

SinterCast Results: Third Quarter 2017



Operating result decreases due to order timing for Sampling Cups and installations; series production improves

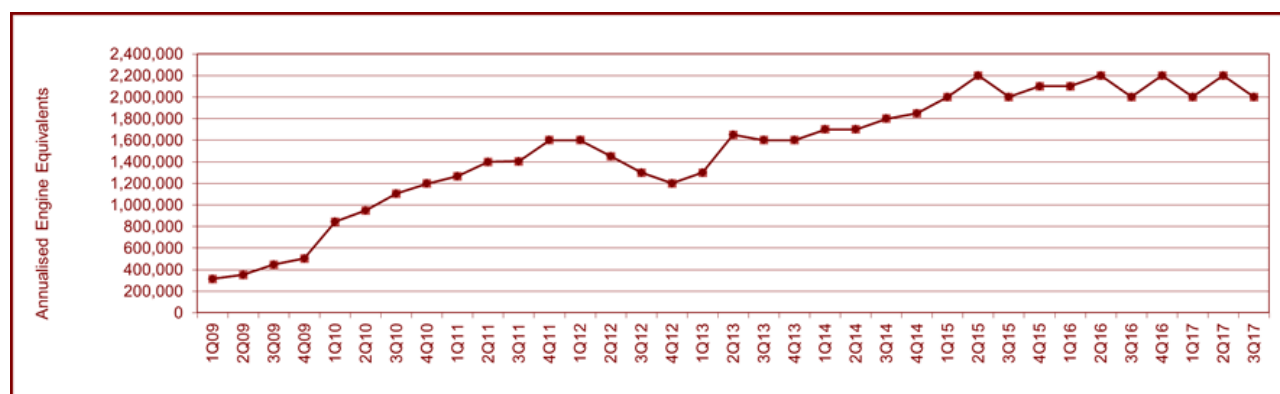
Third Quarter 2017

- **Revenue for Period:** SEK 16.7 million (SEK 23.8 million)
- **Operating Result:** SEK 4.7 million (SEK 11.2 million)
- **Earnings per Share:** SEK 0.7 per share (SEK 1.6 per share)
- **Cashflow from Operations:** SEK 1.0 million (SEK 7.0 million)
- Automation and capacity upgrades commissioned at Teksid and Tupy in Mexico
- Start of production of large piston rings at Total Solutions & Power Company in Korea
- Installation and upgrade discussions intensify for both CGI and Tracking Technologies

2017 Year-to-Date

- **Revenue for Period:** SEK 47.8 million (SEK 58.2 million)
- **Operating Result:** SEK 12.3 million (SEK 21.6 million)
- **Earnings per Share:** SEK 1.9 per share (SEK 3.1 per share)
- **Cashflow from Operations:** SEK 8.4 million (SEK 14.4 million)
- **Installed Base:** 24 fully automated systems and 20 mini-systems in Europe, Asia and the Americas

Series Production*



Annualised series production in the third quarter finished at 2.0 million Engine Equivalents, affected by traditionally low volume in July. Key high-volume programmes and Sampling Cup shipments grew in August and September, providing a positive outlook for the fourth quarter.

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

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CEO Comments

Positive outlook as series production shows continued recovery

Following a difficult start to the year, with three high-volume programmes temporarily at reduced volume, series production improved in the third quarter. Two of the three programmes have recovered, although a traditionally quiet July limited the ability of 3Q 2017 to gain ground on the first three quarters of 2016. Several programmes posted strong results in August and September, providing the basis for the positive production outlook.

Despite year-to-date production being 1.6% behind 2016, the year-to-date revenue from series production is 12% below 2016. This is primarily due to the reduction in Sampling Cup shipments, from 133,800 in the first three quarters of 2016 to 102,200 in 2017. In consideration of the stable series production, it is evident that the difference in Sampling Cup shipments is due to order timing in 2016 followed by inventory adjustment in 2017, rather than any underlying reflection on the current or the future production outlook. The year-on-year comparison of the series production revenue in the third quarter was further exacerbated by the fact that 3Q16 was the highest-ever quarter for Sampling Cup shipments. Putting the Sampling Cup volume in perspective, only three quarters in history were higher than the third quarter of 2017. Thus far in 2017, Sampling Cup shipments increased 15% from the first quarter to the second quarter, and 23% from the second quarter to the third quarter, showing a rebuild of customer stock levels and reinforcing the positive outlook for the Sampling Cup shipments in the fourth quarter.

Total year-to-date revenue decreased by 18% due to comparatively higher installation revenue in the third quarter of 2016, resulting from the shipment of the System 3000 *Plus* to Teksid do Brazil. The resulting revenue of SEK 5.9 million in the third quarter of 2016 provides a difficult comparison basis for the current quarter, particularly in consideration that the average full-year installation revenue from 2010 through 2016 was SEK 7.6 million.

Capacity upgrades completed in Mexico; New series production underway in Korea

The upgrades of the existing System 3000 installations at the Tupy foundry in Saltillo, Mexico and the Teksid foundry in Monclova, Mexico have been successfully commissioned, providing automated base treatment capability and increased production capacity. The upgrades were ordered in advance of the start of production of a new high-volume CGI cylinder block at Tupy and the start of production of a new industrial power engine component at Teksid.

During the period, Total Solutions & Power Company (TSP), began series production of SinterCast-CGI piston rings in Korea. The start of production at TSP has been motivated by the increased market demand for CGI piston rings, as MAN Diesel & Turbo SE has introduced a new piston ring solution that uses three CGI rings instead of the conventional four-ring pack, where only the top piston ring was made of CGI. With diameters ranging from 300 to 700 mm, the CGI piston rings are used in large industrial power engines, primarily for the marine and stationary power markets.

New installation discussions are ongoing for CGI process control systems, and for the expansion of existing installations to increase capacity or to incorporate additional process control features. Beyond the core CGI activity, the installation intensity has been augmented by the introduction of the SinterCast Ladle Tracker[®], Cast Tracker[™] and Operator Tracker[™] technologies. The Tracking Technologies[™] have been well received in the industry, adding to the recognition of SinterCast as a creative and competent provider of unique

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precision measurement and process control technologies to the metals industry. Tracking discussions are ongoing for CGI applications, 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.

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)	July-September		January- September	
	2017	2016	2017	2016
Number of Sampling Cups shipped	40,600	50,900	102,200	133,800
Equipment ¹	1.5	5.9	2.9	6.7
Series Production ²	14.7	17.4	44.1	50.1
Engineering Service ³	0.5	0.5	0.8	1.4
Other	0.0	0.0	0.0	0.0
Total	16.7	23.8	47.8	58.2

- 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 **July-September 2017** revenue amounted to SEK 16.7 million (SEK 23.8 million). Although the series production of 2.0 million Engine Equivalents was equal to the same period in 2016, revenue from series production decreased by 16% to SEK 14.7 million (SEK 17.4 million), due to the decreased shipment of 40,600 (50,900) Sampling Cups. The reduction in Sampling Cup shipments was due to the combined effects of: order timing; inventory adjustment at customer sites; and, record-high shipments in the third quarter of 2016. Equipment revenue amounted to SEK 1.5 million (SEK 5.9 million) including the equipment for the System 3000 *Plus* upgrade at Teksid Monclova, Mexico. The primary reason for the decrease in Equipment revenue is due to the System 3000 *Plus* installation at Teksid do Brazil in the same period of 2016. Engineering Service amounted to SEK 0.5 million (SEK 0.5 million), following support provided to various customers globally and the sale of test pieces.

The **January-September 2017** revenue amounted to SEK 47.8 million (SEK 58.2 million). Revenue from series production decreased by 12% to SEK 44.1 million (SEK 50.1 million), primarily due to the decreased shipment of 102,200 (133,800) Sampling Cup and lower series production during the first quarter of the year. Series production has begun to recover, and the year-to-date annualised volume is less than 35,000 Engine Equivalents behind the same period of 2016, corresponding to less than one week of production. Equipment revenue amounted to SEK 2.9 million (SEK 6.7 million) following the shipment of the equipment for the System 3000 *Plus* upgrades at Teksid Monclova and Tupy Saltillo in Mexico. The primary reason for the SEK 3.8 million decrease in Equipment revenue is due to the System 3000 *Plus* installation at Teksid do

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Brazil in 2016. Engineering Service amounted to SEK 0.8 million (SEK 1.4 million) following support provided to various customers globally and the sale of test pieces.

Results

The business activities of SinterCast are best reflected by the Operating Result. This is because the “Result for the period after tax” and the “Earnings per Share” are influenced by the financial income and costs and by the revaluation of tax assets.

Results Summary (Amounts in SEK million if not otherwise stated)	July-September		January- September	
	2017	2016	2017	2016
Operating Result	4.7	11.2	12.3	21.6
Result for the period after tax	4.7	11.0	13.2	21.7
Earnings per Share (SEK)	0.7	1.6	1.9	3.1

The **July-September 2017** operating result of SEK 4.7 million (SEK 11.2 million) decreased as a result of the SEK 5.7 million reduction in the gross result and a net increase in operating costs of SEK 0.8 million, primarily derived from increased research and development costs of SEK 0.6 million, increased administration costs of SEK 0.1 million, and increased other operating costs (net unrealised revaluation losses from outstanding receivables) of SEK 0.1 million. The result for the period after tax amounted to SEK 4.7 million (SEK 11.0 million). The decrease is primarily related to the SEK 6.5 million reduction in the operating result and decreased unrealised revaluation losses derived from outstanding currency hedge contracts of SEK 0.2 million.

The **January-September 2017** Operating Result of SEK 12.3 million (SEK 21.6 million), decreased by SEK 9.3 million as a result of lower gross results of SEK 8.2 million primarily derived from lower revenue, combined with lower operating costs due to decreased net research & development costs of SEK 0.2 million, increased administration costs of SEK 0.1 million, decreased other operating income (unrealised revaluation gain from outstanding receivables) of SEK 0.6 million and increased other operating costs (unrealised revaluation loss from outstanding receivables) of SEK 0.6 million. The Result for the period after tax amounted to SEK 13.2 million (SEK 21.7 million), decreased by SEK 8.5 million, primarily related to the SEK 9.3 million reduction in the operating result and a SEK 0.9 million increase in the financial net (primarily decreased unrealised revaluation losses derived from outstanding hedge contracts) and decreased tax income of SEK 0.1 million.

Deferred Tax Asset

Tax income for the January-September 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 30 September 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.

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Cashflow, Liquidity and Investments

Cashflow Summary 2017 Year-to-Date (Amounts in SEK million if not otherwise stated)	January-September		Cashflow Changes
	2017	2016	2017 vs. 2016
Cashflow from operations, before change in working capital	13.1	21.5	-8.4
Change in working capital	-4.7	-7.1	2.4
Cashflow from operations	8.4	14.4	-6.0
Cashflow from investing activities	-3.0	-1.7	-1.3
Cashflow from financing activities	-28.4	-24.8	-3.6
Exchange rate differences in cash and cash equivalents	0.0	0.0	0.0
Cashflow total	-23.0	-12.1	-10.9
Liquidity	22.3	35.9	

The **January-September 2017** cashflow from operations decreased by SEK 6.0 million compared to the same period in 2016. This was primarily due to the net effect of a decrease of SEK 8.4 million in cashflow from operations before changes in working capital, plus changes in cashflow from working capital (SEK 2.4 million), derived from changed cashflow from inventory (SEK 0.1 million), receivables (SEK 4.3 million) and operating liabilities (SEK -2.0 million). Total investments amounted to SEK 3.0 million, primarily related to the activation of products under development (SEK 2.6 million), patent investments (SEK 0.2 million) and facilities and computer hardware upgrades (SEK 0.2 million).

The total cashflow amounted to SEK -23.0 million (SEK -12.1 million), primarily due to the decreased cashflow from operations (SEK 6.0 million), a 14.5% increase in the dividend from SEK 24.8 million in 2016 to SEK 28.4 million in 2017 and the increases in investment (SEK 1.3 million).

Liquidity on 30 September 2017 was SEK 22.3 million (SEK 35.9 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 three years and most forecasters indicate a stable or positive near-term outlook. However, political uncertainty exists and this could affect infrastructure, investment, trade and, ultimately, vehicle sales. In Asia, the dominant Chinese market is characterised by overcapacity in the commercial vehicle and construction equipment sectors, which represent the primary opportunities for CGI. This overcapacity, coupled with the underlying economic uncertainty in China, influences new product commitments, product development cycles and production volumes. In North America, passenger vehicle sales have increased in recent years and SinterCast has benefitted from this market growth. However, political tension and the possible renegotiation of free trade agreements could have an impact on the 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

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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 30 September 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 30 September 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.

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 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. IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) will be applied from the financial year beginning 1 January 2018, while IFRS 16 (Leases) is effective as of 1 January 2019. Earlier application is permitted for all standards. SinterCast will not apply earlier adoption. The extent to which IFRS 9 and IFRS 15 will affect the financial reporting will be determined and presented in the fourth quarter Interim Report of 2017. 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 30 September 2017 that could materially change these financial statements. The following press release has been issued:

9 October 2017 Total Solutions & Power Company, Korea begins series production of industrial power piston rings

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) at least seven weeks prior to the Annual General Meeting for the proposal to be included in the notice of the meeting.

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Annual General Meeting

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 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.

Information

The Interim Report October-December and Full Year Results 2017 will be published on 21 February 2018

The Interim Report January-March 2018 will be published on 25 April 2018

The Interim Report April-June 2018 will be published on 22 August 2018

The Interim Report July-September 2018 will be published on 21 November 2018

This report has been reviewed by the company's Auditors.

Stockholm 22 November 2017

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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 22 November 2017.

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Auditor's report

SinterCast AB (publ), corp. reg. no. 556233-6494

Introduction

We have reviewed the condensed interim financial information (interim report) of SinterCast AB (publ) as of 30 September 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 22 November 2017

Öhrlings PricewaterhouseCoopers AB

Tobias Strähle
Authorized Public Accountant

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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[®], Cast Tracker[™] and Operator Tracker[™], 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

END

Income Statement - SinterCast Group

AMOUNTS IN SEK MILLION	July-September		January-September		January-December	
	2017	2016	2017	2016	2016	2015
Revenue	16.7	23.8	47.8	58.2	75.4	72.4
Cost of goods sold	-4.0	-5.4	-10.9	-13.1	-16.6	-17.0
Gross result	12.7	18.4	36.9	45.1	58.8	55.4
Gross result %	76%	77%	77%	77%	78%	77%
Cost of sales and marketing	-4.4	-4.4	-14.4	-14.4	-19.0	-20.1
Cost of administration	-1.4	-1.3	-4.6	-4.5	-6.0	-6.3
Cost of research & development	-2.1	-1.5	-5.0	-5.2	-7.9	-7.6
Other operating income	0.0	0.0	0.0	0.6	0.5	0.0
Other operating costs	-0.1	0.0	-0.6	0.0	0.0	-1.1
Operating result	4.7	11.2	12.3	21.6	26.4	20.3
Financial income	0.1	0.0	0.1	0.0	0.0	4.6
Financial costs	-0.1	-0.2	-0.1	-0.9	-0.6	-0.5
Income Tax	0.0	0.0	0.9	1.0	1.0	0.8
Result for the period	4.7	11.0	13.2	21.7	26.8	25.2
Result attributable to:						
Equity holder of the parent company	4.7	11.0	13.2	21.7	26.8	25.2
Non-controlling interests	-	-	-	-	-	-
Earnings per share, SEK	0.7	1.6	1.9	3.1	3.8	3.6
Earning per share, diluted, SEK	0.7	1.6	1.9	3.1	3.8	3.6
Number of shares at the close of the period, thousands	7,090.1	7,090.1	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	7,090.1	7,090.1
Average number of shares, diluted	7,090.1	7,090.1	7,090.1	7,090.1	7,090.1	7,090.1

Statement of Other Comprehensive Income - SinterCast Group

AMOUNTS IN SEK MILLION	July-September		January-September		January-December	
	2017	2016	2017	2016	2016	2015
Result for the period	4.7	11.0	13.2	21.7	26.8	25.2
Other comprehensive income						
<i>Items may be reclassified to the income statement:</i>						
Translation differences, foreign subsidiaries	0.0	0.2	-0.2	0.5	0.6	-0.3
Translation diff., settlement of debts in subsidiaries*	-	0.0	-	0.0	0.0	-4.5
Other comprehensive income, net of tax	0.0	0.2	-0.2	0.5	0.6	-4.8
Total comprehensive income for the period	4.7	11.2	13.0	22.2	27.4	20.4
Total comprehensive income attributable to:						
Shareholder of the parent company	4.7	11.2	13.0	22.2	27.4	20.4
Non-controlling interests	-	-	-	-	-	-

* During December 2015, translation differences were reclassified from other comprehensive income to financial income arising from the parent company settlement of its debts toward the subsidiaries in US and UK.

Cashflow Statement - SinterCast Group

AMOUNTS IN SEK MILLION	July-September		January-September		January-December	
	2017	2016	2017	2016	2016	2015
Operating activities						
Operating result	4.7	11.2	12.3	21.6	26.4	20.3
Adjustments for items not included in the cash flow						
Depreciation	0.5	0.2	1.1	0.8	1.0	0.8
Other	0.0	0.1	0.0	0.0	0.0	-0.2
Unrealised exchange rate differences	-0.1	-0.5	-0.1	-0.9	-0.5	0.6
Received interest	0.0	0.0	0.0	0.0	0.0	0.1
Paid interest	-0.1	0.0	-0.1	0.0	0.0	-0.1
Paid income tax	0.0	0.0	-0.1	0.0	0.0	-0.2
Total cashflow from operating activities before change in working capital	5.0	11.0	13.1	21.5	26.9	21.3
Change in working capital						
Inventory	0.7	1.9	0.2	0.1	0.1	-0.9
Operating receivables	-3.3	-4.3	-1.7	-6.0	-0.1	-4.6
Operating liabilities	-1.4	-1.6	-3.2	-1.2	-1.5	4.6
Total change in working capital	-4.0	-4.0	-4.7	-7.1	-1.5	-0.9
Cashflow from operations	1.0	7.0	8.4	14.4	25.4	20.4
Investing activities						
Acquisition of intangible assets	-0.9	-0.5	-2.8	-1.1	-2.3	-1.6
Acquisition of tangible assets	0.0	-0.2	-0.2	-0.6	-1.0	-0.1
Cashflow from investing activities	-0.9	-0.7	-3.0	-1.7	-3.3	-1.7
Financing activities						
Dividend	-	-	-28.4	-24.8	-24.8	-15.6
Cashflow from financing activities	-	-	-28.4	-24.8	-24.8	-15.6
Exchange rate differences in cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash and cash equivalents*	0.1	6.3	-23.0	-12.1	-2.7	3.1
Cash - opening balance	22.2	29.6	45.3	48.0	48.0	44.9
Cash - closing balance	22.3	35.9	22.3	35.9	45.3	48.0

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

Balance Sheet - SinterCast Group

AMOUNTS IN SEK MILLION	30 Sep 2017	30 Sep 2016	30 Jun 2017	30 Jun 2016	31 Dec 2016	31 Dec 2015
ASSETS						
Intangible assets	7.2	4.1	6.8	3.8	5.2	3.6
Tangible assets	1.8	1.7	1.9	1.6	1.9	1.3
Financial assets	0.4	0.4	0.4	0.4	0.4	0.4
Deferred tax asset	32.3	31.3	32.3	31.3	31.3	30.3
Total fixed assets	41.7	37.5	41.4	37.1	38.8	35.6
Inventory	4.1	4.3	4.8	6.2	4.3	4.4
Short term receivables	20.8	24.4	17.5	20.1	19.1	18.4
Short term deposits and cash at bank and in hand	22.3	35.9	22.2	29.6	45.3	48.0
Total current assets	47.2	64.6	44.5	55.9	68.7	70.8
Total assets	88.9	102.1	85.9	93.0	107.5	106.4
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity	80.4	90.6	75.7	79.4	95.8	93.2
Long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	8.5	11.5	10.2	13.6	11.7	13.2
Total shareholders' equity and liabilities	88.9	102.1	85.9	93.0	107.5	106.4
Equity per share, SEK	11.3	12.8	10.7	11.2	13.5	13.1

* STATEMENT OF CHANGES IN EQUITY	Additional		Exchange Differences	Accumulated Result	Total Equity
Attributable to the equity holder of the parent company	Share Capital	Paid in Capital			
Opening balance 1 January 2016	7.09	44.87	1.55	39.70	93.21
Total comprehensive income	-	-	0.48	21.69	22.17
Dividend	-	-	-	-24.82	-24.82
Closing balance 30 September 2016	7.09	44.87	2.03	36.57	90.56
Opening balance 1 January 2017	7.09	44.87	2.10	41.71	95.77
Total comprehensive income	-	-	-0.22	13.17	12.95
Dividend	-	-	-	-28.36	-28.36
Closing balance 30 September 2017	7.09	44.87	1.88	26.52	80.36

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	July-September		January-September		January-December	
	2017	2016	2017	2016	2016	2015
Key Ratio						
Revenue*	16.7	23.8	47.8	58.2	75.4	72.4
Result for the period*	4.7	11.0	13.2	21.7	26.8	25.2
Operating margin %	28.1	47.1	25.7	37.1	35.0	28.0
Solidity, %	90.4	88.7	90.4	88.7	89.1	87.6
Shareholders' equity	80.4	90.6	80.4	90.6	95.8	93.2
Capital employed	80.4	90.6	80.4	90.6	95.8	93.2
Total assets	88.9	102.1	88.9	102.1	107.5	106.4
Return on shareholders' equity, %	6.0	12.9	15.0	23.6	28.4	27.8
Return on capital employed, %	6.0	12.9	15.0	23.6	28.4	27.8
Return on total assets, %	5.4	11.3	13.4	20.8	25.1	24.8
Employees						
Number of employees at the end of the period	21	21	21	21	21	20
Data per Share						
Earnings per share, SEK*	0.7	1.6	1.9	3.1	3.8	3.6
Dividends per share, SEK	-	-	4.0	3.5	3.5	2.2
Cashflow from operations per share, SEK	0.1	1.0	1.2	2.0	3.6	2.9
Share price at the end of the period, SEK	74.0	85.5	74.0	85.5	81.8	88.3

* 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	July-September		January-September		January-December	
	2017	2016	2017	2016	2016	2015
Revenue	16.5	23.5	47.2	57.6	74.7	70.9
Cost of goods sold	-4.0	-5.3	-10.8	-13.1	-16.9	-17.0
Gross result	12.5	18.2	36.4	44.5	57.8	53.9
Gross result %	76%	77%	77%	77%	77%	76%
Cost of sales and marketing	-4.4	-4.4	-14.4	-14.6	-19.0	-19.8
Cost of administration	-1.4	-1.3	-4.6	-4.5	-6.0	-6.2
Cost of research & development	-2.1	-1.6	-5.0	-5.1	-7.9	-7.6
Other operating income	0.0	0.1	0.0	0.9	0.7	0.0
Other operating costs	0.1	0.0	-0.2	0.0	0.0	-2.3
Operating result	4.7	11.0	12.2	21.2	25.6	18.0
Financial income*	0.2	0.0	0.2	0.0	0.0	15.4
Financial costs**	-0.1	-0.2	-0.1	-0.9	-0.5	-3.8
Income Tax	0.0	0.0	1.0	1.0	1.0	1.0
Result for the period	4.8	10.8	13.3	21.3	26.1	30.6
Result attributable to:						
Equity holder of the parent company	4.8	10.8	13.3	21.3	26.1	30.6
Non-controlling interests	-	-	-	-	-	-
Earnings per share, SEK	0.7	1.5	1.9	3.0	3.7	4.3
Earning per share, diluted, SEK	0.7	1.5	1.9	3.0	3.7	4.3
Number of shares at the close of the period, thousands	7,090.1	7,090.1	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	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	7,090.1	7,090.1

* In December 2015, the parent company settled its debts toward the subsidiaries in US and UK (SEK 15.3 million).

The settlement was made by offsetting receivables against repayment of equity and shareholder contribution.

** In December 2015, shares in SinterCast Ltd. were written off (SEK 3.3 million).

Statement of Other Comprehensive Income - SinterCast AB

AMOUNTS IN SEK MILLION	July-September		January-September		January-December	
	2017	2016	2017	2016	2016	2015
Result for the period	4.8	10.8	13.3	21.3	26.1	30.6
Total comprehensive income for the period	4.8	10.8	13.3	21.3	26.1	30.6
Total comprehensive income attributable to:						
Shareholder of the parent company	4.8	10.8	13.3	21.3	26.1	30.6
Non-controlling interests	-	-	-	-	-	-

Balance Sheet - SinterCast AB

AMOUNTS IN SEK MILLION	30 Sep 2017	30 Sep 2016	30 Jun 2017	30 Jun 2016	31 Dec 2016	31 Dec 2015
ASSETS						
Intangible assets	7.3	4.1	6.8	3.8	5.2	3.6
Tangible assets	1.7	1.7	1.8	1.5	1.9	1.3
Financial assets	2.2	2.0	2.2	2.0	2.1	2.0
Deferred tax asset	32.3	31.3	32.3	31.3	31.3	30.3
Total fixed assets	43.5	39.1	43.1	38.6	40.5	37.2
Inventory	4.1	4.2	4.7	6.1	4.2	4.3
Short-term receivables	26.7	26.5	21.2	21.7	18.6	17.6
Short term deposits and cash at bank and in hand	21.0	33.5	21.1	26.9	43.3	44.2
Total current assets	51.8	64.2	47.0	54.7	66.1	66.1
Total assets	95.3	103.3	90.1	93.3	106.6	103.3
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity*	75.6	85.8	70.8	75.0	90.6	89.3
Long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	19.7	17.5	19.3	18.3	16.0	14.0
Total shareholders' equity and liabilities	95.3	103.3	90.1	93.3	106.6	103.3
Adjusted equity per share, SEK	10.7	12.1	10.0	10.6	12.8	12.6

* 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
Opening balance 1 January 2016	7.09	9.53	-	35.34	6.76	30.58	89.30
Appropriation of last year's result	-	-	-	-	30.58	-30.58	-
Change other reserve	-	-	0.68	-	-0.68	-	-
Total comprehensive income	-	-	-	-	-	21.34	21.34
Dividend	-	-	-	-	-24.82	-	-24.82
Closing balance 30 September 2016	7.09	9.53	0.68	35.34	11.84	21.34	85.82
Opening balance 1 January 2017	7.09	9.53	1.95	35.34	10.57	26.14	90.62
Appropriation of last year's result	-	-	-	-	26.14	-26.14	-
Change other reserve	-	-	2.50	-	-2.50	-	-
Total comprehensive income	-	-	-	-	-	13.30	13.30
Dividend	-	-	-	-	-28.36	-	-28.36
Closing balance 30 September 2017	7.09	9.53	4.45	35.34	5.85	13.30	75.56