

Second Quarter Release 2014
Telephone Conference July 16, 2014

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Highlights

April – June 2014

- Organic growth in net sales of 6%, related to Region APAC and Americas
- Stabilisation of order intake in Region EMEA
- Continued growth and profitability in strategic product segments, such as Cash Handling and Entrance Security
- Operating margin 6.9% excluding non-recurring items
- Cost savings in EMEA continue to support improved operating margin
- Divestment of Fichet-Bauche Télésurveillance (FBT)

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Divestment of Fichet-Bauche Télésurveillance

Press release June 13, 2014

The Gunnebo Security Group has divested Fichet-Bauche Télésurveillance (FBT) to Butler Group. FBT provides alarm monitoring and intervention services to companies and private individuals on the French market.

The divestment of FBT is in line with our strategy to phase out those areas of Gunnebo, which are not part of our defined core business or where we do not have the opportunity to attain a significant market position.

FBT recorded a turnover of 50 MSEK for 2013 and has around 45 employees.

The transaction has had a positive effect on the Group's operating results for the second quarter of 73 MSEK and a positive effect on the Group's cash flow of 77 MSEK.

The transaction has been reported as a non-recurring item in the quarter.

Gunnebo Group

April – June

<u>April - June</u>	<u>2014</u>	<u>2013</u>
Net Sales, MSEK	1,419	1,325
Operating Profit, excluding non-recurring, MSEK	98	69
Operating Margin, excl. non-recurring, %	6.9	5.2
Non-recurring items, MSEK	43	-12
Operating Profit, MSEK	141	57
Operating Margin, (%)	9.9	4.3
Free cash flow, MSEK *	44	-47
Net Profit, MSEK	106	34

* Free cash flow from operating and investing activities, excluding acquisitions and divestments

<u>January - June</u>	<u>2014</u>	2013
Net Sales, MSEK	2,669	2,480
Operating Profit, excluding non-recurring, MSEK	136	80
Operating Margin, excl. non-recurring, %	5.1	3.2
Non-recurring items, MSEK	23	-22
Operating Profit (EBIT), MSEK	159	58
Operating Margin, (%)	6.0	2.3
Free cash flow, MSEK *	-24	-99
Net Profit, MSEK	103	22

* Free cash flow from operating and investing activities, excluding acquisitions and divestments

Region Europe, Middle East & Africa (EMEA)

Region Europe, Middle East & Africa

MSEK	April-June		Jan-June		Full year
	2014	2013	2014	2013	2013
Order intake	908	896	1,978	1,920	3,558
Organic growth, %	-3		-1		
Net sales	925	887	1,767	1,648	3,474
Organic growth, %	0		3		
Operating profit/loss excl. non-recurring items	30	13	29	-20	47
Operating margin excl. non-recurring items, %	3.2	1.5	1.6	-1.2	1.4
Non-recurring items	51	-8	32	-18	-74
Operating profit/loss	81	5	61	-38	-27

Region % of Net Sales



April - June

- Trend shows a stabilisation of order intake
- Cash Handling, especially SafePay, and Entrance Security continues to contribute to the growth
- Cost savings and efficiency positively impact operating margin
- Divestment of Fichet-Bauche Télésurveillance (FBT)
- Coop and Gunnebo in partnership in the Nordic countries
- A branch office in Oman opened to strengthen presence in Middle East

Region Asia-Pacific (APAC)

MSEK	April-June		Jan-June		Full year
	2014	2013	2014	2013	2013
Order intake	232	270	490	522	1,043
Organic growth, %	-8		2		
Net sales	281	238	502	451	954
Organic growth, %	24		20		
Operating profit/loss excl. non-recurring items	42	32	66	61	134
Operating margin excl. non-recurring items, %	14.9	13.4	13.1	13.5	14.0
Non-recurring items	-5	-4	-6	-4	-8
Operating profit/loss	37	28	60	57	126

April - June

- Lower order intake in the quarter. Political election in India impacted the demand.
- Increased net sales, notably in India, China and Australia.
- Strong operating profit and margin improvement.

Region % of Net Sales



Region Americas

MSEK	April-June		Jan-June		Full year
	2014	2013	2014	2013	2013
Order intake	190	288	368	511	913
Organic growth, %	-31		-25		
Net sales	213	200	400	381	843
Organic growth, %	9		8		
Operating profit/loss excl. non-recurring items	26	24	41	39	125
Operating margin excl. non-recurring items, %	12.2	12.0	10.3	10.2	14.8
Non-recurring items	-3	0	-3	0	-2
Operating profit/loss	23	24	38	39	123

April - June

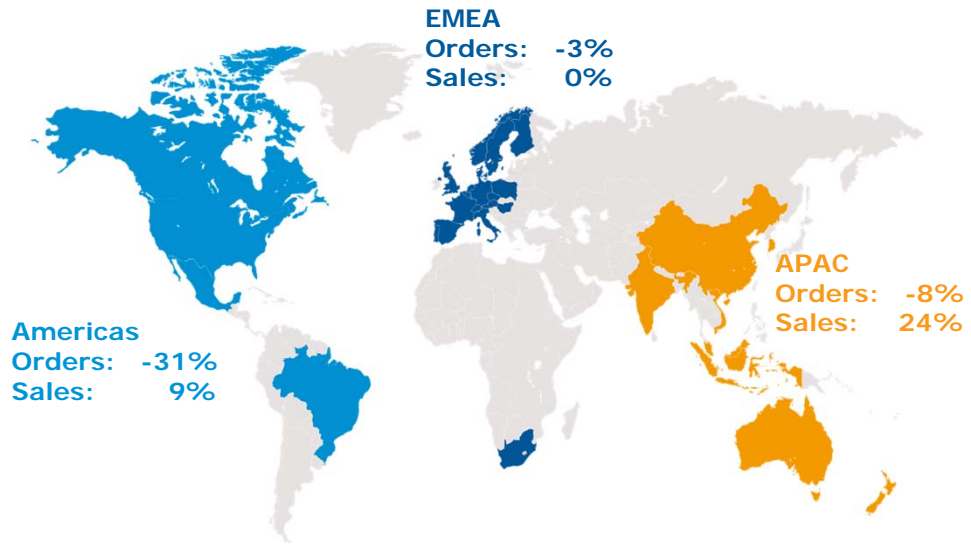
- Order intake down in quarter, mainly due to major order received in Mexico in second quarter 2013
- Strong sales growth to banks in North and Latin America
- Strong and stable operating margin

Region % of Net Sales



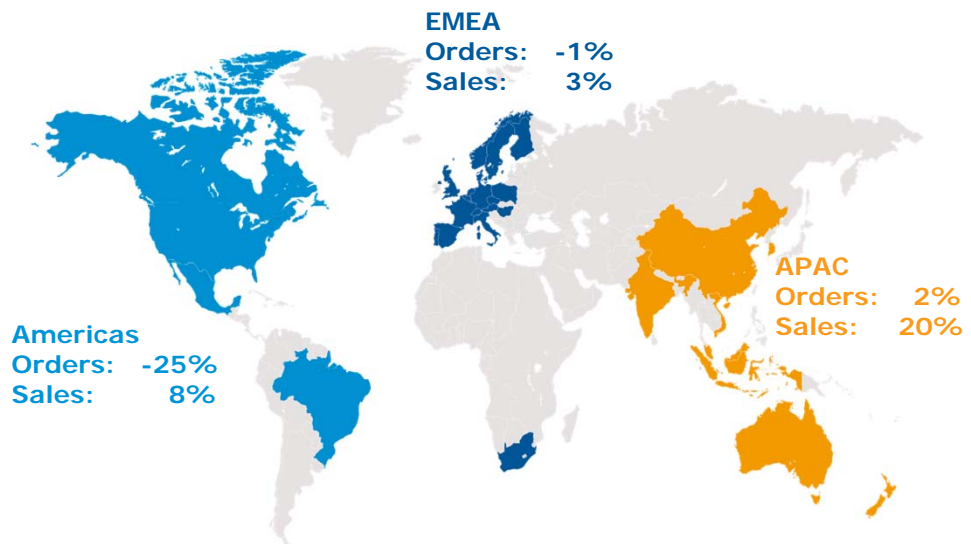
Organic Growth Development by Region

April – June 2014










Organic Growth Development by Region

January – June 2014



Outlook Market Trends



Europe, Middle East & Africa

Nordic	
Central	
South	
United Kingdom & Ireland	
France	
Middle East	
Africa	

Asia-Pacific

India	
China	
Australia/New Zealand	
South-East Asia	

Americas

North America	
Latin America	

FINANCIALS

Christian Johansson
CFO

Income Statement April – June

Summary Group income statement

MSEK	April-June	
	2014	2013
Net sales	1,419	1,325
Cost of goods sold	-1,007	-918
Gross profit	412	407
Other operating costs, net	-271	-350
Operating profit/loss	141	57
Net financial items	-11	-7
Profit/loss after financial items	130	50
Taxes	-24	-16
Profit/loss for the period	106	34
Gross margin, %	29.0	30.7
Operating margin, %	9.9	4.3
Operating profit excl. non-recurring items, MSEK	98	69
Operating profit excl. non-recurring items, %	6.9	5.2
Earnings per share, SEK	1.40	0.45

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Income Statement January – June

Summary Group income statement

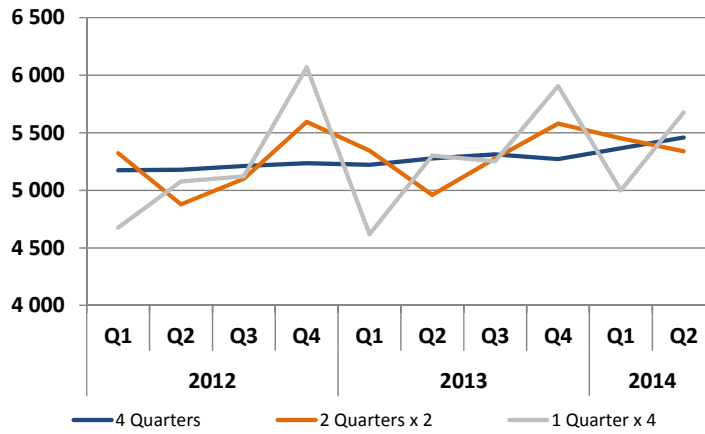
MSEK	Jan-June	
	2014	2013
Net sales	2,669	2,480
Cost of goods sold	-1,901	-1,745
Gross profit	768	735
Other operating costs, net	-609	-677
Operating profit/loss	159	58
Net financial items	-19	-16
Profit/loss after financial items	140	42
Taxes	-37	-20
Profit/loss for the period	103	22
Gross margin, %	28.8	29.6
Operating margin, %	6.0	2.3
Operating profit excl. non-recurring items, MSEK	136	80
Operating profit excl. non-recurring items, %	5.1	3.2
Earnings per share, SEK	1.36	0.29

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Net Sales

(MSEK)

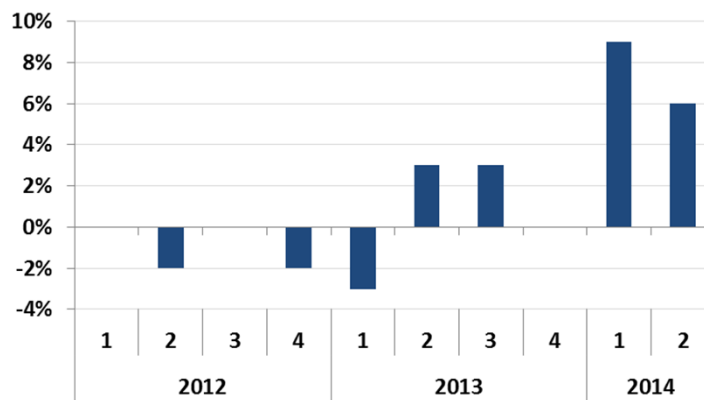


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Net Sales Organic Growth Quarter vs Quarter

(%)

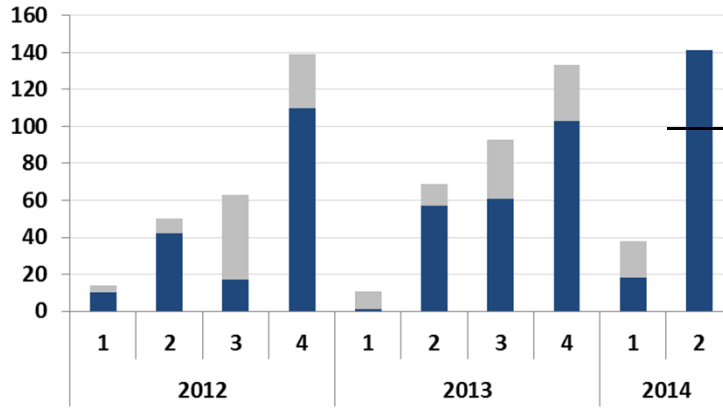


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Operating Profit by Quarter

(MSEK)



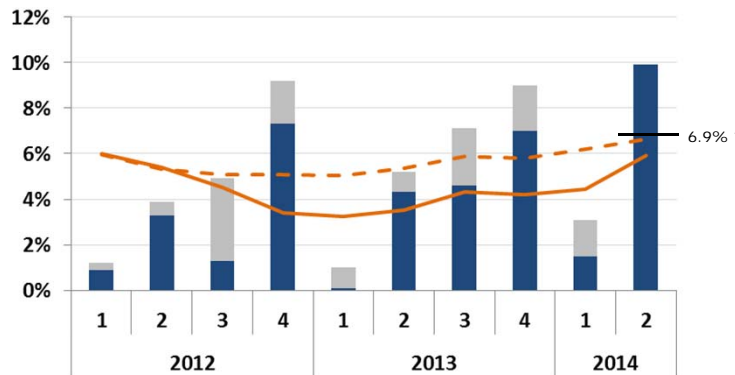
Full year	
Operating Profit	
excl. non-recurring items	
2013:	306
2012:	266
Operating Profit	
2013:	222
2012:	179

* Non-recurring items amounted to +43 MSEK

■ Operating Profit ■ Operating Profit, excl. non-recurring items

Operating Margin by Quarter

(%)



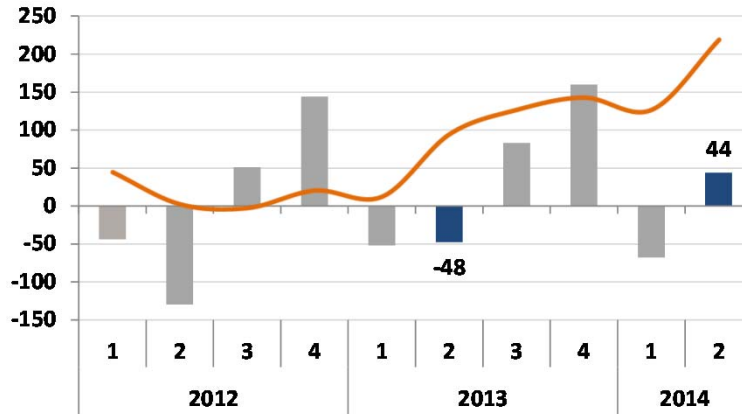
Full year	
Operating Margin,	
excl. non-recurring items	
2013:	5.8
2012:	5.1
Operating Margin	
2013:	4.2
2012:	3.4

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

■ Operating Margin %, Quarter ■ Operating Margin % Quarter, excl. non-recurring items
— Operating Margin %, 12M - - - Operating Margin % 12M, excl. non-recurring items

Free Cash Flow by Quarter

(MSEK)



Year End

2013: 144
2012: 21

Free Cash Flow 12M

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Net Debt

(MSEK)



Gunnebo AB

Dividend paid

2012 Q2 76

2013 Q2 76

2014 Q2 76

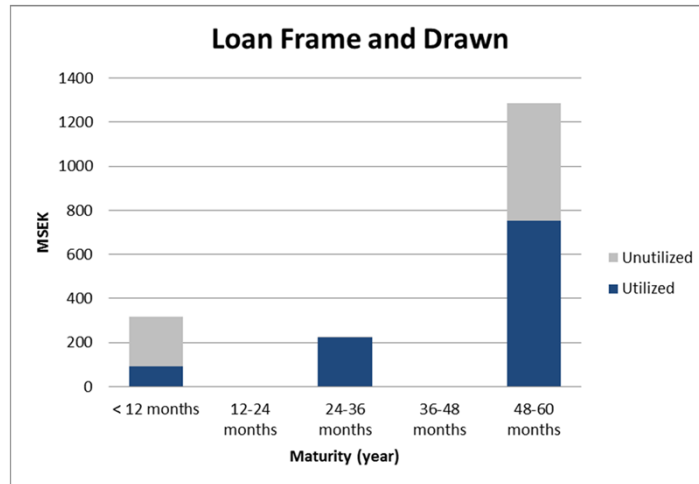
Pension Liability Net Debt

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Debt Structure

(MSEK)



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Financial Calendar

Financial Calendar

Interim report January-September 2014	October 23, 2014
Year-end release 2014	February 4, 2015
Annual General Meeting 2015	April 15, 2015
Interim report January-March 2015	April 28, 2015

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Key Priorities 2014

- Growth
- Gross Margin Improvements
- Fixed Cost Savings in Europe
- Cash Flow



Q&A



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