



Interim report

1 January – 30 June 2016

THE INTERIM PERIOD

Continuing operations

- Net revenue totalled SEK 557 million (529)
- Profit before tax amounted to SEK 58 million (48)
- Profit after tax amounted to SEK 45 million (37)
- Earnings per share were SEK 6.55 (5.35)

Group total

- Net revenue totalled SEK 557 million (529)
- Profit before tax amounted to SEK 58 million (60)
- Profit after tax amounted to SEK 45 million (49)
- Earnings per share were SEK 6.55 (7.20)

THE SECOND QUARTER

Continuing operations

- Net revenue totalled SEK 295 million (284)
- Profit before tax amounted to SEK 36 million (26)
- Profit after tax amounted to SEK 28 million (20)
- Earnings per share were SEK 4.00 (2.85)

Group total

- Net revenue totalled SEK 295 million (284)
- Profit before tax amounted to SEK 36 million (38)
- Profit after tax amounted to SEK 28 million (32)
- Earnings per share were SEK 4.00 (4.70)

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

With normal seasonal variation, the second quarter is the Group's strongest, and the profit level over the past quarter was also one of our best to date. In relation to the comparison period, sales increased by 4 per cent and operating profit rose from SEK 29 million to SEK 36 million. In a comparison of the six month period, the growth in revenue amounted to just over 5 per cent and the improvement in operating profit to almost 20 per cent. The upturns in both volume and profit were attributable to all business units.

On the whole, the operations within Industrial Solutions enjoyed another period of growth and improved profitability compared to the previous year. The order situation remained generally stable and, after a weak first quarter, the operation in China experienced a more favourable business climate. Few project-related operations aimed at the packaging industry were completed during the period, although the market situation remained good. The scope of the assignments in the field of contract manufacture in relation to large customers was still relatively low.

The Precision Technology business unit reported good sales growth and a continued positive profitability trend. No major changes were noted within the business unit's market segments, and demand remained at a stable, healthy level. Implemented capacity improvements have resulted in increased competitiveness and, combined with active marketing work, the companies have reached new product niches and achieved greater geographic spread.

After the relatively weak start to the year, the Rotational Moulding business unit surpassed the previous year's second quarter by a clear margin. A large proportion of manufacture relates to seasonal products that normally entail strong results during the spring. The volume increase compared to the previous year is primarily related to proprietary products, where the companies are constantly implementing upgrades and working to develop new solutions. During the period, the unit has increased its sales in some regions that are experiencing an otherwise tough market climate, such as Finland.

There are no clear signs of altered market conditions as a result of new external factors, and the order situation remains on a par with last year. The Group is focusing on continued profitable growth within all units, including by retaining high levels of activity within both marketing and product development. The opportunities for conducting complementary acquisitions are also continually being evaluated.

Revenue and profit

The interim period

Net revenue totalled SEK 557 million (529). Operating profit amounted to SEK 62 million (52), corresponding to an operating margin of 11.1 per cent (9.8). Profit before tax was SEK 58 million (48).

The second quarter

Net revenue totalled SEK 295 million (284). Operating profit

amounted to SEK 36 million (29), corresponding to an operating margin of 12.3 per cent (10.1). Profit before tax was SEK 36 million (26).

Share data and key figures

The interim period

Basic earnings per share were SEK 6.55 (5.35). Equity per share was SEK 54.40 (57.60). The average number of outstanding shares was 6,795,445 during the period. The equity/assets ratio was 39 per cent (40) at the end of the period. The average number of employees was 649 (651).

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 20 million (70), of which SEK 6 million related to real estate and SEK 14 million to machinery and equipment.

The second quarter

Net investments in non-current assets for the Group as a whole came to SEK 14 million (-5), of which SEK 2 million related to real estate and SEK 12 million to machinery and equipment.

Cash flow and liquidity

Cash flow from operating activities during the interim period amounted to SEK 39 million (73) for the Group as a whole.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 178 million (227) 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% of the share capital and 0.5% 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. Applications for subscription were made during the period 26 May to 2 June 2016. There was considerable interest in the convertible programme, and the issue was over-subscribed by more than 10 per cent. Employees within the XANO Group have been 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%. 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% of the share capital and 1.2% of the number of votes based on the current total number of shares.

Transactions referring to the new convertibles will be carried out in July and are thus not included in the figures for the first six months.

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 have been registered for conversion. Registration has been implemented 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 this interim report, the ESMA's guidelines for alternative key figures are being applied (measures that are not defined according to IFRS).

Next report date

The interim report for the period 1 January to 30 September 2016 will be presented on Thursday 3 November 2016.

The undersigned declare that this half-yearly interim report provides a true summary of the Parent Company's and the Group's activities, position and results. It also describes significant risks and uncertainty factors facing the Parent Company and the companies that form the Group.

Jönköping, 12 July 2016

Fredrik Rapp
Chairman of the Board

Petter Fägersten
Vice Chairman of the Board

Stig-Olof Simonsson
Board member

Eva-Lotta Kraft
Board member

Per Rodert
Board member

Sune Lantz
Board member

Anna Benjamin
Board member

Lennart Persson
CEO

Consolidated statement of comprehensive income	2016	2015	2016	2015	15/16	2015
(SEK million)	3 mths Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Net revenue	295	284	557	529	1,080	1,052
Cost of goods sold	-219	-214	-418	-401	-826	-809
Gross profit	76	70	139	128	254	243
Other operating income ¹⁾	2	3	4	6	12	14
Selling expenses	-28	-29	-53	-54	-100	-101
Administrative expenses	-13	-13	-25	-24	-49	-48
Other operating expenses ²⁾	-1	-2	-3	-4	-11	-12
Operating profit	36	29	62	52	106	96
Financial income	3	0	3	3	5	5
Financial expense	-3	-3	-7	-7	-16	-16
Profit before tax	36	26	58	48	95	85
Tax	-8	-6	-13	-11	-21	-19
Net profit for continuing operations	28	20	45	37	74	66
Profit from discontinued operations ^{3, 4)}	–	12	–	12	–	12
Net profit for the period	28	32	45	49	74	78
OTHER COMPREHENSIVE INCOME						
<i>Items that may be reclassified to net profit for the period</i>						
Change in hedging reserve including tax ⁵⁾	-4	4	-5	3	-6	2
Translation differences ⁶⁾	3	-5	3	1	0	-2
Other comprehensive income	-1	-1	-2	4	-6	0
Comprehensive income for the period	27	31	43	53	68	78
– of which attributable to shareholders of the Parent Company	27	31	43	53	68	78
Basic earnings per share for continuing operations, SEK ⁶⁾	4.00	2.85	6.55	5.35	10.80	9.60
Basic earnings per share for discontinued operations, SEK ⁶⁾	–	1.85	–	1.85	–	1.85
Basic earnings per share for the Group as a whole, SEK ⁶⁾	4.00	4.70	6.55	7.20	10.80	11.45
Diluted earnings per share for continuing operations, SEK ⁶⁾	3.75	2.65	6.10	5.00	10.10	9.00
Diluted earnings per share for discontinued operations, SEK ⁶⁾	–	1.70	–	1.70	–	1.70
Diluted earnings per share for the Group as a whole, SEK ⁶⁾	3.75	4.35	6.10	6.70	10.10	10.70
Depreciation constitutes	-11	-12	-23	-24	-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 Grundstenen 150787 in April 2015 and constitutes non-recurring items totalling SEK 12 million for 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 (23) 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 Jun	2015 30 Jun	2015 31 Dec
ASSETS			
Goodwill	209	209	207
Other intangible non-current assets	15	18	16
Property, plant and equipment	316	332	317
Other non-current assets	3	5	3
Total non-current assets	543	564	543
Inventories	168	149	160
Current receivables ¹⁾	196	217	174
Cash and cash equivalents	51	48	41
Total current assets	415	414	375
Assets held for sale	1	–	1
TOTAL ASSETS	959	978	919
EQUITY AND LIABILITIES			
Equity	376	391	416
Non-current liabilities	177	264	175
Current liabilities ²⁾	406	323	328
TOTAL EQUITY AND LIABILITIES	959	978	919
Interest-bearing liabilities constitute	333	340	259
Deferred tax liabilities constitute	26	36	28
Lines of credit granted but not utilised total	127	179	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 (15) 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 Jun	2015 30 Jun	2015 31 Dec
Opening balance	416	355	355
Comprehensive income for the period	43	53	78
Conversion of personnel convertibles	6	–	–
Acquisition of own personnel convertibles	-58	–	–
Dividend paid in cash	-31	-17	-17
Closing balance	376	391	416
<i>– of which attributable to shareholders of the Parent Company</i>	<i>376</i>	<i>391</i>	<i>416</i>

Cash flow statement	2016	2015	15/16	2015
(SEK million)	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jul-Jun	12 mths Jan-Dec
Operating profit	62	64	106	108
Interest and income tax paid/received and adjustments for non-cash items	3	-1	20	16
Change in working capital	-26	10	-2	34
Cash flow from operating activities	39	73	124	158
Investments	-21	-46	-33	-58
Cash flow after investments	18	27	91	100
Financing	-9	-12	-88	-91
Cash flow for the year	9	15	3	9
Cash and cash equivalents at the start of the period	41	33	48	33
Exchange rate differences in cash and cash equivalents	1	0	0	-1
Cash and cash equivalents at the end of the year	51	48	51	41

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

In the cash flow statement for 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 Apr-Jun	3 mths Apr-Jun	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec
Average number of outstanding shares, thousands	6,802	6,789	6,795	6,789	6,789
Average number of outstanding shares after dilution, thousands	7,328	7,377	7,353	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⁾	4.00	2.85	6.55	5.35	9.60
Basic earnings per share for the Group as a whole, SEK ¹⁾	4.00	4.70	6.55	7.20	11.45
Diluted earnings per share for continuing operations, SEK ^{1, 2)}	3.75	2.65	6.10	5.00	9.00
Diluted earnings per share for the Group as a whole, SEK ^{1, 2)}	3.75	4.35	6.10	6.70	10.70
Cash flow from operating activities per share for the Group as a whole, SEK	8.20	9.95	5.70	10.75	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			54.40	57.60	61.35
Share price on balance sheet date, SEK			205.00	124.00	155.50

¹⁾ Based on net profit for the period.

²⁾ Costs related to convertible bonds amount to SEK 503 thousand (605) 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.

After the balance sheet date, 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 6 mths Jan-Jun	2015 6 mths Jan-Jun	15/16 12 mths Jul-Jun	2015 12 mths Jan-Dec
Operating margin for continuing operations, %	11.1	9.8	9.8	9.1
Operating margin, % ¹⁾	11.1	12.2	9.8	10.3
Profit margin for continuing operations, %	10.4	8.9	8.8	8.0
Profit margin, % ¹⁾	10.4	11.3	8.8	9.2
Return on equity p.a., % ¹⁾	21.8	26.1	18.2	20.0
Return on capital employed p.a., % ¹⁾	18.6	18.4	15.7	15.9
Return on total capital p.a., % ¹⁾	13.7	14.1	11.7	12.1
Average equity, SEK m ¹⁾	408	374	404	389
Average capital employed, SEK m ¹⁾	702	727	712	715
Average total capital, SEK m ¹⁾	951	946	954	940
Interest coverage ratio, multiple ¹⁾	8.8	9.3	6.6	6.8
Equity/assets ratio, % ¹⁾	39	40	39	45
Proportion of risk-bearing capital, % ¹⁾	42	44	42	48
Net investments for continuing operations, SEK m	20	79	30	89
Net investments, SEK m ¹⁾	20	70	30	80
Average number of employees	649	651	659	660

¹⁾ Refers to the Group as a whole.

For definitions, see page 11.

Quarterly summary	2016 Q2	2015 Q2	2016 Q1	2015 Q1	2015 Q4	2014 Q4	2015 Q3	2014 Q3
Net revenue for continuing operations, SEK m	295	284	262	245	267	258	256	216
Gross profit for continuing operations, SEK m	76	70	63	58	56	48	59	44
Operating profit for continuing operations, SEK m	36	29	26	23	18	12	26	16
Profit before tax for continuing operations, SEK m	36	26	22	22	15	8	22	13
Net profit for the period for continuing operations, SEK m	28	20	17	17	12	5	17	10
Net profit for the period, SEK m ¹⁾	28	32	17	17	12	5	17	10
Comprehensive income for the period, SEK m ¹⁾	27	31	16	22	9	9	16	14
Operating margin for continuing operations, %	12.3	10.1	9.8	9.4	6.8	4.8	10.2	7.5
Equity/assets ratio, % ¹⁾	39	40	44	38	45	41	43	39
Earnings per share for continuing operations, SEK ²⁾	4.00	2.85	2.55	2.50	1.75	0.75	2.50	1.60
Basic earnings per share, SEK ¹⁾	4.00	4.70	2.55	2.50	1.75	0.75	2.50	1.60
Cash flow from operating activities per share, SEK ¹⁾	8.20	9.95	-2.50	0.80	6.60	5.90	6.00	1.95

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	2015	2015	2016	2015	2015	2016	2015	2015
	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec	6 mths Jan-Jun	6 mths Jan-Jun	12 mths Jan-Dec
Net revenue	557	529	1,052	–	–	–	557	529	1,052
Cost of goods sold	-418	-401	-809	–	–	–	-418	-401	-809
Gross profit	139	128	243	–	0	0	139	128	243
Other operating income	4	6	14	–	12	12	4	18	26
Selling expenses	-53	-54	-101	–	–	–	-53	-54	-101
Administrative expenses	-25	-24	-48	–	–	–	-25	-24	-48
Other operating expenses	-3	-4	-12	–	–	–	-3	-4	-12
Operating profit	62	52	96	–	12	12	62	64	108
Financial items	-4	-4	-11	–	–	–	-4	-4	-11
Profit before tax	58	48	85	–	12	12	58	60	97
Tax	-13	-11	-19	–	–	–	-13	-11	-19
Net profit for the period	45	37	66	–	12	12	45	49	78
Basic earnings per share, SEK ²⁾	6.55	5.35	9.62	–	1.84	1.84	6.55	7.19	11.46
Diluted earnings per share, SEK ²⁾	6.12	5.01	9.02	–	1.69	1.69	6.12	6.70	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-Q2 2016				Q1-Q2 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	310	0	310	34	300	0	300	30	645	0	645	72
Precision Technology	119	2	121	17	107	1	108	14	210	3	213	25
Rotational Moulding	128	0	128	19	122	0	122	15	197	0	197	8 ²⁾
Elimination	–	-2	-2	–	–	-1	-1	–	–	-3	-3	–
Undistributed items	–	–	–	-12	–	–	–	-11	–	–	–	-20 ³⁾
Continuing operations	557	–	557	58	529	–	529	48	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 6 mths Jan-Jun	2015 6 mths Jan-Jun	2015 12 mths Jan-Dec
Net revenue	4.4	3.8	18.1
Selling and administrative expenses	-8.6	-7.8	-15.7
Operating profit/loss	-4.2	-4.0	2.4
Profit from participations in Group companies	12.0	–	76.7
Other financial items	-11.4	0.8	-3.4
Profit/loss after financial items	-3.6	-3.2	75.7
Appropriations	–	–	1.1
Tax	3.4	0.7	-16.5
NET profit for the period	-0.2	-2.5	60.3
<i>Statement of comprehensive income</i>			
Net profit for the period	-0.2	-2.5	60.3
Other comprehensive income	–	–	–
Comprehensive income for the period	-0.2	-2.5	60.3

Income tax amounts to 95 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 Jun	2015 30 Jun	2015 31 Dec
ASSETS			
Non-current assets	52.9	68.0	53.0
Current assets	411.9	418.9	472.1
EQUITY AND LIABILITIES			
Equity	73.2	93.3	156.1
Untaxed reserves	68.1	69.2	68.1
Non-current liabilities	72.6	145.2	72.2
Current liabilities	250.9	179.2	228.7
BALANCE SHEET TOTAL	464.8	486.9	525.1

Statement of changes in equity, Parent Company (SEK million)	2016 30 Jun	2015 30 Jun	2015 31 Dec
Opening balance	156.1	112.8	112.8
Comprehensive income for the period	-0.2	-2.5	60.3
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	73.2	93.3	156.1

Cash flow statement, Parent Company (SEK million)	2016 6 mths Jan-Jun	2015 6 mths Jan-Jun	2015 12 mths Jan-Dec
Operating profit/loss	-4.2	-4.0	2.4
Interest and income tax paid/received and adjustments for non-cash items	-1.2	-7.8	64.7
Change in working capital	16.9	15.4	-5.0
Cash flow from operating activities	11.5	3.6	62.1
Investments	–	–	–
Cash flow after investments	11.5	3.6	62.1
Financing	-10.9	-0.9	-60.1
Cash flow for the period	0.6	2.7	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	0.0	-0.1	-0.2
Cash and cash equivalents at the end of the period	5.1	5.3	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-Q2	2015 Q1-Q2	2015 Q1-Q4
Net sales	SEK m	310	300	645
Operating profit	SEK m	35	30	73
Operating margin	%	11.3	9.9	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-Q2	2015 Q1-Q2	2015 Q1-Q4
Net sales	SEK m	121	108	213
Operating profit	SEK m	17	15	27
Operating margin	%	14.3	13.7	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-Q2	2015 Q1-Q2	2015 Q1-Q4
Net sales	SEK m	128	122	197
Operating profit	SEK m	19	15	10
– of which non-recurring items		–	–	–4
Operating margin	%	14.6	12.4	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.

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.

This report has not been reviewed by the company's auditor.

