

## Interim Report January – June 2017

- Order intake was MSEK 2,700.4 (2,349.5), which is an overall growth of 14.9% adjusted to 1.3% for acquisitions (MSEK 296.8) and currency effects (MSEK 24.6)
- Net sales were MSEK 2,544.7 (2,172.6), which is an overall growth of 17.1% adjusted to 3.8% for acquisitions (MSEK 266.2) and currency effects (MSEK 23.3)
- Operating profit was MSEK 313.3 (238.9), representing a 31.1% increase with an operating margin of 12.3 (11.0)%
- Earnings after tax were MSEK 216.5 (173.9), an increase of 24.5%
- Earnings per share were SEK 1.90 (1.53)
- Cash flow from operating activities was MSEK 188.5 (39.0)
- During the quarter the 3:1 share split was completed in accordance with the resolution taken at the Annual General Meeting

### Comments from CEO Johan Hjertonsson:

- The Group delivered a strong first half year with record second quarter results for order intake, net sales and operating profit.
- For the six months, market activity in our main markets was positive and mixed in some other regions.
- Order intake and net sales were ahead of the record setting first half year of 2016, operating profits increased 31% and a 12.3% operating margin was achieved in each quarter.
- Earnings per share at SEK 1.90 is 24.2% ahead of the SEK 1.53 from the previous year.
- The LED share of net sales continues to develop on a positive trend and the opportunity available to the Group from the low level of the installed LED base is significant.
- We have good visibility for the third quarter with the order backlog at a high level.
- As it integrates into the Group, we are pleased with the progress of WE-EF and the potential upside from the synergies are better than previously anticipated.
- Following the acquisition of the Organic Response IP in April, I am pleased once again to service our customers with this unique lighting control solution through the Group's brands.
- Our attention now turns to the second half year where we enter the period with strong forward momentum combined with a strong order backlog.

**GROUP****JANUARY – JUNE**

For the first half of 2017 the activity levels in the Group's regions and markets demonstrated a mixed picture, generally positive in our larger markets with negative activity in some of our smaller markets. In two of our largest markets, Sweden and the UK, market growth rates were low single digit and the businesses delivered sales and operating profits ahead of 2016.

The market activity in the rest of Europe was slightly positive with higher levels of activity in Norway, Spain and France. Outside of Europe market activity was good in some countries, e.g. Australia and affected by the continuing political situations in others e.g. South Africa and Russia.

The Group's order intake in the first half year at 2,700.4 (2,349.5) MSEK is the strongest half year order intake. Total growth at 14.9% adjusts to 1.3% when adjusted for acquisition and currency effects. Whilst 1.3% is modest, it should be noted that the H1 2016 order intake of 2,349.5 MSEK was the then strongest half year on record with an organic growth of 12.4% compared to its prior year period.

Net sales were MSEK 2,544.7 (2,172.6), which was an overall increase of 17.1% and an increase of 3.8% when adjusted for acquisition and currency effects. Sales were particularly strong in Sweden, Norway, Spain and Australia and showed some growth in many other regions.

The operating profit for the period was MSEK 313.3 (238.9), representing a 31.1% increase compared to the previous year and resulting in an operating margin improvement from 11.0% to 12.3%.

Financial items were MSEK -20.7 (-8.7) with the higher cost attributable to higher interest charges on increased borrowings and hedging activities as well as MSEK -7.2 attributable to adverse currency effects.

The tax expense for the half year was MSEK -76.1 (-56.3), which resulted in a 1.5% higher tax rate of 26.0% than in the previous year due to the mix of earnings in higher tax economies.

The development and sale of LED products continues to increase across the Group. We consider the challenge posed by the LED shift challenge is complete so far as the Group's larger more LED advanced economies are concerned. The sales growth opportunity resulting from the low level of the LED installed base is significant and following the previous investments in marketing, design and capability the Group is well positioned to benefit.

In the half year the Group has made significant progress in its strategy to embrace lighting controls as a key differentiator for lighting solutions and our customers.

Net sales across each product area showed an increase for the half year compared to the first half year in 2016 and as expected, with the acquisition of WE-EF, which is consolidated from 1 March, the growth in Outdoor Lighting was a significant 193%. Sales in Indoor Lighting were up 2.0% and sales in Retail Lighting up 8.2%.

Currency effects across Indoor and Retail Lighting product areas in the half year was less than 1% and the growth in Outdoor Lighting adjusted for the WE-EF acquisition was 63.2% demonstrating the Group's progress in organically developing a market position in this complementary product area.

Net sales per product area	Q 2		Q 1-2	
	2017	2016	2017	2016
Indoor Lighting	761.7	796.6	1 491.6	1 462.0
Retail Lighting	263.2	245.0	602.4	556.7
Outdoor Lighting	275.5	99.5	450.7	153.9
	<b>1 300.4</b>	<b>1 141.1</b>	<b>2 544.7</b>	<b>2 172.6</b>

## THE SECOND QUARTER

The second quarter order intake was an all-time high of MSEK 1,386.4 (1,207.5).

Whilst this is an overall increase of 14.8%, adjusting for acquisitions of MSEK 178.8 and currency effects of MSEK 24.6, like for like order intake decreased 2.0% compared to the record setting Q2 from 2016. Without the Easter period effect growth would have been mid-single digit positive.

Since the Brexit referendum we have seen a SEK/GBP 6.6% negative exchange rate shift from H1 2016 to H1 2017. This equates to a negative MSEK 43.4 affecting organic order intake by approximately 3.6%. We expect the second half year will not be as affected. The Group's UK based businesses all recorded order intake growth in local currency.

Order intake has been in excess of BSEK 1 in each of the last four quarters and ahead of BSEK 1.3 for each of the last two and so the annualised run rate is now approaching BSEK 5.5 including acquisitions.

Net sales for the second quarter were MSEK 1,300.4 (1,141.1), which represents an overall increase of 14.0%, reducing to -1.1% after adjusting for acquisitions of MSEK 148.0 and currency effects of MSEK 23.3. The negative 6.6% currency headwinds from the UK have a similar effect on net sales.

The operating profit in the quarter was MSEK 159.9 (153.5), a 4.2% increase, delivering an operating margin of 12.3 (13.5)% and operating cash flow was healthy at 62.2 MSEK.

## BUSINESS AREAS

NET SALES AND OPERATING PROFIT PER BUSINESS AREA												
	Net sales				Operating profit				Operating margin,%			
	Q 2		Q 1-2		Q 2		Q 1-2		Q 2		Q 1-2	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Northern Europe	514.9	519.1	1 040.6	995.4	63.7	62.1	126.2	89.2	12.4	12.0	12.1	9.0
UK and Ireland	304.2	300.8	627.2	609.3	44.4	50.5	94.3	91.4	14.6	16.8	15.0	15.0
Western and Southern Europe	424.5	262.5	762.6	451.7	43.1	29.3	87.1	47.0	10.2	11.2	11.4	10.4
Africa, Asia and the Pacific	168.0	167.5	328.2	313.0	12.9	31.3	22.7	40.4	7.7	18.7	6.9	12.9
Other		-		-	-4.2	-19.7	-17.0	-29.1	-	-	-	-
Eliminations	-111.2	-108.8	-213.9	-196.8								
<b>Total</b>	<b>1 300.4</b>	<b>1 141.1</b>	<b>2 544.7</b>	<b>2 172.6</b>	<b>159.9</b>	<b>153.5</b>	<b>313.3</b>	<b>238.9</b>	<b>12.3</b>	<b>13.5</b>	<b>12.3</b>	<b>11.0</b>
Financial unallocated items					-13.1	-4.1	-20.7	-8.7				
<b>Profit before tax</b>					<b>146.8</b>	<b>149.4</b>	<b>292.6</b>	<b>230.2</b>				

## 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, Finland and China, while operations in other markets engage only in sales.

Net sales in the half year were MSEK 1,040.6 compared with MSEK 995.4 in the same period last year. Adjusted for currency effects the net sales increase was 2.5% and was due mainly to increased sales in Sweden, Norway and Finland. The operating profit for the same period was MSEK 126.2 (89.2) and the operating margin 12.1 (9.0)%.

Northern Europe	Q 2		Q 1-2	
	2017	2016	2017	2016
	Net Sales	517.9	519.1	1040.6
<i>(of which to group companies)</i>	<i>(75.0)</i>	<i>(81.7)</i>	<i>(136.8)</i>	<i>(142.5)</i>
Operating profit	63.7	62.1	126.2	89.2
Operating margin, %	12.4	12.0	12.1	9.0
Sales growth, %	-0.8	12.5	4.5	11.3
Sales growth, adjusted for exchange rate differences, %	-2.6	14.8	2.5	13.7
Growth in Operating profit, %	2.6	114.9	41.5	61.6

#### UK AND IRELAND

This business area comprises Group companies in the United Kingdom 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 branded businesses in the UK and Ireland engages in sales.

Net sales in the half year were MSEK 627.2 compared with MSEK 609.3 in 2016. Adjusted for currency effects, this was a growth of 10.0%. In local currency like-for-like sales in all business units are ahead of last year and market activity levels in the UK remain buoyant with significant new business opportunities in the pipeline. As reported above, currency headwinds continue to negatively affect the consolidated results by approximately 7%.

The operating profit for the half year was MSEK 94.3 (91.4) and the operating margin was flat at 15.0%.

UK and Ireland	Q 2		Q 1-2	
	2017	2016	2017	2016
	Net Sales	304.2	300.8	627.2
<i>(of which to group companies)</i>	<i>(9.6)</i>	<i>(8.5)</i>	<i>(30.2)</i>	<i>(23.2)</i>
Operating profit	44.4	50.5	94.3	91.4
Operating margin, %	14.6	16.8	15.0	15.0
Sales growth, %	1.1	4.4	2.9	11.7
Sales growth, adjusted for exchange rate differences, %	5.5	14.0	10.0	19.1
Growth in Operating profit, %	-12.1	18.3	3.2	43.7

## WESTERN AND SOUTHERN EUROPE

This business area comprises our operations in Germany, the Netherlands, France, Spain, and Poland. The business in Slovakia was divested in the period in accordance with the resolution from the AGM.

The larger operations; WE-EF, LTS Licht & Leuchten and LED Linear are based in Germany and all engage in the development, manufacture and sales of lighting systems. The results of the newly acquired WE-EF group based in Bispingen, Germany have been included in the business area from 1 March 2017.

Net sales for the half year were MSEK 762.6 compared with MSEK 451.7 in the prior year. This is a growth of 7.7% after adjusting for currency and acquisition effects. Sales grew at a strong rate in Spain, France and Poland. The operating profit for the same period was MSEK 87.1 (47.0) and the operating margin increased from 10.4% to 11.4%.

Western and Southern Europe	Q 2		Q 1-2	
	2017	2016	2017	2016
	Net Sales	424.5	262.5	762.6
<i>(of which to group companies)</i>	<i>(10.4)</i>	<i>(6.1)</i>	<i>(17.9)</i>	<i>(13.9)</i>
Operating profit	43.1	29.3	87.1	47.0
Operating margin, %	10.2	11.2	11.4	10.4
Sales growth, %	61.7	47.9	68.8	22.6
Sales growth, adjusted for exchange rate differences, %	54.3	48.7	62.7	23.5
Growth in Operating profit, %	47.1	90.3	85.3	32.4

## AFRICA, ASIA AND THE PACIFIC

The business area comprises our operations in South Africa, Turkey, the United Arab Emirates, Australia and New Zealand. 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. The OR Technologies Pty Ltd business, based in Melbourne Australia, the new company set up to develop and market the OR technology has been consolidated in this business area from May 2017.

Market activity in Australia and New Zealand is healthy compared to last year whereas the opposite is seen in South Africa. The Middle Eastern region as a whole is showing steady progress.

Net sales in the half year were MSEK 328.2 up from MSEK 313.0 in the prior year, which represents an increase of 0.8% after adjusting for currency effects.

The operating profit was MSEK 22.7 (40.4) and the operating margin 6.9 (12.9)%, however, the second quarter and half year operating profit for 2016 included a one-off income of MSEK 11.0 M&A related item.

<b>Africa, Asia and the Pacific</b>				
	<b>Q 2</b>		<b>Q 1-2</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net Sales	168.0	167.5	328.2	313.0
<i>(of which to group companies)</i>	<i>(16.2)</i>	<i>(12.4)</i>	<i>(29.0)</i>	<i>(17.2)</i>
Operating profit	12.9	31.3	22.7	40.4
Operating margin, %	7.7	18.7	6.9	12.9
Sales growth, %	0.3	38.3	4.9	32.2
Sales growth, adjusted for exchange rate differences, %	-3.0	53.7	0.8	48.1
Growth in Operating profit, %	-58.8	135.3	-43.8	53.6

## 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 half year was 28 (32)%. Cash and bank balances at the end of the period were MSEK 869 (425) and consolidated equity was MSEK 1,672 (1,447).

The adverse cash flow, which includes the acquisition of the WE-EF group, resulted in an increase in net debt to MSEK 2,055 (1,511). During the quarter the dividend of MSEK 171.4 adopted at the AGM was paid out.

Cash flow from operating activities was MSEK 188.5 (39). The MSEK 149.5 positive movement was due to increased EBITDA and improved control over working capital compared to the prior period.

Pledged assets and contingent liabilities amounted to SEK 7.3 million (7.3) and SEK 1.5 million (2.2), respectively.

## INVESTMENTS

The Group's gross investments in non-current assets were MSEK 87 (95). The figure does not include investments in subsidiaries, which were MSEK 717 (342).

## ACQUISITION OF WE-EF and Flux

The companies have been consolidated into the Fagerhult Group from 1 March 2017 and reported under the business area Western and Southern Europe. A market valuation of the individual components of net assets has begun and the distribution of the excess value will be reported on in the third quarter report. For more information refer to the press releases on 23 December 2016 and 9 March 2017 and the Interim Report for the first quarter of the year published on 3 May 2017.

## EMPLOYEES

The average number of employees during the period was 3,147 (2,709).

## PARENT COMPANY

AB Fagerhult's operations comprise Group Management, financing and business development activities. The profit after financial items was MSEK 122.4 (32.3).

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 1-13 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 2016.

## 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 2016 Annual Report. In addition to the risks described in the company's Annual Report, no other significant risks are considered to have arisen.

## OUTLOOK FOR 2017

Over the past two and a half years, 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, exploit the synergies from acquisitions, particularly where such acquisitions bring a complimentary product offering and increase the operational capacity and capabilities.

The Group has established a strong position in all of its main markets and increased its market share during this period.

For the last 18-24 months, the Group's main markets have displayed steady growth and management expects this situation to continue for the rest of 2017. The Group enters the second half of the year with a high order book.

We intend to continue making significant investment in product and technology development, sales and marketing, as well as increased internationalisation.

We estimate that it is possible to continue strengthening the Group's market share and further grow its position in Indoor, Retail and especially Outdoor lighting as well as making continued progress in the controls space.

## DECLARATION

The Board of Directors and Chief Executive Officer warrant that the interim report gives a true and fair picture of the company's and Group's operations, financial position and results, and describes all significant risks and uncertainties faced by the Group

Habo, 17<sup>th</sup> August 2017

AB Fagerhult (publ)

Jan Svensson  
*Chairman*

Cecilia Fasth  
*Board Member*

Morten Falkenberg  
*Board Member*

Eric Douglas  
*Board Member*

Catherina Fored  
*Board Member*

Fredrik Palmstierna  
*Board Member*

Johan Hjertonsson  
*Board Member and Chief Executive Officer*

Magnus Nell  
*Board Member & Employee  
Representative*

Lars-Åke Johansson  
*Board Member & Employee  
Representative*

This report has not been audited by the company's auditor.

Information can be obtained from Johan Hjertonsson, CEO, or Michael Wood, CFO,  
Interim report for the third quarter 2017 will be released on 24<sup>th</sup> October.

### **AB Fagerhult (publ)**

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## GROUP

## INCOME STATEMENT

	2017 Apr-Jun 3 months	2016 Apr-Jun 3 months	2017 Jan-Jun 6 months	2016 Jan-Jun 6 months	2016/17 Jul-Jun 12 months	2016 Jan-Dec 12 months
<b>Net sales</b>	<b>1 300.4</b>	<b>1 141.1</b>	<b>2 544.7</b>	<b>2 172.6</b>	<b>4 862.8</b>	<b>4 490.7</b>
Cost of goods sold	-818.2	-729.0	-1 615.2	-1 435.4	-3 096.9	-2 917.1
<b>Gross profit</b>	<b>482.2</b>	<b>412.1</b>	<b>929.5</b>	<b>737.2</b>	<b>1 765.9</b>	<b>1 573.6</b>
Selling expenses	-244.9	-190.6	-462.5	-373.5	-872.4	-783.4
Administrative expenses	-86.7	-87.5	-167.6	-149.1	-334.2	-315.7
Other operating income	9.3	19.5	13.9	24.3	39.3	49.7
<b>Operating profit</b>	<b>159.9</b>	<b>153.5</b>	<b>313.3</b>	<b>238.9</b>	<b>598.6</b>	<b>524.2</b>
Financial items	-13.1	-4.1	-20.7	-8.7	-21.5	-9.5
<b>Profit after financial items</b>	<b>146.8</b>	<b>149.4</b>	<b>292.6</b>	<b>230.2</b>	<b>577.1</b>	<b>514.7</b>
Tax	-38.2	-36.9	-76.1	-56.3	-153.6	-133.8
<b>Net profit for the period</b>	<b>108.6</b>	<b>112.5</b>	<b>216.5</b>	<b>173.9</b>	<b>423.5</b>	<b>380.9</b>
Net profit for the period attributable to shareholders of the Parent Company	108.3	112.5	216.5	173.9	423.5	380.9
<b>Earnings per share, based on earnings attributable to shareholders of the parent during the year</b>						
Earnings per share before dilution, SEK	0.95	0.99	1.90	1.53	3.71	3.35
Earnings per share after dilution, SEK	0.95	0.99	1.90	1.53	3.71	3.35
Average number of outstanding shares before dilution	114 394	113 704	114 202	113 704	114 106	113 761
Average number of outstanding shares after dilution	114 394	113 704	114 202	113 704	114 106	113 761
Number of outstanding shares, thousands	114 492	113 818	114 492	113 818	114 492	113 818
<b>Statement of comprehensive income</b>						
<b>Net profit for the period</b>	<b>108.3</b>	<b>112.5</b>	<b>216.5</b>	<b>173.9</b>	<b>423.5</b>	<b>380.9</b>
<b>Other comprehensive income</b>						
Items which may be reversed in the income statement:						
Revaluation of pension plans	-	-	-	-	-0.8	-0.8
Translation differences	-34.1	-0.3	-47.9	-32.2	-76.1	-60.4
<b>Other comprehensive income for the period, net after tax</b>	<b>-34.1</b>	<b>-0.3</b>	<b>-47.9</b>	<b>-32.2</b>	<b>-76.9</b>	<b>-61.2</b>
<b>Total comprehensive income for the period</b>	<b>74.2</b>	<b>112.2</b>	<b>168.6</b>	<b>141.7</b>	<b>346.6</b>	<b>319.7</b>
Comprehensive income attributable to shareholders of the Parent Company	74.2	112.2	168.6	141.7	346.6	319.7

<b>BALANCE SHEET</b>	30 Jun 2017	30 Jun 2016	31 Dec 2016
Intangible assets	2 580.8	1 994.3	2 068.7
Tangible fixed assets	589.7	424.1	447.7
Financial assets	40.3	44.9	34.0
Inventories, etc.	774.5	677.7	684.7
Accounts receivable - trade	940.2	838.4	761.3
Other non-interest-bearing current assets	143.9	93.4	86.2
Cash and cash equivalents	869.4	424.6	731.6
<b>Total assets</b>	<b>5 938.8</b>	<b>4 497.4</b>	<b>4 814.2</b>
Equity	1 671.6	1 447.1	1 627.1
Long-term interest-bearing liabilities	2 917.3	1 935.6	1 820.4
Long-term non-interest-bearing liabilities	361.4	289.8	369.6
Short-term interest-bearing liabilities	6.9	0.2	133.2
Short-term non-interest-bearing liabilities	981.6	824.7	863.9
<b>Total equity and liabilities</b>	<b>5 938.8</b>	<b>4 497.4</b>	<b>4 814.2</b>

<b>CASH FLOW STATEMENT</b>	2017 Apr-Jun 3 months	2016 Apr-Jun 3 months	2017 Jan-Jun 6 months	2016 Jan-Jun 6 months	2016/17 Jul-Jun 12 months	2016 Jan-Dec 12 months
<b>Operating profit</b>	<b>159.9</b>	<b>153.5</b>	<b>313.3</b>	<b>238.9</b>	<b>598.6</b>	<b>524.2</b>
Adjustments for non-cash items	-12.4	5.8	22.9	15.3	63.3	55.7
Financial items	-9.8	-5.0	-14.8	-8.8	-23.6	-17.6
Tax paid	-42.6	-33.3	-90.4	-82.4	-151.8	-143.8
<b>Funds contributed from operating activities</b>	<b>95.1</b>	<b>121.0</b>	<b>231.0</b>	<b>163.0</b>	<b>486.5</b>	<b>418.5</b>
Change in working capital	-32.9	-30.5	-42.5	-124.0	50.8	-30.7
<b>Cash flow from operating activities</b>	<b>62.2</b>	<b>90.5</b>	<b>188.5</b>	<b>39.0</b>	<b>537.3</b>	<b>387.8</b>
Cash flow from investing activities	-58.7	-89.8	-820.9	-425.2	-894.9	-499.2
Cash flow from financing activities	128.0	-28.9	779.5	335.2	807.9	363.6
<b>Cash flow for the period</b>	<b>131.5</b>	<b>-28.2</b>	<b>147.1</b>	<b>-51.0</b>	<b>450.3</b>	<b>252.2</b>
Cash and cash equivalents at beginning of period	745.9	450.1	731.6	471.9	424.6	471.9
Translation differences in cash and cash equivalents	-8.0	2.7	-9.3	3.7	-5.5	7.5
<b>Cash and cash equivalents at end of period</b>	<b>869.4</b>	<b>424.6</b>	<b>869.4</b>	<b>424.6</b>	<b>869.4</b>	<b>731.6</b>

## KEY RATIOS AND DATA PER SHARE

	2017 Apr-Jun 3 months	2016 Apr-Jun 3 months	2017 Jan-Jun 6 months	2016 Jan-Jun 6 months	2016/17 Jul-Jun 12 months	2016 Jan-Dec 12 months
Sales growth, %	14.0	19.0	17.1	16.5	15.3	14.9
Growth in operating profit, %	4.2	74.0	31.1	48.5	26.3	32.4
Growth in profit after financial items, %	-1.7	82.9	27.1	53.0	26.3	36.5
Operating margin, %	12.3	13.5	12.3	11.0	12.3	11.7
Profit margin, %	11.3	13.1	11.5	10.6	11.9	11.5
Cash liquidity, %	88	51	88	51	88	73
Net debt/EBITDA ratio	2.6	2.0	2.7	2.5	2.8	1.9
Equity/assets ratio, %	28	32	28	32	28	34
Capital employed, MSEK	4 596	3 383	4 596	3 383	4 596	3 581
Return on capital employed, %	14.0	18.8	15.4	15.7	15.3	16.8
Return on equity, %	26.0	31.1	26.3	24.1	27.2	24.9
Net debt, MSEK	2 055	1 511	2 055	1 511	2 055	1 222
Gross investment in non-current assets, MSEK	38.9	43.5	86.7	95.5	160.2	169.0
Net investment in non-current assets, MSEK	38.9	43.5	86.7	95.5	160.2	169.0
Depreciation/amortisation of non-current assets, MSEK	37.1	31.5	72.9	60.7	133.4	121.2
Number of employees	3 050	2 681	3 147	2 709	2 967	2 787
Equity per share, SEK	14.60	12.71	14.60	12.71	14.60	14.30
Number of outstanding shares, thousands	114 492	113 818	114 492	113 818	114 492	113 818

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
<b>Equity at 1 January 2016</b>	<b>65.5</b>	<b>159.4</b>	<b>-32.6</b>	<b>1 358.3</b>	<b>1 437.1</b>
Net profit for the period				173.9	173.9
Other comprehensive income			-32.2		-32.2
Total comprehensive income for the period			-32.2	173.9	141.7
Performance share plan				0.8	0.8
Dividend paid, SEK 3.50 per share				-132.5	-132.5
<b>Equity at 30 June 2016</b>	<b>65.5</b>	<b>159.4</b>	<b>-64.8</b>	<b>1 287.0</b>	<b>1 447.1</b>
<b>Equity at 1 January 2017</b>	<b>65.5</b>	<b>159.4</b>	<b>-93.0</b>	<b>1 495.2</b>	<b>1 627.1</b>
Net profit for the period				216.5	216.5
Other comprehensive income			-47.9		-47.9
Total comprehensive income for the period			-47.9	216.5	168.6
Disposal of own shares		45.6			45.6
Performance share plan				1.7	1.7
Dividend paid, SEK 4.50 per share				-171.4	-171.4
<b>Equity at 30 June 2017</b>	<b>65.5</b>	<b>205.0</b>	<b>-106.8</b>	<b>1 542.0</b>	<b>1 671.6</b>

## PARENT COMPANY

## INCOME STATEMENT

	2017 Apr-Jun 3 months	2016 Apr-Jun 3 months	2017 Jan-Jun 6 months	2016 Jan-Jun 6 months	2016/17 Jul-Jun 12 months	2016 Jan-Dec 12 months
Net sales	3.6	4.9	7.2	9.7	15.5	18.0
Selling expenses	-	-0.7	-	-1.6	-	-1.6
Administrative expenses	-13.5	-13.2	-25.3	-24.2	-53.9	-52.8
<b>Operating profit</b>	<b>-9.9</b>	<b>-9.0</b>	<b>-18.1</b>	<b>-16.1</b>	<b>-38.4</b>	<b>-36.4</b>
Income from shares in subsidiaries	143.3	-	143.3	46.9	143.3	46.9
Financial items	-5.5	0.3	-2.8	1.5	8.0	12.3
<b>Profit after financial items</b>	<b>127.9</b>	<b>-8.7</b>	<b>122.4</b>	<b>32.3</b>	<b>112.9</b>	<b>22.8</b>
Group contributions received	-	-	-	-	166	166.0
Tax	-	-	-	-	-31.5	-31.5
<b>Net profit</b>	<b>127.9</b>	<b>-8.7</b>	<b>122.4</b>	<b>32.3</b>	<b>247.4</b>	<b>157.3</b>

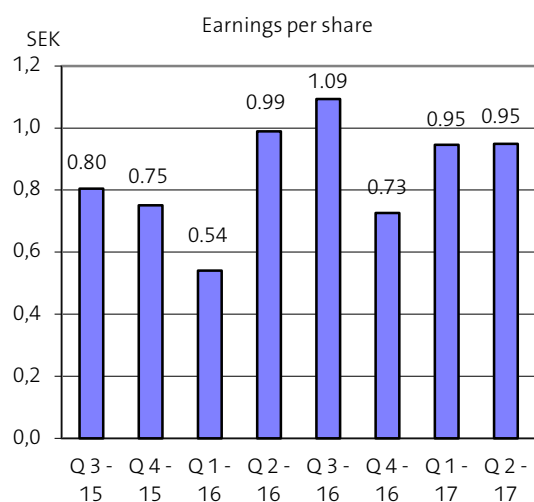
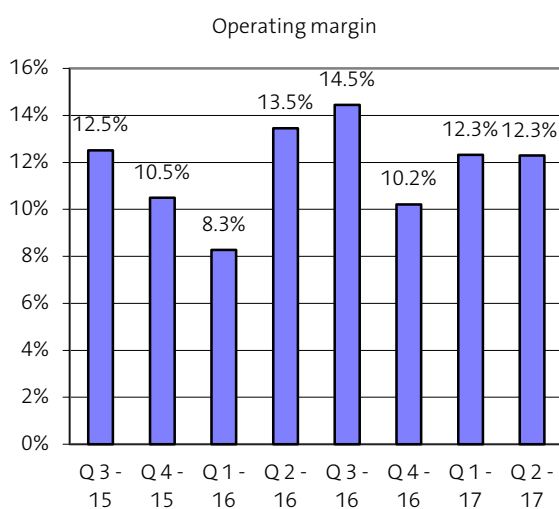
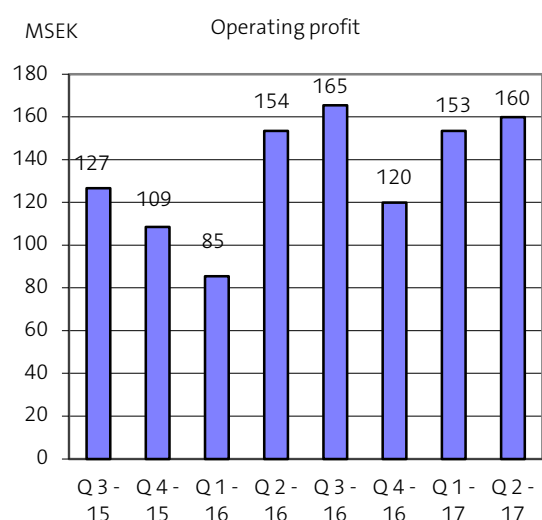
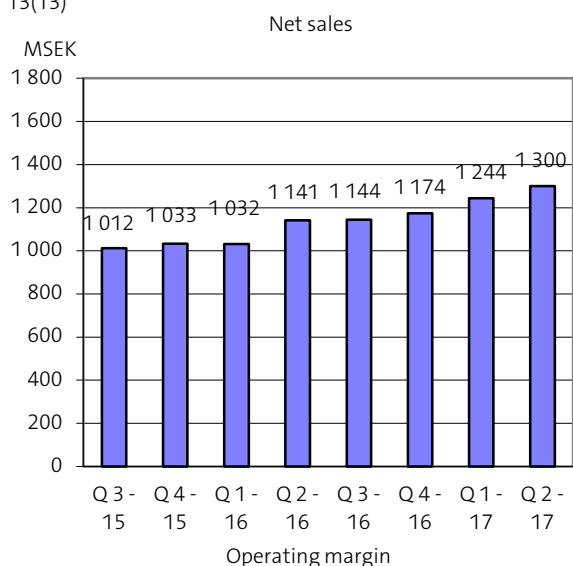
## BALANCE SHEET

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Financial fixed assets	3 158.4	2 540.1	2 530.2
Other non-interest-bearing current assets	40.9	40.6	52.9
Cash and bank balances	406.7	82.6	184.8
<b>Total assets</b>	<b>3 606.0</b>	<b>2 663.3</b>	<b>2 767.9</b>
Equity	521.2	442.9	569.2
Untaxed reserves	8.6	8.6	8.6
Long-term interest-bearing liabilities	2 789.0	1 855.9	1 742.3
Long-term non-interest-bearing liabilities	1.7	1.7	1.7
Short-term interest-bearing liabilities	276.8	350.2	419.0
Short-term non-interest-bearing liabilities	8.7	4.0	27.1
<b>Total equity and liabilities</b>	<b>3 606.0</b>	<b>2 663.3</b>	<b>2 767.9</b>

## CHANGES IN EQUITY

	Share capital	Statutory reserve	Retained earnings	Total equity
<b>Equity at 1 January 2016</b>	<b>65.5</b>	<b>159.4</b>	<b>317.8</b>	<b>542.7</b>
Performance share program			1.7	1.7
Net profit for the period			157.3	157.3
Dividend paid, SEK 3.50 per share			-132.5	-132.5
<b>Equity at 31 December 2016</b>	<b>65.5</b>	<b>159.4</b>	<b>344.3</b>	<b>569.2</b>
Performance share plan			1.0	1.0
Dividend paid, SEK 4.50 per share			-171.4	-171.4
Net profit for the period			122.4	122.4
<b>Equity at 30 June 2017</b>	<b>65.5</b>	<b>159.4</b>	<b>296.3</b>	<b>521.2</b>

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## KEY RATIOS AND DATA PER SHARE

	2013	2014	2015	2016	2016/17 Jul-Jun 12 months
Net sales, MSEK	3 095	3 736	3 909	4 491	4 863
Operating profit, MSEK	278	379	396	524	599
Profit after financial items, MSEK	247	348	377	515	577
Earnings per share, SEK	1.61	2.30	2.54	3.35	3.71
Sales growth, %	0.3	20.7	4.6	14.9	15.3
Growth in operating profit, %	10.3	36.5	4.6	32.4	26.3
Growth in profit after financial items, %	15.5	40.9	8.4	36.5	26.3
Operating margin, %	9.0	10.1	10.1	11.7	12.3
Net debt/EBITDA ratio	2.4	2.2	1.9	1.9	2.8
Equity/assets ratio, %	37	38	38	34	28
Capital employed, MSEK	2 163	2 723	2 846	3 581	4 596
Return on capital employed, %	13.3	15.6	14.4	16.8	15.3
Return on equity, %	18.7	22.1	20.9	24.9	27.2
Net debt, MSEK	885	1 040	937	1 222	2 055
Net investment in non-current assets, MSEK	65	110	118	169	160
Depreciation/amortisation of non-current assets, MSEK	89	95	107	121	133
Number of employees	2 204	2 370	2 451	2 787	2 967