

Q2

2017



Q2 IN BRIEF	2017	2016	2017	2016	2016
	Q2	Q2	YTD	YTD	Full year
Net sales, MSEK	1,510	1,474	2,950	2,864	6,088
EBITDA excl. non-recurring items, MSEK	132	132	227	219	561
<i>EBITDA margin excl. non-recurring items, %</i>	<i>8.7</i>	<i>9.0</i>	<i>7.7</i>	<i>7.7</i>	<i>9.2</i>
EBITDA, MSEK	121	109	210	191	489
<i>EBITDA margin, %</i>	<i>8.0</i>	<i>7.4</i>	<i>7.1</i>	<i>6.7</i>	<i>8.0</i>
Operating profit (EBIT) excl. non-recurring items, MSEK	103	103	168	161	438
<i>Operating margin (EBIT) excl. non-recurring items, %</i>	<i>6.8</i>	<i>7.0</i>	<i>5.7</i>	<i>5.6</i>	<i>7.2</i>
Operating profit (EBIT), MSEK	92	80	151	133	366
<i>Operating margin (EBIT), %</i>	<i>6.1</i>	<i>5.4</i>	<i>5.1</i>	<i>4.6</i>	<i>6.0</i>
Net profit for the period, MSEK	39	42	68	62	209
Basic earnings per share, SEK	0.51	0.55	0.88	0.81	2.71
Free cash flow, MSEK	-76	27	-82	34	159

CEO'S COMMENTS ON THE SECOND QUARTER 2017

The second quarter was in line with the same period last year with a turnover of MSEK 1,510 and an operating margin of 6.8% excluding non-recurring items. Growth has been good within both Entrance Security and Cash Management.

DEVELOPMENT OF OUR BUSINESS

In region EMEA sales developed well during the second quarter in all sub-regions with the exception of France and South Africa.

It is positive that the operating margin in EMEA for the quarter is on the same level as last year, despite organic sales growth of -2%. Excluding France, organic sales growth in EMEA was +4%.

In France, which is seeing declining demand from the banking segment, we continue with structural changes. This is in line with our ongoing focus on improving productivity in the European business by expansion in other customer segments and productivity-enhancing activities.

Gunnebo's business in South Africa has also seen weaker demand from the banking sector in the past quarters. We have therefore initiated a review of the business to adapt it to new market conditions.

In the Middle East, the roll-out of Gunnebo's solutions for efficient cash management in the United Arab Emirates, together with the CIT company, Transguard, is moving forward at a good pace.

In the Americas region, sales growth has been good during the second quarter, primarily due to positive developments in North America. During the quarter the Hamilton brand turned 50 which was marked by the introduction of an updated brand identity to the channel partners to further strengthen the brand in North America. In Latin America, sales have developed weaker than expected mainly due to slow investment climate.

“During the second quarter we delivered an operating margin of 6.8% with a good underlying growth within Entrance Security and Cash Management.”

In region Asia-Pacific, sales growth has been negative. This development is explained by the large OKI project in Indonesia, where sales in the second quarter of 2016 were much higher than this year. The project has been running since the second half of 2015 and is expected to end during the third quarter of 2017. Excluding OKI, growth in the region was flat.

Markets in Australia, South-East Asia and China, however, had good sales growth in the quarter. In China, sales of Entrance Security for both subways and public buildings continued to be positive.

In India, sales were weaker due to continued low demand from the banking segment. However, our ATM safes business in the country has continued to developed well. We are also working intensively to grow our Indian business into other segments.

NEW FINANCING

During the quarter we refinanced the Group's long-term borrowing, which resulted in an increased loan facility with improved terms. This gives us better opportunities to invest in profitable growth through increased R&D and acquisitions.

QUARTERLY RESULT

For the quarter, we report an operating profit excluding non-recurring costs of MSEK 103 and an operating margin of 6.8%. With a quarterly result in line with the same quarter last year and new loan facilities, we are ready to continue implementing our strategy for profitable growth.

Gothenburg, July 19, 2017

Henrik Lange
President and CEO

FINANCIAL TARGETS & OUTCOME

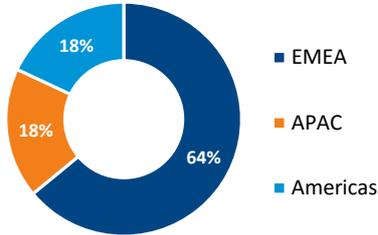
	2017	2016	2017	2016	2016	2017	Target
	Q2	Q2	YTD	YTD	Full year	12M	
Organic growth	-3%	-1%	-1%	0%	1%	0%	5%
Operating margin ¹⁾	6.8%	7.0%	5.7%	5.6%	7.2%	7.2%	7.0%
Return on capital employed ^{1) 2)}	12.5%	12.7%	12.5%	12.7%	12.8%	12.5%	15.0%
Equity ratio	33%	33%	33%	33%	34%	33%	30%

¹⁾ Excluding non-recurring items

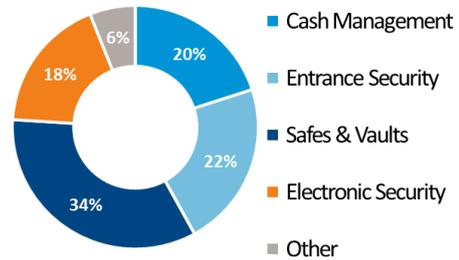
²⁾ During the last twelve-month period

SALES AND RESULT IN BRIEF

SALES BY REGION YTD 2017



SALES BY PRODUCT AREA YTD 2017



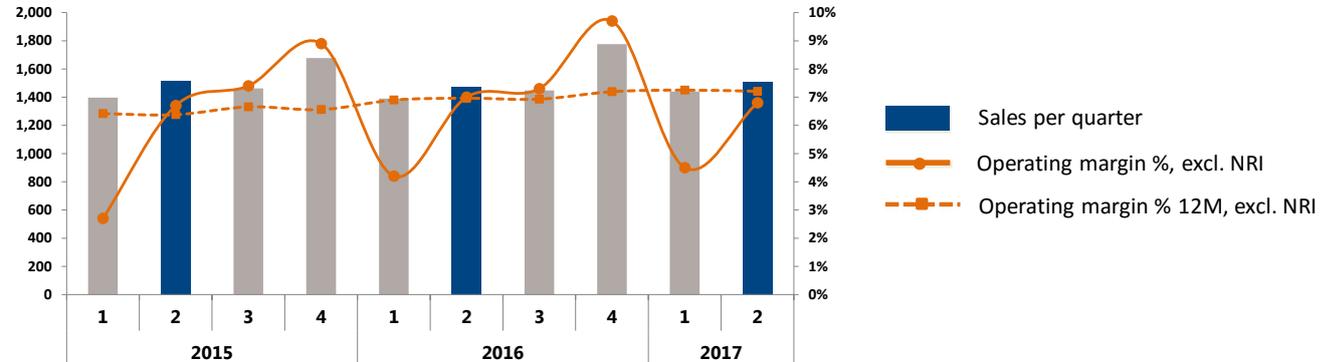
SALES Q2 2017 VS Q2 2016

	Organic	Structure	Currency	Total
EMEA	-2%	0%	3%	1%
APAC	-9%	0%	8%	-1%
AMERICAS	4%	0%	7%	11%
TOTAL	-3%	0%	5%	2%

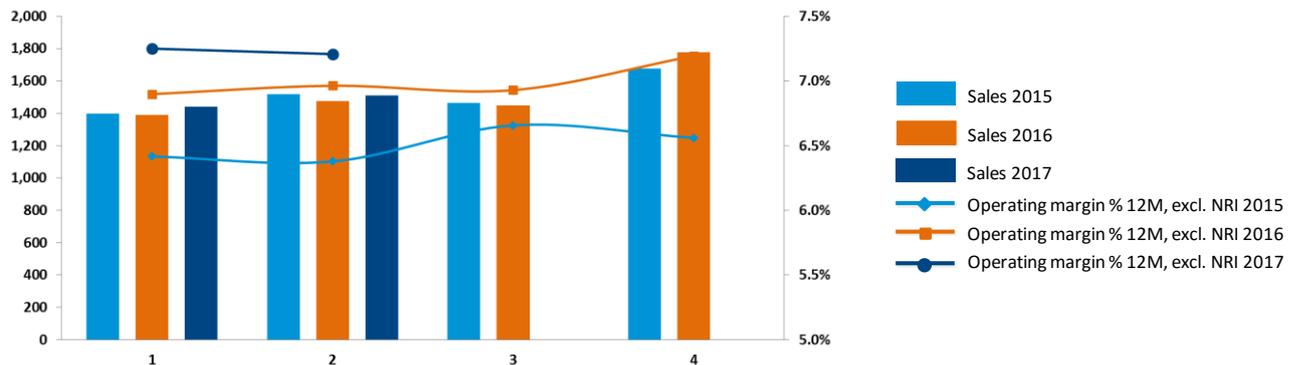
SALES YTD 2017 VS YTD 2016

	Organic	Structure	Currency	Total
EMEA	0%	0%	2%	2%
APAC	-8%	0%	7%	-1%
AMERICAS	3%	0%	7%	10%
TOTAL	-1%	0%	4%	3%

GROUP SALES & OPERATING MARGIN BY QUARTER

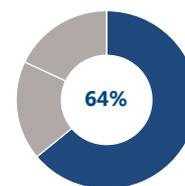


QUARTERLY SALES 2015 – Q2 2017



REGION EMEA	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales, MSEK	979	966	1,898	1,854	3,907
Organic growth, %	-2	-1	0	-1	0
Operating profit excl. non-recurring items, MSEK	46	47	58	54	172
Operating margin excl. non-recurring items, %	4.7	4.9	3.1	2.9	4.4
Non-recurring items, MSEK	-10	-22	-16	-25	-59
Operating profit, MSEK	36	25	42	29	113

% GROUP SALES
YTD



SALES DEVELOPMENT Q2 2017

Organically, the region's sales decreased by 2% during the second quarter. There was a positive development on all markets in the region, except for France and South Africa. Excluding France, sales in the region had an organic growth of 4%.

Cash Management solutions continued to develop well, primarily in South and Central Europe and in the Middle East.

Entrance Security also developed well across the region, especially in the Nordics, South Europe and the Middle East.

Safes & Vaults had a flat development, where a weaker development in France, UK, South Europe and South Africa was balanced by a stronger development in the Nordics, Germany and Central Europe.

Electronic Security showed a weak development in the second quarter, primarily due to continued weak development of sales to banks in France.

RESULT DEVELOPMENT Q2 2017

Operating profit excluding non-recurring items was in line with the second quarter of 2016 and amounted to MSEK 46 (47) giving an operating margin of 4.7% (4.9).

Gunnebo continues to focus on increased productivity and structural changes in the EMEA organisation. Costs connected to these activities are reported as non-recurring items. In the second quarter these items amounted to -10 MSEK (-22).



QUARTER HIGHLIGHTS

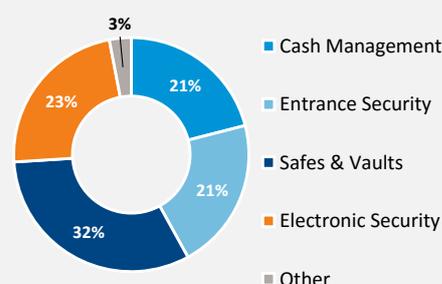
- **France:** A foreign embassy improves its entrance security at its premises in France with high-security doors and partitions from Gunnebo
- **France:** In partnership with l'Imprimerie Nationale (formerly Thales), Gunnebo wins a new contract to equip the Airport of Lyon with automated immigration gates
- **Spain:** The government authority with the mission to protect the Spanish cultural heritage of art improves security at its locations across Spain with intrusion detection and CCTV supplied by Gunnebo
- **UK/Ireland:** Following a successful in-store trial, petrol retailer Topaz has commenced a roll-out programme of the closed cash management system SafePay for all its petrol stations
- **Middle East:** CIT company Transguard continues to place orders for cash management solutions to be embedded in the company's full offering to retailers and banks

EMEA IN BRIEF

SVP: Heinz Jacqui | Sales Companies: 17

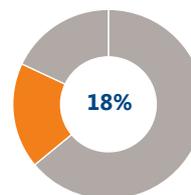
Europe, Middle East & Africa (EMEA) is the Group's largest region. It is divided into eight sub-regions: Nordic, Central Europe, South Europe, UK/Ireland, France, East Europe, Middle East and Africa

SALES BY PRODUCT AREA YTD 2017



REGION ASIA-PACIFIC	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales, MSEK	264	267	518	525	1,129
<i>Organic growth, %</i>	-9	4	-8	7	5
Operating profit excl. non-recurring items, MSEK	27	30	52	56	138
<i>Operating margin excl. non-recurring items, %</i>	10.2	11.2	10.0	10.7	12.2
Non-recurring items, MSEK	-	-1	-	-1	-5
Operating profit, MSEK	27	29	52	55	133

% GROUP SALES
YTD



SALES DEVELOPMENT Q2 2017

Sales in the region decreased organically by 9% in the second quarter. The decrease is explained by major sales made as part of the large OKI project in Indonesia in the second quarter of 2016. Excluding this major project, organic growth in the region was flat. The markets in China, Australia and South-East Asia had a good development of sales, offsetting the relatively weaker sales in India.

Entrance Security solutions developed well, especially to the metro sector in China and to office buildings in Indonesia and South Korea.

Cash Management also showed a good development in the quarter, especially in Australia.

Safes & Vaults developed weaker, mainly impacted by continued low spending from the public bank sector in India, but partly offset by development of the ATM safes business.

Gunnebo is working intensively to grow Indian business opportunities in other segments.

RESULT DEVELOPMENT Q2 2017

Operating profit excluding non-recurring items amounted to MSEK 27 (30) giving an operating margin of 10.2% (11.2). Tight cost control did not fully compensate for the negative sales growth.



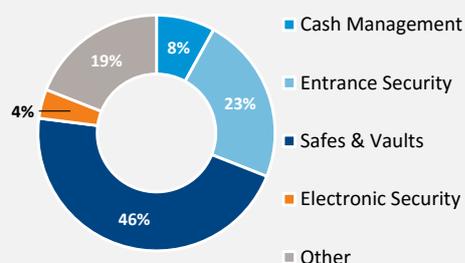
QUARTER HIGHLIGHTS

- **India:** A high-risk government site turns to Gunnebo for improved entrance security
- **China:** The city of Xi'an chooses Gunnebo's entrance solutions for its metro line 4
- **Malaysia:** A Swedish retailer places the first order for the SafePay closed cash management system
- **Vietnam:** The first order for the SafeStore Auto automated safe deposit locker system is recorded from one of the country's major banks
- **Indonesia:** A major energy company turns to Gunnebo for delivery and installation of a new fire protection system

ASIA-PACIFIC IN BRIEF

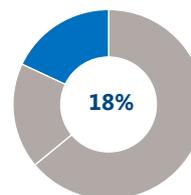
SVP: Sacha de La Noë | Sales Companies: 7
Australia/New Zealand, India, Indonesia, China
South Korea, South-East Asia: Malaysia, Singapore (with offices in Thailand, Vietnam and Myanmar)

SALES BY PRODUCT AREA YTD 2017



REGION AMERICAS	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales, MSEK	267	241	534	485	1,052
Organic growth, %	4	-6	3	-4	-2
Operating profit excl. non-recurring items, MSEK	30	26	58	51	128
Operating margin excl. non-recurring items, %	11.2	10.8	10.9	10.5	12.2
Non-recurring items, MSEK	-1	0	-1	-2	-8
Operating profit, MSEK	29	26	57	49	120

% GROUP SALES
YTD



SALES DEVELOPMENT Q2 2017

Organic sales for the region increased by 4% during the second quarter, driven by good sales in US and Canada. Sales in Mexico and Brazil were weaker due to a slow investment climate.

Safes & Vaults had an increase in the quarter, primarily related to the US bank business.

Sales in the US are predominantly carried out by a well-developed network of channel partners. During the quarter this network has been further strengthened, giving Gunnebo an even better market footprint. In addition, the Hamilton brand turned 50 which was marked by the introduction of an updated brand identity to the channel partners.

Entrance Security and Electronic Security showed a strong development across the region, especially in the segments bank, public buildings and offices.

There was a continued high level of interest and activity across the region for Cash Management.

RESULT DEVELOPMENT Q2 2017

Operating profit excluding non-recurring items improved to MSEK 30 (26) resulting in an operating margin of 11.2% (10.8). The good result development is explained by organic growth.



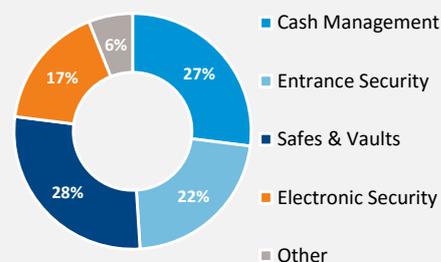
QUARTER HIGHLIGHTS

- **US:** A major bank improves its customer experience with drive-in banking, facilitated with drive-up solutions from Gunnebo (Hamilton)
- **Canada:** A major Canadian Bank with over 1,100 retail locations signs a 3-year service and product supply contract
- **Canada:** Medical producer and wholesaler, Agri-med, meets national regulations for the storage of drugs by installing a Gunnebo vault
- **Brazil:** Retail chain Carrefour continues to improve loss prevention in their stores with solutions from Gunnebo
- **US:** Hamilton celebrates 50 years, extends its channel partner network and revitalizes its brand identity

AMERICAS IN BRIEF

SVP: Dan Schroeder | Sales Companies: 4
North America: Canada, USA
Latin America: Brazil, Mexico

SALES BY PRODUCT AREA YTD 2017



FINANCIAL PERFORMANCE

APRIL - JUNE 2017

Net sales

The Gunnebo Group's net sales during the second quarter amounted to MSEK 1,510 (1,474) representing a 2% increase. Organic growth for the Group was -3%, where EMEA declined by -2%, Asia-Pacific by -9%, while Americas continued to grow at 4%. The currency effect was 5%.

EMEA excluding France had organic growth of 4%, while Asia-Pacific excluding OKI was flat. Excluding both of these the Group's organic growth was 3%.

Operating results

Operating profit was MSEK 92 (80), equaling an operating margin of 6.1% (5.4). Excluding non-recurring items, operating profit amounted to MSEK 103 (103), equaling an operating margin of 6.8% (7.0). EBITDA excluding non-recurring items reached MSEK 132 (132) corresponding to 8.7% (9.0) of net sales.

The gross margin excluding non-recurring items for the quarter was 29.5% compared to 29.4% last year. Selling and administrative expenses excluding non-recurring items in percent of net sales were 22.9% in the quarter compared to 22.7% last year. Adjusted for currency, the selling and administrative expenses in the quarter decreased by MSEK 8 over last year.

Non-recurring items impacted the result by MSEK -11 (-23) in the quarter. These were mainly related to continued focus on increased productivity and structural changes in Europe.

OPERATING PROFIT BRIDGE	Q2
Operating profit 2016	80
Organic	-9
Structure	26
Currency	10
Other	-15
Operating profit 2017	92

Changes in the operating profit in the second quarter, as compared to the corresponding quarter 2016, can be explained by:

- The negative organic growth impacted operating profit by MSEK -9.
- The positive net structural effects of MSEK 26 reflect realised savings from implemented productivity measures and structural changes in Europe which continue to give benefits as planned, as well as the change in non-recurring items between the two periods.

- Currency effects were MSEK 10, of which translation effect was MSEK 7 and transaction effect was MSEK 3.
- Other effects included negative gross margin development caused by under absorption of fixed costs. Only minor material cost increases were noted.

Other financial highlights

Net financial items totaled MSEK -17 (-12), the increase due to costs taken in connection with the Group's refinancing. Tax expense was MSEK -36 (-26) resulting in an effective tax rate of 48% (38), in part due to taxes on distributions from certain subsidiaries.

Research and development expenses amounted to MSEK 19 (21) equaling 1.3% (1.5) of net sales. Additionally, the Group continued with a higher rate of investment in 2017 with MSEK 31 compared to MSEK 23 in 2016, reflecting higher product/IT development costs offset by lower investments in property, plant and equipment.

Free cash flow for the second quarter 2017 was positively impacted by the improvement in operating profit, yet ended at a lower level than the corresponding period 2016, due primarily to the changes in working capital. The main causes were the reduction of advance payments related to the OKI contract coming to an end, and some inventory buildup in advance of sales expected in quarter three. Further, upfront fees on the refinancing, as well as tax payments which included final installments related to 2016, contributed negatively. Free cash flow ended at MSEK -76 (27).

Cash flow from financing activities totalled MSEK 83 (47). During the second quarter, the Group completed the refinancing of its long-term credit facilities. This refinancing was closed with improved terms and increased the available loan facility. The credit facilities consist of a seven-year bilateral financing provided by the Swedish Export Credit Corporation of €75 million, plus a five-year syndicated loan facility of €140 million, provided by French bank BNP Paribas and Sweden's SEB. The refinancing resulted in repayments of EUR, USD, and DKK loans totalling MSEK -1,286 (-34) and new borrowings in EUR and DKK totalling MSEK 1,399 (50). Other financing flows in the quarter were mainly related to the change in bank overdrafts. Dividends paid to shareholders totalled MSEK 92 (76) equivalent to SEK 1.20 (1.00) per share which represented a 20% increase over previous dividends and 44% of the net profit for 2016.

Total equity decreased by MSEK 120 in the second quarter, being mainly the dividend payment of MSEK -92 and the negative currency development of MSEK -66, offset by the net profit of MSEK 39.

JANUARY - JUNE 2017

Net sales

The Gunnebo Group's net sales for the first six months amounted to MSEK 2,950 (2,864) representing a 3% increase. Organic growth for the Group was -1%, where EMEA was 0%, Asia-Pacific declined by -8%, while Americas continued to grow at 3%. The currency effect was 4%.

EMEA excluding France had organic growth of 5%, while Asia-Pacific excluding OKI was flat. Excluding both of these, the Group's organic growth was 4%.

Operating results

Operating profit was MSEK 151 (133), equaling an operating margin of 5.1% (4.6). Excluding non-recurring items, operating profit amounted to MSEK 168 (161), equaling an operating margin of 5.7% (5.6). EBITDA excluding non-recurring items reached MSEK 227 (219) corresponding to 7.7% (7.7) of net sales.

The gross margin excluding non-recurring items for the year was 29.0% compared to 29.1% last year. Selling and administrative expenses excluding non-recurring items in percent of net sales were 23.5% in the year compared to 23.6% last year. Adjusted for currency, the selling and administrative expenses for the year decreased by MSEK 17 over last year.

Non-recurring items impacted the result by MSEK -17 (-28) for the year related mainly to continued focus on increased productivity and structural changes in Europe.

OPERATING PROFIT BRIDGE	YTD
Operating profit 2016	133
Organic	-8
Structure	36
Currency	18
Other	-28
Operating profit 2017	151

Changes in the operating profit for the first half of 2017, as compared to the corresponding period 2016, can be explained by:

- The negative organic growth impacted operating profit by MSEK -8.
- The positive net structural effects of MSEK 36 reflect realised savings from implemented productivity measures and structural changes in Europe which continue to give benefits as

planned, as well as the change in non-recurring items between the two periods.

- Currency effects were MSEK 18, where the translation effect was MSEK 11 and transaction effect was MSEK 7.
- Other effects included negative gross margin development caused by under absorption of fixed costs plus inflation effects. Only minor material cost increases were noted.

Other financial highlights

Net financial items totalled MSEK -30 (-26), the increase due to costs taken in connection with the Group's refinancing. Tax expense was MSEK -53 (-45) resulting in an effective tax rate of 44% (42), a higher rate due in part to taxes on distributions from certain subsidiaries as well as the effect of tax rate changes.

Research and development expenses amounted to MSEK 38 (41) equaling 1.3% (1.4) of net sales. The Group continued with a higher rate of investment in 2017 with MSEK 60 compared to MSEK 45 in 2016, due to higher product/IT development costs offset by lower investments in property, plant and equipment.

Free cash flow was positively impacted by the increase in operating profit, yet ended at a lower level than 2016, due primarily to the build of working capital. Further, upfront fees on the refinancing, as well as tax payments which included final installments related to 2016, contributed negatively. Free cash flow in 2016 included the positive cash flow effect of MSEK 20 from the sale of property in the UK. Excluding this the free cash flow year over year was MSEK -82 vs MSEK 14.

Cash flow from financing activities totalled MSEK 56 (-4). During the year, the Group completed the refinancing of its long-term credit facilities. Total loan repayments for the year were MSEK 1,463 and new borrowings were MSEK -1,371, including the impacts from the refinancing. Other financing flows for the year were mainly related to the change in bank overdrafts. Dividends paid to shareholders totalled MSEK 92 (76) equivalent to SEK 1.20 (1.00) per share.

Total equity decreased by MSEK -77 in 2017, being mainly the dividend payment of MSEK -92 and the negative currency development of MSEK -53, offset by the net profit of MSEK 68.

Parent company

The Group's parent company, Gunnebo AB, is a holding company which has the main task of owning and managing shares in other Group companies, as well as providing Group-wide

services. Net sales for the second quarter and year to date were MSEK 58 (46) and MSEK 119 (91) respectively. Net profit for the second quarter and year to date amounted to MSEK -16 (6) and MSEK -4 (11) respectively.

Employees

The number of employees at the end of June was 5,348 which is a decrease of some 200 employees as compared to the end of 2016.

Certification

The Board of Directors and the CEO of Gunnebo AB hereby certifies that this interim report provides a true and fair overview of the business, financial position and results of the parent company and the Group, and describes significant risks and uncertainty factors with which the company and the companies in the Group are faced.

Gothenburg July 19, 2017

Martin Svalstedt
Chairman

Henrik Lange
President and CEO

Göran Bille
Board member

Anna Borg Saether
Board member

Charlotte Brogren
Board member

Bo Dankis
Board member

Eva Elmstedt
Board member

Mikael Jönsson
Board member

Crister Carlsson
Board member

Irene Thorin
Board member

This interim report is a translation of the original report in Swedish and has not been reviewed by the company's auditors.

CONDENSED CONSOLIDATED INCOME STATEMENTS

MSEK	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales	1,510	1,474	2,950	2,864	6,088
Cost of goods sold	-1,065	-1,049	-2,100	-2,042	-4,319
Gross profit	445	425	850	822	1,769
Selling and administrative expenses	-356	-349	-704	-695	-1,417
Other operating income and expenses, net	3	4	5	6	14
Operating profit	92	80	151	133	366
Financial income and expenses, net	-17	-12	-30	-26	-53
Profit before taxes	75	68	121	107	313
Income tax	-36	-26	-53	-45	-104
Net profit for the period	39	42	68	62	209
Net profit attributable to:					
Shareholders of the Parent Company	39	41	67	61	206
Non-controlling interests	0	1	1	1	3
Net profit for the period	39	42	68	62	209
Basic earnings per share, SEK	0.51	0.55	0.88	0.81	2.71
Diluted earnings per share, SEK	0.51	0.55	0.87	0.81	2.70

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

MSEK	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net profit for the period	39	42	68	62	209
Other comprehensive income					
Items that will not be reclassified to the income statement					
Remeasurements (actuarial gains and losses) ¹⁾	-2	-38	-2	-38	-99
Subtotal	-2	-38	-2	-38	-99
Items that may be reclassified to the income statement					
Translation differences on foreign operations	-66	51	-53	55	100
Other ¹⁾	1	-	2	-1	2
Subtotal	-65	51	-51	54	102
Other comprehensive income for the period	-67	13	-53	16	3
Total comprehensive income for the period	-28	55	15	78	212
Total comprehensive income attributable to:					
Shareholders of the Parent Company	-27	53	15	75	205
Non-controlling interests	-1	2	0	3	7
Total comprehensive income for the period	-28	55	15	78	212

¹⁾ Net of taxes

CONDENSED CONSOLIDATED BALANCE SHEETS

	2017	2016	2016
MSEK	June 30	June 30	Dec 31
Goodwill	1,596	1,571	1,628
Other intangible assets	302	291	294
Property, plant and equipment	328	345	347
Deferred tax assets	312	313	332
Other long-term assets	13	15	14
Total non-current assets	2,551	2,535	2,615
Inventories	806	722	726
Accounts receivable	1,172	1,156	1,317
Other short-term assets	390	305	312
Cash and cash equivalents	537	539	581
Total current assets	2,905	2,722	2,936
Total assets	5,456	5,257	5,551
Total equity	1,813	1,753	1,890
Long-term financial liabilities	1,394	1,219	1,152
Provisions for post-employment benefits	482	406	484
Deferred tax liabilities	83	92	90
Total non-current liabilities	1,959	1,717	1,726
Accounts payable	655	596	739
Short-term financial liabilities	141	236	251
Other short-term liabilities	888	955	945
Total current liabilities	1,684	1,787	1,935
Total equity and liabilities	5,456	5,257	5,551

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	2017	2016	2016
MSEK	June 30	June 30	Dec 31
Opening balance	1,890	1,747	1,747
Total comprehensive income for the period	15	78	212
Dividends	-92	-76	-76
Other, including new share issue	-	4	7
Closing balance	1,813	1,753	1,890

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

MSEK	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
OPERATING ACTIVITIES					
Operating profit	92	80	151	133	366
Adjustment for depreciation	16	15	34	31	68
Adjustment for amortisation ¹⁾	13	14	25	27	55
Other including non-cash items	1	10	-3	9	11
Interest and other financial items	-18	-11	-29	-25	-45
Taxes paid	-40	-11	-53	-47	-99
Net cash flow from operating activities before changes in working capital	64	97	125	128	356
Cash flow from changes in working capital	-109	-47	-148	-69	-122
Net cash flow from operating activities	-45	50	-23	59	234
INVESTING ACTIVITIES					
Capital expenditure for intangibles, property, plant and equipment	-31	-23	-60	-45	-106
Sales of non-current assets	0	0	1	20	31
Net cash flow from investing activities	-31	-23	-59	-25	-75
Net cash flow after investments before financing	-76	27	-82	34	159
FINANCING ACTIVITIES					
Change in loans and other financial items	175	121	148	70	-43
New share issue	-	2	-	2	4
Dividends	-92	-76	-92	-76	-76
Net cash flow from financing activities	83	47	56	-4	-115
Net cash flow for the period	7	74	-26	30	44
Cash and cash equivalents at the beginning of the period	552	452	581	496	496
Translation differences	-22	13	-18	13	41
Cash and cash equivalents at the end of the period	537	539	537	539	581
Free cash flow	-76	27	-82	34	159

¹⁾ Amortisation from acquisition related intangibles amounted to MSEK 6 (6) in the second quarter and to MSEK 12 (12) for the period January - June and also MSEK 24 for the full year 2016.

CHANGE IN NET DEBT

MSEK	Closing balance June 30	Cash changes	Non-cash changes	Currency	Opening balance Jan 1
Loans, long- and short-term	1,535	148	-	-16	1,403
Interest-bearing assets	-8	1	-	0	-9
Cash and cash equivalents	-537	26	-	18	-581
Net debt before post-employment benefits	990	175	-	2	813
Post employment benefits, net	482	2	-	-4	484
Net debt	1,472	177	-	-2	1,297

GROUP KEY RATIOS	2017	2016	2016
	YTD	YTD	Full year
Income statement			
EBITDA, MSEK	210	191	489
EBITDA excluding non-recurring items, MSEK	227	219	561
<i>EBITDA margin, %</i>	<i>7.1</i>	<i>6.7</i>	<i>8.0</i>
<i>EBITDA margin excluding non-recurring items, %</i>	<i>7.7</i>	<i>7.7</i>	<i>9.2</i>
<i>Operating margin, %</i>	<i>5.1</i>	<i>4.6</i>	<i>6.0</i>
<i>Operating margin excluding non-recurring items, %</i>	<i>5.7</i>	<i>5.6</i>	<i>7.2</i>
<i>Profit margin (EBT), %</i>	<i>4.1</i>	<i>3.7</i>	<i>5.1</i>
<i>Interest coverage ratio, times</i>	<i>5.7</i>	<i>5.5</i>	<i>7.4</i>
Balance sheet			
<i>Return on capital employed, %¹⁾</i>	<i>10.8</i>	<i>10.5</i>	<i>10.8</i>
<i>Return on capital employed excluding non-recurring items, %¹⁾</i>	<i>12.5</i>	<i>12.7</i>	<i>12.8</i>
<i>Capital employed turnover rate, times</i>	<i>1.7</i>	<i>1.7</i>	<i>1.7</i>
<i>Return on equity, %¹⁾</i>	<i>11.8</i>	<i>11.1</i>	<i>11.7</i>
Net debt, MSEK	1,472	1,312	1,297
<i>Net debt/EBITDA, times¹⁾</i>	<i>2.7</i>	<i>2.8</i>	<i>2.6</i>
<i>Equity ratio, %</i>	<i>33</i>	<i>33</i>	<i>34</i>
<i>Debt/equity, times</i>	<i>0.8</i>	<i>0.7</i>	<i>0.7</i>
Share data			
Basic earnings per share, SEK	0.88	0.81	2.71
Diluted earnings per share, SEK	0.87	0.81	2.70
Equity per share, SEK	23.40	22.67	24.40
Free cash flow per share, SEK	-1.07	0.45	2.09
Total number of shares at end of period	77,050,848	77,000,848	77,050,848
Weighted average number of shares	77,050,848	76,661,363	76,836,889
Weighted average number of basic shares	76,320,001	76,206,023	76,243,567
Weighted average number of diluted shares	76,380,779	76,243,527	76,283,982

¹⁾ During the last twelve-month period

QUARTERLY DATA GROUP

Income statement, MSEK	2015						2016						2017			
	1	2	YTD	3	4	Full year	1	2	YTD	3	4	Full year	1	2	YTD	
Net sales	1,397	1,516	2,913	1,462	1,677	6,052	1,390	1,474	2,864	1,448	1,776	6,088	1,440	1,510	2,950	
Cost of goods sold	-995	-1,053	-2,048	-1,028	-1,202	-4,278	-993	-1,049	-2,042	-1,020	-1,257	-4,319	-1,035	-1,065	-2,100	
Gross profit	402	463	865	434	475	1,774	397	425	822	428	519	1,769	405	445	850	
S&A	-372	-383	-755	-352	-345	-1,452	-346	-349	-695	-343	-379	-1,417	-348	-356	-704	
Other operating items, net	-1	0	-1	8	-9	-2	2	4	6	6	2	14	2	3	5	
Operating profit	29	80	109	90	121	320	53	80	133	91	142	366	59	92	151	
Financial items, net	-17	-9	-26	-10	-7	-43	-14	-12	-26	-14	-13	-53	-13	-17	-30	
Profit after financial items	12	71	83	80	114	277	39	68	107	77	129	313	46	75	121	
Taxes	-23	-20	-43	-32	-34	-109	-19	-26	-45	-26	-33	-104	-17	-36	-53	
Profit for the period	-11	51	40	48	80	168	20	42	62	51	96	209	29	39	68	
Key figures																
<i>Organic growth, %</i>	-3	-4	-3	4	2	0	1	-1	0	-1	3	1	0	-3	-1	
<i>Gross margin, %</i>	28.8	30.5	29.7	29.7	28.3	29.3	28.6	28.8	28.7	29.6	29.2	29.1	28.1	29.5	28.8	
<i>Gross margin excl. NRI, %</i>	28.8	30.7	29.8	30.2	29.2	29.7	28.6	29.4	29.1	30.0	29.7	29.5	28.4	29.5	29.0	
<i>S&A in % of net sales</i>	26.6	25.3	25.9	24.1	20.6	24.0	24.9	23.7	24.3	23.7	21.3	23.3	24.2	23.6	23.9	
<i>S&A in % of net sales excl. NRI</i>	26.1	24.0	25.0	23.4	19.8	23.1	24.6	22.7	23.6	23.2	20.1	22.5	24.0	22.9	23.5	
<i>Operating margin, %</i>	2.0	5.3	3.8	6.2	7.2	5.3	3.8	5.4	4.6	6.3	8.0	6.0	4.1	6.1	5.1	
Operating profit excl. NRI, MSEK	38	102	140	108	149	397	58	103	161	105	172	438	65	103	168	
<i>Operating margin excl. NRI, %</i>	2.7	6.7	4.8	7.4	8.9	6.6	4.2	7.0	5.6	7.3	9.7	7.2	4.5	6.8	5.7	
EBITDA, MSEK	53	105	158	117	153	428	82	109	191	125	173	489	89	121	210	
<i>EBITDA margin, %</i>	3.8	6.9	5.4	8.0	9.1	7.1	5.9	7.4	6.7	8.6	9.7	8.0	6.2	8.0	7.1	
EBITDA excl. NRI, MSEK	62	127	189	135	181	505	87	132	219	139	203	561	95	132	227	
<i>EBITDA margin excl. NRI, %</i>	4.4	8.4	6.5	9.2	10.8	8.3	6.2	9.0	7.7	9.6	11.4	9.2	6.6	8.7	7.7	
Non-recurring items, MSEK	-9	-22	-31	-18	-28	-77	-5	-23	-28	-14	-30	-72	-6	-11	-17	
Whereof cost of goods sold	-1	-2	-3	-8	-15	-26	-1	-9	-10	-7	-8	-25	-4	-1	-5	
Whereof S&A	-8	-19	-27	-11	-13	-51	-4	-14	-18	-7	-22	-47	-2	-10	-12	
Whereof other NRI	-	-1	-1	1	-	0	-	-	-	-	-	-	-	-	-	
Basic earnings per share, SEK	-0.13	0.64	0.51	0.62	1.05	2.18	0.26	0.55	0.81	0.65	1.25	2.71	0.37	0.51	0.88	
Cash flow																
Free cash flow	-143	-42	-185	23	218	56	7	27	34	18	107	159	-6	-76	-82	

QUARTERLY REGIONAL DATA

EMEA	2015						2016						2017		
	1	2	YTD	3	4	Full year	1	2	YTD	3	4	Full year	1	2	YTD
Net sales, MSEK	887	962	1,849	927	1,084	3,860	888	966	1,854	922	1,131	3,907	919	979	1,898
<i>Organic growth, %</i>	-3	-2	-2	1	3	0	-1	-1	-1	0	2	0	2	-2	0
Operating profit, MSEK	-3	19	16	25	43	84	4	25	29	31	53	113	6	36	42
<i>Operating margin, %</i>	-0.3	2.0	0.9	2.7	4.0	2.2	0.5	2.6	1.6	3.4	4.7	2.9	0.7	3.7	2.2
Non-recurring items, MSEK	-8	-16	-24	-17	-26	-67	-3	-22	-25	-11	-23	-59	-6	-10	-16
Operating profit excl. NRI, MSEK	5	35	40	42	69	151	7	47	54	42	76	172	12	46	58
<i>Operating margin excl. NRI, %</i>	0.6	3.6	2.2	4.5	6.4	3.9	0.8	4.9	2.9	4.6	6.7	4.4	1.3	4.7	3.1
APAC															
Net sales, MSEK	245	273	518	244	323	1,085	258	267	525	253	351	1,129	254	264	518
<i>Organic growth, %</i>	-12	-20	-17	-2	1	-8	10	4	7	2	3	5	-8	-9	-8
Operating profit, MSEK	12	31	43	26	39	108	26	29	55	26	52	133	25	27	52
<i>Operating margin, %</i>	4.9	11.4	8.3	10.7	12.1	10.0	10.1	10.9	10.5	10.3	14.8	11.8	9.8	10.2	10.0
Non-recurring items, MSEK	-1	-3	-4	-1	-2	-7	-	-1	-1	-1	-3	-5	-	-	-
Operating profit excl. NRI, MSEK	13	34	47	27	41	115	26	30	56	27	55	138	25	27	52
<i>Operating margin excl. NRI, %</i>	5.3	12.5	9.1	11.1	12.7	10.6	10.1	11.2	10.7	10.7	15.7	12.2	9.8	10.2	10.0
AMERICAS															
Net sales, MSEK	265	281	546	291	270	1,107	244	241	485	273	294	1,052	267	267	534
<i>Organic growth, %</i>	9	5	7	21	-2	8	-1	-6	-4	-5	4	-2	3	4	3
Operating profit, MSEK	20	30	50	39	39	128	23	26	49	34	37	120	28	29	57
<i>Operating margin, %</i>	7.5	10.7	9.2	13.4	14.4	11.6	9.4	10.8	10.1	12.5	12.6	11.4	10.5	10.9	10.7
Non-recurring items, MSEK	-	-3	-3	-	-	-3	-2	-	-2	-2	-4	-8	-	-1	-1
Operating profit excl. NRI, MSEK	20	33	53	39	39	131	25	26	51	36	41	128	28	30	58
<i>Operating margin excl. NRI, %</i>	7.5	11.7	9.7	13.4	14.4	11.8	10.2	10.8	10.5	13.2	13.9	12.2	10.5	11.2	10.9

NOTE 1 ACCOUNTING PRINCIPLES AND RISKS

Accounting principles

Gunnebo complies with the International Financial Reporting Standards adopted by the EU, and the official interpretations of these standards (IFRIC). The Interim Report for the Gunnebo Group has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting. The Interim Report for the parent company has been prepared in accordance with the Annual Accounts Act and the recommendation of the Swedish Financial Reporting Board, RFR 2 Accounting for Legal Entities. The same accounting principles and methods of calculation have been used as in the latest Annual Report.

Significant risks and uncertainties

The Group's and parent company's significant risks and uncertainties include operational risks and financial risks. Operational risks for Gunnebo mainly include risks posed by the global economy and commercial risks.

The Group's risks as well as risk management is described in more detail in the latest Annual Report.

NOTE 2 RECONCILIATION TO THE GROUP'S PROFIT BEFORE TAXES

MSEK	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Region EMEA	36	25	42	29	113
Region APAC	27	29	52	55	133
Region Americas	29	26	57	49	120
Operating profit	92	80	151	133	366
Financial income and expenses, net	-17	-12	-30	-26	-53
Profit before taxes	75	68	121	107	313

PARENT COMPANY

CONDENSED PARENT COMPANY INCOME STATEMENTS

MSEK	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net revenue	58	46	119	91	236
Administrative expenses	-47	-37	-89	-77	-201
Operating profit	11	9	30	14	35
Net financial items	-3	-3	-6	-5	-11
Profit after financial items	8	6	24	9	24
Appropriations	-	-	-	-	113
Taxes	-24	0	-28	2	-27
Net profit for the period	-16	6	-4	11	110

Total comprehensive income corresponds with net profit for the period.

CONDENSED PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

MSEK	2017 June 30	2016 June 30	2016 Dec 31
Intangible assets	46	5	7
Property, plant and equipment	2	2	1
Investments in group companies	1,585	1,585	1,585
Deferred tax assets	42	90	67
Total non-current assets	1,675	1,682	1,660
Receivables from group companies	59	10	54
Other short-term receivables	39	11	16
Cash and cash equivalents	2	3	1
Total current assets	100	24	71
Total assets	1,775	1,706	1,731
Total equity	1,467	1,457	1,563
Liabilities to group companies	260	222	120
Accrued expenses and deferred income	48	27	48
Total current liabilities	308	249	168
Total equity and liabilities	1,775	1,706	1,731

CONDENSED CHANGES IN PARENT COMPANY EQUITY

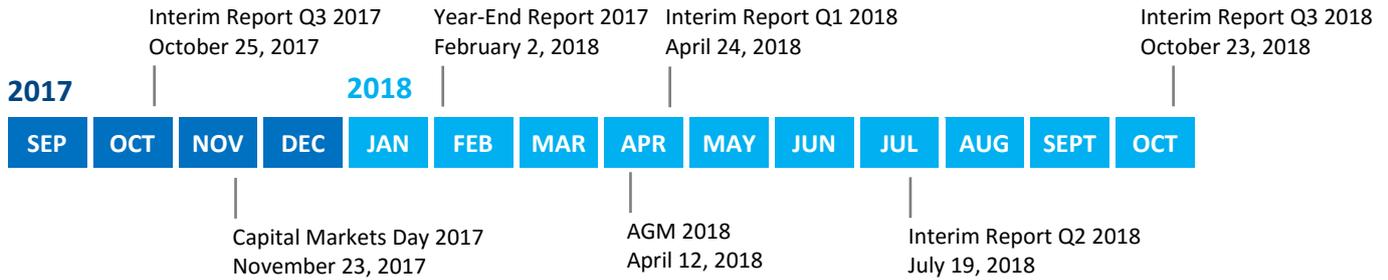
MSEK	2017 June 30	2016 June 30	2016 Dec 31
Opening balance	1,563	1,520	1,520
Total comprehensive income for the period	-4	11	110
Dividends	-92	-76	-76
Other, including new share issue	-	2	9
Closing balance	1,467	1,457	1,563

DEFINITIONS

In the Interim Report, Gunnebo presents certain financial figures that are not defined according to IFRS. The Group believes that these figures provide investors and the company's management with valuable supplementary disclosures, since they enable a valuation of the company's financial results and position. Since not all companies calculate financials in the same way, these are not always comparable with figures used by other companies. These financials should not, therefore, be considered a substitute for figures defined according to IFRS.

Basic earnings per share	Net profit attributable to the Parent Company's shareholders divided by the weighted average number of shares excluding C-shares as these have no dividend rights.
Capital employed	Total assets less non-interest-bearing provisions and liabilities.
Capital employed turnover rate	Net sales rolling 12 months in relation to average capital employed.
Debt/equity	Net debt in relation to equity.
Diluted earnings per share	Net profit attributable to the Parent Company's shareholders divided by the weighted average number of shares excluding C-shares as these have no dividend rights, after dilution.
EBITDA	Operating profit before depreciation/amortisation and impairments of intangible assets and property, plant and equipment.
EBITDA margin	EBITDA as a percentage of net sales.
Equity per share	Equity attributable to the shareholders of the Parent Company divided by the number of shares excluding C-shares as these have no dividend rights, at the end of the period.
Equity ratio	Equity as a percentage of the total assets.
Free cash flow	Cash flow from operating and investing activities, excluding acquisitions and divestments.
Free cash flow per share	Free cash flow divided by the weighted average number of shares excluding C-shares as these have no dividend rights.
Gross margin	Gross profit as a percentage of net sales.
Interest coverage ratio	Profit before taxes excluding interest costs, divided by interest costs.
Net debt	Interest-bearing provisions and liabilities less cash and cash equivalents and interest-bearing receivables.
Net debt/EBITDA	Average net debt divided by EBITDA rolling 12 months.
Non-recurring item (NRI)	Non-recurring items encompass restructuring programmes (closure of businesses and/or employee related costs) and other non-recurring items.
Operating margin (EBIT)	Operating profit as a percentage of net sales.
Organic growth	Growth in net sales adjusted for acquisitions, divestments and exchange rate effects.
Profit margin	Profit before taxes as a percentage of net sales.
Return on capital employed	Operating profit plus financial income rolling 12 months as a percentage of average capital employed.
Return on equity	Net profit for rolling 12 months as a percentage of average equity.
S&A	Selling and administrative expenses

Financial Calendar 2017/2018



About Gunnebo

Gunnebo is a global security provider with an offering covering cash management, entrance security, safes and vaults as well as electronic security.

The Group has an annual turnover of MSEK 6,100 and 5,400 employees in 28 countries worldwide.

Gunnebo has 11 production units in 10 countries.

Gunnebo's share (GUNN) is traded on NASDAQ Stockholm under Mid Cap and Industrials.

Vision

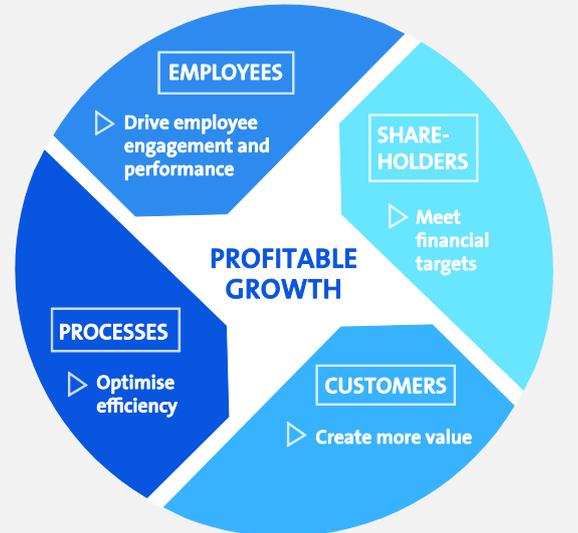
To be the leading global provider of a safer future.

Mission

Gunnebo's mission is to offer products, services and solutions that increase security and efficiency, and create value for shareholders, customers, partners, employees and society on a global scale.

Strategy for Profitable Growth

In 2016 Gunnebo introduced its Strategy for Profitable Growth to be implemented by the end of 2020.



Product Areas

Cash Management

Development, production, installation and service of cash management solutions for deposit, dispense, recycling and closed cash management. Marketed and sold under the Gunnebo brand with strong product brands as SafePay and Sallén.

Entrance Security

Development, production, installation and service of turnstiles, security doors & partitions and electronic article surveillance (EAS). Marketed and sold under the Gunnebo and Gateway (EAS) brands.

Safes & Vaults

Development, production, installation and service of safes, vaults, vault doors, safe deposit lockers (SDL's) and ATM safes. Marketed and sold under world leading brands such as Chubb safes and Fichet-Bauché.

Electronic Security

Development, production, installation and service of solutions for remote surveillance, access control, intrusion detection and electronic locking. Marketed and sold under the Gunnebo brand.

Other

Development, production, installation and service of solutions for fire safety and other traded products.

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This information is information that Gunnebo AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons, at 08.01 CET on July 19, 2017.

