

## Interim Report January-June 2013

Telephone Conference July 17, 2013

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### CEO Comments

- Order intake during the quarter developed well
  - Organic growth: +13%.
- Strong development in Asia-Pacific: +32%
  - Sales Company in Malaysia continues to develop well – first SSA order recorded
- Good development in Americas
  - Break through order within cash handling in Brazil
  - Major order won in Mexico
  - Hamilton performing according to plan
- Weak development on the majority of markets in Europe
  - Stable in Business Area Global Services
  - Fixed costs still too high; efforts to reduce the cost base intensified during the quarter, will continue during the second half of the year
  - SafePay business continuing to improve
- Continued work to adapt costs in Europe and invest in growth in other parts of the world



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## Platform in South Korea acquired

"The acquisition of ATG Entrance Corporation is very much in line with Gunnebo's strategic agenda to move the point of gravity to markets outside Europe. ATG is the South Korean market leader in turnstiles with a strong existing customer base. We also see ATG as a good platform to introduce other offerings from Gunnebo into the South Korean market as well as to surrounding countries."



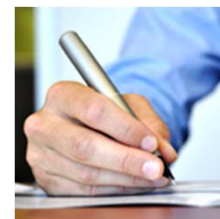
- ATG Entrance Corporation, distributor of Gunnebo turnstile product range into the South Korean market, acquired July 5
- Annual turnover of some 4 MEUR and 13 employees in its sales office in Seoul
- Solid customer base with leading South Korean corporations as LG, Samsung, Hyundai and the government of South Korea
- Holds a market leading position on the South Korean market for turnstiles

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## Second Quarter 2013

- Order intake increased to MSEK 1,454 (1,254), organically it increased by 13%. Acquired units contributed MSEK 107.
- Net sales increased to MSEK 1,325 (1,270), organically they increased by 3%. Acquired units contributed MSEK 88.
- Operating profit increased to MSEK 57 (42) and the operating margin to 4.3% (3.3%). Acquired units had a positive effect on operating profit of MSEK 15.
- Operating profit excluding expenses of a non-recurring nature of MSEK -12 (-8) amounted to MSEK 69 (50) and the operating margin to 5.2% (3.9%).
- Profit after tax for the period totalled MSEK 34 (24).
- Earnings per share were SEK 0.45 (0.32).

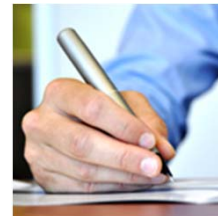


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## January-June 2013

- Order intake increased to MSEK 2,953 (2,849), organically it increased by 2%. Acquired units contributed MSEK 202.
- Net sales increased to MSEK 2,480 (2,439), organically they were unchanged. Acquired units contributed MSEK 172.
- Operating profit increased to MSEK 58 (52) and the operating margin to 2.3% (2.1%). Acquired units had a positive effect on operating profit of MSEK 25.
- Operating profit excluding expenses of a non-recurring nature of MSEK -22 (-12) increased to MSEK 80 (64) and the operating margin to 3.2% (2.6%).
- Profit after tax for the period totalled MSEK 22 (21).
- Earnings per share were SEK 0.29 (0.28).



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Business Area Bank Security & Cash Handling					
MSEK	April-June		Jan-June		Full year
	2013	2012	2013	2012	2012
Order intake	749	573	1,329	1,205	2,374
Net sales	606	556	1,122	1,050	2,386
Operating profit/loss excl. non-recurring items	33	33	34	46	158
Operating margin excl. non-recurring items, %	5.4	5.9	3.0	4.4	6.6
Non-recurring items	-5	-	-12	-	-13
Operating profit/loss	28	33	22	46	145



% of Group sales: 45%

### Market Development

- Continued good growth in Asia
- Good development in Americas
- Weaker development in Europe & Middle East

### Profit analysis

The continued strong profit development in the Asia-Pacific and Americas regions, along with implemented cost reductions, could not fully offset the weaker development in Europe.

Market initiatives to launch concept solutions in cash handling on growth markets such as Brazil, Indonesia, China and Malaysia have incurred certain costs during the period.



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## Gunnebo Seals Brazilian Cash Handling Order

- First major order for cash handling solutions in Brazil from retail chain, Riachuelo, received in June



"Previously we operated with a team specifically for dealing with cash, but with Intelisafe we now give every till operator the responsibility of depositing money directly into the safe, thereby getting the most out of our resources."

**Lenivaldo Barros, Auditor at Riachuelo**

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### Business Area Secure Storage

MSEK	April-June		Jan-June		Full year
	2013	2012	2013	2012	2012
Order intake	220	211	410	407	801
Net sales	209	207	388	385	781
Operating profit/loss excl. non-recurring items	14	11	21	13	30
Operating margin excl. non-recurring items, %	6.7	5.3	5.4	3.4	3.8
Non-recurring items	-1	-	-2	-	-11
Operating profit/loss	13	11	19	13	19



% of Group sales: 16%

### Market Development

- Strong order intake from global manufacturers of ATMs, especially in India and South Africa
- Weaker development in Europe

### Profit analysis

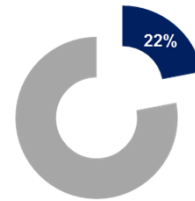
The improved operating profit can be attributed to a decrease in fixed costs, improved capacity utilisation at the Group's production facilities and a favourable product mix.



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Business Area Global Services					
MSEK	April-June		Jan-June		Full year
	2013	2012	2013	2012	2012
Order intake	225	211	702	722	1,138
Net sales	274	283	542	570	1,143
Operating profit/loss excl. non-recurring items	26	25	48	47	110
Operating margin excl. non-recurring items, %	9.5	8.8	8.9	8.2	9.6
Non-recurring items	-4	-	-5	-	-9
Operating profit/loss	22	25	43	47	101



% of Group sales: 22%

### Market Development

- Slow start of the year in Europe, improved order intake in the second quarter
- Good development in Americas and Asia

### Profit analysis


The operating profit and operating margin showed stable development, despite a weak market in parts of Europe.



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## Gunnebo Signs Major Order With Mexican BBVA Bancomer

- MEUR 8.8 contract with Mexican BBVA Bancomer 
- The contract, which runs over three years, includes maintenance and equipment refurbishment of BBVA Bancomer branches in large parts of Mexico.

"With this order BBVA Bancomer is declaring its trust in Gunnebo Mexico and emphasizing its commitment with the continuous improvement of bank security in the process of consolidation and expansion of BBVA in Mexico."

**Carlos Sanroma, Institutional Security Manager of BBVA Bancomer**

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### Business Area Entrance Control

MSEK	April-June		Jan-June		Full year
	2013	2012	2013	2012	2012
Order intake	183	181	344	339	674
Net sales	159	161	290	308	663
Operating profit/loss excl. non-recurring items	7	2	7	2	47
Operating margin excl. non-recurring items, %	4.4	1.2	2.4	0.6	7.1
Non-recurring items	-1	-1	-2	-1	-33
Operating profit/loss	6	1	5	1	14



% of Group sales: 12%

### Market Development

- Stable development of order intake
- Good growth in region Americas, China, Indonesia and South Europe

### Profit analysis

The improved operating profit can mainly be attributed to the relocation of the Business Area's production to low-cost countries.



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### Developing Businesses

MSEK	April-June		Jan-June		Full year
	2013	2012	2013	2012	2012
Order intake	77	78	168	176	263
Net sales	77	63	138	126	263
Operating profit/loss excl. non-recurring items	-1	-12	-11	-25	-42
Operating margin excl. non-recurring items, %	-1.3	-19.0	-8.0	-19.8	-16.0
Non-recurring items	0	-	0	-	-1
Operating profit/loss	-1	-12	-11	-25	-43



% of Group sales: 5%

### SafePay

- Zero result reported for the second quarter, which is an important milestone for SafePay
- A result of streamlining within production, purchasing and quality, as well as efforts in recent years to streamline the service delivery

MSEK	April-June		Jan-June		Full year
	2013	2012	2013	2012	2012
Order intake	53	57	123	134	169
Net sales	53	40	93	81	167
Operating profit/loss excl. non-recurring items	0	-11	-7	-23	-35
Operating margin excl. non-recurring items, %	0.0	-27.5	-7.5	-28.4	-21.0
Non-recurring items	0	-	0	-	-1
Operating profit/loss	0	-11	-7	-23	-35

### Gateway



- The market for Electronic Article Surveillance in the retail sector was weak during the first months of the year. We can, however, note increased demand towards the end of the period.

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## Gunnebo Global Market Trends January-June 2013

- Asia-Pacific 
- Americas 

### Europe, Middle East & Africa

- North Europe 
- South Europe 
- France 
- Africa & Middle East 

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# FINANCIALS

**Christian Johansson**  
**CFO**

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### Summary Group income statement

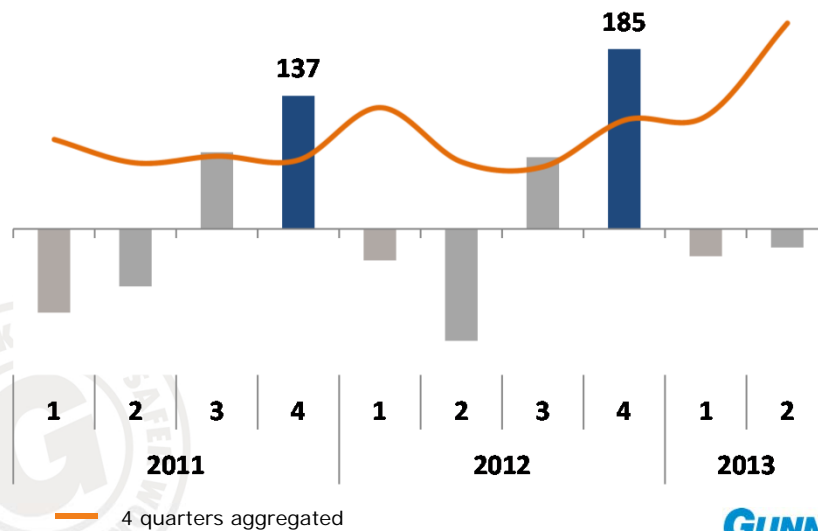
MSEK	April-June		Jan-June		Full year
	2013	2012	2013	2012	2012
Net sales	1,325	1,270	2,480	2,439	5,236
Cost of goods sold	-918	-889	-1,745	-1,714	-3,666
<b>Gross profit</b>	<b>407</b>	<b>381</b>	<b>735</b>	<b>725</b>	<b>1,570</b>
Other operating costs, net	-350	-339	-677	-673	-1,391
<b>Operating profit/loss</b>	<b>57</b>	<b>42</b>	<b>58</b>	<b>52</b>	<b>179</b>
Net financial items	-7	-4	-16	-8	-66
<b>Profit/loss after financial items</b>	<b>50</b>	<b>38</b>	<b>42</b>	<b>44</b>	<b>113</b>
Taxes	-16	-14	-20	-23	-89
<b>Profit/loss for the period</b>	<b>34</b>	<b>24</b>	<b>22</b>	<b>21</b>	<b>24</b>
<i>Whereof attributable to:</i>					
Parent company shareholders	34	24	22	21	19
Non-controlling interests	0	0	0	0	5
	<b>34</b>	<b>24</b>	<b>22</b>	<b>21</b>	<b>24</b>
<b>Earnings per share before dilution, SEK</b>	<b>0.45</b>	<b>0.32</b>	<b>0.29</b>	<b>0.28</b>	<b>0.26</b>
<b>Earnings per share after dilution, SEK</b>	<b>0.45</b>	<b>0.32</b>	<b>0.29</b>	<b>0.28</b>	<b>0.26</b>

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### Operating Cash Flow

M SEK



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## Group Liquid Funds and Financial Position

- The Group's liquid funds at the end of the period amounted to MSEK 291 (350\*)
- Equity totalled MSEK 1,456 (1,533\*), giving an equity ratio of 34% (36\*).
- Net debt amounted to MSEK 1,242 (1,026\*). Excluding pension commitments it amounted to MSEK 899 (684\*).
- Debt/equity ratio amounted to 0.9 (0.7\*).

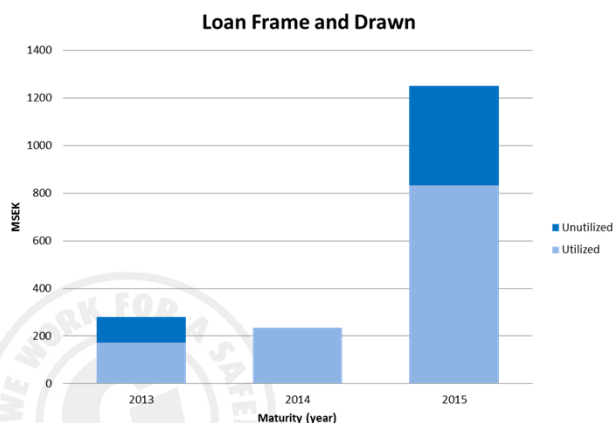
\*at the beginning of the year



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## Loan Frame: June 2013



- The Group's credit framework amounted to MSEK 1,766 on June 30, 2013
- Utilised on June 30, 2013: MSEK 1,241

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## Gunnebo's Key Priorities 2013

- **Growth**
- **Gross Margin Improvements**
- **Fixed Cost Savings in Europe**
- **SafePay**
- **Hamilton Safe**

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## Financial Calendar

### Financial Calendar

Interim report January-September	October 24, 2013
Year-end release 2013	January 31, 2014
AGM 2014	April 10, 2014
Interim report January-March 2014	April 29, 2014

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# Q&A



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A stylized world map graphic in shades of blue and green, centered on the page. The text 'THE LEADING GLOBAL PROVIDER OF A SAFER FUTURE' is overlaid on the map in orange.

**THE LEADING GLOBAL  
PROVIDER OF  
A SAFER FUTURE**