Interim report – Third quarter and first nine months 2017

Press release October 20, 2017

Third quarter 2017

- Net sales increased by 10 percent to SEK 6,492 (5,880) million. Organic growth was 10 (7) percent and acquisitions contributed 2 percentage points. Fewer trading days in the quarter had a negative effect of -2 percentage points on sales.
- Operating profit (EBIT) increased by 13 percent to SEK 510 (451) million. Fewer trading days in the quarter had a negative effect of approximately SEK 30 million on operating profit.
- Profit (EBITA) increased by 11 percent to SEK 597 (538) million, with an EBITA margin of 9.2 (9.2) percent. Adjusted EBITA increased by 10 percent to SEK 597 (545) million, with an adjusted EBITA margin of 9.2 (9.3) percent.
- Profit after tax was SEK 323 (152) million.
- Basic and diluted earnings per share were SEK 0.74 (0.54).
- During the quarter, an agreement was signed on the acquisition of Lenson Elektro AS, with an estimated annual turnover of approximately SEK 23 million.
- The Swedish Competition Authority has approved the acquisition of ViaCon VA, with an estimated annual turnover of approximately SEK 320 million. Closing is expected in early November.

Interim period January - September

- Net sales increased by 12 percent to SEK 19,879 (17,704) million. Organic growth was 9 (7) percent.
- Operating profit (EBIT) increased by 15 percent to SEK 1,423 (1,241) million.
- Profit (EBITA) increased by 13 percent to SEK 1,685 (1,496) million, with an EBITA margin of 8.5 (8.4) percent. Adjusted EBITA increased by 13 percent to SEK 1,697 (1,503) million, with an adjusted EBITA margin of 8.5 (8.5) percent.
- Profit after tax was SEK 966 (280) million.
- Basic and diluted earnings per share were SEK 2.21 (1.00).
- Three acquisitions were made, with a combined annual turnover of approximately SEK 220 million.

Financial summary

	2017 Jul-Sep	2016 Jul-Sep	*change*	2017 Jan-Sep	2016 Jan-Sep	*change*	Rolling 12 months	Full year 2016
Net sales, SEK million	6,492	5,880	*10%*	19,879	17,704	*12%*	26,781	24,606
Organic growth, %	10%	7%		9%	7%			7%
Operating profit, EBIT	510	451	*13%*	1,423	1,241	*15%*	1,900	1,719
Profit (EBITA), SEK million	597	538	*11%*	1,685	1,496	*13%*	2,248	2,058
Adjusted EBITA, SEK million	597	545	*10%*	1,697	1,503	*13%*	2,325	2,131
EBITA margin, %	9.2%	9.2%		8.5%	8.4%		8.4%	8.4%
Adjusted EBITA margin	9.2%	9.3%		8.5%	8.5%		8.7%	8.7%
Profit after tax (profit for the period), SEK million	323	152	*113%*	966	280	*245%*	1,027	342
Basic earnings per share, SEK	0.74	0.54		2.21	1.00		2.41	1.11
Diluted earnings per share, SEK	0.74	0.54		2.21	1.00		2.41	1.11
Operating cash flow	-128	206	*-162%*	606	816	*-26%*	1,791	2,000
Operating cash flow/EBITDA (Cash conversion)							74%	90%
External net debt/Adjusted EBITDA							3.0	3.3

Organic growth, EBITA, Adjusted EBITA, EBITA margin, Adjusted EBITA margin are alternative performance measures, for which detailed calculations are presented on page 25.

Statement from the CEO

Strong third quarter with high activity level

It was a strong third quarter for the Ahlsell Group, with sales increasing by 10 percent compared with the previous year. All main markets contributed to the growth and the future outlook remains favourable.

The good market development that characterised 2017 so far continued during the quarter, with particularly good growth in September. Organic growth was 10%, which not only indicates good market development, but also shows that our investments have been successful. Our wide product range, availability and delivery capacity create value for customers, which is clear in periods of high customer activity and when requirements for product availability and delivery are critical. We grow in all our sales channels and note a continuously strong development within online-sales. We managed to achieve an EBITA margin of 9.2 (9.2) percent during the quarter, while the level of activity and project volumes, particularly in construction and infrastructure, continued to be strong.

Ahlsell Sweden remains the Group's driving force, with organic growth of 13%. The growth reflects strong demand and all product segments increased their sales. Our ongoing initiatives, focusing on both new customer segments and new and converted stores, have been well received by customers. The central warehouse Hallsberg reported a high level of activity during the quarter, confirming our previously announced investment decision. The capacity expansion is proceeding according to plan, and the 12,500 square metre pipe warehouse was opened in early October, which means that we now have a central warehouse covering 80,000 square metres under roof. We look forward to increased automation and further streamlining on completion of the expansion in late 2018/early 2019.

Ahlsell Norway had organic growth of 8% in the quarter, with the Oslo region accounting for the largest part of growth. There is a high level of activity at the central warehouse in Gardemoen, and it is worth mentioning that the number of housing starts is expected to be the highest in almost 40 years in Norway. We also see that the reorganisation we have worked on during 2017 is starting to produce results. The customer presence has been expanded, with new and more full-range stores, while initiatives aimed at aquaculture and facility management customers have been successful.

Ahlsell Finland continues to develop positively, but with a slightly weaker growth rate than other markets. The particularly important Helsinki region remains an important part of our strategy and we will be establishing branches in two new attractive locations in the city during the fourth quarter. The measures we have communicated during 2017 are continuing according to plan. These include the reorganisation which, like the one previously conducted in Norway, is expected to have a positive effect as a result of increased sales and marketing.

Acquisitions are an important part of Ahlsell's strategy for profitable growth and during the year we have strengthened our organisation for acquisitions. We see good opportunities to grow – within all product areas and regions. Lenson Elektro AS was acquired during the quarter, giving us access to expertise in temporary electrical installations in Norway. In addition, the Swedish Competition Authority has approved the acquisition of ViaCon VA in Sweden, which not only gives us access to attractive customer segments, but also brings increased distribution in the area of advanced geotechnical products. After closing of the above two transactions, Ahlsell will have acquired a total annual turnover of approximately SEK 565 million in 2017.

Outlook – It is pleasing to see that we are appreciated by our customers and have a high level of activity in our business. We have a well-diversified customer base and exposure to several market segments with different economic patterns, which means that we see long-term good demand for our products and services. We are positively affected by the current good growth in new construction and a bulk of our deliveries normally continue for about 6-18 months after the start of construction. I would also emphasise that over time the largest part of our construction revenue is related to renovation projects, for which we see pent-up demand in the period ahead. In addition, the infrastructure market in Sweden and Norway is developing strongly.

In the next coming quarters, everything points to continuing strong demand for our products.

Johan Nilsson
President and CEO

The new pipe warehouse at the Swedish central warehouse was inagurated in October.

Ahlsell is the Nordic region's leading distributor of installation products, tools and supplies for installers, construction companies, facility managers, industrial and power companies and the public sector. The unique customer offer covers more than one million individual products and solutions. The Group has a turnover of approximately SEK 27 billion and is listed on Nasdaq Stockholm. About 97 percent of the revenue is generated in the three main markets of Sweden, Norway and Finland. With over 5,000 employees, more than 200 branches and three central warehouses, we constantly fulfil our customer promise:

Ahlsell makes it easier to be professional.

Net sales

Third quarter

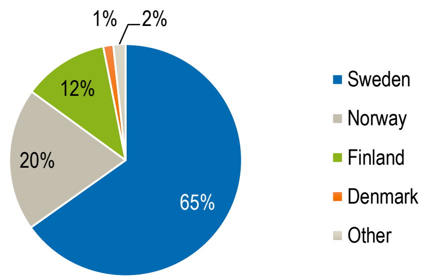
Net sales for the quarter increased by 10 percent to SEK 6,492 (5,880) million. Organic growth was 10 percent. Organic growth and acquisitions combined accounted for growth of 12 percent, of which the acquired entities are estimated to have contributed 2 percentage points, corresponding to approximately SEK 91 million. The quarter had one less trading day, which resulted in a sales decline of -2 percentage points or SEK 100 million. Translation effects had a marginal impact on net sales during the quarter.

Market conditions have remained good in all main markets and in all product segments. The strong growth during the period has been driven by the Swedish and Norwegian markets, with a high level of activity at the start of the high season months. The Finnish market continues to develop positively, but slightly slower than other main segments. The segments Denmark and Other, which together account for about 3 percent of the Group's sales, have continued to show positive growth during the period, even though developments have varied in the different geographical regions.

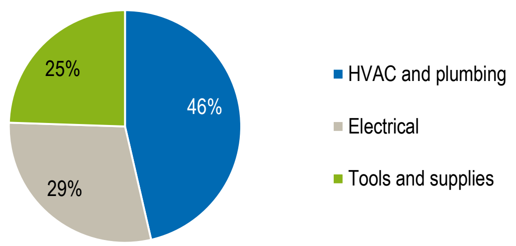
Interim period January – September (9 months)

Net sales for the interim period increased by 12 percent to SEK 19,879 (17,704) million. Organic growth was 9 percent. Revenue from acquired entities is estimated to have contributed approximately SEK 437 million, equivalent to a net sales growth of 3 percentage points. Together, organic growth and acquisitions accounted for 12 percent growth. Fewer trading days compared with the same period the previous year had a negative effect of -1 percent on sales. Translation effects had a positive effect of 1 percent on net sales in the interim period, corresponding to SEK 218 million.

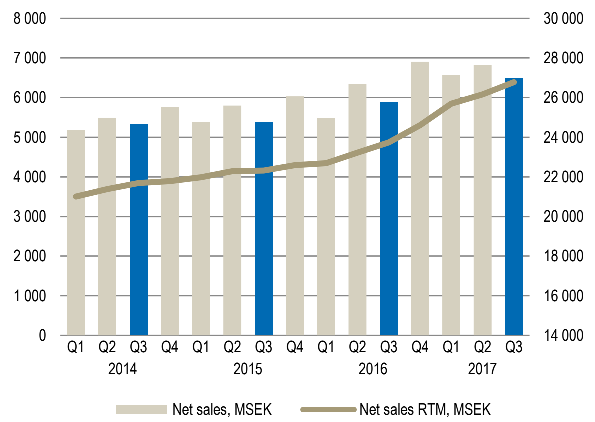
Net sales by segment rolling 12 months



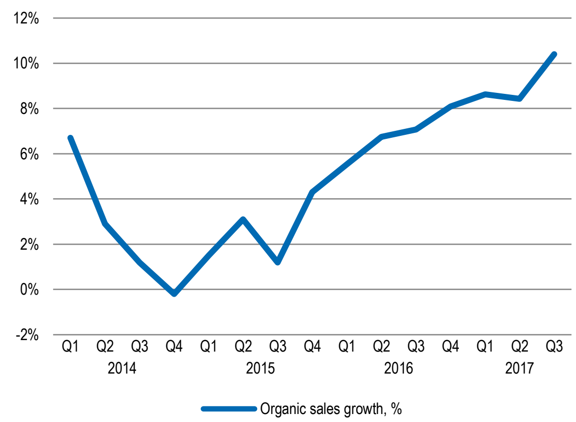
Net sales by product segment rolling 12 months



Net sales per quarter and rolling 12 months



Organic sales growth per quarter



Earnings

Third quarter

The Group's EBITA for the quarter was SEK 597 (538) million, with an EBITA margin of 9.2 (9.2) percent. Adjusted EBITA increased by 10 percent to SEK 597 (545) million, with an adjusted EBITA margin of 9.2 (9.3) percent. The gross margin was 27.0 (27.1) percent. Fewer trading days compared with the previous year had a negative effect of approximately SEK 30 million on operating profit.

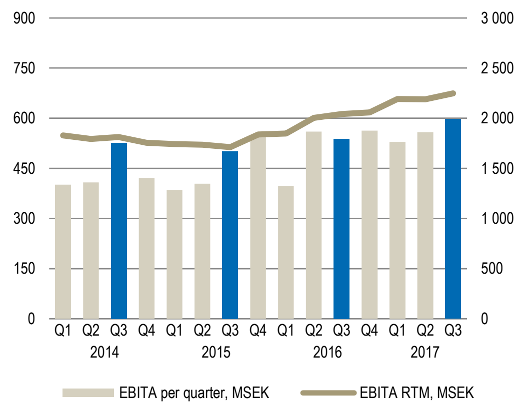
Profit before tax for the period was SEK 421 (263) million. Profit for the period amounted to SEK 323 (152) million.

Interim period January – September (9 months)

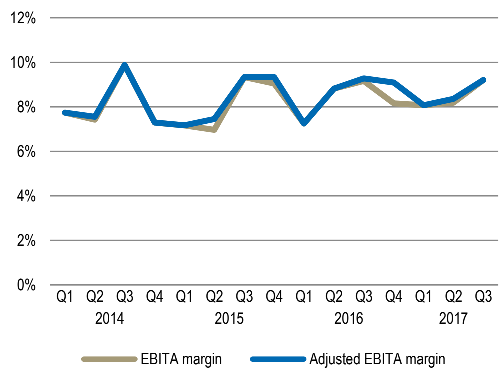
The Group's EBITA for the interim period was SEK 1,685 (1,496) million, corresponding to an increase of 13 percent and an EBITA margin of 8.5 (8.4) percent. Adjusted EBITA increased by 13 percent to SEK 1,697 (1,503) million, with an adjusted EBITA margin of 8.5 (8.5) percent. The gross margin was 27.0 (27.2) percent, a slight decline compared with the same period the previous year, which is partly explained by higher project volumes and higher growth in segments with lower margins.

Profit before tax for the period was SEK 1,259 (519) million. Profit for the period amounted to SEK 966 (280) million.

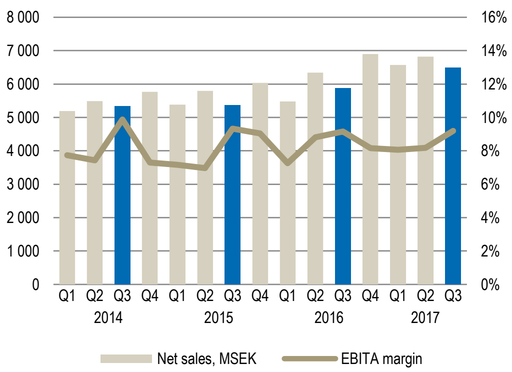
EBITA per quarter and rolling 12 months



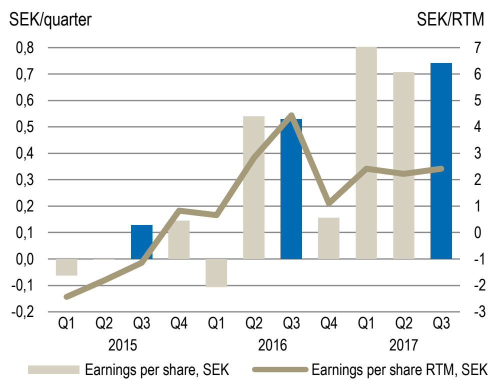
EBITA margin per quarter



Net sales and EBITA margin per quarter



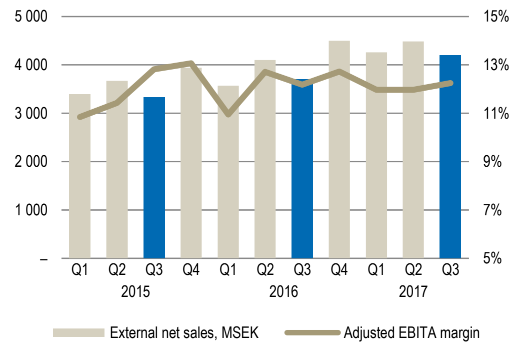
Earnings per share per quarter and rolling 12 months



Segment Sweden

- Strong demand and sales increased in all product segments.
- The Swedish Competition Authority has approved the acquisition of ViaCon VA.
- Organic growth was 13 percent.
- EBITA amounted to SEK 515 (451) million, corresponding to a margin of 12.2 (12.2) percent.

External net sales and adjusted EBITA margin per quarter



Sweden	2017 Jul-Sep	2016 Jul-Sep	change	2017 Jan-Sep	2016 Jan-Sep	change	Rolling 12 months	Full year 2016
External net sales, SEK million	4,202	3,699	*14%*	12,947	11,373	*14%*	17,448	15,874
Organic growth, %	13%	8%		10%	7%			8%
Profit (EBITA), SEK million	515	451	*14%*	1,562	1,363	*15%*	2,134	1,936
Adjusted EBITA, SEK million	515	451	*14%*	1,562	1,363	*15%*	2,134	1,936
EBITA margin, %	12.2%	12.2%		12.1%	12.0%		12.2%	12.2%
Adjusted EBITA margin, %	12.2%	12.2%		12.1%	12.0%		12.2%	12.2%

Third quarter

External net sales for the Swedish operations amounted to SEK 4,202 (3,699) million, an increase of 14 percent. Organic growth was 13 percent and revenue from acquired entities is estimated to have contributed approximately SEK 91 million, equivalent to 3 percentage points of sales growth. Together, organic growth and acquisitions accounted for 16 percent growth. Fewer trading days resulted in a sales decline of -2 percentage points. The strongest growth has been noted among customers in Electrical infrastructure, Construction and Industry, driven by favourable market conditions and active marketing.

In the construction sector, it is primarily new construction of residential and commercial buildings that is driving the positive growth. The market benefits from good GDP growth, population growth, a continuation of high housing prices, low interest rates and a strong labour market. The industrial sector has also experienced an upturn, as seen in the statistics, which paves the way for increased investments. The above drivers also favour the renovation market, which is showing growth in both commercial properties and multi-dwelling buildings.

EBITA for the quarter increased by 14 percent to SEK 515 (451) million, with an EBITA margin of 12.2 (12.2) percent. The improvement in earnings was attributable to increased sales in all product segments. Fewer trading days had a negative effect of SEK 19 million on operating profit. Continuing strong developments in infrastructure projects and large nationwide customers have affected margins. The higher cost level compared with the previous year is caused by acquired entities, increased costs in Hallsberg due to high activity levels and market- and sales initiatives.

The Swedish Competition Authority has approved the acquisition of ViaCon VA. The company, which sells water and sewer products, has an estimated annual turnover of approximately SEK 320 million. Closing is expected to be in early November.

The extension of the warehouse capacity in Hallsberg is progressing according to plan and without disturbing operations. The new pipe warehouse has been completed and, with the subsequent automation, is expected to contribute to increased efficiency.

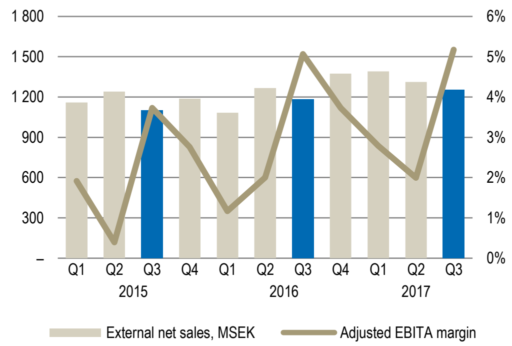
Interim period

External net sales for the interim period increased by 14 percent to SEK 12,947 (11,373) million. Organic growth was 10 percent and revenue from acquired entities is estimated to have contributed approximately SEK 437 million, equivalent to 4 percentage points of the sales growth. EBITA increased by 15 percent to SEK 1,562 (1,363) million, with an EBITA margin of 12.1 (12.0) percent. A total of three acquisitions, with a combined annual turnover of approximately SEK 220 million, were made during the interim period.

Segment Norway

- The construction and installation markets driven by strong growth in new housing construction.
- An agreement on the acquisition of Lenson Elektro AS, with an annual turnover of approximately SEK 23 million, was entered into during the quarter.
- Organic growth was 8 percent.
- EBITA amounted to SEK 65 (53) million, corresponding to a margin of 5.2 (4.5) percent. Adjusted EBITA for the previous year was SEK 60 million.

External net sales and adjusted EBITA margin per quarter



Norway	2017 Jul-Sep	2016 Jul-Sep	change	2017 Jan-Sep	2016 Jan-Sep	change	Rolling 12 months	Full year 2016
External net sales, SEK million	1,254	1,185	*6%*	3,956	3,534	*12%*	5,331	4,909
Organic growth, %	8%	8%		8%	7%			7%
Profit (EBITA), SEK million	65	53	*22%*	130	91	*43%*	181	142
Adjusted EBITA, SEK million	65	60	*8%*	130	98	*32%*	181	149
EBITA margin, %	5.2%	4.5%		3.3%	2.6%		3.4%	2.9%
Adjusted EBITA margin, %	5.2%	5.1%		3.3%	2.8%		3.4%	3.0%

Third quarter

External net sales for the Norwegian operations amounted to SEK 1,254 (1,185) million, an increase of 6 percent. Organic growth was 8 percent. Fewer trading days resulted in a sales decline of -2 percentage points. Translation effects had an impact of -1 percentage point, corresponding to SEK 7 million. Sales to electricity-utility companies and electrical- and HVAC-installers showed the strongest growth during the quarter. The water and sewer business also experienced good growth during the quarter, partly driven by investments in the public sector.

As in the previous year, residential new construction is the main driver in the construction sector, but demand is also increasing in commercial property new construction and in the renovation, maintenance and improvement (RMI) sector. Geographically, the Oslo region accounts for most of the growth. Investments in infrastructure, particularly roads, are also showing positive growth.

EBITA for the quarter increased by 22 percent to SEK 65 (53) million, with an EBITA margin of 5.2 (4.5) percent. Adjusted EBITA for the same period the previous year was SEK 60 million, with a margin of 5.1 percent. Operating profit was negatively affected by fewer trading days, corresponding to a loss in earnings of SEK 5 million. Compared with the previous year, the gross margin was slightly lower during the quarter, partly due to a higher growth rate for large installation customers and utilities.

An agreement on the acquisition of Lenson Elektro AS, with operations in the electrical product segment and an annual turnover of approximately SEK 23 million, was entered into during the quarter. The company specialises in products and services for temporary electrical installations. Closing was in early October.

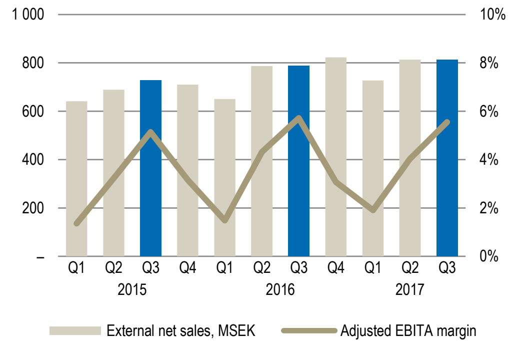
Interim period

External net sales for the interim period increased by 12 percent to SEK 3,956 (3,534) million. Organic growth was 8 percent. Translation effects had a positive impact of 4 percent, corresponding to SEK 145 million. EBITA increased by 43 percent to SEK 130 (91) million, with an EBITA margin of 3.3 (2.6) percent. Adjusted EBITA for the comparative period was SEK 98 million, with a margin of 2.8 percent.

Segment Finland

- Positive development towards construction and industrial customers.
- Continued high activity to develop the branch network and market offering.
- Organic growth was 4 percent.
- EBITA amounted to SEK 45 (45) million, corresponding to a margin of 5.6 (5.7) percent.

External net sales and adjusted EBITA margin per quarter



Finland	2017 Jul-Sep	2016 Jul-Sep	*change*	2017 Jan-Sep	2016 Jan-Sep	*change*	Rolling 12 months	Full year 2016
External net sales, SEK million	812	789	*3%*	2,352	2,226	*6%*	3,176	3,050
Organic growth, %	4%	7%		4%	6%			7%
Profit (EBITA), SEK million	45	45	*0%*	80	89	*-9%*	106	114
Adjusted EBITA, SEK million	45	45	*0%*	92	89	*3%*	117	114
EBITA margin, %	5.6%	5.7%		3.4%	4.0%		3.3%	3.7%
Adjusted EBITA margin, %	5.6%	5.7%		3.9%	4.0%		3.7%	3.7%

Third quarter

External net sales for the Finnish operations amounted to SEK 812 (789) million, an increase of 3 percent. Organic sales growth was 4 percent. Fewer trading days resulted in a sales decline of -2 percentage points. Translation effects had a marginal impact on sales growth during the quarter. Sales to construction and industrial customers showed the strongest growth.

Growth in the construction sector is driven primarily by new construction of housing in attractive growth regions, where the construction of apartments in multi-dwelling buildings has risen to record high levels. Construction of new commercial buildings is also increasing, driven mainly by public building types, but recently also by an increase in private commercial buildings, albeit from low levels. The industrial sector is benefiting from improved demand from abroad.

EBITA for the quarter was SEK 45 (45) million, with an EBITA margin of 5.6 (5.7) percent. Operating profit was negatively affected by fewer trading days, corresponding to SEK 3 million. The measures taken during the second quarter to reduce cost levels have had the desired effect. However, the quarter has been affected by temporarily increased costs associated with activities aimed at developing the sales force and stimulating marketing, including a strengthening of the branch network.

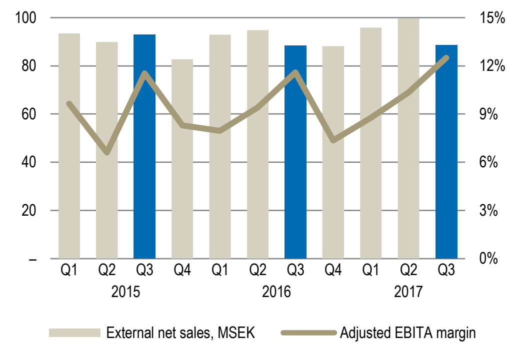
Interim period

External net sales for the interim period increased by 6 percent to SEK 2,352 (2,226) million. Organic growth was 4 percent. Translation effects had a positive impact of 2 percent, corresponding to SEK 51 million. Profit (EBITA) amounted to SEK 80 (89) million, with an EBITA margin of 3.4 (4.0) percent. Adjusted EBITA increased by 3 percent to SEK 92 (89) million, with an adjusted EBITA margin of 3.9 (4.0) percent.

Segment Denmark

- Challenging market conditions.
- Organic growth was 2 percent.
- EBITA amounted to SEK 11 (10) million, corresponding to a margin of 12.5 (11.6) percent.

External net sales and adjusted EBITA margin per quarter



Denmark	2017 Jul-Sep	2016 Jul-Sep	*change*	2017 Jan-Sep	2016 Jan-Sep	*change*	Rolling 12 months	Full year 2016
External net sales, SEK million	89	88	*0%*	284	276	*3%*	372	364
Organic growth, %	2%	-6%		1%	-1%			-1%
Profit (EBITA), SEK million	11	10	*8%*	30	27	*12%*	36	33
Adjusted EBITA, SEK million	11	10	*8%*	30	27	*12%*	36	33
EBITA margin, %	12.5%	11.6%		10.5%	9.6%		9.7%	9.1%
Adjusted EBITA margin, %	12.5%	11.6%		10.5%	9.6%		9.7%	9.1%

Third quarter

External net sales for the Danish operations amounted to SEK 89 (88) million. Organic growth was 2 percent, while fewer trading days had a negative effect of -2 percentage points on sales. Translation effects had a marginal impact on sales growth during the quarter.

Competition for the Danish DIY market remains intense, with somewhat weaker sales and squeezed margins as a result. The refrigeration market also faces challenges, such as a reduced new establishment rate for super markets, resulting in increased competition for existing businesses. However, Ahlsell's sales for the refrigeration operations have increased as a result of price increases for refrigerants following introduction of EU directives and quotas.

EBITA for the quarter increased by 8 percent to SEK 11 (10) million, with an EBITA margin of 12.5 (11.6) percent. The majority of the result increase in the quarter relates to the increased sales within the refrigeration operations.

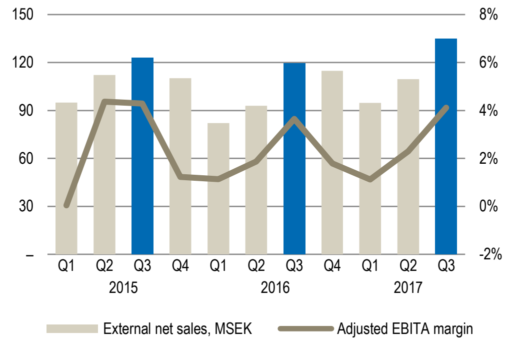
Interim period

External net sales for the interim period increased by 3 percent to SEK 284 (276) million. Organic growth was 1 percent. Translation effects had a positive impact of 2 percent, corresponding to SEK 6 million. EBITA increased by 12 percent to SEK 30 (27) million, with an EBITA margin of 10.5 (9.6) percent. The result increase during the period is partly related to the increased sales within the refrigeration operations.

Segment Other

- Strong growth in Estonia and Poland.
- Negative growth for the Russian operations.
- Organic growth was 12 percent.
- EBITA amounted to SEK 6 (4) million, corresponding to a margin of 4.1 (3.7) percent.

External net sales and adjusted EBITA margin per quarter



Other Estonia, Russia and Poland	2017 Jul-Sep	2016 Jul-Sep	*change*	2017 Jan-Sep	2016 Jan-Sep	*change*	Rolling 12 months	Full year 2016
External net sales, SEK million	135	120	*13%*	339	295	*15%*	454	410
Organic growth, %	12%	-3%		10%	-9%			-7%
Profit (EBITA), SEK million	6	4	*27%*	9	7	*30%*	11	9
Adjusted EBITA, SEK million	6	4	*27%*	9	7	*30%*	11	9
EBITA margin, %	4.1%	3.7%		2.7%	2.4%		2.5%	2.2%
Adjusted EBITA margin, %	4.1%	3.7%		2.7%	2.4%		2.5%	2.2%

Third quarter

External net sales for Other amounted to SEK 135 (120) million, an increase of 13 percent. Organic sales growth was 12 percent, and fewer trading days had a negative effect of -2 percentage points. Translation effects had a positive impact of 3 percent, corresponding to SEK 3 million. The organic sales growth is driven by strong growth in the Estonian and Polish operations, while the Russian operations showed considerably weaker development.

EBITA for the quarter increased by 27 percent to SEK 6 (4) million, with an EBITA margin of 4.1 (3.7) percent.

Interim period

External net sales for the interim period increased by 15 percent to SEK 339 (295) million. Organic growth was 10 percent. Translation effects had a positive impact of 6 percent, corresponding to SEK 16 million. EBITA increased by 30 percent to SEK 9 (7) million, with an EBITA margin of 2.7 (2.4) percent.

Acquisitions

Three acquisitions were made during the interim period, with a combined annual turnover of approximately SEK 220 million. The acquisitions were all conducted by the Swedish operations in the Tools & Supplies product area. The total purchase consideration was SEK 128 million, with a cash flow effect of SEK -111 million. The acquired companies have reported net assets of SEK 49 million. Intangible surplus values were allocated as follows: SEK 14 million to customer relationships and SEK 68 million to goodwill. Goodwill is attributable to the synergies that are expected to arise. As the acquired businesses were integrated into Ahlsell's existing operations after the acquisition date, it is not possible to present information about their contribution to consolidated net sales and earnings. Ahlsell considers the analysis of the acquired net assets to be provisional, and subsequent fair value adjustments may therefore be made.

Closing	Completed acquisitions 2017	Country	Product area	Annual sales SEK million[a]	Number of employees[b]
28 Feb 2017	G-ESS Yrkeskläder AB	Sweden	Tools & Supplies	120	37
2 May 2017	C.J. Järn & Maskin AB	Sweden	Tools & Supplies	46	18
1 June 2017	Svensk Industri & Kommunservice AB	Sweden	Tools & Supplies	55	13
Total				**221**	**68**

[a] Estimated sales for the last 12 months on date of closing [b] On acquisition date

In June, Ahlsell signed an agreement with Saferoad Holding on the acquisition of its Swedish water & sewer business ViaCon VA, with an estimated annual turnover of approximately SEK 320 million. The agreement includes the takeover of inventories, equipment and intangible assets belonging to the Water & Sewer operations. The business has 81 employees based at 11 locations in Sweden. The acquisition adds valuable expertise and strengthens Ahlsell's focus on attractive customer segments in construction and infrastructure. The purchase consideration for the Water & Sewer operations, including inventories, is approximately SEK 90 million and is dependent on the size of working capital on the date of closing. The transaction was subject to approval by the Swedish Competition Authority, which was granted at the end of September. Closing is expected to be in early November.

In September, Ahlsell entered into an agreement on the acquisition of Lenson Elektro AS, with an annual turnover of approximately SEK 23 million. Lenson Elektro AS (Lenson) provides products in the area of temporary electrical installations such as lighting and climate. The company is located in Trondheim and has five employees. Lenson's primary market is Norway's central regions. Closing was in early October. The final analysis and purchase price allocation are not yet completed.

Closing	Completed acquisitions 2017	Country	Product area	Annual sales SEK million[a]	Number of employees[b]
8 June 2016	Elgross'n i Göteborg AB	Sweden	Electrical	120	33
1 Aug 2016	Prevex AB	Sweden	Tools & Supplies	400	104
6 Dec 2016	Värmematerial VVS AB (assets & liabilities)	Sweden	HVAC	80	24
Total				**600**	**161**

[a] Estimated sales for the last 12 months on date of closing [b] On acquisition date

The acquisition analyses for Elgross'n and Prevex are finalized and no changes have been made compared to previously communicated information.

Net financial items

The Group's net financial items for the third quarter amounted to SEK -88 (-188) million. The improvement is largely due to the full repayment of shareholder loans in October 2016, which now no longer affect net financial items, and new financing in the fourth quarter of 2016 with better interest terms than the previous financing. Net interest expense was SEK -46 (-331) million. Interest expense related to the shareholder loans that were fully repaid in October 2016 had an impact of approximately SEK -163 million on net interest expense for the comparative period. Currency effects had an impact of SEK 12 (-24) million on net financial items, while revaluation of currency and interest rate derivatives had an impact of SEK -21 (171) million on net financial items. The revaluation of equity swaps (used to hedge the Group's long-term share-saving programme) had an effect of SEK -30 (0) million on net financial items.

The Group's net financial items for the period January-September amounted to SEK -164 (-722) million. The improvement for the interim period is largely due to the full repayment of shareholder loans in October 2016, which now no longer affect net financial items, and the new financing arranged in the fourth quarter of 2016. Net interest expense was SEK -140 (-997) million. Interest expense related to the shareholder loans that were fully repaid in October 2016 had an impact of approximately SEK -486 million on net interest expense for the comparative period. Currency effects had an impact of SEK -29 (-88) million on net financial items, while revaluation of currency and interest rate derivatives had an impact of SEK 21 (394) million on net financial items. The revaluation of equity swaps (used to hedge the Group's long-term share-saving programme) had an effect of SEK -5 (0) million on net financial items.

Tax

Tax on profit for the third quarter amounted to SEK -98 (-111) million. Tax on profit for the period January-September amounted to SEK -293 (-85) million. The higher tax cost for the year is due to the higher earnings level compared with the previous year. The effective tax rate for the interim period was 23%.

Financial position and liquidity

The Group's cash and cash equivalents at 30 September were SEK 612 (1,634) million, a decline of SEK 597 million since the beginning of the year. There are also unused credit facilities of SEK 3,027 million. In the beginning of September, commercial papers amounting to SEK 1,000 millions were issued to refinance parts of existing debt.

External net debt at 30 September amounted to SEK 7,531 (8,209) million, a decline of SEK 678 million since September the previous year. External net debt/adjusted EBITDA was 3.0 (3.7) times.

The Group's equity at 30 September was SEK 8,888 (1,075) million, an increase of SEK 799 million since the beginning of the year.

Cash flow and investments

Cash flow from operating activities before changes in working capital for the third quarter was SEK 528 (380) million. The increase compared with the previous year is mainly due to the higher earnings level. Cash flow from changes in working capital was SEK -704 (-337) million. Cash flow from changes in working capital has been affected by the higher sales level compared with the previous year and inventories have been increased to support the strong sales. Cash flow from investing activities was SEK -66 (-429) million. The period's cash flow from investing activities was adversely affected by expenses associated with the central warehouse extension in Hallsberg. On completion, some of the expenses will be rebilled to the lessor. The expenses to be rebilled amounted to SEK 14 million in the quarter. Investments in property, plant and equipment and intangible assets during the third quarter amounted to SEK -52 (-28) million. Cash flow from financing activities for the third quarter amounted to SEK -101 (0) million and was affected by repayments of SEK 1,100 million and commercial papers of SEK 999 million. Cash flow for the period amounted to SEK 344 (-385) million.

Cash flow from operating activities before changes in working capital for the period January-September was SEK 1,422 (993) million. The increase compared with the previous year is mainly due to the higher earnings level. Cash flow from changes in working capital was SEK -1,038 (-719) million. Cash flow from investing activities, including acquisitions, was SEK -322 (-449) million. In the previous year, the sale of a property had a positive impact of about SEK 70 million on investing activities. Expenditure on the central warehouse extension in Hallsberg, which will be rebilled to the lessor on completion, amounted to SEK 66 million during the interim period. Investments in property, plant and equipment and intangible assets during the period January-September amounted to SEK -145 (-104) million. Cash flow from financing activities was SEK -659 (-555) million, which during the period has been impacted by amortization of SEK 1,506 millions, commercial papers issuance of SEK 999 and paid dividend to shareholders of SEK 153 millions.

Operating cash flow (see note 3) for the last twelve months was SEK 1,791 (2,169) millions. Operating cash flow /EBITDA (Cash conversion) was 74 (99) percent for the last twelve months. An important explaination of the lower level is increased inventories to support the strong sales. In addition, net investments have also been at a higher level than in the comparable period.

Personnel

The number of employees at the end of the period was 5,292 (5,129). The average number of employees in the period January-September was 5,198 (4,932). Acquisitions since the beginning of the year have increased the number of employees by 68. Acquisitions in 2016, after the end of the comparative period, increased the number of employees by about 25.

The Group's share-savings programme costs for the third quarter were SEK 13 million. SEK 9 million of this amount was credited to equity and SEK 4 million was reserved for social security contributions. The Group's share-savings programme costs for the period January-September were SEK 38 million. SEK 28 million of this amount was credited to equity and SEK 10 million was reserved for social security contributions. The costs are reported in the Central segment. Equity swaps (total 5.3 million shares) are used to hedge the Group's long-term share-savings programme.

Parent Company

Ahlsell AB (publ), corp. ID 556882-8916, is the Parent Company of the Group. The Parent Company's net sales for the third quarter were SEK 106 (0) million. Profit before tax amounted to SEK 127 (-36) million. The Parent Company's net sales for the period January-September were SEK 328 (0) million. Profit before tax amounted to SEK 501 (-82) million. The Parent Company's cash and cash equivalents amounted to SEK 3 (0) million at the end of the period. The Company is financed via the Group's cash pool.

Other events

On 23 August, Ahlsell AB established a commercial paper programme with a total value of SEK 2,500 million. In early September, SEK 1,000 million was issued, and was used to repay parts of existing loans.

Significant events after the end of the interim period

Group internal restructuring

To simplify the Group structure, group internal restructurings were made in October. This has had a negative effect on the parent company equity of approximately SEK 1,750 million. This has not had an effect on the Group's equity.

Repurchase of shares

The Board of Directors of Ahlsell has decided to use the authorization for repurchase of own shares granted by the Annual General Meeting on May 4, 2017. Up to 7.0 million shares will be acquired. The purpose of the repurchase is to secure the implementation of the Group's long-term incentive plan. Currently, equity swaps (amounting to 5.3 million shares) are used for this, which will be terminated in connection with the repurchase. The total number of outstanding shares in Ahlsell amounts to 436,302,187.

Related-party transactions

The Luxembourg-based company Keravel S.a.r.l. owns 25.1% of Ahlsell AB (publ), corp. ID 556882-8916 (registered in Sweden with registered office in Stockholm). Ahlsell's shares were admitted to trading on Nasdaq Stockholm on 28 October 2016. Prior to the listing on Nasdaq Stockholm, the Ahlsell Group was invoiced a monitoring fee of SEK 3.5 million by CVC Capital Partners Advisory Company S.a r.l. for the period January-September 2016. No monitoring fee will be invoiced for 2017.

Risks and uncertainties

The Group and the Parent Company are exposed to a number of risks relating to both operating and financing activities. The risks that Ahlsell considers to be the most significant to its business are listed below.

- Activity in the building sector, comprising new construction projects, service and repairs, and renovation, maintenance and improvement (RMI), is the single most important driving force for Ahlsell's sales development.
- Acquisitions are a key part of Ahlsell's growth strategy. The acquisition process can be subject to difficulties, such as identifying acquisition objects, integrating acquired businesses and achieving expected synergies. Ahlsell's acquisitions mean that intangible assets constitute a large part of Ahlsell's total assets. Ahlsell's intangible assets consist primarily of customer relationships, trademarks and goodwill.
- If Ahlsell's own warehouse and distribution operations were disrupted or shut down for some reason or if the distribution companies contracted by Ahlsell had insufficient distribution capacity to meet requirements, Ahlsell's ability to deliver its products to the market would be adversely affected.
- Ahlsell is greatly dependent on IT systems for the day-to-day operation of its business and the performance of its financial reporting. External suppliers are responsible for the administration and maintenance of all Ahlsell's central IT systems.
- Upholding Ahlsell's reputation is key to the success of its business. Ahlsell's customers are placing ever greater demands on Ahlsell and on the sustainability and accountability of Ahlsell's suppliers. If Ahlsell is found wanting in its sustainability performance and in the control of its suppliers' sustainability practices, there is a risk that this will adversely impact sales.
- Due to the nature and financial effects of its business activities, Ahlsell is exposed to risks relating to fluctuations in currency exchange rates.
- Ahlsell has outstanding debts at variable interest rates. An unfavourable development in interest rates can have an adverse impact on Ahlsell's business activities and financial position.

Accounting policies

This interim report has been prepared under International Financial Reporting Standards (IFRS), in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods of calculation used in the preparation of the latest annual report have been applied, with the exception of new and amended standards and interpretations effective on 1 January 2017. The IASB has issued amendments to standards effective on 1 January 2017. These standards have not had any material impact on the consolidated financial statements.

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which is in compliance with RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The IASB has issued amendments to standards effective on or after 1 January 2017. These standards have not had any material impact on the Parent Company's financial statements.

The new standards IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) are effective for annual periods beginning on or after 1 January 2018, while IFRS 16 (Leases) is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted for all these standards. The project initiated in connection with the introduction of IFRS 15 has proceeded as planned and the different revenue streams have been reviewed in 2017. The Group's current assessment is that the standard will not have an effect on the Group's earnings and financial position. The work on IFRS 9 is also proceeding as planned, and the current assessment is that this standard will also not affect the Group's earnings and financial position, as the Group already applies a customer loss allowance principle, which is based on an expected loss model. The project relating to the introduction of IFRS 16 is proceeding according to plan and information on all leases considered to be material has been collected and reviewed.

The figures that are reported have been rounded in some cases, which means that tables and calculations do not always add up exactly.

Stockholm October 20, 2017

Johan Nilsson

President and CEO, Ahlsell AB

Auditors' review report

To the Board of Directors of Ahlsell AB (publ.)
Corp. id. 556882-8916

Introduction

We have reviewed the summary interim financial information (interim report) of Ahlsell AB (publ.) as of 30 September 2017 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the 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 International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, 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 practices and consequently does 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 is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm October 20, 2017

Joakim Thilstedt

Authorized Public Accountant, KPMG AB

Consolidated accounts

As the reported figures have been rounded in some cases, tables and calculations do not always add up exactly.

CONDENSED INCOME STATEMENT

SEK millions	Note	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Net sales	1	6,492	5,880	19,879	17,704	26,781	24,606
Cost of goods sold		-4,741	-4,289	-14,519	-12,895	-19,540	-17,916
Gross profit		**1,751**	**1,591**	**5,360**	**4,808**	**7,241**	**6,690**
Selling expenses		-1,125	-1,043	-3,619	-3,293	-4,885	-4,559
Administration expenses		-123	-109	-344	-294	-493	-443
Other operating income and expenses		7	12	26	20	37	31
Operating profit, EBIT	**1.2**	**510**	**451**	**1,423**	**1,241**	**1,900**	**1,719**
Net financial items		-88	-188	-164	-722	-581	-1,140
Profit before tax		**421**	**263**	**1,259**	**519**	**1,319**	**579**
Income tax		-98	-111	-293	-238	-292	-237
Profit/loss for the period		**323**	**152**	**966**	**280**	**1,027**	**342**
Attributable to							
Owners of the parent company		323	152	966	280	1,027	342
Non-controlling interests		–	–	–	–	–	–
Basic earnings per share, SEK	6	0.74	0.54	2.21	1.00	2.41	1.11
Diluted earnings per share, SEK	6	0.74	0.54	2.21	1.00	2.41	1.11

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Profit/loss for the period	**323**	**152**	**966**	**280**	**1,027**	**342**
Other comprehensive income for the period						
Items that will be reclassified to profit or loss for the period						
Translation differences	-11	2	-32	19	-112	-60
Change in hedging reserve	-5	–	-7	–	-10	-4
Tax attributable to components of other comprehensive income	3	32	-4	62	6	72
Items that will not be reclassified to profit or loss for the period						
Actuarial gains and losses	0	1	0	2	-3	-2
Tax attributable to actuarial gains and losses	0	0	0	0	0	1
Comprehensive income for the period	**310**	**187**	**923**	**363**	**908**	**348**
Attributable to						
Owners of the parent company	310	187	923	363	908	348
Non-controlling interests	–	–	–	–	–	–

CONDENSED BALANCE SHEET

SEK millions	Note	2017 30 Sep	2016 30 Sep	2016 31 Dec
ASSETS				
Customer relationships		3,005	3,339	3,249
Trademark		3,837	3,837	3,837
Goodwill		7,064	7,044	7,028
Other intangible assets		135	127	123
Property, plant and equipment		802	742	781
Financial assets	4	92	7	8
Deferred tax assets		7	8	7
Total non-current assets		**14,945**	**15,104**	**15,033**
Inventories		3,754	3,332	3,287
Trade receivables	4	3,994	3,532	3,054
Other receivables	4	1,218	1,404	1,091
Cash and cash equivalents	4	612	1,634	1,209
Total current assets		**9,578**	**9,902**	**8,641**
TOTAL ASSETS		**24,523**	**25,006**	**23,674**
EQUITY AND LIABILITIES				
Equity		**8,888**	**1,075**	**8,089**
Non-current interest-bearing liabilities	4	7,932	16,587	7,930
Provisions		55	57	55
Deferred tax liabilities		1,378	1,482	1,426
Other non-current liabilities	4	28	24	25
Total non-current liabilities		**9,394**	**18,151**	**9,436**
Current interest-bearing liabilities	4	242	324	724
Trade payables	4	5,037	4,564	4,599
Provisions		12	14	19
Other current liabilities		951	878	807
Total current liabilities		**6,241**	**5,780**	**6,148**
TOTAL EQUITY AND LIABILITIES		**24,523**	**25,006**	**23,674**

CONDENSED CASH FLOW STATEMENT

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Profit after financial items	**421**	**263**	**1,259**	**519**	**1,319**	**579**
Adjustments for non-cash items	171	197	437	638	799	1,001
- of which depreciation and impairment of assets	130	126	385	375	515	505
- capitalised and accrued interest	-3	202	12	523	-51	459
- other	44	-131	39	-260	336	37
Tax paid	-65	-80	-274	-164	-355	-245
Cash flow from operating activities before changes in working capital	**528**	**380**	**1,422**	**993**	**1,764**	**1,335**
Change in inventories	-398	-166	-456	-223	-398	-165
Change in operating receivables	-503	-201	-1,101	-1,020	-635	-554
Change in operating liabilities	198	30	519	524	626	630
Cash flow from changes in working capital	**-704**	**-337**	**-1,038**	**-719**	**-408**	**-89**
Cash flow from operating activities	**-177**	**44**	**384**	**274**	**1,356**	**1,246**
Cash flow from acquisition of assets, liabilities and operations	-1	-402	-112	-417	-146	-451
Other cash flow from investing activities	-66	-28	-210	-33	-256	-79
Cash flow from investing activities	**-66**	**-429**	**-322**	**-449**	**-403**	**-530**
Cash flow before financing activities	**-243**	**-385**	**62**	**-176**	**953**	**716**
Dividend paid	–	–	-153	–	-153	–
Disposal of derivatives	–	–	–	–	455	455
Issued warrants	–	–	–	–	3	3
Proceeds from borrowings	999	–	999	–	9,650	8,651
Amortisation of borrowings	-1,100	–	-1,506	-555	-11,930	-10,979
Cash flow from financing activities	**-101**	**–**	**-659**	**-555**	**-1,975**	**-1,871**
CASH FLOW FOR THE PERIOD	**-344**	**-385**	**-597**	**-730**	**-1,022**	**-1,155**
Cash and cash equivalents at beginning of period	957	2,017	1,209	2,360	1,634	2,360
Exchange differences	0	2	1	4	1	4
Cash and cash equivalents at end of period	**612**	**1,634**	**612**	**1,634**	**612**	**1,209**
Additional information						
Interest received	4	6	13	14	18	19
Interest paid	-41	-98	-111	-389	-297	-575

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEK millions	2017 Jan-Sep	2016 Jan-Sep	2016 Jan-Dec
Opening equity	8,089	711	711
Comprehensive income for the period	923	363	348
Total recognised income and expenses	**923**	**363**	**348**
Issued warrants	–	–	3
Offset issue	–	–	7,020
Long-term share-saving programme	28	–	7
Dividend	-153	–	–
Total shareholder transactions	**-125**	**–**	**7,030**
Closing equity	**8,888**	**1,075**	**8,089**

Condensed Parent Company statements

CONDENSED INCOME STATEMENT

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Net sales	106	–	328	–	330	1
Gross profit	**106**	**0**	**328**	**0**	**330**	**1**
Administration expenses	-35	0	-98	0	-165	-67
Operating profit/loss	**71**	**0**	**230**	**0**	**165**	**-66**
Interest and similar income	154	127	393	404	536	547
Interest and similar expense	-98	-163	-122	-486	-204	-567
Profit after financial items	**127**	**-36**	**501**	**-82**	**497**	**-86**
Appropriations	–	–	–	–	-112	-112
Profit before tax	**127**	**-36**	**501**	**-82**	**385**	**-198**
Income tax	-28	–	-110	-	-184	-74
Profit/loss for the period	**99**	**-36**	**390**	**-82**	**201**	**-272**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Profit/loss for the period	**99**	**-36**	**390**	**-82**	**201**	**-272**
Change in hedging reserve	-5	–	-7	–	-10	-4
Tax attributable to components of other comprehensive income	1	–	1	–	2	1
Other comprehensive income for the period	**-4**	**–**	**-5**	**–**	**-8**	**-3**
Comprehensive income for the period	**95**	**-36**	**385**	**-82**	**192**	**-275**
Attributable to:						
Owners of the parent company	95	-36	385	-82	192	-275

CONDENSED BALANCE SHEET – PARENT COMPANY

SEK millions	2017 30 Sep	2016 30 Sep	2016 31 Dec
ASSETS			
Intangible assets	3	–	–
Property, plant and equipment	0	–	–
Shares in Group companies	3,032	2,930	3,032
Financial investments	1	–	–
Receivables from Group companies	12,718	5,429	12,845
Deferred tax assets	5	–	1
Total non-current assets	**15,759**	**8,359**	**15,877**
Other receivables	8	–	7
Cash and cash equivalents	3	–	0
Total current assets	**10**	**–**	**8**
TOTAL ASSETS	**15,769**	**8,359**	**15,885**
EQUITY AND LIABILITIES			
Equity	**7,437**	**341**	**7,176**
Untaxed reserves	**112**	**–**	**112**
Non-current liabilities	**7,661**	**8,018**	**7,651**
Current liabilities	**559**	**–**	**946**
TOTAL EQUITY AND LIABILITIES	**15,769**	**8,359**	**15,885**

Notes

Disclosures in accordance with IAS 34.16A are presented in the financial statements and related notes, and also in other sections of the interim report.

NOTE 1. INFORMATION BY SEGMENT

External net sales by segment

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Sweden	4,202	3,699	12,947	11,373	17,448	15,874
Norway	1,254	1,185	3,956	3,534	5,331	4,909
Finland	812	789	2,352	2,226	3,176	3,050
Denmark	89	88	284	276	372	364
Other	135	120	339	295	454	410
Central	–	–	–	–	–	–
Group	**6,492**	**5,880**	**19,879**	**17,704**	**26,781**	**24,606**

EBITA per segment

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Sweden	515	451	1,562	1,363	2,134	1,936
Norway	65	53	130	91	181	142
Finland	45	45	80	89	106	114
Denmark	11	10	30	27	36	33
Other	6	4	9	7	11	9
Central	-44	-25	-125	-81	-220	-176
Eliminations	–	–	–	–	–	–
Group	**597**	**538**	**1,685**	**1,496**	**2,248**	**2,058**

EBITA margin by segment

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Sweden	12.2%	12.2%	12.1%	12.0%	12.2%	12.2%
Norway	5.2%	4.5%	3.3%	2.6%	3.4%	2.9%
Finland	5.6%	5.7%	3.4%	4.0%	3.3%	3.7%
Denmark	12.5%	11.6%	10.5%	9.6%	9.7%	9.1%
Other	4.1%	3.7%	2.7%	2.4%	2.5%	2.2%
Central	–	–	–	–	–	–
Group	**9.2%**	**9.2%**	**8.5%**	**8.4%**	**8.4%**	**8.4%**

Adjusted EBITA by segment

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Sweden	515	451	1,562	1,363	2,134	1,936
Norway	65	60	130	98	181	149
Finland	45	45	92	89	117	114
Denmark	11	10	30	27	36	33
Other	6	4	9	7	11	9
Central	-44	-25	-125	-81	-155	-111
Eliminations	–	–	–	–	–	–
Group	**597**	**545**	**1,697**	**1,503**	**2,325**	**2,131**

Adjusted EBITA margin by segment

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Sweden	12.2%	12.2%	12.1%	12.0%	12.2%	12.2%
Norway	5.2%	5.1%	3.3%	2.8%	3.4%	3.0%
Finland	5.6%	5.7%	3.9%	4.0%	3.7%	3.7%
Denmark	12.5%	11.6%	10.5%	9.6%	9.7%	9.1%
Other	4.1%	3.7%	2.7%	2.4%	2.5%	2.2%
Central	–	–	–	–	–	–
Group	**9.2%**	**9.3%**	**8.5%**	**8.5%**	**8.7%**	**8.7%**

Quarterly figures

External net sales by segment/quarter

Year	2017			2016				2015			
Quarter	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	4,202	4,484	4,261	4,501	3,699	4,102	3,572	3,944	3,326	3,667	3,392
Norway	1,254	1,312	1,390	1,375	1,185	1,267	1,082	1,189	1,100	1,241	1,161
Finland	812	813	727	824	789	787	651	710	727	689	642
Denmark	89	100	96	88	88	95	93	83	93	90	93
Other	135	110	95	115	120	93	82	110	123	112	95
Central	–	–	–	–	–	–	–	–	–	–	–
Group	**6,492**	**6,818**	**6,568**	**6,902**	**5,880**	**6,344**	**5,480**	**6,036**	**5,369**	**5,798**	**5,383**

EBITA per segment and quarter

Year	2017			2016				2015			
Quarter	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	515	537	510	573	451	522	391	515	426	411	368
Norway	65	26	39	51	53	25	13	31	41	-16	22
Finland	45	21	14	25	45	34	10	22	37	22	9
Denmark	11	10	8	6	10	9	7	7	11	6	9
Other	6	3	1	2	4	2	1	1	5	5	0
Central	-44	-39	-43	-95	-25	-32	-24	-30	-20	-25	-22
Eliminations	–	–	–	–	–	–	–	–	–	–	–
Group	**597**	**558**	**530**	**563**	**538**	**560**	**397**	**546**	**501**	**404**	**386**

EBITA margin per segment and quarter

Year	2017			2016				2015			
Quarter	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	12.2%	12.0%	12.0%	12.7%	12.2%	12.7%	10.9%	13.0%	12.8%	11.2%	10.8%
Norway	5.2%	2.0%	2.8%	3.7%	4.5%	2.0%	1.2%	2.6%	3.7%	-1.3%	1.9%
Finland	5.6%	2.6%	1.9%	3.1%	5.7%	4.3%	1.5%	3.2%	5.1%	3.2%	1.4%
Denmark	12.5%	10.3%	8.8%	7.3%	11.6%	9.4%	7.9%	8.3%	11.5%	6.6%	9.7%
Other	4.1%	2.3%	1.1%	1.8%	3.7%	1.9%	1.1%	1.2%	4.3%	4.4%	0.0%
Central	–	–	–	–	–	–	–	–	–	–	–
Group	**9.2%**	**8.2%**	**8.1%**	**8.2%**	**9.2%**	**8.8%**	**7.3%**	**9.0%**	**9.3%**	**7.0%**	**7.2%**

Adjusted EBITA per segment and quarter

Year	2017			2016				2015			
Quarter	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	515	537	510	573	451	522	391	515	426	419	368
Norway	65	26	39	51	60	25	13	33	41	5	22
Finland	45	33	14	25	45	34	10	22	37	22	9
Denmark	11	10	8	6	10	9	7	7	11	6	9
Other	6	3	1	2	4	2	1	1	5	5	0
Central	-44	-39	-43	-30	-25	-32	-24	-20	-20	-25	-22
Eliminations	–	–	–	–	–	–	–	–	–	–	–
Group	**597**	**570**	**530**	**628**	**545**	**560**	**397**	**559**	**501**	**432**	**386**

Adjusted EBITA margin per segment and quarter

Year	2017			2016				2015			
Quarter	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	12.2%	12.0%	12.0%	12.7%	12.2%	12.7%	10.9%	13.1%	12.8%	11.4%	10.8%
Norway	5.2%	2.0%	2.8%	3.7%	5.1%	2.0%	1.2%	2.8%	3.7%	0.4%	1.9%
Finland	5.6%	4.0%	1.9%	3.1%	5.7%	4.3%	1.5%	3.2%	5.1%	3.2%	1.4%
Denmark	12.5%	10.3%	8.8%	7.3%	11.6%	9.4%	7.9%	8.3%	11.5%	6.6%	9.7%
Other	4.1%	2.3%	1.1%	1.8%	3.7%	1.9%	1.1%	1.2%	4.3%	4.4%	0.0%
Central	–	–	–	–	–	–	–	–	–	–	–
Group	**9.2%**	**8.4%**	**8.1%**	**9.1%**	**9.3%**	**8.8%**	**7.3%**	**9.3%**	**9.3%**	**7.4%**	**7.2%**

NOTE 2. DEPRECIATION, AMORTISATION AND IMPAIRMENT

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Amortisation of intangible assets	-88	-87	-262	-254	-348	-340
Impairment of intangible assets	–	–	–	–	–	–
Depreciation of property, plant and equipment	-43	-39	-123	-112	-167	-156
Impairment of property, plant and equipment	–	–	–	–	–	–

NOTE 3. CONDENSED OPERATING CASH FLOW

In addition to the cash flow statement prepared in accordance with IAS 7, Ahlsell prepares a cash flow based on business operations, excluding financial transactions, taxes and acquisitions and disposals of operations. This cash flow measure is used by management to monitor business performance.

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Operating profit/loss	**510**	**451**	**1,423**	**1,241**	**1,900**	**1,719**
Adjustments for non-cash items	118	118	365	326	488	449
Cash flow from changes in working capital	-704	-337	-1,038	-719	-408	-89
Operating cash flow before investments	**-77**	**233**	**750**	**848**	**1,981**	**2,079**
Acquisition of intangible assets	-11	-5	-31	-22	-39	-30
Acquisition of property, plant and equipment	-41	-23	-114	-83	-158	-127
Sale of property, plant and equipment	1	0	1	72	7	77
Cash flow from operating investments	**-52**	**-28**	**-144**	**-33**	**-190**	**-79**
Operating cash flow	**-128**	**206**	**606**	**816**	**1,791**	**2,000**

NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

SEK millions	2017 30 Sep	2017 30 Sep	2016 30 Sep	2016 30 Sep	2016 31 Dec	2016 31 Dec
Financial assets	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets held for trading measured at fair value	4	4	335	335	0	0
Loans and receivables	4,696	4,696	5,170	5,170	4,267	4,267
Available-for-sale financial assets	3	3	3	3	3	3
Total	4,703	4,703	5,508	5,508	4,271	4,271
Financial liabilities						
Financial liabilities held for trading measured at fair value	27	27	20	20	8	8
Other financial liabilities	13,212	13,212	21,479	22,029	13,269	13,269
Total	**13,239**	**13,239**	**21,499**	**22,049**	**13,277**	**13,277**

Financial instruments measured at fair value in the balance sheet relate to equity swaps, currency swaps and interest rate swaps. These are measured using valuation techniques that only use observable market inputs at level two according to the framework for fair value measurement.

For borrowing, there is no material difference between the carrying amount and fair value, as the Group's borrowings are at variable interest rates. Nor does the Group have any other off-balance sheet financial assets or liabilities.

NOTE 5. ITEMS AFFECTING COMPARABILITY

To achieve better comparability between years, EBITA is presented in the interim report net of items affecting comparability. Items affecting comparability are large non-recurring items which have an effect on EBITA.

SEK millions		2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Type of cost/revenue	**Segment**						
Restructuring costs	Finland	–	–	-11	–	-11	–
IPO costs	Central	–	–	–	–	-65	-65
Restructuring costs	Norway	–	-7	–	-7	–	-7
Total items affecting comparability		**–**	**-7**	**-11**	**-7**	**-76**	**-72**

NOTE 6. EARNINGS PER SHARE

SEK millions	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Earnings per share						
Profit attributable to owners of the parent company (SEK million)	323	152	966	280	1,027	342
Weighted average number of basic ordinary shares outstanding (millions)	436.3	280.6	436.3	280.6	425.5	308.4
Basic earnings per share, SEK	**0.74**	**0.54**	**2.21**	**1.00**	**2.41**	**1.11**

Diluted earnings per share

The Ahlsell Group's two long-term incentive programmes could potentially lead to future dilution of the number of shares. It will only be possible to calculate the dilutive effect of the share-savings programme after the first measurement period has ended (2018). There is currently a slight dilutive effect for the warrants programme. There is no other dilution associated with ordinary shares.

Weighted average number of diluted ordinary shares outstanding (millions)	436.3	280.6	436.3	280.6	425.6	308.4
Diluted earnings per share, SEK	**0.74**	**0.54**	**2.21**	**1.00**	**2.41**	**1.11**

KEY PERFORMANCE MEASURES

SEK millions unless otherwise stated	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	Rolling 12 months	Full year 2016
Sales measures						
Net sales	6,492	5,880	19,879	17,704	26,781	24,606
Growth, %	10%	10%	12%	7%		9%
Organic growth, %	10%	7%	9%	7%		7%
Performance measures						
Operating profit (EBIT)	510	451	1,423	1,241	1,900	1,719
EBITA	597	538	1,685	1,496	2,248	2,058
Adjusted EBITA	597	545	1,697	1,503	2,325	2,131
EBITDA	640	577	1,808	1,608	2,415	2,215
Adjusted EBITDA	640	584	1,820	1,615	2,491	2,287
Margin measures						
EBIT margin, %	7.8%	7.7%	7.2%	7.0%	7.1%	7.0%
EBITA margin, %	9.2%	9.2%	8.5%	8.4%	8.4%	8.4%
Adjusted EBITA margin, %	9.2%	9.3%	8.5%	8.5%	8.7%	8.7%
Cash flow measures						
Cash flow for the period	-344	-385	-597	-730	-1,022	-1,155
Operating cash flow	-128	206	606	816	1,791	2,000
Operating cash flow/EBITDA					74%	90%
Capital structure						
Cash	612	1,634	612	1,634	612	1,209
External net debt	7,531	8,209	7,531	8,209	7,531	7,486
External net debt/Adjusted EBITDA					3.0	3.3
Debt/equity ratio, times					0.8	0.9
Equity/assets ratio, %					36%	34%
Working capital (average)	2,739	2,449	2,416	2,226	2,464	2,189
Working capital at end of period	3,085	2,656	3,085	2,656	3,085	2,042
Operating capital (average)	16,171	15,836	15,889	15,520	15,951	15,529
Operating capital, excluding intangible assets (average)	3,607	3,295	3,277	3,099	3,309	3,058
Returns						
Return on operating capital, %					12%	11%
Return on operating capital (excluding intangible assets), %					68%	67%
Return on equity, %					15%	15%
Return on working capital %					91%	94%
Shares						
Weighted average number of basic shares outstanding (thousands)	436,302	317,522	436,302	317,522	428,099	338,733
Weighted average number of diluted shares outstanding (thousands)	436,306	317,522	436,334	317,522	428,123	338,733
Number of ordinary shares at end of period (thousands)	436,302	280,606	436,302	280,606	436,302	436,302
Number of shares at end of period (thousands)	436,302	317,522	436,302	317,522	436,302	436,302
Basic earnings per share, SEK	0.74	0.54	2.21	1.00	2.41	1.11
Diluted earnings per share, SEK	0.74	0.54	2.21	1.00	2.41	1.11
Other						
Number of employees at end of period			5,292	5,129	5,292	5,090

ALTERNATIVE PERFORMANCE MEASURES

Organic growth, EBITA, Adjusted EBITA, EBITA margin and Adjusted EBITA margin are alternative performance measures, for which detailed calculations are presented below. The APMs are used by management to monitor business performance.

Organic growth – third quarter

%	Group	Sweden	Norway	Finland	Denmark	Other
Growth, %	10%	14%	6%	3%	0%	13%
Acquisitions, %	-2%	-3%	0%	0%	0%	0%
Currency, %	0%	0%	1%	0%	0%	-3%
Difference in number of trading days, %	2%	2%	2%	2%	2%	2%
Organic growth, %	**10%**	**13%**	**8%**	**4%**	**2%**	**12%**
Number of trading days Jul-Sep 2017		65	65	65	65	
Number of trading days Jul-Sep 2016		66	66	66	66	

Organic growth – period January-September

%	Group	Sweden	Norway	Finland	Denmark	Other
Growth, %	12%	14%	12%	6%	3%	15%
Acquisitions, %	-3%	-4%	0%	0%	0%	0%
Currency, %	-1%	0%	-4%	-2%	-2%	-6%
Difference in number of trading days, %	1%	1%	1%	1%	0%	0%
Organic growth, %	**9%**	**10%**	**8%**	**4%**	**1%**	**10%**
Number of trading days Jan-Sep 2017		188	188	189	188	
Number of trading days Jan-Sep 2016		189	189	190	188	

EBITA/Adjusted EBITA – third quarter

Jul-Sep, SEK million	Group	Sweden	Norway	Finland	Denmark	Other	Central
EBIT	510	452	53	34	10	6	-44
Amortisation and impairment of intangible assets	88	63	12	11	1	0	0
Profit (EBITA), SEK million	**597**	**515**	**65**	**45**	**11**	**6**	**-44**
Items affecting comparability	–	–	–	–	–	–	–
Adjusted EBITA, SEK million	**597**	**515**	**65**	**45**	**11**	**6**	**-44**

EBITA/Adjusted EBITA – period January-September

Jan-Sep, SEK million	Group	Sweden	Norway	Finland	Denmark	Other	Central
EBIT	1,423	1,374	93	48	25	9	-126
Amortisation and impairment of intangible assets	262	187	37	33	4	0	1
Profit (EBITA), SEK million	**1,685**	**1,562**	**130**	**80**	**30**	**9**	**-125**
Items affecting comparability	11	–	–	11	–	–	–
Adjusted EBITA, SEK million	**1,697**	**1,562**	**130**	**92**	**30**	**9**	**-125**

EBITA margin/Adjusted EBITA margin – third quarter

Jul-Sep	Group	Sweden	Norway	Finland	Denmark	Other
EBIT margin, %	7.8%	10.7%	4.2%	4.2%	10.8%	4.1%
Amortisation and impairment of intangible assets, %	1.4%	1.5%	1.0%	1.3%	1.7%	0.0%
Profit (EBITA) margin, %	**9.2%**	**12.2%**	**5.2%**	**5.6%**	**12.5%**	**4.1%**
Items affecting comparability, %	–	–	–	–	–	–
Adjusted EBITA margin, %	**9.2%**	**12.2%**	**5.2%**	**5.6%**	**12.5%**	**4.1%**

EBITA margin/Adjusted EBITA margin – period January-September

Jan-Sep	Group	Sweden	Norway	Finland	Denmark	Other
EBIT margin, %	7.2%	10.6%	2.3%	2.0%	8.9%	2.7%
Amortisation and impairment of intangible assets, %	1.3%	1.4%	0.9%	1.4%	1.6%	0.0%
Profit (EBITA) margin, %	**8.5%**	**12.1%**	**3.3%**	**3.4%**	**10.5%**	**2.7%**
Items affecting comparability, %	0.1%	–	–	0.5%	–	–
Adjusted EBITA margin, %	**8.5%**	**12.1%**	**3.3%**	**3.9%**	**10.5%**	**2.7%**

Definitions of key performance measures

Definitions of key performance measures can be found in the Annual Report.

Calendar and contacts

Webcast conference call for the report

At 11.00 CEST on October 20, there will be a webcast conference call in which President and CEO Johan Nilsson and CFO Kennet Göransson will present the report. The presentation can be followed by phone, details below, or via the following web link: www.financialhearings.com/event/10306

SE: +468 5664 2690, UK: +4420 3008 9801, US: +1855 753 2235. The presentation material and recorded webcast will be available on Ahlsell's website after the presentation.

Event	Date	Comments
Ahlsell Road trip to Hallsberg	13 November 2017	By invitation only
Q4, Year-end report 2017, January-December	26 January 2018	
Q1, Interim report January-March 2018	27 April 2018	
Ahlsell's 2018 Annual General Meeting, Stockholm	3 May 2018	The notice will be issued in the appropriate order
Q2, Interim report April-June 2018	19 July 2018	
Q3, Interim report July-September 2018	26 October 2018	
Q4, Year-End Report 2018, January-December	25 January 2019	

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This information is information that Ahlsell AB (publ) 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 Johan Nilsson, at 07.30 am (Stockholm/Europe) on October 20, 2017.