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Highlights third quarter 2017

- Stable market conditions
- Positive momentum in most operations, with growth in order intake, sales and earnings
- Good development in the Nordic countries
- Lower volumes for valves for power generation and continued low volumes in the marine segment having an impact on earnings and EBITA-margin
- LOI to acquire Inovatools in Germany

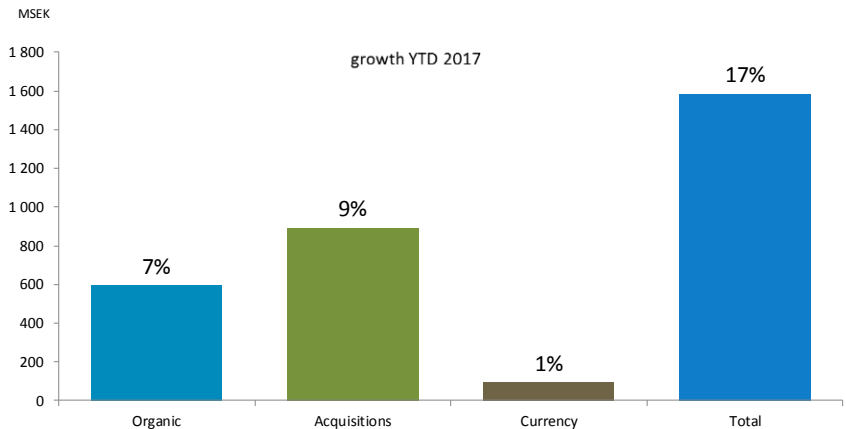
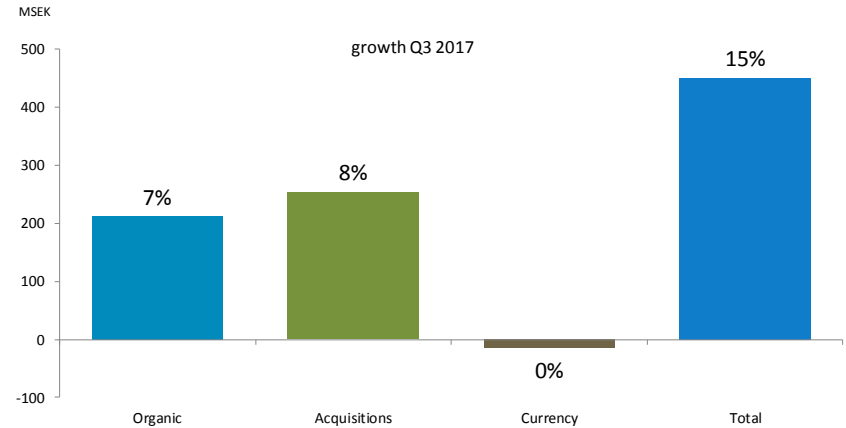
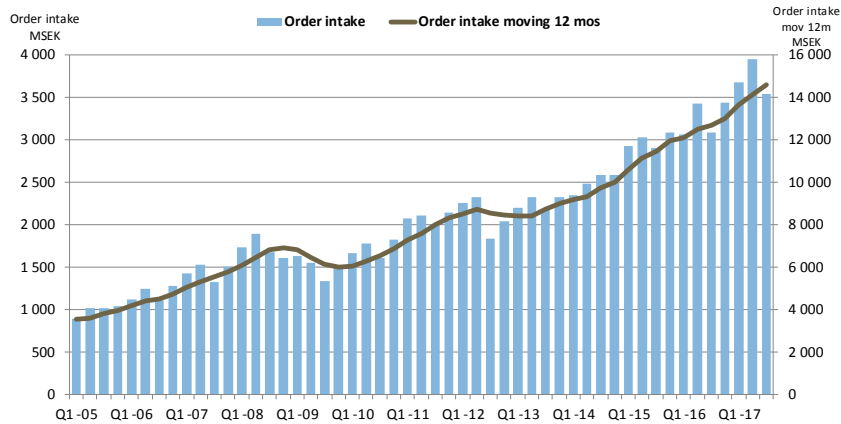
Financial summary third quarter 2017

- Order intake rose 15% to 3,532 MSEK (3,082)
- Net sales rose 14% to 3,633 MSEK (3,176)
- EBITA rose 19% to 450 MSEK (377)
- EBITA margin 12.4% (11.9%)
- Profit after tax rose 22% to 293 MSEK (239) corresponding to earnings per share of SEK 2.43 (1.99)
- Return on operating capital 21% (21)
- Net debt/equity ratio 77% (98)

Market conditions

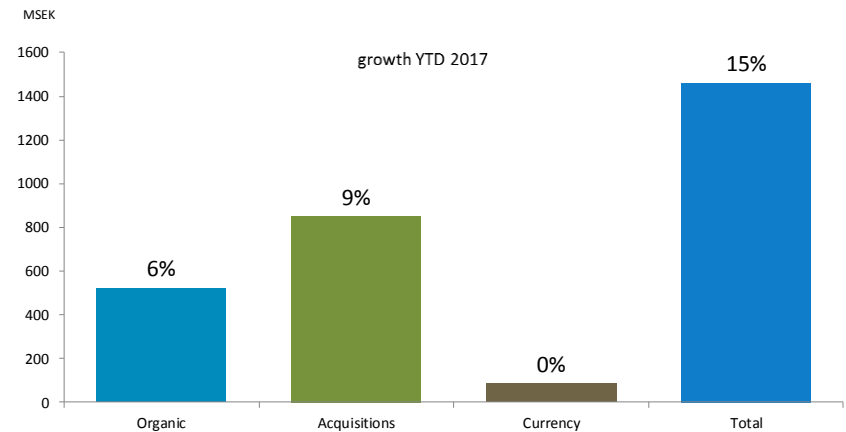
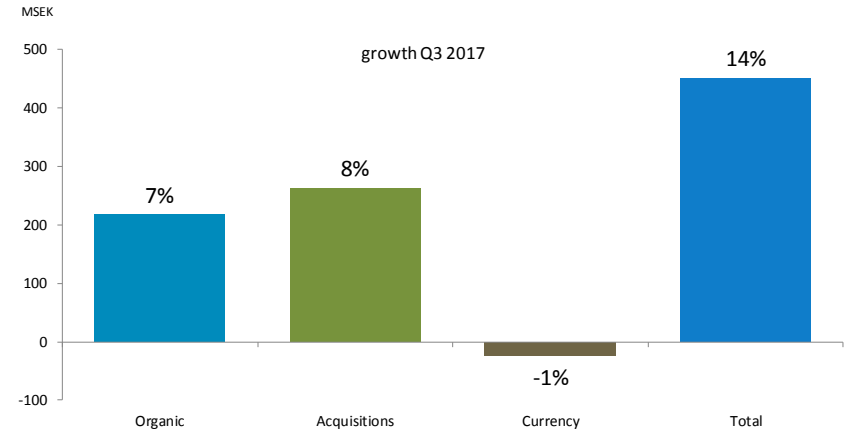
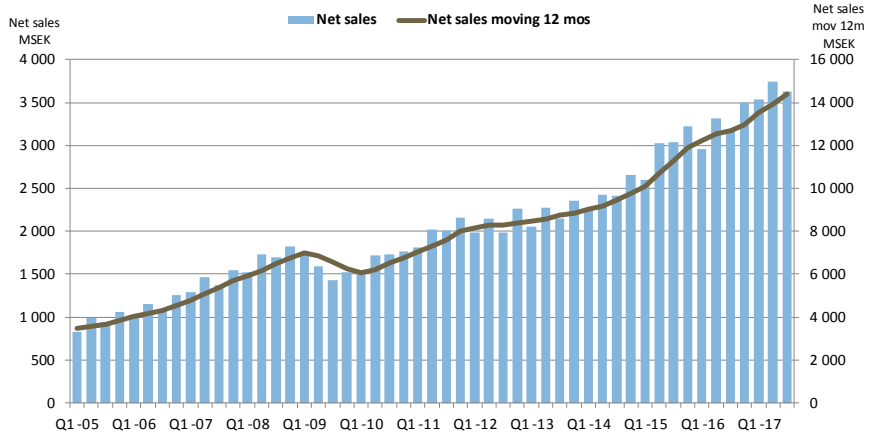
- Sweden: ↗
- Finland: ↗
- Norway: oil & gas → other →
- Denmark: →
- UK: →
- Ireland: →
- Benelux: ↗
- Switzerland: →
- Germany: ↗
- North America: →
- Asia: ↗

Order intake



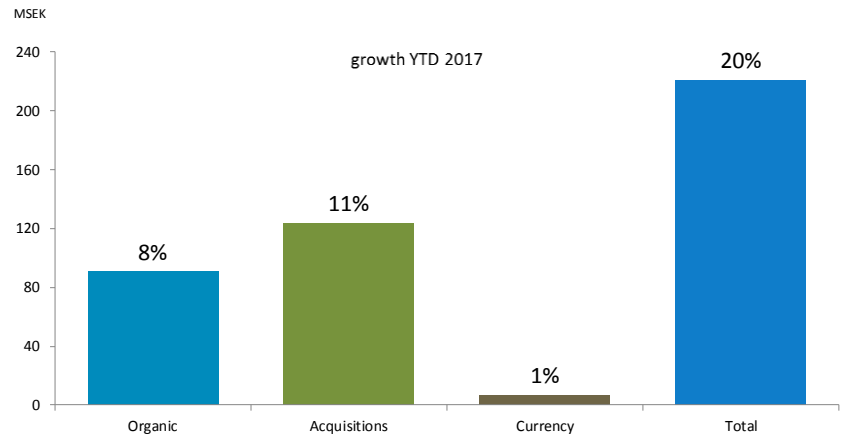
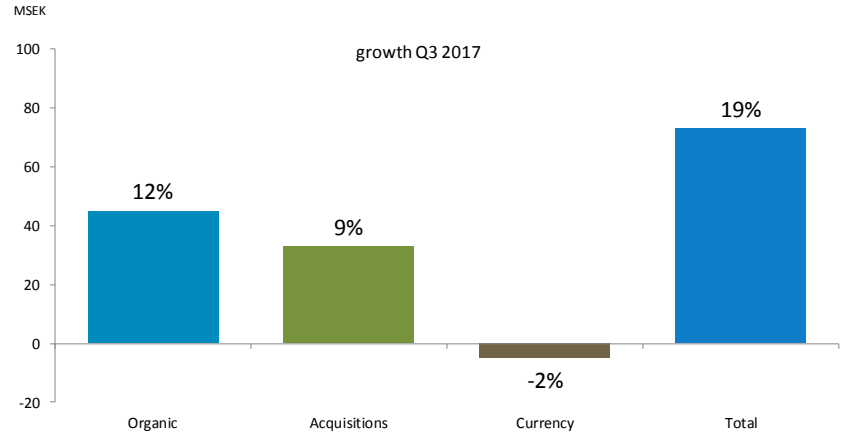
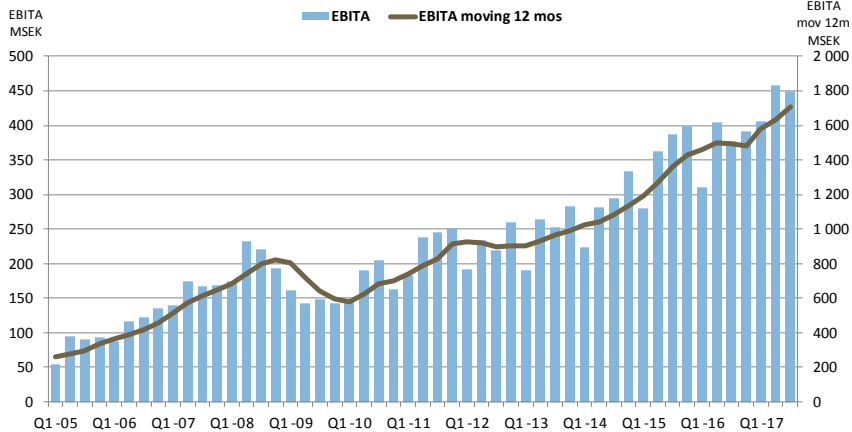
- Q3: Order intake rose 15% to 3,532 MSEK (3,082) whereof organic 7%
- YTD 2017: Order intake rose 17% to 11,156 MSEK (9,570) whereof organic 7%

Net sales



- Q3: Net sales rose 14% to 3,633 MSEK (3,176) whereof organic 7%
- YTD 2017: Net sales rose 15% to 10,915 MSEK (9,456) whereof organic 6%

EBITA



- Q3: EBITA rose 19% to 450 MSEK (377) whereof organic 12% EBITA-margin 12.4% (11.9)
- YTD 2017: EBITA rose 20% to 1,314 MSEK (1,093) whereof organic 8%
- EBITA-margin 12.0% (11.6)

Growth bridge 2017

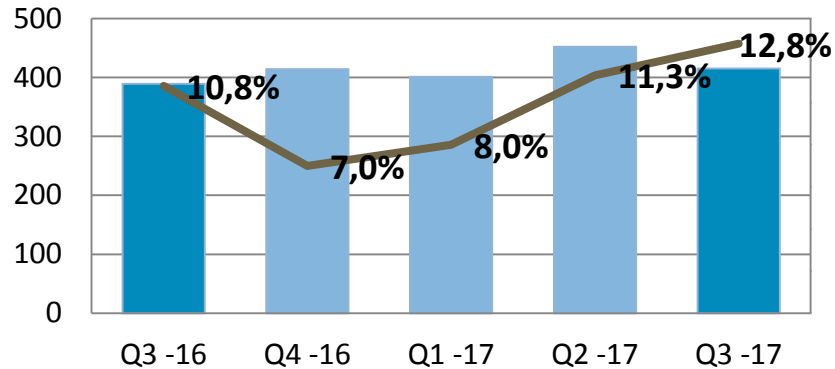
	Q3					Q3
MSEK	2017	Organic	Acquisitions	Currency	Total	2016
Order intake	3,532	7%	8%	0%	15%	3,082
Net sales	3,633	7%	8%	-1%	14%	3,176
EBITA	450	12%	9%	-2%	19%	377

	YTD Sept					YTD Sept
MSEK	2017	Organic	Acquisitions	Currency	Total	2016
Order intake	11,156	7%	9%	1%	17%	9,570
Net sales	10,915	6%	9%	0%	15%	9,456
EBITA	1,314	8%	11%	1%	20%	1,093

Acquisitions 2017

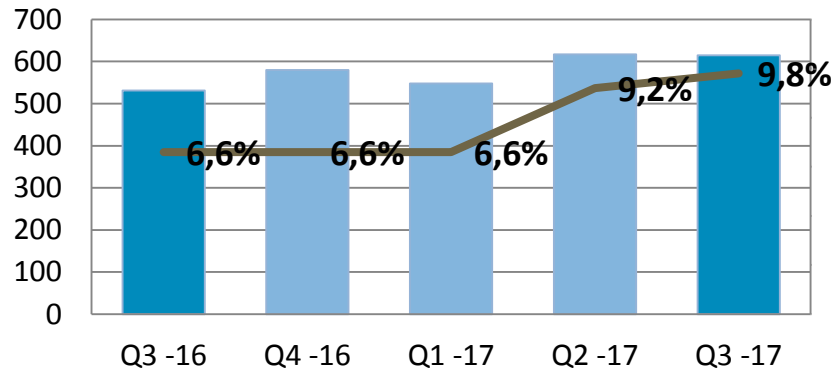
	Annual sales	Possession
1. RS Technics B.V., NL	20 MSEK	January
2. Sunflower Medical Ltd, UK	50 MSEK	January
3. Ellard Ltd, UK	100 MSEK	February
4. Türenfabrik, CH	70 MSEK	March
5. Pro-Flex AS, NO	100 MSEK	April
6. MaxxVision, DE	80 MSEK	April
7. Wennerström Ljuskontroll AB, SE	110 MSEK	July
8. Elma Instruments A/S, DK	180 MSEK	July
9. Young Black Ltd, UK	110 MSEK	July
10. Tubeworkx B.V., NL	50 MSEK	July
Total	870 MSEK	

Engineering & Equipment



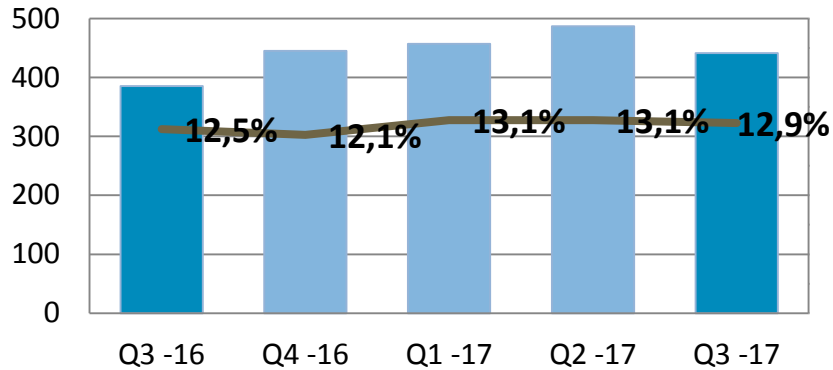
- Net sales: 415 MSEK (389) +7%, whereof organic +6%
- EBITA: 53 MSEK (42) +26%
- EBITA-marginal: 12.8% (10.8)
- Positive business climate
- Stable demand in most customer segments

Flow Technology



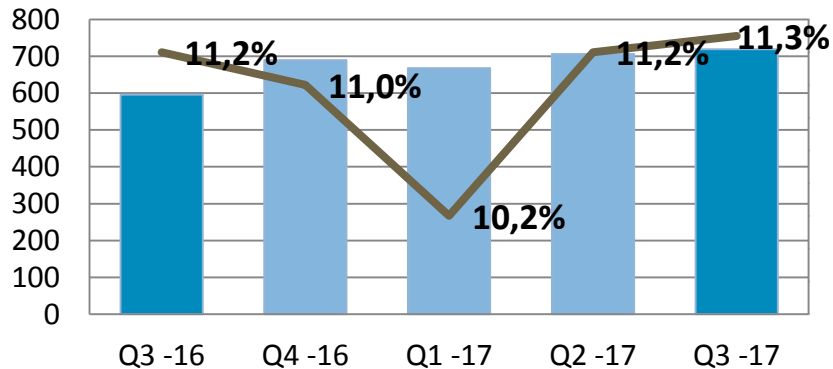
- Net sales: 615 MSEK (531) +16%, whereof organic +12%
- EBITA: 60 MSEK (35) +71%
- EBITA-marginal: 9.8% (6.6)
- Stable demand
- Continued low invoicing for companies within the the marine segment with impact on earnings and margin
- Acquisitions

Fluids & Mechanical Solutions



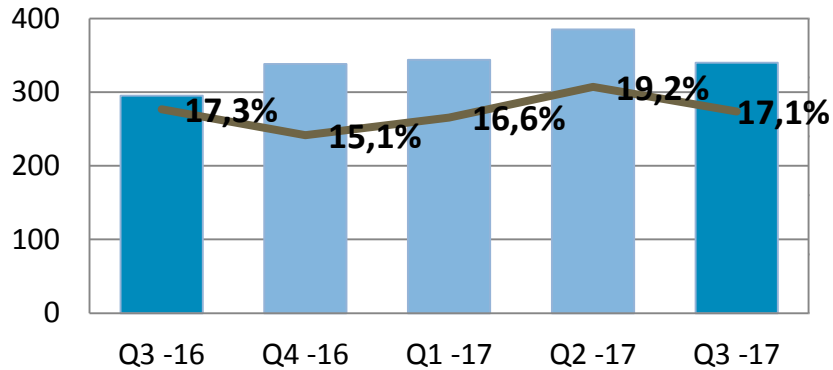
- Net sales: 441 MSEK (385) +15%, whereof organic +7%
- EBITA: 57 MSEK (48) +19%
- EBITA-marginal: 12.9% (12.5)
- Stable demand
- Stable performance
- Acquisitions

Industrial Components



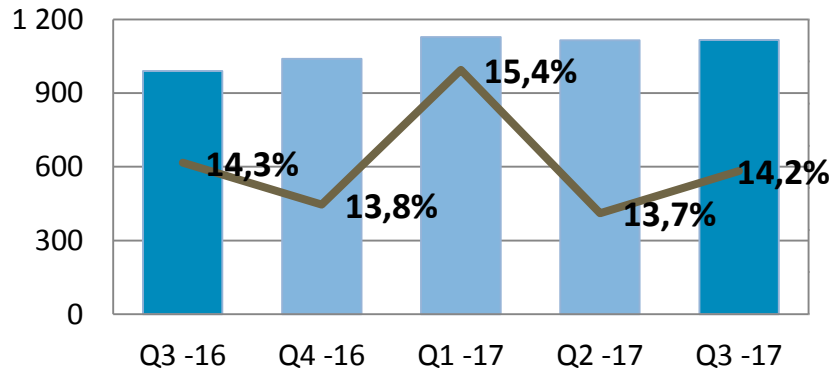
- Net sales: 719 MSEK (596) +21%, whereof organic +9%
- EBITA: 81 MSEK (67) 21%
- EBITA-marginal: 11.3% (11.2)
- Continued strong demand in Sweden and Norway
- Acquisitions

Measurement & Sensor Technology



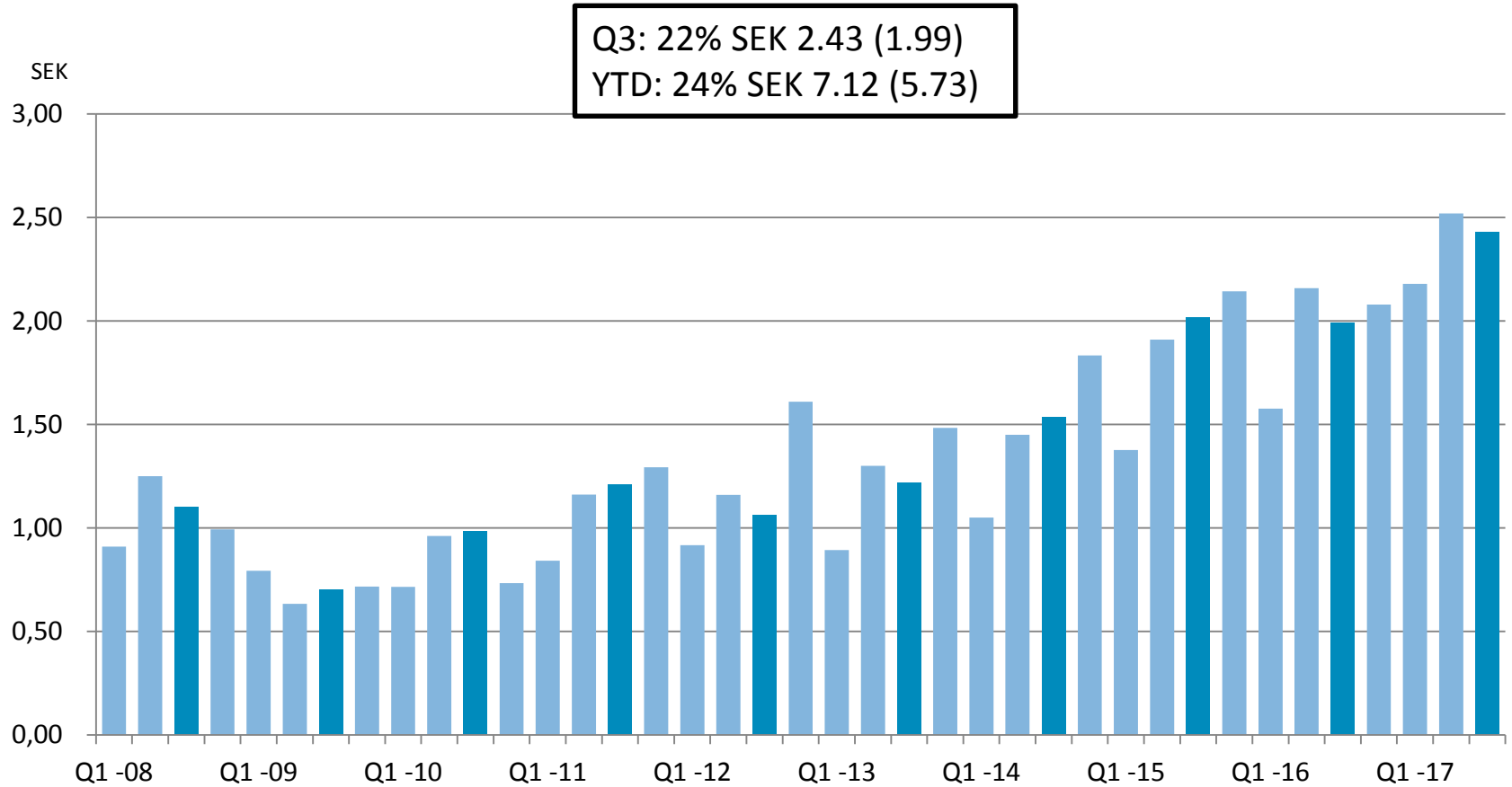
- Net sales: 340 MSEK (295) +15%, whereof organic +14%
- EBITA: 58 MSEK (51) +14%
- EBITA-marginal: 17.1% (17.3)
- Stable demand in most regions and applicable segments
- Changed mix
- Healthy margins

Special Products



- Net sales: 1 116 MSEK (990) +13%, whereof organic +1%
- EBITA: 158 MSEK (142) +11%
- EBITA-marginal: 14.2% (14.3%)
- Stable demand and performance in most companies
- Lower volumes of valves for power generation having an impact on earnings and EBITA-margin
- Acquisitions

Earnings per share



Financial targets

	September 2017	Target
Growth	15%	>10%
EBITA-margin	12.0%	>10%
Return on operating capital	21%	>20%
Net debt/equity ratio	77%	<100%

Income statement

MSEK	Q3 2017	Q3 2016	%	Mov 12 m	2016
Net sales	3,633	3,176	14%	14,414	12,955
Gross profit	1,202	1,054	14%	4,826	4,348
%	33.1%	33.2%		33.5%	33.6%
Operating expenses	-816	-737	11%	-3,381	-3,126
%	-22.5%	-23.2%		-23.5%	-24.1%
Other	4	5		31	50
Operating profit	390	322	21%	1,476	1,272
Financial net	-19	-20		-70	-78
Earnings before tax (EBT)	371	302	23%	1,406	1,194
%	10.2%	9.5%		9.8%	9.2%
EBITA	450	377	19%	1,705	1,484
%	12.4%	11.9%		11.8%	11.5%
Earnings per share, SEK	2.43	1.99	22%	9.20	7.80

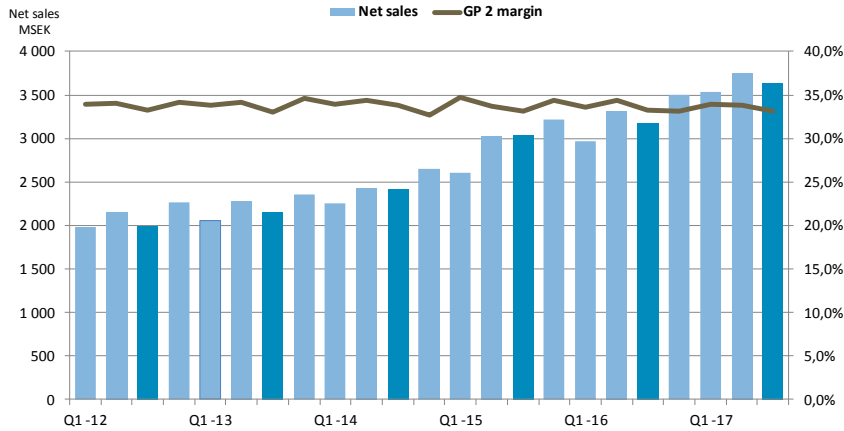
Balance sheet

MSEK	30 Sept 2017		31 Dec 2016		30 Sept 2016	
Intangible fixed assets	4,686	39%	4,267	39%	4,266	39%
Tangible and financial fixed assets	1,617	13%	1,568	14%	1,574	14%
Inventories	2,466	20%	2,249	20%	2,238	20%
Receivables	3,013	25%	2,637	24%	2,693	24%
Cash and cash equivalents	375	3%	332	3%	318	3%
Total assets	12,157		11,053		11,089	
Equity	4,900	40%	4,399	40%	4,065	37%
Interest-bearing liabilities	4,150	34%	3,960	36%	4,310	39%
Non-interest-bearing liabilities	3,107	26%	2,694	24%	2,714	24%
Total equity and liabilities	12,157		11,053		11,089	

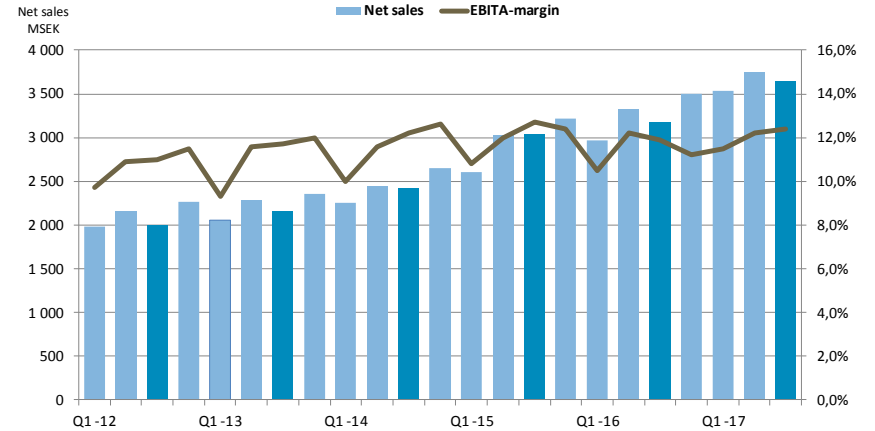
Financial key data

MSEK	Mov 12 m Q3 2017	Mov 12 m Q3 2016	31 Dec 2016	31 Dec 2015
EBITA margin, %	11.8	11.8	11.5	12.0
Return on operating capital, %	21	21	20	22
Return on equity, %	24	25	24	26
Interest-bearing net debt, SEK million	3,775	3,992	3,628	2,949
Net debt/equity ratio, %	77	98	82	80
Net debt/EBITDA, times	2.0	2.4	2.2	1.8
Equity ratio, %	40	37	40	40
<i>Key ratios per share</i>				
Earnings per share, SEK	9,20	7.87	7.80	7.44

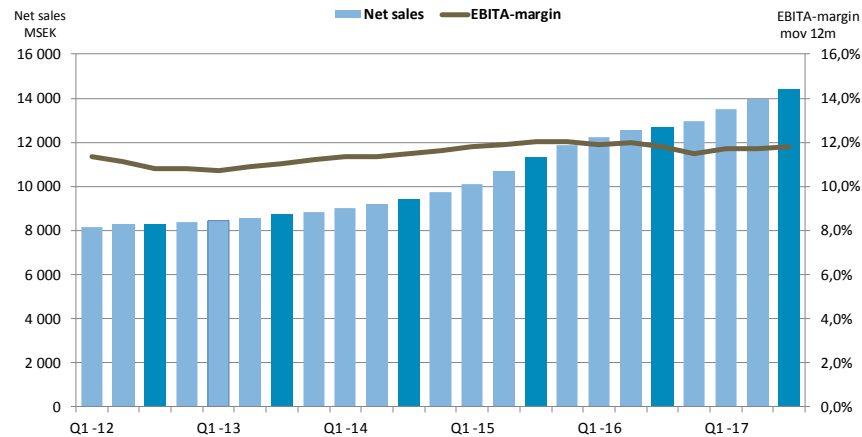
Margins



Gross profit 33.1% of sales (33.2)
YTD 33.6% (33.7)



EBITA margin 12.4% of sales (11.9)
YTD 12.0% (11.6)





Q & A