

INTERIM REPORT JANUARY-MARCH 2016

Volume growth and stable profit in first quarter

First quarter 2016

- Sales volume reached 45.1 ktonnes (42.7), an increase of 5.7% compared to previous year.
- Net sales totalled SEK 1,360 million (1,456), a decrease of 6.6% compared to previous year.
- Adjusted operating profit amounted to SEK 155 million (155), corresponding to an adjusted operating margin of 11.4% (10.6).
- Operating profit amounted to SEK 155 million (155).
- Profit for the period was SEK 94 million (111). Earnings per share basic and diluted decreased to SEK 1.25 (1.49).
- Cash flow before financing activities was SEK -22 million (-1).
- Net debt amounted to SEK 316 million at 31 March 2016, corresponding to 0.4 times adjusted EBITDA.

Financial summary

SEK million	Q1			12 month rolling	Full year	
	2016	2015	Δ	Apr 2015 - Mar 2016	2015	Δ
Sales volume, ktonnes	45.1	42.7	5.7%	166.4	163.9	1.5%
Net sales	1,360	1,456	-6.6%	5,398	5,494	-1.7%
Adjusted operating profit ¹	155	155	0.3%	541	541	0.1%
Adjusted operating margin, %	11.4	10.6	0.8 ppt	10.0	9.8	0.2 ppt
Adjusted operating profit per tonne, kSEK	3.4	3.6	-0.2	3.3	3.3	-
Operating profit	155	155	0.3%	539	538	0.1%
Operating margin, %	11.4	10.6	0.8 ppt	10.0	9.8	0.2 ppt
Profit for the period	94	111	-15.9%	361	379	-4.7%
Earnings per share basic, SEK	1.25	1.49	-0.24	4.84	5.07	-0.24
Earnings per share diluted, SEK	1.25	1.49	-0.24	4.84	5.07	-0.23
Cash flow before financing activities	-22	-1	n/a	579	600	-3.5%
Equity/assets, %	63.3	52.3	11.0 ppt	54.9	56.8	-1.9 ppt
Net debt	316	775	-458	316 ²	275	41
Return on capital employed, %	-	-	-	18.2	18.1	0.1 ppt

¹ Adjusted for items affecting comparability.

² Net debt per 31 March 2016.

COMMENTS BY THE CEO

The year has begun well with a higher growth rate than the market

In short, the year has begun well for us. Sales volumes increased 5.7% in the first quarter, driven by continued robust performance primarily in Europe and the Americas. This compares to growth of just 1% for the period in our underlying markets, according to IHS forecasts. Adjusted operating profit was SEK 155 million, which is in line with the first quarter previous year. Higher volumes and positive currency effects have offset lower conversion prices, a change in geographical mix in terms of production costs, as well as the price lag on aluminium premiums.

Sales volume in Asia was unchanged for the period, which was the result of strong sales for the same period last year when a number of customers built up inventory. On a comparable basis, growth in Asia was somewhat higher than the market as a whole. Europe continued to register encouraging sales growth. In Americas, sales increased markedly in the period, although from low levels. This was driven by higher volumes with a number of customers, following the signing of new contracts during the first half of 2015.

INCREASED FOCUS ON GROWTH AND INNOVATION

During Gränges' capital markets day in March, we presented our targets for 2020. These include increased focus on growth and innovation. Our ambition is to achieve an annual growth rate that is substantially higher than the market, and to maintain strong and sustainable profitability. The development of new products and processes will underpin growth in Gränges' existing businesses. Parallel to this, we are exploring ways of expanding capacity, primarily in North America and Asia. These initiatives will ensure that Gränges will strengthen its position, and become a market leader in all regions by 2020.

OUTLOOK

For 2016 as a whole, global production of light vehicles is expected to increase by 3.0%, according to IHS. During the second quarter, growth in this sector is forecast to reach 4.2%.

We believe that Gränges' sales volume will increase in line with the

market in the second quarter. In Asia, sales volume is expected to increase, although at a moderately slower rate than the market as a whole. Gränges' sales volumes are also expected to increase in Europe during the period, but at a lower rate than the market, due to higher comparable figures for the same period last year. Sales volume in the Americas is expected to show continued strong growth in the second quarter.

Aluminium premiums are unlikely to have any substantial effect on profitability for the remainder of 2016, given that they remain stable.

Overall, we are positive about 2016. We see more stable conditions in Asia this year as a result of improved market conditions in China, which is the single most important market in the region. We are, however, anticipating some impact of price competition in Asia. In Europe and the Americas, we expect positive developments for 2016. We have a strong position today, and our ambition is to strengthen it further with continued strong profitability.

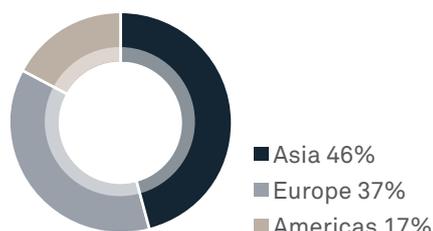
*Johan Menckel,
CEO of Gränges*



First quarter 2016

- Sales volume **45.1** ktonnes
- Net sales SEK **1,360** million
- Adjusted operating profit SEK **155** million
- Return on capital employed **18.2%**

Sales volume per region



“In Asia, light vehicle production increased by 0.8% during the first quarter, with 3.9% growth in China.”

MARKET DEVELOPMENT

According to the international research firm IHS, global light vehicle production increased by 0.9% in the first quarter of 2016¹, compared to the corresponding quarter 2015. In Asia, light vehicle production increased by 0.8% during the first quarter, with 3.9% growth in China. In Europe, light vehicle production increased by 1.8% in the first quarter 2016. Light vehicle production in the Americas was flat in the first quarter, as growth of 5.0% in North America was offset by a weak South American market. For the full year 2016, IHS forecasts an increase in global light vehicle production of 3.0%.

Demand for aluminium products for brazed heat exchangers, which is Gränges’ main market and accounts for more than 90% of the sales volume, is strongly correlated with the market for light vehicles. Due to lead times in the supply chain there is, however, a time lag between growth in demand for Gränges’ products and growth in vehicle production.

SALES DEVELOPMENT

The sales volume in the first quarter of 2016 was 45.1 ktonnes (42.7), an increase of 5.7% compared to the same quarter previous year. Net sales totalled SEK 1,360 million (1,456). The net effect from changes in foreign exchange rates amounted to SEK 21 million in the quarter. The decrease in net sales is explained by lower aluminium price, which Gränges passes through to its customers.

ASIA

In the first quarter of 2016, sales volume in Asia increased by 0.1% to 20.8 ktonnes (20.7). Increasing sales volume in China primarily to domestic heat exchanger producers was offset by decreasing sales in other Asian markets.

EUROPE

In the first quarter of 2016, sales volume in Europe increased by 3.4% to 16.6 ktonnes (16.0). The increase is primarily driven by higher contracted volumes with several customers effective from second quarter last year. In addition, sale of scrap based products increased in the quarter.

AMERICAS

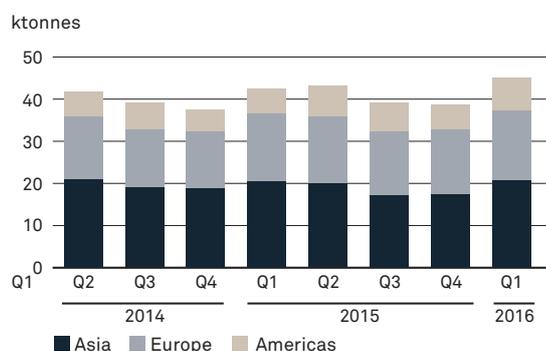
In the first quarter of 2016, sales volume in the Americas increased by 31.8% to 7.8 ktonnes (5.9), due to higher contracted volumes with several customers.

OPERATING PROFIT

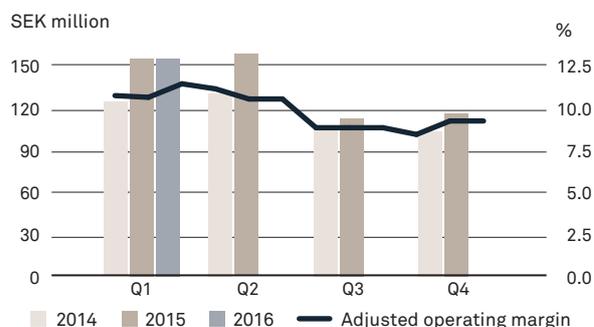
Adjusted operating profit for the first quarter of 2016 amounted to SEK 155 million (155), corresponding to an adjusted operating margin of 11.4% (10.6). Net changes in foreign exchange rates had a positive impact of SEK 31 million in the quarter. Lower conversion prices, changes in mix and the aluminium premium price lag affected the adjusted operating profit negatively.

Operating profit for the first quarter was SEK 155 million (155). No items affecting comparability were recorded in the first quarter of 2016 or in the same quarter last year.

Quarterly sales volume per region



Adjusted quarterly operating profit and operating margin



¹ Source: IHS, April 11 2016.

PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

Finance income and costs amounted to SEK –4 million (–7) in the first quarter of 2016, including interest expenses of SEK –6 million and interest income of SEK 2 million. Profit before tax increased to SEK 152 million (148). Income tax for the first quarter of 2016 amounted to SEK –58 million (–37), including a withholding tax of SEK 20 million on a dividend paid to Gränges AB from the Chinese subsidiary. Excluding the withholding tax the effective tax rate was 25% (25).

The profit for the period was SEK 94 million (111) during the first quarter of 2016. Earnings per share amounted to SEK 1.25 (1.49) on basic and diluted basis.

CASH FLOW

Cash flow from operating activities was SEK –8 million (28) in the first quarter of 2016 and was negatively impacted by a seasonal build-up of working capital as well as withholding tax of SEK –20 million on a dividend to Gränges AB from the Chinese subsidiary.

Cash flow from investing activities for the first quarter of 2016 amounted to SEK –14 million (–29). Capital expenditure during the quarter was mainly related to investments to maintain and improve efficiency in current production facilities. Cash flow before financing activities amounted to SEK –22 million (–1) in the first quarter of 2016.

Cash flow from financing activities for the first quarter 2016 was SEK –402 million (–291), as a consequence of a reduction in external bank financing.

Cash and cash equivalents amounted to SEK 195 million at 31 March 2016 (SEK 634 million at 31 December 2015).

FINANCIAL POSITION

Gränges' total assets amounted to SEK 4,004 million at 31 March 2016 (SEK 4,402 million at 31 December 2015). The equity to assets ratio was 63.3% at 31 March 2016 (56.8% at 31 December 2015).

Consolidated net debt including pension liabilities was SEK 316 million at 31 March 2016 (SEK 275 million at 31 December 2015). At 31 March 2016, the Group's net debt was 0.4 times adjusted EBITDA (calculated on a rolling 12-month basis).

EMPLOYEES

The average number of employees in the Gränges Group was 962 (958) in the first quarter of 2016.

PARENT COMPANY

Gränges AB is the parent company of the Gränges Group. The operations include Group Management and Group functions such as R&D, finance, treasury, legal and communications. For the first quarter 2016, net sales in the parent company amounted to SEK 24 million (26) and the profit for the period was SEK 363 million (–18). The net profit includes a dividend from the Chinese subsidiary of SEK 403 million.

SIGNIFICANT EVENTS DURING THE PERIOD

NEW NOMINATION COMMITTEE APPOINTED

Due to the changes in the ownership of Gränges, in March 2016, the composition of the nomination committee has changed. Anders Algotsson, who represents AFA Försäkring, is a new member of the committee, and replaces Claes Murander and Mikael Aru.

SIGNIFICANT EVENTS AFTER THE PERIOD

No significant events have occurred after the end of the period until the report for the first quarter of 2016 was published.

SHARE INFORMATION

The share capital in Gränges amounts to SEK 100 million, divided into 74,639,386 shares, each with a quota value of SEK 1.339775. Gränges only has one class of shares.

OWNERSHIP STRUCTURE

Largest shareholders in Gränges at 31 March 2016¹.

Shareholder	Number of shares	Share of capital and votes %
Fjärde AP-fonden	6,254,996	8.4
AFA Försäkring	5,597,005	7.5
JP Morgan Asset Management	4,125,964	5.5
Old Mutual	3,996,515	5.4
Catella Fonder	2,796,102	3.7
SEB Fonder	2,065,976	2.8
Carnegie Fonder	1,500,000	2.0
Öhman Fonder	1,382,388	1.9
Länsförsäkringar Fonder	987,201	1.3
Cliens Fonder	923,150	1.2
Total 10 largest shareholders	29,629,297	39.7
Other	45,010,089	60.3
Total	74,639,386	100.0

¹ Source: Modular Finance Holdings.

Orkla Industriinvesteringar AB sold its remaining shares in Gränges in March 2016. Following the sale, Orkla holds no shares in Gränges.

The number of shareholders in Gränges was 7,748 at 31 March 2016.

OTHER

RISKS AND UNCERTAINTY FACTORS

As a Group operating globally and in multiple jurisdictions, Gränges is exposed to various risks and uncertainties, such as raw material prices, market risks, operational and legal risks, as well as financial risks related to changes in foreign exchange rates, interest rates, liquidity and funding capability. Risk management in Gränges is focused on identifying, evaluating and reducing risks related to the Group's business and operating environment. No additional significant risks affecting the operations of Gränges have emerged since year-end 2015. More information about risk management is available on pages 36–38 of Gränges' 2015 annual report.

SEASONAL VARIATIONS

Gränges' business is subject to seasonal variations to a limited degree. Due to summer vacations and Christmas holidays in Europe and the Americas, the first six months are generally stronger than the second half of the year. Gränges' increased presence in global markets has led to lower seasonal variations.

ANNUAL GENERAL MEETING 2016

Gränges' Annual General Meeting 2016 will be held on Thursday, April 28 at 4 pm at Berns, Berzelii Park in Stockholm. Registration starts at 3 pm.

The Nomination Committee proposes Peter Carlsson, Katarina Lindström and Hans Porat for election to the board, and the re-election of board members Terje Andersen, Anders G Carlberg, Carina Andersson and Ragnhild Wiborg. Bertil Villard has declined re-election. The Committee also proposes the re-election of Anders G. Carlberg as Chairman of the Board.

DIVIDEND

The Gränges Board of Directors proposes a dividend of SEK 149 million, or SEK 2.00 (1.50) per share for the fiscal year 2015. The proposed dividend corresponds to 39% of the profit for 2015. The proposed record date for the dividend is Monday, May 2, 2016, which means that the dividend, subject to approval at the Annual General Meeting, is expected to be paid out on Friday, May 6, 2016.

Stockholm, 28 April 2016

Johan Menckel
CEO Gränges

This interim report has not been reviewed by the auditors of the company.

For additional information, please contact:

Pernilla Grennfelt
Director Communications and Investor Relations
pernilla.grennfelt@granges.com
Telephone +46 (0) 702 90 99 55

Webcasted telephone conference

On Thursday 28 April 2016 at 10.00 CET, CEO Johan Menckel and CFO Oskar Hellström will present Gränges' interim report for January-March 2016 at a webcasted telephone conference.

The webcast can be accessed on www.granges.com/investors. To take part in the telephone conference, please call +46 856 642 661 (Sweden), +44 203 194 0544 (UK) or +1 855 269 2604 (USA). Please call a few minutes before the telephone conference starts. The presentation will be in English.

Financial calendar

28 April 2016	2016 Annual General Meeting
21 July 2016	Half-year Report 2016
27 October 2016	Interim Report January-September 2016

The information in this interim report is such that Gränges must disclose pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on Thursday 28 April 2016 at 07.30 CET.

CONSOLIDATED INCOME STATEMENT (CONDENSED)

SEK million	Note	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Net sales	3	1,360	1,456	5,494
Cost of materials		-813	-886	-3,280
Payroll and other operating expenses		-341	-363	-1,465
Depreciation and amortisation		-50	-51	-208
Items affecting comparability		-	-	-3
Operating profit		155	155	538
Profit from joint ventures		0	0	2
Finance income and costs		-4	-7	-19
Profit before tax		152	148	521
Income tax		-58	-37	-143
Profit for the period		94	111	379
Earnings per share				
Earnings per share basic, SEK		1.25	1.49	5.07
Earnings per share diluted, SEK		1.25	1.49	5.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONDENSED)

SEK million	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Profit for the period	94	111	379
Items not to be reclassified to profit/loss in subsequent periods			
Remeasurement of pensions after tax	-	-11	10
Items to be reclassified to profit/loss in subsequent periods			
Change in hedging reserve after tax	14	7	23
Translation effects	-71	233	62
Comprehensive income for the period attributable to owners of the parent	37	340	474

CONSOLIDATED BALANCE SHEET (CONDENSED)

SEK million	Note	31 Mar 2016	31 Mar 2015	31 Dec 2015
ASSETS				
Property, plant and equipment		1,601	1,812	1,669
Intangible assets		8	11	9
Deferred tax assets		49	53	54
Investments in joint ventures		30	31	30
Interest-bearing receivables		33	35	34
Other non-current receivables	2	6	-	4
Non-current assets		1,725	1,942	1,800
Inventories		855	975	888
Receivables	2	1,229	1,431	1,080
Cash and cash equivalents		195	391	634
Current assets		2,279	2,796	2,601
TOTAL ASSETS		4,004	4,739	4,402
EQUITY AND LIABILITIES				
Share capital		100	100	100
Retained earnings		2,437	2,378	2,399
Equity		2,537	2,478	2,499
Interest-bearing liabilities		404	893	804
Provisions and other liabilities	2	189	193	185
Non-current liabilities		593	1,086	989
Interest-bearing liabilities		0	146	0
Other liabilities	2	874	1,028	913
Current liabilities		874	1,174	914
TOTAL EQUITY AND LIABILITIES		4,004	4,739	4,402

CONSOLIDATED CHANGES IN EQUITY (CONDENSED)

SEK million	31 Mar 2016	31 Mar 2015	31 Dec 2015
Opening balance as at 1 January	2,499	2,137	2,137
Profit for the period	94	111	379
Items in comprehensive income for the period	-57	229	95
Group comprehensive income for the period	37	340	474
Employee stock option scheme	0	1	1
Dividend	-	-	-112
Total transactions with owners, recognised directly in equity	0	1	-111
Closing balance	2,537	2,478	2,499

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Operating profit	155	155	538
Depreciation and amortisation	50	51	217
Change in working capital etc.	-154	-132	100
Income taxes paid	-60	-46	-130
Cash flow from operating activities	-8	28	725
Investments in property, plant, equipment and intangible assets	-14	-29	-134
Divestment of property, plant and equipment	-	-	5
Other capital transactions	-	-	4
Cash flow from investing activities	-14	-29	-125
Dividend	-	-	-112
Interest paid and received	-4	-5	-15
<i>Change in interest-bearing liabilities</i>	-400	-283	-517
<i>Change in interest-bearing receivables</i>	1	-4	-3
Change in interest-bearing liabilities and receivables	-398	-286	-520
Cash flow from financing activities	-402	-291	-647
Cash flow for the period	-424	-292	-47
Cash and cash equivalents at beginning of period	634	644	644
Cash flow for the period	-424	-292	-47
Exchange rate differences in cash and cash equivalents	-14	41	37
Cash and cash equivalents at end of period	195	391	634

PARENT COMPANY INCOME STATEMENT (CONDENSED)

SEK million	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Net sales	24	26	128
Payroll and other operating expenses	-38	-37	-159
Depreciation	-4	-4	-15
Operating profit/loss	-17	-15	-47
Dividends from subsidiaries	403	-	306
Finance income and costs	-2	-2	-10
Profit/loss after financial items	384	-17	249
Change in accelerated depreciation	-	-	1
Group contributions	-	-	15
Income tax	-21	0	-10
Profit/loss for the period	363	-18	254

The Parent Company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as profit/loss for the period.

PARENT COMPANY BALANCE SHEET (CONDENSED)

SEK million	31 Mar 2016	31 Mar 2015	31 Dec 2015
ASSETS			
Property, plant and equipment	220	233	223
Participations in Group companies	427	422	426
Non-interest-bearing receivables from Group companies	308	132	303
Interest-bearing receivables	33	35	34
Other non-current receivables	4	–	14
Financial assets	771	589	776
Non-current assets	991	821	999
Interest-bearing receivables from Group companies	193	300	159
Non-interest-bearing receivables from Group companies	8	197	28
Other receivables	113	102	78
Cash and cash equivalents	43	5	106
Current assets	356	604	371
TOTAL ASSETS	1,347	1,425	1,371
EQUITY, PROVISIONS AND LIABILITIES			
Restricted equity	100	100	100
Non-restricted equity	712	187	349
Equity	812	287	449
Untaxed reserves	9	10	9
Provisions and other liabilities	22	22	23
Interest-bearing liabilities	404	893	804
Non-current liabilities	426	915	827
Liabilities to Group companies	15	2	–
Other non-interest-bearing liabilities	84	212	86
Current liabilities	99	213	86
TOTAL EQUITY, PROVISIONS AND LIABILITIES	1,347	1,425	1,371

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

The Gränges Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting principles adopted are consistent with those described in the Annual Report for Gränges AB (publ) 2015, which is available at www.granges.com. There are no new accounting principles applicable from 2016 that significantly affect the Gränges Group. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The Parent Company applies the Annual Accounts Act and RFR 2 Reporting for Legal Entities. During 2016 the Parent Company has changed its accounting principle to apply IAS 39, which has resulted in the derivatives being measured at fair value instead of at cost. The change in accounting policy to fair value is deemed to provide more relevant information. The change in accounting policy is applied retrospectively in the Parent company. The change in measuring derivatives from cost to fair value has resulted in an effect on derivative assets of SEK 48 million at 31 March 2016 (SEK 53 million at 31 March 2015, and SEK 40 million at 31 December 2015) and on derivative liabilities of SEK 25 million at 31 March 2016 (SEK 83 million 31 March 2015, and SEK 27 million at 31 December 2015). The Parent Company has a hedging strategy where group internal and group external derivatives are entered into back to back. The change in accounting policy has therefore had a gross up effect on the balance sheet but the effect on profit or loss has been zero and the effect on the opening balance of equity as of 1 January 2016 amounts to zero.

The change in accounting principle for the Parent Company has no impact on Gränges Group's financial statements.

NOTE 3 RELATED PARTY TRANSACTIONS

At 18 March 2016 Orkla Industriinvesteringar AB, a wholly owned subsidiary to Orkla ASA, sold all its share in Gränges AB (publ). Transactions with Orkla Group (including Sapa Group) after the 18 March 2016 are no longer considered to be related party transactions for Gränges Group. Transactions with the Orkla Group until 18 March 2016 and the Group's joint ventures, Norca Heat Transfer LLC and Shanghai Gränges Moriyasu Aluminium Co Ltd, are specified in the table below.

SEK million	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Sales to the Orkla Group	30	61	171
Expenses to the Orkla Group	-2	-5	-15
Sales to joint ventures	227	195	801
Expenses to joint ventures	-12	-1	-47

SEK million	31 Mar 2016	31 Mar 2015	31 Dec 2015
Non-interest-bearing receivables from the Orkla Group	-	39	34
Non-interest-bearing liabilities to the Orkla Group	-	2	1
Interest-bearing receivables (non-current) from joint ventures	33	35	34
Non-interest-bearing receivables from joint ventures	199	147	110
Non-interest-bearing liabilities to joint ventures	4	0	7

The interim information on pages 2-10 are an integrated part of these financial statements.

NOTE 2 FINANCIAL INSTRUMENTS

Financial instruments measured at fair value consist of derivative instruments (currency forwards and aluminium futures). The table below shows the fair value of the derivatives included in the balance sheet.

SEK million	31 Mar 2016	31 Mar 2015	31 Dec 2015
Other non-current receivables	6	-	4
Receivables	49	55	42
Provisions and other liabilities	0	-	1
Other liabilities	35	83	51

All derivatives are measured at fair value and are classified according to level 2, i.e., all significant inputs required for measurement of the instruments are observable. Fair value of currency forward contracts is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remaining contract period. Aluminium futures are measured at observable quoted prices on LME (London Metal Exchange) and SHFE (Shanghai Futures Exchange) for similar assets and liabilities.

Borrowings are measured at amortised cost and the carrying amount at 31 March 2016 is SEK 404 million (SEK 804 million at 31 December 2015). The fair value of borrowings amounted at 31 March 2016 to SEK 410 million (SEK 810 million at 31 December 2015). For other receivables and liabilities, which are short-term, the carrying amount is considered to reflect the fair value.

CONSOLIDATED QUARTERLY DATA

SEK million	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Sales volume, ktonnes	45.1	38.9	38.9	43.4	42.7	37.7	39.3	41.7
Income statement								
Net sales	1,360	1,252	1,281	1,506	1,456	1,217	1,198	1,176
Adjusted EBITDA ¹	206	168	165	210	206	157	156	178
Adjusted operating profit ¹	155	116	112	158	155	103	106	130
Operating profit	155	128	97	158	155	97	81	124
Profit for the period	94	83	69	115	111	89	55	90
Adjusted EBITDA margin, %	15.1	13.4	12.9	13.9	14.2	12.9	13.0	15.2
Adjusted operating margin, %	11.4	9.2	8.8	10.5	10.6	8.4	8.8	11.1
Adjusted operating profit per tonne, kSEK	3.4	3.0	2.9	3.6	3.6	2.7	2.7	3.1
Operating margin, %	11.4	10.2	7.6	10.5	10.6	7.9	6.8	10.5
Net margin, %	6.9	6.7	5.4	7.6	7.6	7.3	4.6	7.7
Balance sheet								
Non-current assets	1,725	1,800	1,849	1,867	1,942	1,829	1,801	1,720
Current assets	2,279	2,601	2,772	2,818	2,796	2,631	2,647	3,119
Equity	2,537	2,499	2,435	2,378	2,478	2,137	1,969	3,418
Non-current liabilities	593	989	1,262	1,293	1,086	1,071	1,116	191
Current liabilities	874	914	925	1,014	1,174	1,253	1,364	1,230
Cash flow								
Operating activities	-8	184	300	212	28	227	-36	104
Investing activities	-14	-25	-34	-37	-29	-39	-9	-13
Cash flow before financing activities	-22	159	267	175	-1	188	-45	91
Financing activities	-402	-282	-57	-17	-291	-155	-665	120
Cash flow for the period	-424	-123	209	158	-292	33	-710	211
Capital structure								
Net debt	316	275	442	725	775	765	951	-711
Equity/assets, %	63.3	56.8	52.7	50.8	52.3	47.9	44.3	70.6
Data per share, SEK								
Earnings per share basic ²	1.25	1.12	0.93	1.54	1.49	1.19	0.73	1.21
Earnings per share diluted ²	1.25	1.11	0.93	1.54	1.49	1.19	0.73	1.21
Equity ³	33.98	33.49	32.62	31.86	33.16	28.63	26.38	45.80
Cash flow from operating activities ³	-0.11	2.47	4.02	2.84	0.38	3.04	-0.49	1.39
Share price at the end of the period	70.50	70.00	54.25	59.00	69.25	51.00	-	-
Weighted outstanding ordinary shares, basic in thousands	74,639.4	74,639.4	74,639.4	74,639.4	74,639.4	74,639.4	74,639.4	74,639.4
Weighted outstanding ordinary shares, diluted in thousands	74,764.6	74,719.4	74,657.3	74,754.3	74,744.8	74,639.4	74,639.4	74,639.4

¹ Adjusted for items affecting comparability.

² Previous periods have been restated according to the current number of outstanding shares.

³ Calculated on weighted outstanding ordinary shares, basic.

CONSOLIDATED QUARTERLY DATA

SEK million	2016		2015			2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Sales volume by region, ktonnes								
Asia	20.8	17.5	17.6	19.6	20.7	18.8	19.1	21.1
Europe	16.6	15.4	14.9	16.4	16.0	13.6	14.0	15.0
Americas	7.8	6.0	6.5	7.4	5.9	5.2	6.2	5.7
Total	45.1	38.9	38.9	43.4	42.7	37.7	39.3	41.7
Net sales by region								
Asia	646	569	605	720	742	634	594	588
Europe	473	477	470	526	506	410	416	426
Americas	241	206	206	260	208	173	188	162
Total	1,360	1,252	1,281	1,506	1,456	1,217	1,198	1,176
Employees								
Average number of employees	962	949	975	975	958	955	955	947

CONSOLIDATED 12-MONTH ROLLING DATA

SEK million	Apr 2015 - Mar 2016	Jan 2015 - Dec 2015	Oct 2014 - Sep 2015	Jul 2014 - Jun 2015	Apr 2014 - Mar 2015	Jan 2014 - Dec 2014	Oct 2013 - Sep 2014	Jul 2013 - Jun 2014
Sales volume, ktonnes	166.4	163.9	162.7	163.0	161.4	160.0	160.0	159.9
Income statement								
Net sales	5,398	5,494	5,460	5,377	5,047	4,748	4,596	4,502
Adjusted EBITDA ¹	749	749	738	728	697	664	639	628
Adjusted operating profit ¹	541	541	528	521	494	463	444	437
Operating profit	539	538	507	491	457	422	555	534
Adjusted EBITDA margin, %	13.9	13.6	13.5	13.5	13.8	14.0	13.9	14.0
Adjusted operating margin, %	10.0	9.8	9.7	9.7	9.8	9.7	9.7	9.7
Adjusted operating profit per tonne, kSEK	3.3	3.3	3.2	3.2	3.1	2.9	2.8	2.7
Operating margin, %	10.0	9.8	9.3	9.1	9.1	8.9	12.1	11.9
Capital structure and return indicators								
Capital employed	2,972	2,982	3,011	2,977	2,893	2,837	2,864	2,914
Return on capital employed, %	18.2	18.1	17.5	17.5	17.1	16.3	15.5	15.0
Equity	2,465	2,385	2,279	2,476	2,631	2,755	2,910	3,104
Return on equity, %	14.6	15.9	16.9	14.9	13.1	11.6	13.5	12.1
Net debt / Adjusted EBITDA	0.4	0.4	0.6	1.0	1.1	1.2	1.5	-1.1

¹ Adjusted for items affecting comparability.

Definitions

Adjusted EBITDA

Adjusted operating profit before depreciation and impairment charges.

Adjusted operating profit

Operating profit excluding items affecting comparability.

Average number of employees

The average number of employees converted to full-time positions.

Capital employed

Total assets less cash and cash equivalents and interest-bearing receivables, minus non-interest bearing liabilities.

Earnings per share

Profit for the period divided by the total number of shares. Historical share date has been recalculated and based on the present number of shares to increase comparability.

Items affecting comparability

Non-recurring income and expenses.

ktonnes

Volume expressed in thousands of metric tonnes.

Cash flow before financing activities

Cash flow from operating activities plus cash flow from investing activities.

Net debt

Cash and cash equivalents and interest-bearing receivables minus interest-bearing liabilities, including pensions.

Operating profit

Profit before net financial items and tax.

Return on capital employed

Adjusted operating profit divided by average capital employed during the past 12-month period.

Return on equity

Profit for the period divided by average equity during the past 12-month period.

Sales volume

Volumes sold in metric tonnes.

SEK

Swedish kronor.

Glossary

Alloy

Material consisting of several metals.

Aluminium strip

Rolled aluminium in coils.

Brazing

Joining of metals through melting.

Cladding

Surface layer.

Heat exchanger

A device for transferring heat from one medium to another.

HVAC&R

Heating, Ventilation, Air Conditioning and Refrigeration.

LME

London Metal Exchange.

MPE tube

Multi-Port Extrusion tube used in brazed aluminium heat exchangers.

Rolled aluminium

Aluminium that has been down gauged, passing through two or more rollers.

Scrap

Residual aluminium that can be re-melted.

SHFE

Shanghai Futures Exchange.



Head office

Gränges AB (publ)
Box 5505
SE-114 85 Stockholm
Sweden

Visiting address

Humlegårdsgatan 19A
114 46 Stockholm

Tel: +46 8 459 59 00
www.granges.com
Reg. no. 556001-6122

ABOUT GRÄNGES

Gränges is a leading global supplier of rolled products for brazed aluminium heat exchangers. The company develops, produces and markets advanced materials that enhance efficiency in the customer manufacturing process and the performance of the final products; brazed heat exchangers. The company's geographical markets are Europe, Asia and the Americas. Its production facilities are located in Finspång, Sweden, and Shanghai, China, and have a combined annual capacity of 220,000 metric tonnes. Gränges has some 950 employees and net sales in 2015 totalled SEK 5,494 million. The share has been listed on Nasdaq Stockholm since October 2014. More information on Gränges is available at www.granges.com.

BUSINESS CONCEPT

Gränges' vision is to help create smaller, lighter and more designable heat exchangers to increase economic efficiency and reduce environmental impact.

BUSINESS MODEL

Gränges' business model is based on long-term customer commitments where the company supports customers with product development, service and technical support during the entire lifecycle for a heat exchanger model. Revenue is generated through the sale of finished products. Prices are expressed per metric tonne and based on the added value Gränges offers in terms of material properties and product complexity as well as the price of the raw material, aluminium.

STRATEGIES

Granges' strategy is to be a global niche player in the market for rolled products for brazed aluminium heat exchangers. By focusing on this niche and a global offering of customised products with a high technology content, Gränges aims to strengthen its leading position and continue to grow with good profitability. The strategy is based on a strong customer focus, leading technology and high level of production expertise.