FAGERHULT

INTERIM REPORT
JANUARY-MARCH 2019

Q1

The first quarter

Trading for the first quarter of 2019 delivered a mixed set of results. Overall, order intake, net sales, operating profit and operating cash flow were all ahead of Q1 2018. There were significant variations across the regions, some positive and some not, with the regional challenges reported last quarter, having a negative impact on the organic performance.

During the quarter the acquisition of 100% of the shares of iGuzzini illuminazione S.p.A. was completed and creates a new leading lighting company, clearly number three on the European market. iGuzzini has been consolidated from 1st March.

The order intake in the first quarter of 1,588 (1,428) MSEK was 11.2% ahead of the first quarter of 2018. When adjusted for currency effects (41.1 MSEK) and acquisitions (305.4 MSEK) the result was 13.1% adverse. The regional challenges in the UK & Ireland (UK&I) and Africa, Asia & the Pacific (APAC) regions reported in Q4 2018 continue.

In the UK&I, Brexit continues to dominate the economic environment having a general negative impact. Project opportunities, however, remain at a good level, the conversion to order intake is challenging. The Brexit uncertainty, combined with good order intake in the healthcare and retail segments in the prior year results in the order intake in the UK&I remaining adverse to 2018.

The trading conditions in the Middle Eastern region (part of APAC), remain difficult with adverse currency effects in Turkey and liquidity shortages in the Arabic region. In South Africa, the economy remains very slow.

In the Group's larger regions of Northern Europe (NE) we see a very strong 9.5% organic order intake growth and in Western & Southern Europe (W&SE) there are just one or two countries affecting an otherwise flat performance.

Net sales for the first quarter were 1,594 (1,271) MSEK, representing an overall increase of 25.5% reducing to a negative 3.7% after adjusting for acquisitions (327.7 MSEK) and currency affects (43.2 MSEK). The regional performance in NE matched the order intake performance with organic growth of 9.2%.

The operating profit in the quarter at 158.1 MSEK compares to 138.6 MSEK for 2018, In the quarter a charge of 11.5 MSEK was taken in W&SE for M&A transactions costs and the operating margin was 9.9 (10.9)%.

Financial net items in the quarter of 31.6 (9.3) MSEK include 12.3 MSEK interest and currency effects on the financing and loans for the acquisition of iGuzzini as well as 6.4 MSEK interest and currency effects relating to IFRS16.

Operating cash flow in the quarter of 82.2 (-87.3) MSEK results from better control of working capital compared to Q1 2018. In the quarter taxes paid are 27 MSEK higher than in Q1 last year.

The effects of IFRS 16 have been included in the results for Q1 2019. No historical adjustments have been made to the prior period. See further details on page 16.

Q1

ORDER INTAKE, MSEK

1,588

Order intake was MSEK 1,588.2 (1,428.1), which is an overall increase of 11.2% adjusted to -13.1% for acquisitions of MSEK 305.4 and currency effects of MSEK 41.1

NET SALES, MSEK

1,594

Net sales were MSEK 1,594.3 (1,270.7), which is an overall growth of 25.5% adjusted to -3.7% for acquisitions of MSEK 327.7 and currency effects of MSEK 43.2

OPERATING PROFIT, MSEK

158

Operating profit was MSEK 158.1 (138.6) representing a 14.1% increase with an operating margin of 9.9 (10.9)%

NET PROFIT FOR THE PERIOD, MSEK

93

Earnings after tax were MSEK 93.0 (97.0), a decrease of 4.1%

EARNINGS PER SHARE, SEK

0.76

Earnings per share were SEK 0.76 (0.85)

CASH FLOW FROM OPERATING ACTIVITIES, MSEK

82

Cash flow from operating activities was MSEK 82.2 (-87.3)

Comments from the CEO

- Firstly, a very warm welcome to all colleagues from iGuzzini who join the Group. I very much look forward to work together and I am already seeing new relationships being formed. Also, on the business side we are very pleased with iGuzzini's good start for March.
- We enter 2019 in a healthy and strong position and for the first quarter I am very pleased with our strong development in Northern Europe, whilst some other regions have more challenges.
- In the short and medium term we have initiated performance enhancing activities to strengthen the performance in some of our regions with challenges.
- We have also initiated a strategic review to further strengthen the Group and take advantage of now being one of Europe's largest and one of the most successful lighting companies.
- As a part of the strategic review we also separately address connectivity to ensure we continue to have market leading lighting solutions for our customers.
- So far 2019, has been, and will continue to be a busy and active year for all involved at Fagerhult Group. We look forward to the challenge.

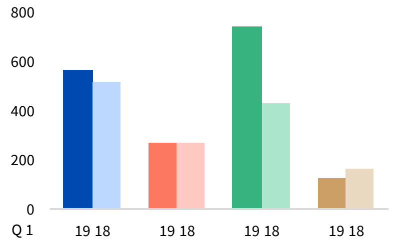
"A very warm welcome to all colleagues at iGuzzini."

Business areas

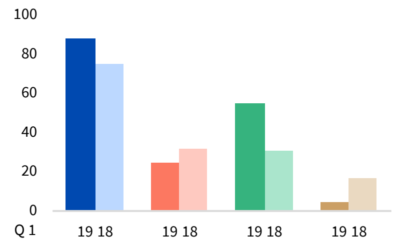
NET SALES AND OPERATING PROFIT BY BUSINESS AREA, Q1

	Net sales		Operating profit		Operating margin %	
	Q1		Q1		Q1	
	2019	2018	2019	2018	2019	2018
Northern Europe	571.5	516.5	87.4	74.8	15.3	14.5
UK and Ireland	268.0	270.7	24.6	31.0	9.2	11.5
Western and Southern Europe	747.3	428.0	54.7	30.4	7.3	7.1
Africa, Asia and the Pacific	127.2	170.2	4.1	15.9	3.2	9.3
Other	-	-	-14.4	-13.5	-	-
IFRS 16	-	-	1.7	-	-	-
Eliminations	-119.7	-114.7	-	-	-	-
Total	**1,594.3**	**1,270.7**	**158.1**	**138.6**	**9.9**	**10.9**
Financial, unallocated items	-	-	-31.6	-9.3	-	-
Profit before tax	**-**	**-**	**126.5**	**129.3**	**-**	**-**

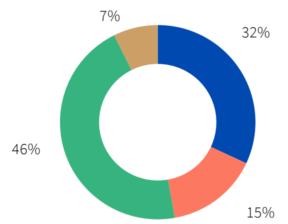
NET SALES PER BUSINESS AREA, MSEK



OPERATING PROFIT PER BUSINESS AREA, MSEK



SALES SHARE PER BUSINESS AREA, %



GEOGRAPHICAL BUSINESS AREAS: ■ Northern Europe ■ UK and Ireland ■ Western and Southern Europe ■ Africa, Asia and the Pacific

Northern Europe

The business area comprises the Group's operating units and companies in the Nordics, the Baltics 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.

Net sales for the first quarter were 571.5 (516.5) MSEK showing a growth of 10.6%, adjusted for currency effects net sales grew 9.2%. Sales increased in many significant countries in the business area. The difficult trading conditions in Russia continue, but with a lower cost base, on flat sales a positive contribution to operating profit is made. We remain optimistic for 2019 and enter the second quarter with a healthy order book position.

The operating profit for the first quarter was 87.4 (74.8) MSEK, an increase of 16.8% with an operating margin of 15.3 (14.5)%. The operating profit growth in the first quarter 2019 was on top of the 19.7% growth in Q1 2018.

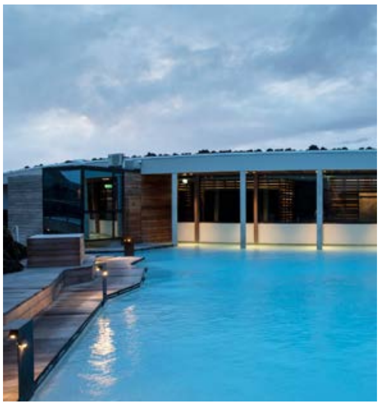
Q1
NET SALES, MSEK
571.5

OPERATING PROFIT, MSEK
87.4

OPERATING MARGIN, %
15.3

"We are very pleased with the continued development in the Northern Europe region, it sets the benchmark."

Nothern Europe	Q1, 2019	Q1, 2018
Net sales	571.5	516.5
(of which, intercompany sales)	*(62.1)*	*(75.4)*
Operating profit	87.4	74.8
Operating margin, %	15.3	14.5
Sales growth, %	10.6	-1.8
Sales growth, adjusted for exchange rate differences , %	9.2	-2.1
Growth in operating profit, %	16.8	19.7



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 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 first quarter were 268.0 (270.7) MSEK which represents a 1% decline adjusted to 6.5% for the weaker SEK. Whilst quote conversion to order intake remains a challenge, we see that the 2018 cost base reductions are now having a positive impact and further efficiency measures are to be executed in Q2.

The ongoing Brexit delays will not, in the short term, encourage a return of confidence. As a result we continue with planning measures and scale the businesses accordingly. Investments to develop business for the medium term, i.e. beyond Brexit continue in selected focussed areas.

The operating profit for the quarter was 24.6 (31.0) MSEK and the operating margin was 9.2 (11.5)%.

Q1
NET SALES, MSEK
268.0
OPERATING PROFIT, MSEK
24.6
OPERATING MARGIN, %
9.2

UK and Ireland	Q1, 2019	Q1, 2018
Net sales	268.0	270.7
(of which, intercompany sales)	*(24.7)*	*(9.4)*
Operating profit	24.6	31.0
Operating margin, %	9.2	11.5
Sales growth, %	-1.0	-16.2
Sales growth, adjusted for exchange rate differences , %	-6.5	-18.0
Growth in operating profit, %	-20.6	-37.9

Western and Southern Europe

This business area comprises our operations in Germany, the Netherlands, France, Belgium, Spain and Italy. The largest operation is iGuzzini, based in Italy but also with factories in China and North America. Large operations also exist in Germany with WE-EF and LTS. Veko Lightsystems being based in the Netherlands plus LED Linear based in Germany also engage in the development, manufacture and sale of lighting systems.

The businesses of iGuzzini, 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 20th April 2018 acquired Veko Lightsystems International B.V. business based in Schagen, the Netherlands, are consolidated in the business area from May 2018 and iGuzzini illuminazione S.p.A. which was acquired on 7th March 2019 has been consolidated from March 2019.

Q1
NET SALES, MSEK
747.3
OPERATING PROFIT, MSEK
54.7
OPERATING MARGIN, %
7.3

Net sales for the first quarter 747.3 (428.0) MSEK and the business area delivered an operating profit for the quarter of 54.7 (30.4) MSEK with an operating margin of 7.3 (7.1)%. In the quarter 11.5 MSEK M&A transactions costs relating to the iGuzzini acquisition were taken to operating profit.

Western and Southern Europe	Q1, 2019	Q1, 2018
Net sales	747.3	428.0
(of which, intercompany sales)	*(23.0)*	*(13.9)*
Operating profit	54.7	30.4
Operating margin, %	7.3	7.1
Sales growth, %	74.6	26.6
Sales growth, adjusted for exchange rate differences , %	66.3	23.0
Growth in operating profit, %	79.9	-30.9

Africa, Asia and the Pacific

The business area comprises our operations in South Africa, Turkey, the United Arab Emirates, Australia and New Zealand. Development, manufacture 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.

In South Africa, the anticipated economy improvements following the December 2017 elections still do not materialise, in Turkey, whilst our business performs well in local currency the very weak Turkish Lira affects the consolidated results by approximately 20% and in the Arabian Gulf region, liquidity continues to affect market activity and the payment cycle. An improvement plan is being developed in South Africa and a significant cost reduction has taken place in our Dubai based business at the start of Q2. We remain committed to all four markets.

Net sales for the first quarter were 127.2 (170.2) MSEK, and show a decline of 25.3% overall, reducing to 23.3% after adjusting for currency effects. The operating profit was 4.1 (15.9) MSEK and the operating margin was 3.2 (9.3)%.

Q1
NET SALES, MSEK
127.2

OPERATING PROFIT, MSEK
4.1

OPERATING MARGIN, %
3.2

Africa, Asia and the Pacific	Q1, 2019	Q1, 2018
Net sales	127.2	170.2
(of which, intercompany sales)	*(9.8)*	*(16.2)*
Operating profit	4.1	15.9
Operating margin, %	3.2	9.3
Sales growth, %	-25.3	6.2
Sales growth, adjusted for exchange rate differences , %	-23.3	14.0
Growth in operating profit, %	-74.2	62.2

Other

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

Business per product area

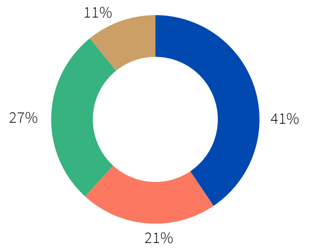
With the acquisition of iGuzzini, the proforma 2018 consolidated share of net sales across the product areas becomes; Indoor 54%, Retail 19% and Outdoor 27% compared to 60%, 19% and 21% for the Fagerhult Group as previously reported.

The statistics for the first quarter 2019 are somewhat non-comparable to Q1 2018, the table below is provided as an indication of the effect of one month consolidation of iGuzzini.

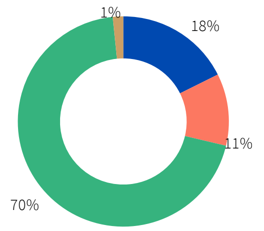
NET SALES PER PRODUCT AREA

	Q1, 2019			Q1, 2018		
	Indoor	Retail	Outdoor	Indoor	Retail	Outdoor
Northern Europe	381.5	52.6	75.2	317.9	59.8	63.6
UK and Ireland	199.6	33.0	10.7	189.8	62.5	9.0
Western and Southern Europe	258.0	207.8	258.5	61.5	180.6	172.0
Africa, Asia and the Pacific	101.7	4.8	10.9	139.2	5.9	8.9
Total	**940.8**	**298.2**	**355.3**	**708.4**	**308.8**	**253.5**

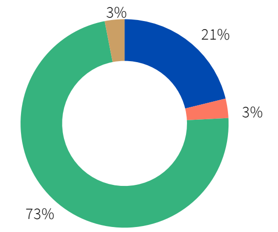
NET SALES INDOOR, Q1 2019



NET SALES RETAIL, Q1 2019



NET SALES OUTDOOR, Q1 2019



Financial position

The Group's equity/assets ratio at the end of the reporting period was 24.6 (32.2)%. Cash and bank balances at the end of the period were 1,153 (875) MSEK and consolidated equity was 3,138 (2,031) MSEK.

The cash flow for the quarter includes the acquisition of iGuzzini, 2,574 MSEK and earn out payments for earlier acquisitions of 99 MSEK. At the end of the period the net debt increased to 6,293 (2,034) MSEK partly due to the impact of IFRS 16, 935 MSEK and the bridging loan, 2,288 MSEK resulting in a Net debt/EBITDA ratio of 5.8.

Cash flow from operating activities was 82 (-87) MSEK. The 169 MSEK positive improvement due to a 178 MSEK improvement in the change in working capital compared to the prior year and in 2019 an increase of 27 MSEK in tax paid. Pledged assets and contingent liabilities amounted to 47.2 (47.2) MSEK and 1.5 (1.5) MSEK respectively .

Investments

The Group's net investments in non-current assets was 64.8 (41.5) MSEK. The figure does not include investments in subsidiaries, which were 2,672 (0) MSEK.

Acquisition of iGuzzini

PROCESS AND INTEGRATON

On 15th October 2018, Fagerhult signed a Letter of Intent with the shareholders of iGuzzini illuminazione S.p.A ("iGuzzini") to acquire 100% of the shares of iGuzzini.

On 21st December 2018 Fagerhult signed a Share Purchase Agreement with the shareholders of iGuzzini to acquire 100% of the shares of iGuzzini.

On 7th January 2019, the board of Fagerhult called for an Extraordinary General Meeting of Shareholders (EGM) to be held on 7th February 2019.

At the EGM on the 7th February all resolutions were passed by the shareholders attending the meeting.

On 7th March 2019, the transaction was completed in Recanati, Italy and Fagerhult acquired 100% of the shares in iGuzzini. The board of directors of Fagerhult also on 7th March 2019, decided on the Issue in Kind. The Issue in Kind forms part of the purchase price for the acquisition.

The purchase price for iGuzzini amounts to 375.9 MEUR, of which 284.5 MEUR is paid in cash and 91.4 MEUR in new Fagerhult shares.

On 26th April 2019, the board of directors of Fagerhult decided on the terms for the Rights Issue. The proceeds from the Rights Issue will be used to pay down the bridging

loan finance drawn down at completion on 7th March. The Rights Issue carries a record date of 6th May and a subscription period that closes on 22nd May.

With iGuzzini joining the Fagerhult Group, one of Europe's largest and leading professional lighting groups has been created and the combined companies will have an even stronger position in Europe and a strong platform from which to grow sales globally.

iGuzzini is a leading high-end international architectural lighting company with a strong brand and have created a successful international business with a global customer base. iGuzzini is very complementary to the Fagerhult Group both in terms of geography and product portfolio. Based in Recanati, Italy, iGuzzini is a respected lighting company with high brand awareness particularly amongst specifiers and lighting designers. Founded in 1959, the company designs, manufactures and markets professional lighting solutions for indoor and outdoor lighting areas.

For the financial year ending 31st December 2018, iGuzzini had net sales of approximately MEUR 240, an EBITDA margin of circa 14-15% and employed 1,470 employees. Fagerhult estimates significant procurement synergies as well as medium-to-longer term sales synergies and targets MEUR 8 annual EBITDA synergies by 2022.

For more information refer to the press releases on 15th October 2018, 21st December 2018, 7th January 2019, 7th February 2019, 7th & 29th March 2019, 26th April 2019 and 2nd May 2019.

PURCHASE PRICE ALLOCATION (PPA)

The tables below summarise the financial effect on the excess acquisition asset as well as the net change in consolidated cash and cash equivalents on acquisition. A full PPA for the acquisition of iGuzzini and the allocation of the surplus value associated with the transaction will be reported on in the Q2 report due on 22nd August with the final PPA process being completed during 2019.

On 7th March 2019, Fagerhult signed an agreement to acquire 100% of the shares of iGuzzini and the purchase price for iGuzzini amounts to 375.9 MEUR, of which 284.5 MEUR is paid in cash and 91.4 MEUR in new Fagerhult shares.

iGuzzini has been consolidated in the Western and Southern Europe business area from the 1st March 2019.

THE CONSIDERATION CONSISTS OF THE FOLLOWING COMPONENTS

Cash paid	2,993.6
Fagerhult shares, issued through an issue in kind (11,244,805 shares)	826.5
Total consideration	**3,820.1**
Net assets acquired	1,628.6
Excess value - acqusition asset	**2,191.5**

CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS ON ACQUISITION

Consideration cash	2,993.6
Cash and cash equivalents in the aquired company	-419.9
Net change in consolidated cash and cash equivalents on acquisition	**2,573.7**

Employees

The average number of employees during the period was 3,913 (3,321).

Parent company

AB Fagerhult's operations comprise Group Management, financing and business development activities. The profit before appropriations and tax was -22.5 (23.8) MSEK.

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

Accounting principles

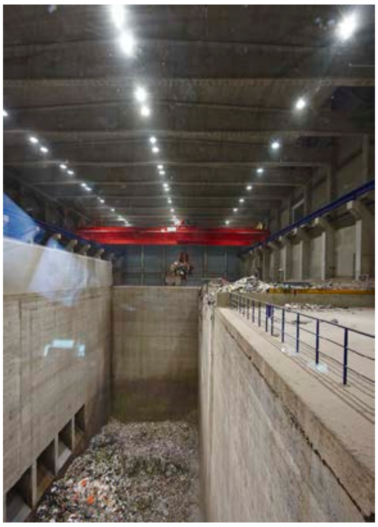
The interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the Swedish Annual accounts Act. The information for the interim period on pages 1-16 is an integral part of this financial report.

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 those described in Fagerhult's annual report for the financial year 2018 except that AB Fagerhult from January 1, 2019 applies IFRS 16 Leases. The implementation of the new standard has some effect on the financial reports.

The parent company, AB Fagerhult, has chosen not to apply IFRS 16 Leases but have instead from January 1, 2019 applied RFR 2 IFRS 16 Leases p. 2-12. On Business area level, Fagerhult will not apply IFRS 16. It will only be applied on the Group level. The segment reporting for 2019 will thus be unchanged compared to 2018.

For information on the effects of the transition to IFRS 16, see page 16. Accounting principles according to IFRS 16 follows below.



LEASING

The group leases consist mainly of factories, offices and vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Since this is the first report in accordance with IFRS 16, all right-of use assets have been valued at the value of the lease liability, with adjustment for prepaid lease payments attributable to the agreements as of January 1, 2019.

Lease liabilities include the net present value of the following lease payments:

- fixed payments
- variable lease payment that are based on an index

The lease payments are discounted using the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options:

Options to extend or terminate contracts are included in the asset and liability as it is reasonably certain that they will be exercised. These terms are used to maximise operational flexibility in terms of managing contracts.

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 2018 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 2019

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 for the majority of this time many 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 line with our master brand strategy, with focus on product design and development of luminaires and lighting controls and exploited the 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 geographically and technology led acquisitions.

The Group has established and remains in a strong position in all of its main markets and product areas and as a result has increased its market share during this period. The acquisition of iGuzzini creates significant opportunity to strengthen our position in many geographical and product areas.

The strong organic growth exhibited in the 6 quarters spanning late 2015 to early 2017 has changed to be flat for 2018 and more recently negative. Whilst there remains a strong focus on organic growth and, we remain committed to the investments made from 2016-2017, we have also initiated a performance improvement programme with several activities in the short, medium and longer term.

Management believes that with the operational footprint of the Group, the strong position in many markets, the acquisition of iGuzzini and the level of recent and current growth investments the Group is in a good position to execute this focus on increasing performance and market shares throughout 2019.

"A short and medium term performance improvement programme has been initiated"

Habo, 13th May 2019
AB Fagerhult (publ.)

Bodil Sonesson
President and CEO

In 2019, interim reports will be submitted on 22nd August and 25th October.

Information can be obtained from;

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Group

INCOME STATEMENT

	2019 Q1 3 months	2018 Q1 3 months	2018/2019 Apr-Mar 12 months	2018 Jan-Dec 12 months
Net sales	1,594.3	1,270.7	5,944.6	5,621.0
Cost of goods sold	-974.9	-787.7	-3,661.4	-3,474.2
Gross profit	**619.4**	**483.0**	**2,283.2**	**2,146.8**
Selling expenses	-322.3	-247.3	-1,110.9	-1,035.9
Administrative expenses	-158.9	-103.7	-522.2	-467.0
Other operating income	19.9	6.6	214.1	200.8
Other operating expenses	-	-	-138.9	-138.9
Operating profit	**158.1**	**138.6**	**725.3**	**705.8**
Financial items	-31.6	-9.3	-61.4	-39.1
Profit before tax	**126.5**	**129.3**	**663.9**	**666.7**
Tax	-33.5	-32.3	-164.8	-163.6
Net profit for the period	**93.0**	**97.0**	**499.1**	**503.1**
Net profit for the period attributable to shareholders of the Parent Company	91.8	97.0	497.9	503.1
Earnings per share, based on earnings attributable to shareholders of the parent during the year:				
Earnings per share before dilution, SEK	0.76	0.85	4.30	4.39
Earnings per share after dilution, SEK	0.76	0.85	4.30	4.39
Average number of outstanding shares before dilution	120,123	114,492	115,905	114,497
Average number of outstanding shares after dilution	120,123	114,492	115,905	114,497
Number of outstanding shares, thousands	125,745	114,492	125,745	114,500
STATEMENT OF COMPREHENSIVE INCOME				
Net profit for the period	**93.0**	**97.0**	**499.1**	**503.1**
Other comprehensive income				
Items which may not be reversed in the income statement:				
Revaluation of pension plans	-	-	-0.7	-0.7
Items which may be reversed in the income statement:				
Translation differences	54.1	42.6	-28.0	-39.5
Other comprehensive income for the period, net after tax	**54.1**	**42.6**	**-28.7**	**-40.2**
Total comprehensive income for the period	**147.1**	**139.6**	**470.4**	**462.9**
Comprehensive income attributable to shareholders of the Parent Company	145.9	139.6	469.2	462.9

BALANCE SHEET

	31 Mar 2019	31 Mar 2018	31 Dec 2018
Intangible assets	5,586.1	2,799.2	3,159.9
Tangible fixed assets	2,732.7	696.0	703.1
Financial assets	153.6	55.7	52.1
Inventories	1,377.9	810.9	857.4
Accounts receivable - trade	1,536.4	964.9	925.0
Other non-interest-bearing current assets	207.7	115.2	115.3
Cash and cash equivalents	1,152.9	874.6	808.4
Total assets	**12,747.3**	**6,316.5**	**6,621.2**
Equity	3,137.8	2,031.1	2,129.2
Long-term interest-bearing liabilities	4,857.2	2,903.8	2,465.1
Long-term non-interest-bearing liabilities	549.3	459.1	584.0
Short-term interest-bearing liabilities	2,588.4	4.5	416.1
Short-term non-interest-bearing liabilities	1,614.6	918.0	1,026.8
Total equity and liabilities	**12,747.3**	**6,316.5**	**6,621.2**

CASH FLOW STATEMENT

	2019 Q1 3 months	2018 Q1 3 months	2018/2019 Apr-Mar 12 months	2018 Jan-Dec 12 months
Operating profit	**158.1**	**138.6**	**725.3**	**705.8**
Adjustments for non-cash items	80.3	76.6	69.3	65.6
Financial items	-13.1	-8.5	-43.7	-39.1
Tax paid	-67.6	-40.4	-222.1	-194.9
Funds contributed from operating activities	**157.7**	**166.3**	**528.8**	**537.4**
Change in working capital	-75.5	-253.6	18.8	-159.3
Cash flow from operating activities	**82.2**	**-87.3**	**547.6**	**378.1**
Cash flow from investing activities	-2,731.0	-28.5	-3,117.1	-414.6
Cash flow from financing activities	2,965.0	5.5	2,835.4	-124.1
Cash flow for the period	**316.2**	**-110.3**	**265.9**	**-160.6**
Cash and cash equivalents at beginning of period	808.4	949.9	874.6	949.9
Translation differences in cash and cash equivalents	28.3	35.0	12.4	19.1
Cash and cash equivalents at end of period	**1,152.9**	**874.6**	**1,152.9**	**808.4**

KEY RATIOS AND DATA PER SHARE

	2019 Q1 3 months	2018 Q1 3 months	2018/2019 Apr-Mar 12 months	2018 Jan-Dec 12 months
Sales growth, %	25.5	2.1	14.4	8.7
Growth in operating profit, % *	14.1	-9.6	9.4	4.1
Growth in profit before tax, % *	-2.2	-11.3	4.4	2.2
Operating margin, % *	9.9	10.9	12.2	12.6
Profit margin, % *	7.9	10.2	11.2	11.9
Cash liquidity, % *	27.4	94.8	27.4	56.0
Net debt/EBITDA ratio *	6.3	2.8	5.8	2.0
Equity/assets ratio, % *	24.6	32.2	24.6	32.2
Capital employed, MSEK *	10,583	4,939	10,583	5,010
Return on capital employed, % *	8.3	11.8	9.5	14.8
Return on equity, % *	14.1	19.8	19.3	25.0
Net debt, MSEK *	6,293	2,034	6,293	2,073
Gross investment in non-current assets, MSEK *	64.8	41.5	182.3	159.0
Net investment in non-current assets, MSEK *	64.8	41.5	146.6	123.3
Depreciation/amortisation/impairment of non-current assets, MSEK *	90.0	43.9	366.4	320.3
Number of employees	3,913	3,321	3,499	3,384
Equity per share, SEK *	24.95	17.74	24.95	18.60
Number of outstanding shares, thousands	125,745	114,492	125,745	114,500

* Impacted by IFRS 16 from 2019-01-01

For more information about the Key ratios and the definitions applied, please refer to AB Fagerhult's website under "Investor/Financial data/Financial glossary." 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	Retined earnings	Non-controlling interest	Total equity
Equity at 1 January 2018	**65.5**	**205.0**	**-198.7**	**1,818.7**		**1,890.5**
Net profit for the period				97.0		97.0
Other comprehensive income			42.6	-		42.6
Total comprehensive income for the period			42.6	97.0		139.6
Performance share plan				1.0		1.0
Equity at 31 March 2018	**65.5**	**205.0**	**-156.1**	**1,916.7**		**2,031.1**
Equity at 1 January 2019	**65.5**	**205.0**	**-238.2**	**2,096.9**		**2,129.2**
Net profit for the period				91.8	1.2	93.0
Other comprehensive income			54.1	-		54.1
Total comprehensive income for the period			54.1	91.8	1.2	147.1
Acquired Non-controlling interest					33.5	33.5
Issue in kind (11,244,805 shares)	6.4	820.2				826.6
Performance share plan				1.4		1.4
Equity at 31 March 2019	**71.9**	**1,025.2**	**-184.1**	**2,190.1**	**34.7**	**3,137.8**

Parent company

INCOME STATEMENT

	2019 Q1 3 Months	2018 Q1 3 Months	2018/2019 Apr-Mar 12 months	2018 Jan-Dec 12 months
Net sales	3.7	3.6	15.2	15.1
Selling expenses	-	-	-	-
Administrative expenses	-13.7	-15.1	-49.1	-50.5
Operating profit	**-10.0**	**-11.5**	**-33.9**	**-35.4**
Income from shares in subsidiaries	-	58.8	-	58.8
Financial items	-12.5	-23.5	-16.2	-27.2
Profit before appropriations and tax	**-22.5**	**23.8**	**-50.1**	**-3.8**
Group contributions received	-	-	260.0	260.0
Changes in tax allocation reserve	-	-	8.6	8.6
Tax	-	-	-45.8	-45.8
Net profit	**-22.5**	**23.8**	**172.7**	**219.0**

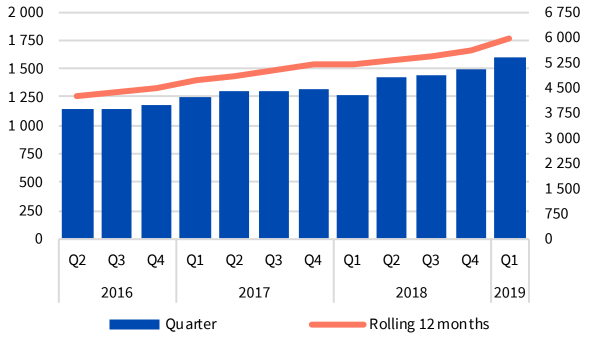
BALANCE SHEET

	31 Mar 2019	31 Mar 2018	31 Dec 2018
Financial assets	7,542.8	3,556.0	3,796.4
Other receivables	48.2	37.7	46.9
Cash & Bank	300.2	490.1	328.7
Total assets	**7,891.2**	**4,083.8**	**4,172.0**
Equity	1,498.9	724.8	694.0
Untaxed reserves	-	8.6	-
Long-term interest bearing liabilities	3,783.1	2,771.7	2,706.8
Long-term non interest bearing liabilities	1.7	1.7	1.7
Short-term interest bearing liabilities	2,587.7	547.0	740.6
Short-term non interest bearing liabilities	19.8	30.0	28.9
Total Equity and Liabilities	**7,891.2**	**4,083.8**	**4,172.0**

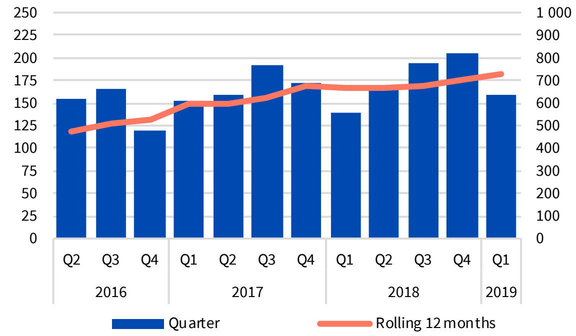
CHANGES IN EQUITY

	Share capital	Statutory reserve	Retained earnings	Total equity
Equity at 1 January 2018	**65.5**	**159.4**	**475.4**	**700.3**
Performance share program			3.7	3.7
Net profit for the period			219.0	219.0
Dividend paid, SEK 2.00 per share			-229.0	-229.0
Equity at 31 December 2018	**65.5**	**159.4**	**469.1**	**694.0**
Issue in kind (11,244,805 shares)	6.4		820.2	826.6
Performance share plan			0.8	0.8
Net profit for the period			-22.5	-22.5
Equity at 31 March 2019	**71.9**	**159.4**	**1,267.6**	**1,498.9**

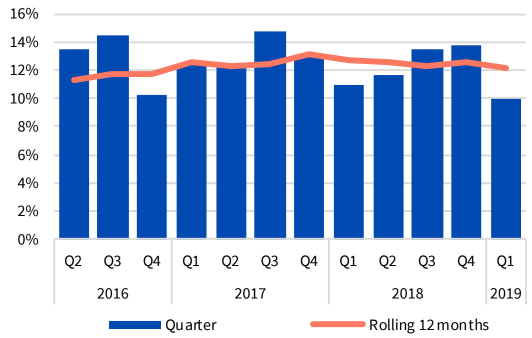
NET SALES, MSEK



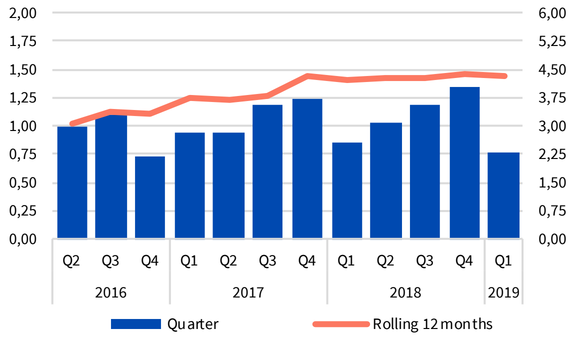
OPERATING PROFIT, MSEK



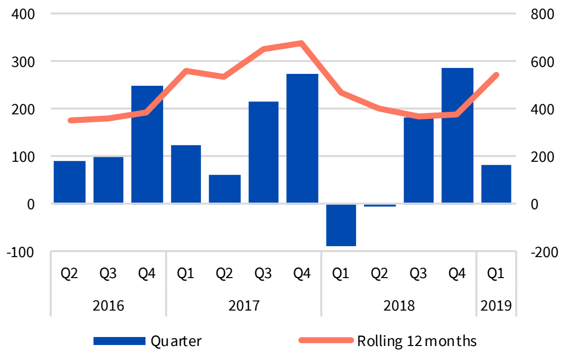
OPERATING MARGIN, %



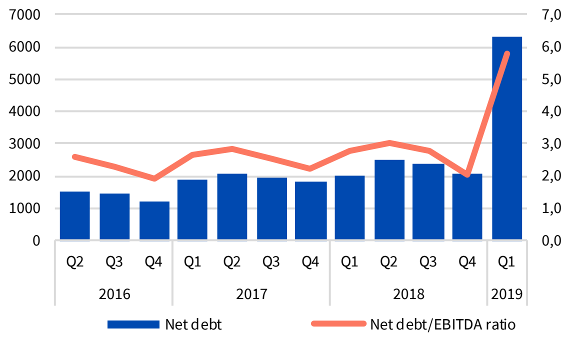
EARNINGS PER SHARE, SEK



OPERATING CASHFLOW



NET DEBT AND NET DEBT EBITDA RATIO

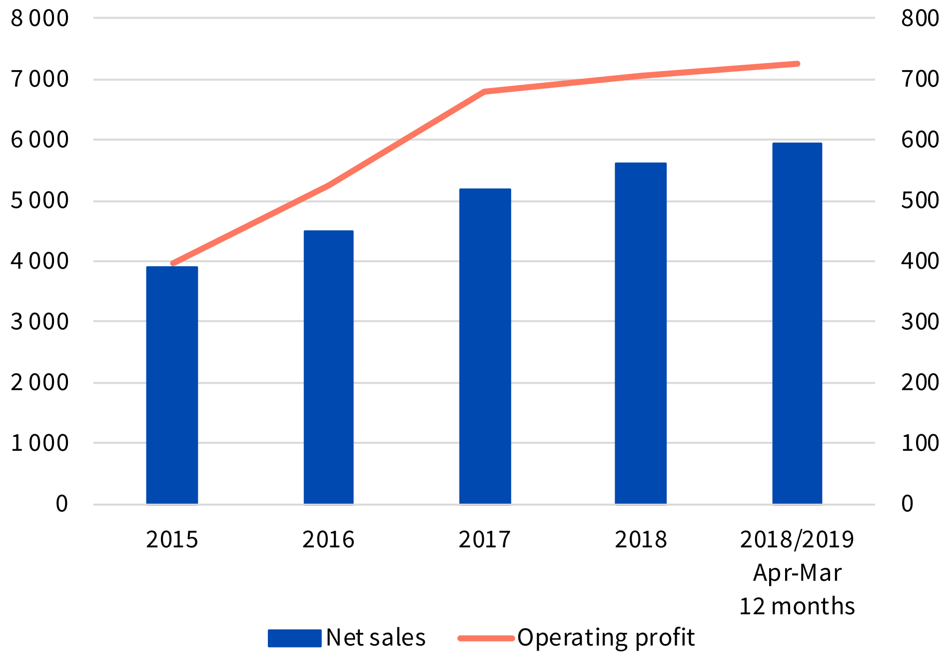


KEY RATIOS AND DATA PER SHARE

	2015	2016	2017	2018	2018/2019 Apr-Mar 12 months
Net sales, MSEK	3,909.4	4,490.7	5,170.3	5,621.0	5,944.6
Operating profit, MSEK *	396.0	524.2	677.9	705.8	725.3
Profit before tax, MSEK *	377.2	514.7	652.5	666.7	663.9
Earnings per share, SEK *	2.54	3.35	4.32	4.39	4.30
Sales growth, % *	4.6	14.9	15.1	8.7	14.4
Growth in operating profit, % *	4.6	32.4	29.3	4.1	9.4
Growth in profit before tax, % *	8.4	36.5	26.8	2.2	4.4
Operating margin, % *	10.1	11.7	13.1	12.6	12.2
Net debt/EBITDA ratio *	1.9	1.9	2.2	2.0	5.8
Equity/assets ratio, % *	38.4	33.8	31.0	32.2	24.6
Capital employed, MSEK *	2,846	3,581	4,670	5,010	10,583
Return on capital employed, % *	14.4	16.8	16.8	14.8	9.5
Return on equity, % *	20.9	24.9	28.1	25.0	19.3
Net debt, MSEK *	937	1,222	1,830	2,073	6,293
Net investment in non-current assets, MSEK *	117.9	169.0	177.1	123.3	146.6
Depreciation/amortisation/impairment of non-current assets, MSEK *	107.3	121.2	158.2	320.3	366.4
Number of employees	2,451	2,787	3,241	3,384	3,499

* Impacted by IFRS 16 from 2019-01-01

NET SALES AND OPERATING PROFIT, MSEK



New accounting principles IFRS 16 Leases

This note explains the effects in the Group's financial report when applying IFRS 16 Leases. In the balance sheet, the following adjustments were made regarding IFRS 16 Leases:

IFRS 16 BALANCE SHEET ADJUSTMENTS

	Closing balance	Impact of transition to IFRS 16	Opening balance	IFRS 16 impact
	31 Dec 2018		1 Jan 2019	31 Mar 2019
Tangible fixed assets	703.1	797.0	1,500.1	948.5
Financial assets	-	-	-	1.0
Other non-interest-bearing current assets	115.3	-13.0	102.3	-18.3
Equity	-	-	-	-3.7
Long-term interest-bearing liabilities	2,465.1	668.7	3,133.8	773.3
Short-term interest-bearing liabilities	416.1	115.3	531.4	161.6

In the income statement, the following adjustment were made regarding IFRS 16 Leases:

IFRS 16 INCOME STATEMENT ADJUSTMENTS

	IFRS 16 impact
	2019 Q1 3 months
Reversal of leasing costs under IAS 17	35.5
Depreciation	-33.8
Operating profit	1.7
Profit before tax	-4.7
Net profit for the period	-3.7

The Group has applied IFRS 16 Leases from January 1, 2019, which resulted in changed accounting policies and adjustments in the amounts reported in the financial report. In accordance with the transition provisions in IFRS 16 has the group applied the simplified transition method and therefore has not restated comparatives. All right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2018 as short-term leases,
the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.