



Nederman

Q1

Interim report

January - March 2018

Quarter 1, 2018

- Incoming orders amounted to SEK 781,7m (731,1), which organically is an increase of 3,7 percent compared with the same period last year.
- Net sales amounted to SEK 785,8m (760,6), which organically is an increase of 1,2 percent compared with the same period last year.
- Operating profit was SEK 60,4m (48,8), giving an operating margin of 7,7 percent (6,4).
- Net profit was SEK 36,8m (31,9).
- Earnings per share were SEK 3,15 kr (2,73).

“The first quarter 2018 was a good quarter for Nederman. Incoming orders increased organically by 3.7 percent and profitability was strengthened to an operating margin of 7.7 percent (6.4), which bodes well for the rest of the year.”

Read more in Sven Kristensson's CEO comments on page 2.



CEO comments

Stable sales development, continued strong profitability and improved cash flow from operating activities.



The first quarter 2018 was a good quarter for Nederman. Incoming orders increased organically by 3.7 percent and profitability was strengthened to an operating margin of 7.7 percent (6.4), which bodes well for the rest of the year

EMEA saw weak positive organic development in incoming orders and sales during the quarter, with a significant improvement in profitability.

In APAC, the positive development from 2017 continued. Both incoming orders and sales achieved double-digit growth, and profitability was strengthened significantly, compared to the equivalent quarter of 2017. The sustained improvement in profitability is very satisfactory and we are now working to gradually establish profitability at the level of Nederman's financial goals.

In the US, the market is still affected by uncertainty concerning political decisions, resulting in low project sales. Canada's incoming orders were at the level of the equivalent quarter of 2017, while both Brazil and Mexico achieved considerably stronger performance than in the equivalent quarter of 2017.

In 2017, we established Nederman Insight, in order to develop our customer offering within digital and connected services. The acquisition of Norwegian NEO Monitors was an important stage of this journey and at the beginning of the second quarter we took a further step with the acquisition of the American Auburn FilterSense. This acquisition expands Nederman's expertise to also include effective handling and measurement of dust and other particles, by way of modern solutions, intelligent systems and filter leak detection software.

Sven Kristensson, CEO



Americas operating segment

Americas' incoming orders grew organically by 4.1 percent to SEK 263.6m (275.2) during the quarter. The weaker order intake in Swedish kronor is explained by negative currency impacts. Sales decreased organically by 3.4 percent, to SEK 280.2m (316.9). Profitability declined during the quarter, with an adjusted operating margin of 9.6 percent (11.0).

General market situation

The US market is affected by continued uncertainty concerning the country's trade, health and environmental policies, and this uncertainty is expected to continue for some time, resulting in shifting demand for large systems. The situation has stabilised to a degree, and there is increased demand within some industrial segments. After a long period of decline, the Brazilian economy continues to show signs of recovery. In the long term, it is assessed that stronger economic trends and the authorities' more stringent requirements for compliance with the country's environmental legislation will have a positive impact on demand for Nederman's products and solutions. The Canadian economy is currently developing positively, resulting in increasing demand for Nederman's products and solutions. In Mexico, the unclarified situation concerning the NAFTA agreement is still a source of considerable uncertainty, and the Mexican economy is expected to continue to show very low growth.

Development by country

The US market is still affected by uncertainty concerning political decisions, with the consequence of low project sales. The core business, comprising sales of products and smaller systems, developed positively during the quarter. A new aftermarket organisation was launched during the quarter, tasked with generating increased sales of service, spare parts and various types of product updates, and also identifying interesting projects in the important replacement market.

In Canada, incoming orders achieved organic growth of two percent based on sound development in the core business, but with weaker project sales. The aftermarket was at the same level as the equivalent quarter of 2017.

Incoming orders in the quarter: SEK 263.6m (275.2)

4.1 percent organic order growth.
Strong development in Brazil.
Substantial order in Mexico.

In Brazil, incoming orders increased by 45 percent after strong project and aftermarket sales during the quarter, but with weaker development in the core business. The country's metal industry is still affected by low demand, which is partly compensated for by the growing demand from the food, pharmaceutical and chemical industries.

As a consequence of a large order, Mexico achieved a very strong quarter compared with the equivalent quarter of 2017. Product sales also developed positively during the quarter.

Incoming orders and sales

Incoming orders amounted to SEK 263.6m during the quarter. Organically, this corresponds to an increase of 4.1 percent compared with the equivalent quarter of 2017. Net sales amounted to SEK 280.2m during the quarter. Organically, this corresponds to a decrease of 3.4 percent compared with the equivalent quarter of 2017.

Key ratios

SEK million	Note	1 Jan-31 Mar 2018	1 Jan-31 Mar 2017	Organic growth, %*	Full year 2017	Apr-Mar 12 months
Incoming orders		263.6	275.2	4.1	1,198.4	1,186.8
External net sales	1	280.2	316.9	-3.4	1,228.3	1,191.6
Depreciation		-3.4	-4.2		-15.9	-15.1
Adjusted operating profit		26.9	34.9		136.9	128.9
Adjusted operating margin, %		9.6	11.0		11.1	10.8

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



EMEA operating segment

Incoming orders in the quarter increased to SEK 402.5m (349.8) and sales increased to SEK 406.5m (361.2). The strong development is primarily related to the acquisition of NEO Monitors. Organically, the growth was 0.1 percent for incoming orders and 0.3 percent for sales. The positive development in the operating segment's profitability continued during the quarter, with an adjusted operating margin of 13.3 percent (10.4), which is the highest level for a first quarter.

General market situation

The EMEA market situation has stabilised further, which among other things resulted in increased project sales for Nederman. Industrial investments are still at a relatively low level, but signs of a recovery are still evident. The long-term effects of the UK's decision to leave the EU are still difficult to assess.

Development by country

Several countries showed positive development during the quarter and the order backlog is still at a good level. Germany achieved double-digit growth in incoming orders after sound development in the core business of sales of products and smaller systems. Denmark also achieved favourable growth during the quarter, with strong profitability. Incoming orders also increased in the Benelux countries during the quarter, after positive development in most market segments.

The southern European countries showed weaker development during the quarter, which is mainly explained by lower sales of medium large projects. Development was also weaker in the UK, compared with a strong first quarter 2017 with considerable project sales.

The eastern European countries achieved generally sound development in the quarter, with double-digit growth in Poland, after strong performance from both core business and project sales.

Incoming orders in the quarter: SEK 402.5m (349.8)

NEO Monitors contributes to good trend. Continued improved profitability. Double digit growth in Germany and Poland.

The distributor markets achieved sales at the level of the strong first quarter 2017.

The digital sales channels are continuing to perform well and more and more distributors are now being introduced to Nederman's highly regarded Partner Web Shop, which among other things resulted in distributor sales performing well.

Incoming orders and sales

Incoming orders amounted to SEK 402.5m during the quarter. Organically, this corresponds to an increase of 0.1 percent compared with the equivalent quarter of 2017. Net sales amounted to SEK 406.5m during the quarter. Organically, this corresponds to an increase of 0.3 percent compared with the equivalent quarter of 2017.

Key ratios

SEK million	Note	1 Jan-31 Mar 2018	1 Jan-31 Mar 2017	Organic growth, %*	Full year 2017	Apr-Mar 12 months
Incoming orders		402.5	349.8	0.1	1,530.6	1,583.3
External net sales	1	406.5	361.2	0.3	1,517.5	1,562.8
Depreciation		-8.6	-5.3		-23.6	-26.9
Adjusted operating profit		54.2	37.6		205.9	222.5
Adjusted operating margin, %		13.3	10.4		13.6	14.2

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



APAC operating segment

APAC continued to perform well in terms of both incoming orders and sales during the first quarter of the year. Incoming orders grew organically by 14.6 percent to SEK 115.6m (106.1) and sales increased organically by 23.4 percent to SEK 99.1m (82.5). Profitability continues to improve within the operating segment and the adjusted operating profit amounted to SEK -0.6m (-6.7), corresponding to an adjusted operating margin of -0.6 percent (-8.1).

General market situation

There are still good business opportunities within the APAC region, although some industrial segments in the raw-material intensive countries are affected by weak demand and protracted decision-making processes. In China, new environmental legislation, together with other government initiatives, is expected to increase the importance of environmental issues, with focus on polluting emissions and industries susceptible to dust explosions. However, there is a certain sluggishness before the new legislation can result in actual capital expenditure, although the positive signs are becoming clearer. In India, the negative effects of the new indirect tax (GST), which was implemented during the third quarter 2017, have diminished. There are still good signs of a recovery in Australia.

Development by country

China achieved sound development during the quarter, with an organic increase in incoming orders of 20 percent after good performance for both core business and large projects, with orders from several different industries, including the composite and mining industry.

India showed weaker development during the first quarter, mainly related to more subdued sales of large projects compared with the strong project sales in the first quarter 2017. During the quarter, Nederman attended the "Magnetic Maharashtra" global investors summit, as an element of strengthening Nederman's brand in India. Through participation in the Swedish pavilion, Nederman's CEO in India, Trond Bredesen, had the opportunity to take part in a panel debate on future work in India, and to meet the Indian Prime Minister, Narendra Modi.

Key ratios

SEK million	Note	1 Jan-31 Mar 2018	1 Jan-31 Mar 2017	Organic growth, %*	Full year 2017	Apr-Mar 12 months
Incoming orders		115.6	106.1	14.6	428.3	437.8
External net sales	1	99.1	82.5	23.4	402.7	419.3
Depreciation		-0.7	-0.9		-3.5	-3.3
Adjusted operating profit		-0.6	-6.7		9.3	15.4
Adjusted operating margin, %		-0.6	-8.1		2.3	3.7

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

Incoming orders in the quarter: SEK 115.6m (106.1)

Strong order intake in China.
Good project sales in Malaysia.
Double digit order growth in Australia.

In Thailand, the weak market development continued and incoming orders declined from the equivalent quarter of 2017.

Malaysia performed strongly, with double-digit growth in both incoming orders and sales. Indonesia also had a good quarter, after favourable project sales to the mining industry.

Australia continued to perform well, with an improving business climate and double-digit growth in incoming orders during the quarter.

Incoming orders and sales

Incoming orders amounted to SEK 115.6m during the quarter. Organically, this corresponds to an increase of 14.6 percent compared with the equivalent quarter of 2017. Net sales amounted to SEK 99.1m during the quarter. Organically, this corresponds to an increase of 23.4 percent compared with the equivalent quarter of 2017.

Nederman Insight is creating new values

Today's ever-faster digitalisation is creating new opportunities for Nederman to develop and improve its customer offering. The opportunities associated with connected services, the Internet of Things (IoT) and mobile devices such as smart phones and tablets together offer a platform that can provide Nederman's customers with new services and new values. Nederman Insight has been established in order to manage and develop these opportunities. April 5th 2018, the American company Auburn FilterSense LLC was acquired as part of the work to strengthen the Group's offering and competitive edge.

Acquisition of Auburn FilterSense

Auburn FilterSense LLC holds several decades of experience and application knowledge from more than 75,000 units and installations sold, bringing technology and support to help customers worldwide reduce emissions and improve operations. The company manufactures continuous particulate monitors incorporating triboelectric and charge induction particulate sensing technologies, intelligent controls, including real-time diagnostics and software for filter leak detectors, for process control, maintenance planning, regulatory compliance and increased production efficiency.

Auburn FilterSense LLC will be part of Nederman's Insight organisation. The Auburn FilterSense LLC brand and team will continue to operate as before and the solutions will become an integrated part of the Nederman Insight application and digital ecosystem, building on connectivity and IoT.

NEO Monitors

NEO Monitors AS, which was acquired in 2017, is now part of Nederman Insight. The NEO Monitor brand and team will continue to operate as before. The solutions will become an integrated part of the Nederman Insight applications and digital ecosystem, building on connectivity and Internet of Things.

Strategic goals

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

Digital flow from filter to facts

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

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 insight into critical parameters and processes.

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

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

Acquisition

On April 5th the Group acquired 100 percent of the shares in the American company Auburn FilterSense LLC. Auburn FilterSense LLC holds several decades of experience and application knowledge from more than 75,000 units and installations sold, bringing technology and support to help customers worldwide reduce emissions and improve operations. The company manufactures continuous particulate monitors incorporating triboelectric and charge induction particulate sensing technologies, intelligent controls, including real-time diagnostics and software for filter leak detectors, for process

control, maintenance planning, regulatory compliance and increased production efficiency.

The acquisition price on a cash and debt free basis, amounting to USD 5.75 million, with a potential maximum earn-out payment of USD 2.5 million based on profitability for 2018 and 2019, and is funded by a combination of cash and existing bank facilities. Auburn FilterSense LLC, with approximately 30 employees, had a turnover in 2017 of USD 6.2 million.

Outlook

The situation in Europe continues to improve with positive growth for both incoming orders and sales. In the US, we also see continued stability in sales in the core business, while uncertainty surrounding major projects is expected to remain

for some time, although we have seen some improvement. In Asia, several markets are growing positively. In China, we have seen increased environmental activity.

Quarter 1, 2018

Incoming orders and sales

Incoming orders were SEK 781.7m (731.1). Organically, this corresponds to an increase of 3.7 percent compared with the same period last year.

Net sales amounted to SEK 785.8m (760.6). Organically, this corresponds to an increase of 1.2 percent compared with the same period last year.

Profit/loss

Consolidated operating profit for the period was SEK 60.4m (48.8), which gave an operating margin of 7.7 percent (6.4).

Profit before tax increased to SEK 50.4m (45.1).

Net profit was SEK 36.8m (31.9), which gave earnings per share of SEK 3.15 (2.73).

Cash flow and capital expenditure

Cash flow for the period amounted to SEK -10.0m (-47.7) and cash flow from operating activities amounted to SEK -3.8m (-32.5).

Cash flow has primarily been affected positively by the improved operating profit. Adjusted acquisition price for NEO Monitors of SEK 4 M, which was received in the beginning of 2018 and a lower investment level has also had a positive impact on cash flow.

Capital expenditure during the period was SEK 10.2m (16.2), of which capitalised development costs amounted to SEK 0.8m (2.1).

Other financial information

Liquidity: At the end of the period the Group had SEK 348.5m in cash and cash equivalents as well as SEK 98.7m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 464.5m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 104.5m within Nederman's loan agreement with SHB.

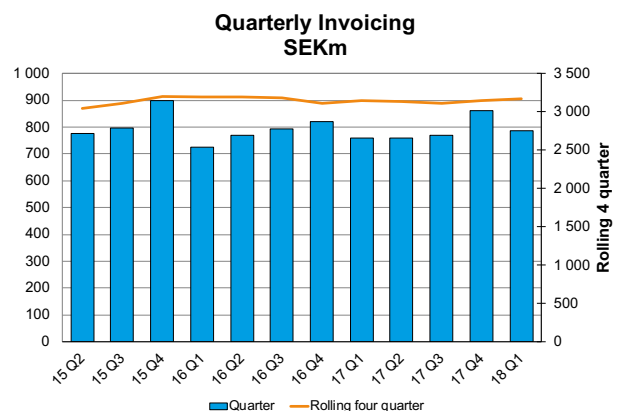
The equity in the Group as of 31 March 2018 amounted to SEK 1,158.7m (1,012.4).

The total number of shares outstanding was 11,696,251 at the end of the period.

The equity ratio for the Group was 37.4 percent as of 31 March 2018 (39.1). The net debt/equity ratio was 52.4 percent (55.4).

Number of employees

The average number of employees during the period was 1,780 (1,719). The number of employees at the end of the period was 1,812 (1,733).



Key figures, Group

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2018	2017	2017	12 months
Net sales	785.8	760.6	3,148.5	3,173.7
Adjusted EBITDA	76.5	61.2	338.5	353.8
Adjusted EBITDA margin, %	9.7	8.0	10.8	11.1
Operating profit	60.4	48.8	278.1	289.7
Operating margin, %	7.7	6.4	8.8	9.1
Adjusted operating profit	60.4	48.8	285.8	297.4
Adjusted operating margin, %	7.7	6.4	9.1	9.4
Profit before tax	50.4	45.1	260.1	265.4
Net profit	36.8	31.9	186.3	191.2
Earnings per share, SEK	3.15	2.73	15.93	16.35
Return on equity, %	13.2	12.8	18.1	17.6
Return on operating capital, %	14.1	12.7	18.0	17.8
Net debt			585.3	607.7
Net debt/equity ratio, %			54.4	52.4
Net debt/Adjusted EBITDA, multiple			1.7	1.7
Interest cover ratio			11.8	10.0

Other information

New organisation for profitable growth

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

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

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

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

Risks and uncertainties

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

Nomination Committee

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

Accounting policies

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

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

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

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

IFRS 16 replaces IAS 17 from 1 January 2019. An evaluation of the impact on the standard has been started.

Statement

The Board and CEO confirm that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the Group. The report has not been reviewed by the company's auditor.

Helsingborg 19 April 2018

Jan Svensson

Chairman

Per Borgvall

Member of the Board

Gunilla Fransson

Member of the Board

Gunnar Gremlin

Member of the Board

Ylva op den Velde Hammargren

Member of the Board

Sven Kristensson

Member of the Board
and CEO

Johan Menckel

Member of the Board

This is Nederman

A Swedish environmental technology company

Nederman's expertise and turnkey solutions within industrial air filtration protect people, machinery and the environment from the harmful effects of industrial processes. In this way Nederman helps to create safe work spaces, efficient production and significant environmental benefits. This interplay between health, environment and efficiency comes together to form the concept of eco-efficiency.

Eco-efficiency means that we contribute to both economic efficiency and long-term sustainable production. In terms of economy, it is about high production efficiency and product quality, machinery that has a long life and minimised environmental costs. From an environmental perspective it is about benefits from reduced emissions, more efficient use of materials and recycling, and lower energy consumption.

Nederman's customers are found in industries such as metal, wood and composite processing, food processing, pharmaceutical production, waste management, agriculture, textile industry, chemical industry, process industry, power generation and the automotive aftermarket.

Strong global position

Nederman has a strong global presence in regard to both sales and manufacturing. Sales are conducted through its own sales companies and distributors in over 50 countries. The main focus of sales is in Europe and North America, but Nederman is also active in a number of markets in Asia and South America. Manufacturing is carried out on five continents. Turnover in 2017 amounted to SEK 3.1 billion.

Strategy and financial objectives

Nederman's aim is to achieve a sales growth of 8-10 percent over a business cycle and that an operating margin of at least reach 10 percent shall be achieved. To achieve these goals, Nederman is focusing on four priority areas:

- Expansion into new customer and market segments
- Developed positions in the value chain
- Geographic expansion
- Development of new products and solutions.

During the last five years, sales growth has averaged 7.0 percent. During the period, the adjusted operating margin varied between 6.4 and 9.1 percent and in 2017 amounted to 9.1 percent. The average dividend during the period was 46 percent of net profit.



Three sales segments

Nederman's sales model is divided into three segments in order to deliver solutions to customers' challenges as effectively as possible.

Product sales Nederman has a wide range of standard products that solve common problems related to smoke, gas, dust, materials recycling, the working environment and efficient production.

Solutions Nederman's solutions are designed to solve more complex tasks and specific customer problems. Business activities include careful preliminary study of the customer's business operations and needs, planning and system design, installation, commissioning and training.

Service and aftermarket Service is an integral part of Nederman's offering and a focus area for growth. By offering qualified service with good availability, Nederman helps to ensure continuous operation without expensive interruptions to customers' production.

Consolidated income statement in summary

SEK million	Note	1 Jan-31 Mar		Full year	Apr-Mar
		2018	2017	2017	12 months
Net sales	1	785.8	760.6	3,148.5	3,173.7
Cost of goods sold		-484.1	-471.6	-1,948.6	-1,961.1
Gross profit		301.7	289.0	1,199.9	1,212.6
Selling expenses		-177.8	-173.7	-662.7	-666.8
Administrative expenses		-60.1	-57.0	-222.2	-225.3
Research and development expenses		-8.9	-2.8	-14.2	-20.3
Acquisition costs		-0.0	-	-7.7	-7.7
Other operating income/expenses		5.5	-6.7	-15.0	-2.8
Operating profit		60.4	48.8	278.1	289.7
Financial income		1.0	1.8	6.8	6.0
Financial expense		-11.0	-5.5	-24.8	-30.3
Net financial items		-10.0	-3.7	-18.0	-24.3
Profit before tax		50.4	45.1	260.1	265.4
Taxes		-13.6	-13.2	-73.8	-74.2
Net profit		36.8	31.9	186.3	191.2
Net profit attributable to:					
The parent company's shareholders		36.8	31.9	186.3	191.2
Earnings per share					
before dilution (SEK)		3.15	2.73	15.93	16.35
after dilution (SEK)		3.15	2.73	15.93	16.35

Consolidated statement of comprehensive income in summary

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2018	2017	2017	12 months
Net profit	36.8	31.9	186.3	191.2
Other comprehensive income				
Items that cannot be reclassified to net profit				
Revaluation of defined-benefit pension plans	-0.9	-0.2	-3.3	-4.0
Tax attributable to items that cannot be reclassified to net profit	0.2	0.1	0.7	0.8
	-0.7	-0.1	-2.6	-3.2
Items that have been or can be reclassified to net profit				
Exchange differences arising on translation of foreign operations	47.5	-3.3	-28.2	22.6
Cash flow hedges	0.4	2.2	3.1	1.3
Tax attributable to items that can be reclassified to net profit	-0.1	-0.5	-0.7	-0.3
	47.8	-1.6	-25.8	23.6
Other comprehensive income for the period, net of tax	47.1	-1.7	-28.4	20.4
Total comprehensive income for the period	83.9	30.2	157.9	211.6
Total comprehensive income attributable to:				
The parent company's shareholders	83.9	30.2	157.9	211.6

Consolidated statement of financial position in summary

SEK million	Note	31 March 2018	31 March 2017	31 Dec 2017
Assets				
Goodwill		997.6	702.7	969.9
Other intangible assets		231.4	122.2	226.8
Tangible assets		253.6	260.7	252.4
Long-term receivables		6.1	5.5	5.4
Deferred tax assets		16.9	63.1	16.8
Total fixed assets		1,505.6	1,154.2	1,471.3
Inventories		436.8	393.2	386.8
Accounts receivable	2	524.5	483.9	529.5
Other current receivables	2	281.3	315.7	222.4
Cash and cash equivalents	2	348.5	240.1	360.9
Total current assets		1,591.1	1,432.9	1,499.6
Total assets		3,096.7	2,587.1	2,970.9
Equity				
		1,158.7	1,012.4	1,075.8
Liabilities				
Long-term interest-bearing liabilities	2	830.7	692.4	822.5
Other long-term liabilities		163.6	1.5	153.7
Pension liabilities		125.2	108.3	123.4
Other provisions		11.4	7.0	9.5
Deferred tax liabilities		19.1	21.1	17.0
Total long-term liabilities		1,150.0	830.3	1,126.1
Current interest-bearing liabilities	2	0.3	0.5	0.3
Accounts payable	2	303.1	261.3	298.9
Other current liabilities	2	460.0	457.2	444.3
Provisions		24.6	25.4	25.5
Total current liabilities		788.0	744.4	769.0
Total liabilities		1,938.0	1,574.7	1,895.1
Total equity and liabilities		3,096.7	2,587.1	2,970.9

Consolidated statement of changes in equity in summary

SEK million	31 March 2018	31 March 2017	31 Dec 2017
Opening balance at beginning of period	1,075.8	982.2	982.2
Net profit	36.8	31.9	186.3
Other comprehensive income			
Change in translation reserve for the period	47.5	-3.3	-28.2
Cash flow hedges, net of tax	0.3	1.7	2.4
Revaluation of defined-benefit pension plans, net of tax	-0.7	-0.1	-2.6
Total other comprehensive income for the period	47.1	-1.7	-28.4
Total comprehensive income for the period	83.9	30.2	157.9
Transactions with Group owners			
Dividend paid	-	-	-64.3
Share-based remuneration	-1.0	-	-
Closing balance at end of period	1,158.7	1,012.4	1,075.8

Consolidated cash flow statement in summary

SEK million	Note	1 Jan-31 Mar 2018	1 Jan-31 Mar 2017	Full year 2017	Apr-Mar 12 months
Operating profit		60.4	48.8	278.1	289.7
Adjustment for:					
Depreciation and amortisation of fixed assets		16.1	12.4	52.7	56.4
Other adjustments		0.1	0.2	3.6	3.5
Interest received and paid incl. other financial items		-1.1	-4.8	-21.9	-18.2
Taxes paid		-1.5	-9.4	-46.0	-38.1
Cash flow from operating activities before changes in working capital		74.0	47.2	266.5	293.3
Cash flow from changes in working capital		-77.8	-79.7	12.8	14.7
Cash flow from operating activities		-3.8	-32.5	279.3	308.0
Net investment in fixed assets		-9.6	-15.0	-51.8	-46.4
Acquisitions	3	4.1	-	-233.3	-229.2
Cash flow before financing activities		-9.3	-47.5	-5.8	32.4
Dividend paid		-	-	-64.3	-64.3
Cash flow from other financing activities		-0.7	-0.2	149.4	148.9
Cash flow for the period		-10.0	-47.7	79.3	117.0
Cash and cash equivalents at beginning of period		360.9	287.8	287.8	240.1
Translation differences		-2.4	0.0	-6.2	-8.6
Cash and cash equivalents at end of period		348.5	240.1	360.9	348.5

Income statement for the parent company in summary

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2018	2017	2017	12 months
Operating profit/loss	-21.9	-21.5	-79.4	-79.8
Result from investment in subsidiaries	-	-	100.7	100.7
Other financial items	-11.6	-1.3	18.5	8.2
Profit/loss after financial items	-33.5	-22.8	39.8	29.1
Appropriations	-	-	112.4	112.4
Profit/loss before tax	-33.5	-22.8	152.2	141.5
Taxes	-1.0	-	-8.9	-9.9
Net profit/loss for the period	-34.5	-22.8	143.3	131.6

Statement of comprehensive income for the parent company in summary

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2018	2017	2017	12 months
Net profit/loss	-34.5	-22.8	143.3	131.6
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	-34.5	-22.8	143.3	131.6

Balance sheet for the parent company in summary

SEK million	31 March 2018	31 March 2017	31 Dec 2017
Assets			
Total fixed assets	1,921.4	1,541.5	1,907.0
Total current assets	519.8	402.7	495.5
Total assets	2,441.2	1,944.2	2,402.5
Shareholders' Equity	833.3	767.0	868.8
Liabilities			
Total long-term liabilities	992.2	692.0	974.0
Total current liabilities	615.7	485.2	559.7
Total liabilities	1,607.9	1,177.2	1,533.7
Total equity and liabilities	2,441.2	1,944.2	2,402.5

Statement of changes in parent company shareholders' equity in summary

SEK million	31 March 2018	31 March 2017	31 Dec 2017
Opening balance at beginning of period	868.8	789.8	789.8
Net profit/loss	-34.5	-22.8	143.3
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-34.5	-22.8	143.3
Transactions with owners			
Dividend paid	-	-	-64.3
Share-based remuneration	-1.0	-	-
Closing balance at end of period	833.3	767.0	868.8

Related party transactions with the parent company

SEK million	31 March 2018
Subsidiaries	
Net sales	7.9
Financial income	1.0
Receivables as per 31 March	905.0
Liabilities as per 31 March	590.3

Note 1: Allocation of sales

SEK million	1 Jan-31 Mar 2018			
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and aftermarket	Total
EMEA	177.9	146.3	82.3	406.5
APAC	23.4	65.7	10.0	99.1
Americas	129.1	93.3	57.8	280.2
Total	330.4	305.3	150.1	785.8

SEK million	1 Jan-31 Mar 2017			
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and aftermarket	Total
EMEA	134.5	138.5	88.2	361.2
APAC	30.9	43.4	8.2	82.5
Americas	143.5	114.3	59.1	316.9
Total	308.9	296.2	155.5	760.6

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 and reported values in financial position

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	-	-	524.5	524.5
Foreign exchange forward contracts entered *)	4.8	0.7	-	5.5
Other current receivables	-	-	188.8	188.8
Cash and cash equivalents	-	-	348.5	348.5
Total	4.8	0.7	1,061.8	1,067.3
Financial leasing liabilities	-	-	0.4	0.4
Bank loans	-	-	830.7	830.7
Accounts payable	-	-	303.1	303.1
Foreign exchange forward contracts entered *)	-	0.2	-	0.2
Other current liabilities	-	-	405.6	405.6
Total	-	0.2	1,539.8	1,540.0

*) The Group holds financial instruments in the form of currency futures that are recorded at fair value in the balance sheet. The fair value of currency futures is determined by discounting the difference between the contracted forward rate and the forward rate that can be subscribed on the closing date for the remaining contracted period. Discounting is made using market rates. The fair value for all contracts has been determined from directly or indirectly observable market data, i.e. level 2 according to IFRS 7. For other financial instruments, the fair value and the book value are materially consistent. For further information, refer to note 24 in the 2017 Annual Report.

Note 3: Acquisition

The acquisition analysis for NEO Monitors AS has been adjusted by SEK 4m during 2017, due to adjusted calculation of net working capital. The adjusted acquisition price was received in the beginning of 2018. The acquisition analysis is preliminary.

Note 4: Alternative performance measures

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

Adjusted operating profit
Adjusted operating margin
EBITDA
Adjusted EBITDA

Adjusted EBITDA margin
Net debt
Net debt/equity ratio
Return on equity

Return on operating capital
Net debt/Adjusted EBITDA
Interest Cover Ratio
Organic growth

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2018	2017	2017	12 months
Operating profit	60.4	48.8	278.1	289.7
Acquisition cost	0.0	-	7.7	7.7
Restructuring costs	-	-	-	-
Adjusted operating profit	60.4	48.8	285.8	297.4
Adjusted operating profit	60.4	48.8	285.8	297.4
Net sales	785.8	760.6	3,148.5	3,173.7
Adjusted operating margin, %	7.7	6.4	9.1	9.4
Operating profit	60.4	48.8	278.1	289.7
Depreciation and amortization	16.1	12.4	52.7	56.4
EBITDA	76.5	61.2	330.8	346.1
EBITDA	76.5	61.2	330.8	346.1
Acquisition cost	0.0	-	7.7	7.7
Restructuring costs	-	-	-	-
Adjusted EBITDA	76.5	61.2	338.5	353.8
Adjusted EBITDA	76.5	61.2	338.5	353.8
Net sales	785.8	760.6	3,148.5	3,173.7
Adjusted EBITDA margin, %	9.7	8.0	10.8	11.1
Cash and cash equivalents			360.9	348.5
Long-term interest-bearing liabilities			822.5	830.7
Pension liabilities			123.4	125.2
Current interest-bearing liabilities			0.3	0.3
Net debt			585.3	607.7
Net debt			585.3	607.7
Equity - Closing balance			1,075.8	1,158.7
Net debt/equity ratio, %			54.4	52.4
Equity - Opening balance	1,075.8	982.2	982.2	1,012.4
Equity - Closing balance	1,158.7	1,012.4	1,075.8	1,158.7
Equity - average	1,117.3	997.3	1,029.0	1,085.6
Net profit	36.8	31.9	186.3	191.2
Return on equity, %	13.2	12.8	18.1	17.6

Note 4: Alternative performance measures, cont.

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2018	2017	2017	12 mån
Equity - average	1,117.3	997.3	1,029.0	1,085.6
Net Debt - opening balance	585.3	524.3	524.3	561.1
Net Debt - closing balance	607.7	561.1	585.3	607.7
Net Debt - average	596.5	542.7	554.8	584.4
Operating capital - average	1,713.8	1,540.0	1,583.8	1,670.0
Adjusted operating profit	60.4	48.8	285.8	297.4
Return on operating capital, %	14.1	12.7	18.0	17.8
Net debt			585.3	607.7
Adjusted EBITDA			338.5	353.8
Net debt/Adjusted EBITDA, multiple			1.7	1.7
Profit before tax			260.1	265.4
Financial expense			24.8	30.3
Acquisition cost			7.7	7.7
Restructuring costs			-	-
EBT excl. financial expenses, acquisition costs and restructuring costs			292.6	303.4
Financial expense			24.8	30.3
Interest cover ratio, multiple			11.8	10.0
Incoming orders, same period in previous year	731.1	738.8	2,992.3	
Change in incoming orders, organic	27.3	-34.1	137.6	
Change in incoming orders, currency effects	-18.9	26.4	10.6	
Change in incoming orders, acquisitions	42.2	-	16.8	
Incoming orders	781.7	731.1	3,157.3	
Order growth, %, organic	3.7	-4.8	4.6	
Order growth, %, currency effects	-2.6	3.8	0.3	
Order growth, %, acquisitions	5.8	-	0.6	
Order growth, %	6.9	-1.0	5.5	
Net sales, comparative period previous year	760.6	724.7	3,107.3	
Change in net sales, organic	9.5	6.8	3.6	
Change in net sales, currency effects	-19.0	29.1	9.9	
Change in net sales, acquisitions	34.7	-	27.7	
Net sales	785.8	760.6	3,148.5	
Sales growth, %, organic	1.2	1.0	0.1	
Sales growth, %, currency effects	-2.5	4.0	0.3	
Sales growth, %, acquisitions	4.6	-	0.9	
Sales growth, %	3.3	5.0	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 Jan-31 Mar		Full year	Apr-Mar
	2018	2017	2017	12 months
EMEA				
Incoming orders	402.5	349.8	1,530.6	1,583.3
External net sales	406.5	361.2	1,517.5	1,562.8
Depreciation	-8.6	-5.3	-23.6	-26.9
Adjusted operating profit	54.2	37.6	205.9	222.5
Adjusted operating margin, %	13.3	10.4	13.6	14.2
APAC				
Incoming orders	115.6	106.1	428.3	437.8
External net sales	99.1	82.5	402.7	419.3
Depreciation	-0.7	-0.9	-3.5	-3.3
Adjusted operating profit	-0.6	-6.7	9.3	15.4
Adjusted operating margin, %	-0.6	-8.1	2.3	3.7
Americas				
Incoming orders	263.6	275.2	1,198.4	1,186.8
External net sales	280.2	316.9	1,228.3	1,191.6
Depreciation	-3.4	-4.2	-15.9	-15.1
Adjusted operating profit	26.9	34.9	136.9	128.9
Adjusted operating margin, %	9.6	11.0	11.1	10.8
Other - non-allocated				
Depreciation	-3.4	-2.0	-9.7	-11.1
Adjusted operating profit	-20.1	-17.0	-66.3	-69.4
The Group				
Incoming orders	781.7	731.1	3,157.3	3,207.9
Net sales	785.8	760.6	3,148.5	3,173.7
Depreciation	-16.1	-12.4	-52.7	-56.4
Adjusted operating profit	60.4	48.8	285.8	297.4
Acquisition cost	-0.0	-	-7.7	-7.7
Restructuring costs	-	-	-	-
Operating profit	60.4	48.8	278.1	289.7
Profit before tax	50.4	45.1	260.1	265.4
Net profit	36.8	31.9	186.3	191.2

Financial calendar

Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Thursday, 19 April 2018 at 17.30. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions.

To participate in the conference please call +46 8 566 426 62 or UK tel. no. +44 203 008 9806. The conference will also be streamed over the internet.

Visit our website to participate in the webcast:

<http://www.nedermangroup.com/sv-SE/Investors/Reports/Webcast>.

Dates for the publication of financial information

- Interim report 2: 12 July 2018
- Interim report 3: 18 October 2018

This report contains forward-looking statements that are based on the current expectations of Nederman's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

Nederman is required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instrument Trading Act. The information has been made public at 16.00 CET on 19 April 2018.

Further information can be obtained from

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Definitions

Adjusted EBITDA

Operating profit before depreciation/amortization and impairment loss, excluding acquisition and restructuring costs.

Adjusted EBITDA margin

Adjusted EBITDA as percentage of net sales.

Adjusted operating margin

Adjusted operating profit as percentage of net sales.

Adjusted operating profit

Operating profit excluding acquisition and restructuring costs

Annual average

Average of year-beginning and year-end balance.

Earnings per share (after dilution)

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

Earnings per share (before dilution)

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

EBITDA

Operating profit before depreciation/amortization and impairment loss.

EBITDA margin

EBITDA as a percentage of net sales.

Equity ratio

Equity divided by total assets (balance sheet total).

Interest Cover Ratio

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

Net debt

Interest-bearing liabilities (including pensions) minus cash and cash equivalents.

Net debt/equity ratio

Net debt divided by shareholders' equity.

Operating capital

Shareholders' equity plus net debt.

Operating margin

Operating profit as percentage of net sales.

Operating profit/loss

Operating profit after depreciation/amortization and impairment loss.

Organic growth

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

Return on equity

Net profit for the period divided by average shareholders' equity

Return on operating capital

Adjusted operating profit as a percentage of average operating capital