"During the second quarter we delivered an operating margin of 6.8% with a good underlying growth within Entrance Security and Cash Management."

Gunnebo's Product Areas and % of Sales YTD 2017

20%

Cash Management

- Deposit
- Dispensing
- Recycling
- Closed Cash Management Systems
- Services

22%

Entrance Security

- Entrance Control
- Security Doors & Partitions
- Electronic Article Surveillance
- Services

34%

Safes & Vaults

- Safes
- Vaults & Vault Doors
- Safe Deposit Lockers
- ATM Safes
- Services

18%

Electronic Security

- Access Control
- Intrusion Detection
- Electronic Locking
- Remote Monitoring
- Services

6%

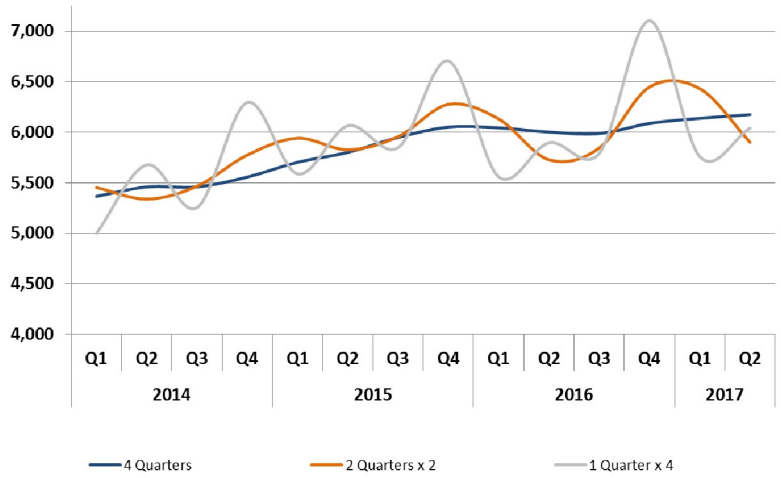
Other

- Fire Safety products and services
- Other traded products and services

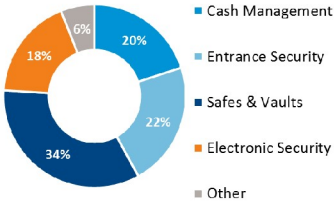
Second Quarter 2017 in Brief

Q2 IN BRIEF	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales, MSEK	1,510	1,474	2,950	2,864	6,088
EBITDA excl. non-recurring items, MSEK	132	132	227	219	561
EBITDA margin excl. non-recurring items, %	*8.7*	*9.0*	*7.7*	*7.7*	*9.2*
EBITDA, MSEK	121	109	210	191	489
EBITDA margin, %	*8.0*	*7.4*	*7.1*	*6.7*	*8.0*
Operating profit (EBIT) excl. non-recurring items, MSEK	103	103	168	161	438
Operating margin (EBIT) excl. non-recurring items, %	*6.8*	*7.0*	*5.7*	*5.6*	*7.2*
Operating profit (EBIT), MSEK	92	80	151	133	366
Operating margin (EBIT), %	*6.1*	*5.4*	*5.1*	*4.6*	*6.0*
Net profit for the period, MSEK	39	42	68	62	209
Basic earnings per share, SEK	0.51	0.55	0.88	0.81	2.71
Free cash flow, MSEK	-76	27	-82	34	159

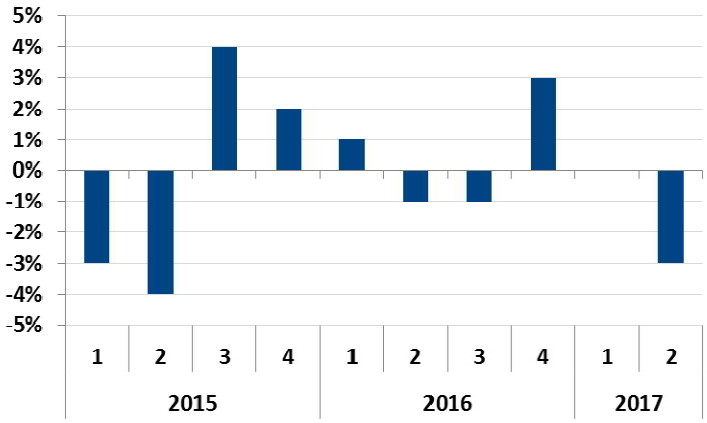
Net Sales, MSEK



Sales by Product Area, YTD



Organic Sales Growth by Quarter



Sales Growth by Quarter and YTD by Region

SALES VS LAST YEAR (QTD)

	Organic	Structure	Currency	Total
EMEA	-2%	0%	3%	**1%**
APAC	-9%	0%	8%	**-1%**
AMERICAS	4%	0%	7%	**11%**
TOTAL	**-3%**	**0%**	**5%**	**2%**

SALES VS LAST YEAR (YTD)

	Organic	Structure	Currency	Total
EMEA	0%	0%	2%	**2%**
APAC	-8%	0%	7%	**-1%**
AMERICAS	3%	0%	7%	**10%**
TOTAL	**-1%**	**0%**	**4%**	**3%**

Organic Sales Growth Development by Region Q2 2017 vs Q2 2016

EMEA

Sales: -2%

Asia-Pacific

Sales: -9%

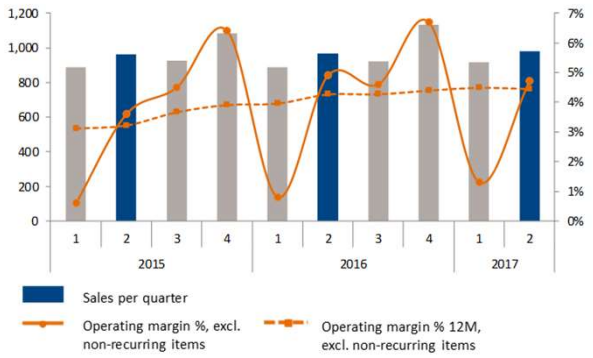
Americas

Sales: +4%

Group

Sales: -3%

Region Europe, Middle East & Africa Q2 2017

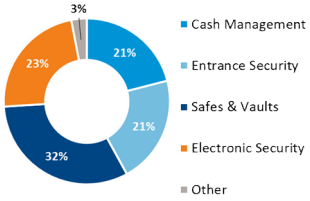


- Sales decreased organically by -2%
- Good development in all markets except France and South Africa
- Excluding France, sales in the region saw an organic growth of 4%
- Cash Management, Entrance Security and Safes & Vaults showed sales growth in the quarter
- Weaker development of Electronic Security, especially to market segment Bank in France

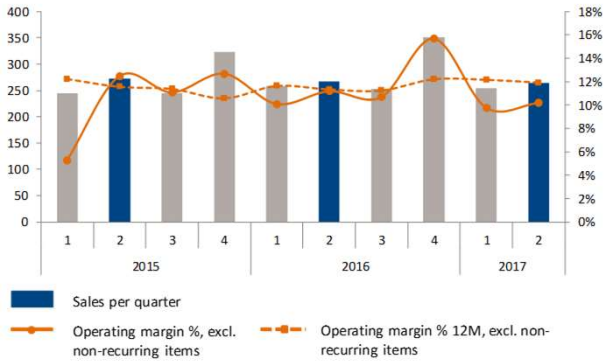
REGION EMEA

	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales, MSEK	979	966	1,898	1,854	3,907
Organic growth, %	*-2*	*-1*	*0*	*-1*	*0*
Operating profit excl. non-recurring items, MSEK	46	47	58	54	172
Operating margin excl. non-recurring items, %	*4.7*	*4.9*	*3.1*	*2.9*	*4.4*
Non-recurring items, MSEK	-10	-22	-16	-25	-59
Operating profit, MSEK	36	25	42	29	113

EMEA Sales by Product Area, YTD 2017



Region Asia-Pacific Q2 2017

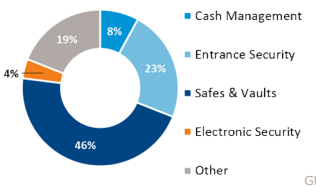


- Sales decreased organically by 9%. Excluding major sales into the OKI project Q2 2016, organic growth was flat.
- Sales in China, Australia and South-East Asia developed well
- Weaker development of sales in India due to a weak public bank sector
- Gunnebo sees opportunities in the Indian market and is working intensively to grow the Indian business into other market segments
- Cash Management and Entrance Security sales developed well
- Safes & Vaults had a weaker sales development

REGION ASIA-PACIFIC

	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales, MSEK	264	267	518	525	1,129
Organic growth, %	*-9*	*4*	*-8*	*7*	*5*
Operating profit excl. non-recurring items, MSEK	27	30	52	56	138
Operating margin excl. non-recurring items, %	*10.2*	*11.2*	*10.0*	*10.7*	*12.2*
Non-recurring items, MSEK	-	-1	-	-1	-5
Operating profit, MSEK	27	29	52	55	133

APAC Sales by Product Area, YTD 2017

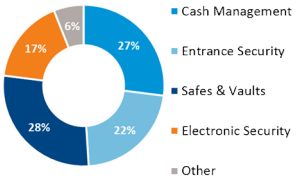


Region Americas Q2 2017

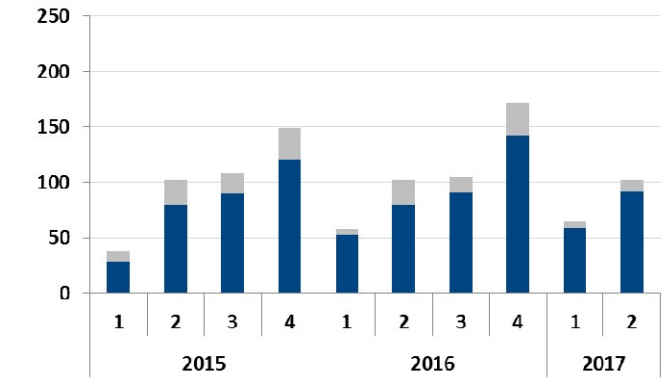
- Sales increased organically by 4%
- Positive development of sales in US and Canada
- Weaker sales in Mexico and Brazil due to a slow investment climate
- New channel partners appointed in the US, giving Gunnebo an even stronger footprint
- Good development of sales within Safes & Vaults, Entrance Security and Electronic Security
- Cash Management had a flat sales development

REGION AMERICAS	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales, MSEK	267	241	534	485	1,052
Organic growth, %	*4*	*-6*	*3*	*-4*	*-2*
Operating profit excl. non-recurring items, MSEK	30	26	58	51	128
Operating margin excl. non-recurring items, %	*11.2*	*10.8*	*10.9*	*10.5*	*12.2*
Non-recurring items, MSEK	-1	0	-1	-2	-8
Operating profit, MSEK	29	26	57	49	120

Americas Sales by Product Area, YTD 2017



Operating Profit by Quarter, MSEK

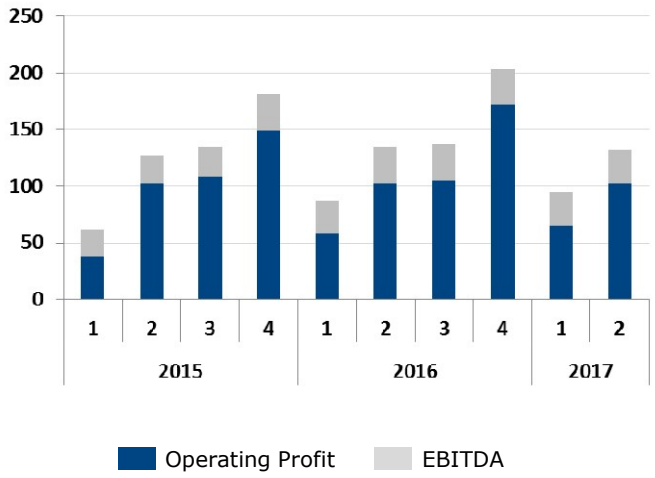


Full year
Operating profit
excl. non-recurring items
2016: 438
2015: 397

Operating profit
2016: 366
2015: 320

Operating profit Operating profit, excl. non-recurring items

Operating Profit and EBITDA by Quarter, excl. Non-Recurring Items

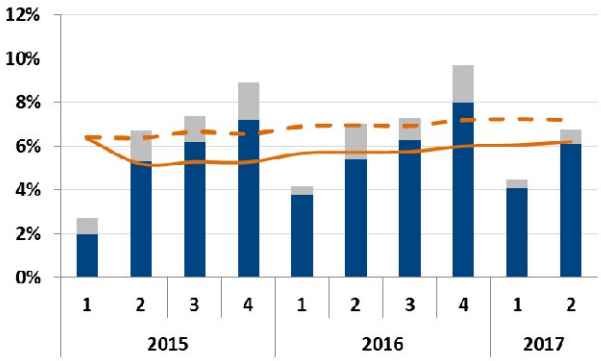


Operating Profit Bridge by Quarter and YTD

OPERATING PROFIT BRIDGE	Q2
Operating profit 2016	**80**
Organic	-9
Structure	26
Currency	10
Other	-15
Operating profit 2017	**92**

OPERATING PROFIT BRIDGE	YTD
Operating profit 2016	**133**
Organic	-8
Structure	36
Currency	18
Other	-28
Operating profit 2017	**151**

Operating Margin by Quarter, %



Full year
Operating margin,
excl. non-recurring items
2016: 7.2
2015: 6.6

Operating margin
2016: 6.0
2015: 5.3

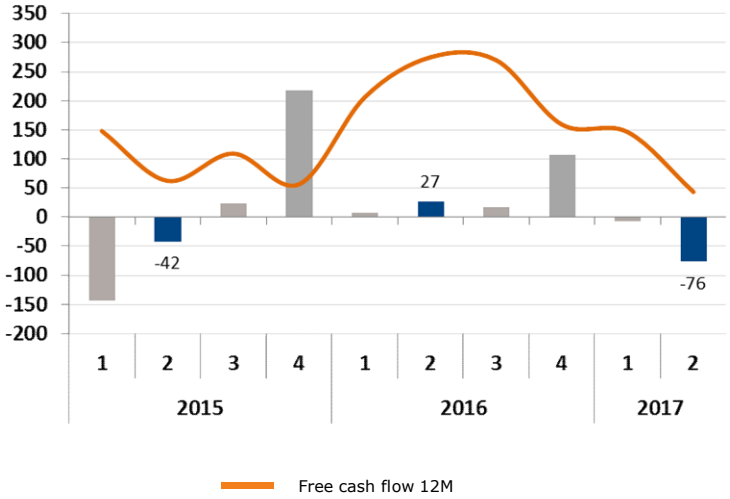
Operating margin %, quarter
Operating margin % quarter, excl. non-recurring items
Operating margin %, LTM
Operating margin % LTM, excl. non-recurring items

Group Income Statement

CONDENSED CONSOLIDATED INCOME STATEMENTS

MSEK	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Net sales	1,510	1,474	2,950	2,864	6,088
Cost of goods sold	-1,065	-1,049	-2,100	-2,042	-4,319
Gross profit	445	425	850	822	1,769
Selling and administrative expenses	-356	-349	-704	-695	-1,417
Other operating income and expenses, net	3	4	5	6	14
Operating profit	92	80	151	133	366
Financial income and expenses, net	-17	-12	-30	-26	-53
Profit before taxes	75	68	121	107	313
Income tax	-36	-26	-53	-45	-104
Net profit for the period	39	42	68	62	209
Net profit attributable to:					
Shareholders of the Parent Company	39	41	67	61	206
Non-controlling interests	0	1	1	1	3
Net profit for the period	39	42	68	62	209
Basic earnings per share, SEK	0.51	0.55	0.88	0.81	2.71
Diluted earnings per share, SEK	0.51	0.55	0.87	0.81	2.70

Free Cash Flow by Quarter and Last Twelve Months



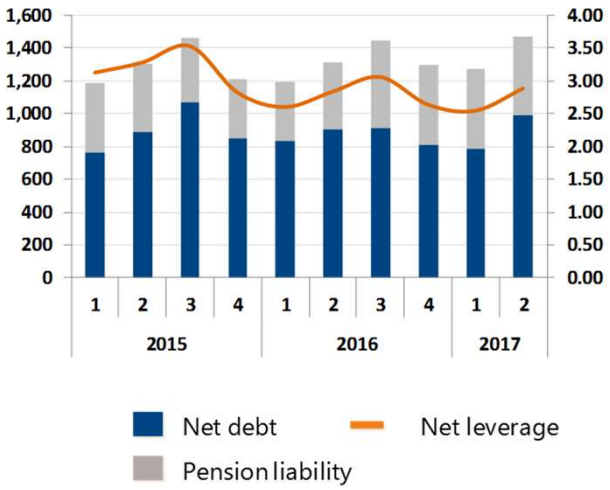
Free Cash Flow

FREE CASH FLOW

MSEK	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year
Operating profit	92	80	151	133	366
Depreciation	16	15	34	31	68
Amortisation- acquisition-related intangibles	6	6	12	12	24
Amortisation - other intangibles	7	8	13	15	31
Other	-57	-12	-85	-63	-133
Change in working capital	-109	-47	-148	-69	-122
Operating cash flow	-45	50	-23	59	234
Investing cash flow excluding acquisitions	-31	-23	-59	-25	-75
Free cash flow	-76	27	-82	34	159

Net Debt

NET DEBT INCL. & EXCL. PENSION + NET LEVERAGE



Gunnebo Re-Finances Group's Long-Term Credit Facilities

- New financing consists of a seven-year bilateral financing provided by AB Svensk Exportkredit of MEUR 75 and a five-year syndicated loan facility of MEUR 140 provided by BNP Paribas and SEB with SEB as facility agent.
- The new financing means the Group has extended its core funding from 1,600 MSEK to 2,100 MSEK.

"We are very pleased with our refinancing process, which has resulted in an increased loan facility with improved terms. This gives us better opportunities to invest in profitable growth through research and development, structural changes and acquisitions."

Henrik Lange, President & CEO

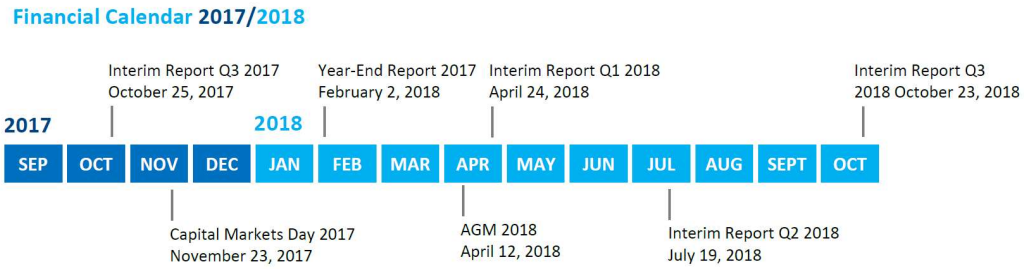
Group Financial Targets & Outcome

FINANCIAL TARGETS & OUTCOME	2017 Q2	2016 Q2	2017 YTD	2016 YTD	2016 Full year	2017 12M	Target
Organic growth	-3%	-1%	-1%	0%	1%	0%	5%
Operating margin[1)]	6.8%	7.0%	5.7%	5.6%	7.2%	7.2%	7.0%
Return on capital employed[1) 2)]	12.5%	12.7%	12.5%	12.7%	12.8%	12.5%	15.0%
Equity ratio	33%	33%	33%	33%	34%	33%	30%

[1)] Excluding non-recurring items

[2)] During the last twelve-month period

Financial Calendar 2017



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