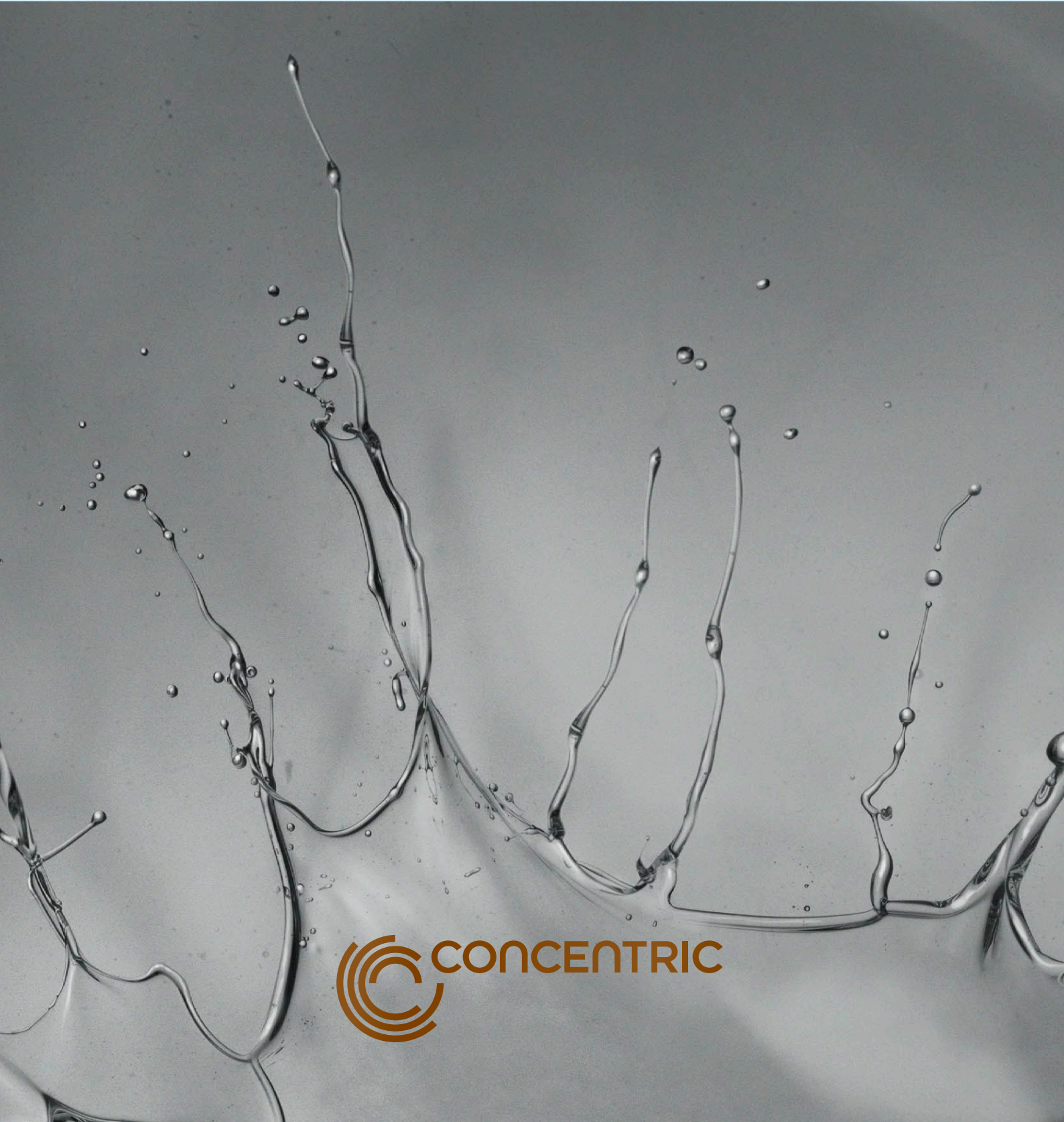


INTERIM REPORT Q1/2017



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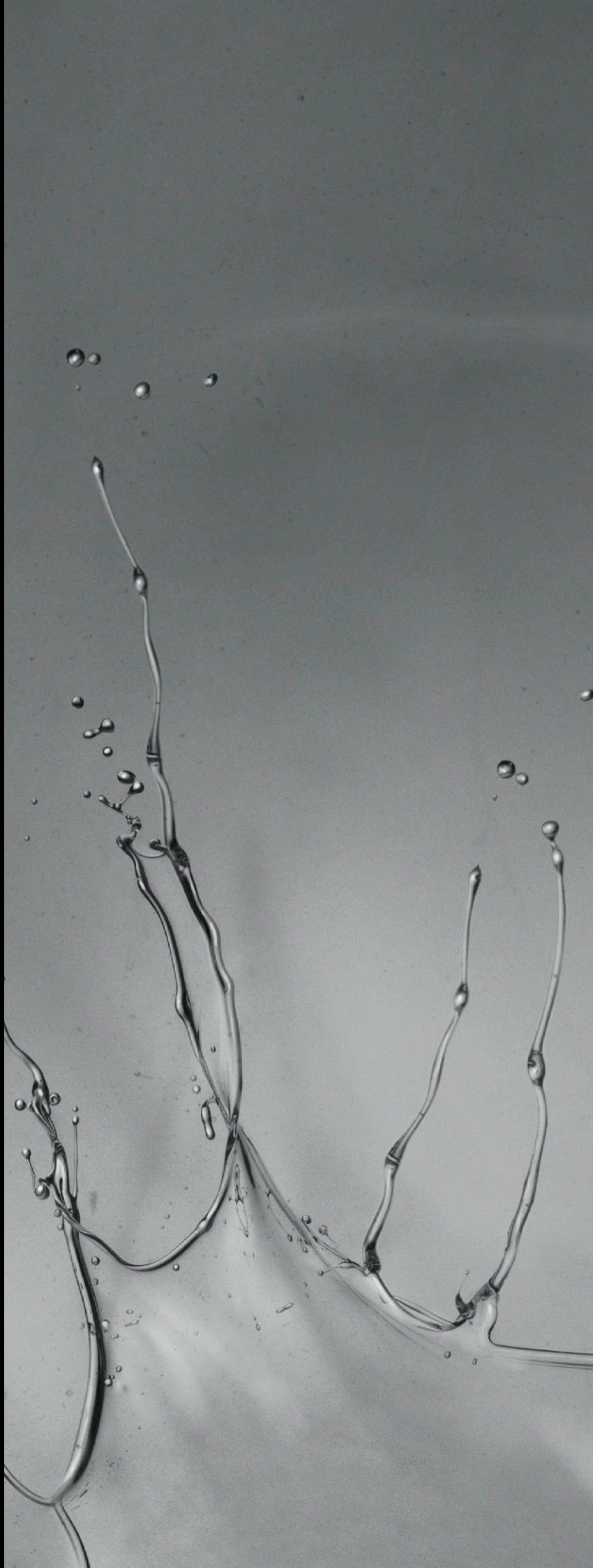
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FINANCIAL RESULTS IN BRIEF GROUP

FIRST QUARTER

Net sales

MSEK 546 (518) – up 4% y-o-y, after adjusting for currency (+1%).

Operating income

MSEK 100 (85), generating an operating margin of 18.3% (16.5).

Earnings after tax

MSEK 74 (60); basic EPS of SEK 1.83 (1.46).

Solid cash flow generated from operating activities

MSEK 78 (64) driven by management of working capital.


Group's net debt

MSEK 224 (513); gearing ratio of 29% (63).



Key figures – Group

Amounts in MSEK	Jan–Mar			Apr–Mar 2016/17	Jan–Dec 2016
	2017	2016	Change		
Net sales	546	518	5%	2,032	2,004
Operating income before items affecting comparability	100	85	18%	352	337
Operating income	100	85	18%	356	341
Earnings before tax	97	81	20%	334	318
Net income for the period	74	60	23%	260	246
Cash flow from operating activities	78	64	22%	423	409
Net debt	224	513	–56%	224	300
Operating margin before items affecting comparability, %	18.3	16.5	1.8	17.3	16.8
Operating margin, %	18.3	16.5	1.8	17.5	17.0
Basic EPS before items affecting comparability, SEK	1.83	1.46	0.37	6.37	5.95
Basic EPS, SEK	1.83	1.46	0.37	6.37	6.01
Return on equity, %	34.6	28.3	6.3	34.6	32.2
Gearing ratio, %	29	63	–34	29	35



» We continue to make progress on our organic growth objectives, as evidenced by the recent technology wins. «



President and CEO, David Woolley, comments on Q1 2017 interim report.

Sales development

Group sales for the first quarter were up year-on-year by 4% in constant currency, slightly ahead of the published market indices. The increase in activity largely reflected the steady improvement experienced across all European end-markets. Overall, US end-markets remained broadly flat, as sales of hydraulic products for construction equipment returned to year-on-year growth for the first time in the last six quarters. The disposition of our larger customers was certainly more positive in the first quarter of 2017 compared to the second half of 2016. However, as distribution channels continue to be refilled, the level of end-customer demand remains a little unclear.

Operating leverage

The restructuring plans we initiated and executed during the second half of 2016 have delivered the expected cost savings during the first quarter of 2017. The Concentric Business Excellence programme ("CBE") has continued to support further improvements to the group's operating leverage, such that the EBIT margin for the first quarter increased to 18.3% (16.5).

Technology

We recently exhibited at the International Fluid Power Exhibition (IFPE) 2017 where Concentric presented its extensive range of pumps, including recent product developments such as the patented Dual Cone Clutch pump, for use in systems requiring intermittent flow and pressure, which received a lot of positive feedback.

We continue to make progress on our organic growth objectives, as evidenced by the recent technology wins:

- Successful roll-out of the LICOS clutch technology on two-speed water pumps in the US truck market with a global OEM, which is expected to ramp up to mature volumes in 2017;
- Order received from a global OEM of heavy trucks and buses to produce electric oil pumps for their hybrid applications, with start of production planned in the second half of 2018;
- Contract awarded from a global OEM of material telehandlers, boom and vertical lifts to produce low noise, compact hydraulic power units (HPUs) for their next generation of material handling equipment, with production already underway in the first quarter of 2017.

We also continue to explore acquisition opportunities for enabling technologies that will enhance our solutions for variable displacement pumps and provide us with an even greater presence alongside our global customers.

Outlook

Looking forward, the orders received, and expected to be fulfilled during the second quarter of 2017, were slightly ahead of the sales levels of the first quarter of 2017. We expect that the positive demand trend for all European end-markets will continue. Market indices suggest that production volumes blended to Concentric's end-markets and regions will be up 2% year-on-year for 2017. Concentric remains well positioned both financially and operationally, to fully leverage our market opportunities.



KEY EVENTS IN 2017

18 January 2017

Concentric announces impact of restructuring plans to align its resources to the lower activity levels.

Concentric AB announced the impact of the restructuring plans initiated and executed during the second half of 2016 to respond to the challenging market conditions it continues to face within both North and South America, and latterly within Europe. The principal steps taken may be summarised as follows:

- A global reduction in force ("RIF") programme which has removed approximately 70 employees (7%) across the Concentric group, with the principal locations affected being our operations based in Chivilcoy, Argentina and Hof, Germany.
- Asset write-downs and exit costs associated with the lower activity levels and rationalisation of warehousing facilities used in both the USA and Europe.
- The curtailment of certain retirement benefits provided to both existing and former employees of our operations in Rockford, Illinois USA and Hof, Germany.

The total cash out flow associated with these actions is expected to be MSEK 26, of which MSEK 9 was already paid by the end of 2016, with the remainder payable during 2017. However, after also including the non-cash items relating to asset write-downs and pension related curtailment gains noted above, the net impact of these restructuring plans upon the company's reported operating income for Q4 2016 was MSEK 4 income. The actions taken were a direct response to the sustained weak outlook of our end-markets within Europe, North and South America. The RIF programme has been agreed with the respective unions and individuals concerned, and delivered through a mix of voluntary and compulsory redundancies. The total impact of these restructuring plans has resulted in annual savings that correspond to MSEK 30 for 2017.

1 March 2017

Paul Shepherd appointed Head of Engine Products Engineering & Development.

Concentric AB has promoted Paul Shepherd to join the Group Executive Leadership team in his new role as Head of Engine Products Engineering & Development, with global responsibility for the design and engineering teams for Engine Products.

A graduate of UMIST, Paul holds a BEng (Hons) degree in Mechanical Engineering. He is a fellow of the Institute of Mechanical Engineers and a Chartered Engineer. Paul has been with Concentric since April 2005, most recently in the role of Director, Advanced Research & Development. Prior to working for Concentric he held senior design roles with Cosworth Racing Ltd and Perkins Engines.

In the last 3 years, Paul has successfully set up the Advanced R&D function for Concentric. He has formed and led a team that has successfully engaged with customers to understand what they see as critical technology developments. Paul and his team have made great progress, including the development of programmes for electrically driven oil pumps and variable flow oil pumps for on and off highway applications.

Paul replaces David Williams who has decided to leave the company to pursue other interests.



17 March 2017

Review of IFPE 2017, Las Vegas 7–11 March.

Concentric AB reported an extremely high level of interest at IFPE 2017 from both key visitors and multiple international major manufacturers of mobile equipment and hydraulic systems. Over 125,000 visitors attended this year's show in Las Vegas with 2,500 exhibitors spread across 2.5 million square feet.



Concentric displayed its latest developments in both hydraulic and engine pumps for use in a diverse mix of mobile and industrial applications, focused upon improving system efficiency, reducing fuel consumption and noise, while providing higher power density in a minimal envelope. Some of the innovative products on display are listed below.

- EHS, Electro Hydraulic Steering unit, replacing conventional engine driven steering pumps, for hybrid vehicles.
- Ferra high pressure cast iron pumps, providing high power density in a smaller envelope, with a pressure capability up to 4,750 psi.
- Dual Cone Clutch pumps, patented design for use in systems requiring intermittent flow and pressure, including emergency steering.
- Calma, low noise pumps, employing zero backlash gear technology.
- Industrial fluid transfer pumps, for use in low pressure operations with diverse fluids, temperatures and pressures.
- Variable flow oil pump, replacing conventional fixed flow lubrication pumps in diesel engines.
- 2-speed water pump with integrated clutch, replacing conventional fixed flow coolant pumps in diesel engines.

23 March 2017

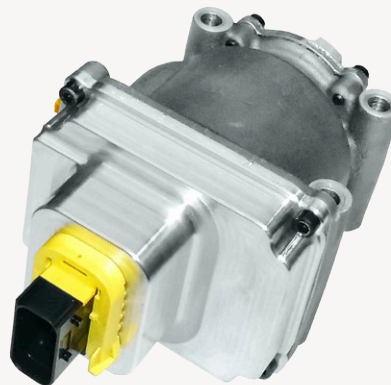
Concentric AB secures order for new electric oil pump technology with leading global OEM.

Concentric AB has recently received an order from a global OEM of heavy trucks and buses to produce electric oil pumps for their hybrid applications. Production will start in the second half of 2018, and is expected to generate total revenues of approximately MSEK 38 across Europe ramping up over an 8 year period, reaching a mature volume of 8,000 p.a. in 2026.

This exciting new product reinforces the company's reputation for reducing fuel consumption, increasing system efficiency, providing high power density and reducing noise.

Concentric's electric oil pump offers system power savings through its variable pressure and speed control capability with the additional benefits of low noise. It also offers on-demand flow and variable speed capability.

The new electric oil pump product allows CAN Bus communication between the motor and the vehicle's main control system so as to control pressure and flow on demand. This significantly reduces system losses compared to traditional mechanical drive systems, ensuring optimum performance.



Concentric's modular design strategy ideally suited for a wide range of applications for emerging hybrid electric vehicles.

David Woolley, President and CEO of Concentric AB, commented: "This first major nomination for Concentric's new electric oil pump technology is another significant breakthrough in a market driven by increased electrification and control. Our modular design strategy is ideally suited for a wide range of applications for emerging hybrid electric vehicles and demonstrates our ongoing commitment to innovation that enables our customers to achieve sustainable solutions."

The Concentric electric oil pump has been developed in collaboration with a leading supplier of electric motors, resulting in a permanent magnet, brushless DC motor with integrated motor drive electronics. The elimination of brush wear contributes to the unit's ability to operate continuously and trouble-free.



KEY EVENTS IN 2017

28 March 2017

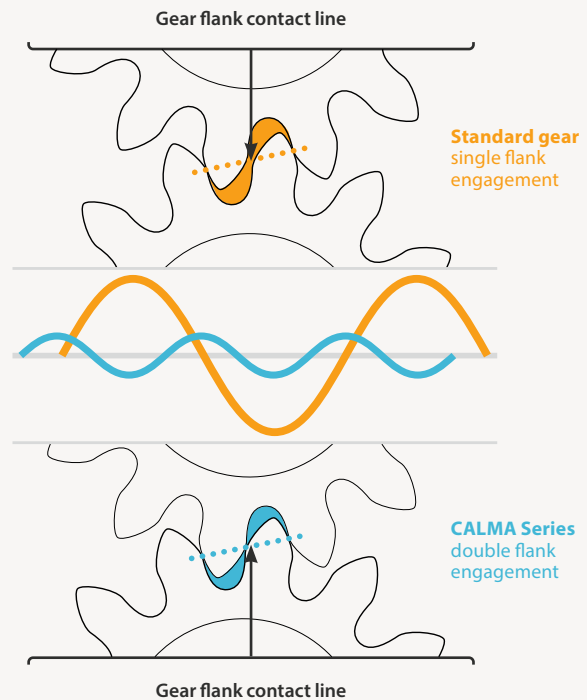
Concentric AB awarded contract with leading global OEM of material handling equipment.

Concentric AB has been awarded a contract from a leading global OEM of material tele-handlers, boom and vertical lifts to produce hydraulic power units (HPUs) for their next generation of material handling equipment. Production has already started in the first quarter of 2017 and is estimated to generate total worldwide revenues of approximately MSEK 45 over a 5 year period, reaching a mature volume of 10,000 p.a. in 2018.

Concentric's selection as the preferred supplier of HPUs was based upon the following factors:

- Ability to easily integrate CALMA technology for low noise applications;
- Reduced envelope size to allow greater design flexibility and ease of installation; and
- Integrated components to optimise the system efficiency and reduce leakage paths.

David Woolley, President and CEO of Concentric AB, commented: "This contract win is another example of our commitment to advanced development projects aimed at reducing emissions, increasing power density and improving overall system efficiency through our market leading technology."



12 April 2017

Concentric Rockford receives ILPEX Silver Award.

The Illinois Performance Excellence ("ILPEX") Recognition Program has announced Concentric Rockford as a recipient of the 2016 Silver Award for Progress Toward Excellence. Concentric Rockford was formally honoured at the annual award ceremony and recognition dinner held on 30 March 2017.

The ILPEX Silver Award for Progress Toward Excellence is granted to those organisations which have demonstrated progress in building a systematic approach to business excellence, utilising the Baldrige Excellence Framework ("Baldrige"), with evidence of its deployment across all functions of the organisation. "We are delighted to recognise a manufacturing organisation with the ILPEX Silver Award," said Ben Krupowicz, Executive Director of the ILPEX Recognition Program. "Concentric Rockford's achievement demonstrates both their ability to compete on a global scale and the strength of man-



ufacturing in the state of Illinois. They have differentiated themselves from their competition through their pursuit of performance excellence.”

Concentric AB’s mission is to design, develop, manufacture and sell high quality, customer-focused solutions for hydraulic and engine applications within our global end-markets. Concentric Rockford, as the North American Centre of Excellence for hydraulic products, is integral to the group’s vision to deliver sustainable growth for every application in the markets we serve by developing world-class technology, capitalising upon our global infrastructure and business excellence in all we do.

To improve global service, Concentric Rockford embarked upon a journey of systematic improvement back in 2010 using the Baldrige methodology. ILPEX has recognised Concentric Rockford’s efforts on this journey with Bronze Awards for Com-

mitment to Excellence in 2012 and 2014. The feedback reports from examiners, combined with internal assessments, have been used to prioritise and address the most meaningful opportunities for improvement. Concentric Rockford exemplifies the group’s appetite for continuous cycles of learning to take the next steps toward performance excellence.

“This is Concentric Rockford’s third ILPEX award. To have received the Silver Award for Progress Toward Excellence as a manufacturing organisation is an exceptional result for the team,” says Martin Bradford, Senior Vice President and Head of region Americas. “The ILPEX framework is a powerful model which underpins the Concentric Business Excellence program in the region. This Silver Award is further recognition of the continuous improvement journey that the Rockford team has embraced and we are honoured to receive it.”

19 April 2017

Concentric pumps on new compact engine with leading global OEM of agricultural machinery and construction equipment.

Concentric AB has been awarded a four year contract to supply oil and coolant pumps to a leading global OEM of agricultural machinery and construction equipment for the launch of their new compact diesel engine. This new engine will be an extension of the OEM’s current range, focused on a wide range of mid-weight construction vehicles and industrial equipment. Production is scheduled to start in the third quarter of 2017.

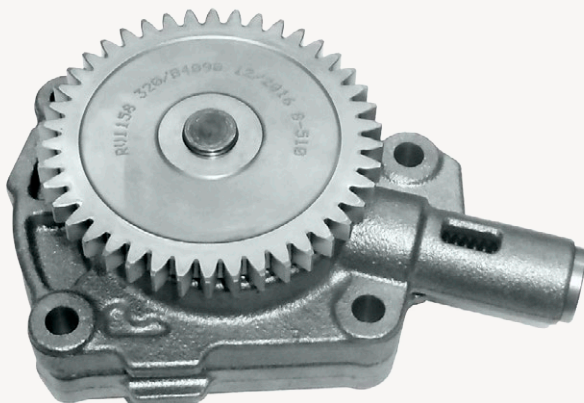
The engine will initially be available with a rating of 55kW and has been designed to be ready for Stage V emissions. In order to achieve a high degree of commonality with components across the OEM’s extended engine range, the new Concentric pumps are compact, robust designs similar to those already proven in several years of service on existing engine platforms.

A large focus was placed on analysis techniques for the new pumps developed for this engine. This enabled both the oil

and water pumps to be optimised for performance and also significantly reduced the engineering development cycle times.

The oil pump was optimised to give very low noise levels. This was achieved through extensive computational fluid dynamics (CFD) and performance testing. An extensive validation programme was undertaken for both pumps to ensure that they achieve a design maximised for robustness.

David Woolley, President and CEO of Concentric AB, commented: “We have a long-standing relationship with this leading global OEM and have worked closely with them since they took the step over a decade ago to start building their own engines. We are extremely pleased that Concentric has again been able to contribute its technology to what we hope will be another market leading engine platform.”





FINANCIAL SUMMARY GROUP

Key Figures

Amounts in MSEK	Jan–Mar			Apr–Mar	Jan–Dec
	2017	2016	Change	2016/17	2016
Net sales	546	518	5%	2,032	2,004
Operating income before items affecting comparability	100	85	18%	352	337
Operating income	100	85	18%	356	341
Earnings before tax	97	81	20%	334	318
Net income for the period	74	60	23%	260	246
Operating margin before items affecting comparability, %	18.3	16.5	1.8	17.3	16.8
Operating margin, %	18.3	16.5	1.8	17.5	17.0
ROCE, %	31.0	26.6	4.4	31.0	28.9
Return on equity, %	34.6	28.3	6.3	34.6	32.2
Basic EPS, before items affecting comparability, SEK	1.83	1.46	0.37	6.37	5.95
Basic EPS, SEK	1.83	1.46	0.37	6.37	6.01
Diluted EPS, SEK	1.82	1.46	0.36	6.36	6.00

Sales

Sales for the first quarter were up year-on-year by 4%, adjusting for the impact of currency (+1%). The increase in activity largely reflected the steady improvement in European demand, especially for off-highway end-markets. Overall, North American demand remained broadly flat in the first quarter, as sales of hydraulic products for construction equipment returned to year-on-year growth for the first time in the last six quarters. Demand in our emerging markets also improved in the first quarter.

Operating income

The improvement in the reported operating margin for the first quarter was primarily driven by the cost savings derived from the restructuring plans executed in the second half of 2016, together with the strong drop through achieved on the increased sales.

Net financial items

Net financial expenses in the first quarter comprised of pension financial expenses of MSEK 4 (5) and other net interest income of MSEK 1 (1).

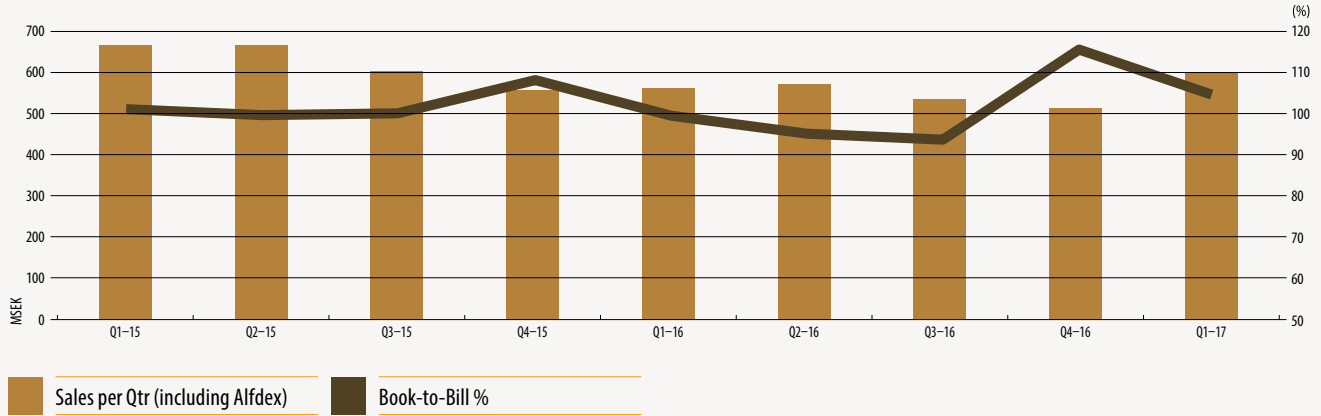
Taxes

The underlying effective tax rate for the first quarter was 24% (25). This rate largely reflected the mix of taxable earnings and tax rates applicable across the various tax jurisdictions.

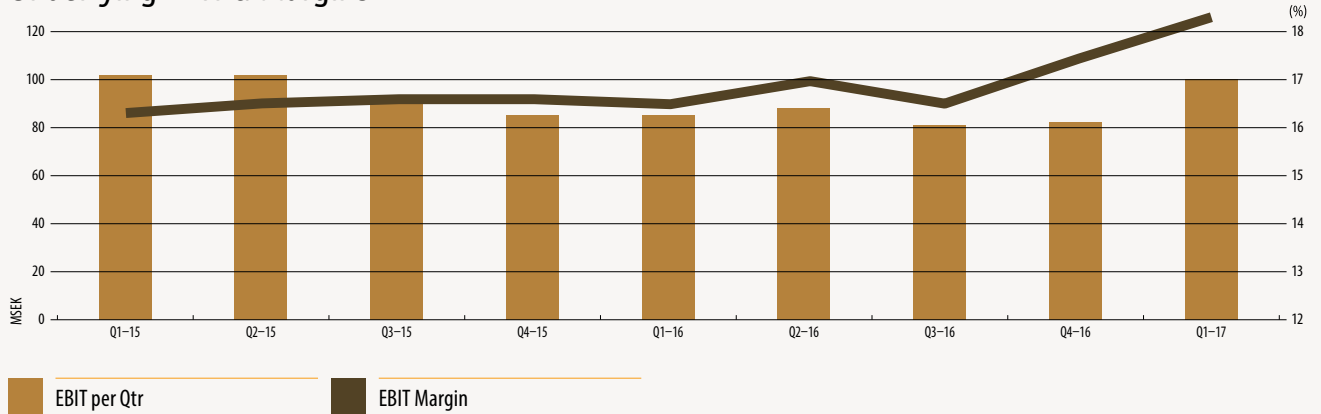
Earnings per share

The basic EPS reported for the first quarter improved year-on-year by SEK 0.37.

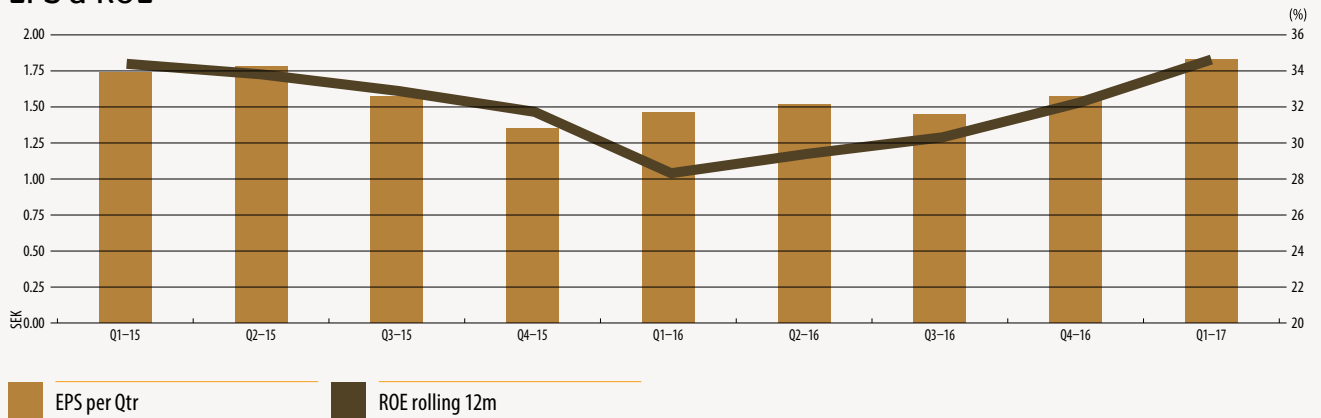
Sales & Book-to-Bill



Underlying EBIT & Margins



EPS & ROE





NET SALES AND OPERATING INCOME BY REGION

Americas

Amounts in MSEK	Jan–Mar			Apr–Mar 2016/17	Jan–Dec 2016
	2017	2016	Change		
Net sales	264	250	6%	1,002	988
Operating income before items affecting comparability	37	32	16%	131	126
Operating income	37	32	16%	152	147
Operating margin before items affecting comparability, %	13.9	12.8	1.1	13.1	12.8
Operating margin, %	13.9	12.8	1.1	15.2	14.9
ROCE, %	40.8	34.8	6.0	40.8	38.4

Sales for the first quarter were up year-on-year by 1%, adjusting for the impact of currency (+5%). Overall, North American demand remained broadly flat in the first quarter. However, it was notable that sales of hydraulic products for construction equipment returned to year-on-year growth for the first time in the last six quarters. Demand in South America showed some signs of improvement but remained relatively weak across all end-markets.

The improvement in the reported operating margin for the first quarter was primarily driven by the cost savings derived from the restructuring plans for both the USA and South American operations executed in the second half of 2016.

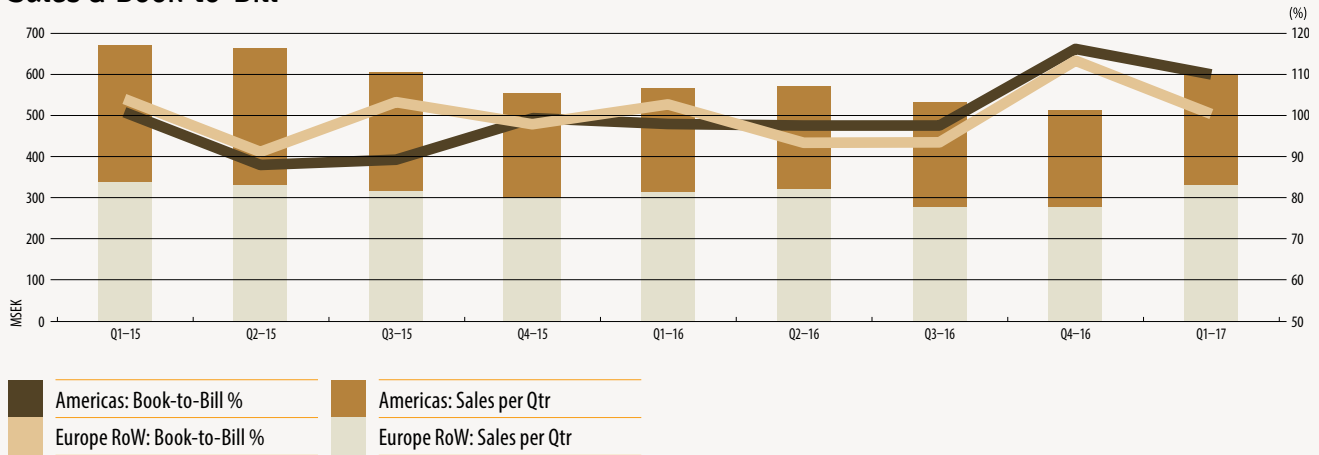
Europe & RoW

Amounts in MSEK	Jan–Mar			Apr–Mar 2016/17	Jan–Dec 2016
	2017	2016	Change		
Net sales	335	315	6%	1,219	1,199
Operating income before items affecting comparability	64	54	19%	224	214
Operating income	64	54	19%	207	197
Operating margin before items affecting comparability, %	19.2	17.1	2.1	18.4	17.8
Operating margin, %	19.2	17.1	2.1	17.0	16.4
ROCE, %	25.0	23.1	1.9	25.0	23.6

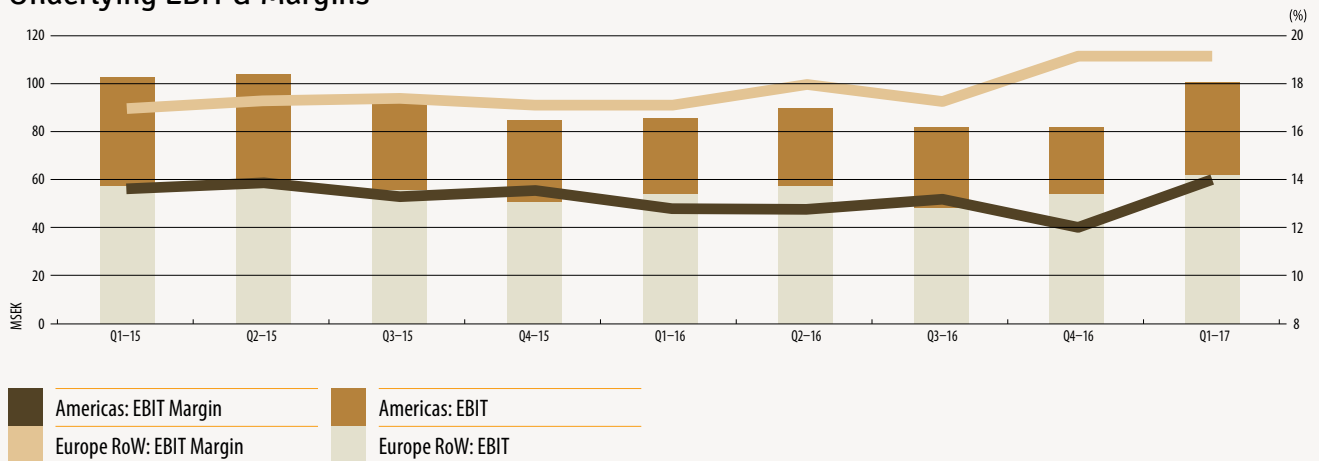
Sales for the first quarter were up year-on-year by 8%, adjusting for the impact of currency (–2%). The increase in activity was largely driven by the steady improvement of European off-highway end-markets. Demand across all end-markets in India continued to strengthen under the new Government economic initiatives to stimulate investment. Demand in China also showed some signs of improvement in the first quarter.

The improvement in the reported operating margin for the first quarter was primarily driven by the cost savings derived from the restructuring plans for European operations executed in the second half of 2016, together with the strong drop through achieved on the increased sales.

Sales & Book-to-Bill



Underlying EBIT & Margins





MARKET DEVELOPMENT

Concentric's sales for the first quarter were slightly ahead of published market indices

North American end-markets

- Sales to our North American end-markets were pretty flat in the first quarter, in line with the market indices.
- Sales of hydraulic products to off-highway markets showed the most significant improvement, with our US sales for construction equipment up by 11% year-on-year.

European end-markets

- Sales to our European end-markets were up across the board in the first quarter, in line with the market indices.
- Engine product sales to off-highway markets performed the strongest during the first quarter, with our European sales for construction equipment up by 15% year-on-year.

Emerging end-markets

- Sales to our South American end-markets showed some signs of improvement in the first quarter but remained relatively weak.
- Sales to our Indian end-markets were up across the board in the first quarter, in line with the market indices, driven by the new Government economic initiatives to stimulate investment.
- Sales to our Chinese end-markets also improved across the board in the first quarter.
- Overall, emerging end-markets still only account for less than 10% of the group's total revenues.

Consolidated sales development


	Q1-17 vs. Q1-16			FY-17 vs. FY-16		
	Americas	Europe & RoW	Group	Americas	Europe & RoW	Group
Market – weighted average ¹⁾	1%	4%	2%	1%	4%	2%
Actual – constant currency ²⁾	1%	8%	4%			

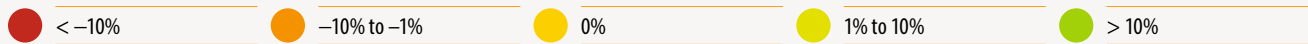
¹⁾ Based on latest market indices blended to Concentric's mix of end-markets and locations.
²⁾ Based on actual sales in constant currency, including AlfDEX.

Overall, market indices suggest production rates, blended to the Group's end-market and regions, were up 2% year-on-year for the first quarter. Concentric's actual sales for the first quarter were slightly ahead of these indices driven primarily by European off-highway end-markets.

As noted in previous interim reports, movements in the market indices tend to lag the group's order intake experience by 3–6 months.

PUBLISHED MARKET INDICES

		Q1-17 vs Q1-16					FY-17 vs FY-16				
		North America	South America	Europe	India	China	North America	South America	Europe	India	China
Agricultural machinery 	Diesel engines	0%	9%	5%	23%	6%	0%	9%	5%	23%	6%
	Construction equipment 	Diesel engines	-1%	4%	5%	29%	3%	-1%	4%	5%	29%
	Hydraulic equipment	8%	n/a	6%	n/a	n/a	8%	n/a	6%	n/a	n/a
Trucks 	Light vehicles	-1%	n/a	n/a	n/a	n/a	-1%	n/a	n/a	n/a	n/a
	Medium & Heavy vehicles	-1%	2%	2%	19%	5%	-1%	2%	2%	19%	5%
	Industrial applications 	Other off-highway	-1%	3%	6%	15%	-6%	-1%	3%	6%	15%
Hydraulic lift trucks		0%	n/a	3%	n/a	n/a	0%	n/a	3%	n/a	n/a



The market indices summarised in the table above reflect the Q1 2016 update of production volumes received from Power Systems Research, Off-Highway Research and the International Truck Association of lift trucks.



FINANCIAL POSITION

Operational cash flow

The reported cash inflow from operating activities for the first quarter amounted to MSEK 78 (64), which represents SEK 1.92 (1.55) per share.

Working capital

Total working capital at 31 March was MSEK 38 (124), which represented 1.9% (5.6) of annual sales.

Net investments in fixed assets

The Group's net investments in tangible fixed assets amounted to MSEK 3 (2) for the first quarter.

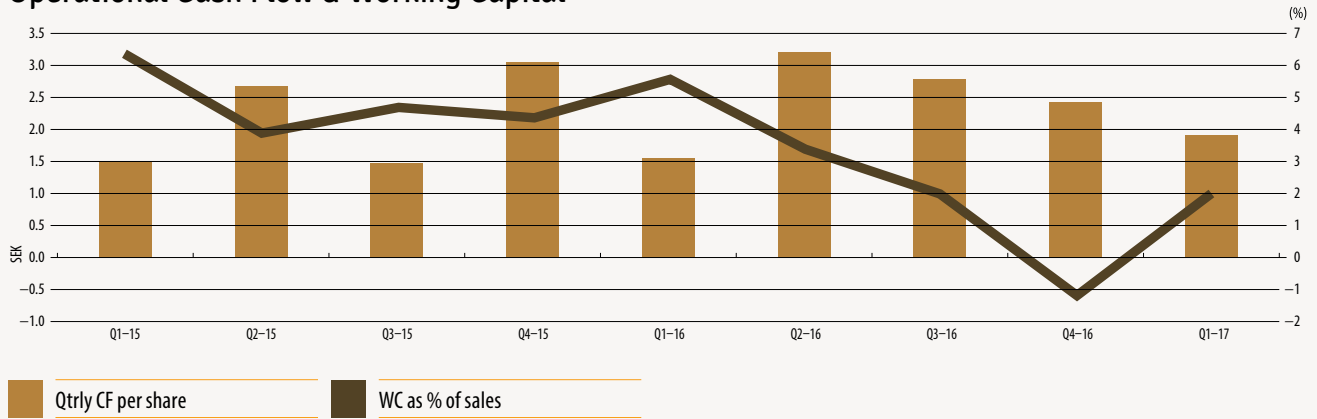
Net debt & gearing

Following a review of the actuarial assumptions used to value the Group's defined benefit pension plans, there were no remeasurement gains or losses recognised in net pension liabilities during the first quarter (net losses MSEK 108). On 30 March 2017, the AGM approved the Board's proposed dividend for the financial year 2016 of MSEK 3.50 per share. However, the dividend was not distributed by Euroclear Sweden AB until 6 April 2017.

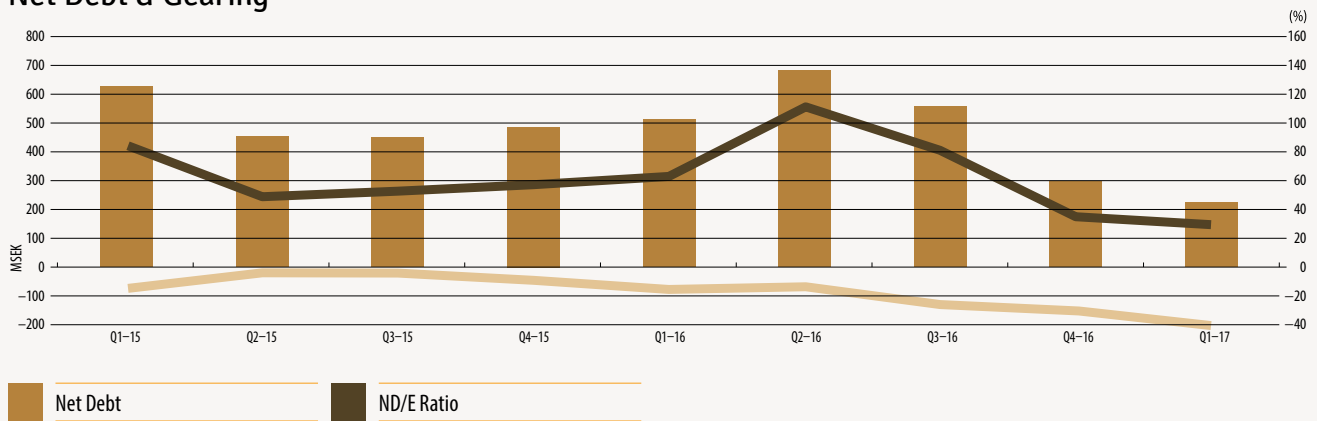
Accordingly, the Group's net debt at 31 March decreased to MSEK 224 (513), comprising bank loans of MSEK 177 (185) and net pension liabilities of MSEK 544 (635), net of cash amounting to MSEK 497 (307). Shareholders' equity amounted to MSEK 787 (812), resulting in a gearing ratio of 29% (63) at the end of the first quarter.



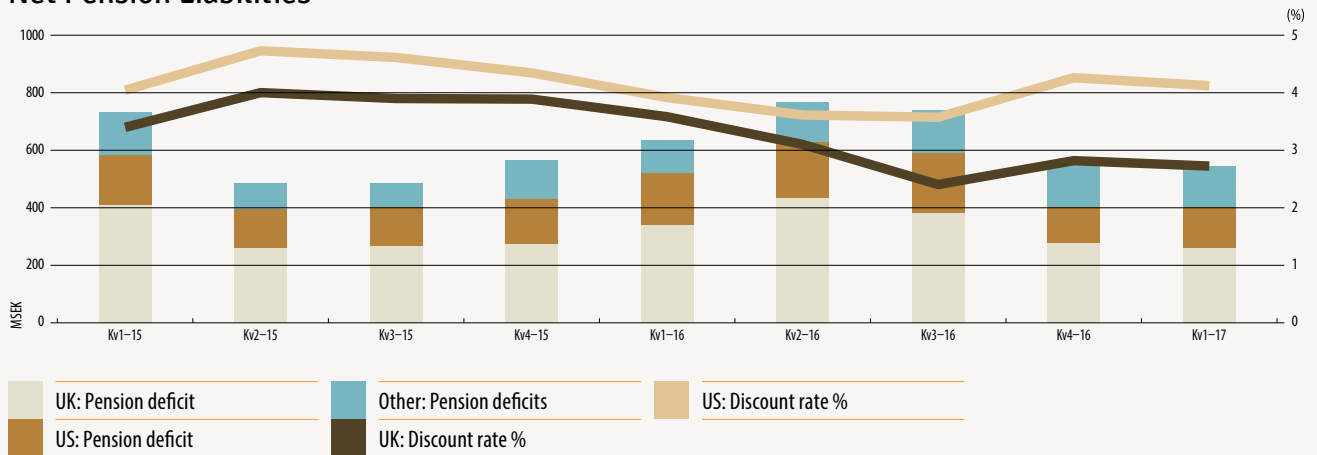
Operational Cash Flow & Working Capital



Net Debt & Gearing



Net Pension Liabilities





CBE SPOTLIGHT: EXPLORING HYDRAULICS CUSTOMER STRATEGY

A little about our interviewees



Oliver Percival is the Vice President of Hydraulics Sales for Europe and Asia. He joined the company in November 2016 and has been leading the sales teams to growth in both regions. In addition, he has been working with the Hydraulics leadership team to develop the Hydraulics sales strategy for both OEM and distribution sales.

When asked to describe his role, Oliver told us his main responsibilities are to develop profitable sales growth, to mentor and develop the sales teams, to define the sales strategy and, of course, to execute the strategic plans.



Jennifer Peters is the Group Business Controller for Hydraulics. She has worked with the company for 13 years. As a member of the Hydraulics leadership team, Jennifer supports and, on occasion, leads initiatives that drive growth or improve service standards and delivery. The Leadership Team are driving growth by introducing new products, increasing sales with new and existing customers and developing new markets. Jennifer works with her colleagues to ensure they deliver economic efficiencies and adopt financial best practice too.

Jennifer said of her role, "I share responsibility for the organisation's economic and financial performance, provide research, analysis and experience to develop business and financial recommendations, provide budget feedback and assist my leadership colleagues in key financial decisions which play an important role in Concentric economic growth."

How do you describe sustainability?

In this series, we ask our interviewees what sustainability means to them. **Oliver** said, "I can give you the text book definition but instead, I prefer to think of it like this. Sustainability is about ensuring 3 things:

1. Sustainable development – meeting the needs of the business we deliver today without compromising the scope for future development
2. Operations improvements – finding the most efficient and effective way to deliver for our customers today and how we prepare to set up and deliver for the future, and
3. Customer-focused communications – as a sales team, we make it our business to build strong relationships and effective communications with strategic global accounts. **Oliver** added, "I ensure that the regional managers have the tools and resources to provide efficient and effective customer support."

Oliver continued, "Beyond the commercial advantages, there is a feel good aspect for employees that come from making sustainability a priority. It creates a strong sense of morale and it is developing our culture too. Indirectly, this is supporting improved productivity and has other soft benefits such as helping to build Concentric's employer brand."

Jennifer said, "For me, sustainability means understanding, measuring and managing our financial and economic performance to ensure long term growth. Sustainability is at the heart of everything we do in Concentric."

Sustainable working practices in our day to day work

Providing an example of sustainability in his day to day work, **Oliver** said "I have always believed strongly that employees who demonstrate passion and accountability make the best advocates for a strong corporate brand. For example, we meet as a cross functional team where we brainstorm ideas for planning improvements for the short, medium and long term." He added, "We include members from a range of departments including project engineering, production, quality and sales in these meetings. This helps to ensure that the ideas we generate have the greatest chance of success. If we want to improve what we have today and for the future, no one knows our company better than our own employees."

Concentric operates the same way in North and South America, in Asia and Europe. Having consistent communications



is an important element for success and the Hydraulics dashboard is one such example. **Jennifer** went on to explain, “The Hydraulics dashboard is an example of a best practice tool and approach to reviewing, measuring and understanding our economic growth and it helps us to develop strategies to achieve our sustainable future.”

Why do customers choose Concentric products?

Concentric doesn't simply offer a product; Concentric offers a complete system and service solution for customers. The Company has a strong brand heritage and long standing relationships with customers, both global and regional. **Oliver** commented, “We develop a high level of intimacy with our customers and allocate resource to create a long standing partnership. Concentric teams are embedded with customers and the relationships they build together help to ensure that customers think about Concentric first, before anyone else. In addition, innovative, reliable Hydraulic solutions, coupled with knowledgeable employees who possess a high technical skill set means that Concentric will be the supplier of choice for our partners. For strategic accounts, Concentric can service customers globally to the same high standards with regional support and this is also an advantage.”

Jennifer added, “Not all of our competitors can offer bespoke tailored solutions to meet customers' needs for high, medium and low volume applications. More often than not, competitors can offer a standard product only whereas we offer a custom solution.”

Concentric invests significantly in the development of new products such as Electro Hydraulic Steering (EHS) and on-going product improvements. Each product development is environmentally more effective than the last either through

greener materials or improved efficiencies. Sustainable working practices are not only good for customers; there are advantages for all stakeholders.

In talking about the future, **Oliver** commented, “We are seeing change amongst our customers. They are asking for more sustainable products, in our sourcing and supply chain; in production and in future product developments. We are seeing a shift to more hybrid systems – with an increasing demand for electric vehicles and our product range shifting from mechanical to electro mechanical solutions and potentially to a fully electric solution in the future.”

Why do customers like to work with Concentric?

Everyday Concentric Sales teams are working to develop strategic customers – improving customer intimacy, building stronger relationships and strengthening the company brand. **Oliver** explained, “The sales teams carry the Company values with them, the products we offer are reliable and we service and support our customers regionally, we deliver on time and continue to improve efficiency and offer future concepts. On a personal level, I encourage my team to support their customers with drive, passion and accountability. Customers respond to this direct and positive approach.”

We also engage with suppliers in the very early stages of projects to ensure that we are contractually aligned and that any potential issues are addressed early. This partnership with suppliers helps to ensure that Concentric maintains a competitive advantage for all our customers.

Jennifer concluded, “Sustainable working practices make good business sense”. **Oliver** agreed, “Return on investment will be the ultimate measure of our success with our customers.” he added.

Consolidated income statement, in summary

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Net sales	546	518	2,032	2,004
Cost of goods sold	–376	–371	–1,434	–1,429
Gross income	170	147	598	575
Selling expenses	–25	–14	–82	–71
Administrative expenses	–39	–39	–145	–145
Product development expenses	–12	–14	–47	–49
Share of profit in joint venture, net of interest and tax	4	2	13	11
Other operating income and expenses	2	3	19	20
Operating income	100	85	356	341
Financial income and expense	–3	–4	–22	–23
Earnings before tax	97	81	334	318
Taxes	–23	–21	–74	–72
Net income for the period	74	60	260	246
Basic earnings per share before items affecting comparability, SEK	1.83	1.46	6.37	5.95
Basic earnings per share, SEK	1.83	1.46	6.37	6.01
Diluted earnings per share, SEK	1.82	1.46	6.36	6.00
Basic average number of shares (000)	40,482	41,180	40,752	40,924
Diluted average number of shares (000)	40,952	41,226	40,827	40,973

Consolidated statement of comprehensive income

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Net income for the period	74	60	260	246
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Net remeasurement gains and losses	–	–108	49	–59
Tax on net remeasurement gains and losses	–	27	–21	6
<i>Items that may be reclassified subsequently to the income statement</i>				
Exchange rate differences related to liabilities to foreign operations	25	25	–51	–51
Tax arising from exchange rate differences related to liabilities to foreign operations	–3	–5	13	11
Cash-flow hedging	2	6	–	4
Tax arising from cash-flow hedging	–	–1	–	–1
Foreign currency translation differences	–28	–45	76	59
Total other comprehensive income	–4	–101	66	–31
Total comprehensive income	70	–41	326	215

Consolidated balance sheet, in summary

Amounts in MSEK	31 Mar 2017	31 Mar 2016	31 Dec 2016
Goodwill	609	605	615
Other intangible fixed assets	250	284	262
Tangible fixed assets	143	172	150
Share of net assets in joint venture	23	22	19
Deferred tax assets	129	156	129
Long-term receivables	6	5	5
Total fixed assets	1,160	1,244	1,180
Inventories	175	184	172
Current receivables	298	311	246
Cash and cash equivalents	497	307	438
Total current assets	970	802	856
Total assets	2,130	2,046	2,036
Total Shareholders' equity	787	812	857
Pensions and similar obligations	544	635	560
Deferred tax liabilities	32	35	36
Long-term interest-bearing liabilities	177	178	177
Other long-term liabilities	12	8	11
Total long-term liabilities	765	856	784
Short-term interest-bearing liabilities	1	7	1
Dividend declared not yet paid	142	–	–
Other current liabilities	435	371	394
Total current liabilities	578	378	395
Total equity and liabilities	2,130	2,046	2,036

Financial derivatives

The carrying amount of financial assets and financial liabilities are considered to be reasonable approximations of their fair values. Financial instruments carried at fair value on the balance sheet consist of derivative instruments. As of 31 March the

fair value of derivative instruments that were assets was MSEK 5 (7), and the fair value of derivative instruments that were liabilities was MSEK 0 (0). These measurements belong in level 2 in the fair value hierarchy.

Consolidated changes in shareholders' equity, in summary

Amounts in MSEK	31 Mar 2017	31 Mar 2016	31 Dec 2016
Opening balance	857	852	852
Net income for the period	74	60	246
Other comprehensive loss/income	-4	-101	-31
Total comprehensive income	70	-41	215
Dividend	-142	-	-134
Own share buy-backs	-	-	-85
Sale of own shares to satisfy LTI 2012 options exercised	-	-	7
Long-term incentive plan	2	1	2
Closing balance	787	812	857

Consolidated cash flow statement, in summary

Amounts in MSEK	Jan-Mar		Apr-Mar	Jan-Dec
	2017	2016	2016/17	2016
Earnings before tax	97	81	334	318
Reversal of depreciation, amortization and fixed asset write-downs	19	20	87	88
Reversal of share of profit in joint venture	-4	-2	-13	-11
Reversal of other non-cash items	2	3	-3	-2
Taxes paid	-8	-5	-45	-42
<i>Cash flow from operating activities before changes in working capital</i>	106	97	360	351
Change in working capital	-28	-33	63	58
Cash flow from operating activities	78	64	423	409
Investments in subsidiaries	-	-	-	-
Investments in property, plant and equipment	-3	-2	-13	-12
Cash flow from investing activities	-3	-2	-13	-12
Dividends paid	-	-	-134	-134
Dividends received from joint venture	-	-	12	12
Buy back of own shares	-	-	-85	-85
Selling of own shares to satisfy LTI-options exercised	-	-	7	7
New loans received	-	6	25	31
Repayment of loans	-	-3	-28	-31
Pension payments and other cash flows from financing activities	-19	-12	-40	-33
Cash flow from financing activities	-19	-9	-243	-233
Cash flow for the period	56	53	167	164
Cash and bank assets, opening balance	438	258	307	258
Exchange-rate difference in cash and bank assets	3	-4	23	16
Cash and bank assets, closing balance	497	307	497	438

Group notes

Data per share

	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Basic earnings per share before items affecting comparability, SEK	1.83	1.46	6.37	5.95
Basic earnings per share, SEK	1.83	1.46	6.37	6.01
Diluted earnings per share, SEK	1.82	1.46	6.36	6.00
Equity per share, SEK	19.44	19.72	19.44	21.18
Cash-flow from current operations per share, SEK	1.92	1.55	10.37	9.99
Basic weighted average no. of shares (000's)	40,482	41,180	40,752	40,924
Diluted weighted average no. of shares (000's)	40,592	41,226	40,827	40,973
Number of shares at period-end (000's)	40,482	41,180	40,482	40,482

Key figures

	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Sales growth, %	5	–17	n/a	–13
Sales growth, constant currency, %	4	–15	n/a	–10
EBITDA margin, %	21.7	20.4	21.7	21.4
Operating margin before items affecting comparability, %	18.3	16.5	16.5	16.8
Operating margin, %	18.3	16.5	16.5	17.0
Capital Employed, MSEK	1,093	1,234	1,093	1,083
ROCE before items affecting comparability, %	30.6	26.6	30.6	28.6
ROCE, %	31.0	26.6	26.6	28.9
ROE, %	34.6	28.3	34.6	32.2
Working Capital, MSEK	38	124	38	–22
Working capital as a % of annual sales	1.9	5.6	1.9	–1.1
Net Debt, MSEK	224	513	224	300
Gearing ratio, %	29	63	29	35
Net investments in PPE	3	2	13	12
R&D, %	2.3	2.6	2.3	2.4
Number of employees, average	934	1,038	986	1,011

Consolidated income statement in summary, by type of cost

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Net sales	546	518	2,032	2,004
Direct material costs	–266	–259	–990	–983
Personnel costs	–114	–110	–446	–442
Depreciation, amortization and impairment losses	–19	–20	–87	–88
Share of profit in joint venture, net of tax	4	2	13	11
Other operating costs, net	–51	–46	–166	–161
Operating income	100	85	356	341
Financial income and expense	–3	–4	–22	–23
Earnings before tax	97	81	334	318
Taxes	–23	–21	–74	–72
Net income for the period	74	60	260	246

Other operating income and expenses

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Tooling income	1	1	6	6
Royalty income from joint venture	10	11	39	40
Amortisation of acquisition related surplus values	–9	–9	–36	–36
Restructuring cost	–	–	–26	–26
Impairment of tangible assets	–	–	–9	–9
Curtailement gains, pensions	–	–	39	39
Other	–	–	6	6
Other operating income and expenses	2	3	19	20

Segment reporting

The Americas segment comprises the Group's operations in the USA and South America. As our operations in India and China remain relatively small in comparison to our Western facilities, Europe & RoW continues to be reported as a single combined segment, in line with our management structure,

comprising the Group's operations in Europe (including the proportional consolidation of Alfdex), India and China. The evaluation of an operating segment's earnings is based upon its operating income or EBIT. Financial assets and liabilities are not allocated to segments.

First quarter

Amounts in MSEK	Americas		Europe & RoW		Elims-Adjs		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
Total net sales	270	255	362	336	-86	-73	546	518
External net sales	264	250	335	315	-53	-47	546	518
Operating income before items affecting comparability	37	32	64	54	-1	-1	100	85
Operating income	37	32	64	54	-1	-1	100	85
Operating margin before items affecting comparability, %	13.9	12.8	19.2	17.1	n/a	n/a	18.3	16.5
Operating margin, %	13.9	12.8	19.2	17.1	n/a	n/a	18.3	16.5
Earnings before tax	37	32	64	54	-4	-5	97	81
Assets	571	629	1,266	1,303	293	114	2,130	2,046
Liabilities	307	324	724	687	312	223	1,343	1,234
Capital employed	347	416	841	824	-95	-6	1,093	1,234
ROCE before items affecting comparability, %	34.9	34.8	26.9	23.1	n/a	n/a	30.6	26.6
ROCE, %	40.8	34.8	25.0	23.1	n/a	n/a	31.0	26.6
Net investments in PPE	-	1	4	1	-1	-	3	2
Depreciation, goodwill and fixed asset write-downs	7	7	13	14	-1	-1	19	20
Number of employees, average	333	398	660	703	-59	-63	934	1,038

Seasonality

Each end-market will have its own seasonality profile based on the end-users, e.g. sales of agricultural machinery will be linked to harvest periods in the Northern and Southern hemispheres. However, there is no significant seasonality in the demand profile of Concentric's customers and, therefore, the most significant driver is actually the number of working days in the period.

The weighted average number of working days in the first quarter was 64 (62) for the Group, with an average of 64 (62) working days for the Americas region and 65 (63) working days for the Europe & RoW region.

Sales by geographic location of customer

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
USA	241	238	921	918
Rest of North America	8	2	26	20
South America	7	14	46	53
Germany	95	85	335	325
UK	34	35	122	123
Sweden	23	26	98	101
Rest of Europe	99	89	345	335
Asia	38	29	133	124
Other	1	–	6	5
Total Group	546	518	2,032	2,004

Sales by product groups (including Alfdex)

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Concentric branded Engine products	275	277	1,078	1,080
LICOS branded Engine products	50	37	171	158
Alfdex branded Engine products	52	47	188	183
Total Engine products	377	361	1,437	1,421
Total Hydraulics products	221	204	783	766
Eliminations	–52	–47	–188	–183
Total Group	546	518	2,032	2,004

Employees

The average number of full-time equivalents employed by the group during the first quarter was 934 (1,038).

Related-party transactions

The Parent Company is a related party to its subsidiaries and associated companies. Transactions with subsidiaries and associated companies occur on commercial market terms. No transactions have been carried out between Concentric AB and its subsidiary undertakings and any other related parties that had a material impact on either the company's or the group's financial position and results.

Events after the balance-sheet date

There were no significant post balance sheet events to report.

Business overview

Descriptions of Concentric's business and its objectives, the excellence programme, its products, the driving forces it faces, market position and the end-markets it serves are all presented in the 2016 Annual Report on pages 8–11 and pages 18–45.

Significant risks and uncertainties

All business operations involve risk – managed risk-taking is a condition of maintaining a sustainable profitable business. Risks may arise due to events in the world and can affect a given industry or market or can be specific to a single company or group. Concentric works continuously to identify, measure and manage risk, and in some cases Concentric is able to influence the likelihood that a risk-related event will occur. In cases in which such events are beyond Concentric's control, the aim is to minimise the consequences.

The risks to which Concentric may be exposed are classified into four main categories:

- Industry and market risks – external related risks such as the cyclical nature of our end-markets, intense competition, customer relationships and the availability and prices of raw materials;
- Operational risks – such as constraints on the capacity and flexibility of our production facilities and human capital, product development and new product introductions, customer complaints, product recalls and product liability;
- Legal risks – such as the protection and maintenance of intellectual property rights and potential disputes arising from third parties; and
- Financial risks – such as liquidity risk, interest rate fluctuations, currency fluctuations, credit risk, management of pension obligations and the group's capital structure.

Concentric's Board of Directors and Senior management team have reviewed the development of these significant risks and uncertainties since the publication of the 2016 Annual Report and confirm that there have been no changes other than those comments made above in respect of market developments during 2017. Please refer to the Risk and Risk Management section on pages 59–62 of the 2016 Annual Report for further details.

Basis of Preparation and Accounting policies

This interim report for the Concentric AB group is prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Annual Accounts Act. The report for the Parent Company is prepared in accordance with the Annual Accounts Act, Chapter 9 and applicable rules in RFR2 Accounting for legal entities.

The basis of accounting and the accounting policies adopted in preparing this interim report are consistent for all periods presented and comply with those policies stated in the 2016 Annual Report.

New standards, amendments and interpretations to existing standards that have been endorsed by the EU and adopted by the group

None of the IFRS and IFRIC interpretations endorsed by the EU are considered to have a material impact on the group.

Parent Company

Net sales and Operating income

Net sales for the first quarter reflected the royalty income received from the joint venture, Alfdex AB. Income from shares in subsidiary undertakings of MSEK 742 (nil) reflected the dividends received, net of any write-downs in the carrying value of shares, arising from the internal refinancing of the group undertaken during the first quarter.

Buy-back and Holdings of Own Shares

The total number of holdings of own shares at 1 January 2017 was 1,088,616.

On 30 March 2017, the AGM resolved to retire 698,600 of the company's own repurchased shares. The retirement of shares has been carried out through a reduction of share capital with retirement of shares and a subsequent bonus issue to restore the share capital. Altogether, the resolution resulted in the total number of shares in issue reduced to 40,872,000 (41,570,600) and the share capital being increased by SEK 156.

Consequently the company's total holdings of own shares at the end of the first quarter now represent 1.0% (1.1) of the total number of shares.

The company did not repurchase any shares during the first quarter and consequently the total holdings of own shares at 390,016 (390,496).

In addition, the AGM resolved to authorise the Board of Directors, during the period up to the next AGM in 2018, to resolve on buying back own shares so that the Company's holdings do not at any point exceed 10 percent of the total number of shares in issue. Acquisitions shall be made in cash and take place on NASDAQ OMX Stockholm, for the purpose of increasing the flexibility in connection with potential future corporate acquisitions, as well as to be able to improve the company's capital structure and to cover costs for, and enable delivery of shares under the company's LTI programmes.

Parent company's income statement, in summary

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Dec
	2017	2016	2016/17	2016
Net sales	10	11	42	43
Other operating income	–	21	–	21
Other operating expenses	–4	–5	–19	–20
Operating income	6	27	23	44
Income from shares in subsidiaries	742	–	874	132
Income from shares in joint venture	–	–	12	12
Net foreign exchange rate differences	14	25	–63	–52
Other financial income and expense	–1	–1	–4	–4
Earnings before tax	761	51	842	132
Taxes	–5	–11	6	1
Net income for the period ¹⁾	756	40	848	133

¹⁾ Total Comprehensive Income for the Parent Company is the same as Net income/loss for the period.

Parent company's balance sheet, in summary

Amounts in MSEK	31 Mar 2017	31 Mar 2016	31 Dec 2016
Shares in subsidiaries	3,175	2,414	2,433
Shares in joint venture	10	10	10
Long-term loans receivable from subsidiaries	10	25	8
Deferred tax assets	18	12	24
Total financial fixed assets	3,213	2,461	2,475
Other current receivables	3	24	3
Short-term receivables from subsidiaries	102	75	80
Cash and cash equivalents	302	157	249
Total current assets	407	256	332
Total assets	3,620	2,717	2,807
Total Shareholders' equity	1,841	1,346	1,227
Pensions and similar obligations	18	17	18
Long-term interest-bearing liabilities	175	175	175
Long-term loans payable to subsidiaries	1,420	1,148	1,362
Total long-term liabilities	1,613	1,340	1,555
Short-term loans	–	6	–
Short-term loans payable to subsidiaries	18	19	18
Dividend declared not yet paid	142	–	–
Other current liabilities	6	6	7
Total current liabilities	166	25	25
Total equity and liabilities	3,620	2,717	2,807

Parent company's changes in shareholders' equity, in summary

Amounts in MSEK	31 Mar 2017	31 Mar 2016	31 Dec 2016
Opening balance	1,227	1,306	1,306
Net income/loss for the period	756	40	133
Dividend	–142	–	–134
Sale of own shares to satisfy LTI 2012 options exercised	–	–	7
Buy-back of own shares	–	–	–85
Closing balance	1,841	1,346	1,227

Purpose of report and forward-looking information

Concentric AB (publ) is listed on NASDAQ OMX Stockholm, Mid Cap. The information in this report is of the type that Concentric AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 8.00 CET on 3 May, 2017.

This report contains forward-looking information in the

form of statements concerning the outlook for Concentric's operations. This information is based on the current expectations of Concentric's management, as well as estimates and forecasts. The actual future outcome could vary significantly compared with the information provided in this report, which is forward-looking, due to such considerations as changed conditions concerning the economy, market and competition.

Future reporting dates

<i>Interim report January – June 2017</i>	<i>21 July, 2017</i>
<i>Interim report January – September 2017</i>	<i>8 November, 2017</i>

Stockholm, 3 May, 2017
Concentric AB (publ)

David Woolley
President and CEO

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Corporate Registration Number 556828-4995
This Interim Report has not been audited.

Alternative performance measures

Amounts in MSEK	Jan–Mar		Apr–Mar	Jan–Mar
	2017	2016	2017	2016
EBIT or Operating income	100	85	356	341
Negative goodwill related to the acquisition of GKN Pumps ¹⁾	–	–	–	–
Restructuring costs and acquisition related expenses	–	–	26	26
Impairment of tangible assets	–	–	9	9
Curtailement gains, pensions	–	–	–39	–39
Underlying EBIT or Operating income	100	85	352	337
EBIT or Operating margin (%)	18.3	16.5	17.5	17.0
Underlying EBIT or Operating margin (%)	18.3	16.5	17.3	16.8

¹⁾ Negative goodwill had no tax related entries.

Underlying EBIT or Operating margin has been chosen as a measure as this is a better reflection of the underlying performance of the business.

Graph data summary

	Q1/2017	Q4/2016	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Americas									
Sales, MSEK	264	233	253	252	250	253	288	333	331
Book-to-Bill %	110	116	98	98	98	99	89	88	101
EBIT before items affecting comparability, MSEK	37	28	33	32	32	34	39	46	45
EBIT margin before items affecting comparability, %	13.9	12.0	13.2	12.8	12.8	13.6	13.3	13.9	13.6
Europe & RoW									
Sales (including Alfdex), MSEK	335	281	281	321	315	301	318	334	339
Book-to-Bill %	102	114	94	94	103	98	103	91	104
EBIT before items affecting comparability, MSEK	64	54	49	58	54	51	56	58	58
EBIT margin before items affecting comparability, %	19.2	19.2	17.3	18.0	17.1	17.1	17.4	17.3	17.0
Alfdex eliminations									
Sales, MSEK	–53	–41	–43	–51	–47	–50	–47	–47	–47
EBIT before items affecting comparability, MSEK	–1	–	–1	–1	–1	0	–2	–2	–1
Group									
Sales (excluding Alfdex), MSEK	546	473	491	522	518	504	559	620	623
Book-to-Bill %	105	115	93	95	100	108	100	100	101
EBIT before items affecting comparability, MSEK	100	82	81	88	85	85	93	102	102
EBIT margin before items affecting comparability, %	18.3	17.4	16.5	17.0	16.5	16.6	16.6	16.5	16.3
Basic EPS, SEK	1.83	1.57	1.45	1.52	1.46	1.35	1.57	1.78	1.75
ROE, %	35	32	30	29	28	32	33	34	34
Cash flow from operating activities per share, SEK	1.92	2.44	2.79	3.21	1.55	3.06	1.47	2.69	1.49
WC as % of annualised sales	1.9	–1.2	2.0	3.4	5.6	4.4	4.7	3.9	6.4
Net Debt, MSEK	224	300	559	686	513	488	451	455	630
ND/E Ratio, %	29	35	81	112	63	57	53	49	84
ND/E Ratio (excl Pensions), %	–41	–30	–26	–13	–15	–9	–4	–4	–14

Glossary & Definitions

Americas	Americas operating segment comprising the Group's operations in the USA and South America
Book-to-bill	Total sales orders received and booked into the order backlog during a three month period, expressed as a percentage of the total sales invoiced during that same three month period
Capital employed	Total assets less interest bearing financial assets and cash and cash equivalents and non-interest bearing liabilities, excluding any tax assets and tax liabilities
Drop-through rate	Year-on-year movement in operating income as a percentage of the year-on-year movement in net sales
EBIT or Operating income	Earnings before interest and tax
EBIT or Operating margin	Operating income as a percentage of net sales
EPS	Earnings per share, net income divided by the average number of shares
Europe & RoW	Europe and the rest of the world operating segment comprising the Group's operations in Europe, India and China
Gearing ratio	Ratio of net debt to shareholders' equity
Gross margin	Net sales less cost of goods sold, as a percentage of net sales
Net debt	Total interest-bearing liabilities less liquid funds
Net investments	Fixed asset additions net of fixed asset disposals and retirements
PPE	Property, Plant and Equipment
PPM	Parts Per Million defect rate
OEMs	Original Equipment Manufacturers
Order backlog	Customer sales orders received which will be fulfilled over the next three months
R&D	Research and development expenditure
ROCE	Return on capital employed; EBIT or Operating income as a percentage of the average capital employed over a rolling 12 months
ROE	Return on equity; net income as a percentage of the average shareholders' equity over a rolling 12 months
Sales growth, constant currency	Growth rate based on sales restated at prior year foreign exchange rates
Structural growth	Sales growth derived from new business contracts, i.e. not from changes in market demand or replacement business contracts
"Underlying" or "before items affecting comparability"	Adjusted for restructuring costs and other specific items (including the taxation effects thereon, as appropriate)
Working capital	Current assets excluding cash and cash equivalents, less non-interest-bearing current liabilities



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