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Highlights second quarter 2017

- Strong underlying demand
- Easter-effect
- Positive momentum in most operations, with growth in order intake, sales and earnings
- Good development in Finland
- Lower volumes for valves for power generation and continued low volumes in the marine segment having an impact on earnings and EBITA-margin
- Two acquisition in the second quarter and four in July

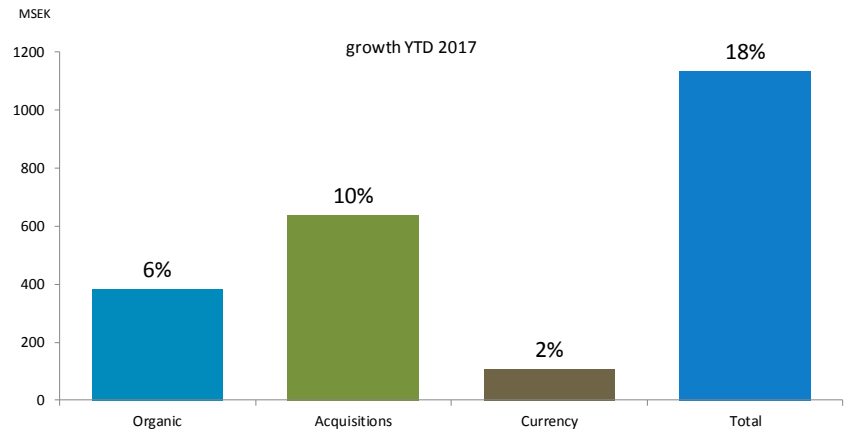
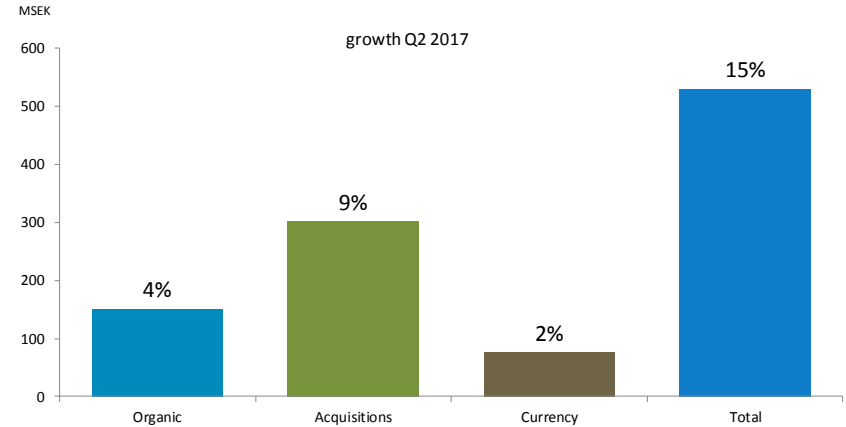
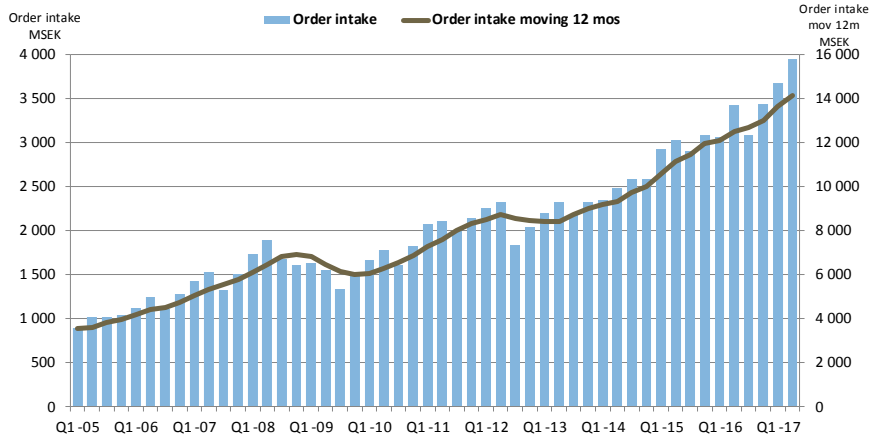
Financial summary second quarter 2017

- Order intake rose 15% to 3,952 MSEK (3,422)
- Net sales rose 13% to 3,749 MSEK (3,317)
- EBITA rose 13% to 458 MSEK (405)
- EBITA margin 12.2% (12.2%)
- Profit after tax rose 17% to 303 MSEK (259) corresponding to earnings per share of SEK 2.52 (2.16)
- Return on operating capital 20% (22)
- Net debt/equity ratio 79% (96)

Market conditions

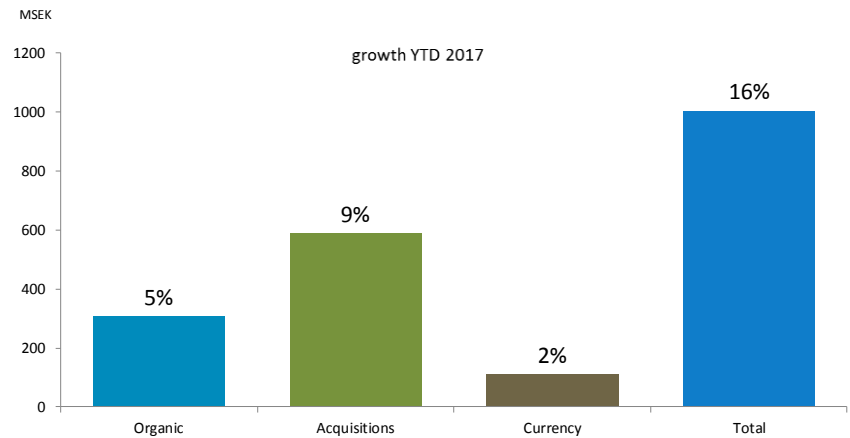
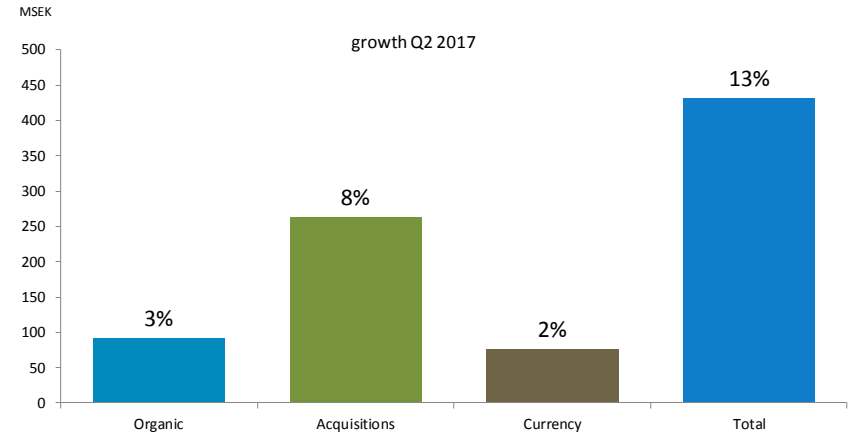
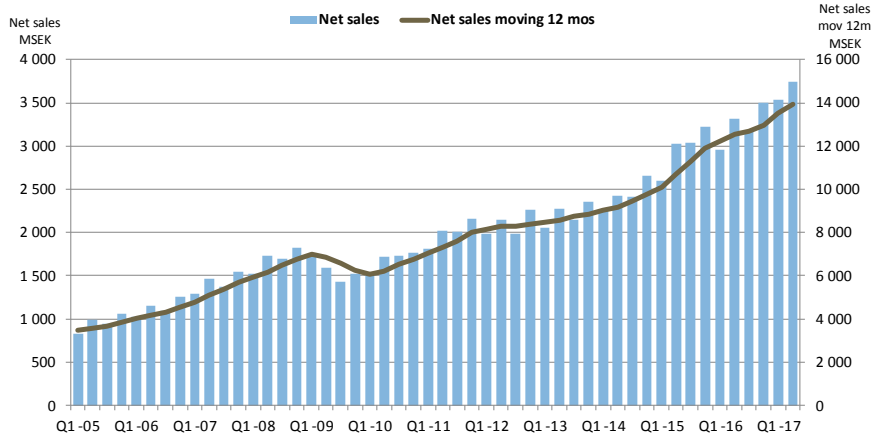
- Sweden: ↗
- Finland: ↗
- Norway: oil & gas → other →
- Denmark: →
- UK: →
- Ireland: →
- Benelux: ↗
- Switzerland: →
- Germany: →
- North America: ↗
- Asia: ↗

Order intake



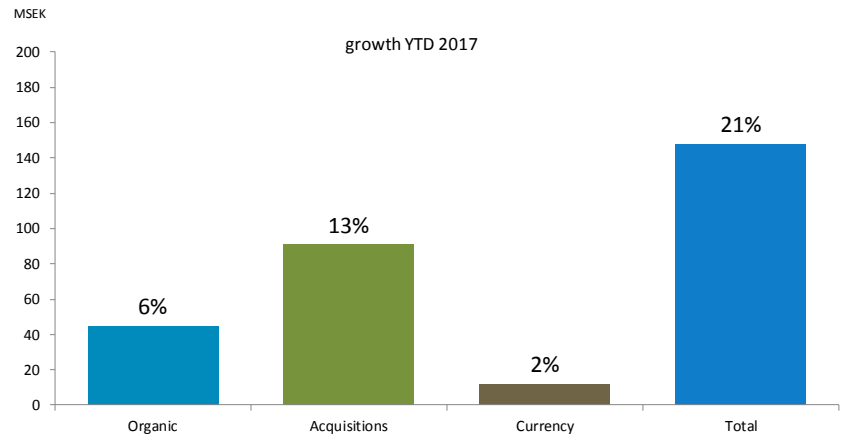
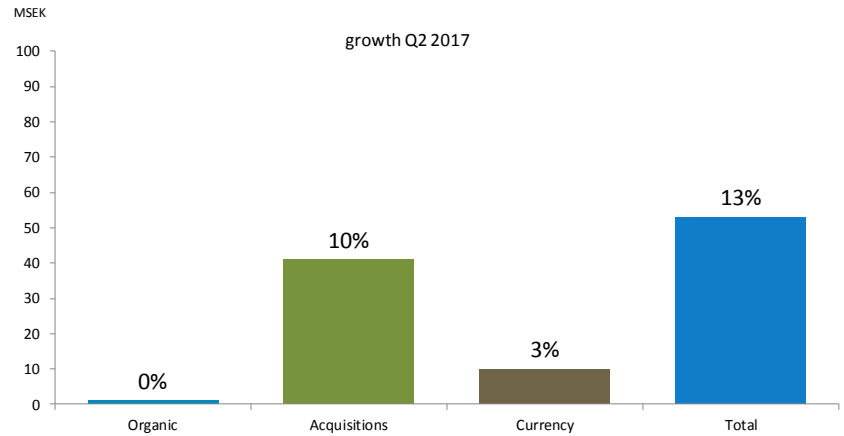
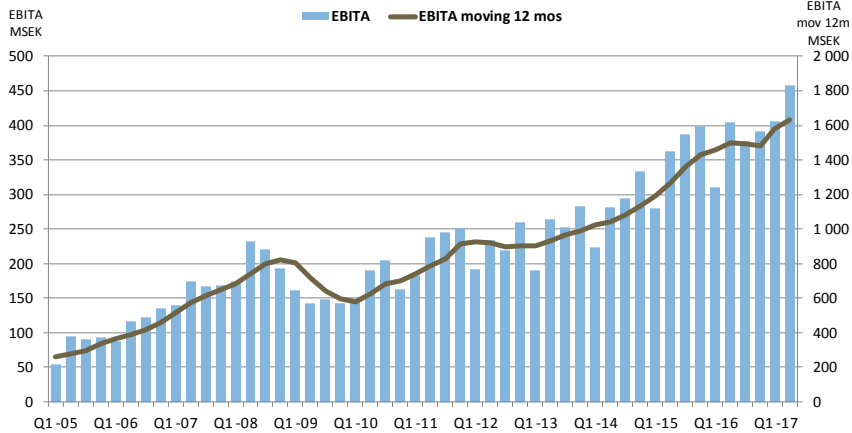
- Q2: Order intake rose 15% to 3,952 MSEK (3,422) whereof organic 4%
- YTD 2017: Order intake rose 18% to 7,624 MSEK (6,488) whereof organic 6%

Net sales



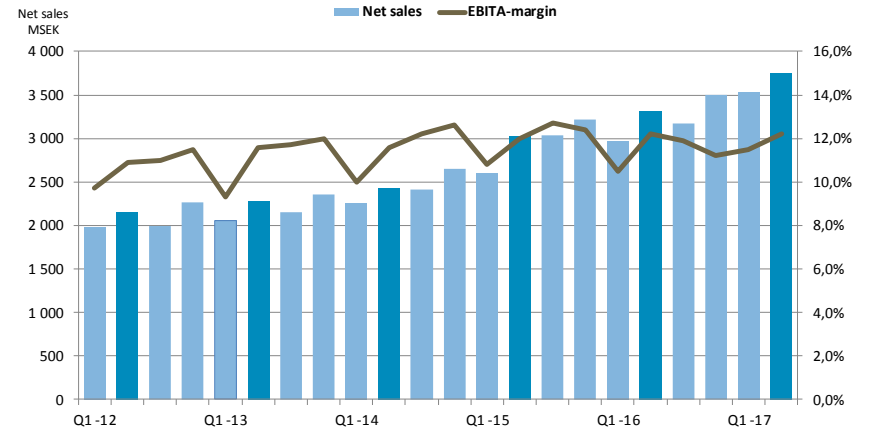
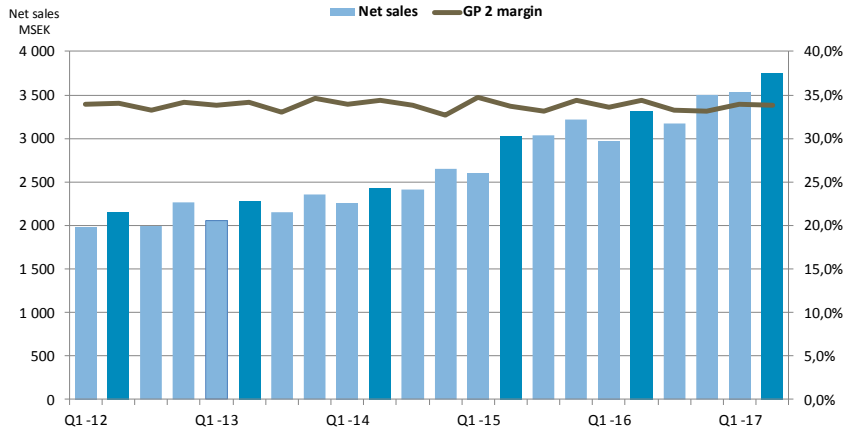
- Q2: Net sales rose 13% to 3,749 MSEK (3,317) whereof organic 3%
- YTD 2017: Net sales rose 16% to 7,282 MSEK (6,280) whereof organic 5%

EBITA



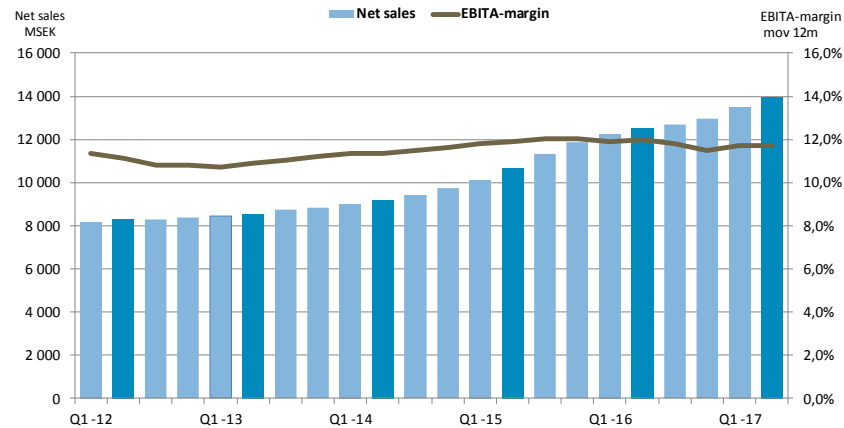
- Q2: EBITA rose 13% to 458 MSEK (405) whereof organic 0% EBITA-margin 12.2% (12.2)
- YTD 2017: EBITA rose 21% to 864 MSEK (716) whereof organic 6%
- EBITA-margin 11.9% (11.4)

Margins



Gross profit 33.8% of sales (34.4)
YTD 33.9% (34.0)

EBITA margin 12.2% of sales (12.2)
YTD 11.9% (11.4)



Growth bridge 2017

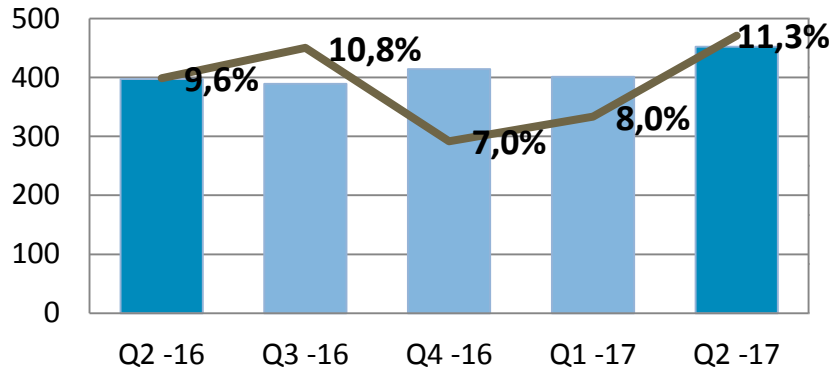
	Q2					Q2
MSEK	2017	Organic	Acquisitions	Currency	Total	2016
Order intake	3,952	4%	9%	2%	15%	3,422
Net sales	3,749	3%	8%	2%	13%	3,317
EBITA	458	0%	10%	3%	13%	405

	YTD June					YTD June
MSEK	2017	Organic	Acquisitions	Currency	Total	2016
Order intake	7,624	6%	10%	2%	18%	6,488
Net sales	7,282	5%	9%	2%	16%	6,280
EBITA	864	6%	13%	2%	21%	716

Acquisitions 2017

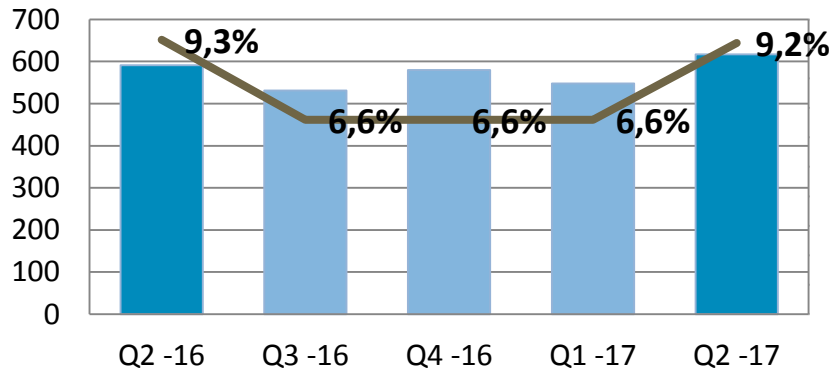
	Annual sales	Possession
1. RS Technics B.V., NL	20 MSEK	January
2. Sunflower Medical Ltd, UK	50 MSEK	January
3. Ellard Ltd, UK	100 MSEK	February
4. Türenfabrik, CH	70 MSEK	March
5. Pro-Flex AS, NO	100 MSEK	April
6. MaxxVision, DE	80 MSEK	April
7. Wennerström Ljuskontroll AB, SE	110 MSEK	July
8. Elma 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



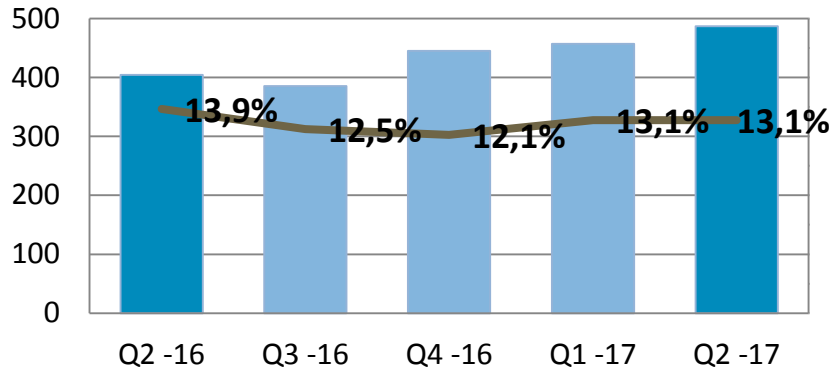
- Net sales: 452 MSEK (397) +14%, whereof organic +9%
- EBITA: 51 MSEK (38) +34%
- EBITA-margin: 11,3% (9,6)
- Continued growth
- All-time high levels in some of the companies

Flow Technology



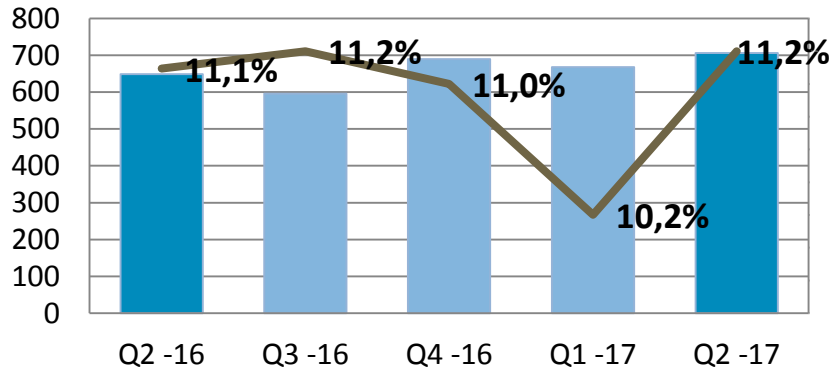
- Net sales: 617 MSEK (591) +4%, whereof organic -2%
- EBITA: 57 MSEK (55) +4%
- EBITA-margin: 9,2% (9,3)
- Positive momentum in most companies
- Continued low invoicing for companies within the the marine segment with impact on earnings and margin
- Acquisitions

Fluids & Mechanical Solutions



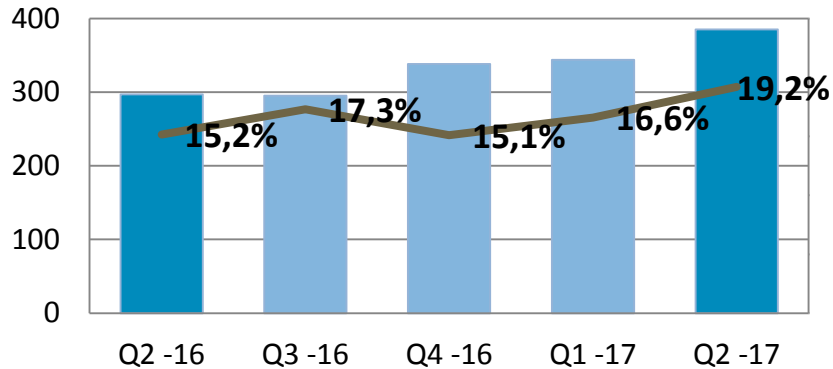
- Net sales: 487 MSEK (404) +21%, whereof organic 7%
- EBITA: 64 MSEK (56) +14%
- EBITA-margin: 13,1% (13,9)
- Positive demand situation in most segments
- Stable performance
- Acquisitions

Industrial Components



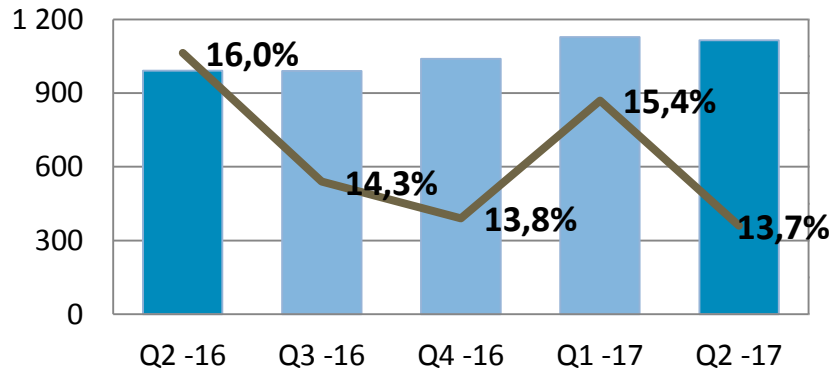
- Net sales: 706 MSEK (649) +9%, whereof organic +1%
- EBITA: 79 MSEK (72) 10%
- EBITA-margin: 11,2% (11,1)
- Healthy demand
- Acquisitions

Measurement & Sensor Technology



- Net sales: 385 MSEK (297) +30%, whereof organic +16%
- EBITA: 74 MSEK (45) +64%
- EBITA-margin: 19,2% (15,2)
- Strong momentum in most regions and applicable segments
- Improved margins and changed mix
- Acquisitions

Special Products



- Net sales: 1 115 MSEK (991) +13%, whereof organic -1%
- EBITA: 153 MSEK (159) -4%
- EBITA-margin: 13,7% (16,0%)
- Stable demand and performance in most companies
- Lower volumes of valves for power generation having an impact on earnings and EBITA-margin
- Acquisitions

Income statement

MSEK	Q2 2017	Q2 2016	%	Mov 12 m	2016
Net sales	3,749	3,317	13%	13,957	12,955
Gross profit	1,268	1,140	11%	4,678	4,348
%	33.8%	34.4%		33.5%	33.6%
Operating expenses	-867	-790	10%	-3,302	-3,126
%	-23.1%	-23.8%		-23.7%	-24.1%
Other	-1	3		32	50
Operating profit	400	353	13%	1,408	1,272
Financial net	-16	-22		-71	-78
Earnings before tax (EBT)	384	331	16%	1,337	1,194
%	10.2%	10.0%		9.6%	9.2%
EBITA	458	405	13%	1,632	1,484
%	12.2%	12.2%		11.7%	11.5%
Earnings per share, SEK	2.52	2.16	17%	8.76	7.80

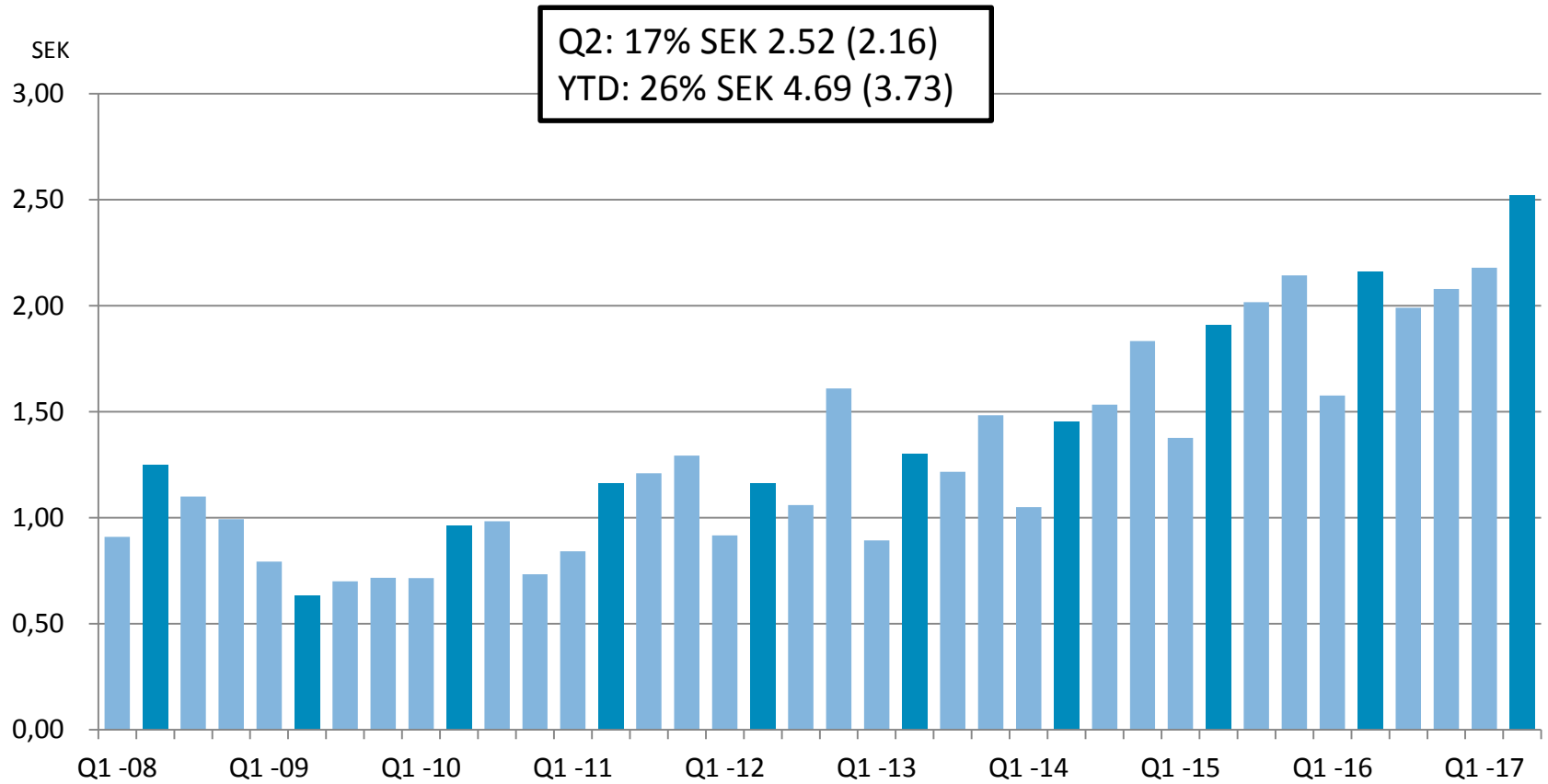
Balance sheet

MSEK	30 Jun 2017		31 Dec 2016		30 Jun 2016	
Intangible fixed assets	4,420	38%	4,267	39%	4,010	38%
Tangible and financial fixed assets	1,603	14%	1,568	14%	1,419	14%
Inventories	2,348	20%	2,249	20%	2,111	20%
Receivables	2,890	25%	2,637	24%	2,649	25%
Cash and cash equivalents	351	3%	332	3%	302	3%
Total assets	11,612		11,053		10,491	
Equity	4,651	40%	4,399	40%	3,861	37%
Interest-bearing liabilities	4,034	35%	3,960	36%	4,021	38%
Non-interest-bearing liabilities	2,927	25%	2,694	24%	2,609	25%
Total equity and liabilities	11,612		11,053		10,491	

Financial key data

MSEK	Mov 12 m Q2 2017	Mov 12 m Q2 2016	31 Dec 2016	31 Dec 2015
EBITA margin, %	11.7	12.0	11.5	12.0
Return on operating capital, %	20	22	20	22
Return on equity, %	24	26	24	26
Interest-bearing net debt, SEK million	3,683	3,719	3,628	2,949
Net debt/equity ratio, %	79	96	82	80
Net debt/EBITDA, times	2.0	2.2	2.2	1.8
Equity ratio, %	40	37	40	40
<i>Key ratios per share</i>				
Earnings per share, SEK	8.76	7.89	7.80	7.44

Earnings per share



Financial targets

	YTD 2017	Target
Growth	16%	>10%
EBITA-margin	11.9%	>10%
Return on operating capital	20%	>20%
Net debt/equity ratio	79%	<100%



Q & A