



XANO

Interim report

1 January – 30 September 2016

THE INTERIM PERIOD

Continuing operations

- Net revenue totalled SEK 783 million (785)
- Profit before tax amounted to SEK 79 million (70)
- Profit after tax amounted to SEK 61 million (54)
- Earnings per share were SEK 8.85 (7.85)

Group total

- Net revenue totalled SEK 783 million (785)
- Profit before tax amounted to SEK 79 million (82)
- Profit after tax amounted to SEK 61 million (66)
- Earnings per share were SEK 8.85 (9.70)

THE THIRD QUARTER

Continuing operations

- Net revenue totalled SEK 226 million (256)
- Profit before tax amounted to SEK 21 million (22)
- Profit after tax amounted to SEK 16 million (17)
- Earnings per share were SEK 2.30 (2.50)

Group total

- Net revenue totalled SEK 226 million (256)
- Profit before tax amounted to SEK 21 million (22)
- Profit after tax amounted to SEK 16 million (17)
- Earnings per share were SEK 2.30 (2.50)

CEO's comments on the Group's development during the period

Profit before tax for the entire nine-month period exceeded last year's results by 12 per cent with a more or less unchanged level of sales. Compared to the seasonally strong second quarter, the third quarter is normally significantly weaker, and this was also the case this year. The volumes during the past quarter were also slightly lower than in the corresponding period last year, while operating profit largely matched that of the comparison period.

The Industrial Solutions business unit reported lower sales but an improved operating margin during the interim period. The level of market activity remained generally low among major contract customers and there were few project assignments within the packaging industry during the third quarter. As regards proprietary products aimed primarily at furniture and interior manufacturers, on the other hand, developments were positive.

The Precision Technology business unit reported increased earnings and continued good profitability during the interim period. Over the past quarter, the market situation varied between the different industry segments in which the companies operate, although on the whole it remained stable. The extension of production premises in Västervik has been completed and entails a valuable strengthening of capacity.

The Rotational Moulding business unit reported slightly higher sales and a markedly improved operating margin for the nine-month period. During the third quarter, the volumes were on a par with last year, although with improved profitability as a result of the structural changes that had previously been implemented. The sales trend for proprietary products remained good.

In summary, the market conditions are largely unchanged since the previous quarter. Incoming orders in respect of project-related operations are still weak, however, which will affect volumes over the upcoming quarters. Activity within the other segments is on a par both with recent months and with last year. The Group's long-term focus on profitable growth through e.g. strategic marketing activities and product development remains.

Revenue and profit

The interim period

Net revenue totalled SEK 783 million (785). Operating profit amounted to SEK 86 million (78), corresponding to an operating margin of 11.0 per cent (9.9). Profit before tax was SEK 79 million (70).

The third quarter

Net revenue totalled SEK 226 million (256). Operating profit amounted to SEK 24 million (26), corresponding to an operating margin of 10.6 per cent (10.2). Profit before tax was SEK 21 million (22).

Share data and key figures

The interim period

Basic earnings per share were SEK 8.85 (7.85). Equity per share was SEK 57.85 (59.95). The average number of outstanding shares was 6,832,816 during the period. The equity/assets ratio was 42 per cent (43) at the end of the period. The average number of employees was 654 (658).

Important events during the period

There are no individual events of major significance to report during the period.

Events after the end of the period

There are no individual events of major significance to report after the balance sheet date.

Investments

The interim period

Net investments in non-current assets for the Group as a whole came to SEK 30 million (74), of which SEK 7 million related to real estate and SEK 23 million to machinery and equipment.

The third quarter

Net investments in non-current assets for the Group as a whole came to SEK 10 million (4), of which SEK 1 million related to real estate and SEK 9 million to machinery and equipment.

Cash flow and liquidity

The interim period

Cash flow from operating activities during the interim period amounted to SEK 56 million (114) for the Group as a whole.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 218 million (259) on the balance sheet date.

Convertible bond programme

During 2012, convertible bonds were issued with a nominal value of SEK 30 million. The subordinated loan expired on 30 July 2016. In accordance with a decision by the AGM on 12 May 2016, all holders were given the option of selling the convertibles back to the company before the conversion date at an estimated market value. Holders of a nominal SEK 22.8 million decided to accept this offer. A further nominal SEK 1.2 million was repaid on the maturity date. Holders of a nominal SEK 6.0 million requested conversion of their claims to new shares. Through the conversion, 117,771 new Class B shares were issued. The dilution amounts to 1.7 per cent of the share capital and 0.5 per cent of the number of votes.

On 12 May 2016, the Annual General Meeting of XANO Industri AB decided to approve the Board of Directors' proposal concerning the issue of a maximum of 285,000 convertibles with a total nominal value of no more than SEK 70 million, and with a maturity period from 1 July 2016 to 30 June 2020. In a deviation from the shareholders' right of first refusal, entitlement to subscribe to the convertibles fell to persons who

at the time of expiry of the subscription period were permanent employees of the Group. Employees within the XANO Group were allocated 285,000 convertibles at a price of SEK 218, equivalent to a nominal SEK 62 million. The convertible interest is paid annually in arrears and is equivalent to STIBOR 3M plus 2.20 percentage points. During the period 1 June to 12 June 2020, each convertible may be converted to one Class B share in XANO Industri AB. If all convertibles are converted to shares, the dilution will be approx. 4 per cent of the share capital and 1.2 per cent of the number of votes based on the current total number of shares.

Number of shares and voting rights

Following a decision at the Annual General Meeting on 12 May 2016, a conversion reserve was introduced in the Articles of Association. The conversion reserve gives holders of Class A shares the right to request conversion of these to Class B shares. At the request of shareholders, 127,800 Class A shares were converted in June 2016.

After conversion of class A shares and convertibles, the total number of shares is 7,046,745, divided between 1,822,200 Class A shares and 5,224,545 Class B shares. Class A shares give entitlement to ten votes, while Class B shares give entitlement to one vote. The total number of votes amounts to 23,446,545. The company holds 140,000 Class B shares in own custody.

Risks and uncertainty factors

The Group's main risks and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

A statement on the Group's main financial and operational risks can be found on pages 70-71 of the annual report for 2015. No additional significant risks are deemed to have arisen.

Accounting policies

As with the annual financial statements for 2015, the consolidated financial statements for 2016 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the recommendations and statements of the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34.

The critical assessments and the sources of estimates when preparing this interim report are the same as in the most recent annual report. The Group applies the same accounting policies as described in the annual report for 2015 with the exceptions of new or revised standards, interpretations and improvements, which are applied as from 1 January 2016. The application of these has not had any effect on the Group's financial performance or position.

As from 3 July 2016, the ESMA's guidelines for alternative key figures are being applied (measures that are not defined according to IFRS).

Annual general meeting 2017

The AGM will take place in Jönköping on Wednesday 10 May 2017.

At the AGM on 12 May 2016, a nomination committee consisting of Ulf Hedlundh (Chairman), Fredrik Rapp and Anders Rudgård was appointed. The task of this committee prior to the 2017 AGM is to nominate a Chairman of the Board and other Board members, auditor, a chairman for the AGM and to propose fees for the Board and auditors. Shareholders wishing to nominate candidates for XANO's Board of Directors may contact Ulf Hedlundh, Chair of the Nomination Committee, on tel. +46 8-440 37 70 or e-mail ulf.hedlundh@svolder.se. In order for received proposals to be able to be handled properly, these should be received by the Nomination Committee no later than 31 January 2017.

Shareholders wishing to have an issue dealt with at the Annual General Meeting must have submitted such a request in writing to the company no later than 22 March 2017 in order for the issue to be included in the notice. The request must be sent to the company at the address: XANO Industri AB, Att. AGM 2017, Industrigatan 14 B, SE-553 02 Jönköping, or by e-mail to ir@xano.se with "AGM2017" as the subject.

Next report date

The year-end report for the 2016 financial year will be presented on Wednesday 8 February 2017.

Jönköping, 3 November 2016

Lennart Persson
CEO

Consolidated statement of comprehensive income	2016	2015	2016	2015	15/16	2015
(SEK million)	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Net revenue	226	256	783	785	1,050	1,052
Cost of goods sold	-169	-197	-587	-598	-798	-809
Gross profit	57	59	196	187	252	243
Other operating income ¹⁾	2	2	6	8	12	14
Selling expenses	-21	-22	-74	-76	-99	-101
Administrative expenses	-12	-11	-37	-35	-50	-48
Other operating expenses ²⁾	-2	-2	-5	-6	-11	-12
Operating profit	24	26	86	78	104	96
Financial income	1	1	4	4	5	5
Financial expense	-4	-5	-11	-12	-15	-16
Profit before tax	21	22	79	70	94	85
Tax	-5	-5	-18	-16	-21	-19
Net profit for continuing operations	16	17	61	54	73	66
Profit from discontinued operations ^{3, 4)}	-	-	-	12	-	12
Net profit for the period	16	17	61	66	73	78
OTHER COMPREHENSIVE INCOME						
<i>Items that may be reclassified to net profit for the period</i>						
Change in hedging reserve including tax ⁵⁾	-1	-2	-6	1	-5	2
Translation differences ⁶⁾	4	1	7	2	3	-2
Other comprehensive income	3	-1	1	3	-2	0
Comprehensive income for the period	19	16	62	69	71	78
<i>– of which attributable to shareholders of the Parent Company</i>	<i>19</i>	<i>16</i>	<i>62</i>	<i>69</i>	<i>71</i>	<i>78</i>
Basic earnings per share for continuing operations, SEK ⁶⁾	2.30	2.50	8.85	7.85	10.60	9.60
Basic earnings per share for discontinued operations, SEK ⁶⁾	-	-	-	1.85	-	1.85
Basic earnings per share for the Group as a whole, SEK ⁶⁾	2.30	2.50	8.85	9.70	10.60	11.45
Diluted earnings per share for continuing operations, SEK ⁶⁾	2.35	2.35	8.45	7.35	10.10	9.00
Diluted earnings per share for discontinued operations, SEK ⁶⁾	-	-	-	1.70	-	1.70
Diluted earnings per share for the Group as a whole, SEK ⁶⁾	2.35	2.35	8.45	9.05	10.10	10.70
Depreciation constitutes, SEK m	-12	-12	-35	-36	-47	-48

¹⁾ Other operating income includes non-recurring items relating to the reversal of negative goodwill by SEK 3 million for the 2015 full year.

²⁾ Other operating expenses include non-recurring items relating to costs for closing down production of SEK -4 million for the 2015 full year.

³⁾ Profit from discontinued operations relates to the capital gain from the sale of the property company AB Grundstener 150787 in April 2015 and constitutes non-recurring items totalling SEK 12 million for the 2015 interim period as well as the 2015 full year. See specification on page 8.

⁴⁾ Refers to the effective component of the change in value of derivative instruments used for hedge accounting.

⁵⁾ Refers to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.

⁶⁾ Based on net profit for the period.

Tax amounts to 23 per cent (24) for the interim period.

Canline Holding B.V., which was acquired in March 2015, is included in the consolidated results from 1 April 2015.

Consolidated statement of financial position (SEK million)	2016 30 Sep	2015 30 Sep	2015 31 Dec
ASSETS			
Goodwill	210	208	207
Other intangible non-current assets	15	17	16
Property, plant and equipment	317	325	317
Other non-current assets	3	5	3
Total non-current assets	545	555	543
Inventories	175	156	160
Current receivables ¹⁾	181	170	174
Cash and cash equivalents	47	59	41
Total current assets	403	385	375
Assets held for sale	2	–	1
TOTAL ASSETS	950	940	919
EQUITY AND LIABILITIES			
Equity	400	407	416
Non-current liabilities	233	230	175
Current liabilities ²⁾	317	303	328
TOTAL EQUITY AND LIABILITIES	950	940	919
Interest-bearing liabilities constitute	321	314	259
Deferred tax liabilities constitute	26	36	28
Lines of credit granted but not utilised total	171	200	247

¹⁾ Current receivables include derivatives measured at fair value of SEK 0 million (1) for the interim period and SEK 1 million for the 2015 full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on several factors, including observable data such as fixing rates and swap rates for the currency in question.

²⁾ Current liabilities include derivatives measured at fair value of SEK 21 million (16) for the interim period and SEK 14 million for the 2015 full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on a number of factors, including forward interest rates produced on the basis of observable yield curves.

Statement of changes in equity (SEK million)	2016 30 Sep	2015 30 Sep	2015 31 Dec
Opening balance	416	355	355
Comprehensive income for the period	62	69	78
Effects of convertible loan issued	5	–	–
Conversion of personnel convertibles	6	–	–
Acquisition of own personnel convertibles	-58	–	–
Dividend paid in cash	-31	-17	-17
Closing balance	400	407	416
– of which attributable to shareholders of the Parent Company	400	407	416

Cash flow statement	2016	2015	15/16	2015
(SEK million)	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Oct-Sep	12 mths Jan-Dec
Operating profit	86	90	104	108
Interest and income tax paid/received and adjustments for non-cash items	6	12	10	16
Change in working capital	-36	12	-14	34
Cash flow from operating activities	56	114	100	158
Investments	-32	-51	-39	-58
Cash flow after investments	24	63	61	100
Financing	-20	-37	-74	-91
Cash flow for the period	4	26	-13	9
Cash and cash equivalents at the start of the period	41	33	59	33
Exchange rate differences in cash and cash equivalents	2	0	1	-1
Cash and cash equivalents at the end of the period	47	59	47	41

The cash flow statement refers to the Group as a whole.

In the cash flow statement for the 2015 interim period and the 2015 full year, SEK 0 million of the cash flow from operating activities, SEK 12 million of the cash flow from investing activities and SEK 0 million of the cash flow from financing activities related to discontinued entities.

Share data	2016	2015	2016	2015	2015
	3 mths Jul-Sep	3 mths Jul-Sep	9 mths Jan-Sep	9 mths Jan-Sep	12 mths Jan-Dec
Average number of outstanding shares, thousands	6,907	6,789	6,833	6,789	6,789
Average number of outstanding shares after dilution, thousands	7,192	7,377	7,299	7,377	7,377
Average number of shares in own custody, thousands	140	140	140	140	140
Basic earnings per share for continuing operations, SEK ¹⁾	2.30	2.50	8.85	7.85	9.60
Basic earnings per share for the Group as a whole, SEK ¹⁾	2.30	2.50	8.85	9.70	11.45
Diluted earnings per share for continuing operations, SEK ^{1, 2)}	2.35	2.35	8.45	7.35	9.00
Diluted earnings per share for the Group as a whole, SEK ^{1, 2)}	2.35	2.35	8.45	9.05	10.70
Cash flow from operating activities per share for the Group as a whole, SEK	2.55	6.00	8.25	16.75	23.35
Total number of shares on balance sheet date, thousands			7,047	6,929	6,929
Number of shares in own custody on balance sheet date, thousands			140	140	140
Equity per share on balance sheet date, SEK			57.85	59.95	61.35
Share price on balance sheet date, SEK			225.00	125.25	155.50

¹⁾ Based on net profit for the period.

²⁾ Costs related to convertible bonds amount to SEK 1,081 thousand (888) in the interim period and SEK 1,169 thousand for the 2015 full year.

The total number of shares is 7,046,745. After deduction for the company's own holding, 140,000 Class B shares, the number of outstanding shares is 6,906,745.

On 1 July 2012, convertibles for a nominal value of SEK 29,999,961 were issued. During the interim period, a nominal SEK 22,813,150 was acquired by the company and SEK 1,180,490 was repaid. Holders of a nominal SEK 6,006,321 requested conversion of their claims to new shares. Through the conversion, 117,771 new Class B shares were issued.

The average number of outstanding shares after dilution, up to and including the date for registering of acquisitions and conversion in June 2016, has been calculated including the 588,234 shares that would have been added at full conversion.

On 1 July 2016, 285,000 new convertibles for a nominal value of SEK 62,130,000, corresponding to 285,000 Class B shares in the event of full conversion, were issued to employees within the XANO Group. The convertibles accrue interest corresponding to STIBOR 3M plus 2.20% and fall due for payment on 30 June 2020.

For definitions, see page 11.

Key figures	2016 9 mths Jan-Sep	2015 9 mths Jan-Sep	15/16 12 mths Oct-Sep	2015 12 mths Jan-Dec
Operating margin for continuing operations, %	11.0	9.9	9.9	9.1
Operating margin, % ¹⁾	11.0	11.5	9.9	10.3
Profit margin for continuing operations, %	10.0	8.9	8.9	8.0
Profit margin, % ¹⁾	10.0	10.5	8.9	9.2
Return on equity p.a., % ¹⁾	19.9	22.9	17.9	20.0
Return on capital employed p.a., % ¹⁾	16.9	17.3	15.4	15.9
Return on total capital p.a., % ¹⁾	12.6	13.3	11.5	12.1
Average equity, SEK m ¹⁾	406	383	406	389
Average capital employed, SEK m ¹⁾	707	725	709	715
Average total capital, SEK m ¹⁾	951	945	949	940
Interest coverage ratio, multiple ¹⁾	8.2	8.0	6.9	6.8
Equity/assets ratio, % ¹⁾	42	43	42	45
Proportion of risk-bearing capital, % ¹⁾	45	47	45	48
Net investments for continuing operations, SEK m	30	83	36	89
Net investments, SEK m ¹⁾	30	74	36	80
Average number of employees	654	658	657	660

¹⁾ Refers to the Group as a whole.

For definitions, see page 11.

Quarterly summary	2016 Q3	2015 Q3	2016 Q2	2015 Q2	2016 Q1	2015 Q1	2015 Q4	2014 Q4
Net revenue for continuing operations, SEK m	226	256	295	284	262	245	267	258
Gross profit for continuing operations, SEK m	57	59	76	70	63	58	56	48
Operating profit for continuing operations, SEK m	24	26	36	29	26	23	18	12
Profit before tax for continuing operations, SEK m	21	22	36	26	22	22	15	8
Net profit for the period for continuing operations, SEK m	16	17	28	20	17	17	12	5
Net profit for the period, SEK m ¹⁾	16	17	28	32	17	17	12	5
Comprehensive income for the period, SEK m ¹⁾	19	16	27	31	16	22	9	9
Operating margin for continuing operations, %	10.6	10.2	12.3	10.1	9.8	9.4	6.8	4.8
Equity/assets ratio, % ¹⁾	42	43	39	40	44	38	45	41
Earnings per share for continuing operations, SEK ²⁾	2.30	2.50	4.00	2.85	2.55	2.50	1.75	0.75
Basic earnings per share, SEK ¹⁾	2.30	2.50	4.00	4.70	2.55	2.50	1.75	0.75
Cash flow from operating activities per share, SEK ¹⁾	2.55	6.00	8.20	9.95	-2.50	0.80	6.60	5.90

¹⁾ Refers to the Group as a whole.

²⁾ Based on net profit for the period for continuing operations.

For definitions, see page 11.

Income statement (SEK million)	Continuing operations			Profit from discontinued operations ¹⁾			Total		
	2016 9 mths Jan-Sep	2015 9 mths Jan-Sep	2015 12 mths Jan-Dec	2016 9 mths Jan-Sep	2015 9 mths Jan-Sep	2015 12 mths Jan-Dec	2016 9 mths Jan-Sep	2015 9 mths Jan-Sep	2015 12 mths Jan-Dec
Net revenue	783	785	1,052	–	–	–	783	785	1,052
Cost of goods sold	-587	-598	-809	–	–	–	-587	-598	-809
Gross profit	196	187	243	–	0	0	196	187	243
Other operating income	6	8	14	–	12	12	6	20	26
Selling expenses	-74	-76	-101	–	–	–	-74	-76	-101
Administrative expenses	-37	-35	-48	–	–	–	-37	-35	-48
Other operating expenses	-5	-6	-12	–	–	–	-5	-6	-12
Operating profit	86	78	96	–	12	12	86	90	108
Financial items	-7	-8	-11	–	–	–	-7	-8	-11
Profit before tax	79	70	85	–	12	12	79	82	97
Tax	-18	-16	-19	–	–	–	-18	-16	-19
Net profit for the period	61	54	66	–	12	12	61	66	78
Basic earnings per share, SEK ²⁾	8.86	7.84	9.62	–	1.84	1.84	8.86	9.68	11.46
Diluted earnings per share, SEK ²⁾	8.44	7.34	9.02	–	1.69	1.69	8.44	9.03	10.71

¹⁾ Profit from discontinued operations refers to a capital gain made on the sale of shares in a property company, AB Grundstenen 150787, which was sold in April 2015. The profit from operating property activities does not amount to a significant sum and therefore has not been taken into account.

²⁾ Based on net profit for the period.

Net revenue and profit/loss by segment

(SEK million)	Q1-Q3 2016				Q1-Q3 2015				Q1-Q4 2015			
	External	Net revenue Internal	Total	Profit before tax ¹⁾	External	Net revenue Internal	Total	Profit before tax ¹⁾	External	Net revenue Internal	Total	Profit before tax ¹⁾
Industrial Solutions	448	0	448	53	473	0	473	51	645	0	645	72
Precision Technology	167	3	170	21	151	2	153	20	210	3	213	25
Rotational Moulding	168	0	168	24	161	0	161	15	197	0	197	8 ²⁾
Elimination	–	-3	-3	–	–	-2	-2	–	–	-3	-3	–
Undistributed items	–	–	–	-19	–	–	–	-16	–	–	–	-20 ³⁾
Continuing operations	783	–	783	79	785	–	785	70	1,052	–	1,052	85

¹⁾ The figure refers to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items mainly refer to the Parent Company.

²⁾ Includes non-recurring items relating to costs for closing down production of SEK -4 million.

³⁾ Includes non-recurring items relating to the reversal of negative goodwill by SEK 3 million.

The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Solutions, Precision Technology and Rotational Moulding. The operations within each segment are described on page 10. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments.

In 2016, all segments have boosted their total operating assets, such as inventories and trade receivables.

Income statement, Parent Company (SEK million)	2016 9 mths Jan-Sep	2015 9 mths Jan-Sep	2015 12 mths Jan-Dec
Net revenue	6.5	5.7	18.1
Selling and administrative expenses	-13.0	-10.7	-15.7
Operating profit/loss	-6.5	-5.0	2.4
Profit from participations in Group companies	12.0	–	76.7
Other financial items	-14.3	-3.2	-3.4
Profit/loss after financial items	-8.8	-8.2	75.7
Appropriations	–	–	1.1
Tax	4.6	1.8	-16.5
NET PROFIT FOR THE PERIOD	-4.2	-6.4	60.3
<i>Statement of comprehensive income</i>			
Net profit for the period	-4.2	-6.4	60.3
Other comprehensive income	–	–	–
Comprehensive income for the period	-4.2	-6.4	60.3

Income tax amounts to 52 per cent (22) for the interim period. Income tax-exempt dividends have contributed to the year's deviating tax rate. 100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

Balance sheet, Parent Company (SEK million)	2016 30 Sep	2015 30 Sep	2015 31 Dec
ASSETS			
Non-current assets	52.9	70.9	53.0
Current assets	415.9	407.8	472.1
EQUITY AND LIABILITIES			
Equity	74.1	89.4	156.1
Untaxed reserves	68.1	69.2	68.1
Non-current liabilities	129.9	116.1	72.2
Current liabilities	196.7	204.0	228.7
BALANCE SHEET TOTAL	468.8	478.7	525.1

Statement of changes in equity, Parent Company (SEK million)	2016 30 Sep	2015 30 Sep	2015 31 Dec
Opening balance	156.1	112.8	112.8
Comprehensive income for the period	-4.2	-6.4	60.3
Effects of convertible loan issued	4.9	–	–
Conversion of personnel convertibles	6.0	–	–
Acquisition of own personnel convertibles	-58.1	–	–
Dividend paid in cash	-30.6	-17.0	-17.0
Closing balance	74.1	89.4	156.1

Cash flow statement, Parent Company (SEK million)	2016 9 mths Jan-Sep	2015 9 mths Jan-Sep	2015 12 mths Jan-Dec
Operating profit/loss	-6.5	-5.0	2.4
Interest and income tax paid/received and adjustments for non-cash items	-5.5	-4.5	64.7
Change in working capital	23.4	34.0	-5.0
Cash flow from operating activities	11.4	24.5	62.1
Investments	–	–	–
Cash flow after investments	11.4	24.5	62.1
Financing	-11.3	-22.2	-60.1
Cash flow for the period	0.1	2.3	2.0
Cash and cash equivalents at the start of the period	4.5	2.7	2.7
Exchange rate differences in cash and cash equivalents	-0.2	-0.1	-0.2
Cash and cash equivalents at the end of the period	4.4	4.9	4.5

THIS IS XANO

The XANO Group consists of engineering companies offering manufacturing and development services for industrial products and automation equipment. The Group is represented in the Nordic countries, Estonia, the Netherlands, Poland, China and the United States. The companies all operate within well-defined niches and possess a high level of expertise within their respective technical areas. Each unit is anchored locally and developed according to its own potential. At the same time, the Group affinity creates economies of scale for the companies and their customers. The Group's operations are divided into the business units Industrial Solutions, Precision Technology and Rotational Moulding.

INDUSTRIAL SOLUTIONS



Companies within the Industrial Solutions business unit supply automation solutions developed in-house, such as packaging machines, accumulators and conveyor systems, to the packaging industry. Manufacturers of furniture and fittings are supplied with parts such as hand wheels, handles and adjustable feet. Contract assignments for advanced industrial products in small and medium-sized production runs are also performed.

		2016 Q1-Q3	2015 Q1-Q3	2015 Q1-Q4
Net sales	SEK m	448	473	645
Operating profit	SEK m	55	52	73
Operating margin	%	12.2	11.0	11.4

Companies

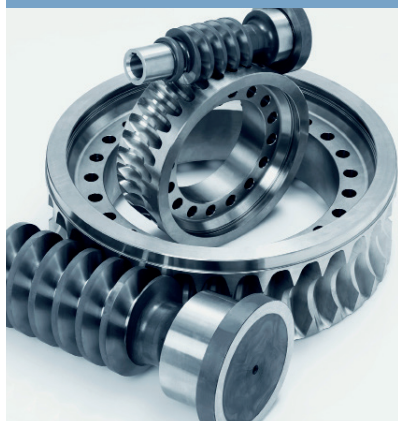
Ackurat
Sweden
Finland
Poland

Canline
Netherlands
United States

Fredriksons
Sweden
China

NPB

PRECISION TECHNOLOGY



Operations within the Precision Technology business unit cover component and system manufacture through advanced cutting machining of metal and plastic, used for the production of components with stringent requirements for quality and precision.

		2016 Q1-Q3	2015 Q1-Q3	2015 Q1-Q4
Net sales	SEK m	170	153	213
Operating profit	SEK m	22	21	27
Operating margin	%	13.0	13.9	12.6

Companies

KMV

LK Precision

Mikroverktyg

Resinit

ROTATIONAL MOULDING



Operations within the Rotational Moulding business unit comprise the design, manufacture and sale of plastic components and systems produced by means of rotational moulding. Deliverables include both customer-specific and in-house developed products.

		2016 Q1-Q3	2015 Q1-Q3	2015 Q1-Q4
Net sales	SEK m	168	161	197
Operating profit	SEK m	22	16	10
– of which non-recurring items		–	–	–4
Operating margin	%	13.2	9.8	5.0

Companies

Cipax
Sweden
Estonia
Norway
Finland

Definitions

Basic earnings per share

Net profit for the period in relation to the average number of outstanding shares.

Capital employed

Balance sheet total less non-interest-bearing liabilities.

Cash flow from operating activities per share

Cash flow from operating activities in relation to the average number of outstanding shares.

Diluted earnings per share

Net profit for the period plus costs relating to convertible loan in relation to the average number of outstanding shares plus the average number of shares added at conversion of outstanding convertibles.

Equity per share

Equity in relation to the number of outstanding shares on the balance sheet date.

Equity/assets ratio

Equity in relation to total capital.

Interest coverage ratio

Profit after financial items plus financial expenses in relation to financial expenses.

Operating margin

Operating profit in relation to net revenue.

Profit margin

Profit after financial items in relation to net revenue.

Proportion of risk-bearing capital

Equity plus provisions for taxes in relation to total capital.

Return on capital employed

Profit after financial items plus financial expenses in relation to average capital employed.

Return on equity

Net profit for the period in relation to average equity.

Return on total capital

Profit after financial items plus financial expenses in relation to average total capital.

Total capital

Total equity and liabilities (balance sheet total).

Key figures

Key figures included in this report derive primarily from the disclosure requirements according to IFRS and the Annual Accounts Act. Other measures, known as alternative key figures, describe e.g. the profit trend, financial strength and how the company has invested its capital.

Presented key figures take the nature of the business into account, and are deemed to provide relevant information to shareholders and other stakeholders at the same time as achieving comparability with other companies. The margin measures are also presented internally.

Auditor's review report

Introduction

We have reviewed the interim report for XANO Industri AB (publ) as at 30 September 2016 and for the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act with regard to the Group, and in accordance with the Swedish Annual Accounts Act with regard to the Parent Company.

Jönköping, 3 November 2016
Ernst & Young AB

Joakim Falck
Authorised Public Accountant

The Parent Company, XANO Industri AB (publ) with corporate identity number 556076-2055, is a public limited liability company with its registered office in Jönköping, Sweden.

