

Quarter 2, 2019

- Incoming orders amounted to SEK 1,044.1m (912.1), which currency adjusted is an increase of 10.3 percent compared with the same period last year.
- Net sales amounted to SEK 1,096.2m (863.9), which currency adjusted is an increase of 22.2 percent compared with the same period last year.
- Adjusted operating profit was SEK 84.9m (73.1)*, giving an adjusted operating margin of 7.7 percent (8.5)*.
- Operating profit was SEK 84.5m (69.3)*, giving an operating margin of 7.7 percent (8.0)*.
- Net profit was SEK 54.4m (43.6)*.
- Earnings per share were SEK 1.55 kr (1.24)*.

January - June, 2019

- Incoming orders amounted to SEK 2,063.1m (1,693.8), which currency adjusted is an increase of 16.1 percent compared with the same period last year.
- Net sales amounted to SEK 2,132.6m (1,649.7), which currency adjusted is an increase of 23.2 percent compared with the same period last year.
- Adjusted operating profit was SEK 158.0m (136.0)*, giving an adjusted operating margin of 7.4 percent (8.2)*.
- Operating profit was SEK 156.6m (132.2)*, giving an operating margin of 7.3 percent (8.0)*.
- Net profit was SEK 100.6m (80.3)*.
- Earnings per share were SEK 2.87 (2.29)*.

* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 14-15.





CEO's comments

Good growth in Europe. Continued challenges in Asia.

Overall, the second quarter of the year was a good quarter for Nederman. Orders received increased to SEK 1,044.1m (912.1), equivalent to a currency-neutral growth of 10.3 percent. Net sales also developed positively in the quarter and totalled SEK 1,096.2m (863.9), equivalent to a currency-neutral growth of 22.2 percent. Adjusted operating profit increased to SEK 84.9m (73.1)*.

Development in the quarter is in line with our expectations. Europe posted a strong quarter. In North America, three of our four divisions posted good progress. In Asia, development was significantly weaker. One explanation for this is the concern arising from the trade conflict between the US and China, which has meant that our customers are delaying their investment decisions. Although market conditions in Asia are challenging, we are not satisfied with how our sales have developed in the region.

Our new organisation and the latest acquisitions are delivering

Our new organisation, with four global divisions, is now fully operational and we are beginning to see positive results in the form of greater focus and high energy. Our latest acquisitions are also fully integrated in the new organisational structure and are contributing significantly to Nederman's development. This applies not least to Luwa, which demonstrated considerable strength during the quarter. We also saw solid evidence of Luwa's strong brand and good customer relations in the quarter. We will build on this strong confidence from our customers by further strengthening Luwa's service offering with attractive IoT solutions.

Outlook

Many of our markets, not least the USA and China, continue to be characterised by uncertainty. The risk of trade conflicts and financial uncertainty means that decisions about major investments are being delayed and that large projects are being postponed. Despite these geopolitical challenges, our basic view is one of cautious optimism. Environmental issues will continue to be important for our customers and we have strengthened our positions in several key areas where we see that future growth will occur. In Europe and North America, we will build on Nederman's strengths as a leading environmental technology company. In regard to developments in Asia, which are not in line with our ambitions, we will carefully review our activities to see how we can reverse the trend.

Sven Kristensson
CEO

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Nederman Extraction & Filtration Technology's product range consists of a broad range of capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids or compressed air.

Nederman Extraction & Filtration Technology

Nederman Extraction & Filtration Technology had a positive development during the second quarter of the year, with growth in both order intake and sales. The core business with sales of products and smaller systems continued to be at stable levels in several markets. A major order in Denmark was booked in the quarter. The order backlog has strengthened during the first six months of the year and is at a significantly higher level than at the corresponding time in 2018.

Development in the quarter

Europe showed good development during the quarter. Germany had a good order intake following several orders for medium-sized system solutions and strong sales, especially in the aftermarket segment. The Nordic region saw strong growth in order intake thanks to good sales in the base business in Norway and a larger order from the wind energy industry in Denmark. The UK and Southern Europe also saw good order intake growth in the quarter. In the UK, demand was mainly concentrated on product sales in the welding segment. The background to the high sales volume in the welding segment is that the UK Health and Safety Executive has classified welding fumes as carcinogenic since the end of the first quarter 2019, which has increased the demand for Nederman's mobile filter solutions.

In North America, the US saw good growth in both order intake and sales during the quarter, while the other North American markets were weaker. In the US, the order backlog is now at significantly higher levels than the corresponding point in 2018 as a

result of good demand for medium-sized system solutions. Brazil also showed good development in the quarter.

The markets in Asia experienced weak development during the quarter, with the exception of India which saw growth.

Two new products were launched in the quarter: The IoT FlexFilter solution for high vacuum applications and Data Cable Reel for applications that require secure data transfer.

Nederman Extraction & Filtration Technology

Sales are conducted both via a network of partners and through our own sales companies. The division also has significant aftermarket sales in the form of sales of spare parts and service. Customers come from a number of different industries with various types of air emissions that must be dealt with in an efficient and safe manner. The business activities are carried on under the Nederman brand.

	1 Apr-30 June 2019	1 Jan-30 June 2019
SEKm		
Incoming orders - External	489.8	956.0
Total sales	482.5	935.1
Adjusted EBITA	62.1	124.7
Adjusted EBITA margin, %	12.9	13.3



Nederman Process Technology's products include among other things, advanced filter solutions that are integrated in the customers' production processes where they catch harmful particles and gases, as well as other process critical equipment.

Nederman Process Technology

Nederman Process Technology had a stable development in the quarter with a positive trend in order intake in Europe. There is still some uncertainty around large projects in the US market while demand in certain sectors is rising. A large order for the chemical sector was booked in the quarter. Developments in Asia remained weak in the quarter. The activity level in Europe was very high with participation in a number of important industrial fairs, including the global textile fair in Barcelona which is held every four years and the foundry fair in Germany.

Development in the quarter

Americas reported a positive trend in profitability in the quarter following good sales figures. Orders received were weakened by deferred orders for larger systems.

Nederman Process Technology's activities in the textile segment are focused on countries in Asia, including China, India and Bangladesh. Sales have been strong during the first half of the year, but order intake has been weaker due to overcapacity in China and insecurity caused by the ongoing trade conflict.

Sales to foundries and smelters are in line with developments in 2018 with good volumes in Germany and Poland. The potential is also good in North America, but demand from countries in Asia is more subdued due to uncertainty caused by the ongoing trade conflict and general dampening of the Chinese market.

Two new products for the textile industry were launched in the quarter: Loomlite for weaving mills and Texguard which reduces fire risk. Nederman Process Technology has also begun work on providing the textile industry with IoT solutions for continuous monitoring and control.

Nederman Process Technology

Sales activities are conducted by our sales force which has direct contact with the division's customers. The number of orders is few, but the individual order value is high. Nederman Process Technology works with a number of the world's leading companies and the relationships with customers are deep and long lasting. These customers are large companies in a wide range of industries, including the fibre, textile and chemical industries, metal recycling industry, foundries and smelters, and the waste industry. Nederman Process Technology carries on its business activities under four brands: MikroPul, Luwa, Pneumafil and LCI.

	1 Apr-30 June 2019	1 Jan-30 June 2019
SEKm		
Incoming orders - External	368.5	734.6
Total sales	432.8	854.7
Adjusted EBITA	33.1	54.8
Adjusted EBITA margin, %	7.6	6.4



Nederman Duct & Filter Technology works with different types of pipe systems, valves and filter elements to ensure good air quality in a number of industries.

Nederman Duct & Filter Technology

Nederman Duct & Filter Technology had a positive development in the quarter following good growth in the Americas and EMEA regions. Demand remains weak in Asia. The development of the price of steel, especially in the US, is a factor that the division follows closely as it has a potentially large impact on pricing and margins. In the UK, the concerns surrounding Brexit are creating uncertainty and dampening demand.

Development in the quarter

Nordfab, which sells various types of pipe systems, experienced good order intake growth in the quarter. In the US, the average order size has increased, which has resulted in a slight deterioration in gross profit margin, but the gross profit remain at a good level. Nordfab has recently invested in its sales organisation and this has now resulted in increased sales in the Americas and EMEA. In Asia, development remains weak.

Menardi, which sells the division's filter solutions, had a strong development in order intake during the quarter. In the US, both sales and profitability have improved thanks to a strengthened sales organisation, more favourable product mix and continuous efforts to identify and manage the causes of low margins.

During the quarter, Nederman Duct & Filter Technology participated in the Ligna 2019 trade fair in Hanover, Germany. The fair was successful and several interesting business opportunities arose. The development of a new optimised filter cartridge was also completed in the quarter.

Nederman Duct & Filter Technology

Sales are mainly conducted via distributors, but Nederman Duct & Filter Technology also has a large share of internal sales to Nederman's other divisions. Customers are found in a wide range of industries, such as the woodworking industry, furniture industry, metalworking, cement & concrete industry, recycling industry, automotive industry, plastics manufacturing industry, chemical industry and others. Nederman Process Technology carries on its business activities under two brands: Nordfab and Menardi.

SEKm	1 Apr-30 June 2019	1 Jan-30 June 2019
Incoming orders - External	123.2	249.2
Total sales	151.6	285.3
Adjusted EBITA	23.5	40.3
Adjusted EBITA margin, %	15.5	14.1



Nederman Monitoring & Control Technology's digital offering is based on a platform, consisting of hardware installed in Nederman's products and solutions, and software that communicates with the cloud and provides customers with information and insight into critical parameters and processes.

Nederman Monitoring & Control Technology

Nederman Monitoring & Control Technology saw stable growth in order intake and sales during the quarter. The Nederman Insight digital platform was launched in the quarter with upgraded functionality. Nederman Insight has also been optimised for use in further industries and the functionality now covers a larger part of the Nederman Group's customer segments.

Development in the quarter

During the quarter, updates for the Nederman Insight platform were launched with new opportunities for online reporting and reports, documenting key data such as filter system performance, productivity and environmental data. The update complements the platform's existing monitoring and alarm functionality.

Nederman Insight has also been optimised for use with Nederman's solutions for high vacuum filtration where the functionality of the filters is critical for production and quality. The new applications, together with existing functions, are used in industries such as the wood industry, foundries, smelters and others. With this expansion to encompass more industries, Nederman Monitoring & Control Technology now has solutions for a large part of the Group's customer and industrial segments.

During the quarter, the Nederman Insight platform was presented at several industrial fairs around the world, and this created

several interesting business opportunities. It is very clear that there is great interest from the Group's customers to implement digital solutions that will enable them to ensure stable production, reduce the amount of unplanned maintenance, improve energy efficiency and at the same time reinforce the safety of their staff.

Nederman Monitoring & Control Technology

Nederman Monitoring & Control Technology conducts sales through the division's own companies and their network of distributors. Sales are also conducted through other divisions within Nederman. Monitoring & Control Technology work with a broad spectrum of industries that need to be able to continuously monitor and steer their production and processes. Nederman Monitoring & Control Technology carries on its business activities under three brands: Nederman Insight, NEO Monitors and Auburn FilterSense.

	1 Apr-30 June 2019	1 Jan-30 June 2019
SEKm		
Incoming orders - External	62.6	123.3
Total sales	56.0	109.5
Adjusted EBITA	7.8	10.5
Adjusted EBITA margin, %	13.9	9.6

Regions

Americas

SEKm	Note	1 Apr-30 June		Currency-neutral growth %	Organic growth, %	1 Jan-30 June		Currency-neutral growth %	Organic growth, %	Full year 2018	July-June 12 months
		2019	2018			2019	2018				
Incoming orders		351.5	359.3	-10.2	-10.8	657.3	622.9	-4.4	-7.0	1,259.6	1,294.0
External net sales	1	351.3	320.3	0.8	-1.5	676.1	600.5	2.2	-2.7	1,246.8	1,322.4
Adjusted operating profit*		39.5	28.4			71.7	55.7			123.1	139.1
Adjusted operating margin, %*		11.2	8.9			10.6	9.3			9.9	10.5

EMEA

SEKm	Note	1 Apr-30 June		Currency-neutral growth %	Organic growth, %*	1 Jan-30 June		Currency-neutral growth %	Organic growth, %	Full year 2018	July-June 12 months
		2019	2018			2019	2018				
Incoming orders		543.4	447.7	19.4	6.8	1,060.4	850.2	21.6	8.6	1,731.6	1,941.8
External net sales	1	517.3	427.1	18.7	4.2	1,041.8	833.6	21.8	3.7	1,768.3	1,976.5
Adjusted operating profit*		67.4	65.3			134.7	121.2			266.2	279.7
Adjusted operating margin, %*		13.0	15.3			12.9	14.5			15.1	14.2

APAC

SEKm	Note	1 Apr-30 June		Currency-neutral growth %	Organic growth, %	1 Jan-30 June		Currency-neutral growth %	Organic growth, %	Full year 2018	July-June 12 months
		2019	2018			2019	2018				
Incoming orders		149.2	105.1	41.1	-25.8	345.4	220.7	53.0	-21.9	488.3	613.0
External net sales	1	227.6	116.5	93.7	-15.3	414.7	215.6	87.9	-10.0	538.8	737.9
Adjusted operating profit*		15.3	2.5			17.5	2.3			18.3	33.5
Adjusted operating margin, %*		6.8	2.1			4.2	1.1			3.4	4.5

* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 14-15.

Quarter 2, 2019

Incoming orders and sales

Incoming orders during the quarter amounted to SEK 1,044.1m (912.1). Adjusted for currency effects, this corresponds to an increase of 10.3 percent compared with the corresponding period last year.

Net sales for the quarter amounted to SEK 1,096.2m (863.9). Adjusted for currency effects, this corresponds to an increase of 22.2 percent compared with the corresponding period last year.

Profit/loss

The consolidated operating profit for the quarter was SEK 84.5m (69.3)*, which gave an operating margin of 7.7 percent (8.0)*.

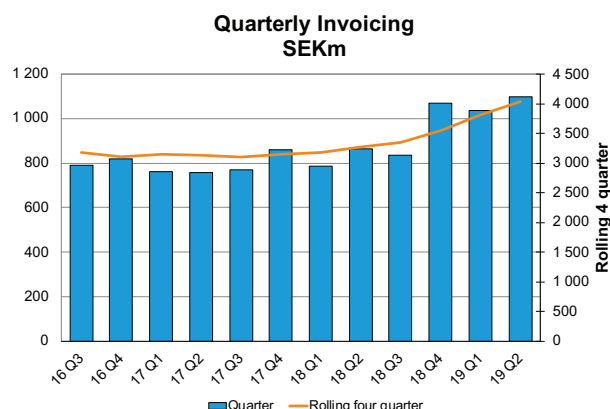
Adjusted operating profit amounted to SEK 84.9m (73.1)*.

Adjusted operating margin was 7.7 percent (8.5)*.
Profit before tax increased to 75.6 Mkr (58.7)*.

Net profit was SEK 54.4m (43.6)*, which gave earnings per share of SEK 1.55 kr (1.24)*.

Capital expenditure

Capital expenditure during the quarter was SEK 28.6m (23.5)*. Capital expenditure includes this year's investments in Right-of-use assets, see accounting policies IFRS 16 pages 14-15.



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January – June 2019

Incoming orders and sales

Incoming orders were SEK 2,063.1m (1,693.8). Adjusted for currency effects, this corresponds to an increase of 16.1 percent compared with the same period last year.

Net sales amounted to SEK 2,132.6m (1,649.7). Adjusted for currency effects, this corresponds to an increase of 23.2 percent compared with the same period last year.

Profit/loss

Consolidated operating profit for the period was SEK 156.6m (132.2)*, which gave an operating margin of 7.3 percent (8.0)*.

Adjusted operating profit amounted to SEK 158.0m (136.0)*.

Adjusted operating margin was 7.4 percent (8.2)*.

Profit before tax increased to SEK 139.8m (108.9)*.

Net profit was SEK 100.6m (80.3)*, which gave earnings per share of SEK 2.87 (2.29)*.

Cash flow

Cash flow for the period amounted to SEK -152.7m (-163.4)* and cash flow from operating activities amounted to SEK -9.1m (45.9)*.

Capital expenditure

Capital expenditure during the period was SEK 59.2m (49.7)*, of which capitalised development costs amounted to SEK 6.9m (1.9). Capital expenditure includes this year's investments in Right-of-use assets, see accounting policies IFRS 16 pages 14-15.

Other financial information

Liquidity: At the end of the period the Group had SEK 327.5m in cash and cash equivalents as well as SEK 90.5m in available but unutilised overdraft facilities.

The group has refinanced its external loans and entered into a revolving loan agreement of SEK 1,500.0m with SEB and SHB. Further, the group entered into a bilateral loan agreement with Svensk Export Kredit of SEK 500.0m. The agreements have a three year maturity with extension options for two additional years. At the end of the period, the group had SEK 1,059.7m available funds from the revolving loan agreement with SEB & SHB.

The equity in the Group as of 30 June 2019 amounted to SEK 1,323.4m (1,161.2)*. An ordinary dividend of SEK 2.30 per share was paid to shareholders in the second quarter, amounting in total to SEK 80.7m. The total number of shares outstanding was 35,093,096 at the end of the period.

As a result of the share split that was approved by the 2018 annual general meeting having been completed, the number of shares were increased by 23,430,680. As per 30 June 2019, the total number of shares and votes in the company amounts to 35,146,020. The share capital remains unchanged and the par value of the share is changed from SEK 0.1 to SEK 0.03. The earnings per share in the previous year has been adjusted based on the number of shares outstanding after the share split.

The equity ratio for the Group was 31.8 percent as of 30 June 2019 (34.2)*. The net debt/equity ratio was 71.2 percent (80.9)*.

Number of employees

The average number of employees during the period was 2,230 (1,809). The number of employees at the end of the period was 2,293 (1,833).

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Key figures, Group

SEKm	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2019	2018*	2019	2018*	2018*	12 months*
Net sales	1,096.2	863.9	2,132.6	1,649.7	3,553.9	4,036.8
Adjusted EBITDA	120.9	104.6	229.4	197.1	440.1	472.4
Adjusted EBITDA margin, %	11.0	12.1	10.8	11.9	12.4	11.7
Operating profit	84.5	69.3	156.6	132.2	305.7	330.1
Operating margin, %	7.7	8.0	7.3	8.0	8.6	8.2
Adjusted operating profit	84.9	73.1	158.0	136.0	318.9	340.9
Adjusted operating margin, %	7.7	8.5	7.4	8.2	9.0	8.4
Profit before tax	75.6	58.7	139.8	108.9	267.5	298.4
Net profit	54.4	43.6	100.6	80.3	202.8	223.1
Earnings per share, SEK	1.55	1.24	2.87	2.29	5.78	6.36
Return on equity, %	16.3	15.1	15.7	14.5	17.7	18.0
Return on operating capital, %	15.2	14.4	14.7	13.8	16.5	15.6
Net debt					787.6	942.1
Net debt/equity ratio, %					63.8	71.2
Net debt/Adjusted EBITDA, multiple					1.8	2.0
Interest cover ratio, multiple					7.5	8.7

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Outlook

Many of Nederman's markets show continued uncertainty. The ongoing trade conflicts and financial uncertainty prolong decisions on large investments and large projects are postponed. Despite these geopolitical challenges, Nederman has a cautious-

ly optimistic basic outlook. Environmental issues will continue to be important for the Group's customers and Nederman has strengthened its position in many crucial areas where future growth is expected to be.

Other information

Risks and uncertainties

The Nederman Group and the parent company are exposed to a number of risks, mainly due to purchasing and selling of products in foreign currencies. The risks and uncertainties are described in more detail in the 2018 Annual Report in the Directors' Report on pages 52-53 and in note 24. No circumstances have arisen to change the assessment of identified risks.

Nomination Committee

In accordance with a decision in the Instructions for the Nomination committee, the chairman of the Board shall contact the four largest owners of the company in terms of votes based on ownership details in Euroclear Sweden's register as of the final banking day in August each year. Each of these owners is entitled to appoint a representative to participate alongside the chairman of the Board in the Nomination committee until a new committee is appointed.

Statement

The Board and CEO confirm that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the Group. The report has not been reviewed by the company's auditor.

Helsingborg 12 July 2019

Johan Hjertonsson
Chairman

Gunilla Fransson
Member of the Board

Ylva op den Velde Hammargren
Member of the Board

Sam Strömerstén
Member of the Board

Sven Kristensson
Member of the Board
and CEO

Johan Menckel
Member of the Board

This is Nederman

A Swedish environmental technology company

Nederman's expertise and turnkey solutions within industrial air filtration protect people, machinery and the environment from the harmful effects of industrial processes. In this way Nederman helps to create safe work spaces, efficient production and significant environmental benefits. This interplay between health, environment and efficiency comes together to form the concept of eco-efficiency.

Eco-efficiency means that we contribute to both economic efficiency and long-term sustainable production. In terms of economy, it is about high production efficiency and product quality, machinery that has a long life and minimised environmental costs. From an environmental perspective it is about benefits from reduced emissions, more efficient use of materials and recycling, and lower energy consumption.

Nederman's customers are found in industries such as metal, wood and composite processing, food processing, pharmaceutical production, waste management, agriculture, textile industry, chemical industry, process industry, power generation and the automotive aftermarket.

Strong global position

Nederman has a strong global presence in regard to both sales and manufacturing. Sales are conducted through its own sales companies and distributors in over 50 countries. The main focus of sales is in Europe and North America, but Nederman is also active in a number of markets in Asia and South America. Manufacturing is carried out on five continents. Turnover in 2018 amounted to SEK 3.6 billion.

New digital solutions

The Group's goal is to within Nederman Monitoring & Control Technology continue to develop new digital solutions into a complete ecosystem of services that can be marketed towards both new and existing customers with the installation of Nederman's systems. To achieve this, the company is successively building up the new competence necessary to create an attractive offering with a robust infrastructure for IoT.

Strategy and financial objectives

Nederman's aim is to achieve a sales growth of 8-10 percent over a business cycle and that an operating margin of at least reach 10 percent shall be achieved. To achieve these goals, Nederman is focusing on four priority areas:

- Expansion into new customer and market segments
- Developed positions in the value chain
- Geographic expansion
- Development of new products and solutions.



During the last five years, sales growth has averaged 6.2 percent. During the period, the adjusted operating margin varied between 7.1 and 9.1 percent and in 2018 amounted to 8.7 percent. The average dividend during the period was 40.5 percent of net profit.

Three sales segments

Nederman's sales model is divided into three segments in order to deliver solutions to customers' challenges as effectively as possible.

Product sales Nederman has a wide range of standard products that solve common problems related to smoke, gas, dust, materials recycling, the working environment and efficient production.

Solutions Nederman's solutions are designed to solve more complex tasks and specific customer problems. Business activities include careful preliminary study of the customer's business operations and needs, planning and system design, installation, commissioning and training.

Service and aftermarket Service is an integral part of Nederman's offering and a focus area for growth. By offering qualified service with good availability, Nederman helps to ensure continuous operation without expensive interruptions to customers' production.

Accounting policies

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles, except for amendments below in relation to IFRS 16 for the Group, as described in the latest annual report, see also pages 67-72 of the 2018 Annual Report, have been applied both to the Group and the parent company. The parent company applies the exemption in RFR 2 regarding IFRS 16, which means that all leases will continue to be reported as operating expenses in the income statement.

Changes that will come into effect on 1 January 2019 and beyond

IFRS 16 Leases

IFRS 16 with application for financial years commencing on 1 January 2019 supersedes IAS 17, Leases, and related interpretations. IFRS 16 establishes policies for accounting, valuation, presentation and disclosure of leasing agreements and states that lessees must report leases in the statement of financial position. This recognition model is based on the view that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for that right. This means that at the start date, a right of use asset that represents the right to use the underlying asset during the lease term and a lease liability that represents the present value of future lease payments are recognised in the financial statement. Depreciation costs for the right of use asset and interest expenses for the lease liability are reported in the consolidated income statement and statement of comprehensive income. After the date the lease is entered into, the lease liability is remeasured so that it reflects changes in the lease payments, for example with a change in the lease term or indexation of future lease payments. The remeasurement amount is reported as an adjustment of the right of use asset.

Nederman's primary asset class is properties, such as factories and offices, but also machinery, vehicles and equipment. The

standard contains two exceptions for reporting in the statement of financial position that Nederman applies; short-term leases (lease term of 12 months or less) and leases for which the underlying asset has a low value (USD 5,000). These lease payments are recognised as operating expenses in the income statement and are therefore not included in the right of use asset or the lease liability.

The definitions according to IFRS 16 are applied when assessing whether a contract contains a leased asset. A right of use asset is defined as an identified asset for which Nederman essentially is entitled to the economic benefits arising from the use of the asset and where Nederman has the right to control the use of the asset. The lease term is determined on the basis of the non-cancellable period according to the lease contract. If the contract contains an extension option and there is reasonable certainty that this will be utilised, the lease term applied consists of the non-cancellable period plus the assessed period of the extension.

The discount rate primarily consists of the implicit interest if it is available according to the lease contract. For other leasing agreements, the discount rate is the marginal loan rate. The marginal loan interest rate consists of an interest margin based on the lessee's (subsidiary within the Group) credit rating and a reference interest rate (IBOR) for the specific currency and the term of the lease asset.

In connection with the transition to IFRS 16, the Group has applied a retroactive method, which means that figures for the 2018 financial year have been restated in accordance with the new standard. Thus, the opening balances for 2018 have been restated and the cumulative effect of applying IFRS 16 retroactively is reported as of 1 January 2018 as a transition effect in equity.

The transition to IFRS 16 has had the following effect on the Group's income statement, statement of financial position, cash flow and key figures:

Effect on the consolidated income statement, SEKm	1 Apr-31 June, 2018			1 Jan-30 June, 2018			1 Jan-31 Dec, 2018		
	Previously published accounts	IFRS 16 adjustments	Restated accounts	Previously published accounts	IFRS 16 adjustments	Restated accounts	Previously published accounts	IFRS 16 adjustments	Restated accounts
Net sales	863.9	-	863.9	1,649.7	-	1,649.7	3,553.9	-	3,553.9
Cost of goods sold	-538.3	1.3	-537.0	-1,022.4	2.4	-1,020.0	-2,227.0	5.1	-2,221.9
Gross profit	325.6	1.3	326.9	627.3	2.4	629.7	1,326.9	5.1	1,332.0
Selling expenses	-186.4	1.2	-185.2	-364.2	2.3	-361.9	-735.2	4.6	-730.6
Administrative expenses	-67.1	0.2	-66.9	-127.2	0.4	-126.8	-253.0	0.9	-252.1
Research and development expenses	-10.5	0.0	-10.5	-19.4	0.1	-19.3	-44.3	0.2	-44.1
Other operating income/expenses	5.0	-	5.0	10.5	-	10.5	0.5	-	0.5
Operating profit	66.6	2.7	69.3	127.0	5.2	132.2	294.9	10.8	305.7
Net financial items	-7.7	-2.9	-10.6	-17.7	-5.6	-23.3	-26.9	-11.3	-38.2
Profit before tax	58.9	-0.2	58.7	109.3	-0.4	108.9	268.0	-0.5	267.5
Taxes	-15.1	0.0	-15.1	-28.7	0.1	-28.6	-64.8	0.1	-64.7
Net profit	43.8	-0.2	43.6	80.6	-0.3	80.3	203.2	-0.4	202.8

Effect on the consolidated financial position, SEKm	1 January, 2018			30 June, 2018			31 December, 2018		
	Previously published accounts	IFRS 16 adjustments	Restated accounts	Previously published accounts	IFRS 16 adjustments	Restated accounts	Previously published accounts	IFRS 16 adjustments	Restated accounts
Assets									
Right-of-use assets	-	183.2	183.2	-	187.2	187.2	-	211.0	211.0
Long-term receivables	5.4	6.6	12.0	6.4	6.7	13.1	6.6	5.7	12.3
Deferred tax assets	16.8	-	16.8	16.6	0.1	16.7	20.3	0.1	20.4
Other fixed assets	1,449.1	-	1,449.1	1,584.0	-	1,584.0	1,755.5	1.0	1,756.5
Total fixed assets	1,471.3	189.8	1,661.1	1,607.0	194.0	1,801.0	1,782.4	217.8	2,000.2
Other current receivables	222.4	1.2	223.6	342.2	1.5	343.7	414.3	1.3	415.6
Other current assets	1,277.2	-	1,277.2	1,249.4	-	1,249.4	1,604.7	-	1,604.7
Total current assets	1,499.6	1.2	1,500.8	1,591.6	1.5	1,593.1	2,019.0	1.3	2,020.3
Total assets	2,970.9	191.0	3,161.9	3,198.6	195.5	3,394.1	3,801.4	219.1	4,020.5
Equity	1,075.8	-15.0	1,060.8	1,176.5	-15.3	1,161.2	1,250.3	-15.4	1,234.9
Liabilities									
Long-term lease liabilities	0.3	155.2	155.5	0.3	157.0	157.3	0.4	174.2	174.6
Other long-term liabilities	1,125.8	-	1,125.8	1,146.0	-	1,146.0	1,286.5	-	1,286.5
Total long-term liabilities	1,126.1	155.2	1,281.3	1,146.3	157.0	1,303.3	1,286.9	174.2	1,461.1
Current lease liabilities	0.1	50.8	50.9	0.1	53.8	53.9	0.2	60.3	60.5
Other current liabilities	768.9	-	768.9	875.7	-	875.7	1,264.0	-	1,264.0
Total current liabilities	769.0	50.8	819.8	875.8	53.8	929.6	1,264.2	60.3	1,324.5
Total liabilities	1,895.1	206.0	2,101.1	2,022.1	210.8	2,232.9	2,551.1	234.5	2,785.6
Total equity and liabilities	2,970.9	191.0	3,161.9	3,198.6	195.5	3,394.1	3,801.4	219.1	4,020.5

Effect on the consolidated cash flow statement, SEKm	1 Jan-30 June, 2018			1 Jan-31 Dec, 2018		
	Previously published accounts	IFRS 16 adjustments	Restated accounts	Previously published accounts	IFRS 16 adjustments	Restated accounts
Operating profit	127.0	5.2	132.2	294.9	10.8	305.7
Adjustment for:						
Depreciation and amortisation of fixed assets	33.4	27.7	61.1	63.9	57.3	121.2
Interest paid and other financial items	-13.3	-5.6	-18.9	-25.3	-11.3	-36.6
Cash flow from other operating activities	-128.5	-	-128.5	-118.9	-	-118.9
Cash flow from operating activities	18.6	27.3	45.9	214.6	56.8	271.4
Cash flow from investing activities	-57.2	-	-57.2	-117.3	-	-117.3
Cash flow before financing activities	-38.6	27.3	-11.3	97.3	56.8	154.1
Cash flow from financing activities	-124.8	-27.3	-152.1	-9.6	-56.8	-66.4
Cash flow for the period	-163.4	0.0	-163.4	87.7	0.0	87.7

Effect on key figures, SEKm	1 Apr-30 June, 2018		1 Jan-30 June, 2018		1 Jan-31 Dec, 2018	
	Previously published accounts	Restated accounts	Previously published accounts	Restated accounts	Previously published accounts	Restated accounts
EBITDA	83.9	100.8	160.4	193.3	358.8	426.9
Adjusted EBITDA	87.7	104.6	164.2	197.1	372.0	440.1
Adjusted EBITDA margin, %	10.2	12.1	10.0	11.9	10.5	12.4
Operating profit	66.6	69.3	127.0	132.2	294.9	305.7
Operating margin, %	7.7	8.0	7.7	8.0	8.3	8.6
Adjusted operating profit	70.4	73.1	130.8	136.0	308.1	318.9
Adjusted operating margin, %	8.1	8.5	7.9	8.2	8.7	9.0
Profit before tax	58.9	58.7	109.3	108.9	268.0	267.5
Net profit	43.8	43.6	80.6	80.3	203.2	202.8
Earnings per share, SEK	1.25	1.24	2.30	2.29	5.79	5.78
Return on equity, %	15.0	15.1	14.3	14.5	17.5	17.7
Return on operating capital, %	15.3	14.4	14.7	13.8	17.8	16.5
Net debt					553.1	787.6
Net debt/equity ratio, %					44.2	63.8
Net debt/Adjusted EBITDA, multiple					1.5	1.8
Interest cover ratio, multiple					9.8	7.5

Consolidated income statement in summary

SEK million	Note	1 Apr-30 June		1 Jan-30 June		Full year	July-June
		2019	2018*	2019	2018*	2018*	12 months*
Net sales	1	1,096.2	863.9	2,132.6	1,649.7	3,553.9	4,036.8
Cost of goods sold		-694.9	-537.0	-1,354.6	-1,020.0	-2,221.9	-2,556.5
Gross profit		401.3	326.9	778.0	629.7	1,332.0	1,480.3
Selling expenses		-211.8	-185.2	-420.9	-361.9	-730.6	-789.6
Administrative expenses		-90.8	-66.9	-171.7	-126.8	-252.1	-297.0
Research and development expenses		-14.9	-10.5	-29.4	-19.3	-44.1	-54.2
Acquisition costs		-0.4	-3.8	-1.4	-3.8	-13.2	-10.8
Other operating income/expenses		1.1	8.8	2.0	14.3	13.7	1.4
Operating profit		84.5	69.3	156.6	132.2	305.7	330.1
Financial income		2.2	0.5	5.1	1.5	5.0	8.6
Financial expense		-11.1	-11.1	-21.9	-24.8	-43.2	-40.3
Net financial items		-8.9	-10.6	-16.8	-23.3	-38.2	-31.7
Profit before tax		75.6	58.7	139.8	108.9	267.5	298.4
Taxes		-21.2	-15.1	-39.2	-28.6	-64.7	-75.3
Net profit		54.4	43.6	100.6	80.3	202.8	223.1
Net profit attributable to:							
The parent company's shareholders		54.4	43.6	100.6	80.3	202.8	223.1
Earnings per share							
before dilution (SEK)		1.55	1.24	2.87	2.29	5.78	6.36
after dilution (SEK)		1.55	1.24	2.87	2.29	5.78	6.36

* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 14-15.

Consolidated statement of comprehensive income in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2019	2018*	2019	2018*	2018*	12 months*
Net profit	54.4	43.6	100.6	80.3	202.8	223.1
Other comprehensive income						
Items that cannot be reclassified to net profit						
Revaluation of defined-benefit pension plans	-0.7	-0.0	-1.2	-0.9	-15.5	-15.8
Tax attributable to items that cannot be reclassified to net profit	0.2	0.0	0.3	0.2	3.8	3.9
	-0.5	0.0	-0.9	-0.7	-11.7	-11.9
Items that have been or can be reclassified to net profit						
Exchange differences arising on translation of foreign operations	10.2	44.5	69.1	92.0	54.3	31.4
Cash flow hedges	0.0	-0.4	0.0	-0.0	-0.1	-0.1
Tax attributable to items that can be reclassified to net profit	-	0.1	-	0.0	0.0	0.0
	10.2	44.2	69.1	92.0	54.2	31.3
Other comprehensive income for the period, net of tax	9.7	44.2	68.2	91.3	42.5	19.4
Total comprehensive income for the period	64.1	87.8	168.8	171.6	245.3	242.5
Total comprehensive income attributable to:						
The parent company's shareholders	64.1	87.8	168.8	171.6	245.3	242.5

* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 14-15.

Consolidated statement of financial position in summary

SEK million	Note	30 June 2019	30 June 2018*	31 Dec 2018*
Assets				
Goodwill		1,226.1	1,074.5	1,183.4
Other intangible assets		269.8	246.3	261.5
Tangible assets		322.2	263.2	311.6
Right-of-use assets		202.0	187.2	211.0
Long-term receivables		12.7	13.1	12.3
Deferred tax assets		21.3	16.7	20.4
Total fixed assets		2,054.1	1,801.0	2,000.2
Inventories		634.0	467.0	562.0
Accounts receivable	2	628.0	572.8	578.8
Other current receivables	2	517.3	343.7	415.6
Cash and cash equivalents	2	327.5	209.6	463.9
Total current assets		2,106.8	1,593.1	2,020.3
Total assets		4,160.9	3,394.1	4,020.5
Equity				
		1,323.4	1,161.2	1,234.9
Liabilities				
Long-term interest-bearing liabilities	2	935.2	807.0	917.4
Long-term lease liabilities	2	164.6	157.3	174.6
Other long-term liabilities	2	240.2	181.9	231.7
Pension liabilities		91.7	126.6	90.9
Other provisions		18.6	9.6	17.1
Deferred tax liabilities		30.4	20.9	29.4
Total long-term liabilities		1,480.7	1,303.3	1,461.1
Current interest-bearing liabilities	2	16.1	3.7	8.1
Current lease liabilities	2	62.0	53.9	60.5
Accounts payable	2	433.3	357.4	444.6
Other current liabilities	2	818.5	491.5	783.2
Provisions		26.9	23.1	28.1
Total current liabilities		1,356.8	929.6	1,324.5
Total liabilities		2,837.5	2,232.9	2,785.6
Total equity and liabilities		4,160.9	3,394.1	4,020.5

* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 14-15.

Consolidated statement of changes in equity in summary

SEK million	30 June 2019	30 June 2018*	31 Dec 2018*
Opening balance at beginning of period	1,234.9	1,075.8	1,075.8
Transition effect IFRS 16	-	-15.0	-15.0
Net profit	100.6	80.3	202.8
Other comprehensive income			
Change in translation reserve for the period	69.1	92.0	54.3
Cash flow hedges, net of tax	0.0	-0.0	-0.1
Revaluation of defined-benefit pension plans, net of tax	-0.9	-0.7	-11.7
Total other comprehensive income for the period	68.2	91.3	42.5
Total comprehensive income for the period	168.8	171.6	245.3
Transactions with Group owners			
Dividend paid	-80.7	-70.2	-70.2
Share-based remuneration	0.4	-1.0	-1.0
Closing balance at end of period	1,323.4	1,161.2	1,234.9

Consolidated cash flow statement in summary

SEK million	1 Jan-30 June 2019	Full year 2018*	July-June 12 months*
Operating profit	156.6	132.2	330.1
Adjustment for:			
Depreciation and amortisation of fixed assets	71.4	61.1	131.5
Other adjustments	-0.6	-6.8	-4.2
Interest received and paid incl. other financial items	-20.0	-18.9	-37.7
Taxes paid	-53.0	-22.8	-66.2
Cash flow from operating activities before changes in working capital	154.4	144.8	353.5
Cash flow from changes in working capital	-163.5	-98.9	-137.1
Cash flow from operating activities	-9.1	45.9	216.4
Net investment in fixed assets	-38.2	-18.9	-69.9
Acquisitions	-4.1	-38.3	-32.5
Cash flow before financing activities	-51.4	-11.3	114.0
Dividend paid	-80.7	-70.2	-80.7
Cash flow from other financing activities	-20.6	-81.9	65.1
Cash flow for the period	-152.7	-163.4	98.4
Cash and cash equivalents at beginning of period	463.9	360.9	209.6
Translation differences	16.3	12.1	19.5
Cash and cash equivalents at end of period	327.5	209.6	327.5

* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 14-15.

Income statement for the parent company in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2019	2018	2019	2018	2018	12 months
Operating profit/loss	-26.4	-18.9	-48.6	-40.8	-82.3	-90.1
Result from investment in subsidiaries	50.1	37.4	50.1	37.4	63.5	76.2
Other financial items	-5.2	-5.8	-13.7	-17.4	-7.5	-3.8
Profit/loss after financial items	18.5	12.7	-12.2	-20.8	-26.3	-17.7
Appropriations	-	-	-	-	143.6	143.6
Profit/loss before tax	18.5	12.7	-12.2	-20.8	117.3	125.9
Taxes	-1.3	-1.8	-3.3	-2.8	-13.0	-13.5
Net profit/loss for the period	17.2	10.9	-15.5	-23.6	104.3	112.4

Statement of comprehensive income for the parent company in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2019	2018	2019	2018	2018	12 months
Net profit/loss	17.2	10.9	-15.5	-23.6	104.3	112.4
Other comprehensive income	-	-	-	-	-	-
Items that cannot be reclassified to net profit/loss	-	-	-	-	-	-
Items that have been or can be reclassified to net profit/loss	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	17.2	10.9	-15.5	-23.6	104.3	112.4

Balance sheet for the parent company in summary

SEK million	30 June 2019	30 June 2018	31 Dec 2018
Assets			
Total fixed assets	1,612.9	1,913.6	1,603.5
Total current assets	131.1	406.0	332.5
Total assets	1,744.0	2,319.6	1,936.0
Shareholders' Equity	806.1	774.0	901.9
Untaxed reserves	1.4	-	1.4
Liabilities			
Total long-term liabilities	694.6	974.4	682.4
Total current liabilities	241.9	571.2	350.3
Total liabilities	936.5	1,545.6	1,032.7
Total equity and liabilities	1,744.0	2,319.6	1,936.0

Statement of changes in parent company shareholders' equity in summary

SEK million	30 June 2019	30 June 2018	31 Dec 2018
Opening balance at beginning of period	901.9	868.8	868.8
Net profit/loss	-15.5	-23.6	104.3
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-15.5	-23.6	104.3
Transactions with owners			
Dividend paid	-80.7	-70.2	-70.2
Share-based remuneration	0.4	-1.0	-1.0
Closing balance at end of period	806.1	774.0	901.9

Pledged assets and contingent liabilities for the parent company

SEK million	30 June 2019	30 June 2018	31 Dec 2018
Pledged assets	none	none	none
Contingent liabilities	398.7	378.4	436.2

Note 1: Allocation of sales

SEKm				1 Apr-30 June 2019
External net sales allocated on regions and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	204.4	210.3	102.6	517.3
APAC	22.8	184.9	19.9	227.6
Americas	163.1	126.7	61.5	351.3
Total	390.3	521.9	184.0	1,096.2

SEKm				1 Apr-30 June 2018
External net sales allocated on regions and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	179.2	156.7	91.2	427.1
APAC	32.3	70.8	13.4	116.5
Americas	136.7	124.1	59.5	320.3
Total	348.2	351.6	164.1	863.9

SEKm				1 Jan-30 June 2019
External net sales allocated on regions and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	395.7	449.8	196.3	1,041.8
APAC	48.5	326.7	39.5	414.7
Americas	312.8	243.8	119.5	676.1
Total	757.0	1,020.3	355.3	2,132.6

SEKm				1 Jan-30 June 2018
External net sales allocated on regions and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	357.2	303.0	173.4	833.6
APAC	55.7	136.5	23.4	215.6
Americas	265.8	217.3	117.4	600.5
Total	678.7	656.8	314.2	1,649.7

SEKm				Full year 2018
External net sales allocated on regions and sales segments	Product sales	Solution sales	Service and after-market	Total
EMEA	715.1	691.9	361.3	1,768.3
APAC	112.4	376.3	50.1	538.8
Americas	569.4	447.5	229.9	1,246.8
Total	1,396.9	1,515.7	641.3	3,553.9

Performance obligations for sales of Products and Service –and aftermarket are satisfied at the point in time at which the customer obtains control. Performance obligations from sales of solutions, in terms of project sales, are satisfied over time. Revenue is recognized according to the project’s rate of progression towards completion.

Note 2: Fair value and reported value in the statement of financial position

	30 June 2019			
SEK million	Measured at fair value via income statement	Derivatives that are used for hedge accounting	Financial instruments not reported at fair value	Total carrying amount
Accounts receivable	-	-	628.0	628.0
Foreign exchange forward contracts entered *)	11.7	-	-	11.7
Other current receivables	-	-	365.7	365.7
Cash and cash equivalents	-	-	327.5	327.5
Total	11.7	-	1,321.2	1,332.9
Financial leasing liabilities	-	-	226.6	226.6
Bank loans	-	-	951.3	951.3
Accounts payable	-	-	433.3	433.3
Foreign exchange forward contracts entered *)	-	-	-	-
Other long-term liabilities	-	-	240.2	240.2
Other current liabilities	-	-	737.2	737.2
Total	-	-	2,588.6	2,588.6

*) The Group holds financial instruments in the form of currency futures that are recorded at fair value in the balance sheet. The fair value of currency futures is determined by discounting the difference between the contracted forward rate and the forward rate that can be subscribed on the closing date for the remaining contracted period. Discounting is made using market rates. The fair value for all contracts has been determined from directly or indirectly observable market data, i.e. level 2 according to IFRS 7. For other financial instruments, the fair value and the book value are materially consistent. For further information, refer to note 24 in the 2018 Annual Report.

Note 3: Transactions with related parties

No member of the Board of Directors or senior executives have or have had any direct or indirect participation in any business transaction with Group companies which is or was of an exceptional character with regard to terms and conditions that occurred during the year or in any previous year. Nor has any Group company provided any loan, given any guarantees or entered into any surety relationships for any of the members of the Board of Directors or senior executives.

Note 4: Alternative performance measures

In addition to information on our reported IFRS results, we provide certain information on an underlying business performance basis. We believe that our underlying business performance measures provide meaningful supplemental information to both management, investors and other stakeholders. These underlying business performance measures should not be viewed in isolation or as substitutes to the equivalent IFRS measures, but should be used in conjunction with the most directly comparable IFRS measures in the reported results. This is a consistent application compared to previous periods.

The following underlying business measures are used:

Adjusted operating profit	Adjusted EBITDA	Return on operating capital
Adjusted operating margin	Adjusted EBITDA margin	Net debt/Adjusted EBITDA
EBITA	Equity/asset ratio	Interest Cover Ratio
Adjusted EBITA	Net debt	Order growth
Adjusted EBITA margin	Net debt/equity ratio	Sales growth
EBITDA	Return on equity	

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2019	2018*	2019	2018*	2018*	12 months*
Operating profit	84.5	69.3	156.6	132.2	305.7	330.1
Acquisition cost	0.4	3.8	1.4	3.8	13.2	10.8
Adjusted operating profit	84.9	73.1	158.0	136.0	318.9	340.9
Adjusted operating profit	84.9	73.1	158.0	136.0	318.9	340.9
Net sales	1,096.2	863.9	2,132.6	1,649.7	3,553.9	4,036.8
Adjusted operating margin, %	7.7	8.5	7.4	8.2	9.0	8.4
Operating profit	84.5	69.3	156.6	132.2	305.7	330.1
Amortisation intangible assets	10.9	10.0	21.6	19.2	35.1	37.5
EBITA	95.4	79.3	178.2	151.4	340.8	367.6
EBITA	95.4	79.3	178.2	151.4	340.8	367.6
Acquisition cost	0.4	3.8	1.4	3.8	13.2	10.8
Adjusted EBITA	95.8	83.1	179.6	155.2	354.0	378.4
Adjusted EBITA	95.8	83.1	179.6	155.2	354.0	378.4
Net sales	1,096.2	863.9	2,132.6	1,649.7	3,553.9	4,036.8
Adjusted EBITA margin, %	8.7	9.6	8.4	9.4	10.0	9.4
Operating profit	84.5	69.3	156.6	132.2	305.7	330.1
Depreciation and amortization	36.0	31.5	71.4	61.1	121.2	131.5
EBITDA	120.5	100.8	228.0	193.3	426.9	461.6
EBITDA	120.5	100.8	228.0	193.3	426.9	461.6
Acquisition cost	0.4	3.8	1.4	3.8	13.2	10.8
Adjusted EBITDA	120.9	104.6	229.4	197.1	440.1	472.4
Adjusted EBITDA	120.9	104.6	229.4	197.1	440.1	472.4
Net sales	1,096.2	863.9	2,132.6	1,649.7	3,553.9	4,036.8
Adjusted EBITDA margin, %	11.0	12.1	10.8	11.9	12.4	11.7

* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 14-15.

Note 4: Alternative performance measures, cont'd

SEK million	1 Apr-30 June		1 Jan-30 June		Full year 2018*	July-June 12 months*
	2019	2018*	2019	2018*		
Equity - Closing balance					1,234.9	1,323.4
Total assets (balance sheet total)					4,020.5	4,160.9
Equity/asset ratio, %					30.7	31.8
Cash and cash equivalents					463.9	327.5
Long-term interest-bearing liabilities					917.4	935.2
Long-term lease liabilities					174.6	164.6
Pension liabilities					90.9	91.7
Current interest-bearing liabilities					8.1	16.1
Current lease liabilities					60.5	62.0
Net debt					787.6	942.1
Net debt					787.6	942.1
Equity - Closing balance					1,234.9	1,323.4
Net debt/equity ratio, %					63.8	71.2
Equity - Opening balance	1,339.6	1,143.6	1,234.9	1,060.8	1,060.8	1,161.2
Equity - Closing balance	1,323.4	1,161.2	1,323.4	1,161.2	1,234.9	1,323.4
Equity - average	1,331.5	1,152.4	1,279.2	1,111.0	1,147.9	1,242.3
Net profit	54.4	43.6	100.6	80.3	202.8	223.1
Return on equity, %	16.3	15.1	15.7	14.5	17.7	18.0
Equity - average	1,331.5	1,152.4	1,279.2	1,111.0	1,147.9	1,242.3
Net Debt - opening balance	869.6	819.1	787.6	791.3	791.3	938.9
Net Debt - closing balance	942.1	938.9	942.1	938.9	787.6	942.1
Net Debt - average	905.9	879.0	864.9	865.1	789.5	940.5
Operating capital - average	2,237.4	2,031.4	2,144.1	1,976.1	1,937.4	2,182.8
Adjusted operating profit	84.9	73.1	158.0	136.0	318.9	340.9
Return on operating capital, %	15.2	14.4	14.7	13.8	16.5	15.6
Net debt					787.6	942.1
Adjusted EBITDA					440.1	472.4
Net debt/Adjusted EBITDA, multiple					1.8	2.0
Profit before tax					267.5	298.4
Financial expense					43.2	40.3
Acquisition cost					13.2	10.8
EBT excl. financial expenses & acquisition costs					323.9	349.5
Financial expense					43.2	40.3
Interest cover ratio, multiple					7.5	8.7

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Note 4: Alternative performance measures, cont'd

SEK million	1 Apr-30 June		1 Jan-30 June		Full year
	2019	2018	2019	2018	2018
Incoming orders, same period in previous year	912.1	849.4	1,693.8	1,580.5	3,157.3
Change in incoming orders, organic	-35.8	-10.7	-19.0	16.6	-9.4
Change in incoming orders, currency effects	38.5	15.3	96.5	-3.6	87.7
Change in incoming orders, acquisitions	129.3	58.1	291.8	100.3	243.9
Incoming orders	1,044.1	912.1	2,063.1	1,693.8	3,479.5
Order growth, %, organic	-3.9	-1.3	-1.1	1.1	-0.3
Order growth, %, currency effects	4.2	1.9	5.7	-0.2	2.8
Order growth, %, acquisitions	14.2	6.8	17.2	6.3	7.7
Order growth, %	14.5	7.4	21.8	7.2	10.2
Net sales, comparative period previous year	863.9	759.2	1,649.7	1,519.8	3,148.5
Change in net sales, organic	-4.7	39.7	-7.6	49.2	-4.1
Change in net sales, currency effects	40.6	18.7	98.8	-0.3	88.4
Change in net sales, acquisitions	196.4	46.3	391.7	81.0	321.1
Net sales	1,096.2	863.9	2,132.6	1,649.7	3,553.9
Sales growth, %, organic	-0.5	5.2	-0.5	3.2	-0.1
Sales growth, %, currency effects	4.7	2.5	6.1	-0.0	2.8
Sales growth, %, acquisitions	22.7	6.1	23.7	5.3	10.2
Sales growth, %	26.9	13.8	29.3	8.5	12.9

Segment reporting – operating segments

Non-allocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

	1 Apr-30 June 2019	1 Jan-30 June 2019
Order intake - External, SEKm		
Nederman Extraction & Filtration Technology	489.8	956.0
Nederman Process Technology	368.5	734.6
Nederman Duct & Filter Technology	123.2	249.2
Nederman Monitoring & Control Technology	62.6	123.3
Total Nederman Group	1,044.1	2,063.1

	1 Apr-30 June 2019	1 Jan-30 June 2019
Total sales, SEKm		
Nederman Extraction & Filtration Technology	482.5	935.1
Nederman Process Technology	432.8	854.7
Nederman Duct & Filter Technology	151.6	285.3
Nederman Monitoring & Control Technology	56.0	109.5
Eliminering	-26.7	-52.0
Total Nederman Group	1,096.2	2,132.6

	1 Apr-30 June 2019	1 Jan-30 June 2019
Adjusted EBITA, SEKm		
Nederman Extraction & Filtration Technology	62.1	124.7
Nederman Process Technology	33.1	54.8
Nederman Duct & Filter Technology	23.5	40.3
Nederman Monitoring & Control Technology	7.8	10.5
Other - non-allocated	-30.7	-50.7
Total Nederman Group	95.8	179.6

	1 Apr-30 June 2019	1 Jan-30 June 2019
Adjusted EBITA margin, %		
Nederman Extraction & Filtration Technology	12.9	13.3
Nederman Process Technology	7.6	6.4
Nederman Duct & Filter Technology	15.5	14.1
Nederman Monitoring & Control Technology	13.9	9.6
Total Nederman Group	8.7	8.4

Segment reporting – Regions

Non-allocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

SEK million	1 Apr-30 June		1 Jan-30 June		Full year 2018*	July-June 12 months*
	2019	2018*	2019	2018*		
EMEA						
Incoming orders	543.4	447.7	1,060.4	850.2	1,731.6	1,941.8
External net sales	517.3	427.1	1,041.8	833.6	1,768.3	1,976.5
Depreciation & amortisation	-18.6	-18.2	-37.1	-35.8	-66.0	-67.3
Adjusted operating profit	67.4	65.3	134.7	121.2	266.2	279.7
Adjusted operating margin, %	13.0	15.3	12.9	14.5	15.1	14.2
APAC						
Incoming orders	149.2	105.1	345.4	220.7	488.3	613.0
External net sales	227.6	116.5	414.7	215.6	538.8	737.9
Depreciation & amortisation	-5.6	-3.4	-11.3	-6.7	-14.6	-19.2
Adjusted operating profit	15.3	2.5	17.5	2.3	18.3	33.5
Adjusted operating margin, %	6.7	2.1	4.2	1.1	3.4	4.5
Americas						
Incoming orders	351.5	359.3	657.3	622.9	1,259.6	1,294.0
External net sales	351.3	320.3	676.1	600.5	1,246.8	1,322.4
Depreciation & amortisation	-6.8	-6.0	-13.2	-11.1	-24.0	-26.1
Adjusted operating profit	39.5	28.4	71.7	55.7	123.1	139.1
Adjusted operating margin, %	11.2	8.9	10.6	9.3	9.9	10.5
Other - non-allocated						
Depreciation & amortisation	-5.0	-3.9	-9.8	-7.5	-16.6	-18.9
Adjusted operating profit	-37.3	-23.1	-65.9	-43.2	-88.7	-111.4
The Group						
Incoming orders	1,044.1	912.1	2,063.1	1,693.8	3,479.5	3,848.8
Net sales	1,096.2	863.9	2,132.6	1,649.7	3,553.9	4,036.8
Depreciation & amortisation	-36.0	-31.5	-71.4	-61.1	-121.2	-131.5
Adjusted operating profit	84.9	73.1	158.0	136.0	318.9	340.9
Acquisition cost	-0.4	-3.8	-1.4	-3.8	-13.2	-10.8
Operating profit	84.5	69.3	156.6	132.2	305.7	330.1
Profit before tax	75.6	58.7	139.8	108.9	267.5	298.4
Net profit	54.4	43.6	100.6	80.3	202.8	223.1

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Financial calendar

Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Wednesday, 12 July 2019 at 10.00. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions.

To participate in the conference please call +46 8 566 426 92 or UK tel. no. +44 33 330 092 63. The conference will also be streamed over the internet.

Visit our website to participate in the webcast:

<http://www.nedermangroup.com/sv-SE/Investors/Reports/Webcast>.

Dates for the publication of financial information

- Interim report 3 17 October 2019

This report contains forward-looking statements that are based on the current expectations of Nederman's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

Nederman is required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instrument Trading Act. The information has been made public at 08.00 CET on 12 July 2019.

Further information can be obtained from

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Definitions

Adjusted EBITA

Operating profit before amortisation and impairment loss of intangible assets, excluding acquisition and restructuring costs.

Adjusted EBITA margin

Adjusted EBITA as percentage of net sales.

Adjusted EBITDA

Operating profit before depreciation/amortization and impairment loss, excluding acquisition and restructuring costs.

Adjusted EBITDA margin

Adjusted EBITDA as percentage of net sales.

Adjusted operating margin

Adjusted operating profit as percentage of net sales.

Adjusted operating profit

Operating profit excluding acquisition and restructuring costs

Annual average

Average of year-beginning and year-end balance.

Currency-neutral growth

Currency-neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the previous year.

Earnings per share (after dilution)

Net profit attributable to Parent Company shareholders in relation to average number of share outstanding plus average number of convertibles and options, as calculated in accordance with IAS 33.

Earnings per share (before dilution)

Net profit attributable to Parent Company shareholders divided by average number of shares outstanding.

EBITA

Operating profit before amortisation and impairment loss of intangible assets.

EBITA margin

EBITA in percentage of sales.

EBITDA

Operating profit before depreciation/amortization and impairment loss.

EBITDA margin

EBITDA as a percentage of net sales.

Equity ratio

Equity divided by total assets (balance sheet total).

Interest Cover Ratio

Profit before tax with return of financial expenses in relation to financial expenses.

Net debt

Interest-bearing liabilities (including pensions) minus cash and cash equivalents.

Net debt/equity ratio

Net debt divided by shareholders' equity.

Operating capital

Shareholders' equity plus net debt.

Operating margin

Operating profit as percentage of net sales.

Operating profit/loss

Operating profit after depreciation/amortization and impairment loss.

Organic growth

Organic growth is the growth rate that does not come from acquisitions and currency effects, compared with the corresponding period in the previous year.

Return on equity

Net profit for the period divided by average shareholders' equity

Return on operating capital

Adjusted operating profit as a percentage of average operating capital