YEAR-END REPORT 2017

- Order intake was MSEK 5,238.4 (4,653.0), which is an overall growth of 12.6% adjusted to 0.9% for acquisitions (MSEK 576.6) and currency effects (MSEK -35.2)
- Net sales were MSEK 5,170.3 (4,490.7), which is an overall growth of 15.1% adjusted to 2.6% for acquisitions (MSEK 581.5) and currency effects (MSEK -20.9)
- Operating profit was MSEK 677.9 (524.2), representing a 29.3% increase with an operating margin of 13.1 (11.7)%
- Earnings after tax were MSEK 494.4 (380.9), an increase of 29.8%
- Earnings per share were SEK 4.32 (3.35), an increase of 29.0%
- Cash flow from operating activities was MSEK 681.1 (387.8), an increase of 75.6%
- A dividend of SEK 2.00 (1.50) per share will be proposed

Comments from CEO Johan Hjertonsson:

- Overall we are pleased with the performance of the Group and the results for 2017, the year has set new records.
- I am very proud of the hard work taking place in all of our businesses, work that is focussed on customers, their needs and providing a high level service at every customer ‘touch-point’.
- It is a great achievement that for the first year in its history the Group passes 5 BSEK of net sales whilst continuing to increase the operating margin.
- We see market activity in most of our business areas remaining positive, despite some mixed regional fourth quarter performances with again, the market activity in some smaller regions continues to be mixed, but generally a more positive mix than reported last quarter.
- In the Nordics and the UK we continue to grow and operate at a high level where the market activity is best described as flat for the last quarter with continued currency headwinds in the UK. With the exception of the UK, currency has had little overall effect on net sales, but the weaker GBP has had a 59 MSEK negative impact on net sales in the year.
- Cash generation remains good, a cash conversion ratio of 1.0 which will continue to fund revenue investment in growth, hence our new city strategy offices in Paris and Barcelona as well as increased R&D, especially in connectivity and sales and marketing resources. We will initiate our third city later this year.
- We again estimate that the level of the global LED luminaire installed basis is less than 10-12% and for the fourth quarter the Group’s LED share of net sales was in excess of 93%, so the opportunity remains strong.

GROUP

JANUARY – DECEMBER

Results for the shorter fourth quarter of the year were strong with overall sales up 12.5% on last year delivering a healthy increase in operating profits.

The market activity levels during the full year and final quarter were generally positive, a little flat in some countries in Q4, due mainly to the high operating level and tough prior year comparisons. The positive trend in some of our smaller markets as reported last quarter continues with improved order income and increased sales and profitability.

There are of course some markets which remain challenged, for example Russia and South Africa.

For 2017 all business areas report net sales growth compared to last year, despite the GBP currency headwind and geo-political challenges in some markets, our assumption is a continued increase in market share.

The Group's order intake for the year at 5,238.4 (4,653.0) MSEK shows total growth at 12.6% adjusting to 0.9% for acquisition and currency effects and net sales for the year were MSEK 5,170.3 (4,490.7), which was an overall increase of 15.1% and an increase of 2.6% when adjusted for acquisition and currency effects. For the full year, good organic sales growth was delivered in Sweden, Norway, the UK, France, Spain, Poland and Australia.

The operating profit for the period was MSEK 677.9 (524.2), representing a 29.3% increase compared to the previous year and resulting in an operating margin improvement from 11.7% to 13.1%.

All business areas report operating margin improvements in the year; a healthy +2.2 percentage points (pp) in Northern Europe, a steady +0.2pp in the UK & Ireland despite a 10 MSEK currency impact, a +1.3pp increase in Western and Southern Europe and +0.1pp in Africa, Asia and the Pacific.

Financial items were MSEK -25.4 (-9.5) with the higher cost solely attributable to higher interest charges on increased borrowings.

The tax expense for the year to date was MSEK -158.1 (-133.8), which results in a tax charge of 24.2 (26.0)%. The increased share of profits from lower tax countries has benefited the Group's overall tax charge for the year.

THE FOURTH QUARTER

The fourth quarter order intake at MSEK 1,299.1 (1,214.8) which was ahead of the third quarter level, shows a 6.9% overall growth and delivers a flat performance after adjusting for acquisition and currency effects.

Net sales for the fourth quarter were a high of MSEK 1,319.9 (1,173.7), which represents an overall increase of 12.5%, reducing to 1.8% after adjusting for acquisitions and currency effects. The negative 5.2% currency headwinds from the UK have affected sales in the quarter by MSEK 3.4, relatively less, as predicted, than in previous quarters as the year-on-year currency impact stabilises.

The operating profit in the quarter was MSEK 172.4 (119.9), a 43.8% increase, delivering an operating margin of 13.1 (10.2)% and the operating cash flow was a significant MSEK 276.0 (250.8).

The operating businesses demonstrated good working capital control during a busy period.

During the fourth quarter Johan Hjertonsson, President and CEO of Fagerhult, has informed the Board of Directors that he intends to resign as President and CEO during 2018. The board has appointed an external recruitment consultant to recruit a successor to Johan Hjertonsson, who will remain as President and CEO until a successor has taken office.

BUSINESS AREAS

NET SALES, OPERATING PROFIT AND OPERATING MARGIN PER BUSINESS AREA

	Net sales				Operating profit				Operating margin, %			
	Q 4		Q 1-4		Q 4		Q 1-4		Q 4		Q 1-4	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Northern Europe	529.9	547.8	2 048.0	2 029.5	71.4	68.2	266.2	220.0	13.5	12.4	13.0	10.8
UK and Ireland	285.4	279.8	1 211.1	1 195.7	41.9	35.7	184.9	180.9	14.7	12.8	15.3	15.1
Western and Southern Europe	429.6	289.6	1 670.7	1 044.4	28.4	7.8	181.0	99.1	6.6	2.7	10.8	9.5
Africa, Asia and the Pacific	186.4	173.1	692.5	652.8	50.3	24.9	92.7	86.8	27.0	14.4	13.4	13.3
Other	-	-	-	-	-19.6	-16.7	-46.9	-62.6	-	-	-	-
Eliminations	-111.4	-116.6	-452.0	-431.7	-	-	-	-	-	-	-	-
Total	**1 319.9**	**1 173.7**	**5 170.3**	**4 490.7**	**172.4**	**119.9**	**677.9**	**524.2**	**13.1**	**10.2**	**13.1**	**11.7**
Financial unallocated items					3.4	-1.6	-25.4	-9.5				
Profit before tax					**175.8**	**118.3**	**652.5**	**514.7**				

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 year were MSEK 2,048.0 compared with MSEK 2,029.5 in 2016. Adjusted for currency effects the net sales increase was 0.9% and was due mainly to increased sales in Sweden and Norway which combined delivered an increased 69 MSEK.

Also the region experienced a decline of approximately 2% as a result of the troubled Russian economy.

The operating profit for the year was MSEK 266.2 (220.0) and the operating margin increased 2.2 percentage points from 10.8% to 13.0%.

Northern Europe	Q 4		Q 1-4	
	2017	**2016**	**2017**	**2016**
Net Sales	529.9	547.8	2 048.0	2 029.5
(of which to group companies)	*(73.1)*	*(67.0)*	*(289.5)*	*(292.1)*
Operating profit	71.4	68.2	266.2	220.0
Operating margin, %	13.5	12.4	13.0	10.8
Sales growth, %	-3.3	10.6	0.9	10.0
Sales growth, adjusted for exchange rate differences , %	-2.5	8.8	0.2	10.7
Growth in Operating profit, %	4.7	18.8	21.0	39.5

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 year were MSEK 1,211.1 compared with MSEK 1,195.7 in 2016. Adjusted for currency effects, this was a growth of 6.5%. In local currency like-for-like sales in all business units are ahead of last year and we seek to capitalise from our good market position. The sales company in Ireland shows a continued good recovery through 2016 and 2017 as the market accelerates its recovery.

The operating profit for the year, despite being negatively affected by MSEK 9.7 due to the weaker GBP was MSEK 184.9 (180.9) and the operating margin was 15.3 (15.1)%.

UK and Ireland	Q 4		Q 1-4	
	2017	**2016**	**2017**	**2016**
Net Sales	285.4	279.8	1 211.1	1 195.7
(of which to group companies)	*(15.3)*	*(17.5)*	*(54.9)*	*(54.1)*
Operating profit	41.9	35.7	184.9	180.9
Operating margin, %	14.7	12.8	15.3	15.1
Sales growth, %	2.0	-7.0	1.3	1.7
Sales growth, adjusted for exchange rate differences , %	3.4	6.7	6.5	13.0
Growth in Operating profit, %	17.4	-13.8	2.2	13.7

WESTERN AND SOUTHERN EUROPE

This business area comprises our operations in Germany, the Netherlands, France, Spain, and Poland. 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. As LED Linear UK is a wholly owned subsidiary of LED Linear GmbH its results are consolidated from the 1 September within this business area.

Net sales for the year were MSEK 1,670.7 compared with MSEK 1,044.4 in the prior year. For the full year sales grew at a strong rate in Spain, France and Poland. Full year sales growth was 7.8% after eliminating the effect of acquisitions and currency. The business area looks forward to the further integration and development of LED Linear and WE-EF as well as the growth aspirations from Paris and Barcelona.

The operating profit for the year was MSEK 181.0 (99.1) generating an operating margin increase from 9.5% to 10.8%.

Western and Southern Europe	Q 4		Q 1-4	
	2017	2016	2017	2016
Net Sales	429.6	289.6	1 670.7	1 044.4
(of which to group companies)	*(9.4)*	*(14.2)*	*(40.6)*	*(36.9)*
Operating profit	28.4	7.8	181.0	99.1
Operating margin, %	6.6	2.7	10.8	9.5
Sales growth, %	48.3	50.1	60.0	35.6
Sales growth, adjusted for exchange rate differences , %	48.9	43.5	57.3	34.2
Growth in Operating profit, %	264.1	-32.8	82.6	41.8

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.

Besides South Africa, we see the market activity in Australia, Turkey and the Middle East as being quite good compared to last year. The recent ANC election result in South Africa has restored some confidence and also strengthened the Rand so we remain optimistic for the South African economy. The OR Technology business is a technology start up and sells its products to the Fagerhult Group brands, as a consequence the results for 2017 should be seen as an investment with improvements in 2018 and beyond.

Net sales in the year were MSEK 692.5 up from MSEK 652.8 in the prior year, which represents an increase of 8.3% after adjusting for currency effects and acquisitions.

The operating profit was MSEK 92.7 (86.8) and the operating margin 13.4 (13.3)%.

Africa, Asia and the Pacific	Q 4		Q 1-4	
	2017	2016	2017	2016
Net Sales	186.4	173.1	692.5	652.8
(of which to group companies)	*(13.6)*	*(17.9)*	*(67.1)*	*(48.6)*
Operating profit	50.3	24.9	92.7	86.8
Operating margin, %	27.0	14.4	13.4	13.3
Sales growth, %	7.7	25.4	6.1	32.5
Sales growth, adjusted for exchange rate differences , %	19.4	15.1	8.8	38.0
Growth in Operating profit, %	102.0	91.5	6.8	60.7

OTHER

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

BUSINESS PER PRODUCT AREA

When adjusted for currency, especially the GBP, the net sales in Indoor Lighting grew 1.0%. Net sales in Retail Lighting also grew, some 1.1% and sales in Outdoor Lighting grew approximately 32% after eliminating acquisition and currency effects. In Indoor Lighting, good growth was delivered in many regions, eg; Sweden, Norway & Australia with some opposite effects in Russia, South Africa and from GBP currency. Development and growth of the Group's position in Outdoor Lighting continues on a good trend, particularly in the Fagerhult brand and Retail Lighting sales has been positive through Fagerhult Spain and the across the UK, but less so in Sweden.

NET SALES PER PRODUCT AREA	Q 4		Q 1-4	
	2017	**2016**	**2017**	**2016**
Indoor Lighting	794.8	771.8	2 975.2	2 979.0
Retail Lighting	229.3	271.5	1 139.6	1 124.8
Outdoor Lighting	295.8	130.4	1 055.5	386.9
	1 319.9	**1 173.7**	**5 170.3**	**4 490.7**

FINANCIAL POSITION

The Group's equity/assets ratio at the end of the period was 31 (34)%. Cash and bank balances at the end of the period were MSEK 950 (732) and consolidated equity was MSEK 1,891 (1,627).

The adverse cash flow, which includes the acquisition of the WE-EF group, the Organic Response IP, the 20% minority shareholding in Seneco AS and the completion of the full acquisition of LED Linear UK resulted in an increase in net debt to MSEK 1,830 (1,222). During the second quarter the dividend of MSEK 171.4 adopted at the AGM was paid out.

Cash flow from operating activities was MSEK 681.1 (387.8). The MSEK 293.3 positive movement was mainly due to an increased EBITDA of MSEK 190 and improved control over working capital of MSEK 117 compared to the prior period.

Pledged assets and contingent liabilities amounted to SEK 47.2 million (7.3) and SEK 1.5 million (1.5), respectively.

INVESTMENTS

The Group's gross investments in non-current assets were MSEK 177 (169). The figure does not include investments in subsidiaries, which were MSEK 829 (342).

ACQUISITION OF WE-EF AND FLUX

As reported in the first quarterly report published on 3 May 2017 and the second interim report published on 17 August 2017, Fagerhult acquired 100% of the shares of WE-EF based in Bispingen, Germany and Flux Eclairage based in Lyon. The schedules below are the final details for the cash consideration and the purchase price allocation to the assets and liabilities.

The consideration consists of the following components:	
Cash paid	781.4
Paid with AB Fagerhult treasury shares (158,974 shares)	45.6
Total consideration	827.0
Net assets acquired	634.6
Goodwill	192.4

The assets and liabilities arising from the acquisition

	Fair value
Cash and cash equivalents	73.2
Property, plant and equipment	199.0
Financial assets	3.5
Intangible assets	426.8
Inventories	115.8
Receivables	116.6
Liabilities	-151.6
Deferred tax liabilities	-148.7
Net assets	634.6
Net assets acquired	**634.6**
Cash purchase consideration	827.0
Cash and cash equivalents in the acquired company	-73.2
Change in consolidated cash and cash equivalents on acquisition	**753.8**

EMPLOYEES

The average number of employees during the period was 3,241 (2,787).

PARENT COMPANY

AB Fagerhult's operations comprise Group Management, financing and business development activities. The profit after financial items was MSEK 106.5 (22.8).

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

DIVIDEND

The Board intends to propose that the Annual General Meeting approve a dividend of SEK 2.00 (1.50) per share.

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 2016.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 implies new requirements regarding the reporting of revenues, and replaces IAS 18 Revenue, IAS 11 Construction Contracts and a number of related interpretations. The new standard provides additional, detailed guidance within many areas, the nature of which was not provided in previous IFRS; these areas include, amongst other things, how to report contracts with a number of performance obligations, variable considerations, the customer's right of return, etc. The standard has been adopted by the EU. The standard will be applied from financial year 2018.

During 2017, workshops were held and an investigation was made in order to identify any potential differences between current accounting principles and IFFRS 15. With consideration of the results of this investigation, follow-up work and analyses were undertaken based on the five step model in IFRS 15.

After the executed analysis, the assessment is that there are no material differences between today's applied accounting principles and the guidance provided on the identification of performance obligations in contracts, nor as regards any possible allocation of prices according to IFRS 15. Similar to the current principles, product sales will be reported when the risk transfer, as stipulated in the contract, takes place which, according to the analysis undertaken, also fulfils the criteria for the transfer of control according to IFRS.

In other words, the final assessment is that the introduction of IFRS 15 will not have any material impact on the Group's financial position.

The Group has chosen to apply the modified retrospective transition method in applying IFRS 15 as at 1 January 2018; this will only impact the required disclosures.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, valuation and reporting of financial assets and liabilities and introduces new rules for hedge accounting. The complete version of IFRS 9 was published in July 2014. This replaced those aspects of IAS 39 addressing the classification and valuation of financial instruments, and introduced a new write-down model. The standard has been adopted by the EU.

IFRS 9 will begin to be applied by the Group in the financial year beginning 1 January 2018. The Group will not translate the comparative figures for financial year 2017, in accordance with the standard's transition rules.

During the autumn of 2017, an investigation was made regarding the classification and valuation of the Group's financial instruments. It was concluded that the new rules for classification and valuation will not impact the Group's financial position in conjunction with the transition as the framework implies no changes in the valuation of financial instruments to be reported in the Group's balance sheet at that point in time.

IFRS 9 introduces a new write-down model based on expected credit loses which takes into consideration future-oriented information. The Group has, historically, had very limited credit losses and the customer base is comprised of stable companies and, also from a future perspective, the assessment is that the probability for "default" with our customers is low. The conclusion is, then, that no further write-downs of accounts receivables are required.

The rules regarding hedge accounting do not impact the Group as no hedging is employed.

As a result, IFRS 9 will not have an impact on the Group's financial position when it is applied starting 1 January 2018.

A project is underway to analyse any further information that can be required to comply with the disclosure requirements as stipulated in the revised IFRS 7.

IFRS 16 Leases

IFRS 16 "Leases" published in January 2016 by IASB. The standard has been adopted by the EU and will replace IAS 17 Leasing contracts, and associated interpretations, IFRIC 4, SIC-15 and SIC-27. IFRS 16 requires that assets and liabilities referring to all leasing agreements, with the exception of short contracts or contracts regarding assets with low values, are to be reported in the balance sheet. This reporting is based on the view that the lessor has a right to use an asset during a specific period of time and, at the same time, has an obligation to pay for this right. This implies that a number of the Group's current operational leasing agreements are to be reported in the balance sheet from and beginning 2019.

The Group has initiated work with analysing the effect IFRS 16 will have on the Group's financial reports. The Group is working with a complete overview of all leasing contracts, whereby information is obtained and compiled to serve as the basis of the calculations or quantifications required in converting to IFRS 16. All leasing agreements in the Group are, today, reported as operational. In conjunction with the transition to IFRS 16, the majority of these agreements will be reported in the balance sheet as a right-of-use asset and a financial liability.

The Group has yet to determine which of the transition methods to be applied; either complete retrospective application or partial retrospective application (which implies that the comparative figures do not need to be translated).

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.

NOMINATION COMMITTEE

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 (not entitled to vote), Eric Douglas representing Investment AB Latour, Göran Espelund representing Lannebo Funds, Evert Carlsson representing Swedbank Robur Small Business Funds and Jan Särlvik representing Nordea Investment Funds.

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

REPURCHASE OF SHARES

The Annual General Meeting, held on 3 May 2017, authorised the Board to decide to acquire the company's own shares. No acquisitions of the company's own shares have been made. The company's holding of treasury shares totals 1,157,778.

The Board of AB Fagerhult decided today to propose that the Annual General Meeting on 23 April 2018 grant the Board authorisation, until the next Annual General Meeting, to acquire the company's own shares.

OUTLOOK FOR 2018

During the last three years, organic and acquisitive growth has led to a strong positive sales and earnings trend for the Group in all business and product areas.

During this period, the Group has, and will for the foreseeable future, continue to; capitalise on its master brand strategy, invest in research and development of luminaires (increasingly in lighting controls), exploit the synergies from acquisitions and increase the operational capability and capacity.

Future acquisitions are also key to continuing the Group's development and execution of strategy.

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

For the last 24 months, most of the Group's main markets have displayed steady growth and management expects that the current high activity level to continue into the mid part of 2018.

We intend to continue making significant investment in product and technology development and to expand our operation and geographical presence.

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

Habo, 26th February 2018

AB Fagerhult (publ)

Johan Hjertonsson

President and CEO

This report has not been subject to a review by the company's auditor.

In 2018, interim reports will be submitted on 23 April, 22 August and 23 October.

The Annual General Meeting will be held on 23 April 2018.

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

AB Fagerhult (publ)
Corporate ID no. 556110-6203
SE-566 80 Habo
Tel +46 (0)36-10 85 00
headoffice@fagerhult.se
www.fagerhultgroup.com

GROUP

INCOME STATEMENT	2017 Oct-Dec 3 months	2016 Oct-Dec 3 months	2017 Jan - Dec 12 months	2016 Jan-Dec 12 months
Net sales	1 319.9	1 173.7	5 170.3	4 490.7
Cost of goods sold	-841.2	-744.7	-3 245.7	-2 917.1
Gross profit	**478.7**	**429.0**	**1 924.6**	**1 573.6**
Selling expenses	-236.8	-224.2	-919.4	-783.4
Administrative expenses	-106.8	-104.0	-384.9	-315.7
Other operating income	37.3	19.1	57.6	49.7
Operating profit	**172.4**	**119.9**	**677.9**	**524.2**
Financial items	3.4	-1.6	-25.4	-9.5
Profit after financial items	**175.8**	**118.3**	**652.5**	**514.7**
Tax	-34.2	-35.7	-158.1	-133.8
Net profit for the period	**141.6**	**82.6**	**494.4**	**380.9**
Net profit for the period attributable to shareholders of the Parent Company	**141.6**	**82.6**	**494.4**	**380.9**
Earnings per share, based on earnings attributable to shareholders of the parent during the year				
Earnings per share before dilution, SEK	1.24	0.73	4.32	3.35
Earnings per share after dilution, SEK	1.24	0.73	4.32	3.35
Average number of outstanding shares before dilution	114 492	113 818	114 318	113 761
Average number of outstanding shares after dilution	114 492	113 818	114 318	113 761
Number of outstanding shares, thousands	114 492	113 818	114 492	113 818

Statement of comprehensive income

Net profit for the period	**141.6**	**82.6**	**494.4**	**380.9**
Other comprehensive income				
Items which may be reversed in the income statement:				
Revaluation of pension plans	-2.2	-0.8	-2.2	-0.8
Translation differences	-18.5	-24.3	-105.7	-60.4
Other comprehensive income for the period, net after tax	**-20.7**	**-25.1**	**-107.9**	**-61.2**
Total comprehensive income for the period	**120.9**	**57.5**	**386.5**	**319.7**
Comprehensive income attributable to shareholders of the Parent Company	**120.9**	**57.5**	**386.5**	**319.7**

BALANCE SHEET

	31 Dec 2017	31 Dec 2016
Intangible assets	2 709.5	2 068.7
Tangible fixed assets	685.6	447.7
Financial assets	54.1	34.0
Inventories. etc.	761.5	684.7
Accounts receivable – trade	837.7	761.3
Other non-interest-bearing current assets	98.6	86.2
Cash and cash equivalents	949.9	731.6
Total assets	**6 096.9**	**4 814.2**
Equity	1 890.5	1 627.1
Long-term interest-bearing liabilities	2 774.8	1820.4
Long-term non-interest-bearing liabilities	444.9	369.6
Short-term interest-bearing liabilities	4.8	133.2
Short-term non-interest-bearing liabilities	981.9	863.9
Total equity and liabilities	**6 096.9**	**4 814.2**

CASH FLOW STATEMENT

	2017 Oct-Dec 3 months	2016 Oct-Dec 3 months	2017 Jan - Dec 12 months	2016 Jan-Dec 12 months
Operating profit	**172.4**	**119.9**	**677.9**	**524.2**
Adjustments for non-cash items	7.5	32.4	102.5	55.7
Financial items	-12.9	-4.8	-37.7	-17.6
Tax paid	-23.6	-25.9	-147.9	-143.8
Funds contributed from operating activities	**143.4**	**121.6**	**594.8**	**418.5**
Change in working capital	132.6	129.2	86.3	-30.7
Cash flow from operating activities	**276.0**	**250.8**	**681.1**	**387.8**
Cash flow from investing activities	-121.7	-30.4	-1 039.9	-499.2
Cash flow from financing activities	20.6	-6.4	583.0	363.6
Cash flow for the period	**174.9**	**214.0**	**224.2**	**252.2**
Cash and cash equivalents at beginning of period	758.7	517.8	731.6	471.9
Translation differences in cash and cash equivalents	16.3	-0.2	-5.9	7.5
Cash and cash equivalents at end of period	**949.9**	**731.6**	**949.9**	**731.6**

KEY RATIOS AND DATA PER SHARE

	2017 Oct-Dec 3 months	2016 Oct-Dec 3 months	2017 Jan - Dec 12 months	2016 Jan-Dec 12 months
Sales growth, %	12.5	13.6	15.1	14.9
Growth in operating profit, %	43.8	10.5	29.3	32.4
Growth in profit after financial items, %	48.6	14.4	26.8	36.5
Operating margin, %	13.1	10.2	13.1	11.7
Profit margin, %	13.3	10.1	12.6	11.5
Cash liquidity, %	96	73	96	73
Net debt/EBITDA ratio	2.2	2.1	2.2	1.9
Equity/assets ratio, %	31	34	31	34
Capital employed, MSEK	4 670	3 581	4 670	3 581
Return on capital employed, %	15.7	14.4	16.8	16.8
Return on equity, %	30.0	20.3	28.1	24.9
Net debt, MSEK	1 830	1 222	1 830	1 222
Gross investment in non-current assets, MSEK	54.7	30.1	177.1	169.0
Net investment in non-current assets, MSEK	54.7	30.1	177.1	169.0
Depreciation/amortisation of non-current assets, MSEK	39.9	26.3	158.2	121.2
Number of employees	3 229	2 765	3 241	2 787
Equity per share, SEK	16.51	14.30	16.51	14.30
Number of outstanding shares, thousands	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	Reserves	Retained earnings	Total equity
Equity at 1 January 2016	**65.5**	**159.4**	**-32.6**	**1 244.8**	**1 437.1**
Net profit for the period				380.9	380.9
Other comprehensive income			-60.4	-0.8	-61.2
Total comprehensive income for the period			-60.4	380.1	319.7
Performance share plan				2.8	2.8
Dividend paid, SEK 1.17 per share				-132.5	-132.5
Equity at 31 December 2016	**65.5**	**159.4**	**-93.0**	**1 495.2**	**1 627.1**
Equity at 1 January 2017	**65.5**	**159.4**	**-93.0**	**1 495.2**	**1 627.1**
Net profit for the period				494.4	494.4
Other comprehensive income			-105.7	-2.2	-107.9
Total comprehensive income for the period			-105.7	492.2	386.5
Disposal of own shares – WE-EF acquisition		45.6			45.6
Performance share plan				2.7	2.7
Dividend paid, SEK 1.50 per share				-171.4	-171.4
Equity at 31 December 2017	**65.5**	**205.0**	**-198.7**	**1 818.7**	**1 890.5**

PARENT COMPANY

INCOME STATEMENT

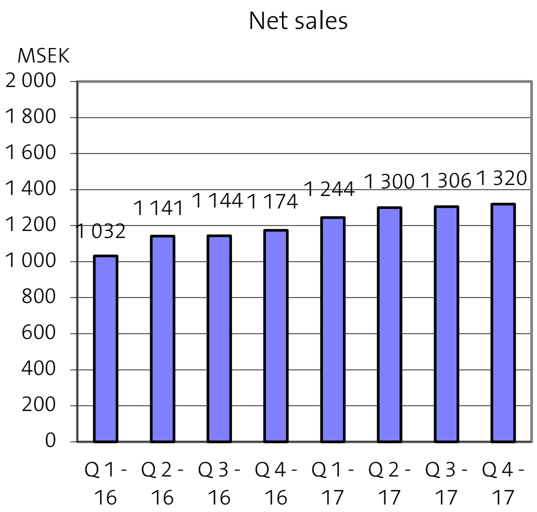
	2017 Oct-Dec 3 months	2016 Oct-Dec 3 months	2017 Jan - Dec 12 months	2016 Jan-Dec 12 months
Net sales	3.4	4.3	14.2	18.0
Selling expenses	-0.4	-	-0.4	-1.6
Administrative expenses	-12.0	-17.3	-47.2	-52.8
Operating profit	**-9.0**	**-13.0**	**-33.4**	**-36.4**
Income from shares in subsidiaries	-	-	143.3	46.9
Financial items	0.5	9.5	-3.4	12.3
Profit after financial items	**-8.5**	**-3.5**	**106.5**	**22.8**
Group contributions received	237.0	166.0	237.0	166.0
Tax	-42.6	-31.5	-42.6	-31.5
Net profit	**185.9**	**131.0**	**300.9**	**157.3**

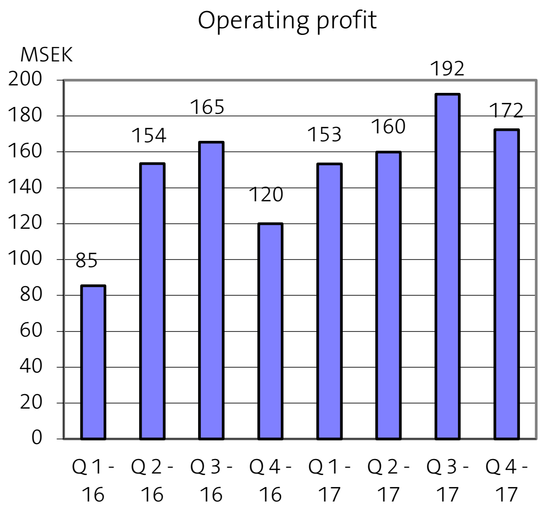
BALANCE SHEET

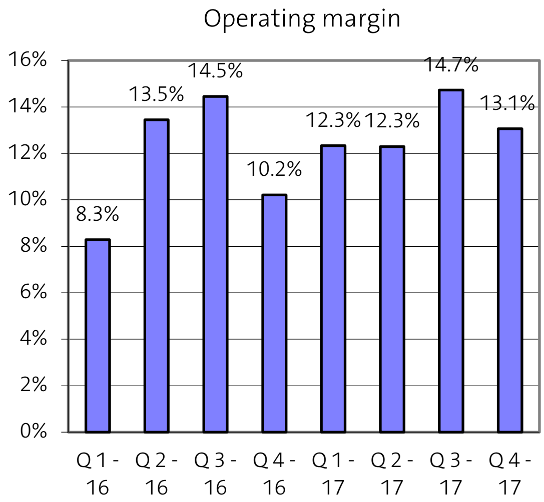
	31 Dec 2017	31 Dec 2016
Financial fixed assets	3 455.4	2 530.2
Other non-interest-bearing current assets	44.9	52.9
Cash and bank balances	547.9	184.8
Total assets	**4 048.2**	**2 767.9**
Equity	700.3	569.2
Untaxed reserves	8.6	8.6
Long-term interest-bearing liabilities	2 660.2	1 742.3
Long-term non-interest-bearing liabilities	1.7	1.7
Short-term interest-bearing liabilities	636.4	419.0
Short-term non-interest-bearing liabilities	41.0	27.1
Total equity and liabilities	**4 048.2**	**2 767.9**

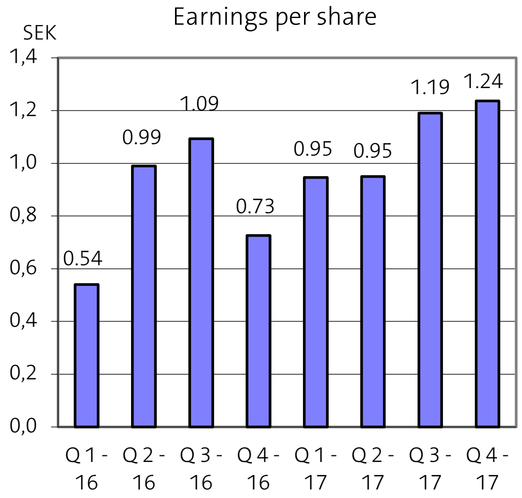
CHANGES IN EQUITY

	Share capital	Statutory reserve	Retained earnings	Total equity
Equity at 1 January 2016	**65.5**	**159.4**	**317.8**	**542.7**
Performance share program			1.7	1.7
Net profit for the period			157.3	157.3
Dividend paid, SEK 1.17 per share			-132.5	-132.5
Equity at 31 December 2016	**65.5**	**159.4**	**344.3**	**569.2**
Performance share plan			1.6	1.6
Dividend paid, SEK 1.50 per share			-171.4	-171.4
Net profit for the period			300.9	300.9
Equity at 31 December 2017	**65.5**	**159.4**	**475.4**	**700.3**









KEY RATIOS AND DATA PER SHARE

	2013	2014	2015	2016	2017
Net sales, MSEK	3 095	3 736	3 909	4 491	5 170
Operating profit, MSEK	278	379	396	524	678
Profit after financial items, MSEK	247	348	377	515	653
Earnings per share, SEK	1.61	2.30	2.54	3.35	4.32
Sales growth, %	0.3	20.7	4.6	14.9	15.1
Growth in operating profit, %	10.3	36.5	4.6	32.4	29.3
Growth in profit after financial items, %	15.5	40.9	8.4	36.5	26.8
Operating margin, %	9.0	10.1	10.1	11.7	13.1
Net debt/EBITDA ratio	2.4	2.2	1.9	1.9	2.2
Equity/assets ratio, %	37	38	38	34	31
Capital employed, MSEK	2 163	2 723	2 846	3 581	4 670
Return on capital employed, %	13.3	15.6	14.4	16.8	16.8
Return on equity, %	18.7	22.1	20.9	24.9	28.1
Net debt, MSEK	885	1 040	937	1 222	1 830
Net investment in non-current assets, MSEK	65	110	118	169	177
Depreciation/amortisation of non-current assets, MSEK	89	95	107	121	158
Number of employees	2 204	2 370	2 451	2 787	3 241