



Scandi Standard

Third quarter report 2016

3 November 2016

- Net sales increased by 12 percent to MSEK 1,569.9 (1,396.1) and by 13 percent at constant exchange rates. All countries contributed to the growth in net sales.
- Adjusted operating income* declined by 3 percent to MSEK 76.1 (78.7), corresponding to a margin of 4.8 (5.6) percent. Adjusted operating income increased in Sweden and Norway, but declined in Denmark and Finland. Additional costs in Sweden and Norway to meet the strong increase in net sales had a negative impact on the margin.
- Income for the period amounted to MSEK 49.6 (48.5) and earnings per share were SEK 0.83 (0.81).
- Adjusted operating cash flow* declined to MSEK 15.8 (48.4) due to higher capital expenditure to increase production capacity in Sweden and Finland as well as an increase in working capital. Trade receivables increased compared to last year, mainly as an effect of the growth in net sales.

MSEK	Q3 2016	Q3 2015	Change	9m 2016	9m 2015	Change
Net sales	1,569.9	1,396.1	12%	4,459.8	4,047.0	10%
Operating income	75.4	71.4	6%	216.9	211.8	2%
Income for the period	49.6	48.5	2%	130.7	135.5	-4%
EPS, SEK	0.83	0.81	2%	2.19	2.26	-3%
Adjusted EBITDA*	124.8	126.7	-2%	363.2	364.5	0%
Adjusted operating income*	76.1	78.7	-3%	218.7	223.3	-2%
Adjusted operating margin*	4.8%	5.6%	-	4.9%	5.5%	-
Adjusted income for the period*	50.3	54.1	-7%	132.3	144.4	-8%
Adjusted EPS, SEK*	0.84	0.90	-7%	2.22	2.41	-8%
Adjusted operating cash flow*	15.8	48.4	-67%	85.5	284.7	-70%

*) Adjusted for non-comparable items in Q3 2016 of MSEK -0.7 (-7.3) in EBITDA and operating income and MSEK -0.7 (-5.6) in income for the period, and in 9m 2016 of MSEK -1.8 (-11.5) in EBITDA and operating income and MSEK -1.6 (-8.9) in income for the period. Non-comparable items in Q3 2015 and 9m 2015 have been adjusted with MSEK -7.0 in EBITDA and operating income and MSEK -5.4 in income for the period that were previously reported in Q4 2015. See page 3.

Scandi Standard is the largest producer of chicken-based food products in the Nordic region with leading positions in Sweden, Denmark and Norway. The company produces, markets and sells chilled and frozen products under the brands Kronfågel, Danpo, Den Stolte Hane, Vestfold Fugl, Ivars, Chicky World and Naapurin Maalaiskana, as well as for private labels. In Norway, eggs are also packed and sold under the brand Den Stolte Hane and for private labels. For more information, see www.scandistandard.com

CEO Statement

I am pleased to report continued strong growth in net sales in the quarter with an increase of 13 percent at constant exchange rates year over year. Net sales in chilled products grew by 17 percent at constant exchange rates. As in the second quarter, the growth referred mainly to additional distribution in Norway, strong growth in chilled products in Sweden and new or extended listings in Finland.

We continued our efforts in product development and brand building and launched a number of new products that were well received by the consumers. The Group's market share in chilled products was significantly strengthened in Sweden and Norway.

The adjusted operating margin for the Group was lower than last year. The decline was caused by a downturn in adjusted operating income for the Danish operation following continued price pressure in both the local market and on exports, as well as additional costs related to bottlenecks and inefficiencies in the production facility in Finland. The extra efforts made in production in Sweden and Norway to meet the strong increase in net sales also restrained the full impact on margins from the growth in the quarter.

Adjusted operating cash flow was significantly lower than last year as a result of an increase in both capital expenditure and working capital. The increase in capital expenditure refers mainly to an extension of production capacity in Sweden and Finland to secure possibilities for continued strong growth. Trade receivables increased compared to last year, mainly driven by the growth in net sales. Inventory reductions in Denmark and Norway were offset by an increase in inventories in Sweden from a low level at the start of the year.

Net sales for the Swedish operation showed strong growth, mainly within chilled products. Sales were record high in several categories, such as the ready-to-eat Minut products and Minutfilé. We also saw strong growth in sales of our organic chicken under the Bosarpyckling brand. The adjusted operating margin for the Swedish operation rose from last year as a result of higher volumes and an improved product mix with a higher proportion of chilled products. The rebuilding of the Valla facility to increase capacity was finalized during the quarter, but it will take some time before the targeted productivity levels can be reached.

We also achieved continued strong growth in net sales for the Norwegian operation, mainly referring to the agreement with Coop Norway, under which deliveries started in August 2015, and the new agreement with NorgesGruppen signed earlier this year. The adjusted operating margin in the quarter was negatively impacted by additional costs to meet the strong increase in customer demand and maintain service levels. It is satisfying that we have been able to significantly grow our market share in Norway during the year. Efforts in product development and brand building are also gradually being stepped up. A good example of this is the launch of a premium range of free-range chicken products in the quarter.

Net sales for the Danish operation showed an increase from last year. The adjusted operating margin declined due to continued price pressure in both the local market and on exports. The margin improved from the second quarter of this year as export prices were somewhat more stable in the third quarter. In line with our strategy for the Danish operation, the new management team is focusing less on growing volumes and more on creating value. Our newly signed supply agreement with one of Europe's leading foodservice providers regarding further processed products is a good example of these efforts.

Net sales for the Finnish operation more than doubled in the quarter as a result of new and extended customer contracts. Adjusted operating income remained negative, however, due to costs for handling bottlenecks and inefficiencies in production. We are continuing our work to increase productivity in the facility and expect to see a gradual improvement over the coming quarters.

It was encouraging to see another quarter with a growth in net sales that was twice as high as the growth in the market. This clearly shows the benefit of our work in product innovation and that our efforts in category management and in building strong customer relations are paying off. We are working on taking the full advantage of this growth and also improve the Group's margin and financial position.

Leif Bergvall Hansen
Managing Director and CEO

Net sales and income

Net sales for the third quarter 2016 increased by 12 percent to MSEK 1,569.9 (1,396.1) compared to the corresponding quarter last year. Net sales at constant exchange rates rose by 13 percent.

Net sales increased by 9 percent in Sweden, and by 7 percent in Denmark, 21 percent in Norway and 138 percent in Finland in local currency.

Net sales by product category rose by 17 percent for chilled products and by 5 percent for frozen products at constant exchange rates.

Operating income increased by 6 percent to MSEK 75.4 (71.4), including non-comparable items of MSEK -0.7 (-7.3). Adjusted for these items, operating income amounted to MSEK 76.1 (78.7), corresponding to an adjusted operating margin of 4.8 (5.6) percent. Adjusted operating income increased in Sweden and Norway but declined in Denmark and Finland.

Income for the period amounted to MSEK 49.6 (48.5), corresponding to earnings per share of SEK 0.83 (0.81).

MSEK	Q3 2016	Q3 2015	Change	9m 2016	9m 2015	Change
Net sales	1,569.9	1,396.1	12%	4,459.8	4,047.0	10%
EBITDA	124.1	119.4	4%	361.4	353.0	2%
Operating income	75.4	71.4	6%	216.9	211.8	2%
Income for the period	49.6	48.5	2%	130.7	135.5	-4%
EPS, SEK	0.83	0.81	2%	2.19	2.26	-3%
Adjusted EBITDA ¹⁾	124.8	126.7	-2%	363.2	364.5	0%
Adjusted EBITDA margin ¹⁾	7.9%	9.1%	-	8.1%	9.0%	-
Adjusted operating income ¹⁾	76.1	78.7	-3%	218.7	223.3	-2%
Adjusted operating margin ¹⁾	4.8%	5.6%	-	4.9%	5.5%	-
Adjusted income after finance net ^{1,2)}	64.1	66.3	-3%	169.0	184.0	-8%
Adjusted income for the period ^{1,2)}	50.3	54.1	-7%	132.3	144.4	-8%
Adjusted EPS, SEK ^{1,2)}	0.84	0.90	-7%	2.22	2.41	-8%
Adjusted return on operating capital				11.9%	12.8%	-
Adjusted return on capital employed				11.5%	12.1%	-

1-2) See table below.

Non-comparable items in EBITDA and operating income	Q3 2016	Q3 2015**	Change	9m 2016	9m 2015	Change
Transaction costs*	-0.7	-0.3		-1.8	-4.5	
Financial support to associate company**	-	-7.0		-	-7.0	
¹⁾ Total	-0.7	-7.3		-1.8	-11.5	
Non-comparable items in finance net and tax effects						
²⁾ Tax effect on adjustments	0.0	1.7		0.2	2.6	
Non-comparable items in income for the period	-0.7	-5.6		-1.6	-8.9	

¹⁾ Deal fees related to completed and non-completed acquisitions.

²⁾ Non-comparable items in Q3 2015 and 9m 2015 have been adjusted with MSEK -7.0 in EBITDA and operating income and MSEK -5.4 in income for the period that were previously reported in Q4 2015. The amount refers to financial support to the associated company Farmfood A/S. The reported adjusted income figures and adjusted operating cash flow figure for 2015 in this report have thus been changed from what was stated in the report for the third quarter 2015.

Segment information

Sweden

MSEK	Q3 2016	Q3 2015	Changes	9m 2016	9m 2015	Changes
Net sales	625.4	572.5	9%	1,808.0	1,659.6	9%
Adjusted operating income*	51.0	40.9	25%	146.5	118.9	23%
Adjusted operating margin*	8.2%	7.1%	-	8.1%	7.2%	-

*) Adjusted for non-comparable items in Q3 2016 of MSEK - (-2.0) and in 9m 2016 of MSEK -1.1 (-4.5)
For a summary of adjustments, see page 10.

Net sales in Sweden in the third quarter 2016 increased by 9 percent to MSEK 625.4 (572.5) driven by strong market growth in chilled products as well as continued efforts to drive Group sales in this category through product innovations.

New product launches in the quarter included three different sausages and Sliced Leg fillet Kebab.

Adjusted operating income increased by 25 percent to MSEK 51.0 (40.9), corresponding to a margin of 8.2 (7.1) percent. The increase in adjusted operating income and margin was an effect of both higher volumes and an improved product mix.

Denmark

MSEK	Q3 2016	Q3 2015	Changes	9m 2016	9m 2015	Changes
Net sales	636.7	589.1	8%	1,781.8	1,744.4	2%
Adjusted operating income*	30.4	41.5	-27%	80.9	109.7	-26%
Adjusted operating margin*	4.8%	7.0%	-	4.5%	6.3%	-

MDKK	Q3 2016	Q3 2015	Changes	9m 2016	9m 2015	Changes
Net sales	498.3	465.9	7%	1,415.7	1,388.1	2%
Adjusted operating income*	24.0	32.9	-27%	64.3	87.3	-26%
Adjusted operating margin*	4.8%	7.0%	-	4.5%	6.3%	-

*) Adjusted for non-comparable items in Q3 2016 of MSEK -0.7 (-3.5) and in 9m 2016 of MSEK -0.7 (-3.5).
For a summary of adjustments, see page 10.

Net sales in Denmark in the third quarter 2016 increased by 8 percent to MSEK 636.7 (589.1), and by 7 percent in local currency.

New product launches in the quarter included Chicken sticks and new varieties of COOK in the bag chicken.

Adjusted operating income declined by 27 percent to MSEK 30.4 (41.5), corresponding to a margin of 4.8 (7.0) percent. The decline in adjusted operating income and margin was due to continued price pressure on exports as well as in the local market. The margin improved from the second quarter as a result of somewhat more stable export prices.

Norway

MSEK	Q3 2016	Q3 2015	Changes	9m 2016	9m 2015	Changes
Net sales	360.7	300.5	20%	1,045.6	856.6	22%
Adjusted operating income*	20.9	16.0	31%	67.1	38.8	73%
Adjusted operating margin*	5.8%	5.3%	-	6.4%	4.5%	-

MNOK	Q3 2016	Q3 2015	Changes	9m 2016	9m 2015	Changes
Net sales	351.7	290.8	21%	1,045.6	805.8	30%
Adjusted operating income*	20.4	15.3	33%	67.1	36.5	84%
Adjusted operating margin*	5.8%	5.3%	-	6.4%	4.5%	-

*) Adjusted for non-comparable items in Q3 2016 of MSEK - (-), and in 9m 2016 of MSEK - (-).
For a summary of adjustments, see page 10.

Net sales in Norway in the third quarter 2016 increased by 20 percent to MSEK 360.7 (300.5) and by 21 percent in local currency. The increase refers to deliveries to Coop Norway under the new agreement from 2015 and to NorgesGruppen under a new agreement signed earlier in 2016. Deliveries to Coop Norway started in August 2015 and to NorgesGruppen in the first quarter 2016.

The retail market for chicken products in Norway showed continued growth in the quarter compared to the same quarter last year.

New product launches in the quarter included a premium range of free-range chicken products.

Adjusted operating income increased by 31 percent to MSEK 20.9 (16.0), corresponding to a margin of 5.8 (5.3) percent. The increase in adjusted operating income and margin was mainly attributable to higher volumes. Income was negatively impacted by additional costs to maintain service levels and meet the strong increase in customer demand.

Finland

MSEK	Q3 2016	Q3 2015	Changes	9m 2016	9m 2015**	Changes
Net sales	47.2	19.6	141%	101.9	27.8	267%
Adjusted operating income*	-11.1	-8.9	-25%	-32.0	-9.6	-233%
Adjusted operating margin*	-23.5%	-45.4%	-	-31.4%	-34.5%	-

MEUR	Q3 2016	Q3 2015	Changes	9m 2016	9m 2015	Changes
Net sales	5.0	2.1	138%	10.9	3.0	263%
Adjusted operating income*	-1.2	-1.0	-20%	-3.4	-1.0	-236%
Adjusted operating margin*	-23.5%	-45.4%	-	-31.3%	-33.7%	-

*) Adjusted for non-comparable items in Q3 2016 of MSEK - (-) and in 9m 2016 of MSEK - (-2.7).

For a summary of adjustments, see page 10.

***) Operations started 1 May 2015 and were consolidated in the Group's accounts as of 25 May 2015.

Net sales in Finland in the third quarter 2016 increased by 141 percent to MSEK 47.2 (19.6), and by 138 percent in local currency, as a result of new and extended customer contracts.

Adjusted operating income was MSEK -11.1 (-8.9). Income was negatively affected by costs for handling bottlenecks and inefficiencies in production. Actions that are being implemented are expected to lead to gradual improvements over the coming quarters.

Cash flow and investments

Adjusted operating cash flow in the third quarter 2016 amounted to MSEK 15.8 (48.4). The decline refers to both higher capital expenditure as well as an unfavourable trend in working capital.

Working capital as of 30 September 2016 amounted to MSEK 361.4 (340.6), corresponding to 6.2 (6.3) percent of net sales (LTM) as compared to 5.0 percent at year-end 2015. Trade receivables have increased significantly during the year, mainly driven by the growth in net sales but also as an effect of a higher share of sales not included in factoring. Inventories were at the same level as at the start of the year with a decrease in Denmark and Norway and an increase in Sweden from a low level.

Capital expenditure increased to MSEK 58.2 (36.1) and referred mainly to capacity improvements in the facilities in Sweden and Finland.

Adjusted operating cash flow

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Adjusted EBITDA*	124.8	126.7	363.2	364.5
Capital expenditure	-58.2	-36.1	-198.5	-85.1
Change in inventories	-2.0	-12.1	8.0	-9.0
Change in other working capital	-48.8	-30.1	-87.2	14.3
Adjusted operating cash flow	15.8	48.4	85.5	284.7

*Adjusted for non-comparable items in Q3 2016 of MSEK -0.7 (-7.3) and in 9m 2016 of MSEK -1.8 (-11.5). Non-comparable items in Q3 2015 and 9m 2015 have been adjusted with MSEK -7.0 in EBITDA that was previously reported in Q4 2015. For a summary of adjustments, see page 3 and 10.

Financial position

Total equity as of 30 September 2016 increased to MSEK 970.0 (917.8). The equity to assets ratio was 28.0 (28.8).

Net interest-bearing debt as of 30 September 2016 increased to 1,542.6 MSEK compared to MSEK 1,361.6 as of 30 September 2015 and MSEK 1,313.1 at year-end 2015. Net debt/adjusted EBITDA (LTM) was 3.2 (2.9). Cash and cash equivalents amounted to MSEK 33.4 (157.0).

Personnel

The average number of employees (FTE) was 1,681 (1,559) in the third quarter 2016 and 1,648 (1,498) in the first nine months of 2016.

Transactions with related parties

Scandi Standard has an agreement with Lantmännen, a major shareholder, for the rental of the facility in Åsljunga, Sweden. Rental costs under this agreement in the third quarter 2016 amounted to MSEK 0.6 (0.6).

Purchase of own shares

In accordance with the authorization by the Annual General Meeting 2016, the Group has purchased 214,900 own shares to secure the cost and delivery of shares to participants in the Group's long-term incentive program 2016 (LTIP 2016). The shares were purchased on Nasdaq Stockholm. A total of 56,000 share were purchased in August and 158,900 in September. The number of purchased share corresponds to 0.4 percent of the total number of outstanding shares.

Nomination Committee

The Annual General Meeting (AGM) will be held on 25 April 2017 in Stockholm.

The Nomination Committee consists of Hans Hedström, representing Carnegie Fonder (Chairman), Gustav Lindner, representing Investment AB Öresund, Knut Pousette, representing Kvalitena AB, Ulf Zenk, representing Lantmännen Kycklinginvest AB, and Per Harkjaer, Chairman of the Board of Directors. The Nomination Committee will prepare proposals to the AGM 2017 regarding election of Chairman of the AGM, Board members, Chairman of the Board, external auditor, as well as remuneration to Board members and the external auditor.

Shareholders who wish to submit proposals to the Nomination Committee can send them by email to corporategovernance@scandistandard.com or by mail to Scandi Standard AB, The Nomination Committee, c/o Group General Counsel, P. O. Box 30174, SE-104 25 Stockholm, Sweden. Proposals should be sent in due time before the AGM to ensure that the proposals can be considered by the Nomination Committee.

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 39-41 and pages 66-67 in the Annual Report 2015, which is available on www.scandistandard.com.

Stockholm, 3 November 2016

Leif Bergvall Hansen
Managing Director and CEO

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

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Scandi Standard (Publ), 556921-0627, as of 30 September 2016 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, 3 November 2016

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant

Segment information

Net sales

MSEK	Q3 2016	Q3 2015	Change	9m 2016	9m 2015	Change
Sweden	625.4	572.5	9%	1,808.0	1,659.6	9%
of which internal sales	48.0	43.0	12%	127.5	104.2	22%
Denmark	636.7	589.1	8%	1,781.8	1,744.4	2%
of which internal sales	51.9	42.6	22%	149.8	137.2	9%
Norway	360.7	300.5	20%	1,045.6	856.6	22%
of which internal sales	-	-	0%	-	-	0%
Finland	47.2	19.6	141%	101.9	27.8	267%
of which internal sales	-	-	0%	-	-	0%
Intra-group eliminations	-100.1	-85.6	17%	-277.5	-241.4	15%
Total net sales	1,569.9	1,396.1	12%	4,459.8	4,047.0	10%

Local currency	Q3 2016	Q3 2015	Change	9m 2016	9m 2015	Change
Denmark	498.3	465.9	7%	1,415.7	1,388.1	2%
Norway	351.7	290.8	21%	1,045.6	805.8	30%
Finland	5.0	2.1	138%	10.9	3.0	263%

Net sales by product category

MSEK	Q3 2016	Q3 2015	Change	9m 2016	9m 2015	Change
Chilled	726.7	625.4	16%	2,033.5	1,752.1	16%
Frozen	679.7	660.5	3%	1,939.7	1,842.5	5%
Eggs	77.7	76.3	2%	229.1	249.5	-8%
Other*	85.8	33.9	153%	257.5	202.9	27%
Total net sales	1,569.9	1,396.1	12%	4,459.8	4,047.0	10%

Exchange rates**

	9m 2016	9m 2015
SEK/NOK	1.00	1.06
SEK/DKK	1.26	1.26
SEK/EUR	9.35	9.37

*) Relates mainly to SweHatch sales of day-old chicks to farmers, and sales of pet food.

**) Average exchange rates.

Adjusted operating income

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Sweden	51.0	40.9	146.5	118.9
Denmark	30.4	41.5	80.9	109.7
Norway	20.9	16.0	67.1	38.8
Finland	-11.1	-8.9	-32.0	-9.6
Group	-10.3	-5.7	-30.1	-20.0
Amortization	-4.8	-5.1	-13.7	-14.5
Total	76.1	78.7	218.7	223.3

Adjustments to operating income

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Sweden	-	-2.0	-1.1	-4.5
Denmark	-0.7	-3.5	-0.7	-3.5
Norway	-	-	-	-
Finland	-	-	-	-2.7
Group	-	-1.8	-	-0.8
Total	-0.7	-7.3	-1.8	-11.5

Operating income

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Sweden	51.0	38.9	145.4	114.4
Denmark	29.7	38.0	80.2	106.2
Norway	20.9	16.0	67.1	38.8
Finland	-11.1	-8.9	-32.0	-12.3
Group	-10.3	-7.5	-30.1	-20.8
Amortization	-4.8	-5.1	-13.7	-14.5
Total operating income	75.4	71.4	216.9	211.8
Finance net	-12.0	-12.4	-49.7	-39.3
Income tax expense	-13.8	-10.5	-36.5	-37.0
Income for the period	49.6	48.5	130.7	135.5

Consolidated income statement

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Net sales	1,569.9	1,396.1	4,459.8	4,047.0
Other operating revenues	9.3	4.8	32.2	15.8
Changes in inventories of finished goods and work in progress	-6.3	10.9	-21.5	-1.2
Raw materials and consumables	-943.1	-818.6	-2,624.5	-2,316.6
Cost of personnel	-285.6	-251.3	-828.9	-748.3
Depreciation, amortization and impairment	-49.5	-47.3	-146.1	-139.8
Other operating expenses	-220.1	-222.5	-655.7	-643.7
Share of income of associates	0.8	-0.7	1.6	-1.4
Operating income	75.4	71.4	216.9	211.8
Finance income	0.3	4.2	0.8	5.3
Finance expenses	-12.3	-16.7	-50.5	-44.6
Income after finance net	63.4	59.0	167.2	172.5
Income tax expense	-13.8	-10.5	-36.5	-37.0
Income for the period	49.6	48.5	130.7	135.5
Whereof attributable to shareholders of the Parent Company	49.6	48.5	130.7	135.5
Average number of shares	59,548,789	59,999,864	59,590,816	60,040,324
Earnings per share, SEK	0.83	0.81	2.19	2.26
Earnings per share after dilution, SEK	0.83	0.81	2.19	2.26
Number of shares at the end of the period	60,060,890	60,060,890	60,060,890	60,060,890

- 1) 448,712 shares were purchased during the second half of 2015.
- 2) 214,900 shares were purchased during Q3 2016.

Consolidated statement of comprehensive income

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Income for the period	49.6	48.5	130.7	135.8
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial gains and losses in defined benefit pension plans	-7.3	10.5	-31.5	18.1
Tax on actuarial gains and losses	1.6	-2.3	6.9	-4.3
Total	-5.7	8.1	-24.6	13.7
Items that will or may be reclassified to the income statement				
Cash flow hedges	5.8	-13.6	2.5	-11.0
Currency effects from conversion of foreign operations	21.6	2.2	48.4	-14.8
Income from currency hedging of foreign operations	6.4	7.6	10.2	-5.6
Fair value on financial instruments	0.0	0.9	0.0	6.5
Tax attributable to items that will be reclassified to the income statement	-1.2	0.1	-0.5	2.4
Total	32.6	-2.8	60.6	-22.5
Other comprehensive income for the period, net of tax	26.9	5.3	36.0	-8.8
Total comprehensive income for the period	76.5	53.8	166.7	127.0
Whereof attributable to shareholders of the Parent Company	76.5	53.8	166.7	127.0

Consolidated statement of financial position

MSEK	Note	30 September 2016	30 September 2015	31 December 2015
ASSETS				
Non-current assets				
Goodwill		723.6	621.0	596.5
Other intangible assets		499.1	499.4	489.9
Property plant and equipment		992.5	825.2	881.7
Participations in associated companies		46.1	40.1	41.4
Financial assets		0.2	0.9	0.4
Surplus in funded pension plans		-	0.7	16.4
Deferred tax assets		39.5	30.4	16.5
Other fixed assets		-	0.7	-
Total non-current assets		2,301.0	2,018.3	2,042.8
Current assets				
Inventory		547.1	545.3	530.3
Trade receivables		416.5	360.2	308.3
Other short term receivables		75.8	51.6	56.5
Prepaid expenses and accrued income		94.8	51.8	62.7
Derivate instruments		1.8	-	-
Short term investments		-	0.7	0.5
Cash and cash equivalents		33.4	157.0	142.7
Total current assets		1,169.4	1,166.5	1,101.0
TOTAL ASSETS		3,470.4	3,184.8	3,143.8
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital		0.6	0.6	0.6
Other contributed equity		702.7	888.1	810.0
Reserves		4.9	11.9	-16.8
Retained earnings		261.8	17.3	131.1
Total equity		970.0	917.8	924.9
Liabilities				
Non-current liabilities				
Non-current interest bearing liabilities		1,492.9	1,446.3	1,381.3
Derivate instruments		18.2	13.5	13.6
Provisions for pensions		14.3	-	1.7
Deferred tax liabilities		90.8	77.0	86.0
Other non-current liabilities		46.5	-	-
Non-current provisions		-	2.4	1.9
Total non-current liabilities		1,662.7	1,539.2	1,484.5
Current liabilities				
Current interest bearing liabilities		64.9	58.8	60.9
Trade payables		407.6	344.8	352.5
Tax payables		57.0	28.7	20.5
Derivate instruments		-	0.6	0.9
Other current liabilities		127.9	165.6	138.1
Accrued expenses and prepaid income		180.3	129.2	161.5
Total current liabilities		837.7	727.8	734.4
TOTAL EQUITY AND LIABILITIES		3,470.4	3,184.8	3,143.8

Consolidated statement of changes in equity

MSEK	
Opening balance 1 January 2015	886.4
Income for the period	163.9
Other comprehensive income, net after tax	-26.9
Total comprehensive income	137.0
Dividend	-78.1
Repurchase own shares	-20.4
Total transactions with the owners	-98.5
Closing balance 31 December 2015	924.9
Opening balance 1 January 2016	924.9
Income for the period	130.7
Other comprehensive income, net after tax	36.0
Total comprehensive income	166.7
Dividend	-107.3
Repurchase own shares	-14.3
Total transactions with the owners	-121.6
Closing balance 30 September 2016	970.0

Consolidated statement of cash flows

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
OPERATING ACTIVITIES				
Operating income	75.4	71.4	216.9	211.8
Adjustment for non-cash items	18.3	29.5	135.4	168.7
Paid finance items net	-7.1	-16.1	-40.6	-44.3
Paid current income tax	-1.9	0.0	-19.3	-21.7
Cash flow from operating activities before changes in operating capital	84.7	84.8	292.4	314.5
Changes in inventories	-2.0	-12.1	8.0	-9.0
Changes in operating receivables	-27.9	-36.4	-111.6	-39.9
Changes in operating payables	-20.9	6.3	24.4	54.2
Cash flow from operating activities	33.9	42.6	213.2	319.8
INVESTING ACTIVITIES				
Business combinations	-8.8	-2.2	-31.6	-98.2
Investment in property, plant and equipment	-58.2	-36.1	-198.5	-85.1
Cash flow from investing activities	-67.0	-38.3	-230.1	-183.3
FINANCING ACTIVITIES				
Net change in external loans	66.9	25.2	31.2	30.5
Dividend	-	-	-107.3	-78.1
Repurchase own shares	-14.3	-17.6	-14.3	-17.6
Cash flow from financing activities	52.6	7.6	-90.4	-65.2
Cash flow for the period	19.5	11.8	-107.3	71.3
Cash and cash equivalents at beginning of the period	13.7	146.9	142.7	89.7
Currency effect in cash and cash equivalents	0.2	-1.7	-2.0	-3.9
Cash flow for the period	19.5	11.8	-107.3	71.3
Cash and cash equivalents at the end of the period	33.4	157.0	33.4	157.0

Parent company income statement

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Net sales	-	-	-	-
Operating expenses	-	-	-	-0.1
Operating income	0	0	0	-0.1
Finance net	3.6	3.6	10.7	11
Income after finance net	3.6	3.6	10.7	10.9
Group contribution	-	-	-	-
Tax expenses	-0.9	-0.8	-2.4	-2.4
Income for the period	2.7	2.8	8.3	8.5

Parent company statement of comprehensive income

MSEK	Q3 2016	Q3 2015	9m 2016	9m 2015
Income for the period	2.7	2.8	8.3	8.5
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2.7	2.8	8.3	8.5

Parent company statement of financial position

MSEK	Note	30 September 2016	30 September 2015	31 December 2015
ASSETS				
Non-current assets				
Investments in subsidiaries		532.7	532.7	532.7
Receivables from Group entities		358.7	358.7	358.7
Deferred tax assets		-	2.3	-
Total non-current assets		891.4	893.8	891.4
Current assets				
Cash and cash equivalents		-	2.3	-
Total current assets		0.0	2.3	0.0
TOTAL ASSETS		891.4	896.1	891.4
EQUITY AND LIABILITIES				
Equity				
<i>Restricted equity</i>				
Share capital		0.6	0.6	0.6
<i>Non-restricted equity</i>				
Share premium account		702.7	888.1	810.0
Retained earnings		-42.8	-112.1	-36.8
Income for the period		8.3	8.5	8.3
Total equity		668.8	785.1	782.1
Non-current liabilities				
Non-current interest bearing liabilities		-	-	27.5
Total non-current liabilities		0.0	0.0	27.5
Current liabilities				
Tax liability		2.3	2.4	-
Liabilities to Group entities	4	220.3	108.6	81.8
Total current liabilities		222.6	111.0	81.8
TOTAL EQUITY AND LIABILITIES		891.4	896.1	891.4

Parent company statement of changes in equity

MSEK	
Opening balance 1 January 2015	872.3
Income for the period	8.3
Other comprehensive income, net after tax	-
Total comprehensive income	8.3
Dividend	-78.1
Repurchase own shares	-20.4
Total transactions with the owners	-98.5
Closing balance 31 December 2015	782.1
Opening balance 1 January 2016	782.1
Income for the period	8.3
Other comprehensive income, net after tax	-
Total comprehensive income	8.3
Dividend	-107.3
Repurchase own shares	-14.3
Total transactions with the owners	-121.6
Closing balance 30 September 2016	668.8

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.

Acquisition in Denmark

On 30 March 2016, Scandi Standard's subsidiary Danpo A/S signed an agreement to acquire a majority shareholding in Sødams Øko Fjerkræslagteri ApS that processes approximately 500,000 organic and free-range chickens annually. The acquisition was made in order to broaden the product portfolio and expand the Group's presence in the premium segment of the Danish market.

The purchase price amounts to a maximum of MDKK 48 for 80 percent of the shares, including an initial payment of MDKK 18 made in connection with the signing of the agreement. The remaining payments will be performed partially over four years depending on achievement of certain criteria.

The purchase agreement includes a put/call option for acquisition and sale of the remaining 20 percent of the shares and the total price is estimated to increase to a maximum of MDKK 61 over four years including payment of MDKK 13 for the remaining shares.

A preliminary purchase price allocation was performed per 31 March 2016. No intangible assets except for goodwill were identified, and MDKK 60.5 was allocated to goodwill. The purchase price allocation will be finalized during the coming quarters. The financial effects of the transaction were recognized per 31 March 2016 and the acquired company has been recognized as a wholly owned subsidiary.

Long-term incentive program

The Annual General Meeting (AGM) 2016 decided on a long-term incentive programme (LTIP 2016) for key employees of the same type as LTIP 2015, intended to contribute to long-term value growth. LTIP 2015 and 2016 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 program 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 2015.

No changes have been made in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2015.

Note 2. Segment information

Scandi Standard's business is operationally divided into the countries of Sweden, Denmark, Norway 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 and the newly acquired Sødams Øko Fjerkræslagteri ApS. 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. Sødams Øko Fjerkræslagteri ApS processes organic and free-range chicken for the Danish market.

Segment Norway comprises Den Stolte Hane Jæren AS, Den Stolte Hane Egg AS and Scandi Standard Norway AS. In addition there is an associate Nærbo 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. The segment also handles and sells small quantities of turkey and duck.

Segment Finland comprises the former Huttulan-operation, which was acquired in May 2015 and renamed Kronfågel Oy. Operations include slaughtering, production and development of fresh and frozen chicken products for the Finnish market.

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 30 September 2016 and for the comparison period, are shown in the tables below.

2016-09-30, MSEK	Loans and receivables	Financial assets at fair value through profit or loss	Derivatives used in hedge accounting	Other financial assets and liabilities	Total carrying amount	Measured at amortized cost	Fair value by level ¹
Assets							
Other non-current financial assets	-				0.0		
Trade receivables	416.5				416.5	416.5	
Derivates			1.8		1.8		1.8
Cash and cash equivalents	33.4				33.4	33.4	
Total financial assets	449.9	0.0	1.8	0.0	451.7	449.9	1.8
Liabilities							
Non-current interest bearing liabilities				1,492.9	1,492.9	1,492.9	
Other-non current liabilities				46.5	46.5	16.8	29.7
Derivates			18.2		18.2		18.2
Current interest bearing liabilities				64.9	64.9	64.9	
Trade payables				407.6	407.6	407.6	
Total financial liabilities	0.0	0.0	18.2	2,011.9	2,030.1	1,982.2	47.9

2015-09-30, MSEK	Loans and receivables	Financial assets at fair value through profit or loss	Derivatives used in hedge accounting	Other financial assets and liabilities	Total carrying amount	Measured at amortized cost	Fair value by level ¹
Assets							
Other non-current financial assets	0.7				0.7	0.7	
Trade receivables	360.2				360.2	360.2	
Cash and cash equivalents	157.0				157.0	157.0	
Total financial assets	517.9	0.0	0.0	0.0	517.9	517.9	0.0
Liabilities							
Non-current interest bearing liabilities				1,446.3	1,446.3	1,446.3	
Long-term derivates			13.5		13.5		13.5
Current interest-bearing liabilities				58.8	58.8	58.8	
Trade payables				344.8	344.8	344.8	
Short-term derivates			0.6		0.6		0.6
Total financial liabilities	0.0	0.0	14.1	1,849.9	1,864.1	1,849.9	14.1

¹The 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 30 September 2016 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 30 September 2016 the derivatives amounted to MSEK -16.4 (-14,1). 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 30 September 2016 those amounted to MSEK 45,5 (50,2). For the Group's long-term borrowing, which as of 30 September 2016 amounted to MSEK 1,557.8 (1,505,1), 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.

Note 4. Other liabilities

The entire other non-current liability per 30 September 2016 for the Group in the amount of MSEK 46.5 (-) refers to the additional purchase price related to acquisitions performed in 2015 and 2016. The entire other current liabilities to Group entities in the Parent Company as per 30 September 2016 in the amount of MSEK 220.3 (108.6) is related to cash pool.

Not 5. Alternative KPIs

The Scandi Standard Group uses the below alternative KPIs. The Group believes that the presented alternative KPIs is useful for the users of the financial statements to understand the Groups ability to generate results before investments, assess the Groups opportunity to dividends and strategic investments and to assess the Groups ability to fulfill its financial obligations.

KPIs - calculations and reconciliation to financial statements

From Income Statement, MSEK		Q3 2016	Q3 2015	9m 2016	9m 2015
Net sales	A	1,569.9	1,396.1	4,459.8	4,047.0
Income for the period	B	49.6	48.5	130.7	135.5
+ Income tax expense		13.8	10.5	36.5	37.0
Income after finance net	C	63.4	59.0	167.2	172.5
+Financial income and expenses, net		12.0	12.5	49.7	39.3
Operating income	D	75.4	71.4	216.9	211.8
+Depreciation, amortization and impairment		49.5	47.3	146.1	139.8
+Share of income of associates		-0.8	0.7	-1.6	1.4
EBITDA	E	124.1	119.4	361.4	353.0
Non-comparable items in income for the period	F	0.7	5.6	1.6	8.9
Adjusted income for the period	B+F	50.3	54.1	132.3	144.4
Non-comparable items in income after finance net	G	0.7	7.3	1.8	11.5
Adjusted income after finance net	C+G	64.1	66.3	169.0	184.0
Non-comparable items in operating income	G	0.7	7.3	1.8	11.5
Adjusted operating income	D+G	76.1	78.7	218.7	223.3
Adjusted operating margin	(D+G)/A	4.8%	5.6%	4.9%	5.5%
Non-comparable items in EBITDA	G	0.7	7.3	1.8	11.5
Adjusted EBITDA	E+G	124.8	126.7	363.2	364.5
Adjusted EBITDA-margin %	(E+G)/A	7.9%	9.1%	8.1%	9.0%

		30 September 2016	30 September 2015	30 September 2014
From Balance Sheet MSEK				
Total assets		3,470.4	3,184.8	3,328.2
Non-current non interest bearing liabilities				
- Deferred tax liabilities		-90.8	-77.0	-143.9
- Other non-current liabilities		-46.5	-	-2.6
Total non-current interest bearing liabilities		-137.3	-77.0	-146.5
Current non interest bearing liabilities				
Trade payables		-407.6	-344.8	-597.1
Tax payables		-57.0	-28.7	-48.3
Other current liabilities		-127.9	-165.6	-
Accrued expenses and prepaid income		-180.3	-129.2	-
Total current non interest bearing liabilities		-772.8	-668.3	-645.4
Capital employed		2,560.3	2,439.5	2,536.3
Cash and cash equivalents		-33.4	-157.0	-207.6
Operating capital		2,526.9	2,282.5	2,328.7
Average capital employed	H	2,499.9	2,487.9	
Average operating capital	I	2,404.7	2,305.6	
Operating income, LTM		264.6	285.3	
Adjusted operating income, LTM	J	286.9	295.9	
Finance income	K	0.8	5.3	
Adjusted return on capital employed	(J+K)/H	11.5%	12.1%	
Adjusted return on operating capital	J/I	11.9%	12.8%	

		30 September 2016	30 September 2015	31 December 2015
From Balance Sheet, MSEK				
Interest bearing liabilities				
Non-current interest bearing liabilities		1,492.9	1,446.3	1,381.3
Derivates		18.2	13.5	13.6
Current interest bearing liabilities		64.9	58.8	60.9
Total interest bearing liabilities		1,576.0	1,518.6	1,455.8
Cash and cash equivalents		-33.4	-157.0	-142.7
Net interest bearing debt		1,542.6	1,361.6	1,313.1

		Q3 2016	Q3 2015	9m 2016	9m 2015
From Statement of Cash Flows, MSEK					
Operating activities					
Operating income		75.4	71.4	216.9	211.8
Adjustment for non-cash items					
Depreciation, amortization and impairment		49.5	47.3	146.1	139.8
Share of income of associates		-0.8	0.7	-1.6	1.4
EBITDA		124.1	119.4	361.4	353.0
Non-comparable items in EBITDA	G	0.7	7.3	1.8	11.5
Adjusted EBITDA		124.8	126.7	363.2	364.5

Definitions

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.

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

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 November 2016 at 10:00 AM CET.

The dial-in numbers are:

UK: 020 3059 8125

Sweden: +46 8 50 510 036

Other countries: +44 20 3059 8125

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:

Leif Bergvall Hansen, Chief Executive Officer

Tobias Wastensson, Head of Group Finance

Tel: +45 22 10 05 44

Tel: +46 10 456 14 86

Financial calendar

- Report for the fourth quarter and full year 2016: 28 February 2017
- Report for the first quarter 2017: 11 May 2017

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 November 2016.

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, interruptions in supply, and major customer credit losses.

Scandi Standard AB (publ)

Franzengatan 5

104 25 Stockholm

Reg no. 556921-0627

www.scandistandard.com