

# NIBE

– world-class solutions in sustainable energy



- **SALES** totalled  
SEK 9,511 million (SEK 7,677 million)
- **PROFIT AFTER NET FINANCIAL ITEMS**  
was SEK 1,058 million (SEK 824 million)
- **PROFIT AFTER TAX**  
was SEK 813 million (SEK 635 million)
- **EARNINGS** per share before and after  
dilution were SEK 7.38 (SEK 5.76)
- **ACQUISITION OF**
  - operations of North American  
Marathon Heater Inc.
  - remaining 30% of shares in Akvaterm Oy  
(Finland)

Interim report 3 · 2015



CEO Gerteric Lindquist's report

# Continued healthy growth and strong profit performance

Group sales growth for the first nine months of the year was 23.9% (10.3%), including organic growth of 11.2% (7.0%). The weak Swedish currency is still the main reason for our organic expansion, although this effect is gradually decreasing owing both to more tangible growth in actual sales volumes and the fact that we are now comparing with figures from the period when the krona began to weaken last year.

In general, demand in Europe has remained cautious, despite a number of encouraging signs. While North America and Asia are showing better relative growth than Europe, it can hardly be described as an economic boom. It is therefore all the more important for us to focus on areas over which we have control.

Our three business areas are continuing to take market share and are maintaining and even improving their operating margins. This is a strength that comes from our consistent approach to everything from product development, manufacturing and quality management to marketing.

NIBE Energy Systems is continuing to enthusiastically market its sustainability concept, based on one of the market's very widest and the best-performing ranges of heat pumps. Low oil and gas prices are leading in the short term to continued investments in less sustainable solutions. However, we view this as an opportunity to become even better at marketing communication and providing information and customer testimonials.

Our domestic Nordic market, which consists of relatively small economies, is a good example of consistent and successful sustainability work and significant efforts to reduce carbon dioxide emissions. The world's major economies still have a long way to go if they are serious about their environmental commitments. We stand ready to help.

NIBE Element's performance is further proof of what can be achieved through a long-term approach, passion, focus and openness. The pursuit of the lowest price is rarely associated with the best quality, the necessary level of technology or the right sense of responsibility by suppliers. We take the opposite approach; we aim to supply our customers with the best quality products with the highest level of technology and to take the significant supplier responsibility required for lasting positive business relationships. Over time, this strategy has proved hard to beat.

NIBE Stoves is putting a lot of effort into developing, manufacturing and marketing on-trend, stylish stoves with the best possible environmental performance and of the highest possible quality. We believe our steady growth is proof that consumers appreciate this strategy.

So far this year we have acquired operations of North American heating element manufacturer Marathon Heater Inc. and the remaining 30% of shares in Finland-based Akvaterm. We have also made two smaller bolt-on acquisitions in Switzerland and Poland. We have good opportunities for making further acquisitions and, as usual, a number of acquisition discussions are ongoing.

The level of investment in existing operations amounted to SEK 257 million for the first nine months of the year, compared with last year's SEK 179 million, and the rate of depreciation so far this year is SEK 360 million.

Operating profit for the first nine months of the year improved by 28.0% compared with the corresponding period last year and the operating margin rose from 11.5% to 11.9%. In addition to the significant positive effect of the acquisitions on operating profit, the weak Swedish krona has also had a positive impact, although to a lesser extent toward the end of the period.

Profit after net financial items improved by 28.4% in the period compared with the corresponding period in 2014, leading to an improvement in the profit margin from 10.7% to 11.1%.

## Outlook for 2015

Our corporate philosophy and our strong range of products, with their focus on sustainability and saving energy, are in tune with the times in which we are living.

- We are well-prepared for carrying out additional acquisitions.
- Our internal and continually ongoing efforts to raise efficiency, combined with our rigorous cost control measures will guarantee persistently healthy margins.
- It is harder to judge how external factors such as economic trends, currency fears and the low price of oil at present will impact the Group, but we remain cautiously positive with regard to the year overall.

Markaryd, Sweden, 13 November 2015

Gerteric Lindquist  
Managing Director and CEO

## Calendar

### 13 November 2015

11.00 (C.E.T) Teleconference (in English);

Presentation of Interim Report 3 2015 and opportunity to ask questions.

Registration on our website [www.nibe.com](http://www.nibe.com) is required in order to access the presentation images during the conference.

To listen to the presentation by phone, call +46 8 566 426 90

### 17 February 2016

Year-end report 2015

### April 2016

Annual Report 2015

### 12 May 2016

Interim Report 1, Jan – March 2016

Annual General Meeting 2016

## Sales

Group net sales totalled SEK 9,511 million (SEK 7,677 million). This corresponds to growth of 23.9%, of which 11.2% was organic. Organic growth has been predominantly affected by the weaker Swedish krona, because most of the Group's foreign operations have been recalculated at higher average rates than in the corresponding period last year. Real organic growth was relatively weak at the start of the year, but has since recovered. Acquired operations accounted for SEK 976 million of the total SEK 1,834 million increase in sales.

## Earnings

Profit for the period after net financial items was SEK 1,058 million. This equates to a 28.4% increase in earnings compared with the same period in 2014. Back then, profit after net financial items amounted to SEK 824 million. Growth in profit was mainly affected by acquisitions but, as with sales growth, it was also affected by the weakening of the Swedish krona. Profit for the period has been charged with acquisition expenses of SEK 7 million versus SEK 27 million last year. Last year's earnings were positively affected by non-recurring items of SEK 14 million.

Return on equity was 17.3% (16.3%).

## Acquisitions

The operations of North American Marathon Heater Inc., which produces advanced custom heating elements for the high-tech industry, were acquired in early April. The company has sales of approximately SEK 78 million and employs around 130 people. The company's operations are consolidated under the Nibe Element business area as of April 2015. The acquisition value is still provisional.

In early July, NIBE acquired the remaining 30% of the shares in Akvatern Oy (Finland), a manufacturer of accumulator tanks. This company is consolidated under the NIBE Energy Systems business area.

## Investments

During the period, the Group made investments totalling SEK 377 million (SEK 2,576 million). A total of SEK 120 million (SEK 2,397 million) of the investments relate to acquisitions of operations. The remaining SEK 257 million (SEK 179 million) relates mainly to investments in machinery and equipment in existing operations. The investment amount with regard to acquisitions is based on initial purchase prices as well as an estimate of additional consideration to be paid.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 1,175 million (SEK 878 million). Cash flow after changes in working capital amounted to SEK 739 million (SEK 579 million).

Interest-bearing liabilities at year-end amounted to SEK 8,080 million, compared with SEK 7,852 million at the start of the year. In late May, bonds totalling SEK 1,500 million were issued with a term of five years. Half of these bonds were issued with a variable interest rate and half with a fixed interest rate. However, the fixed interest rate has been converted into a variable interest rate via an interest rate swap with the same term. As a result, the entire bond loan is subject to a variable interest rate in practice. The bonds, which are a part of an MTN programme with a loan limit totalling SEK 3 billion, are listed on the NASDAQ Stockholm. For more detailed information, please go to [www.nibe.com](http://www.nibe.com).

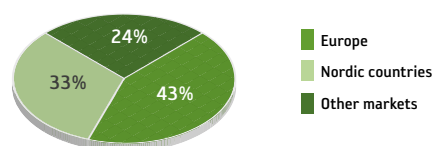
At the end of September the Group had cash and cash equivalents of SEK 2,072 million as against SEK 2,581 million at the start of the year. The equity/assets ratio at the end of the period was 37.2%, compared with 36.2% at the start of the year and 35.8% at the corresponding point last year.

## Parent

Parent activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period totalled SEK 7 million (SEK 7 million) and profit after financial items was SEK 773 million (SEK 879 million). At the end of the reporting period, cash and cash equivalents totalled SEK 534 million compared with SEK 1,110 million at the start of the year.

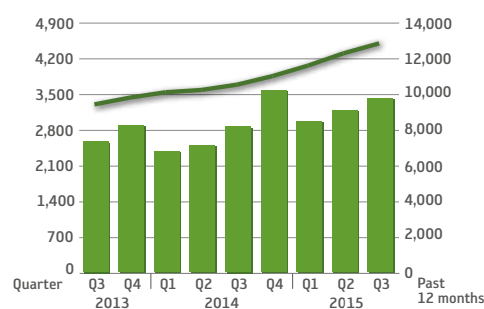
NIBE Group Key figures		2015 Q1-3	2014 Q1-3	Past 12 mths	2014 full-year
Net sales	SEK m	9,511	7,677	12,867	11,033
Growth	%	23.9	10.3	21.9	12.2
of which acquired	%	12.7	3.3	12.4	5.7
Operating profit	SEK m	1,133	885	1,633	1,385
Operating margin	%	11.9	11.5	12.7	12.6
Profit after net financial items	SEK m	1,058	824	1,526	1,292
Profit margin	%	11.1	10.7	11.9	11.7
Equity/assets ratio	%	37.2	35.8	37.2	36.2
Return on equity	%	17.3	16.3	17.8	16.6

Group sales by geographical region



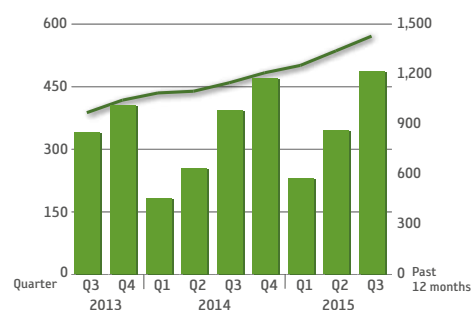
Net sales

Past nine quarters (in millions of SEK)



Profit after financial items

Past nine quarters (in millions of SEK)



# NIBE Energy Systems

## Sales and profit

Sales for the period totalled SEK 5,751 million, compared with SEK 4,451 million for the corresponding period last year. The increase in sales was SEK 1,300 million, with acquired sales accounting for SEK 877 million of this sum, which means that organic growth was 9.5%.

Operating profit for the period totalled SEK 823 million, compared with SEK 638 million the previous year. This equates to an unchanged operating margin of 14.3%. This means that the operating margin for the past 12 months is 15.0%.

## Market

The North American heat pump market is showing stable performance, but without significant growth. Through successful introductions of products and intensive marketing we have strengthened our market share, mainly in the market for single-family homes, where we are a market leader. On the property market, in which we remain a smaller player, we are seeing interesting growth potential.

The European heat pump market remains cautious, but there have been local variations. Although the price of electricity is disproportionately highly taxed in Germany compared with gas, the decline in the first half of the year was mitigated in the third quarter. The government decision in April to introduce increased economic support for heat pump installations via the Market Incentive Programme (Marktanreizprogramm) nevertheless signals greater ambition to use renewable energy in Germany and is having a positive effect on the number of applications for grants. The time lag to installation, however, means that this will not have an appreciable impact on the results this year.

As a result of low gas and oil prices and instability in the global economy, investments in new sustainable energy solutions are being directed towards less environmentally sustainable fossil fuel-based product solutions. This may be considered contradictory in a world where reducing the impact of climate change is constantly discussed and this is unfortunately also hampering our rate of growth on the international heat pump market.

The Nordic markets of Norway and Denmark are stable and we are continuing to strengthen our market position, particularly in the Norwegian heat pump market where we have a market-leading position. In Finland, too, we are increasing our market share, although the overall market is being negatively affected by the weak economy and general political uncertainty, which is reducing end-consumers' willingness to invest.

In Eastern areas of Europe our business is showing positive development and is continuing to grow despite political and economic uncertainty. The exception to this is Poland, which is experiencing a slight slowdown.

Our Swedish domestic market continues to show growth, chiefly as

a result of the new construction of single-family homes, as well as an increased replacement market. The Swedish government's announced reduction to its home improvement subsidy (ROT-avdrag) from the start of 2016 is also expected to have a positive impact on the demand this year. Overall, the market has increased for all product segments with the exception of heat pumps for large properties and our total market share for heat pumps has continued to increase.

For traditional electric water heaters, performance in the Nordic and European markets is stable, while sales of conventional domestic boilers remain sluggish. The advent of more stringent legal requirements regarding energy efficiency in the production of hot water means the market for heat pumps used solely for heating hot water is expanding, which we regard as a good opportunity for growth.

## Operations

The gradually tightening of building standards and legal requirements regarding energy efficiency in both Sweden and abroad require active and future-oriented product development. In view of this, our prioritisation of product development of energy-efficient indoor comfort solutions for single-family housing and larger properties has been strategically entirely correct and we are therefore continuing resolutely along the same path.

The trends towards remote control, greater reassurance for end-consumers and further requirements for energy efficiency are clear and our online heat pump service, NIBE UpLink, now has a record number of connections. There is also growing interest in the latest Smart Price Adaption function, which uses an hourly based electricity contract, making it possible to save more energy through the customised and optimised control of a heat pump.

This autumn, NIBE Energy Systems was named for the second time as 'Supplier of the Year' by Sweden's largest home builder, with the judging panel noting NIBE's "significant commitment, close cooperation in day-to-day operations and advanced product development with a focus on the future". This is the first time that this award has been won twice by the same supplier.

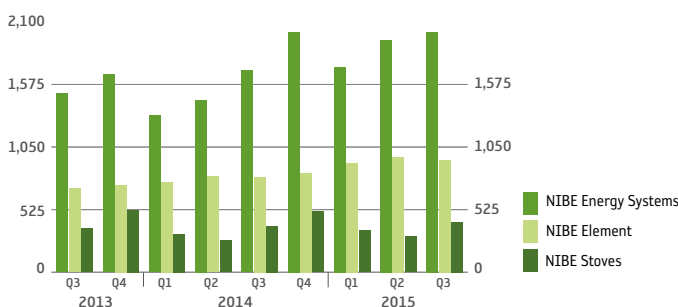
In the third quarter, Switzerland-based Schulthess introduced an entirely new generation of washing machines and tumble dryers. This is the result of investment in product development with the clear objective of becoming a leader in this premium segment.

Our product segment in cooling has shown strong performance and a number of new cooperation agreements have been signed. Our expanded service operations, particularly on the North American market, are also making a positive contribution.

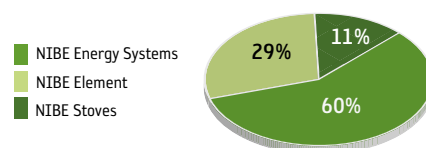
Our production capacity and delivery capability meet market expectations and our internal quality management continues to generate improvements in customer satisfaction. This is important given international competition..

## Business Area trends

Sales per business area last nine quarters (SEK million)



Each business area's share of total sales



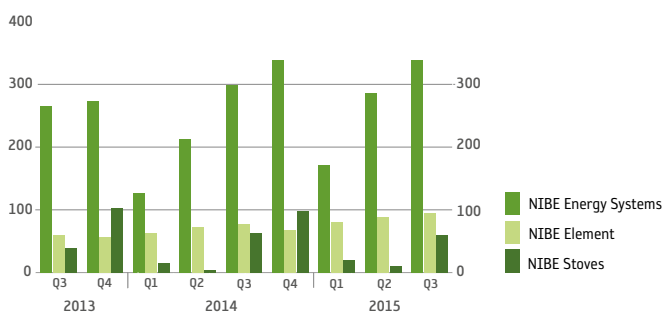
## NIBE Energy Systems

Key figures		2015 Q1-3	2014 Q1-3	Past 12 mths	2014 full-year
Net sales	SEK m	5,751	4,451	7,807	6,507
Growth	%	29.2	9.1	27.8	13.4
of which acquired	%	19.7	3.6	19.6	8.2
Operating profit	SEK m	823	638	1,169	984
Operating margin	%	14.3	14.3	15.0	15.1
Assets	SEK m	13,422	11,711	13,422	12,512
Liabilities	SEK m	1,468	1,312	1,468	1,361
Investments in non-current assets	SEK m	158	141	226	208
Depreciation	SEK m	232	179	302	249

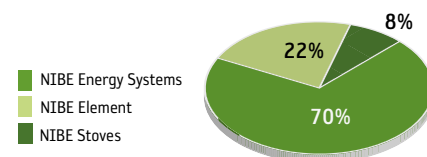


It is fairly common in industrial processes for there to be variations in load and for the thermal load to be inconsistent. Consequently, today's industrial chillers are usually larger than is actually necessary for much of their use. Until now, this has resulted in relatively high emissions and energy costs. KKT chillers has developed a control system to automatically adjust cooling capacity based on the programme's current load profile. This means the system generates only as much capacity as is needed. KKT chillers' innovative vBox 12 constantly automatically adjusts its cooling capacity to the actual need, making it much more precise and economical.

Sales per business area last nine quarters (SEK million)



Each business area's share of total profit



# NIBE Element

## Sales and profit

Sales for the period totalled SEK 2,826 million, compared with SEK 2,361 million for the corresponding period last year. The increase in sales was SEK 465 million, with acquired sales accounting for SEK 99 million of this sum, which means that organic growth was 15.5%.

Operating profit for the period totalled SEK 263 million, compared with SEK 213 million the previous year. This equates to an operating margin of 9.3% compared with 9.0% for the previous year. This means that the operating margin for the past 12 months is 9.0%.

## Market

Overall, demand on the international element market continued to show positive development.

The European element market has experienced growth in terms of consumer products, products for the automotive industry and commercial equipment. On the other hand, the market for oil and gas industry products has seen a sharp drop in demand on all markets as a result of lower levels of investment due to low oil and gas prices. The market for rail-based traffic has displayed healthy growth within both infrastructure and vehicles.

Our investments in control and measurement have resulted in good development in the automotive sector, particularly in the field of inverter control of electric motors. We have also added to our range of resistors with innovative solutions for the growing energy sector.

The North American market has also displayed a positive trend within all product segments, with the exception of oil and gas. Demand is stable in both the domestic appliance and comfort segment and products for the automotive industry and commercial applications. In the automotive industry, this is resulting in increased requirements for environmentally sustainable vehicles and growing interest in electric cars and new business opportunities for us.

The Asian market has also experienced healthy growth. We are gradually focussing our Asian production units more on the domestic Asian market, as we are seeing a clear trend towards moving production back to Europe and North America from Asia as a result of rising costs, mainly in China.

## Operations

We are continuing our efforts to realign the focus and operations of each of our units to ensure that they remain competitive in their respective market segments, enabling us to reach our 10% operating margin target.

These measures include further investments in areas such as the

## NIBE Element

Key figures		2015 Q1-3	2014 Q1-3	Past 12 mths	2014 full-year
Net sales	SEK m	2,826	2,361	3,659	3,193
Growth	%	19.7	13.0	18.3	13.2
of which acquired	%	4.2	2.2	3.5	2.0
Operating profit	SEK m	263	213	331	280
Operating margin	%	9.3	9.0	9.0	8.8
Assets	SEK m	3,444	3,008	3,444	3,122
Liabilities	SEK m	756	601	756	632
Investments in non-current assets	SEK m	78	56	109	87
Depreciation	SEK m	86	75	109	98

use of industrial robots and automation. We are also implementing a package of production technology measures to secure the improvement in productivity necessary in the long term. Parallel to this, we are taking advantage of our production opportunities in low-cost countries in certain product segments. However, the sharp cutbacks in investments in the oil and gas industry are complicating efforts to improve margins.

Over the year, we have successfully implemented a restructuring process in our Sweden-based tubular element business, which means that production is now concentrated at a single production unit.

In Poland, we are expanding the production facility for the electronics and control product area, which is expected to be complete and enter service in the first quarter of 2016.

In addition to the two acquisitions of North American Marathon Heater Inc. and a smaller industrial business in Switzerland, which were both carried out in the first half of the year, we also acquired a small Polish business focused on industrial heating elements in September. This acquisition enables us to strengthen our position on the growing Polish industrial market with products for rail-based infrastructure and commercial defrosting.

Raw material prices and exchange rates remain volatile, which is having a considerable effect on pricing and competitiveness. In this situation, having a globalised organisation with production units in different currency zones gives us a clear advantage.



*Our investments in control and measurement have resulted in healthy performance by environmentally sustainable products in areas such as automotive.*

# NIBE Stoves

## Sales and profit

Sales for the period totalled SEK 1,071 million, compared with SEK 972 million for the corresponding period last year. Since the comparison is not affected by any acquisitions, this means organic growth of SEK 99 million, or 10.2%.

Operating profit for the period totalled SEK 89 million, compared with SEK 82 million the previous year. This equates to an operating margin of 8.3% compared with 8.4% for the previous year. This means that the operating margin for the past 12 months is 11.8%. Operating profit for 2014 included non-recurring items that had a positive effect of SEK 14 million on third-quarter earnings. Excluding the non-recurring items, the operating margin for the previous year would have been 6.9%.

## Market

In general terms, demand for stove products in Europe is still at a relatively low level but some markets are showing an improvement in demand. Consumer caution is mainly due to the slow European recovery in a number of countries and the low level of energy prices. Given this situation, it is pleasing to note that we have seen an increase in sales in all our main markets compared with last year.

Sweden is one of the markets where demand for stove products has grown, owing mainly to increased construction of new single-family homes and low interest rate levels. The Swedish government's decision to reduce its home improvement subsidy (ROT-avdrag) from the start of 2016 is also expected to have a slight positive impact on the demand this year. Elsewhere in the Nordic region, the Norwegian market has also developed positively so far this year, although this is compared with relatively weak performance in 2014. The Danish market, which is a relatively small stove market, is at the same level as last year while the Finnish market is declining.

In the UK, overall demand for stove products remains healthy, although there has been a clear move in the market towards increased demand for gas-fired products and demand for traditional wood-fired products has dipped slightly. Our wide range of gas-fired products under our Gazco brand has enabled us to successfully cope with this change in the market. Together with our range of modern wood-fired products under our other strong brands, this means we are well positioned on the UK market.

Demand in Germany and France has decreased across almost all product areas. In Germany, the low gas and oil prices hampered sales, while the decrease in France is considered to relate more to the generally weaker economic performance.

## NIBE Stoves

Key figures		2015 Q1-3	2014 Q1-3	Past 12 mths	2014 full-year
Net sales	SEK m	1,071	972	1,582	1,483
Growth	%	10.2	11.5	5.8	6.3
of which acquired	%	0.0	4.6	0.0	2.9
Operating profit	SEK m	89	82	187	180
Operating margin	%	8.3	8.4	11.8	12.1
Assets	SEK m	1,878	1,775	1,878	1,768
Liabilities	SEK m	276	277	276	249
Investments in non-current assets	SEK m	24	5	37	18
Depreciation	SEK m	42	42	55	55

## Operations

The first half of the year saw the launch of a large number of products under several of the business area's brands. These included both products in our core areas in order to cement our strong market position and products to expand our range. The launches were strong and all new products have also been supplied for our customers' displays before the important peak season, which mainly falls in the fourth quarter. Together with a large number of marketing activities, these product launches have contributed to our organic growth.

Regulatory requirements regarding heating with wood are constantly increasing, and the EU has now established the new Ecodesign requirements, which are to come into effect no later than 2022. These requirements are also likely to be further tightened in the future, which will probably mean that many producers of stoves will find it difficult to meet the requirements. Our stable finances and strategically correct decisions to prioritise product development mean we are well ahead and already meet the known requirements. It should also be noted that the greatest environmental gain could be achieved if old products are replaced by today's much more environmentally sustainable products.

Excluding last year's non-recurring item, which boosted operating profit by SEK 14 million, the operating margin has improved significantly compared with last year. This has been achieved through increased sales, favourable exchange rates and a continued strong focus on costs.



*Our wide range of gas-fired products under the Gazco brand has enabled us to meet the present trend on the UK market.*

## Income Statement summaries

(in millions of SEK)	Group						Parent	
	Q3 2015	Q3 2014	Jan-Sept 2015	Jan-Sept 2014	Past 12 mths	full-year 2014	Jan-Sept 2015	Jan-Sept 2014
Net sales	3,396	2,839	9,511	7,677	12,867	11,033	7	7
Cost of goods sold	- 2,151	- 1,802	- 6,117	- 4,992	- 8,231	- 7,106	0	0
<b>Gross profit</b>	<b>1,245</b>	<b>1,037</b>	<b>3,394</b>	<b>2,685</b>	<b>4,636</b>	<b>3,927</b>	<b>7</b>	<b>7</b>
Selling expenses	- 573	- 490	- 1,731	- 1,401	- 2,307	- 1,977	0	0
Administrative expenses	- 198	- 180	- 621	- 505	- 823	- 707	- 53	- 56
Other operating revenue	30	49	91	106	127	142	0	0
<b>Operating profit</b>	<b>504</b>	<b>416</b>	<b>1,133</b>	<b>885</b>	<b>1,633</b>	<b>1,385</b>	<b>- 46</b>	<b>- 49</b>
Net financial items	- 18	- 24	- 75	- 61	- 107	- 93	819	928
<b>Profit after net financial items</b>	<b>486</b>	<b>392</b>	<b>1,058</b>	<b>824</b>	<b>1,526</b>	<b>1,292</b>	<b>773</b>	<b>879</b>
Tax	- 112	- 88	- 245	- 189	- 366	- 310	0	0
<b>Net profit</b>	<b>374</b>	<b>304</b>	<b>813</b>	<b>635</b>	<b>1,160</b>	<b>982</b>	<b>773</b>	<b>879</b>
<b>Net profit attributable to Parent shareholders</b>	<b>374</b>	<b>304</b>	<b>813</b>	<b>635</b>	<b>1,160</b>	<b>982</b>	<b>773</b>	<b>879</b>
Includes depreciation according to plan as follows	121	101	360	296	466	402	0	0
Net profit per share before and after dilution in SEK	3.39	2.76	7.38	5.76	10.52	8.90		

## Statement of comprehensive income

<b>Net profit</b>	<b>374</b>	<b>304</b>	<b>813</b>	<b>635</b>	<b>1,160</b>	<b>982</b>	<b>773</b>	<b>879</b>
<b>Other comprehensive income</b>								
<b>Items that will not be reclassified to profit or loss</b>								
Actuarial gains and losses in retirement benefit plans	0	0	0	0	- 122	- 122	0	0
Tax	0	0	0	0	26	26	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>- 96</b>	<b>- 96</b>	<b>0</b>	<b>0</b>
<b>Items that may be reclassified to profit or loss</b>								
Cash flow hedges	- 6	4	- 3	5	- 21	- 13	- 2	0
Hedge of net investment	27	- 94	- 416	- 237	- 643	- 464	- 410	- 236
Exchange differences	- 115	112	455	400	782	727	0	0
Tax	- 4	20	93	51	150	108	91	52
	<b>- 98</b>	<b>42</b>	<b>129</b>	<b>219</b>	<b>268</b>	<b>358</b>	<b>- 321</b>	<b>- 184</b>
<b>Total other comprehensive income</b>	<b>- 98</b>	<b>42</b>	<b>129</b>	<b>219</b>	<b>172</b>	<b>262</b>	<b>- 321</b>	<b>- 184</b>
<b>Total comprehensive income</b>	<b>276</b>	<b>346</b>	<b>942</b>	<b>854</b>	<b>1,332</b>	<b>1,244</b>	<b>452</b>	<b>695</b>
<b>Total comprehensive income attributable to Parent shareholders</b>	<b>276</b>	<b>346</b>	<b>942</b>	<b>854</b>	<b>1,332</b>	<b>1,244</b>	<b>452</b>	<b>695</b>

## Balance Sheet summaries

(in millions of SEK)	Group			Parent		
	30 Sept 2015	30 Sept 2014	31 Dec 2014	30 Sept 2015	30 Sept 2014	31 Dec 2014
Non-current intangible assets	10,355	8,987	9,731	0	0	0
Property, plant and equipment	2,141	1,958	2,078	0	0	0
Financial assets	483	309	367	9,656	9,251	9,477
<b>Total non-current assets</b>	<b>12,979</b>	<b>11,254</b>	<b>12,176</b>	<b>9,656</b>	<b>9,251</b>	<b>9,477</b>
Inventories	2,283	2,163	2,109	0	0	0
Current receivables	2,172	2,122	1,844	129	66	203
Current investments	292	79	154	0	0	0
Cash and bank balances	1,621	1,605	1,827	534	769	811
<b>Total current assets</b>	<b>6,368</b>	<b>5,969</b>	<b>5,934</b>	<b>663</b>	<b>835</b>	<b>1,014</b>
<b>Total assets</b>	<b>19,347</b>	<b>17,223</b>	<b>18,110</b>	<b>10,319</b>	<b>10,086</b>	<b>10,491</b>
Equity	7,204	6,170	6,560	3,839	3,797	3,685
Untaxed reserves	0	0	0	1	1	1
Non-current liabilities and provisions, non-interest-bearing	1,645	1,714	1,849	167	497	457
Non-current liabilities and provisions, interest-bearing	7,847	7,155	7,558	5,794	5,557	5,996
Current liabilities and provisions, non-interest-bearing	2,418	1,914	1,849	343	24	132
Current liabilities and provisions, interest-bearing	233	270	294	175	210	220
<b>Total equity and liabilities</b>	<b>19,347</b>	<b>17,223</b>	<b>18,110</b>	<b>10,319</b>	<b>10,086</b>	<b>10,491</b>



## Key figures

		Jan-Sept 2015	Jan-Sept 2014	full-year 2014
Growth	%	23.9	10.3	12.2
Operating margin	%	11.9	11.5	12.6
Profit margin	%	11.1	10.7	11.7
Investments in non-current assets	SEK m	377	2,576	3,098
Cash and cash equivalents	SEK m	2,072	2,284	2,581
Working capital, incl. cash and bank balances as share of net sales	SEK m	3,950	4,055	4,084
	%	30.7	38.4	37.0
Working capital, excl. cash and bank balances as share of net sales	SEK m	2,329	2,451	2,257
	%	18.1	23.2	20.5
Interest-bearing liabilities/Equity	%	112.2	120.3	119.7
Equity/assets ratio	%	37.2	35.8	36.2
Return on capital employed	%	11.6	11.4	12.1
Return on equity	%	17.3	16.3	16.6
Net debt/EBITDA	times	2.9	3.4	3.3
Interest coverage ratio	times	10.7	9.1	7.6

## Data per share

		Jan-Sept 2015	Jan-Sept 2014	full-year 2014
Net profit per share (total 110,253,638 shares)	SEK	7.38	5.76	8.90
Equity per share	SEK	65.34	55.96	59.50
Closing day share price	SEK	244.90	182.20	200.90

## Statement of cash flow – summaries

(in millions of SEK)	Jan-Sept 2015	Jan-Sept 2014	full-year 2014
Cash flow from operating activities	1,175	878	1,327
Change in working capital	- 436	- 299	- 74
Investment activities	- 397	- 2,510	- 2,956
Financing activities	- 601	1,899	1,836
Exchange difference in cash and cash equivalents	53	46	103
<b>Change in cash and cash equivalents</b>	<b>- 206</b>	<b>14</b>	<b>236</b>

## Change in equity – summaries

(in millions of SEK)	Jan-Sept 2015	Jan-Sept 2014	full-year 2014
Equity brought forward	6,560	5,575	5,575
Shareholders' dividend	- 298	- 259	- 259
Comprehensive income for the period	942	854	1,244
<b>Equity carried forward</b>	<b>7,204</b>	<b>6,170</b>	<b>6,560</b>

## Financial instruments recognised at fair value

(in millions of SEK)	30 Sept 2015	30 Sept 2014	31 Dec 2014
<b>Current receivables</b>			
Currency futures	1	11	0
Commodity futures	0	1	0
<b>Total</b>	<b>1</b>	<b>12</b>	<b>0</b>
<b>Financial assets</b>			
Interest rate derivatives	1	0	0
<b>Current liabilities and provisions, non-interest-bearing</b>			
Currency futures	15	10	15
Commodity futures	7	1	2
<b>Total</b>	<b>22</b>	<b>11</b>	<b>17</b>

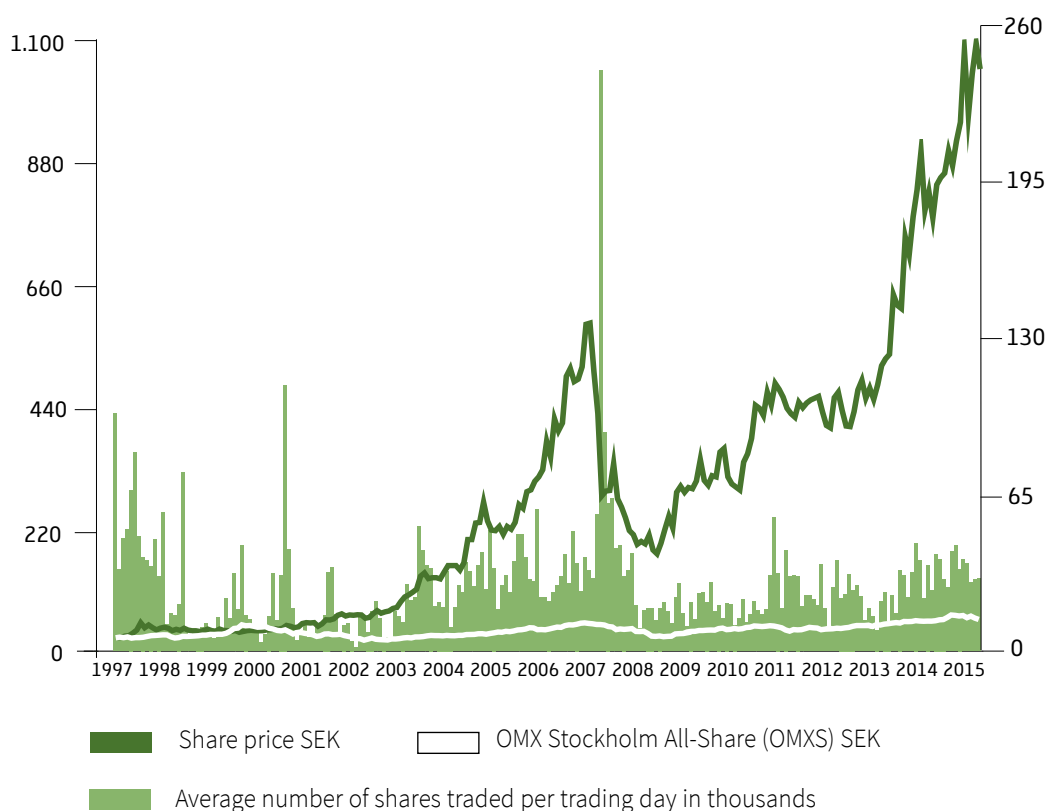
No instruments have been offset in the statement of financial position, therefore all instruments are recognised at their gross value. For a detailed account of the measurement process, see Note 2 in the Annual Report for 2014. In respect of other financial assets and liabilities in the Group, the carrying amounts represent a reasonable approximation of their fair value. A specification of the financial assets and liabilities involved is given in Note 7 in the Annual Report for 2014.

## Quarterly data

Consolidated income statements (in millions of SEK)	2015			2014				2013	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q3	Q4
Net sales	2,950	3,165	3,396	2,361	2,477	2,839	3,356	2,545	2,876
Operating expenses	- 2,687	- 2,799	- 2,892	- 2,165	- 2,204	- 2,423	- 2,856	- 2,188	- 2,453
<b>Operating profit</b>	<b>263</b>	<b>366</b>	<b>504</b>	<b>196</b>	<b>273</b>	<b>416</b>	<b>500</b>	<b>357</b>	<b>423</b>
Net financial items	- 35	- 22	- 18	- 16	- 21	- 24	- 32	- 19	- 20
<b>Profit after net financial items</b>	<b>228</b>	<b>344</b>	<b>486</b>	<b>180</b>	<b>252</b>	<b>392</b>	<b>468</b>	<b>338</b>	<b>403</b>
Tax	- 58	- 75	- 112	- 42	- 59	- 88	- 121	- 75	- 93
<b>Net profit</b>	<b>170</b>	<b>269</b>	<b>374</b>	<b>138</b>	<b>193</b>	<b>304</b>	<b>347</b>	<b>263</b>	<b>310</b>
<b>Net sales Business Areas</b>									
NIBE Energy Systems	1,722	1,948	2,081	1,313	1,445	1,693	2,056	1,499	1,658
NIBE Element	917	966	943	759	803	799	832	705	733
NIBE Stoves	351	299	421	320	264	388	511	369	523
Elimination of Group transactions	- 40	- 48	- 49	- 31	- 35	- 41	- 43	- 28	- 38
<b>Group total</b>	<b>2,950</b>	<b>3,165</b>	<b>3,396</b>	<b>2,361</b>	<b>2,477</b>	<b>2,839</b>	<b>3,356</b>	<b>2,545</b>	<b>2,876</b>
<b>Operating profit Business Areas</b>									
NIBE Energy Systems	172	286	365	127	212	299	346	264	273
NIBE Element	80	88	95	63	72	78	67	60	56
NIBE Stoves	20	10	59	15	3	64	98	39	103
Elimination of Group transactions	- 9	- 18	- 15	- 9	- 14	- 25	- 11	- 6	- 9
<b>Group total</b>	<b>263</b>	<b>366</b>	<b>504</b>	<b>196</b>	<b>273</b>	<b>416</b>	<b>500</b>	<b>357</b>	<b>423</b>

Number of shares traded per trading day in thousands

Share price in SEK



## NIBE shares

NIBE's class B shares are listed on the NASDAQ OMX Stockholm Exchange, Large Cap list, with a secondary listing on the SIX Swiss Exchange in Zürich. The NIBE share's closing price at 30 September 2015 was SEK 244.90. In the first to third quarters of 2015, NIBE's share price rose by 21.9%, from SEK 200.90 to SEK 244.90. During the same period, the OMX Stockholm All-share (OMXS) increased by 0.3%. This means that, at the end of September 2015, the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 27,001 million. A total of 27,542,633 NIBE shares were traded, which corresponds to a share turnover of 33.3% in the first three quarters of 2015.

## Accounting policies

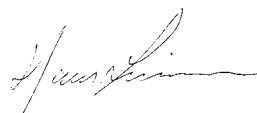
NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the third quarter of 2015 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting policies have been applied as those described on pages 66-68 of the company's Annual Report for 2014. Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ("Reporting for Legal Entities"). In the case of transactions with associates, these have taken place to the same extent as in the previous year and the same accounting policies apply as those described on page 66 of the company's Annual Report for 2014.

## Risks and uncertainties

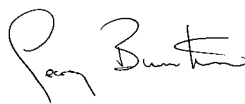
NIBE Industrier is an international industrial group that is represented in around 40 countries. As such, it is exposed to a number of business and financial risks. Risk management is therefore an important process with regard to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2014.

This interim report provides an accurate picture of the business activities, financial position and earnings of the Parent and the Group, and describes any significant risks and uncertainties faced by the Parent and the companies that comprise the Group.

Markaryd, Sweden, 13 November 2015



Hans Linnarson  
Chairman of the Board



Georg Brunstam  
Director



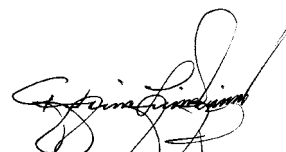
Eva-Lotta Kraft  
Director



Anders Pålsson  
Director



Helen Richmond  
Director



Gerteric Lindqvist  
Managing Director & CEO

## Review report

We have reviewed the summary interim financial information (interim report) of Nibe Industrier AB as of 30 September 2015 and the nine-month period then ended. The Board of Directors and the Managing Director 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 Standard on review engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and conse-

quently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, 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.

Markaryd, Sweden, 13 November 2015  
KPMG AB



Alf Svensson  
Authorised Public Accountant  
Senior Auditor



NIBE is an international heating technology company with business operations organised in three separate business areas; NIBE Energy Systems, NIBE Element and NIBE Stoves. Our vision is to create world-class solutions in sustainable energy. Our mission is to offer energy technology products and solutions that combine high quality with innovation. This work builds on the NIBE Group's wide-ranging expertise in the fields of product development, manufacturing and marketing.

NIBE Industrier AB is obliged by Swedish law (The Securities Market Act and/or The Financial Instruments Trading Act) to publish the information in this interim report. This information was made available to the media for publication at 08.00 (C.E.T.) on 13 November 2015.

Please e-mail any questions you have with regard to this report to:  
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Hans Backman, CFO, [hans.backman@nibe.se](mailto:hans.backman@nibe.se)

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