positive impact on the Group's development, which means that total orders received increased by 7.5 percent to SEK 817.9 million (761.0).

Despite the challenges in the third quarter, there are several bright spots in our business operations. Nederman Insight, which was established in 2017, is developing faster than we originally anticipated, and both NEO Monitors and Auburn FilterSense are providing significant positive contributions to our business. It is clear that our customers have a great need to establish, with the help of Nederman Insight, a digital and online business with all the benefits this provides. Nederman Insight as a whole is now approaching an annualised order intake equivalent to SEK 250 million. Although Nederman Insight already forms a significant part of the Nederman Group, we are still only at the beginning of the journey aimed at establishing Nederman as the obvious digital partner for our customers.



On October 1, it was announced that the NAFTA Trade Agreement between the USA, Mexico and Canada is being replaced by a new trade agreement, USMCA. Hopefully, this new agreement will mean that some of the uncertainty that has characterised trade between the United States, Mexico and Canada will gradually decrease.

During the last quarter of the year, we will continue the work of managing our ambivalent world in the best possible way and building on the lessons learned in the third quarter.

Sven Kristensson
CEO



Americas operating segment

In the Americas, orders received in the quarter declined organically by 15.3 percent to SEK 309.7m (322.7). Sales decreased organically by 6.0 percent to SEK 307.0m (287.1). The adjusted operating result was SEK 26.1m (31.5), corresponding to an adjusted operating margin of 8.5 percent (11.0). Mexico and Brazil had strong sales in the quarter while developments the USA and Canada were weaker.

General market situation

There continues to be uncertainty concerning US trade, health and environmental policies. The effects of US customs on steel and aluminium as well as on goods from China are now beginning to impact on the US economy. The NAFTA agreement has been replaced by the USMCA agreement, which probably means that the previous uncertainty surrounding NAFTA will gradually decrease. In the long term, economic development is expected to be boosted in Brazil, which, together with the authorities' more stringent requirements for compliance with the country's environmental legislation, is expected to have a positive impact for Nederman's products and solutions.

Development per country

In the USA, order intake declined organically by 17 percent and sales fell by 6 percent following a weaker sales trend for large systems. The development should be seen in the context of a very strong third quarter in 2017 when two major orders were booked. Aftermarket business showed a strong performance in the quarter. At the end of September, Tropical Storm Florence resulted in major disruption at and around the Group's production and distribution facilities, which had a significant negative impact on sales and profitability in the quarter.

In Canada, order intake declined organically following a weaker sales trend for smaller systems. The aftermarket grew by 16 percent compared to the corresponding quarter of 2017.

Brazil had both strong incoming orders and sales in the quarter. The metal industry in the country is still showing low

Incoming orders in the quarter: SEK 309.7m (322.7)

Weak development in the USA and Canada.
Good sales of major projects in Mexico.
Strong development in Brazil.

demand, which is partly offset by growing demand from the food, pharmaceutical and chemical industries. Profitability has been boosted in the quarter.

Mexico continued to post strong growth in the quarter following good sales of larger projects. The development of core business was in line with expectations.

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 309.7m. Organically, this corresponds to a decrease of 15.3 percent compared with the same quarter of 2017. Incoming orders for the period January - September amounted to SEK 932.6m. Organically, this corresponds to a decrease of 0.3 percent compared with 2017. Net sales during the quarter totalled SEK 307.0m. Organically, this corresponds to a decrease of 6.0 percent compared with the corresponding quarter of 2017. Net sales for the period January - September totalled SEK 907.5m. Organically, this corresponds to a decrease of 3.7 percent compared with 2017.

Key ratios

SEK million	Note	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2017	Oct-Sep 12 months
		2018	2017	2018	2017		
Incoming orders		309.7	322.7	932.6	905.6	1,198.4	1,225.4
External net sales	1	307.0	287.1	907.5	918.6	1,228.3	1,217.2
Adjusted operating profit		26.1	31.5	81.0	91.5	136.9	126.4
Adjusted operating margin, %		8.5	11.0	8.9	10.0	11.1	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

Orders received in the quarter grew to SEK 412.9m (342.9), equivalent to organic growth of 3.5 percent. Sales totalled SEK 410.5m (376.1), equivalent to an organic fall of 4.9 percent. Growth in the quarter was driven mainly by NEO Monitors, but also the core business where sales of products and smaller systems saw a positive development. Profitability declined during the quarter as a result of a less favourable product and market mix and increased development costs primarily for digital solutions.

General market situation

The market situation within EMEA is stable with weak to moderate growth. 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 remain difficult to assess.

Development per country

The order intake in Germany was slightly lower than the strong corresponding quarter in 2017. A major order for fibreglass production was booked in the quarter. The Nordic region saw weak organic growth in order intake while sales increased after good performance in Denmark. The Benelux countries recorded a good order intake in the quarter compared with the corresponding quarter of 2017. In Belgium, a major order for the railway industry and a medium-sized order for the vehicle industry aftermarket were booked.

In southern Europe, the picture was mixed with a slightly reduced order intake in France, while Spain and Portugal showed good growth, including a medium-sized order for the aviation industry. Even the UK saw a positive trend in order intake following, among others, a major order from the country's aviation industry.

Both Poland and the Czech Republic posted weaker development in the quarter. This trend is primarily explained by lower sales of medium-sized systems. Turkey posted a positive performance in the quarter despite challenging macroeconomic conditions.

Incoming orders in the quarter: SEK 412.9m (342.9)

NEO Monitors contributes to positive development. 3.5 percent organic growth in orders. Several medium-sized orders.

Distributor markets saw strong development of both order intake and sales in the quarter.

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 412.9m. Organically, this corresponds to an increase of 3.5 percent compared with the same quarter of 2017. Incoming orders for the period January - September amounted to SEK 1,263.1m. Organically, this corresponds to a decrease of 1.6 percent compared with 2017. Net sales during the quarter totalled SEK 410.5m. Organically, this corresponds to a decrease of 4.9 percent compared with the corresponding quarter of 2017. Net sales for the period January - September totalled SEK 1,244.1m. Organically, this corresponds to an increase of 0.7 percent compared with 2017.

Key ratios

SEK million	Note	1Jul-30Sep		Organic growth, %*	1Jan-30Sep		Organic growth, %*	Full year 2017	Oct-Sep 12 months
		2018	2017		2018	2017			
Incoming orders		412.9	342.9	3.5	1,263.1	1,116.6	-1.6	1,530.6	1,677.1
External net sales	1	410.5	376.1	-4.9	1,244.1	1,088.6	0.7	1,517.5	1,673.0
Adjusted operating profit		47.7	51.4		165.5	138.0		205.9	233.4
Adjusted operating margin, %		11.6	13.7		13.3	12.7		13.6	14.0

* 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 mixed development in the quarter with weaker order intake, but good sales growth. Orders received declined organically by 5.7 percent to SEK 95.3m (95.4), while sales increased organically by 8.2 percent to SEK 117.7m (105.5). Profitability fell in the quarter as a result of, among other factors, rising raw material prices. The adjusted operating result was SEK -1.5m (5.2), corresponding to an adjusted operating margin of -1.3 percent (4.9).

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 industries at risk of dust explosion hazards. Development is currently limited by significant problems for Nederman's customers in obtaining financing for their investments.

Development per country

In China, orders received declined organically by almost 14 percent in the quarter. The decrease is just under 8 percent for the first three quarters of the year. Some major orders were booked in the quarter, but overall sales of larger systems were at a lower level than in the corresponding quarter of the previous year. Profitability was negatively affected by rapid steel price increases and increased shipping and duty costs on export orders to North America.

Development in India is still volatile with large fluctuations between individual quarters. Orders received during the first three quarters of the year have fallen compared with a strong 2017.

In Thailand, order intake strengthened significantly compared with the third quarter of last year, while sales declined slightly. In Malaysia, order intake declined after changes in the country's tax system, while at the same time organic sales growth showed strong growth figures.

Incoming orders in the quarter: SEK 95.3m (95.4)

Reduced order intake in China
Positive development in Thailand
Lower profitability

There are continued signs of improvements in the business climate in Australia and order intake developed in line with expectations.

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 95.3m. Organically, this corresponds to a decrease of 5.7 percent compared with the same quarter of 2017. Incoming orders for the period January - September amounted to SEK 316.0m. Organically, this corresponds to a decrease of 1.7 percent compared with 2017. Net sales during the quarter totalled SEK 117.7m. Organically, this corresponds to an increase of 8.2 percent compared with the corresponding quarter of 2017. Net sales for the period January - September totalled SEK 333.3m. Organically, this corresponds to an increase of 17.0 percent compared with 2017.

Key ratios

SEK million	Note	1 Jul-30 Sep		Organic	1 Jan-30 Sep		Organic	Full year	Oct-Sep
		2018	2017		2018	2017			
Incoming orders		95.3	95.4	-5.7	316.0	319.3	-1.7	428.3	425.0
External net sales	1	117.7	105.5	8.2	333.3	281.3	17.0	402.7	454.7
Adjusted operating profit		-1.5	5.2		-0.2	-2.2		9.3	11.3
Adjusted operating margin, %		-1.3	4.9		-0.0	-0.8		2.3	2.5

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

Rapid development for Nederman Insight

Today's ever faster digitalisation has created new and interesting opportunities for Nederman to develop its customer offering. The opportunities associated with connected services, the Internet of Things (IoT) and mobile devices such as smart phones and tablets, together form a platform that can provide Nederman's customers with new services and new values. Nederman Insight has built a competitive offering in a short period of time, and annualised order intake approaches approximately SEK 250 million. Nederman Insight is characterised by a high pace of innovation and rapid development of the organisation and it is still in the early stages of its global expansion.

During the third quarter of the year Nederman participated in the International Woodworking Fair 2018 (IWF) in Atlanta, USA, which with its 30,000 visitors is North America's largest trade fair for the timber industry. At the fair, Nederman Insight launched two new solutions developed for the timber industry: Wood Insight and SAVE. With Wood Insight, users can monitor their filter system performance in real-time and obtain valuable data to implement planned service measures. SAVE (Smart Air Ventilation Economics) monitors workstations and automatically adjusts fan and moisture configurations to create optimal conditions.

During the third quarter, Nederman Insight has conducted significant training initiatives in APAC and EMEA.

Two acquisitions have contributed to the rapid expansion

Nederman Insight can today, thanks to among other things two strategic acquisitions, compete with an overall offering to the Group's customers, which takes advantage of the major benefits that digitalisation offers, such as continuous system monitoring, risk management and easily-planned maintenance.

Auburn FilterSense LLC manufactures continuous particle monitoring systems. The technology is based on triboelectric and charge induction particles, intelligent controls with real-time diagnostics and software for filter leak detection, process control, maintenance planning, regulatory compliance and increased production efficiency.

As the first company in the world, **NEO Monitors** has developed a solution for on-site measurement of hydrogen using traditional infrared-based technology, which is well-proven in many other industrial applications.

Strategic goals

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

IoT platform

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

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 previously impossible.

Outlook

The situation in Europe continues to be stable for both order intake and sales. In the US, we also see a continued stable development of the sales of core business while uncertainty surrounding major projects is expected to continue for some time although we have seen some improvement. The USMCA

agreement should have positive effects. In Asia, several markets are seeing positive development. In China, increased environmental activity can be noted, but development is subdued by lack of funding.

Events after the end of the reporting period

Nederman acquires Luwa Air Engineering AG, a global market leader in fibre and textile air engineering

October 17, 2018 Nederman signed and completed a deal to acquire 100% of the shares in Luwa Air Engineering AG, a global manufacturer and supplier of custom engineered air conditioning, waste handling and heat recovery systems for fibre applications. Luwa is based in Uster, Switzerland and operates through global entities in China, India, Singapore, USA and Turkey.

Luwa, founded in 1935, is a global market leader in textile air engineering and a quality and performance leader with a global brand in the fibre and textile industry. The Luwa Group's activities include the design and engineering of single components and whole systems as well as manufacturing, assembly, installation and after sales services. Manufacturing and assembly facilities are situated in India and China and the group has a significant global installed base that is the source of Luwa's deep understanding of the technical demands as well as the local requirements of customers.

The acquisition price amounts to CHF 28.5 million under a locked box mechanism, based on consolidated equity capital as of December 31, 2017 and therefore includes Luwa's cash positions. No interest is to be paid on the consideration for the period between December 31, 2017 and October 17, 2018.

The acquisition is funded by a combination of cash and existing bank facilities. The acquisition price will be paid in two instalments, the first instalment on October 17, 2018 and the second instalment of CHF 5.7 million two calendar years after completion.

The Luwa Group, with approximately 350 employees, had a turnover in 2017 of CHF 66 million. The acquired business currently has an EBITDA margin somewhat lower than that of the Nederman Group.

Luwa will be part of the Nederman Mikropul organisation. The Luwa brand and team will continue to operate as before, and their high quality solutions will add to the Nederman Group's capabilities in the strategically important global fibre and textile market.

Quarter 3, 2018

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 817.9m (761.0). Organically, this corresponds to a decrease of 5.6 percent compared with the corresponding period last year.

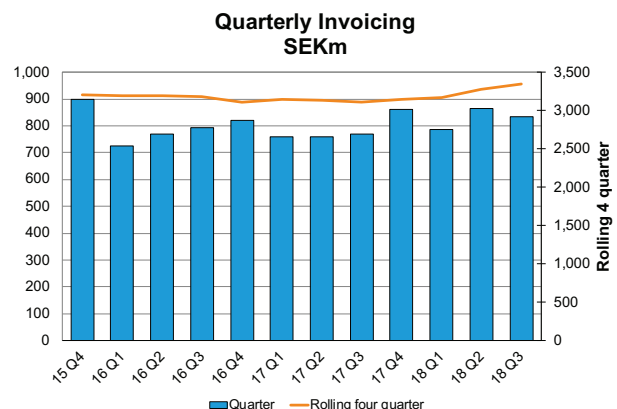
Net sales for the quarter amounted to SEK 835.2m (768.7). Organically, this corresponds to a decrease of 3.5 percent compared with the corresponding period last year.

Profit/loss

- The consolidated operating profit for the quarter was SEK 50.6m (69.3), which gave an operating margin of 6.1 percent (9.0).
- Profit before tax decreased to 43.9 Mkr (63.2).
- Net profit was SEK 32.9m (42.9), which gave earnings per share of SEK 0.94 (1.22).

Capital expenditure

Capital expenditure during the quarter was SEK 15.7m (10.0).



* As a consequence of the share split adopted by the annual general meeting, the earnings per share in previous year has been adjusted. See page 9 for further information.

January - September 2018

Incoming orders and sales

Incoming orders were SEK 2,511.7m (2,341.5). Organically, this corresponds to a decrease of 1.1 percent compared with the same period last year.

Net sales amounted to SEK 2,484.9m (2,288.5). Organically, this corresponds to an increase of 1.0 percent compared with the same period last year.

Profit/loss

- Consolidated operating profit for the period was SEK 177.6m (179.0), which gave an operating margin of 7.1 percent (7.8).
- Adjusted operating profit amounted to SEK 181.4m (179.0).
- Adjusted operating margin was 7.3 percent (7.8).
- Profit before tax decreased to SEK 153.2m (162.2).
- Net profit was SEK 113.5m (113.1), which gave earnings per share of SEK 3.23 (3.23).

Cash flow and capital expenditure

Cash flow for the period amounted to SEK -140.5m (37.1) and cash flow from operating activities amounted to SEK 49.3m (136.7).

The lower operating cashflow is largely due to unfavourable cash position on larger projects. The cashflow for the period is also affected negatively by the acquisition of Auburn FilterSense LCC and by amortization of bank loans.

Capital expenditure during the period was SEK 39.5m (36.7), of which capitalised development costs amounted to SEK 3.4m (5.2).

Other financial information

Liquidity: At the end of the period the Group had SEK 231.1m in cash and cash equivalents as well as SEK 100.1m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 472.1m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 126.9m within Nederman's loan agreement with SHB.

The equity in the Group as of 30 September 2018 amounted to SEK 1,192.4m (995.6).

An ordinary dividend of SEK 6.00 per share was paid to shareholders in the second quarter, amounting in total to SEK 70.2m.

As a result of the share split that was approved by the annual general meeting having been completed, the number of shares in Nederman has increased by 23,430,680. As per 30 September 2018, the total number of shares and votes in the company amounts to 35,146,020 and total number of shares outstanding amounts to 35,088,753. The share capital remains unchanged and the par value of the share is changed from SEK 0.1 to SEK 0.03.

The equity ratio for the Group was 37.1 percent as of 30 September 2018 (38.5). The net debt/equity ratio was 59.0 percent (45.7).

Number of employees

The average number of employees during the period was 1,760 (1,702). The number of employees at the end of the period was 1,811 (1,769).

Key figures, Group

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2018	2017	2018	2017	2017	12 months
Net sales	835.2	768.7	2,484.9	2,288.5	3,148.5	3,344.9
Adjusted EBITDA	68.4	82.3	232.6	217.0	338.5	354.1
Adjusted EBITDA margin, %	8.2	10.7	9.4	9.5	10.8	10.6
Operating profit	50.6	69.3	177.6	179.0	278.1	276.7
Operating margin, %	6.1	9.0	7.1	7.8	8.8	8.3
Adjusted operating profit	50.6	69.3	181.4	179.0	285.8	288.2
Adjusted operating margin, %	6.1	9.0	7.3	7.8	9.1	8.6
Profit before tax	43.9	63.2	153.2	162.2	260.1	251.1
Net profit	32.9	42.9	113.5	113.1	186.3	186.7
Earnings per share, SEK	0.94	1.22	3.23	3.23	5.31	5.31
Return on equity, %	11.1	17.4	13.3	15.3	18.1	17.1
Return on operating capital, %	10.6	18.8	13.6	16.1	18.0	17.2
Net debt					585.3	703.8
Net debt/equity ratio, %					54.4	59.0
Net debt/Adjusted EBITDA, multiple					1.7	2.0
Interest cover ratio					11.8	8.9

* As a consequence of the share split adopted by the annual general meeting, the earnings per share in previous year has been adjusted. See page 9 for further information.

Other information

New organisation for profitable growth

Currently the Nederman Group is restructuring the Group's operations with the goal of increasing both growth and profitability through simple structures and clear focus.

Specifically, this means that Nederman will be organised with a primary operational focus on four brands but with continued coordination in the Americas, EMEA and APAC regional segments.

The new organisation means that Nederman's expertise will have a clear impact on a global level. The new organisation will also further improve Nederman's work with the Group's key customers and expand the after-sales business which offers major scope for growth.

The new organisation is gradually being implemented during 2018 and will be reflected in Nederman's segment reporting with effect from 1st January 2019.

Risks and uncertainties

The Group and the parent company are exposed to a number of risks which are primarily due to the Group buying and selling products in foreign currencies. These risks are described in more detail in the company's management report on pages 48-49 and note 24 in the 2017 Annual Report. No circumstance that causes a change in the assessment of named risks has come to light.

Nomination Committee

In accordance with the AGM's guidelines for the Nomination Committee's work, Anders Mörck (Investment AB Latour, President), Göran Espelund (Lannebo Fonder), Fabian Hielte (Ernström & Co.) and Fredrik Ahlin (IF Skadeförsäkring AB) have been appointed to the Nomination Committee for the 2018 Annual General Meeting. Jan Svensson, Chairman of Nederman's Board, is adjunct to the Nomination Committee. For any questions concerning the Nomination Committee's work, please contact Anders Mörck at anders.morck@latour.se.

Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act Chapter 9 and RFR2. The same accounting policies and valuation principles apply as described in the latest Annual Report to the Group and the parent company (pages 61-65 of the Annual Report for 2017).

Changes that will come into effect on 1 January 2018 and beyond:

IFRS 15, effective for fiscal years beginning 1 January 2018, will not have any impact on reporting of consolidated income. For further information, see the Annual Report 2017, page 61.

IFRS 9, effective for fiscal years beginning 1 January 2018, will not have any significant impact on the consolidated reporting of the financial instruments. For further information, see the Annual Report 2017, page 61.

IFRS 16 replaces IAS 17 from 1 January 2019. An evaluation of the impact on the standard is ongoing. Further information will be presented in the Q4 year-end report 2018.

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 2018

Jan Svensson
Chairman

Gunilla Fransson
Member of the Board

Ylva op den Velde Hammargren
Member of the Board

Johan Hjertonsson
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 2017 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 7.0 percent. During the period, the adjusted operating margin varied between 6.4 and 9.1 percent and in 2017 amounted to 9.1 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	Note	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
		2018	2017	2018	2017	2017	12 months
Net sales	1	835.2	768.7	2,484.9	2,288.5	3,148.5	3,344.9
Cost of goods sold		-530.1	-478.7	-1,552.5	-1,420.2	-1,948.6	-2,080.9
Gross profit		305.1	290.0	932.4	868.3	1,199.9	1,264.0
Selling expenses		-178.4	-155.3	-542.6	-496.0	-662.7	-709.3
Administrative expenses		-60.6	-55.9	-187.8	-170.9	-222.2	-239.1
Research and development expenses		-10.1	-2.0	-29.5	-8.4	-14.2	-35.3
Acquisition costs	3	-0.0	-	-3.8	-	-7.7	-11.5
Other operating income/expenses		-5.4	-7.5	8.9	-14.0	-15.0	7.9
Operating profit		50.6	69.3	177.6	179.0	278.1	276.7
Financial income		1.1	-0.6	2.6	1.8	6.8	7.6
Financial expense		-7.8	-5.5	-27.0	-18.6	-24.8	-33.2
Net financial items		-6.7	-6.1	-24.4	-16.8	-18.0	-25.6
Profit before tax		43.9	63.2	153.2	162.2	260.1	251.1
Taxes		-11.0	-20.3	-39.7	-49.1	-73.8	-64.4
Net profit		32.9	42.9	113.5	113.1	186.3	186.7
Net profit attributable to:							
The parent company's shareholders		32.9	42.9	113.5	113.1	186.3	186.7
Earnings per share							
before dilution (SEK)		0.94	1.22	3.23	3.23	5.31	5.31
after dilution (SEK)		0.94	1.22	3.23	3.23	5.31	5.31

* As a consequence of the share split adopted by the annual general meeting, the earnings per share in previous year has been adjusted. See page 9 for further information.

Consolidated statement of comprehensive income in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2018	2017	2018	2017	2017	12 months
Net profit	32.9	42.9	113.5	113.1	186.3	186.7
Other comprehensive income						
Items that cannot be reclassified to net profit						
Revaluation of defined-benefit pension plans	-1.4	-1.6	-2.3	-2.3	-3.3	-3.3
Tax attributable to items that cannot be reclassified to net profit	0.4	0.4	0.6	0.6	0.7	0.7
	-1.0	-1.2	-1.7	-1.7	-2.6	-2.6
Items that have been or can be reclassified to net profit						
Exchange differences arising on translation of foreign operations	-16.0	-22.2	76.0	-36.9	-28.2	84.8
Cash flow hedges	-0.0	-0.4	-0.0	4.1	3.1	-1.0
Tax attributable to items that can be reclassified to net profit	0.0	0.1	0.0	-0.9	-0.7	0.2
	-16.0	-22.5	76.0	-33.7	-25.8	83.9
Other comprehensive income for the period, net of tax	-17.0	-23.7	74.3	-35.4	-28.4	81.3
Total comprehensive income for the period	15.9	19.2	187.8	77.7	157.9	268.0
Total comprehensive income attributable to:						
The parent company's shareholders	15.9	19.2	187.8	77.7	157.9	268.0

Consolidated statement of financial position in summary

SEK million	Note	30 Sep 2018	30 Sep 2017	31 Dec 2017
Assets				
Goodwill		1,064.0	682.6	969.9
Other intangible assets		244.4	119.5	226.8
Tangible assets		256.3	239.5	252.4
Long-term receivables		9.6	5.1	5.4
Deferred tax assets		13.8	66.4	16.8
Total fixed assets		1,588.1	1,113.1	1,471.3
Inventories		486.1	394.6	386.8
Accounts receivable	2	545.9	496.8	529.5
Other current receivables	2	359.8	268.2	222.4
Cash and cash equivalents	2	231.1	314.3	360.9
Total current assets		1,622.9	1,473.9	1,499.6
Total assets		3,211.0	2,587.0	2,970.9
Equity				
		1,192.4	995.6	1,075.8
Liabilities				
Long-term interest-bearing liabilities	2	801.9	662.4	822.5
Other long-term liabilities		179.3	1.5	153.7
Pension liabilities		124.8	106.0	123.4
Other provisions		8.9	7.5	9.5
Deferred tax liabilities		22.0	19.6	17.0
Total long-term liabilities		1,136.9	797.0	1,126.1
Current interest-bearing liabilities	2	8.2	0.4	0.3
Accounts payable	2	325.9	254.5	298.9
Other current liabilities	2	526.2	514.6	444.3
Provisions		21.4	24.9	25.5
Total current liabilities		881.7	794.4	769.0
Total liabilities		2,018.6	1,591.4	1,895.1
Total equity and liabilities		3,211.0	2,587.0	2,970.9

Consolidated statement of changes in equity in summary

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017
Opening balance at beginning of period	1,075.8	982.2	982.2
Net profit	113.5	113.1	186.3
Other comprehensive income			
Change in translation reserve for the period	76.0	-36.9	-28.2
Cash flow hedges, net of tax	-0.0	3.2	2.4
Revaluation of defined-benefit pension plans, net of tax	-1.7	-1.7	-2.6
Total other comprehensive income for the period	74.3	-35.4	-28.4
Total comprehensive income for the period	187.8	77.7	157.9
Transactions with Group owners			
Dividend paid	-70.2	-64.3	-64.3
Share-based remuneration	-1.0	-	-
Closing balance at end of period	1,192.4	995.6	1,075.8

Consolidated cash flow statement in summary

SEK million	Note	1 Jan-30 Sep 2018	1 Jan-30 Sep 2017	Full year 2017	Oct-Sep 12 months
Operating profit		177.6	179.0	278.1	276.7
Adjustment for:					
Depreciation and amortisation of fixed assets		51.2	38.0	52.7	65.9
Other adjustments		-12.7	2.0	3.6	-11.1
Interest received and paid incl. other financial items		-20.2	-15.8	-21.9	-26.3
Taxes paid		-31.4	-34.5	-46.0	-42.9
Cash flow from operating activities before changes in working capital		164.5	168.7	266.5	262.3
Cash flow from changes in working capital		-115.2	-32.0	12.8	-70.4
Cash flow from operating activities		49.3	136.7	279.3	191.9
Net investment in fixed assets		-27.5	-35.2	-51.8	-44.1
Acquisitions	3	-38.3	-	-233.3	-271.6
Cash flow before financing activities		-16.5	101.5	-5.8	-123.8
Dividend paid		-70.2	-64.3	-64.3	-70.2
Cash flow from other financing activities		-53.8	-0.1	149.4	95.7
Cash flow for the period		-140.5	37.1	79.3	-98.3
Cash and cash equivalents at beginning of period		360.9	287.8	287.8	314.3
Translation differences		10.7	-10.6	-6.2	15.1
Cash and cash equivalents at end of period		231.1	314.3	360.9	231.1

Income statement for the parent company in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2018	2017	2018	2017	2017	12 months
Operating profit/loss	-16.4	-19.5	-57.2	-58.1	-79.4	-78.5
Result from investment in subsidiaries	26.1	48.9	63.5	110.7	100.7	53.5
Other financial items	-1.8	-5.0	-19.2	4.6	18.5	-5.3
Profit/loss after financial items	7.9	24.4	-12.9	57.2	39.8	-30.3
Appropriations	-	-	-	-	112.4	112.4
Profit/loss before tax	7.9	24.4	-12.9	57.2	152.2	82.1
Taxes	-1.6	-5.1	-4.4	-5.1	-8.9	-8.2
Net profit/loss for the period	6.3	19.3	-17.3	52.1	143.3	73.9

Statement of comprehensive income for the parent company in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2018	2017	2018	2017	2017	12 months
Net profit/loss	6.3	19.3	-17.3	52.1	143.3	73.9
Other comprehensive income	-	-	-	-	-	-
Items that cannot be reclassified to net profit/loss	-	-	-	-	-	-
Items that have been or can be reclassified to net profit/loss	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	6.3	19.3	-17.3	52.1	143.3	73.9

Balance sheet for the parent company in summary

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017
Assets			
Total fixed assets	1,389.1	1,513.1	1,907.0
Total current assets	477.5	477.2	495.5
Total assets	1,866.6	1,990.3	2,402.5
Shareholders' Equity	780.3	777.6	868.8
Liabilities			
Total long-term liabilities	461.3	662.2	974.0
Total current liabilities	625.0	550.5	559.7
Total liabilities	1,086.3	1,212.7	1,533.7
Total equity and liabilities	1,866.6	1,990.3	2,402.5

Statement of changes in parent company shareholders' equity in summary

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017
Opening balance at beginning of period	868.8	789.8	789.8
Net profit/loss	-17.3	52.1	143.3
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-17.3	52.1	143.3
Transactions with owners			
Dividend paid	-70.2	-64.3	-64.3
Share-based remuneration	-1.0	-	-
Closing balance at end of period	780.3	777.6	868.8

Note 1: Allocation of sales

SEK million				1 Jul-30 Sep 2018
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	163.1	151.5	95.9	410.5
APAC	26.2	80.7	10.8	117.7
Americas	149.9	96.7	60.4	307.0
Total	339.2	328.9	167.1	835.2

SEK million				1 Jul-30 Sep 2017
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	120.3	177.7	78.1	376.1
APAC	25.2	68.4	11.9	105.5
Americas	135.3	99.8	52.0	287.1
Total	280.8	345.9	142.0	768.7

SEK million				1 Jan-30 Sep 2018
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	520.3	454.5	269.3	1,244.1
APAC	81.9	217.2	34.2	333.3
Americas	415.7	314.0	177.8	907.5
Total	1,017.9	985.7	481.3	2,484.9

SEK million				1 Jan-30 Sep 2017
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	385.9	456.6	246.1	1,088.6
APAC	84.5	167.2	29.6	281.3
Americas	407.3	331.0	180.3	918.6
Total	877.7	954.8	456.0	2,288.5

Performance obligations for sales of Products and Service –and aftermarket are satisfied at the point in time at which the customer obtains control. Performance obligations from sales of solutions, in terms of project sales, are satisfied over time. Revenue is recognized according to the project’s rate of progression towards completion.

Note 2: Fair value and reported value in the statement of financial position

	30 Sep 2018			
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	-	-	545.9	545.9
Foreign exchange forward contracts entered *)	9.7	0.1	-	9.8
Other current receivables	-	-	250.9	250.9
Cash and cash equivalents	-	-	231.1	231.1
Total	9.7	0.1	1,027.9	1,037.7
Financial leasing liabilities	-	-	0.5	0.5
Bank loans	-	-	809.6	809.6
Accounts payable	-	-	325.9	325.9
Foreign exchange forward contracts entered *)	-	0.0	-	0.0
Other current liabilities	-	-	462.9	462.9
Total	-	0.0	1,598.9	1,598.9

*) 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 2017 Annual Report.

Note 3: Acquisition

On April 5th the Group acquired 100% of the shares in the American company, Auburn FilterSense LLC. The purchase price amounts to SEK 55.9m, whereof SEK 11.7m is a potential earn-out payment based on profitability for 2018 and 2019. Maximum earn-out payment is USD 2.5m (SEK 20.7m). Acquired net assets amount to SEK 14.4m and the transaction resulted in an increased goodwill of SEK 41.5m. The acquisition's effect on consolidated cash and cash equivalents amounts to SEK 42.3m. The acquisition analysis is preliminary.

Note 4: Transactions with related parties

No member of the Board of Directors or senior executives have or have had any direct or indirect participation in any business transaction with Group companies which is or was of an exceptional character with regard to terms and conditions that occurred during the year or in any previous year. Nor has any Group company provided any loan, given any guarantees or entered into any surety relationships for any of the members of the Board of Directors or senior executives.

Note 5: 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
	2018	2017	2018	2017	2017	12 months
Operating profit	50.6	69.3	177.6	179.0	278.1	276.7
Acquisition cost	0.0	-	3.8	-	7.7	11.5
Restructuring costs	-	-	-	-	-	-
Adjusted operating profit	50.6	69.3	181.4	179.0	285.8	288.2
Adjusted operating profit	50.6	69.3	181.4	179.0	285.8	288.2
Net sales	835.2	768.7	2,484.9	2,288.5	3,148.5	3,344.9
Adjusted operating margin, %	6.1	9.0	7.3	7.8	9.1	8.6
Operating profit	50.6	69.3	177.6	179.0	278.1	276.7
Depreciation and amortization	17.8	13.0	51.2	38.0	52.7	65.9
EBITDA	68.4	82.3	228.8	217.0	330.8	342.6
EBITDA	68.4	82.3	228.8	217.0	330.8	342.6
Acquisition cost	0.0	-	3.8	-	7.7	11.5
Restructuring costs	-	-	-	-	-	-
Adjusted EBITDA	68.4	82.3	232.6	217.0	338.5	354.1
Adjusted EBITDA	68.4	82.3	232.6	217.0	338.5	354.1
Net sales	835.2	768.7	2,484.9	2,288.5	3,148.5	3,344.9
Adjusted EBITDA margin, %	8.2	10.7	9.4	9.5	10.8	10.6
Cash and cash equivalents					360.9	231.1
Long-term interest-bearing liabilities					822.5	801.9
Pension liabilities					123.4	124.8
Current interest-bearing liabilities					0.3	8.2
Net debt					585.3	703.8
Net debt					585.3	703.8
Equity - Closing balance					1,075.8	1,192.4
Net debt/equity ratio, %					54.4	59.0
Equity - Opening balance	1,176.5	976.3	1,075.8	982.2	982.2	995.6
Equity - Closing balance	1,192.4	995.6	1,192.4	995.6	1,075.8	1,192.4
Equity - average	1,184.5	985.9	1,134.1	988.9	1,029.0	1,094.0
Net profit	32.9	42.9	113.5	113.1	186.3	186.7
Return on equity, %	11.1	17.4	13.3	15.3	18.1	17.1

Note 5: Alternative performance measures, cont'd

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2017	Oct-Sep 12 mån
	2018	2017	2018	2017		
Equity - average	1,184.5	985.9	1,134.1	988.9	1,029.0	1,094.0
Net Debt - opening balance	728.1	527.2	585.3	524.3	524.3	454.5
Net Debt - closing balance	703.8	454.5	703.8	454.5	585.3	703.8
Net Debt - average	716.0	490.9	644.6	489.4	554.8	579.2
Operating capital - average	1,900.5	1,476.8	1,778.7	1,478.3	1,583.8	1,673.2
Adjusted operating profit	50.6	69.3	181.4	179.0	285.8	288.2
Return on operating capital, %	10.6	18.8	13.6	16.1	18.0	17.2
Net debt					585.3	703.8
Adjusted EBITDA					338.5	354.1
Net debt/Adjusted EBITDA, multiple					1.7	2.0
Profit before tax					260.1	251.1
Financial expense					24.8	33.2
Acquisition cost					7.7	11.5
Restructuring costs					-	-
EBT excl. financial expenses, acquisition costs and restructuring costs					292.6	295.8
Financial expense					24.8	33.2
Interest cover ratio, multiple					11.8	8.9
Incoming orders, same period in previous year	761.0	696.6	2,341.5	2,161.8	2,992.3	
Change in incoming orders, organic	-42.9	82.5	-26.3	144.1	137.6	
Change in incoming orders, currency effects	48.2	-18.1	44.6	35.6	10.6	
Change in incoming orders, acquisitions	51.6	-	151.9	-	16.8	
Incoming orders	817.9	761.0	2,511.7	2,341.5	3,157.3	
Order growth, %, organic	-5.6	11.6	-1.1	6.8	4.6	
Order growth, %, currency effects	6.3	-2.3	1.9	1.5	0.3	
Order growth, %, acquisitions	6.8	-	6.5	-	0.6	
Order growth, %	7.5	9.3	7.3	8.3	5.5	
Net sales, comparative period previous year	768.7	792.0	2,288.5	2,287.2	3,107.3	
Change in net sales, organic	-26.9	-6.6	22.3	-36.2	3.6	
Change in net sales, currency effects	47.1	-16.7	46.8	37.5	9.9	
Change in net sales, acquisitions	46.3	-	127.3	-	27.7	
Net sales	835.2	768.7	2,484.9	2,288.5	3,148.5	
Sales growth, %, organic	-3.5	-0.8	1.0	-1.6	0.1	
Sales growth, %, currency effects	6.1	-2.1	2.0	1.7	0.3	
Sales growth, %, acquisitions	6.0	-	5.6	-	0.9	
Sales growth, %	8.6	-2.9	8.6	0.1	1.3	

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
	2018	2017	2018	2017	2017	12 months
EMEA						
Incoming orders	412.9	342.9	1,263.1	1,116.6	1,530.6	1,677.1
External net sales	410.5	376.1	1,244.1	1,088.6	1,517.5	1,673.0
Depreciation	-8.5	-5.6	-25.9	-16.3	-23.6	-33.2
Adjusted operating profit	47.7	51.4	165.5	138.0	205.9	233.4
Adjusted operating margin, %	11.6	13.7	13.3	12.7	13.6	14.0
APAC						
Incoming orders	95.3	95.4	316.0	319.3	428.3	425.0
External net sales	117.7	105.5	333.3	281.3	402.7	454.7
Depreciation	-0.7	-0.9	-2.1	-2.7	-3.5	-2.9
Adjusted operating profit	-1.5	5.2	-0.2	-2.2	9.3	11.3
Adjusted operating margin, %	-1.3	4.9	-0.0	-0.8	2.3	2.5
Americas						
Incoming orders	309.7	322.7	932.6	905.6	1,198.4	1,225.4
External net sales	307.0	287.1	907.5	918.6	1,228.3	1,217.2
Depreciation	-4.5	-3.6	-11.9	-12.1	-15.9	-15.7
Adjusted operating profit	26.1	31.5	81.0	91.5	136.9	126.4
Adjusted operating margin, %	8.5	11.0	8.9	10.0	11.1	10.4
Other - non-allocated						
Depreciation	-4.1	-2.9	-11.3	-6.9	-9.7	-14.1
Adjusted operating profit	-21.7	-18.8	-64.9	-48.3	-66.3	-82.9
The Group						
Incoming orders	817.9	761.0	2,511.7	2,341.5	3,157.3	3,327.5
Net sales	835.2	768.7	2,484.9	2,288.5	3,148.5	3,344.9
Depreciation	-17.8	-13.0	-51.2	-38.0	-52.7	-65.9
Adjusted operating profit	50.6	69.3	181.4	179.0	285.8	288.2
Acquisition cost	-0.0	-	-3.8	-	-7.7	-11.5
Restructuring costs	-	-	-	-	-	-
Operating profit	50.6	69.3	177.6	179.0	278.1	276.7
Profit before tax	43.9	63.2	153.2	162.2	260.1	251.1
Net profit	32.9	42.9	113.5	113.1	186.3	186.7

Auditor's review report

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

To the Board of Directors

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 2018 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 2018

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, Thursday, 18 October 2018 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 9801. 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

- Full-year report 19 February 2019
- Interim report 1 17 April 2019
- Annual General Meeting 29 April 2019
- Interim report 2 12 July 2019
- Interim report 3 17 October 2019

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 2018.

Further information can be obtained from

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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