

Year-End Release 2014  
Telephone Conference February 4, 2015

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**Highlights**

**October – December 2014**

- Organically a decrease in order intake of -13%, due to a strong comparison quarter in 2013 and the impact of major projects
- Strong order intake in Americas and signs of recovery in USA
- Sales outside Europe accounted for 43%, an increase of 5 percentage points on last year
- Operating margin of 9.4%, excluding non-recurring items
- Strong cash flow in the quarter
- Our renewed product portfolio within Entrance Security was well received, especially in the UK, Middle East and South Africa

## Highlights

## Year To Date

- Organic growth in net sales of 2% and order intake of -5%
- Point of gravity shift continued
- Operating margin improved
- Strong operating cash flow
- Restructuring activities in Europe has contributed to margin increase
- Acquisitions in Mexico and in the UK

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## Gunnebo Group

## October – December

<b>October - December</b>	<b>2014</b>	<b>2013</b>
Net Sales, MSEK	<b>1,574</b>	1,477
Operating Profit, excluding non-recurring, MSEK	<b>148</b>	133
Operating Margin, excl. non-recurring, %	<b>9.4</b>	9.0
Non-recurring items, MSEK	<b>-32</b>	-30
Operating Profit (EBIT), MSEK	<b>116</b>	103
Operating Margin, (%)	<b>7.4</b>	7.0
Free cash flow, MSEK *	<b>271</b>	160
Net Profit, MSEK	<b>88</b>	48

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

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<u>January - December</u>	<u>2014</u>	<u>2013</u>
Net Sales, MSEK	<b>5,557</b>	5,271
Operating Profit, excluding non-recurring, MSEK	<b>366</b>	306
Operating Margin, excl. non-recurring, %	<b>6.6</b>	5.8
Non-recurring items, MSEK	<b>-14</b>	-84
Operating Profit (EBIT), MSEK	<b>352</b>	222
Operating Margin, (%)	<b>6.3</b>	4.2
Free cash flow, MSEK *	<b>223</b>	144
Net Profit, MSEK	<b>227</b>	102

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

Region Europe, Middle East & Africa (EMEA)

Region Europe, Middle East & Africa

MSEK	Oct-Dec		Full year	
	2014	2013	2014	2013
Order intake	<b>804</b>	880	<b>3,620</b>	3,558
Organic growth, %	-15		-3	
Net sales	<b>1,013</b>	999	<b>3,644</b>	3,474
Organic growth, %	-4		0	
Operating profit/loss excl. non-recurring items	<b>57</b>	56	<b>109</b>	47
Operating margin excl. non-recurring items, %	<b>5.6</b>	5.6	<b>3.0</b>	1.4
Non-recurring items	<b>-29</b>	-26	<b>-1</b>	-74
Operating profit/loss	<b>28</b>	30	<b>108</b>	-27

Region % of Net Sales



October – December

- Caution from the bank and retail sectors in Europe affecting order intake
- Gunnebo's enhanced offering in Entrance Security was well received in several markets
- Gunnebo Middle East receives order from Transguard for cash handling solutions
- Renewed long-term agreement with La Poste and La Poste Immobilier for the delivery of safes, locks and high-security doors

## Region Asia-Pacific (APAC)

### Region Asia-Pacific

MSEK	Oct-Dec		Full year	
	2014	2013	2014	2013
Order intake	225	266	987	1,043
Organic growth, %	-25		-5	
Net sales	299	261	1,029	954
Organic growth, %	5		8	
Operating profit/loss excl. non-recurring items	47	36	140	134
Operating margin excl. non-recurring items, %	15.7	13.8	13.6	14.0
Non-recurring items	-3	-2	-9	-8
Operating profit/loss	44	34	131	126

### October – December

- Lower order intake due to strong comparison quarter in 2013 and weak demand from several markets in the region
- Higher sales and good cost control improved the operating margin
- Gunnebo China receives major entrance security order in connection with Beijing's metro system upgrade
- Sacha de La Noë appointed new SVP Region Asia-Pacific and new member of the Group Executive Team

### Region % of Net Sales



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## Region Americas

### Region Americas

MSEK	Oct-Dec		Full year	
	2014	2013	2014	2013
Order intake	237	167	826	913
Organic growth, %	18		-14	
Net sales	262	217	884	843
Organic growth, %	2		0	
Operating profit/loss excl. non-recurring items	44	41	117	125
Operating margin excl. non-recurring items, %	16.8	18.9	13.2	14.8
Non-recurring items	0	-2	-4	-2
Operating profit/loss	44	39	113	123

### October – December

- Strong order intake in both North and Latin America
- Increased sales due to several major entrance security deliveries in North America
- Cost for market initiatives to broaden the customer offering, lowers the operating margin
- Gunnebo Canada signs long-term service agreements with three national banks
- Gunnebo Brazil completes first delivery of cash handling system to global CIT company

### Region % of Net Sales



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Organic Growth Development by Region

October – December 2014

**Americas**

Orders: 18%  
Sales: 2%



**EMEA**

Orders: -15%  
Sales: -4%



**Asia-Pacific**

Orders: -25%  
Sales: 5%



Organic Growth Development by Region

January – December 2014

**Americas**

Orders: -14%  
Sales: 0%



**EMEA**

Orders: -3%  
Sales: 0%



**Asia-Pacific**

Orders: -5%  
Sales: 8%



## Outlook Market Trends

### Europe, Middle East & Africa

Nordic	→
Central	→
South	→
United Kingdom & Ireland	→
France	→
Middle East	→
Africa	→
Eastern Europe	→

### Asia-Pacific

India	→
China	→
Australia/New Zealand	→
South-East Asia	→

### Americas

North America	→
Latin America	→

# FINANCIALS

Christian Johansson  
CFO

## Income Statement

### Summary Group income statement

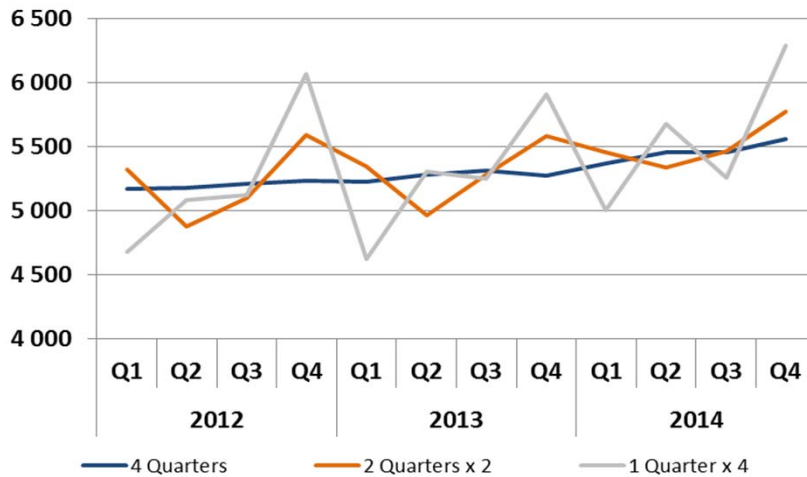
MSEK	Oct-Dec		Full year	
	2014	2013	2014	2013
Net sales	1,574	1,477	5,557	5,271
Cost of goods sold	-1,088	-1,036	-3,911	-3,689
<b>Gross profit</b>	<b>486</b>	<b>441</b>	<b>1,646</b>	<b>1,582</b>
Other operating costs, net	-370	-338	-1,294	-1,360
<b>Operating profit/loss</b>	<b>116</b>	<b>103</b>	<b>352</b>	<b>222</b>
Net financial items	-8	-51	-35	-75
<b>Profit/loss after financial items</b>	<b>108</b>	<b>52</b>	<b>317</b>	<b>147</b>
Taxes	-20	-4	-90	-45
<b>Profit/loss for the period</b>	<b>88</b>	<b>48</b>	<b>227</b>	<b>102</b>
Gross margin, %	30.9	29.9	29.6	30.0
Operating margin, %	7.4	7.0	6.3	4.2
Operating profit excl. non-recurring items, MSEK	148	133	366	306
Operating profit excl. non-recurring items, %	9.4	9.0	6.6	5.8
Earnings per share, SEK	1.15	0.61	2.98	1.29

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## Net Sales

(MSEK)

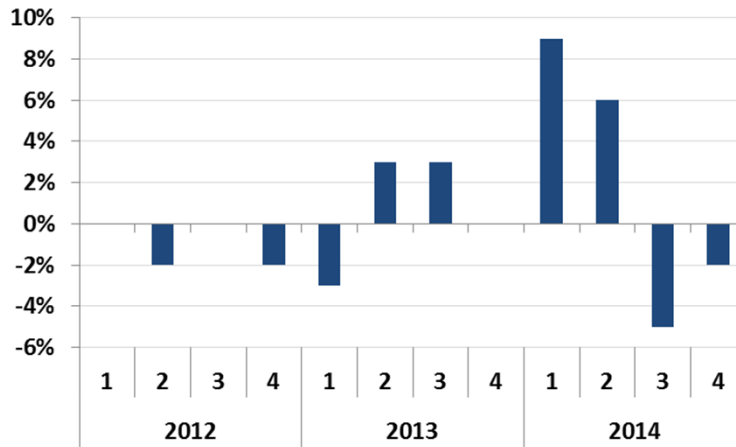


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## Net Sales Organic Growth Quarter vs Quarter

(%)



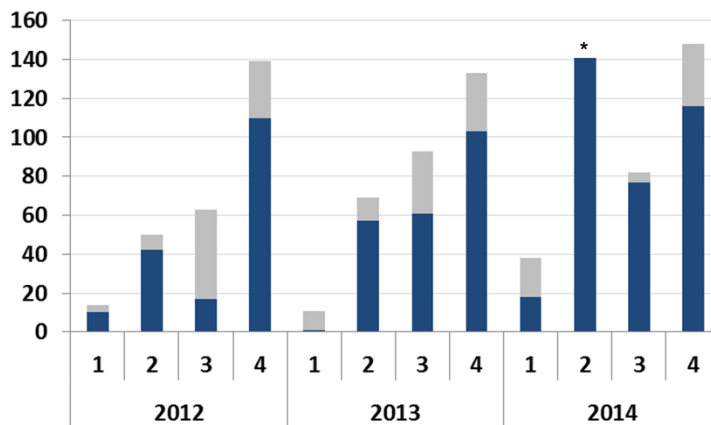
**Full year Organic Growth**  
 2014: 2%  
 2013: 1%

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## Operating Profit by Quarter

(MSEK)



**Full year Operating Profit excl. non-recurring items**  
 2014: 366  
 2013: 306

**Operating Profit**  
 2014: 352  
 2013: 222

\* Operating Profit excl. non-recurring items amounted to 98 MSEK in Q2 2014

■ Operating Profit    ■ Operating Profit, excl. non-recurring items

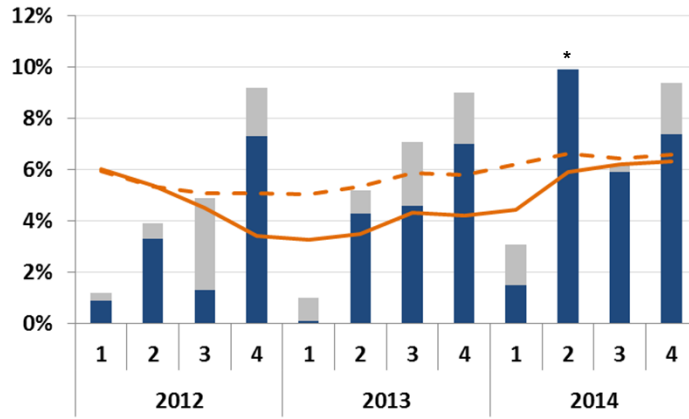
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## Operating Margin by Quarter

(%)



**Full year  
Operating Margin,  
excl. non-recurring  
items**

2014: 6.6  
2013: 5.8

**Operating Margin**

2014: 6.3  
2013: 4.2

**\* Operating Margin,  
excl. non-recurring  
items**  
2014 Q2: 6.9

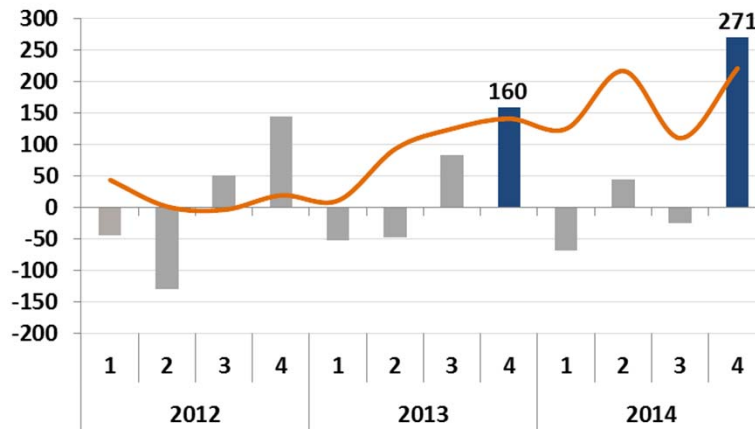
■ Operating Margin %, Quarter    
 ■ Operating Margin % Quarter, excl. non-recurring items  
— Operating Margin %, 12M    
 - - - Operating Margin % 12M, excl. non-recurring items

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## Free Cash Flow by Quarter

(MSEK)



**Full year**

2014: 223  
2013: 144

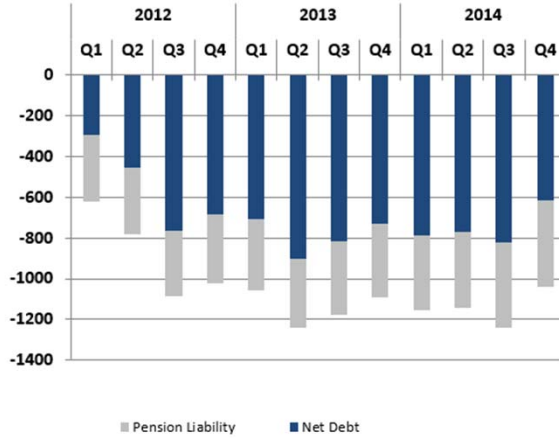
— Free Cash Flow 12M

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## Net Debt

(MSEK)



Gunnebo AB	
Dividend paid	
2012 Q2	76
2013 Q2	76
2014 Q2	76

## Financial Calendar

### Financial Calendar

Annual General Meeting 2015	April 15, 2015
Interim report January-March 2015	April 28, 2015
Interim report January-June 2015	July 17, 2015
Interim report January-September 2015	October 21, 2015
Year-end release 2015	February 4, 2016

# Q&A

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