



Bo Annvik
CEO

Patrik Johnson
CFO

Highlights first quarter 2018

- Continued positive demand, particularly in Sweden, UK and Benelux operations
- Easter effect and cold winter impacting invoicing and earnings negatively versus last year
- Invoicing for valves for power generation remains low
- Restructuring of Sander Meson group according to plan
- Acquisition of Zijtvelds Grippers in the Netherlands
- Successful bond issue

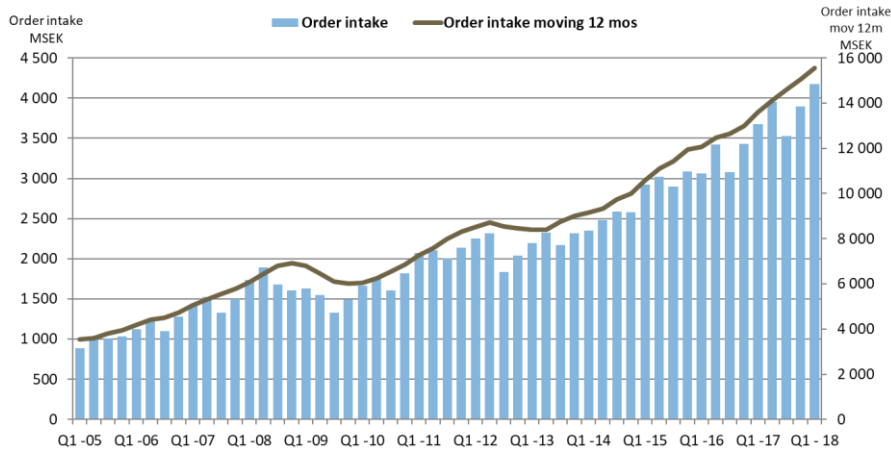
Financial summary first quarter 2018

- Order intake rose 14% to 4,173 MSEK (3,672)
- Net sales rose 10% to 3,897 MSEK (3,533)
- EBITA rose 11% to 451 MSEK, corresponding to an EBITA-margin of 11.6% (11,5)
- Earnings per share rose 11% to 2,42 SEK (2,18)
- Return on operating capital 19% (20)

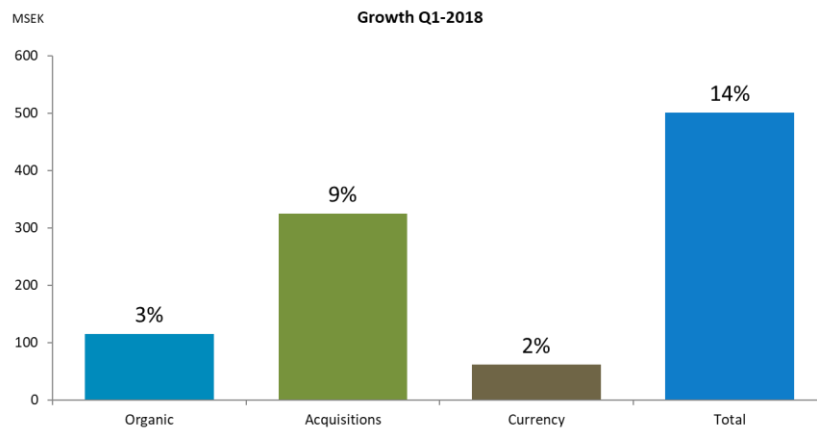
Market conditions

- Sweden: ↗
- Finland: →
- Norway: ↗
- Denmark: →
- UK: ↗
- Benelux: ↗
- Switzerland: →
- Germany: ↗
- North America: →
- Asia: ↗

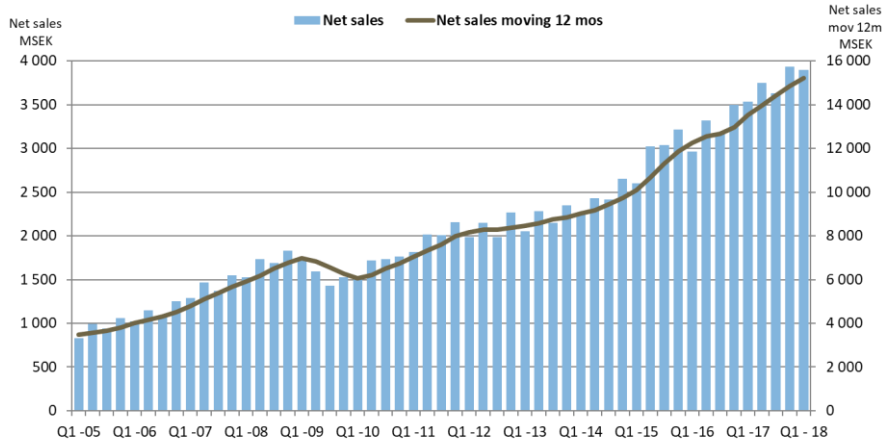
Order intake



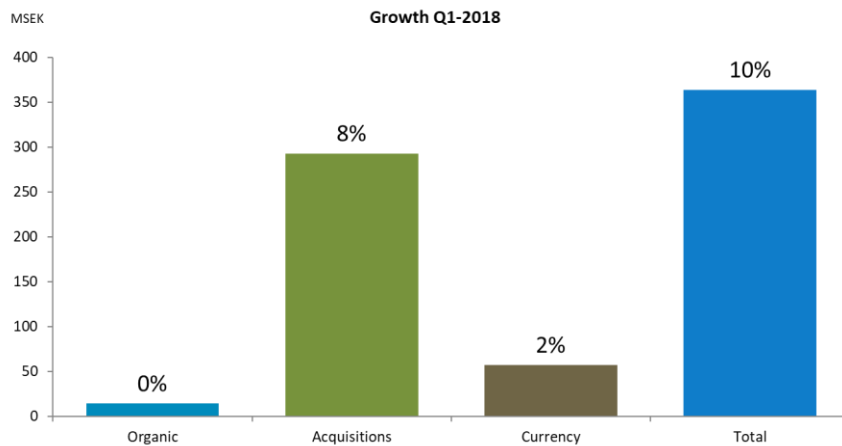
- Order intake rose 14% to 4,173 MSEK (3,672) whereof organic 3%
- Book to bill 1,07
- Negative impact from fewer working days and cold winter
- Strong organic development specifically in Benelux and UK Business Areas



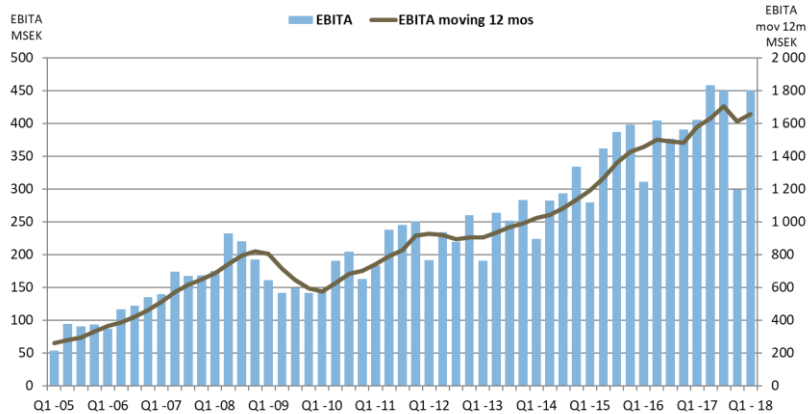
Net sales



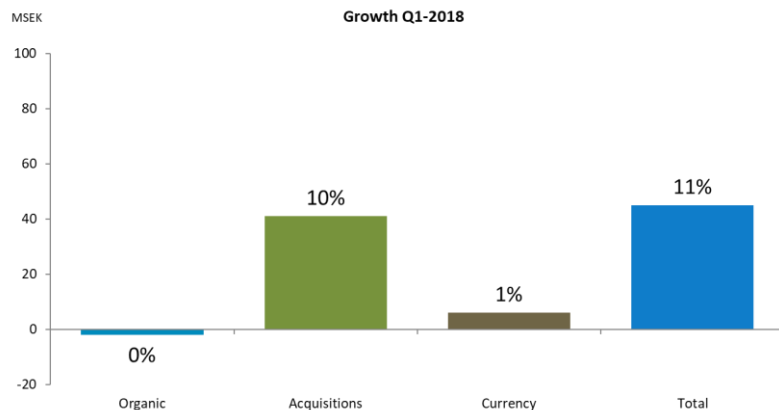
- Net sales rose 10% to 3,897 MSEK (3,533) whereof organic 0%
- Negative impact from fewer working days and cold winter
- Invoicing for valves for power generation remains low
- Strongest organic development in Measurement & Sensor Technology, UK and Fluids & Mechanical Solutions Business Areas



EBITA



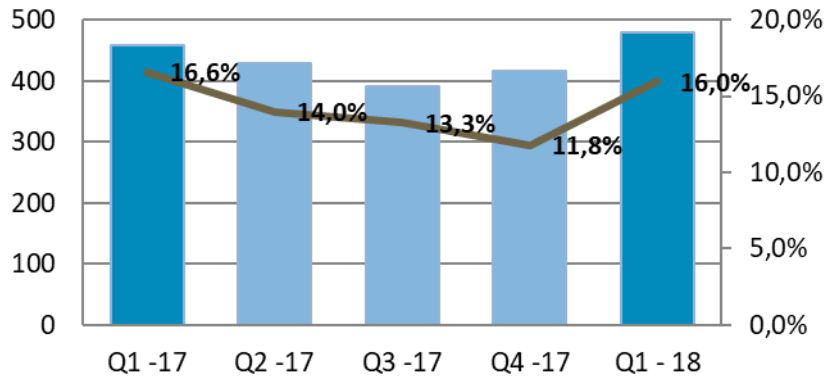
- EBITA rose 11% to 451 MSEK, corresponding to an EBITA-margin of 11.6% (11.5)
- The organic development held back slightly by fewer working days and cold winter
- Strongest organic development in Finland and Industrial Components Business Areas



Acquisitions / divestments 2018

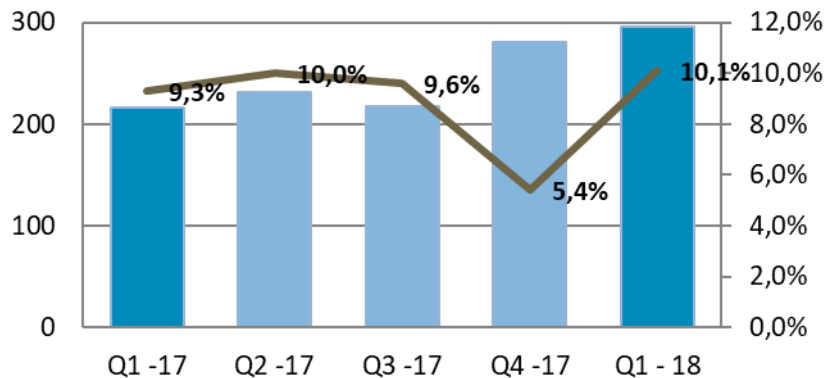
	BA	Annual sales
Acquisitions		
1. Zijtveld Gripers B.V	Benelux	130
2. RA Howarth Engineering Ltd	UK	20
3. Gaveco AB	Flow Technology	15
Divestments		
1. Tecalimit companies	Finland / Fluids & Mechanical Solutions	120

Benelux



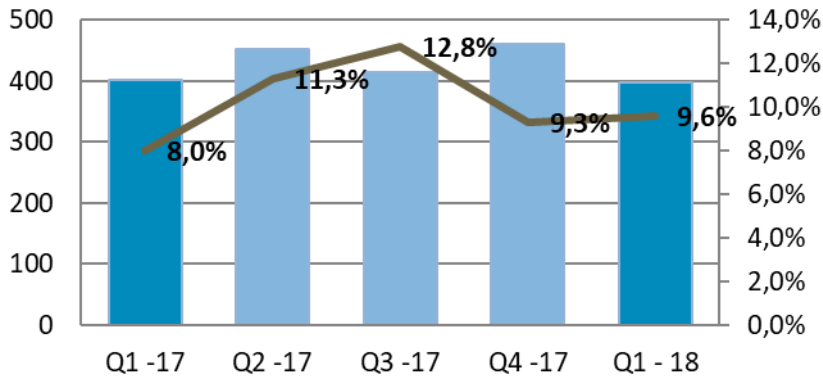
- Net sales: 480 MSEK (458) +5%, whereof organic -12%
- Book to bill 1,10
- EBITA: 77 MSEK (76) +1%
- EBITA-margin: 16,0% (16,6)
- Positive business climate
- Organic growth excluding valves for Power Generation slightly positive.
- Mix changes impacting EBITA margin compared to last year

DACH



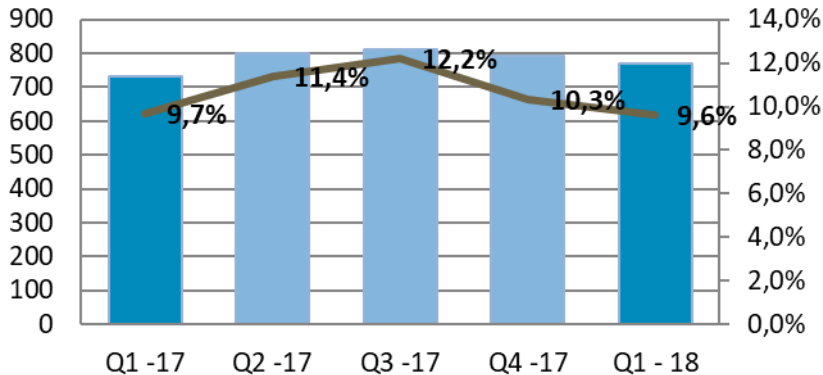
- Net sales: 296 MSEK (216) +37%, whereof organic -5%
- Book to bill 1,12
- EBITA: 30 MSEK (20) +50%
- EBITA-margin: 10,1% (9,3)
- Continued positive demand in Germany, but slightly weaker in Switzerland
- Organic sales and EBITA decline derives mainly from Swiss Construction segment

Finland



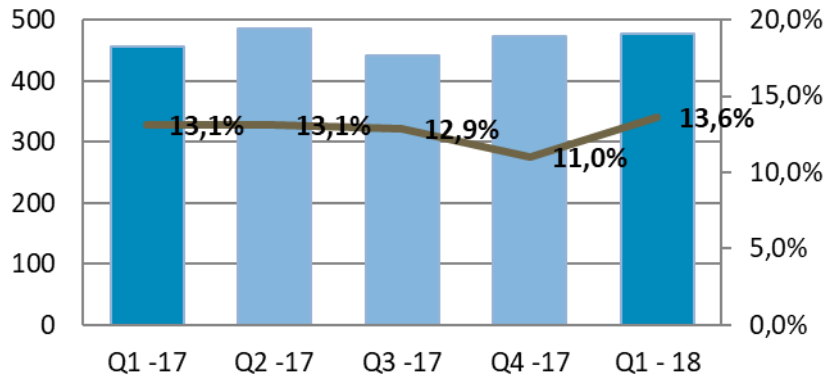
- Net sales: 397 MSEK (401) -1%, whereof organic +1%
- Book to bill 1,00
- EBITA: 38 MSEK (32) +19%
- EBITA-margin: 9,6% (8,0)
- Positive business climate with high capacity utilization at many customers
- Cold winter impacting companies in Construction segment
- Positive mix changes increasing EBITA margin versus last year

Flow Technology



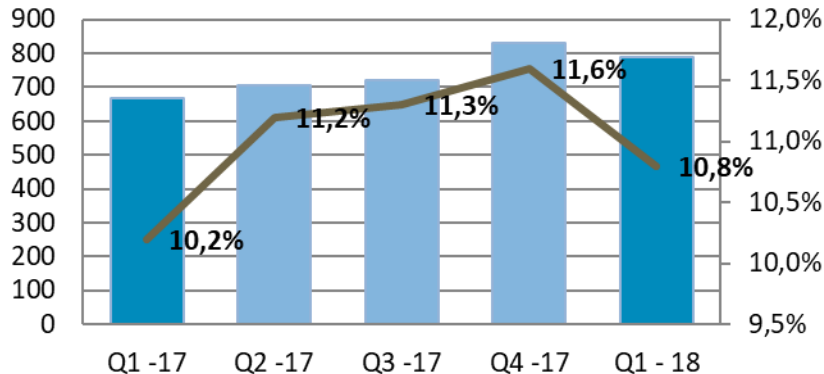
- Net sales: 770 MSEK (732) +5%, whereof organic +1%
- Book to bill 1,13
- EBITA: 74 MSEK (71) +4%
- EBITA-margin: 9,6% (9,7)
- Stable demand
- Fewer working days in and mix changes impacting organic sales and EBITA margin slightly
- Restructuring of Sander Meson Group according to plan

Fluids & Mechanical Solutions



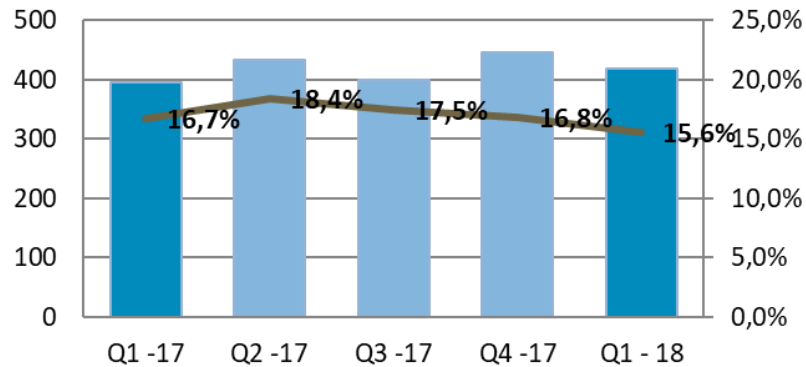
- Net sales: 477 MSEK (457) +4%, whereof organic +4%
- Book to bill 1,05
- EBITA: 65 MSEK (60) 8%
- EBITA-margin: 13,6% (13,1)
- Continued positive business climate
- Cold winter impacting companies in water & waste water segment
- Strong development for companies in the Industrial sector

Industrial Components



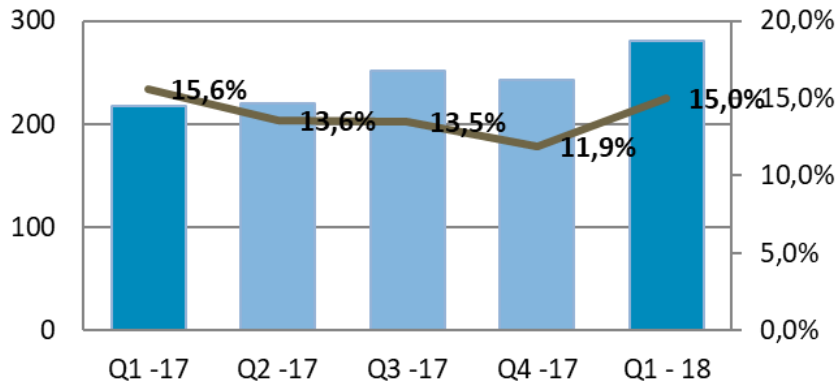
- Net sales: 788 MSEK (668) +18%, whereof organic +4%
- Book to bill 1,03
- EBITA: 85 MSEK (68) 25%
- EBITA-margin: 10,8% (10,2)
- Continued stable high demand situation
- Positive organic invoicing and EBITA margin development versus last year
- Q1 seasonally low quarter

Measurement & Sensor Technology



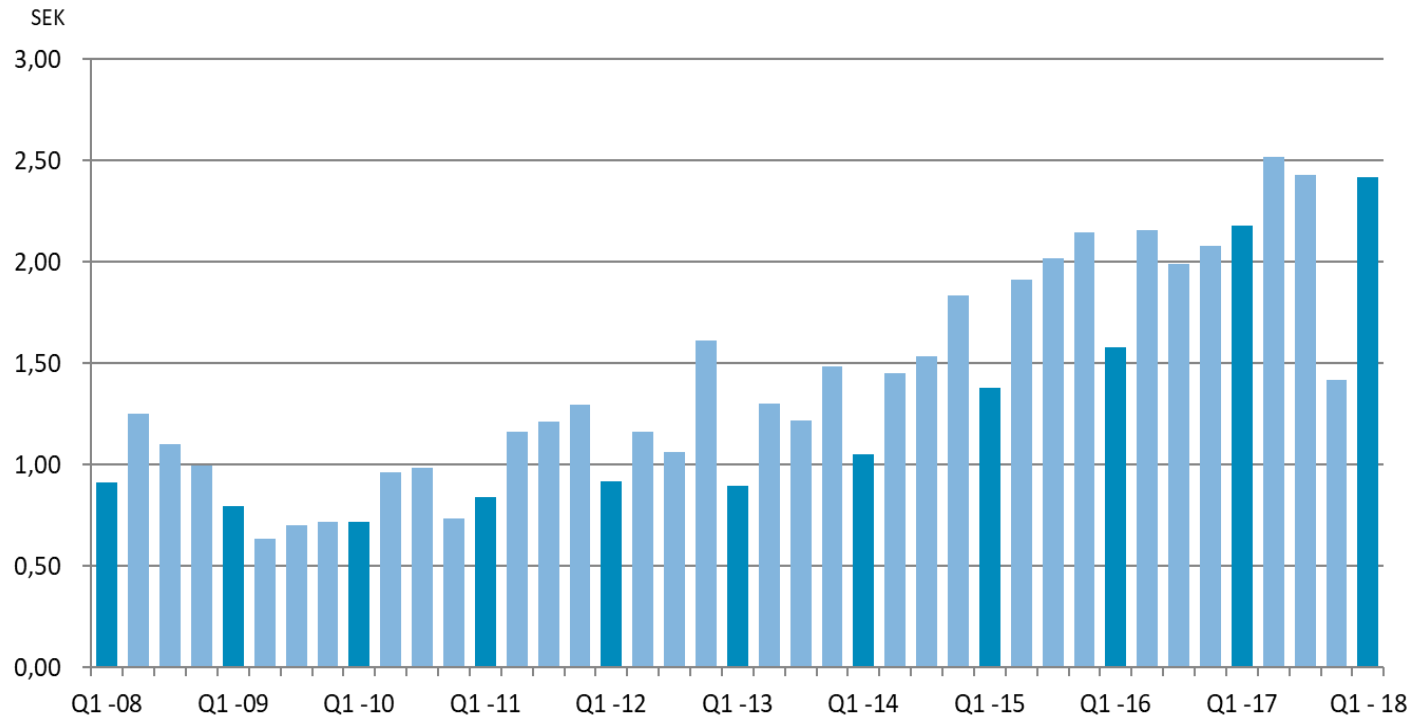
- Net sales: 418 MSEK (395) +6%, whereof organic +5%
- Book to bill 1,05
- EBITA: 65 MSEK (66) -2%
- EBITA-margin: 15,6% (16,7)
- Continued stable market situation with strong sales development
- High capacity utilization
- Slightly weaker EBITA margin due to unfavorable mix changes

UK



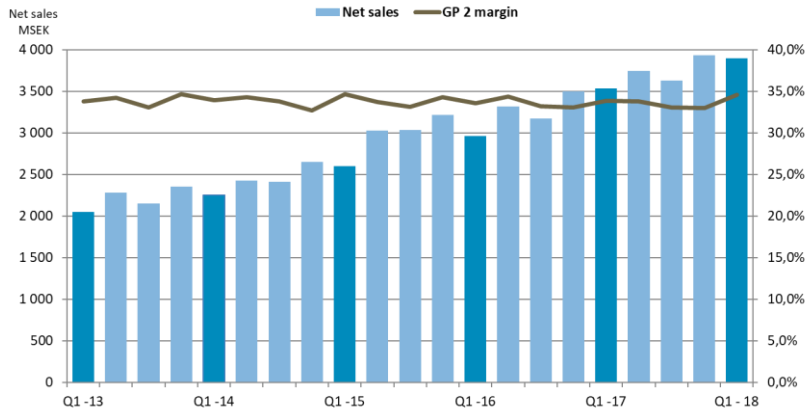
- Net sales: 280 MSEK (218) +28%, whereof organic +5%
- Book to bill 1,11
- EBITA: 42 MSEK (34) +24%
- EBITA-margin: 15,0% (15,6%)
- Maintained positive demand situation, mostly driven by export business
- Slight negative effect from the cold winter
- The organic EBITA margin development is stable versus last year

Earnings per share

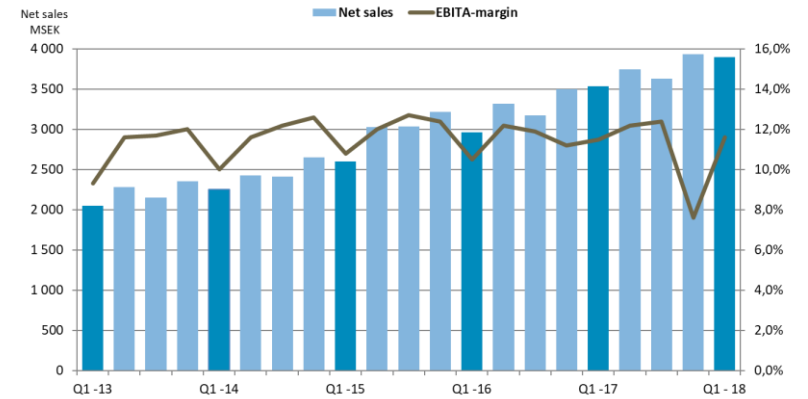


- Earnings per share rose 11% to SEK 2.42 (2.18)
- 12 months rolling Earnings per share rose 5% to SEK 8.79 (8.40)

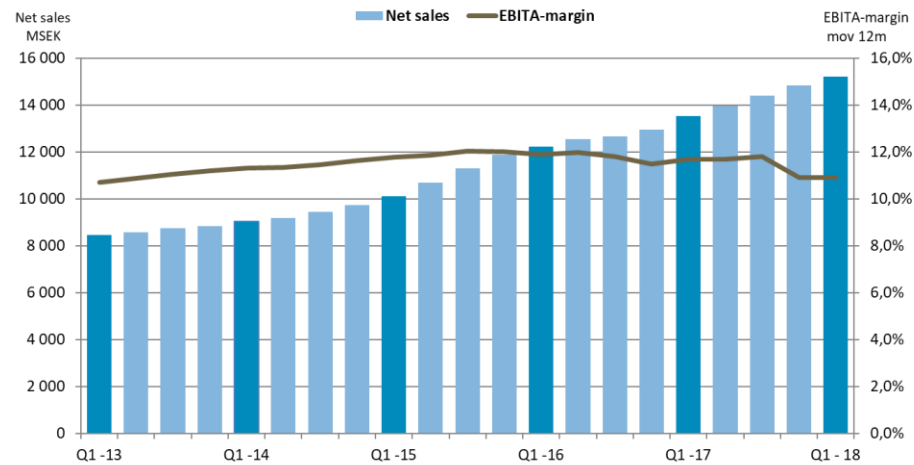
Margins



Gross profit 34.6% of sales (33.9)



EBITA margin 11.6% of sales (11.5)



Financial key data, rolling 12 months

MSEK	31 Mar 2018	31 Dec 2017	31 Mar 2017
EBITA margin, %	10.9	10.9	11.7
Return on operating capital, %	19	19	20
Return on equity, %	21	22	24
Interest-bearing net debt, SEK million	4,078	3,829	3,474
Net debt/equity ratio, %	72	74	74
Net debt/EBITDA, times	2.1	2.1	1.9
Equity ratio, %	42	41	40
<i>Key ratios per share</i>			
Earnings per share, SEK	8.79	8.54	8.40

Financial targets

	2018-Q1	Target
Growth	10%	>10%
EBITA-margin	11.6%	>10%
Return on operating capital	19%	>20%
Net debt/equity ratio	72%	<100%

A close-up photograph of a hand holding a precision metal tool. The tool has a long, thin shaft and a complex head assembly with several cylindrical components and a thin rod extending from the side. The background is dark and out of focus, showing what appears to be a person's face in profile.

Thank you!
Q&A

ENCLOSURES

Income statement

MSEK	Q1 2018	Q1 2017	%
Net sales	3,897	3,533	10%
Gross profit	1,348	1,197	13%
%	34.6%	33.9%	
Operating expenses	-955	-847	13%
%	-24.5%	-24.0%	
Other	-2	1	
Operating profit	391	351	11%
Financial net	-20	-18	
Earnings before tax (EBT)	371	333	11%
%	9.5%	9.4%	
EBITA	451	406	11%
%	11.6%	11.5%	
Earnings per share, SEK	2.42	2.18	11%

Balance sheet

MSEK	31 Mar 2018		31 Dec 2017	
Intangible fixed assets	5,200	38%	4,947	39%
Tangible and financial fixed assets	1,842	14%	1,757	14%
Inventories	2,719	20%	2,517	20%
Receivables	3,232	24%	2,881	24%
Cash and cash equivalents	511	4%	464	3%
Total assets	13,504		12,566	
Equity	5,654	42%	5,168	41%
Interest-bearing liabilities	4,589	34%	4,293	34%
Non-interest-bearing liabilities	3,261	24%	3,105	25%
Total equity and liabilities	13,504		12,566	