Interim Report January – June 2018

- Order intake was 2,959.2 (2,700.4) MSEK, which is an overall growth of 9.6%, adjusted to 0.4 % for acquisitions of 194.8 MSEK and currency effects of 54.2 MSEK
- Net sales were 2,692.3 (2,544.7) MSEK, which is an overall growth of 5.8%, adjusted to -3.2% for acquisitions of 179.6 MSEK and currency effects of 49.3 MSEK
- Operating profit was 305.2 (313.3) MSEK, representing a 2.6% decrease with an operating margin of 11.3 (12.3)%
- Earnings after tax were 213.9 (216.5) MSEK, a decrease of 1.2%
- Earnings per share were 1.87 (1.90) SEK
- Cash flow from operating activities was -91.0 (188.5) MSEK

Comments from CEO Johan Hjertonsson:

- After a challenging first quarter for us and the industry generally, we are pleased that the Group delivered a robust half year result.
- The second quarter was strongly ahead on overall order intake at +10.4%, net sales at +9.3% and we achieved an operating profit +4.2% ahead of the prior year. The Group continues to invest in many medium term growth activities.
- The organic performance of the Group in the second quarter improved from the first quarter with a continued slight growth in order income and a more or less flat net sales.
- The organic book-to-bill ratio in the second quarter was a significant at +7.5% and results in the closing order backlog at the end of the half year being +13.1% ahead of the prior year.
- The robustness of the second quarter reduced by almost half the Q1 comparable net sales decline and with a healthy order backlog position we look forward to the third and fourth quarters.
- For most business areas we see a good level of activity with increased orders and sales, the exception being the United Kingdom where new business opportunity remains good but we now detect a lack of confidence leading to some project delays, we assume Brexit driven.
- Operating profit at 166.6 (159.9) MSEK is the highest second quarter on record with a steady organic performance boosted by the addition of Veko part way through the quarter.
- As the new CEO, Bodil Sonesson, takes office on the 8th October, this will be my last report for the Fagerhult Group. I wish Bodil much success in a Group that is fantastic to work for and filled with many rewarding relationships.

GROUP

JANUARY – JUNE

For the second quarter of the year the market activity remains mixed across the business areas, mostly positive and at a good level but with the only cautionary note for the UK as mentioned. The Northern, Western & Southern Europe regions all delivered healthy Q2 order intake levels compared with the second quarter of 2017, the UK & Ireland region was flat and APAC saw a slight dip due to good order levels in Q2 last year.

The Group's half year order intake at 2,959.2 (2,700.4) MSEK annualises at almost 6 BSEK as the steady improvement in performance of the organic businesses is complemented by continued delivery of recent acquisitions. The order intake result showed an overall 9.6% increase over the first half year of 2017 with a 0.4% increase when adjusted for acquisition and currency effects. The order backlog position is 206 MSEK higher than a year ago, with a mix of short and medium term project delivery periods.

The disappointing net sales performance from Q1 did not continue into the second quarter as total sales for the half year totalled 2,692.3 (2,544.7) MSEK, an overall increase of 5.8% and since organic sales were flat in Q2, almost 50% of the Q1 organic deficit has been eliminated.

The operating profit of 305.2 (313.3) MSEK, shows a reduction of 2.6% compared to the prior year, closing part of the 9.6% gap from Q1. The operating profit in Q2 at 166.6 MSEK compares to 159.9 MSEK from 2017 with good performances in Northern, Western and Southern Europe.

Year to date operating margins for the Group at 11.3 (12.3)% demonstrate a continued good performance with the second quarter increasing to 11.7 (12.3)% from the 10.9 (12.3)% in the first quarter.

For the year to date we see good operating margin development in Northern Europe and a slow but steady improvement in Africa, Asia and the Pacific. The operating margin in the UK & Ireland business area for the half year at fractionally under 11% is a consequence of the lower volume and we anticipate an increased level of activity in the second half year combined with some recent efficiency savings to improve this result. For Western and Southern Europe a 12.5 (10.2)% margin was delivered in the second quarter as the region is now becoming more balanced across economies and lighting application areas.

Financial items were -20.0 (-20.7) MSEK with the higher cost attributable to 5.9 MSEK of higher interest charges on the increased borrowings offset by positive currency effects of 6.6 MSEK.

The tax expense for the period was -71.3 (-76.1) MSEK, which results in a 25% tax rate compared to 26% in the comparable period and 24.2% for the whole of 2017.

THE SECOND QUARTER

The Group continues to grow scale and market share in many operating regions through consistent performance organically and through successful acquisitions. The half year order intake at 2,959 (2700) MSEK and the second quarter order intake at 1,531 (1,386) MSEK both show approximately 10% overall growth and 0.4% organic growth at a high level.

As mentioned above for the second quarter, continental Europe and the APAC business area performed well with the only cautionary note relating to the UK region. Our operating businesses in the UK show mixed results as the market begins to show some signs of a Brexit driven reduction in confidence and although opportunities remain at a good level, converting these to orders is key, particularly in the new build segment where investment decisions are being contemplated before committing.

The Group's scale, adjusting for M&A, is now annualising above 6 BSEK on order intake and continued investments in many medium term growth activities are being funded.

Net sales for the second quarter were 1,421.6 (1,300.4) MSEK, which represents an overall increase of 9.3%, reducing to -0.4% after adjusting for acquisitions of 86.0 MSEK and currency effects of 40.7 MSEK. The first quarter organic net sales decline of -6.1% has been reduced to -3.2% to the end of the half year and with a high order backlog position we are encouraged for the second half.

The operating profit in the quarter was 166.6 (159.9) MSEK, a 4.2% increase, delivering an operating margin of 11.7 (12.3)%.

The operating cash flow in the quarter was -3.7 (62.2) MSEK as Adjustments for non-cash items, Taxes paid and Financial items aggregate to 134.7 MSEK in the quarter. Working capital remains at a high level compared to the 2017 year end and this is expected to flow to cash in the second half.

BUSINESS AREAS

NET SALES AND OPERATING PROFIT PER BUSINESS AREA

	Net sales				Operating profit				Operating margin,%			
	Q 2		Q 1-2		Q 2		Q 1-2		Q 2		Q 1-2	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Northern Europe	542.8	514.9	1 059.3	1 040.6	66.0	63.7	140.8	126.2	12.2	12.4	13.3	12.1
UK and Ireland	300.8	304.2	571.5	627.2	31.1	44.4	62.1	94.3	10.3	14.6	10.9	15.0
Western and Southern Europe	515.5	424.5	943.5	762.6	64.3	43.1	94.7	87.1	12.5	10.2	10.0	11.4
Africa, Asia and the Pacific	172.1	168.0	342.3	328.2	14.1	12.9	30.0	22.7	8.2	7.7	8.8	6.9
Other	-	-	-	-	-8.9	-4.2	-22.4	-17.0	-	-	-	-
Eliminations	-109.6	-111.2	-224.3	-213.9	-	-	-	-	-	-	-	-
Total	**1 421.6**	**1 300.4**	**2 692.3**	**2 544.7**	**166.6**	**159.9**	**305.2**	**313.3**	**11.7**	**12.3**	**11.3**	**12.3**
Financial unallocated items					-10.7	-13.1	-20.0	-20.7				
Profit before tax					**155.9**	**146.8**	**285.2**	**292.6**				

NORTHERN EUROPE

The business area comprises the Group's operating units and companies in the Nordic and Baltic countries and Russia. The factory in China, which engages in manufacturing and purchasing, is also included. Development, manufacturing and sales are conducted in Sweden, Finland and China, while operations in other markets engage only in sales. Poland has been included in the business area, backdated to the start of the year with prior comparatives also being adjusted.

Net sales in the half year were 1,059.3 (1,040.6) MSEK showing a growth of 1.8%, adjusted for currency effects the net sales increase was 0.7%. Sales increased in Sweden, Finland and Poland. The ongoing difficult trading conditions in Russia remain and we continue to monitor the situation. We have taken measures to enable a more competitive address at the retail sector in the region.

The operating profit for the same period was 140.8 (126.2) MSEK, an increase of 11.6% with an operating margin of 13.3 (12.1)%.

Northern Europe				
	Q 2		Q 1-2	
	2018	2017	2018	2017
Net Sales	542.8	514.9	1 059.3	1 040.6
(of which to group companies)	*(65.9)*	*(75.0)*	*(141.3)*	*(136.8)*
Operating profit	66.0	63.7	140.8	126.2
Operating margin, %	12.2	12.4	13.3	12.1
Sales growth, %	5.4	-0.8	1.8	4.5
Sales growth, adjusted for exchange rate differences , %	3.5	-2.6	0.7	2.5
Growth in Operating profit, %	3.6	2.6	11.6	41.5

UK AND IRELAND

This business area comprises Group companies in the United Kingdom and Ireland. The most significant unit is Whitecroft Lighting and both Whitecroft and Designplan Lighting engage in the development, manufacture and sale of lighting systems, while the Fagerhult branded businesses in the UK and Ireland engage in sales.

Net sales in the half year were 571.5 (627.2) MSEK. The second quarter performed better than the first; net sales adjusted for currency effects declined 5.6% in Q2 compared to the 18.0% for Q1, both compared to 2017.

However, the order backlog position in all operating units remains at a good level, +21% compared to last year and with approximately 60 MSEK of longer term healthcare projects which start to be delivered in the current year Q4, but the majority is for 2019. As mentioned above, the market begins to show some signs of a Brexit driven reduction in confidence, particularly in the new build segment. Also, the effects of the Carillion business failure continue to be felt in the market generally but specifically in Whitecroft with the suspension of a large healthcare project valued at 20 MSEK.

With the healthy order backlog position and recent cost reduction measures we are confident of a better second half year overall.

The operating profit for the half year was 62.1 (94.3) MSEK and the operating margin was 10.9 (15.0)%.

UK and Ireland				
	Q 2		Q 1-2	
	2018	2017	2018	2017
Net Sales	300.8	304.2	571.5	627.2
(of which to group companies)	*(16.4)*	*(9.6)*	*(25.8)*	*(30.2)*
Operating profit	31.1	44.4	62.1	94.3
Operating margin, %	10.3	14.6	10.9	15.0
Sales growth, %	-1.1	1.1	-8.9	2.9
Sales growth, adjusted for exchange rate differences , %	-5.6	5.5	-12.0	10.0
Growth in Operating profit, %	-30.0	-12.1	-34.1	3.2

WESTERN AND SOUTHERN EUROPE

This business area comprises our operations in Germany, the Netherlands, France, Belgium and Spain. Poland is no longer consolidated in the region. The larger operations; WE-EF, LTS Licht & Leuchten and LED Linear are based in Germany and Veko Lightsystems is based in the Netherlands and all engage in the development, manufacture and sale of lighting systems. The businesses of LED Linear and WE-EF have operations across the globe but for governance reasons are reported within this business area. The Fagerhult branded business in the Netherlands, France, Spain and Belgium engage in sales.

The results of the Q1 2017 acquired WE-EF group based in Bispingen, Germany have been included in the business area from March 2017 and the results of the 20th April 2018 acquired Veko Lightsystems International B.V. based in Schagen, the Netherlands, are consolidated in the business area from May 2018.

Net sales for the half year were 943.5 (762.6) MSEK. This is a growth of 19.0% after adjusting for currency effects and -4.4% after adjusting for currency and acquisition effects. Sales growth was delivered in Spain and the Veko business contributed well.

The operating profit for the half year was 94.7 (87.1) MSEK and the operating margin increased from 7.1 (13.0)% in Q1 to 12.5 (10.2)% in Q2, resulting in the half year level of 10.0 (11.4)%, with a more balanced and steady level expected in the future.

Western and Southern Europe				
	Q 2		**Q 1-2**	
	2018	**2017**	**2018**	**2017**
Net Sales	515.5	424.5	943.5	762.6
(of which to group companies)	*(15.3)*	*(10.4)*	*(29.2)*	*(17.9)*
Operating profit	64.3	43.1	94.7	87.1
Operating margin, %	12.5	10.2	10.0	11.4
Sales growth, %	21.4	61.7	23.7	68.8
Sales growth, adjusted for exchange rate differences , %	15.8	54.3	19.0	62.7
Growth in Operating profit, %	49.2	47.1	8.7	85.3

AFRICA, ASIA AND THE PACIFIC

The business area comprises our operations in South Africa, Turkey, the United Arab Emirates, Australia and New Zealand. Development, manufacturing and sale of lighting systems and controls are conducted in South Africa, Australia and Turkey, while the operations in the United Arab Emirates and New Zealand engage in sales.

The OR Technologies Pty Ltd business, based in Melbourne Australia, the new company set up to develop and market the OR technology has been consolidated in this business area from May 2017.

Market activity in Australia and New Zealand remains healthy and we see an improving market opportunity, activity level and business result in South Africa. The Middle Eastern region as a whole is showing steady progress, mainly from our operation in Turkey, and the trading conditions in the Arabian Gulf region remain challenging.

Net sales in the half year were 342.3 (328.2) MSEK, a growth of 4.3% overall which increases to 10.5% after adjusting for currency effects. The FX headwind in the half year has been 15.6 and 3.3 MSEK on net sales an operating profits respectively.

The operating profit was 30.0 (22.7) MSEK and the operating margin develops steadily to 8.8 (6.9)%.

Africa, Asia and the Pacific				
	Q 2		Q 1-2	
	2018	2017	2018	2017
Net Sales	172.1	168.0	342.3	328.2
(of which to group companies)	*(11.8)*	*(16.2)*	*(28.0)*	*(29.0)*
Operating profit	14.1	12.9	30.0	22.7
Operating margin, %	8.2	7.7	8.8	6.9
Sales growth, %	2.4	0.3	4.3	4.9
Sales growth, adjusted for exchange rate differences , %	7.0	-3.0	10.5	0.8
Growth in Operating profit, %	9.3	-58.8	32.2	-43.8

OTHER

The business area mainly comprises central Group wide functions and the Parent Company, AB Fagerhult.

BUSINESS PER PRODUCT AREA

For the half year, adjusting for currency and acquisition effects, net sales in Indoor Lighting reduced 3.0%, in Retail Lighting reduced 7.0% and in Outdoor Lighting net sales grew 1.1%. In the second quarter Indoor declined 2.6%, Retail declined 1.1% and Outdoor grew 6.3%, all being currency and acquisition adjusted.

In Indoor Lighting, the performance for Q2 was similar to that in Q1 and the Q2 reduction in Retail Lighting was slight compared to the 11.5% for the first quarter, this 11.5% was attributable to the explanation provided in the Q1 report, i.e. a large retail project in the UK of MSEK 70. In Outdoor Lighting, the growth was driven by good performances of the Fagerhult brand in the Nordic region and the WE-EF brand, we experienced some catch up of the backlog from Q1’s adverse weather conditions.

NET SALES PER PRODUCT AREA						
			Q2			
		2018			**2017**	
	Indoor	**Retail**	**Outdoor**	**Indoor**	**Retail**	**Outdoor**
Northern Europe	337.7	62.1	76.9	319.2	53.3	67.4
UK and Ireland	234.1	40.1	10.2	246.1	41.9	6.6
Western and Southern Europe	134.8	163.0	202.4	66.8	159.8	187.5
Africa, Asia and the Pacific	142.0	7.2	11.1	129.6	8.2	14.0
Total	**848.6**	**272.4**	**300.6**	**761.7**	**263.2**	**275.5**
			Q1-Q2			
		2018			**2017**	
	Indoor	**Retail**	**Outdoor**	**Indoor**	**Retail**	**Outdoor**
Northern Europe	655.6	121.9	140.5	644.5	123.4	135.9
UK and Ireland	423.9	102.6	19.2	457.1	123.0	16.9
Western and Southern Europe	196.3	343.6	374.4	126.4	338.1	280.2
Africa, Asia and the Pacific	281.2	13.1	20.0	263.6	17.9	17.7
Total	**1 557.0**	**581.2**	**554.1**	**1 491.6**	**602.4**	**450.7**

FINANCIAL POSITION

The Group's equity/assets ratio at the end of the half year was 28 (28)%. Cash and bank balances at the end of the period were 636 (869) MSEK and consolidated equity was 1,920 (1,672) MSEK.

The adverse cash flow, which includes the acquisition of Veko 306.7 MSEK and payment of the dividend 229.0 MSEK, resulted in an increase in net debt to 2,526 (2,055) MSEK.

During the quarter the dividend of 2.0 (1.5) SEK per share, totalling 229.0 (171.4) MSEK adopted at the AGM was paid out.

Cash flow from operating activities was -91.0 (188.5) MSEK with the 279 MSEK negative movement due mainly to a 247 MSEK increase in working capital, which is largely expected to be liquidated in the second half year.

Pledged assets and contingent liabilities amounted to SEK 47.2 million (7.3) and SEK 1.5 million (1.5) respectively .

INVESTMENTS

The Group's gross investments in non-current assets was 95 (87) MSEK. The figure does not include investments in subsidiaries, which were 307 (717) MSEK.

SIGNIFICANT POST BALANCE SHEET EVENTS

As previously reported on the 26th October 2017 and 14th August 2018, the current Chief Executive Officer, Johan Hjertonsson is to leave the Group on the 31st August 2018 and the new Chief Executive Officer, Bodil Sonesson will take up office on the 8th October 2018. From the 1st September until 7th October 2018, the Group's CFO, Michael Wood will assume the role of Interim CEO for the Group.

ACQUISITION OF VEKO

On 15th March 2018, Fagerhult signed an agreement to acquire 100% of the shares of Veko Lightsystems International B.V., a company based in Schagen, the Netherlands. The acquisition is expected to have a positive effect on the earnings per share during 2018 and forward.

In the year ending December 2017, the company had 130 employees, sales of 37 MEUR and a profitability rate significantly above that of the Fagerhult Group. Fagerhult paid 31.5 MEUR, on a cash and debt free basis, as an initial payment for 100% of the shares of Veko Lightsystems International B.V.. An additional earnout of 9.5 MEUR can be paid each year for 3 years from 2018 to 2020 tied to the company performance. Further, an additional 5.0 MEUR earnout can also be paid based on the cumulative performance from 2018-2020. The transaction is financed with existing cash and new credit facilities.

For more information refer to the press releases on 15th March 2018 and 20th April 2018 and the Q1 interim report.

The acquisition was completed on the 20th April 2018 and Veko will be consolidated in the Western and Southern Europe business area from the 1st May 2018.

The consideration consists of the following components:

Cash paid	328.0
Contingent consideration	347.9
Net assets acquired	277.2
Goodwill	398.7

The assets and liabilities arising from the acquisition are as follows and have been consolidated as such;

The assets and liabilities arising from the acquisition

	Fair value
Cash and cash equivalents	23.6
Property, plant and equipment	40.1
Financial assets	0.1
Intangible assets	180.7
Inventories	45.9
Receivables	93.1
Liabilities	-61.9
Deferred tax liabilities	-44.4
Net assets	277.2
Net assets acquired	277.2
Cash purchase consideration	328.0
Cash and cash equivalents in the acquired company	-23.6
Transaction costs	2.3
Change in consolidated cash and cash equivalents on acquisition	306.7

EMPLOYEES

The average number of employees during the period was 3,333 (3,147).

PARENT COMPANY

AB Fagerhult's operations comprise Group Management, financing and business development activities. The profit after financial items was 4.3 (122.4) MSEK.

The number of employees during the period was 7 (6).

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting, and the Swedish Annual Accounts Act. The information for the interim period on pages 1-15 is an integral part of this financial report.

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR.

Applied accounting principles are unchanged in comparison with the previous year, except that AB Fagerhult from the beginning of January 1st, 2018 applies IFRS 15 Revenue From Agreements With Customers and IFRS 9 Financial Instruments. The implementation of these standards has not had any impact on the financial statements, except for additional information regarding revenue per product area presented by business area. For further information on IFRS 15 and IFRS 9 and other accounting policies, please refer to the accounting principles section of Fagerhult's annual report for the financial year 2017.

RISKS AND UNCERTAINTIES

The Group's significant risks and uncertainties consist primarily of business risks, and financial risks associated with currencies and interest rates. Through the company's international operations, the Fagerhult Group is subject to financial exposure arising from currency fluctuations as well as the regionalised uncertainty of political situations.

The most prominent risks, however, are currency risks arising from export sales and imports of raw materials and components. This exposure is reduced by hedging the flow of sensitive currencies, based on individual assessment. Currency risk also arises in the translation of foreign net assets and earnings. For more information about the company's risks, refer to the 2017 Annual Report. In addition to the risks described in the company's Annual Report, no other significant risks are considered to have arisen.

OUTLOOK FOR 2018

During the last three years, organic and acquisitive growth has led to a strong positive sales and earnings trend for the Group in all business and product areas and during this time most of the Group's main markets have displayed steady growth.

The Group has taken advantage of these positive trends and used the good momentum to continue to invest in its master brand strategy, product design and development of luminaires and lighting controls and exploited synergies from acquisitions. Expansion of operational capability in machining and electronics has also played a key role.

The Group's medium-to-long term strategy continues to include further acquisitions, both regionally and product/technology led acquisitions.

Regionally and for the product areas, the Group has established a more balanced position and remains in a strong position in all of its main markets and product areas. As a result the Group has increased its market share during this period.

The steady growth that we have seen in some of the Group's main markets remains flat in the most recent quarters and so further organic growth will be delivered by increasing market shares from the current level of investments.

Management believes that with the operational footprint of the Group, the strong position in many markets, the level of recent and current growth investments and the differentiated business model the Group is in a good position to execute this focus on increasing market shares throughout the remainder of 2018.

DECLARATION

The Board of Directors and Chief Executive Officer warrant that the interim report gives a true and fair picture of the company's and Group's operations, financial position and results, and describes all significant risks and uncertainties faced by the Group

Habo, 22 August 2018

AB Fagerhult (publ)

Jan Svensson *Chairman*	Cecilia Fasth *Board Member*
Morten Falkenberg *Board Member*	Eric Douglas *Board Member*
Catherina Fored *Board Member*	Fredrik Palmstierna *Board Member*
Johan Hjertonsson *Board Member and Chief Executive Officer*	
Magnus Nell *Board Member & Employee Representative*	Lars-Åke Johansson *Board Member & Employee Representative*

This report has not been subject to a review by the company's auditor.

Interim report for the third quarter 2018 will be released on 23rd October

Information can be obtained from Johan Hjertonsson, CEO, or Michael Wood, CFO,

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GROUP

INCOME STATEMENT	2018 Apr-Jun 3 months	2017 Apr-Jun 3 months	2018 Jan-Jun 6 months	2017 Jan-Jun 6 months	2017/18 Jul-Jun 12 months	2017 Jan-Dec 12 months
Net sales	**1 421.6**	**1 300.4**	**2 692.3**	**2 544.7**	**5 317.9**	5 170.3
Cost of goods sold	-884.5	-818.2	-1 672.2	-1 615.2	-3 302.7	-3 245.7
Gross profit	**537.1**	**482.2**	**1 020.1**	**929.5**	**2 015.2**	**1 924.6**
Selling expenses	-259.8	-244.9	-507.1	-462.5	-964.0	-919.4
Administrative expenses	-120.2	-86.7	-223.9	-167.6	-441.2	-384.9
Other operating income	9.5	9.3	16.1	13.9	59.8	57.6
Operating profit	**166.6**	**159.9**	**305.2**	**313.3**	**669.8**	**677.9**
Financial items	-10.7	-13.1	-20.0	-20.7	-24.7	-25.4
Profit after financial items	**155.9**	**146.8**	**285.2**	**292.6**	**645.1**	**652.5**
Tax	-39.0	-38.2	-71.3	-76.1	-153.3	-158.1
Net profit for the period	**116.9**	**108.6**	**213.9**	**216.5**	**491.8**	**494.4**
Net profit for the period attributable to shareholders of the Parent Company	116.9	108.6	213.9	216.5	491.8	494.4
Earnings per share, based on earnings attributable to shareholders of the parent during the year						
Earnings per share before dilution, SEK	1.02	0.95	1.87	1.90	4.30	4.32
Earnings per share after dilution, SEK	1.02	0.95	1.87	1.90	4.30	4.32
Average number of outstanding shares before dilution	114 496	114 394	114 495	114 202	114 494	114 318
Average number of outstanding shares after dilution	114 496	114 394	114 495	114 202	114 494	114 318
Number of outstanding shares, thousands	114 500	114 492	114 500	114 492	114 500	114 492

Statement of comprehensive income

	2018 Apr-Jun 3 months	2017 Apr-Jun 3 months	2018 Jan-Jun 6 months	2017 Jan-Jun 6 months	2017/18 Jul-Jun 12 months	2017 Jan-Dec 12 months
Net profit for the period	**116.9**	**108.6**	**213.9**	**216.5**	**491.8**	**494.4**
Other comprehensive income						
Items which may be reversed in the income statement:						
Revaluation of pension plans	-	-	-	-	-2.2	-2.2
Translation differences	0,1	-34.1	42.7	-47.9	-15.1	-105.7
Other comprehensive income for the period, net after tax	**0,1**	**-34.1**	**42.7**	**-47.9**	**-17.3**	**-107.9**
Total comprehensive income for the period	**117.0**	**74.5**	**256.6**	**168.6**	**474.5**	**386.5**
Comprehensive income attributable to shareholders of the Parent Company	117.0	74.5	256.6	168.6	474.5	386.5

BALANCE SHEET	30 Jun 2018	30 Jun 2017	31 Dec 2017
Intangible assets	3 393,2	2 580.8	2 709.5
Tangible fixed assets	735.8	589.7	685.6
Financial assets	53.9	40.3	54.1
Inventories. etc.	872.5	774.5	761.5
Accounts receivable – trade	1 077.0	940.2	837.7
Other non-interest-bearing current assets	151.1	143.9	98.6
Cash and cash equivalents	636.4	869.4	949.9
Total assets	**6 919.9**	**5 938.8**	**6 096.9**
Equity	1 920.2	1 671.6	1 890.5
Long-term interest-bearing liabilities	3 157.6	2 917.3	2 774.8
Long-term non-interest-bearing liabilities	853.8	361.4	444.9
Short-term interest-bearing liabilities	4.8	6.9	4.8
Short-term non-interest-bearing liabilities	983.5	981.6	981.9
Total equity and liabilities	**6 919.9**	**5 938.8**	**6 096.9**

CASH FLOW STATEMENT	2018 Apr-Jun 3 months	2017 Apr-Jun 3 months	2018 Jan-Jun 6 months	2017 Jan-Jun 6 months	2017/18 Jul-Jun 12 months	2017 Jan-Dec 12 months
Operating profit	**166.6**	**159.9**	**305.2**	**313.3**	**669.8**	**677.9**
Adjustments for non-cash items	-56.7	-12.4	19.9	22.9	99.5	102.5
Financial items	-9.9	-9.8	-18.4	-14.8	-41.3	-37.7
Tax paid	-68.1	-42.6	-108.5	-90.4	-166.0	-147.9
Funds contributed from operating activities	**31.9**	**95.1**	**198.2**	**231.0**	**562.0**	**594.8**
Change in working capital	-35.6	-32.9	-289.2	-42.5	-160.4	86.3
Cash flow from operating activities	**-3.7**	**62.2**	**-91.0**	**188.5**	**401.6**	**681.1**
Cash flow from investing activities	-348.0	-58.7	-376.5	-820.9	-595.5	-1 039.9
Cash flow from financing activities	102.6	128.0	108.1	779.5	-88.4	583.0
Cash flow for the period	**-249.1**	**131.5**	**-359.4**	**147.1**	**-282.3**	**224.2**
Cash and cash equivalents at beginning of period	874.6	745.9	949.9	731.6	869.4	731.6
Translation differences in cash and cash equivalents	10.9	-8.0	45.9	-9.3	49.3	-5.9
Cash and cash equivalents at end of period	**636.4**	**869.4**	**636.4**	**869.4**	**636.4**	**949.9**

KEY RATIOS AND DATA PER SHARE

	2018 Apr-Jun 3 months	2017 Apr-Jun 3 months	2018 Jan-Jun 6 months	2017 Jan-Jun 6 months	2017/18 Jul-Jun 12 months	2017 Jan-Dec 12 months
Sales growth, %	9.3	14.0	5.8	17.1	9.4	15.1
Growth in operating profit, %	4.2	4.2	-2.6	31.1	11.9	29.3
Growth in profit after financial items, %	6.2	-1.7	-2.5	27.1	11.8	26.8
Operating margin, %	11.7	12.3	11.3	12.3	12.6	13.1
Profit margin, %	11.0	11.3	10.6	11.5	12.1	12.6
Cash liquidity, %	64	88	64	88	64	96
Net debt/EBITDA ratio	3.0	2.6	3.2	2.7	3.0	2.2
Equity/assets ratio, %	28	28	28	28	28	31
Capital employed, MSEK	5 083	4 596	5 083	4 596	5 080	4 670
Return on capital employed, %	13.4	14.0	12.8	15.4	14.2	16.8
Return on equity, %	24.4	26.0	22.5	26.3	27.4	28.1
Net debt, MSEK	2 526	2 055	2 526	2 055	2 526	1 830
Gross investment in non-current assets, MSEK	53.2	38.9	94.7	86.7	185.1	177.1
Net investment in non-current assets, MSEK	53.2	38.9	94.7	86.7	185.1	177.1
Depreciation/amortisation of non-current assets, MSEK	46.3	37.1	90.2	72.9	175.5	158.2
Number of employees	3 327	3 050	3 333	3 147	3 287	3 241
Equity per share, SEK	16.77	14.60	16.77	14.60	16.77	16.51
Number of outstanding shares, thousands	114 500	114 492	114 500	114 492	114 500	114 492

For more information about the Key ratios and the definitions applied, please refer to AB Fagerhult's website under "Investor relations / Financial definitions." The website also includes the definition of any Alternative Performance Measures used whereas this report details the financial aspect to these.

CHANGES IN EQUITY

	Attributable to shareholders of the Parent Company				
	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Equity at 1 January 2017	**65.5**	**159.4**	**-93.0**	**1 495.2**	**1 627.1**
Net profit for the period				216.5	216.5
Other comprehensive income			-47.9		-47.9
Total comprehensive income for the period			-47.9	216.5	168.6
Disposal of own shares		45.6			45.6
Performance share plan				1.7	1.7
Dividend paid, SEK 1.50 per share				-171.4	-171.4
Equity at 30 June 2017	**65.5**	**205.0**	**-140.9**	**1 542.0**	**1 671.6**
Equity at 1 January 2018	**65.5**	**205.0**	**-198.7**	**1 818.7**	**1 890.5**
Net profit for the period				213.9	213.9
Other comprehensive income			42.7		42.7
Total comprehensive income for the period			42.7	213.9	256.6
Performance share plan				2.1	2.1
Dividend paid, SEK 2.00 per share				-229.0	-229.0
Equity at 30 June 2018	**65.5**	**205.0**	**-156.0**	**1 805.7**	**1 920.2**

PARENT COMPANY

INCOME STATEMENT

	2018 Apr-Jun 3 months	2017 Apr-Jun 3 months	2018 Jan-Jun 6 months	2017 Jan-Jun 6 months	2017/18 Jul-Jun 12 months	2017 Jan-Dec 12 months
Net sales	3.6	3.6	7.2	7.2	14.2	14.2
Selling expenses	-	-	-	-	-0.4	-0.4
Administrative expenses	-14.6	-13.5	-29.7	-25.3	-51.6	-47.2
Operating profit	**-11.0**	**-9.9**	**-22.5**	**-18.1**	**-37.8**	**-33.4**
Income from shares in subsidiaries	-	143.3	58.8	143.3	58.8	143.3
Financial items	-8.5	-5.5	-32.0	-2.8	-32.6	-3.4
Profit after financial items	**-19.5**	**127.9**	**4.3**	**122.4**	**-11.6**	**106.5**
Group contributions received	-	-	-	-	237.0	237.0
Tax	-	-	-	-	-42.6	-42.6
Net profit	**-19.5**	**127.9**	**4.3**	**122.4**	**182.8**	**300.9**

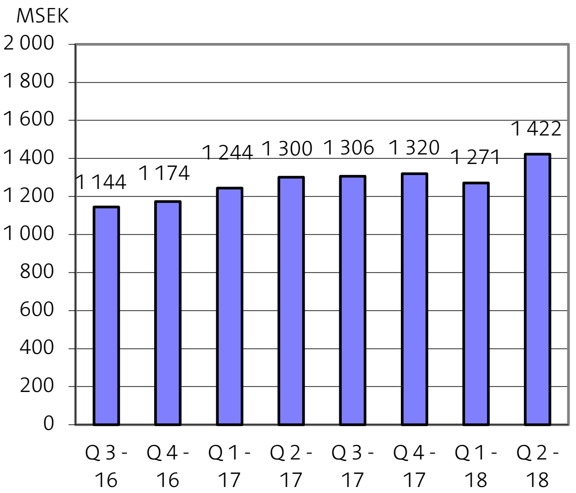
BALANCE SHEET

	30 Jun 2018	30 Jun 2017	31 Dec 2017
Financial fixed assets	3 576.7	3 158.4	3 455.4
Other non-interest-bearing current assets	77.9	40.9	44.9
Cash and bank balances	137.7	406.7	547.9
Total assets	**3 792.3**	**3 606.0**	**4 048.2**
Equity	477.1	521.2	700.3
Untaxed reserves	8.6	8.6	8.6
Long-term interest-bearing liabilities	3 025.1	2 789.0	2 660.2
Long-term non-interest-bearing liabilities	1.7	1.7	1.7
Short-term interest-bearing liabilities	255.4	276.8	636.4
Short-term non-interest-bearing liabilities	24.4	8.7	41.0
Total equity and liabilities	**3 792.3**	**3 606.0**	**4 048.2**

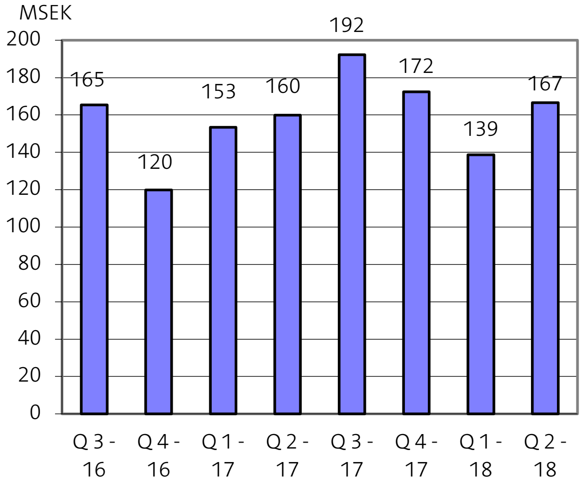
CHANGES IN EQUITY

	Share capital	Statutory reserve	Retained earnings	Total equity
Equity at 1 January 2017	**65.5**	**159.4**	**344.3**	**569.2**
Performance share program			1.6	1.6
Net profit for the period			300.9	300.9
Dividend paid, SEK 1.50 per share			-171.4	-171.4
Equity at 31 December 2017	**65.5**	**159.4**	**475.4**	**700.3**
Performance share plan			1.5	1.5
Net profit for the period			4.3	4.3
Dividend paid, SEK 2.00 per share			-229.0	-229.0
Equity at 30 June 2018	**65.5**	**159.4**	**252.2**	**477.1**

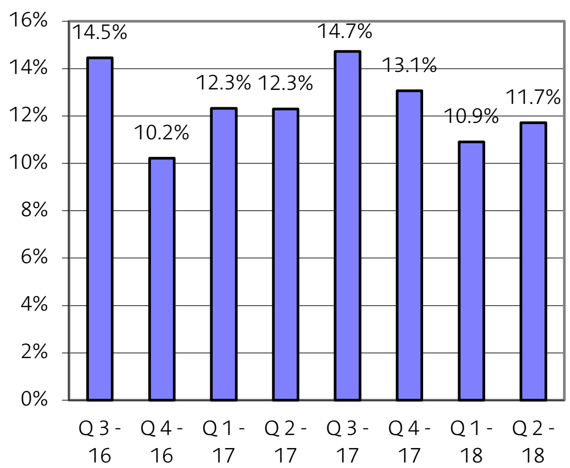
Net sales



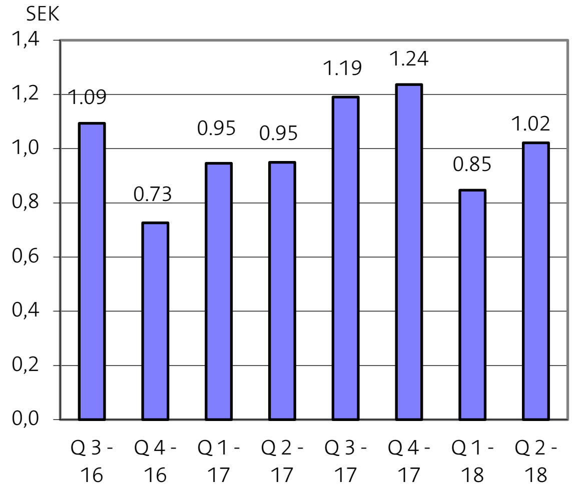
Operating profit



Operating margin



Earnings per share



KEY RATIOS AND DATA PER SHARE

	2014	2015	2016	2017	2017/18 Jul-Jun 12 months
Net sales, MSEK	3 736	3 909	4 491	5 170	5 318
Operating profit, MSEK	379	396	524	678	670
Profit after financial items, MSEK	348	377	515	653	645
Earnings per share, SEK	2.30	2.54	3.35	4.32	4,30
Sales growth, %	20.7	4.6	14.9	15.1	9,4
Growth in operating profit, %	36.5	4.6	32.4	29.3	11,9
Growth in profit after financial items, %	40.9	8.4	36.5	26.8	11,8
Operating margin, %	10.1	10.1	11.7	13.1	12,6
Net debt/EBITDA ratio	2.2	1.9	1.9	2.2	3,0
Equity/assets ratio, %	38	38	34	31	28
Capital employed, MSEK	2 723	2 846	3 581	4 670	5 083
Return on capital employed, %	15.6	14.4	16.8	16.8	14,2
Return on equity, %	22.1	20.9	24.9	28.1	27,4
Net debt, MSEK	1 040	937	1 222	1 830	2 526
Net investment in non-current assets, MSEK	110	118	169	177	185
Depreciation/amortisation of non-current assets, MSEK	95	107	121	158	176
Number of employees	2 370	2 451	2 787	3 241	3 287