Scandi Standard

First quarter report 2018

3 May 2018

- Net sales increased by 33 percent to MSEK 2,116 (1,594) and adjusted operating income* by 36 percent to MSEK 80 (59). The increase in both net sales and adjusted operating income* refers mainly to the newly acquired Irish operation. At constant exchange rates, net sales increased by 30 percent and adjusted operating income* by 35 percent.
- Excluding the Irish operation, net sales increased by 4 percent to MSEK 1,652 (1,594) and by 3 percent at constant exchange rates. Net sales rose in Denmark and Finland, were unchanged in Sweden and declined in Norway.
- Adjusted operating income*, excluding the Irish operation, rose by 2 percent to MSEK 60 (59), corresponding to a margin of 3.6 (3.7) percent. Adjusted operating income* improved in Finland, was unchanged in Denmark and Norway and declined in Sweden.
- The Irish operation, which was consolidated as of 28 August 2017 performed well and contributed with MSEK 464 (-) in net sales and MSEK 20 (-) MSEK in adjusted operating income.*
- Income for the period rose by 47 percent to MSEK 44 (30), and earnings per share were SEK 0.67 (0.50).
- Operating cash flow was MSEK 27 (5), positively impacted mainly by the higher income. Net interest-bearing debt increased by MSEK 53 from 31 December 2017 and amounted to MSEK 1,939 (1,521). The increase from the previous year refers mainly to the acquisition of the Irish operation.

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Net sales	2,116	1,594	33%	7,623	7,101
Adjusted EBITDA*	148	113	31%	594	559
Adjusted operating income* (EBIT)	80	59	36%	350	329
Non comparable items	-	-1	-	-33	-34
Operating income (EBIT)	80	58	38%	317	295
Finance net	-25	-19	32%	-77	-71
Income after finance net	55	39	41%	240	224
Income tax expense	-11	-9	22%	-58	-56
Income for the period	44	30	47%	182	168
Adjusted EBITDA margin*	7.0%	7.1%	-	7.8%	7.9%
Adjusted operating margin* (EBIT)	3.8%	3.7%	-	4.6%	4.6%
Earnings per share, SEK	0.67	0.50	36%	2.92	2.73
Adjusted return on operating capital employed*	11.3%	9.4%	-	11.3%	11.1%
Return on equity	13.0%	12.1%	-	14.1%	13.8%
Operating cash flow	27	5	-	235	213
Net interest-bearing debt	1,939	1,521	27%	1,939	1,886

Proforma, including Ireland	Q1 2018	Q1 2017 pro forma	Change	LTM pro forma	2017 pro forma
Net sales	2,116	2,016	5%	8,307	8,207
Adjusted operating income* (EBIT)	80	75	7%	381	376
Adjusted operating margin* (EBIT)	3.8%	3.7%	-	4.6%	4.6%

*Adjusted for non-comparable items, see page 12.

About Scandi Standard
Scandi Standard is passionate about the tasty, healthy and climate-smart chicken! We are the leading producer of chicken-based food products in the Nordic region and Ireland. The company produces, markets and sells ready to eat, chilled and frozen products under the well-known brands Kronfågel, Danpo, Den Stolte Hane, Naapurin Maalaiskana and Manor Farm. Eggs are also produced and sold in Norway. We are approximately 3,000 employees with annual sales of more than SEK 7 billion. For more information, please visit www.scandistandard.com.

CEO statement

The Group's net sales increased strongly in the quarter driven by the acquisition of Manor Farm, the leading chicken producer in the Republic of Ireland, and good organic growth. Investments in product development continued and we launched a number of new, innovative products. The Group strengthened its position in all our home markets.

The operations in Denmark and Finland both generated strong growth, while net sales were unchanged in Sweden and declined in Norway. Net sales for Manor Farm increased by 10 percent pro forma. Including Manor Farm, the Group's net sales for the quarter increased by 5 percent pro forma to MSEK 2,116.

The adjusted operating margin was largely unchanged in Denmark and Norway, but declined in Sweden. The margin in Finland improved and we took another step towards reaching break even. Manor Farm achieved an increase in adjusted operating income of 25 percent pro forma, corresponding to a margin of 4.3 percent. Including Manor Farm, the adjusted operating income for the Group increased by 7 percent pro forma to MSEK 80.

The share of value-added products of total net sales increased significantly compared to the first quarter 2017 pro forma. Chilled products grew by 9 percent pro forma and ready-to-eat products by 21 percent pro forma. The growth in retail sales was somewhat lower than the overall growth in the Group's net sales, while net sales in the food-service channel rose by 20 percent.
Net sales in Sweden were flat and the adjusted operating margin was 4.8 percent compared to 5.4 percent in the previous year. The weak performance was mainly due to continued oversupply of chicken in the market, a high inventory level and a less favourable product mix with a higher share of frozen products that are less profitable. I do not expect any improvement in the market situation in Sweden in the second quarter. However, we are seeing some signs of an increase in demand for chilled products and expect the market to gradually normalise in the second half of the year. The trade restrictions due to the bird flu had a negative impact on adjusted operating income of approximately 6 MSEK in the quarter. As previously communicated, we expect a continued negative impact on operating income of approximately MSEK 1-3 per month in 2018 until the remaining trade restrictions have been lifted.

Net sales in Denmark increased by 9 percent to MSEK 635 compared to the first quarter in the previous year. The growth was mainly driven by higher sales in the retail channel and of ready-to-eat products. The adjusted operating margin was 3.5 percent, which was slightly lower than in the previous year. Based on the positive reception of the new premium products under De Danske Familiegårde brand, we have recruited additional sales persons and are making significant investments in marketing to drive the concept. Although I am confident that these investments in the medium to long term will add value to both the category and the Group, they will have a negative impact on income short term.

Net sales in Norway amounted to MSEK 362 and the adjusted operating margin was 7.2 percent compared to 7.0 in the previous year. The Norwegian operation again reported the highest margin in the Group. Efficiency in production has increased significantly and the product range has been strengthened. Net sales declined by 7 percent as a result of a planned rationalization of the product range for the food service channel in order to increase efficiency in production. Net sales in the retail channel showed a continued positive trend. Apart from the effects from the rationalization of the product range, we expect net sales in Norway to increase in line with the growth in the market in the coming quarters.

I am very satisfied with the performance of Manor Farm in the quarter, delivering a growth in net sales of 10 percent pro forma to MSEK 464. The adjusted operating margin was 4.3 percent compared to 3.7 percent pro forma in the previous year (corresponding to an adjusted operating margin before amortization of 5.8 percent compared to 5.5 percent in the previous year pro forma). The ongoing performance of the operation and the prospects for improvements that have been confirmed during the integration process are encouraging. I am pleased to welcome Vincent Carton from now on as a member of Group Management.

The business is Finland showed a continued strong growth in net sales of 51 percent compared to the first quarter in 2017 and by 17 percent compared to the fourth quarter in 2017. The growth was driven by an improved yield in production and an improved product mix. We have seen a sequential improvement in earnings in the last quarters and can now for the first time report a positive adjusted EBITDA. The adjusted operating income was still negative, however, and amounted to MSEK -5. We continue to implement the measures necessary to reach our first goal of break-even as soon as possible and expect to see continued improvements in the coming quarters.

We are carefully following the structural changes in our sector and believe that we are ideally positioned to take part of the consolidation of the European poultry market. We believe the acquisition of Manor Farm is a good illustration of how we can create value and stability for our shareholders.

Net interest-bearing debt increased marginally in the quarter due to higher net capital expenditure of MSEK 90, which was 32 percent above depreciation. Capital expenditure related to the capacity expansion within ready-to-eat products in our plant in Farre in Denmark amounted to approximately MSEK 40 in the quarter and is estimated to amount to approximately MSEK 150 in total. The expansion of Farre is expected to be completed in the beginning of the third quarter 2018. We expect capital expenditure in 2018 to amount to approximately MSEK 350. We are currently finalising the investment plan for Ireland will communicate the total estimated amount for capital expenditure in 2018 when this plan is completed. We also expect to see a gradual release of working capital in 2018, particularly in the second half of the year.

I am pleased that we, in line with our strategy, continued to strengthen our leading position in the premium segment in all our home markets. As mentioned above, value-added products increased significantly as a proportion of net sales compared to the first quarter 2017, particularly the ready-to-eat products. It was also satisfying to see the positive development for Manor Farm despite the work on integration, and to be able to report a continued improvement in earnings in Finland.

Leif Bergvall Hansen
Managing Director and CEO

The Irish company Manor Farm was acquired as of 28 August 2017 and is included in the Group's accounts from this date as the segment Ireland. The pro forma figures below are presented solely for illustrative purpose in order to show how the segment would have contributed to the Group's net sales and operating income for the first quarter 2018 if it had been part of the Group during the whole of 2017. The pro forma figures have been calculated by including the accounts of Carton Bros ULC adjusted for differences in accounting period and for parts of the operation that was not included in the acquisition.

Net sales and income pro forma

MSEK	Q1 2018	Q1 2017 pro forma	Change	LTM pro forma	2017 pro forma
Net sales	2,116	2,016	5%	8,307	8,207
Adjusted EBITDA*	148	142	4%	647	641
Adjusted operating income* (EBIT)	80	75	7%	381	376
Non-comparable items	-	-1	-	-33	-34
Operating income (EBIT)	80	74	8%	348	342
*Adjusted EBITDA-margin**	*7.0%*	*7.0%*	-	*7.8%*	*7.8%*
*Adjusted EBIT-margin**	*3.8%*	*3.7%*	-	*4.6%*	*4.6%*

*Adjusted for non-comparable items, see page 12.

Net sales

Net sales in the first quarter 2018 increased by 5 percent to MSEK 2,116 compared to MSEK 2,016 in the first quarter 2017. At constant exchange rates, the increase was 3 percent.

Net sales increased by 9 percent in Denmark, 10 percent in Ireland and 51 percent in Finland. Net sales were unchanged in Sweden and declined by 7 percent in Norway.

Income

Adjusted for non-comparable items, operating income increased in the first quarter 2018 to MSEK 80 (75), corresponding to a margin of 3.8 (3.7) percent.

Adjusted operating income improved in Ireland and Finland, and was largely unchanged in Denmark and Norway. Adjusted operating income in Sweden declined from the previous year.

The negative impact of the bird flu amounted to approximately MSEK 6 (18) and refers entirely to Sweden.

Including non-comparable items, operating income increased by 8 percent to MSEK 80 (74), corresponding to a margin of 3.8 (3.7) percent. Non-comparable items were MSEK - (-1), see page 12.

Irland - pro forma

MSEK	Q1 2018	Q1 2017 pro forma	Change	LTM pro forma	2017 pro forma
Net sales	464	422	10%	1,744	1,702
Adjusted EBITDA*	34	29	17%	132	127
Adjusted operating income * (EBIT)	20	16	25%	79	75
Non-comparable items	-	-	-	-	-
Operating income (EBIT)	20	16	25%	79	75
*Adjusted EBITDA-margin**	*7.3%*	*6.9%*	-	*7.6%*	*7.5%*
*Adjusted EBIT-margin**	*4.3%*	*3.8%*	-	*4.5%*	*4.4%*

*Adjusted for non-comparable items, see page 12.

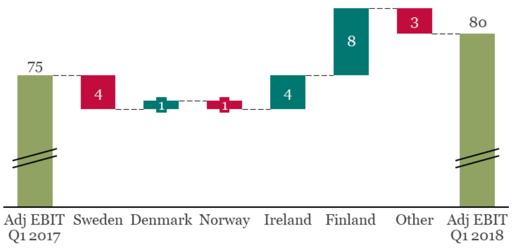
Net sales in Ireland in the first quarter 2018 increased by 10 percent pro forma to MSEK 464 compared to MSEK 422 pro forma in the first quarter 2017. Net sales in local currency rose by 5 percent.

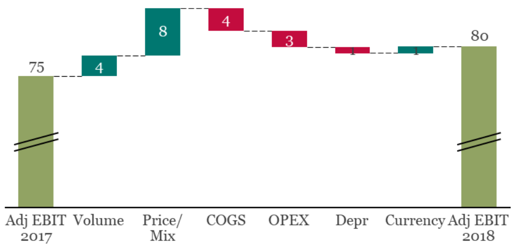
Adjusted operating income increased by 25 percent to MSEK 20 (16 pro forma) compared to last year, corresponding to a margin of 4.3 (3.8 pro forma) percent. The improvement in adjusted operating income and margin was mainly driven by higher sales volymes in the retail channel.

	Sweden		Denmark		Norway		Ireland[1]		Finland		Eliminations and Group common costs		Total Group[1]	
MSEK	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Net sales	649	647	635	580	362	388	464	422	106	70	-100	-91	2,116	2,016
Adjusted EBITDA[2]	49	54	39	39	40	40	34	29	0	-9	-14	-11	148	142
Depreciation	-18	-19	-16	-17	-10	-9	-7	-6	-5	-4	0	0	-56	-55
Adjusted EBITA[2]	31	35	23	22	30	31	27	23	-5	-13	-14	-11	92	87
Amortisation	0	0	-1	-1	-4	-4	-7	-7	0	0	0	0	-12	-12
Adjusted operating income (EBIT)[2]	31	35	22	21	26	27	20	16	-5	-13	-14	-11	80	75
Non-comparable items	-	-	-	-	-	-	-	-	-	-	-	-1	-	-1
Operating income (EBIT)	31	35	22	21	26	27	20	16	-5	-13	-14	-12	80	74
Adjusted EBITDA-margin[2]	7.6%	8.3%	6.1%	6.7%	11.0%	10.3%	7.3%	6.9%	0.0%	-12.9%	-	-	7.0%	7.0%
Adjusted EBIT-margin[2]	4.8%	5.4%	3.5%	3.6%	7.2%	7.0%	4.3%	3.8%	-4.7%	-18.6%	-	-	3.8%	3.7%

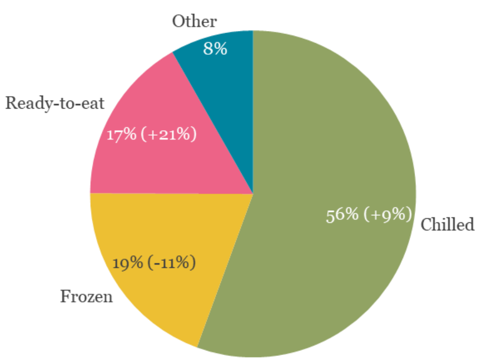
[1] Pro forma
[2] Adjusted for non-comparable items, see page 12.

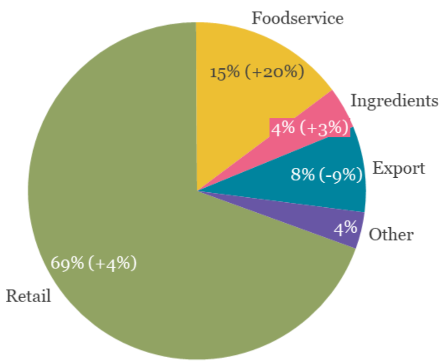
Change in adjusted operating income (EBIT) vs Q1 2017 (pro forma)





Net sales by product category and sales channel compared to Q1 2017 (pro forma)





Percentage of Group's total net sales and change vs Q1 2017 (pro forma) in brackets.

Net sales and income

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Net sales	2,116	1,594	33%	7,623	7,101
Adjusted EBITDA*	148	113	31%	594	559
Adjusted operating income* (EBIT)	80	59	38%	350	329
Non-comparable items	-	-1	-	-33	-34
Operating income (EBIT)	80	58	38%	317	295
*Adjusted EBITDA-margin**	*7.0%*	*7.1%*	-	*7.8%*	*7.9%*
*Adjusted EBIT-margin**	*3.8%*	*3.7%*	-	*4.6%*	*4.6%*

*Adjusted for non-comparable items, see page 12.

Net sales

Net sales in the first quarter 2018 increased by 33 percent to MSEK 2,116 compared to MSEK 1,594 in the first quarter 2017. At constant exchange rates, the increase was 30 percent.

Net sales increased by 9 percent in Denmark, 51 percent in Finland, were unchanged in Sweden and declined by 7 percent in Norway. The newly acquired operation in Ireland contributed to the increase with MSEK 464 (-).

Income

Adjusted for non-comparable items, operating income increased in the first quarter 2018 to MSEK 80 (59), corresponding to a margin of 3.8 (3.7) percent.

Adjusted operating income improved in Finland and was largely unchanged in Denmark and Norway. Adjusted operating income in Sweden declined from the previous year. The newly acquired Irish operation contributed with MSEK 20 (-) to the change in operating income.

The negative impact of the bird flu on adjusted operating income amounted to approximately MSEK 6 (18) and refers entirely to Sweden.

Including non-comparable items, operating income increased by 38 percent to MSEK 80 (58), corresponding to a margin of 3.8 (3.7) percent. Non-comparable items were MSEK - (-1), see page 12.

Impact of bird flu in 2018

A negative impact of approximately MSEK 1-3 per month on operating income for Sweden is expected in 2018 until the remaining trade restrictions are lifted.

Cash flow and investments

Operating cash flow in the first quarter 2018 amounted to MSEK 27 (5). Cash flow was positively impacted by the higher income and a lower increase in working capital compared to the first quarter 2017.

Working capital as of 31 March 2018 amounted to MSEK 666 (397), corresponding to 8.7 (6.4) percent of net sales. The increase compared to the previous year refers mainly to the acquisition of the Irish operation.

Net capital expenditure amounted to MSEK 90 (51). The increase was due to the expansion of capacity within ready-to-eat products in the Farre facility in Denmark.

MSEK	Q1 2018	Q1 2017	LTM	2017
Opening balance net debt	**-1,886**	**-1,515**	**-1,521**	**-1,515**
EBITDA	148	112	595	559
Adjustment for non cash items	4	-	4	-
Change in working capital	-35	-56	-126	-147
Net capital expenditure	-90	-51	-238	-199
Operating cash flow	**27**	**5**	**235**	**213**
Paid finance items, net	-16	-15	-60	-59
Paid income tax	-19	-6	-16	-3
Dividend	-	-	-80	-80
Acquisitions	-	-	-274	-274
Other items*	-45	10	-223	-168
Net cash flow	**-53**	**-6**	**-418**	**-371**
Closing balance net debt	**-1,939**	**-1,521**	**-1,939**	**-1,886**

*) Other items include negative currency effects of MSEK 41 in the first quarter 2018.

Financial position

Total equity as of 31 March 2018 amounted to MSEK 1,589 (991). The equity to assets ratio was 29.7 (27.8) percent.

Net interest-bearing debt as of 31 March 2018 increased to MSEK 1,939 (1,521), mainly due to the acquisition of Manor Farm. The increase in the first quarter 2018 was MSEK 53, including currency effects of MSEK 41.

Cash and cash equivalents amounted to MSEK 70 (23). Committed but not utilized credit facilities as of 31 March 2018 amounted to MSEK 292 (976).

Segment information

Sweden

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Net sales	649	647	0%	2,559	2,557
Adjusted EBITDA*	49	54	91%	223	228
Adjusted operating income* (EBIT)	31	35	-11%	146	150
Non-comparable items	-	-	-	-35	-35
Operating income (EBIT)	31	35	-11%	111	115
*Adjusted EBITDA-margin**	*7.6%*	*8.3%*	-	*8.7%*	*8.9%*
*Adjusted EBIT-margin**	*4.8%*	*5.4%*	-	*5.7%*	*5.9%*

*Adjusted for non-comparable items, see page 12.

Net sales in Sweden in the first quarter 2018 amounted to MSEK 649 compared to MSEK 647 in the first quarter 2017.

The retail market for chicken products showed a slight increase overall in value compared to the first quarter 2017, but declined in chilled products. The Group's net sales decreased in chilled products and increased in frozen products compared to the previous year.

Adjusted operating income declined by 11 percent to MSEK 31 (35), corresponding to a margin of 4.8 (5.4) percent. A lower share of net sales in chilled products and continued price pressure in the market had an adverse effect on adjusted operating income.

The bird flu had a negative impact of MSEK 6 (9) on adjusted operating income in the quarter.

Denmark

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Net sales	635	580	9%	2,584	2,529
Adjusted EBITDA*	39	39	0%	182	182
Adjusted operating income* (EBIT)	22	21	5%	118	117
Non-comparable items	-	-	-	-4	-4
Operating income (EBIT)	22	21	5%	114	113
*Adjusted EBITDA-margin**	*6.1%*	*6.7%*	-	*7.0%*	*7.2%*
*Adjusted EBIT-margin**	*3.5%*	*3.6%*	-	*4.6%*	*4.6%*

*Adjusted for non-comparable items, see page 12.

Net sales in Denmark in the first quarter 2018 increased by 9 percent to MSEK 635 compared to MSEK 580 in the first quarter 2017. Net sales in local currency rose by 5 percent.

The increase in net sales was mainly achieved through higher sales in the retail channel with a positive contribution of the newly launched premium product range under the Danske Familiegårde brand.

Adjusted operating income amounted to MSEK 22 (21), corresponding to a margin of 3.5 (3.6) percent. Adjusted operating income was positively impacted by an improved product mix, while higher costs for additional sales persons and marketing related to the new premium range had a negative impact.

The expansion of capacity in the facility in Farre was initiated in the quarter and is expected to be completed in the beginning of the third quarter 2018, corrsponding to a total investment of approximately MSEK 150.

Norway

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Net sales	362	388	-7%	1,457	1,483
Adjusted EBITDA*	40	40	0%	160	160
Adjusted operating income* (EBIT)	26	27	-4%	106	107
Non-comparable items	-	-	-	-	-
Operating income (EBIT)	26	27	-4%	106	107
*Adjusted EBITDA-margin**	*11.0%*	*10.3%*	-	*11.0%*	*10.8%*
*Adjusted EBIT-margin**	*7.2%*	*7.0%*	-	*7.3%*	*7.1%*

*Adjusted for non-comparable items, se page 12.

Net sales in Norway in the first quarter 2018 declined by 7 percent to MSEK 362 compared to MSEK 388 in the first quarter 2017. Net sales in local currency declined by 5 percent.

The decline in net sales referred to lower sales in the food service channel due to a rationalization of the product range.

Adjusted operating income amounted to MSEK 26 (27), corresponding to a margin of 7.2 (7.0) percent. Adjusted operating income and margin were negatively affected by lower sales volumes and a less favourable product mix compared to the previous year. This was, however, offset by higher efficiency and lower costs in production.

Ireland

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Net sales	464	-	-	1,060	596
Adjusted EBITDA*	34	-	-	78	44
Adjusted operating income* (EBIT)	20	-	-	47	27
Non-comparable items	-	-	-	-	-
Operating income (EBIT)	20	-	-	47	27
*Adjusted EBITDA-margin**	*7.3%*	-	-	*7.4%*	*7.4%*
*Adjusted EBIT-margin**	*4.3%*	-	-	*4.4%*	*4.6%*

*Adjusted for non-comparable items, se page 12.

Net sales in Ireland amounted to MSEK 464 (-) and adjusted operating income was MSEK 20 (-), corresponding to a margin of 4.3 (-) percent. For comments on the Irish operation, see the pro forma section on page 4.

Finland

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Net sales	106	70	51%	365	329
Adjusted EBITDA*	0	-9	100%	-18	-27
Adjusted operating income* (EBIT)	-5	-13	62%	-35	-43
Non-comparable items	-	-	-	-	-
Operating income (EBIT)	-5	-13	62%	-35	-43
*Adjusted EBITDA-margin**	*0.0%*	*-12.9%*	-	*-4.9%*	*-8.2%*
*Adjusted EBIT-margin**	*-4.7%*	*-18.6%*	-	*-9.6%*	*-13.1%*

*Adjusted for non-comparable items, se page 12.

Net sales in Finland in the first quarter 2018 increased by 51 percent to MSEK 106 compared to MSEK 70 in the first quarter 2017. Net sales in local currency rose by 52 percent.

Adjusted operating income improved to MSEK -5 (-13). The improvement refers mainly to higher efficiency and better yield in production, as well as a more favourable product mix.

Personnel

The average number of employees (FTE) in the first quarter 2018 was 2,963 (1,807). The increase refers mainly to the Irish operation, which was acquired as of 28 August 2017 and is included with 923 persons.

Annual General Meeting 2018

The Annual General Meeting (AGM) 2018 will be held on 22 May at 1 pm in Wallenbergssalen, at the IVA Conference Center, Grev Turegatan 16 in Stockholm, Sweden. More information about the AGM is available on: http://investors.scandistandard.com/en/agm.

Dividend

The Board of Directors proposes a dividend for 2017 of SEK 1.80 (1.35) per share, for a total dividend payment of approximately MSEK 118 (80), based on the number of outstanding shares as of 31 December 2017. The proposed dividend corresponds to approximately 56 (57) percent of income for the year adjusted for non-comparable items.

The company's dividend policy is to distribute a dividend of approximately 60 percent of income for the year adjusted for non-comparable items on average over time.

The Group's sustainability work

The strategic and Groupwide work with regard to responsibility and sustainable development continued during 2017. Based on our vision, the impact of our operations on the value chain and the expectations of our stakeholders, we have conducted a materiality analysis in which a number of priority aspects and target areas have been defined. The input values for this work included looking at the work that is currently being carried out as well as accumulated knowledge from stakeholder dialogues and risk analyses, plus market analyses and external frameworks such as Agenda 2030.

Based on the identified and prioritised responsibility and sustainability aspects a strategic framework, The Scandi Way, has been developed for the Groupwide future work. This framework provides an overwiew of important common issues and sets out the standard for the Group's sustainability work. Each country and facility can also choose to adopt a higher level of ambition where appropriate and possible.

The prioritised aspects in the materiality analysis include:
People
- Safe, healthy products that contribute and inspire to a sustainable life style
- An attractive and healthy work place
- Responsible supplier relations and business ethics

Chickens
- High quality farmers
- Healthy chickens
- Feed quality and feed efficiency
- *"Scandi Chicken Quality Program"*

Planet
- Climate smart and resource efficient operations
- Sustainable packaging
- Reduced food waste

Target areas and management
Based on the The Scandi Way, the work on integrating responsibility and sustainability aspects into business strategy and operations continued during the quarter. The starting point is to integrate responsibility and sustainability aspects into current areas of responsibility, processes and working methods. Measurable targets and standard KPIs have been set for some areas, while others are under development or will only be monitored in some of the companies. The Scandi Way will be available on a digital platform this spring with information about the development within the prioritised areas.

Events after the close of the period

Vincent Carton, Country Manager for Ireland, has become member of Group Management as of May 2018.

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 44-48 and pages 76-78 in the Annual Report 2017, which is available at www.scandistandard.com.

Stockholm, 3 May 2018

Leif Bergvall Hansen
Managing Director and CEO

The interim report has not been subject to review by the Company's auditors.

This is a translation of the original Swedish version published on www.scandistandard.com

Segment information

As of January 2018, the Group allocates amortisation on acquired intangible assets to the segments. Q1 2017 is restated in the interim report. See page 20.

Nettoomsättning per land

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Sweden	649	647	0%	2,559	2,557
of which internal sales	53	47	13%	202	196
Denmark	635	580	9%	2,584	2,529
of which internal sales	44	44	0%	185	185
Norway	362	388	-7%	1,457	1,483
of which internal sales	-	-		-	-
Finland	106	70	51%	365	329
of which internal sales	2	-	-	14	12
Ireland	464	-	-	1,060	596
of which internal sales	-	-	-	-	-
Intra-group eliminations	-100	-91	10%	-402	-393
Summa nettoomsättning	**2,116**	**1,594**	**33%**	**7,623**	**7,101**

Net sales in local currency

Millions in local currency	Q1 2018	Q1 2017	Change	LTM	2017
Denmark	475	453	5%	1,975	1,953
Norway	350	367	-5%	1,419	1,436
Finland	11	7	52%	38	34
Ireland	47	-	-	109	62

Net sales per product category

MSEK	Q1 2018	Q1 2017	Change	LTM	2017
Chilled	1,142	726	57%	3,621	3,205
Frozen	412	401	2%	1,729	1,718
Ready-to-eat	388	292	33%	1,510	1,414
Other*	174	175	-1%	763	764
Total net sales	**2,116**	**1,594**	**33%**	**7,623**	**7,101**

*) Relates mainly to the sale of eggs and pet food, as well as SweHatchs' sale of day-old chicks.

Exchange rates*

	Kv1 2018	Kv1 2017	2017
SEK/NOK	1.03	1.06	1.03
SEK/DKK	1.34	1.28	1.29
SEK/EUR	9.96	9.51	9.63

*) Average exchange rates

Adjusted operating income (EBIT)

MSEK	Q1 2018	Q1 2017	LTM	2017
Sweden	31	35	146	150
Denmark	22	21	118	117
Norway	26	27	106	107
Finland	-5	-13	-35	-43
Ireland	20	-	47	27
Group	-14	-11	-32	-29
Total adjusted operating income	**80**	**59**	**350**	**329**

Non-comparable items in operating income

MSEK	Q1 2018	Q1 2017	LTM	2017
Staff reduction costs[1]	-	-	-1	-1
Restructuring of production[2]	-	-	-19	-19
Costs related to fire[3]	-	-	-4	-4
Transaction costs[4]	-	-1	-24	-25
Revaluation of contingent consideration[5]	-	-	30	30
Cancellation of leasing contract[6]	-	-	-15	-15
Total adjustments to operating income	**-**	**-1**	**-33**	**-34**

Non-comparable items in operating income by segment

MSEK	Q1 2018	Q1 2017	LTM	2017
Sweden	-	-	-35	-35
Denmark	-	-	-4	-4
Norway	-	-	-	-
Finland	-	-	-	-
Ireland	-	-	-	-
Group	-	-1	6	5
Total adjustments to operating income	**-**	**-1**	**-33**	**-34**

Operating income (EBIT)

MSEK	Q1 2018	Q1 2017	LTM	2017
Sweden	31	35	111	115
Denmark	22	21	114	113
Norway	26	27	106	107
Finland	-5	-13	-35	-43
Ireland	20	-	47	27
Group	-14	-12	-26	-24
Total operating income	**80**	**58**	**317**	**295**
Finance net	-25	-19	-77	-71
Income tax expense	-11	-9	-58	-56
Income for the period	**44**	**30**	**182**	**168**

1) Staff reduction costs in Sweden in the fourth quarter 2017.
2) Restructuring of and changes in production in Sweden.
3) Costs related to a fire in Sødams' facility in Denmark.
4) Deal fees related to the acquisition of the Irish company Manor Farm in 2017 and the majority shareholding in Sødams in Denmark in 2016.
5) Revaluation of contingent consideration in connection with the acquisition of the remaining 20% of the shares in Sødams in Denmark.
6) Costs for cancellation of a leasing contract and project costs in Sweden.

Consolidated income statement

MSEK	Q1 2018	Q1 2017	LTM	2017
Net sales	2,116	1,594	7,623	7,101
Other operating revenues	8	9	67	68
Changes in inventories of finished goods and work in progress	-5	65	-16	54
Raw materials and consumables	-1,265	-1,015	-4,580	-4,330
Cost of personnel	-410	-309	-1,501	-1,400
Depreciation, amortization and impairment	-68	-54	-246	-232
Other operating expenses	-296	-232	-1,033	-969
Share of income of associates	0	0	3	3
Operating income	**80**	**58**	**317**	**295**
Finance income	0	0	1	1
Finance expenses	-25	-19	-78	-72
Income after finance net	**55**	**39**	**240**	**224**
Income tax expense	-11	-9	-58	-56
Income for the period	**44**	**30**	**182**	**168**
Whereof attributable to shareholders of the Parent Company	44	30	182	168
Average number of shares	65,233,578	59,397,278	62,315,428	61,570,177
Earnings per share, SEK	0.67	0.50	2.92	2.73
Earnings per share after dilution, SEK	0.67	0.50	2.92	2.73
Number of shares at the end of the period	66,060,890	60,060,890	66,060,890	66,060,890

[1)] 163,700 shares were purchased during 2017.
[2)] 6,000,000 shares were issued during Q3 2017.

Consolidated statement of comprehensive income

MSEK	Q1 2018	Q1 2017	LTM	2017
Income for the period	44	30	182	168
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial gains and losses in defined benefit pension plans	-4	-5	10	9
Tax on actuarial gains and losses	1	1	-2	-2
Total	**-3**	**-4**	**8**	**7**
Items that will or may be reclassified to the income statement				
Cash flow hedges	1	1	5	5
Currency effects from conversion of foreign operations	94	-5	141	42
Income from currency hedging of foreign operations	-4	-3	-19	-18
Tax attributable to items that will be reclassified to the income statement	0	0	-1	-1
Total	**91**	**-7**	**126**	**28**
Other comprehensive income for the period, net after tax	88	**-11**	**134**	**35**
Total comprehensive income for the period	**132**	**19**	**316**	**203**
Whereof attributable to shareholders of the Parent Company	**132**	**19**	**316**	**203**

Consolidated statement of financial position

MSEK	Note	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS				
Non-current assets				
Goodwill		936	699	896
Other intangible assets		1,044	493	1,017
Property plant and equipment		1,324	1,013	1,245
Participations in associated companies		42	38	40
Financial assets		0	-	0
Deferred tax assets		43	47	40
Total non-current assets		**3,389**	**2,290**	**3,238**
Current assets				
Biological assets		75	53	72
Inventory		663	609	649
Trade receivables		939	405	879
Other short term receivables		75	89	125
Prepaid expenses and accrued income		146	93	159
Derivate instruments		0	0	1
Cash and cash equivalents		70	23	30
Total current assets		**1,968**	**1,272**	**1,915**
TOTAL ASSETS		**5,357**	**3,562**	**5,153**
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital		1	1	1
Other contributed equity		974	702	974
Reserves		164	36	70
Retained earnings		450	252	410
Total equity		**1,589**	**991**	**1,455**
Liabilities				
Non-current liabilities				
Non-current interest bearing liabilities		1,961	1,500	1,849
Derivate instruments		8	13	9
Provisions for pensions		15	24	11
Other provisions		12	-	12
Deferred tax liabilities		167	105	172
Other non-current liabilities	4	333	46	319
Total non-current liabilities		**2,496**	**1,688**	**2,372**
Current liabilities				
Current interest bearing liabilities		40	31	58
Trade payables		718	457	716
Tax payables		58	44	59
Other current liabilities		146	126	187
Accrued expenses and prepaid income		310	225	306
Total current liabilities		**1,272**	**883**	**1,326**
TOTAL EQUITY AND LIABILITIES		**5,357**	**3,562**	**5,153**

Consolidated statement of changes in equity

MSEK	
Opening balance 1 January 2017	**972**
Income for the period	168
Other comprehensive income, net after tax	35
Total comprehensive income	**203**
Dividend	-80
New share issue	353
Transaction costs related to new share issue	-1
Profit related to utilization of purchasing option in Sødams Øko Fjerkræslagteri ApS	6
Adjustment	1
LTIP	11
Repurchase of own shares	-10
Total transactions with the owners	**280**
Closing balance 31 December 2017	**1,455**

Opening balance 1 January 2018	**1,455**
Income for the period	44
Other comprehensive income, net after tax	88
Total comprehensive income	**132**
LTIP	2
Total transactions with the owners	**2**
Closing balance 31 March 2018	**1,589**

Consolidated statement of cash flows

MSEK	Q1 2018	Q1 2017	LTM	2017
OPERATING ACTIVITIES				
Operating income	80	58	317	295
Adjustment for non-cash items	72	56	222	206
Paid finance items net	-16	-15	-60	-59
Paid current income tax	-19	-6	-16	-3
Cash flow from operating activities before changes in operating capital	**117**	**93**	**463**	**439**
Changes in inventories	3	-61	7	-57
Changes in operating receivables	36	-29	-183	-248
Changes in operating payables	-75	34	79	158
Cash flow from operating activities	**81**	**37**	**366**	**292**
INVESTING ACTIVITIES				
Business combinations	-	0	-274	-274
Investment in property, plant and equipment	-90	-51	-253	-214
Sale of property, plant and equipment	0	0	15	15
Cash flows from investing activities	**-90**	**-51**	**-512**	**-473**
FINANCING ACTIVITIES				
New loan	114	1,450	550	1,904
Repayment	-67	-1,367	-222	-1,521
Change in overdraft facility	-	-69	-30	-99
New share issue	-	-	-80	-80
Dividend	-	-	-	-
Repurchase own shares	-	-	-10	-10
Cash flows from financing activities	**47**	**14**	**208**	**194**
Cash flows for the period	**38**	**0**	**62**	**13**
Cash and cash equivalents at beginning of the period	**30**	**23**	**23**	**23**
Currency effect in cash and cash equivalents	2	0	-15	-6
Cash flow for the period	38	0	62	13
Cash and cash equivalents at the end of the period	**70**	**23**	**70**	**30**

Parent company income statement

MSEK	Q1 2018	Q1 2017	2017
Net sales	-	-	-
Operating expenses	0	-	0
Operating income	**0**	**-**	**0**
Finance net	4	3	11
Income after finance net	**4**	**3**	**11**
Group contribution	-	-	-11
Tax expenses	-1	-1	-
Income for the period	**3**	**2**	**0**

Parent company statement of comprehensive income

MSEK	Q1 2018	Q1 2017	2017
Income for the period	3	2	0
Other comprehensive income, net after tax	-	-	-
Total comprehensive income for the period	**3**	**2**	**0**

Parent company statement of financial position

MSEK	Note	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS				
Non-current assets				
Investments in subsidiaries		533	533	533
Receivables from Group entities		405	359	405
Total non-current assets		**938**	**892**	**938**
TOTAL ASSETS		**938**	**892**	**938**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		1	1	1
Non-restricted equity				
Share premium account		974	702	974
Retained earnings		-53	-42	-53
Income for the period		3	2	0
Total equity		**925**	**663**	**922**
Current liabilities				
Tax liability		1	1	-
Liabilities to Group entities	4	12	228	16
Total current liabilities		**13**	**229**	**16**
TOTAL EQUITY AND LIABILITIES		**938**	**892**	**938**

Parent company statement of changes in equity

MSEK	
Opening balance 1 January 2017	**660**
Income for the period	0
Other comprehensive income, net after tax	-
Total comprehensive income	**0**
Dividend	-80
New share issue	353
Transaction costs related to new share issue	-1
Repurchase own shares	-10
Total transactions with the owners	**262**
Closing balance 31 December 2017	**922**
Opening balance 1 January 2018	**922**
Income for the period	3
Other comprehensive income, net after tax	-
Total comprehensive income	**3**
Dividend	-
Repurchase own shares	-
Total transactions with the owners	**-**
Closing balance 31 March 2018	**925**

Notes to the condensed consolidated financial information

Note 1. Accounting policies

Scandi Standard applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act and recommendation RFR 1, Supplementary accounting principles for Group, issued by the Swedish Financial Reporting Board. The Parent Company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR2, Accounting for legal entities.

IFRS 9, Financial instruments and IFRS 15, Revenue from contracts with customers are in effect as of 1 January 2018. The application of the standard will not have any significant impact on the financial statements of the Group. For a description of the accounting principles applied by the Group, see the Annual report 2017.

IFRS 16, 'Leases', was issued in January 2016 and supersedes IAS 17 Leases. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The standard is mandatory for financial years commencing on or after 1 January 2019. A company can choose to apply IFRS 16 before this date but only if it also applies IFRS 15 Revenue from contracts with customers. The standard will affect the accounting for the Group's operating leases. The Group started the implementation process in 2017 and will complete the identification of relevant information in the Group's leasing contracts during 2018. This will be used for analyses of consequenses and for further quantification of the effect. The operating leases that will be recorded on Scandi Standard's balance sheet as a result of IFRS 16 will mainly be for land and buildings (offices and production facilities), transport (cars, forklifts and trucks) and other equipment (e.g. IT and other office equipment). At this stage, the Group is not able to quantify the impact of the new rules on the Group's financial statements or to decide on the method of first-time application. However, the Group does not intend to adopt the standard before its effective date.

Long-term incentive programme
The Annual General Meeting 2017 decided on a long-term incentive programme (LTIP 2017) for key employees. The programme is intended to contribute to long-term value growth and is of the same type as LTIP 2015 and LTIP 2016. The programmes are equity-settled, share based compensation plans accounted for in accordance with IFRS 2, Share based payments. The programmes are expensed over the vesting period (3 years). At the end of each reporting period, the Group considers changes in the anticipated number of vested shares. Social charges related to the programme are recognized as a cash-settled instrument. For more information about the Group's long-term incentive programmes, see Note 1 and 5 in the Annual Report 2017.

No changes have been made in the Group's accounting and valuation principles compared to the accounting and valuation principles described in Note 1 in the Annual Report 2017

Note 2. Segment information

Scandi Standard's business is operationally divided into the countries of Sweden, Denmark, Norway, Ireland and Finland.
Internal reporting to Group Management and the Board of Directors corresponds with the Group's operational structure. The division is based on the Group's operations from a geographical perspective. Those countries where business is operated equals the Group segments. The segments are managed on the basis of sales and operating results. The responsibility for the Group's financial assets and liabilities, provisions for taxes and pensions, gains and losses on the re-measurement of financial instruments according to IAS 39 and pension obligations according to IAS 19 are dealt with by the corporate functions and are not allocated to the segments. All capital expenditure on property, plant and equipment and intangible assets, apart from expendable equipment, is included in the segments' investments.

Segment Sweden comprises the companies Kronfågel AB, SweHatch AB, AB Skånefågel and Bosarpskyckling AB. Kronfågel AB is the segment's largest business engaged in slaughtering, production, development and processing of fresh and frozen chicken products, mainly for the Swedish market. SweHatch AB engages in the rearing, production and hatching of day-old chickens for Kronfågel AB's breeders and other players in the Swedish market. AB Skånefågel slaughters and sells products for the Swedish market and export. Bosarpskyckling AB was the first producer of organic chicken in Sweden.

Segment Denmark comprises Danpo A/S, the associate Farmfood A/S. Danpo A/S slaughters, produces, develops and processes chicken products for both the Danish market and exports within Europe and to Asia. Farmfood A/S processes slaughterhouse by-products from the Group's different segments, mainly for use in pet food sold in the international markets.

Segment Norway comprises Den Stolte Hane Jæren AS, Den Stolte Hane Egg AS and Scandi Standard Norway AS. In addition there is an associate Naerbo kyllingslakt AS. The segment consists of two parts - the production, processing and sale of chicken products and the packing of eggs in the segment's own egg packing facility. Both types of products are sold in the Norwegian market.

Segment Ireland comprises Carton Bros ULC, which includes the operations of Manor Farm acquired as of 28 August 2017. Operations include slaughtering, production and development of chilled chicken products for the Irish market. The segment also produces feed for its contracted farmers.

Segment Finland comprises Naapurin Maalaskainan Oy (formerly Kronfågel Oy). Operations include slaughtering, production and development of fresh and frozen chicken products for the Finnish market.

As of January 2018, the Group allocates amortisation on acquired intangible assets to the segments. Q1 2017 is restated in the interim report. For a summary of the effects for Q1 2017 of the changed principle, see the table below.

MSEK	Adjusted operating income	Allocated amortisation	Operating income after allocation
Sweden	35	0	35
Denmark	22	1	21
Norway	31	4	27
Finland	-13	-	-13
Ireland	-	-	-
Group items	-11	-	-11
Amortisation	-5	5	-
Total	**59**		**59**

Revenue split

	Sweden		Denmark		Norway		Ireland		Finland		Group items		Total	
MSEK	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Chilled	257	265	210	172	212	231	412	-	85	57	-	-	1,176	726
Frozen	259	263	154	169	40	55	49	-	10	5	-100	-91	412	401
Ready-to-eat	62	55	266	219	22	16	-	-	3	2	-	-	353	292
Other	71	64	5	20	88	86	3	-	8	6	-	-	175	176
Summa	**649**	**647**	**635**	**580**	**362**	**388**	**464**	**-**	**106**	**70**	**-100**	**-91**	**2,116**	**1,594**

Note 3. Accounting and valuation of financial instruments

Scandi Standard's financial instruments, by classification and by level in the fair value hierarchy as per 31 March 2018 and for the comparison period, are shown in the tables below.

31 March 2018, MSEK	Valued at amortized cost	Valued at fair value through profit and loss[1)]	Valued at fair value through other comprehensive income[1)]
Assets			
Other non-current financial assets	-	-	-
Trade receivables	939	-	-
Derivatives	-	-	0
Cash and cash equivalents	70	-	-
Total financial assets	**1,009**	**-**	**0**
Liabilities			
Non-current interest bearing liabilities	1,961	-	-
Other non-current liabilities	-	333	-
Derivatives	-	-	8
Current interest bearing liabilities	40	-	-
Trade payables	718	-	-
Total financial liabilities	**2,719**	**333**	**8**

31 March 2017, MSEK	Valued at amortized cost	Valued at fair value through profit and loss[1)]	Valued at fair value through other comprehensive income[1)]
Assets			
Other non-current financial assets	-	-	-
Trade receivables	405	-	-
Derivatives	-	-	0
Cash and cash equivalents	23	-	-
Total financial assets	**428**	**-**	**0**
Liabilities			
Non-current interest bearing liabilities	1,500	-	-
Other non-current liabilities	-	46	-
Derivatives	-	-	13
Current interest-bearing liabilities	31	-	-
Trade payables	457	-	-
Total financial liabilities	**1,981**	**46**	**13**

1) The valuation of the Groups financial assets and liabilities is performed in accordance with the fair-value hierarchy:
Level 1. Quoted prices (unadjusted) in active markets for identical instruments
Level 2. Data other than quoted prices included within level 1 that are observable for the asset or liability either directly as prices or indirectly as derived from prices.
Level 3. Non-observable data for the asset or liability.

As of 31 March 2018 and at the end of the comparison period the Group had financial derivatives (level 2) and biological assets (level 3) measured at fair value on the balance sheet. The fair value of forward exchange contracts is estimated based on current forward rates at the reporting date, while interest rate swaps are valued using estimates of future discounted cash flows. As of 31 March 2018 the derivatives amounted to MSEK -8 (-13). The biological assets (parent animals in the rearing of day old chicks, as well as broilers) are measured in accordance with IAS 41 at fair value less selling costs and as of 31 March 2018 those amounted to MSEK 75 (53). For the Group's long-term borrowing, which as of 31 March 2018 amounted to MSEK 1,961 (1,500), fair value is considered to be equal to the amortized cost as the borrowings are held at floating market rates and hence the booked value will be approximated as the fair value. For other financial instruments, fair value is estimated at cost adjusted for any impairment. Other non-current liabilities (level 3) refers to the additional purchase price related to the acquisition of Carton Bros ULC. The liability is valued at fair value based on historic and future expected EBITDA.

Note 4. Other liabilities

The entire other non-current liability for the Group as per 31 March 2018 amounting to MSEK 333 (-) refers to the additional purchase price related to performed acquisitions. The other current liabilities to Group entities in the Parent Company as per 31 March 2018 amounted to MSEK 12 (228).

Note 5. Alternative KPIs

The Scandi Standard Group uses the below alternative KPIs. The Group believes that the presented alternative KPIs are useful when reading the financial statements in order to understand the Group's ability to generate results before investments, assess the Group's opportunities to dividends and strategic investments and to assess the Group's ability to fulfill its financial obligations.

From income statement, MSEK		**Q1 2018**	**Q1 2017**	**LTM**	**2017**
Net sales	A	2,116	1,594	7,623	7,101
Income for the period	B	44	30	182	168
+ Reversal of income tax expense		11	9	58	56
Income after finance net	**C**	**55**	**39**	**240**	**224**
+ Reversal of financial expenses		25	19	78	72
+ Reversal of financial income		0	0	-1	-1
Operating income	**D**	**80**	**58**	**317**	**295**
+ Reversal of depreciation, amortisation and impairment		68	54	246	232
+ Reversal of share of income of associates		0	0	-2	-2
EBITDA	**E**	**148**	**112**	561	**525**
Non-comparable items in income for the period	F	-	1	-1	0
Adjusted income for the period	**C+F**	**55**	**40**	**239**	**224**
Non-comparable items in income after finance net	G	0	1	33	34
Adjusted income after finance net	**D+G**	**80**	**59**	**350**	**329**
Adjusted operating margin	**(D+G)/A**	**3.8%**	**3.7%**	**4.6%**	**4.6%**
Non-comparable items in EBITDA	H	0	1	33	34
Adjusted EBITDA	**E+H**	**148**	**113**	**594**	**559**
Adjusted EBITDA-margin %	**(E+H)/A**	**7.0%**	**7.1%**	**7.8%**	**7.9%**

From statement of financial position, MSEK		31 Mar 2018	31 Mar 2017	31 Dec 2017
Total assets		**5,357**	**3,562**	**5,153**
Non-current non interest bearing liabilities				
- Deferred tax liabilities		-167	-105	-172
- Other non-current liabilities		-333	-46	-319
Total non-current interest bearing liabilites		**-500**	**-151**	**-491**
Current non interest bearing liabilities				
Trade payables		-718	-457	-716
Tax payables		-58	-44	-59
Other current liabilities		-146	-126	-187
Accrued expenses and prepaid income		-310	-225	-306
Total current non interest bearing liabilities		**-1,232**	**-852**	**-1,268**
Capital employed		**3,625**	**2,559**	**3,394**
Cash and cash equivalents		-70	-23	-30
Operating capital		**3,555**	**2,536**	**3,364**
Average capital employed	**I**	**3,092**	**2,568**	**2,963**
Average operating capital	**J**	**3,046**	**2,482**	**2,936**
Operating income (EBIT), LTM		317	229	295
Adjusted operating income (EBIT), LTM	**K**	350	242	329
Financial income	**L**	0	0	1
Adjusted return on capital employed	**(K+L)/I**	**11.3%**	**9.4%**	**11.1%**
Adjusted return on operating capital	**K/J**	**11.5%**	**9.8%**	**11.2%**
Interest bearing liabitities				
Non-current interest bearing liabilities		1,961	1,500	1,849
Derivates		8	13	9
Current interest bearing liabilities		40	31	58
Total interest bearing liabilities		**2,009**	**1,544**	**1,916**
Cash		-70	-23	-30
Net interest bearing debt		**1,939**	**1,521**	**1,886**

From Statement of Cash Flows, MSEK		Q1 2018	Q1 2017	LTM	2017
OPERATING ACTIVITIES					
Operating income		80	58	317	295
Adjustment for non-cash items					
Depreciation, amortization and impairment		68	54	246	232
Share of income of associates		0	0	-2	-2
EBITDA		**148**	**112**	**561**	**525**
Non-comparable items in EBITDA	**F**	0	1	33	34
Adjusted EBITDA		**148**	**113**	**594**	**559**

Definitions

Working capital
Total inventory and operating receivables less non-interest bearing current liabilities.

Operating capital
Total assets less cash and cash equivalents and non-interest-bearing liabilities, including deferred tax liabilities.

Adjusted return on operating capital
Adjusted operating income last twelve months (LTM) divided by average operating capital.

Capital employed
Total assets less non-interest-bearing liabilities, including deferred tax liabilities.

Adjusted return on capital employed
Adjusted operating income last twelve months (LTM) plus interest income divided by average capital employed.

Return on equity
Income for the period divided by average total equity.

Net interest-bearing debt
Interest-bearing debt excluding arrangement fees less cash and cash equivalents.

Adjusted operating income
Operating income adjusted for non-comparable items assessed by Group Management.

Adjusted operating margin
Operating income adjusted for non-comparable items assessed by Group Management as a percentage of net sales.

Adjusted income after financial net
Income after financial net adjusted for non-comparable items assessed by Group Management.

Adjusted income for the period
Income for the period adjusted for non-comparable items assessed by Group Management.

Adjusted EPS
Adjusted income for the period divided by average number of shares.

EBITDA
Operating income before depreciation, amortization and impairment and share of income of associates.

Adjusted EBITDA
Adjusted operating income before depreciation, amortization and impairment and share of income of associates.

Adjusted EBITDA-margin
Adjusted EBITDA as a percentage of net sales.

Adjusted operating cash flow
Operating cash flow adjusted for non-comparable items assessed by Group Management.

Conference call

A conference call for investors, analysts and media will be held on 3 May 2018 at 8.30 AM CET.

Dial-in numbers:
UK: 020 3936 2999
Sweden: 010 884 8016
US: 1 845 709 8568
Other countries: +44 20 3936 2999

Slides used in the conference call can be downloaded at www.scandistandard.com under Investor Relations. A replay of the conference call will be available on the web site afterwards.

Further information

For further information, please contact:

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Financial calendar

• Annual General Meeting	22 May 2018
• Second quarter report 2018	22 August 2018
• Third quarter report 2018	31 October 2018

This interim report comprises information which Scandi Standard is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 07:30 CET on 3 May 2018.

Forward looking statement

This report contains forward-looking statements and the actual outcome could be materially different. Factors that could have a material effect on the actual outcome include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, products quality and safety, interruptions in supply, disease outbreaks, loss of major customer contracts and major customer credit losses.

The forward-looking statements reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Although the Board of Directors and the management believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. This report does not imply that the Company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with Nasdaq Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

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