GUNNEBO GROUP

Q2 2019

“Strong sales development and improved result in the second quarter. Cost-efficiency programme launched to accelerate margins improvement”

Q2 2019

- Order intake amounted to MSEK 1,363 (1,293), equaling a year-on-year growth of 5% (2% in constant currencies)
- Net sales amounted to MSEK 1,368 (1,248), equaling a year-on-year growth of 10% (7% in constant currencies)
- EBITA amounted to MSEK 73 (66) and the EBITA margin to 5.3% (5.3)
- IAC costs net amounted to MSEK -3 (-9)
- Operating profit (EBIT) amounted to MSEK 68 (52)
- Net profit for the period amounted to MSEK 24 (20)
- Earnings per share amounted to SEK 0.32 (0.25)
- Free cash flow amounted to MSEK -6 (-63)
- Cost-efficiency programme launched to accelerate margins improvement
- Signing of the acquisition of Cominfo and announcement of the intention to carry out a fully underwritten Rights Issue during the third quarter of 2019
- Stefan Syrén appointed new President and CEO and changes in the Group Executive Team announced on July 19, 2019

YTD, January – June

- Order intake amounted to MSEK 2,795 (2,575), equaling a year-on-year growth of 9% (5% in constant currencies)
- Net sales amounted to MSEK 2,574 (2,405), equaling a year-on-year growth of 7% (4% in constant currencies)
- EBITA amounted to MSEK 120 (132) and the EBITA margin to 4.7% (5.5)
- IAC costs net amounted to MSEK -9 (-11)
- Operating profit (EBIT) amounted to MSEK 108 (110)
- Net profit for the period amounted to MSEK 31 (42)
- Earnings per share amounted to SEK 0.41 (0.56)
- Free cash flow amounted to MSEK 21 (-24)

Financial Summary[1)]

MSEK	2019 Q2	2018 Q2	2019 YTD	2018 YTD	R12M	2018 Full year
Order intake	1,363	1,293	2,795	2,575	5,438	5,218
Reported growth, %	*5*	*9*	*9*	*-1*	*10*	*5*
Order intake growth, %	*2*	*7*	*5*	*-2*	*6*	*2*
Net sales	1,368	1,248	2,574	2,405	5,297	5,128
Reported growth, %	*10*	*2*	*7*	*0*	*9*	*5*
Sales growth, %	*7*	*0*	*4*	*0*	*5*	*3*
EBITA	73	66	120	132 [2)]	322	334 [2)]
EBITA margin, %	*5.3*	*5.3*	*4.7*	*5.5*	*6.1*	*6.5*
Items affecting comparability (IAC)	-3	-9	-9	-11 [2)]	-27	-29 [2)]
EBIT	68	52	108	110	263	265
Net profit/loss for the period	24	20	31	42	109	120
Earings per share, SEK	0.32	0.25	0.41	0.56	1.42	1.57
Net cash flow from operating activities	-12	-28	36	32	246	242
Free cash flow	-6	-63	21	-24	169	124
Net debt	1,653 [3)]	1,187	1,653 [3)]	1,187	1,653 [3)]	1,339
Net debt/EBITDA, times	3.4 [4)]	3.3	3.4 [4)]	3.3	3.4 [4)]	3.5

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

1) Refer to page 24 for definitions, and to gunnebogroup.com/en/investors/financial-definitions for a reconciliation of key performance measures.
2) IAC in 2018 has been adjusted compared to previous published figures. For further information, see Note 1.
3) Net debt includes the effect of IFRS 16 Leases effective from 1 January 2019. Comparative figures have not been restated.
4) The proforma rolling 12-month (R12M) EBITDA has been calculated as an indicative figure for 2019 due to the transition to IFRS 16 Leases as of 1 January 2019.

For a safer world

CEO Comments

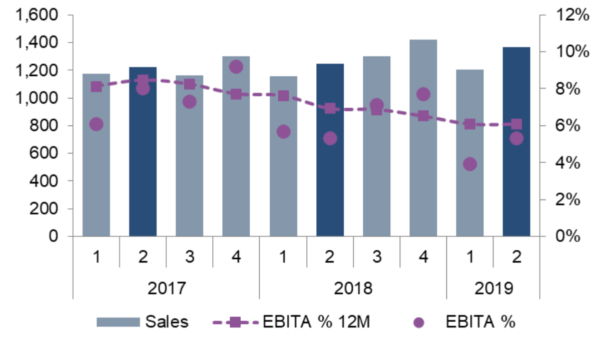
"Strong sales development and improved result in the second quarter. Cost-efficiency programme launched to accelerate margins improvement"

Performance for the Quarter

Order intake continued to have a positive development of 5% (2% in constant currencies), where both Entrance Control and Safe Storage showed double-digit growth of 14%. For Cash Management order intake in the US and Asia-Pacific was slow. This is expected to improve in the second half of the year. For Integrated Security, which had a contraction of order intake in the quarter, order levels fluctuate between the quarters since this is a project-driven business.

Sales for the Group had a strong development and were up 10% (7% in constant currencies) where growth came from Entrance Control and Safe Storage. Entrance Control had a very strong quarter with big project deliveries in all regions and a reported sales growth of 23% (22% in constant currencies). The continued strong growth within Entrance Control is confirmation that the Business Unit is not only capturing the general 5% annual growth pace in the market, but also gaining market share. In Safe Storage, sales grew 17% year-on-year (13% in constant currencies) while Cash Management sales had a sales decline of -3% (-6% in constant currencies) while sales in Integrated Security were unchanged.

Group Sales & EBITA Margin

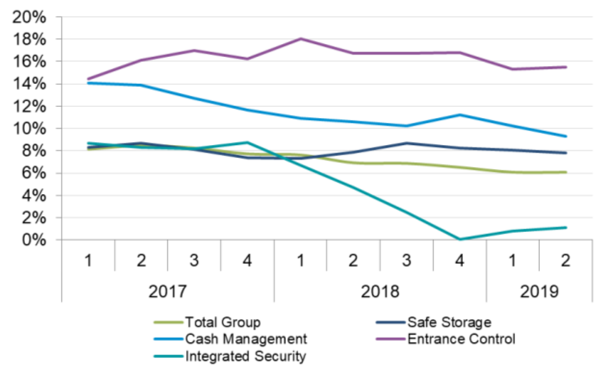


Results

The Group's overall EBITA of MSEK 73 was up 10% over last year and the EBITA margin for the quarter was 5.3%, which is in line with last year. Entrance Control continues to deliver a strong margin, reporting an EBITA margin of 12.9%. In Safe Storage it is encouraging to experience strong order intake and sales development, while the EBITA-margin of 7.8% is still not satisfactory. In Cash Management order intake and sales contracted in the quarter. In their main market, Europe, order intake and sales grew whereas they contracted both in the US and Asia-Pacific, negatively affecting the EBITA margin. In Integrated Security we had an improvement in EBITA compared to the same period last year. This is still not satisfactory, but we can see completed productivity measures coming through.

The announced cost-efficiency programme, which will have full effect from half-year 2020, will address our cost structure and generate improved profitability.

EBITA Margin 12M per Business Unit



Acquisition within Entrance Control and Rights Issue

I am pleased to see that the Gunnebo Group continues to develop and adapt into the new routines of the new Business Unit structure as set out about one year ago. As the order intake and sales in the quarter continued on a positive path, we also strengthened our Business Unit Entrance Control for the future with the signing of the acquisition of the Czech company, Cominfo a.s. The acquisition, which was closed 1 July, is an important milestone in Gunnebo's transformation journey, adding both growth and profitability to an already well performing Business Unit and for the Group total as well. Cominfo is a good strategic fit for Entrance Control since it will extend both its geographical footprint and product offering. Moreover, Cominfo will further strengthen Gunnebo's position as a world-leading supplier of entrance control solutions for pedestrians.

In connection with the signing of the acquisition we also announced our intention to perform a Rights Issue of some MSEK 360 to be carried out in the third quarter of 2019. This will be used to reduce part of our debt, which is temporarily increased when purchasing Cominfo. As our balance sheet is improved it also allows Gunnebo to better capture future opportunities in the market. Our main owners, Stena Adactum and Vätterleden Invest, are underwriting the Rights Issue, which shows trust and confidence in our strategy and execution.

Cost-efficiency programme will accelerate margins improvement

One year into the transformation journey of focusing our business by four Business Units, it is obvious that this focus is putting the Group on the right track towards profitable growth. We have been successful in making this major shift of focus in our business in Europe, while generating good growth in order intake and net sales alike throughout the past twelve months. With the announced cost-efficiency programme, we will now enter into the final stage of dismantling the matrix organisation, where we will reduce unnecessary overhead costs following the leaner and simplified way of operating our business. The programme will generate cost savings of MSEK 100 where the initial effects will be seen from the beginning of 2020, with full effect after the first six months of 2020. The programme will bring non-recurring charges of MSEK 60, of which the majority will be recognised in the second half of 2019. The programme will comprise a mix of overhead reductions in Europe, mainly within the Safe Storage and Integrated Security Business Units, as well as management changes in the Group Executive Team and the dismantling of regional structures in Asia-Pacific and the Americas as of year-end. Charges connected to the programme will mainly be people-related and be reported as IAC costs.

Stefan Syrén appointed new President and CEO and changes to the Group Executive Team

We have earlier today announced that I have decided to step down as President and CEO by latest in November 2019. Stefan Syrén will at that point, in addition to his current duties as SVP for Business Units Safe storage and Integrated Security, take over as President and CEO. With the new business focus and structure in place, Gunnebo's transformation journey will now enter a new phase of executing on new sales opportunities in combination of delivering efficiency improvements. Therefore this is the right time for me to hand over the leadership to Stefan, who I am fully confident will, together with the Group Executive Team, take Gunnebo to the next level.

When now entering into the next phase of our journey, we have also decided to discontinue the regional structures in Asia-Pacific and Americas as of year-end 2019. With this, Sacha de La Noë, SVP Region Asia-Pacific, Middle East and Africa and Dan Schroeder, SVP Region Americas, will leave the Group Executive Team by year-end 2019. I would already now like to thank Sacha and Dan for an excellent contribution to the Gunnebo Group.

Gunnebo is now well positioned for growth and earnings improvements

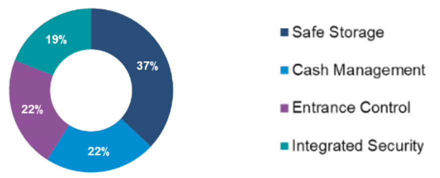
In the second quarter we can clearly see the positive impact from our transformation journey coming through, where good growth in both order intake and sales in Entrance Control and Safe Storage are the strongest evidence. Adding a good acquisition, a fully underwritten Rights Issue and the initiated cost-efficiency programme, I am confident that Gunnebo, with its new management and strategy, is well positioned for both growth- and earnings improvements ahead.

Gothenburg 19 July, 2019

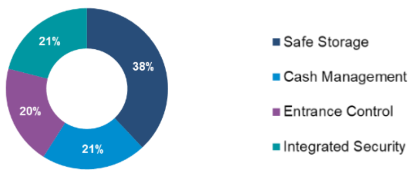
Henrik Lange
President & CEO

Gunnebo's Business

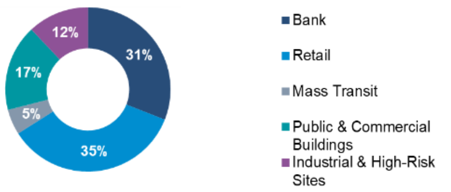
Order intake by Business Unit, YTD



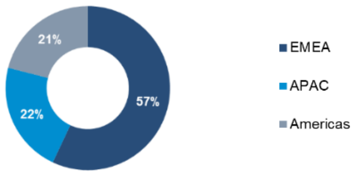
Sales by Business Unit, YTD



Sales by Customer Segment, YTD



Sales by Region, YTD



Performance In Brief [1)]

Order intake, MSEK	2019 Q2	Reported growth %	Order intake growth %	2019 YTD	Reported growth %	Order intake growth %	R12M	Reported growth %	Order intake growth %	2018 Full year
Safe Storage	533	*14*	*10*	1,027	*15*	*10*	2,046	*20*	*13*	1,911
Cash Management	256	*-5*	*-9*	610	*0*	*-4*	1,194	*17*	*12*	1,194
Entrance Control	336	*14*	*11*	624	*20*	*15*	1,145	*4*	*-2*	1,041
Integrated Security	238	*-9*	*-10*	534	*-3*	*-4*	1,053	*-5*	*-3*	1,072
Total	1,363	*5*	*2*	2,795	*9*	*5*	5,438	*10*	*6*	5,218

Net sales, MSEK	2019 Q2	Reported growth %	Sales growth %	2019 YTD	Reported growth %	Sales growth %	R12M	Reported growth %	Sales growth %	2018 Full year
Safe Storage	525	*17*	*13*	981	*17*	*11*	1,966	*17*	*14*	1,826
Cash Management	280	*-3*	*-6*	538	*-1*	*-4*	1,086	*6*	*0*	1,090
Entrance Control	280	*23*	*22*	515	*9*	*6*	1,091	*12*	*9*	1,048
Integrated Security	283	*-1*	*0*	540	*-2*	*-2*	1,154	*-3*	*-7*	1,164
Total	1,368	*10*	*7*	2,574	*7*	*4*	5,297	*9*	*5*	5,128

EBITA, MSEK	2019 Q2	Margin %	2018 Q2	Margin %	2019 YTD	Margin %	2018 YTD	Margin %	R12M	Margin %	2018 Full year	Margin %
Safe Storage	41	*7.8*	40	*8.9*	65	*6.6*	63	*7.5*	153	*7.8*	151	*8.3*
Cash Management	25	*8.9*	36	*12.5*	39	*7.2*	60	*11.1*	101	*9.3*	122	*11.2*
Entrance Control	36	*12.9*	26	*11.5*	62	*12.0*	69	*14.6*	169	*15.5*	176	*16.8*
Integrated Security	0	*0.0*	-4	*-1.4*	7	*1.3*	-5	*-0.9*	13	*1.1*	1	*0.1*
Group Functions	-29	-	-32	-	-53	-	-55	-	-114 [2)]	-	-116 [2)]	-
Total	73	*5.3*	66	*5.3*	120	*4.7*	132	*5.5*	322 [2)]	*6.1*	334 [2)]	*6.5*

Other financial information, MSEK	2019 Q2	2018 Q2	2019 YTD	2018 YTD	R12M	2018 Full year
Amortisation and impairment from acquisition related intangibles	-4	-5	-7	-11	-36	-40
Items affecting comparability (IAC)	-3	-9	-9	-11	-27	-29 [2)]
IFRS 16 leasing effect	2	-	4	-	4	-
EBIT	68	52	108	110	263	265

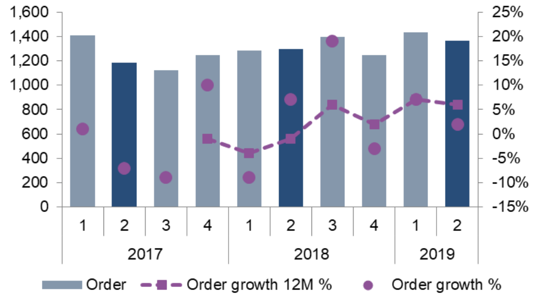
1) Refer to page 24 for the Group´s defintions of key performance measures.
2) IAC in 2018 has been adjusted compared to previous published figures. For further information, see Note 1.

Group Q2 Performance

Order intake

Order intake amounted to MSEK 1,363 (1,293) representing an order growth of 2% in constant currencies.

Group Order Growth



Net Sales

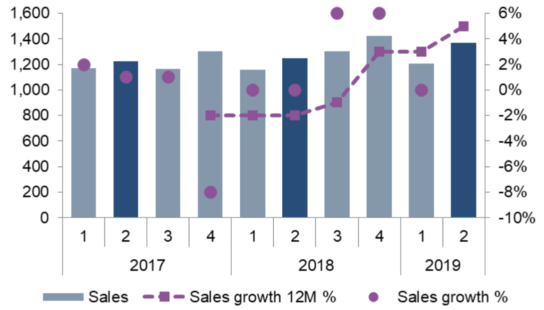
Net sales were MSEK 1,368 (1,248). Excluding impacts from currency of MSEK 44 and divestments of MSEK -13, sales growth was 7.3%.

Net sales relating to Service constituted 16.5 % (17.7) of the Group's total.

Operating results

The gross margin excluding IAC (items affecting comparability) was 25.9% compared to 28.8% last year. Selling and administrative expenses excluding items affecting comparability, as a percentage of net sales, equalled 20.8% compared to 23.7% 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 which will be addressed in the announced cost-efficiency programme.

Group Sales Growth



Other operating income and expenses excluding items affecting comparability totalled MSEK 1 (-2).

Items affecting comparability impacted the Group's result by MSEK -3 (-9) in the quarter, of which MSEK 15 related to the profit on sale of property in Portugal and MSEK -17 related to structural charges mainly for Integrated Security in Europe.

Product development expenses were MSEK 33 (31) of which amortisation amounts to MSEK 7 (9), representing 2.4% (2.5) of net sales. During the period, capital expenditure on product development projects totalled MSEK 14 (8).

EBIT for the period improved to MSEK 68 (52).

EBITA Bridge

EBITA was MSEK 73 (66), equalling an EBITA margin of 5.3% (5.3). Changes in the second quarter, as compared to the corresponding quarter 2018, can be explained by:

- The sales growth impacted operating profit with MSEK 26.
- Savings from completed productivity measures were MSEK 9.
- Currency effects were MSEK 6, of which the translation effect was MSEK 4 and transaction effect was MSEK 2.
- Other effects of MSEK -34 came mainly from the negative gross margin mix and negative cost development.

Consolidated financial net and taxes

The financial net for the second quarter was MSEK -17 (-12). Excluding the impact of IFRS 16 Leases of MSEK -4, the main elements of costs were interest on external financing of MSEK -13 (-11).

The tax on the result after financial items was MSEK -27 (-20). The tax cost has been affected by MSEK -10 related to a lost tax case from 2012.

Cash Flow and Capital Employed

Net cash flow from operating activities amounted to MSEK -12 (-28). Excluding the impact of IFRS 16 Leases related amortisation of right of use assets of MSEK 28, this decrease is mainly driven by the less positive development in working capital and higher finance payments, partly offset by the improved operating profit during the quarter. The working capital changes were MSEK -75 (MSEK -35, whereof discontinued operations represented MSEK 17).

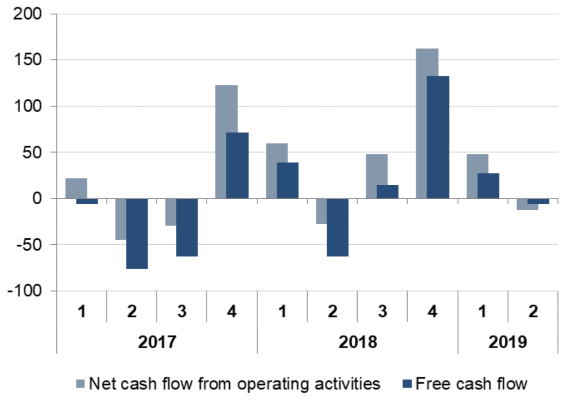
Cash flow from investing activities includes the proceeds from the sales of non-current assets, being mainly the sale of a property in Portugal during the second quarter.

Cash flow from financing activities totalled MSEK -5 (68). Excluding the impact of IFRS 16 Leases of MSEK -26, the inflow is primarily changes in bank overdrafts.

Free cash flow for the quarter was MSEK -6 (-63), which included investments for the quarter of MSEK -22 (-37), reflecting decreased level of investments.

Net cash flow for the period ended at MSEK -12 (-5).

Cash Flow



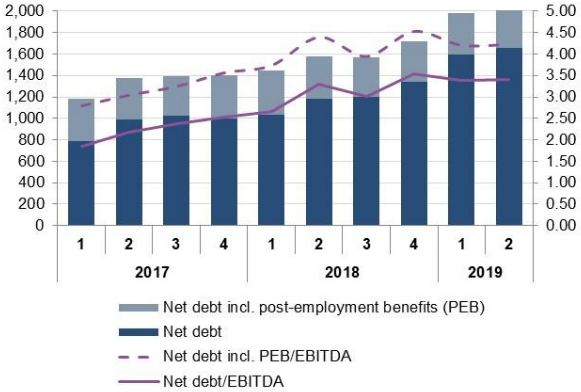
Net Debt

Net debt including post-employment benefits increased by MSEK 344 since year-end, of which the IFRS 16 Leases liability accounts for MSEK 223 and the increase in post-employment benefits of MSEK 30, mainly caused by changes in the discount rate assumptions, while the rest was mainly currency.

Net debt amounted to MSEK 1,653. Net debt/EBITDA ended at 3.4 times. See Note 2 for further details.

Total equity increased by MSEK 52 since year-end and was mainly attributable to the positive net profit for the period of MSEK 31 and positive currency developments on foreign operations of MSEK 78, offset by the remeasurements of post-employment benefits of MSEK -21.

Net Debt



Earnings per share, both before and after dilution, was SEK 0.32 (0.25).

Group YTD Performance

Net sales were MSEK 2,574 (2,405). Sales growth was 4% excluding impacts from currency and divestments. Items affecting comparability amounted to MSEK -9 (-11). EBIT for the period amounted to MSEK 108 (110). EBITA was MSEK 120 (132), equalling an EBITA margin of 4.7% (5.5). Changes year-to-date, as compared to the corresponding period 2018, can be explained by:

- The sales growth impacted operating profit with MSEK 25.
- Savings from completed productivity measures were MSEK 17.
- Currency effects were MSEK 7, of which the translation effect was MSEK 8 and transaction effect of MSEK -1.
- Other effects of MSEK -61 came mainly from the negative cost changes.

Net profit for the period amounted to MSEK 31 (42).

Net cash flow from operating activities amounted to MSEK 36 (32), including working capital changes of MSEK -66 which is in line with last year (-2, whereof discontinued operations represented MSEK 61). Cash flow from investing activities include acquisition related payments of MSEK -16 (-15) for an earn-out from previous acquisitions and the sale of property in Portugal of MSEK 26 (13, related to sale of facility in South Africa). Free cash flow for the period was MSEK 21 (-24). Cash flow from financing activities totalled MSEK -29 (29). Net cash flow for the period ended at MSEK -26 (-20).

Parent company

The Group's parent company, Gunnebo AB, is a holding company which has the main task of holding and managing shares in other Group companies, as well as providing Group-wide services. Net sales for the second quarter was MSEK 50 (57). Loss after financial items was MSEK -17 (-9) and net loss amounted to MSEK -23 (-10). For the period January – June 2019, net sales was MSEK 104 (109), while loss after financial items was MSEK -26 (-2) and net loss amounted to MSEK -30 (-4).

Employees

The number of employees at the end of the second quarter was 4,289 (4,395). At year-end 2018 the number of employees was 4,412.

Events after closing of the period

Acquisition of Cominfo closed July 1

After closing of the second quarter, Gunnebo has completed the acquisition of all of the shares of Czech company, Cominfo a.s. The purchase price is paid in cash and amounts to MSEK 240 on a debt free basis, financed by Gunnebo utilising its existing credit facilities. Cominfo is based in Zlin in the south-east part of the Czech Republic and has some 160 employees. Cominfo has an annual turnover of approximately MSEK 140 and an EBITA margin in line with the one for Business Unit Entrance Control. The acquisition will, on an annual basis, add 13% of sales to Business Unit Entrance Control and 3% to the total Group sales.

The acquisition is in line with the Group's strategy to further strengthen the Business Unit Entrance Control. The transaction has been finalised on July 1 and will be part of the quarterly reporting as of Q3. Cominfo has not been able to prepare a reliable acquisition closing balance in due time before the interim reporting date. Therefore, Gunnebo is not able to provide any information of the values of the acquired assets and liabilities.

Changes in the Group Executive Team

On July 19, the following changes to the Group's Executive Team was announced in a press release:

- Gunnebo's Board of Directors has appointed Stefan Syrén as the new President and CEO of the Gunnebo Group. Stefan Syrén will take up the position as President and CEO latest during November 2019.
- At the same time, Robert Hermans has been appointed Executive Vice President of the Gunnebo Group and Deputy CEO. This change will take place simultaneously with the shift of President and CEO.
- The regional structure for Asia-Pacific and Americas will cease to exist at year-end 2019. Sacha de La Noë, SVP Asia-Pacific, Middle East and Africa and Dan Schroeder, SVP Region Americas, will leave Gunnebo and the Group Executive Team at the end of the year due to these changes.

Financial targets

	2019 Q2	2018 Q2	2019 YTD	2018 YTD	R12M	2018 Full year	Long-term targets
Sales growth	7%	0%	4%	0%	5%	3%	5%
EBITA margin	5.3%	5.3%	4.7%	5.5%	6.1%	6.5%	>10%
Net debt/EBITDA	3.4	3.3	3.4	3.3	3.4	3.5	<2.5
Dividend	-	-	-	-	-	32%	30-50%

Certification

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

Gothenburg, July 19, 2019

Martin Svalstedt
Chairman

Henrik Lange
President and CEO

Göran Bille
Board member

Anna Borg Sæther
Board member

Charlotte Brogren
Board member

Eva Elmstedt
Board member

Mikael Jönsson
Board member

Crister Carlsson
Board member

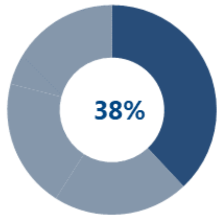
Micke Fridström
Board member

Safe Storage

Strong development in all regions gives double-digit growth in both order intake and net sales.

- Automated safe deposit lockers, SafeStore Auto, successfully introduced on the Korean market and first order was recorded.
- Cabinets protecting data from electro-magnetic pulses (EMP) introduced into customer segment Telecom in Europe. This is a good example of how the Business Unit is actively seeking to extend its sales into new market verticals.
- A niched, but growing part of the global safe market is the luxury segment. In the quarter Gunnebo started to receive orders for its new luxury safe – Chubbsafes' Opulent.

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 securing regulatory compliance.

Safe Storage	2019 Q2	2018 Q2	2019 YTD	2018 YTD	R12M	2018 Full year
Order intake, MSEK	533	467	1,027	892	2,046	1,911
Reported growth, %	*14*	*14*	*15*	*0*	*20*	*12*
Order intake, growth, %	*10*	*13*	*10*	*-1*	*13*	*9*
Net sales, MSEK	525	447	981	841	1,966	1,826
Reported growth, %	*17*	*5*	*17*	*-3*	*17*	*7*
Sales growth, %	*13*	*2*	*11*	*-4*	*14*	*4*
EBITA, MSEK	41	40	65	63	153	151
EBITA margin, %	*7.8*	*8.9*	*6.6*	*7.5*	*7.8*	*8.3*
Items affecting comparability (IAC), MSEK	-2	-2	-3	-5	-22	-24
Operating capital employed	482	527	482	527	482	491

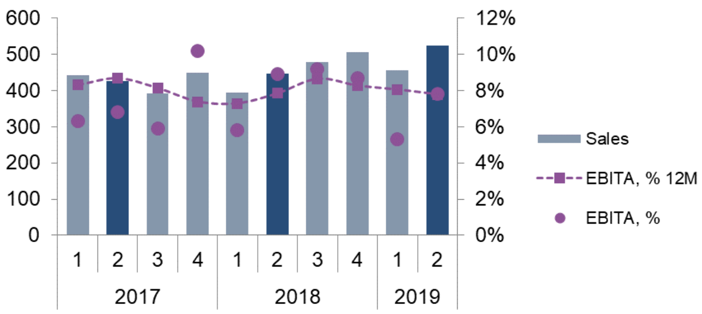
Sales Development Q2 2019

The Business Unit had a strong quarter both in terms of order intake and net sales, where growth was recorded from all regions.

Sales of safes to global manufacturers of ATMs continued to show a strong development.

In EMEA, sales growth came from several product segments, for example, good levels of sales of EMP-cabinets to a Nordic governmental institution. Sales of automated safe deposit lockers, SafeStore Auto, continued to show strong growth in several markets and there was an increased interest from several customer segments outside bank. Moreover, delivery of a big vault and vault doors order was completed to a high-risk site in Oman.

Sales & EBITA by Quarter



In Asia-Pacific, all key markets showed good growth. This included a major vault and vault door installation for a bank customer in China. In India, the roll-out of customised safes to gold-loan institute, Manappuram, continued and the country's largest private sector bank entrusted Gunnebo to upgrade safes and safe deposit lockers across its branch network.

In Americas, sales of safes and cabinets through the channel partner network had a strong quarter. So did sales in the national accounts, that is sales of safes, vaults and vault doors to American banks.

Result Development

In the quarter, EBITA amounted to MSEK 41 (40), resulting in a margin of 7.8% (8.9). The lower margin is mainly explained by product mix and overhead cost increasing in Europe, related to the implementation of the Business Unit structure. This will be addressed with the announced cost-efficiency programme.

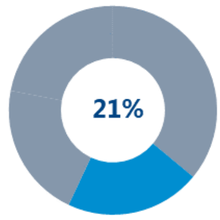
Cash Management

Good levels of order intake and net sales in EMEA is offset by weaker development on key markets in Asia-Pacific and Americas.

- Launch of R8 – the new generation of recycler, targeting retailers with large volumes of cash was successfully launched globally in the quarter.
- Gunnebo's solution for closed cash management, SafePay, was introduced to the Brazilian market at the APAS exhibition in May.

Cash Management	2019 Q2	2018 Q2	2019 YTD	2018 YTD	R12M	2018 Full year
Order intake, MSEK	256	270	610	610	1,194	1,194
Reported growth, %	*-5*	*26*	*0*	*6*	*17*	*20*
Order intake, growth, %	*-9*	*23*	*-4*	*4*	*12*	*17*
Net sales, MSEK	280	289	538	542	1,086	1,090
Reported growth, %	*-3*	*-2*	*-1*	*0*	*6*	*6*
Sales growth, %	*-6*	*-5*	*-4*	*-2*	*0*	*2*
EBITA, MSEK	25	36	39	60	101	122
EBITA margin, %	*8.9*	*12.5*	*7.2*	*11.1*	*9.3*	*11.2*
Items affecting comparability (IAC), MSEK	0	-2	0	-3	-3	-6
Operating capital employed, MSEK	285	283	285	283	285	258

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.

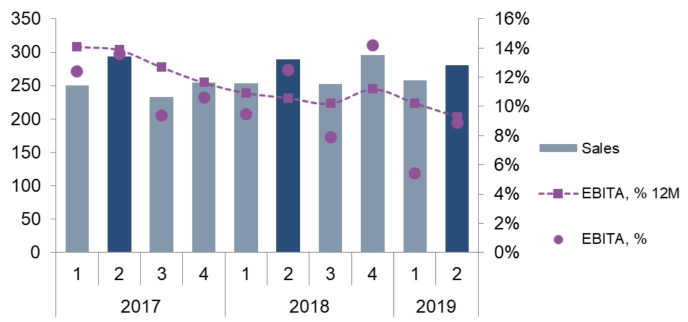
Sales Development Q2 2019

Overall, both order intake and net sales contracted in the quarter. The picture is however mixed, with good levels of sales in Europe of closed cash management, SafePay, with deliveries to several large retail customers in the Nordics, as well as continued good levels of sales of deposit solutions to cash-in-transit partners in the region. Sales in the Middle East were slow, due to phasing of project deliveries.

In Asia-Pacific, Australia, which is a key market for Cash Management, had a weak sales development in the quarter. This is partly explained by a strong Q2 2018 where several upgrade projects were delivered.

In Americas, sales of drive-up solutions to banks and retailers in the US continued to have a slow development.

Sales & EBITA by Quarter



Result Development

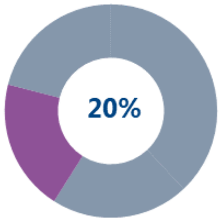
In the quarter, EBITA amounted to MSEK 25 (36) resulting in a margin of 8.9% (12.5). The lower margin is mainly explained by the drop of sales of drive-up solutions in the US. This, combined with the low sales in Australia and phasing of deliveries to cash-in-transit partners in the Middle East were the main factors behind the lower margin in the quarter. The drop in profitability and margin is addressed through sales channel optimisation and expansion into new customer segments.

Entrance Control

Continued double-digit growth in both order intake and net sales will be further enhanced as of Q3 by the acquisition of Cominfo.

- Signing of the acquisition of Czech Entrance Control company, Cominfo a.s, will add some MSEK 140 annual sales and good profitability, starting as from Q3 2019.
- In the quarter Entrance Control participated in several tradeshows, including UITP, one of the major global tradeshows in Europe targeting the Public Transport segment, and the ISC in the US, which is focusing on the market segment public & commercial buildings.

Share of Group Sales, YTD 2019



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

Entrance Control	2019 Q2	2018 Q2	2019 YTD	2018 YTD	R12M	2018 Full year
Order intake, MSEK	336	294	624	520	1,145	1,041
Reported growth, %	*14*	*16*	*20*	*1*	*4*	*4*
Order intake, growth, %	*11*	*14*	*15*	*0*	*-2*	*0*
Net sales, MSEK	280	227	515	472	1,091	1,048
Reported growth, %	*23*	*6*	*9*	*19*	*12*	*17*
Sales growth, %	*22*	*2*	*6*	*17*	*9*	*13*
EBITA, MSEK	36	26	62	69	169	176
EBITA margin, %	*12.9*	*11.5*	*12.0*	*14.6*	*15.5*	*16.8*
Items affecting comparability (IAC), MSEK	-2	0	-2	-2	-5	-5
Operating capital employed, MSEK	265	201	265	201	265	181

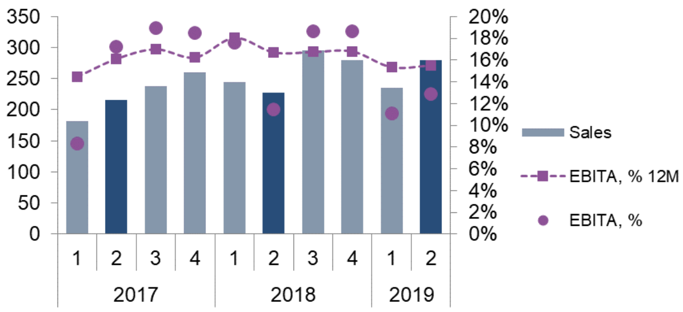
Sales Development Q2 2019

Sales showed strong development across all regions in the quarter. EMEA performed well, particularly in the public and commercial building segment. Also, continued installations of pre-security gates were carried out for the Swedish Airport Authority, Swedavia. In the Middle East, a major delivery of outdoor perimeter protection was completed to a high-risk site in the region.

In Asia-Pacific, China had very strong development of sales of gates to the metro sector.

In Americas, sales were strong due to the delivery of important airport projects in the US and to a large metro extension in Canada.

Sales & EBITA by Quarter



Result Development

In the quarter, EBITA amounted to MSEK 36 (26), resulting in a margin of 12.9% (11.5). The improvement was driven by higher sales, also resulting in high utilisation in the factories.

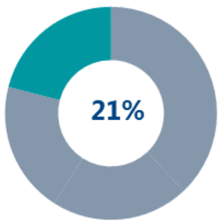
Integrated Security

The Business Unit improved its profitability, while showing weak order intake and flat net sales.

- The Brazilian business, focusing on loss prevention to retailers, participated in the APAS exhibition in May, where it launched several new solutions targeting Brazilian retailers.
- The Business Unit participated in the IV Congress, a Security & Telecom event in Spain and a key meeting point for large engineering companies, security integrators and decision makers in the industry – resulting in interesting leads and prospect customers.
- The first cloud-based GBS solution was sold to a retailer in Sweden.

Integrated Security	2019 Q2	2018 Q2	2019 YTD	2018 YTD	R12M	2018 Full year
Order intake, MSEK	238	262	534	553	1,053	1,072
Reported growth, %	*-9*	*-15*	*-3*	*-10*	*-5*	*-15*
Order intake, growth, %	*-10*	*-16*	*-4*	*-9*	*-3*	*-16*
Net sales, MSEK	283	285	540	550	1,154	1,164
Reported growth, %	*-1*	*-2*	*-2*	*-7*	*-3*	*-5*
Sales growth, %	*0*	*-1*	*-2*	*-5*	*-7*	*-5*
EBITA, MSEK	0	-4	7	-5	13	1
EBITA margin, %	*0.0*	*-1.4*	*1.3*	*-0.9*	*1.1*	*0.1*
Items affecting comparability (IAC), MSEK	7	-3	3	-8	-7	-18
Operating capital employed, MSEK	242	299	242	299	242	268

Share of Group Sales, YTD 2019



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

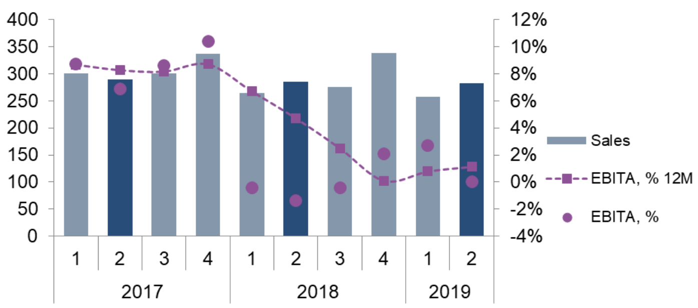
Sales Development Q2 2019

Net sales had an overall flat development in the quarter in constant currencies. In region EMEA, the development was slow for most markets except the Nordics where delivery and installation of electronic security solutions were made to several banks and alarm companies.

In Asia-Pacific, good sales of fire projects in South-East Asia and continued installations of security doors and partitions to a high-risk site project in Australia were able to offset the weaker development in other markets.

In Americas, sales had a good development coming from a high activity level of the electronic security service business provided to banks in Mexico and sales of electronic security through the US channel partner network.

Sales & EBITA by Quarter



Result Development

In the quarter, EBITA amounted to MSEK 0 (-4), resulting in a margin of 0.0% (-1.4). The improvement is a result of structural measures coming through. The Business Unit's unsatisfactory profitability will be further addressed within the announced cost-efficiency programme.

Condensed consolidated income statements

MSEK	2019[1)]Q2	2018 Q2	2019[1)] YTD	2018 YTD	2018 Full year
Net sales	1,368	1,248	2,574	2,405	5,128
Cost of goods sold	-1,019	-892	-1,916	-1,728	-3,686
Gross profit	349	356	658	677	1,442
Selling and administrative expenses	-292	-302	-563	-582	-1,188
Other operating income and expenses, net	11	-2	13	15	11
Operating profit (EBIT)	68	52	108	110	265
Financial income and expenses, net	-17	-12	-41	-25	-53
Profit before taxes	51	40	67	85	212
Income taxes	-27	-20	-36	-43	-92
Net profit for the period from continuing operations	24	20	31	42	120
Net loss for the period from discontinued operations	-	-625	-	-649	-803
Net profit/loss for the period	24	-605	31	-607	-683
Net profit/loss attributable to:					
Shareholders of the Parent Company	24	-605	31	-606	-683
Non-controlling interests	-	0	-	-1	0
Net profit/loss for the period	24	-605	31	-607	-683
Weighted average number of basic shares, thousand	76,449	76,320	76,449	76,320	76,378
Weighted average number of diluted shares, thousand	76,449	76,419	76,449	76,413	76,430
Earnings per share, SEK	0.32	-7.94	0.41	-7.95	-8.95
Of which, continuing operations, SEK	0.32	0.25	0.41	0.56	1.57
Of which, discontinuing operations, SEK	-	-8.19	-	-8.51	-10.52
Earnings per share after dilution, SEK	0.32	-7.93	0.41	-7.94	-8.94
Of which, continuing operations, SEK	0.32	0.25	0.41	0.56	1.57
Of which, discontinuing operations, SEK	-	-8.18	-	-8.50	-10.51

Condensed consolidated statements of comprehensive income

MSEK	2019 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Full year
Net profit/loss for the period	24	-605	31	-607	-683
Other comprehensive income					
Items that will not be reclassified to the income statement					
Remeasurements (actuarial gains and losses)[2)]	-21	20	-21	20	26
Subtotal	-21	20	-21	20	26
Items that may be reclassified to the income statement					
Translation differences on foreign operations	12	6	78	29	16
Other[2)]	1	-2	2	1	1
Subtotal	13	4	80	30	17
Other comprehensive income for the period	-8	24	59	50	43
Total comprehensive income for the period	16	-581	90	-557	-640
Total comprehensive income attributable to:					
Shareholders of the Parent Company	16	-580	90	-552	-640
Non-controlling interests	-	-1	-	-5	0
Total comprehensive income for the period	16	-581	90	-557	-640

[1)] Certain amounts have been reclassified. See Note 1 for further details.

[2)] Net of taxes

Condensed consolidated balance sheets

MSEK	2019 30 Jun	2018 30 Jun	2018 31 Dec
Goodwill	1,455	1,443	1,408
Other intangible assets	313	299	306
Right of use assets	220	-	-
Property, plant and equipment	276	292	282
Deferred tax assets	218	213	195
Other long-term assets	51	19	50
Total non-current assets	2,533	2,266	2,241
Inventories	763	782	717
Total customer receivables	955	948	1,018
Other short-term assets	372	337	311
Cash and cash equivalents	569	483	569
Assets of disposal group held for sale	-	484	-
Total current assets	2,659	3,034	2,615
Total assets	5,192	5,300	4,856
Total equity	1,139	1,263	1,087
Long-term financial liabilities	1,893	1,583	1,863
Provisions for post-employment benefits	405	392	375
Long-term portion of lease liabilities	127	-	-
Deferred tax liabilities	49	61	50
Total non-current liabilities	2,474	2,036	2,288
Accounts payable	532	535	594
Short-term financial liabilities	111	93	45
Short-term portion of lease liabilities	96	-	-
Other short-term liabilities	840	784	842
Liabilities of disposal group held for sale	-	589	-
Total current liabilities	1,579	2,001	1,481
Total equity and liabilities	5,192	5,300	4,856

Condensed consolidated statement of changes in equity

MSEK	2019 30 Jun	2018 30 Jun	2018 31 Dec
Opening balance	1,087	1,866	1,866
Total comprehensive income for the period	90	-557	-640
Dividends	-38	-46	-92
Acquisition of non-controlling interest	-	-	-48
Other, including new share issue	-	-	1
Closing balance	1,139	1,263	1,087

Condensed consolidated statements of cash flow

MSEK	2019 Q2	2018[1] Q2	2019 YTD	2018[1] YTD	2018[1] Full year
OPERATING ACTIVITIES					
Operating profit (EBIT)	68	-412	108	-386	-410
Adjustment for depreciation	12	16	25	31	61
Adjustment for amortisation and impairments[2]	11	14	23	28	74
Adjustment for impairments and write-downs, discontinued operations	-	413	-	413	526
Adjustment for amortisation right of use assets	28	-	55	-	-
Other non-cash items	-22	8	-28	8	29
Interest and other financial items	-13	-8	-35	-20	-45
Taxes paid	-21	-24	-46	-40	-80
Net cash flow from operating activities before changes in working capital	63	7	102	34	155
Cash flow from changes in working capital	-75	-35	-66	-2	87
Net cash flow from operating activities	-12	-28	36	32	242
INVESTING ACTIVITIES					
Capital expenditure for intangibles, property, plant and equipment	-22	-37	-45	-72	-137
Sales of non-current assets	28	2	30	16	19
Acquisition related payments	-1	-	-16	-15	-59
Divestment related payments	-	-10	-2	-10	-235
Net cash flow from investing activities	5	-45	-33	-81	-412
Net cash flow after investments before financing	-7	-73	3	-49	-170
FINANCING ACTIVITIES					
Change in loans and other financial items	59	114	61	75	326
Lease liability payments	-26	-	-52	-	-
Sale of treasury shares	-	-	-	-	1
Dividends	-38	-46	-38	-46	-92
Net cash flow from financing activities	-5	68	-29	29	235
Net cash flow for the period	-12	-5	-26	-20	65
Cash and cash equivalents at the beginning of the period	580	488	569	498	498
Translation differences	1	8	26	13	6
Cash and cash equivalents at the end of the period	569	491	569	491	569
Free cash flow	-6	-63	21	-24	124

[1] Not adjusted for effects of IFRS 5.

[2] Amortisation and impairment from acquisition related intangibles amounted to MSEK 4 (5) in the second quarter and to MSEK 7 (11) for the period January - June and MSEK 40 for the full year 2018.

Changes in liabilities from financing activities and net debt

MSEK	Closing balance 30 Jun	Cash changes	Non-cash changes	Translation differences	Adjusted opening balance 1 Jan	IFRS 16 adjustments[3]	Closing balance 31 Dec
Long-term loans, including short-term portion	1,921	-2	31	1	1,891	-	1,891
Finance lease liability, including short-term portion	223	-52	12	9	254	254	-
Short-term loans	83	66	-	-	17	-	17
Other short-term financial assets (-)/liabilities (+)	-5	-3	-2	-	0	-	0
Total liabilities from financing activities	2,222	9	41	10	2,162	254	1,908
Cash and cash equivalents	-569	26	-	-26	-569	-	-569
Net debt	1,653	35	41	-16	1,593	254	1,339
Post-employment benefits, net	405	-14	33	11	375	-	375
Net debt including post-employment benefits	2,058	21	74	-5	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.

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 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 of 2018 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 components 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 per 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 period January – June 2019:

- A reduction of operating costs of MSEK 59, higher amortisation expenses of MSEK 55, consequently improving EBITDA, resulting in a limited (positive) impact on operating income of MSEK 4.
- Interest expense on leases increased with MSEK 7.
- 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 220.
- Net debt including post-employment benefits/EBITDA improved by 0.7, 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 223, however EBITDA is also positively impacted by the exclusion of the right of use amortisation. A proforma rolling 12-month EBITDA is calculated as from the implementation.

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 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Full year
Safe Storage	41	40	65	63	151
Cash Management	25	36	39	60	122
Entrance Control	36	26	62	69	176
Integrated Security	0	-4	7	-5	1
Subtotal business unit EBITA	102	98	173	187	450
Group functions	-29	-32	-53	-55	-116
EBITA	73	66	120	132	334
Amortisations and impairments of acquisition related intangible assets	-4	-5	-7	-11	-40
Items affecting comparability (IAC)	-3	-9	-9	-11	-29
IFRS 16 leasing effect	2	-	4	-	-
EBIT	68	52	108	110	265
Financial income and expenses, net	-17	-12	-41	-25	-53
Profit before taxes	51	40	67	85	212

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

The Business Units are also measured on their Operating Capital Employed, which is defined as property, plant and equipment, other intangible assets, 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 30 Jun	2018 30 Jun	2018 31 Dec
Safe Storage	482	527	491
Cash Management	285	283	258
Entrance Control	265	201	181
Integrated Security	242	299	268
Operating capital employed from business units	1,274	1,310	1,198
Group functions	31	18	1
Goodwill	1,455	1,443	1,408
Right of use assets	220	-	-
Capital employed	2,980	2,771	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.

For further disclosures refer to the Annual Report 2018, Note 4.

Income statements from discontinued operations

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

MSEK	2019 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Full year
Net profit/loss from discontinued operations	-	-625	-	-649	-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 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Full year
Cash flow from operating activities	-	-22	-	-5	-31
Capital expenditure for intangibles, property, plant and equipment	-	-5	-	-10	-20
Divestment related payments	-	-10	-	-10	-246
Cash flow from investing activities	-	-15	-	-20	-266
Cash flow from financing activities	-	-	-	-	-

Parent Company

Condensed parent company income statements

MSEK	2019 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Full year
Net sales	50	57	104	109	266
Administrative expenses	-65	-69	-127	-112	-257
EBIT	-15	-12	-23	-3	9
Financial income and expenses, net	-2	3	-3	1	-4
Profit after financial items	-17	-9	-26	-2	5
Appropriations	-	-	-	-	81
Profit before taxes	-17	-9	-26	-2	86
Income taxes	-6	-1	-4	-2	-21
Net profit for the period	-23	-10	-30	-4	65

Total comprehensive income corresponds with net profit for the period.

Condensed parent company statements of financial position

MSEK	2019 30 Jun	2018 30 Jun	2018 31 Dec
Intangible assets	70	76	72
Property, plant and equipment	2	3	2
Investments in group companies	1,585	1,585	1,585
Deferred tax assets	18	20	12
Total non-current assets	1,675	1,684	1,671
Receivables from group companies	53	53	118
Other short-term assets	27	40	16
Cash and cash equivalents	0	2	0
Total current assets	80	95	134
Totalt assets	1,755	1,779	1,805
Total equity	1,455	1,498	1,523
Liabilities to group companies	223	210	206
Other short-term liabilities	77	71	76
Total current liabilities	300	281	282
Total equity and liabilities	1,755	1,779	1,805

Condensed changes in parent company equity

MSEK	2019 30 Jun	2018 30 Jun	2018 31 Dec
Opening balance	1,523	1,548	1,548
Total comprehensive income for the period	-30	-4	65
Dividends	-38	-46	-92
Other, including new share issue	-	0	2
Closing balance	1,455	1,498	1,523

Selected quarterly data[1]

Income statement, MSEK	2017 1	2017 2	2017 YTD	2017 3	2017 4	2017 Full year	2018 1	2018 2	2018 YTD	2018 3	2018 4	2018 Full year	2019 1	2019 2	2019 YTD
Net sales	1,172	1,225	**2,397**	1,164	1,300	**4,861**	1,157	1,248	**2,405**	1,303	1,420	**5,128**	1,206	1,368	**2,574**
Cost of goods sold excl. IAC	-831	-859	**-1,690**	-824	-919	**-3,433**	-835	-889	**-1,724**	-936	-1,013	**-3,673**	-893	-1,014	**-1,907**
Gross profit excl. IAC	341	366	**707**	340	381	**1,428**	322	359	**681**	367	407	**1,455**	313	354	**667**
Selling and administrative expenses (S&A) excl. IAC	-277	-277	**-554**	-262	-273	**-1,089**	-269	-296	**-565**	-279	-297	**-1,141**	-269	-284	**-553**
Other operating income and expenses, net, excl. IAC	2	3	**5**	1	8	**14**	7	-2	**5**	-12	-13	**-20**	2	1	**3**
Add back: Amortisation and impairment of acquisition related intangible assets	6	6	**12**	6	4	**22**	6	5	**11**	16	13	**40**	3	4	**7**
Add back: IFRS 16 leasing effect	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-2	-2	**-4**
EBITA	72	98	**170**	85	120	**375**	66	66	**132**	92	110	**334**	47	73	**120**
Add back: IAC	-2	-11	**-13**	-16	-23	**-52**	-2	-9	**-11**	12	-30	**-29**	-6	-3	**-9**
Add back: Other amortisation and depreciation	17	18	**35**	17	19	**71**	17	19	**36**	20	17	**73**	22	19	**41**
Add back: Amortisation right of use assets plus IFRS 16 leasing effect	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**	29	30	**59**
EBITDA	87	105	**192**	86	116	**394**	81	76	**157**	124	97	**378**	92	119	**211**
EBIT	64	81	**145**	63	93	**301**	58	52	**110**	88	67	**265**	40	68	**108**
Key ratios, %															
Order intake, growth	*1*	*-7*	***-3***	*-9*	*10*	***-1***	*-9*	*7*	***-2***	*19*	*-3*	***2***	*7*	*2*	***5***
Sales growth	*2*	*1*	***2***	*1*	*-8*	***-1***	*0*	*0*	***0***	*6*	*6*	***3***	*0*	*7*	***4***
Gross margin excl. IAC	*29.1*	*29.9*	***29.5***	*29.2*	*29.3*	***29.4***	*27.8*	*28.8*	***28.3***	*28.2*	*28.7*	***28.4***	*26.0*	*25.9*	***25.9***
S&A excl IAC in % of net sales	*23.6*	*22.6*	***23.1***	*22.5*	*21.0*	***22.4***	*23.2*	*23.7*	***23.5***	*21.4*	*20.9*	***22.3***	*22.3*	*20.8*	***21.5***
EBIT margin	*5.5*	*6.6*	***6.0***	*5.4*	*7.2*	***6.2***	*5.0*	*4.2*	***4.6***	*6.8*	*4.7*	***5.2***	*3.3*	*5.0*	***4.2***
EBITA margin	*6.1*	*8.0*	***7.1***	*7.3*	*9.2*	***7.7***	*5.7*	*5.3*	***5.5***	*7.1*	*7.7*	***6.5***	*3.9*	*5.3*	***4.7***
Items affecting comparability (IAC), MSEK															
Items affecting comparability	-2	-11	**-13**	-16	-23	**-52**	-2	-9	**-11**	12	-30	**-29**	-6	-3	**-9**
Whereof cost of goods sold	0	0	**0**	-3	-11	**-14**	-1	-3	**-4**	-4	-5	**-13**	-4	-5	**-9**
Whereof S&A	-2	-11	**-13**	-13	-12	**-38**	-11	-6	**-17**	-5	-25	**-47**	-2	-8	**-10**
Whereof other operating income and expenses	-	-	**-**	-	-	**-**	10	-	**10**	21	-	**31**	-	10	**10**
Share data															
Basic earnings per share, continuing operations, SEK	0.41	0.40	**0.81**	0.33	0.76	**1.90**	0.31	0.25	**0.56**	0.74	0.27	**1.57**	0.09	0.32	**0.41**
Diluted earnings per share, continuing operations, SEK	0.40	0.40	**0.80**	0.33	0.76	**1.90**	0.31	0.25	**0.56**	0.74	0.27	**1.57**	0.09	0.32	**0.41**
Weighted average number of basic shares, thousand	76,320	76,320	**76,320**	76,320	76,320	**76,320**	76,320	76,320	**76,320**	76,422	76,449	**76,378**	76,449	76,449	**76,449**
Weighted average number of diluted shares, thousand	76,370	76,391	**76,381**	76,393	76,403	**76,389**	76,408	76,419	**76,413**	76,443	76,449	**76,430**	76,449	76,449	**76,449**
Equity per share, SEK	24.95	23.40	**23.40**	23.09	24.03	**24.03**	24.40	16.21	**16.21**	15.63	14.22	**14.22**	15.19	14.90	**14.90**
Cash Flow															
Net cash flow from operating activities, MSEK	22	-45	**-23**	-29	123	**71**	60	-28	**32**	48	162	**242**	48	-12	**36**
Free cash flow, MSEK	-6	-76	**-82**	-63	71	**-74**	39	-63	**-24**	15	133	**124**	27	-6	**21**
Liquidity information															
Net debt incl. post-employment benefits, MSEK	1,184	1,384	**1,384**	1,402	1,407	**1,407**	1,455	1,587	**1,587**	1,580	1,714	**1,714**	1,978[2]	2,058[2]	**2,058[2]**
Net debt, MSEK	791	995	**995**	1,026	1,003	**1,003**	1,038	1,195	**1,195**	1,210	1,339	**1,339**	1,593[2]	1,653[2]	**1,653[2]**
Net debt incl. post-employment benefits/EBITDA, times	2.8	3.0	**3.0**	3.3	3.6	**3.6**	3.8	4.4	**4.4**	4.0	4.5	**4.5**	4.2[3]	4.2[3]	**4.2[3]**
Net debt/EBITDA, times	1.9	2.2	**2.2**	2.4	2.5	**2.5**	2.7	3.3	**3.3**	3.0	3.5	**3.5**	3.4[3]	3.4[3]	**3.4[3]**
Proforma Balance sheet, MSEK															
Safe Storage	494	456	**456**	459	444	**444**	488	527	**527**	528	491	**491**	506	482	**482**
Cash Management	302	309	**309**	272	284	**284**	277	283	**283**	291	258	**258**	257	285	**285**
Entrance Control	168	179	**179**	167	196	**196**	202	201	**201**	191	181	**181**	216	265	**265**
Integrated Security	249	250	**250**	322	304	**304**	264	299	**299**	303	268	**268**	259	242	**242**
Operating capital employed	1,213	1,194	**1,194**	1,220	1,228	**1,228**	1,231	1,310	**1,310**	1,313	1,198	**1,198**	1,238	1,274	**1,274**
Return on operating capital employed	*46.3*	*47.3*	***47.3***	*45.2*	*41.5*	***41.5***	*40.0*	*37.1*	***37.1***	*36.6*	*35.8*	***35.8***	*34.3*	*34.4*	***34.4***
Group functions	-24	9	**9**	8	8	**8**	50	18	**18**	27	1	**1**	2	31	**31**
Goodwill	1,407	1,377	**1,377**	1,349	1,373	**1,373**	1,413	1,443	**1,443**	1,414	1,408	**1,408**	1,442	1,455	**1,455**
Right of use assets	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**	240	220	**220**
Capital employed	2,596	2,580	**2,580**	2,577	2,609	**2,609**	2,694	2,771	**2,771**	2,754	2,607	**2,607**	2,922	2,980	**2,980**
Return on capital employed	*16.4*	*16.9*	***16.9***	*16.2*	*14.6*	***14.6***	*14.1*	*12.7*	***12.7***	*12.8*	*12.4*	***12.4***	*11.5*	*11.5*	***11.5***

[1] Refer to page 24 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 effective from 1 January 2019. Comparative figures have not been restated.

[3] The proforma rolling 12-month EBITDA has been calculated as an indicative figure for the quarters in 2019 due to the transition to IFRS 16 Leases as of 1 January 2019.

Quarterly Business unit data

	2017						2018						2019		
Safe Storage	**1**	**2**	**YTD**	**3**	**4**	**Full year**	**1**	**2**	**YTD**	**3**	**4**	**Full year**	**1**	**2**	**YTD**
Order intake, MSEK	485	409	**894**	385	431	**1,710**	425	467	**892**	486	533	**1,911**	494	533	**1,027**
Reported growth, %							*-12*	*14*	***0***	*26*	*24*	***12***	*16*	*14*	***15***
Order intake, growth, %							*-12*	*13*	***-1***	*19*	*20*	***9***	*11*	*10*	***10***
Net sales, MSEK	441	426	**867**	392	449	**1,708**	394	447	**841**	479	506	**1,826**	456	525	**981**
Reported growth, %	*4*	*0*	***2***	*-11*	*-18*	***-7***	*-11*	*5*	***-3***	*22*	*13*	***7***	*16*	*17*	***17***
Sales growth, %	*1*	*-5*	***-2***	*-9*	*-17*	***-8***	*-10*	*2*	***-4***	*15*	*8*	***4***	*10*	*13*	***11***
EBITA, MSEK	28	29	**57**	23	46	**126**	23	40	**63**	44	44	**151**	24	41	**65**
EBITA margin, %	*6.3*	*6.8*	***6.6***	*5.9*	*10.2*	***7.4***	*5.8*	*8.9*	***7.5***	*9.2*	*8.7*	***8.3***	*5.3*	*7.8*	***6.6***
Items affecting comparability (IAC), MSEK	-1	-2	**-3**	-8	-16	**-27**	-3	-2	**-5**	-2	-17	**-24**	-1	-2	**-3**
Operating capital employed, MSEK	494	456	**456**	459	444	**444**	488	527	**527**	528	491	**491**	506	482	**482**
Cash Management															
Order intake, MSEK	364	214	**578**	208	205	**991**	340	270	**610**	313	271	**1,194**	354	256	**610**
Reported growth, %							*-7*	*26*	***6***	*50*	*32*	***20***	*4*	*-5*	***0***
Order intake, growth, %							*-8*	*23*	***4***	*44*	*28*	***17***	*0*	*-9*	***-4***
Net sales, MSEK	250	294	**544**	233	254	**1,031**	253	289	**542**	252	296	**1,090**	258	280	**538**
Reported growth, %	*28*	*11*	***18***	*4*	*-3*	***9***	*1*	*-2*	***0***	*8*	*17*	***6***	*2*	*-3*	***-1***
Sales growth, %	*24*	*7*	***14***	*6*	*-2*	***8***	*2*	*-5*	***-2***	*2*	*12*	***2***	*-3*	*-6*	***-4***
EBITA, MSEK	31	40	**71**	22	27	**120**	24	36	**60**	20	42	**122**	14	25	**39**
EBITA margin, %	*12.4*	*13.6*	***13.1***	*9.4*	*10.6*	***11.6***	*9.5*	*12.5*	***11.1***	*7.9*	*14.2*	***11.2***	*5.4*	*8.9*	***7.2***
Items affecting comparability (IAC), MSEK	0	-1	**-1**	-1	-2	**-4**	-1	-2	**-3**	-1	-2	**-6**	0	0	**0**
Operating capital employed, MSEK	302	309	**309**	272	284	**284**	277	283	**283**	291	258	**258**	257	285	**285**
Entrance Control															
Order intake, MSEK	260	253	**513**	243	243	**999**	226	294	**520**	290	231	**1,041**	288	336	**624**
Reported growth, %							*-13*	*16*	***1***	*19*	*-5*	***4***	*27*	*14*	***20***
Order intake, growth, %							*-14*	*14*	***0***	*12*	*-10*	***0***	*22*	*11*	***15***
Net sales, MSEK	181	215	**396**	238	260	**894**	245	227	**472**	296	280	**1,048**	235	280	**515**
Reported growth, %	*19*	*20*	***20***	*18*	*-8*	***9***	*35*	*6*	***19***	*24*	*8*	***17***	*-4*	*23*	***9***
Sales growth, %	*18*	*17*	***17***	*21*	*-6*	***10***	*36*	*2*	***17***	*17*	*3*	***13***	*-9*	*22*	***6***
EBITA, MSEK	15	37	**52**	45	48	**145**	43	26	**69**	55	52	**176**	26	36	**62**
EBITA margin, %	*8.3*	*17.2*	***13.1***	*18.9*	*18.5*	***16.2***	*17.6*	*11.5*	***14.6***	*18.6*	*18.6*	***16.8***	*11.1*	*12.9*	***12.0***
Items affecting comparability (IAC), MSEK	0	-1	**-1**	-2	-2	**-5**	-2	0	**-2**	-1	-2	**-5**	0	-2	**-2**
Operating capital employed, MSEK	168	179	**179**	167	196	**196**	202	201	**201**	191	181	**181**	216	265	**265**
Integrated Security															
Order intake, MSEK	302	310	**612**	286	366	**1,264**	291	262	**553**	307	212	**1,072**	296	238	**534**
Reported growth, %							*-4*	*-15*	***-10***	*7*	*-42*	***-15***	*2*	*-9*	***-3***
Order intake, growth, %							*-3*	*-16*	***-9***	*5*	*-44*	***-16***	*1*	*-10*	***-4***
Net sales, MSEK	300	290	**590**	301	337	**1,228**	265	285	**550**	276	338	**1,164**	257	283	**540**
Reported growth, %	*-10*	*0*	***-5***	*-3*	*-6*	***-5***	*-12*	*-2*	***-7***	*-8*	*0*	***-5***	*-3*	*-1*	***-2***
Sales growth, %	*-15*	*-5*	***-11***	*-2*	*-1*	***-6***	*-9*	*-1*	***-5***	*-11*	*1*	***-5***	*-4*	*0*	***-2***
EBITA, MSEK	26	20	**46**	26	35	**107**	-1	-4	**-5**	-1	7	**1**	7	0	**7**
EBITA margin, %	*8.7*	*6.9*	***7.8***	*8.6*	*10.4*	***8.7***	*-0.4*	*-1.4*	***-0.9***	*-0.4*	*2.1*	***0.1***	*2.7*	*0.0*	***1.3***
Items affecting comparability (IAC), MSEK	-1	-3	**-4**	-8	-1	**-13**	-5	-3	**-8**	-3	-7	**-18**	-4	7	**3**
Operating capital employed, MSEK	249	250	**250**	322	304	**304**	264	299	**299**	303	268	**268**	259	242	**242**

Quarterly Business unit data, cont

	2017						2018						2019		
Group Functions	1	2	YTD	3	4	Full year	1	2	YTD	3	4	Full year	1	2	Jan-jun
EBITA, MSEK	-28	-28	**-56**	-31	-36	**-123**	-23	-32	**-55**	-26	-35	**-116**	-24	-29	**-53**
EBITA margin, %	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**
Items affecting comparability (IAC), MSEK	0	-4	**-4**	3	-2	**-3**	9	-2	**7**	19	-2	**24**	-1	-6	**-7**
Operating capital employed, MSEK	-24	9	**9**	8	8	**8**	50	18	**18**	27	1	**1**	2	31	**31**
Goodwill (proforma)	1,407	1,377	**1,377**	1,349	1,373	**1,373**	1,413	1,443	**1,443**	1,414	1,408	**1,408**	1,442	1,455	**1,455**
Right of use assets	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**	240	220	**220**
Total Group															
Order intake, MSEK	1,411	1,186	**2,597**	1,122	1,245	**4,964**	1,282	1,293	**2,575**	1,396	1,247	**5,218**	1,432	1,363	**2,795**
Reported growth, %							*-9*	*9*	***-1***	*24*	*0*	***5***	*12*	*5*	***9***
Order intake, growth, %							*-9*	*7*	***-2***	*19*	*-3*	***2***	*7*	*2*	***5***
Net sales, MSEK	1,172	1,225	**2,397**	1,164	1,300	**4,861**	1,157	1,248	**2,405**	1,303	1,420	**5,128**	1,206	1,368	**2,574**
Reported growth, %	*6*	*6*	***6***	*-1*	*-11*	***-1***	*-1*	*2*	***0***	*12*	*9*	***5***	*4*	*10*	***7***
Sales growth, %	*2*	*1*	***2***	*1*	*-8*	***-1***	*0*	*0*	***0***	*6*	*6*	***3***	*0*	*7*	***4***
EBITA, MSEK	72	98	**170**	85	120	**375**	66	66	**132**	92	110	**334**	47	73	**120**
EBITA margin, %	*6.1*	*8.0*	***7.1***	*7.3*	*9.2*	***7.7***	*5.7*	*5.3*	***5.5***	*7.1*	*7.7*	***6.5***	*3.9*	*5.3*	***4.7***
Items affecting comparability (IAC), MSEK	-2	-11	**-13**	-16	-23	**-52**	-2	-9	**-11**	12	-30	**-29**	-6	-3	**-9**
Capital employed (proforma), MSEK	2,596	2,580	**2,580**	2,577	2,609	**2,609**	2,694	2,771	**2,771**	2,754	2,607	**2,607**	2,922	2,980	**2,980**

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.
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.
Reported growth	The change in reported nominal values, from one period to the next.
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

Q3 Report 2019	6 November, 2019 *	** The release date of Gunnebo's interim report for the third quarter is revised and will be published on November 6, 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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