



2018

First-quarter results

April 25, 2018

Forward looking statements

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:

- 1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins
- 2) the competitive situation, especially significant technological solutions developed by competitors
- 3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
- 4) the success of pending and future acquisitions and restructuring.

Q1/2018 in brief

Healthy market activity in all businesses

Strong order intake

Significant profitability improvement

New operating model up and running

Implementation of the profitable growth strategy continued

Group quarterly financials

Orders received up 17% (+27% in constant currencies) to EUR 859 million

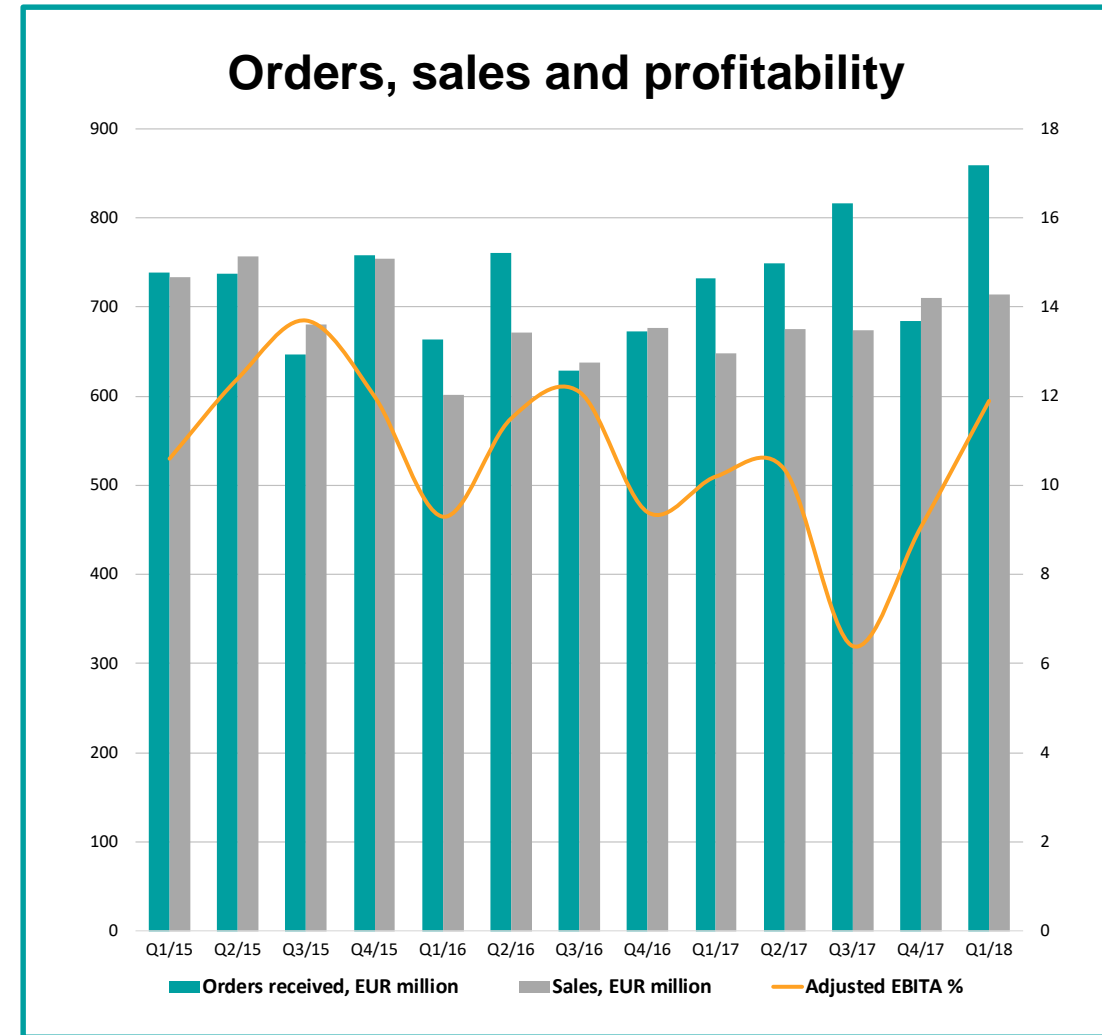
Sales grew 10% (+19% in constant currencies) to EUR 714 million

Adjusted EBITA was EUR 85 million or 11.9% of sales (66 million or 10.2%)

Operating profit was EUR 80 million or 11.3% of sales (59 million or 9.2%)

Earnings per share were EUR 0.33 (0.23)

Free cash flow totaled EUR 2 million (39 million)



Minerals quarterly financials

Orders up 17% (+26% in constant currencies)

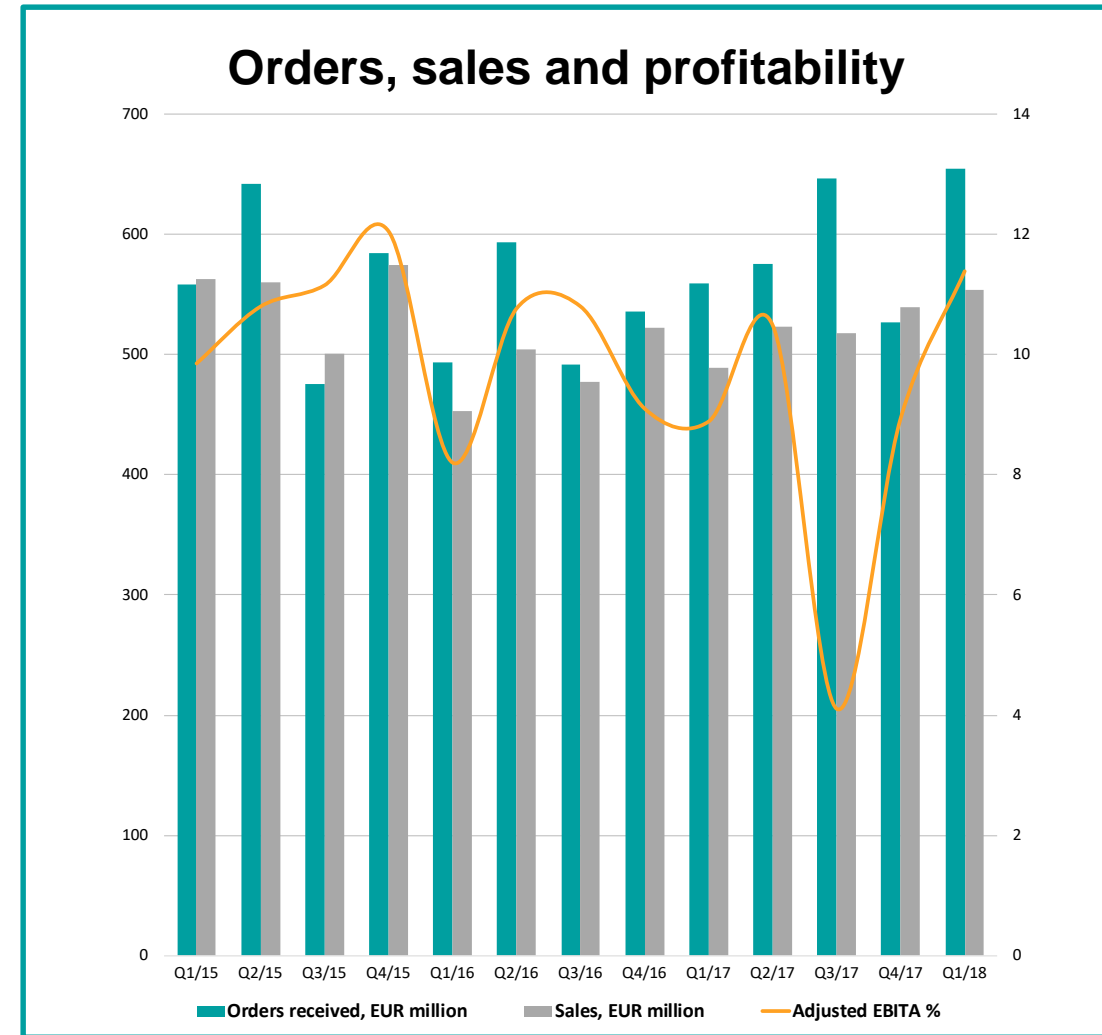
- Orders up in all businesses, supported by shift in orders from Q4/2017
- Aggregates equipment growth driven by India, China and North America
- Mining equipment grew on small and medium-sized orders
- Services up in spares, wears and professional services
- Recycling up thanks to metal recycling

Sales grew 13% (+22% in constant currencies)

- Both equipment and services sales increased

Adjusted EBITA margin was 11.4% (8.9%)

- Sales growth and good mix within services
- Improved operational efficiency



Flow Control quarterly financials

Orders increased 18% (+29% in constant currencies)

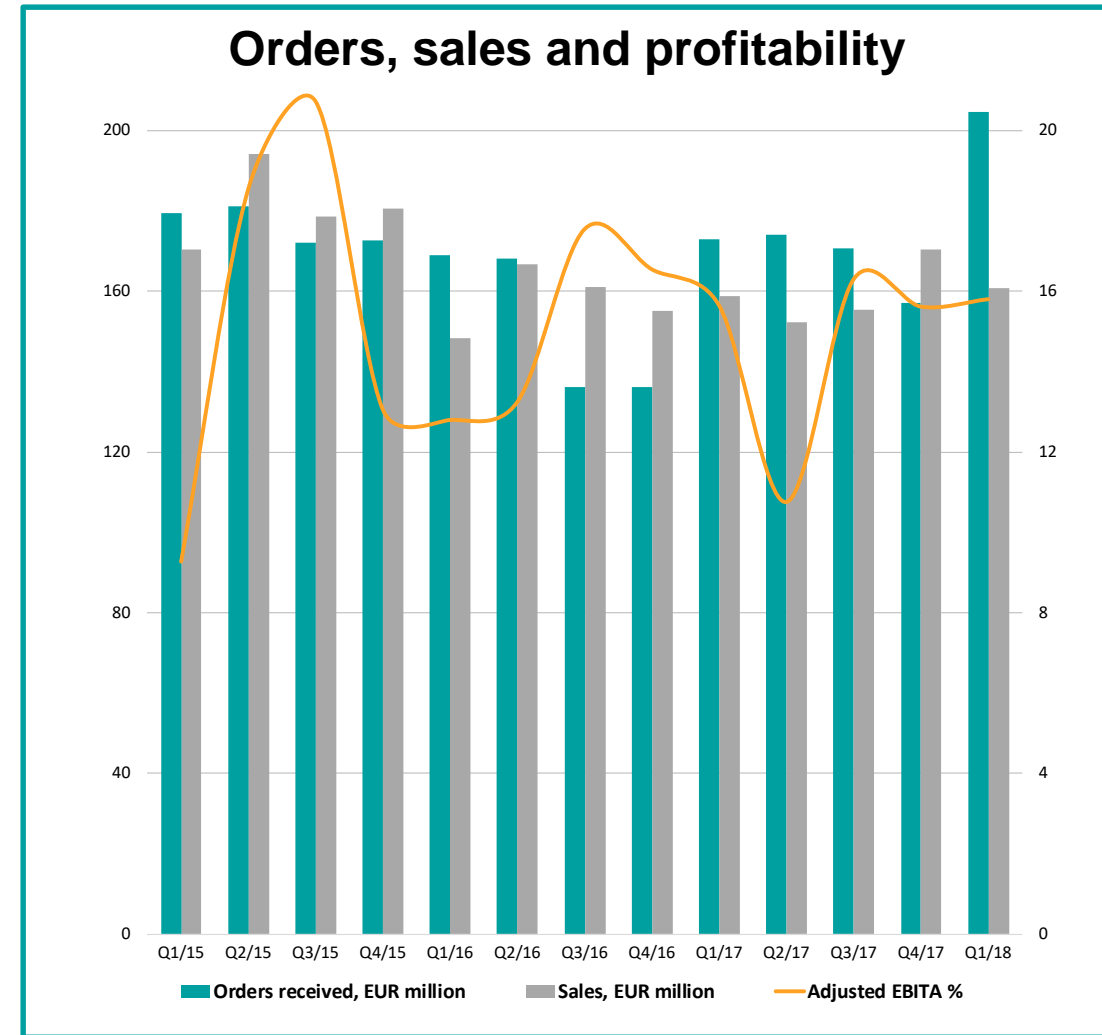
- Record-high orders; double-digit growth in both valves and pumps
- Increase in project orders and healthy distributor market activity

Sales grew 1% (+10% in constant currencies)

- North America represents ~30% of sales

Adjusted EBITA margin was 15.8% (15.6%)

- Good operational performance



Income statement

EUR million	Q1/2018	Q1/2017	Change %	2017
Orders received	859	733	17	2,982
Services business orders received	490	451	9	1,717
Sales	714	647	10	2,699
Services business sales	422	383	10	1,595
Adjusted EBITA	85	66	28	244
% of sales	11.9	10.2		9.0
Operating profit	80	59	36	218
% of sales	11.3	9.2		8.1
Profit for the period	50	34	47	102
Earnings per share, EUR	0.33	0.23	43	0.68

Balance sheet

EUR million	Mar 31, 2018	% of total	Dec 31, 2017	% of total
Tangible assets	283	8.5%	287	8.7%
Intangible assets	538	16.1%	545	16.6%
Financial and other assets	126	3.8%	130	4.0%
Inventories	792	23.8%	750	22.8%
Receivables	644	19.3%	631	19.2%
Current financial assets	255	7.7%	271	8.2%
Cash and cash equivalents	694	20.8%	673	20.5%
TOTAL ASSETS	3,332		3,287	
Total equity	1,240	37.2%	1,351	41.1%
Interest-bearing liabilities	851	25.5%	854	26.0%
Non interest-bearing liabilities	1,241	37.2%	1,082	32.9%
TOTAL EQUITY AND LIABILITIES	3,332		3,287	

Cash flow

EUR million	Q1/2018	Q1/2017	2017
Profit	50	34	102
Adjustments	45	45	192
Change in net working capital	-44	-21	-23
Financial items, paid	-2	-4	-21
Taxes paid	-38	-12	-64
Net cash provided by operating activities	11	42	185
Capital expenditure on fixed assets	-13	-6	-38
Other	1	2	-28
Net cash from investments	-11	-5	-66
Free cash flow	2	39	158

Financial position



	March 31, 2018	December 31, 2017
Return on capital employed before taxes, %, annualized	15.2	10.3
Return on equity (ROE), %, annualized	15.4	7.3
Net gearing at the end of the period, %	2.2	1.8
Cash conversion, %	4	155
Equity-to-assets ratio at the end of the period, %	40.9	44.5
Debt to capital, %	40.7	38.7
Net debt / EBITDA	0.1	0.1
Interest cover (EBITDA)	10.2	8.0

Executing the profitable growth strategy with expansion investment in India and two acquisitions

Capacity investment at the Metso Park plant (India)

- EUR 8 million in total
- Production capacity increase of 35%
- Improves the availability of the crushing and screening equipment in India as well as for export market

Acquisition of P.J. Jonsson och Söner (Sweden)

- Strengthens our product and services offering for the aggregates industry in the Nordics
- Sales of EUR 33 million
- 40 employees

Acquisition of Rotex Manufacturers and Engineers (India)

- Complements and broadens existing offering and introduces new products to our Flow Control portfolio
- Sales of EUR 19 million
- 275 employees



Market outlook

The outlook represents expected sequential market development with a rolling six-month view. Our market conditions are expected to develop as follows:

Growth in demand to remain stable for Minerals equipment and services.

Growth in demand to remain stable for Flow Control equipment and services.



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