



Quarter 4, 2018

- Incoming orders amounted to SEK 967.8m (815.9), which currency adjusted is an increase of 13.4 percent compared with the same period last year.
- Net sales amounted to SEK 1,069.0m (860.0), which currency adjusted is an increase of 19.4 percent compared with the same period last year.
- Adjusted operating profit was SEK 126.7m (106.8), giving an adjusted operating margin of 11.9 percent (12.4).
- Operating profit was SEK 117.3m (99.1), giving an operating margin of 11.0 percent (11.5).
- Net profit was SEK 89.7m (73.2).
- Earnings per share were SEK 2.56 kr (2.09).*

January - December, 2018

- Incoming orders amounted to SEK 3,479.5m (3,157.3), which currency adjusted is an increase of 7.4 percent compared with last year.
- Net sales amounted to SEK 3,553.9m (3,148.5), which currency adjusted is an increase of 10.1 percent compared with last year.
- Adjusted operating profit was SEK 308.1m (285.8), giving an adjusted operating margin of 8.7 percent (9.1).
- Operating profit was SEK 294.9m (278.1), giving an operating margin of 8.3 percent (8.8).
- Net profit was SEK 203.2m (186.3).
- Earnings per share were SEK 5.79 (5.31).*
- The Board of Directors proposes a dividend of SEK 2.30 (2.00) per share.

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



CEO's comments

A solid conclusion to 2018

After the challenging third quarter when our US operations were hit by production and distribution interruptions in the wake of Storm Florence and the caution in China increased further, it is very satisfying that the year's fourth quarter was strong. Incoming orders in the quarter grew to SEK 967.8m (815.9), equivalent to a currency-neutral growth of 13.4 percent. Sales saw an even stronger development and amounted to SEK 1,069.0m (860.0) during the quarter, corresponding to a currency-neutral growth of 19.4 percent. Adjusted operating profit increased to SEK 126.7m (106.8).

The positive development during the final quarter of the year also means that we see a strong development for the full year for 2018. Incoming orders totalled SEK 3,479.5m (3,157.3), equivalent to a currency-neutral growth of 7.4 percent. Sales amounted to SEK 3,553.9m (3,148.5), corresponding to a currency-neutral growth of 10.1 percent. The adjusted operating profit rose to SEK 308.1m (285.8), corresponding to an adjusted operating margin of 8.7 percent (9.1). The slightly lower margin is mainly explained by increasing investment in innovation and product development. Earnings per share rose to SEK 5.79 (5.31). A dividend per share of SEK 2.30 (2.00) is proposed.

Acquisition of Luwa

During the quarter, Nederman acquired the Swiss group Luwa. This has enabled us to strengthen our operations with a global market leader within the air filtration field for the fibre and textile industries. Luwa's significant market presence and its strong position in the fibre and textile market which is an important market for Nederman, linked with our global organisation, will make the Nederman Group a more complete and attractive partner for our customers, not least in APAC where Luwa has a strong position.

Positive development for Nederman Insight

Just as during the third quarter, Nederman Insight has continued to develop positively. 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. In 2018, Nederman Insight has taken the step from idea to the establishment of significant business operations. We have recently received orders for Insight solutions from customers in the wood industry, foundries and from medical technology companies among others. Nederman Insight as a whole is now approaching an annual turnover 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.



Outlook

Many of our markets are characterised by continued uncertainty. The risk of trade conflicts and financial uncertainty means that decisions about major investments are being delayed and that large projects are being postponed. Despite these geopolitical challenges, our basic view is one of cautious optimism. Environmental issues will continue to be important for our customers and in 2018, we have strengthened our positions in several central areas where we see that future growth will occur.

Sven Kristensson

CEO



Operating segment - Americas

Incoming orders and sales grew during the quarter. Total incoming orders in the quarter grew to SEK 327.0m (292.9), equivalent to a currency-neutral growth of 4.2 percent. Sales totalled SEK 339.3m (309.8), equivalent to a currency-neutral increase of 2.6 percent. The adjusted operating result for the quarter was SEK 40.3m (45.4), corresponding to an adjusted operating margin of 11.9 percent (14.7).

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

The US market had a stable development during the final quarter of the year, with good growth in both order intake and sales. Brazil also had a positive end to the year with a currency-neutral growth in order intake and sales of 9 and 33 percent respectively. In Canada, the trend was more mixed with an order intake that grew in currency-neutral terms by 21 percent while sales fell. Mexico saw a strong end to the year with good sales growth, while order intake was slightly lower compared to a very strong fourth quarter in 2017.

Incoming orders in the quarter: SEK 327.0m (292.9)

Positive conclusion of the year in USA and Brazil.
Strong end to the year in Mexico.
Mixed development in Canada

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 327.0m. Adjusted for currency effects, this corresponds to an increase of 4.2 percent compared with the same quarter of 2017. Incoming orders for the full year January - December amounted to SEK 1,259.6m. Adjusted for currency effects, this corresponds to an increase of 3.8 percent compared with 2017. Net sales during the quarter totalled SEK 339.3m. Adjusted for currency effects, this corresponds to an increase of 2.6 percent compared with the corresponding quarter of 2017. Net sales for the full year January - December totalled SEK 1,246.8m. Adjusted for currency effects, this corresponds to an increase of 0.2 percent compared with 2017.

Key ratios

SEK million	Note	1 Oct-31 Dec		Currency neutral	Organic	1 Jan-31 Dec		Currency neutral	Organic
		2018	2017	growth, %	growth, %*	2018	2017	growth, %	growth, %*
Incoming orders		327.0	292.9	4.2	-0.1	1,259.6	1,198.4	3.8	-0.2
External net sales	1	339.3	309.8	2.6	-5.2	1,246.8	1,228.3	0.2	-4.0
Adjusted operating profit		40.3	45.4		-	121.3	136.9		-
Adjusted operating margin, %		11.9	14.7		-	9.7	11.1		-

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

Incoming orders in the quarter grew after positive contributions from the acquisitions of NEO Monitors (November 2017) and Luwa (October 2018). Total incoming orders in the quarter grew to SEK 468.5m (414.0), equivalent to a currency-neutral growth of 10.5 percent. Sales totalled SEK 524.2m (428.7), equivalent to a currency-neutral increase of 19.8 percent. The adjusted operating result for the quarter was SEK 93.7m (68.0), corresponding to an adjusted operating margin of 17.9 percent (15.9). The core business with sales of products and smaller systems, aftermarket and project sales all developed well in the quarter.

The fourth quarter 2018 was positive on many levels. The acquisition of Luwa has enabled us to strengthen our operations with a global market leader within the air filtration field for the fibre and textile industries and with a global brand within the fibre industry. The digital sales channels continued to show good growth in the quarter (sales doubled compared to the same quarter in 2017) and NEO Monitors developed well in line with our plans.

General market situation

The market situation within EMEA is stable with weak to moderate growth. Industrial investments remains at a relatively low level, but there are continuing signs of recovery. The short-term and long-term effects of the UK's decision to leave the EU remain difficult to assess.

Development per country

Sales in Germany grew during the quarter, while order intake showed a slight decline after somewhat lower demand in the core business areas. A major order was booked in the quarter. The Nordic region posted strong order growth following a strong trend for NEO Monitors. In the UK, order intake for the core business strengthened, while sales were weaker.

In southern Europe, the picture in the quarter was mixed with a reduced order intake and sales in France, while the situation in Spain and Portugal was the opposite with good growth. Poland saw very strong order growth in the quarter after a large order from one of the country's foundries. Sales in the Polish market were slightly lower than in the corresponding quarter

Incoming orders in the quarter: SEK 468.5m (414.0)

NEO Monitors are contributing positively. Digital sales channels are showing strength. 10.5 percent currency-neutral growth in orders.

of 2017. Turkey also had a strong order intake following a large order from the machining industry.

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 468.5m. Adjusted for currency effects, this corresponds to an increase of 10.5 percent compared with the same quarter of 2017. Incoming orders for the full year January - December amounted to SEK 1,731.6m. Adjusted for currency effects, this corresponds to an increase of 9.2 percent compared with 2017. Net sales during the quarter totalled SEK 524.2m. Adjusted for currency effects, this corresponds to an increase of 19.8 percent compared with the corresponding quarter of 2017. Net sales for the full year January - December totalled SEK 1,768.3m. Adjusted for currency effects, this corresponds to an increase of 12.7 percent compared with 2017.

Key ratios

SEK million	Note	1 Oct-31 Dec		Currency neutral	Organic	1 Jan-31 Dec		Currency neutral	Organic
		2018	2017	growth, %	growth, %*	2018	2017	growth, %	growth, %*
Incoming orders		468.5	414.0	10.5	9.1	1,731.6	1,530.6	9.2	1.3
External net sales	1	524.2	428.7	19.8	3.0	1,768.3	1,517.5	12.7	1.4
Adjusted operating profit		93.7	68.0			259.2	205.9		
Adjusted operating margin, %		17.9	15.9			14.7	13.6		

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

Incoming orders in the quarter grew after a positive contribution from the acquisition of Luwa (October 2018). Total incoming orders in the quarter amounted to SEK 172.3m (109.0), equivalent to a currency-neutral growth of 48.7 percent. Sales totalled SEK 205.5m (121.5), equivalent to a currency-neutral increase of 61.1 percent. The adjusted operating result for the quarter was SEK 16.5m (11.6), corresponding to an adjusted operating margin of 8.0 percent (9.5).

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 and a generally weaker Chinese economy. In India, economic development is expected to strengthen slightly in 2019 and in Australia, a continued gradual improvement of the business climate can be seen.

Development per country

The acquisition of Luwa had a positive impact during the final quarter of the year and thus for 2018 as a whole. China saw a positive development in the first and last quarters of the year, while the trend during the second and third quarters was weaker. Including the acquisition of Luwa, sales in China in 2018 increased by 44 percent and orders received by 14 percent. The acquisition of Luwa also resulted in a good development in India in 2018 and sales for the full year increased by almost 43 per cent and order intake by just over 26 per cent. In Australia, development was more mixed with a weak order intake but stronger sales.

Incoming orders in the quarter: SEK 172.3m (109.0)

The acquisition of Luwa significantly strengthens the presence and earnings opportunities in APAC.

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 172.3m. Adjusted for currency effects, this corresponds to an increase of 48.7 percent compared with the same quarter of 2017. Incoming orders for the full year January - December amounted to SEK 488.3m. Adjusted for currency effects, this corresponds to an increase of 11.1 percent compared with 2017.

Net sales during the quarter totalled SEK 205.5m. Adjusted for currency effects, this corresponds to an increase of 61.1 percent compared with the corresponding quarter of 2017. Net sales for the full year January - December totalled SEK 538.8m. Adjusted for currency effects, this corresponds to an increase of 30.3 percent compared with 2017.

Key ratios

SEK million	Note	1 Oct-31 Dec		Currency neutral	Organic	1 Jan-31 Dec		Currency neutral	Organic
		2018	2017	growth, %	growth, %*	2018	2017	growth, %	growth, %*
Incoming orders		172.3	109.0	48.7	-18.8	488.3	428.3	11.1	-6.0
External net sales	1	205.5	121.5	61.1	-19.3	538.8	402.7	30.3	6.1
Adjusted operating profit		16.5	11.6			16.3	9.3		
Adjusted operating margin, %		8.0	9.5			3.0	2.3		

* Currency neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the previous year. 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. Nederman Insight is characterised by a high pace of innovation and rapid development of the organisation and it is still only in the early stages of its global expansion.

From idea to significant business operations

In 2018, Nederman Insight has taken the step from concept to becoming a significant business with the receipt of orders for various solutions from customers in the wood industry, foundries and from medical technology companies among others. Nederman Insight as a whole is now approaching an annual turnover equivalent to SEK 250 million.

Q4

During the quarter, Nederman Insight and Nederman Process Technology launched a solution that makes it possible by means of remote monitoring to monitor production facilities and quickly detect emergencies, such as fire. The system also makes it possible to plan maintenance in an efficient manner and thereby prevent unwanted stops in production.

In 2018, Nederman launched Insight solutions for fields such as the wood products and foundry industries. There has been considerable interest in these solutions and the first orders from these market segments were received in the last quarter of the year.

Two acquisitions have contributed to the rapid expansion

Today, thanks among other factors to two strategic acquisitions, Nederman Insight can compete with an overall offering to the Group's customers who take 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.

NEO Monitor's portfolio covers solutions for measurement of a large number of gases that arise in industrial processes. The measurements were made using laser technology. 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 customers. 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 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 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

Many of Nederman's markets show continued uncertainty. The risk of trade conflicts and financial uncertainty prolongs decisions on large investments and large projects are postponed. Despite these geopolitical challenges, Nederman has

a cautiously optimistic basic outlook. Environmental issues will continue to be important for the Group's customers and during 2018, Nederman has strengthened its position in many crucial areas where future growth is expected to be.

Dividend

The Board of Directors proposes a dividend to shareholders of SEK 2.30 per share (2.00*).

Acquisition

On 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 also 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 is paid in two instalments, the first instalment was paid on October 17, 2018 and the second instalment of CHF 5.7 million is due 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 Nederman Process Technology. 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.

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

Quarter 4, 2018

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 967.8m (815.9). Adjusted for currency effects, this corresponds to an increase of 13.4 percent compared with the corresponding period last year.

Net sales for the quarter amounted to SEK 1,069.0m (860.0). Adjusted for currency effects, this corresponds to an increase of 19.4 percent compared with the corresponding period last year.

Profit/loss

The consolidated operating profit for the quarter was SEK 117.3m (99.1), which gave an operating margin of 11.0 percent (11.5).

Adjusted operating profit amounted to SEK 126.7m (106.8).

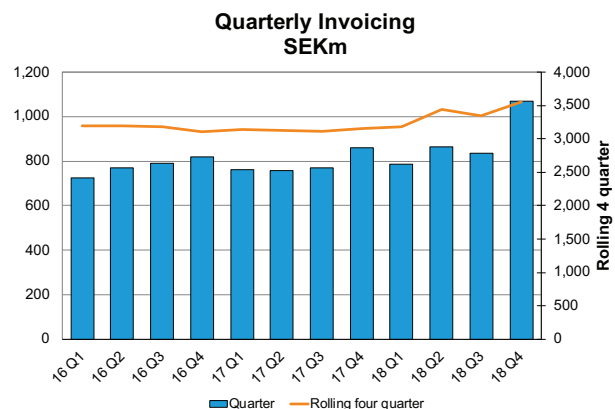
Adjusted operating margin was 11.9 percent (12.4).

Profit before tax increased to 114.8 Mkr (97.9).

Net profit was SEK 89.7m (73.2), which gave earnings per share of SEK 2.56 kr (2.09)*.

Capital expenditure

Capital expenditure during the quarter was SEK 23.3m (16.7).



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

January - December 2018

Incoming orders and sales

Incoming orders were SEK 3,479.5m (3,157.3). Adjusted for currency effects, this corresponds to an increase of 7.4 percent compared with last year.

Net sales amounted to SEK 3,553.9m (3,148.5). Adjusted for currency effects, this corresponds to an increase of 10.1 percent compared with last year.

Profit/loss

Consolidated operating profit for the period was SEK 294.9m (278.1), which gave an operating margin of 8.3 percent (8.8). Adjusted operating profit amounted to SEK 308.1m (285.8). Adjusted operating margin was 8.7 percent (9.1). Profit before tax increased to SEK 268.0m (260.1). Net profit was SEK 203.2m (186.3), which gave earnings per share of SEK 5.79 (5.31).

Cash flow

Cash flow for the year amounted to SEK 87.7m (79.3) and cash flow from operating activities amounted to SEK 214.6m (279.3).

Capital expenditure

Capital expenditure during the period was SEK 62.8m (53.4), of which capitalised development costs amounted to SEK 5.7m (6.8).

Other financial information

Liquidity: At the end of the period the Group had SEK 463.9m in cash and cash equivalents as well as SEK 81.0m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 356.2m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 126.0m within Nederman's loan agreement with SHB.

The equity in the Group as of 31 Dec 2018 amounted to SEK 1,250.3m (1,075.8).

An ordinary dividend of SEK 6.00 per share (equivalent to SEK 2.00 after the share split) 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 December 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 32.9 percent as of 31 Dec 2018 (36.2). The net debt/equity ratio was 44.2 percent (54.4).

Number of employees

The average number of employees during the period was 1,852 (1,757). The number of employees at the end of the period was 2,305 (1,803).

Key figures, Group

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2018	2017	2018	2017
Net sales	1,069.0	860.0	3,553.9	3,148.5
Adjusted EBITDA	139.4	121.5	372.0	338.5
Adjusted EBITDA margin, %	13.0	14.1	10.5	10.8
Operating profit	117.3	99.1	294.9	278.1
Operating margin, %	11.0	11.5	8.3	8.8
Adjusted operating profit	126.7	106.8	308.1	285.8
Adjusted operating margin, %	11.9	12.4	8.7	9.1
Profit before tax	114.8	97.9	268.0	260.1
Net profit	89.7	73.2	203.2	186.3
Earnings per share, SEK*	2.56	2.09	5.79	5.31
Return on equity, %	29.4	28.3	17.5	18.1
Return on operating capital, %	27.4	27.5	17.8	18.0
Net debt			553.1	585.3
Net debt/equity ratio, %			44.2	54.4
Net debt/Adjusted EBITDA, multiple			1.5	1.7
Interest cover ratio			9.8	11.8

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

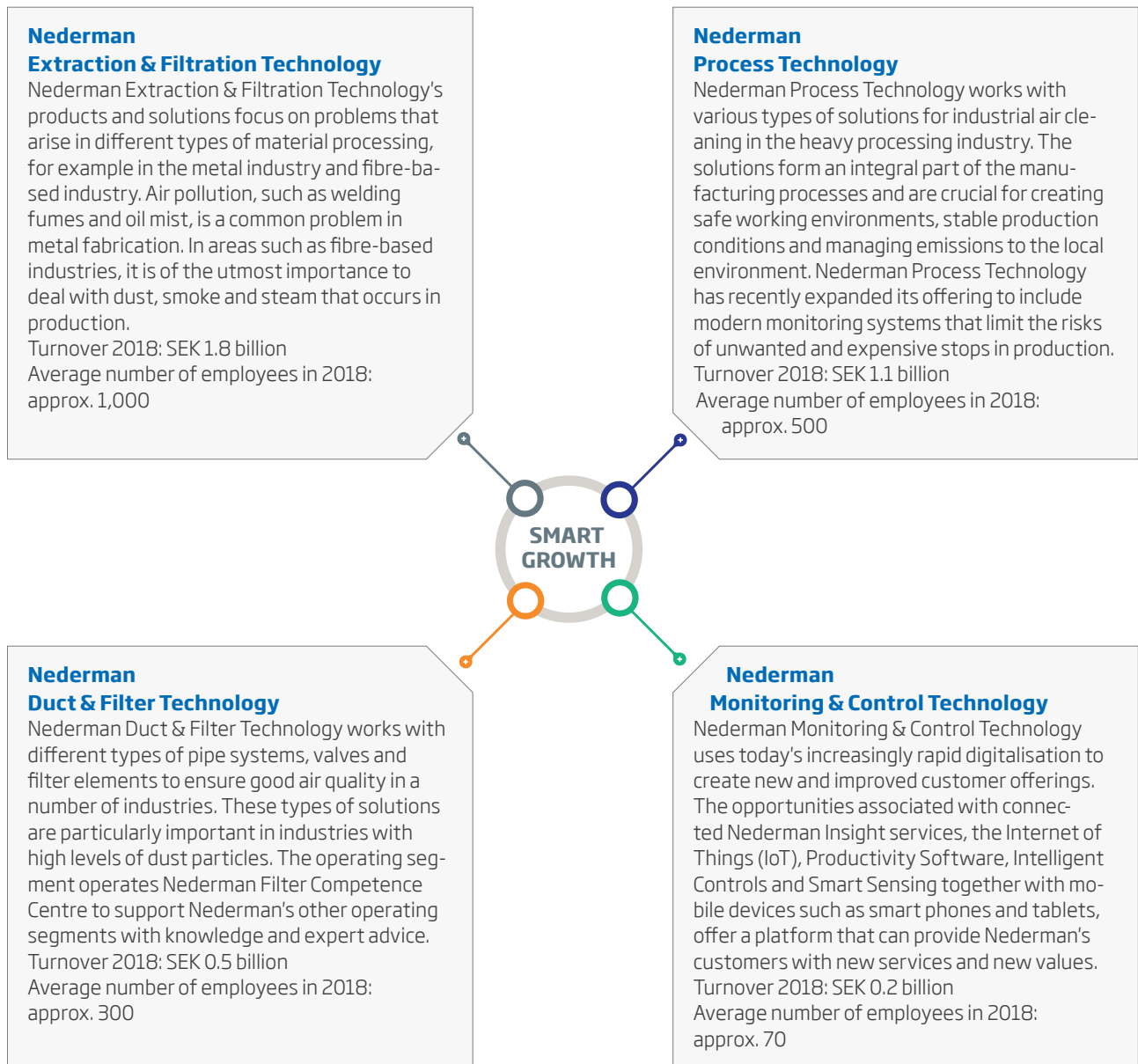
A new organisation for profitable growth

The Nederman Group has implemented a reorganisation of the Group's operations with the aim of increasing both growth and profitability through simple structures and a clear focus.

Specifically, this means that Nederman is organised with its operational focus in four operating segments, while retaining geographical coordination of key functions such as HR and a Shared Service Centre, in the Americas, EMEA and APAC.

This division is based on technology, customers and business logic. With the new organisation, Nederman's expertise has a tangible impact on the global level. The new organisation will also further strengthen Nederman's work with the Group's key customers and expand the aftermarket business that holds great opportunities for growth.

The new organisation has been implemented and will be reflected in Nederman's segment reporting with effect from 1 January 2019.



Other information

Organisation

Nederman is strengthening its organisation with the appointment of Erik Wahn as Senior Vice President, Corporate Strategy & Business Development as of 1 February 2019. He will be responsible for the Group's strategy process and business development, including acquisitions. Erik Wahn brings extensive experience from companies such as AZ Growth Capital, Electrolux, H&M and KPMG.

At the same time, Kristian Lexander, the current CIO, has been appointed Senior Vice President, Group IT & CIO. In his new role, Kristian Lexander will report to CEO Sven Kristensson and be a member of Nederman's group management team.

PO Eriksson, Senior Vice President and Head of the Duct & Filter Technology operating segment has decided to retire in the spring of 2019. Jeppe Rasmussen has been appointed PO Eriksson's successor as Senior Vice President and Head of the Duct & Filter Technology operating segment. Jeppe Rasmussen has more than 30 years' experience from senior positions at companies such as Schneider Electric, Foss, Rockwool, Akzo Nobel and VKR.

"I want to take this opportunity to express my great appreciation for PO Eriksson and his fantastic contribution to Nederman's development. I also want to welcome Erik Wahn, Kristian Lexander and Jeppe Rasmussen to Nederman's group management team," says Sven Kristensson, CEO of Nederman.

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 2017 Annual Report. No circumstances have arisen to change the assessment of identified risks.

Nomination Committee

According to the guidelines adopted by the AGM for the work of the Nomination Committee, Anders Mörck, Investment AB Latour, (Chair of the Board); Claes Murander, Lannebo Fonder; Henrik Forsberg Schoultz, Ernström & Co; Fredrik Ahlin, IF Skadeförsäkring AB have been nominated to Nomination Committee for the AGM in 2019. Jan Svensson, Chair of Nederman's Board of Directors, is adjunct to the Nomination Committee. For questions concerning the work of the Nomination Committee, please contact: anders.morck@latour.se

Accounting policies

The consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles, except for amendments mentioned below, as described in the 2017 Annual Report, pages 61-65 apply to both the Group and the parent company.

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

IFRS 15: effective for financial years beginning no earlier than 1 January 2018, will not have any impact on reporting of consolidated income, see also the 2017 Annual Report, page 61. Extended disclosure requirements in accordance with IFRS 15 are provided in Note 1 Allocation of sales.

IFRS 9 is effective for financial years beginning no earlier than 1 January 2018, will not have any material impact on the consolidated reporting of financial instruments, see also the 2017 Annual Report, page 61.

IFRS 16 replaces IAS 17 with effect from 1 January 2019. During 2018, the Group has carried out a comprehensive consequential analysis of IFRS 16. In summary, the effect of IFRS 16 will mean that the Group's total assets will increase and that the Group's operating profit will improve while interest expenses will increase.

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.

Helsingborg 19 February 2019

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 2018 amounted to SEK 3.6 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 6.2 percent. During the period, the adjusted operating margin varied between 7.1 and 9.1 percent and in 2018 amounted to 8.7 percent. The average dividend during the period was 40.5 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 Oct-31 Dec		1 Jan-31 Dec	
		2018	2017	2018	2017
Net sales	1	1,069.0	860.0	3,553.9	3,148.5
Cost of goods sold		-674.5	-528.4	-2,227.0	-1,948.6
Gross profit		394.5	331.6	1,326.9	1,199.9
Selling expenses		-192.6	-166.7	-735.2	-662.7
Administrative expenses		-65.2	-51.3	-253.0	-222.2
Research and development expenses		-14.8	-5.8	-44.3	-14.2
Acquisition costs	3	-9.4	-7.7	-13.2	-7.7
Other operating income/expenses		4.8	-1.0	13.7	-15.0
Operating profit		117.3	99.1	294.9	278.1
Financial income		2.4	5.0	5.0	6.8
Financial expense		-4.9	-6.2	-31.9	-24.8
Net financial items		-2.5	-1.2	-26.9	-18.0
Profit before tax		114.8	97.9	268.0	260.1
Taxes		-25.1	-24.7	-64.8	-73.8
Net profit		89.7	73.2	203.2	186.3
Net profit attributable to:					
The parent company's shareholders		89.7	73.2	203.2	186.3
Earnings per share*					
before dilution (SEK)		2.56	2.09	5.79	5.31
after dilution (SEK)		2.56	2.09	5.79	5.31

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

Consolidated statement of comprehensive income in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2018	2017	2018	2017
Net profit	89.7	73.2	203.2	186.3
Other comprehensive income				
Items that cannot be reclassified to net profit				
Revaluation of defined-benefit pension plans	-13.2	-1.0	-15.5	-3.3
Tax attributable to items that cannot be reclassified to net profit	3.2	0.1	3.8	0.7
	-10.0	-0.9	-11.7	-2.6
Items that have been or can be reclassified to net profit				
Exchange differences arising on translation of foreign operations	-21.7	8.7	54.3	-28.2
Cash flow hedges	-0.1	-1.0	-0.1	3.1
Tax attributable to items that can be reclassified to net profit	0.0	0.2	0.0	-0.7
	-21.8	7.9	54.2	-25.8
Other comprehensive income for the period, net of tax	-31.8	7.0	42.5	-28.4
Total comprehensive income for the period	57.9	80.2	245.7	157.9
Total comprehensive income attributable to:				
The parent company's shareholders	57.9	80.2	245.7	157.9

Consolidated statement of financial position in summary

SEK million	Note	31 Dec 2018	31 Dec 2017
Assets			
Goodwill		1,182.4	969.9
Other intangible assets		261.5	226.8
Tangible assets		311.6	252.4
Long-term receivables		6.6	5.4
Deferred tax assets		20.3	16.8
Total fixed assets		1,782.4	1,471.3
Inventories		562.0	386.8
Accounts receivable	2	578.8	529.5
Other current receivables	2	414.3	222.4
Cash and cash equivalents	2	463.9	360.9
Total current assets		2,019.0	1,499.6
Total assets		3,801.4	2,970.9
Equity			
		1,250.3	1,075.8
Liabilities			
Long-term interest-bearing liabilities	2	917.8	822.5
Other long-term liabilities		231.7	153.7
Pension liabilities		90.9	123.4
Other provisions		17.1	9.5
Deferred tax liabilities		29.4	17.0
Total long-term liabilities		1,286.9	1,126.1
Current interest-bearing liabilities	2	8.3	0.3
Accounts payable	2	444.6	298.9
Other current liabilities	2	783.2	444.3
Provisions		28.1	25.5
Total current liabilities		1,264.2	769.0
Total liabilities		2,551.1	1,895.1
Total equity and liabilities		3,801.4	2,970.9

Consolidated statement of changes in equity in summary

SEK million	31 Dec 2018	31 Dec 2017
Opening balance at beginning of period	1,075.8	982.2
Net profit	203.2	186.3
Other comprehensive income		
Change in translation reserve for the period	54.3	-28.2
Cash flow hedges, net of tax	-0.1	2.4
Revaluation of defined-benefit pension plans, net of tax	-11.7	-2.6
Total other comprehensive income for the period	42.5	-28.4
Total comprehensive income for the period	245.7	157.9
Transactions with Group owners		
Dividend paid	-70.2	-64.3
Share-based remuneration	-1.0	-
Closing balance at end of period	1,250.3	1,075.8

Consolidated cash flow statement in summary

SEK million	Note	1 Jan–31 Dec	
		2018	2017
Operating profit		294.9	278.1
Adjustment for:			
Depreciation and amortisation of fixed assets		63.9	52.7
Other adjustments		-10.4	3.6
Interest received and paid incl. other financial items		-25.3	-21.9
Taxes paid		-36.0	-46.0
Cash flow from operating activities before changes in working capital		287.1	266.5
Cash flow from changes in working capital		-72.5	12.8
Cash flow from operating activities		214.6	279.3
Net investment in fixed assets		-50.6	-51.8
Acquisitions	3	-66.7	-233.3
Cash flow before financing activities		97.3	-5.8
Dividend paid		-70.2	-64.3
Cash flow from other financing activities		60.6	149.4
Cash flow for the period		87.7	79.3
Cash and cash equivalents at beginning of period		360.9	287.8
Translation differences		15.3	-6.2
Cash and cash equivalents at end of period		463.9	360.9

Income statement for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2018	2017	2018	2017
Operating profit/loss	-25.1	-21.3	-82.3	-79.4
Result from investment in subsidiaries	-	-10.0	63.5	100.7
Other financial items	11.7	13.9	-7.5	18.5
Profit/loss after financial items	-13.4	-17.4	-26.3	39.8
Appropriations	143.6	112.4	143.6	112.4
Profit/loss before tax	130.2	95.0	117.3	152.2
Taxes	-8.6	-3.8	-13.0	-8.9
Net profit/loss for the period	121.6	91.2	104.3	143.3

Statement of comprehensive income for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2018	2017	2018	2017
Net profit/loss	121.6	91.2	104.3	143.3
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	121.6	91.2	104.3	143.3

Balance sheet for the parent company in summary

SEK million	31 Dec 2018	31 Dec 2017
Assets		
Total fixed assets	1,603.5	1,907.0
Total current assets	332.5	495.5
Total assets	1,936.0	2,402.5
Shareholders' Equity	901.9	868.8
Untaxed reserves	1.4	-
Liabilities		
Total long-term liabilities	682.4	974.0
Total current liabilities	350.3	559.7
Total liabilities	1,032.7	1,533.7
Total equity and liabilities	1,936.0	2,402.5

Statement of changes in parent company shareholders' equity in summary

SEK million	31 Dec 2018	31 Dec 2017
Opening balance at beginning of period	868.8	789.8
Net profit/loss	104.3	143.3
Other comprehensive income		
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	104.3	143.3
Transactions with owners		
Dividend paid	-70.2	-64.3
Share-based remuneration	-1.0	-
Closing balance at end of period	901.9	868.8

Pledged assets and contingent liabilities for the parent company

SEK million	31 Dec 2018	31 Dec 2017
Pledged assets	none	none
Contingent liabilities	436.2	356.1

Note 1: Allocation of sales

SEK million				1 Oct-31 Dec 2018
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	194.8	237.4	92.0	524.2
APAC	30.5	159.1	15.9	205.5
Americas	153.7	133.5	52.1	339.3
Total	379.0	530.0	160.0	1,069.0

SEK million				1 Oct-31 Dec 2017
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	174.5	168.2	86.0	428.7
APAC	30.7	77.6	13.2	121.5
Americas	120.5	124.9	64.4	309.8
Total	325.7	370.7	163.6	860.0

SEK million				1 Jan-31 Dec 2018
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	715.1	691.9	361.3	1,768.3
APAC	112.4	376.3	50.1	538.8
Americas	569.4	447.5	229.9	1,246.8
Total	1,396.9	1,515.7	641.3	3,553.9

SEK million				1 Jan-31 Dec 2017
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	560.4	624.9	332.2	1,517.5
APAC	115.2	244.7	42.8	402.7
Americas	527.8	455.9	244.6	1,228.3
Total	1,203.4	1,325.5	619.6	3,148.5

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

	31 Dec 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	-	-	578.8	578.8
Foreign exchange forward contracts entered *)	1.9	0.0	-	1.9
Other current receivables	-	-	302.3	302.3
Cash and cash equivalents	-	-	463.9	463.9
Total	1.9	0.0	1,345.0	1,346.9
Financial leasing liabilities	-	-	0.6	0.6
Bank loans	-	-	925.5	925.5
Accounts payable	-	-	444.6	444.6
Foreign exchange forward contracts entered *)	0.2	0.0	-	0.2
Other current liabilities	-	-	694.8	694.8
Total	0.2	0.0	2,065.5	2,065.7

*) 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: Acquisitions

Auburn FilterSense LLC

The Group acquired the US company Auburn FilterSense LLC on 5 April. The purchase price amounts to SEK 65.0 million, of which SEK 20.7 million constitutes a possible additional purchase price based on profitability in 2018 and 2019. The total possible additional purchase price amounts to SEK 20.7 million. The purchase price of SEK 65.0 million has been adjusted by SEK 9.1 million from the date of acquisition, of which SEK 8.9 million is related to activation of the additional purchase price and SEK 0.2 million relates to the adjusted calculation of net working capital. Net assets acquired total SEK 14.4 million and the transaction resulted in increased goodwill of SEK 50.6 million. Effect of the acquisition on the Group's cash and cash equivalents is SEK 42.5 million. The acquisition analysis is preliminary.

Of the total intangible assets, SEK 4.9 million relates to development work, SEK 2.5 million to customer contracts, SEK 2.5 million to the brand and SEK 0.3 million to computer software. Acquisition-related costs amounted to SEK 4.4 million and relate to fees paid to consultants in connection with the transaction, including due diligence and legal advice. These expenses have been charged to operating profit.

Luwa Air Engineering AG

On 17 October, Nederman acquired 100% of the shares in the Swiss group Luwa Air Engineering AG (Luwa). Luwa is a global manufacturer and supplier of customised systems for air filtration, waste management and heat recovery systems for fibre applications. Founded in 1935, Luwa is a global market leader in air filtration for leading-quality fibre and textiles and with a global brand in the fibres industry. Luwa is based in Uster, Switzerland and has also operations in China, India, Singapore, USA and Turkey. In 2017, Luwa had around 350 employees and a turnover of CHF 66 million.

Note 3: Acquisition, cont'd

The purchase price amounts to SEK 258.7 million, of which SEK 51.7 million will be paid two years after the date of acquisition. Net assets acquired total SEK 172.7 million and the transaction resulted in increased goodwill of SEK 86.0 million. Effect of the acquisition on the Group's cash and cash equivalents is SEK 28.2 million. The acquisition analysis is preliminary.

Of the total intangible fixed assets, SEK 41.9 million relates to the brand, SEK 15.4 million to customer contracts, SEK 3.6 million to development work and SEK 0.7 million to computer software. Acquisition-related costs amounted to SEK 8.1 million and relate to fees paid to consultants in connection with the transaction, including due diligence and legal advice. These expenses have been charged to operating profit.

Acquisition price, SEK m

Acquisition price	258.7
Of which is deferred payment	51.7

Identifiable acquired assets and liabilities, SEK m	Carrying amount upon the moment of acquisition	Adjustment to fair value	Fair value/ Total
Intangible fixed assets	4.4	57.2	61.6
Tangible fixed assets	51.7	-	51.7
Deferred tax assets	11.0	-	11.0
Inventories	97.1	-	97.1
Accounts receivable and other receivables	144.7	-	144.7
Tax receivable	5.3	-	5.3
Cash and cash equivalents	178.8	-	178.8
Interest-bearing liabilities	46.4	-	46.4
Accounts payable and other operating liabilities	-402.3	-	-402.3
Current tax liabilities	-1.7	-	-1.7
Deferred tax liabilities	-8.1	-11.8	-19.9
Total identifiable net assets	127.3	45.4	172.7
Goodwill			86.0
Total			258.7
Transferred remuneration			-206.8
Acquired cash and cash equivalents			178.8
Effect on consolidated cash and cash equivalents			-28.2
Net sales during holding time			162.8
Net sales 2018 before acquisition			471.6
Net profit during holding time			19.2
Net profit 2018 before acquisition			5.3

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	Net debt	Interest Cover Ratio
Adjusted operating margin	Net debt/equity ratio	Order growth
EBITDA	Return on equity	Sales growth
Adjusted EBITDA	Return on operating capital	
Adjusted EBITDA margin	Net debt/Adjusted EBITDA	

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2018	2017	2018	2017
Operating profit	117.3	99.1	294.9	278.1
Acquisition cost	9.4	7.7	13.2	7.7
Adjusted operating profit	126.7	106.8	308.1	285.8
Adjusted operating profit	126.7	106.8	308.1	285.8
Net sales	1,069.0	860.0	3,553.9	3,148.5
Adjusted operating margin, %	11.9	12.4	8.7	9.1
Operating profit	117.3	99.1	294.9	278.1
Depreciation and amortization	12.7	14.7	63.9	52.7
EBITDA	130.0	113.8	358.8	330.8
EBITDA	130.0	113.8	358.8	330.8
Acquisition cost	9.4	7.7	13.2	7.7
Adjusted EBITDA	139.4	121.5	372.0	338.5
Adjusted EBITDA	139.4	121.5	372.0	338.5
Net sales	1,069.0	860.0	3,553.9	3,148.5
Adjusted EBITDA margin, %	13.0	14.1	10.5	10.8
Cash and cash equivalents			463.9	360.9
Long-term interest-bearing liabilities			917.8	822.5
Pension liabilities			90.9	123.4
Current interest-bearing liabilities			8.3	0.3
Net debt			553.1	585.3
Net debt			553.1	585.3
Equity - Closing balance			1,250.3	1,075.8
Net debt/equity ratio, %			44.2	54.4
Equity - Opening balance	1,192.4	995.6	1,075.8	982.2
Equity - Closing balance	1,250.3	1,075.8	1,250.3	1,075.8
Equity - average	1,221.4	1,035.7	1,163.1	1,029.0
Net profit	89.7	73.2	203.2	186.3
Return on equity, %	29.4	28.3	17.5	18.1

Note 5: Alternative performance measures, cont'd

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2018	2017	2018	2017
Equity - average	1,221.4	1,035.7	1,163.1	1,029.0
Net Debt - opening balance	703.8	454.5	585.3	524.3
Net Debt - closing balance	553.1	585.3	553.1	585.3
Net Debt - average	628.4	519.9	569.2	554.8
Operating capital - average	1,849.8	1,555.6	1,732.3	1,583.8
Adjusted operating profit	126.7	106.8	308.1	285.8
Return on operating capital, %	27.4	27.5	17.8	18.0
Net debt			553.1	585.3
Adjusted EBITDA			372.0	338.5
Net debt/Adjusted EBITDA, multiple			1.5	1.7
Profit before tax			268.0	260.1
Financial expense			31.9	24.8
Acquisition cost			13.2	7.7
EBT excl. financial expenses and acquisition costs			313.1	292.6
Financial expense			31.9	24.8
Interest cover ratio, multiple			9.8	11.8
Incoming orders, same period in previous year	815.9	830.5	3,157.3	2,992.3
Change in incoming orders, organic	16.9	-6.5	-9.4	137.6
Change in incoming orders, currency effects	43.1	-24.9	87.7	10.6
Change in incoming orders, acquisitions	91.9	16.8	243.9	16.8
Incoming orders	967.8	815.9	3,479.5	3,157.3
Order growth, %, organic	2.1	-0.8	-0.3	4.6
Order growth, %, currency effects	5.2	-3.0	2.8	0.3
Order growth, %, acquisitions	11.3	2.0	7.7	0.5
Order growth, %	18.6	-1.8	10.2	5.5
Net sales, comparative period previous year	860.0	820.1	3,148.5	3,107.3
Change in net sales, organic	-26.4	39.9	-4.1	3.6
Change in net sales, currency effects	41.6	-27.7	88.4	9.9
Change in net sales, acquisitions	193.8	27.7	321.1	27.7
Net sales	1,069.0	860.0	3,553.9	3,148.5
Sales growth, %, organic	-3.1	4.9	-0.1	0.1
Sales growth, %, currency effects	4.9	-3.4	2.8	0.3
Sales growth, %, acquisitions	22.5	3.4	10.2	0.9
Sales growth, %	24.3	4.9	12.9	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 Oct-31 Dec		1 Jan-31 Dec	
	2018	2017	2018	2017
EMEA				
Incoming orders	468.5	414.0	1,731.6	1,530.6
External net sales	524.2	428.7	1,768.3	1,517.5
Depreciation	-2.6	-7.3	-28.5	-23.6
Adjusted operating profit	93.7	68.0	259.2	205.9
Adjusted operating margin, %	17.9	15.9	14.7	13.6
APAC				
Incoming orders	172.3	109.0	488.3	428.3
External net sales	205.5	121.5	538.8	402.7
Depreciation	-1.4	-0.8	-3.5	-3.5
Adjusted operating profit	16.5	11.6	16.3	9.3
Adjusted operating margin, %	8.0	9.5	3.0	2.3
Americas				
Incoming orders	327.0	292.9	1,259.6	1,198.4
External net sales	339.3	309.8	1,246.8	1,228.3
Depreciation	-4.3	-3.7	-16.2	-15.9
Adjusted operating profit	40.3	45.4	121.3	136.9
Adjusted operating margin, %	11.9	14.7	9.7	11.1
Other - non-allocated				
Depreciation	-4.4	-2.9	-15.7	-9.7
Adjusted operating profit	-23.8	-18.2	-88.7	-66.3
The Group				
Incoming orders	967.8	815.9	3,479.5	3,157.3
Net sales	1,069.0	860.0	3,553.9	3,148.5
Depreciation	-12.7	-14.7	-63.9	-52.7
Adjusted operating profit	126.7	106.8	308.1	285.8
Acquisition cost	-9.4	-7.7	-13.2	-7.7
Operating profit	117.3	99.1	294.9	278.1
Profit before tax	114.8	97.9	268.0	260.1
Net profit	89.7	73.2	203.2	186.3

Financial calendar

Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Tuesday, 19 February 2019 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 8 505 583 53 or UK tel. no. +44 33 330 092 69. 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

- | | |
|--------------------------|-----------------|
| • 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 19 February 2019.

Further information can be obtained from

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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.

Currency-neutral growth

Currency-neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the previous year.

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