

# Q1

**2016**


Q1 IN BRIEF	2016	2015	2015
	Jan - Mar	Jan - Mar	Jan - Dec
Net sales, MSEK	1,390	1,397	6,052
EBITDA excl. non-recurring items, MSEK	87	62	505
Operating profit (EBIT) excl. non-recurring items, MSEK	58	38	397
Operating margin (EBIT) excl. non-recurring items, %	4.2	2.7	6.6
Operating profit (EBIT), MSEK	53	29	320
Operating (EBIT) margin, %	3.8	2.0	5.3
Profit/loss for the period, MSEK	20	-11	168
Earnings per share after dilution, SEK	0.26	-0.13	2.18
Free cash flow, MSEK	7	-143	56

## CEO's COMMENTS

In the first quarter of 2016 we report an organic growth which is the third consecutive quarter showing organic growth, this quarter driven fully by a good development in Asia. The operating profit and the operating margin excluding non-recurring items improved compared to last year. We can also report a positive free cash flow for the quarter which is an improvement of MSEK 150 compared to the first quarter of last year.



**“For the third consecutive quarter we report organic sales growth”**

### DEVELOPMENT OF OUR BUSINESS

The worldwide increase in awareness about security has resulted in increased interest in many of Gunnebo's solutions.

Cash Management sales have also continued to develop positively in the first quarter. In addition to several orders received in Europe, we have also taken our first order in Vietnam.

Entrance Security has seen a positive development in sales during the quarter due to the increased

security awareness. High-security doors and partitions are efficient solutions for any high-risk site that wants to raise its level of entrance security and control access across its location.

Safes & Vaults have shown a small sales decline overall during the quarter. The ATM business grew while the market for graded safes and vaults declined due to the continued consolidation of bank branches in many markets.

Electronic Security sales declined during the period, most notably in the Americas. In Europe, the largest market for Gunnebo's Electronic Security offering, sales were flat.

### IMPROVED RESULT AND FREE CASH FLOW

In the first quarter Gunnebo showed organic growth of 1% in sales with an operating margin excluding non-recurring items of 4.2%. This represents an improvement of 1.5 percentage points compared to the same period last year. The free cash flow was MSEK 7 for the quarter, an improvement of MSEK 150 compared to the same period last year.

### UPDATED STRATEGY

At our Capital Market Day in mid-March we shared a summary of our updated strategy for profitable growth which we have now started to deploy throughout the organisation.

For more information about our updated strategy, please see [www.gunnebogroup.com](http://www.gunnebogroup.com).

Henrik Lange  
President and CEO

## FINANCIAL TARGETS & OUTCOME

	2016	2015	2015	2016	Target
	Jan - Mar	Jan - Mar	Jan - Dec	L12M	
Organic growth	1%	-3%	0%	1%	5%
Operating margin <sup>1)</sup>	4.2%	2.7%	6.6%	6.9%	7.0%
Return on capital employed <sup>1) 2)</sup>	12.8%	12.3%	12.4%	12.8%	15%
Equity ratio	35%	36%	34%	35%	30%

<sup>1)</sup> Excluding non-recurring items

<sup>2)</sup> During the last twelve-month period

## SALES & PROFITABILITY IN BRIEF

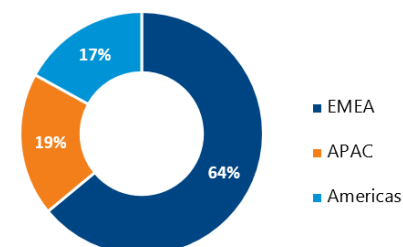
### REGIONAL SALES

Q1 2016 VS Q1 2015

	Organic	Structure	Currency	Total
EMEA	-1%	3%	-2%	0%
APAC	10%	1%	-5%	5%
AMERICAS	-1%	0%	-7%	-8%
<b>TOTAL</b>	<b>1%</b>	<b>2%</b>	<b>-4%</b>	<b>0%</b>

### SALES BY REGION

YTD 2016



### PRODUCT GROUP SALES

Q1 2016 VS Q1 2015

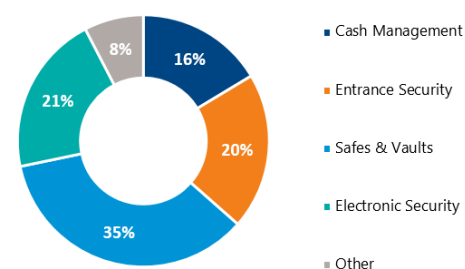
	EMEA	APAC	Americas	Total
Cash Management	+++	+++	+++	+++
Entrance Security	++	+/-	++	++
Safes & Vaults	-	--	+/-	-
Electronic Security	+/-	---	---	--

+/- = Relatively unchanged  
++ or -- = Better/Worse

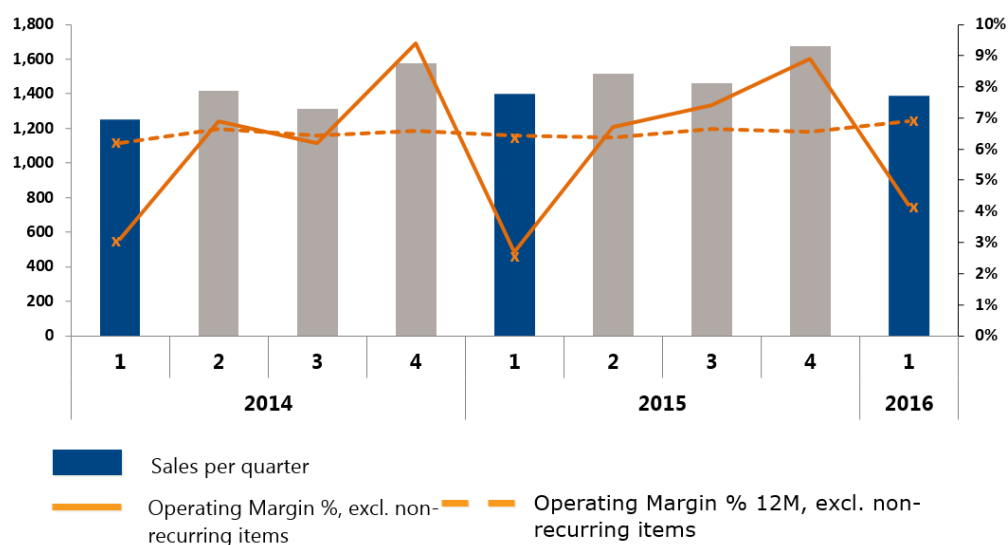
+ or - = Slightly better/Slightly worse  
+++/- = Much better/Much worse

### SALES BY PRODUCT GROUP

YTD 2016



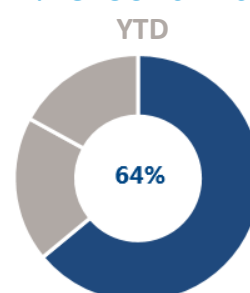
### GROUP SALES & OPERATING MARGIN BY QUARTER



## REGION EMEA

	2016	2015	2015
	Jan - Mar	Jan - Mar	Jan - Dec
Net sales, MSEK	888	887	3,860
Organic growth, %	-1	-3	0
Operating profit (EBIT) excl. non-recurring items, MSEK	7	5	151
Operating margin (EBIT) excl. non-recurring items, %	0.8	0.6	3.9
Non-recurring items, MSEK	-3	-8	-67
Operating profit (EBIT), MSEK	4	-3	84

## % GROUP SALES



## SALES DEVELOPMENT FIRST QUARTER 2016

Organic sales for the region were -1% for the quarter. Sales developed well in the Middle East, Southern Europe, Nordics and the UK, whereas sales in France and Central Europe declined.

Sales in Cash Management continued to develop well and major orders and deliveries were made on several main markets, such as in Italy and the Netherlands.

Sales in Entrance Security were strong, especially to high-risk sites. To promote the offering to this segment, several risk management seminars were held during the quarter.

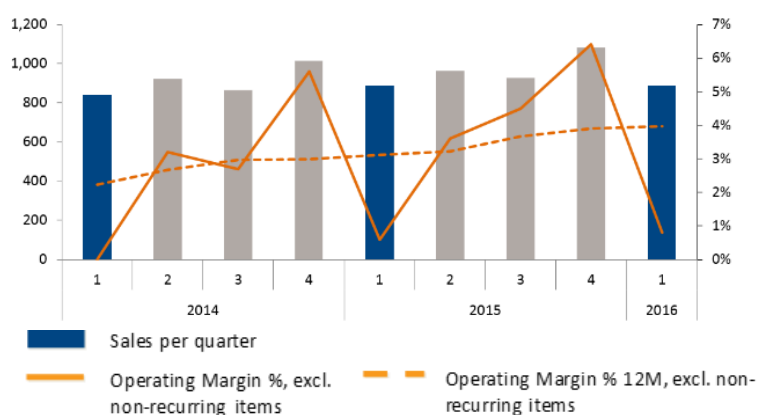
Within Safes & Vaults, the ATM business developed well whereas sales of graded safes and vaults declined due to the continued consolidation of bank branches in several markets.

Sales within Electronic Security were flat.

## RESULT DEVELOPMENT FIRST QUARTER 2016

The focus on productivity continued in the quarter. Expenses of a non-recurring nature affected the operating profit by MSEK -3 (-8).

Operating profit in the quarter, excluding non-recurring items improved to MSEK 7 (5), and the operating margin was 0.8% (0.6).



## QUARTER HIGHLIGHTS

- ENEC in the UAE selected Gunnebo as its partner to secure a new nuclear power plant
- Dutch retailer VOMAR placed a major order for SafePay to improve the efficiency of its cash management process
- Italian retailer Conad/Pac2000 signed a 2-year agreement for the roll-out service of 200 SafePay systems and related services
- Sweden-based SAS airlines embedded entrance control solutions from Gunnebo into its new VIP-lounge concept worldwide
- Spanish bank BBVA placed an order for the installation of an automated safe deposit locker system, SafeStore Auto, at their main branch in Barcelona

## EMEA IN BRIEF

SVP: Morten Andreasen | Sales Companies: 20  
Europe, Middle East & Africa (EMEA) is the Group's largest region. It is divided into eight sub-regions: Nordic, Central Europe, Southern Europe, UK/Ireland, France, Eastern Europe, Middle East and Africa.

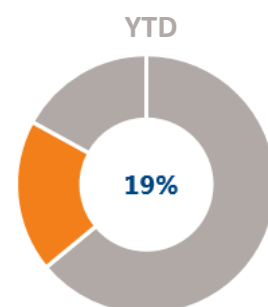
## GUNNEBO'S OFFERING IN EMEA

- Cash Management
- Entrance Security
- Safes & Vaults
- Electronic Security
- Services

## REGION ASIA-PACIFIC

	2016 Jan - Mar	2015 Jan - Mar	2015 Jan - Dec
Net sales, MSEK	258	245	1,085
Organic growth, %	10	-12	-8
Operating profit (EBIT) excl. non-recurring items, MSEK	26	13	115
Operating margin (EBIT) excl. non-recurring items, %	10.1	5.3	10.6
Non-recurring items, MSEK	-	-1	-7
Operating profit (EBIT), MSEK	26	12	108

## % GROUP SALES



## SALES DEVELOPMENT FIRST QUARTER 2016

Organic sales for the region were +10% for the quarter. Sales in South-East Asia and Indonesia were strong. The large order to OKI Pulp & Paper in Indonesia, received during the second quarter of 2015, has continued to have a positive impact on regional sales.

In India, sales to public sector banks continued to be weak but showed sign of stabilisation. However sales to private sector banks and of ATM safes developed positively.

Cash Management solutions were introduced into several APAC markets during 2015. Sales developed well in the region and a first order was received from a bank in Vietnam.

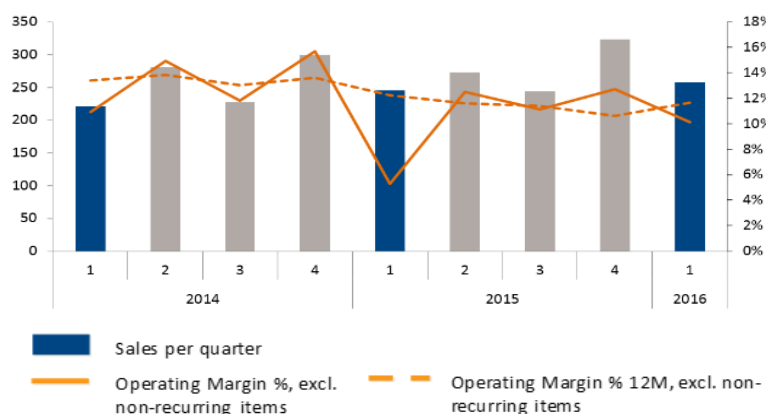
Sales in Entrance Security were flat but included orders from two Chinese metro lines. Interest in high-security doors and partitions is however gaining traction in Asia.

Sales of ATM safes developed well, whereas other business within Safes & Vaults declined mainly due to lower demand from public sector banks in India.

Sales in Electronic Security declined in the region.

## RESULT DEVELOPMENT FIRST QUARTER 2016

Operating profit excluding non-recurring items improved to MSEK 26 (13), mainly as a result of good organic growth and tight cost control. The operating margin excluding non-recurring items improved to 10.1% (5.3).



## QUARTER HIGHLIGHTS

- Gunnebo received its first cash management order to a bank in Vietnam
- Chinese metro lines Shijiazhuang Line 1 and Nanjing Metro S3 placed orders for entrance security solutions from Gunnebo
- A data centre in Singapore chose to increase security through the installation of security doors
- Hyundai Capital decided to install entrance security solutions from Gunnebo

## ASIA-PACIFIC IN BRIEF

SVP: Sacha de La Noë | Sales Companies: 8  
Australia/New Zealand, India, Indonesia, China  
South-Korea, South-East Asia: Malaysia, Singapore  
(with offices in Thailand, Vietnam and Myanmar)

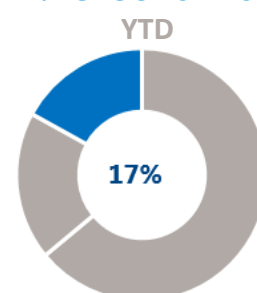
## GUNNEBO'S OFFERING IN APAC

- Cash Management
- Entrance Security
- Safes & Vaults
- Electronic Security
- Fire Security
- Services

## REGION AMERICAS

	2016 Jan - Mar	2015 Jan - Mar	2015 Jan - Dec
Net sales, MSEK	244	265	1,107
Organic growth, %	-1	9	8
Operating profit (EBIT) excl. non-recurring items, MSEK	25	20	131
Operating margin (EBIT) excl. non-recurring items, %	10.2	7.5	11.8
Non-recurring items, MSEK	-2	0	-3
Operating profit (EBIT), MSEK	23	20	128

## % GROUP SALES



### SALES DEVELOPMENT FIRST QUARTER 2016

Organic sales for the region were -1%. Sales developed well in the USA and Brazil, whereas sales in Mexico and Canada declined. In Mexico, sales comparison was affected by a large project within Electronic Security that was delivered in the first quarter of 2015.

Sales in Cash Management increased and several orders were received.

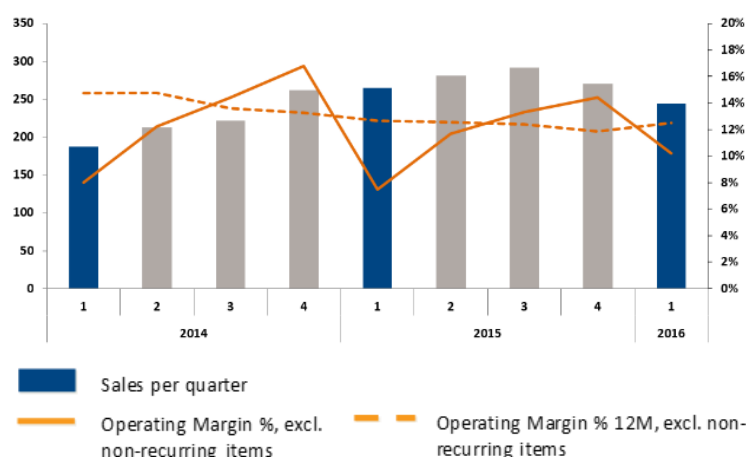
Sales in Entrance Security increased in the quarter and orders were received in both the US and in Brazil.

Sales in Safes & Vaults were flat. However, several orders were received for innovative solutions from Hamilton Safes, such as drive-up systems.

Sales in Electronic Security declined.

### RESULT DEVELOPMENT FIRST QUARTER 2016

The region reported an operating profit of 25 MSEK (20), despite a weaker sales figure. This is a result of tight cost control. Consequently, the operating margin improved to 10.2% (7.5).



### QUARTER HIGHLIGHTS

- A cash management order was received in Mexico from retail chain Grupo Commercial Control
- A large US bank decided to install drive-up units from Gunnebo in 184 locations across the country
- The US navy turned to Gunnebo (Hamilton) for delivery of high-security containers
- Brazilian mobile company TIM chose to equip all 400 stores with Gunnebo cord protection to secure products on display

### AMERICAS IN BRIEF

SVP: Dan Schroeder | Sales Companies: 4

North America: Canada, USA

Latin America: Brazil, Mexico

### GUNNEBO'S OFFERING IN AMERICAS

- Cash Management
- Entrance Security
- Safes & Vaults
- Electronic Security
- Services

# FINANCIAL PERFORMANCE

## JANUARY – MARCH 2016

### Net sales

The Group's net sales during the first quarter of 2016 amounted to MSEK 1,390. Net sales for the corresponding period last year amounted to MSEK 1,397. Organic growth was 1%.

### Financial results

Gross profit totalled MSEK 397 (402) for the period, a gross margin of 28.6% (28.8).

Reported operating profit was MSEK 53 (29), and the operating margin was 3.8% (2.0%). The operating profit excluding non-recurring items amounted to MSEK 58 (38) which corresponds to an operating margin of 4.2% (2.7). The main contribution to the improved operating profit derived from selling and administrative costs of MSEK 342 (364), excluding MSEK 4 (8) of non-recurring costs. Excluding non-recurring costs, selling and administrative costs amounted to 24.6% (26.1) of sales.

### OPERATING PROFIT BRIDGE VS. LAST YEAR, MSEK

	YTD
<b>Operating profit 2015</b>	<b>29</b>
Organic	5
Structure	14
Currency	0
Other	5
<b>Operating profit 2016</b>	<b>53</b>

Structural gains from previously performed restructuring initiatives, together with a tight cost-control, were the main reasons for the improvements during the first quarter.

Non-recurring items for the first quarter amounted to MSEK 5 (9) and derived from continued productivity improvements, mainly in Europe.

The currency effect in the operating profit was MSEK 0 in the period.

Net financial items totalled MSEK -14 (-17) and tax MSEK -19 (-23).

Net profit for the period totalled MSEK 20 (-11).

### Investments, divestments, depreciation and amortisation

Investments made in intangible assets and property, plant and equipment during the period totalled MSEK 22 (23). Depreciation and amortisation amounted to MSEK 29 (24).

### Cash flow

EBITDA for the quarter totalled MSEK 82 (53) followed by a cash flow from operating activities before changes in working capital of MSEK 31 (4). Cash flow from changes in working capital amounted to MSEK -22 (-124). During the fourth quarter of 2015, Gunnebo started up an initiative to improve the efficiency of order to cash processes and to decrease working capital. This is now being implemented throughout the sales organisation, starting in Region EMEA.

Cash flow from investing activities amounted to MSEK -2 (-24). The improvement is mainly due to a divestment of a property in the UK.

Cash flow after investing activities, before financing activities, amounted to MSEK 7 (-144).

Amortisation of loans by MSEK 34 and reduction of credit facility MSEK 17 reduced cash flow from financing activities by MSEK -51 (19).

Cash flow for the period amounted to MSEK -44 (-125).

### Liquidity and financial position

The Group's liquid funds at the end of the period amounted to MSEK 452 (496 at the year end 2015\*). Equity amounted to MSEK 1,771 (1,747\*) and the equity ratio to 35% (34%\*).

The increase in equity was mainly attributable to the profit for the year of MSEK 20 and positive translation differences from foreign operations of MSEK 4.

Net debt decreased by MSEK 19 to MSEK 1,193 (1,212\*). Net debt excluding pension commitments amounted to MSEK 835 (849\*). The debt/equity ratio totalled 0.7 (0.7\*).

### Parent company

The Group's parent company, Gunnebo AB, is a holding company which has the main task of owning and managing shares in other Group companies, as well as providing Group-wide services. Net sales for January-March amounted to MSEK 45 (44) and net profit to MSEK 5 (5).

### Employees

The number of employees at the end of the period was 5,475 (5,482\*). The number of employees outside Sweden at the end of the period was 5,308 (5,318\*).

### Share data

Earnings per share before and after dilution were 0.26 SEK (-0.13). The number of shareholders totalled 10,848 (11,500).

In line with the Long Term Incentive Program (LTIP 2015), Gunnebo AB issued 730,800 new shares of series C at a nominal value of 5 SEK/share during the period, increasing the share capital by MSEK 3.7. All of those shares were repurchased by

Gunnebo AB at the same value. The shares will be held by Gunnebo AB until the closure of LTIP in 2018, when these may be converted to shares of series B in line with LTIP. These shares are, in the calculation of earnings per share, replaced by an expected outcome of shares from the incentive program.

Gothenburg, April 27, 2016  
Henrik Lange President and CEO

*This interim report has not been reviewed by the company's auditors.*

## GROUP INCOME STATEMENT, CONDENSED

MSEK	2016 Jan - Mar	2015 Jan - Mar	2015 Jan - Dec
Net sales	1,390	1,397	6,052
Cost of goods sold	-993	-995	-4,278
<b>Gross profit</b>	<b>397</b>	<b>402</b>	<b>1,774</b>
Selling and administrative expenses	-346	-372	-1,452
Other operating expenses, net	2	-1	-2
<b>Operating profit/loss</b>	<b>53</b>	<b>29</b>	<b>320</b>
Net financial items	-14	-17	-43
<b>Profit/loss after financial items</b>	<b>39</b>	<b>12</b>	<b>277</b>
Taxes	-19	-23	-109
<b>Profit/loss for the period</b>	<b>20</b>	<b>-11</b>	<b>168</b>
<i>Profit and loss attributable to:</i>			
Parent company shareholders	20	-10	166
Non-controlling interests	0	-1	2
	20	-11	168

## GROUP STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

MSEK	2016 Jan - Mar	2015 Jan - Mar	2015 Jan - Dec
<b>Profit/loss for the period</b>	<b>20</b>	<b>-11</b>	<b>168</b>
<b>Other comprehensive income for the period</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gains and losses*	-	-	42
<b>Total items that will not be reclassified to profit or loss subsequently</b>	<b>-</b>	<b>-</b>	<b>42</b>
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation differences in foreign operations	4	47	-82
Hedging of net investments*	-	-3	-3
Cash flow hedges*	-1	-1	1
<b>Total items that may be reclassified to profit or loss subsequently</b>	<b>3</b>	<b>43</b>	<b>-84</b>
<b>Total other comprehensive income</b>	<b>3</b>	<b>43</b>	<b>-42</b>
<b>Total comprehensive income for the period</b>	<b>23</b>	<b>32</b>	<b>126</b>
*Net of taxes			
<i>Total comprehensive income attributable to:</i>			
Parent company shareholders	22	33	129
Non-controlling interests	1	-1	-3
	23	32	126

## GROUP STATEMENT OF FINANCIAL POSITION, CONDENSED

	2016	2015	2015
MSEK	Mar 31	Mar 31	Dec 31
Goodwill	1,522	1,498	1,517
Other intangible assets	289	204	295
Property, plant and equipment	337	309	358
Financial assets	16	16	14
Deferred tax assets	304	333	304
Inventories	716	765	678
Accounts receivable	1,087	1,083	1,150
Other current receivables	291	250	273
Liquid funds	452	345	496
<b>Total assets</b>	<b>5,014</b>	<b>4,803</b>	<b>5,085</b>
Equity	1,771	1,727	1,747
Deferred tax liabilities	96	72	93
Pension commitments	357	430	362
Loans, long-term	1,113	942	1,139
Accounts payable	559	572	635
Other current liabilities	934	891	895
Loans, short-term	184	169	214
<b>Total equity and liabilities</b>	<b>5,014</b>	<b>4,803</b>	<b>5,085</b>

## CHANGES IN GROUP EQUITY, CONDENSED

	2016	2015	2015
MSEK	Jan - Mar	Jan - Mar	Jan - Dec
Opening balance	1,747	1,694	1,694
Total comprehensive income for the period	23	32	126
Non-cash issue	-	1	1
Share-based remuneration	1	-	2
New share issue	-	-	0
Dividend	-	-	-76
<b>Closing balance</b>	<b>1,771</b>	<b>1,727</b>	<b>1,747</b>
<i>Whereof non-controlling interests</i>	<i>22</i>	<i>23</i>	<i>21</i>

## GROUP CASH FLOW STATEMENT

	2016	2015	2015
MSEK	Jan - Mar	Jan - Mar	Jan - Dec
<b>OPERATING ACTIVITIES</b>			
Operating profit/loss	53	29	320
Adjustment for depreciations/amortisations	29	24	108
Adjustment for other items not included in cash flow etc.	-1	-10	19
Net financial items affecting cash flow	-14	-21	-46
Taxes paid	-36	-18	-96
<b>Cash flow from operating activities before changes in working capital</b>	<b>31</b>	<b>4</b>	<b>305</b>
Cash flow from changes in working capital	-22	-124	-119
<b>Cash flow from operating activities</b>	<b>9</b>	<b>-120</b>	<b>186</b>
<b>INVESTING ACTIVITIES</b>			
Capital expenditure on intangible assets	-8	-7	-33
Capital expenditure on property, plant and equipment	-14	-16	-102
Sales of non-current assets	20	-	4
Acquisition of operations	-	-1	-160
<b>Cash flow from investing activities</b>	<b>-2</b>	<b>-24</b>	<b>-291</b>
<b>Cash flow after investing activities, before financing activities</b>	<b>7</b>	<b>-144</b>	<b>-105</b>
<b>FINANCING ACTIVITIES</b>			
Change in interest-bearing receivables	-2	-1	9
Increase in loans	2	35	359
Repayment of loans	-51	-15	-116
New share issue	-	-	0
Dividend	-	-	-76
<b>Cash flow from financing activities</b>	<b>-51</b>	<b>19</b>	<b>176</b>
<b>Cash flow for the period</b>	<b>-44</b>	<b>-125</b>	<b>71</b>
Liquid funds at the beginning of the year	496	447	447
Translation differences in liquid funds	0	23	-22
<b>Liquid funds at the end of the period</b>	<b>452</b>	<b>345</b>	<b>496</b>
<b>Free cash flow*</b>	<b>7</b>	<b>-143</b>	<b>56</b>

\*Equals to cash flow from operating and investing activities, excluding acquisitions and divestments

## CHANGE IN NET DEBT

	Closing balance March 31	Organic	Structure	Currency	Opening balance January 1
MSEK					
Loans, long- and short-term	1,297	49	-	7	1,353
Post employment benefits, net	357	3	-	2	362
Interest-bearing assets	-9	2	-	-	-7
Liquid funds	-452	-44	-	0	-496
<b>Net debt</b>	<b>1,193</b>	<b>10</b>	<b>-</b>	<b>9</b>	<b>1,212</b>

	2016	2015	2015
GROUP KEY RATIOS	Jan - Mar	Jan - Mar	Jan - Dec
Operating profit before depreciation and amortisation (EBITDA), MSEK	82	53	428
Operating profit before depreciation and amortisation (EBITDA) excl. non-recurring items, MSEK	87	62	505
Operating margin before depreciation and amortisation (EBITDA), %	5.9	3.8	7.1
Operating margin before depreciation and amortisation (EBITDA) excl. non-recurring items, %	6.2	4.4	8.4
Operating margin (EBIT), %	3.8	2.0	5.3
Operating margin (EBIT) excl. non-recurring items, %	4.2	2.7	6.6
Profit margin (EBT), %	2.8	0.8	4.6
Return on capital employed, % <sup>*)</sup>	10.7	12.2	10.1
Return on capital employed excl. non-recurring items, % <sup>*)</sup>	12.8	12.3	12.4
Capital turnover rate, times	1.8	1.8	1.8
Return on equity, % <sup>*)</sup>	11.6	13.7	9.9
Net debt, MSEK	1,193	1,188	1,212
Net debt/EBITDA, times <sup>*)</sup>	2.8	2.5	2.9
Equity ratio, %	35	36	34
Interest coverage ratio, times	4.3	2.2	7.8
Debt/equity, times	0.7	0.7	0.7
Equity per share, SEK	22.95	22.38	22.65
Free cash flow per share, SEK	0.09	-1.87	0.73
Average no. of shares, thousands	76,366	76,174	76,180
No. of shares at end of period, thousands	76,916	76,174	76,185

<sup>\*)</sup> During the last twelve-month period

# QUARTERLY DATA

## QUARTERLY DATA GROUP

	2014					2015					2016	
Income statement, MSEK	1	2	3	4	YTD	1	2	3	4	YTD	1	YTD
Net sales	1,250	1,419	1,314	1,574	<b>5,557</b>	1,397	1,516	1,462	1,677	<b>6,052</b>	1,390	<b>1,390</b>
Cost of goods sold	-894	-1,007	-922	-1,088	<b>-3,911</b>	-995	-1,053	-1,028	-1,202	<b>-4,278</b>	-993	<b>-993</b>
<b>Gross profit</b>	<b>356</b>	<b>412</b>	<b>392</b>	<b>486</b>	<b>1,646</b>	<b>402</b>	<b>463</b>	<b>434</b>	<b>475</b>	<b>1,774</b>	<b>397</b>	<b>397</b>
Selling and administrative expenses	-338	-348	-318	-380	<b>-1,384</b>	-372	-383	-352	-345	<b>-1,452</b>	-346	<b>-346</b>
Other operating expenses, net	0	77	3	10	<b>90</b>	-1	0	8	-9	<b>-2</b>	2	<b>2</b>
<b>Operating profit/loss</b>	<b>18</b>	<b>141</b>	<b>77</b>	<b>116</b>	<b>352</b>	<b>29</b>	<b>80</b>	<b>90</b>	<b>121</b>	<b>320</b>	<b>53</b>	<b>53</b>
Net financial items	-8	-11	-8	-8	<b>-35</b>	-17	-9	-10	-7	<b>-43</b>	-14	<b>-14</b>
<b>Profit/loss after financial items</b>	<b>10</b>	<b>130</b>	<b>69</b>	<b>108</b>	<b>317</b>	<b>12</b>	<b>71</b>	<b>80</b>	<b>114</b>	<b>277</b>	<b>39</b>	<b>39</b>
Taxes	-13	-24	-33	-20	<b>-90</b>	-23	-20	-32	-34	<b>-109</b>	-19	<b>-19</b>
<b>Profit/loss for the period</b>	<b>-3</b>	<b>106</b>	<b>36</b>	<b>88</b>	<b>227</b>	<b>-11</b>	<b>51</b>	<b>48</b>	<b>80</b>	<b>168</b>	<b>20</b>	<b>20</b>
Key ratios												
Organic growth, %	9	6	-5	-2	<b>2</b>	-3	-4	4	2	<b>0</b>	1	<b>1</b>
Gross margin, %	28.5	29.0	29.8	30.9	<b>29.6</b>	28.8	30.5	29.7	28.3	<b>29.3</b>	28.6	<b>28.6</b>
Selling and administrative expenses in % of sales	27.0	24.5	24.2	24.1	<b>24.9</b>	26.6	25.3	24.1	20.6	<b>24.0</b>	24.9	<b>24.9</b>
Operating (EBIT) margin, %	1.5	9.9	5.9	7.4	<b>6.3</b>	2.0	5.3	6.2	7.2	<b>5.3</b>	3.8	<b>3.8</b>
Non-recurring items, MSEK	-20	43	-5	-32	<b>-14</b>	-9	-22	-18	-28	<b>-77</b>	-5	<b>-5</b>
Gross margin excl. non-recurring items, %	29.0	30.0	30.4	31.1	<b>30.2</b>	28.8	30.7	30.2	29.2	<b>29.7</b>	28.6	<b>28.6</b>
Selling and administrative expenses, excl. non-recurring items in % of sales	26.1	23.5	24.2	22.3	<b>23.9</b>	26.1	24.0	23.3	19.8	<b>23.1</b>	24.6	<b>24.6</b>
Operating profit (EBIT), excl. non-recurring items, MSEK	38	98	82	148	<b>366</b>	38	102	108	149	<b>397</b>	58	<b>58</b>
Operating margin (EBIT) excl. non-recurring items, %	3.1	6.9	6.2	9.4	<b>6.6</b>	2.7	6.7	7.4	8.9	<b>6.6</b>	4.2	<b>4.2</b>
Earnings per share, SEK *)	-0.04	1.40	0.47	1.15	<b>2.98</b>	-0.13	0.64	0.62	1.05	<b>2.18</b>	0.26	<b>0.26</b>

\*Before and after dilution

## QUARTERLY REGIONAL DATA

	2014					2015					2016	
EMEA	1	2	3	4	YTD	1	2	3	4	YTD	1	YTD
Net sales, MSEK	842	925	864	1,013	<b>3,644</b>	887	962	927	1,084	<b>3,860</b>	888	<b>888</b>
Organic growth, %	7	0	0	-4	<b>0</b>	-3	-2	-1	3	<b>0</b>	-1	<b>-1</b>
Operating profit (EBIT), MSEK	-20	81	19	28	<b>108</b>	-3	19	25	43	<b>84</b>	4	<b>4</b>
Operating (EBIT) margin, %	-2.4	8.8	2.2	2.8	<b>3.0</b>	-0.3	2.0	2.7	4.0	<b>2.2</b>	0.5	<b>0.5</b>
Non-recurring items, MSEK	-19	51	-4	-29	<b>-1</b>	-8	-16	-17	-26	<b>-67</b>	-3	<b>-3</b>
Operating profit (EBIT), excl. non-recurring items, MSEK	-1	30	23	57	<b>109</b>	5	35	42	69	<b>151</b>	7	<b>7</b>
Operating margin (EBIT) excl. non-recurring items, %	-0.1	3.2	2.7	5.6	<b>3.0</b>	0.6	3.6	4.5	6.4	<b>3.9</b>	0.8	<b>0.8</b>
APAC												
Net sales, MSEK	221	281	228	299	<b>1,029</b>	245	273	244	323	<b>1,085</b>	258	<b>258</b>
Organic growth, %	15	24	-11	5	<b>8</b>	-12	-20	-2	1	<b>-8</b>	10	<b>10</b>
Operating profit (EBIT), MSEK	23	37	27	44	<b>131</b>	12	31	26	39	<b>108</b>	26	<b>26</b>
Operating (EBIT) margin, %	10.4	13.2	11.8	14.7	<b>12.7</b>	4.9	11.4	10.7	12.1	<b>10.0</b>	10.1	<b>10.1</b>
Non-recurring items, MSEK	-1	-5	0	-3	<b>-9</b>	-1	-3	-1	-2	<b>-7</b>	0	<b>0</b>
Operating profit (EBIT), excl. non-recurring items, MSEK	24	42	27	47	<b>140</b>	13	34	27	41	<b>115</b>	26	<b>26</b>
Operating margin (EBIT) excl. non-recurring items, %	10.9	14.9	11.8	15.7	<b>13.6</b>	5.3	12.5	11.1	12.7	<b>10.6</b>	10.1	<b>10.1</b>
AMERICAS												
Net sales, MSEK	187	213	222	262	<b>884</b>	265	281	291	270	<b>1,107</b>	244	<b>244</b>
Organic growth, %	7	9	-14	2	<b>0</b>	9	5	21	-2	<b>8</b>	-1	<b>-1</b>
Operating profit (EBIT), MSEK	15	23	31	44	<b>113</b>	20	30	39	39	<b>128</b>	23	<b>23</b>
Operating (EBIT) margin, %	8.0	10.8	14.0	16.8	<b>12.8</b>	7.5	10.7	13.4	14.4	<b>11.6</b>	9.4	<b>9.4</b>
Non-recurring items, MSEK	0	-3	-1	0	<b>-4</b>	0	-3	0	0	<b>-3</b>	-2	<b>-2</b>
Operating profit (EBIT), excl. non-recurring items, MSEK	15	26	32	44	<b>117</b>	20	33	39	39	<b>131</b>	25	<b>25</b>
Operating margin (EBIT) excl. non-recurring items, %	8.0	12.2	14.4	16.8	<b>13.2</b>	7.5	11.7	13.4	14.4	<b>11.8</b>	10.2	<b>10.2</b>

## NOTE 1 ACCOUNTING PRINCIPLES AND RISKS

### Accounting principles

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

Financial Reporting are presented either in the notes or elsewhere in the interim report.

### Significant risks and uncertainties

The Group's and parent company's significant risks and uncertainties include operational risks and financial risks. Operational risks for Gunnebo mainly include risks posed by the global economy and commercial risks. The Group's risk management is described in more detail in the latest Annual Report.

### Sub-sequent events

No significant events have occurred since the closing day.

## NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

### Financial instruments measured at fair value

For all assets and liabilities measured at fair value, which comprise of derivative instruments, the fair values have been assessed based on measurement techniques which are, in all essentials, based on observable market data. According to the fair value hierarchy of IFRS 13, such measurement methods are referred as to Level 2.

The carrying amount of the Group's derivatives corresponds to their fair values.

### Other financial instruments

Financial instruments such as accounts receivable, accounts payable and other non-interest-bearing

financial assets and liabilities, which are recognised at amortised cost less any write-down, the fair value is deemed to be the same as the carrying amount due to the short term anticipated duration.

The Group's long-term borrowing primarily relates to long-term credit facilities with short fixed interest rate periods and stable credit margin. The fair value is therefore deemed to be the same as the carrying amount (Level 2 in the IFRS 13 fair value hierarchy).

### NOTE 3 RECONCILIATION OF PROFIT/LOSS AFTER FINANCIAL ITEMS

MSEK	2016 Jan - Mar	2015 Jan - Mar	2015 Jan - Dec
Region EMEA	4	-3	84
Region APAC	26	12	108
Region Americas	23	20	128
<b>Operating profit/loss</b>	<b>53</b>	<b>29</b>	<b>320</b>
Financial items	-14	-17	-43
<b>Profit/loss after financial items</b>	<b>39</b>	<b>12</b>	<b>277</b>

### NOTE 4 NON-RECURRING ITEMS PER FUNCTIONAL COST

MSEK	2016 Jan - Mar incl. non-rec items	2016 Jan - Mar non-rec items	2016 Jan - Mar excl. non-rec items
Net sales	1,390	-	1,390
Cost of goods sold	-993	1	-992
<b>Gross profit</b>	<b>397</b>	<b>1</b>	<b>398</b>
Selling and administrative expenses	-346	4	-342
Other operating expenses, net	2	-	2
<b>Operating profit/loss</b>	<b>53</b>	<b>5</b>	<b>58</b>
<i>Gross margin, %</i>	<i>28.6%</i>		<i>28.6%</i>
<i>Selling and administrative expenses in percentage of sales</i>	<i>24.9%</i>		<i>24.6%</i>
<i>Operating margin, %</i>	<i>3.8%</i>		<i>4.2%</i>

MSEK	2015 Jan - Mar incl. non-rec items	2015 Jan - Mar non-rec items	2015 Jan - Mar excl. non-rec items
Net sales	1,397	-	1,397
Cost of goods sold	-995	1	-994
<b>Gross profit</b>	<b>402</b>	<b>1</b>	<b>403</b>
Selling and administrative expenses	-372	8	-364
Other operating expenses, net	-1	-	-1
<b>Operating profit/loss</b>	<b>29</b>	<b>9</b>	<b>38</b>
<i>Gross margin, %</i>	<i>28.8%</i>		<i>28.8%</i>
<i>Selling and administrative expenses in percentage of sales</i>	<i>26.6%</i>		<i>26.1%</i>
<i>Operating margin, %</i>	<i>2.0%</i>		<i>2.7%</i>

## PARENT COMPANY

### PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

MSEK	2016 Jan - Mar	2015 Jan - Mar	2015 Jan - Dec
Net sales	45	44	265
Administrative expenses	-40	-34	-181
<b>Operating profit/loss</b>	<b>5</b>	<b>10</b>	<b>84</b>
Net financial items	-2	-2	-11
<b>Profit/loss after financial items</b>	<b>3</b>	<b>8</b>	<b>73</b>
Appropriations	-	-	75
Taxes	2	-3	-37
<b>Profit/loss for the period</b>	<b>5</b>	<b>5</b>	<b>111</b>

Total comprehensive income corresponds with profit/loss for the period

### PARENT COMPANY STATEMENT OF FINANCIAL POSITION, CONDENSED

MSEK	2016 Mar 31	2015 Mar 31	2015 Dec 31
Other intangible assets	5	6	4
Property, plant and equipment	2	2	2
Financial assets	1,675	1,713	1,673
Current receivables	19	27	40
Liquid funds	0	1	0
<b>Total assets</b>	<b>1,701</b>	<b>1,749</b>	<b>1,719</b>
Equity	1,525	1,490	1,520
Current liabilities	176	259	199
<b>Total equity and liabilities</b>	<b>1,701</b>	<b>1,749</b>	<b>1,719</b>

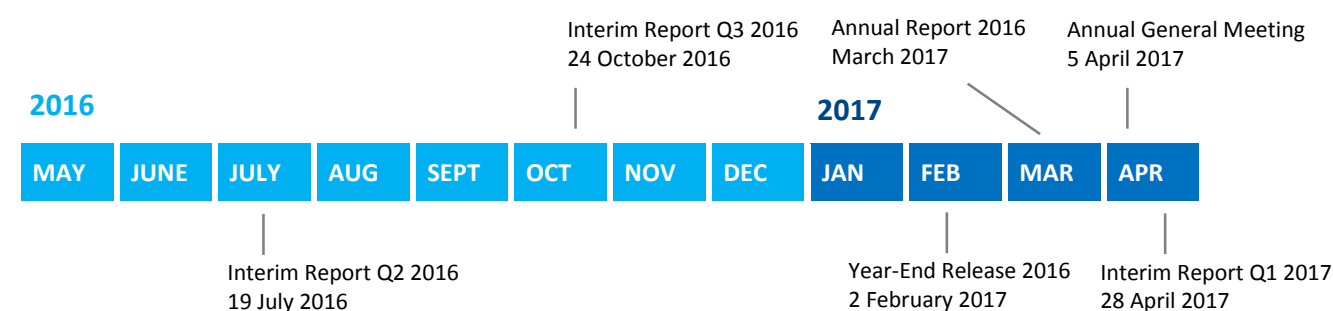
### CHANGES IN PARENT COMPANY EQUITY, CONDENSED

MSEK	2016 Jan - Mar	2015 Jan - Mar	2015 Jan - Dec
Opening balance	1,520	1,485	1,485
Total comprehensive income for the period	5	5	111
New share issue	-	-	0
Dividend	-	-	-76
<b>Closing balance</b>	<b>1,525</b>	<b>1,490</b>	<b>1,520</b>

## DEFINITIONS

<b>Capital employed</b>	Total assets less non-interest-bearing provisions and liabilities.
<b>Capital turnover rate</b>	Net sales in relation to average capital employed.
<b>Debt/equity</b>	Net debt in relation to equity.
<b>Earnings per share</b>	Profit after tax attributable to the parent company's shareholders divided by the average number of shares.
<b>Earnings per share after dilution</b>	Profit after tax attributable to the parent company's shareholders divided by the average number of shares after dilution.
<b>EBITDA</b>	Operating profit before depreciation/amortisation and write-downs of intangible assets and property, plant and equipment.
<b>Equity per share</b>	Equity attributable to the shareholders of the parent company divided by the number of shares at the end of the period.
<b>Equity ratio</b>	Equity as a percentage of the total assets.
<b>Free cash flow per share</b>	Cash flow from operating and investing activities, excluding acquisitions and divestments, divided by the average number of shares.
<b>Gross margin</b>	Gross profit as a percentage of net sales.
<b>Interest coverage ratio</b>	Profit/loss after financial items plus interest costs, divided by interest costs.
<b>Net debt</b>	Interest-bearing provisions and liabilities less liquid funds and interest-bearing receivables.
<b>Net debt/EBITDA</b>	Average net debt divided by EBITDA.
<b>Operating (EBIT) margin</b>	Operating profit as a percentage of net sales.
<b>Organic growth</b>	Growth in net sales adjusted for acquisitions, divestments and exchange rate effects.
<b>Profit margin</b>	Profit after financial items as a percentage of net sales.
<b>Return on capital employed</b>	Operating profit plus financial income as a percentage of average capital employed.
<b>Return on equity</b>	Profit/loss for the period as a percentage of average equity.

## Financial Calendar 2016/2017



### About Gunnebo

Gunnebo is a global security provider with an offering covering safes and vaults, cash management, entrance security and electronic security. The Group has an annual turnover of €660 million and 5,500 employees in 32 countries worldwide. Gunnebo has 11 production units in ten countries. Gunnebo's shares (GUNN) are traded on NASDAQ Stockholm under Mid Cap and Industrials.



### Vision

To be the leading global provider of a safer future.

### Mission

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

### Strategy for profitable growth

- Focus on growth in the product groups Cash Management, Entrance Security, Safes & Vaults and Electronic Security.
- Focus on solutions-selling to key accounts in target customer segments
- Focus on operational excellence and productivity

### Product Groups

#### Cash Management

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

#### Entrance Security

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

#### Safes & Vaults

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

#### Electronic Security

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

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*The information in this interim report is such that Gunnebo is required to disclose in accordance with the Securities Market Act. The report was released for publication at 08.01 a.m. CET on April 27 2016.*

