

Year-End Report 2016

February 2, 2017



"For the full year, we reported an operating margin excluding non-recurring items of 7.2%, which means we have met our financial target of a 7% operating margin."



Gunnebo's Product Groups and % of Sales Full Year 2016

17%



Cash Management

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

22%



Entrance Security

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

35%



Safes & Vaults

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

19%



Electronic Security

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

7%



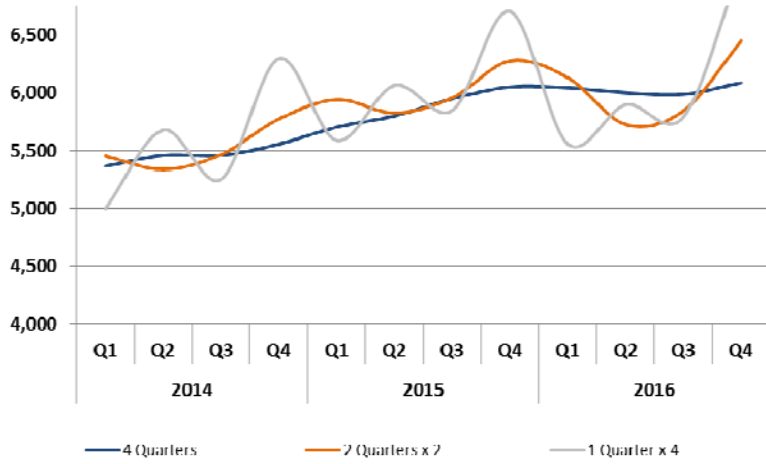
Other

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

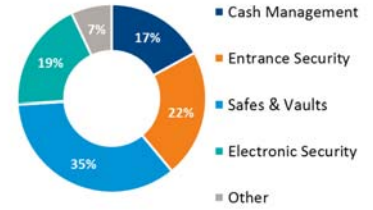
Fourth Quarter 2016 in Brief

Q4 IN BRIEF	2016	2015	2016	2015
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales, MSEK	1,776	1,677	6,088	6,052
EBITDA excl. non-recurring items, MSEK	203	181	561	505
<i>EBITDA margin excl. non-recurring items, %</i>	<i>11.4</i>	<i>10.8</i>	<i>9.2</i>	<i>8.3</i>
Operating profit (EBIT) excl. non-recurring items, MSEK	172	149	438	397
<i>Operating margin (EBIT) excl. non-recurring items, %</i>	<i>9.7</i>	<i>8.9</i>	<i>7.2</i>	<i>6.6</i>
Operating profit (EBIT), MSEK	142	121	366	320
<i>Operating margin (EBIT), %</i>	<i>8.0</i>	<i>7.2</i>	<i>6.0</i>	<i>5.3</i>
Net profit for the period, MSEK	96	80	209	168
Basic earnings per share, SEK	1.25	1.05	2.71	2.18
Free cash flow, MSEK	107	218	159	56

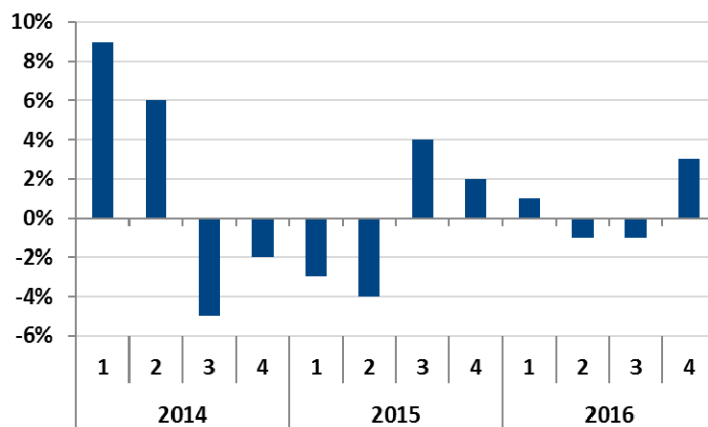
Net Sales, MSEK



Sales by Product Group, Full Year



Organic Sales Growth by Quarter



Organic Sales Growth Quarter and YTD by Region

SALES VS. LAST YEAR (QTD)

	Organic	Structure	Currency	Total
EMEA	2%	0%	2%	4%
APAC	3%	0%	5%	8%
AMERICAS	4%	0%	5%	9%
TOTAL	3%	0%	3%	6%

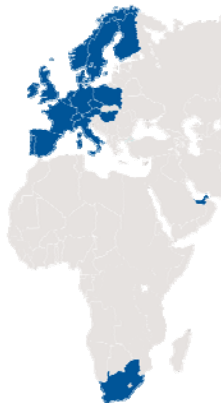
SALES VS. LAST YEAR (YTD)

	Organic	Structure	Currency	Total
EMEA	0%	2%	-1%	1%
APAC	5%	0%	-1%	4%
AMERICAS	-2%	0%	-3%	-5%
TOTAL	1%	1%	-1%	1%

Organic Sales Growth Development by Region Q4 2016 vs Q4 2015

EMEA

Sales: +2%



Asia-Pacific

Sales: +3%



Americas

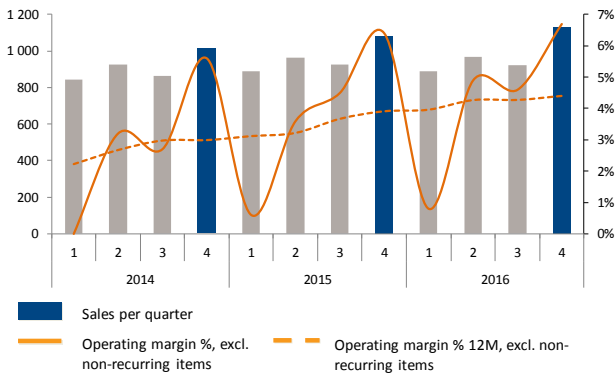
Sales: +4%



Group

Sales: +3%

Region Europe, Middle East & Africa Q4 2016

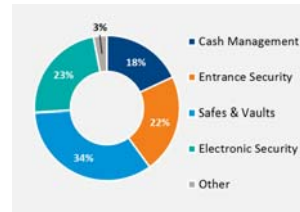


REGION EMEA

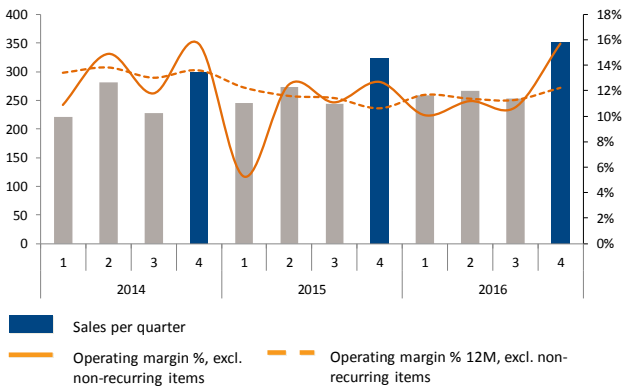
	2016 Oct - Dec	2015 Oct - Dec	2016 Jan - Dec	2015 Jan - Dec
Net sales, MSEK	1,131	1,084	3,907	3,860
Organic growth, %	2	3	0	0
Operating profit (EBIT) excl. non-recurring items, MSEK	76	69	172	151
Operating margin (EBIT) excl. non-recurring items, %	6.7	6.4	4.4	3.9
Non-recurring items, MSEK	-23	-26	-59	-67
Operating profit (EBIT), MSEK	53	43	113	84

- Sales increased organically by 2%.
- Good development in the markets of South, Eastern and Central Europe.
- Weaker development in France and the UK.
- Cash Management, Entrance Security and Safes & Vaults showing sales growth in the quarter.
- Weaker development of Electronic Security.
- Continued focus on productivity.
- Continued increased profitability in Europe: Operating margin up to 6.7%.

EMEA Sales by Product Group, Full Year



Region Asia-Pacific Q4 2016

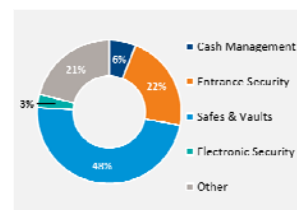


REGION ASIA-PACIFIC

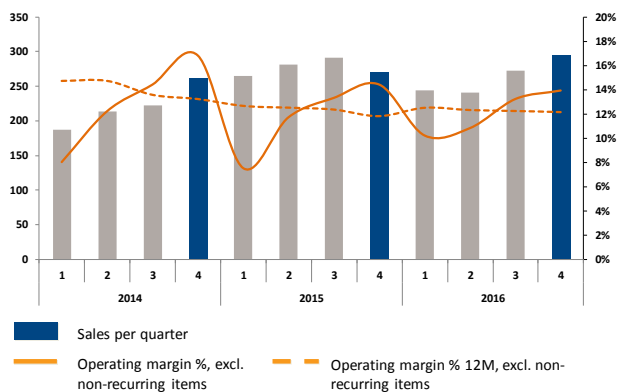
	2016 Oct - Dec	2015 Oct - Dec	2016 Jan - Dec	2015 Jan - Dec
Net sales, MSEK	351	323	1,129	1,085
Organic growth, %	3	1	5	-8
Operating profit (EBIT) excl. non-recurring items, MSEK	55	41	138	115
Operating margin (EBIT) excl. non-recurring items, %	15.7	12.7	12.2	10.6
Non-recurring items, MSEK	-3	-2	-5	-7
Operating profit (EBIT), MSEK	52	39	133	108

- Sales increased organically by 3%.
- Sales in India, China, South Korea and Singapore developed well.
- Weaker development of sales in the rest of South-East Asia.
- Safes & Vaults, Entrance Security and Fire Security (Other) sales developed well.
- Strong sales and tight cost control resulted in an operating profit improving to MSEK 55 giving an operating margin excluding non-recurring items of 15.7%.

APAC Sales by Product Group, Full Year



Region Americas Q4 2016



- Sales increased organically by 4%.
- Positive development of sales in both North and South America.
- Good development of sales within Safes & Vaults, Entrance Security and Electronic Security.
- Cash Management saw a strong sales of drive-up equipment in the US.

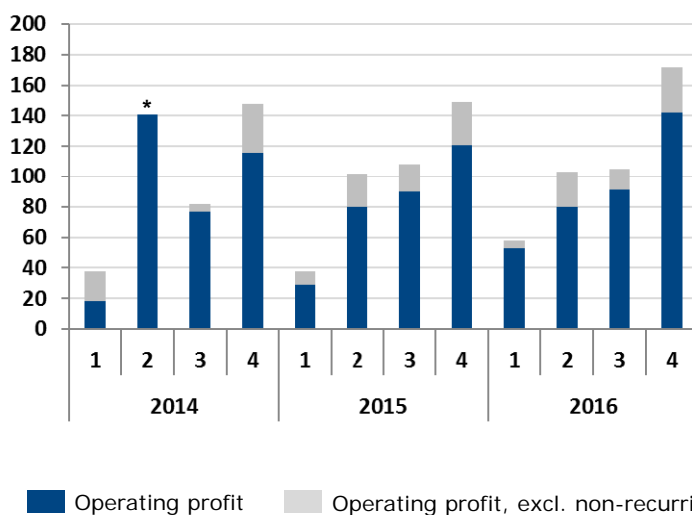
REGION AMERICAS

	2016		2015	
	Oct - Dec	Jan - Dec	Oct - Dec	Jan - Dec
Net sales, MSEK	294	1,052	270	1,107
Organic growth, %	4	-2	-2	8
Operating profit (EBIT) excl. non-recurring items, MSEK	41	128	39	131
Operating margin (EBIT) excl. non-recurring items, %	13.9	12.2	14.4	11.8
Non-recurring items, MSEK	-4	-8	0	-3
Operating profit (EBIT), MSEK	37	120	39	128

Americas Sales by Product Group, Full Year



Operating Profit by Quarter, MSEK



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

Full year Operating profit excl. non-recurring items

2016:	438
2015:	397
2014:	366

Operating profit

2016:	366
2015:	320
2014:	352

Operating Profit Bridge (Quarter and Year-To-Date)

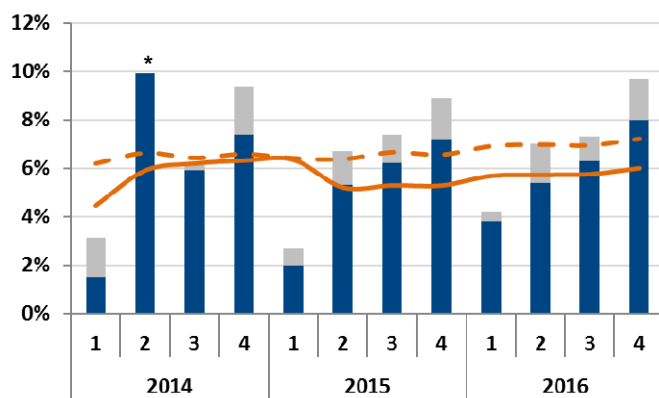
OPERATING PROFIT BRIDGE

	Oct - Dec
Operating profit 2015, MSEK	121
Organic	9
Structure	16
Currency	21
Other	-25
Operating profit 2016	142

OPERATING PROFIT BRIDGE

	Jan - Dec
Operating profit 2015, MSEK	320
Organic	8
Structure	50
Currency	16
Other	-28
Operating profit 2016	366

Operating Margin by Quarter, %



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

2016:	7.2
2015:	6.6
2014:	6.6

Operating margin

2016:	6.0
2015:	5.3
2014:	6.3

■ Operating margin %, quarter
 ■ Operating margin % quarter, excl. non-recurring items
— Operating margin %, 12M
 - - - Operating margin % 12M, excl. non-recurring items

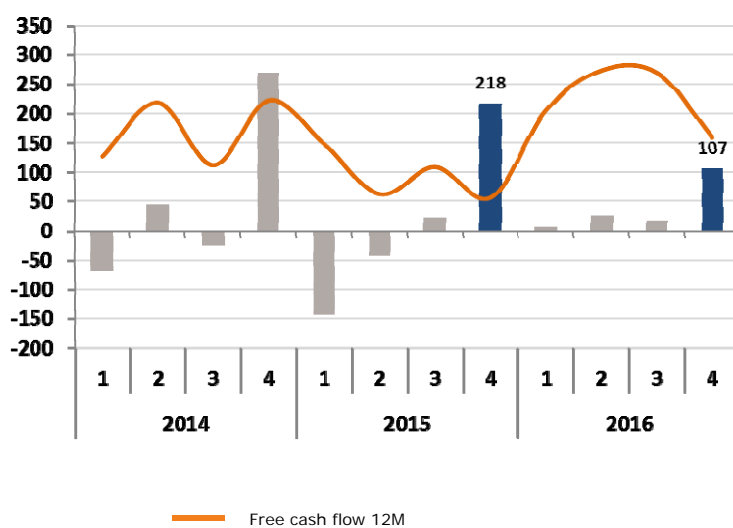
* Operating margin, excl. non-recurring items 2014 Q2: 6.9

Group Income Statement

GROUP INCOME STATEMENT, CONDENSED

MSEK	2016	2015	2016	2015
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales	1,776	1,677	6,088	6,052
Cost of goods sold	-1,257	-1,202	-4,319	-4,278
Gross profit	519	475	1,769	1,774
Selling and administrative expenses	-379	-345	-1,417	-1,452
Other operating items, net	2	-9	14	-2
Operating profit	142	121	366	320
Net financial items	-13	-7	-53	-43
Profit after financial items	129	114	313	277
Taxes	-33	-34	-104	-109
Net profit	96	80	209	168
<i>Net profit attributable to:</i>				
Parent company shareholders	95	80	206	166
Non-controlling interests	1	0	3	2
Net profit	96	80	209	168
Basic earnings per share, SEK	1.25	1.05	2.71	2.18
Earnings per share after dilution, SEK	1.24	1.05	2.70	2.18

Free Cash Flow

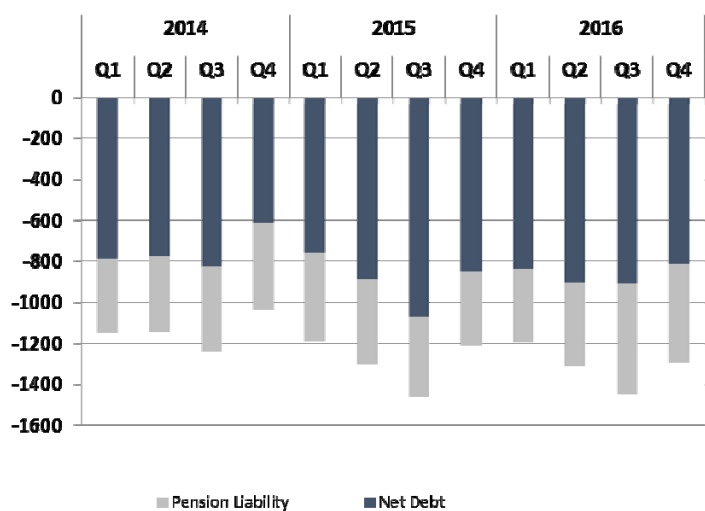


Free Cash Flow

FREE CASH FLOW

MSEK	2016	2015	2016	2015
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Operating profit	366	320	142	121
Depreciation	68	61	17	15
Amortisation on acquisition-related intangibles	24	14	6	6
Amortisation on other intangibles	31	33	8	11
Other	-133	-123	-43	-23
Change in working capital	-122	-119	7	131
Operating cash flow	234	186	137	261
Investing cash flow excluding acquisitions	-75	-131	-30	-44
Free cash flow	159	56	107	218

Net Debt



Gunnebo AB Dividend paid:

2014 Q2: MSEK 76
2015 Q2: MSEK 76
2016 Q2: MSEK 76

Group Financial Targets & Outcome

FINANCIAL TARGETS & OUTCOME

	2016		2015		Target
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec	
Organic growth	3%	2%	1%	0%	5%
Operating margin ¹⁾	9.7%	8.9%	7.2%	6.6%	7.0%
Return on capital employed ^{1) 2)}	12.8%	12.4%	12.8%	12.4%	15.0%
Equity ratio	34%	34%	34%	34%	30%

¹⁾Excluding non-recurring items

²⁾During the last twelve-month period

Financial Calendar 2017

Financial Calendar 2017



GUNNEBO

www.gunnebogroup.com

