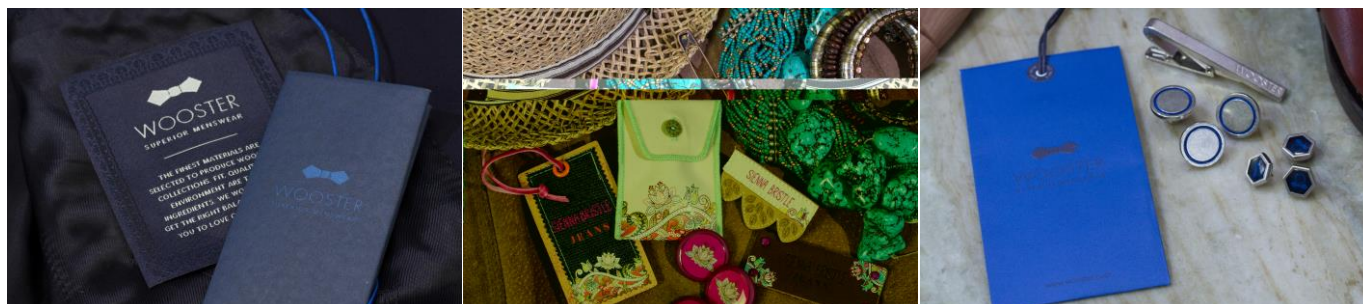


## Interim report for Nilörngruppen AB (publ) Q3, January – June 2017



### Period July – September

- Order bookings grew by 4 percent to MSEK 176 (170)
- Revenue increased by 3 percent to MSEK 149 (145)
- Operating profit amounted to MSEK 16.6 (17.4) (not including costs for listing change of MSEK 1.3)
- Profit for the period amounted to MSEK 11.3 (12.9)
- Earnings per share amounted to SEK 0.99 (1.13)
- Cash flow from operating activities amounted to MSEK 11.2 (10.3)

### Period January – September

- Order bookings grew by 19 percent to MSEK 532 (469)
- Revenue increased by 15 percent to MSEK 501 (436)
- Operating profit amounted to MSEK 59.8 (52.9) (not including costs for listing change of MSEK 2.7)
- Profit for the period amounted to MSEK 43.0 (40.08)
- Earnings per share amounted to SEK 3.77 (3.58)
- Cash flow from operating activities amounted to MSEK 40.7 (30.0)

### Significant events during the quarter

- Costs for change of listing during the third quarter amounted to MSEK 1.3 (accumulated MSEK 2.7).
- The development of Radio Frequency Identification (RFID), or intelligent labels has been intensified.



## PRESIDENT'S STATEMENT

We grew in terms of order bookings as well as revenue during the quarter, but the development was slightly slower than our expectations and my ambitions. It is gratifying, however, that our margins were slightly higher during the past quarter.

The slightly lower growth is explained by the fact that some customer projects have taken longer than expected, some postponement of orders, and the fact that the English market has continued to develop more slowly than in the previous year. However, we note a clearly stronger demand in Scandinavia as well as in the German market, where we continue to take market shares and attract new customers. We also had a positive development in Italy, where we managed to attract more new customers.

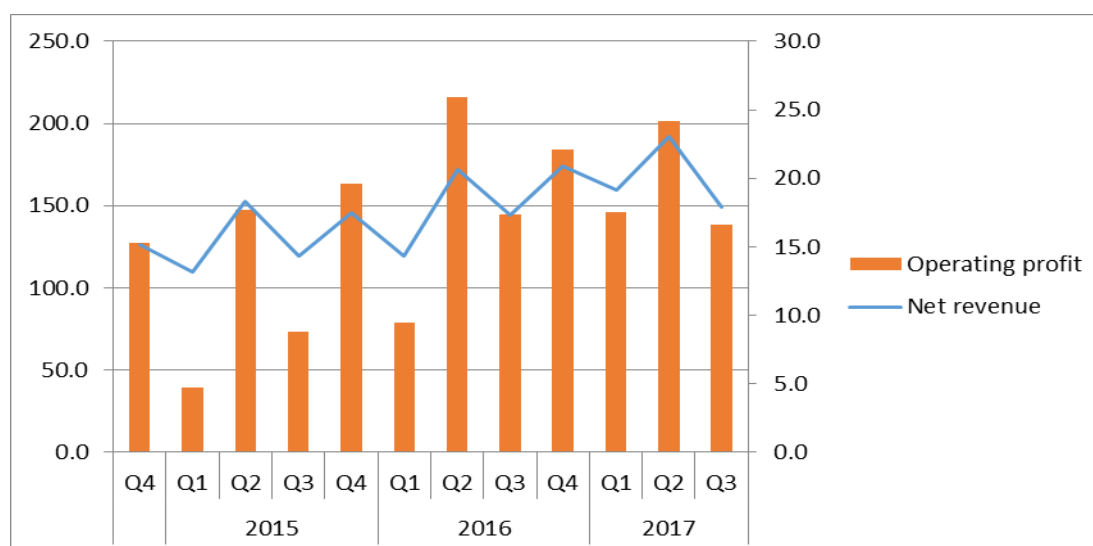
We are still investing in both our sales organisation and Retail Information System (RIS), where we work on tailoring IT solutions

to streamline our customers' order management. We have also begun investments in Radio Frequency Identification (RFID), or intelligent labels, where we sense increased interest and where we have also initiated a few customer projects.

I estimate that we have good opportunities to finish the year with a strong quarter as we have a number of exciting customer projects under development.

Nilörn is well positioned to grow in several European markets and we will work hard to connect with more international customers.

*Claes af Wetterstedt*  
President & CEO



## Period July – September

### Order bookings

Order bookings during the third quarter increased by 4 percent compared to the equivalent period last year and amounted to MSEK 176 (170) MSEK.

### Net revenue and profit

Net revenue increased by 3 percent to MSEK 149 (145). The acquisition of HC Etiketter AS's customers has affected revenue by MSEK 3. The development in the English market was weaker, but we experienced continued good growth in the Nordic and German markets. The gross margin was 48.8 (46.5) percent.

External costs increased to MSEK 24.1 (19.7) and payroll expenses increased to MSEK 31.6 (29.7). External costs rose by MSEK 1.3 attributable to the listing change to Small Cap. The remaining increase was a consequence of increased sales and efforts to ensure a high level of service to our customers. The Group also continues to invest in sustainability, a crucial endeavour for the Group, which is also appreciated by the customers. The internal development of RFID (intelligent labels) has been intensified and there are ongoing projects together with a few customers.

Operating profit, not including costs of MSEK 1.3 for listing change to Small Cap, amounted to MSEK 16.6 (17.4), resulting in an operating margin of 11.1 (12.0) percent. Operating profit including costs for change of listing amounted to MSEK 15.3 (17.4).

Taxes amounted to MSEK 3.8 (4.3) and profit after taxes amounted to MSEK 11.3 (12.9).

### Cash flow, capital expenditures and liquidity

Cash flow from operating activities amounted to MSEK 12.5 (10.3) (not including MSEK 1.3 in cost for changing listing).

Cash flow from investment activities amounted to MSEK -0.8 (-3.9). The net liability at the end of the period amounted to MSEK 14.7 (13.2).

## Period January – September

### Order bookings

Order bookings increased by 13 percent to MSEK 532 (469).

### Net revenue and profit

Net revenue increased by 15 percent to MSEK 501 (436). Foreign exchange rates impacted revenue negatively during the period. The gross profit was 46.0 (46.5) percent.

External costs increased to MSEK 71.7 (59.6), MSEK 2.7 of which is attributable to the change of listing, and personnel costs increased to MSEK 98.3 (88.3). The increase of personnel costs is explained by a strengthening of the organisation enabling us to offer the same level of service when volumes rise and the increased focus on sustainability which is in the interest of the Group as well as its clients.

Depreciation and amortisation increased to MSEK 4.5 (3.4) as a consequence of investments in a plant in Bangladesh and from the acquisition of customer relationships from HC Etiketter AS.

Operating profit, not including costs for listing change of MSEK 2.7, amounted to MSEK 59.8 (52.9), resulting in an operating margin of 11.9 (12.1) percent. Operating profit including the costs for listing change amounted to MSEK 57.1 (52.9).

Taxes were paid in an amount of MSEK 13.4 (11.8), resulting in a tax expense of 23.7 (22.4) percent. Profit after taxes amounted to MSEK 43.0 (40.8).

### Cash flow, capital expenditures and liquidity

Cash flow from operating activities amounted to MSEK 43.4 (30.0) (not including MSEK 2.7 in cost for changing listing).

Cash flow from investment activities amounted to MSEK -20.1 (-14.9), MSEK 11.4 of which relate to intangible non-current assets, mainly due to an investment in a new enterprise system and the acquisition of customer relationships from HC Etiketter in Denmark. Last year's capital expenditures were mainly related investments in the new plant in Bangladesh.

## Personnel

The average number of employees in the Group was 436 (347). 201 (158) of whom were women (relative to the situation at the end of the year).

## Transactions with closely related parties

There were no transactions during the period between the Nilörn Group and closely related parties with an effect on consolidated profit and the Group's financial position. The Parent Company's transactions with subsidiaries relate to design, product development, IT and other services.

## Parent Company

The Parent Company's operations largely consist of handling group-wide functions, such as branding and design, product development, finances, administration, information and IT. The average number of employees was 23 (17).

Net revenue for the period amounted to MSEK 13.4 (10.1). Operating profit amounted to MSEK -7.4 (-4.5) and the result after taxes amounted to MSEK -4.6 (-4.3).

## Risks and uncertainty factors

Given its international operations, Nilörngruppen is always subject to a variety of financial risks. The significant risks and uncertainty factors facing Nilörngruppen are described in Nilörngruppen's 2016 Annual Report, Note 2. The risks reported are deemed to be essentially unchanged.

## Review

This report has not been subject to review by the Company's auditors.

## Calendar

- 16 February 2018 Year-end Report
- 16 May 2018 Interim Report Q1
- 16 May 2018 Annual General Meeting in Borås

This information is information that Nilörngruppen is under obligation to publish in accordance with the EU Market Abuse

Regulation. Securities Markets Act. The information herein was provided by the contact person named below for publication at 11:00 a.m., 17 October 2017.

The President hereby confirms that this interim report provides a fair overview of the operations of the Company's and the Group's operations, financial position and results, and describes significant risks and factors of uncertainty facing the Company and the companies in the Group.

BORÅS, 17 OCTOBER 2017  
NILÖRN GRUPPEN AB (PUBL)

Claes af Wetterstedt  
President & CEO

FOR FURTHER INFORMATION, CONTACT:

Claes af Wetterstedt, President & CEO  
Telephone: +46-33-700 88 30  
Mobile: +46-706-96 29 50  
E-mail: [claes.af.wetterstedt@nilorn.com](mailto:claes.af.wetterstedt@nilorn.com)

Krister Magnusson, CFO  
Telephone: +46-33-700 88 52  
Mobile: +46-704-85 21 14  
E-mail: [krister.magnusson@nilorn.com](mailto:krister.magnusson@nilorn.com)

Nilörngruppen AB  
Box 499  
SE-503 13 Borås  
SWEDEN  
[www.nilorn.com](http://www.nilorn.com)

KEY Numbers	1 January – 30 September		1 January – 31 December				
	2017	2016	2016	2015	2014	2013	2012
Revenue growth, %	14.8	14.4	15.8	15.2	19.5	15.9	2.9
Operating margin, %	11.4	12.1	12.3	9.6	11.3	11.4	10
Profit margin, %	11.2	12.0	12.1	9.5	11.2	11.5	10
Average equity	133.6	117.7	125.6	113.8	104.6	90.7	92.6
Return on equity, %	32.2	34.7	44.8	34.3	39.9	38.2	27
Equity ratio, %	42.2	44.2	50.8	48.8	53.3	55.5	55.8
Interest-bearing net cash (liabilities –), MSEK	-14.7	-13.2	9.7	5	32.1	36.6	28.3
Earnings per share, SEK	3.77	3.58	4.93	3.42	3.66	3.04	2.37
Equity per share, SEK	11.35	10.71	12.08	9.94	10.0225	8.325	7.58
Dividend per share, SEK	-	-	3.6	3	3.5	3	2.25
Average number of shares outstanding	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988
Number of shares outstanding at end of period	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988
Average number of employees	436	347	358	335	301	268	246

## Summary Financial Reports

### Consolidated Income Statement

Amounts in SEK thousand	3 months		9 months	
	April – June		January – June	
	2017	2016	2017	2016
Net revenue	149 225	144 615	351 699	291 640
Raw materials, supplies and goods for resale	-76 407	-77 314	-194 291	-155 998
<b>Gross profit</b>	<b>72 818</b>	<b>67 301</b>	<b>157 408</b>	<b>135 642</b>
Other operating revenue	464	1 192	3 348	2 140
Other external costs	-24 052	-19 655	-47 660	-39 895
Personnel costs	-31 581	-29 658	-66 692	-58 659
Depreciation, amortization and impairment charges	-1 685	-1 148	-2 818	-2 245
Other operating costs	-642	-593	-1 820	-1 551
<b>Operating profit</b>	<b>15 322</b>	<b>17 439</b>	<b>41 766</b>	<b>35 432</b>
Net finance items	-229	-174	-521	-138
<b>Profit before taxes</b>	<b>15 093</b>	<b>17 265</b>	<b>41 245</b>	<b>35 294</b>
Taxes	-3 835	-4 341	-9 540	-7 412
<b>Net profit for the period</b>	<b>11 258</b>	<b>12 924</b>	<b>31 705</b>	<b>27 882</b>
Average number of shares outstanding (thousands)	11 402	11 402	11 402	11 402
Average number of shares outstanding after dilution (thousands)	11 402	11 402	11 402	11 402
<b>Earnings per share, SEK</b>	<b>0.99</b>	<b>1.13</b>	<b>2.78</b>	<b>2.45</b>
<b>Earnings per share, SEK after dilution</b>	<b>0.99</b>	<b>1.13</b>	<b>2.78</b>	<b>2.45</b>

### Consolidated Statement of Comprehensive Result

Amounts in SEK thousand	Juli-september		January - September	
	2017	2016	2017	2016
<b>Net profit for the period</b>	<b>11 258</b>	<b>12 924</b>	<b>42 963</b>	<b>40 806</b>
Other comprehensive result that may be reposted to net profit for the period				
Translation differences	-4 478	1 488	-10 264	2 141
<b>Items that cannot be reposted to net profit for the period</b>				
Revaluation of defined benefit pension scheme			0	0
<b>Total profit for the period</b>	<b>6 780</b>	<b>14 412</b>	<b>32 699</b>	<b>42 947</b>
Total profit for the period attributable to:				
The Parent Company's equity holders	6 780	14 412	32 699	42 947

### Quarterly income statements

Amount in MSEK)	2017				2016				2015				2014				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	119.7	192.4	192.4	119.7	171.9	144.6	174.2	109.4	152.6	119.2	145.9	90.6	132.6	108.2	126.1	74.6	109.8	88.5	109.9	
Raw materials, supplies and goods for resale	-85.7	-108.6	-76.4	-61.4	-94.5	-77.3	-91.1	-58.2	-81.6	-62.2	-76.8	-46.8	-70.6	-55.7	-65.7	-37.0	-57.2	-46.2	-54.9	
Gross profit	73.6	83.8	72.8	58.3	77.4	67.3	83.1	51.2	71.0	57.0	69.1	43.8	62.0	52.5	60.4	37.6	52.6	42.3	55.0	
Gross margin	46.2%	43.6%	48.8%	48.7%	45.0%	46.5%	47.7%	46.8%	46.5%	47.8%	47.4%	48.3%	46.8%	48.5%	47.9%	50.4%	47.9%	47.8%	50.0%	
Other income	1.7	1.6	0.5	0.9	1.2	1.2	2.3	1.2	1.4	2.6	1.3	0.5	0.7	0.9	1.6	0.4	0.8	0.6	1.2	
Operating costs	-56.6	-59.6	-56.3	-48.4	-51.7	-50.1	-62.1	-46.8	-53.7	-49.8	-49.5	-36.8	-42.8	-42.5	-45.9	-32.1	-37.7	-35.4	-39.6	
Depreciation, amortisation and impairment charges	-1.2	-1.6	-1.7	-1.3	-1.0	-1.0	-1.2	-0.9	-1.0	-1.0	-1.3	-0.5	-0.6	-0.7	-0.8	-0.5	-0.5	-0.5	-0.5	
<b>Operating profit</b>	<b>17.5</b>	<b>24.2</b>	<b>15.3</b>	<b>9.5</b>	<b>25.9</b>	<b>17.4</b>	<b>22.1</b>	<b>4.7</b>	<b>17.7</b>	<b>8.8</b>	<b>19.6</b>	<b>7.0</b>	<b>19.3</b>	<b>10.2</b>	<b>15.3</b>	<b>5.4</b>	<b>15.2</b>	<b>7.0</b>	<b>16.1</b>	
<b>Operating margin</b>	<b>11.0%</b>	<b>12.6%</b>	<b>10.2%</b>	<b>7.9%</b>	<b>15.1%</b>	<b>12.0%</b>	<b>12.7%</b>	<b>4.3%</b>	<b>11.6%</b>	<b>7.4%</b>	<b>13.4%</b>	<b>7.7%</b>	<b>14.6%</b>	<b>9.4%</b>	<b>12.1%</b>	<b>7.2%</b>	<b>13.8%</b>	<b>7.9%</b>	<b>14.6%</b>	
<b>Operating profit per share</b>	<b>1.5</b>	<b>2.1</b>	<b>1.3</b>	<b>0.8</b>	<b>2.3</b>	<b>1.5</b>	<b>1.9</b>	<b>0.4</b>	<b>1.6</b>	<b>0.8</b>	<b>1.7</b>	<b>0.6</b>	<b>1.7</b>	<b>0.9</b>	<b>1.3</b>	<b>0.5</b>	<b>1.3</b>	<b>0.6</b>	<b>1.4</b>	

## Consolidated Balance Sheet

Amounts in SEK thousand	2017-09	2016-09	2016-12	2015-12
<b>Assets</b>				
Intangible non-current assets	13 758	1 927	2 886	590
Other non-current assets	48 526	48 995	46 642	38 796
Inventories	96 672	83 832	88 891	80 068
Trade receivables	74 028	78 886	73 370	58 640
Other current assets	24 244	27 728	24 282	22 722
Cash and cash equivalents	49 796	34 805	35 210	31 548
<b>Total assets</b>	<b>307 024</b>	<b>276 173</b>	<b>271 281</b>	<b>232 364</b>
<b>Equity and liabilities</b>				
Equity	129 443	122 078	137 791	113 337
Long-term interest-bearing liabilities	-	-	-	-
Long-term non-interest-bearing liabilities	1 858	5 044	5 035	4 970
Current interest-bearing liabilities	64 456	48 000	25 500	26 512
Current non-interest-bearing liabilities	111 267	101 051	102 955	87 545
<b>Total equity and liabilities</b>	<b>307 024</b>	<b>276 173</b>	<b>271 281</b>	<b>232 364</b>

## Changes in Consolidated Equity

2017 Amounts in SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings	Total	Total equity
				including net profit for the period		
OPENING EQUITY 2017-01-01	2 850	43 231	2 072	89 638	137 791	137 791
Translation differences during the period			-10 264		-10 264	-10 264
Revaluation of pension scheme						
Net profit for the period				42 963	42 963	42 963
Dividend					-41 047	-41 047
<b>CLOSING EQUITY 2017-09-30</b>	<b>2 850</b>	<b>43 231</b>	<b>-49 239</b>	<b>132 601</b>	<b>129 443</b>	<b>129 443</b>

2016 Amounts in SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings	Total	Total equity
				including net profit for the period		
OPENING EQUITY 2016-01-01	2 850	43 231	-588	67 844	113 337	113 337
Translation differences during the period			2 141		2 141	2 141
Net profit for the period				40 806	40 806	40 806
Dividend			-34 206		-34 206	-34 206
<b>CLOSING EQUITY 2016-09-30</b>	<b>2 850</b>	<b>43 231</b>	<b>-32 653</b>	<b>108 650</b>	<b>122 078</b>	<b>122 078</b>

## Consolidated Cash Flow Statement

Amounts in SEK thousand	Juli-september		Januari - september	
	2017	2016	2016	2015
<b>Operating activities</b>				
Operating profit	15 322	17 439	57 088	52 871
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	1 685	1 148	4 503	3 393
	<b>17 371</b>	<b>18 587</b>	<b>61 955</b>	<b>56 264</b>
Interest income	31	48	337	287
Interest expense	-260	-222	-1 087	-599
Paid taxes	-3 677	-5 428	-12 700	-11 541
<b>Cash flow from operating activities before changes in</b>	<b>13 465</b>	<b>12 985</b>	<b>48 505</b>	<b>44 411</b>
<b>Cash flow from changes in working capital</b>				
Inventories	-5 177	-3 231	-16 126	-1 653
Trade receivables	757	-2 332	-10 174	-18 233
Other short-term receivables	-1 372	-956	-553	-5 256
Trade payables	4 595	2 226	6 517	2 296
Other liabilities	-1 081	1 566	12 544	8 459
<b>Cash flow from operating activities</b>	<b>11 187</b>	<b>10 258</b>	<b>40 713</b>	<b>30 024</b>
<b>Investment activities</b>				
Acquisition of intangible non-current assets	928	-965	-11 376	-1 501
Acquisition of intangible non-current assets	-1 984	-2 790	-9 164	-13 579
Acquisition of financial non-current assets	6	0	13	0
Change in long-term receivable	93	-115	-146	160
<b>Cash flow from investment activities</b>	<b>-809</b>	<b>-3 870</b>	<b>-20 140</b>	<b>-14 920</b>
<b>Financing activities</b>				
Repayment/raising loans	-6 214	-15 233	38 956	21 488
Paid dividend	-	-	-41 047	-34 206
<b>Cash flow from financing activities</b>	<b>-6 214</b>	<b>-15 233</b>	<b>-2 091</b>	<b>-12 718</b>
<b>Cash flow for the year</b>	<b>4 164</b>	<b>-8 845</b>	<b>18 482</b>	<b>2 386</b>
Cash and cash equivalents at beginning of period	47 211	43 059	35 210	31 548
Translation difference in cash and cash equivalents	-1 579	591	-3 896	871
<b>Cash and cash equivalents at end of period</b>	<b>49 796</b>	<b>34 805</b>	<b>49 796</b>	<b>34 805</b>

## Cash flow report

Amounts in SEK Thousand	2016-12	Cash flow	2017-09
Current interest-bearing liabilities	25 500	38 956	64 456
	2015-12	Cash flow	2016-09
Current interest-bearing liabilities	26 512	21 488	48 000

## Parent Company Income Statement

Amounts in SEK thousand	3 months		9 months	
	July-September		January - September	
	2017	2016	2017	2016
Net revenue	4 227	3 169	13 370	10 077
Other operating income	1 230	1 305	4 486	3 837
<b>Total revenue</b>	<b>5 457</b>	<b>4 474</b>	<b>17 856</b>	<b>13 914</b>
Other external costs	-3 731	-1 932	-9 605	-5 514
Personnel costs	-4 594	-3 937	-15 161	-12 517
Depreciation, amortisation and impairment charges	-166	-128	-456	-390
<b>Operating profit</b>	<b>-3 034</b>	<b>-1 523</b>	<b>-7 366</b>	<b>-4 507</b>
Net finance items	3 391	-61	2 753	272
<b>Profit after finance items</b>	<b>357</b>	<b>-1 584</b>	<b>-4 613</b>	<b>-4 235</b>
Taxes	-3	-6	-27	-35
<b>Net profit for the period</b>	<b>354</b>	<b>-1 590</b>	<b>-4 640</b>	<b>-4 270</b>

Since there are no comprehensive profit items, comprehensive income coincides with the period's results.

## Parent Company Balance Sheet

Amounts in SEK thousand	2017-09	2016-09	2016-12	2015-12
<b>Assets</b>				
Intangible non-current assets	7 803	1 831	2 769	565
Tangible non-current assets	1 856	1 103	1 244	1 193
Financial non-current assets	98 710	99 491	99 580	95 446
Short-term receivables	48 947	31 222	56 784	42 389
Cash and cash equivalents	3	88	186	1 426
<b>Total assets</b>	<b>157 319</b>	<b>133 735</b>	<b>160 563</b>	<b>141 019</b>
<b>Equity and liabilities</b>				
Equity	21 097	38 242	66 784	76 718
Untaxed reserves	5 186	7 086	5 186	7 086
Long-term liabilities	-	2 818	2 818	2 818
Current liabilities	131 036	85 589	85 775	54 397
<b>Total equity and liabilities</b>	<b>157 319</b>	<b>133 735</b>	<b>160 563</b>	<b>141 019</b>

## Notes

### 1. Accounting policies

As was the case with the Annual Accounts for 2016, the Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU, the Swedish Securities Market Act, and the provisions of RFR 2.2, Accounting for legal entities. The quarterly report is prepared in accordance with IAS 34 and the Swedish Securities Market Act.

New or revised IFRS rules that came into force in 2017 have had no significant effect on the Group, this also refers to IFRS 15.



## 2. Information by geographical area

<b>Period January – September 2017</b>	<b>Nordic region</b>	<b>Other Europe</b>	<b>Asia</b>	<b>Intra Group</b>	<b>Total</b>
<i>Revenue</i>					
External revenue	48 613	160 398	291 913	-	500 924
<b>Total revenue</b>	<b>48 613</b>	<b>160 398</b>	<b>291 913</b>	<b>0</b>	<b>500 924</b>
<i>Profit</i>					
Operating profit	9 919	25 220	29 317	-7 368	57 088
Interest income				337	337
Interest expense				-1 087	-1 087
Taxes on the on the period's profit				-13 375	-13 375
<b>Net profit for the period</b>	<b>9 919</b>	<b>25 220</b>	<b>29 317</b>	<b>-21 493</b>	<b>42 963</b>
<b>Period January – September 2016</b>					
<i>Revenue</i>					
External revenue	45 758	149 242	241 255	-	436 255
<b>Total revenue</b>	<b>45 758</b>	<b>149 242</b>	<b>241 255</b>	<b>0</b>	<b>436 255</b>
<i>Profit</i>					
Operating profit	8 720	25 475	23 185	-4 509	52 871
Interest income				287	287
Interest expense				-599	-599
Taxes on the profit for the year				-11 753	-11 753
<b>Net profit for the year</b>	<b>8 720</b>	<b>25 475</b>	<b>23 185</b>	<b>-16 574</b>	<b>40 806</b>

## Definitions of Key Financial Indicators

Guidelines for alternative key financial indicators for companies listed on a regulated market within the EU have been issued by ESMA (The European Securities and Markets Authority). These guidelines shall apply to alternative key financial indicators used from 3 July 2016. The annual report refers to a number of non-IFRS performance measures that are used to assist investors and management in analysing the company's operations. Since not all companies calculate financial measurements in the same way, these are not always comparable to those used by other companies. These financial measures should therefore not be seen as replacements for measures that are defined in accordance with IFRS. Below we describe the various non-IFRS performance measures used as a complement to the financial information reported under IFRS and how they are used.

<u>Non-IFRS performance measures</u>	<u>Definition</u>	<u>Argumentation</u>
<b>Average equity</b>	Shareholders' equity at the beginning of the period, plus equity at the end of the period divided by two.	This metric is the difference between the Group's assets and liabilities, equivalent to the Group's shareholders' equity contributed by owners and the Group's total accumulated profit. This metric is used to account for the capital attributable to the Group's owners.
<b>Average capital employed</b>	Capital employed at the beginning of the period, plus capital employed at the end of the period, divided by two.	Capital employed indicates the amount of capital needed to conduct the business, regardless of the form of financing (borrowed or equity). It is calculated on average to get a fair view of the period.
<b>Average number of employees</b>	Average yearly workers	This metric is used to measure the development of the Group's labour force.
<b>Revenue growth</b>	Net sales at the end of the period, less net sales at the beginning of the year, divided by net sales at the beginning of the period.	This metric is used to measure how the Company's revenue develops over time.
<b>Return on equity</b>	Profit for the period according to the income statement, as a percentage of average shareholders' equity.	This metric is used to analyse profitability over time, given the resources that are attributable to the Parent Company's owners.
<b>Return on capital employed</b>	Profit before taxes, plus financial expenses, as a percentage of average capital employed.	Return on capital employed is a profitability metric used to set the profit in relation to the capital needed to run the business.
<b>Interest-bearing net cash/debt</b>	Interest-bearing receivables and cash, less interest-bearing liabilities	This metric shows the total loan financing and is used as a complement to assess the potential for paying dividends, strategic investment and assessing the Group's ability to meet financial commitments.
<b>Operating margin</b>	Operating profit as a percentage of net sales.	This metric is used to measure operational profitability.
<b>Equity ratio</b>	Shareholders' equity as a percentage of total assets.	This metric shows the proportion of the Company's total assets funded by shareholders in the form of equity. A high equity ratio is a measure of financial strength.

<b>Capital employed</b>	Balance sheet total, less non-interest bearing liabilities, including deferred taxes.	Capital employed indicates the amount of capital needed to conduct the business, regardless of the form of financing (borrowed funds or equity).
<b>Profit margin</b>	Profit before taxes as a percentage of net revenue.	This metric makes it possible to compare profitability regardless of corporate tax rates.

The key ratios are calculated as follows: (the sign / in the table means “divided by”)

### Revenue growth

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Net revenue for the period (MSEK)	149.2	144.6	500.9	436.2
Net revenue for the previous period (MSEK)	-144.6	-119.2	-436.2	-381.2
Net revenue for the previous period (MSEK)	/144.6	/119.2	/436.2	/381.2
<b>Revenue growth (%)</b>	<b>3.2</b>	<b>21.3</b>	<b>14.8</b>	<b>14.4</b>

### Operating margin

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Operating profit (MSEK)	15.3	17.4	57.1	52.9
Net revenue (MSEK)	/149.2	/144.6	/500.9	/436.2
<b>Operating margin (%)</b>	<b>10.3</b>	<b>12.0</b>	<b>11.4</b>	<b>12.1</b>

### Profit margin

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Profit before taxes (MSEK)	15.1	17.3	56.3	52.6
Net revenue (MSEK)	/149.2	/144.6	/500.9	/436.2
<b>Profit margin (%)</b>	<b>10.1</b>	<b>12.0</b>	<b>11.2</b>	<b>12.1</b>

### Capital employed

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Balance sheet total (MSEK)	307.0	276.2	307.0	276.2
Long-term provisions	-0.7	-0.7	-0.7	-0.7
Other long-term non-interest-bearing liabilities	-	-2.8	-	-2.8
Trade payables	-48.7	-50.6	-48.7	-50.6
Current taxes	-10.4	-8.3	-10.4	-8.3
Other non interest-bearing liabilities	-64.5	-2.9	-64.5	-2.9
Accrued expenses and prepaid income	-43.9	-39.2	-43.9	-39.2
Deferred taxes	-1.1	-1.6	-1.1	-1.6
<b>Capital employed (MSEK)</b>	<b>137.7</b>	<b>170.1</b>	<b>137.7</b>	<b>170.1</b>

### Average capital employed

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Capital employed at the beginning of the period	163.3	139.8	163.3	139.8
Capital employed at the end of the period	137.7	170.1	137.7	170.1
	/2	/2	/2	/2
<b>Average capital employed</b>	<b>150.5</b>	<b>155.0</b>	<b>150.5</b>	<b>155.0</b>

### Return on capital employed

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Profit before taxes (MSEK)	15.1	17.3	56.3	52.6
Financial costs (MSEK)	+0.3	+0.2	+1.1	+0.6
Average capital employed (MSEK)	/150.5	/155.0	/150.5	/155.0
<b>Return on capital employed (%)</b>	<b>10.2</b>	<b>11.3</b>	<b>38.1</b>	<b>34.4</b>

### Average equity

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Equity at the beginning of the period (MSEK)	137.8	113.3	137.8	113.3
Equity at the end of the period (MSEK)	129.4	+122.1	+129.4	+122.1
	/2	/2	/2	/2
<b>Average equity (MSEK)</b>	<b>133.6</b>	<b>117.7</b>	<b>133.6</b>	<b>117.7</b>

### Return on equity

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Profit of the period (MSEK)	11.3	12.9	43.0	40.8
Average equity (MSEK)	/133.6	/117.7	/133.6	/117.7
<b>Return on equity (%)</b>	<b>8.5</b>	<b>11.0</b>	<b>32.2</b>	<b>34.7</b>

### Equity ratio

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Equity (MSEK)	129.4	122.1	129.4	122.1
Total assets (MSEK)	/307.0	/276.2	/307.0	/276.2
<b>Equity ratio (%)</b>	<b>42.1</b>	<b>44.2</b>	<b>42.2</b>	<b>44.2</b>

### Interest-bearing net cash/debt

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Cash and cash equivalents	49.8	34.8	49.8	34.8
Short term interest-bearing liabilities	-64.5	-48.0	-64.5	-48.0
Interest-bearing receivables	0	0	0	0
<b>Interest-bearing net cash/debt</b>	<b>-14.7</b>	<b>-13.2</b>	<b>-14.7</b>	<b>-13.2</b>

### Earnings per share

	<b>2017 3 months July – Sept</b>	<b>2016 3 months July – Sept</b>	<b>2017 9 months Jan – Sept</b>	<b>2016 9 months Jan – Sept</b>
Equity	129.4	122.1	129.4	122.1
Number of shares outstanding (thousands)	/11,402	/11,402	/11,402	/11,402
<b>Equity per share</b>	<b>11.3</b>	<b>10.7</b>	<b>11.3</b>	<b>10.7</b>

## Nilörngruppen in Brief

Nilörngruppen is a global company founded in the 1970s, with expertise in adding value to trade marks through branding in the form of labels, packaging and accessories, primarily for customers in the fashion and apparel industry. Nilörngruppen offers complete, creative and customised concepts in branding, design, product development and logistic solutions. The Group conducts business via its own subsidiaries in Sweden, Denmark, Great Britain, Germany, Belgium, Portugal, Hong Kong, India, Turkey, China, Bangladesh, Italy and Pakistan. The Group has partner companies in Tunisia and Switzerland.