



Quarter 2, 2018

- Incoming orders amounted to SEK 912.1m (849.4), which organically is a decrease of 1.3 percent compared with the same period last year.
- Net sales amounted to SEK 863.9m (759.2), which organically is an increase of 5.2 percent compared with the same period last year.
- Adjusted operating profit was SEK 70.4m (60.9), giving an adjusted operating margin of 8.1 percent (8.0).
- Operating profit was SEK 66.6m (60.9), giving an operating margin of 7.7 percent (8.0).
- Net profit was SEK 43.8m (38.3).
- Earnings per share were SEK 1.25 kr (1.09).*

January - June, 2018

- Incoming orders amounted to SEK 1,693.8m (1,580.5), which organically is an increase of 1.1 percent compared with the same period last year.
- Net sales amounted to SEK 1,649.7m (1,519.8), which organically is an increase of 3.2 percent compared with the same period last year.
- Adjusted operating profit was SEK 130.8m (109.7), giving an adjusted operating margin of 7.9 percent (7.2).
- Operating profit was SEK 127.0m (109.7), giving an operating margin of 7.7 percent (7.2).
- Net profit was SEK 80.6m (70.2).
- Earnings per share were SEK 2.30 (2.00).*

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



CEO comments

Continued strong profitability



Nederman continued to strengthen its profitability during the quarter, with an adjusted operating profit of SEK 70.4m (60.9), giving an adjusted operating margin of 8.1 percent (8.0). In organic terms, sales had a positive development in EMEA (+7.2 percent) and in APAC (+21.4 percent), while we saw a small decline in the Americas (-1.7 percent).

For the Group's incoming orders, the situation was reversed. In the Americas, incoming orders increased organically by 11.5 percent after the booking of previously deferred orders. This applies especially to American foundries, which now show a high level of activity.

In EMEA, and most of all in APAC however, there was greater hesitancy than at the beginning of the year. The prevailing turbulence in world trade and the unclear Brexit situation lead many parties to take a more cautious approach to investments. In EMEA, incoming orders declined organically by 7.2 percent, and for APAC the equivalent figure was -13.0 percent.

Nederman assesses that the need for our products and solutions is at least just as great as before, but also that we need to work more intensively, and for a more prolonged period, to be able to complete and convert the underlying demand into concrete orders.

NEO Monitors, acquired in the autumn of 2017, has been integrated into Nederman Insight and continues to contribute positively to the Group, primarily within EMEA.

The Group's stock of orders is at a good level and we take an unchanged positive view of 2018. During the remaining quarters of the year, we will continue to work to handle our ever-changing surrounding world in the best possible way.

Sven Kristensson
CEO



Americas operating segment

Americas' incoming orders grew organically by 11.5 percent to SEK 359.3m (307.7) during the quarter. Sales decreased organically by 1.7 percent to SEK 320.3m (314.6). Profitability strengthened during the quarter, with an adjusted operating profit of SEK 28.0m (25.1), equivalent to an adjusted operating margin of 8.7 percent (8.0).

General market situation

There is continued uncertainty concerning the US's trade, health and environmental policies. Nonetheless, the situation has stabilised to a degree, with increased demand within some industrial segments, and growing confidence. 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 development in Brazil and the authorities' more stringent requirements for compliance with the country's environmental legislation will have a positive impact on the demand for Nederman's products and solutions. Uncertainty concerning the NAFTA agreement continues to be a source of uncertainty for the USA's neighbouring countries.

Development by country

In the US, incoming orders increased during the quarter, among other things after strong development in the aftermarket business and a large number of orders from American foundries, which have an ever-increasing level of activity. Nederman's American organisation is currently assessing how the new customs tariffs will affect the business, and which measures may need to be taken to ensure sustained high competitiveness.

In Canada, incoming orders declined organically by 15 percent after weak development in the core business comprising sale of products and smaller systems. The aftermarket grew by 3 percent compared with the equivalent quarter of 2017.

In Brazil, incoming orders increased by 5 percent, and sales by 39 percent. 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 industri-

Incoming orders in the quarter: SEK 359.3m (307.7)

Good order growth in the US.
Good sales of large projects in Mexico.
Improved profitability.

es. The level of profitability in the quarter was not satisfactory, but is expected to strengthen during the last two quarters of the year.

Mexico achieved strong growth during the quarter after robust sales of large projects, while the core business performed more weakly during the quarter.

Incoming orders and sales

Incoming orders amounted to SEK 359.3m for the quarter. This corresponds to an organic increase of 11.5 percent compared with the equivalent quarter of 2017. Incoming orders for the period January-June amounted to SEK 622.9m. This corresponds to an organic increase of 8.0 percent compared with 2017. Net sales amounted to SEK 320.3m during the quarter. This corresponds to an organic decrease of 1.7 percent compared with the equivalent quarter of 2017. Net sales for the period January-June amounted to SEK 600.5m. This corresponds to an organic decrease of 2.6 percent compared with 2017.

Key ratios

SEK million	Note	1 Apr-30 June		Organic growth, %*	1 Jan-30 June		Organic growth, %*	Full year 2017	July-June 12 months
		2018	2017		2018	2017			
Incoming orders		359.3	307.7	11.5	622.9	582.9	8.0	1,198.4	1,238.4
External net sales	1	320.3	314.6	-1.7	600.5	631.5	-2.6	1,228.3	1,197.3
Depreciation		-4.0	-4.3		-7.4	-8.5		-15.9	-14.8
Adjusted operating profit		28.0	25.1		54.9	60.0		136.9	131.8
Adjusted operating margin, %		8.7	8.0		9.1	9.5		11.1	11.0

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



EMEA operating segment

Incoming orders in the quarter increased to SEK 447.7m (423.9) and sales increased to SEK 427.1m (351.3). The strong development can be attributed to the acquisition of NEO Monitors. In organic terms, growth in incoming orders was negative at -7.2 percent after weaker demand and protracted decision-making processes for larger systems, compared with the equivalent period of 2017. Organic sales growth was 7.2 percent during the quarter. The positive development in the operating segment's profitability continued during the quarter, with an adjusted operating margin of 14.9 percent (13.9).

General market situation

Market conditions within EMEA have stabilised further, among other things resulting in increased project sales for Norderman. Industrial investments remain at a relatively low level, but signs of a recovery are still evident. The long-term consequences of the UK's decision to leave the EU remain difficult to assess.

Development by country

Germany developed positively during the second quarter of the year, with good incoming orders for smaller and medium sized projects. Many distributor markets also achieved sound growth in a number of customer segments. Both the Czech Republic and Turkey presented double-digit growth during the quarter, after strong performance from both the core business of sales of products and smaller systems, and sales of large systems.

The development in the Benelux countries was at the level of the equivalent quarter of 2017, after sound growth in Belgium, but a weaker trend in the Netherlands. In southern Europe, France performed more weakly, while Spain and Portugal achieved growth compared to the equivalent period of 2017.

The Nordic region and the UK performed more weakly compared with the equivalent quarter of 2017, which included a large order for the Nordic wind industry and also a large order for the aircraft industry in the UK. Poland's comparative figures from the second quarter 2017 were challenging, with a number of bookings for medium-sized projects that were not repeated in the second quarter 2018.

Incoming orders in the quarter: SEK 447.7m (423.9)

NEO Monitors contributes to sound development.
Continued strong profitability.
Continued positive development in Germany.

Digital sales channels continue to perform well and the second quarter 2018 showed an all-time high for digital sales within EMEA.

Incoming orders and sales

Incoming orders amounted to SEK 447.7m for the quarter. This corresponds to an organic decrease of 7.2 percent compared with the equivalent quarter of 2017. Incoming orders for the period January-June amounted to SEK 850.2m. This corresponds to an organic decrease of 3.9 percent compared with 2017. Net sales amounted to SEK 427.1m during the quarter. This corresponds to an organic increase of 7.2 percent compared with the equivalent quarter of 2017. Net sales for the period January-June amounted to SEK 833.6m. This corresponds to an organic increase of 3.7 percent compared with 2017.

Key ratios

SEK million	Note	1 Apr-30 June		Organic	1 Jan-30 June		Full year	July-June	
		2018	2017		2018	2017			2017
Incoming orders		447.7	423.9	-7.2	850.2	773.7	-3.9	1,530.6	1,607.1
External net sales	1	427.1	351.3	7.2	833.6	712.5	3.7	1,517.5	1,638.6
Depreciation		-8.8	-5.4		-17.4	-10.7		-23.6	-30.3
Adjusted operating profit		63.6	49.0		117.8	86.6		205.9	237.1
Adjusted operating margin, %		14.9	13.9		14.1	12.2		13.6	14.5

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



APAC operating segment

APAC showed mixed performance during the quarter, with weaker incoming orders, but sound sales growth. Incoming orders decreased organically by 13.0 percent to SEK 105.1m (117.8), while sales continued their positive trend, increasing organically by 21.4 percent to SEK 116.5m (93.3). The operating segment's profitability continues to improve and the adjusted operating profit amounted to SEK 2.0m (-0.7), corresponding to an adjusted operating margin of 1.7 percent (-0.7).

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. There are still good signs of a recovery in Australia.

Development by country

China showed weak development during the quarter, with a 21 percent organic reduction in incoming orders, which gave an organic decrease by 4 percent for the first two quarters of the year. The weaker development is related to reduced sales within the core business of sales of products and smaller systems, as well as sales of larger systems. Nonetheless, there is still assessed to be a good level of interest in Nederman's solutions, and the currently deferred projects are expected to be activated as actual orders during the coming quarter. Two large orders were booked during the quarter, one for SEK 10m for a Chinese foundry, and one for SEK 6m for a Chinese smelter. The second quarter 2017 was a strong quarter in India, with sound sales of large systems. These sales were not repeated in the second quarter 2018, so that sales in India declined organically during the quarter. In Thailand, the market is still weak, with negative organic growth during the quarter. In the second quarter 2017, Thailand also achieved good sales of larger systems, which was not repeated in the second quarter 2018. Malaysia and Indonesia performed posi-

Incoming orders in the quarter: SEK 105.1m (117.8)

Reduced incoming orders in China.
Good project sales in Indonesia.
Continued improved profitability.

tively in the second quarter 2018. In Malaysia, incoming orders increased organically by 39 percent, while in Indonesia, incoming orders rose by 115 percent, among other things after a significant order worth SEK 4.5m from a company operating in the composite and mining industry. In Australia, there are continued signs of an economic recovery, with a more optimistic business climate, even though the quarter's incoming orders decreased organically by 13 percent.

Incoming orders and sales

Incoming orders amounted to SEK 105.1m for the quarter. This corresponds to an organic decrease of 13.0 percent compared with the equivalent quarter of 2017. Incoming orders for the period January-June amounted to SEK 220.7m. In organic terms, this represents unchanged development from 2017. Net sales amounted to SEK 116.5m during the quarter. This corresponds to an organic increase of 21.4 percent compared with the equivalent quarter of 2017. Net sales for the period January-June amounted to SEK 215.6m. This corresponds to an organic increase of 22.3 percent compared with 2017.

Key ratios

SEK million	Note	1 Apr-30 June		Organic growth, %*	1 Jan-30 June		Full year 2017	July-June 12 months
		2018	2017		2018	2017		
Incoming orders		105.1	117.8	-13.0	220.7	223.9	428.3	425.1
External net sales	1	116.5	93.3	21.4	215.6	175.8	402.7	442.5
Depreciation		-0.8	-0.9		-1.5	-1.8	-3.5	-3.2
Adjusted operating profit		2.0	-0.7		1.4	-7.4	9.3	18.1
Adjusted operating margin, %		1.7	-0.7		0.6	-4.2	2.3	4.1

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

Nederman Insight is creating new value

Today's ever-faster digitisation is creating new opportunities for Nederman to develop and improve its customer offering. The opportunities for connected services - Internet of Things (IoT) and mobile devices such as smartphones and tablets - offer a platform that can provide Nederman's customers with new services and new value.

Nederman Insight was established to exploit and develop the many digital opportunities. Through its own development and the acquisition of Auburn FilterSense (5 April 2018) and NEO Monitors AS (2017), within a short period Nederman has built up a powerful customer offering. During the quarter, the overall offering to the Group's customers was launched, with the benefits offered by digitalisation, such as continuous system monitoring, risk handling and easily planned maintenance.

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 expertise to help customers worldwide to 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 is part of Nederman Insight's organisation. Like NEO Monitors, the Auburn FilterSense LLC brand and team continue to operate as before and the solutions will become an integrated part of the Nederman Insight applications and digital ecosystem, building on connectivity and IoT.

NEO Monitors launches world-leading hydrogen measurement technology

NEO Monitors is the first company in the world to develop a solution for on-site hydrogen measurement using traditional infrared-based technology that is tried and tested in several other industrial applications.

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 for both new and existing installations of Nederman's systems. To achieve this, the company will successively build up the new expertise 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 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

During the quarter Nederman acquired 100% of the shares in the American company Auburn FilterSense LLC. Auburn FilterSense LLC, with approximately 30 employees, had a turnover in 2017 of USD 6.2m. The company has its registered office in Beverly, Massachusetts. 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 is part of Nederman's Insight organization. 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 Internet of Things.

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 2, 2018

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 912.1m (849.4). Organically, this corresponds to a decrease of 1.3 percent compared with the corresponding period last year.

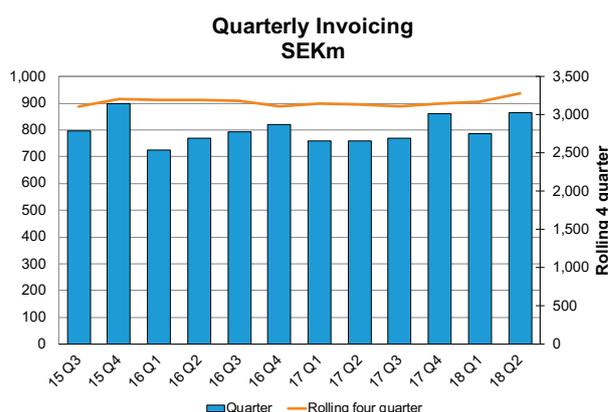
Net sales for the quarter amounted to SEK 863.9m (759.2). Organically, this corresponds to an increase of 5.2 percent compared with the corresponding period last year.

Profit/loss

- The consolidated operating profit for the quarter was SEK 66.6m (60.9), which gave an operating margin of 7.7 percent (8.0).
- Adjusted operating profit amounted to SEK 70.4m (60.9).
- Adjusted operating margin was 8.1 percent (8.0).
- Profit before tax increased to 58.9 Mkr (53.9).
- Net profit was SEK 43.8m (38.3), which gave earnings per share of SEK 1.25 kr (1.09).*

Capital expenditure

Capital expenditure during the quarter was SEK 13.6m (10.6).



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

January - June 2018

Incoming orders and sales

Incoming orders were SEK 1,693.8m (1,580.5). Organically, this corresponds to an increase of 1.1 percent compared with the same period last year.

Net sales amounted to SEK 1,649.7m (1,519.8). Organically, this corresponds to an increase of 3.2 percent compared with the same period last year.

Profit/loss

- Consolidated operating profit for the period was SEK 127.0m (109.7), which gave an operating margin of 7.7 percent (7.2).
- Adjusted operating profit amounted to SEK 130.8m (109.7).
- Adjusted operating margin was 7.9 percent (7.2).
- Profit before tax increased to SEK 109.3m (99.0).
- Net profit was SEK 80.6m (70.2), which gave earnings per share of SEK 2.30 (2.00).

Cash flow and capital expenditure

Cash flow for the period amounted to SEK -163.4m (-20.8) and cash flow from operating activities amounted to SEK 18.6m (69.1).

The lower operating cashflow, compared to the first six months of 2017, is largely due to the temporarily unfavourable cash position on a number of large projects. The cashflow for the period is also affected negatively by the acquisition of Auburn FilterSense LLC and by amortization of bank loans.

Capital expenditure during the period was SEK 23.8m (26.8), of which capitalised development costs amounted to SEK 1.9m (3.9).

Other financial information

Liquidity: At the end of the period the Group had SEK 209.6m in cash and cash equivalents as well as SEK 97.1m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 466.5m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 131.4m within Nederman's loan agreement with SHB.

The equity in the Group as of 30 June 2018 amounted to SEK 1,176.5m (976.3).

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

As a result of the share split that was approved by the annual general meeting having been completed, the number of shares in Nederman has increased by 23,430,680. As per 30 June 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 36.8 percent as of 30 June 2018 (38.2). The net debt/equity ratio was 61.9 percent (54.0).

Number of employees

The average number of employees during the period was 1,809 (1,712). The number of employees at the end of the period was 1,833 (1,761).

Key figures, Group

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2018	2017	2018	2017	2017	12 months
Net sales	863.9	759.2	1,649.7	1,519.8	3,148.5	3,278.4
Adjusted EBITDA	87.7	73.5	164.2	134.7	338.5	368.0
Adjusted EBITDA margin, %	10.2	9.7	10.0	8.9	10.8	11.2
Operating profit	66.6	60.9	127.0	109.7	278.1	295.4
Operating margin, %	7.7	8.0	7.7	7.2	8.8	9.0
Adjusted operating profit	70.4	60.9	130.8	109.7	285.8	306.9
Adjusted operating margin, %	8.1	8.0	7.9	7.2	9.1	9.4
Profit before tax	58.9	53.9	109.3	99.0	260.1	270.4
Net profit	43.8	38.3	80.6	70.2	186.3	196.7
Earnings per share, SEK*	1.25	1.09	2.30	2.00	5.31	5.61
Return on equity, %	15.0	15.4	14.3	14.3	18.1	18.3
Return on operating capital, %	15.3	15.8	14.7	14.6	18.0	18.0
Net debt					585.3	728.1
Net debt/equity ratio, %					54.4	61.9
Net debt/Adjusted EBITDA, multiple					1.7	2.0
Interest cover ratio					11.8	10.1

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

Other information

New organisation for profitable growth

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

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

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

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

Risks and uncertainties

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

Nomination Committee

In accordance with 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

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 12 July 2018

Jan Svensson

Chairman

Gunilla Fransson

Member of the Board

Ylva op den Velde Hammargren

Member of the Board

Johan Hjertonsson

Member of the Board

Sven Kristensson

Member of the Board
and CEO

Johan Menckel

Member of the Board

This is Nederman

A Swedish environmental technology company

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

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

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

Strong global position

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

Strategy and financial objectives

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

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

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



Three sales segments

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

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

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

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

Consolidated income statement in summary

SEK million	Note	1 Apr-30 June		1 Jan-30 June		Full year	July-June
		2018	2017	2018	2017	2017	12 months
Net sales	1	863.9	759.2	1,649.7	1,519.8	3,148.5	3,278.4
Cost of goods sold		-538.3	-469.9	-1,022.4	-941.5	-1,948.6	-2,029.5
Gross profit		325.6	289.3	627.3	578.3	1,199.9	1,248.9
Selling expenses		-186.4	-167.0	-364.2	-340.7	-662.7	-686.2
Administrative expenses		-67.1	-58.0	-127.2	-115.0	-222.2	-234.4
Research and development expenses		-10.5	-3.6	-19.4	-6.4	-14.2	-27.2
Acquisition costs	3	-3.8	-	-3.8	-	-7.7	-11.5
Other operating income/expenses		8.8	0.2	14.3	-6.5	-15.0	5.8
Operating profit		66.6	60.9	127.0	109.7	278.1	295.4
Financial income		0.5	0.6	1.5	2.4	6.8	5.9
Financial expense		-8.2	-7.6	-19.2	-13.1	-24.8	-30.9
Net financial items		-7.7	-7.0	-17.7	-10.7	-18.0	-25.0
Profit before tax		58.9	53.9	109.3	99.0	260.1	270.4
Taxes		-15.1	-15.6	-28.7	-28.8	-73.8	-73.7
Net profit		43.8	38.3	80.6	70.2	186.3	196.7
Net profit attributable to:							
The parent company's shareholders		43.8	38.3	80.6	70.2	186.3	196.7
Earnings per share*							
before dilution (SEK)		1.25	1.09	2.30	2.00	5.31	5.61
after dilution (SEK)		1.25	1.09	2.30	2.00	5.31	5.61

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

Consolidated statement of comprehensive income in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2018	2017	2018	2017	2017	12 months
Net profit	43.8	38.3	80.6	70.2	186.3	196.7
Other comprehensive income						
Items that cannot be reclassified to net profit						
Revaluation of defined-benefit pension plans	-0.0	-0.5	-0.9	-0.7	-3.3	-3.5
Tax attributable to items that cannot be reclassified to net profit	0.0	0.1	0.2	0.2	0.7	0.7
	0.0	-0.4	-0.7	-0.5	-2.6	-2.8
Items that have been or can be reclassified to net profit						
Exchange differences arising on translation of foreign operations	44.5	-11.5	92.0	-14.8	-28.2	78.6
Cash flow hedges	-0.4	2.3	-0.0	4.5	3.1	-1.4
Tax attributable to items that can be reclassified to net profit	0.1	-0.5	0.0	-1.0	-0.7	0.3
	44.2	-9.7	92.0	-11.3	-25.8	77.5
Other comprehensive income for the period, net of tax	44.2	-10.1	91.3	-11.8	-28.4	74.7
Total comprehensive income for the period	88.0	28.2	171.9	58.4	157.9	271.4
Total comprehensive income attributable to:						
The parent company's shareholders	88.0	28.2	171.9	58.4	157.9	271.4

Consolidated statement of financial position in summary

SEK million	Note	30 June 2018	30 June 2017	31 Dec 2017
Assets				
Goodwill		1,074.5	696.6	969.9
Other intangible assets		246.3	121.7	226.8
Tangible assets		263.2	251.8	252.4
Long-term receivables		6.4	5.1	5.4
Deferred tax assets		16.6	69.7	16.8
Total fixed assets		1,607.0	1,144.9	1,471.3
Inventories		467.0	402.3	386.8
Accounts receivable	2	572.8	485.0	529.5
Other current receivables	2	342.2	263.6	222.4
Cash and cash equivalents	2	209.6	262.0	360.9
Total current assets		1,591.6	1,412.9	1,499.6
Total assets		3,198.6	2,557.8	2,970.9
Equity				
Equity		1,176.5	976.3	1,075.8
Liabilities				
Long-term interest-bearing liabilities	2	807.3	680.7	822.5
Other long-term liabilities		181.9	1.5	153.7
Pension liabilities		126.6	108.1	123.4
Other provisions		9.6	8.1	9.5
Deferred tax liabilities		20.9	20.3	17.0
Total long-term liabilities		1,146.3	818.7	1,126.1
Current interest-bearing liabilities	2	3.8	0.4	0.3
Accounts payable	2	357.4	263.7	298.9
Other current liabilities	2	491.5	470.1	444.3
Provisions		23.1	28.6	25.5
Total current liabilities		875.8	762.8	769.0
Total liabilities		2,022.1	1,581.5	1,895.1
Total equity and liabilities		3,198.6	2,557.8	2,970.9

Consolidated statement of changes in equity in summary

SEK million	30 June 2018	30 June 2017	31 Dec 2017
Opening balance at beginning of period	1,075.8	982.2	982.2
Net profit	80.6	70.2	186.3
Other comprehensive income			
Change in translation reserve for the period	92.0	-14.8	-28.2
Cash flow hedges, net of tax	-0.0	3.5	2.4
Revaluation of defined-benefit pension plans, net of tax	-0.7	-0.5	-2.6
Total other comprehensive income for the period	91.3	-11.8	-28.4
Total comprehensive income for the period	171.9	58.4	157.9
Transactions with Group owners			
Dividend paid	-70.2	-64.3	-64.3
Share-based remuneration	-1.0	-	-
Closing balance at end of period	1,176.5	976.3	1,075.8

Consolidated cash flow statement in summary

SEK million	Note	1 Jan-30 June 2018	1 Jan-30 June 2017	Full year 2017	July-June 12 months
Operating profit		127.0	109.7	278.1	295.4
Adjustment for:					
Depreciation and amortisation of fixed assets		33.4	25.0	52.7	61.1
Other adjustments		-6.8	5.3	3.6	-8.5
Interest received and paid incl. other financial items		-13.3	-8.6	-21.9	-26.6
Taxes paid		-22.8	-28.0	-46.0	-40.8
Cash flow from operating activities before changes in working capital		117.5	103.4	266.5	280.6
Cash flow from changes in working capital		-98.9	-34.3	12.8	-51.8
Cash flow from operating activities		18.6	69.1	279.3	228.8
Net investment in fixed assets		-18.9	-25.8	-51.8	-44.9
Acquisitions	3	-38.3	-	-233.3	-271.6
Cash flow before financing activities		-38.6	43.3	-5.8	-87.7
Dividend paid		-70.2	-64.3	-64.3	-70.2
Cash flow from other financing activities		-54.6	0.2	149.4	94.6
Cash flow for the period		-163.4	-20.8	79.3	-63.3
Cash and cash equivalents at beginning of period		360.9	287.8	287.8	262.0
Translation differences		12.1	-5.0	-6.2	10.9
Cash and cash equivalents at end of period		209.6	262.0	360.9	209.6

Income statement for the parent company in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2018	2017	2018	2017	2017	12 months
Operating profit/loss	-18.9	-17.1	-40.8	-38.6	-79.4	-81.6
Result from investment in subsidiaries	37.4	61.8	37.4	61.8	100.7	76.3
Other financial items	-5.8	10.9	-17.4	9.6	18.5	-8.5
Profit/loss after financial items	12.7	55.6	-20.8	32.8	39.8	-13.8
Appropriations	-	-	-	-	112.4	112.4
Profit/loss before tax	12.7	55.6	-20.8	32.8	152.2	98.6
Taxes	-1.8	-	-2.8	-	-8.9	-11.7
Net profit/loss for the period	10.9	55.6	-23.6	32.8	143.3	86.9

Statement of comprehensive income for the parent company in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2018	2017	2018	2017	2017	12 months
Net profit/loss	10.9	55.6	-23.6	32.8	143.3	86.9
Other comprehensive income	-	-	-	-	-	-
Items that cannot be reclassified to net profit/loss	-	-	-	-	-	-
Items that have been or can be reclassified to net profit/loss	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	10.9	55.6	-23.6	32.8	143.3	86.9

Balance sheet for the parent company in summary

SEK million	30 June 2018	30 June 2017	31 Dec 2017
Assets			
Total fixed assets	1,913.6	1,535.7	1,907.0
Total current assets	406.0	460.9	495.5
Total assets	2,319.6	1,996.6	2,402.5
Shareholders' Equity	774.0	758.3	868.8
Liabilities			
Total long-term liabilities	974.4	680.5	974.0
Total current liabilities	571.2	557.8	559.7
Total liabilities	1,545.6	1,238.3	1,533.7
Total equity and liabilities	2,319.6	1,996.6	2,402.5

Statement of changes in parent company shareholders' equity in summary

SEK million	30 June 2018	30 June 2017	31 Dec 2017
Opening balance at beginning of period	868.8	789.8	789.8
Net profit/loss	-23.6	32.8	143.3
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-23.6	32.8	143.3
Transactions with owners			
Dividend paid	-70.2	-64.3	-64.3
Share-based remuneration	-1.0	-	-
Closing balance at end of period	774.0	758.3	868.8

Related party transactions with the parent company

SEK million	30 June 2018
Subsidiaries	
Net sales	16.1
Dividend received	37.4
Financial income	6.1
Receivables as per 30 June	892.1
Liabilities as per 30 June	540.5

Pledged assets and contingent liabilities for the parent company

SEK million	30 June 2018	30 June 2017	31 Dec 2017
Pledged assets	none	none	none
Contingent liabilities	378.4	349.7*	356.1

* Amounts for June 30, 2017, have been changed with those of previous year's interim report based on an updated assessment of the parent companies guarantees.

Note 1: Allocation of sales

SEK million				1 Apr-30 June 2018
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	179.2	156.7	91.2	427.1
APAC	32.3	70.8	13.4	116.5
Americas	136.7	124.1	59.5	320.3
Total	348.2	351.6	164.1	863.9

SEK million				1 Apr-30 June 2017
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	131.0	140.5	79.8	351.3
APAC	28.4	55.4	9.5	93.3
Americas	128.6	116.8	69.2	314.6
Total	288.0	312.7	158.5	759.2

SEK million				1 Jan-30 June 2018
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	357.2	303.0	173.4	833.6
APAC	55.7	136.5	23.4	215.6
Americas	265.8	217.3	117.4	600.5
Total	678.7	656.8	314.2	1,649.7

SEK million				1 Jan-30 June 2017
External net sales allocated on operating segments and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	265.6	278.9	168.0	712.5
APAC	59.3	98.8	17.7	175.8
Americas	272.0	231.2	128.3	631.5
Total	596.9	608.9	314.0	1,519.8

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

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

	30 June 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	-	-	572.8	572.8
Foreign exchange forward contracts entered *)	10.1	0.1	-	10.2
Other current receivables	-	-	232.8	232.8
Cash and cash equivalents	-	-	209.6	209.6
Total	10.1	0.1	1,015.2	1,025.4
Financial leasing liabilities	-	-	0.4	0.4
Bank loans	-	-	810.7	810.7
Accounts payable	-	-	357.4	357.4
Foreign exchange forward contracts entered *)	-	0.1	-	0.1
Other current liabilities	-	-	431.2	431.2
Total	-	0.1	1,599.7	1,599.8

*) 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

April 5th the Group acquired 100% of the shares in the American company, Auburn FilterSense LLC. The purchase price amounts to 55,9 Mkr, whereof 11,7 Mkr is a potential earn-out payment based on profitability for 2018 and 2019. Maximum earn-out payment is USD 2.5m (SEK 20.7m). The acquisition resulted in an increased goodwill of SEK 41.5m. 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 Apr-30 June		1 Jan-30 June		Full year	July-June
	2018	2017	2018	2017	2017	12 months
Operating profit	66.6	60.9	127.0	109.7	278.1	295.4
Acquisition cost	3.8	-	3.8	-	7.7	11.5
Restructuring costs	-	-	-	-	-	-
Adjusted operating profit	70.4	60.9	130.8	109.7	285.8	306.9
Adjusted operating profit	70.4	60.9	130.8	109.7	285.8	306.9
Net sales	863.9	759.2	1,649.7	1,519.8	3,148.5	3,278.4
Adjusted operating margin, %	8.1	8.0	7.9	7.2	9.1	9.4
Operating profit	66.6	60.9	127.0	109.7	278.1	295.4
Depreciation and amortization	17.3	12.6	33.4	25.0	52.7	61.1
EBITDA	83.9	73.5	160.4	134.7	330.8	356.5
EBITDA	83.9	73.5	160.4	134.7	330.8	356.5
Acquisition cost	3.8	-	3.8	-	7.7	11.5
Restructuring costs	-	-	-	-	-	-
Adjusted EBITDA	87.7	73.5	164.2	134.7	338.5	368.0
Adjusted EBITDA	87.7	73.5	164.2	134.7	338.5	368.0
Net sales	863.9	759.2	1,649.7	1,519.8	3,148.5	3,278.4
Adjusted EBITDA margin, %	10.2	9.7	10.0	8.9	10.8	11.2
Cash and cash equivalents					360.9	209.6
Long-term interest-bearing liabilities					822.5	807.3
Pension liabilities					123.4	126.6
Current interest-bearing liabilities					0.3	3.8
Net debt					585.3	728.1
Net debt					585.3	728.1
Equity - Closing balance					1,075.8	1,176.5
Net debt/equity ratio, %					54.4	61.9
Equity - Opening balance	1,158.7	1,012.4	1,075.8	982.2	982.2	976.3
Equity - Closing balance	1,176.5	976.3	1,176.5	976.3	1,075.8	1,176.5
Equity - average	1,167.6	994.4	1,126.2	979.3	1,029.0	1,076.4
Net profit	43.8	38.3	80.6	70.2	186.3	196.7
Return on equity, %	15.0	15.4	14.3	14.3	18.1	18.3

Note 4: Alternative performance measures, cont'd

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2018	2017	2018	2017	2017	12 mån
Equity - average	1,167.6	994.4	1,126.2	979.3	1,029.0	1,076.4
Net Debt - opening balance	607.7	561.1	585.3	524.3	524.3	527.2
Net Debt - closing balance	728.1	527.2	728.1	527.2	585.3	728.1
Net Debt - average	667.9	544.2	656.7	525.8	554.8	627.7
Operating capital - average	1,835.5	1,538.6	1,782.9	1,505.1	1,583.8	1,704.1
Adjusted operating profit	70.4	60.9	130.8	109.7	285.8	306.9
Return on operating capital, %	15.3	15.8	14.7	14.6	18.0	18.0
Net debt					585.3	728.1
Adjusted EBITDA					338.5	368.0
Net debt/Adjusted EBITDA, multiple					1.7	2.0
Profit before tax					260.1	270.4
Financial expense					24.8	30.9
Acquisition cost					7.7	11.5
Restructuring costs					-	-
EBT excl. financial expenses, acquisition costs and restructuring costs					292.6	312.8
Financial expense					24.8	30.9
Interest cover ratio, multiple					11.8	10.1
Incoming orders, same period in previous year	849.4	726.5	1,580.5	1,465.3	2,992.3	
Change in incoming orders, organic	-10.7	95.7	16.6	61.6	137.6	
Change in incoming orders, currency effects	15.3	27.2	-3.6	53.6	10.6	
Change in incoming orders, acquisitions	58.1	-	100.3	-	16.8	
Incoming orders	912.1	849.4	1,693.8	1,580.5	3,157.3	
Order growth, %, organic	-1.3	13.6	1.1	4.4	4.6	
Order growth, %, currency effects	1.9	3.3	-0.2	3.5	0.3	
Order growth, %, acquisitions	6.8	-	6.3	-	0.6	
Order growth, %	7.4	16.9	7.2	7.9	5.5	
Net sales, comparative period previous year	759.2	770.5	1,519.8	1,495.2	3,107.3	
Change in net sales, organic	39.7	-36.3	49.2	-29.5	3.6	
Change in net sales, currency effects	18.7	25.0	-0.3	54.1	9.9	
Change in net sales, acquisitions	46.3	-	81.0	-	27.7	
Net sales	863.9	759.2	1,649.7	1,519.8	3,148.5	
Sales growth, %, organic	5.2	-4.9	3.2	-2.0	0.1	
Sales growth, %, currency effects	2.5	3.4	-0.0	3.7	0.3	
Sales growth, %, acquisitions	6.1	-	5.3	-	0.9	
Sales growth, %	13.8	-1.5	8.5	1.7	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 Apr-30 June		1 Jan-30 June		Full year	July-June
	2018	2017	2018	2017	2017	12 months
EMEA						
Incoming orders	447.7	423.9	850.2	773.7	1,530.6	1,607.1
External net sales	427.1	351.3	833.6	712.5	1,517.5	1,638.6
Depreciation	-8.8	-5.4	-17.4	-10.7	-23.6	-30.3
Adjusted operating profit	63.6	49.0	117.8	86.6	205.9	237.1
Adjusted operating margin, %	14.9	13.9	14.1	12.2	13.6	14.5
APAC						
Incoming orders	105.1	117.8	220.7	223.9	428.3	425.1
External net sales	116.5	93.3	215.6	175.8	402.7	442.5
Depreciation	-0.8	-0.9	-1.5	-1.8	-3.5	-3.2
Adjusted operating profit	2.0	-0.7	1.4	-7.4	9.3	18.1
Adjusted operating margin, %	1.7	-0.7	0.6	-4.2	2.3	4.1
Americas						
Incoming orders	359.3	307.7	622.9	582.9	1,198.4	1,238.4
External net sales	320.3	314.6	600.5	631.5	1,228.3	1,197.3
Depreciation	-4.0	-4.3	-7.4	-8.5	-15.9	-14.8
Adjusted operating profit	28.0	25.1	54.9	60.0	136.9	131.8
Adjusted operating margin, %	8.7	8.0	9.1	9.5	11.1	11.0
Other - non-allocated						
Depreciation	-3.7	-2.0	-7.1	-4.0	-9.7	-12.8
Adjusted operating profit	-23.2	-12.5	-43.3	-29.5	-66.3	-80.1
The Group						
Incoming orders	912.1	849.4	1,693.8	1,580.5	3,157.3	3,270.6
Net sales	863.9	759.2	1,649.7	1,519.8	3,148.5	3,278.4
Depreciation	-17.3	-12.6	-33.4	-25.0	-52.7	-61.1
Adjusted operating profit	70.4	60.9	130.8	109.7	285.8	306.9
Acquisition cost	-3.8	-	-3.8	-	-7.7	-11.5
Restructuring costs	-	-	-	-	-	-
Operating profit	66.6	60.9	127.0	109.7	278.1	295.4
Profit before tax	58.9	53.9	109.3	99.0	260.1	270.4
Net profit	43.8	38.3	80.6	70.2	186.3	196.7

Financial calendar

Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Thursday, 12 July 2018 at 10.00. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions.

To participate in the conference please call +46 8 566 426 62 or UK tel. no. +44 203 008 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 3: October 18, 2018
- Full-year report February 19, 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 12 July 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