GUNNEBO Q1 2019

Q1 2019: Strong Order Intake for the Group

Performance for the Quarter

Gunnebo's business is to a large extent project-driven where order intake and sales fluctuate between quarters. Therefore we will also disclose the order intake per Business Unit as of Q1 2019.

The first quarter of 2019 showed a strong order intake for the Group with year-on-year growth of 12% (7% in constant currencies). Entrance Control and Safe Storage reported double-digit growth of 27% and 16% respectively. Cash Management and Integrated Security reported a positive development on order intake.

Sales for the Group were up 4% compared to Q1 2018 (flat in constant currencies). In Safe Storage, sales grew by 16% year-on-year (10% in constant currencies). Cash Management sales had a slight increase of 2% (-3% in constant currencies) and sales in Entrance Control contracted by 4% year-on-year (-9% in constant currencies) due to a large order delivered in Q1 last year. With the strong order intake, sales will however recover in the coming quarters. We have grown our sales two years in a row in both Cash Management and Entrance Control and we believe we are better structured today to capture growth in the market. In Integrated Security, sales contracted by 3% year-on-year (-4% in constant currencies) but with improved profitability.

Strategy to focus the business by product offering

In the quarter, Gunnebo has continued to implement the strategy aiming at simplifying the Group's structure and focus by product offering through the four Business Units Safe Storage, Cash Management, Entrance Control and Integrated Security. We started working in the new structure in Q2 2018, and I am pleased to see an increase in customer interactions and clarifications of go-to-market models gradually coming through in the different Business Units.

As part of this strategy we are also investing in strengthening our brand positioning in the market. In the quarter we launched an updated web presence and successfully participated in four important exhibitions: EuroCIS in Germany, NRF in the US, Passenger Terminal Expo in the UK and Intersec in Dubai. In Integrated Security we launched a new Electronic Article Surveillance technology which allows larger stores to operate up to 100 antennas without disturbances and we continued the commercialisation of the retail digitisation solution, Gunnebo Retail Solutions.

Results in the quarter

The Group's overall EBITA margin was 3.9% which was lower than last year. The lower margin is mainly explained by not yet seen improvements from ongoing cost saving activities and by underabsorption in Entrance Control and Cash Management due to the slow sales development in the quarter. In Integrated Security our EBITA improved despite lower sales which is encouraging.

In summary, we see increased activity in our overall customer interaction across Business Units, we are increasing our brand positioning activities and, while undergoing the change into Business Units, we are also identifying areas of efficiency improvements. The management team and I remain convinced that the company is on the right track towards sustainable profitable growth.

Gothenburg 26 April, 2019

Henrik Lange
President & CEO

Unless otherwise stated, text and numbers in this report refer to continuing operations.

GUNNEBO®
For a safer world

Q1 In Brief [1)]

Order intake, MSEK	2019 Q1	2018 Q1	*Reported growth %*	*Order intake growth %*	2018 Full year	*Reported growth %*	*Order intake growth %*
Safe Storage	494	425	*16*	*11*	1,911	*12*	*9*
Cash Management	354	340	*4*	*0*	1,194	*20*	*17*
Entrance Control	288	226	*27*	*22*	1,041	*4*	*0*
Integrated Security	296	291	*2*	*1*	1,072	*-15*	*-16*
Total	1,432	1,282	*12*	*7*	5,218	*5*	*2*

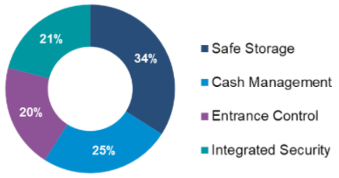
Net sales, MSEK	2019 Q1	2018 Q1	*Reported growth %*	*Sales growth %*	2018 Full year	*Reported growth %*	*Sales growth %*
Safe Storage	456	394	*16*	*10*	1,826	*7*	*4*
Cash Management	258	253	*2*	*-3*	1,090	*6*	*2*
Entrance Control	235	245	*-4*	*-9*	1,048	*17*	*13*
Integrated Security	257	265	*-3*	*-4*	1,164	*-5*	*-5*
Total	1,206	1,157	*4*	*0*	5,128	*5*	*3*

EBITA, MSEK	2019 Q1	*Margin %*	2018 Q1	*Margin %*	2018 Full year	*Margin %*
Safe Storage	24	*5.3*	23	*5.8*	151	*8.3*
Cash Management	14	*5.4*	24	*9.5*	122	*11.2*
Entrance Control	26	*11.1*	43	*17.6*	176	*16.8*
Integrated Security	7	*2.7*	-1	*-0.4*	1	*0.1*
Group Functions	-24	-	-23 [2)]	-	-116 [2)]	-
Total	47	*3.9*	66 [2)]	*5.7*	334 [2)]	*6.5*

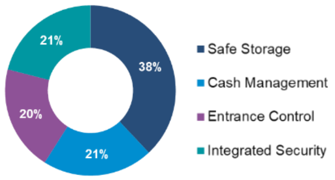
Other financial information, MSEK	2019 Q1	2018 Q1	2018 Full year
Amortisation and impairment from acquisition related intangibles	-3	-6	-40
Items affecting comparability (IAC)	-6	-2 [2)]	-29 [2)]
IFRS 16 leasing effect	2	-	-
EBIT	40	58	265
Net profit for the period	7	22	120
Earnings per share, SEK	0.09	0.31	1.57
Continuing and discontinued operations			
Net profit for the period	7	-2	-683
Earnings per share, SEK	0.09	-0.01	-8.95
Free cash flow	27	39	124

1) Refer to page 22 for the Group´s defintions of key performance measures.
2) IAC in Q1 2018 has been adjusted compared to previous published figures. For further information, see Note 1.

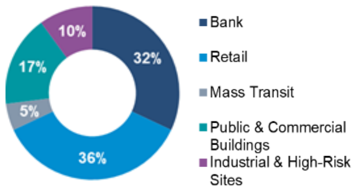
Order intake by Business Unit, YTD



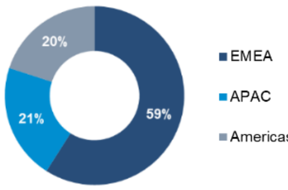
Sales by Business Unit, YTD



Sales by Customer Segment, YTD



Sales by Region, YTD



Gunnebo's Business Units

Safe Storage

Safe Storage offers solutions protecting data, cash and other valuables from data intrusion, burglary, fire and explosion, as well as securing regulatory compliance.

Cash Management

Cash Management offers solutions to facilitate the flow of cash and related data in the ecosystem for retailers, cash in transit (CIT) companies and banks using a software platform as the base.

Entrance Control

Entrance Control offers solutions protecting people, assets and buildings by controlling access using passage barriers and detection systems.

Integrated Security

Integrated Security comprises several local integrator businesses within electronic security, fire security and electronic article surveillance.

Safe Storage

The Business Unit had a strong start to the year with order intake up 16% year-on year (11% in constant currencies) and sales growth up 16% (10% in constant currencies).

Safe Storage	2019 Q1	2018 Q1	2018 Full year
Order intake, MSEK	494	425	1,911
Reported growth, %	*16*	*-12*	*12*
Order intake, growth, %	*11*	*-12*	*9*
Net sales, MSEK	456	394	1,826
Reported growth, %	*16*	*-11*	*7*
Sales growth, %	*10*	*-10*	*4*
EBITA, MSEK	24	23	151
EBITA margin, %	*5.3*	*5.8*	*8.3*
Items affecting comparability (IAC), MSEK	-1	-3	-24
Operating capital employed	506	488	491

Development Q1 2019

The strong sales development in the quarter was broad-based with growth in all regions and in our ATM business.

In Europe, it was predominately the markets in Germany and Spain that contributed to the growth where major deliveries of automated safe deposit lockers, SafeStore Auto and vaults were made to clients.

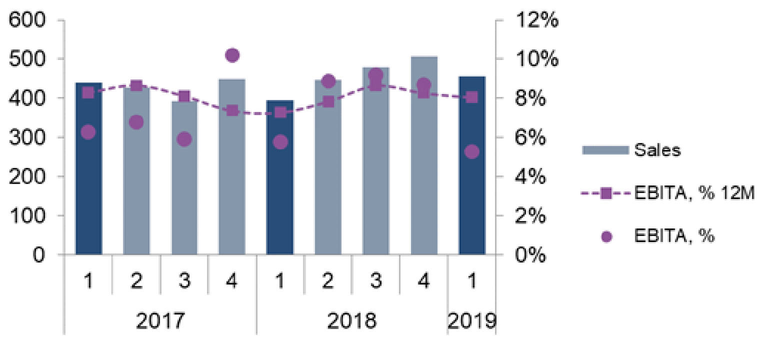
In Asia-Pacific, sales growth came from most markets in the region. The important Indian market continued to develop positively, primarily due to a good level of deliveries to new business segments.

In Americas, the US market had higher levels of sales in the quarter, coming from both channel partners and national accounts.

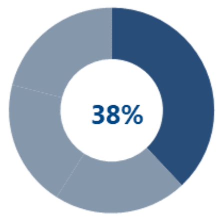
During the quarter, Gunnebo also successfully participated at the Intersec 2019 Exhibition in Dubai together with a distribution partner.

Result Development

In the quarter, EBITA amounted to MSEK 24 (23) resulting in a margin of 5.3% (5.8). The lower profitability is explained by the ongoing improvements in Europe, where recent cost-saving activities have not yet shown full effect.

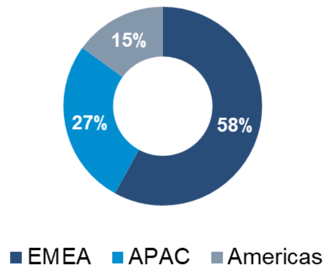


Share of Group Sales YTD 2019



Safe Storage offers solutions protecting data, cash and other valuables from data intrusion, burglary, fire and explosion, as well as ensuring regulatory compliance.

Sales per Region



Quarter Highlights

Oman: A major bank in the country reinforces two of its branches with vaults from Gunnebo (Chubbsafes).

Canada: Two of the country's largest banks, CIBC and RBC, place orders for major vaults.

USA: JP Morgan continues to roll out its strategy to open up new branches and asks Gunnebo (Hamilton) to supply solutions for safe storage.

UK: A high-street technology retailer turns to Gunnebo to supply security cabinets for its stores across the country.

Global: Several orders for automated safe deposit lockers, SafeStore Auto, received from customers in Europe as well as in Asia-Pacific.

Cash Management

The Business Unit's order intake was up 4% year-on-year (flat in constant currencies) and sales increased by 2% (-3% in constant currencies) in the quarter. Cash Management is to a large extent a project-driven business, where order intake and sales fluctuate between quarters.

Cash Management	2019 Q1	2018 Q1	2018 Full year
Order intake, MSEK	354	340	1,194
Reported growth, %	*4*	*-7*	*20*
Order intake, growth, %	*0*	*-8*	*17*
Net sales, MSEK	258	253	1,090
Reported growth, %	*2*	*1*	*6*
Sales growth, %	*-3*	*2*	*2*
EBITA, MSEK	14	24	122
EBITA margin, %	*5.4*	*9.5*	*11.2*
Items affecting comparability (IAC), MSEK	0	-1	-6
Operating capital employed, MSEK	257	277	258

Development Q1 2019

Sales in Europe had a good start to the year. For direct sales, the Nordic markets had a positive development with continued good levels of delivery of the closed cash management system, SafePay, to retailers in the region. Germany also had a good quarter with continued roll-out of back-office solutions to a retailer with outlets across the country. Deliveries to CIT partners were on par with last year.

In the Middle East, deliveries to a CIT partner in the region continued on high levels.

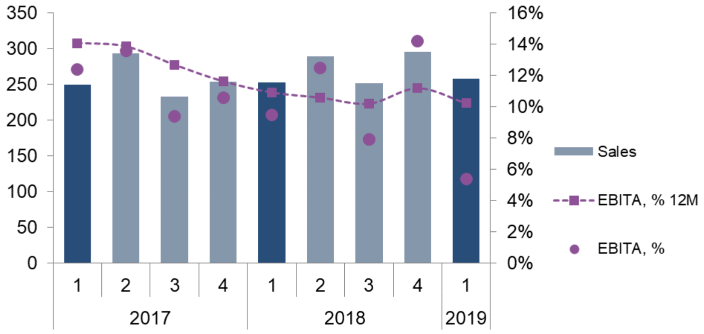
Cash Management in Asia-Pacific is a small part of the total business. The biggest market in the region is Australia where sales developed weakly in the quarter.

In Americas, sales were weak in all markets except for Brazil.

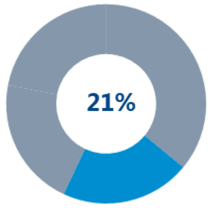
Gunnebo is investing in strengthening its brand positioning in the cash management market. In the quarter the Business Unit successfully participated in two retail-focused exhibitions: EuroCIS in Germany and NRF in the US. New and upgraded solutions were presented at both exhibitions.

Result Development

In the quarter, EBITA amounted to MSEK 14 (24) resulting in a margin of 5.4% (9.5). The lower margin is mainly explained by under-utilisation of resources and product mix in the quarter.

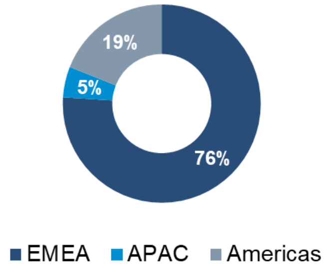


Share of Group Sales YTD 2019



Cash Management offers solutions to facilitate the flow of cash and related data in the ecosystem for retailers, Cash in transit (CIT) companies and banks using a software platform as a base.

Sales per Region



Quarter Highlights

Nordics: Key retailers in the region continue to invest in Gunnebo's solution for closed cash management, SafePay.

Europe: CIT companies which are active across the region continue to use cash management solutions from Gunnebo as part of their offering to large retail chains.

Netherlands: A major bank places an order for an upgrade to its installed base of smart night safes.

Middle East: A large CIT company continues to buy Gunnebo's cash management solutions to streamline the cash process for its retail customers.

Entrance Control

The Business Unit had a strong order intake development which grew year-on-year by 27% (22% in constant currencies). Sales however declined by 4% year-on-year, (-9% in constant currencies), mainly due to the phasing of project businesses in Asia-Pacific and the Middle East.

Entrance Control	2019 Q1	2018 Q1	2018 Full year
Order intake, MSEK	288	226	1,041
Reported growth, %	*27*	*-13*	*4*
Order intake, growth, %	*22*	*-14*	*0*
Net sales, MSEK	235	245	1,048
Reported growth, %	*-4*	*35*	*17*
Sales growth, %	*-9*	*36*	*13*
EBITA, MSEK	26	43	176
EBITA margin, %	*11.1*	*17.6*	*16.8*
Items affecting comparability (IAC), MSEK	0	-2	-5
Operating capital employed, MSEK	216	202	181

Development Q1 2019

Entrance Control is mainly a project-driven business, where order intake and sales will fluctuate between quarters. In the first quarter, order intake was strong while sales contracted due to a strong comparison where delivery of a large project was completed in Q1 2018.

Sales in Europe showed an overall positive development with continued good levels of deliveries to airport operators, office buildings and high-risk sites in the region.

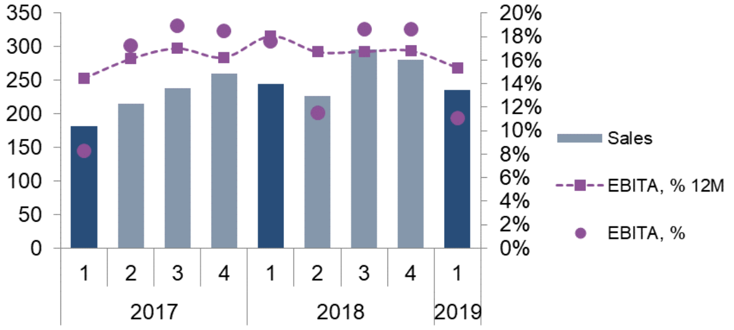
In Asia-Pacific, sales started off weakly in the main markets due to project phasing.

In Americas, sales to public and commercial buildings continued to develop strongly in the US.

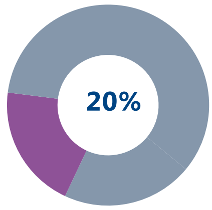
Entrance Control is investing in strengthening its sales resources as well as its brand positioning. In the quarter, the Business Unit participated in Passenger Terminal Expo in the UK – a tradeshow targeting the growing airport industry. Among other solutions, Gunnebo showcased the ImmSec, the next generation automated border control gate with integrated biometrics. Entrance Control also had a successful participation in Intersec, the biggest security exhibition in the Middle East, where entrance control and outdoor perimeter protection solutions were on display.

Result Development

In the quarter, EBITA amounted to MSEK 26 (43), resulting in a margin of 11.1% (17.6). The lower EBITA is explained by the weak sales compared to Q1 2018 and under-utilisation of manufacturing capacity.

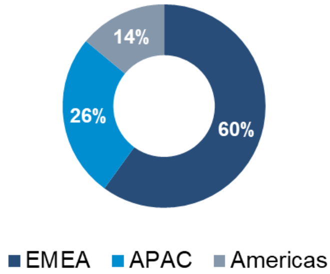


Share of Group Sales YTD 2019



Entrance Control offers solutions protecting people, assets and buildings by controlling access using passage barriers and detection systems.

Sales per Region



Quarter Highlights

Germany: Through a systems integrator, Gunnebo wins a contract to install pre-security gates at several European airports.

Denmark: A fitness chain installs SpeedStiles in all 16 sites across the country to get control over the flow of its gym members.

China: The successful business to supply solutions for entrance control to metro lines in the country continues. During the quarter, the intercity line between Hangzhou city and Ling'an city in China decides to install Gunnebo's metro gates.

Africa: A railway station in Kenya installs an entrance and ticketing solution from Gunnebo to increase the control of travelers.

Middle East: An independent combat institution in the region will install outdoor perimeter protection products for security upgrade of its sites.

USA: Continued good order intake for entrance control solutions to office buildings and sites that are potential targets for terrorist attacks.

Integrated Security

The Business Unit showed an improved EBITA in the quarter, where order intake year-on-year grew by 2% (1% in constant currencies) whereas sales contracted by 3% (-4% in constant currencies).

Integrated Security	2019 Q1	2018 Q1	2018 Full year
Order intake, MSEK	296	291	1,072
Reported growth, %	*2*	*-4*	*-15*
Order intake, growth, %	*1*	*-3*	*-16*
Net sales, MSEK	257	265	1,164
Reported growth, %	*-3*	*-12*	*-5*
Sales growth, %	*-4*	*-9*	*-5*
EBITA, MSEK	7	-1	1
EBITA margin, %	*2.7*	*-0.4*	*0.1*
Items affecting comparability (IAC), MSEK	-4	-5	-18
Operating capital employed, MSEK	259	264	268

Development Q1 2019

The review of the various businesses within Integrated Security continues, where the overall target is to improve the financial performance over time.

In Europe, sales in East Europe developed well whereas the rest of the region had a slow start. Sales in the Middle East had a good start to the year.

In Asia-Pacific, sales of fire products and projects showed good development in the quarter while most other businesses had a slow start to the year.

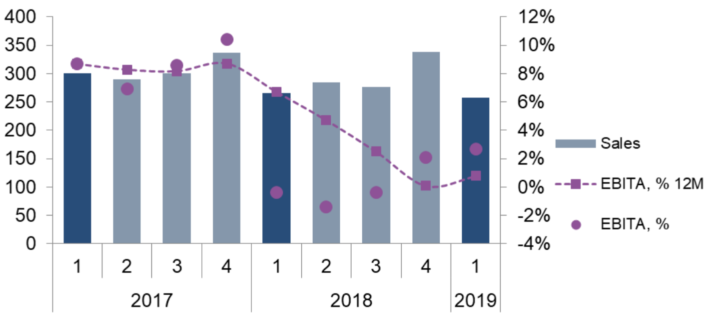
In Americas, sales in Canada, Mexico and Brazil developed well, but were weaker in the US.

One part of Integrated Security is the electronic article surveillance business sold under the Gateway brand. In the quarter, Gateway launched its next generation of RF antennas during a European dealer event. The new antenna, Store Protect ACE, is aimed at large scale hypermarkets for food, DIY and fashion.

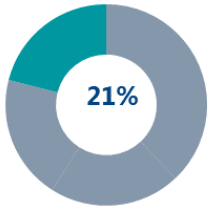
Moreover, the commercialisation of software platform Gunnebo Retail Solutions continues to progress well.

Result Development

In the quarter, EBITA amounted to MSEK 7 (-1) resulting in a margin of 2.7% (-0.4). The improved profitability can mainly be explained by cost-saving measures.

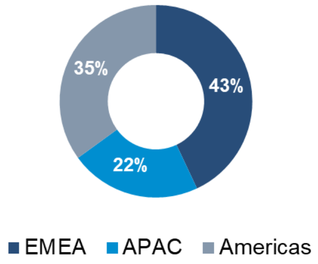


Share of Group Sales YTD 2019



Integrated Security comprises several local integrator businesses within electronic security, fire security and electronic article surveillance.

Sales per Region



Quarter Highlights

Malaysia: A major port in the country turns to Gunnebo to upgrade its access control system.

Brazil: Retail chain, GPA, turns to Gunnebo to remodel the loss prevention solutions for several of its supermarkets.

Brazil: Sport goods chain, Centauro, asks Gunnebo to install video surveillance in its 150 stores across the country as well as a complete new solution including video, electronic article surveillance and display protection for its new stores.

Mexico: Several banks in the country turn to Gunnebo to upgrade and service electronic security at their branches across the country.

Italy: Banco Popolare entrusts Gunnebo to enhance its electronic security systems at its main branch in Milan.

Sweden: Gunnebo is awarded multi-year contract as preferred supplier of electronic security solutions to national SOS alarm centers across the country.

Spain: The Spanish Ministry of National Defense chooses Gunnebo as supplier to secure one of its borders with facial recognition technology.

Group Financial Performance

January – March 2019

Net Sales

The Group's net sales during the first quarter amounted to MSEK 1,206 (1,157). Sales growth in constant currencies for the Group in the quarter was flat, with Safe Storage at 10%, Cash Management at -3%, Entrance Control at -9% and Integrated Security at -4%. The currency effect was 5%.

Net sales comprised of MSEK 980 related to product sales and MSEK 226 related to sales of services.

Operating Results

The gross margin excluding items affecting comparability was 26.0% compared to 27.8% last year. Selling and administrative expenses excluding items affecting comparability, as a percentage of net sales, equalled 22.3% compared to 23.2% for the previous year. Excluding the impact of the reclassification between cost of goods sold and selling and administrative expenses (see Note 1 for further explanation), there was an increase in overhead costs. This is explained by foreign exchange differences and increased people costs mainly to enable improvements in Europe, whereas full effect from recent cost saving measures have not yet been achieved.

Other operating income and expenses excluding items affecting comparability totalled MSEK 2 (7). Last year included income from associated companies of MSEK 6.

Items affecting comparability impacted the Group's result by MSEK -6 (-2) in the quarter, with MSEK -4 (-1) reported in cost of goods sold, MSEK -2 (-11) reported in selling and administrative expenses and MSEK 0 (10) reported in other operating income and expenses. Prior year numbers include expenses related to structural personnel charges offset by the profit from the sale of facilities in South Africa of MSEK 10.

EBIT for the period was MSEK 40 (58).

EBITA Bridge

EBITA was MSEK 47 (66), equalling an EBITA margin of 3.9% (5.7). Changes in the first quarter, as compared to the corresponding quarter 2018, can be explained by:

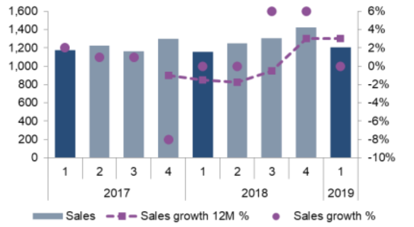
- The flat sales had no impact on operating profit.
- Savings from finalised productivity measures were MSEK 8.
- Currency effects were MSEK 0, of which the translation effect was MSEK 4 and transaction effect was MSEK -4.
- Other effects of MSEK -27 came mainly from the negative cost development, including inflation.

Product development expenses were MSEK 29 (28) of which amortisation amounts to MSEK 7 (8), representing 2.4% (2.4) of net sales. During the period, capital expenditure on product development projects totalled MSEK 10 (10).

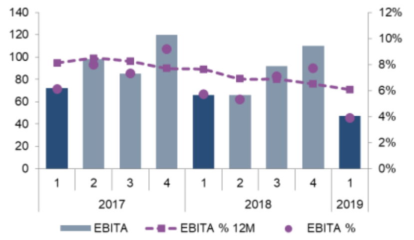
Other Financial Highlights

Net financial items in the quarter were MSEK -24 (-13). Excluding the impact of IFRS 16 Leases of MSEK -3, net financial items increased mainly due to higher interest expenses on external financing with MSEK -2 and bank fees of MSEK -3, as well as negative foreign exchange rate differences of MSEK -3 when compared to last year. Tax expense was MSEK -9 (-23) representing an effective tax rate of 56% (51%). The effective tax rate was negatively impacted by current losses not recognised. The weighted average statutory tax rate in the jurisdictions of the underlying business was some 30%.

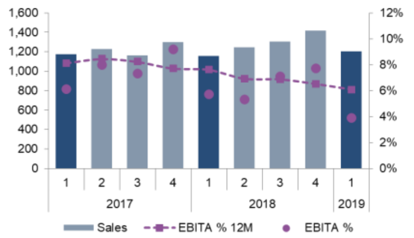
Sales Growth



EBITA

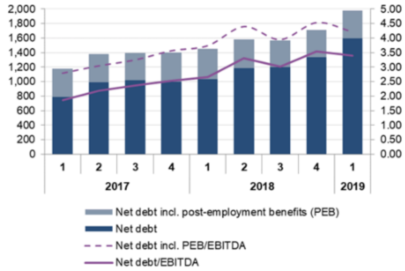


Group Sales & EBITA Margin



Free cash flow for the quarter was MSEK 27 (39), where last year included a positive cash flow of MSEK 13 from the sale of a facility in South Africa. Free cash flow included investments of MSEK -23 (-35) reflecting decreased level of investments. Net cash flow from operating activities amounted to MSEK 48 (60). Excluding the impact of IFRS 16 Leases related amortisation of right of use assets of MSEK 27, this decrease is mainly driven by the less positive development in working capital, higher interest and taxes paid. The working capital changes were MSEK 9 (MSEK 33, whereof discontinued operations represented MSEK 49).

Net debt/EBITDA



Cash flow from investing activities included acquisition related payments of MSEK -15 for an earn-out from a previous acquisition.

Cash flow from financing activities totalled MSEK -24 (-39), where the impact of IFRS 16 Leases amounts to MSEK -26. Net cash flow ended at MSEK -14 (-15).

Net debt including post-employment benefits increased by MSEK 264 since year-end, of which the IFRS 16 Leases liability accounts for MSEK 242 while the rest was mainly currency.

Net debt including IFRS 16 Leases amounted to MSEK 1,593. Net debt/EBITDA ended at 3.4 including the annualized amortisation effect of IFRS 16 Leases. The IFRS 16 Leases effect was 0.4. See note 2 for further details.

Total equity increased by MSEK 74 in the quarter and was mainly attributable to positive currency developments on foreign operations of MSEK 66.

Employees

The number of employees at the end of the first quarter was 4,325 (4,231). At year end 2018 the number of employees was 4,412.

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 revenue for the first quarter was MSEK 54 (52). Profit after financial items was MSEK -9 (7) and net profit amounted to MSEK -7 (6).

Financial Targets & Outcome

	2019 Q1	2018 Q1	2018 Full year	Target
Sales growth	0%	0%	3%	5%
EBITA margin	3.9%	5.7%	6.5%	>10%
Net debt/EBITDA	3.4	2.7	3.5	<2.5
Dividend	-	-	32%	30-50%

Gothenburg, 26 April 2019

Henrik Lange

President and CEO

Condensed consolidated income statements

MSEK	2019 Q1	2018 Q1	2018 Full year
Net sales	1,206	1,157	5,128
Cost of goods sold	-897	-836	-3,686
Gross profit	309	321	1,442
Selling and administrative expenses	-271	-280	-1,188
Other operating income and expenses, net	2	17	11
EBIT	40	58	265
Financial income and expenses, net	-24	-13	-53
Profit before taxes	16	45	212
Income taxes	-9	-23	-92
Net profit for the period from continuing operations	7	22	120
Net loss/profit for the period from discontinued operations	-	-24	-803
Net profit/loss for the period	7	-2	-683
Net profit/loss attributable to:			
Shareholders of the Parent Company	7	-1	-683
Non-controlling interests	-	-1	0
Net profit/loss for the period	7	-2	-683
Weighted average number of basic shares, thousand	76,449	76,320	76,378
Weighted average number of diluted shares, thousand	76,449	76,408	76,430
Earnings per share, SEK	0.09	-0.01	-8.95
Of which, continuing operations, SEK	0.09	0.31	1.57
Of which, discontinuing operations, SEK	-	-0.32	-10.52
Earnings per share after dilution, SEK	0.09	-0.01	-8.94
Of which, continuing operations, SEK	0.09	0.31	1.57
Of which, discontinuing operations, SEK	-	-0.32	-10.51

Condensed consolidated statements of comprehensive income

MSEK	2019 Q1	2018 Q1	2018 Full year
Net profit/loss for the period	7	-2	-683
Other comprehensive income			
Items that will not be reclassified to the income statement			
Remeasurements (actuarial gains and losses)[1)]	-	-	26
Subtotal	-	-	26
Items that may be reclassified to the income statement			
Translation differences on foreign operations	66	23	16
Other[1)]	1	3	1
Subtotal	67	26	17
Other comprehensive income for the period	67	26	43
Total comprehensive income for the period	74	24	-640
Total comprehensive income attributable to:			
Shareholders of the Parent Company	74	28	-640
Non-controlling interests	-	-4	0
Total comprehensive income for the period	74	24	-640

[1)] Net of taxes

Condensed consolidated balance sheets

MSEK	2019 31 Mar	2018[1)] 31 Mar	2018 31 Dec
Goodwill	1,442	1,646	1,408
Other intangible assets	311	330	306
Right of use assets	240	-	-
Property, plant and equipment	289	350	282
Deferred tax assets	205	336	195
Other long-term assets	51	21	50
Total non-current assets	2,538	2,683	2,241
Inventories	802	951	717
Total customer receivables	969	1,230	1,018
Other short-term assets	340	322	311
Cash and cash equivalents	580	488	569
Total current assets	2,691	2,991	2,615
Total assets	5,229	5,674	4,856
Total equity	1,161	1,890	1,087
Long-term financial liabilities	1,879	1,438	1,863
Provisions for post-employment benefits	385	511	375
Long-term portion of lease liabilities	141	-	-
Deferred tax liabilities	50	71	50
Total non-current liabilities	2,455	2,020	2,288
Accounts payable	555	635	594
Short-term financial liabilities	47	74	45
Short-term portion of lease liabilities	101	-	-
Other short-term liabilities	910	1,055	842
Total current liabilities	1,613	1,764	1,481
Total equity and liabilities	5,229	5,674	4,856

Condensed consolidated statement of changes in equity

MSEK	2019 31 Mar	2018 31 Mar	2018 31 Dec
Opening balance	1,087	1,866	1,866
Total comprehensive income for the period	74	24	-640
Dividends	-	-	-92
Acquisition of non-controlling interest	-	-	-48
Other, including new share issue	-	-	1
Closing balance	1,161	1,890	1,087

1) Including discontinued operations. See Note 4 for a proforma balance sheet.

Condensed consolidated statements of cash flow

MSEK	2019 Q1	2018[1] Q1	2018[1] Full year
OPERATING ACTIVITIES			
Operating profit	40	26	-410
Adjustment for depreciation	13	15	61
Adjustment for amortisation and impairments[2]	12	14	74
Adjustment for impairments and write-downs, discontinued operations	-	-	526
Adjustment for amortisation right of use assets	27	-	-
Other non-cash items	-6	0	29
Interest and other financial items	-22	-12	-45
Taxes paid	-25	-16	-80
Net cash flow from operating activities before changes in working capital	39	27	155
Cash flow from changes in working capital	9	33	87
Net cash flow from operating activities	48	60	242
INVESTING ACTIVITIES			
Capital expenditure for intangibles, property, plant and equipment	-23	-35	-137
Sales of non-current assets	2	14	19
Acquisition related payments	-15	-15	-59
Divestment related payments	-2	-	-235
Net cash flow from investing activities	-38	-36	-412
Net cash flow after investments before financing	10	24	-170
FINANCING ACTIVITIES			
Change in loans and other financial items	2	-39	326
Lease liability payments	-26	-	-
Sale of treasury shares	-	-	1
Dividends	-	-	-92
Net cash flow from financing activities	-24	-39	235
Net cash flow for the period	-14	-15	65
Cash and cash equivalents at the beginning of the period	569	498	498
Translation differences	25	5	6
Cash and cash equivalents at the end of the period	580	488	569
Free cash flow	27	39	124

[1] Including discontinued operations

[2] Amortisation and impairment from acquisition related intangibles amounted to MSEK 3 (6) in the first quarter and MSEK 40 for the the full year 2018

Changes in liabilities from financing activities and net debt

MSEK	Closing balance 31 Mar	Cash changes	Non-cash changes	Translation differences	Adjusted opening balance 1 Jan	IFRS 16 adjustments[3]	Opening balance 1 Jan
Long-term loans, including short-term portion	1,907	-1	16	1	1,891	-	1,891
Finance lease liability, including short-term portion	242	-26	6	8	254	254	-
Short-term loans	19	2	-	-	17	-	17
Other short-term financial assets (-)/liabilities (+)	5	1	4	-	0	-	0
Total liabilities from financing activities	2,173	-24	26	9	2,162	254	1,908
Cash and cash equivalents	-580	14	-	-25	-569	-	-569
Net debt	1,593	-10	26	-16	1,593	254	1,339
Post-employment benefits, net	385	-6	3	13	375	-	375
Net debt including post-employment benefits	1,978	-16	29	-3	1,968	254	1,714

[3] Adjusted opening balance as of 1 January 2019 due to the implementation of IFRS 16 Leases. See Note 2 for a summary of the effects.

Selected quarterly data[1]

	2017					2018					2019
Income statement, MSEK	1	2	3	4	Full year	1	2	3	4	Full year	1
Net sales	1,172	1,225	1,164	1,300	**4,861**	1,157	1,248	1,303	1,420	**5,128**	**1,206**
Cost of goods sold excl. IAC	-831	-859	-824	-919	**-3,433**	-835	-889	-936	-1,013	**-3,673**	**-893**
Gross profit excl. IAC	341	366	340	381	**1,428**	322	359	367	407	**1,455**	**313**
Selling and administrative expenses (S&A) excl. IAC	-277	-277	-262	-273	**-1,089**	-269	-296	-279	-297	**-1,141**	**-269**
Other operating income and expenses, net, excl. IAC	2	3	1	8	**14**	7	-2	-12	-13	**-20**	**2**
Add back: Amortisations and impairments of acquisition related intangible assets	6	6	6	4	22	6	5	16	13	40	**3**
Add back: IFRS 16 leasing effect	-	-	-	-	-	-	-	-	-	-	**-2**
EBITA	72	98	85	120	**375**	66	66	92	110	**334**	**47**
Add back: IAC	-2	-11	-16	-23	**-52**	-2	-9	12	-30	**-29**	**-6**
Add back: Other amortisation and depreciation	17	18	17	19	**71**	17	19	20	17	**73**	**22**
Add back: Amortisation right of use assets plus IFRS 16 leasing effect	-	-	-	-	-	-	-	-	-	-	**29**
EBITDA	87	105	86	116	**394**	81	76	124	97	**378**	**92**
EBIT	64	81	63	93	**301**	58	52	88	67	**265**	**40**
Key ratios, %											
Sales growth	*2*	*1*	*1*	*-8*	***-1***	*0*	*0*	*6*	*6*	***3***	***0***
Gross margin excl. IAC	*29.1*	*29.9*	*29.2*	*29.3*	***29.4***	*27.8*	*28.8*	*28.2*	*28.7*	***28.4***	***26.0***
S&A excl IAC in % of net sales	*23.6*	*22.6*	*22.5*	*21.0*	***22.4***	*23.2*	*23.7*	*21.4*	*20.9*	***22.3***	***22.3***
EBIT margin	*5.5*	*6.6*	*5.4*	*7.2*	***6.2***	*5.0*	*4.2*	*6.8*	*4.7*	***5.2***	***3.3***
EBITA margin	*6.1*	*8.0*	*7.3*	*9.2*	***7.7***	*5.7*	*5.3*	*7.1*	*7.7*	***6.5***	***3.9***
Items affecting comparability (IAC), MSEK											
Items affecting comparability	-2	-11	-16	-23	**-52**	-2	-9	12	-30	**-29**	**-6**
Whereof cost of goods sold	0	0	-3	-11	**-14**	-1	-3	-4	-5	**-13**	**-4**
Whereof S&A	-2	-11	-13	-12	**-38**	-11	-6	-5	-25	**-47**	**-2**
Whereof other operating income and expenses	-	-	-	-	-	10	-	21	-	**31**	-
Share data											
Basic earnings per share, continuing operations, SEK	0.41	0.40	0.33	0.76	**1.90**	0.31	0.25	0.74	0.27	**1.57**	**0.09**
Diluted earnings per share, continuing operations, SEK	0.40	0.40	0.33	0.76	**1.90**	0.31	0.25	0.74	0.27	**1.57**	**0.09**
Weighted average number of basic shares, thousand	76,320	76,320	76,320	76,320	**76,320**	76,320	76,320	76,422	76,449	**76,378**	**76,449**
Weighted average number of diluted shares, thousand	76,370	76,391	76,393	76,403	**76,389**	76,408	76,419	76,443	76,449	**76,430**	**76,449**
Equity per share, SEK	24.95	23.40	23.09	24.03	**24.03**	24.40	16.21	15.63	14.22	**14.22**	**15.19**
Free cash flow per share, SEK	-0.08	-0.99	-0.83	0.93	**-0.97**	0.51	-0.83	0.20	1.74	**1.62**	**0.35**
Liquidity information											
Net debt incl. post-employment benefits, MSEK	1,180	1,379	1,397	1,403	**1,403**	1,449	1,579	1,567	1,714	**1,714**	**1,978**[2]
Net debt, MSEK	787	990	1,021	999	**999**	1,032	1,187	1,196	1,339	**1,339**	**1,593**[2]
Net debt incl. post-employment benefits/EBITDA, times	2.8	3.0	3.2	3.6	**3.6**	3.7	4.4	3.9	4.5	**4.5**	**4.2**[3]
Net debt/EBITDA, times	1.9	2.2	2.4	2.5	**2.5**	2.7	3.3	3.0	3.5	**3.5**	**3.4**[3]
Free cash flow, MSEK	-6	-76	-63	71	**-74**	39	-63	15	133	**124**	**27**
Proforma Balance sheet, MSEK											
Safe Storage	494	456	459	444	**444**	488	527	528	491	**491**	**506**
Cash Management	302	309	272	284	**284**	277	283	291	258	**258**	**257**
Entrance Control	168	179	167	196	**196**	202	201	191	181	**181**	**216**
Integrated Security	249	250	322	304	**304**	264	299	303	268	**268**	**259**
Operating capital employed	1,213	1,194	1,220	1,228	**1,228**	1,231	1,310	1,313	1,198	**1,198**	**1,238**
Return on operating capital employed	*46.3*	*47.3*	*45.2*	*41.5*	***41.5***	*40.0*	*37.1*	*36.6*	*35.8*	***35.8***	***34.3***
Group functions	-24	9	8	8	**8**	50	18	27	1	**1**	**2**
Goodwill	1,407	1,377	1,349	1,373	**1,373**	1,413	1,443	1,414	1,408	**1,408**	**1,442**
Right of use assets	-	-	-	-	-	-	-	-	-	-	**240**
Capital employed	2,596	2,580	2,577	2,609	**2,609**	2,694	2,771	2,754	2,607	**2,607**	**2,922**
Return on capital employed	*16.4*	*16.9*	*16.2*	*14.6*	***14.6***	*14.1*	*12.7*	*12.8*	*12.4*	***12.4***	***11.5***

1) Refer to page 22 for definitions, and to gunnebogroup.com/en/investors/financial-definitions for a reconciliation of key performance measures.

2) Net debt includes the effect of IFRS 16 Leases. Comparative figures have not been restated.

3) The proforma rolling 12-month EBITDA has been calculated as an indicative figure for Q1 2019 due to implementation of IFRS 16 Leases as of 1 January 2019.

Quarterly Business unit data

	2017					2018					2019
Safe Storage	**1**	**2**	**3**	**4**	**Full year**	**1**	**2**	**3**	**4**	**Full year**	**1**
Order intake, MSEK	485	409	385	431	**1,710**	425	467	486	533	**1,911**	**494**
Reported growth, %						*-12*	*14*	*26*	*24*	***12***	***16***
Order intake, growth, %						*-12*	*-13*	*19*	*20*	***9***	***11***
Net sales, MSEK	441	426	392	449	**1,708**	394	447	479	506	**1,826**	**456**
Reported growth, %	*4*	*0*	*-11*	*-18*	***-7***	*-11*	*5*	*22*	*13*	***7***	***16***
Sales growth, %	*1*	*-5*	*-9*	*-17*	***-8***	*-10*	*2*	*15*	*8*	***4***	***10***
EBITA, MSEK	28	29	23	46	**126**	23	40	44	44	**151**	**24**
EBITA margin, %	*6.3*	*6.8*	*5.9*	*10.2*	***7.4***	*5.8*	*8.9*	*9.2*	*8.7*	***8.3***	***5.3***
Items affecting comparability (IAC), MSEK	-1	-2	-8	-16	**-27**	-3	-2	-2	-17	**-24**	**-1**
Operating capital employed, MSEK	494	456	459	444	**444**	488	527	528	491	**491**	**506**
Cash Management											
Order intake, MSEK	364	214	208	205	**991**	340	270	313	271	**1,194**	**354**
Reported growth, %						*-7*	*26*	*50*	*32*	***20***	***4***
Order intake, growth, %						*-8*	*23*	*44*	*28*	***17***	***0***
Net sales, MSEK	250	294	233	254	**1,031**	253	289	252	296	**1,090**	**258**
Reported growth, %	*28*	*11*	*4*	*-3*	***9***	*1*	*-2*	*8*	*17*	***6***	***2***
Sales growth, %	*24*	*7*	*6*	*-2*	***8***	*2*	*-5*	*2*	*12*	***2***	***-3***
EBITA, MSEK	31	40	22	27	**120**	24	36	20	42	**122**	**14**
EBITA margin, %	*12.4*	*13.6*	*9.4*	*10.6*	***11.6***	*9.5*	*12.5*	*7.9*	*14.2*	***11.2***	***5.4***
Items affecting comparability (IAC), MSEK	0	-1	-1	-2	**-4**	-1	-2	-1	-2	**-6**	**0**
Operating capital employed, MSEK	302	309	272	284	**284**	277	283	291	258	**258**	**257**
Entrance Control											
Order intake, MSEK	260	153	342	243	**998**	226	294	290	231	**1,041**	**288**
Reported growth, %						*-13*	*92*	*-15*	*-5*	***4***	***27***
Order intake, growth, %						*-14*	*94*	*-23*	*-10*	***0***	***22***
Net sales, MSEK	181	215	238	260	**894**	245	227	296	280	**1,048**	**235**
Reported growth, %	*19*	*20*	*18*	*-8*	***9***	*35*	*6*	*24*	*8*	***17***	***-4***
Sales growth, %	*18*	*17*	*21*	*-6*	***10***	*36*	*2*	*17*	*3*	***13***	***-9***
EBITA, MSEK	15	37	45	48	**145**	43	26	55	52	**176**	**26**
EBITA margin, %	*8.3*	*17.2*	*18.9*	*18.5*	***16.2***	*17.6*	*11.5*	*18.6*	*18.6*	***16.8***	***11.1***
Items affecting comparability (IAC), MSEK	0	-1	-2	-2	**-5**	-2	0	-1	-2	**-5**	**0**
Operating capital employed, MSEK	168	179	167	196	**196**	202	201	191	181	**181**	**216**
Integrated Security											
Order intake, MSEK	302	410	186	366	**1,264**	291	262	307	212	**1,072**	**296**
Reported growth, %						*-4*	*-36*	*65*	*-42*	***-15***	***2***
Order intake, growth, %						*-3*	*-38*	*66*	*-44*	***-16***	***1***
Net sales, MSEK	300	290	301	337	**1,228**	265	285	276	338	**1,164**	**257**
Reported growth, %	*-10*	*0*	*-3*	*-6*	***-5***	*-12*	*-2*	*-8*	*0*	***-5***	***-3***
Sales growth, %	*-15*	*-5*	*-2*	*-1*	***-6***	*-9*	*-1*	*-11*	*1*	***-5***	***-4***
EBITA, MSEK	26	20	26	35	**107**	-1	-4	-1	7	**1**	**7**
EBITA margin, %	*8.7*	*6.9*	*8.6*	*10.4*	***8.7***	*-0.4*	*-1.4*	*-0.4*	*2.1*	***0.1***	***2.7***
Items affecting comparability (IAC), MSEK	-1	-3	-8	-1	**-13**	-5	-3	-3	-7	**-18**	**-4**
Operating capital employed, MSEK	249	250	322	304	**304**	264	299	303	268	**268**	**259**

Quarterly Business unit data, cont

	2017					2018					2019
Group Functions	1	2	3	4	Full year	1	2	3	4	Full year	1
EBITA, MSEK	-28	-28	-31	-36	**-123**	-23	-32	-26	-35	**-116**	**-24**
EBITA margin, %	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Items affecting comparability (IAC), MSEK	0	-4	3	-2	**-3**	9	-2	19	-2	**24**	**-1**
Operating capital employed, MSEK	-24	9	8	8	**8**	50	18	27	1	**1**	**2**
Goodwill (proforma)	1,407	1,377	1,349	1,373	**1,373**	1,413	1,443	1,414	1,408	**1,408**	**1,442**
Right of use assets	-	-	-	-	**-**	-	-	-	-	**-**	**240**
Total Group											
Order intake, MSEK	1,411	1,186	1,121	1,245	**4,963**	1,282	1,293	1,396	1,247	**5,218**	**1,432**
Reported growth, %						*-9*	*9*	*25*	*0*	***5***	***12***
Order intake, growth, %						*-9*	*7*	*19*	*-3*	***2***	***7***
Net sales, MSEK	1,172	1,225	1,164	1,300	**4,861**	1,157	1,248	1,303	1,420	**5,128**	**1,206**
Reported growth, %	6	6	-1	-11	**-1**	-1	2	12	9	**5**	**4**
Sales growth, %	*2*	*1*	*1*	*-8*	***-1***	*0*	*0*	*6*	*6*	***3***	***0***
EBITA, MSEK	72	98	85	120	**375**	66	66	92	110	**334**	**47**
EBITA margin, %	*6.1*	*8.0*	*7.3*	*9.2*	***7.7***	*5.7*	*5.3*	*7.1*	*7.7*	***6.5***	***3.9***
Items affecting comparability (IAC), MSEK	-2	-11	-16	-23	**-52**	-2	-9	12	-30	**-29**	**-6**
Capital employed (proforma), MSEK	2,596	2,580	2,577	2,609	**2,609**	2,694	2,771	2,754	2,607	**2,607**	**2,922**

Note 1 Accounting principles and risks

Accounting principles

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

Reclassification on the income statement

Gunnebo launched a new organisation and new ways of working through Business Units by product offering as of Q2 2018. The implementation has been ongoing during the autumn and as a consequence resources, ways of working and financial reporting has been aligned across the Gunnebo Group, fully implemented as from year end.

Hence as from 1 January 2019, Gunnebo has a coherent function-based reporting of cost reflecting the business activities and the underlying cost base within each function in the Group. Cost component recorded within Cost of goods sold, Selling and Administrative expenses have been revised, resulting in some expenses being reclassified. Previous periods have not been restated as there is no effect on EBITA, EBIT or such key ratios. The reclassification for the quarter amounts to some MSEK 30 of costs moved from Selling and Administrative expenses into Cost of goods sold. The effect for the comparative period 2018 would have been similar.

In addition an adjustment of MSEK 10 of other operating income in Q1 2018 related to divestment of property in South Africa has been reclassified to Items affecting comparability (IAC). EBITA as well as other certain key ratios have been restated to reflect this change.

New accounting principles 2019

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 Leases and is effective as from 1 January 2019. See Note 2 for a summary of the effects.

Discontinued operations

On 3 December 2018 the Group divested its businesses in France, Belgium and Luxembourg. All previous income statement information has been restated to present continuing operations and discontinued operations separately, while the balance sheet and cash flow statement includes discontinued operations in accordance with IFRS 5. See Note 4.

Significant risks and uncertainties

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

Note 2 IFRS 16 Leases

The Group has adopted IFRS 16 Leases as from 1 January 2019 using the modified retrospective approach, under which no restatement is made of comparative financial information. Further, the Group has chosen to apply the option to exclude leases with a remaining lease term of less than 12 months from 1 January 2019, where such payments are recognised as an expense in the income statement as under previous accounting. The above accounting is applied at Group level while the Business units continue to apply the previous lease accounting where operational leases are expensed when incurred, hence there is no IFRS 16 Leases effect on EBITA. This will be a reconciling item in the Group's segment reporting.

Upon adoption, right of use assets and lease liabilities were recognised in the amount of MSEK 254. Both were valued as the present value of the remaining lease payments, discounted with using each subsidiary's incremental borrowing rate for that leased asset.

Right of use assets will be depreciated on a straight-line basis over the lease term. The category "office space and buildings" is the largest category with MSEK 190, representing leases across all geographic regions. The category "vehicles" included the largest number of leases. Leases also exist for production and office equipment.

Future lease payments will be allocated to an amortisation of the lease liability and to a finance cost in the income statement.

The following table represents the reconciliation of lease liabilities as of 1 January 2019:

	MSEK
Operating lease obligations at 31 December 2018	276
Short-term leases relief option	-11
Effect of additional extensions	11
Other effects	2
Gross leasing obligations	278
Discounting effect	-24
Lease liability at 1 January 2019	254

IFRS 16 Leases had the following effects during the reporting period:

- A reduction of operating costs of MSEK 29, higher amortisation expenses of MSEK 27, consequently improving EBITDA, resulting in a limited (positive) impact on operating income of MSEK 2.
- Interest expense on leases increased with MSEK 3.
- Overall impact on net profit was marginal.
- Net Cash flow is not impacted by the adoption of this standard, however, there are movements between the categories Operating and Financial activities.
- Capital employed is positively impacted by the inclusion of the right of use asset of MSEK 240.
- Net debt including post-employment benefits/EBITDA improved by 0.6, amounting to 4.2 times, while Net debt/EBITDA improved by 0.4 and amounted to 3.4 times. Net debt increases by the inclusion of the Lease liability of MSEK 242, however EBITDA is also positively impacted by the inclusion of the right of use amortisation. A proforma rolling 12-month EBITDA is calculated as an indicative number for Q1 2019.

Note 3 Segment disclosures

The internal financial performance follow-up for the Business Units is aligned to the financial targets and uses EBITA as a measure to assess the performance of the segments. This excludes Group functions, items affecting comparability, acquisition-related amortisation and impairment and the effect of IFRS 16 Leases. Financial income and expenses are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

A reconciliation of EBITA to operating profit before income tax from continuing operations is as follows:

MSEK	2019 Q1	2018 Q1	2018 Full year
Safe Storage	24	23	151
Cash Management	14	24	122
Entrance Control	26	43	176
Integrated Security	7	-1	1
Subtotal business unit EBITA	71	89	450
Group functions	-24	-23	-116
EBITA	47	66	334
Amortisations and impairments of acquisition related intangible assets	-3	-6	-40
Items affecting comparability (IAC)	-6	-2	-29
IFRS 16 leasing effect	2	-	-
EBIT	40	58	265
Financial income and expenses, net	-24	-13	-53
Profit before taxes	16	45	212

Group functions refer to central functions and services within corporate management, business development, human resources & sustainability, legal & compliance, finance, IT, logistics and brand management, communications and investor relations.

The Business Units are also measured on their Operating Capital Employed, which is defined as total customer receivables, inventories, accounts payable, as well as other short-term assets and short-term liabilities that are not tax-, financial- or IFRS 16 Leases related. Goodwill is not distributed to the Business Units.

A reconciliation of the Business Units' Operating Capital Employed to the Group's Capital Employed is as follows:

MSEK	2019 31 Mar	2018 31 Mar	2018 31 Dec
Safe Storage	506	488	491
Cash Management	257	277	258
Entrance Control	216	202	181
Integrated Security	259	264	268
Operating capital employed from business units	1,238	1,231	1,198
Group functions	2	50	1
Goodwill	1,442	1,413	1,408
Right of use assets	240	-	-
Capital employed	2,922	2,694	2,607

Note 4 Discontinued operations

On 3 December 2018, the Group completed the divestment of its businesses in France, Belgium and Luxembourg (the Disposal Group).

This Disposal Group represented a major geographical area, and as such was classified as discontinued operations. Consequently, in the consolidated income statement, all revenue and expenses relating to the Disposal Group were excluded from the results of continuing operations and were shown as a single line item on the income statement under the row “Net results from discontinued operations”. All previously published income statement information has been restated to show this classification.

Net results from discontinued operations included six legal companies, elimination of intercompany amounts, adjustments for divestment related expenses and adjustments for sales and costs that will remain in continued operations.

Income statements from discontinued operations

The following table summarises the results of discontinued operations included in the condensed consolidated income statements.

MSEK	2019 Q1	2018 Q1	2018 Full year
Net profit/loss from discontinued operations	-	-24	-803

Cash flow from discontinued operations

The following table presents the net cash flows of operating, investing and financing activities reported in the condensed consolidated statements of cash flow.

MSEK	2019 Q1	2018 Q1	2018 Full year
Cash flow from operating activities	-	17	-31
Capital expenditure for intangibles, property, plant and equipment	-	-5	-20
Divestment related payments	-	-	-246
Cash flow from investing activities	-	-5	-266
Cash flow from financing activities	-	-	-

Proforma balance sheet

Considering the relative size of the Disposal Group, a proforma balance sheet is presented below. This proforma information reclassifies the assets and liabilities of the Disposal Group held for sale until divested. All intercompany balances have been eliminated.

MSEK	2018 31 Mar	2017 31 Dec	2017 30 Sep	2017 30 Jun	2017 31 Mar
Goodwill	1,413	1,373	1,349	1,377	1,407
Other intangible assets	286	275	264	268	266
Property, plant and equipment	291	284	263	263	276
Deferred tax assets	209	212	202	212	231
Other long-term assets	19	15	10	11	11
Total non-current assets	2,218	2,159	2,088	2,131	2,191
Assets of disposal group held for sale	1,018	1,021	975	1,000	944
Inventories	753	718	730	711	693
Total customer receivables	909	1,049	882	872	919
Other short-term assets	294	260	277	315	264
Cash and cash equivalents	482	494	444	532	548
Total current assets	3,456	3,542	3,308	3,430	3,368
Total assets	5,674	5,701	5,396	5,561	5,559
Total equity	1,890	1,866	1,788	1,813	1,933
Long-term financial liabilities	1,438	1,396	1,359	1,394	1,129
Provisions for post-employment benefits	417	404	376	389	393
Deferred tax liabilities	55	51	64	68	72
Total non-current liabilities	1,910	1,851	1,799	1,851	1,594
Liabilities of disposal group held for sale	554	546	519	555	560
Accounts payable	499	582	519	503	474
Short-term financial liabilities	74	108	118	141	219
Other short-term liabilities	747	748	653	698	779
Total current liabilities	1,874	1,984	1,809	1,897	2,032
Total equity and liabilities	5,674	5,701	5,396	5,561	5,559

Parent Company

Condensed parent company income statements

MSEK	2019 Q1	2018 Q1	2018 Full year
Net revenue	54	52	266
Administrative expenses	-62	-43	-257
EBIT	-8	9	9
Financial income and expenses, net	-1	-2	-4
Profit after financial items	-9	7	5
Appropriations	-	-	81
Profit before taxes	-9	7	86
Income taxes	2	-1	-21
Net profit for the period	-7	6	65

Total comprehensive income corresponds with net profit for the period.

Condensed parent company statements of financial position

MSEK	2019 31 Mar	2018 31 Mar	2018 31 Dec
Intangible assets	71	71	72
Property, plant and equipment	2	3	2
Investments in group companies	1,585	1,585	1,585
Deferred tax assets	15	19	12
Total non-current assets	1,673	1,678	1,671
Receivables from group companies	59	49	118
Other short-term assets	3	23	16
Cash and cash equivalents	0	2	0
Total current assets	62	74	134
Totalt assets	1,735	1,752	1,805
Total equity	1,516	1,554	1,523
Liabilities to group companies	157	157	206
Other short-term liabilities	62	41	76
Total current liabilities	219	198	282
Total equity and liabilities	1,735	1,752	1,805

Condensed changes in parent company equity

MSEK	2019 31 Mar	2018 31 Mar	2018 31 Dec
Opening balance	1,523	1,548	1,548
Total comprehensive income for the period	-7	6	65
Dividends	-	-	-92
Other, including new share issue	-	-	2
Closing balance	1,516	1,554	1,523

Definitions

In the Interim Report, Gunnebo presents certain key performance measures that are not defined according to IFRS. The Group believes that these measures provide investors and the management with valuable supplementary disclosures, since they enable a valuation of the Group's financial results and position. Since not all companies calculate performance measures in the same way, these are not always comparable with measures used by other companies. Definitions of Gunnebo key performance measures which are not defined according to IFRS are presented below.

Key performance measures not defined according to IFRS	
Capital employed	Operating capital employed plus capital employed from the Group functions, goodwill and right of use assets.
EBIT margin	EBIT as percentage of net sales.
EBITA	EBIT before amortisation and impairment of acquisition related intangible assets, excluding items affecting comparability and effect of IFRS 16 Leases.
EBITA margin	EBITA as a percentage of net sales.
EBITDA	EBIT before depreciation/amortisation and impairment of intangible assets and property, plant and equipment.
EBITDA margin	EBITDA as a percentage of net sales.
Equity per share	Equity attributable to the shareholders of the Parent Company divided by the number of shares excluding C shares, as these have no dividend rights, at the end of the period.
Free cash flow	Cash flow from operating and investing activities, excluding cash flows related to acquisitions and divestments.
Free cash flow per share	Free cash flow divided by weighted average number of shares excluding C shares as these have no dividend rights.
Gross margin excluding IAC	Gross profit excluding IAC, as a percentage of net sales.
Items affecting comparability (IAC)	Items affecting comparability are defined as significant items affecting EBIT that are isolated in order to enable a complete understanding of the Group's financial performance and comparability between periods. Items affecting comparability mainly relate to restructuring activities or structural changes and would include costs for closure of businesses/locations and personnel reductions.
Net debt	Total liabilities from financing activities, less cash and cash equivalents at the end of the period.
Net debt including post-employment benefits (PEB)	Total liabilities from financing activities and provisions for post-employment benefits less cash and cash equivalents at the end of the period.
Net debt/EBITDA	Net debt divided by EBITDA, rolling 12 months.
Net debt including PEB/EBITDA	Net debt including provisions for post-employment benefits divided by EBITDA, rolling 12 months.
Operating capital employed	The capital employed that is utilized in the four Business Units. It consists of property, plant and equipment, other intangible assets, inventory, customer receivables and other short-term assets less accounts payables and other short-term liabilities, excluding short term taxes and financial items.
Order intake growth	Growth in order intake in constant currencies including organic and acquired order intake, excluding divested order intake.
Return on capital employed	EBITA rolling 12 months as a percentage of average capital employed.
Return on operating capital employed	EBITA rolling 12 months as a percentage of average operating capital employed.
Sales growth	Growth in net sales in constant currencies including organic and acquired sales, excluding divested sales.

Refer to gunnebogroup.com/en/investors/financial-definitions, for a reconciliation of key performance measures

About Gunnebo

Gunnebo AB (publ) is a leading, global security provider offering a range of sustainable security products, services and software to retail, mass transit, public and commercial buildings, industrial and high-risk sites, and banks. Gunnebo operates within four business units: Safe Storage (38% of Group sales), Cash Management (21% of Group sales) Entrance Control (20% of Group sales), and Integrated Security (21% of Group sales). In 2018, Gunnebo continuing operations had a turnover of MSEK 5,100 generated by 4,500 employees located in 25 countries across Europe, the Middle East, Africa, Asia-Pacific and the Americas.

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

Financial Calendar

Q2 Report 2019	19 July, 2019
Q3 Report 2019	22 October, 2019
Q4 Report 2019	7 February, 2020
Q1 Report and AGM 2020	21 April, 2020

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

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