

First Quarter Release 2014
Telephone Conference April 29, 2014

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Highlights

January – March 2014

- A good start to the year
- Organic growth in net sales of 9%
- Cost savings in Europe support result improvement
- Operating margin 3.1% excl. non-recurring costs
- Decision taken to invest in capacity in India
- Launch of new strategic products

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Product Launches in the First Quarter 2014



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January – March

<u>January - March</u>	<u>2014</u>	<u>2013</u>
Net Sales, MSEK	1,250	1,155
Operating Profit, excluding non-recurring, MSEK	38	11
Operating Margin, excl. non-recurring, %	3.1	0.9
Non-recurring items, MSEK	-20	-10
Operating Profit, MSEK	18	1
Operating Margin, (%)	1.5	0.1
Free cash flow, MSEK	-68	-52
Net Profit, MSEK	-3	-12

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Region Europe, Middle East & Africa (EMEA)

Region Europe, Middle East & Africa

MSEK	Jan-March		Full year
	2014	2013	2013
Order intake	1,070	1,024	3,558
Organic growth, %	1		0
Net sales	842	761	3,474
Organic growth, %	7		0
Operating profit/loss excl. non-recurring items	-1	-33	47
Operating margin excl. non-recurring items, %	-0.1	-4.3	1.4
Non-recurring items	-19	-10	-74
Operating profit/loss	-20	-43	-27

Region % of Net Sales



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January - March

- Stable order development
- Good sales growth mainly in Central Europe, Nordic and Africa
- Cost savings in sales companies and operations
- Positive development in SafePay continues
- Operating profit, excl. non-recurring items, improved by 32 Mkr to -1 Mkr

Region Asia-Pacific (APAC)

Region Asia-Pacific

MSEK	Jan-March		Full year
	2014	2013	2013
Order intake	258	252	1,043
Organic growth, %	12		0
Net sales	221	213	954
Organic growth, %	15		0
Operating profit/loss excl. non-recurring items	24	29	134
Operating margin excl. non-recurring items, %	10.9	13.6	14.0
Non-recurring items	-1	0	-8
Operating profit/loss	23	29	126

Region % of Net Sales



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January - March

- Continued organic order growth
- Organic sales growth mainly in India and Australia
- Operating margin, excl. non-recurring items, on healthy level, operating result impacted by unfavourable currency effects
- Decision taken to expand production capacity in India

Region Americas

Region Americas			
MSEK	Jan-March		Full year
	2014	2013	2013
Order intake	178	223	913
Organic growth, %	-16		0
Net sales	187	181	843
Organic growth, %	7		0
Operating profit/loss excl. non-recurring items	15	15	125
Operating margin excl. non-recurring items, %	8.0	8.3	14.8
Non-recurring items	0	-	-2
Operating profit/loss	15	15	123

Region % of Net Sales



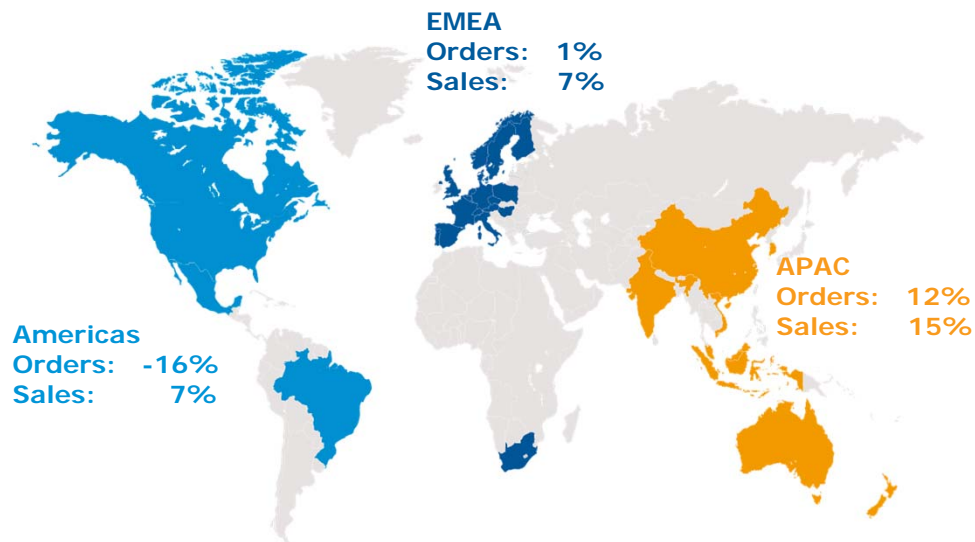
January - March

- Compared to previous year, order intake decreased due to larger project orders received in Q1 2013
- Sales growth mainly in bank services in Latin America and in entrance security installations in public buildings in the US
- Operating profit of 15 Mkr on same level as first quarter 2013










Organic Growth Development by Region

January – March 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

January – March

(MSEK)

Summary Group income statement

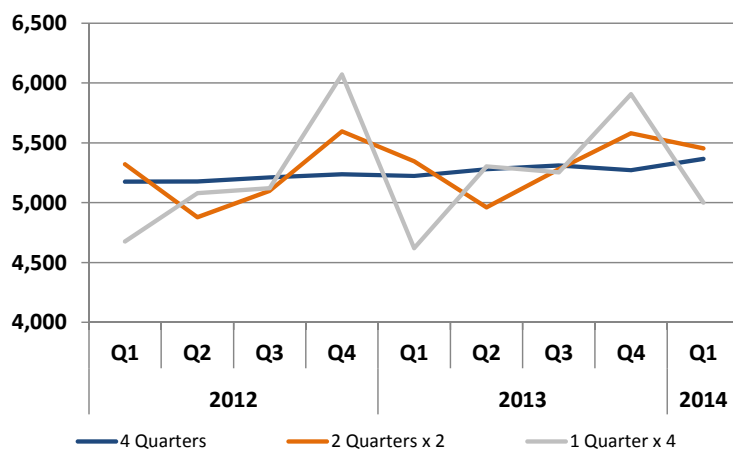
MSEK	Jan-March	
	2014	2013
Net sales	1,250	1,155
Cost of goods sold	-894	-827
Gross profit	356	328
Other operating costs, net	-338	-327
Operating profit/loss	18	1
Net financial items	-8	-9
Profit/loss after financial items	10	-8
Taxes	-13	-4
Profit/loss for the period	-3	-12
Gross margin, %	28.5	28.4
Operating margin, %	1.5	0.1
Operating profit excl. non-recurring items, MSEK	38	11
Operating profit excl. non-recurring items, %	3.1	0.9
Earnings per share, SEK	-0.04	-0.16

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Net Sales

(MSEK)

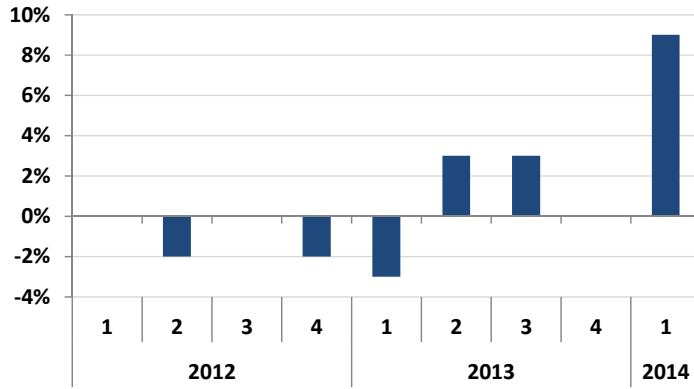


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Net Sales Organic Growth Quarter vs Quarter (%)

(%)

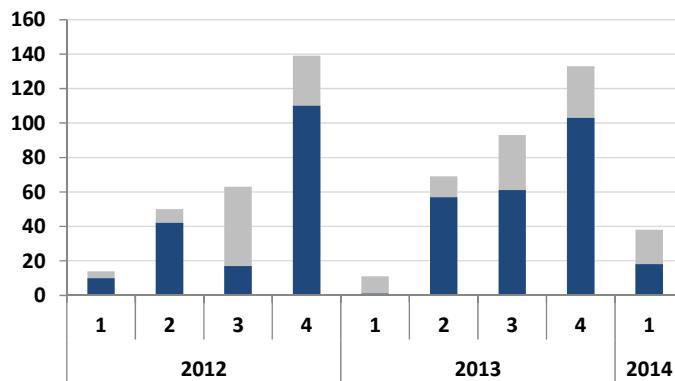


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Operating Profit by Quarter (MSEK)

(MSEK)



**Full year
Operating Profit
excl. Non-recurring items**
2013: 306
2012: 266

Operating Profit
2013: 222
2012: 179

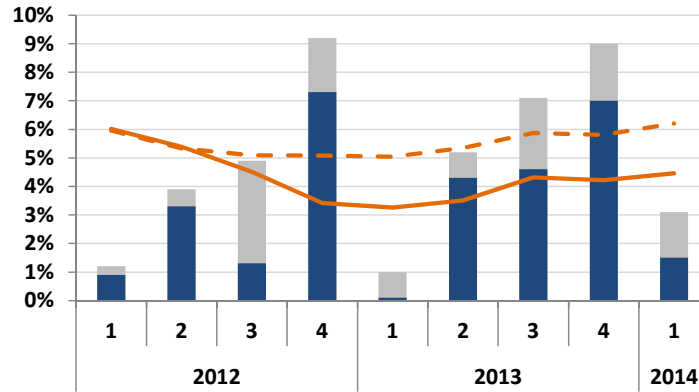
■ Operating Profit ■ Operating Profit, excl. Non-recurring items

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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

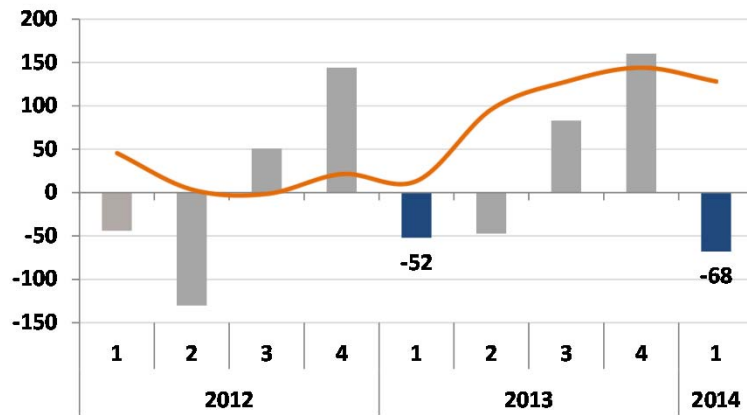
■ Operating Margin %, Quarter
 ■ Operating Margin % Quarter, excl. Non-recurring items
— Operating Margin %, 12M
 - - - Operating Margin % 12M, excl. Non-recurring items

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Free Cash Flow

(MSEK)



Year End

2013: 144
2012: 21

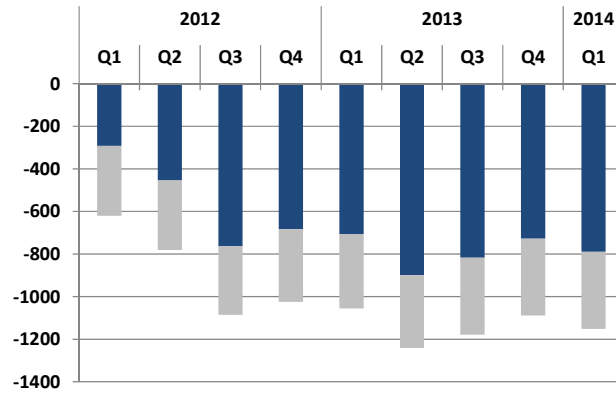
— Free Cash Flow 12M

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Net Debt

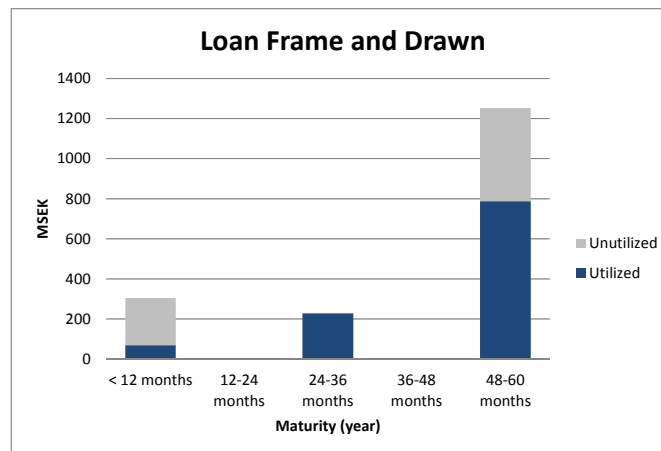
(MSEK)



Gunnebo AB
Dividend paid
2012 Q2 76
2013 Q2 76

Debt Structure

(MSEK)



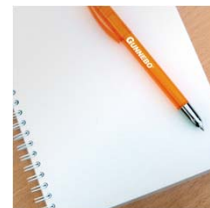
Financial Calendar

Financial Calendar

Interim report January-June 2014	July 16, 2014
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	April 28, 2015

Key Priorities 2014

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



Q&A

www.gunnebogroup.com

