

Interim Report January – September 2016

- The order intake was MSEK 3,438.2 (3,015.3), which is an increase of 11.3% after adjustment for currency effects of MSEK -153.1 and acquisitions of MSEK 234.0
- Net sales were MSEK 3,317.0 (2,876.3), which is an increase of 12.0% after adjustment for currency effects of MSEK -147.7 and acquisitions of MSEK 243.0
- The operating profit was MSEK 404.3 (287.5), representing an operating margin of 12.2 (10.0)%
- Earnings after tax were MSEK 298.3 (203.3), an increase of 46.7%
- Earnings per share were SEK 7.87 (5.37)
- Cash flow from operating activities was MSEK 137.0 (217.9)

Comments from CEO Johan Hjertonsson:

- The Group's strategy of innovation and internationalisation continues ahead of plan whilst at the same time delivering strong results.
- Order intake at MSEK 3,438.2 is 11.3% ahead of last year and net sales at MSEK 3,317.0 is 12.0% ahead of last year, adjusted for currency effects and acquisitions. The increase in order intake is above the market growth rate and demonstrates the continued gain in market share.
- The operating profit at MSEK 404.3 is 40.6% ahead of 2015.
- The third quarter results of order intake MSEK 1,088.7 (948.6), net sales MSEK 1,144.4 (1,011.8) and operating profit MSEK 165.4 (126.6) all compare well to the third quarter of 2015 with the net sales and operating result setting new quarterly records.
- The MSEK 98.0 (88.3) cash flow from operating activities for Q3 results in the year to date cash flow of MSEK 137.0 (217.9), the Group delivering a second strong quarter in succession.
- Earnings per share at SEK 7.87 was strongly ahead of the 5.37 for the prior year.
- Sales growth in LED luminaires across the Group remains favourable with the LED share of net sales in the period at over 70%. The capital and revenue investments to support the LED technology shift continue and at an increased level compared to the prior period.
- As we enter the last quarter of the year, the order backlog remains at a healthy level, despite record net sales in the quarter.
- Net sales across all business areas for the year to date are ahead of prior year and all product areas deliver quarterly as well as year to date growth compared to 2015.
- The recent coup attempt in Turkey has affected our domestic business but we have managed to increase our export sales to compensate.
- We have seen no significant negative impact at the operational level due to Brexit.

GROUP**JANUARY-SEPTEMBER**

Market growth rates for the year to date in our larger markets continue to show a mixed picture. In the Northern Europe region we see steady market growth in Sweden. Construction activity indicators in the UK are positive and in Other Europe the picture continues to be mixed as reported on 30th August with good growth rates in many Western European countries and less so in Germany.

The Group's year to date order intake at MSEK 3,438.2 (3,015.3) continues to outperform the market and is 11.3% ahead of last year when adjusted for currency (MSEK -153.1) and acquisition (MSEK 234.0) effects. Across the Group the overall situation shows a strong order income growth in all our reporting business areas. The Group has 22 country operating units, 17 of which are deliver positive order income growth in the year to date and the remaining 5 account for approximately 10% of total order income for the period. Currencies continue to affect the consolidated results from the UK which recorded a sales growth of 4.8% adjusted to 15.2% for currency.

Net sales were MSEK 3,317.0 (2,876.3), which was an increase of 12.0% adjusted for currency (MSEK -147.7) and acquisition (MSEK 243.0) effects. Northern Europe and the UK continue to deliver strong results for the year to date and outside these two larger markets, many of the remaining businesses continue to perform well.

At over 70 per cent for the year to date, the development and sale of LED products is favourable. The LED share of net sales across the Group is mixed with some businesses approaching 90% and others in developing LED markets nearing 50%. The ambition remains to become a 100% LED business in the medium term and investments continue to be made in design and development as well as manufacturing capability and capacity.

The operating profit was MSEK 404.3 (287.5), representing growth of 40.6% compared to the previous year.

Financial items were MSEK -7.9 (-13.7) with the lower cost attributable to both the effect of lower interest rates, despite increased borrowing compared with the previous year and exchange rate gains at the transaction level.

The tax expense for the year to date was MSEK -98.1 (-70.5), which results in just over a 1% lower tax rate than in the previous year due to the country mix.

Earnings per share were SEK 7.87 (5.37).

The Group's strategy of developing a leading position in the three product application areas continues with a 13.9% increase in Indoor, a 14.2% increase in Retail and a 34.4% increase in Outdoor. The LED share of net sales is highest in Outdoor.

Net sales per product area	Q3		Q 1-3	
	2016	2015	2016	2015
Indoor Lighting	745.2	674.8	2 207.2	1 938.5
Retail Lighting	296.6	264.1	853.3	746.9
Outdoor Lighting	102.6	72.9	256.5	190.9
	1 144.4	1 011.8	3 317.0	2 876.3

THE THIRD QUARTER

The order intake in the third quarter was MSEK 1,088.7 (948.5), which is an increase of 14.8% and excluding acquisitions (MSEK 106.0) and currency effects (MSEK -51.5), order intake grew by 9.0%.

The quarterly order intake growth of 14.8% is 0.6% ahead of the average order intake growth for the first three quarters of the year and continues to be ahead of 1 BSEK for each quarter. The annualised run rate for the year is healthy at approximately 4.5 BSEK.

Net sales for the third quarter were MSEK 1,144.1 (1,011.8), which represents an increase of 13.1%, reducing to 7.2% after adjusting for acquisitions (MSEK 113.0) and currency (MSEK -53.7) effects.

The operating profit in the quarter was MSEK 165.4 (126.6), a 30.6% increase, delivering an operating margin of 14.5 (12.5)%.

The foreign currency translation effect on the operating profit in the quarter was MSEK -8.3 and is marginally higher than the year to date run rate of MSEK -22.5. Upon translation and consolidation of foreign currency based profits, the British Pound is adverse, whereas the Euro, Australian Dollar, Norwegian Kronor, Danish Kronor and the Russian Rouble are favourable in the quarter compared to the start of the year and therefore helping to offset some of the effect of the British Pound.

BUSINESS AREAS

NET SALES AND OPERATING PROFIT PER BUSINESS AREA												
	Net sales				Operating profit				Operating margin,%			
	Q 3		Q 1-3		Q 3		Q 1-3		Q 3		Q 1-3	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Northern Europe	486.3	454.8	1 481.7	1 348.9	62.6	45.1	151.8	100.3	12.9	9.9	10.2	7.4
UK and Ireland	306.6	328.7	915.9	874.3	53.8	54.1	145.2	117.7	17.5	16.5	15.9	13.5
Other Europe	303.1	208.9	754.8	577.3	44.3	22.8	91.3	58.3	14.6	10.9	12.1	10.1
Africa, Asia and the Pacific	166.7	118.0	479.7	354.8	21.5	14.7	61.9	41.0	12.9	12.5	12.9	11.6
Other	-	-	-	-	-16.8	-10.1	-45.9	-29.8	-	-	-	-
Elimination	-118.3	-98.6	-315.1	-279.0	-	-	-	-	-	-	-	-
Total	1 144.4	1 011.8	3 317.0	2 876.3	165.4	126.6	404.3	287.5	14.5	12.5	12.2	10.0
Financial unallocated items					0.8	-3.3	-7.9	-13.7				
Profit before tax					166.2	123.3	396.4	273.8				

NORTHERN EUROPE

This business area comprises the Group's units and companies in the Nordic countries, the Baltic countries and Russia. The factory in China, which engages in manufacturing and purchasing, is also included. Development, manufacturing and sales are conducted in Sweden and Finland, while operations in other markets, with the exception of China, engage only in sales.

Net sales for the year to date were MSEK 1,481.7, compared with MSEK 1,348.9 in the corresponding period last year. Adjusted for currency effects the increase was 11.4%. The increase in net sales was mainly due to increased sales in Sweden and Russia although many other regions are performing ahead of last year also. The operating profit for the period was MSEK 151.8 (100.3) and the operating margin 10.2 (7.4)%. Profitable sales growth is the core reason for the 2.8% increase in operating margin.

Northern Europe				
	Q 3		Q 1-3	
	2016	2015	2016	2015
Net Sales	486.3	454.8	1 481.7	1 348.9
<i>(of which to group companies)</i>	<i>(82.6)</i>	<i>(78.9)</i>	<i>(225.1)</i>	<i>(211.5)</i>
Operating profit	62.6	45.1	151.8	100.3
Operating margin, %	12.9	9.9	10.2	7.4
Sales growth, %	6.9	0.5	9.8	-2.7
Sales growth, adjusted for exchange rate differences, %	6.8	1.3	11.4	-2.9
Growth in Operating profit, %	38.8	-25.5	51.3	-20.1

UK AND IRELAND

This business area comprises Group companies in the UK and Ireland. The dominant unit is Whitecroft Lighting and both Whitecroft and Designplan Lighting engage in the development, manufacture and sales of lighting systems, while the Fagerhult brand in the UK and Ireland engages in sales.

Net sales in the year to date were MSEK 915.9, compared with MSEK 874.3 in 2015. Adjusted for currency effects, this represents growth of 15.2%. Each of the operating units in the UK and Ireland business area have grown net sales in the period and the regional operating profits have increased 23.4% to MSEK 145.2 (117.7).

It is difficult to assess the medium term impact of the Brexit decision as many economic commentators have differing views, but as of today we see no negative impact at an operational level.

The Brexit decision does however affects the consolidation of UK-based profits upon translation to SEK by an annualised MSEK 9 for each 5% currency shift. Both of the regions manufacturing business units have a strong brand position, particularly in the Middle East where both are currently engaged in significant projects.

The operating profit for the year to date was MSEK 145.2 (117.7) and the operating margin was 15.9 (13.5)%.

UK and Ireland				
	Q 3		Q 1-3	
	2016	2015	2016	2015
Net Sales	306.6	328.7	915.9	874.3
<i>(of which to group companies)</i>	<i>(13.4)</i>	<i>(6.3)</i>	<i>(36.6)</i>	<i>(29.1)</i>
Operating profit	53.8	54.1	145.2	117.7
Operating margin, %	17.5	16.5	15.9	13.5
Sales growth, %	-6.7	8.6	4.8	1.7
Sales growth, adjusted for exchange rate differences, %	8.8	-4.3	15.2	-12.0
Growth in Operating profit, %	-0.6	84.0	23.4	12.7

OTHER EUROPE

This business area comprises our operations in Germany, the Netherlands, France, Spain, Slovakia and Poland. The largest operation is LTS Licht & Leuchten GmbH in Germany, which engages in the development, manufacture and sales of lighting systems. Since the beginning of the second quarter 2016 the business area also includes the results of the newly acquired LED Linear GmbH (and its US subsidiary) business based in Dusseldorf which specialises in the development, manufacture and sale of LED lighting systems.

Net sales for the year to date were MSEK 754.8, compared to MSEK 577.3 in the prior year. This is a growth of 31.1% after adjusting for currency effects and a growth of 4.5% after further adjusting for the acquisition. Sales grew 16.6% in the combined markets of Netherlands, France and Spain.

The operating profit for the period was MSEK 91.3 (58.3) with an operating margin of 12.1 (10.1)%.

Other Europe	Q 3		Q 1-3	
	2016	2015	2016	2015
	Net Sales	303.1	208.9	754.8
<i>(of which to group companies)</i>	<i>(8.8)</i>	<i>(4.9)</i>	<i>(22.7)</i>	<i>(13.4)</i>
Operating profit	44.3	22.8	91.3	58.3
Operating margin, %	14.6	10.9	12.1	10.1
Sales growth, %	45.1	1.9	30.7	1.1
Sales growth, adjusted for exchange rate differences, %	44.5	-0.6	31.1	-2.5
Growth in Operating profit, %	94.3	-9.2	56.6	20.2

AFRICA, ASIA AND THE PACIFIC

The business area comprises our operations in South Africa, Turkey, the United Arab Emirates, Australia and New Zealand. Lighting Innovations, which has its registered office in Port Elizabeth, South Africa, was consolidated in the segment from the fourth quarter 2015. Development, manufacturing and sales of lighting systems are conducted in South Africa, Australia and Turkey, while the operations in the United Arab Emirates and New Zealand engage in sales.

Net sales in the year to date were MSEK 479.7, up from MSEK 354.8 in the prior year, which represented an increase of 47.0% after adjusting for currency effects. The increase was due to increased sales in Australia, the Middle East and the acquisition effect of the business in South Africa.

The operating profit was MSEK 61.9 (41.0) and the operating margin 12.9 (11.6)%.

Africa, Asia and the Pacific				
	Q 3		Q 1-3	
	2016	2015	2016	2015
Net Sales	166.7	118.0	479.7	354.8
<i>(of which to group companies)</i>	<i>(13.5)</i>	<i>(8.4)</i>	<i>(30.7)</i>	<i>(25.0)</i>
Operating profit	21.5	14.7	61.9	41.0
Operating margin, %	12.9	12.5	12.9	11.6
Sales growth, %	41.3	-6.3	35.2	13.9
Sales growth, adjusted for exchange rate differences, %	44.7	-4.1	47.0	6.7
Growth in Operating profit, %	46.3	-0.7	51.0	15.5

OTHER

The business area mainly comprises central Group-wide functions and the Parent Company, AB Fagerhult.

FINANCIAL POSITION

The Group's equity/assets ratio at the end of the quarter was 33 (38)%. Cash and bank balances at the end of the period were MSEK 518 (299) and consolidated equity was MSEK 1,569 (1,361).

Cash flow from operating activities in the third quarter was MSEK 98.0 (88.3) resulting in a nine month operating cash flow of MSEK 137.0 (217.9). The causes of the MSEK 80.9 year-on-year operating cash flow variance was the increase in working capital in the first quarter to fund the growth and the MSEK 20 additional investment in non-current assets.

The net debt increased to MSEK 1,445 (1,045).

Pledged assets and contingent liabilities amounted to MSEK 7.3 (7.3) and MSEK 2.2 (1.7), respectively.

INVESTMENTS

The Group's gross investments in non-current assets were MSEK 139 (119). The figure does not include investments in subsidiaries, which were MSEK 342 (0).

ACQUISITION OF LED LINEAR

As reported in the first quarter report published on 21 April 2016, Fagerhult acquired 100% of the shares of LED Linear GmbH based in Dusseldorf, Germany and the company has been consolidated in the Fagerhult Group from 1 April 2016, reported under the business area Other Europe.

LED Linear GmbH manufactures linear LED lighting fixtures, LED modules and other lighting fixture components primarily for the indoor and outdoor commercial and retail sectors. Typical application areas include commercial offices, retail, hospitality, infrastructure and high-end residential buildings. The company has successfully established a global sales presence with more than half of the net sales outside Europe, mainly in North America and Asia.

As part of the transaction the joint venture partner in LED Linear USA has exercised the option to sell the remaining 50% of shares to LED Linear GmbH and the results of the USA subsidiary have also been consolidated in the Fagerhult Group from 1 April 2016.

In the year ending December 2015, the combined sales for LED Linear GmbH and LED Linear USA were of approximately 32 MEUR and a profitability rate significantly above that of the Fagerhult Group. Fagerhult pays MEUR 40, on a cash and debt free basis, as an initial payment for 100% of the shares of LED Linear GmbH. An additional earn out of MEUR 21 can be paid until 2018 tied to the company performance.

The company also has shares in seven international joint ventures acting as sales companies.

The consideration consists of the following components:

Cash paid for 100 % in LED Linear GmbH	325.6
Cash paid for 50 % in LED Linear USA Inc.	42.0
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Cash paid	367.6
Contingent consideration LED Linear GmbH	180.5
Contingent consideration LED Linear USA Inc.	11.7
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Total consideration	559.8
Net assets acquired	212.6
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Goodwill	347.2

The assets and liabilities arising from the acquisition are as follows and have been consolidated as such;

The assets and liabilities arising from the acquisition

	Fair value
Cash and cash equivalents	35.4
Property, plant and equipment	31.9
Financial assets	3.1
Intangible assets	222.5
Inventories	42.8
Receivables	25.9
Liabilities	-82.7
Deferred tax liabilities	-66.3
Net assets	212.6
Net assets acquired	212.6
Cash purchase consideration	367.6
Cash and cash equivalents in the acquired company	-35.4
Transaction costs	8.9
Change in consolidated cash and cash equivalents on acquisition	341.1

Transaction costs amounted to MSEK 8.9 and were recognised under the item Administrative expenses. The provision for contingent considerations was MSEK 192.2 and was recognised under the item other provisions.

EMPLOYEES

The average number of employees during the period was 2,743 (2,432).

PARENT COMPANY

AB Fagerhult's operations comprise Group management, financing and the coordination of marketing, production and business development activities. The profit after financial items was MSEK 26.3 (35.4).

The number of employees during the period was 6 (6).

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting, and the Swedish Annual Accounts Act. The information for the interim period on pages 1-15 is an integral part of this financial report.

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. The policies applied are unchanged compared with the preceding year.

For more information about the accounting policies applied, please refer to AB Fagerhult's Annual report 2015.

RISKS AND UNCERTAINTIES

The Group's significant risks and uncertainties consist primarily of business risks, and financial risks associated with currencies and interest rates. Through the company's international operations, the Fagerhult Group is subject to financial exposure arising from currency fluctuations as well as the regionalised uncertainty of political situations.

The most prominent risks, however, are currency risks arising from export sales and imports of raw materials and components. This exposure is reduced by hedging the flow of sensitive currencies, based on individual assessment. Currency risk also arises in the translation of foreign net assets and earnings. For more information about the company's risks, refer to the 2015 Annual Report. In addition to the risks described in the company's Annual Report, no other significant risks are considered to have arisen.

NOMINATION COMMITTEE

The Nomination Committee is to be formed after the Chairman of the Board has identified the three largest shareholders in the Company in terms of the number of votes that are to make up the Nomination Committee along with the Chairman. The identity of these shareholders is to be based on the shareholders' register and list of nominees maintained by Euroclear Sweden AB and refer to those shareholders registered under their own names or as members of an owner group as per 30th September 2016

Largest shareholders as per 30th September 2016

<i>Name</i>	<i>No. of shares</i>	<i>Share capital and voting rights, %</i>
Investment AB Latour	18 620 400	48,3%
SSB CL Omnibus AC, USA	3 007 979	7,8%
The Svensson, family, foundation and company	2 836 875	7,4%
Lannebo Funds	2 473 632	6,4%
Robur Small business funds	1 565 601	4,1%

The Nomination Committee consists of the following individuals together with the names of the shareholders that they represent; Jan Svensson as Chairman of the Board of AB Fagerhult, Eric Douglas representing Investment AB Latour, Gunnar Lindberg representing the Svensson Family and Göran Espelund representing Lannebo Funds.

Questions regarding the nomination committee shall be addressed to CFO Michael Wood, michael.wood@fagerhult.se

OUTLOOK FOR 2016

Over the past eighteen months, organic and acquisitive growth has led to a strong positive sales and earnings trend for the Group.

During this period, the Group has, and will for the foreseeable future, continue to; capitalise on its brand strategy, invest in research and development of luminaires and lighting controls and increase the operational capabilities. The Group has established a strong position in all of its main markets and increased its market share during this period.

For the year to date, the Group's main markets have displayed steady growth and management expects this situation to continue for the remainder of 2016 and into 2017 as the Group enters the last quarter with a stronger order book than at the same time last year.

The Group intends to continue making significant investment in product development, sales and marketing, as well as increased internationalisation.

Management estimates that it is possible to continue strengthening the Group's market share and further grow its position in Indoor, Retail and Outdoor lighting.

Habo, 19th October 2016

AB Fagerhult (publ)

Johan Hjertonsson

President and CEO

The year-end report will be submitted on 21st February 2017.

In 2017, interim reports will be submitted on 3rd May, 17th August and 24th October.

The Annual General Meeting will be held on 3rd May 2017.

Information can be obtained from Johan Hjertonsson, CEO, or Michael Wood, CFO, tel. +46 (0)36-10 85 00.

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Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of AB Fagerhult (publ) as of 30 September 2016 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The review focus and scope

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Jönköping, 19th October 2016

Öhrlings PricewaterhouseCoopers AB

Peter Nyllinge

Authorized Public Accountant

Auditor-in-Charge

Martin Odqvist

Authorized Public Accountant

GROUP

INCOME STATEMENT

	2016 Jul-Sep 3 months	2015 Jul-Sep 3 months	2016 Jan - Sep 9 months	2015 Jan - Sep 9 months	2015/16 Oct - Sep 12 months	2015 Jan-Dec 12 months
Net sales	1 144.4	1 011.8	3 317.0	2 876.3	4 350.1	3 909.4
Cost of goods sold	-737.0	-671.2	-2 172.4	-1 935.1	-2 849.7	-2 612.4
Gross profit	407.4	340.6	1 144.6	941.2	1 500.4	1 297.0
Selling expenses	-185.7	-160.7	-559.2	-500.8	-736.4	-678.0
Administrative expenses	-62.6	-57.9	-211.7	-169.1	-288.5	-245.9
Other operating income	6.3	4.6	30.6	16.2	37.3	22.9
Operating profit	165.4	126.6	404.3	287.5	512.8	396.0
Financial items	0.8	-3.3	-7.9	-13.7	-13.0	-18.8
Profit after financial items	166.2	123.3	396.4	273.8	499.8	377.2
Tax	-41.8	-31.9	-98.1	-70.5	-116.2	-88.6
Net profit for the period	124.4	91.4	298.3	203.3	383.6	288.6
Net profit for the period attributable to shareholders of the Parent Company	124.4	91.4	298.3	203.3	383.6	288.6
Earnings per share, based on earnings attributable to shareholders of the parent during the year						
Earnings per share before dilution, SEK	3.28	2.41	7.87	5.37	10.12	7.62
Earnings per share after dilution, SEK	3.28	2.41	7.87	5.37	10.12	7.62
Average number of outstanding shares before dilution	37 939	37 863	37 914	37 854	37 882	37 856
Average number of outstanding shares after dilution	37 939	37 863	37 914	37 854	37 882	37 856
Number of outstanding shares, thousands	37 939	37 863	37 939	37 863	37 939	37 863
Statement of comprehensive income						
Net profit for the period	124.4	91.4	298.3	203.3	383.6	288.6
Other comprehensive income						
Items which may be reversed in the income statement:						
Translation differences	-3.9	-58.9	-36.1	-60.1	-45.8	-69.8
Other comprehensive income for the period, net after tax	-3.9	-58.9	-36.1	-60.1	-45.8	-69.8
Total comprehensive income for the period	120.5	32.5	262.2	143.2	337.8	218.8
Comprehensive income attributable to shareholders of the Parent Company	120.5	32.5	262.2	143.2	337.8	218.8

BALANCE SHEET	30 Sep 2016	30 Sep 2015	31 Dec 2015
Intangible assets	2 082.7	1 408.8	1 465.7
Tangible fixed assets	437.3	383.3	392.4
Financial assets	49.7	23.0	35.4
Inventories, etc.	671.5	587.3	602.3
Accounts receivable - trade	880.4	760.0	678.5
Other non interest-bearing current assets	109.0	96.0	93.2
Cash and cash equivalents	517.8	298.6	471.9
Total assets	4 748.4	3 557.0	3 739.4
Equity	1 568.6	1 361.1	1 437.1
Long-term interest-bearing liabilities	1 963.1	1 283.8	1 407.3
Long-term non interest-bearing liabilities	365.6	85.6	116.3
Short-term interest-bearing liabilities	-	59.3	1.3
Short-term non interest-bearing liabilities	851.1	767.2	777.4
Total equity and liabilities	4 748.4	3 557.0	3 739.4

CASH FLOW STATEMENT	2016 Jul-Sep 3 months	2015 Jul-Sep 3 months	2016 Jan - Sep 9 months	2015 Jan - Sep 9 months	2015/16 Oct - Sep 12 months	2015 Jan-Dec 12 months
Operating profit	165.4	126.6	404.3	287.5	512.8	396.0
Adjustments for non-cash items	8.0	17.2	23.3	81.8	68.2	126.7
Financial items	-4.0	-8.6	-12.8	-18.1	-17.2	-22.5
Tax paid	-35.5	-15.9	-117.9	-79.5	-133.2	-94.8
Funds contributed from operating activities	133.9	119.3	296.9	271.7	430.6	405.4
Change in working capital	-35.9	-31.0	-159.9	-53.8	-68.0	38.1
Cash flow from operating activities	98.0	88.3	137.0	217.9	362.6	443.5
Cash flow from investing activities	-43.6	-46.2	-468.8	-109.8	-577.6	-218.6
Cash flow from financing activities	34.8	-11.0	370.0	-163.4	430.9	-102.5
Cash flow for the period	89.2	31.1	38.2	-55.3	215.9	122.4
Cash and cash equivalents at beginning of period	424.6	270.9	471.9	353.1	298.6	353.1
Translation differences in cash and cash equivalents	4.0	-3.4	7.7	0.8	3.3	-3.6
Cash and cash equivalents at end of period	517.8	298.6	517.8	298.6	517.8	471.9

KEY RATIOS AND DATA PER SHARE	2016	2015	2016	2015	2015/16	2015
	Jul-Sep 3 months	Jul-Sep 3 months	Jan - Sep 9 months	Jan - Sep 9 months	Oct - Sep 12 months	Jan-Dec 12 months
Sales growth, %	13.1	3.8	15.3	2.6	11.3	4.6
Growth in operating profit, %	30.6	3.3	40.6	-1.6	29.5	4.6
Growth in profit after financial items, %	34.8	10.0	44.8	2.8	32.5	8.4
Operating margin, %	14.5	12.5	12.2	10.0	11.8	10.1
Profit margin, %	14.5	12.2	12.0	9.5	11.5	9.6
Cash liquidity, %	61	36	61	36	61	61
Net debt/EBITDA ratio	1.8	2.3	2.2	2.5	2.3	1.9
Equity/assets ratio, %	33	38	33	38	33	38
Capital employed, MSEK	3 532	2 704	3 532	2 704	3 532	2 846
Return on capital employed, %	18.9	18.9	17.2	14.3	16.7	14.4
Return on equity, %	31.7	26.9	26.5	20.2	26.2	20.9
Net debt, MSEK	1 445	1 045	1 445	1 045	1 445	937
Gross investment in non-current assets, MSEK	43.4	30.6	138.9	119.0	137.8	117.9
Net investment in non-current assets, MSEK	43.4	30.6	138.9	119.0	137.8	117.9
Depreciation/amortisation of non-current assets, MSEK	34.2	27.5	94.9	83.3	118.9	107.3
Number of employees	2 726	2 429	2 743	2 432	2 625	2 451
Equity per share, SEK	41.34	35.95	41.34	35.95	41.34	37.96
Number of outstanding shares, thousands	37 939	37 863	37 939	37 863	37 939	37 863

For more information about the Key ratios and the definitions applied, please refer to AB Fagerhult's website under "Investor relations / Financial definitions." The website also includes the definition of any Alternative Performance Measures used whereas this report details the financial aspect to these.

CHANGES IN EQUITY

Attributable to shareholders of the Parent Company

	Share capital	Other contributed capital	Translation differences	Retained earnings	Total equity
Equity at 1 January 2015	65.5	159.4	37.2	1 067.1	1 329.2
Net profit for the period				203.3	203.3
Other comprehensive income			-60.1		-60.1
Total comprehensive income for the period			-60.1	203.3	143.2
Performance share plan				2.2	2.2
Dividend paid, SEK 3.00 per share				-113.5	-113.5
Equity as per 30 September 2015	65.5	159.4	-22.9	1 159.1	1 361.1
Equity at 1 January 2016	65.5	159.4	-32.6	1 244.8	1 437.1
Net profit for the period				298.3	298.3
Other comprehensive income			-36.1		-36.1
Total comprehensive income for the period			-36.1	298.3	262.2
Performance share plan				1.8	1.8
Dividend paid, SEK 3.50 per share				-132.5	-132.5
Equity as per 30 September 2016	65.5	159.4	-68.7	1 412.4	1 568.6

PARENT COMPANY

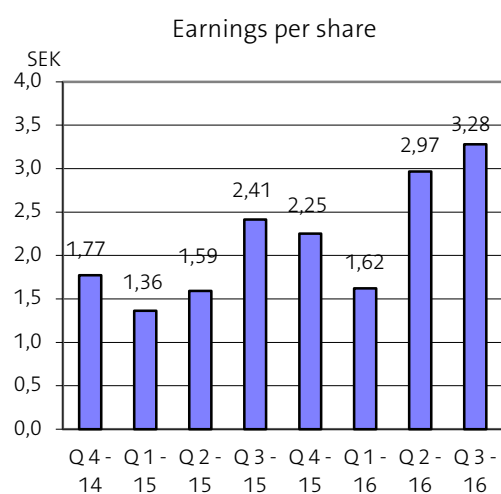
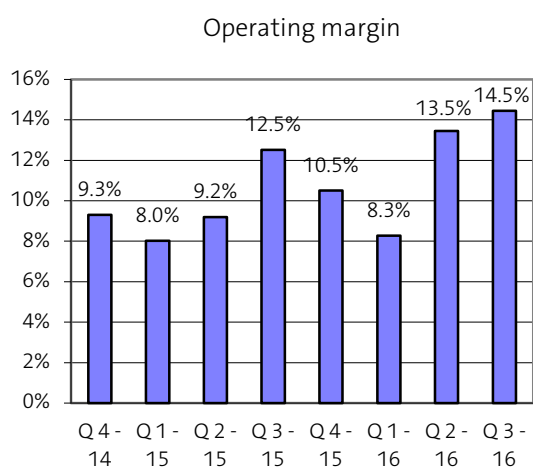
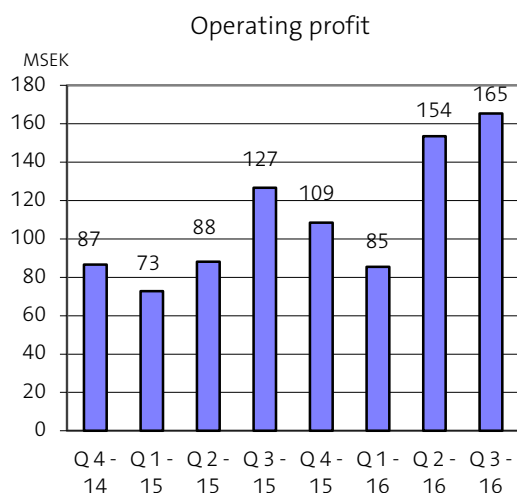
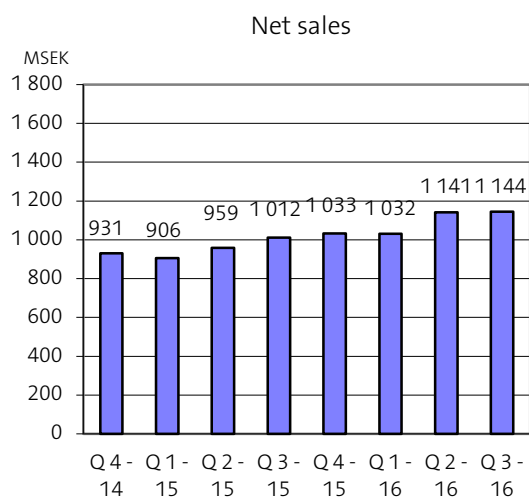
INCOME STATEMENT	2016 Jul-Sep 3 months	2015 Jul-Sep 3 months	2016 Jan - Sep 9 months	2015 Jan - Sep 9 months	2015/16 Oct - Sep 12 months	2015 Jan-Dec 12 months
Net sales	4.0	4.4	13.7	5.9	27.9	20.1
Selling expenses	-	-0.7	-1.6	-2.2	-2.3	-2.9
Administrative expenses	-11.3	-10.9	-35.5	-24.3	-60.0	-48.8
Operating profit	-7.3	-7.2	-23.4	-20.6	-34.4	-31.6
Income from shares in subsidiaries	-	-	46.9	49.5	46.9	49.5
Financial items	1.3	-5.6	2.8	6.5	1.4	5.1
Profit after financial items	-6.0	-12.8	26.3	35.4	13.9	23.0
Group contributions received	-	-	-	-	95.0	95.0
Tax	-	-	-	-	-17.2	-17.2
Net profit	-6.0	-12.8	26.3	35.4	91.7	100.8

BALANCE SHEET

	30 Sep 2016	30 Sep 2015	31 Dec 2015
Financial fixed assets	2 566.9	1 973.9	2 074.8
Other non interest-bearing current assets	60.6	31.9	44.6
Cash and bank balances	90.7	0.1	49.8
Total assets	2 718.2	2 005.9	2 169.2
Equity	437.5	477.1	542.7
Untaxed reserves	8.6	8.6	8.6
Long-term interest-bearing liabilities	2 051.8	1 189.8	1 321.1
Long-term non interest-bearing liabilities	1.7	1.7	1.7
Short-term interest-bearing liabilities	206.3	307.1	250.8
Short-term non interest-bearing liabilities	12.3	21.6	44.3
Total equity and liabilities	2 718.2	2 005.9	2 169.2

CHANGES IN EQUITY

	Share capital	Statutory reserve	Retained earnings	Total equity
Equity at 1 January 2015	65.5	159.4	329.7	554.6
Performance share program			0.8	0.8
Net profit for the period			100.8	100.8
Dividend paid, SEK 3.00 per share			-113.5	-113.5
Equity at 31 December 2015	65.5	159.4	317.8	542.7
Performance share plan			1.0	1.0
Net profit for the period			26.3	26.3
Dividend paid, SEK 3.50 per share			-132.5	-132.5
Equity at 30 September 2016	65.5	159.4	212.6	437.5



KEY RATIOS AND DATA PER SHARE

	2012	2013	2014	2015	2015/16 Oct-Sep 12 months
Net sales, MSEK	3 085	3 095	3 736	3 909	4 350
Operating profit, MSEK	252	278	379	396	513
Profit after financial items, MSEK	214	247	348	377	500
Earnings per share, SEK	4.20	4.83	6.90	7.62	10.12
Sales growth, %	2.1	0.3	20.7	4.6	11.3
Growth in operating profit, %	-20.8	10.3	36.5	4.6	29.5
Growth in profit after financial items, %	-25.3	15.5	40.9	8.4	32.5
Operating margin, %	8.2	9.0	10.1	10.1	11.8
Net debt/EBITDA ratio	2.6	2.4	2.2	1.9	2.3
Equity/assets ratio, %	35	37	38	38	33
Capital employed, MSEK	2 058	2 163	2 723	2 846	3 532
Return on capital employed, %	12.2	13.3	15.6	14.4	16.7
Return on equity, %	17.8	18.7	22.1	20.9	26.2
Net debt, MSEK	874	885	1 040	937	1 445
Net investment in non-current assets, MSEK	92	65	110	118	138
Depreciation/amortisation of non-current assets, MSEK	85	89	95	107	119
Number of employees	2 192	2 204	2 370	2 451	2 625