

Q1 Report 2017

April 28, 2017

"In the first quarter, we delivered an operating margin of 4.5% and we continue to improve the margins in Europe."



Gunnebo's Product Areas and % of Sales YTD Q1 2017

19%



Cash Management

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

21%



Entrance Security

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

35%



Safes & Vaults

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

18%



Electronic Security

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

7%



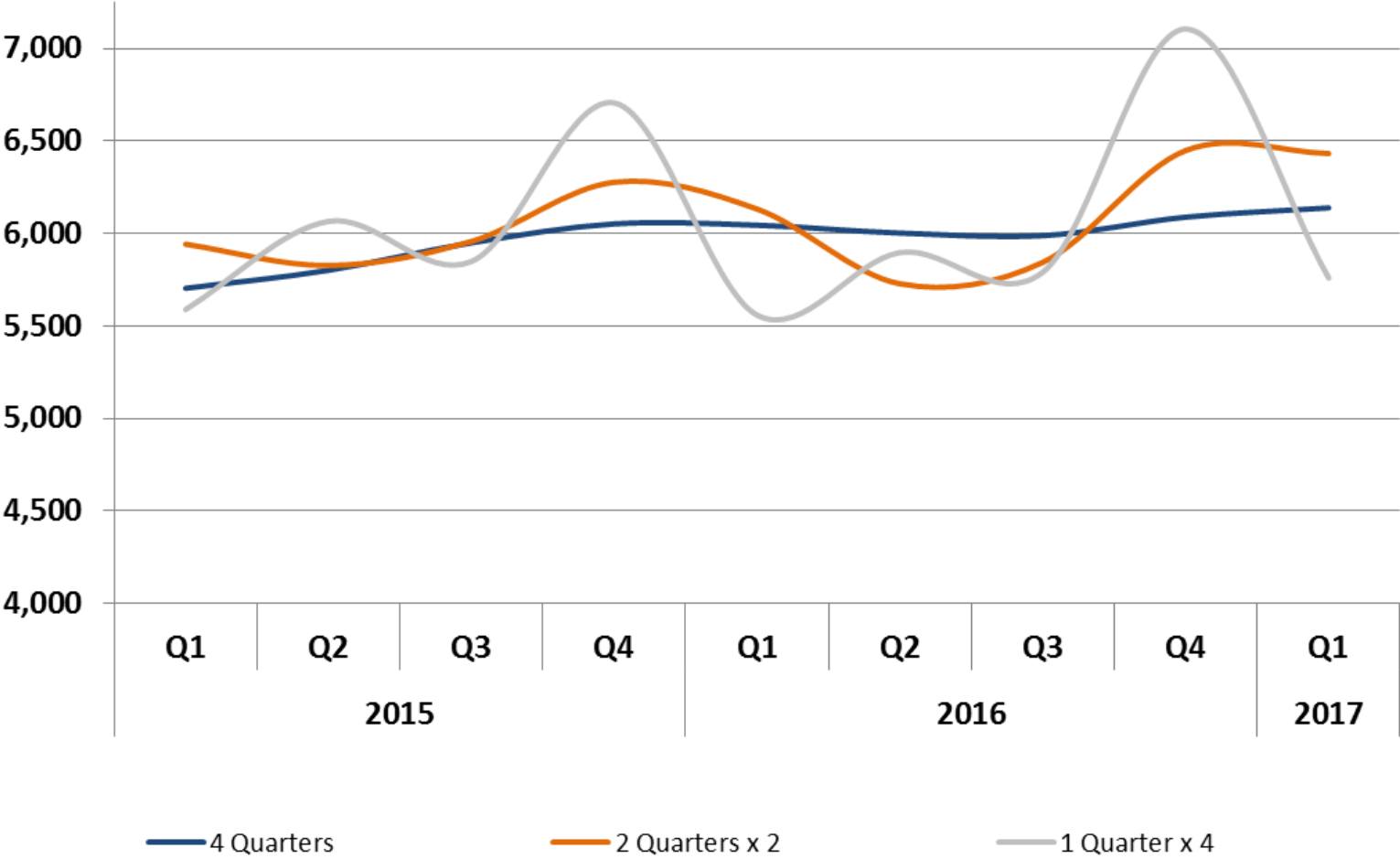
Other

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

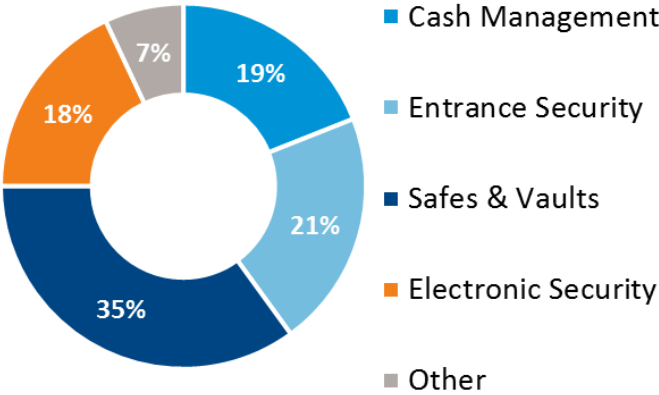
First Quarter 2017 in Brief

Q1 IN BRIEF	2017 Q1	2016 Q1	2016 Full year
Net sales, MSEK	1,440	1,390	6,088
EBITDA excl. non-recurring items, MSEK	95	87	561
<i>EBITDA margin excl. non-recurring items, %</i>	<i>6.6</i>	<i>6.2</i>	<i>9.2</i>
EBITDA, MSEK	89	82	489
<i>EBITDA margin, %</i>	<i>6.2</i>	<i>5.9</i>	<i>8.0</i>
Operating profit (EBIT) excl. non-recurring items, MSEK	65	58	438
<i>Operating margin (EBIT) excl. non-recurring items, %</i>	<i>4.5</i>	<i>4.2</i>	<i>7.2</i>
Operating profit (EBIT), MSEK	59	53	366
<i>Operating margin (EBIT), %</i>	<i>4.1</i>	<i>3.8</i>	<i>6.0</i>
Net profit for the period, MSEK	29	20	209
Basic earnings per share, SEK	0.37	0.26	2.71
Free cash flow, MSEK	-6	7	159

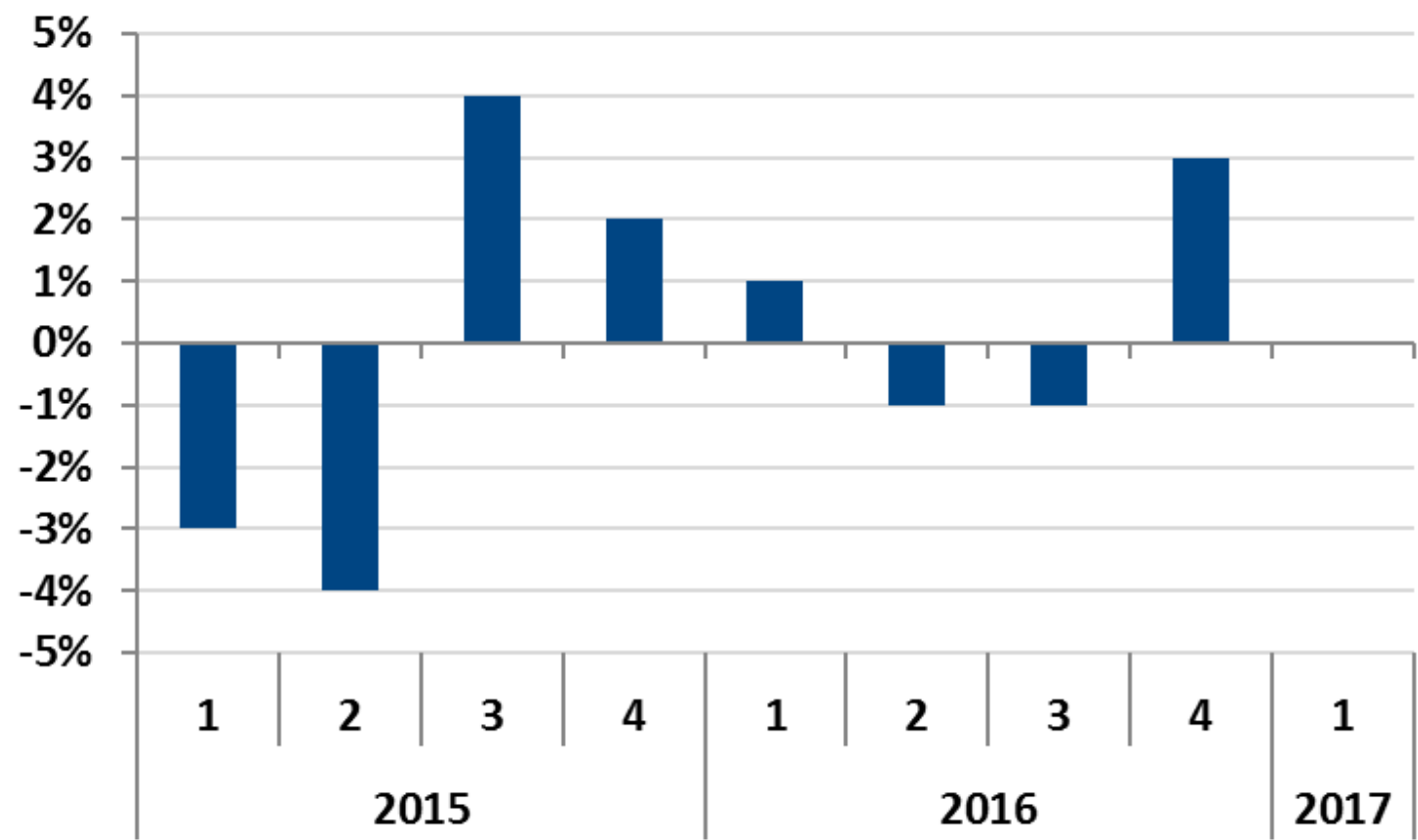
Net Sales, MSEK



Sales by Product Area, Q1



Organic Sales Growth by Quarter



SALES VS LAST YEAR (QTD)

	Organic	Structure	Currency	Total
EMEA	2%	0%	2%	4%
APAC	-8%	0%	6%	-2%
AMERICAS	3%	0%	7%	10%
TOTAL	0%	0%	4%	4%

Organic Sales Growth Development by Region Q1 2017 vs Q1 2016

EMEA

Sales: +2%



Asia-Pacific

Sales: -8%



Americas

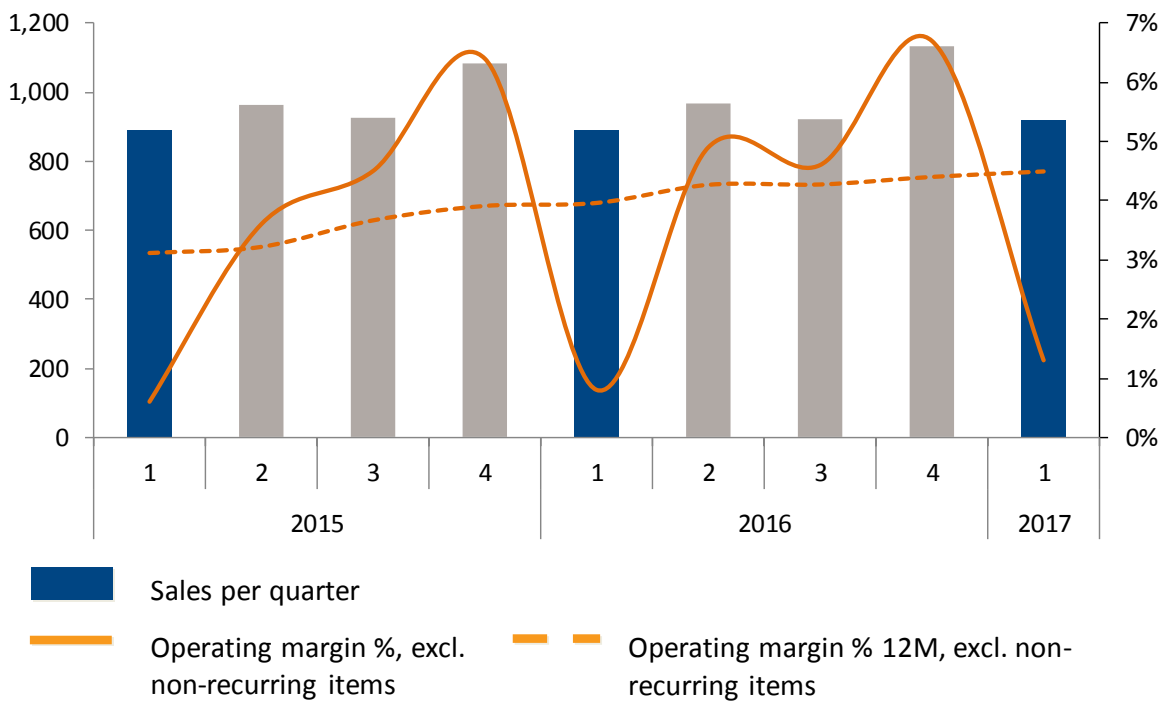
Sales: +3%



Group

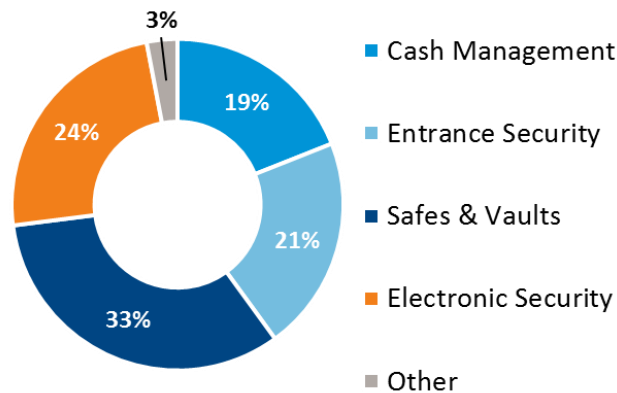
Sales: +0%

Region Europe, Middle East & Africa Q1 2017



- Sales increased organically by 2%
- Good development in Nordic, Central, South and East Europe as well as Middle East
- Weaker development in France, UK and South Africa
- Cash Management, Entrance Security and Safes & Vaults showed sales growth in the quarter
- Weaker development of Electronic Security
- Continued increased profitability in Europe: Operating margin up to 1.3%

EMEA Sales by Product Area, Q1 2017



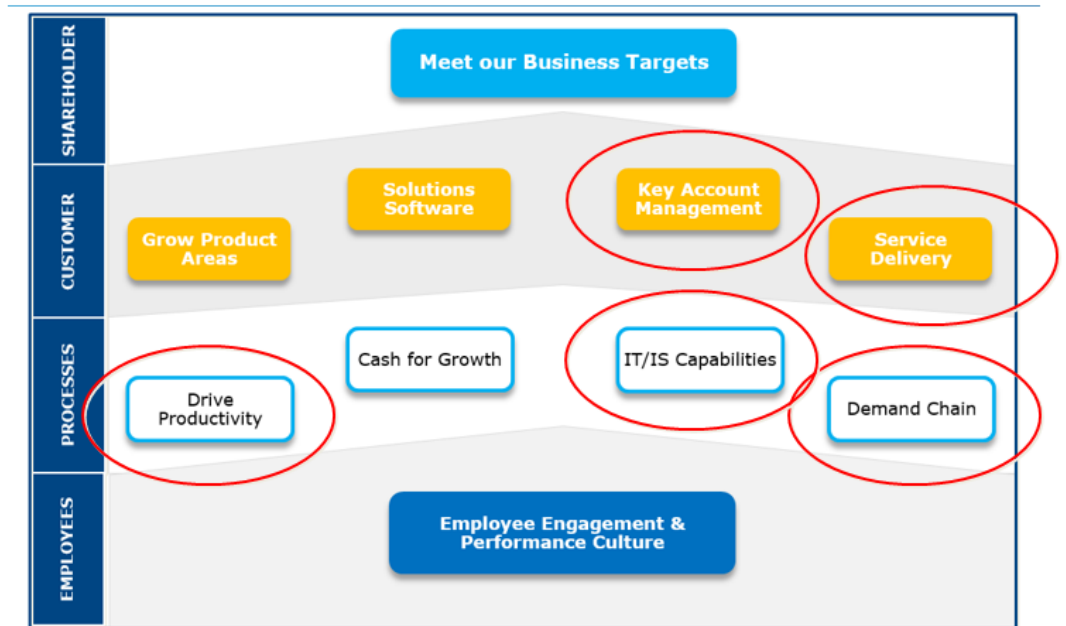
REGION EMEA

	2017 Q1	2016 Q1	2016 Full year
Net sales, MSEK	919	888	3,907
Organic growth, %	2	-1	0
Operating profit excl. non-recurring items, MSEK	12	7	172
Operating margin excl. non-recurring items, %	1.3	0.8	4.4
Non-recurring items, MSEK	-6	-3	-59
Operating profit, MSEK	6	4	113

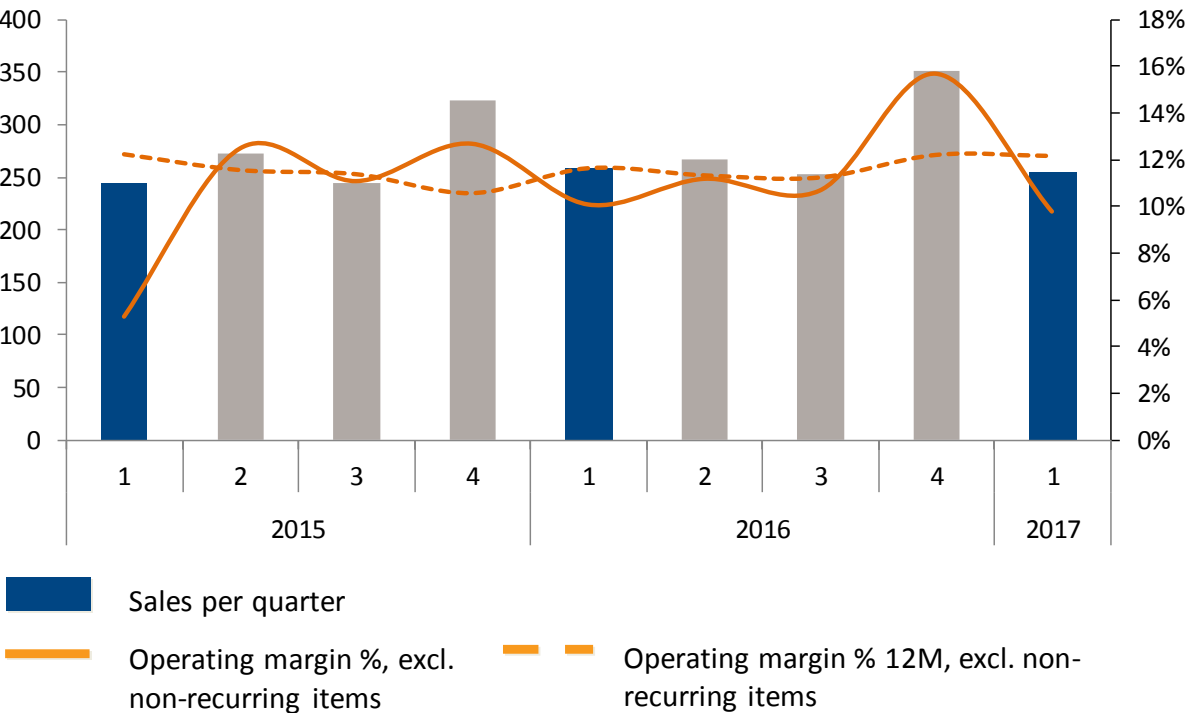
Continued Focus on Increased Productivity and Structural Changes in Europe

- Europe has continued to increase productivity and make structural changes during recent years
- Gunnebo will continue with these activities in its European organisation
- These activities are connected to the Strategy Roadmap and focus on:
 - Boosting the Key Account business
 - Driving productivity
 - Optimising service delivery
 - Strengthening IS/IT capabilities
 - Improving supply chain

GUNNEBO'S STRATEGY ROADMAP



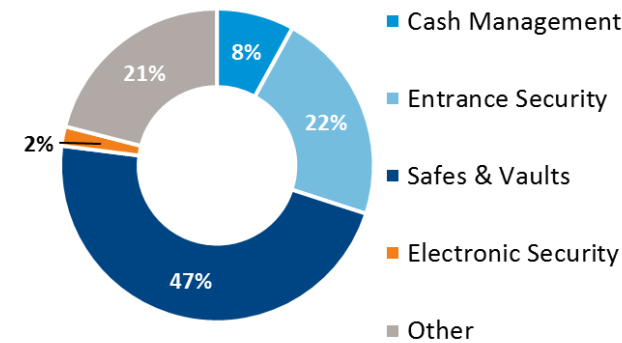
Region Asia-Pacific Q1 2017



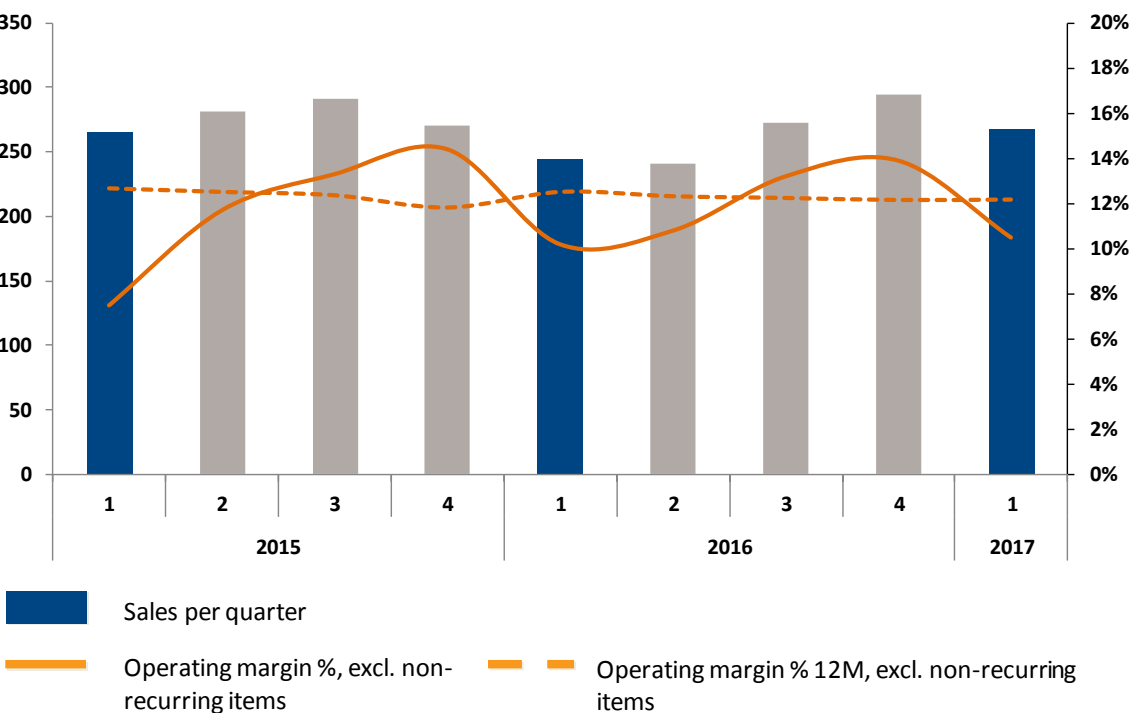
- Sales decreased organically by 8%
- Sales in China, Australia and Singapore developed well
- Weaker development of sales in India due to a weak public bank market
- Weaker development in Indonesia based on strong sales Q1 last year of the OKI project
- Cash Management and Entrance Security sales developed well
- Mixed development in sales of Safes & Vaults
- Operating profit amounted to MSEK 25 giving an operating margin of 9.8%
- Tight cost control did not fully compensate for the negative sales growth

REGION ASIA-PACIFIC	2017 Q1	2016 Q1	2016 Full year
Net sales, MSEK	254	258	1,129
Organic growth, %	-8	10	5
Operating profit excl. non-recurring items, MSEK	25	26	138
Operating margin excl. non-recurring items, %	9.8	10.1	12.2
Non-recurring items, MSEK	-	-	-5
Operating profit, MSEK	25	26	133

APAC Sales by Product Area, Q1 2017



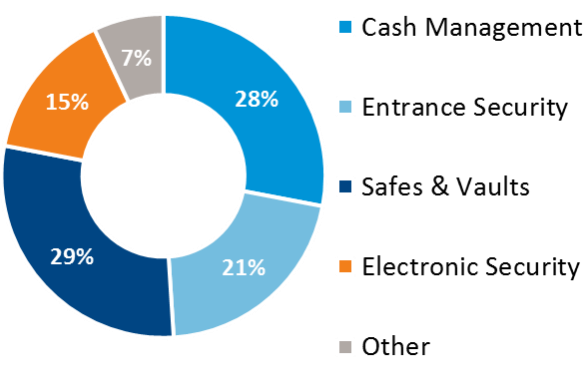
Region Americas Q1 2017



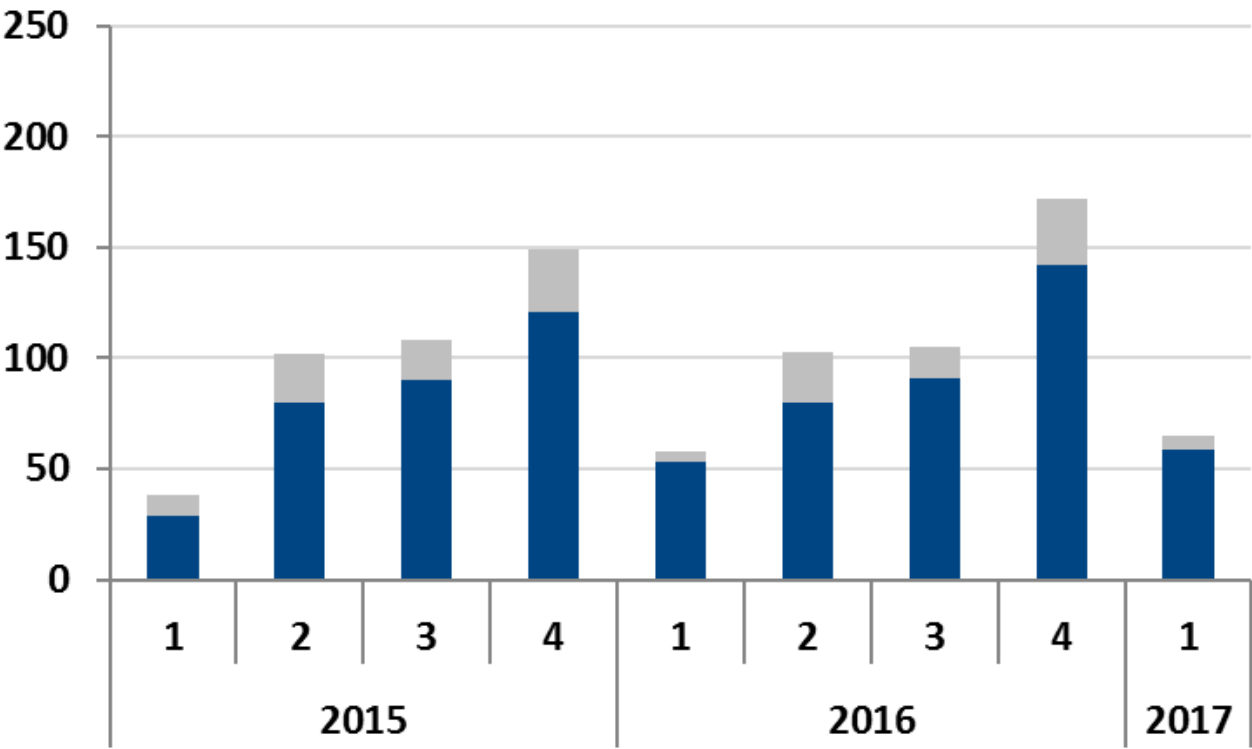
REGION AMERICAS	2017 Q1	2016 Q1	2016 Full year
Net sales, MSEK	267	244	1,052
Organic growth, %	3	-1	-2
Operating profit excl. non-recurring items, MSEK	28	25	128
Operating margin excl. non-recurring items, %	10.5	10.2	12.2
Non-recurring items, MSEK	-	-2	-8
Operating profit, MSEK	28	23	120

- Sales increased organically by 3%
- Positive development of sales in both US and Brazil
- Weaker sales in Mexico due to a slow investment climate
- Good development of sales within Cash Management and Safes & Vaults
- Entrance Security and Electronic Security had a slow start to the year across the region
- Operating profit improved to MSEK 28 giving an operating margin of 10.5%

Americas Sales by Product Area, Q1 2017



Operating Profit by Quarter, MSEK



**Full year
Operating profit
excl. non-recurring
items**

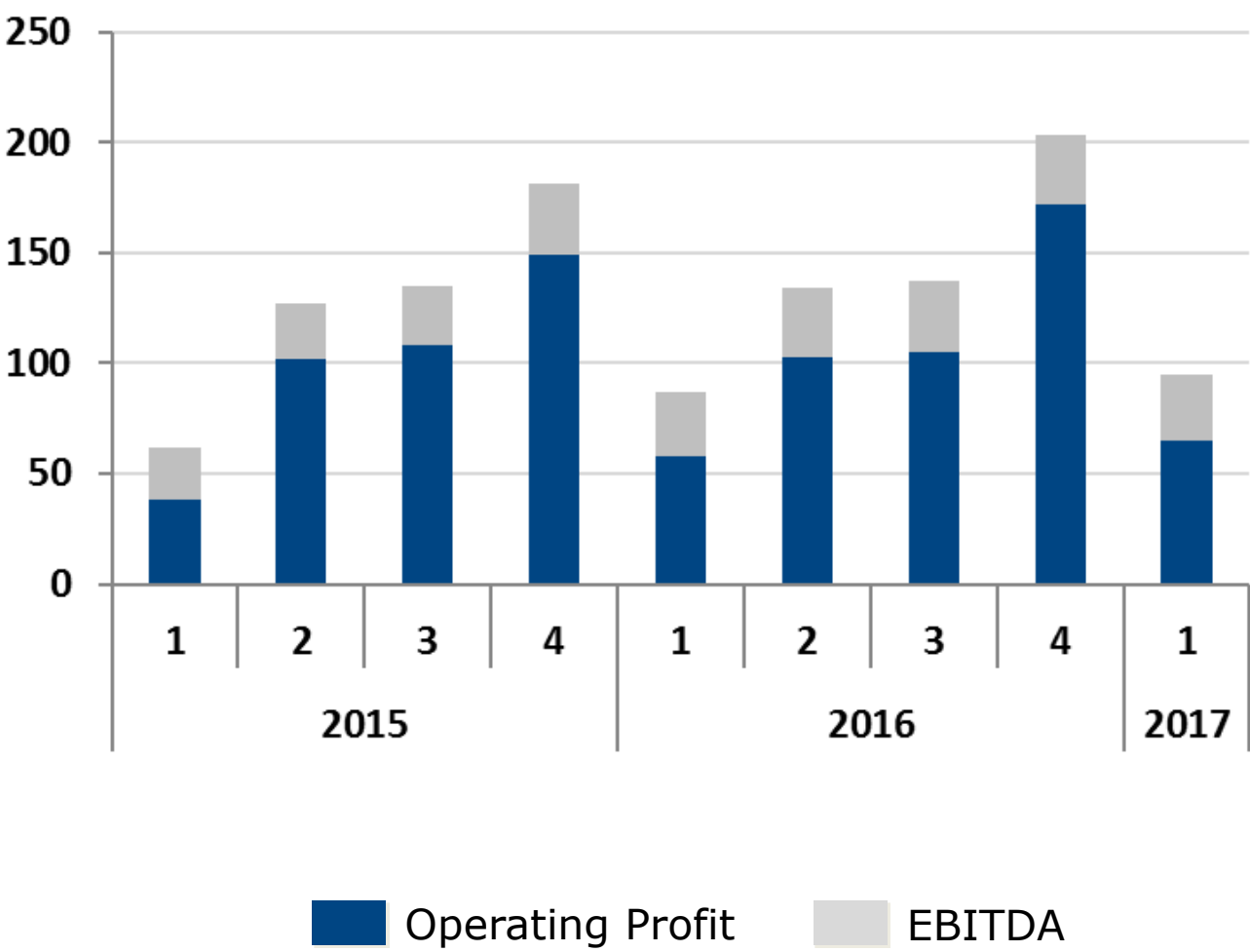
2016: 438
2015: 397

Operating profit

2016: 366
2015: 320

Operating profit Operating profit, excl. non-recurring items

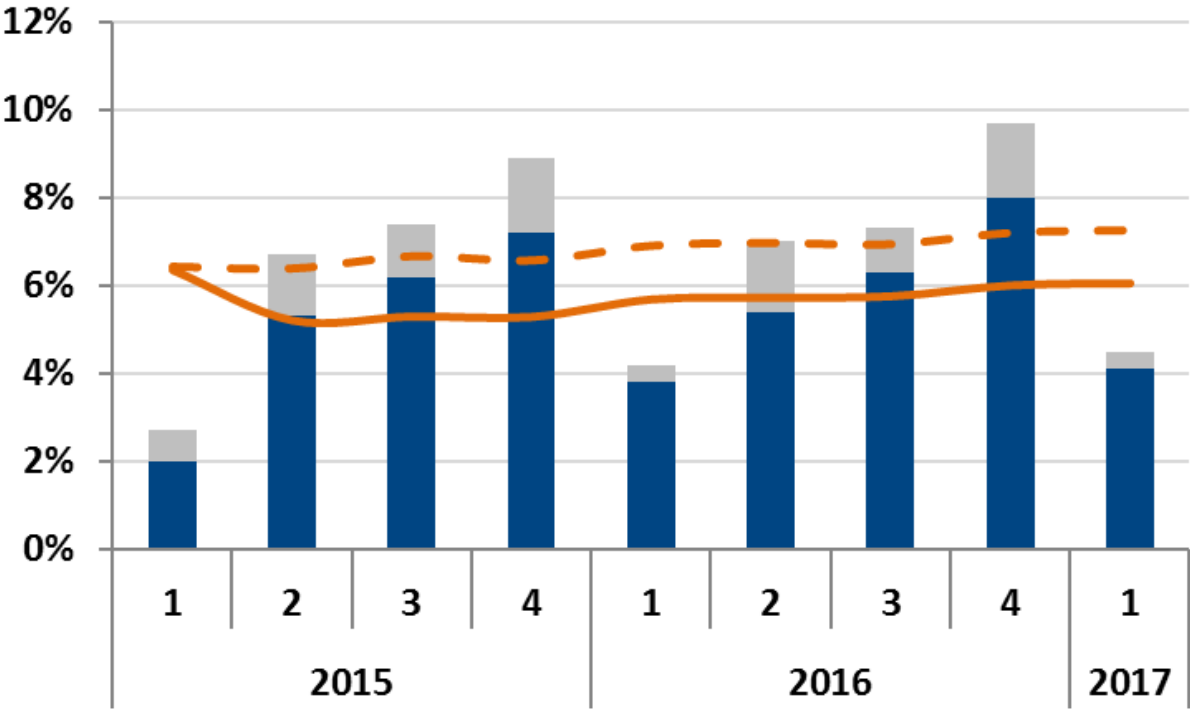
Operating Profit and EBITDA by Quarter, excl. Non-Recurring Items



Operating Profit Bridge by Quarter

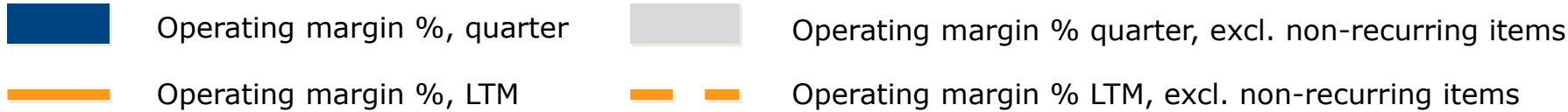
OPERATING PROFIT BRIDGE	Q1
Operating profit 2016	53
Organic	0
Structure	10
Currency	8
Other	-12
Operating profit 2017	59

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

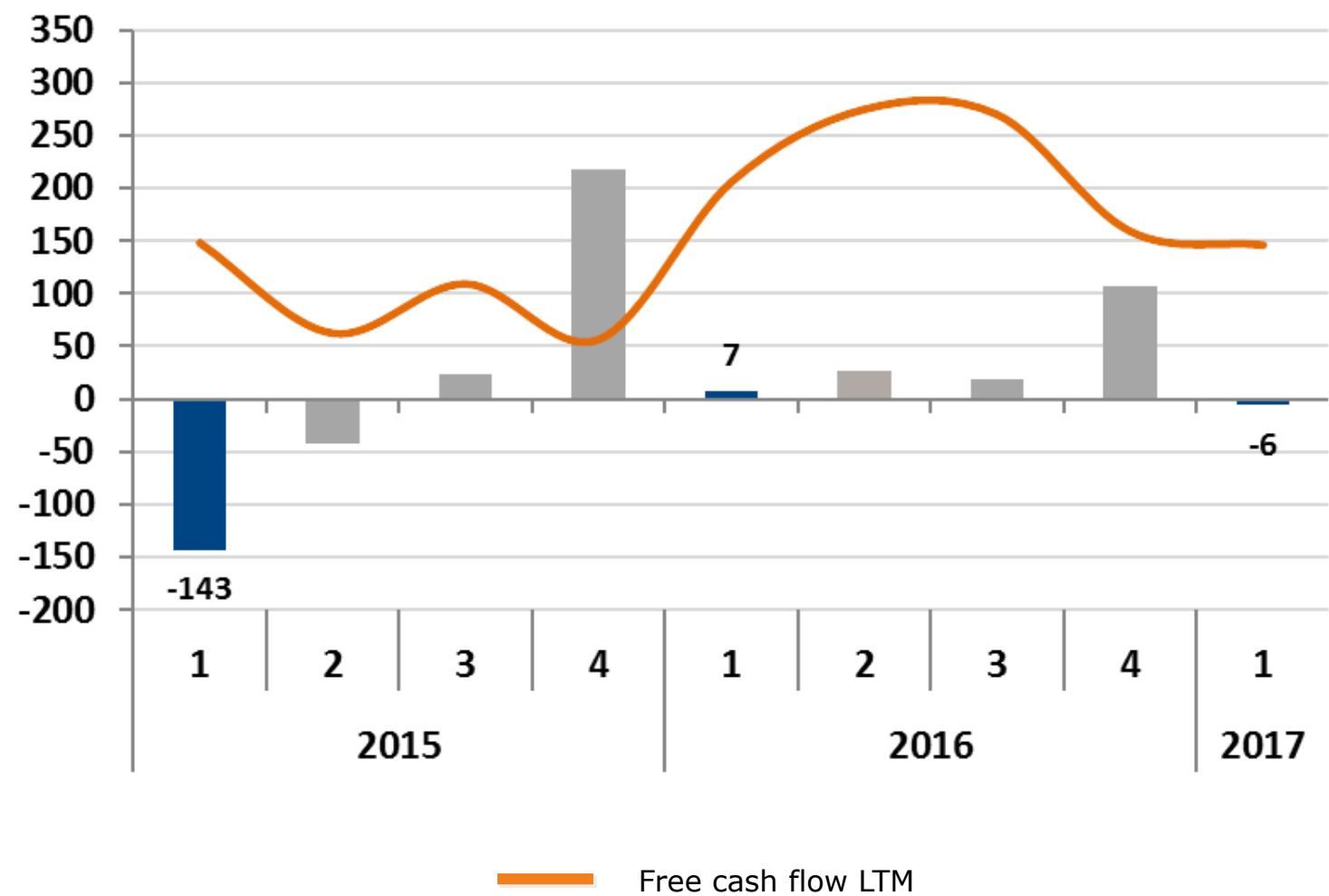


Group Income Statement

CONDENSED CONSOLIDATED INCOME STATEMENTS

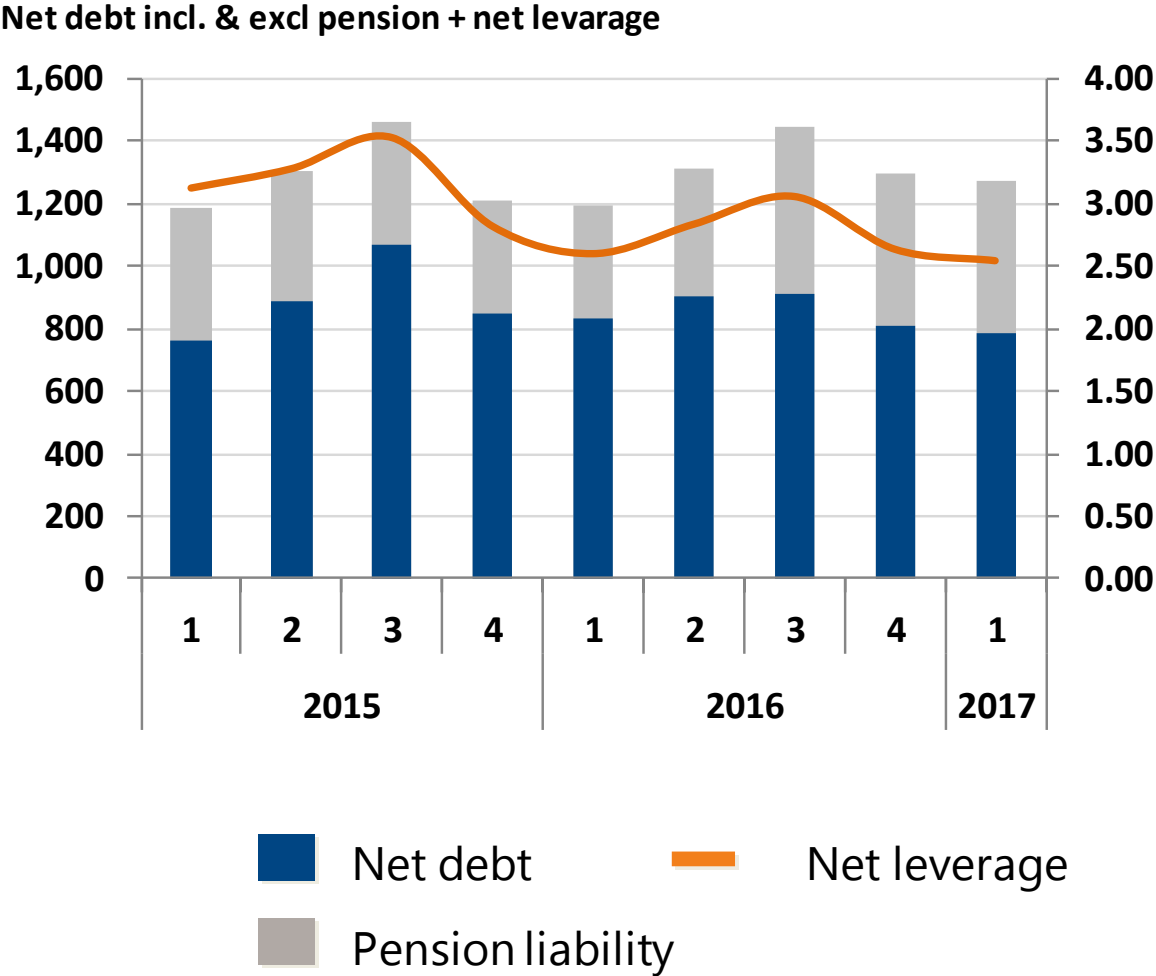
MSEK	2017 Q1	2016 Q1	2016 Full year
Net sales	1,440	1,390	6,088
Cost of goods sold	-1,035	-993	-4,319
Gross profit	405	397	1,769
Selling and administrative expenses	-348	-346	-1,417
Other operating income and expenses, net	2	2	14
Operating profit	59	53	366
Financial income and expenses, net	-13	-14	-53
Profit before taxes	46	39	313
Income tax	-17	-19	-104
Net profit for the period	29	20	209
Net profit attributable to:			
Shareholders of the Parent Company	28	20	206
Non-controlling interests	1	0	3
Net profit for the period	29	20	209
Basic earnings per share, SEK	0.37	0.26	2.71
Diluted earnings per share, SEK	0.36	0.26	2.70

Free Cash Flow by Quarter and Last Twelve Months



FREE CASH FLOW

MSEK	2017 Q1	2016 Q1	2016 Full year
Operating profit	59	53	366
Depreciation	18	16	68
Amortisation- acquisition-related intangibles	6	6	24
Amortisation - other intangibles	6	7	31
Other	-28	-51	-133
Change in working capital	-39	-22	-122
Operating cash flow	22	9	234
Investing cash flow excluding acquisitions	-28	-2	-75
Free cash flow	-6	7	159



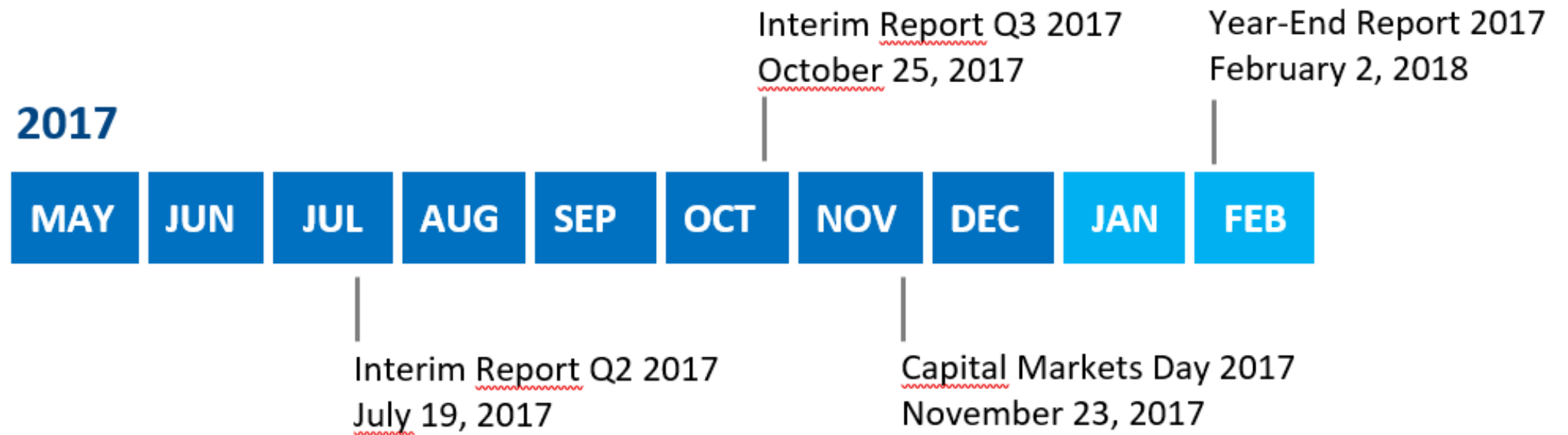
Group Financial Targets & Outcome

FINANCIAL TARGETS & OUTCOME					Target
	2017 Q1	2016 Q1	2016 Full year	2017 LTM	
Organic growth	0%	1%	1%	1%	5%
Operating margin ¹⁾	4.5%	4.2%	7.2%	7.2%	7.0%
Return on capital employed ^{1) 2)}	12.7%	12.8%	12.8%	12.7%	15.0%
Equity ratio	36%	35%	34%	36%	30%

¹⁾ Excluding non-recurring items

²⁾ During the last twelve-month period

Financial Calendar 2017/2018



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