

Gothenburg, October 21, 2015

# GUNNEBO INTERIM REPORT JANUARY-SEPTEMBER 2015

## The CEO's comments on the third quarter

Sales in the third quarter have been good with an organic increase of 4% and an operating margin excluding costs of a non-recurring nature of 7.4% (6.2%).

During the quarter, Gunnebo acquired all shares in Spanish company, Grupo Sallén Tech S.L. The acquisition is in line with Gunnebo's strategic agenda to grow the business in cash handling. With Sallén as part of the Group, Gunnebo has access to technology that will strengthen our global offering for the retail sector, banks and cash in transit companies.

The order intake in Region Americas was strong during the quarter. In Region EMEA it was virtually unchanged, while it decreased in Region Asia-Pacific where the majority of markets reported weak demand. Organic order intake for the Group as a whole decreased by 2% during the quarter.

During the quarter the Spanish Royal Mint signed an order regarding the delivery and installation of specially designed vault panels. An agreement has also been made with retail chain Desigual regarding the installation and maintenance of electronic security solutions. The order encompasses almost 200 stores in seven countries across Europe.

Sales increased organically by 4% to MSEK 1,462 during the third quarter. Region Americas reported strong organic sales, particularly on the markets in Latin America. In Region EMEA, Sweden, France, Italy and South Africa reported good growth during the quarter. The general desire to invest in Region Asia-Pacific was still low on the majority of markets, which contributed to negative organic sales growth in the region.

Operating profit amounted to MSEK 90 (77) and the operating margin to 6.2% (5.9%) during the quarter. The operating profit includes one-off costs of MSEK 18 (5) relating to cost adaptations in Europe in particular. The operating margin excluding costs of a non-recurring nature totalled 7.4% (6.2%).

*Henrik Lange, President and CEO  
Gunnebo AB*

## THIRD QUARTER 2015

- Order intake increased to MSEK 1,419 (1,331), organically a decrease of 2%.
- Net sales increased to MSEK 1,462 (1,314), organically they increased by 4%.
- Operating profit increased to MSEK 90 (77) and the operating margin to 6.2% (5.9%).
- Operating profit excluding items of a non-recurring nature amounted to MSEK 108 (82) and the operating margin to 7.4% (6.2%).
- Profit after tax for the period totalled MSEK 48 (36).
- Earnings per share were SEK 0.62 (0.47).
- Free cash flow\* amounted to MSEK 23 (-24).
- During the quarter, Gunnebo acquired all shares in Spanish company Grupo Sallén Tech S.L.

## JANUARY-SEPTEMBER 2015

- Order intake increased to MSEK 4,846 (4,167), organically an increase of 5%.
- Net sales increased to MSEK 4,375 (3,983), organically they fell by 1%.
- Operating profit amounted to MSEK 199 (236) and the operating margin to 4.5% (5.9%).
- Operating profit excluding items of a non-recurring nature amounted to MSEK 248 (218) and the operating margin to 5.7% (5.5%).
- Profit after tax for the period totalled MSEK 88 (139).
- Earnings per share were SEK 1.13 (1.83).
- Free cash flow\* amounted to MSEK -162 (-48).

\*Free cash flow from operating and investing activities, excluding acquisitions and divestments.

## In Brief

	July-Sept		Jan-Sept		Full year
MSEK	2015	2014	2015	2014	2014
Order intake	<b>1,419</b>	1,331	<b>4,846</b>	4,167	5,433
Net sales	<b>1,462</b>	1,314	<b>4,375</b>	3,983	5,557
Operating profit before depreciation (EBITDA)	<b>117</b>	100	<b>275</b>	301	440
Operating margin before depreciation (EBITDA), %	<b>8.0</b>	7.6	<b>6.3</b>	7.5	7.9
Operating profit excl. non-recurring items <sup>1)</sup>	<b>108</b>	82	<b>248</b>	218	366
Operating margin excl. non-recurring items, % <sup>1)</sup>	<b>7.4</b>	6.2	<b>5.7</b>	5.5	6.6
Operating profit (EBIT)	<b>90</b>	77	<b>199</b>	236	352
Operating margin (EBIT), %	<b>6.2</b>	5.9	<b>4.5</b>	5.9	6.3
Profit/loss for the period	<b>48</b>	36	<b>88</b>	139	227
Earnings per share, SEK <sup>2)</sup>	<b>0.62</b>	0.47	<b>1.13</b>	1.83	2.98
Free cash flow	<b>23</b>	-24	<b>-162</b>	-48	223

<sup>1)</sup> Items of a non-recurring nature amounted to MSEK -18 (-5) for the period July - September and to MSEK -49 (18) for the period January-September

<sup>2)</sup> Earnings per share before dilution

## Regional review

### Order intake

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Region Europe, Middle East & Africa	890	838	2,988	2,816	3,620
Region Asia-Pacific	233	272	918	762	987
Region Americas	296	221	940	589	826
<b>Total</b>	<b>1,419</b>	<b>1,331</b>	<b>4,846</b>	<b>4,167</b>	<b>5,433</b>

### Net sales

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Region Europe, Middle East & Africa	927	864	2,776	2,631	3,644
Region Asia-Pacific	244	228	762	730	1,029
Region Americas	291	222	837	622	884
<b>Total</b>	<b>1,462</b>	<b>1,314</b>	<b>4,375</b>	<b>3,983</b>	<b>5,557</b>

### Operating profit/loss, excl non-recurring items

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Region Europe, Middle East & Africa	42	23	82	52	109
Region Asia-Pacific	27	27	74	93	140
Region Americas	39	32	92	73	117
<b>Total</b>	<b>108</b>	<b>82</b>	<b>248</b>	<b>218</b>	<b>366</b>

### Operating margin, excl non-recurring items

%	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Region Europe, Middle East & Africa	4.5	2.7	3.0	2.0	3.0
Region Asia-Pacific	11.1	11.8	9.7	12.7	13.6
Region Americas	13.4	14.4	11.0	11.7	13.2
<b>Total</b>	<b>7.4</b>	<b>6.2</b>	<b>5.7</b>	<b>5.5</b>	<b>6.6</b>

### Non-recurring items

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Region Europe, Middle East & Africa	-17	-4	-41	28	-1
Region Asia-Pacific	-1	0	-5	-6	-9
Region Americas	0	-1	-3	-4	-4
<b>Total</b>	<b>-18</b>	<b>-5</b>	<b>-49</b>	<b>18</b>	<b>-14</b>

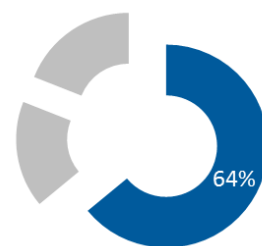
### Operating profit/loss

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Region Europe, Middle East & Africa	25	19	41	80	108
Region Asia-Pacific	26	27	69	87	131
Region Americas	39	31	89	69	113
<b>Total</b>	<b>90</b>	<b>77</b>	<b>199</b>	<b>236</b>	<b>352</b>

**Region Europe, Middle East & Africa**

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Order intake	<b>890</b>	838	<b>2,988</b>	2,816	3,620
Organic growth, %	-1		0		
Net sales	<b>927</b>	864	<b>2,776</b>	2,631	3,644
Organic growth, %	1		-1		
Operating profit/loss excl. non-recurring items	<b>42</b>	23	<b>82</b>	52	109
Operating margin excl. non-recurring items, %	<b>4.5</b>	2.7	<b>3.0</b>	2.0	3.0
Non-recurring items	<b>-17</b>	-4	<b>-41</b>	28	-1
Operating profit/loss	<b>25</b>	19	<b>41</b>	80	108

Percentage of Group sales: 64%

**Region EMEA**

Europe, Middle East & Africa (EMEA) is the Group's largest region. It is divided into eight sub-regions: Nordic, Central Europe, Southern Europe, UK/Ireland, France, Eastern Europe, Middle East and Africa.

Gunnebo's offering in EMEA comprises cash handling, safes and vaults, entrance security and electronic security, along with security-related service, and is available on most markets. The largest customer segments are bank, retail, CIT companies, mass transit, public and commercial buildings, as well as industrial and high-risk sites.

**July-September 2015**

Order intake in EMEA fell organically by 1% as a result of weak demand in Central Europe, France and the Middle East. In Spain and Italy, however, order intake increased, mainly in retail and banking. Orders during the quarter included one from the Spanish Royal Mint for specially developed modular vaults, and an agreement was made with retail chain Desigual for the installation and maintenance of electronic security products in seven countries across Europe.

Net sales increased organically by 1% with Sweden, France, Italy and South Africa, among others, reporting good growth during the quarter. Sales of products within entrance security and cash handling were strong during the quarter. Gunnebo's integrated system for closed cash handling in retail, SafePay, accounted for much of the growth within cash handling. A number of successful pilot installations have also been carried out in stores in South Africa during the quarter, which is a new market for SafePay.

Operating profit excluding items of a non-recurring nature increased to MSEK 42 (23) and the operating margin to 4.5% (2.7%). During the third quarter, items of a non-recurring nature totalled MSEK -17 (-4).

**QUARTER IN BRIEF**

- Spanish Royal Mint improves security at its banknote print works and installs modular vaults.
- Desigual agrees on a service contract for installation and maintenance of electronic security solutions for almost 200 stores across seven countries in Europe.
- A Middle East central bank signs a 3-year service agreement for delivery of electronic security.

**FACTS EMEA**

- SVP: Morten Andreassen
- Sales companies: 20

**Nordic:** Denmark, Norway, Sweden

**Central Europe:** Austria, Belgium, Germany, Luxembourg, Netherlands, Switzerland

**Southern Europe:** Italy, Portugal, Spain

**France**

**Eastern Europe:** Czech Republic, Hungary, Poland

**UK/Ireland**

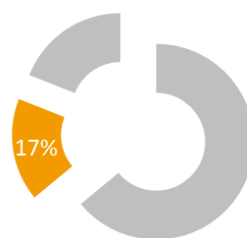
**Middle East:** UAE

**Africa:** South Africa

**Region Asia-Pacific**

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Order intake	<b>233</b>	272	<b>918</b>	762	987
Organic growth, %	-24		4		
Net sales	<b>244</b>	228	<b>762</b>	730	1,029
Organic growth, %	-2		-12		
Operating profit/loss excl. non-recurring items	<b>27</b>	27	<b>74</b>	93	140
Operating margin excl. non-recurring items, %	<b>11.1</b>	11.8	<b>9.7</b>	12.7	13.6
Non-recurring items	<b>-1</b>	0	<b>-5</b>	-6	-9
Operating profit/loss	<b>26</b>	27	<b>69</b>	87	131

Percentage of Group sales: 17%

**Region Asia-Pacific**

Asia-Pacific is divided into four sub-regions: India, China, Australia/New Zealand and South-East Asia. In addition, Gunnebo has a wide network of channel partners on many of the region's markets.

Gunnebo's offering in Asia-Pacific mainly comprises the sale of safes and vaults for the bank sector and entrance security for public and commercial buildings and for industrial and high-risk sites and mass transit. There is also a growing business in security-related service and cash handling in the region.

**July-September 2015**

The order intake in Asia-Pacific decreased organically by 24% due to weak demand in India and China. An underfinanced state bank sector in India contributed to continued weak demand during the quarter, which has a major impact on the region as a whole.

Organic net sales decreased by 2%. Australia and South-East Asia showed strong growth, which partly compensates for other countries' weaker development during the quarter. Sales in the region were boosted by the first part-deliveries of fire safety equipment to OKI in Indonesia. The contract with OKI was signed in the previous quarter and extends over several years. Sales within Entrance Security and Service increased in the quarter, whereas sales towards banks continued to show a weak development.

Operating profit excluding items of a non-recurring nature amounted to MSEK 27 (27), which equates to an operating margin of 11.1% (11.8%). Items of a non-recurring nature burdened the operating profit by MSEK -1 (0).

**QUARTER IN BRIEF**

- Newly constructed Ping An finance centre in Shenzhen, China installs Gunnebo entrance security to control the flow of people to and from the building.
- A major producer of food supplements installs Gunnebo fire safety systems in its warehouses and factories.
- A multinational company signs an order for Gunnebo's SpeedStiles access solution.

**FACTS ASIA-PACIFIC**

- SVP: Sacha de La Noë
- Sales companies: 8

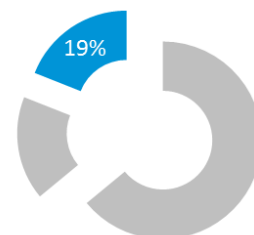
**Australia/New Zealand****India****China**

**South-East Asia:** Indonesia, Malaysia, Singapore, South Korea

**Region Americas**

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Order intake	<b>296</b>	221	<b>940</b>	589	826
Organic growth, %	<b>24</b>		<b>35</b>		
Net sales	<b>291</b>	222	<b>837</b>	622	884
Organic growth, %	<b>21</b>		<b>12</b>		
Operating profit/loss excl. non-recurring items	<b>39</b>	32	<b>92</b>	73	117
Operating margin excl. non-recurring items, %	<b>13.4</b>	14.4	<b>11.0</b>	11.7	13.2
Non-recurring items	<b>0</b>	-1	<b>-3</b>	-4	-4
Operating profit/loss	<b>39</b>	31	<b>89</b>	69	113

**Percentage of Group sales: 19%**

**Region Americas**

Region Americas is divided into two sub-regions: North America and Latin America.

Gunnebo's offering in Region Americas comprises security-related service, safes and vaults for the bank and retail sectors, entrance security, electronic security solutions for banks and public and commercial properties as well as cash handling solutions for the retail trade and Cash In Transit (CIT).

**July-September 2015**

In Region Americas, order intake increased organically by 24%, primarily as a result of strong demand in Latin America where Gunnebo has a strong position as a supplier of electronic security and service. During the quarter a major Mexican bank renewed its electronic security agreement, for example. In North America, order intake decreased during the quarter, primarily as a result of weaker demand from banks.

Net sales in the third quarter increased organically by 21% as a result of strong sales in the region. In Latin America growth can mainly be attributed to service and electronic security upgrades for the bank sector, and in the USA to physical security products such as safes.

Operating profit excluding items of a non-recurring nature amounted to MSEK 39 (32) and the operating margin to 13.4% (14.4%). Items of a non-recurring nature burdened operating profit by MSEK 0 (-1).

**QUARTER IN BRIEF**

- One of the USA's largest banks installs a total of 160 airtube systems for depositing daily takings.
- Increased order intake from customers in the US public sector for security solutions to protect servers and other IT hardware.
- A major bank in Canada signs an agreement with Gunnebo to upgrade its night safes.
- A major Mexican bank renews its agreement to install electronic security at all its branches in the country.

**FACTS AMERICAS**

- SVP: Tomas Wängberg
- Sales companies: 4

**North America:** Canada, USA  
**Latin America:** Brazil, Mexico

## **JULY-SEPTEMBER 2015**

### **Order intake and net sales**

The Group's order intake during the third quarter of 2015 amounted to MSEK 1,419, an increase on the corresponding period last year (MSEK 1,331). Order intake decreased by 2% organically.

Net sales totalled MSEK 1,462 (1,314) with organic growth of 4%.

### **Financial results**

Operating profit improved to MSEK 90 (77) and the operating margin to 6.2% (5.9%). This is a result of increased sales coupled with a relatively low increase in operating expenses. Currency effects had a positive impact of MSEK 12.

Items of a non-recurring nature totalled MSEK -18 (-5) and mainly comprised restructuring costs for Europe. Operating profit excluding items of a non-recurring nature amounted to MSEK 108 (82), which equates to an operating margin of 7.4% (6.2%).

## **JANUARY-SEPTEMBER 2015**

### **Order intake and net sales**

The Group's order intake during the period January-September 2015 amounted to MSEK 4,846, an increase on the corresponding period last year (MSEK 4,167). Organic order intake increased by 5%.

Net sales totalled MSEK 4,375 (3,983). Organically, sales decreased by 1%.

### **Financial results**

Operating profit amounted to MSEK 199 (236) and the operating margin to 4.5% (5.9%). Currency effects had a positive impact of MSEK 39.

Restructuring costs, along with certain other expenses of a non-recurring nature, burdened the result by MSEK -49 in total (MSEK 18, of which MSEK 73 was capital gains from the divestment of operations and MSEK -55 was expenses of a non-recurring nature).

The majority of these expenses were attributed to workforce reductions in Europe and to management changes. Operating profit adjusted for items of a non-recurring nature amounted to MSEK 248 (218), which equates to an operating margin of 5.7% (5.5%).

Net financial items amounted to MSEK -36 (-27) mainly due to negative currency effects relating to financial receivables and liabilities. Group profit after financial items totalled MSEK 163 (209). Net profit for the period totalled MSEK 88 (139), and earnings per share attributable to the parent company's shareholders were SEK 1.13 (1.83) per share.

### **Acquisition of Grupo Sallén**

On July 30, 2015 Gunnebo acquired 100% of the shares in Spanish Grupo Sallén Tech S.L., a leading producer and supplier of cash handling solutions. The operation has annual sales of approximately MEUR 14. The purchase sum is expected to total MSEK 200, of which MSEK 48 are additional purchase prices to be paid. According to the preliminary purchase price allocation, surplus values arising from the acquisition is primarily linked to acquired technology and customer relations. The acquisition has been consolidated in the Group accounts for the third quarter of 2015 under Region EMEA and made a positive contribution to the quarter's earnings per share.

### **Capital expenditure and depreciation/amortisation**

Investments made in intangible assets and property, plant and equipment during the period totalled MSEK 91 (48). Depreciation/amortisation amounted to MSEK 76 (65).

### **Cash flow**

Cash flow from operating activities decreased compared to the same period last year as a result of higher working capital tied up and amounted to MSEK -75 (-11). Payments related to restructuring measures burdened the cash flow by MSEK 33 (21).

Cash flow from investing activities amounted to MSEK -247 (26). The decrease can mainly be attributed to acquisitions of operations and non-current assets.

Free cash flow, i.e. operating cash flow after deductions for net financial items affecting cash flow and paid tax, decreased to MSEK -162 (-48).

## Liquidity and financial position

The Group's liquid funds at the end of the period amounted to MSEK 427 (447 at the beginning of the year). Equity amounted to MSEK 1,660 (1,694 at beginning of year) and the equity ratio to 32% (35% at beginning of year).

The decrease in equity can mainly be explained by dividend payments to shareholders, which burdened equity by MSEK 76. Translation differences in foreign operations, reported in other comprehensive income, had a negative effect on equity of MSEK 69.

Net debt increased by MSEK 423 to MSEK 1,462 (1,039 at beginning of year), primarily due to acquisitions, an increase in working capital tied up and shareholder dividend.

The debt/equity ratio totalled 0.9 (0.6 at beginning of year). Net debt excluding pension commitments amounted to MSEK 1,068 (613 at beginning of year).

## Parent company

The Group's parent company, Gunnebo AB, is a holding company which has the main task of owning and managing shares in other Group companies, as well as providing Group-wide services. Net sales for January-September amounted to MSEK 136 (140). Net profit for the period amounted to MSEK 16 (77).

## Employees

The number of employees at the end of the period was 5,562 (5,670 at beginning of year). The number of employees outside of Sweden at the end of the period was 5,399 (5,498 at beginning of year). The number of employees increased by 50 with the acquisition of Grupo Sallén Tech S.L.

## Share data

Earnings per share before and after dilution were SEK 1.13 (1.83). The number of shareholders totalled 11,500 (12,400).

## Transactions with related parties

There have been no transactions with related parties during the period that affect Gunnebo's position and result to any significant extent.

## Organisational changes

Anna Almlöf, SVP Marketing, Service & Strategy, decided to leave Gunnebo and her position in the Group Executive Team during the third quarter. No replacement will be recruited.

## Nominations Committee

At the 2015 Annual General Meeting, it was decided that Gunnebo's Nominations Committee shall comprise one representative of each of the three largest shareholders on September 30, 2015, along with the Chairman of the Board. This means that the following representatives make up the Nominations Committee ahead of the AGM on April 12, 2016:

- Dan Sten Olsson, Stena Adactum AB
- Nils-Olov Jönsson, Vätterledens Invest AB
- Ricard Wennerklint, IF Skadeförsäkrings AB
- Martin Svalstedt, Chairman of the Board and convener

The Nominations Committee represents approximately 57% of the number of votes in Gunnebo AB in accordance with the ownership structure on September 30, 2015.

## Events after the closing day

No significant events occurred after the closing date.



## Accounting principles

Gunnebo complies with the International Financial Reporting Standards adopted by the EU, and the official interpretations of these standards (IFRIC). The Interim Report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting, and the Interim Report for the parent company has been prepared in accordance with the Annual Accounts Act and the recommendation of the Swedish Financial Reporting Board, RFR 2 Accounting for Legal Entities. The same accounting principles and methods of calculation have been used as in the latest annual report. New and amended IFRS standards and interpretations from IFRIC which take effect as of 2015 have not had any significant effect on the Group's financial statements.

## Significant risks and uncertainties

The Group's and parent company's significant risks and uncertainties include operational risks and financial risks. Operational risks for Gunnebo mainly include risks posed by the global economy and commercial risks. The Group's risk management is described in more detail on pages 44-47 of Gunnebo's 2014 Annual Report, and in Note 3. Gunnebo considers this risk description to still be correct.

## Financial goals

- The Group shall earn a long-term return on capital employed of at least 15% and an operating margin of at least 7%.
- The equity ratio shall not fall below 30%.
- The Group shall achieve organic growth of at least 5%.

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

Gothenburg, October 21, 2015

Henrik Lange  
President and CEO

## Review Report

### Introduction

We have reviewed the interim report for Gunnebo AB (publ) for the period January 1 - September 30, 2015. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information 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 has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

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

Gothenburg, October 21, 2015

Deloitte AB

Hans Warén  
Authorized Public Accountant

## Group

### Summary Group income statement

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Net sales	<b>1,462</b>	1,314	<b>4,375</b>	3,983	5,557
Cost of goods sold	<b>-1,028</b>	-922	<b>-3,076</b>	-2,823	-3,911
<b>Gross profit</b>	<b>434</b>	392	<b>1,299</b>	1,160	1,646
Other operating costs, net	<b>-344</b>	-315	<b>-1,100</b>	-924	-1,294
<b>Operating profit/loss</b>	<b>90</b>	77	<b>199</b>	236	352
Net financial items	<b>-10</b>	-8	<b>-36</b>	-27	-35
<b>Profit/loss after financial items</b>	<b>80</b>	69	<b>163</b>	209	317
Taxes	<b>-32</b>	-33	<b>-75</b>	-70	-90
<b>Profit/loss for the period</b>	<b>48</b>	36	<b>88</b>	139	227
<i>Whereof attributable to:</i>					
Parent company shareholders	<b>47</b>	36	<b>86</b>	139	226
Non-controlling interests	<b>1</b>	0	<b>2</b>	0	1
	<b>48</b>	36	<b>88</b>	139	227
Earnings per share before dilution, SEK	<b>0.62</b>	0.47	<b>1.13</b>	1.83	2.98
Earnings per share after dilution, SEK	<b>0.62</b>	0.47	<b>1.13</b>	1.83	2.98

**Statement of comprehensive income in brief**

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Profit/loss for the period	48	36	88	139	227
<b>Other comprehensive income for the period</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Actuarial gains and losses*	16	-33	23	-33	-30
<b>Total items that will not be reclassified to profit or loss subsequently</b>	16	-33	23	-33	-30
<b>Items that may be reclassified subsequently to profit or loss</b>					
Translation differences in foreign operations	-72	17	-69	68	94
Hedging of net investments*	0	0	-3	2	5
Cash-flow hedges*	-1	-1	1	-6	-7
<b>Total items that may be reclassified to profit or loss subsequently</b>	-73	16	-71	64	92
<b>Total other comprehensive income</b>	-57	-17	-48	31	62
<b>Total comprehensive income for the period</b>	-9	19	40	170	289
<i>Whereof attributable to:</i>					
Parent company shareholders	-12	20	38	169	287
Non-controlling interests	3	-1	2	1	2
	-9	19	40	170	289

\*Net of taxes

**Summary Group balance sheet**

MSEK	30 Sept		31 Dec
	2015	2014	2014
Goodwill	1,545	1,414	1,490
Other intangible assets	307	167	185
Property, plant and equipment	348	309	304
Financial assets	14	15	16
Deferred tax assets	328	330	339
Inventories	737	724	694
Current receivables	1,459	1,299	1,350
Liquid funds	427	259	447
<b>Total assets</b>	<b>5,165</b>	<b>4,517</b>	<b>4,825</b>
Equity	1,660	1,569	1,694
Long-term liabilities	1,674	1,466	1,449
Current liabilities	1,831	1,482	1,682
<b>Total equity and liabilities</b>	<b>5,165</b>	<b>4,517</b>	<b>4,825</b>

**Changes in Group equity in brief**

MSEK	Jan-Sept		Full year
	2015	2014	2014
Opening balance	1,694	1,463	1,463
Total comprehensive income for the period	40	170	289
Non-cash issue*	1	10	10
Share-based remuneration	1	-	-
New share issue*	0	2	8
Dividend	-76	-76	-76
<b>Closing balance</b>	<b>1,660</b>	<b>1,569</b>	<b>1,694</b>
<i>Whereof non-controlling interests</i>	<i>20</i>	<i>23</i>	<i>24</i>

\*Refers to purchase price for the Dissamex acquisition consisting of shares in Gunnebo Mexico

\*\*Refers to the issue of shares to participants in incentive programmes

**Summary Group cash flow statement**

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Cash flow from operating activities before changes in working capital	99	47	175	131	246
Cash flow from changes in working capital	-33	-53	-250	-142	25
<b>Cash flow from operating activities</b>	<b>66</b>	<b>-6</b>	<b>-75</b>	<b>-11</b>	<b>271</b>
Net investments	-43	-18	-87	-37	-48
Acquisition of operations	-139	-14	-160	-14	-44
Divestment of operations	-	-	-	77	77
<b>Cash flow from investing activities</b>	<b>-182</b>	<b>-32</b>	<b>-247</b>	<b>26</b>	<b>-15</b>
Change in interest-bearing receivables and liabilities	213	-4	391	-100	-180
New share issue	-	-	0	2	8
Dividend	-	-	-76	-76	-76
<b>Cash flow from financing activities</b>	<b>213</b>	<b>-4</b>	<b>315</b>	<b>-174</b>	<b>-248</b>
<b>Cash flow for the period</b>	<b>97</b>	<b>-42</b>	<b>-7</b>	<b>-159</b>	<b>8</b>
Liquid funds at the beginning of the period	350	292	447	392	392
Translation difference in liquid funds	-20	9	-13	26	47
<b>Liquid funds at the end of the period</b>	<b>427</b>	<b>259</b>	<b>427</b>	<b>259</b>	<b>447</b>

**Summary Group operating cash flow statement**

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Operating profit/loss	90	77	199	236	352
Adjustment for non-cash items	42	14	77	1	40
Cash flow from changes in working capital	-33	-53	-250	-142	25
Net investments	-43	-18	-87	-37	-48
<b>Operating cash flow</b>	<b>56</b>	<b>20</b>	<b>-61</b>	<b>58</b>	<b>369</b>
Net financial items affecting cash flow	-15	-14	-42	-28	-33
Taxes paid	-18	-30	-59	-78	-113
<b>Free cash flow</b>	<b>23</b>	<b>-24</b>	<b>-162</b>	<b>-48</b>	<b>223</b>

**Reconciliation to profit/loss after financial items**

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Region Europe, Middle East & Africa	25	19	41	80	108
Region Asia-Pacific	26	27	69	87	131
Region Americas	39	31	89	69	113
<b>Operating profit/loss</b>	<b>90</b>	<b>77</b>	<b>199</b>	<b>236</b>	<b>352</b>
Net financial items	-10	-8	-36	-27	-35
<b>Profit/loss after financial items</b>	<b>80</b>	<b>69</b>	<b>163</b>	<b>209</b>	<b>317</b>

**Sales by market**

	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
France	18%	19%	17%	19%	19%
USA	11%	10%	10%	9%	9%
India	7%	8%	7%	8%	8%
UK	8%	7%	7%	6%	6%
Spain	4%	4%	4%	4%	4%
Germany	4%	4%	4%	4%	4%
Mexico	3%	1%	4%	1%	1%
Indonesia	4%	3%	3%	3%	3%
Canada	3%	3%	3%	3%	3%
Sweden	3%	3%	3%	4%	4%
Others	35%	38%	38%	39%	39%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Parent company

### Summary parent company income statement

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Net sales	46	47	136	140	260
Administrative expenses	-26	-31	-104	-96	-204
<b>Operating profit/loss</b>	<b>20</b>	<b>16</b>	<b>32</b>	<b>44</b>	<b>56</b>
Net financial items	-3	41	-8	35	31
<b>Profit/loss after financial items</b>	<b>17</b>	<b>57</b>	<b>24</b>	<b>79</b>	<b>87</b>
Appropriations	-	-	-	-	47
Taxes	-4	-1	-8	-2	-13
<b>Profit/loss for the period</b>	<b>13</b>	<b>56</b>	<b>16</b>	<b>77</b>	<b>121</b>

### Changes in parent company comprehensive income in brief

MSEK	July-Sept		Jan-Sept		Full year
	2015	2014	2015	2014	2014
Profit/loss for the period	13	56	16	77	121
Other comprehensive income, net after tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>13</b>	<b>56</b>	<b>16</b>	<b>77</b>	<b>121</b>

**Summary parent company balance sheet**

<b>MSEK</b>	30 Sept		31 Dec
	<b>2015</b>	<b>2014</b>	<b>2014</b>
Other intangible assets	4	7	6
Property, plant and equipment	2	2	2
Financial assets	1,700	1,726	1,716
Current receivables	65	49	27
Liquid funds	0	6	0
<b>Total assets</b>	<b>1,771</b>	<b>1,790</b>	<b>1,751</b>
Equity	1,425	1,435	1,485
Current liabilities	346	355	266
<b>Total equity and liabilities</b>	<b>1,771</b>	<b>1,790</b>	<b>1,751</b>

**Changes in parent company equity in brief**

<b>MSEK</b>	Jan-Sept		Full year
	<b>2015</b>	<b>2014</b>	<b>2014</b>
Opening balance	1,485	1,432	1,432
Total comprehensive income for the period	16	77	121
New share issue*	0	2	8
Dividend	-76	-76	-76
<b>Closing balance</b>	<b>1,425</b>	<b>1,435</b>	<b>1,485</b>

\*Refers to the issue of shares to participants in incentive programmes



## Key ratios for the Group

Key ratios	Jan-Sept		Full year
	2015	2014	2014
Gross margin, %	<b>29.7</b>	29.1	29.6
Operating margin before depreciation (EBITDA) excl. non-recurring items, %	<b>7.4</b>	7.1	8.2
Operating margin before depreciation (EBITDA), %	<b>6.3</b>	7.5	7.9
Operating margin (EBIT) excl. non-recurring items, %	<b>5.7</b>	5.5	6.6
Operating margin (EBIT), %	<b>4.5</b>	5.9	6.3
Profit margin (EBT), %	<b>3.7</b>	5.2	5.7
Return on capital employed, % <sup>1)</sup>	<b>10.0</b>	11.9	12.1
Return on equity, % <sup>1)</sup>	<b>10.6</b>	12.5	14.7
Capital turnover rate, times	<b>1.8</b>	1.8	1.8
Equity ratio, %	<b>32</b>	35	35
Interest coverage ratio, times	<b>6.4</b>	8.4	9.6
Debt/equity ratio, times	<b>0.9</b>	0.8	0.6

<sup>1)</sup> During the last twelve-month period

Data per share	Jan-Sept		Full year
	2015	2014	2014
Earnings per share before dilution, SEK	<b>1.13</b>	1.83	2.98
Earnings per share after dilution, SEK	<b>1.13</b>	1.83	2.98
Equity per share, SEK	<b>21.52</b>	20.35	21.93
Free cash flow per share, SEK	<b>-2.12</b>	-0.63	2.94
No. of shares at end of period, thousands	<b>76,185</b>	75,987	76,174
Average no. of shares, thousands	<b>76,178</b>	75,942	75,979

**Quarterly data, MSEK**

	2013				2014				2015		
	1	2	3	4	1	2	3	4	1	2	3
<b>Income statement</b>											
Net sales	1,155	1,325	1,314	1,477	1,250	1,419	1,314	1,574	1,397	1,516	<b>1,462</b>
Costs of goods sold	-827	-918	-908	-1,036	-894	-1,007	-922	-1,088	-995	-1,053	<b>-1,028</b>
<b>Gross profit</b>	<b>328</b>	<b>407</b>	<b>406</b>	<b>441</b>	<b>356</b>	<b>412</b>	<b>392</b>	<b>486</b>	<b>402</b>	<b>463</b>	<b>434</b>
Other operating costs, net	-327	-350	-345	-338	-338	-271	-315	-370	-373	-383	<b>-344</b>
<b>Operating profit/loss</b>	<b>1</b>	<b>57</b>	<b>61</b>	<b>103</b>	<b>18</b>	<b>141</b>	<b>77</b>	<b>116</b>	<b>29</b>	<b>80</b>	<b>90</b>
Net financial items	-9	-7	-8	-51	-8	-11	-8	-8	-17	-9	<b>-10</b>
<b>Profit/loss after financial items</b>	<b>-8</b>	<b>50</b>	<b>53</b>	<b>52</b>	<b>10</b>	<b>130</b>	<b>69</b>	<b>108</b>	<b>12</b>	<b>71</b>	<b>80</b>
Taxes	-4	-16	-21	-4	-13	-24	-33	-20	-23	-20	<b>-32</b>
<b>Profit/loss for the period</b>	<b>-12</b>	<b>34</b>	<b>32</b>	<b>48</b>	<b>-3</b>	<b>106</b>	<b>36</b>	<b>88</b>	<b>-11</b>	<b>51</b>	<b>48</b>
<b>Key ratios</b>											
Gross margin, %	28.4	30.7	30.9	29.9	28.5	29.0	29.8	30.9	28.8	30.5	<b>29.7</b>
Operating margin, %	0.1	4.3	4.6	7.0	1.5	9.9	5.9	7.4	2.0	5.3	<b>6.2</b>
Operating profit (EBIT) excl. non-recurring items, MSEK	11	69	93	133	38	98	82	148	38	102	<b>108</b>
Operating profit (EBIT) excl. non-recurring items, %	0.9	5.2	7.1	9.0	3.1	6.9	6.2	9.4	2.7	6.7	<b>7.4</b>
Earnings per share, SEK <sup>1)</sup>	-0.16	0.45	0.39	0.61	-0.04	1.40	0.47	1.15	-0.13	0.64	<b>0.62</b>

<sup>1)</sup> Before dilution

## Notes

### Note 1 Non-recurring items per function

MSEK	Jan-Sept incl. non-recurring items 2015	Non-recurring items 2015	Jan-Sept excl. non-recurring items 2015
Net sales	4,375	-	4,375
Cost of goods sold	-3,076	11	-3,065
<b>Gross profit</b>	<b>1,299</b>	<b>11</b>	<b>1,310</b>
<i>Gross margin</i>	29.7%		29.9%
Other operating costs, net	-1,100	38	-1,062
<b>Operating profit/loss</b>	<b>199</b>	<b>49</b>	<b>248</b>
<i>Operating margin</i>	4.5%		5.7%

### Note 2 Acquisition of operations\*

MSEK	Jan-Sept 2015	2014
<b>Assets and liabilities in acquired operations, at acquisition date</b>		
Intangible assets	123	-
Property, plant and equipment	33	1
Financial assets	9	0
Inventories	13	2
Current receivables	31	7
Liquid funds	14	0
Current liabilities	-89	-5
Long-term liabilities	-	-2
<b>Identifiable net assets</b>	<b>134</b>	<b>3</b>
Goodwill	88	29
<b>Total purchase sums</b>	<b>222</b>	<b>32</b>
<i>Less:</i>		
Purchase sums not paid	-47	-8
Non-cash issue**	-1	-10
Liquid funds in acquired operations	-14	0
<b>Effect on group liquid funds</b>	<b>160</b>	<b>14</b>

\*The data for 2015 refers primarily to the acquisition of Grupo Sallén Tech S.L. in Spain and the acquisition of the remaining shares of K/H Enterprises Inc. in USA. Additionally, adjustments of the acquisition analyses from the acquisitions of Diseños Inteligentes de Seguridad S.A de C.V (Dissamex) in Mexico and Clear Image in Great Britain are included. The data for 2014 refers to the acquisitions of Dissamex and Clear Image.

\*\*Refers to purchase price consisting of shares in the subsidiary Gunnebo Mexico

## Definitions

### Capital employed

Total assets less interest-free provisions and liabilities

### Capital turnover rate

Net sales in relation to average capital employed

### Debt/equity ratio

Net debt in relation to equity

### Earnings per share

Profit after tax attributable to the parent company's shareholders divided by the average number of shares outstanding

### EBITDA

Operating profit before depreciation/amortisation and write-downs on intangible assets and property, plant and equipment

### Equity per share

Equity attributable to the shareholders of the parent company divided by the number of shares at the end of the period

### Equity ratio

Equity as a percentage of the balance sheet total

### Free cash flow per share

Cash flow from operating and investing activities, excluding acquisitions and divestments, divided by the average number of shares in issue after dilution

### Interest coverage ratio

Profit after financial items plus interest costs, divided by interest costs

### Net debt

Interest-bearing provisions and liabilities less liquid funds and interest-bearing receivables

### Operating cash flow

Cash flow from operating activities, after capital expenditure but before net financial items affecting cash flow and tax paid

### Organic growth

Growth in net sales, or order intake, adjusted for acquisitions, divestments and exchange rate effects

### Operating margin

Operating profit as a percentage of net sales

### Profit margin

Profit after financial items as a percentage of net sales

### Return on equity

Profit for the year as a percentage of average equity

### Return on capital employed

Operating profit plus financial income as a percentage of average capital employed

## Financial Calendar

Year-end release 2015	February 4, 2016
Annual General Meeting 2016	April 12, 2016
Interim report January-March 2016	April 27, 2016

## Gunnebo AB (publ)

Box 5181  
SE-402 26 GÖTEBORG  
Tel: +46 (0)10-2095 000  
Fax: +46 (0)10-2095 010  
Reg. no. 556438-2629

e-mail: [info@gunnebo.com](mailto:info@gunnebo.com)  
[www.gunnebogroup.com](http://www.gunnebogroup.com)

*The Gunnebo Security Group is a global leader in security products, services and solutions with an offering covering cash handling, safes and vaults, entrance security and electronic security for banks, retail, CIT, mass transit, public & commercial buildings, and industrial & high-risk sites.*

*The Group has an annual turnover of MSEK 5,600 and 5,700 employees in 32 countries across Europe, the Middle East & Africa, Asia-Pacific and the Americas as well as a network of Channel Partners on 100 additional markets.*

*For a safer world*