

## *Series production and consumables improve to provide positive outlook for 2018*

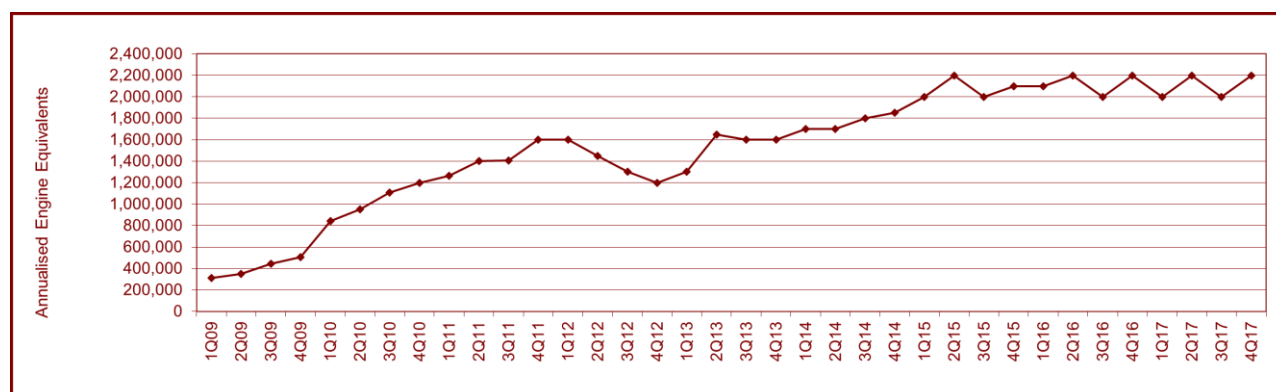
### Fourth Quarter 2017

- **Revenue for Period:** SEK 17.8 million (SEK 17.2 million)
- **Operating Result:** SEK 5.4 million (SEK 4.8 million)
- **Earnings per Share:** SEK 0.8 per share (SEK 0.7 per share)
- **Cashflow from Operations:** SEK 8.5 million (SEK 11.0 million)
- Series production equals record high of 2.2 million Engine Equivalents
- Three best-selling vehicles in North America promote new diesel engine options
- Wards *10 Best Engines* award for Ford F-150 with 2.7 litre SinterCast-CGI petrol engine

### Full Year 2017

- **Revenue for Period:** SEK 65.6 million (SEK 75.4 million)
- **Operating Result:** SEK 17.7 million (SEK 26.4 million)
- **Earnings per Share:** SEK 2.6 per share (SEK 3.8 per share)
- **Cashflow from Operations:** SEK 16.9 million (SEK 25.4 million)
- **Dividend:** Proposed ordinary dividend of SEK 2.75 per share (SEK 2.50 per share) with no extraordinary dividend (SEK 1.5 per share), equivalent to SEK 19.5 million
- **Installed Base:** 24 fully automated systems and 20 mini-systems in Europe, Asia and the Americas

### Series Production\*



*Annualised series production equalled the all-time high of 2.2 million Engine Equivalents in the fourth quarter, despite lower shipments in December due to year-end shutdowns.*

\* Annualised average production of Engine Equivalents during the quarter (1 Engine Equivalent = 50 kg)

## CEO Comments

### Series production and Sampling Cup shipments improve in fourth quarter

After facing headwinds throughout much of 2017, the fourth quarter provided continued improvements and established a stable, profitable platform for growth in 2018. Following significant reductions in three high volume programmes during the first half of 2017, series production improved throughout the year, both due to new programmes ramping up and due to the recovery of two of the three affected programmes. The fourth quarter production equalled the all-time high of 2.2 million Engine Equivalents, effectively returning the full-year production to the same level as 2016 and providing three consecutive years above the 2.0 million engine equivalent threshold. Demand for many of our engines is increasing, as foundry production of the 3.0 litre V6 diesel engine used in the Ram 1500 pick-up is poised to increase, and as new programmes come on-stream during the year.

Sampling Cup shipments also exerted pressure on the results during the first half of the year, due to reduced production volume and inventory adjustments at key customer sites. The Sampling Cup deficit peaked in the second quarter, 26% below the 2016 shipments. However, Sampling Cup shipments increased in each quarter of the year, with the third and fourth quarters of 2017 both in the all-time top-5 quarters, and with the fourth quarter outpacing the previous year for the first time in 2017. The inventory correction appears complete and the trend in Sampling Cup shipments provides a positive outlook for growth in 2018.

The last of the 2017 headwinds relates to installations where the equipment revenue of SEK 3.7 million was significantly below the previous five-year average of SEK 7.8 million. The primary reason for the reduced installation revenue is the absence of new system sales during the year, with the 2017 installation revenue being derived from capacity upgrades and spare parts for existing installations. Installation discussions are ongoing for CGI process control systems and for the new Tracking Technologies, for grey and ductile iron foundries, and for other metal processing applications. As production references become established, the suite of Tracking Technologies will begin to contribute to the total installation revenue. In addition to the new tracking opportunities, SinterCast is also investigating the development of other unique technologies – within and beyond the scope of thermal analysis – to improve quality and production efficiency in the metals industry.

The North American International Auto Show (NAIAS), held in Detroit in January, reinforced the positive outlook for SinterCast, with Ford, GM and Ram all promoting new diesel engine options for the three best-selling vehicles in North America. The Ford F-150 pick-up, America's best-selling truck for 41 consecutive years and the 2018 Motor Trend Truck of the Year, became the first full size pick-up to offer 30 mpg fuel economy (7.8 litres / 100 km) with the new SinterCast-CGI 3.0 litre V6 turbo diesel. Ford confirmed that diesel sales will begin in the model year 2019 F-150 during the Spring of 2018. The Ford F-150 diesel fuel economy of 30 mpg eclipses the previous best fuel economy of 29 mpg set by the 2018 Ram 1500. In introducing the all-new model year 2019 Ram 1500, Ram stated that the 3.0 litre V6 SinterCast-CGI diesel engine currently offered in the model year 2018 pick-up will be available in the all-new Ram 1500 in early 2019. Ram vowed to regain the pick-up titles for fuel economy, performance, payload, towing and driving range. Also in the Ford F-150, the SinterCast-CGI 2.7 litre V6 petrol engine won a coveted Wards *10 Best Engines* award at the auto show – the only pick-up engine to receive a Wards 10 Best award in 2018.

# SinterCast Results: Fourth Quarter 2017



Also at NAIAS, Achates Power revealed its opposed-piston gasoline compression ignition engine based on a compacted graphite iron cylinder block. Installed in a Ford F-150 demonstration pick-up truck, the engine is estimated to achieve 37 mpg (6.4 litres/100 km), nearly five miles per gallon above the 2025 requirements for full-size pick-ups. Achates stated that the 2.7 litre opposed-piston engine is 30-50% more fuel efficient than comparable gasoline or diesel engines and that the technology will be available for customers in the near future. SinterCast has supported the initial cylinder block development at Achates.

## Financial Summary

### Revenue

The revenue for the SinterCast Group relates primarily to income from equipment, series production and engineering service.

Revenue Breakdown (Amounts in SEK million if not otherwise stated)	October-December		January- December	
	2017	2016	2017	2016
<b>Number of Sampling Cups shipped</b>	<b>42,400</b>	35,000	<b>144,600</b>	168,800
<b>Equipment <sup>1</sup></b>	<b>0.8</b>	0.4	<b>3.7</b>	7.1
<b>Series Production <sup>2</sup></b>	<b>16.6</b>	16.4	<b>60.7</b>	66.5
<b>Engineering Service <sup>3</sup></b>	<b>0.4</b>	0.4	<b>1.2</b>	1.8
<b>Other</b>	<b>0.0</b>	0.0	<b>0.0</b>	0.0
<b>Total</b>	<b>17.8</b>	17.2	<b>65.6</b>	75.4

- Notes:**
1. Includes revenue from system sales and leases and sales of spare parts
  2. Includes revenue from production fees, consumables and software licence fees
  3. Includes revenue from technical support, on-site trials and sales of test pieces

The **October-December 2017** revenue amounted to SEK 17.8 million (SEK 17.2 million). The annualised quarterly series production of 2.2 million Engine Equivalents equalled the same period in 2016 while Sampling Cup shipments increased to 42,400 (35,000). Series production revenue increased by 1% to SEK 16.6 million (SEK 16.4 million). Equipment revenue amounted to SEK 0.8 million (SEK 0.4 million) including equipment upgrades and spare parts for various customers. Engineering Service amounted to SEK 0.4 million (SEK 0.4 million), following support provided to various customers globally and the sale of test pieces.

The **January-December 2017** revenue amounted to SEK 65.6 million (SEK 75.4 million). Revenue from series production decreased by 9% to SEK 60.7 million (SEK 66.5 million), primarily due to the decreased shipment of 144,600 (168,800) Sampling Cups. Series production was 5% below the 2016 pace after the first quarter but recovered during the year to finish on par with 2016, at 2.1 million Engine Equivalents. Equipment revenue amounted to SEK 3.7 million (SEK 7.1 million) following the shipment of the equipment for the System 3000 *Plus* upgrades at Teksid Monclova and Tupy Saltillo in Mexico and spare parts to various customers. Engineering Service amounted to SEK 1.2 million (SEK 1.8 million) following support provided to various customers globally and the sale of test pieces.

# SinterCast Results: Fourth Quarter 2017



## Results

The **October-December 2017** operating result of SEK 5.4 million (SEK 4.8 million) increased as a result of the net decrease in operating costs of SEK 0.6 million, primarily derived from decreased sales and marketing costs of SEK 0.3 million, increased administration costs of SEK 0.2 million, a net decrease in research and development costs of SEK 0.4 million and increased other operating income (net unrealised revaluation gains from outstanding receivables) of SEK 0.1 million. The result for the period after tax amounted to SEK 5.4 million (SEK 5.1 million). The increase is primarily related to the SEK 0.6 million increase in the operating result and decreased unrealised revaluation gains derived from currency hedge contracts of SEK 0.3 million.

<b>Results Summary</b>	<b>October-December</b>		<b>January-December</b>	
(Amounts in SEK million if not otherwise stated)	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Operating Result</b>	<b>5.4</b>	4.8	<b>17.7</b>	26.4
<b>Result for the period after tax</b>	<b>5.4</b>	5.1	<b>18.6</b>	26.8
<b>Earnings per Share (SEK)</b>	<b>0.8</b>	0.7	<b>2.6</b>	3.8

The **January-December 2017** Operating Result of SEK 17.7 million (SEK 26.4 million), decreased by SEK 8.7 million as a result of lower gross results of SEK 8.2 million primarily derived from lower revenue, combined with higher operating costs of SEK 0.5 million; Sales and marketing costs decreased by SEK 0.3 million, administration costs increased by SEK 0.3 million, net research & development costs decreased by SEK 0.6 million, other operating income (unrealised revaluation gain from outstanding receivables) decreased by SEK 0.5 million and other operating costs (unrealised revaluation loss from outstanding receivables) increased by SEK 0.6 million. The Result for the period after tax amounted to SEK 18.6 million (SEK 26.8 million), decreased by SEK 8.2 million, primarily related to the SEK 8.7 million reduction in the operating result and a SEK 0.6 million increase in the financial net (primarily decreased unrealised revaluation gains derived from outstanding hedge contracts) and decreased tax income of SEK 0.1 million.

## Deferred Tax Asset

Tax income for the January-December 2017 period amounted to SEK 0.9 million (SEK 1.0 million), derived from SEK 1.0 million in capitalised deferred tax asset and SEK 0.1 million tax expenses in subsidiary companies. The estimated future taxable profit and deferred tax asset calculation is reassessed every quarter. As of 31 December 2017, SEK 147.0 million (SEK 142.3 million) of the SinterCast total carried-forward tax losses are the basis of the updated calculation, resulting in SEK 32.3 million (SEK 31.3 million) being capitalised as a deferred tax asset.

# SinterCast Results: Fourth Quarter 2017



## Cashflow, Liquidity and Investments

Cashflow Summary 2017 (Amounts in SEK million if not otherwise stated)	January-December		Cashflow Changes
	2017	2016	2017 vs. 2016
Cashflow from operations, before change in working capital	18.9	26.9	-8.0
Change in working capital	-2.0	-1.5	-0.5
<b>Cashflow from operations</b>	<b>16.9</b>	<b>25.4</b>	<b>-8.5</b>
Cashflow from investing activities	-3.7	-3.3	-0.4
Cashflow from financing activities	-28.4	-24.8	-3.6
Exchange rate differences in cash and cash equivalents	0.0	0.0	0.0
<b>Cashflow total</b>	<b>-15.2</b>	<b>-2.7</b>	<b>-12.5</b>
<b>Liquidity</b>	<b>30.1</b>	<b>45.3</b>	

The **January-December 2017** cashflow from operations decreased by SEK 8.5 million compared to the same period in 2016. This was primarily due to the net effect of a decrease of SEK 8.0 million in cashflow from operations before changes in working capital, plus changes in cashflow from working capital (SEK -0.5 million), derived from changed cashflow from receivables (SEK 0.9 million) and operating liabilities (SEK -1.4 million). Total investments amounted to SEK 3.7 million, primarily related to the activation of products under development (SEK 3.1 million), patent investments (SEK 0.2 million), facilities and computer hardware upgrades (SEK 0.3 million) and production equipment (SEK 0.1 million). The total cashflow amounted to SEK -15.2 million (SEK -2.7 million), primarily due to the decreased cashflow from operations (SEK 8.5 million), a 15% increase in the dividend from SEK 24.8 million in 2016 to SEK 28.4 million in 2017 and the increases in investment (SEK 0.4 million).

Liquidity on 31 December 2017 was SEK 30.1 million (SEK 45.3 million). SinterCast has no loans.

### Risks and Uncertainty Factors

Uncertainty factors for SinterCast include the timing of OEM decisions for new CGI engines and other components, adherence to start-of-production dates and ramp projections, the global economy for new vehicle sales, technology trends and emissions legislation, and the individual sales success of vehicles equipped with SinterCast-CGI components.

In Europe, passenger vehicle sales have increased for the last four years and most forecasters indicate a stable or positive near-term outlook for both passenger vehicles and commercial vehicles. However, political uncertainty remains, and this could affect infrastructure, investment, trade and, ultimately, vehicle sales. In Asia, the dominant Chinese market has shown recovery in the commercial vehicle sector, which represents the primary opportunity for CGI. Growth for SinterCast in China depends on the continued modernisation of road infrastructure, enforcement of emissions legislation, and acceptance of the SinterCast business model. In North America, passenger vehicle sales remain strong and SinterCast has benefitted from the recent market growth and the trend toward larger crossovers, SUVs and pick-ups. Although the top-three best-selling vehicles in America have recently committed to diesel engine options, the long-term outlook for diesel passenger vehicles remains uncertain. The possible renegotiation of free trade agreements could also have an impact on the North American passenger vehicle and commercial vehicle markets.

*For full risk and uncertainty factor information, see Note 26 on pages 46 and 47 in SinterCast Annual Report 2016*

# SinterCast Results: Fourth Quarter 2017



## Organisation

With successful high volume CGI production in customer foundries located in Europe, Asia and the Americas, SinterCast has established a global organisation with employees and offices in Sweden, the United Kingdom, the United States, China and Korea. As of 31 December 2017, the Group had 21 (21) employees, four (four) of whom are female. SinterCast is well positioned to support global market activities and to drive the future growth of the company.

## Parent Company

SinterCast AB (publ) is the Parent Company of the SinterCast Group, with its registered office located in Stockholm, Sweden. On 31 December 2017, the Parent Company had 16 (16) employees. The majority of the operations are managed by the Parent Company while local operations in the United Kingdom, United States, Korea and China are managed by the local companies. The information given for the Group in this report corresponds in all material respects to the Parent Company. However, the result for the period may differ between the Group and the Parent Company due to intercompany transactions between the Parent Company and its subsidiaries.

## Patents

SinterCast currently holds 8 (8) patents, granted or pending, and maintains 49 (58) individual national phase patents worldwide. These patents address the SinterCast metallurgical technology, thermal analysis, the Sampling Cup for CGI and ductile iron, product applications and machining.

## Accounting Principles

The information provided on behalf of the Group in this interim report has been prepared in accordance with Sweden's Annual Accounts Act and IAS 34 Interim Financial Reporting. The reporting for the Parent Company has been prepared in accordance with Sweden's Annual Accounts Act, chapter 9 interim report, and RFR 2. The accounting policies that have been applied for the Group and the Parent Company are in agreement with the accounting policies used in the preparation of the company's latest Annual Report.

The following new IFRS standards will be applied from the financial year beginning 1 January 2018: IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 presents a model for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

IFRS 9 will not impact how SinterCast classifies and measures financial assets and financial liabilities. The changes regarding hedge accounting will also not impact the Group or the Parent Company. However, the transition to IFRS 9 will have an impact on the how SinterCast makes provisions for trade receivables. IFRS 9 requires a loss allowance to be recognised for expected credit losses, while IAS 39 requires an impairment loss to be recognised only when there is objective evidence of impairment. SinterCast has historically had low credit losses. Therefore, the loss allowance for trade receivables is estimated to increase by less than SEK 0.1 million after tax as of 1 January 2018, due to the new impairment requirements in IFRS 9. This will be reported as an adjustment against opening retained earnings as of 1 January 2018, since SinterCast will opt to not restate comparative figures.

# SinterCast Results: Fourth Quarter 2017



IFRS 15 Revenue from Contracts with Customers is a new standard for revenue that will replace all existing standards and interpretations regarding revenue. Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The new standard will not have any significant effect, neither with regard to the amounts recognised as revenues, nor to the timing of when revenues are recognised. Areas most impacted are the timing of when revenue for systems, sold together with installation service and Annual Software Licence Fees, are recognised. At initial application, SinterCast will recognise approximately SEK 0.3 million for the Annual Software Licence Fee as an adjustment to the opening balance of retained earnings as of 1 January 2018. No adjustment is needed for systems sold during 2017.

IFRS 16 Leases is effective as of 1 January 2019. Earlier application is permitted for all standards. SinterCast will not apply earlier adoption. Alternative Performance Measures are defined and included in this report in the Key Ratio and Share Data tables.

No material transactions have taken place between SinterCast and the Board or the Management during the period.

## **Events after the Balance Sheet Date**

There have been no significant events since the balance sheet date of 31 December 2017 that could materially change these financial statements. The following press release has been issued:

18 January 2018 Focus on pick-up trucks and diesel engines at North American International Auto Show

## **Nomination Committee**

The Nomination Committee, elected by the Annual General Meeting 2017, consists of Ulla-Britt Fräjdin-Hellqvist, Chairman, Andrea Fessler, Hans-Erik Andersson, Chairman of the Board of Directors and Aage Figenschou. Shareholders wishing to provide input or proposals should provide written submissions to the Nomination Committee (e-mail: [nomination.committee@sintercast.com](mailto:nomination.committee@sintercast.com)) at least seven weeks prior to the Annual General Meeting for the proposal to be included in the notice of the meeting.

## **Annual General Meeting 2018**

The Annual General Meeting 2018 of SinterCast AB (publ) will be held on Thursday 24 May 2018.

Shareholders wishing to have a matter considered at the Annual General Meeting should provide written submissions to [agm.registration@sintercast.com](mailto:agm.registration@sintercast.com) or to the company: SinterCast AB (publ), Kungsgatan 2, 641 30 Katrineholm, Sweden, at least seven weeks prior to the Annual General Meeting for the proposal to be included in the notice of the meeting. Further details on how and when to register will be published in advance of the Annual General Meeting.

## **Dividend Distributed in 2017**

The Annual General Meeting of SinterCast AB (publ) held on 18 May 2017 approved an ordinary dividend for the financial year 2016 amounting to SEK 2.5 (2.0) per share and an extraordinary dividend amounting to SEK 1.5 (1.5) per share. A total amount of SEK 28.4 (24.8) million was distributed to the shareholders.



# SinterCast Results: Fourth Quarter 2017



## Proposed Dividend 2018

The Board's intention is to continue to provide an ordinary dividend to the shareholders, based primarily on the cashflow from operations. In the event that the Board considers that the liquidity exceeds the amount needed to support the operational requirements and strategic objectives, the Board has the option to propose an extraordinary dividend or a share buy-back to further adjust the liquidity.

The Board of Directors propose an ordinary dividend of SEK 2.75 per share (SEK 2.5 per share with no extraordinary dividend (SEK 1.5 per share), representing a distribution of SEK 19.5 million (SEK 28.4 million) to the shareholders of SinterCast AB (publ) for the financial year 2017. The Board proposes 28 May 2018 as the record date for entitlement to receive dividends. In deciding the amount of the ordinary dividend to be proposed to the AGM 2018, the Board considered cashflow from operations, the financial position, investment requirements and other factors, such as market outlook, growth strategy and the internal financial forecast for the Group.

## Information

### Interim Reports

January-March 2018

April-June 2018

July-September 2018

October-December 2018 and Full Year Results 2018

### Publish Date

25 April 2018

22 August 2018

14 November 2018

20 February 2019

### Annual Report 2017

The Annual Report of SinterCast AB (publ)

### Publish Date

5 April 2018

### Annual General Meeting 2018

The Annual General Meeting of SinterCast AB (publ)

### Date

24 May 2018

This report has not been reviewed by the company's Auditors.

*Stockholm 21 February 2018*

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This press release contains information SinterCast AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the President & CEO Dr. Steve Dawson, at 08:00 CET on 21 February 2018.



## SinterCast Results: Fourth Quarter 2017



**SinterCast** is the world's leading supplier of process control technology for the reliable high volume production of Compacted Graphite Iron (CGI). With at least 75% higher tensile strength, 45% higher stiffness and approximately double the fatigue strength of conventional grey cast iron and aluminium, CGI allows engine designers to improve performance, fuel economy and durability while reducing engine size, weight, noise and emissions. The SinterCast technology, with 44 installations in 13 countries, is primarily used for the production of petrol and diesel engine cylinder blocks and exhaust components for passenger vehicles, medium-duty and heavy-duty cylinder blocks and heads for commercial vehicles, and industrial power engine components for marine, rail, off-road and stationary engine applications. SinterCast supports the series production of components ranging from 2 kg to 9 tonnes, all using the same proven process control technology. As a specialist supplier of precision measurement and process control solutions to the metals industry, SinterCast also supplies a suite of tracking technologies, including the SinterCast Ladle Tracker<sup>®</sup>, Cast Tracker<sup>™</sup> and Operator Tracker<sup>™</sup>, to improve process control, productivity and traceability in a variety of applications. The SinterCast share is quoted on the Small Cap segment of the Nasdaq Stockholm stock exchange (SINT). For more information: [www.sintercast.com](http://www.sintercast.com)

**END**

## Income Statement - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January-December	
	2017	2016	2017	2016
Revenue	17.8	17.2	65.6	75.4
Cost of goods sold	-4.1	-3.5	-15.0	-16.6
<b>Gross result</b>	<b>13.7</b>	<b>13.7</b>	<b>50.6</b>	<b>58.8</b>
Gross result %	77%	80%	77%	78%
Cost of sales and marketing	-4.3	-4.6	-18.7	-19.0
Cost of administration	-1.7	-1.5	-6.3	-6.0
Cost of research & development	-2.3	-2.7	-7.3	-7.9
Other operating income	0.0	-0.1	0.0	0.5
Other operating costs	0.0	0.0	-0.6	0.0
<b>Operating result</b>	<b>5.4</b>	<b>4.8</b>	<b>17.7</b>	<b>26.4</b>
Financial income	0.0	0.0	0.1	0.0
Financial costs	0.0	0.3	-0.1	-0.6
Income Tax	0.0	0.0	0.9	1.0
<b>Result for the period</b>	<b>5.4</b>	<b>5.1</b>	<b>18.6</b>	<b>26.8</b>
<b>Result attributable to:</b>				
Equity holder of the parent company	5.4	5.1	18.6	26.8
Non-controlling interests	-	-	-	-
Earnings per share, SEK	0.8	0.7	2.6	3.8
Earning per share, diluted, SEK	0.8	0.7	2.6	3.8
Number of shares at the close of the period, thousands	7,090.1	7,090.1	7,090.1	7,090.1
Average number of shares, thousands	7,090.1	7,090.1	7,090.1	7,090.1
Average number of shares, diluted	7,090.1	7,090.1	7,090.1	7,090.1

## Statement of Other Comprehensive Income - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January-December	
	2017	2016	2017	2016
<b>Result for the period</b>	<b>5.4</b>	<b>5.1</b>	<b>18.6</b>	<b>26.8</b>
<b>Other comprehensive income</b>				
<i>Items may be reclassified to the income statement:</i>				
Translation differences, foreign subsidiaries	0.0	0.1	-0.2	0.6
Translation diff., settlement of debts in subsidiaries	-	-	-	0.0
<b>Other comprehensive income, net of tax</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.2</b>	<b>0.6</b>
<b>Total comprehensive income for the period</b>	<b>5.4</b>	<b>5.2</b>	<b>18.4</b>	<b>27.4</b>
<b>Total comprehensive income attributable to:</b>				
Shareholder of the parent company	5.4	5.2	18.4	27.4
Non-controlling interests	-	-	-	-

## Cashflow Statement - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January-December	
	2017	2016	2017	2016
<b>Operating activities</b>				
Operating result	5.4	4.8	17.7	26.4
Adjustments for items not included in the cash flow				
Depreciation	0.4	0.2	1.5	1.0
Other	0.0	0.0	0.0	0.0
Unrealised exchange rate differences	0.0	0.4	-0.1	-0.5
Received interest	0.0	0.0	0.0	0.0
Paid interest	0.0	0.0	-0.1	0.0
Paid income tax	0.0	0.0	-0.1	0.0
<b>Total cashflow from operating activities before change in working capital</b>	<b>5.8</b>	<b>5.4</b>	<b>18.9</b>	<b>26.9</b>
<b>Change in working capital</b>				
Inventory	-0.1	0.0	0.1	0.1
Operating receivables	2.5	5.9	0.8	-0.1
Operating liabilities	0.3	-0.3	-2.9	-1.5
<b>Total change in working capital</b>	<b>2.7</b>	<b>5.6</b>	<b>-2.0</b>	<b>-1.5</b>
<b>Cashflow from operations</b>	<b>8.5</b>	<b>11.0</b>	<b>16.9</b>	<b>25.4</b>
<b>Investing activities</b>				
Acquisition of intangible assets	-0.5	-1.2	-3.3	-2.3
Acquisition of tangible assets	-0.2	-0.4	-0.4	-1.0
<b>Cashflow from investing activities</b>	<b>-0.7</b>	<b>-1.6</b>	<b>-3.7</b>	<b>-3.3</b>
<b>Financing activities</b>				
Dividend	-	-	-28.4	-24.8
<b>Cashflow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-28.4</b>	<b>-24.8</b>
Exchange rate differences in cash and cash equivalents	0.0	0.0	0.0	0.0
Change in cash and cash equivalents*	7.8	9.4	-15.2	-2.7
Cash - opening balance	22.3	35.9	45.3	48.0
Cash - closing balance	30.1	45.3	30.1	45.3

\* The cash and cash equivalents comprises short-term deposits and cash at bank and in hand

## Balance Sheet - SinterCast Group

AMOUNTS IN SEK MILLION	31 Dec 2017	31 Dec 2016	30 Sep 2017	30 Sep 2016
<b>ASSETS</b>				
Intangible assets	7.7	5.2	7.2	4.1
Tangible assets	1.7	1.9	1.8	1.7
Financial assets	0.4	0.4	0.4	0.4
Deferred tax asset	32.3	31.3	32.3	31.3
<b>Total fixed assets</b>	<b>42.1</b>	<b>38.8</b>	<b>41.7</b>	<b>37.5</b>
Inventory	4.2	4.3	4.1	4.3
Short term receivables	18.3	19.1	20.8	24.4
Short term deposits and cash at bank and in hand	30.1	45.3	22.3	35.9
<b>Total current assets</b>	<b>52.6</b>	<b>68.7</b>	<b>47.2</b>	<b>64.6</b>
<b>Total assets</b>	<b>94.7</b>	<b>107.5</b>	<b>88.9</b>	<b>102.1</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>	<b>85.8</b>	<b>95.8</b>	<b>80.4</b>	<b>90.6</b>
Long term liabilities	0.0	0.0	0.0	0.0
Current liabilities	8.9	11.7	8.5	11.5
<b>Total shareholders' equity and liabilities</b>	<b>94.7</b>	<b>107.5</b>	<b>88.9</b>	<b>102.1</b>
Equity per share, SEK	12.1	13.5	11.3	12.8

* STATEMENT OF CHANGES IN EQUITY Attributable to the equity holder of the parent company	Share Capital	Additional Paid in Capital	Exchange Differences	Accumulated Result	Total Equity
<b>Opening balance 1 January 2016</b>	7.09	44.87	1.55	39.70	93.21
Total comprehensive income	-	-	0.55	26.83	27.38
Dividend	-	-	-	-24.82	-24.82
<b>Closing balance 31 December 2016</b>	<b>7.09</b>	<b>44.87</b>	<b>2.10</b>	<b>41.71</b>	<b>95.77</b>
<b>Opening balance 1 January 2017</b>	<b>7.09</b>	<b>44.87</b>	<b>2.10</b>	<b>41.71</b>	<b>95.77</b>
Total comprehensive income	-	-	-0.19	18.57	18.38
Dividend	-	-	-	-28.36	-28.36
<b>Closing balance 31 December 2017</b>	<b>7.09</b>	<b>44.87</b>	<b>1.91</b>	<b>31.92</b>	<b>85.79</b>

### Fair value measurement of financial assets and liabilities

The group have Financial assets consisting of derivative instruments, included in other debtors or other creditors, and commercial papers and fixed income instruments. The fair value of derivative instruments, not traded on an active market, is based on observable market currency rates. Cash flows are discounted using market interest rates. Commercial papers and fixed income instruments are traded on an active market and the fair value is determined by available market prices. These effects are recognized over profit & loss.

### Other financial assets and liabilities

The fair value of financial instruments such as accounts receivable, accounts payable, and other noninterest bearing financial assets and liabilities which are reported at the accrued acquisition value less any depreciation, is adjudged to correspond to the reported value due to their short anticipated terms.

## Key Ratio and Share Data - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January-December	
	2017	2016	2017	2016
<b>Key Ratio</b>				
Revenue*	17.8	17.2	65.6	75.4
Result for the period*	5.4	5.1	18.6	26.8
Operating margin %	30.3	27.9	27.0	35.0
Solidity, %	90.6	89.1	90.6	89.1
Shareholders' equity	85.8	95.8	85.8	95.8
Capital employed	85.8	95.8	85.8	95.8
Total assets	94.7	107.5	94.7	107.5
Return on shareholders' equity, %	6.5	5.5	20.5	28.4
Return on capital employed, %	6.5	5.5	20.5	28.4
Return on total assets, %	5.9	4.9	18.4	25.1
<b>Employees</b>				
Number of employees at the end of the period	21	21	21	21
<b>Data per Share</b>				
Earnings per share, SEK*	0.8	0.7	2.6	3.8
Dividends per share, SEK	-	-	4.0	3.5
Cashflow from operations per share, SEK	1.2	1.6	2.4	3.6
Share price at the end of the period, SEK	65.0	81.8	65.0	81.8

\* According to IFRS. All other key ratios and share data are defined as Alternative Performance Measures (APMs).  
Definition of key ratios can be found in the Annual Report 2016, note 29.

### Operating margin %

Operating results as percentage of revenue

### Solidity %

Adjusted shareholders' equity expressed as percentage of total assets end of period

### Equity per share

Shareholders' equity divided by the average number of shares

### Capital employed

Total assets less non-interest bearing liabilities

### Return on shareholders' equity %

Result for the period as a percentage of average shareholders' equity. Quarterly values are not annualised

### Return on capital employed %

Result for the period as a percentage of average capital employed  
Quarterly values are not annualised

### Return on total assets %

Result for the period as a percentage of total average assets.  
Quarterly values are not annualised

### Average number of shares

Weighted average of the number of shares outstanding for the period

### Average number of shares adjusted for dilution

Weighted average of the number of shares for the period adjusted for dilution

### Earnings per share

Result for the period divided by the average number of shares

### Earnings per share, diluted

Result for the period divided by the average number of shares adjusted for dilution

### Dividend per share

Dividend divided by the number of shares

### Cashflow from operations per share

Cashflow from operations divided by the number of shares

### Share price at the end of the period

Latest paid price for the SinterCast share at NASDAQ Stockholm stock exchange

### Value presented as "0.0"

Amount below SEK 50,000

### Value presented as "-"

No amount applicable

## Income Statement - SinterCast AB

AMOUNTS IN SEK MILLION	October-December		January-December	
	2017	2016	2017	2016
Revenue	17.6	17.1	64.8	74.7
Cost of goods sold	-4.2	-3.8	-15.0	-16.9
<b>Gross result</b>	<b>13.4</b>	<b>13.3</b>	<b>49.8</b>	<b>57.8</b>
Gross result %	76%	78%	77%	77%
Cost of sales and marketing	-4.3	-4.4	-18.7	-19.0
Cost of administration	-1.7	-1.5	-6.3	-6.0
Cost of research & development	-2.3	-2.8	-7.3	-7.9
Other operating income	0.0	-0.2	0.0	0.7
Other operating costs	-0.1	0.0	-0.3	0.0
<b>Operating result</b>	<b>5.0</b>	<b>4.4</b>	<b>17.2</b>	<b>25.6</b>
Financial income	0.0	0.0	0.2	0.0
Financial costs	0.0	0.4	-0.1	-0.5
Income Tax	0.0	0.0	1.0	1.0
<b>Result for the period</b>	<b>5.0</b>	<b>4.8</b>	<b>18.3</b>	<b>26.1</b>
<b>Result attributable to:</b>				
Equity holder of the parent company	5.0	4.8	18.3	26.1
Non-controlling interests	-	-	-	-
Earnings per share, SEK	0.7	0.7	2.6	3.7
Earning per share, diluted, SEK	0.7	0.7	2.6	3.7
Number of shares at the close of the period, thousands	7,090.1	7,090.1	7,090.1	7,090.1
Average number of shares, thousands	7,090.1	7,090.1	7,090.1	7,090.1
Average number of shares adjusted for dilution	7,090.1	7,090.1	7,090.1	7,090.1

## Statement of Other Comprehensive Income - SinterCast AB

AMOUNTS IN SEK MILLION	October-December		January-December	
	2017	2016	2017	2016
<b>Result for the period</b>	<b>5.0</b>	<b>4.8</b>	<b>18.3</b>	<b>26.1</b>
<b>Total comprehensive income for the period</b>	<b>5.0</b>	<b>4.8</b>	<b>18.3</b>	<b>26.1</b>
<b>Total comprehensive income attributable to:</b>				
Shareholder of the parent company	5.0	4.8	18.3	26.1
Non-controlling interests	-	-	-	-

## Balance Sheet - SinterCast AB

AMOUNTS IN SEK MILLION	31 Dec 2017	31 Dec 2016	30 Sep 2017	30 Sep 2016
<b>ASSETS</b>				
Intangible assets	7.7	5.2	7.3	4.1
Tangible assets	1.7	1.9	1.7	1.7
Financial assets	2.1	2.1	2.2	2.0
Deferred tax asset	32.3	31.3	32.3	31.3
<b>Total fixed assets</b>	<b>43.8</b>	<b>40.5</b>	<b>43.5</b>	<b>39.1</b>
Inventory	4.1	4.2	4.1	4.2
Short-term receivables	18.2	18.6	26.7	26.5
Short term deposits and cash at bank and in hand	28.7	43.3	21.0	33.5
<b>Total current assets</b>	<b>51.0</b>	<b>66.1</b>	<b>51.8</b>	<b>64.2</b>
<b>Total assets</b>	<b>94.8</b>	<b>106.6</b>	<b>95.3</b>	<b>103.3</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity*</b>	<b>80.6</b>	<b>90.6</b>	<b>75.6</b>	<b>85.8</b>
Long term liabilities	0.0	0.0	0.0	0.0
Current liabilities	14.2	16.0	19.7	17.5
<b>Total shareholders' equity and liabilities</b>	<b>94.8</b>	<b>106.6</b>	<b>95.3</b>	<b>103.3</b>
Equity per share, SEK	11.4	12.8	10.7	12.1

* CHANGES IN EQUITY to the equity holder of the parent company	Share Capital	Statutory Reserve	Other Reserve	Share Premium Reserve	Results Brought Forward	Results for the Year	Total Equity
<b>Opening balance 1 January 2016</b>	<b>7.09</b>	<b>9.53</b>	-	<b>35.34</b>	<b>6.76</b>	<b>30.58</b>	<b>89.30</b>
Appropriation of last year's result	-	-	-	-	30.58	-30.58	-
Change other reserve	-	-	1.95	-	-1.95	-	-
Total comprehensive income	-	-	-	-	-	26.14	26.14
Dividend	-	-	-	-	-24.82	-	-24.82
<b>Closing balance 31 December 2016</b>	<b>7.09</b>	<b>9.53</b>	<b>1.95</b>	<b>35.34</b>	<b>10.57</b>	<b>26.14</b>	<b>90.62</b>
<b>Opening balance 1 January 2017</b>	<b>7.09</b>	<b>9.53</b>	<b>1.95</b>	<b>35.34</b>	<b>10.57</b>	<b>26.14</b>	<b>90.62</b>
Appropriation of last year's result	-	-	-	-	26.14	-26.14	-
Change other reserve	-	-	3.13	-	-3.13	-	-
Total comprehensive income	-	-	-	-	-	18.30	18.30
Dividend	-	-	-	-	-28.36	-	-28.36
<b>Closing balance 31 December 2017</b>	<b>7.09</b>	<b>9.53</b>	<b>5.08</b>	<b>35.34</b>	<b>5.22</b>	<b>18.30</b>	<b>80.56</b>