

# Interim Management Statement January-September 2018

## Highlights during the third quarter

- Adjusted net asset value\*, based on estimated market values for the major subsidiaries and partner-owned investments within Patricia Industries, amounted to SEK 420,572 m. (SEK 550 per share) on September 30, 2018. Adjusted net asset value increased by SEK 26,402 m., or 7 percent during the quarter.
- Reported net asset value<sup>1)</sup>\* amounted to SEK 372,371 m. (SEK 487 per share) on September 30, 2018, an increase of SEK 24,514 m., or 7 percent, during the quarter.
- Listed Core Investments generated a total return\* of 9 percent.
- Based on estimated market values, the value of Patricia Industries, excluding cash, increased by 2 percent during the quarter.
- Reported sales growth for the major subsidiaries (including Piab and Sarnova pro forma) amounted to 14 percent, of which 3 percent organic in constant currency. Reported EBITA grew by 13 percent.
- The value of Investor's investments in EQT decreased by 2 percent in constant currency. Net cash flow to Investor amounted to SEK 338 m.

## Financial information, year to date 2018

- Adjusted net asset value growth and reported net asset value growth, including dividend added back, amounted to 12 percent and 13 percent, respectively.
- Contribution to reported net asset value amounted to SEK 36,109 m. (35,504), of which; Listed Core Investments SEK 40,583 m. (43,602), Patricia Industries SEK 4,700 m. (-121) and EQT SEK 2,358 m. (1,774). Investor's total dividend amounted to SEK 9,178 m.
- Leverage\* (net debt/reported total assets) was 4.9 percent on September 30, 2018 (3.5).
- Consolidated net sales for the period was SEK 30,510 m. (25,430). Consolidated profit/loss was SEK 42,816 m. (SEK 56.01 basic earnings per share), compared to SEK 45,314 m. (SEK 59.28 basic earnings per share) for the same period 2017.

### Overview annual average performance

|   | NAV (%)** | Total return   |           |
|---|-----------|----------------|-----------|
|   |           | Investor B (%) | SIXRX (%) |
| Q3 2018                                   | 7.0       | 12.6           | 6.9       |
| YTD                                       | 13.5      | 12.1           | 11.3      |
| 1 year                                    | 13.8      | 4.2            | 8.3       |
| 5 years                                   | 16.3      | 19.4           | 12.7      |
| 10 years                                  | 13.8      | 16.1           | 13.5      |
| 20 years                                  | 10.7      | 12.5           | 10.1      |
| **Reported NAV, incl. dividend added back |           |                |           |
|   |           |                | 9/30 2018 |
| Adjusted NAV, SEK per share*              |           |                | 550       |
| Reported NAV, SEK per share*              |           |                | 487       |
| Share price (B-share), SEK                |           |                | 410.70    |

\* Financial measures that are not defined or specified in the applicable financial reporting framework. For more information, see page 18 and 26.

1) In the reported net asset value, the wholly-owned subsidiaries and partner-owned investments within Patricia Industries are reported according to the acquisition and equity method respectively.



# CEO statement

Dear fellow shareholders,

During the third quarter, our adjusted net asset value grew by 7 percent, while our total shareholder return was 13 percent. The SIXRX return index increased by 7 percent.

## **Agility and competitive offering key in all environments**

Having enjoyed a period of supportive macroeconomic development, judging by various leading indicators, it seems that we might be entering a softer demand environment. It is therefore critical that our companies are agile and flexible to successfully handle different demand situations, while maintaining focus on attractive long-term opportunities.

## **Important activities within Listed Core Investments**

With a total return of 9 percent, Listed Core Investments outperformed the Swedish stock market.

Business activity in the portfolio remained high. The U.S. Air Force awarded Boeing a USD 9.2 bn. order for the development of the T-X trainer aircraft, which will benefit Saab as a risk-sharing partner of Boeing. Atlas Copco acquired the cryogenic business of Brooks Automation, strengthening its offering within the Vacuum Technique business area. Ericsson was awarded an important 5G order. Husqvarna announced that it will further increase focus and efforts on its core brands while taking decisive steps to resolve the underperforming Consumer Brands division. Nasdaq announced a bid for Swedish fintech company Cinnober to strengthen its position as one of the leading market infrastructure technology providers. Wärtsilä is reorganizing its operations in order to more efficiently serve its two end markets, energy and marine.

## **Profit growth in Patricia Industries**

Based on adjusted market values, the value of Patricia Industries, excluding cash, increased by 2 percent during the quarter.

Reported sales growth for the major subsidiaries (including Piab and Sarnova pro forma) amounted to 14 percent, with organic growth of 3 percent in constant currency. EBITA grew 13 percent.

Mölnlycke reported organic growth of 2 percent in constant currency, with Wound Care growing at 4 percent. Emerging Markets remained the key growth driver. Underlying profitability was in line with last year. The roll-out of the new Mepilex® Border Flex dressing continues, with launches in the U.S. and UK during the quarter. The initial market reception has been positive.

Permobil grew 1 percent organically in constant currency, while profitability was lower than last year, partly explained by increasing operating expenses, which the company is taking measures to address.

Our two new subsidiaries, Sarnova and Piab, both reported organic growth of 6 percent in constant currency. In Sarnova, profit grew faster than sales. Piab reported a 28 percent EBITA margin, impacted by acquisitions as well as increased sales and marketing costs.

Laborie's organic sales growth remained strong at 15 percent and the integration of the recently acquired Cogentix Medical is progressing well. It is encouraging to see profitability returning to more normal levels.

Aleris reported organic sales growth of 1 percent in constant currency. Profitability improved in Care, but was lower than last year in Healthcare.

After the end of the quarter, Aleris announced the divestiture of its Care business, which offers high-quality services and has high user satisfaction. With its full focus on care, we believe that the buyer Ambea will be a good new home for Aleris Care. Following the divestiture, Aleris will become a pure healthcare services provider. To sustainably improve operations, focus will be on turning Healthcare Sweden around, developing the digital platform Doktor24, as well as adapting and managing the new contracts with lower prices for radiology services in Stockholm that will come into effect during the first quarter 2019. Upon closing of the transaction, Aleris plans to reduce its net debt by approximately SEK 2.65 bn.

## **We support EQT's decision to review options**

The reported value change on our investments in EQT was -2 percent in constant currency. Adjusting for a sharp value decline in the listed Chinese holding LBX during the quarter, the value of our investments increased slightly in constant currency. Net cash flow to Investor amounted to SEK 0.3 bn.

In September, EQT communicated its decision to review various options of how to strengthen its balance sheet. We support this decision.

## **Financial flexibility remains high**

Our balance sheet remains strong, with leverage at the low end of our 5-10 percent target range over a business cycle. In the quarter, Investor issued a 12-year EUR 500 m. bond with an all-in fixed interest rate of 1.52 percent and bought back parts of the 2021 bond, thereby increasing financial flexibility and extending the maturity profile.

## **Solid platform for long-term value creation**

Our focus remains on contributing to strong operational performance in our existing companies. The strategic priorities to grow net asset value, operate efficiently and pay a steadily rising dividend, remain firm. By successfully executing on this strategy, continuing to generate strong cash flow, and by building great, sustainable businesses for the long-term, we strive to generate an attractive total return for you, dear fellow shareholders.



Johan Forssell

# Net asset value overview

| Reported values                                    |                  |   |                           |   |                             |                             | Adjusted values <sup>5)</sup> |                     |
|--|------------------|---|---------------------------|---|-----------------------------|-----------------------------|-------------------------------|---------------------|
|  | Number of shares | Ownership capital/votes <sup>1)</sup> (%) | Share of total assets (%) | Contribution to net asset value, SEK m. | Value, SEK m. <sup>2)</sup> | Value, SEK m. <sup>2)</sup> | Value, SEK m.                 | Value, SEK m.       |
|  | 9/30 2018        | 9/30 2018                                 | 9/30 2018                 | YTD 2018                                | 9/30 2018                   | 12/31 2017                  | 9/30 2018                     | 12/31 2017          |
| <b>Listed Core Investments<sup>3)</sup></b>        |                  |   |                           |   |                             |                             |                               |                     |
| Atlas Copco <sup>7)</sup>                          | 207 645 611      | 16.9/22.3                                 | 14                        | 1 923                                   | 53 089                      | 72 877                      | 53 089                        | 72 877              |
| ABB  | 232 165 142      | 10.7/10.7                                 | 13                        | -207                                    | 49 103                      | 50 891                      | 49 103                        | 50 891              |
| SEB  | 456 198 927      | 20.8/20.8                                 | 12                        | 4 221                                   | 45 303                      | 43 705                      | 45 303                        | 43 705              |
| AstraZeneca  | 51 587 810       | 4.1/4.1                                   | 9                         | 8 140                                   | 36 261                      | 29 302                      | 36 261                        | 29 302              |
| Sobi   | 107 594 165      | 39.4/39.4                                 | 7                         | 15 935                                  | 27 985                      | 12 051                      | 27 985                        | 12 051              |
| Epiroc <sup>7)</sup>                               | 207 645 611      | 17.1/22.7                                 | 5                         | 1 985                                   | 20 583                      | -                           | 20 583                        | -                   |
| Ericsson   | 239 901 348      | 7.2/22.5                                  | 5                         | 6 648                                   | 19 148                      | 11 737                      | 19 148                        | 11 737              |
| Wärtsilä   | 104 599 632      | 17.7/17.7                                 | 5                         | 616                                     | 18 133                      | 18 013                      | 18 133                        | 18 013              |
| Nasdaq   | 19 394 142       | 11.8/11.8                                 | 4                         | 2 672                                   | 14 737                      | 12 268                      | 14 737                        | 12 268              |
| Saab   | 32 778 098       | 30.0/39.5                                 | 4                         | 1 800                                   | 14 652                      | 13 033                      | 14 652                        | 13 033              |
| Electrolux   | 47 866 133       | 15.5/30.0                                 | 2                         | -3 020                                  | 9 394                       | 12 613                      | 9 394                         | 12 613              |
| Husqvarna  | 97 052 157       | 16.8/33.0                                 | 2                         | -52                                     | 7 416                       | 7 542                       | 7 416                         | 7 542               |
| <b>Total Listed Core Investments</b>               |                  |   | <b>81</b>                 | <b>40 583<sup>4)</sup></b>              | <b>315 805</b>              | <b>284 030</b>              | <b>315 805</b>                | <b>284 030</b>      |
| <b>Patricia Industries</b>                         |                  |   |                           |   |                             |                             |                               |                     |
| <b>Total exposure (%)</b>                          |                  |   |                           |   |                             |                             |                               |                     |
| <b>Subsidiaries</b>                                |                  |   |                           |   |                             |                             |                               |                     |
| Mölnlycke <sup>9)</sup>                            |                  | 99  | 5                         | 2 854                                   | 20 044                      | 19 681                      | 60 300                        | 58 637              |
| Permobil <sup>9)</sup>                             |                  | 98  | 1                         | -17                                     | 4 687                       | 4 402                       | 9 852                         | 8 784               |
| Piab <sup>9)</sup>                                 |                  | 96  | 1                         | -96                                     | 5 415                       | -                           | 5 511 <sup>8)</sup>           | -                   |
| BraunAbility                                       |                  | 95  | 1                         | 338                                     | 3 258                       | 2 921                       | 4 628                         | 3 002               |
| Sarnova  |                  | 86  | 1                         | 82                                      | 4 561                       | -                           | 4 479 <sup>8)</sup>           | -                   |
| Laborie  |                  | 98  | 1                         | 161                                     | 4 863                       | 4 492                       | 3 872                         | 4 657 <sup>8)</sup> |
| Vectura  |                  | 100                                       | 1                         | 9                                       | 2 561                       | 2 552                       | 2 870                         | 2 902               |
| Aleris   |                  | 100                                       | 1                         | 83                                      | 3 122                       | 3 008                       | 2 464                         | 3 493               |
| Grand Group  |                  | 100                                       | 0                         | -5                                      | 191                         | 197                         | 467                           | 701                 |
|  |                  |   | <b>12</b>                 | <b>3 410</b>                            | <b>48 703</b>               | <b>37 252</b>               | <b>94 443</b>                 | <b>82 176</b>       |
| 3 Scandinavia                                      |                  | 40/40                                     | 1                         | 539                                     | 4 527                       | 4 197                       | 6 987                         | 7 758               |
| Financial Investments                              |                  |   | 2                         | 929                                     | 7 959                       | 7 164                       | 7 959                         | 7 164               |
| <b>Total Patricia Industries excl. cash</b>        |                  |   | <b>16</b>                 | <b>4 700<sup>4)</sup></b>               | <b>61 189</b>               | <b>48 614</b>               | <b>109 389</b>                | <b>97 099</b>       |
| <i>Total Patricia Industries incl. cash</i>        |                  |   |                           |   | <i>71 191</i>               | <i>67 982</i>               | <i>119 391</i>                | <i>116 467</i>      |
| <b>EQT</b>   |                  |   | <b>5</b>                  | <b>2 358<sup>4)</sup></b>               | <b>18 377</b>               | <b>16 165</b>               | <b>18 377</b>                 | <b>16 165</b>       |
| Other Assets and Liabilities                       |                  |   | -1                        | -11 532 <sup>6)</sup>                   | -3 864 <sup>6)</sup>        | -323                        | -3 864                        | -323                |
| <b>Total Assets excl. cash Patricia Industries</b> |                  |   | <b>100</b>                |   | <b>391 506</b>              | <b>348 486</b>              | <b>439 706</b>                | <b>396 971</b>      |
| Gross debt*  |                  |   |                           |   | -32 742                     | -31 123                     | -32 742                       | -31 123             |
| Gross cash*  |                  |   |                           |   | 13 608                      | 18 899                      | 13 608                        | 18 899              |
| <i>Of which Patricia Industries</i>                |                  |   |                           |   | <i>10 002</i>               | <i>19 368</i>               | <i>10 002</i>                 | <i>19 368</i>       |
| <b>Net debt</b>                                    |                  |   |                           |   | <b>-19 135</b>              | <b>-12 224</b>              | <b>-19 135</b>                | <b>-12 224</b>      |
| <b>Net Asset Value</b>                             |                  |   |                           | <b>36 109</b>                           | <b>372 371</b>              | <b>336 262</b>              | <b>420 572</b>                | <b>384 747</b>      |
| <b>Net Asset Value per share</b>                   |                  |   |                           |   | <b>487</b>                  | <b>440</b>                  | <b>550</b>                    | <b>503</b>          |

- 1) Calculated in accordance with the disclosure regulations of Sweden's Financial Instruments Trading Act (LHF). ABB, AstraZeneca, Nasdaq and Wärtsilä in accordance with Swiss, British, U.S. and Finnish regulations.
- 2) Includes market value of derivatives related to investments if applicable. The subsidiaries and the partner-owned investments within Patricia Industries are reported according to the acquisition method and equity method respectively.
- 3) Valued according to the class of share held by Investor, with the exception of Saab and Electrolux, for which the most actively traded class of share is used.
- 4) Including management costs, of which Listed Core Investments SEK 77 m., Patricia Industries SEK 177 m., EQT SEK 6 m. and Groupwide SEK 79 m.
- 5) As supplementary information, major wholly-owned subsidiaries and partner-owned investments within Patricia Industries are presented at estimated market values.
- 6) Including dividend to shareholders of SEK 9,178 m. SEK 6,119 m. was paid in May 2018 and SEK 3,059 m. is reported as liabilities within other assets and liabilities.
- 7) On the Annual General Meeting on April 24, 2018 the shareholders in Atlas Copco decided to distribute Epiroc. The first day of trading was June 18, 2018. SEK 18,598 m. has been transferred from the value of Atlas Copco to the value of Epiroc on the date of the distribution.
- 8) Valued at investment amount as the acquisition was made less than 18 months ago.
- 9) Including receivables related to Management Participation Program foundations. For Mölnlycke, the receivable corresponds to less than 1 percentage point of the total exposure, for Permobil to approximately 4 percentage points and for Piab to approximately 4 percentage points.

## Valuation methodology

|                                |   |
|--------------------------------|---|
| <b>Listed Core Investments</b> | Share price (bid) for the class of shares held by Investor  |
| <b>Patricia Industries</b>     |   |
| Subsidiaries                   | Reported value based on the acquisition method.<br>The estimated market values are mainly based on valuation multiples for relevant listed peers and indices. Other methodologies may also be used, for example relating to real estate assets. New investments are valued at invested amount during the first 18 months following the acquisition. |
| Partner-owned investments      | Reported value based on the equity method.<br>The estimated market values are mainly based on valuation multiples for relevant listed peers and indices. New investments are valued at invested amount during the first 18 months following the acquisition.  |
| Financial investments          | Unlisted holdings at multiple or third-party valuation, listed shares at share price (bid).   |
| <b>EQT</b>                     | Unlisted holdings at multiple or third-party valuation, listed shares at share price (bid).   |

## Patricia Industries – valuation overview

In addition to reported values, which are in accordance with IFRS, Investor provides estimated market values of the wholly-owned subsidiaries and partner-owned investments within Patricia Industries in order to facilitate the evaluation of Investor's net asset value. This supplementary, non-GAAP, information also increases the consistency between the valuation of Listed Core Investments and our major wholly-owned subsidiaries and 3 Scandinavia.

While the estimated market values might not necessarily reflect our view of the intrinsic values, they reflect how the stock market values similar companies.

The estimated market values are mainly based on valuation multiples, typically Enterprise Value (EV)/LTM<sup>1)</sup> operating profit, for relevant listed peers and indices. While we focus on EBITA when evaluating the performance of our companies, for valuation purposes, EBITDA multiples are more commonly available, and therefore often used. From the estimated EV, net debt is deducted, and the remaining equity value is multiplied by Patricia Industries' share of capital.

Operating profit is adjusted to reflect, for example, pro forma effects of closed add-on acquisitions and certain non-recurring items. An item is only viewed as non-recurring if it exceeds a certain amount set for each company, is unlikely to affect the company again, and does not result in any future benefit or cost.

Investments made less than 18 months ago are valued at the invested amount.

1) Last twelve months

## Patricia Industries – valuation overview

|                                  | Estimated market value,<br>Patricia Industries'<br>9/30, 2018 | Comments   |
|----------------------------------|---|--|
| <b>Subsidiaries</b>              |   |  |
| Mölnlycke                        | 60 300  | Applied EV/reported LTM EBITDA 17.1x   |
| Permobil                         | 9 852   | Applied EV/adjusted LTM EBITDA 16.8x   |
| Piab                             | 5 511   | Valued at investment amount as the acquisition was made less than 18 months ago  |
| BraunAbility                     | 4 628   | Applied EV/adjusted LTM EBITDA 11.9x   |
| Sarnova                          | 4 479   | Valued at investment amount as the acquisition was made less than 18 months ago  |
| Laborie                          | 3 872   | Applied EV/adjusted LTM EBITDA 18.8x. Adjustments have been made for costs related to the acquisition of Cogentix due to its transformative nature. The acquisition of Cogentix will be valued at acquisition cost during the integration period |
| Vectura                          | 2 870   | Valuation mainly based on the estimated market value of the property portfolio   |
| Aleris                           | 2 464   | Applied EV/adjusted LTM EBITDA 12.8x   |
| Grand Group                      | 467   | Applied EV/reported LTM EBITDA 11.9x   |
| <b>Partner-owned investments</b> |   |  |
| 3 Scandinavia                    | 6 987   | Applied EV/adjusted LTM EBITDA 6.5x. Adjustment related to one-time impact from Danish VAT ruling during the fourth quarter 2017   |
| <b>Financial Investments</b>     | 7 959   | Unlisted holdings at multiple or third-party valuation, listed shares at share price (bid)   |
| <b>Total</b>                     | <b>109 389</b>  |  |

# Overview

## Net asset value

During the nine-month period 2018, reported net asset value increased from SEK 336.3 bn. to SEK 372.4 bn. The change in net asset value, with dividend added back, was 13 percent during the period (15), of which 7 percent during the third quarter (1). The corresponding total return of the Stockholm Stock Exchange (SIXRX) was 11 percent and 7 percent respectively.

For balance sheet items, figures in parentheses refer to year-end 2017 figures. For income statement items and cash flow items, the figures in parentheses refer to the same period last year.

## Net debt

Net debt\* totaled SEK 19,135 m. on September 30, 2018 (12,224), corresponding to leverage of 4.9 percent (3.5).

### Investor's net debt

| SEK m.   | YTD 2018       |
|--|----------------|
| <b>Opening net debt</b>                        | <b>-12 224</b> |
| <b>Listed Core Investments</b>                 |                |
| Dividends                                      | 8 238          |
| Other capital distributions                    | 1 661          |
| Investments, net of proceeds                   | -1 013         |
| Management cost                                | -77            |
| <b>Total</b>                                   | <b>8 808</b>   |
| <b>Patricia Industries</b>                     |                |
| Proceeds                                       | 3 175          |
| Investments                                    | -10 834        |
| Internal transfer to Investor                  | -1 580         |
| Management cost                                | -177           |
| Other <sup>1)</sup>                            | 50             |
| <b>Total</b>                                   | <b>-9 366</b>  |
| <b>EQT</b>                                     |                |
| Proceeds (divestitures, fee surplus and carry) | 2 706          |
| Drawdowns (investments and management fees)    | -2 553         |
| Management costs                               | -6             |
| <b>Total</b>                                   | <b>146</b>     |
| <b>Investor groupwide</b>                      |                |
| Dividend to shareholders                       | -6 119         |
| Internal transfer from Patricia Industries     | 1 580          |
| Management cost                                | -79            |
| Other <sup>2)</sup>                            | -1 882         |
| <b>Closing net debt</b>                        | <b>-19 135</b> |

1) Incl. currency related effects and net interest paid.

2) Incl. currency related effects, revaluation of debt and net interest paid.

## Performance by business area in summary

| Q3 2018<br>SEK m.                                 | Listed Core<br>Investments | Patricia<br>Industries | EQT           | Investor<br>Groupwide | Total          |
|---|----------------------------|------------------------|---------------|-----------------------|----------------|
| Dividends   | 735                        | 10                     | 47            | -1                    | 791            |
| Other operating income                            |                            | 2                      |               |                       | 2              |
| Changes in value                                  | 24 108                     | 149                    | -500          | 40                    | 23 797         |
| Net sales   |                            | 11 016                 | 0             | 0                     | 11 016         |
| Management cost                                   | -26                        | -59                    | -2            | -24                   | -111           |
| Other profit/loss items                           |                            | -9 782                 | -1            | -110                  | -9 894         |
| <b>Profit/loss for the period</b>                 | <b>24 817</b>              | <b>1 334</b>           | <b>-456</b>   | <b>-95</b>            | <b>25 600</b>  |
| Non-controlling interest                          |                            | 5                      |               | 0                     | 5              |
| Other effects on equity                           |                            | -843                   | -235          | -14                   | -1 092         |
| <b>Contribution to net asset value</b>            | <b>24 817</b>              | <b>497</b>             | <b>-691</b>   | <b>-109</b>           | <b>24 514</b>  |
| <b>Net asset value by business area 9/30 2018</b> |                            |                        |               |                       |                |
| Carrying amount                                   | 315 805                    | 61 189                 | 18 377        | -3 864                | 391 506        |
| Investor's net debt/cash                          |                            | 10 002                 |               | -29 137               | -19 135        |
| <b>Total net assets including net debt/cash</b>   | <b>315 805</b>             | <b>71 191</b>          | <b>18 377</b> | <b>-33 001</b>        | <b>372 371</b> |
| Q3 2017<br>SEK m.                                 | Listed Core<br>Investments | Patricia<br>Industries | EQT           | Investor<br>Groupwide | Total          |
| Dividends   | 834                        | -5                     | 3             | 0                     | 832            |
| Other operating income                            |                            | 2                      |               |                       | 2              |
| Changes in value                                  | 3 431                      | 188                    | 352           | 10                    | 3 981          |
| Net sales   |                            | 8 303                  |               |                       | 8 303          |
| Management cost                                   | -23                        | -47                    | -2            | -23                   | -95            |
| Other profit/loss items                           |                            | -7 497                 | -1            | -153                  | -7 650         |
| <b>Profit/loss for the period</b>                 | <b>4 242</b>               | <b>945</b>             | <b>352</b>    | <b>-165</b>           | <b>5 373</b>   |
| Non-controlling interest                          |                            | 4                      |               |                       | 4              |
| Other effects on equity                           |                            | -844                   | -147          | -44                   | -1 035         |
| <b>Contribution to net asset value</b>            | <b>4 242</b>               | <b>105</b>             | <b>205</b>    | <b>-209</b>           | <b>4 343</b>   |
| <b>Net asset value by business area 9/30 2017</b> |                            |                        |               |                       |                |
| Carrying amount                                   | 285 857                    | 47 656                 | 13 981        | 22                    | 347 517        |
| Investor's net debt/cash                          |                            | 19 377                 |               | -31 313               | -11 936        |
| <b>Total net assets including net debt/cash</b>   | <b>285 857</b>             | <b>67 034</b>          | <b>13 981</b> | <b>-31 291</b>        | <b>335 581</b> |

# Listed Core Investments

Listed Core Investments contributed to the net asset value with SEK 40,583 m. during the nine-month period 2018 (43,602), of which SEK 24,817 m. during the third quarter (4,242).

Read more at [www.investorab.com](http://www.investorab.com) under "Our Investments" >>

## Contribution to net asset value, Listed Core Investments

| SEK m.           | Q3 2018       | YTD 2018      | YTD 2017      |
|------------------|---------------|---------------|---------------|
| Changes in value | 24 108        | 32 422        | 36 245        |
| Dividends        | 735           | 8 238         | 7 428         |
| Management cost  | -26           | -77           | -71           |
| <b>Total</b>     | <b>24 817</b> | <b>40 583</b> | <b>43 602</b> |

The combined total return amounted to 15 percent during the nine-month period 2018, of which 9 percent during the third quarter.

## Dividends

Dividends received totaled SEK 8,238 m. during the nine-month period 2018 (7,428), of which SEK 735 m. during the third quarter. In total, we expect to receive approximately SEK 8.6 bn. in dividends during 2018.

## Redemption program

In the second quarter 2018, a redemption program was carried out in Atlas Copco, in which Investor sold 207,645,611 redemption rights for SEK 1,661 m. in total.

## Contribution to net asset value and total return

|              | Q3 2018          |  |   | YTD 2018   |   |
|--------------|------------------|--|---|--|---|
|              | Value.<br>SEK m. | Contribution<br>to net asset<br>value,<br>SEK m. | Total return<br>Investor <sup>1)</sup><br>(%) | Contribution<br>to net asset<br>value,<br>SEK m. | Total return<br>Investor <sup>1)</sup><br>(%) |
| Atlas Copco  | 53 089           | -750   | -1.4  | 1 923  | 3.7   |
| ABB          | 49 103           | 3 645  | 8.0   | -207   | 0.1   |
| SEB          | 45 303           | 6 503  | 16.8  | 4 221  | 10.6  |
| AstraZeneca  | 36 261           | 4 154  | 12.8  | 8 140  | 28.6  |
| Sobi         | 27 985           | 6 999  | 33.4  | 15 935   | 132.2   |
| Epiroc       | 20 583           | 1 318  | 6.8   | 1 985  | 10.7  |
| Ericsson     | 19 148           | 2 619  | 15.9  | 6 648  | 57.7  |
| Wärtsilä     | 18 133           | 76   | 0.4   | 616  | 3.2   |
| Nasdaq       | 14 737           | -1 047   | -6.7  | 2 672  | 21.7  |
| Saab         | 14 652           | 2 468  | 20.3  | 1 800  | 14.1  |
| Electrolux   | 9 394            | -347   | -3.6  | -3 020   | -24.3   |
| Husqvarna    | 7 416            | -795   | -9.7  | -52  | -0.7  |
| <b>Total</b> | <b>315 805</b>   | <b>24 843</b>                                    |   | <b>40 660</b>                                    |   |

1) Calculated as the sum of share price changes with reinvested dividends, including add-on investments and/or divestments.

## Investments and divestments

### Third quarter

No investments or divestments were made.

### Earlier during the year

19,554,000 shares were purchased in Ericsson for SEK 1,002 m.

## Listed Core Investments

|   |   |  |
|---|---|--|
|  | A provider of electrification products, robotics and motion, industrial automation and power grids                              | <a href="http://www.abb.com">www.abb.com</a>                       |
|  | A global, innovation-driven, integrated biopharmaceutical company   | <a href="http://www.astrazeneca.com">www.astrazeneca.com</a>       |
|  | A provider of compressors, vacuum solutions and air treatment systems, construction equipment, power tools and assembly systems | <a href="http://www.atlascopco.com">www.atlascopco.com</a>         |
|  | A provider of household appliances and appliances for professional use  | <a href="http://www.electrolux.com">www.electrolux.com</a>         |
|  | A productivity partner for the mining, infrastructure and natural resources industries.   | <a href="http://www.epiroc.com">www.epiroc.com</a>                 |
|  | A provider of communication technologies and services   | <a href="http://www.ericsson.com">www.ericsson.com</a>             |
|  | A provider of outdoor power products, consumer watering products, cutting equipment and diamond tools                           | <a href="http://www.husqvarnagroup.com">www.husqvarnagroup.com</a> |
|  | A provider of trading, exchange technology, information and public company services   | <a href="http://www.nasdaq.com">www.nasdaq.com</a>                 |
|  | A provider of products, services and solutions for military defense and civil security  | <a href="http://www.saabgroup.com">www.saabgroup.com</a>           |
|  | A financial services group with the main focus on the Nordic countries, Germany and the Baltics                                 | <a href="http://www.sebgroup.com">www.sebgroup.com</a>             |
|  | A specialty healthcare company developing and delivering innovative therapies and services to treat rare diseases               | <a href="http://www.sobi.com">www.sobi.com</a>                     |
|  | A provider of complete lifecycle power solutions for the marine and energy markets  | <a href="http://www.wartsila.com">www.wartsila.com</a>             |

Patricia Industries contributed to the net asset value with SEK 4,700 m. during the nine-month period 2018 (-121), of which SEK 497 m. during the third quarter (105).

Read more at [www.patriciaindustries.com](http://www.patriciaindustries.com) >>

During the nine-month period 2018, reported sales growth for the major subsidiaries (including Piab and Sarnova pro forma) amounted to 9 percent. Organic growth was 4 percent in constant currency. EBITA amounted to SEK 4,440 m., an increase of 7 percent (11 percent excluding Laborie, as its nine-month results do not reflect the underlying performance).

During the third quarter, reported sales growth (including Piab and Sarnova pro forma) amounted to 14 percent, of which 3 percent organically in constant currency. EBITA amounted to SEK 1,518 m., an increase of 13 percent.

### Investments, divestments and distributions

Investments totaled SEK 443 m. during the quarter. Divestments totaled SEK 129 m.

For information regarding Alternative Performance Measures related to Patricia Industries and its investments, see page 18. Definitions can be found on Investor's website.

### Major subsidiaries, performance<sup>1)</sup>

| Q3 2018                |               |              |           |                     |           |                     |
|------------------------|---------------|--------------|-----------|---------------------|-----------|---------------------|
| SEK m.                 | Sales         | EBITDA       | EBITDA %  | EBITA <sup>2)</sup> | EBITA, %  | Operating cash flow |
| Mölnlycke              | 3 653         | 1 033        | 28        | 867                 | 24        | 964                 |
| Permobil               | 1 062         | 192          | 18        | 156                 | 15        | 196                 |
| Piab                   | 312           | 93           | 30        | 89                  | 28        | 22                  |
| BraunAbility           | 1 493         | 103          | 7         | 91                  | 6         | 148                 |
| Sarnova                | 1 294         | 144          | 11        | 133                 | 10        | 132                 |
| Laborie                | 446           | 111          | 26        | 103                 | 24        | 2                   |
| Vectura                | 64            | 46           | 72        | 28                  | 43        | -10                 |
| Aleris                 | 2 545         | 102          | 4         | 40                  | 2         | -79                 |
| Grand Group            | 173           | 22           | 13        | 12                  | 7         | 0                   |
| <b>Total</b>           | <b>11 043</b> | <b>1 847</b> | <b>17</b> | <b>1 518</b>        | <b>14</b> | <b>1 376</b>        |
| Reported growth y/y, % | 14            | 12           |           | 13                  |           |                     |
| Organic growth, y/y, % | 3             |              |           |                     |           |                     |

### Major subsidiaries, performance<sup>1)</sup>

| YTD 2018               |               |              |           |                     |           |                     |
|------------------------|---------------|--------------|-----------|---------------------|-----------|---------------------|
| SEK m.                 | Sales         | EBITDA       | EBITDA, % | EBITA <sup>2)</sup> | EBITA, %  | Operating cash flow |
| Mölnlycke              | 10 854        | 3 161        | 29        | 2 798               | 26        | 2 463               |
| Permobil               | 3 042         | 524          | 17        | 414                 | 14        | 416                 |
| Piab                   | 919           | 253          | 28        | 241                 | 26        | 138                 |
| BraunAbility           | 3 995         | 317          | 8         | 286                 | 7         | 343                 |
| Sarnova                | 3 832         | 445          | 12        | 413                 | 11        | 362                 |
| Laborie                | 1 116         | 73           | 7         | 53                  | 5         | -193                |
| Vectura                | 163           | 105          | 64        | 47                  | 29        | -195                |
| Aleris                 | 8 063         | 373          | 5         | 194                 | 2         | 109                 |
| Grand Group            | 438           | 24           | 5         | -5                  | -1        | -9                  |
| <b>Total</b>           | <b>32 422</b> | <b>5 274</b> | <b>16</b> | <b>4 440</b>        | <b>14</b> | <b>3 435</b>        |
| Reported growth y/y, % | 9             | 8            |           | 7                   |           |                     |
| Organic growth, y/y, % | 4             |              |           |                     |           |                     |

1) This table presents the performance of the major subsidiaries within Patricia Industries. Smaller subsidiaries and internal eliminations not included.

2) EBITA is defined as operating profit before acquisition-related amortizations.

### Patricia Industries, net cash

| SEK m.                        | Q3 2018       | YTD 2018      | YTD 2017      |
|-------------------------------|---------------|---------------|---------------|
| Beginning of period           | 10 429        | 19 368        | 14 389        |
| Net cash flow                 | -304          | -7 659        | 7 222         |
| Internal transfer to Investor | -             | -1 580        | -1 605        |
| Other <sup>1)</sup>           | -122          | -127          | -629          |
| <b>End of period</b>          | <b>10 002</b> | <b>10 002</b> | <b>19 377</b> |

1) Includes currency related effects, net interest and management cost.

### Patricia Industries, reported net asset value

| SEK m.                   | Q3 2018       | YTD 2018      | YTD 2017      |
|--------------------------|---------------|---------------|---------------|
| Beginning of period      | 60 313        | 48 614        | 54 806        |
| Investments              | 443           | 10 839        | 158           |
| Divestments              | -129          | -343          | -1 376        |
| Distributions            | -12           | -2 833        | -6 011        |
| Changes in value         | 574           | 4 913         | 80            |
| <b>End of period</b>     | <b>61 189</b> | <b>61 189</b> | <b>47 656</b> |
| <b>Total, incl. cash</b> | <b>71 191</b> | <b>71 191</b> | <b>67 034</b> |

### Patricia Industries, contribution to reported net asset value

| SEK m.           | Q3 2018    | YTD 2018     | YTD 2017    |
|------------------|------------|--------------|-------------|
| Changes in value | 574        | 4 913        | 80          |
| Management cost  | -59        | -177         | -166        |
| Other items      | -18        | -36          | -35         |
| <b>Total</b>     | <b>497</b> | <b>4 700</b> | <b>-121</b> |

A provider of advanced products for treatment and prevention of wounds and single-use surgical solutions

## Activities during the quarter

- Organic sales growth amounted to 2 percent in constant currency. Wound Care grew by 4 percent and Surgical was flat. Emerging Markets and parts of Europe were key growth drivers, while the U.S. was flat.
- Profitability was negatively impacted by non-cash costs related to a write-down of distribution real estate in Belgium. Adjusted for these costs, the EBITA margin was approximately 2 percentage points higher.
- The roll-out of Mepilex® Border Flex continues, with the product launched in the U.S. and UK during the quarter. The initial market response has been positive.

## Key figures, Mölnlycke

| Income statement items,<br>EUR m.              | 2018             |             | 2017              |             | Last 12<br>months |
|--|------------------|-------------|-------------------|-------------|-------------------|
|  | Q3               | YTD         | Q3                | YTD         |                   |
| Sales  | 351              | 1 060       | 345               | 1 076       | 1 428             |
| Sales growth, %                                | 2                | -1          | -2                | 2           |                   |
| Organic growth, constant<br>currency, %        | 2                | 2           | 1                 | 2           |                   |
| EBITDA   | 99               | 309         | 94                | 292         | 417               |
| EBITDA, %                                      | 28               | 29          | 27                | 27          | 29                |
| EBITA  | 83               | 273         | 78                | 258         | 370               |
| EBITA, %                                       | 24               | 26          | 23                | 24          | 26                |
| <b>Balance sheet items, EUR m.</b>             | <b>9/30 2018</b> |             | <b>12/31 2017</b> |             |                   |
| Net debt                                       | 1 211            |             | 1 084             |             |                   |
| Cash flow items, EUR m.                        | 2018             |             | 2017              |             | Last 12<br>months |
|  | Q3               | YTD         | Q3                | YTD         |                   |
| EBITDA   | 99               | 309         | 94                | 292         |                   |
| Change in working capital                      | 2                | -38         | 10                | -59         |                   |
| Capital expenditures                           | -8               | -30         | -8                | -35         |                   |
| <b>Operating cash flow</b>                     | <b>93</b>        | <b>241</b>  | <b>96</b>         | <b>198</b>  |                   |
| Acquisitions/divestments                       | -19              | -20         | -                 | -6          |                   |
| Shareholder<br>contribution/distribution       | -                | -250        | -450              | -450        |                   |
| Other <sup>1)</sup>                            | -21              | 99          | -8                | -36         |                   |
| <b>Increase(-)/decrease(+) in net<br/>debt</b> | <b>53</b>        | <b>-128</b> | <b>-362</b>       | <b>-295</b> |                   |
| <b>Key ratios</b>                              | <b>9/30 2018</b> |             | <b>9/30 2017</b>  |             |                   |
| Working capital/sales, %                       |                  |             |                   |             | 13                |
| Capital expenditures/sales, %                  |                  |             |                   |             | 3                 |
| Number of employees                            | 7 795            |             | 7 735             |             |                   |

<sup>1)</sup>Includes effects of exchange rate changes, interest and tax.

A provider of advanced mobility and seating rehab solutions

## Activities during the quarter

- Organic sales growth amounted to 1 percent in constant currency, with no major difference between business areas and regions.
- The EBITA margin declined compared to last year, explained by increasing operating expenses, costs related to the CEO transition and an asset disposal loss. Activities are ongoing to address the cost base.
- Permobil acquired a minority stake in Bellpal, a start-up providing a service to predict and alert falls among wheelchair users and other groups with greater risk of fall-related injuries. The service is delivered via a wrist-watch, and Permobil intends to distribute the watch globally.

## Key figures, Permobil

| Income statement items,<br>SEK m.              | 2018             |             | 2017              |            | Last 12<br>months |
|--|------------------|-------------|-------------------|------------|-------------------|
|  | Q3               | YTD         | Q3                | YTD        |                   |
| Sales  | 1 062            | 3 042       | 860               | 2 601      | 4 090             |
| Sales growth, %                                | 24               | 17          | 2                 | 9          |                   |
| Organic growth, constant<br>currency, %        | 1                | 3           | 3                 | 3          |                   |
| EBITDA   | 192              | 524         | 192               | 489        | 727               |
| EBITDA, %                                      | 18               | 17          | 22                | 19         | 18                |
| EBITA  | 156              | 414         | 158               | 389        | 583               |
| EBITA, %                                       | 15               | 14          | 18                | 15         | 14                |
| <b>Balance sheet items, SEK m.</b>             | <b>9/30 2018</b> |             | <b>12/31 2017</b> |            |                   |
| Net debt                                       | 2 621            |             | 2 141             |            |                   |
| Cash flow items, SEK m.                        | 2018             |             | 2017              |            | Last 12<br>months |
|  | Q3               | YTD         | Q3                | YTD        |                   |
| EBITDA   | 192              | 524         | 192               | 489        |                   |
| Change in working capital                      | 11               | -56         | -34               | 23         |                   |
| Capital expenditures                           | -7               | -51         | -13               | -88        |                   |
| <b>Operating cash flow</b>                     | <b>196</b>       | <b>416</b>  | <b>144</b>        | <b>423</b> |                   |
| Acquisitions/divestments                       | -                | -549        | -69               | -69        |                   |
| Shareholder<br>contribution/distribution       | -                | -           | -                 | -          |                   |
| Other <sup>1)</sup>                            | -19              | -348        | 75                | 131        |                   |
| <b>Increase(-)/decrease(+) in net<br/>debt</b> | <b>178</b>       | <b>-480</b> | <b>150</b>        | <b>486</b> |                   |
| <b>Key ratios</b>                              | <b>9/30 2018</b> |             | <b>9/30 2017</b>  |            |                   |
| Working capital/sales, %                       |                  |             |                   |            | 16                |
| Capital expenditures/sales, %                  |                  |             |                   |            | 2                 |
| Number of employees                            | 1 590            |             | 1 390             |            |                   |

<sup>1)</sup>Includes effects of exchange rate changes, interest and tax.





Read more at [www.piab.com](http://www.piab.com) >>

A provider of gripping and moving solutions for automated manufacturing and logistics processes

## Activities during the quarter

- Organic sales growth amounted to 6 percent in constant currency, with all regions contributing to growth.
- Compared to last year, the EBITA margin was impacted by a change in product mix following acquisitions and increased costs for sales and marketing.
- The integration of the previously acquired company Kenos is progressing well with strong sales growth, supported by the launch of a new line of gripping solutions for collaborative robots.

### Key figures, Piab<sup>1)</sup>

| Income statement items,<br>SEK m.              | 2018             |            | 2017              |             | Last 12<br>months         |
|--|------------------|------------|-------------------|-------------|---------------------------|
|  | Q3               | YTD        | Q3                | YTD         |                           |
| Sales  | 312              | 919        | 243               | 735         | 1 212                     |
| Sales growth, %                                | 28               | 25         | 27                | 30          |                           |
| Organic growth, constant<br>currency, %        | 6                | 10         | 17                | 15          |                           |
| EBITDA   | 93               | 253        | 80                | 223         | 319                       |
| EBITDA, %                                      | 30               | 28         | 33                | 30          | 26                        |
| EBITA  | 89               | 241        | 77                | 213         | 304                       |
| EBITA, %                                       | 28               | 26         | 32                | 29          | 25                        |
| <b>Balance sheet items, SEK m.</b>             | <b>9/30 2018</b> |            | <b>12/31 2017</b> |             |                           |
| Net debt                                       | 1 132            |            | 1 525             |             |                           |
| <b>Cash flow items, SEK m.</b>                 | <b>2018</b>      |            | <b>2017</b>       |             |                           |
|  | Q3               | YTD        | Q3                | YTD         |                           |
| EBITDA   | 93               | 253        | 80                | 223         |                           |
| Change in working capital                      | -64              | -93        | -13               | -46         |                           |
| Capital expenditures                           | -7               | -22        | -5                | -15         |                           |
| <b>Operating cash flow</b>                     | <b>22</b>        | <b>138</b> | <b>62</b>         | <b>162</b>  |                           |
| Acquisitions/divestments                       | -                | -96        | -                 | -5          |                           |
| Shareholder<br>contribution/distribution       | -                | 455        | -                 | -375        |                           |
| Other <sup>2)</sup>                            | -31              | -104       | -6                | -57         |                           |
| <b>Increase(-)/decrease(+) in net<br/>debt</b> | <b>-9</b>        | <b>393</b> | <b>56</b>         | <b>-275</b> |                           |
| <b>Key ratios</b>                              |                  |            |                   |             | <b>Last 12<br/>months</b> |
| Working capital/sales, %                       |                  |            |                   |             | 15                        |
| Capital expenditures/sales, %                  |                  |            |                   |             | 3                         |
|  | <b>9/30 2018</b> |            | <b>9/30 2017</b>  |             |                           |
| Number of employees                            | 475              |            | 395               |             |                           |

1) Consolidated as of June 14, 2018. Historic financial figures are reported according to Investor AB policy.

2) Includes effects of exchange rate changes, interest and tax.



Read more at [www.braunability.com](http://www.braunability.com) >>

A manufacturer of wheelchair accessible vehicles and wheelchair lifts

## Activities during the quarter

- Organic sales growth amounted to 3 percent in constant currency.
- The EBITA margin was impacted by a charge related to a voluntary product recall.
- Investments in supply chain optimization initiatives continue.

### Key figures, BraunAbility<sup>1)</sup>

| Income statement items,<br>USD m.              | 2018             |           | 2017              |            | Last 12<br>months         |
|--|------------------|-----------|-------------------|------------|---------------------------|
|  | Q3               | YTD       | Q3                | YTD        |                           |
| Sales  | 167              | 466       | 154               | 395        | 601                       |
| Sales growth, %                                | 9                | 18        | 25                | 17         |                           |
| Organic growth, constant<br>currency, %        | 3                | 14        | 11                | 0          |                           |
| EBITDA   | 11               | 37        | 13                | 27         | 46                        |
| EBITDA, %                                      | 7                | 8         | 8                 | 7          | 8                         |
| EBITA  | 10               | 33        | 11                | 24         | 39                        |
| EBITA, %                                       | 6                | 7         | 7                 | 6          | 7                         |
| <b>Balance sheet items, USD m.</b>             | <b>9/30 2018</b> |           | <b>12/31 2017</b> |            |                           |
| Net debt                                       | 50               |           | 58                |            |                           |
| <b>Cash flow items, USD m.</b>                 | <b>2018</b>      |           | <b>2017</b>       |            |                           |
|  | Q3               | YTD       | Q3                | YTD        |                           |
| EBITDA   | 11               | 37        | 13                | 27         |                           |
| Change in working capital                      | 7                | 6         | 5                 | -6         |                           |
| Capital expenditures                           | -1               | -3        | -1                | -4         |                           |
| <b>Operating cash flow</b>                     | <b>17</b>        | <b>40</b> | <b>17</b>         | <b>17</b>  |                           |
| Acquisitions/divestments                       | -9               | -24       | -                 | -39        |                           |
| Shareholder<br>contribution/distribution       | -                | -         | -                 | -          |                           |
| Other <sup>2)</sup>                            | -3               | -9        | -1                | -3         |                           |
| <b>Increase(-)/decrease(+) in net<br/>debt</b> | <b>5</b>         | <b>8</b>  | <b>16</b>         | <b>-25</b> |                           |
| <b>Key ratios</b>                              |                  |           |                   |            | <b>Last 12<br/>months</b> |
| Working capital/sales, %                       |                  |           |                   |            | 13                        |
| Capital expenditures/sales, %                  |                  |           |                   |            | 1                         |
|  | <b>9/30 2018</b> |           | <b>9/30 2017</b>  |            |                           |
| Number of employees                            | 1 575            |           | 1 335             |            |                           |

1) Restated to align with industry practice. Parts of interest-bearing debt have been reclassified as working capital, reducing net debt and interest expenses, while increasing operating expenses.

2) Includes effects of exchange rate changes, interest and tax.



Read more at [www.sarnova.com](http://www.sarnova.com) >>

A provider of innovative healthcare products to national emergency care providers, hospitals, schools, businesses and federal government agencies

## Activities during the quarter

- Organic sales growth amounted to 6 percent in constant currency, driven by strong growth in the Acute Care segment.
- Profit growth exceeded sales growth.
- Sarnova continues to expand its offering of Curaplex private label products and pre-assembled custom kits with several new product launches in the quarter.
- Sarnova continues to invest in additional sales resources, new products, warehouse optimization and online enhancements, including the recently launched Emergency Preparedness website.

## Key figures, Sarnova<sup>1)</sup>

| Income statement items, USD m.             | 2018             |           | 2017              |           | Last 12 months        |
|--|------------------|-----------|-------------------|-----------|-----------------------|
|  | Q3               | YTD       | Q3                | YTD       |                       |
| Sales                                      | 144              | 447       | 135               | 412       | 589                   |
| Sales growth, %                            | 6                | 8         | 8                 | 9         |                       |
| Organic growth, constant currency, %       | 6                | 8         | 7                 | 8         |                       |
| EBITDA                                     | 16               | 52        | 14                | 45        | 68                    |
| EBITDA, %                                  | 11               | 12        | 10                | 11        | 12                    |
| EBITA                                      | 15               | 48        | 12                | 42        | 64                    |
| EBITA, %                                   | 10               | 11        | 9                 | 10        | 11                    |
| <b>Balance sheet items, USD m.</b>         | <b>9/30 2018</b> |           | <b>12/31 2017</b> |           |                       |
| Net debt                                   | 305              |           | 328               |           |                       |
| Cash flow items, USD m.                    | 2018             |           | 2017              |           | Last 12 months        |
|  | Q3               | YTD       | Q3                | YTD       |                       |
| EBITDA                                     | 16               | 52        | 14                | 45        |                       |
| Change in working capital                  | 0                | -7        | -4                | -9        |                       |
| Capital expenditures                       | -1               | -3        | 0                 | -13       |                       |
| <b>Operating cash flow</b>                 | <b>15</b>        | <b>42</b> | <b>10</b>         | <b>23</b> |                       |
| Acquisitions/divestments                   | -                | -         | -                 | -         |                       |
| Shareholder contribution/distribution      | -                | -         | -                 | -         |                       |
| Other <sup>2)</sup>                        | -5               | -19       | -10               | -29       |                       |
| <b>Increase(-)/decrease(+) in net debt</b> | <b>9</b>         | <b>23</b> | <b>0</b>          | <b>-6</b> |                       |
| <b>Key ratios</b>                          |                  |           |                   |           | <b>Last 12 months</b> |
| Working capital/sales, %                   |                  |           |                   |           | 16                    |
| Capital expenditures/sales, %              |                  |           |                   |           | 1                     |
|  | <b>9/30 2018</b> |           | <b>9/30 2017</b>  |           |                       |
| Number of employees                        | 605              |           | 595               |           |                       |

1) Consolidated as of April 4, 2018. Historic financial figures are reported according to Investor AB policy.

2) Includes effects of exchange rate changes, interest and tax.



Read more at [www.laborie.com](http://www.laborie.com) >>

A provider of innovative capital equipment and consumables for the diagnosis and treatment of urologic and gastrointestinal (GI) disorders

## Activities during the quarter

- Organic sales growth amounted to 15 percent in constant currency. Growth was driven by strong performance in the urologic business.
- Profitability improved. Laborie continues to focus on the integration of the recently acquired Cogentix Medical and the restructuring of Laborie's European business.

## Key figures, Laborie

| Income statement items, USD m.             | 2018             |             | 2017              |           | Last 12 months        |
|--|------------------|-------------|-------------------|-----------|-----------------------|
|  | Q3               | YTD         | Q3                | YTD       |                       |
| Sales                                      | 50               | 130         | 32                | 98        | 166                   |
| Sales growth, %                            | 56               | 32          | 8                 | 7         |                       |
| Organic growth, constant currency, %       | 15               | 7           | 3                 | 4         |                       |
| EBITDA                                     | 13               | 9           | 7                 | 22        | 15                    |
| EBITDA, %                                  | 26               | 7           | 22                | 23        | 9                     |
| EBITA                                      | 12               | 6           | 6                 | 21        | 12                    |
| EBITA, %                                   | 24               | 5           | 20                | 21        | 7                     |
| <b>Balance sheet items, USD m.</b>         | <b>9/30 2018</b> |             | <b>12/31 2017</b> |           |                       |
| Net debt                                   | 272              |             | 57                |           |                       |
| Cash flow items, USD m.                    | 2018             |             | 2017              |           | Last 12 months        |
|  | Q3               | YTD         | Q3                | YTD       |                       |
| EBITDA                                     | 13               | 9           | 7                 | 22        |                       |
| Change in working capital                  | -8               | -22         | -1                | -1        |                       |
| Capital expenditures                       | -4               | -9          | -2                | -3        |                       |
| <b>Operating cash flow</b>                 | <b>1</b>         | <b>-22</b>  | <b>5</b>          | <b>17</b> |                       |
| Acquisitions/divestments                   | -                | -207        | -                 | -5        |                       |
| Shareholder contribution/distribution      | -                | 25          | -                 | -         |                       |
| Other <sup>1)</sup>                        | -6               | -11         | 0                 | -5        |                       |
| <b>Increase(-)/decrease(+) in net debt</b> | <b>-5</b>        | <b>-215</b> | <b>5</b>          | <b>7</b>  |                       |
| <b>Key ratios</b>                          |                  |             |                   |           | <b>Last 12 months</b> |
| Working capital/sales, %                   |                  |             |                   |           | 7                     |
| Capital expenditures/sales, %              |                  |             |                   |           | 8                     |
|  | <b>9/30 2018</b> |             | <b>9/30 2017</b>  |           |                       |
| Number of employees                        | 640              |             | 475               |           |                       |

1) Includes effects of exchange rate changes, interest and tax.



Read more at [www.vecturafastigheter.se](http://www.vecturafastigheter.se) >>

Develops and manages real estate in community service, office and hotel

## Activities during the quarter

- Sales growth amounted to 14 percent, partly driven by the elderly care facility in Sundbyberg that was opened in March 2018.
- The EBITA margin increased due to growth in rental income and leverage on the cost base.
- Vectura was awarded a land allocation by the city of Stockholm for the development of an office building with a life-science profile in Hagastaden. The building will be 25,000 square meters and is expected to be opened in 2024. Vectura initiated construction of an elderly care and elderly housing facility in Sigtuna, to be operated by Aleris.

## Key figures, Vectura

| Income statement items, SEK m.             | 2018             |             | 2017              |             | Last 12 months |
|--|------------------|-------------|-------------------|-------------|----------------|
|  | Q3               | YTD         | Q3                | YTD         |                |
| Sales                                      | 64               | 163         | 56                | 154         | 216            |
| Sales growth, %                            | 14               | 6           | 9                 | 14          |                |
| EBITDA                                     | 46               | 105         | 39                | 102         | 137            |
| EBITDA, %                                  | 72               | 64          | 69                | 66          | 63             |
| EBITA adjusted <sup>1)</sup>               | 28               | 47          | 19                | 42          | 53             |
| EBITA adjusted, %                          | 43               | 29          | 34                | 27          | 25             |
| EBITA                                      | 18               | 18          | 13                | 25          | 18             |
| EBITA, %                                   | 28               | 11          | 24                | 16          | 9              |
| <b>Balance sheet items, SEK m.</b>         | <b>9/30 2018</b> |             | <b>12/31 2017</b> |             |                |
| Net debt                                   | 2 013            |             | 1 809             |             |                |
| Cash flow items, SEK m.                    | 2018             |             | 2017              |             | Last 12 months |
|  | Q3               | YTD         | Q3                | YTD         |                |
| EBITDA                                     | 46               | 105         | 39                | 102         |                |
| Change in working capital                  | 41               | 24          | 37                | 57          |                |
| Capital expenditures                       | -98              | -325        | -180              | -342        |                |
| <b>Operating cash flow</b>                 | <b>-10</b>       | <b>-195</b> | <b>-105</b>       | <b>-183</b> |                |
| Acquisitions/divestments                   | -                | 0           | -1                | -1          |                |
| Shareholder contribution/distribution      | -                | -           | -                 | -           |                |
| Other <sup>2)</sup>                        | -4               | -9          | -1                | -16         |                |
| <b>Increase(-)/decrease(+) in net debt</b> | <b>-14</b>       | <b>-204</b> | <b>-106</b>       | <b>-200</b> |                |
|  | <b>9/30 2018</b> |             | <b>9/30 2017</b>  |             |                |
| Number of employees                        | 21               |             | 17                |             |                |

1)EBITA adjusted for depreciation of surplus values related to properties.

2)Includes effects of interest and tax.



Read more at [www.aleris.se](http://www.aleris.se) >>

A provider of healthcare and care services in Scandinavia

## Activities during the quarter

- Organic sales growth amounted to 1 percent in constant currency.
- Profitability continued to improve in Care. Margins in Healthcare declined, primarily as a result of continued investments in the digital platform Doktor 24 and certain underperforming units, mainly in Sweden.
- Within Healthcare, as part of the ongoing restructuring initiatives, Aleris has decided to focus its offering in Stockholm through closure and consolidation of certain units.
- Within Care, Aleris opened its first LSS home in Sweden.
- After the end of the quarter, Aleris signed an agreement to divest its Care segment to Ambea. Care reported sales of SEK 5,081 m. for the 12-month period ending September 30, 2018. Reported EBITDA and EBITA, including restructuring costs, amounted to SEK 163 m. and SEK 127 m. respectively. The transaction is subject to approval by the competition authorities and is expected to close in the second quarter 2019 at the latest. Upon closing, Aleris plans to reduce net debt by approximately SEK 2,650 m.
- Following the divestiture, Aleris will be a pure healthcare services provider. For the 12-month period ending September 30, 2018, reported sales within Healthcare amounted to SEK 5,712 m. Reported EBITDA and EBITA, including restructuring costs, amounted to SEK 245 m. and SEK 29 m. respectively. Going forward, focus will be on turning Healthcare Sweden around, developing the digital platform Doktor24, as well as adapting and managing the new contracts with lower prices for radiology services in Stockholm that will come into effect during the first quarter 2019.

## Key figures, Aleris

| Income statement items, SEK m.             | 2018             |             | 2017              |            | Last 12 months        |
|--|------------------|-------------|-------------------|------------|-----------------------|
|  | Q3               | YTD         | Q3                | YTD        |                       |
| Sales                                      | 2 545            | 8 063       | 2 408             | 7 715      | 10 793                |
| Sales growth, %                            | 6                | 5           | 2                 | 7          |                       |
| Organic growth, constant currency, %       | 1                | 2           | 1                 | 1          |                       |
| EBITDA                                     | 102              | 373         | 136               | 437        | 408                   |
| EBITDA, %                                  | 4                | 5           | 6                 | 6          | 4                     |
| EBITA                                      | 40               | 194         | 77                | 253        | 156                   |
| EBITA, %                                   | 2                | 2           | 3                 | 3          | 1                     |
| <b>Balance sheet items, SEK m.</b>         | <b>9/30 2018</b> |             | <b>12/31 2017</b> |            |                       |
| Net debt                                   | 2 791            |             | 2 597             |            |                       |
| Cash flow items, SEK m.                    | 2018             |             | 2017              |            | Last 12 months        |
|  | Q3               | YTD         | Q3                | YTD        |                       |
| EBITDA                                     | 102              | 373         | 136               | 437        |                       |
| Change in working capital                  | -96              | -42         | -142              | -131       |                       |
| Capital expenditures                       | -84              | -221        | -50               | -173       |                       |
| <b>Operating cash flow</b>                 | <b>-79</b>       | <b>109</b>  | <b>-56</b>        | <b>132</b> |                       |
| Acquisitions/divestments                   | -                | -18         | -20               | -56        |                       |
| Shareholder contribution/distribution      | -                | -           | -                 | -          |                       |
| Other <sup>1)</sup>                        | 3                | -285        | -65               | -136       |                       |
| <b>Increase(-)/decrease(+) in net debt</b> | <b>-76</b>       | <b>-194</b> | <b>-141</b>       | <b>-60</b> |                       |
| <b>Key ratios</b>                          |                  |             |                   |            | <b>Last 12 months</b> |
| Working capital/sales, %                   |                  |             |                   |            | -2                    |
| Capital expenditures/sales, %              |                  |             |                   |            | 2                     |
|  | <b>9/30 2018</b> |             | <b>9/30 2017</b>  |            |                       |
| Number of employees                        | 8 450            |             | 8 765             |            |                       |

1)Includes effects of exchange rate changes, interest and tax.

The Grand Group offers Lodging, Food & Beverage as well as Conference & Banqueting, and consists of Scandinavia's leading hotels Grand Hôtel and Lydmar Hotel

## Activities during the quarter

- Underlying sales growth amounted to 3 percent, mainly driven by Grand Hôtel lodging. Reported growth of -7 percent was impacted by a change in the accounting for commissions from online bookings and from a one-time payment from the real estate owner Vectura last year.
- The EBITA margin declined, mainly due to the one-time payment which positively impacted results last year. Depreciation levels increased following the investments in Vinterträdgården and room renovations.
- After the end of the quarter, the Grand Group closed the acquisition of Hotel Drottning Kristina, which will undergo renovations and be re-opened under a new name in 2019.

## Key figures, Grand Group

| Income statement items,<br>SEK m.          | 2018             |            | 2017              |            | Last 12<br>months         |
|--|------------------|------------|-------------------|------------|---------------------------|
|  | Q3               | YTD        | Q3                | YTD        |                           |
| Sales                                      | 173              | 438        | 187               | 476        | 608                       |
| Sales growth, %                            | -7               | -8         | 2                 | 2          |                           |
| EBITDA                                     | 22               | 24         | 35                | 42         | 37                        |
| EBITDA, %                                  | 13               | 5          | 19                | 9          | 6                         |
| EBITA                                      | 12               | -5         | 28                | 22         | -3                        |
| EBITA, %                                   | 7                | -1         | 15                | 5          | 0                         |
| <b>Balance sheet items, SEK m.</b>         | <b>9/30 2018</b> |            | <b>12/31 2017</b> |            |                           |
| Net debt                                   | -28              |            | -42               |            |                           |
| Cash flow items, SEK m.                    | 2018             |            | 2017              |            | Last 12<br>months         |
|  | Q3               | YTD        | Q3                | YTD        |                           |
| EBITDA                                     | 22               | 24         | 35                | 42         |                           |
| Change in working capital                  | -10              | 15         | 18                | 10         |                           |
| Capital expenditures                       | -12              | -48        | -28               | -61        |                           |
| <b>Operating cash flow</b>                 | <b>0</b>         | <b>-9</b>  | <b>25</b>         | <b>-9</b>  |                           |
| Acquisitions/divestments                   | -                | -          | -                 | -          |                           |
| Shareholder contribution/distribution      | -                | -          | -                 | -          |                           |
| Other <sup>1)</sup>                        | -2               | -5         | -2                | -1         |                           |
| <b>Increase(-)/decrease(+) in net debt</b> | <b>-2</b>        | <b>-14</b> | <b>23</b>         | <b>-10</b> |                           |
| <b>Key ratios</b>                          |                  |            |                   |            | <b>Last 12<br/>months</b> |
| Working capital/sales, %                   |                  |            |                   |            | -6                        |
| Capital expenditures/sales, %              |                  |            |                   |            | 12                        |
|  | <b>9/30 2018</b> |            | <b>9/30 2017</b>  |            |                           |
| Number of employees                        | 345              |            | 355               |            |                           |

1)Includes effects of interest and tax.

A provider of mobile voice and broadband services in Sweden and Denmark

## Activities during the quarter

- The subscription base increased by 15,000 during the quarter, primarily driven by continued strong momentum for the Hallon and Oister brands.
- Service revenue increased by 1 percent compared to the same period last year, supported by appreciation of the DKK.
- EBITDA was positively impacted by the change in accounting principles stipulated by IFRS 15. Excluding this change, EBITDA decreased by 1 percent compared to the same period last year, negatively impacted by the VAT ruling in Denmark.
- Apple XS and Apple XS Max were successfully launched in September. In Denmark, Three has introduced completely new products from the fastest-growing smartphone brand Xiaomi.

## Key figures, 3 Scandinavia

| Income statement items                 | 2018             |       | 2017 <sup>1)</sup> |       | Last 12<br>months         |
|--|------------------|-------|--------------------|-------|---------------------------|
|  | Q3               | YTD   | Q3                 | YTD   |                           |
| Sales, SEK m.                          | 2 744            | 8 126 | 2 795              | 8 410 | 11 161                    |
| Sweden, SEK m.                         | 1 779            | 5 398 | 1 880              | 5 695 | 7 426                     |
| Denmark, DKK m.                        | 691              | 1 988 | 713                | 2 109 | 2 744                     |
| Service revenue <sup>2)</sup> , SEK m. | 1 687            | 4 974 | 1 685              | 5 071 | 6 626                     |
| Sweden, SEK m.                         | 1 073            | 3 202 | 1 118              | 3 338 | 4 283                     |
| Denmark, DKK m.                        | 439              | 1 291 | 443                | 1 345 | 1 723                     |
| EBITDA, SEK m.                         | 852              | 2 512 | 783                | 2 439 | 2 712                     |
| Sweden, SEK m.                         | 603              | 1 828 | 568                | 1 756 | 2 352                     |
| Denmark, DKK m.                        | 178              | 497   | 168                | 530   | 258                       |
| EBITDA, %                              | 31               | 31    | 28                 | 29    | 24                        |
| Sweden                                 | 34               | 34    | 30                 | 31    | 32                        |
| Denmark                                | 26               | 25    | 24                 | 25    | 9                         |
| <b>Balance sheet items, SEK m.</b>     | <b>9/30 2018</b> |       | <b>12/31 2017</b>  |       |                           |
| Net debt                               | 3 193            |       | 4 101              |       |                           |
|  | <b>9/30 2018</b> |       | <b>9/30 2017</b>   |       |                           |
| Number of employees                    | 1 955            |       | 2 050              |       |                           |
| <b>Key ratios</b>                      |                  |       |                    |       | <b>Last 12<br/>months</b> |
| Capital expenditures/sales, %          |                  |       |                    |       | 12                        |
| <b>Other key figures</b>               | <b>9/30 2018</b> |       | <b>9/30 2017</b>   |       |                           |
| Subscriptions                          | 3 370 000        |       | 3 304 000          |       |                           |
| Sweden                                 | 2 020 000        |       | 2 003 000          |       |                           |
| Denmark                                | 1 350 000        |       | 1 301 000          |       |                           |
| Postpaid/prepaid ratio                 | 70/30            |       | 74/26              |       |                           |

1)Not restated according to IFRS 15.

2)Mobile service revenue excluding interconnect revenue.

## Financial Investments

Financial Investments consists of investments in which the investment horizon has not yet been defined. Our objective is to maximize the value and use realized proceeds for investments in existing and new subsidiaries. However, some holdings could become long-term investments.

### Activities during the quarter

A follow-on investment of SEK 109 m. was made in Atlas Antibodies. The holding in Mattersight was fully exited.

#### Change in net asset value, Financial Investments

| SEK m.                                | Q3 2018      | YTD 2018     | YTD 2017     |
|---------------------------------------|--------------|--------------|--------------|
| Net asset value, beginning of period  | 8 029        | 7 164        | 10 024       |
| Investments                           | 119          | 213          | 158          |
| Divestments/distributions             | -139         | -353         | -1 384       |
| Changes in value                      | -49          | 935          | -1 508       |
| <b>Net asset value, end of period</b> | <b>7 959</b> | <b>7 959</b> | <b>7 289</b> |

As of September 30, 2018, European, U.S. and Asian holdings represented 22, 55, and 23 percent of the total value of the Financial Investments, respectively.

30 percent of the net asset value of the Financial Investments is represented by investments in publicly listed companies.

#### Five largest Financial investments, September 30, 2018

| Company          | Region | Business   | Listed/unlisted | Reported value SEK m. |
|------------------|--------|------------|-----------------|-----------------------|
| NS Focus         | Asia   | IT         | Listed          | 1 599                 |
| Madrague         | Europe | Hedge fund | Unlisted        | 833                   |
| Neuronetics      | U.S    | Healthcare | Listed          | 509                   |
| Acquia           | U.S.   | IT         | Unlisted        | 422                   |
| Atlas Antibodies | Europe | Healthcare | Unlisted        | 382                   |
| <b>Total</b>     |        |            |                 | <b>3 745</b>          |

The five largest investments represented 47 percent of the total value of the Financial Investments.

#### Patricia Industries – key figures overview<sup>1)</sup>

|                                   | Q3<br>2018 | Q2<br>2018 | Q1<br>2018 | FY<br>2017 | Q4<br>2017 | Q3<br>2017 | Q2<br>2017 | Q1<br>2017 | FY<br>2016 | Q4<br>2016 | Q3<br>2016 |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Mölnlycke (EUR m.)</b>         |            |            |            |            |            |            |            |            |            |            |            |
| Sales                             | 351        | 359        | 350        | 1 443      | 368        | 345        | 365        | 366        | 1 429      | 372        | 350        |
| EBITDA                            | 99         | 108        | 101        | 400        | 109        | 94         | 100        | 98         | 428        | 111        | 109        |
| EBITDA, %                         | 28         | 30         | 29         | 28         | 30         | 27         | 27         | 27         | 30         | 30         | 31         |
| EBITA <sup>2)</sup>               | 83         | 99         | 92         | 355        | 97         | 78         | 90         | 89         | 392        | 101        | 100        |
| EBITA, %                          | 24         | 28         | 26         | 25         | 26         | 23         | 25         | 24         | 27         | 27         | 29         |
| Net debt                          | 1 211      | 1 264      | 1 073      | 1 084      | 1 084      | 1 204      | 841        | 891        | 909        | 909        | 712        |
| Employees                         | 7 795      | 7 715      | 7 650      | 7 570      | 7 570      | 7 735      | 7 740      | 7 475      | 7 505      | 7 505      | 7 485      |
| <b>Permobil (SEK m.)</b>          |            |            |            |            |            |            |            |            |            |            |            |
| Sales                             | 1 062      | 1 065      | 915        | 3 649      | 1 048      | 860        | 905        | 837        | 3 335      | 939        | 844        |
| EBITDA                            | 192        | 202        | 129        | 692        | 203        | 192        | 160        | 137        | 682        | 206        | 176        |
| EBITDA, %                         | 18         | 19         | 14         | 19         | 19         | 22         | 18         | 16         | 20         | 22         | 21         |
| EBITA <sup>2)</sup>               | 156        | 165        | 93         | 558        | 169        | 158        | 126        | 105        | 552        | 172        | 144        |
| EBITA, %                          | 15         | 15         | 10         | 15         | 16         | 18         | 14         | 13         | 17         | 18         | 17         |
| Net debt                          | 2 621      | 2 799      | 2 682      | 2 141      | 2 141      | 2 015      | 2 166      | 2 384      | 2 501      | 2 501      | 2 364      |
| Employees                         | 1 590      | 1 700      | 1 660      | 1 620      | 1 620      | 1 390      | 1 375      | 1 355      | 1 375      | 1 375      | 1 375      |
| <b>Piab<sup>3)</sup> (SEK m.)</b> |            |            |            |            |            |            |            |            |            |            |            |
| Sales                             | 312        | 309        | 299        | 1 028      | 293        | 243        | 251        | 241        |            |            |            |
| EBITDA                            | 93         | 83         | 78         | 289        | 66         | 80         | 75         | 68         |            |            |            |
| EBITDA, %                         | 30         | 27         | 26         | 28         | 22         | 33         | 30         | 28         |            |            |            |
| EBITA <sup>2)</sup>               | 89         | 79         | 74         | 275        | 62         | 77         | 72         | 65         |            |            |            |
| EBITA, %                          | 28         | 26         | 25         | 27         | 21         | 32         | 29         | 27         |            |            |            |
| Net debt                          | 1 132      | 1 123      | 1 640      | 1 525      | 1 525      | 1 451      | 1 507      | 1 197      |            |            |            |
| Employees                         | 475        | 475        | 460        | 425        | 425        | 395        | 385        | 370        |            |            |            |
| <b>BraunAbility (USD m.)</b>      |            |            |            |            |            |            |            |            |            |            |            |
| Sales                             | 167        | 168        | 131        | 531        | 135        | 154        | 132        | 110        | 454        | 116        | 123        |
| EBITDA                            | 11         | 16         | 10         | 36         | 9          | 13         | 9          | 5          | 40         | 9          | 12         |
| EBITDA, %                         | 7          | 9          | 7          | 7          | 7          | 8          | 7          | 4          | 9          | 7          | 9          |
| EBITA <sup>2)</sup>               | 10         | 15         | 9          | 29         | 6          | 11         | 8          | 4          | 36         | 8          | 10         |
| EBITA, %                          | 6          | 9          | 7          | 6          | 4          | 7          | 6          | 3          | 8          | 7          | 8          |
| Net debt                          | 50         | 55         | 68         | 58         | 58         | 66         | 82         | 84         | 42         | 42         | 76         |
| Employees                         | 1 575      | 1 530      | 1 295      | 1 310      | 1 310      | 1 335      | 1 320      | 1 300      | 1 075      | 1 075      | 1 075      |

|                                       | Q3<br>2018 | Q2<br>2018 | Q1<br>2018 | FY<br>2017 | Q4<br>2017 | Q3<br>2017 | Q2<br>2017 | Q1<br>2017 | FY<br>2016 | Q4<br>2016 | Q3<br>2016 |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Sarnova<sup>4)</sup> (USD m.)</b>  |            |            |            |            |            |            |            |            |            |            |            |
| Sales                                 | 144        | 148        | 155        | 555        | 142        | 135        | 137        | 140        |            |            |            |
| EBITDA                                | 16         | 18         | 18         | 61         | 16         | 14         | 15         | 17         |            |            |            |
| EBITDA, %                             | 11         | 12         | 12         | 11         | 11         | 10         | 11         | 12         |            |            |            |
| EBITA <sup>2)</sup>                   | 15         | 16         | 18         | 59         | 15         | 12         | 14         | 16         |            |            |            |
| EBITA, %                              | 10         | 11         | 11         | 11         | 11         | 9          | 11         | 11         |            |            |            |
| Net debt                              | 305        | 314        | 316        | 328        | 328        | 327        | 326        | 326        |            |            |            |
| Employees                             | 605        | 605        | 675        | 605        | 605        | 595        | 605        | 590        |            |            |            |
| <b>Laborie (USD m.)</b>               |            |            |            |            |            |            |            |            |            |            |            |
| Sales                                 | 50         | 47         | 33         | 134        | 36         | 32         | 32         | 34         | 123        | 31         | 30         |
| EBITDA                                | 13         | -4         | 0          | 29         | 7          | 7          | 9          | 7          | 23         | 5          | 6          |
| EBITDA, %                             | 26         | -9         | 0          | 22         | 19         | 22         | 27         | 19         | 19         | 14         | 20         |
| EBITA <sup>2)</sup>                   | 12         | -5         | -1         | 26         | 6          | 6          | 8          | 6          | 20         | 4          | 5          |
| EBITA, %                              | 24         | -11        | -2         | 19         | 16         | 20         | 25         | 18         | 17         | 12         | 18         |
| Net debt                              | 272        | 267        | 67         | 57         | 57         | 60         | 65         | 68         | 67         | 67         | -42        |
| Employees                             | 640        | 675        | 495        | 470        | 470        | 475        | 440        | 435        | 425        | 425        | 410        |
| <b>Vectura (SEK m.)</b>               |            |            |            |            |            |            |            |            |            |            |            |
| Sales                                 | 64         | 56         | 44         | 208        | 53         | 56         | 54         | 45         | 184        | 49         | 51         |
| EBITDA                                | 46         | 36         | 23         | 134        | 32         | 39         | 39         | 25         | 115        | 30         | 35         |
| EBITDA, %                             | 72         | 66         | 52         | 65         | 60         | 69         | 72         | 55         | 62         | 60         | 68         |
| EBITA <sup>2)</sup>                   | 18         | 8          | -7         | 25         | 0          | 13         | 11         | 0          | 10         | 2          | 8          |
| EBITA, %                              | 28         | 14         | -16        | 12         | 0          | 24         | 21         | 1          | 5          | 4          | 17         |
| Net debt                              | 2 013      | 1 999      | 1 917      | 1 809      | 1 809      | 1 656      | 1 549      | 1 496      | 1 456      | 1 456      | 1 422      |
| Employees                             | 21         | 22         | 18         | 17         | 17         | 17         | 19         | 18         | 16         | 16         | 17         |
| <b>Aleris (SEK m.)</b>                |            |            |            |            |            |            |            |            |            |            |            |
| Sales                                 | 2 545      | 2 787      | 2 730      | 10 445     | 2 730      | 2 408      | 2 643      | 2 664      | 9 896      | 2 662      | 2 355      |
| EBITDA                                | 102        | 140        | 131        | 472        | 36         | 136        | 149        | 155        | 494        | 122        | 96         |
| EBITDA, %                             | 4          | 5          | 5          | 5          | 1          | 6          | 6          | 6          | 5          | 5          | 4          |
| EBITA <sup>2)</sup>                   | 40         | 81         | 73         | 215        | -38        | 77         | 85         | 91         | 288        | 63         | 39         |
| EBITA, %                              | 2          | 3          | 3          | 2          | -1         | 3          | 3          | 3          | 3          | 2          | 2          |
| Net debt                              | 2 791      | 2 715      | 2 694      | 2 597      | 2 597      | 2 644      | 2 503      | 2 611      | 2 584      | 2 584      | 2 739      |
| Employees                             | 8 450      | 8 370      | 8 390      | 8 665      | 8 665      | 8 765      | 8 755      | 8 915      | 8 690      | 8 690      | 8 585      |
| <b>Grand Group (SEK m.)</b>           |            |            |            |            |            |            |            |            |            |            |            |
| Sales                                 | 173        | 163        | 102        | 646        | 170        | 187        | 170        | 120        | 635        | 168        | 183        |
| EBITDA                                | 22         | 15         | -13        | 55         | 13         | 35         | 15         | -7         | 51         | 10         | 26         |
| EBITDA, %                             | 13         | 9          | -13        | 9          | 8          | 19         | 9          | -6         | 8          | 6          | 14         |
| EBITA <sup>2)</sup>                   | 12         | 6          | -23        | 24         | 2          | 28         | 8          | -14        | 24         | 2          | 20         |
| EBITA, %                              | 7          | 3          | -23        | 4          | 1          | 15         | 5          | -12        | 4          | 1          | 11         |
| Net debt                              | -28        | -30        | -14        | -42        | -42        | -79        | -56        | -65        | -89        | -89        | -126       |
| Employees                             | 345        | 345        | 305        | 355        | 355        | 355        | 350        | 330        | 360        | 360        | 360        |
| <b>3 Scandinavia</b>                  |            |            |            |            |            |            |            |            |            |            |            |
| Sales                                 | 2 744      | 2 720      | 2 662      | 11 444     | 3 035      | 2 795      | 2 804      | 2 811      | 11 480     | 2 933      | 2 714      |
| Sweden, SEK m.                        | 1 779      | 1 819      | 1 800      | 7 723      | 2 028      | 1 880      | 1 930      | 1 885      | 7 374      | 1 915      | 1 816      |
| Denmark, DKK m.                       | 691        | 651        | 647        | 2 865      | 756        | 713        | 672        | 724        | 3 242      | 783        | 703        |
| EBITDA                                | 852        | 838        | 822        | 2 639      | 200        | 783        | 831        | 825        | 3 063      | 821        | 810        |
| Sweden, SEK m.                        | 603        | 601        | 625        | 2 280      | 524        | 568        | 584        | 604        | 2 255      | 580        | 591        |
| Denmark, DKK m.                       | 178        | 171        | 147        | 292        | -239       | 168        | 190        | 172        | 633        | 185        | 171        |
| EBITDA, %                             | 31         | 31         | 31         | 23         | 7          | 28         | 30         | 29         | 27         | 28         | 30         |
| Sweden                                | 34         | 33         | 35         | 30         | 26         | 30         | 30         | 32         | 31         | 30         | 33         |
| Denmark                               | 26         | 26         | 23         | 10         | -32        | 24         | 28         | 24         | 20         | 24         | 24         |
| Net debt, SEK m.                      | 3 193      | 3 862      | 4 341      | 4 101      | 4 101      | 3 803      | 4 452      | 729        | 1 372      | 1 372      | 1 101      |
| Employees                             | 1 955      | 1 960      | 1 980      | 2 070      | 2 070      | 2 050      | 2 075      | 2 105      | 2 160      | 2 160      | 2 060      |
| <b>Financial Investments (SEK m.)</b> |            |            |            |            |            |            |            |            |            |            |            |
| Net asset value, beginning of period  | 8 029      | 7 608      | 7 164      | 10 024     | 7 289      | 7 900      | 9 219      | 10 024     | 12 850     | 10 293     | 10 717     |
| Investments                           | 119        | 50         | 44         | 397        | 239        | 57         | 59         | 41         | 611        | 155        | 146        |
| Divestments/distribution              | -139       | -71        | -143       | -1 736     | -352       | -584       | -500       | -299       | -2 368     | -447       | -546       |
| Changes in value                      | -49        | 441        | 543        | -1 519     | -12        | -84        | -877       | -546       | -1 070     | 21         | -23        |
| Net asset value, end of period        | 7 959      | 8 029      | 7 608      | 7 164      | 7 164      | 7 289      | 7 900      | 9 219      | 10 24      | 10 024     | 10 293     |

1)For information regarding Alternative Performance Measures in the table, see page 18. Definitions can be found on Investor's website.

2)EBITA is defined as operating profit before acquisition-related amortizations.

3)Consolidated as of June 14, 2018. Historic financial figures are reported according to Investor AB policy.

4)Consolidated as of April 4, 2018. Historic financial figures are reported according to Investor AB policy.



Our investments in EQT contributed to the net asset value with SEK 2,358 m. during the nine-month period 2018 (1,774), of which SEK -691 m. during the third quarter (205).

Read more at [www.eqt.se](http://www.eqt.se) >>

An investment firm with portfolio companies in Europe, Asia and the U.S.

## Activities during the quarter

- Net cash flow to Investor amounted to SEK 338 m.
- In constant currency, the value change of Investor's investments in EQT was -2 percent. The reported value change was -4 percent.
- Investor's total outstanding commitments to EQT funds amounted to SEK 14.5 bn. as of September 30, 2018 (16.6).
- EQT communicated that it has initiated a review of various options of how to develop EQT into an even more global, long-term sustainable business, including options to further strengthen its balance sheet.
- EQT VI divested Sportradar.
- EQT VIII acquired SUSE and Saxo Payments Banking Circle.
- EQT Infrastructure acquired SAUR Group and divested Tampnet.
- EQT Mid Market Asia invested in China Shine.
- EQT Real Estate acquired Allee Center in Germany.

## Change in net asset value, EQT

| SEK m.  | Q3 2018       | YTD 2018      | YTD 2017      |
|---|---------------|---------------|---------------|
| Net asset value, beginning of period                          | 19 406        | 16 165        | 13 996        |
| Contribution to net asset value (value change)                | -691          | 2 358         | 1 774         |
| Drawdowns (investments, management, fees and management cost) | 1 076         | 2 560         | 1 632         |
| Proceeds to Investor (divestitures, fee surplus and carry)    | -1 414        | -2 706        | -3 421        |
| <b>Net asset value, end of period</b>                         | <b>18 377</b> | <b>18 377</b> | <b>13 981</b> |

## Investor's investments in EQT, September 30, 2018

|                                    | Fund size<br>EUR m. | Investor's<br>share (%) | Investor's<br>remaining<br>commitment<br>SEK m. | Reported<br>value<br>SEK m. |
|------------------------------------|---------------------|-------------------------|---|-----------------------------|
| Fully invested funds <sup>1)</sup> | 20 344              |                         | 1 747   | 10 947                      |
| EQT VII                            | 6 817               | 5                       | 1 358   | 2 747                       |
| EQT VIII                           | 10 750              | 5                       | 5 647   |                             |
| EQT Infrastructure III             | 4 000               | 5                       | 1 211   | 1 119                       |
| EQT Credit Opportunities III       | 1 272               | 10                      | 1 135   | 148                         |
| EQT Ventures <sup>2)</sup>         | 461                 | 11                      | 271   | 347                         |
| EQT Midmarket Asia III             | 630                 | 27                      | 1 363   | 494                         |
| EQT Midmarket US                   | 616                 | 30                      | 377   | 1 444                       |
| EQT Midmarket Europe               | 1 616               | 9                       | 1 043   | 530                         |
| EQT Real Estate I                  | 420                 | 16                      | 320   | 374                         |
| EQT new funds                      |                     |                         |   |                             |
| EQT AB                             |                     | 19                      |   | 227                         |
| <b>Total</b>                       | <b>46 925</b>       |                         | <b>14 473</b>                                   | <b>18 377</b>               |

1) EQT V, EQT VI, EQT Expansion Capital I and II, EQT Greater China II, EQT Infrastructure I and II, EQT Credit Fund I and II, EQT Mid Market.

2) Fund commitment excluding the EQT Ventures Co-Investment Schemes and the EQT Ventures Mentor Funds.

## Investor's investments in EQT, key figures overview

|                                    | Q3         | Q2          | Q1         | FY         | Q4          | Q3         | Q2         | Q1         | FY           | Q4          | Q3         |
|------------------------------------|------------|-------------|------------|------------|-------------|------------|------------|------------|--------------|-------------|------------|
| SEK m.                             | 2018       | 2018        | 2018       | 2017       | 2017        | 2017       | 2017       | 2017       | 2016         | 2016        | 2016       |
| Reported value                     | 18 377     | 19 406      | 16 794     | 16 165     | 16 165      | 13 891     | 14 116     | 13 956     | 13 996       | 13 996      | 13 300     |
| Reported value change, %           | -4         | 11          | 7          | 22         | 10          | 1          | 6          | 5          | 15           | 4           | 2          |
| Value change, constant currency, % | -2         | 9           | 3          | 21         | 7           | 3          | 6          | 5          | 10           | 4           | 0          |
| Drawdowns from Investor            | 1 076      | 1 088       | 396        | 3 781      | 2 149       | 872        | 414        | 345        | 2 864        | 976         | 942        |
| Proceeds to Investor               | 1 414      | 383         | 910        | 4 757      | 1 336       | 1 212      | 1 160      | 1 050      | 3 874        | 873         | 1 141      |
| <b>Net cash flow to Investor</b>   | <b>338</b> | <b>-705</b> | <b>514</b> | <b>976</b> | <b>-813</b> | <b>340</b> | <b>745</b> | <b>704</b> | <b>1 010</b> | <b>-104</b> | <b>199</b> |



# Group

## Net debt

Net debt totaled SEK 19,135 m. on September 30, 2018 (12,224). Debt financing of the subsidiaries within Patricia Industries is arranged on an independent, ring-fenced basis and hence not included in Investor's net debt. Within Patricia Industries, Investor guarantees SEK 0.7 bn. of 3 Scandinavia's external debt, but this is not included in Investor's net debt. Pending dividends from investments and approved but not yet paid dividend to shareholders are not included in Investor's net debt either.

### Net debt, 9/30 2018

| SEK m.                                | Consolidated balance sheet | Deductions related to Patricia Industries | Investor's net debt |
|---------------------------------------|----------------------------|---|---------------------|
| Other financial investments           | 4 096                      | -133                                      | 3 963               |
| Cash, bank and short-term investments | 14 929                     | -5 284                                    | 9 644               |
| Receivables included in net debt      | 1 706                      | -   | 1 706               |
| Loans                                 | -65 707                    | 31 349                                    | -34 359             |
| Provision for pensions                | -908                       | 819                                       | -90                 |
| <b>Total</b>                          | <b>-45 885</b>             | <b>26 750</b>                             | <b>-19 135</b>      |

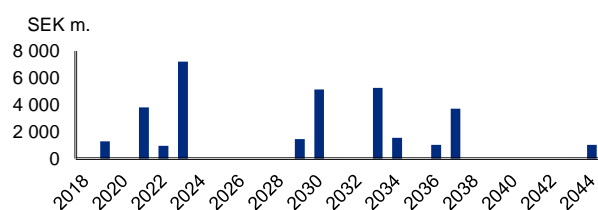
Investor's gross cash amounted to SEK 13,608 m. as of September 30, 2018 (18,899). The short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Gross debt, excluding pensions for Investor, amounted to SEK 32,653 m. as of September 30, 2018 (31,030).

The average maturity of Investor AB's debt portfolio was 10.6 years on September 30, 2018 (9.9), excluding the debt of Mölnlycke, Laborie, Aleris, Permobil, BraunAbility, Grand Group, Vectura, Sarnova and Piab.

A 12-year EUR 500 m. bond was issued during the quarter, while EUR 230 m. of the 2021 bond was bought back.

Cash and cash equivalents include an amount of SEK 59 m. (CNY 46 m.) that is only available for use within China. An application has been submitted to SAFE for regulatory approval to transfer the funds out of China.

### Debt maturity profile, 9/30 2018



### Net financial items, YTD 2018

| SEK m.  | Group - Net financial items | Deductions related to Patricia Subsidiaries | Investor's net financial items |
|---|-----------------------------|---|--------------------------------|
| Interest income   | 24                          | -20   | 4                              |
| Interest expenses   | -1 377                      | 606   | -771                           |
| Results from revaluation of loans, swaps and short-term investments | -6                          | -55   | -60                            |
| Foreign exchange result   | -463                        | -87   | -550                           |
| Other   | 34                          | -68   | -34                            |
| <b>Total</b>  | <b>-1 787</b>               | <b>377</b>                                  | <b>-1 411</b>                  |

## The Investor share

The price of the A-share and B-share was SEK 409.80 and SEK 410.70 respectively on September 30, 2018, compared to SEK 367.50 and SEK 374.10 on December 31, 2017.

The total shareholder return amounted to 12 percent during the nine-month period 2018 (21), of which 13 percent during third quarter (-1).

The total market capitalization of Investor, adjusted for repurchased shares, was SEK 313,928 m. as of September 30, 2018 (284,048).

## Share capital

Investor's share capital amounted to SEK 4,795 (4,795) m. on September 30, 2018.

### Share structure

| Class of share | Number of shares   | Number of votes    | % of capital | % of votes   |
|----------------|--------------------|--------------------|--------------|--------------|
| A 1 vote       | 311 690 844        | 311 690 844        | 40.6         | 87.2         |
| B 1/10 vote    | 455 484 186        | 45 548 418         | 59.4         | 12.8         |
| <b>Total</b>   | <b>767 175 030</b> | <b>357 239 262</b> | <b>100.0</b> | <b>100.0</b> |

On September 30, 2018, Investor owned a total of 2,118,426 of its own shares (2,392,938). The net decrease in holdings of own shares is attributable to the purchase of own shares and transfer of shares and options within Investor's long-term variable remuneration program.

## Other

### Events after the end of the quarter

On October 16, 2018, Patricia Industries' wholly-owned subsidiary Aleris announced that it has signed an agreement to divest its Care segment to Ambea. For the 12-month period ending September 30, 2018, Aleris Care reported sales of SEK 5,081 m., EBITDA of SEK 163 m. and EBITA of SEK 127 m. The transaction is subject to approval by relevant competition authorities and is expected to close during the second quarter 2019 at the latest. Following the divestiture, Aleris will be a pure healthcare services provider. Upon closing, Aleris plans to reduce its net debt by approximately SEK 2,650 m.

### Dividend to shareholders

The Annual General Meeting 2018 approved the proposal of the Board of Directors of a dividend of SEK 12.00 per share for fiscal year 2017 (11.00). The dividend amounted to SEK 9,178 m. in total, whereof SEK 6,119 m. was paid on May 11, 2018 and SEK 3,059 m. is presented within Other Assets and Liabilities in the Net asset value overview until it is paid on November 11, 2018.

## Acquisitions (business combinations)

### Investor's acquisition of Piab

On June 14, 2018, Patricia Industries, a part of Investor AB, acquired shares corresponding to 89 percent of the votes in the Swedish company Piab Group AB. Piab is a leading gripping and moving solutions company that develops and manufactures a complete line of products such as vacuum pumps and ejectors, suction cups and vacuum conveyors



used for gripping and moving applications in automated manufacturing and logistics processes. With its broad network of seasoned industrialists and experience within the engineering sector, Patricia Industries is well positioned to support Piab in its progress. The consideration amounted to SEK 4,713 m. and was paid in cash.

In the preliminary purchase price allocation, goodwill amounts to SEK 3,640 m. The goodwill recognized for the acquisition corresponds to Piab's position, with support from Patricia Industries, to increase penetration in existing markets and broadening of the product portfolio.

### **Investor's acquisition of Sarnova**

On April 4, 2018, Patricia Industries, a part of Investor AB, acquired 86 percent of the leading U.S. healthcare product specialty distributor Sarnova Holdings, Inc. With its long-term value creation objectives and experience within both healthcare products and services, Patricia Industries is well positioned to support Sarnova in its progress. The consideration amounted to SEK 4,297 m. and was paid in cash.

In the preliminary purchase price allocation, goodwill amounts to SEK 4,117 m. The goodwill recognized for the acquisition corresponds to Sarnova's position, with support from Patricia Industries, to further strengthen its capacity to serve their customers, vendors and employees and fulfill its mission to save and improve patients' lives.

### **Laborie's acquisition**

On April 23, 2018, Laborie completed the acquisition of Cogentix Medical, a global medical technology company that provides proprietary, innovative technologies to a number of specialty markets including urology. The acquisition significantly strengthens Laborie's product offering within urology diagnostics and therapeutics and also adds channel scale. The consideration amounted to SEK 2,083 m. and was paid using cash and debt.

In the preliminary purchase price allocation, goodwill amounts to SEK 1,119 m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies in the field of urology diagnostics and therapeutics.

### **Other acquisitions**

During the quarter Patricia Industries acquired additional shares in Atlas Antibodies. Mölnlycke acquired SastoMed GmbH. The aggregated purchase price amounted to SEK 308 m. and preliminary goodwill amounted to a total of SEK 250 m.

### **Pledged assets and contingent liabilities**

Total pledged assets amount to SEK 14.8 bn. (9.4), of which SEK 11.9 bn. refers to pledged assets in the subsidiaries BraunAbility, Laborie and Sarnova, related to outstanding loans corresponding to SEK 0.8 bn., SEK 2.5 bn. and SEK 3.1 bn.

Three of Investor AB's subsidiaries have historically claimed deductions for certain interest expenses, which have been denied by the tax authorities. The recent appeals to the Administrative Court of Appeal were denied in May 2018. Investor still believes that these deductions have been claimed rightfully and has appealed the decision to the Supreme Administrative Court. However, the costs that were previously reported as other contingent liabilities, SEK 740 m. (740), have now been expensed.

There were no other material changes in contingent liabilities during the period.

### **Basis of preparation for the Interim Management Statement**

This Interim Management Statement has in all material aspects been prepared in accordance with NASDAQ Stockholm's guidelines for preparing interim management statements. Except stated below, the accounting policies that have been applied for the consolidated income statement and consolidated balance sheet are in agreement with the accounting policies used in the preparation of the company's most recent annual report.

### **New accounting policies applied from 2018**

The new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are applied from January 1, 2018. The new accounting policies are described below. For tables presenting the effects of the new accounting policies, see page 25.

IFRS 9 Financial Instruments has replaced IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 presents a model for classification and measurement of financial instruments and an expected loss model for the impairment of financial assets and introduces significant changes to hedge accounting.

Classification and measurement of financial assets related to debt instruments is based on the business model for managing the financial asset and the characteristics of the contractual cash flows of the asset. Investments in equity instruments are classified as measured at fair value through profit or loss. Besides some changes in category names, these changes have had no effect on the valuation of Investor's financial assets. The IFRS 9 accounting model for financial liabilities is broadly the same as that in IAS 39.

A loss allowance is recognized for all financial assets classified as measured at amortized cost. This loss allowance is based on expected credit losses and has had no significant impact on the accounting for Investor's financial assets.

IFRS 9 relaxes the requirements for hedge effectiveness and makes it possible to define the currency basis spread as a cost of hedging. Investor applies this definition from January 1, 2018. The currency basis spread is therefore accounted for in Other Comprehensive Income instead of in the financial net as before. It is also accumulated in a separate reserve for hedging costs in equity. There has been no restatement of comparatives.

IFRS 15 Revenue from Contracts with Customers is a new standard for revenue that has replaced all existing standards and interpretations on revenue. Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The new standard has not had any significant effect for the Group, neither with regard to the amounts recognized as revenue, nor the timing of when revenue is recognized. Areas most impacted are classification and accrual of dealer commissions. Investor has applied the new standard prospectively and therefore used the transition method to apply the standard retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings as of January 1, 2018.

## Alternative Performance Measures

Investor applies the ESMA Guidelines on Alternative Performance Measures (APMs). An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. For Investor's consolidated accounts, this framework typically means IFRS.

Definitions of all APMs used are found in the Annual Report 2017 and on [www.investorab.com/investors-media/investor-in-figures/definitions](http://www.investorab.com/investors-media/investor-in-figures/definitions).

Reconciliations to the financial statements for the APMs that are not directly identifiable from the financial statements and considered significant to specify, are disclosed on page 26. Reconciliations of APMs for individual subsidiaries or business areas are not disclosed, since the purpose of these are to give deeper financial information without being directly linked to the financial information for the Group, that is presented according to the applicable financial reporting framework.

## Roundings

Due to rounding, numbers presented throughout this Interim Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Financial calendar

|               |  |
|---------------|--|
| Jan. 24, 2019 | Year-End Report 2018                                   |
| Apr. 24, 2019 | Interim Management Statement<br>January-March 2019     |
| Jul. 17, 2019 | Interim Report January-June 2019                       |
| Oct. 18, 2019 | Interim Management Statement<br>January-September 2019 |

Stockholm, October 17, 2018



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Ticker codes:

INVEB SS in Bloomberg  
INVEb.ST in Reuters  
INVE B in NASDAQ OMX

This information is information that Investor AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:15 CET on October 17, 2018.

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This Interim Management Statement and additional information is available on [www.investorab.com](http://www.investorab.com)

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This Interim Management Statement has not been subject to review by the company's auditors

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## Consolidated Income Statement, in summary

| SEK m.  | 1/1-9/30 2018 | 1/1-9/30 2017 | 7/1-9/30 2018 | 7/1-9/30 2017 |
|---|---------------|---------------|---------------|---------------|
| Dividends   | 8 297         | 7 510         | 791           | 832           |
| Other operating income  | 5             | 16            | 2             | 2             |
| Changes in value  | 34 560        | 37 071        | 23 797        | 3 981         |
| Net sales   | 30 510        | 25 430        | 11 016        | 8 303         |
| Cost of goods and services sold                                   | -19 580       | -16 271       | -7 048        | -5 348        |
| Sales and marketing cost  | -3 767        | -3 145        | -1 375        | -1 001        |
| Administrative, research and development and other operating cost | -4 175        | -3 010        | -1 534        | -948          |
| Management cost   | -339          | -320          | -111          | -95           |
| Share of results of associates                                    | 258           | 454           | 120           | 136           |
| <b>Operating profit/loss</b>                                      | <b>45 768</b> | <b>47 735</b> | <b>25 656</b> | <b>5 862</b>  |
| Net financial items   | -1 787        | -2 031        | 136           | -352          |
| <b>Profit/loss before tax</b>                                     | <b>43 981</b> | <b>45 704</b> | <b>25 793</b> | <b>5 511</b>  |
| Income taxes  | -1 165        | -391          | -192          | -137          |
| <b>Profit/loss for the period</b>                                 | <b>42 816</b> | <b>45 314</b> | <b>25 600</b> | <b>5 373</b>  |
| <b>Attributable to:</b>   |               |               |               |               |
| Owners of the Parent Company                                      | 42 842        | 45 325        | 25 606        | 5 377         |
| Non-controlling interest  | -26           | -11           | -5            | -4            |
| <b>Profit/loss for the period</b>                                 | <b>42 816</b> | <b>45 314</b> | <b>25 600</b> | <b>5 373</b>  |
| Basic earnings per share, SEK                                     | 56.01         | 59.28         | 33.47         | 7.03          |
| Diluted earnings per share, SEK                                   | 55.97         | 59.22         | 33.44         | 7.02          |

## Consolidated Statement of Comprehensive Income, in summary

| SEK m.  | 1/1-9/30 2018 | 1/1-9/30 2017 | 7/1-9/30 2018 | 7/1-9/30 2017 |
|---|---------------|---------------|---------------|---------------|
| Profit/loss for the period                                    | 42 816        | 45 314        | 25 600        | 5 373         |
| Other comprehensive income for the period, including tax      |               |               |               |               |
| Items that will not be recycled to profit/loss for the period |               |               |               |               |
| Revaluation of property, plant and equipment                  | 36            | 30            | 0             | 0             |
| Re-measurements of defined benefit plans                      | 8             | -5            | 8             | -17           |
| Items that may be recycled to profit/loss for the period      |               |               |               |               |
| Cash flow hedges  | -480          | 19            | -480          | 0             |
| Hedging costs   | -177          | -             | -13           | -             |
| Foreign currency translation adjustment                       | 2 740         | -1 507        | -652          | -993          |
| Share of other comprehensive income of associates             | 165           | -23           | 16            | -48           |
| <b>Total other comprehensive income for the period</b>        | <b>2 291</b>  | <b>-1 486</b> | <b>-1 121</b> | <b>-1 057</b> |
| <b>Total comprehensive income for the period</b>              | <b>45 107</b> | <b>43 828</b> | <b>24 479</b> | <b>4 316</b>  |
| <b>Attributable to:</b>                                       |               |               |               |               |
| Owners of the Parent Company                                  | 45 131        | 43 841        | 24 484        | 4 320         |
| Non-controlling interest                                      | -24           | -13           | -5            | -4            |
| <b>Total comprehensive income for the period</b>              | <b>45 107</b> | <b>43 828</b> | <b>24 479</b> | <b>4 316</b>  |

## Consolidated Balance Sheet, in summary

| SEK m.  | 9/30 2018      | 12/31 2017     | 9/30 2017      |
|---|----------------|----------------|----------------|
| <b>ASSETS</b>                                   |                |                |                |
| Goodwill  | 44 933         | 33 859         | 34 033         |
| Other intangible assets                         | 24 980         | 15 966         | 15 508         |
| Property, plant and equipment                   | 9 881          | 9 171          | 8 648          |
| Shares and participations                       | 346 818        | 311 875        | 311 832        |
| Other financial investments                     | 4 096          | 5 389          | 7 148          |
| Long-term receivables included in net debt      | 1 702          | 1 894          | 1 503          |
| Other long-term receivables                     | 1 856          | 1 024          | 1 091          |
| <b>Total non-current assets</b>                 | <b>434 265</b> | <b>379 179</b> | <b>379 762</b> |
| Inventories                                     | 4 592          | 3 343          | 3 418          |
| Shares and participations in trading operation  | 346            | 266            | 182            |
| Short-term receivables included in net debt     | 4              | -              | -              |
| Other current receivables                       | 7 391          | 5 328          | 5 698          |
| Cash, bank and short-term investments           | 14 929         | 20 450         | 16 878         |
| <b>Total current assets</b>                     | <b>27 261</b>  | <b>29 387</b>  | <b>26 176</b>  |
| <b>TOTAL ASSETS</b>                             | <b>461 526</b> | <b>408 567</b> | <b>405 938</b> |
| <b>EQUITY AND LIABILITIES</b>                   |                |                |                |
| <b>Equity</b>                                   | <b>372 670</b> | <b>336 326</b> | <b>335 640</b> |
| Long-term interest bearing liabilities          | 64 088         | 55 303         | 53 685         |
| Provisions for pensions and similar obligations | 908            | 865            | 867            |
| Other long-term provisions and liabilities      | 10 027         | 6 362          | 6 351          |
| <b>Total non-current liabilities</b>            | <b>75 023</b>  | <b>62 531</b>  | <b>60 903</b>  |
| Current interest bearing liabilities            | 1 620          | 2 092          | 2 049          |
| Other short-term provisions and liabilities     | 12 214         | 7 617          | 7 347          |
| <b>Total current liabilities</b>                | <b>13 833</b>  | <b>9 710</b>   | <b>9 396</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>             | <b>461 526</b> | <b>408 567</b> | <b>405 938</b> |

## Consolidated Statement of Changes in Equity, in summary

| SEK m.   | 1/1-9/30 2018  | 1/1-12/31 2017 | 1/1-9/30 2017  |
|--|----------------|----------------|----------------|
| Opening balance  | 336 326        | 300 141        | 300 141        |
| Adjustment for changed accounting policies               | 108            | -              | -              |
| Opening balance adjusted for changed accounting policies | 336 434        | 300 141        | 300 141        |
| Profit for the period                                    | 42 816         | 44 298         | 45 314         |
| Other comprehensive income for the period                | 2 291          | 175            | -1 486         |
| <b>Total comprehensive income for the period</b>         | <b>45 107</b>  | <b>44 473</b>  | <b>43 828</b>  |
| Dividend to shareholders                                 | -9 178         | -8 411         | -8 411         |
| Changes in non-controlling interest                      | 260            | 21             | 8              |
| Effect of long-term share-based remuneration             | 47             | 101            | 73             |
| <b>Closing balance</b>                                   | <b>372 670</b> | <b>336 326</b> | <b>335 640</b> |
| <b>Attributable to:</b>                                  |                |                |                |
| Owners of the Parent Company                             | 372 371        | 336 262        | 335 581        |
| Non-controlling interest                                 | 298            | 64             | 59             |
| <b>Total equity</b>                                      | <b>372 670</b> | <b>336 326</b> | <b>335 640</b> |

## Consolidated Cash Flow, in summary

| SEK m.   | 1/1-9/30 2018              | 1/1-9/30 2017              |
|--|----------------------------|----------------------------|
| <b>Operating activities</b>  |                            |                            |
| Dividends received   | 8 501                      | 7 305                      |
| Cash receipts  | 29 952                     | 24 593                     |
| Cash payments  | -25 909                    | -21 406                    |
| <b>Cash flows from operating activities before net interest and income tax</b> | <b>12 544</b>              | <b>10 491</b>              |
| Interest received/paid   | -1 815                     | -1 683                     |
| Income tax paid  | -1 101                     | -404                       |
| <b>Cash flows from operating activities</b>                                    | <b>9 628</b>               | <b>8 404</b>               |
| <b>Investing activities</b>  |                            |                            |
| Acquisitions   | -3 773                     | -3 109                     |
| Divestments  | 4 695                      | 4 703                      |
| Increase in long-term receivables  | -980                       | -                          |
| Decrease in long-term receivables  | 440                        | 1 714                      |
| Acquisitions of subsidiaries, net effect on cash flow                          | -11 848                    | -497                       |
| Increase in other financial investments  | -5 633                     | -11 551                    |
| Decrease in other financial investments  | 6 935                      | 8 110                      |
| Net change, short-term investments   | 227                        | 1 212                      |
| Acquisitions of property, plant and equipment                                  | -1 115                     | -1 109                     |
| Proceeds from sale of property, plant and equipment                            | 21                         | 44                         |
| <b>Net cash used in investing activities</b>                                   | <b>-11 032</b>             | <b>-481</b>                |
| <b>Financing activities</b>  |                            |                            |
| New share issue  | 30                         | 0                          |
| Borrowings   | 11 387                     | 5 304                      |
| Repayment of borrowings  | -9 471                     | -2 917                     |
| Repurchases of own shares  | -11                        | -                          |
| Dividends  | -6 119                     | -8 411                     |
| <b>Net cash used in financing activities</b>                                   | <b>-4 184</b>              | <b>-6 024</b>              |
| <b>Cash flows for the period</b>   | <b>-5 588</b>              | <b>1 899</b>               |
| <b>Cash and cash equivalents at the beginning of the year</b>                  | <b>16 260</b>              | <b>11 250</b>              |
| Exchange difference in cash  | 330                        | -292                       |
| <b>Cash and cash equivalents at the end of the period</b>                      | <b>11 002<sup>1)</sup></b> | <b>12 857<sup>1)</sup></b> |

1) Cash and cash equivalents include an amount of SEK 59 m. (CNY 46 m.) that is only available for use within China. An application has been submitted to SAFE for regulatory approval to transfer the funds out of China.

## Changes in liabilities arising from financing activities

| Group 9/30 2018, SEK m.                            | Opening balance | Cash flows   | Acquisitions | Non-cash changes           |                    |             | Closing balance      |
|--|-----------------|--------------|--------------|----------------------------|--------------------|-------------|----------------------|
|  |                 |              |              | Foreign exchange movements | Fair value changes | Other       |                      |
| Long-term interest bearing liabilities             | 55 194          | 3 722        | 4 525        | 2 006                      | -172               | -1 299      | 63 976 <sup>1)</sup> |
| Current interest bearing liabilities               | 2 528           | -1 793       | 148          | -179                       | 86                 | 864         | 1 654 <sup>2)</sup>  |
| Long-term financial leases                         | 109             | -3           | 1            | 8                          | -                  | -4          | 112 <sup>1)</sup>    |
| Current financial leases                           | 19              | -10          | -            | 1                          | -                  | 5           | 15 <sup>2)</sup>     |
| Assets held to hedge long-term liabilities         | -1 894          | -            | -            | -                          | 192                | -           | -1 702 <sup>3)</sup> |
| <b>Total liabilities from financing activities</b> | <b>55 957</b>   | <b>1 916</b> | <b>4 674</b> | <b>1 836</b>               | <b>106</b>         | <b>-434</b> | <b>64 055</b>        |

| Group 12/31 2017, SEK m.                           | Opening balance | Cash flows   | Acquisitions | Non-cash changes           |                    |            | Closing balance      |
|--|-----------------|--------------|--------------|----------------------------|--------------------|------------|----------------------|
|  |                 |              |              | Foreign exchange movements | Fair value changes | Other      |                      |
| Long-term interest bearing liabilities             | 53 165          | 4 211        | -            | 248                        | -523               | -1 907     | 55 194 <sup>1)</sup> |
| Current interest bearing liabilities               | 1 779           | -1 482       | -            | 91                         | -3                 | 2 143      | 2 528 <sup>2)</sup>  |
| Long-term financial leases                         | 148             | -21          | -            | -18                        | -                  | -          | 109 <sup>1)</sup>    |
| Current financial leases                           | 16              | -            | -            | 3                          | -                  | -          | 19 <sup>2)</sup>     |
| Assets held to hedge long-term liabilities         | -2 402          | -            | -            | -                          | 508                | -          | -1 894 <sup>3)</sup> |
| <b>Total liabilities from financing activities</b> | <b>52 706</b>   | <b>2 708</b> | <b>-</b>     | <b>325</b>                 | <b>-18</b>         | <b>236</b> | <b>55 957</b>        |

1) Included in Balance sheet item Long-term interest bearing liabilities.

2) Included in Balance sheet item Current interest bearing liabilities and Other short-term provisions and liabilities.

3) Included in Balance sheet item Long-term receivables included in net debt.

## Operating segment

### PERFORMANCE BY BUSINESS AREA 1/1-9/30 2018

| SEK m.   | Listed Core Investments | Patricia Industries | EQT           | Investor Groupwide | Total          |
|--|-------------------------|---------------------|---------------|--------------------|----------------|
| Dividends  | 8 238                   | 10                  | 49            | 0                  | 8 297          |
| Other operating income <sup>1)</sup>                                     | -                       | 5                   | -             | -                  | 5              |
| Changes in value   | 32 422                  | 588                 | 1 600         | -50                | 34 560         |
| Net sales  | -                       | 30 510              | -             | -                  | 30 510         |
| Cost of goods and services sold  | -                       | -19 580             | -             | -                  | -19 580        |
| Sales and marketing cost   | -                       | -3 767              | -             | -                  | -3 767         |
| Administrative, research and development and other operating cost        | 0                       | -4 144              | -5            | -26                | -4 175         |
| Management cost  | -77                     | -177                | -6            | -79                | -339           |
| Share of results of associates   | -                       | 346                 | -             | -88                | 258            |
| <b>Operating profit/loss</b>   | <b>40 583</b>           | <b>3 790</b>        | <b>1 638</b>  | <b>-243</b>        | <b>45 768</b>  |
| Net financial items  | -                       | -377                | -             | -1 411             | -1 787         |
| Income tax   | -                       | -517                | -             | -648               | -1 165         |
| <b>Profit/loss for the period</b>  | <b>40 583</b>           | <b>2 896</b>        | <b>1 638</b>  | <b>-2 301</b>      | <b>42 816</b>  |
| Non-controlling interest   | -                       | 26                  | -             | 0                  | 26             |
| <b>Net profit/loss for the period attributable to the Parent Company</b> | <b>40 583</b>           | <b>2 922</b>        | <b>1 638</b>  | <b>-2 301</b>      | <b>42 842</b>  |
| Dividend to shareholders   | -                       | -                   | -             | -9 178             | -9 178         |
| Other effects on equity  | -                       | 1 778               | 720           | -53                | 2 445          |
| <b>Contribution to net asset value</b>                                   | <b>40 583</b>           | <b>4 700</b>        | <b>2 358</b>  | <b>-11 532</b>     | <b>36 109</b>  |
| <b>Net asset value by business area 9/30 2018</b>                        |                         |                     |               |                    |                |
| Carrying amount  | 315 805                 | 61 189              | 18 377        | -3 864             | 391 506        |
| Investors net debt/-cash   | -                       | 10 002              | -             | -29 137            | -19 135        |
| <b>Total net asset value including net debt/-cash</b>                    | <b>315 805</b>          | <b>71 191</b>       | <b>18 377</b> | <b>-33 001</b>     | <b>372 371</b> |

### PERFORMANCE BY BUSINESS AREA 1/1-9/30 2017

| SEK m.   | Listed Core Investments | Patricia Industries | EQT           | Investor Groupwide | Total          |
|--|-------------------------|---------------------|---------------|--------------------|----------------|
| Dividends  | 7 428                   | 2                   | 81            | -                  | 7 510          |
| Other operating income <sup>1)</sup>                                     | -                       | 16                  | -             | -                  | 16             |
| Changes in value   | 36 245                  | -884                | 1 701         | 9                  | 37 071         |
| Net sales  | -                       | 25 430              | -             | -                  | 25 430         |
| Cost of goods and services sold  | -                       | -16 271             | -             | -                  | -16 271        |
| Sales and marketing cost   | -                       | -3 145              | -             | -                  | -3 145         |
| Administrative, research and development and other operating cost        | -                       | -3 002              | -3            | -5                 | -3 010         |
| Management cost  | -71                     | -166                | -6            | -77                | -320           |
| Share of results of associates   | -                       | 453                 | -             | -                  | 454            |
| <b>Operating profit/loss</b>   | <b>43 602</b>           | <b>2 434</b>        | <b>1 772</b>  | <b>-73</b>         | <b>47 735</b>  |
| Net financial items  | -                       | -817                | -             | -1 214             | -2 031         |
| Income tax   | -                       | -377                | -             | -14                | -391           |
| <b>Profit/loss for the period</b>  | <b>43 602</b>           | <b>1 241</b>        | <b>1 772</b>  | <b>-1 301</b>      | <b>45 314</b>  |
| Non-controlling interest   | -                       | 11                  | -             | -                  | 11             |
| <b>Net profit/loss for the period attributable to the Parent Company</b> | <b>43 602</b>           | <b>1 252</b>        | <b>1 772</b>  | <b>-1 301</b>      | <b>45 325</b>  |
| Dividend to shareholders   | -                       | -                   | -             | -8 411             | -8 411         |
| Other effects on equity  | -                       | -1 373              | 2             | -39                | -1 411         |
| <b>Contribution to net asset value</b>                                   | <b>43 602</b>           | <b>-121</b>         | <b>1 774</b>  | <b>-9 751</b>      | <b>35 504</b>  |
| <b>Net asset value by business area 9/30 2017</b>                        |                         |                     |               |                    |                |
| Carrying amount  | 285 857                 | 47 656              | 13 981        | 22                 | 347 517        |
| Investors net debt/-cash   | -                       | 19 377              | -             | -31 313            | -11 936        |
| <b>Total net asset value including net debt/-cash</b>                    | <b>285 857</b>          | <b>67 034</b>       | <b>13 981</b> | <b>-31 291</b>     | <b>335 581</b> |

<sup>1)</sup>Includes interest on loans.

## Financial instruments

Except changes due to IFRS 9 as described on page 17 and page 25, the numbers below are based on the same accounting and valuation policies as used in the preparation of the company's most recent annual report. For information regarding financial instruments in level 2 and level 3, see Note 29, Financial Instruments, in Investor's Annual Report 2017.

### Valuation techniques, level 3

| Group 9/30 2018                            | Fair value, SEK m. | Valuation technique     | Input                | Range      |
|--|--------------------|-------------------------|----------------------|------------|
| Shares and participations                  | 23 650             | Last round of financing | n.a.                 | n.a.       |
|  |                    | Comparable companies    | EBITDA multiples     | n.a.       |
|  |                    | Comparable companies    | Sales multiples      | 1.3 – 5.0  |
|  |                    | Comparable transactions | Sales multiples      | 3.1 – 11.5 |
|  |                    | NAV                     | n.a.                 | n.a.       |
| Other financial investments                | 52                 | Discounted cash flow    | Market interest rate | n.a.       |
| Long-term receivables included in net debt | 2 405              | Discounted cash flow    | Market interest rate | n.a.       |
| Long-term interest bearing liabilities     | 45                 | Discounted cash flow    | Market interest rate | n.a.       |
| Other provisions and liabilities           | 2 923              | Discounted cash flow    |                      | n.a.       |

All valuations in level 3 are based on assumptions and judgments that management considers to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

The unlisted part of Financial Investments' portfolio companies, corresponds to 70 percent of the portfolio value. Part of the unlisted portfolio is valued based on comparable companies, and the value is dependent on the level of the multiples. The multiple ranges provided in the note show the minimum and maximum value of the actual multiples applied in these valuations. A 10 percent change of the multiples would have an effect on the Financial Investments portfolio value of approximately SEK 200 m. For the derivatives, a parallel shift of the interest rate curve by one percentage point would affect the value by approximately SEK 1,000 m.

### Financial assets and liabilities by level

The table below indicates how fair value is measured for the financial instruments recognized at fair value in the Balance Sheet. The financial instruments are presented in three categories, depending on how the fair value is measured:

Level 1: According to quoted prices in active markets for identical instruments

Level 2: According to directly or indirectly observable inputs that are not included in level 1

Level 3: According to inputs that are unobservable in the market

### Financial instruments - fair value

| Group 9/30 2018, SEK m.                        | Level 1        | Level 2    | Level 3       | Other <sup>1)</sup> | Total carrying amount |
|--|----------------|------------|---------------|---------------------|-----------------------|
| <i>Financial assets</i>                        |                |            |               |                     |                       |
| Shares and participations                      | 318 492        | 2          | 23 650        | 4 673               | 346 818               |
| Other financial investments                    | 3 966          |            | 52            | 78                  | 4 096                 |
| Long-term receivables included in net debt     |                | 278        | 1 423         |                     | 1 702                 |
| Other long-term receivables                    |                |            | 982           | 874                 | 1 856                 |
| Shares and participations in trading operation | 346            |            |               |                     | 346                   |
| Short-term receivables included in net debt    |                | 4          |               |                     | 4                     |
| Other current receivables                      |                | 2          |               | 7 389               | 7 391                 |
| Cash, bank and short-term investments          | 11 086         |            |               | 3 843               | 14 929                |
| <b>Total</b>                                   | <b>333 890</b> | <b>287</b> | <b>26 107</b> | <b>16 858</b>       | <b>377 141</b>        |
| <i>Financial liabilities</i>                   |                |            |               |                     |                       |
| Long-term interest bearing liabilities         |                | 304        | 45            | 63 740              | 64 088 <sup>2)</sup>  |
| Other long-term provisions and liabilities     |                |            | 2 798         | 7 229               | 10 027                |
| Short-term interest bearing liabilities        |                | 74         |               | 1 546               | 1 620                 |
| Other short-term provisions and liabilities    | 391            | 29         | 125           | 11 670              | 12 214                |
| <b>Total</b>                                   | <b>391</b>     | <b>406</b> | <b>2 967</b>  | <b>84 185</b>       | <b>87 948</b>         |

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.

2) The Group's loans are valued at amortized cost. Fair value on long-term loans amounts to SEK 67,896 m.

## Changes in financial assets and liabilities in Level 3

| Group 9/30 2018, SEK m.  | Shares and participations | Other financial investments | Long-term receivables included in net debt | Long-term interest bearing liabilities | Other long-term provisions and liabilities | Other current liabilities |
|--|---------------------------|-----------------------------|--|--|--|---------------------------|
| Opening balance  | 21 383                    |                             | 1 509                                      | 45                                     | 1 700                                      |                           |
| Total gain or losses in profit or loss statement   |                           |                             |  |  |  |                           |
| in line Changes in value   | 2 355                     |                             |  | 0                                      | -0   | -42                       |
| in line Net financial items  |                           |                             | -86  |  | 1 018                                      |                           |
| Reported in other comprehensive income   |                           |                             |  |  |  |                           |
| in line Foreign currency translation adjustment  | 1 032                     | 1                           | 2  |  | 85   | 3                         |
| Acquisitions   | 2 243                     | 51                          | 980  |  | 57   |                           |
| Divestments and Settlements  | -2 763                    |                             |  |  | -54  | -8                        |
| Transfer in to Level 3   |                           |                             |  |  | 2  | 171                       |
| Transfer out of Level 3  | -600 <sup>1)</sup>        |                             |  |  | -11  |                           |
| <b>Carrying amount at end of period</b>  | <b>23 650</b>             | <b>52</b>                   | <b>2 405</b>                               | <b>45</b>                              | <b>2 798</b>                               | <b>125</b>                |
| Total gains/losses for the period included in profit/loss for instruments held at the end of the period (unrealized results) |                           |                             |  |  |  |                           |
| Changes in value   | 151 784                   |                             | -86  | 0                                      |  |                           |
| Net financial items  |                           |                             |  |  |  |                           |
| <b>Total</b>   | <b>151 784</b>            |                             | <b>-86</b>                                 | <b>0</b>                               |  |                           |

1) The reasons for transfer from level 3 are listing of investment and company becoming a subsidiary.

## Revenue from contracts with customers

| Group 9/30 2018, SEK m.                           | Field of operation    |                      |            |             |                               |               |
|---|-----------------------|----------------------|------------|-------------|-------------------------------|---------------|
|   | Health care equipment | Health care services | Hotel      | Real estate | Gripping and moving solutions | Total         |
| <i>Geographical market:</i>                       |                       |                      |            |             |                               |               |
| Sweden  | 544                   | 3 827                | 438        | 19          | 11                            | 4 839         |
| Scandinavia, excl. Sweden                         | 854                   | 4 339                |            |             | 12                            | 5 205         |
| Europe, excl. Scandinavia                         | 6 011                 | 1                    |            |             | 176                           | 6 188         |
| U.S.  | 11 711                |                      |            |             | 97                            | 11 807        |
| North America, excl. U.S.                         | 461                   |                      |            |             | 49                            | 509           |
| South America                                     | 426                   |                      |            |             | 13                            | 439           |
| Africa  | 232                   |                      |            |             | 2                             | 234           |
| Australia   | 525                   |                      |            |             | 3                             | 528           |
| Asia  | 701                   |                      |            |             | 61                            | 762           |
| <b>Total</b>                                      | <b>21 463</b>         | <b>8 167</b>         | <b>438</b> | <b>19</b>   | <b>422</b>                    | <b>30 510</b> |
| <i>Category:</i>                                  |                       |                      |            |             |                               |               |
| Sales of products                                 | 21 271                | 1                    |            |             | 422                           | 21 694        |
| Sales of services                                 | 165                   | 8 155                | 438        | 17          |                               | 8 775         |
| Revenues from Leasing                             | 28                    |                      |            |             |                               | 28            |
| Other income                                      |                       | 12                   |            | 2           |                               | 14            |
| <b>Total</b>                                      | <b>21 463</b>         | <b>8 167</b>         | <b>438</b> | <b>19</b>   | <b>422</b>                    | <b>30 510</b> |
| <i>Sales channels:</i>                            |                       |                      |            |             |                               |               |
| Through distributors                              | 13 571                | 81                   | 263        |             | 232                           | 14 147        |
| Directly to customers                             | 7 893                 | 8 086                | 175        | 19          | 190                           | 16 363        |
| <b>Total</b>                                      | <b>21 463</b>         | <b>8 167</b>         | <b>438</b> | <b>19</b>   | <b>422</b>                    | <b>30 510</b> |
| <i>Timing of revenue recognition:</i>             |                       |                      |            |             |                               |               |
| Goods and services transferred at a point of time | 21 333                | 8 167                | 438        |             | 415                           | 30 353        |
| Goods and services transferred over time          | 131                   |                      |            | 19          | 7                             | 157           |
| <b>Total</b>                                      | <b>21 463</b>         | <b>8 167</b>         | <b>438</b> | <b>19</b>   | <b>422</b>                    | <b>30 510</b> |



## Effects of changes in accounting policies

From January 1, 2018 Investor applies IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers. Below, tables presenting the effects of the new accounting policies are disclosed. On page 17 the new accounting policies are described.

Effects on equity due to changes in accounting policies:

| SEK m.  | Reported as per<br>12/31 2017 | Adjustment due to<br>IFRS 9 | Adjustment due to<br>IFRS 15 | Adjusted as per<br>1/1 2018 |
|---|-------------------------------|-----------------------------|------------------------------|-----------------------------|
| Share capital   | 4 795                         |                             |                              | 4 795                       |
| Other contributed equity                                  | 13 533                        |                             |                              | 13 533                      |
| Reserves  | 4 897                         | 307 <sup>1)</sup>           |                              | 5 203                       |
| Retained earnings, including profit/loss for the year     | 313 036                       | -307                        | 108 <sup>2)</sup>            | 312 839                     |
| Equity attributable to shareholders of the Parent Company | 336 262                       | 0                           | 108                          | 336 371                     |
| Non-controlling interest                                  | 64                            |                             |                              | 64                          |
| <b>Total equity</b>                                       | <b>336 326</b>                | <b>0</b>                    | <b>108</b>                   | <b>336 434</b>              |

1) Adjustment for currency basis spread accounted for as hedging cost from 1/1 2018.

2) Mainly adjustment for capitalized costs directly connected to obtaining customer contracts.

Balance sheet items affected by changes in accounting policies:

| SEK m.                    | Reported as per<br>12/31 2017 | Adjustment due to<br>IFRS 9 | Adjustment due to<br>IFRS 15 | Adjusted as per<br>1/1 2018 |
|---------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------------|
| Shares and participations | 311 875                       |                             | 108 <sup>2)</sup>            | 311 983                     |
| Other current receivables | 5 328                         | 0 <sup>1)</sup>             |                              | 5 328                       |
| <b>Equity</b>             | <b>336 326</b>                | <b>0</b>                    | <b>108</b>                   | <b>336 434</b>              |

1) Increased loss allowance for expected credit losses.

2) Increase in shares and participations in associates due to the effect of changed accounting policy in 3 Scandinavia.

## IFRS 9 Financial Instruments

Effects on measurement categories and carrying amounts determined under IAS 39 and new measurement categories and carrying amounts determined under IFRS 9:

| Category  | Reported as per 12/31 2017 under IAS 39 |                                   |  |                          |                             | Adjustment<br>due to IFRS 9 | Adjusted as per 1/1 2018 under<br>IFRS 9 |                                      |                             |
|---|---|-----------------------------------|--|--------------------------|-----------------------------|-----------------------------|--|--------------------------------------|-----------------------------|
|   | Fair value<br>option                    | Derivatives<br>used in<br>trading | Financial<br>assets<br>available-<br>for-sale                  | Loans and<br>receivables |                             |                             | Hold to<br>collect                       | Other                                |                             |
|   |   |                                   | Fair value<br>through<br>Other<br>Compre-<br>hensive<br>Income | Amortized<br>cost        | Total<br>carrying<br>amount |                             | Amortized<br>cost                        | Fair value<br>through<br>profit/loss | Total<br>carrying<br>amount |
| <b>Measurement</b>                                | Fair value through profit/loss          |                                   |  |                          |                             |                             |  |                                      |                             |
| <i>Assets, SEK m.</i>                             |   |                                   |  |                          |                             |                             |  |                                      |                             |
| Shares and participations                         | 307 520                                 |                                   | 2  | 14                       | 307 535                     |                             |  | 307 535                              | 307 535                     |
| Other financial investments                       | 5 286                                   |                                   |  | 104                      | 5 389                       |                             | 104                                      | 5 286                                | 5 389                       |
| Long-term receivables<br>included in net debt     |   | 1 894                             |  |                          | 1 894                       |                             |  | 1 894                                | 1 894                       |
| Other long-term<br>receivables                    |   |                                   |  | 321                      | 321                         |                             | 155                                      | 166                                  | 321                         |
| Shares and participations<br>in trading operation |   | 266                               |  |                          | 266                         |                             |  | 266                                  | 266                         |
| Other current receivables                         |   | 14                                |  | 4 570                    | 4 584                       | 0                           | 4 570                                    | 14                                   | 4 584                       |
| Cash, bank and short-term<br>investments          | 20 450                                  |                                   |  |                          | 20 450                      |                             | 8 037                                    | 12 413                               | 20 450                      |

## IFRS 15 Revenue from Contracts with Customers

Investor applies IFRS 15 prospectively and have therefore used the transition method to apply the standard retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings. Below Net sales and Cost of goods and services sold are disclosed for the period 1/1-9/30 2018 both as determined under IFRS 15 and as determined under previous accounting policies.

| SEK m.  | 1/1-9/30 2018  |
|---|----------------|
| Reported Net sales  | 30 510         |
| <i>Adjustment due to IAS 18</i>   |                |
| Increase due to reclassification of dealer commissions                  | 75             |
| <b>Adjusted Net sales under previous standard</b>                       | <b>30 585</b>  |
| Reported Cost of goods and services sold                                | -19 580        |
| <i>Adjustment due to IAS 18</i>   |                |
| Increase due to reclassification of dealer commissions                  | -75            |
| <b>Adjusted Cost of goods and services sold under previous standard</b> | <b>-19 655</b> |

## Reconciliations of significant Alternative Performance Measures

In the financial statements issued by Investor, Alternative Performance Measures (APMs) are disclosed, which complete measures that are defined or specified in the applicable financial reporting framework, such as revenue, profit or loss or earnings per share.

APMs are disclosed when they complement performance measures defined by IFRS. The basis for disclosed APMs are that they are used by management to evaluate the financial performance and in so believed to give analysts and other stakeholders valuable information.

Investor AB discloses the definitions of all APMs used on [www.investorab.com/investors-media/investor-in-figures/definitions](http://www.investorab.com/investors-media/investor-in-figures/definitions) and in the Annual Report 2017. Below reconciliations of significant APMs to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period are disclosed.

### Gross cash

Gross cash or Investor's cash and readily available placements are defined as the sum of cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables. Deductions are made for items related to subsidiaries within Patricia Industries.

| Group 9/30 2018,<br>SEK m.            | Consolidated<br>balance sheet | Deductions<br>related to<br>Patricia<br>Industries | Investor's<br>gross cash | Group 12/31 2017,<br>SEK m.           | Consolidated<br>balance sheet | Deductions<br>related to<br>Patricia<br>Industries | Investor's<br>gross cash |
|---------------------------------------|-------------------------------|--|--------------------------|---------------------------------------|-------------------------------|--|--------------------------|
| Other financial investments           | 4 096                         | -133   | 3 963                    | Other financial investments           | 5 389                         | -139   | 5 251                    |
| Cash, bank and short-term investments | 14 929                        | -5 284   | 9 644                    | Cash, bank and short-term investments | 20 450                        | -6 802   | 13 648                   |
| <b>Gross cash</b>                     | <b>19 025</b>                 | <b>-5 418</b>                                      | <b>13 608</b>            | <b>Gross cash</b>                     | <b>25 839</b>                 | <b>-6 940</b>                                      | <b>18 899</b>            |

### Gross debt

Gross debt is defined as interest-bearing current and long-term liabilities, including pension liabilities, less derivatives with positive value related to the loans. Deductions are made for items related to subsidiaries within Patricia Industries.

| Group 9/30 2018,<br>SEK m.       | Consolidated<br>balance sheet | Deductions<br>related to<br>Patricia<br>Industries | Investor's<br>gross debt | Group 12/31 2017,<br>SEK m.      | Consolidated<br>balance sheet | Deductions<br>related to<br>Patricia<br>Industries | Investor's<br>gross debt |
|----------------------------------|-------------------------------|--|--------------------------|----------------------------------|-------------------------------|--|--------------------------|
| Receivables included in net debt | 1 706                         | -  | 1 706                    | Receivables included in net debt | 1 894                         | -  | 1 894                    |
| Loans                            | -65 707                       | 31 349   | -34 359                  | Loans                            | -57 396                       | 24 472   | -32 924                  |
| Provision for pensions           | -908                          | 819  | -90                      | Provision for pensions           | -865                          | 773  | -93                      |
| <b>Gross debt</b>                | <b>-64 910</b>                | <b>32 168</b>                                      | <b>-32 742</b>           | <b>Gross debt</b>                | <b>-56 367</b>                | <b>25 245</b>                                      | <b>-31 123</b>           |

### Net debt

Gross debt less gross cash at Balance Sheet date.

| Group 9/30 2018,<br>SEK m. | Investor's<br>gross cash | Investor's<br>gross debt | Investor's<br>net debt | Group 12/31 2017,<br>SEK m. | Investor's<br>gross cash | Investor's<br>gross debt | Investor's<br>net debt |
|----------------------------|--------------------------|--------------------------|------------------------|-----------------------------|--------------------------|--------------------------|------------------------|
| Investor's gross cash      | -13 608                  |                          |                        | Investor's gross cash       | -18 899                  |                          |                        |
| Investor's gross debt      |                          | 32 742                   |                        | Investor's gross debt       |                          | 31 123                   |                        |
| <b>Investor's net debt</b> |                          | <b>19 135</b>            |                        | <b>Investor's net debt</b>  |                          | <b>12 224</b>            |                        |

### Total assets

The net of all assets and liabilities not included in net debt.

| Group 9/30 2018,<br>SEK m. | Consolidated<br>balance sheet | Deductions<br>related to non-<br>controlling<br>interest | Investor's net<br>asset value | Group 12/31 2017,<br>SEK m. | Consolidated<br>balance sheet | Deductions<br>related to non-<br>controlling<br>interest | Investor's net<br>asset value |
|----------------------------|-------------------------------|--|-------------------------------|-----------------------------|-------------------------------|--|-------------------------------|
| Equity                     | 372 670                       | -298   | 372 371                       | Equity                      | 336 326                       | -64  | 336 262                       |
| Investor's net debt        |                               |  | 19 135                        | Investor's net debt         |                               |  | 12 224                        |
| <b>Total assets</b>        |                               |  | <b>391 506</b>                | <b>Total assets</b>         |                               |  | <b>348 486</b>                |

### Net debt ratio (leverage)

Net debt ratio or leverage is defined as Net debt/Net cash as a percentage of total assets.

| Group 9/30 2018,<br>SEK m. | Investor's net<br>asset value | Net debt ratio | Group 12/31 2017,<br>SEK m. | Investor's net<br>asset value | Net debt ratio |
|----------------------------|-------------------------------|----------------|-----------------------------|-------------------------------|----------------|
| Investor's net debt        | 19 135                        | =4.9%          | Investor's net debt         | 12 224                        | = 3.5%         |
| Total assets               | 391 506                       |                | Total assets                | 348 486                       |                |

### Reported net asset value/SEK per share

Equity attributable to shareholders of the Parent Company in relation to the number of shares outstanding at the Balance Sheet date.

| Group 9/30 2018,<br>SEK m.             | Investor's net<br>asset value | Net asset<br>value/SEK<br>per share | Group 12/31 2017,<br>SEK m.            | Investor's net<br>asset value | Net asset<br>value/SEK<br>per share |
|--|-------------------------------|-------------------------------------|--|-------------------------------|-------------------------------------|
| Investor's reported net asset value    | 372 371                       | =487                                | Investor's reported net asset value    | 336 262                       | = 440                               |
| Number of shares, excluding own shares | 765 056 604                   |                                     | Number of shares, excluding own shares | 764 782 092                   |                                     |

### Adjusted net asset value/SEK per share

Total assets, including estimated market values for Patricia Industries' major subsidiaries and partner-owned investments, less net debt in relation to the number of shares outstanding at the Balance Sheet date.

| Group 9/30 2018,<br>SEK m.             | Investor's net<br>asset value | Net asset<br>value/SEK<br>per share | Group 12/31 2017,<br>SEK m.            | Investor's net<br>asset value | Net asset<br>value/SEK<br>per share |
|--|-------------------------------|-------------------------------------|--|-------------------------------|-------------------------------------|
| Investor's adjusted net asset value    | 420 572                       | =550                                | Investor's adjusted net asset value    | 384 747                       | = 503                               |
| Number of shares, excluding own shares | 765 056 604                   |                                     | Number of shares, excluding own shares | 764 782 092                   |                                     |