

Interim report January–June 2016

Strong profitability during the quarter

Quarter 2

- Incoming orders amounted to SEK 726.5m (812.2), which organically is a decrease of 10.3% compared with the same period last year.
- Net sales amounted to SEK 770.5m (775.5), which organically is a decrease of 0.2% compared with the same period last year.
- Operating profit was SEK 65.4m (64.3). The operating margin was 8.5% (8.3).
- Net profit was SEK 43.1m (38.9).
- Earnings per share were SEK 3.69 (3.33).

January-June

- Incoming orders amounted to SEK 1,465.3m (1,592.9), which organically is a decrease of 7.6 % compared with the same period last year.
- Net sales amounted to SEK 1,495.2m (1,502.7), which organically is a decrease of 0.7 % compared with the same period last year.
- Operating profit was SEK 96.2m (102.4). The operating margin was 6.4% (6.8).
- Net profit was SEK 63.2m (62.8).
- Earnings per share were SEK 5.41 (5.37).

CEO's comments

”The quarter has been challenging in terms of orders received which totalled SEK 727 million, corresponding to an organic growth of -10.3 %. The low orders received is primarily due to the time lag in major projects in North America, which resulted in no major orders booked in this market during the quarter. The number of projects tendered for in North America is still at a good level, but it is difficult to predict when these projects will be taken forward.

APAC has shown a continued positive trend in orders received during the quarter, above all in China. We are prepared to invest in Asia but recognise at the same time that profitability in the business segment is not satisfactory. As stated previously, we are therefore implementing measures to further review our operations in the region and to adapt our offering to a greater extent to the market conditions. These measures have already given rise to some improvement during the quarter.

Within the EMEA region, core business continued well. Adjusted for the order received for an aluminium smelter in the UK during Q2 2015, order value SEK 30 million, then the order book has grown organically by around 6%, which is pleasing. In addition, profitability continued to be boosted in the EMEA region, which makes this the most profitable quarter ever and this is largely related to the efficiency programmes that have been carried out.

Profitability in the group has continued to develop positively during the quarter driven by better volume and good development of gross margins. Cash flow from operations during the second quarter of the year has also been satisfactory.”

Sven Kristensson, CEO

Key figures, Group

SEK m	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2016	2015	2016	2015	2015	12 months
Net sales	770.5	775.5	1,495.2	1,502.7	3,198.0	3,190.5
Adjusted EBITDA	77.4	76.3	120.3	126.9	311.0	304.4
Adjusted EBITDA margin, %	10.0	9.8	8.0	8.4	9.7	9.5
Operating profit	65.4	64.3	96.2	102.4	242.0	235.8
Operating profit margin, %	8.5	8.3	6.4	6.8	7.6	7.4
Adjusted operating profit	65.4	64.3	96.2	102.4	263.1	256.9
Adjusted operating profit margin, %	8.5	8.3	6.4	6.8	8.2	8.1
Profit/loss before tax	62.1	56.6	90.5	91.4	214.9	214.0
Net profit/loss	43.1	38.9	63.2	62.8	152.8	153.2
Earnings per share, SEK	3.69	3.33	5.41	5.37	13.07	13.10
Return on shareholders' equity, %	20.3	20.0	15.0	16.8	19.5	19.0
Return on operating capital, %	17.4	18.6	12.8	15.3	19.0	17.7
Net debt					635.6	675.1
Net debt/equity ratio, %					75.9	79.7
Net debt/EBITDA, multiple					2.0	2.2
Interest cover ratio					8.9	9.7

Development per operating segment

EMEA

Order intake in regard to product sales and smaller projects saw a positive trend in the quarter. The fact that total orders received is somewhat lower than the same period last year is due to the challenging comparative figures after the major order from a UK aluminium smelter that was booked in Q2 2015. Adjusted for this order, the organic growth in orders received is around 6%. Sales during the quarter are in line with Q2 2015 at the same time as the consistent efficiency work in the business segment and a favourable product mix have meant that profitability has been boosted.

General market situation

There are still no clear signs of an economic recovery within the EMEA region. Industrial investments are at a historically low level and the UK's decision to leave the EU is contributing to increased uncertainty about the development in the region.

Development per country

Several of the markets in the EMEA region showed a positive development during the quarter. In Poland, the order book continued to grow, due among other things to orders for medium-sized projects from the timber industry and the automotive industry. In Southern Europe, Spain in particular, saw strong development during the quarter. The business segment's distributor markets also had a very strong order intake in the second quarter.

Development in Germany, the Nordic region and Benelux has been more reserved during the second quarter.

The UK and Ireland saw a significant fall in orders received, due primarily to a challenging comparative situation with the same quarter in 2015 when a major order was received from an aluminium smelter in the UK. The result of the UK's Brexit referendum has considerably increased uncertainty about the country's economic development. Sales in the UK account for around 10 per cent of EMEA's total sales.

SEK m	1 Apr - 30 June		1 Jan - 30 June		Organic Growth%	Full year 2015	July -June 12 months
	2016	2015	2016	2015			
Incoming orders	386.5	391.5	721.5	744.7	-2.7%	1,431.5	1,408.3
Net Sales	368.2	353.9	690.7	689.6	0.3%	1,455.8	1,456.9
Depreciation	-6.0	-5.4	-11.6	-10.9		-21.6	-22.3
Adjusted operating Profit	46.9	33.8	70.6	63.0		168.6	176.2
Adjusted operating margin, %	12.7	9.6	10.2	9.1		11.6	12.1

Incoming orders for the quarter amounted to SEK 386.5m, which organically is a decrease of 0.8 per cent, compared to the same quarter last year.

Incoming orders for the first six months, organically decreased by 2.7 per cent compared to last year.

Net sales for the quarter amounted to SEK 368.2m, which organically is an increase of 4.1 per cent, compared to the same quarter last year.

Net sales for the first six months showed an organic increase of 0.3 per cent, compared to last year.

APAC

The order book continued to strengthen during the second quarter, including a substantial order for equipment for flue gas treatment for the Chinese district heating market. Sales also saw a positive trend in the quarter.

General market situation

There are still significant opportunities within the APAC region, although certain industrial segments are characterised by weaker demand and lengthy decision-making processes. In China, the new environmental legislation that came into force on 1 January 2016 means an increased focus on reducing emission levels. There is however, a time lag before this will lead to actual investments. India continues to show strong economic development and economic reforms that have been announced are expected to have a positive impact on willingness to invest on the part of industry.

Development per country

In China, distributor sales have developed strongly during the two first quarters of the year. It is pleasing that a couple of major projects have been booked as orders during the second quarter, including Nederman being able to book a significant order for equipment for flue gas treatment. In South-East Asia, the development was modest. Thailand continued to be weak and Indonesia saw a slightly weaker development during the second quarter. The commodity-dependent Australian economy continues to be characterised by weak demand, but we can discern some stabilisation during the quarter.

In Thailand, as has been reported earlier, a restructuring of product supply is being implemented in order to create a higher degree of flexibility as an adaptation to the weaker demand. In Australia too, as reported earlier, Nederman has implemented measures to streamline operations. These measures have already had an effect in the second quarter.

SEK m	1 Apr - 30 June		1 Jan - 30 June		Organic growth,%	Full year 2015	July -June 12 months
	2016	2015	2016	2015			
Incoming orders	107.9	73.5	199.1	156.0	32.4%	360.2	403.3
Net Sales	95.5	87.9	167.7	155.5	12.8%	362.6	374.8
Depreciation	-1.2	-1.3	-2.3	-3.0		-5.3	-4.6
Adjusted operating Profit	-1.9	-6.3	-15.1	-12.8		-5.7	-8.0
Adjusted operating margin, %	-2.0	-7.2	-9.0	-8.2		-1.6	-2.1

Incoming orders for the quarter amounted to SEK 107.9m, which organically is an increase of 51.0 per cent, compared to the same quarter last year.

Incoming orders for the first six months organically increased by 32.4 per cent, compared to last year.

Net sales for the quarter amounted to SEK 95.5m, which organically is an increase of 13.8 per cent, compared to the same quarter last year.

Net sales for the first six months, organically increased by 12.8 per cent, compared to last year.

Americas

Orders received fell organically during the quarter by 35 percent. This is due primarily to the lack of major projects in North America. Sales and profitability were weaker than in the corresponding period in 2015.

General market situation

USA reported lower industrial production and uncertainty linked to the US presidential election. This, together with lower activity within the mining and energy sector, has led to a fall in demand for large systems. The new American import duties on steel from China are expected to lead in the long-term to improved business opportunities within the country's metal industries. The prospects for growth in Mexico are good for the rest of 2016, while the Brazilian economy remains weak. The authorities' stricter requirements for compliance with the country's tough environmental legislation continue however to create a good climate for Nederman's operations in Brazil.

Development per country

The USA market continues to be characterised by long drawn out decision-making processes, which has had a very negative effect on sales of large systems, while product sales and the aftermarket have shown a more stable trend. In Brazil, Nederman has experienced a more reserved development during the quarter, which has also been the case in Mexico. Canada, on the other hand, has seen good growth after a period of falling demand. The positive trend in Canada is being driven by, among other factors, an agreement with a nationwide distributor within the welding segment.

During the quarter, Nederman decided to close down an ancillary business operation that manufactured shock-absorbing cabinets for electronic equipment. The business operation was part of the acquisition of EFT in 2012. Several of the major contracts which were taken over from EFT are about to end and it is now an appropriate time to close down the operation that is completely outside Nederman's core business activity. In 2015 turnover amounted to SEK 49 million with a negative operating result. Turnover for the first half of 2016 totalled SEK 11 million with a negative operating result. The closing down of this operation entails a small one-off cost, which has been charged against operating result for the quarter.

SEK m	1 Apr - 30 June		1 Jan - 30 June		Organic growth,%	Full year 2015	July -June 12 months
	2016	2015	2016	2015			
Incoming orders	232.1	347.2	544.7	692.2	-22.5%	1,380.1	1,232.6
Net Sales	306.8	333.7	636.8	657.6	-5.2%	1,379.6	1,358.8
Depreciation	-3.9	-3.2	-7.6	-6.2		-12.8	-14.2
Adjusted operating Profit	30.3	47.6	64.7	84.8		163.8	143.7
Adjusted operating margin, %	9.9	14.3	10.2	12.9		11.9	10.6

Incoming orders for the quarter amounted to SEK 232.1m, which organically is a decrease of 35.3 per cent, compared to the same quarter last year.

Incoming orders for the first six months organically decreased by 22.5 per cent, compared to last year.

Net sales for the quarter amounted to SEK 306.8m, which organically is a decrease of 8.8 per cent, compared to the same quarter last year.

Net sales for the first six months, organically decreased by 5.2 per cent, compared to last year.

Outlook

In comparison with the latest assessment of the prospects for the future, the most important change is the market situation in the USA. Industrial production has continued its downturn since summer 2015. We discern longer decision-making processes in regard to investment projects, weak development within energy-related sectors as well as a more volatile demand within product and distribution sales. However, there continue to be positive signs for private consumption and employment for example. The conclusion is that more uncertainty has arisen concerning demand in the North American market.

We continue to see a reserved optimism within the EMEA region, but the Brexit decision adds more uncertainty, not only in the UK, but also for other parts of the EMEA region.

In the APAC region, uncertainty remains in the short-term perspective, but as before we see that the need for investment in environmental technology remains high.

Extraordinary General Meeting of Shareholders

The Nomination Committee, with representatives from the three largest shareholders who represent around 55% of the votes in the company, have continued to work after the AGM to find another suitable Board member. The Nomination Committee has asked Gunilla Fransson and she has accepted the assignment. Gunilla Fransson has a background from Ericsson and SAAB and is broadly experienced in management, technology, sales, acquisitions and international operations. In view of this, the Board of Directors will convene an Extraordinary General Meeting Shareholders on 7 September 2016 in order to increase the number of Board members from seven to eight and to decide to elect the proposed candidate to the Board of Directors. The notification of the meeting will be sent out within the statutory period during August 2016.

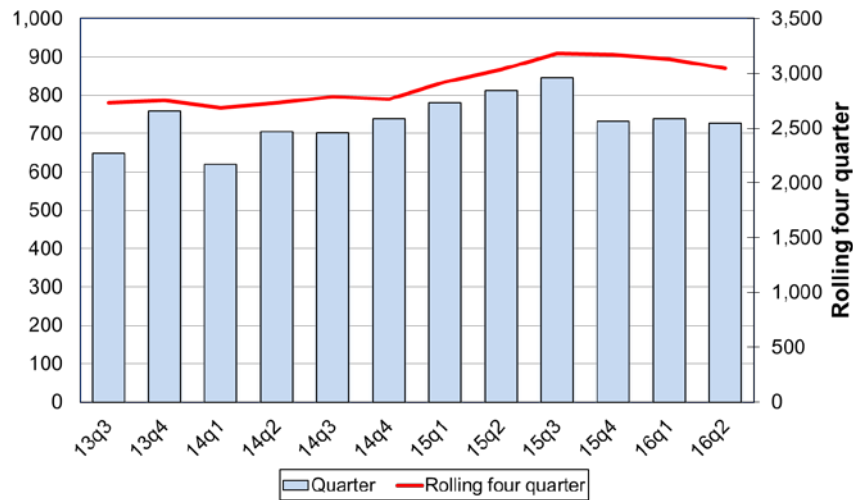
Quarter 2

Sales and incoming orders

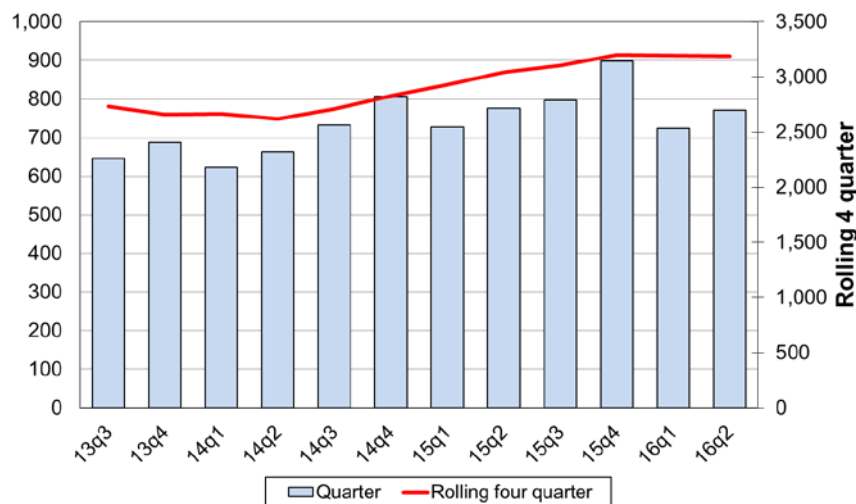
Incoming orders were SEK 726.5m (812.2), which organically is a decrease of 10.3 per cent compared to the same quarter last year.

Net sales amounted to SEK 770.5m (775.5), which organically is a decrease of 0.2 per cent compared to the same quarter last year.

Quarterly Orders Received SEKm



Quarterly Invoicing SEKm



Earnings

The **operating profit** for the second quarter was SEK 65.4m (64.3). The operating profit margin was 8.5 per cent (8.3).

The **profit before tax** increased to SEK 62.1m (56.6).

The **net profit** was SEK 43.1m (38.9), giving **earnings per share** of SEK 3.69 (3.33).

Capital expenditure

Capital expenditure during the quarter was SEK 10.8m (16.4).

January - June

Sales and incoming orders

Incoming orders were SEK 1,465.3m (1,592.9), which organically was a decrease of 7.6 per cent.

Net sales amounted to SEK 1,495.2m (1,502.7), which organically is a decrease of 0.7 per cent.

Earnings

The **operating profit** for the period was SEK 96.2m (102.4). The operating profit margin was 6.4 per cent (6.8).

The **profit before tax** decreased to SEK 90.5m (91.4).

The **net profit** was SEK 63.2m (62.8), giving **earnings per share** of SEK 5.41 (5.37).

Cash flow and capital expenditure

The **cash flow** for the period was SEK -15.7m (-82.5). Compared with the corresponding period last year, cash flow was primarily affected positively by changes in working capital and that the investment level was lower. Operating profit contributed slightly less than the same period last year.

Capital expenditure during the period was SEK 19.4m (37.4), of which capitalised development costs amounted to SEK 2.6m (6.3).

Other financial information

Liquidity: At the end of the period the Group had SEK 248.5m in cash and cash equivalents as well as SEK 95.7m in available but unutilised overdraft facilities. In addition, there was a credit facility of SEK 339.9m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 253.9m within Nederman's loan agreement with SHB.

The equity in the Group as of 30 June 2016 amounted to SEK 847.2m (762.0). An ordinary dividend of 5.00 SEK per share was paid to shareholders in the second quarter, amounting in total to SEK 58.4m. The total number of shares outstanding was 11,691,969 at the end of the period.

The equity/assets ratio for the Group was 32.9 per cent as of 30 June 2016 (32.1). The **net debt/equity ratio** was 79.7 per cent (82.1).

Number of employees

The average number of employees during the period was 1,801 (1,801). The number of employees at the end of the period was 1,852 (1,902).

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 detail in the Directors' Report on page 44 and in note 24 of the 2015 Annual Report. No circumstances have arisen to change the assessment of identified risks.

Nominations committee

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

Accounting policies

The consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles, except for amendments mentioned below, as described in the annual report 2015, pages 52-56 applies both to the Group and the parent company.

Changes that will come into effect in 2016 and beyond

IFRS 15, effective for fiscal years beginning no earlier than 1 January 2018, will not have any material impact on reporting of consolidated income, although the Group will be affected by extended disclosure requirements.

IFRS 9, effective for fiscal years beginning no earlier than 1 January 2018, will not have any material impact on the consolidated reporting of financial instruments.

IFRS 16 replacing IAS 17 from 1 January 2019. So far there is no information when the EU will approve the standard, so no decision has been made about when or how the standard will be applied. Any evaluation of the impact of the standard has not yet begun.

The Board and CEO confirm that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the Group.

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

Helsingborg, 12 July 2016

Jan Svensson
Chairman

Fabian Hielte
Member of the board

Ylva Hammargren
Member of the board

Gunnar Gremlin
Member of the board

Per Borgvall
Member of the board

Johan Menckel
Member of the board

Sven Kristensson
Chief Executive Officer

Jonas Svensson
Employee representative

Consolidated income statement

SEK m	1 Apr–30 June		1 Jan–30 June		Full year	July-June
	2016	2015	2016	2015	2015	12months
Net sales	770.5	775.5	1,495.2	1,502.7	3,198.0	3,190.5
Cost of goods sold	-489.8	-499.5	-965.4	-970.0	-2,070.4	-2,065.8
Gross profit	280.7	276.0	529.8	532.7	1,127.6	1,124.7
Selling expenses	-162.8	-157.8	-322.6	-319.7	-640.7	-643.6
Administrative expenses	-54.2	-56.7	-108.6	-107.7	-212.0	-212.9
Research and development expenses	-2.3	-1.0	-4.3	-2.5	-6.4	-8.2
Acquisition costs	-	-	-	-	-1.1	-1.1
Restructuring costs	-	-	-	-	-20.0	-20.0
Other operating income/expenses	4.0	3.8	1.9	-0.4	-5.4	-3.1
Operating profit	65.4	64.3	96.2	102.4	242.0	235.8
Financial income	1.5	-2.4	4.2	1.9	2.9	5.2
Financial expenses	-4.8	-5.3	-9.9	-12.9	-30.0	-27.0
Net financial income/expenses	-3.3	-7.7	-5.7	-11.0	-27.1	-21.8
Profit/loss before taxes	62.1	56.6	90.5	91.4	214.9	214.0
Taxes	-19.0	-17.7	-27.3	-28.6	-62.1	-60.8
Net profit/loss	43.1	38.9	63.2	62.8	152.8	153.2
Net profit/loss attributable to:						
The parent company's shareholders	43.1	38.9	63.2	62.8	152.8	153.2
Earnings per share						
before dilution (SEK)	3.68	3.33	5.41	5.38	13.08	13.10
after dilution (SEK)	3.68	3.32	5.39	5.36	13.03	13.05

Consolidated statement of comprehensive income

SEK m	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2016	2015	2016	2015	2015	12months
Net profit/loss	43.1	38.9	63.2	62.8	152.8	153.2
Other comprehensive income						
Items that will not be reclassified to the income statement						
Revaluation of defined-benefit pension plans	-0.3	-	-1.6	0.4	1.8	-0.2
Income taxes	0.1	-	0.4	-	-0.5	-0.1
	-0.2	-	-1.2	0.4	1.3	-0.3
Items that may be reclassified to the income statement						
Exchange differences arising on translation of foreign operations	13.7	-21.8	7.9	11.9	-7.1	-11.1
Cash flow hedges	-4.8	0.0	-3.0	0.0	1.4	-1.6
Income taxes	1.1	0.0	0.7	0.0	-0.3	0.4
	10.0	-21.8	5.6	11.9	-6.0	-12.3
Other comprehensive income for the period, net after tax	9.8	-21.8	4.4	12.3	-4.7	-12.6
Total comprehensive income for the period	52.9	17.1	67.6	75.1	148.1	140.6
Total comprehensive income attributable to:						
The parent company's shareholders	52.9	17.1	67.6	75.1	148.1	140.6

Consolidated statement of financial position

SEK m	NOTE	30 June 2016	30 June 2015	31 Dec 2015
Assets				
Goodwill		690.2	660.6	688.6
Other intangible fixed assets		109.2	88.7	102.4
Tangible fixed assets		259.0	258.0	262.8
Long-term receivables		5.2	6.0	5.1
Deferred tax assets		76.0	99.7	76.3
Total fixed assets		1,139.6	1,113.0	1,135.2
Inventories		367.4	337.1	330.7
Accounts receivable	1	503.5	476.1	538.8
Other receivables	1	312.8	199.0	299.7
Cash and cash equivalents	1	248.5	252.0	261.4
Total current assets		1,432.2	1,264.2	1,430.6
Total assets		2,571.8	2,377.2	2,565.8
Equity				
		847.2	762.0	837.1
Liabilities				
Long-term interest bearing liabilities	1	812.8	737.2	788.2
Other long-term liabilities		1.2		1.2
Provision for pensions		110.2	109.3	107.7
Other provisions		8.5	11.7	8.2
Deferred tax liabilities		29.1	17.1	29.8
Total long-term liabilities		961.8	875.3	935.1
Current interest bearing liabilities	1	0.6	31.1	1.1
Accounts payable	1	297.5	303.5	362.1
Other liabilities	1	425.8	372.1	384.3
Provisions		38.9	33.2	46.1
Total current liabilities		762.8	739.9	793.6
Total liabilities		1,724.6	1,615.2	1,728.7
Total equity and liabilities		2,571.8	2,377.2	2,565.8

Consolidated statement of changes in equity in summary

SEK m	30 June 2016	30 June 2015	31 Dec 2015
Opening balance on 1 January	837.1	733.3	733.3
Net profit	63.2	62.8	152.8
<i>Other comprehensive income</i>			
Change in translation reserve	7.9	11.9	-7.1
Cash flow hedges, net of tax	-2.3	0.0	1.1
Revaluation of defined-benefit pension plans, net of tax	-1.2	0.4	1.3
Total other comprehensive income for the period	4.4	12.3	-4.7
Total comprehensive income for the period	67.6	75.1	148.1
<i>Transactions with owners</i>			
Dividend paid	-58.4	-46.7	-46.7
Share-based payments	1.0	0.3	2.4
Closing balance at the end of period	847.2	762.0	837.1

Consolidated cash flow statement

SEK m	NOTE	1 Jan–30 June 2016	2015	Full year 2015	July-June 12months
Operating profit		96.2	102.4	242.0	235.8
Adjustment for:					
Depreciation of fixed assets		24.1	24.5	47.9	47.5
Other adjustments		-7.4	-8.7	1.4	2.7
Interest received and paid incl. other financial items		-6.2	-11.6	-25.7	-20.3
Taxes paid		-35.5	-43.5	-60.8	-52.8
Cash flow from operating activities before changes in working capital		71.2	63.1	204.8	212.9
Cash flow from changes in working capital		-27.1	-50.3	-124.1	-100.9
Cash flow from operating activities		44.1	12.8	80.7	112.0
Net investment in fixed assets		-19.7	-35.7	-63.6	-47.6
Acquired units		5.2	-	-43.2	-38.0
Cash flow before financing activities		29.6	-22.9	-26.1	26.4
Dividend paid		-58.4	-46.7	-46.7	-58.4
Cash flow from other financing activities		13.1	-12.9	4.4	30.4
Cash flow for the period		-15.7	-82.5	-68.4	-1.6
Cash and cash equivalents at the beginning of the period		261.4	325.0	325.0	261.4
Translation differences		2.8	9.5	4.8	-1.9
Cash and cash equivalents at the end of the period		248.5	252.0	261.4	257.9

Income statement for the parent company in summary

SEK m	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2016	2015	2016	2015	2015	12 months
Operating loss	-13.3	-11.4	-29.9	-31.8	-68.1	-66.2
Result from investment in subsidiaries	76.8	108.6	76.8	108.3	174.3	142.8
Other financial items	12.1	1.0	10.9	-1.1	5.2	17.2
Result after financial items	75.6	98.3	57.8	75.5	111.4	93.7
Appropriations	-	-	-	-	82.7	82.7
Result before taxes	75.6	98.3	57.8	75.5	194.1	176.4
Taxes	-	-	-	-	1.0	1.0
Net Result	75.6	98.3	57.8	75.5	195.1	177.4

Statement of comprehensive income for the parent company

SEK m	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2016	2015	2016	2015	2015	12 months
Net Result	75.6	98.3	57.8	75.5	195.1	177.4
Other comprehensive income	-	-	-	-	-	-
Items that will not be reclassified to the income statement	-	-	-	-	-	-
Items that may be reclassified to the income statement	-	-	-	-	-	-
Other comprehensive income for the period, net after tax	-	-	-	-	-	-
Total comprehensive income for the period	75.6	98.3	57.8	75.5	195.1	177.4

Balance sheet for the parent company in summary

SEK m	30 June 2016	30 June 2015	31 Dec 2015
Assets			
Total fixed assets	1,473.5	1,406.4	1,472.1
Total current assets	475.4	277.5	354.1
Total assets	1,948.9	1,683.9	1,826.2
Shareholder's equity	715.9	593.8	715.5
Liabilities			
Total long-term liabilities	812.1	733.1	787.2
Total current liabilities	420.9	357.0	323.5
Total liabilities	1,233.0	1,090.1	1,110.7
Total shareholders' equity and liabilities	1,948.9	1,683.9	1,826.2

Statements of changes in shareholders' equity in summary

SEK m	30 June 2016	30 June 2015	31 Dec 2015
Opening balance on 1 January	715.5	564.7	564.7
Net profit/loss	57.8	75.5	195.1
<i>Other comprehensive income</i>			
Total other comprehensive income for the period			
Total comprehensive income for the period	57.8	75.5	195.1
<i>Transactions with owners</i>			
Dividend paid	-58.4	-46.7	-46.7
Share-based payments	1.0	0.3	2.4
Closing balance at the end of period	715.9	593.8	715.5

Related parties

SEK m	2016
Subsidiaries	
Net sales	13.7
Dividend	76.8
Financial income and expenses	16.2
Receivables on 30 June	915.7
Liabilities on 30 June	396.5

Pledged assets and contingent liabilities for the parent company

SEK m	30 June 2016	30 June 2015	31 Dec 2015
Pledged assets	none	none	none
Contingent liabilities	133.9	150.0	131.4

NOTE 1 Fair value and reported value in the statement of financial position

SEK million	June 30, 2016			
	Measured at fair value through profit and loss	Derivatives used for hedge accounting	Financial assets and liabilities not recorded at fair value	Total book value
Accounts receivables	-	-	503.5	503.5
Foreign exchange forward contracts entered *)	-	1.2	-	1.2
Other current receivables	-	-	216.6	216.6
Liquid assets	-	-	248.5	248.5
Total other receivables	-	1.2	968.6	969.8
Financial leasing liabilities	-	-	0.6	0.6
Bank loans	-	-	812.8	812.8
Accounts payable	-	-	297.5	297.5
Foreign exchange forward contracts entered *)	-	2.7	-	2.7
Other current liabilities	-	-	376.1	376.1
Total other liabilities	-	2.7	1,487.0	1,489.7

*) 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 2015 Annual Report.

NOTE 2 Acquisitions

The acquisition analysis of the 2015 acquisition of National Conveyors Company Inc. (NCC) has been adjusted by SEK 5.2 million mainly due to the adjustment of the purchase price after the final calculation of net working capital. The adjustment has reduced goodwill by the same amount.

NOTE 3 Alternative performance measures

In addition to information on our reported IFRS results, we provide certain information on an underlying business performance basis. We believe that our underlying business performance measures provide meaningful supplemental information to both management, investors and other stakeholders. These underlying business performance measures should not be viewed in isolation or as substitutes to the equivalent IFRS measures, but should be used in conjunction with the most directly comparable IFRS measures in the reported results. This is a consistent application compared to previous periods.

The following underlying business measures are used:

Adjusted operating profit	Net debt/equity ratio
Adjusted operating profit margin	Return on shareholders' equity
EBITDA	Return on operating capital
Adjusted EBITDA	Net debt/Adjusted EBITDA
Adjusted EBITDA margin	Interest cover ratio
Net debt	Organic growth

Mkr	1 April - 30 June		1 Jan-30 June		Full year	July- June 12 months
	2016	2015	2016	2015	2015	
Operating profit	65.4	64.3	96.2	102.4	242.0	235.8
Acquisition cost	-	-	-	-	-1.1	-1.1
Restructuring cost	-	-	-	-	-20.0	-20.0
Adjusted operating profit	65.4	64.3	96.2	102.4	263.1	256.9
Adjusted operating profit	65.4	64.3	96.2	102.4	263.1	256.9
Net sales	770.5	775.5	1,495.2	1,502.7	3,198.0	3,190.5
Adjusted operating margin, %	8.5	8.3	6.4	6.8	8.2	8.1
Reported Operating profit	65.4	64.3	96.2	102.4	242.0	235.8
Depreciation	-12.0	-12.0	-24.1	-24.5	-47.9	-47.5
EBITDA	77.4	76.3	120.3	126.9	289.9	283.3
EBITDA	77.4	76.3	120.3	126.9	289.9	283.3
Acquisition cost	-	-	-	-	-1.1	-1.1
Restructuring cost	-	-	-	-	-20.0	-20.0
Adjusted EBITDA	77.4	76.3	120.3	126.9	311.0	304.4
Adjusted EBITDA	77.4	76.3	120.3	126.9	311.0	304.4
Net sales	770.5	775.5	1,495.2	1,502.7	3,198.0	3,190.5
Adjusted EBITDA-margin, %	10.0	9.8	8.0	8.4	9.7	9.5
Cash and Cash equivalents					261.4	248.5
Long-term interest-bearing liabilities					788.3	812.8
Pension liabilities					107.7	110.2
Current interest-bearing liabilities					1.1	0.6
Net debt					635.6	675.1
Net debt					635.6	675.1
Equity - Closing balance					837.1	847.2
Net debt/equity ratio, %					75.9	79.7
Equity - Opening balance	852.5	791.4	837.1	733.3	733.3	762.0
Equity - Closing balance	847.2	762.0	847.2	762.0	837.1	847.2
Equity - average	849.8	776.7	842.2	747.6	785.2	804.6
Net result for the period	43.1	38.9	63.2	62.8	152.8	153.2
Return on shareholder's equity, %	20.3	20.0	15.0	16.8	19.5	19.0
Equity - average	849.8	776.7	842.2	747.6	785.2	804.6
Net Debt - opening balance	633.3	593.4	635.6	556.6	556.6	625.6
Net Debt - closing balance	675.1	625.6	675.1	625.6	635.6	675.1
Net Debt - average	654.2	609.5	655.4	591.1	596.1	650.4
Operating capital - average	1 504.0	1 386.2	1 497.6	1 338.7	1 381.3	1 455.0
Adjusted operating profit	65.4	64.3	96.2	102.4	263.1	256.9
Return on operating capital, %	17.4	18.6	12.8	15.3	19.0	17.7

Mkr	1 April - 30 June		1 Jan-30 June		Full year	July- June 12 months
	2016	2015	2016	2015	2015	
Net debt					635.6	675.1
Adjusted EBITDA					311.0	304.4
Net debt/Adjusted EBITDA, multiple					2.0	2.2
Profit/loss before taxes					214.9	214.0
Financial expenses					-30.0	-27.0
Acquisition cost					-1.1	-1.1
Restructuring cost					-20.0	-20.0
EBT excl financial expenses, acquisition costs and restructuring costs					266.0	262.1
Financial expenses					-30.0	-27.0
Interest cover ratio					8.9	9.7
Orders received, at the beginning of the period	812.2	704.3	1,592.9	1,324.6	2,764.8	
Orders received, organically adjusted	-83.8	18.7	-120.7	76.8	108.0	
Orders received, currency adjusted	-18.5	89.2	-32.7	191.4	287.7	
Orders received, structural adjusted	16.6	-	25.8	-	11.3	
Orders received, at the end of the period	726.5	812.2	1,465.3	1,592.9	3,171.8	
Orders growth, %, organic	-10.3%	3.0%	-7.6%	6.6%	4.4%	
Orders growth, %, currency	-2.5%	12.3%	-2.2%	13.7%	10.0%	
Orders growth, %, structural	2.3%	-	1.8%	-	0.4%	
Orders growth, %, total	-10.5%	15.3%	-8.0%	20.3%	14.7%	
Net sales, at the beginning of the period	775.5	663.8	1,502.8	1,287.0	2,826.9	
Net sales, organically adjusted	-1.5	23.2	-10.3	33.1	40.2	
Net sales, currency adjusted	-16.5	88.4	-27.3	182.6	295.6	
Net sales, structural adjusted	13.0	-	30.0	-	35.3	
Net sales, at the end of the period	770.5	775.5	1,495.2	1,502.7	3,198.0	
Sales growth, %, organic	-0.2%	4.0%	-0.7%	2.9%	1.7%	
Sales growth, %, currency	-2.1%	12.8%	-1.8%	13.9%	10.2%	
Sales growth, %, structural	1.7%	-	2.0%	-	1.2%	
Sales growth, %, total	-0.6%	16.8%	-0.5%	16.8%	13.1%	

Operating segment reporting

Undistributed items primarily constitute costs relating to Nederman Holding AB, which include the central main office departments.

SEK m	1 Jan - 30 June		Full year	July - June
	2016	2015	2015	12 months
EMEA				
Incoming orders	721.5	744.7	1,431.5	1,408.3
Net sales	690.7	689.6	1,455.8	1,456.9
Depreciation	-11.6	-10.9	-21.6	-22.3
Adjusted operating profit	70.6	63.0	168.6	176.2
Adjusted operating margin, %	10.2	9.1	11.6	12.1
APAC				
Incoming orders	199.1	156.0	360.2	403.3
Net sales	167.7	155.5	362.6	374.8
Depreciation	-2.3	-3.0	-5.3	-4.6
Adjusted operating profit	-15.1	-12.8	-5.7	-8.0
Adjusted operating margin, %	-9.0	-8.2	-1.6	-2.1
Americas				
Incoming orders	544.7	692.2	1,380.1	1,232.6
Net sales	636.8	657.6	1,379.6	1,358.8
Depreciation	-7.6	-6.2	-12.8	-14.2
Adjusted operating profit	64.7	84.8	163.8	143.7
Adjusted operating margin, %	10.2	12.9	11.9	10.6
Not allocated				
Depreciation	-2.6	-4.4	-8.2	-6.4
Adjusted operating profit /loss	-24.0	-32.6	-63.6	-55.0
Group				
Incoming orders	1,465.3	1,592.9	3,171.8	3,044.2
Net sales	1,495.2	1,502.7	3,198.0	3,190.5
Depreciation	-24.1	-24.5	-47.9	-47.5
Adjusted operating profit	96.2	102.4	263.1	256.9
Acquisition costs	-	-	-1.1	-1.1
Restructuring costs	-	-	-20.0	-20.0
Operating profit	96.2	102.4	242.0	235.8
Result before tax	90.5	91.4	214.9	214.0
Net result	63.2	62.8	152.8	153.2

Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Tuesday, 12 July at 10.00 a.m.

Nederman's President and CEO, Sven Kristensson and CFO, Stefan Fristedt will present the report and answer questions.

To participate in the conference please call +46 8 566 426 65. 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, January-September Financial Statement	19 October 2016 February 2017
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This report contains forward-looking statements based on the current expectations by 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.

This information is information that Nederman is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication on 12 July 2016 at 8 am.

Further information can be obtained from

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Facts about Nederman

Nederman is one of the world's leading companies supplying products and systems in the environmental technology sector focusing on industrial air filtration and recycling. The company's solutions are contributing to reducing the environmental effects from industrial production, to creating safe and clean working environments and to boosting production efficiency.

Nederman's offering encompasses everything from the design stage through to installation, commissioning and servicing. Sales is performed through subsidiaries in 25 countries and agents and distributors in over 30 countries. Nederman develops and produces in its own manufacturing and assembly units in Europe, North America and Asia.

The Group is listed on the Nasdaq OMX, Stockholm Mid Cap list; it has about 1,900 employees and a turnover of about SEK 3 Billion.

Definitions

Adjusted EBITDA

Operating profit before depreciation and amortisation, excluding acquisition and restructuring costs.

Adjusted EBITDA margin

Adjusted EBITDA as percentage of net sales.

Adjusted operating margin

Adjusted operating profit as percentage of net sales.

Adjusted operating profit

Operating profit excluding acquisition and restructuring

Annual average

Average of year-beginning and year-end balance.

Earnings per share (after dilution)

Net profit attributable to Parent Company shareholders plus average number of convertibles and options divided by average number of shares outstanding, as calculated in accordance with IAS 33.

Earnings per share (before dilution)

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

EBITDA

Operating profit before depreciation and amortisation.

EBITDA margin

EBITDA as a percentage of net sales.

Equity/asset ratio

Equity divided by total assets (balance sheet total).

Interest coverage ratio

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

Net debt

Interest bearing liabilities (including pensions) minus cash

Net debt/equity ratio

Net debt divided by shareholders' equity.

Operating capital

Shareholders' equity plus net debt.

Operating margin

Operating profit as percentage of net sales.

Operating profit

Operating profit after depreciation and impairment.

Return on equity

Net profit for the period divided by average shareholders'

Return on operating capital

Adjusted operating profit as a percentage of average operating