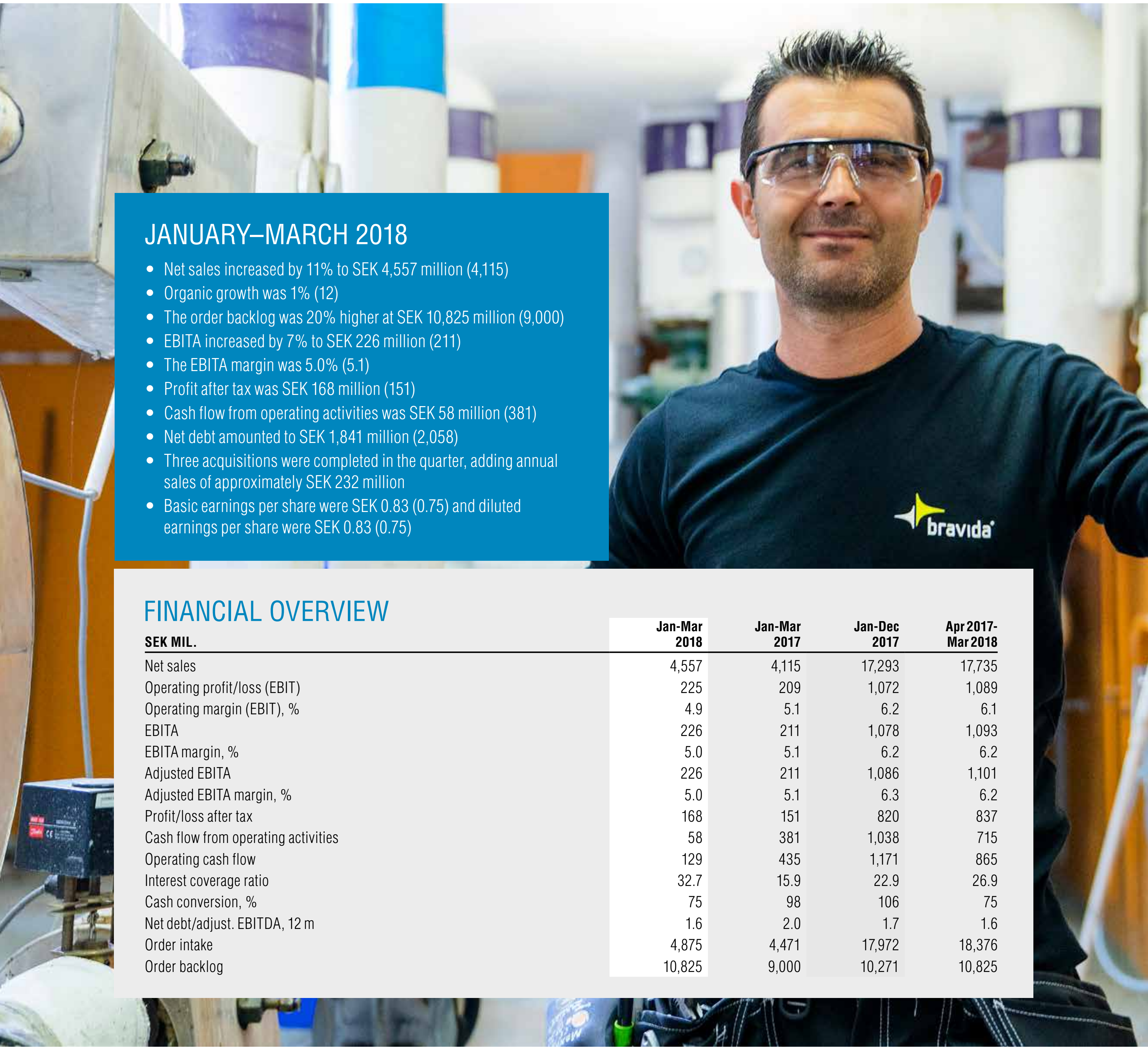
# INTERIM REPORT
## January–March 2018




### JANUARY–MARCH 2018

- Net sales increased by 11% to SEK 4,557 million (4,115)
- Organic growth was 1% (12)
- The order backlog was 20% higher at SEK 10,825 million (9,000)
- EBITA increased by 7% to SEK 226 million (211)
- The EBITA margin was 5.0% (5.1)
- Profit after tax was SEK 168 million (151)
- Cash flow from operating activities was SEK 58 million (381)
- Net debt amounted to SEK 1,841 million (2,058)
- Three acquisitions were completed in the quarter, adding annual sales of approximately SEK 232 million
- Basic earnings per share were SEK 0.83 (0.75) and diluted earnings per share were SEK 0.83 (0.75)

### FINANCIAL OVERVIEW

| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 | Apr 2017-Mar 2018 |
|---|---|---|---|---|
| Net sales | 4,557 | 4,115 | 17,293 | 17,735 |
| Operating profit/loss (EBIT) | 225 | 209 | 1,072 | 1,089 |
| Operating margin (EBIT), % | 4.9 | 5.1 | 6.2 | 6.1 |
| EBITA | 226 | 211 | 1,078 | 1,093 |
| EBITA margin, % | 5.0 | 5.1 | 6.2 | 6.2 |
| Adjusted EBITA | 226 | 211 | 1,086 | 1,101 |
| Adjusted EBITA margin, % | 5.0 | 5.1 | 6.3 | 6.2 |
| Profit/loss after tax | 168 | 151 | 820 | 837 |
| Cash flow from operating activities | 58 | 381 | 1,038 | 715 |
| Operating cash flow | 129 | 435 | 1,171 | 865 |
| Interest coverage ratio | 32.7 | 15.9 | 22.9 | 26.9 |
| Cash conversion, % | 75 | 98 | 106 | 75 |
| Net debt/adjust. EBITDA, 12 m | 1.6 | 2.0 | 1.7 | 1.6 |
| Order intake | 4,875 | 4,471 | 17,972 | 18,376 |
| Order backlog | 10,825 | 9,000 | 10,271 | 10,825 |

The leading multi-technical service provider in the Nordics

bravida
BRINGING BUILDINGS TO LIFE

# "A SOLID START TO THE YEAR"

**ORGANIC GROWTH AND STABLE EARNINGS**

I'm pleased that, despite strong comparative figures and the negative effect of Easter falling in the first quarter this year, we are reporting organic growth of 1 percent for the quarter. I'd particularly like to highlight the strong growth in our Danish operations: Bravida Denmark delivered sales growth of 20 percent and a 70 percent increase in order intake. The Group continued to enjoy good growth in service, which grew by 11 percent for the quarter and a high 15 percent for the last 12 months.

Easter had a negative effect on cash flow in the first quarter as customer payments were shifted to the first few days of April.

Earnings performance was stable and the underlying EBITA margin, excluding Oras, was unchanged at 5.1 percent.

Bravida Norway's management, together with Oras' personnel, has undertaken extensive measures to restructure and integrate the business, and developments are proceeding according to plan. Oras has already turned a profit in the first quarter.

In Sweden, the EBITA margin improved owing to an increased share of income from service, which generally has a higher margin. In Norway, the underlying EBITA margin improved through good cost control. In Denmark and Finland, the EBITA margin was unchanged.

**FINLAND**

Marko Holopainen, Bravida's newly recruited Head of Division Finland, joined at the end of March. I was Acting Head of Division Finland for seven months and during that time I spent much of my time developing our fundamental business approach, the Bravida Way. As I have previously stated, our business needs to grow in Finland, both through acquisitions and organically, in order to achieve a critical mass and, consequently, an acceptable level of profitability and a stronger market position. In January we took a further step by acquiring Adison Oy, which has sales equivalent to SEK 190 million in the Helsinki area.

Marko joins with extensive industry experience and good leadership skills to enhance Bravida Finland and increase growth.

**ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA**

Bravida's growth and market position within both service and installation continue to be strengthened by acquisitions. So far this year we have made five different acquisitions, two of which were in April, that bolster our market position. The sector is still highly fragmented with significant opportunities for consolidation. We therefore continue to see considerable potential to make further acquisitions and most companies view being part of our Group as an opportunity to develop, which means Bravida has a good reputation as an acquiring business.

**MARKET REMAINS GOOD**

The technical installations and service markets will remain good in Sweden, Norway and Denmark, and stable in Finland. The order backlog is once again at a record level and the bulk of the order backlog consist of lots of small and medium-sized installation projects, which together with our large service operations, will support growth over the coming quarters.

**Mattias Johansson,**
Stockholm, May 2018

# CONSOLIDATED EARNINGS OVERVIEW

### NET SALES

**January–March**

Net sales increased by 11 percent to SEK 4,557 million (4,115). Adjusted for currency fluctuations and acquisitions, net sales increased by 1 percent. Currency fluctuations had a positive 1 percent impact on net sales, while acquisitions increased net sales by 9 percent. Net sales increased in all countries. They rose by 4 percent in Sweden, by 21 percent in Norway, by 20 percent in Denmark and by 28 percent in Finland. The high growth in Finland and Norway was mainly due to the acquisitions of Adison Oy and Oras AS, respectively.

Compared with the first quarter of 2017, service business increased by 11 percent and installation business by 11 percent. The service business accounted for 46 percent (46) of total net sales.

Order intake amounted to SEK 4,875 million (4,471), an increase of 9 percent. The order intake increased by 70 percent in Denmark, 9 percent in Finland and 5 percent in Norway. In Sweden, order intake decreased by 1 percent. The order backlog at 31 March was 20 percent higher than at the same date last year and amounted to SEK 10,825 million (9,000). During the quarter the order backlog, including acquisitions, rose by SEK 554 million. The increase was attributable to business operations in Norway, Denmark and Finland. The order backlog only contains installation projects.

### EARNINGS

**January–March**

Operating profit was SEK 225 million (209). EBITA increased by 7 percent to SEK 226 million (211), resulting in an EBITA margin of 5.0 percent (5.1). The acquisition of Oras in Norway has diluted the EBITA margin by 0.1 percentage points. EBITA increased across all countries apart from Finland, which reported unchanged earnings. In Sweden, the EBITA margin improved, while it was unchanged in Denmark and Finland. In Norway, adjusted for the dilution from Oras, the underlying margin improved. Group-wide has been charged with group-wide project costs. Net financial items amounted to SEK -9 million (-14). Profit after financial items was SEK 216 million (194). Profit after tax was SEK 168 million (151). Basic earnings per share increased by 12 percent to SEK 0.83 (0.75). Diluted earnings per share were SEK 0.83 (0.75).

### DEPRECIATION AND AMORTISATION

Depreciation and amortisation for the quarter was SEK 8 million (8).

### TAX

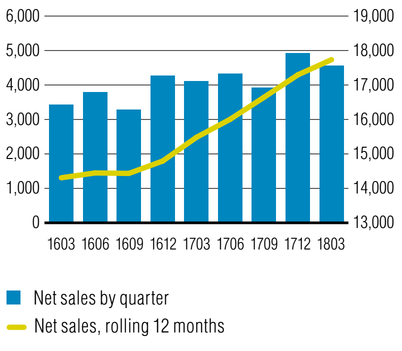
The tax expense for the quarter was SEK -48 million (-44). Profit before tax was SEK 216 million (194). The effective tax rate for the quarter was 22 percent (23). The tax rate in Sweden is 22 percent, in Norway it is 23 percent, in Denmark 22 percent and in Finland 20 percent. Tax paid amounted to SEK 66 million (44).

### CASH FLOW

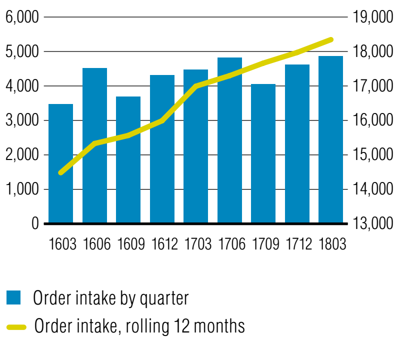
**January–March**

Cash flow from operating activities was SEK 58 million (381). The lower cash flow is due to increased working capital. Operating cash flow increased owing to a rise in current receivables. The Easter weekend resulted in customer payments being delayed until the first few days of April. Cash flow from investment activities was SEK -45 million (-14), of which acquisitions of subsidiaries and businesses totalled SEK -41 million (-9). Cash flow from financing activities, which relate to the repayment of loans and the net reduction of utilised overdraft facilities, amounted to SEK -201 million (0).

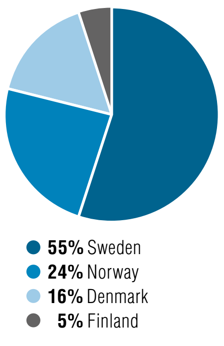
### NET SALES (SEK MIL.)




### ORDER INTAKE (SEK MIL.)




### NET SALES BY COUNTRY, JAN–MAR 2018



12-month cash conversion was 75 percent. Cash flow from operating activities in the last 12 months was SEK 715 million (796).

**ACQUISITIONS**

Three acquisitions were completed in the quarter.

Finland-based Adison Oy, which was acquired in January, has operations in the Helsinki region. The business has 70 employees and sales equivalent to approximately SEK 190 million in electrical, heating & plumbing, HVAC and construction.

Denmark-based Electric Viborg A/S, which was acquired in January, has 30 employees and sales equivalent to approximately SEK 26 million in electrical service and security.

Sweden-based EL & Tele Installation AB, which was acquired in January, has 10 employees and sales of approximately SEK 16 million in electrical.

**FINANCIAL POSITION**

Bravida's net debt at 31 March was SEK 1,841 million (2 058), which corresponds to a capital structure (net debt/adjusted EBITDA) ratio of 1.6 (2.0). Consolidated cash and cash equivalents were SEK 660 million (645) at 31 March. Interest-bearing liabilities amounted to SEK 2,500 million (2,703) at 31 March, SEK 1,000 million (0) of which was commercial paper. Bravida's total credit facilities amounted to SEK 3,503 million (4,003), of which SEK 1,998 million (1,300) was unused at 31 March.

At the end of the period, equity totalled SEK 4,921 million (4,221). The equity/assets ratio was 36.5 percent (34.4).

**EMPLOYEES**

The average number of employees at 31 March was 10,709 (9,835), an increase of 9 percent.

**PARENT COMPANY**

For the quarter, revenues were SEK 41 million (36) and earnings after net financial items were SEK 3 million (-1).

**SHAREHOLDER INFORMATION**

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 29 March Bravida had 11,490 shareholders, according to Euroclear. At 29 March, the four largest shareholders were Swedbank Robur Funds, Lannebo Funds, Capital Group Funds and AP4. Bravida has no shareholders that hold shares exceeding 10 percent of voting rights.

The price of a Bravida share at 29 March 2018 was SEK 59.70, corresponding to a market capitalisation of SEK 12,034 million based on the number of ordinary shares. Over the past 12 months, Bravida shares produced a total shareholder return, including the dividend, of 4.9 percent.

Share capital amounts to SEK 4 million divided among 203,316,598 shares, of which 201,566,598 are ordinary shares and 1,750,000 are class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

**OTHER EVENTS DURING THE PERIOD**

There are no other events during the period to report.

**DECISIONS BY THE ANNUAL GENERAL MEETING**

The decisions taken by the Annual General Meeting of 20 April 2018 included the following: The dividend was set at SEK 1.55 per share, corresponding to a total payment of SEK 312 million. The following were elected as members of the Board: Fredrik Arp (newly elected), Marie Nygren (newly elected), Jan Johansson (re-elected), Staffan Påhlsson (re-elected), Cecilia Daun Wennborg (re-elected) and Mikael Norman (re-elected). Fredrik Arp was elected Chairman of the Board. The Annual General Meeting adopted the Board's proposal for a new long-term incentive programme (LTIP 2018) and authorised the Board to take decisions on issuing and repurchasing class C shares and transferring own ordinary shares. Around 200 employees will be invited to participate in the incentive programme.

**FINANCIAL GOALS**

- Sales growth: Over 10 percent a year, comprising 5 percent organic growth and 5 to 7 percent through acquisitions
- EBITA margin: Over 7 percent, adjusted for any specific costs and including a dilutive effect from acquisitions
- Cash conversion: Over 100 percent
- Capital structure: In line with 2.5x net debt/adjusted EBITDA
- Dividend policy: A minimum of 50 percent of net earnings while also taking account of other factors such as financial position, cash flow and growth opportunities.

**NET SALES AND GROWTH**

| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| Net sales | 4,557 | 4,115 | 17,293 |
| Change | 442 | 688 | 2,501 |
| Change, % | 10.7 | 20.1 | 16.9 |
| Of which | | | |
| Organic growth, % | 1 | 12 | 6 |
| Acquisitions, % | 9 | 6 | 10 |
| Currency effects, % | 1 | 2 | 1 |

## SIGNIFICANT RISKS

Changes in market conditions, financial turmoil and political decisions are the external factors that mainly affect demand for new construction of housing and commercial property, as well as investment from industry and the public sector. Demand for service and maintenance is less sensitive to economic fluctuations. Operating risks are related to day-to-day business operations such as tendering, price risks, capacity utilisation and revenue recognition. Management of these risks is part of Bravida's ongoing business process.

The percentage-of-completion method is applied and is based on the extent of completion of each project and the expected date of completion. A well-developed process for the monitoring of projects is essential in limiting the risk of incorrect revenue recognition. Bravida continually monitors the financial status of each project to ensure that individual project calculations are not exceeded. The Group is also exposed to impairment loss risks in fixed-price contracts and various types of financial risk such as currency, interest rate and credit risk. These material risks and uncertainties apply to both parent company and the consolidated Group.

## TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties outside the Group took place during the period.

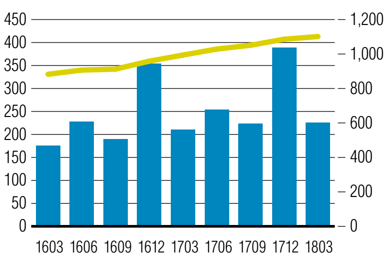
## EVENTS SINCE THE END OF THE PERIOD

On 6 April 2018 Bravida acquired Inomhusklimat i Stockholm AB, a company operating in the cooling segment. The business has 12 employees and sales of around SEK 30 million.

On 16 April 2018 Bravida entered into an agreement to acquire Sala Elektriska AB, an electrical business. The company has 18 employees and sales of approximately SEK 20 million.

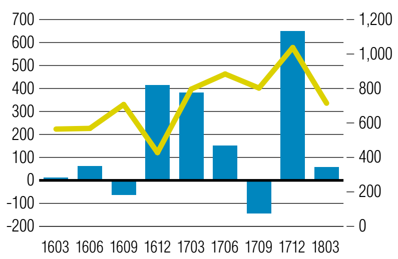
The long-term incentive programme from 2015 (LTIP 2015) expires on 3 May 2018, which preliminarily means that 571,838 class C shares will be converted into ordinary shares on 3 May. The final allocation, which is the result of EBITA achieved in the programme, amounts to 84.8 percent of the maximum allocation. Initially 248 employees participated in LTIP 2015; of these, a preliminary 193 employees will receive an allocation.

### ADJUSTED EBITA (SEK MIL.)



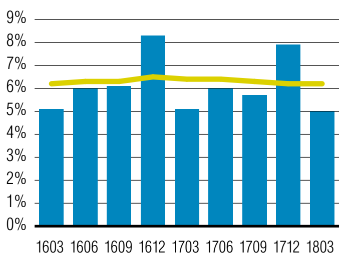

Adjusted EBITA by quarter
Adjusted EBITA, rolling 12 months

### CASH FLOW FROM OPERATING ACTIVITIES (SEK MIL.)




Cash flow from operating activities by quarter
Cash flow from operating activities, rolling 12 months

### ADJUSTED EBITA MARGIN




Adjusted EBITA margin
Adjusted EBITA margin, rolling 12 months

# OPERATIONS IN SWEDEN

### MARKET

Demand for new-builds and upgrades of public-sector premises, offices and retail properties and building maintenance continues to be healthy. Confidence indicators for the construction industry remain at historical highs. We expect a gradual decrease in demand for technical installations in new-build housing. This is being replaced, however, by the refurbishment of housing and increased demand for other types of installation work. Bravida is not dependent on a particular end-market as it is highly diversified. We believe demand for technical installations and service is strong in metropolitan regions and university towns and healthy in the rest of the country.

### NET SALES AND EARNINGS

**January–March**

Net sales in Sweden increased by 4 percent to SEK 2,534 million (2,477). The sales growth is due to strong growth in service business.

EBITA increased by 9 percent to SEK 126 million (115), resulting in an EBITA margin of 5.0 percent (4.7).

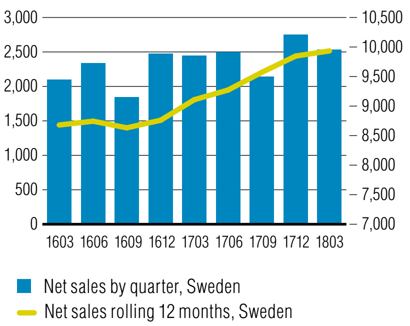
### ORDER INTAKE AND ORDER BACKLOG

**January–March**

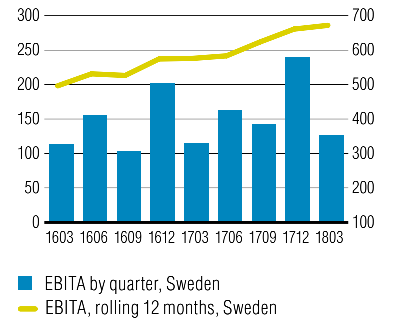
Order intake decreased by 1 percent to SEK 2,498 million (2,516). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 6 percent higher than for the same period last year and amounted to SEK 5,337 million (5,013).

### NET SALES (SEK MIL.)




### EBITA (SEK MIL.)




| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| Net sales | 2,534 | 2,447 | 9,847 |
| EBITA | 126 | 115 | 661 |
| EBITA margin, % | 5.0 | 4.7 | 6.7 |
| Order intake | 2,498 | 2,516 | 10,275 |
| Order backlog | 5,337 | 5,013 | 5,372 |
| Average number of employees | 5,576 | 5,469 | 5,553 |


**In Kungälv, south-west Sweden,** the local hospital is being expanded with new departments and the old premises are being gradually extended. Under a strategic partnership agreement with Skanska, Bravida is providing all heating & plumbing and electrical installations. Bravida has been involved in the project since the design phase, and when New Kungälv Hospital is completed in 2020, the building will be a certified Sustainable Building.

# OPERATIONS IN NORWAY

**MARKET**

Conditions in the construction industry in Norway are generally good, although the south-west parts of the market are still weak following the fall in the price of oil and gas. New public investment in and maintenance of road and transport infrastructure and health care are important drivers. There is also good demand for investments relating to the shift towards greener sources of energy such as wind power, solar energy and electric car charging. Growth in housing construction has been strong in recent years, but this is expected to gradually decrease. Bravida believes demand for technical installations and service is good.

**NET SALES AND EARNINGS**

**January–March**

Net sales increased by 21 percent to SEK 1,097 million (905). The growth is due to the acquisition of Oras. Currency fluctuations had a negative 2 percent impact on net sales.

EBITA increased by 14 percent to SEK 59 million (52), resulting in an EBITA margin of 5.4 percent (5.7). The acquisition of Oras has resulted in a 0.6 percentage point dilution of the EBITA margin; adjusted for this, the EBITA margin was 6.0 percent (5.7).

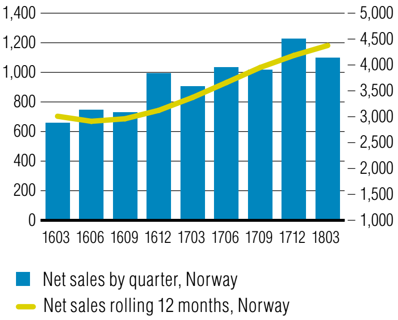
**ORDER INTAKE AND ORDER BACKLOG**

**January–March**

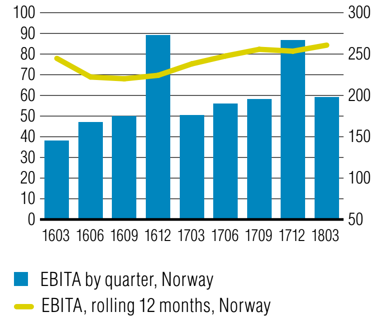
Order intake increased by 5 percent to SEK 1,337 million (1,274). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 49 percent higher than for the same period last year and amounted to SEK 3,044 million (2,046).

**NET SALES (SEK MIL.)**




**EBITA (SEK MIL.)**




| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| Net sales | 1,097 | 905 | 4,185 |
| EBITA | 59 | 52 | 254 |
| EBITA margin, % | 5.4 | 5.7 | 6.1 |
| Order intake | 1,337 | 1,274 | 4,406 |
| Order backlog | 3,044 | 2,046 | 2,804 |
| Average number of employees | 2,738 | 2,226 | 2,718 |


**The company Jotun is building a new headquarters and research and development centre** at Gimle in Sandefjord, south-east Norway. The new building is due for completion by December 2018 and will house offices, an information centre, an auditorium, a canteen and a multi-storey car park. Bravida is installing all electrical fittings, including everything from high-voltage systems to fire and security systems.

# OPERATIONS IN DENMARK

**MARKET**

The construction industry is stable. The housing market has improved, which is contributing to increased demand for housing new-builds and upgrades. New-builds and the upgrade of public-sector buildings are contributing to a stable market. Demand from the business sector has grown for premises and the installation of new technical solutions for automation and energy optimisation. However, confidence indicators for the construction industry remain slightly below normal. Bravida believes demand for technical installations and service assignments is healthy in major cities.

**NET SALES AND EARNINGS**

**January–March**

Net sales increased by 20 percent to SEK 707 million (590). The increase in net sales is mainly attributable to the installation business. Currency fluctuations had a positive 5 percent impact on net sales.

EBITA increased by 19 percent to SEK 35 million (30), resulting in an unchanged EBITA margin of 5.0 percent (5.0).

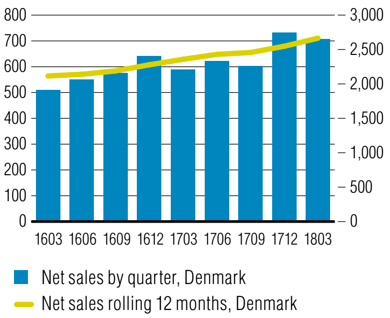
**ORDER INTAKE AND ORDER BACKLOG**

**January–March**

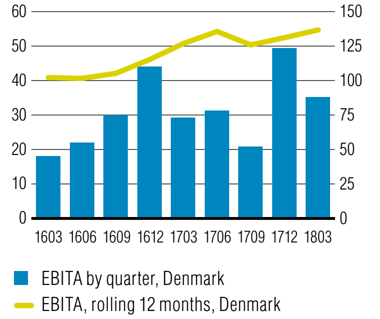
Order intake increased by 70 percent to SEK 845 million (498). Order intake mainly related to small and medium-sized installation projects and service assignments. However, Bravida Denmark received a large order in the quarter for the installation of heating & plumbing systems in the new hospital in Aalborg, with an order value equivalent to SEK 140 million.

The order backlog at the end of the quarter was 18 percent higher than for the same period last year and amounted to SEK 1,891 million (1,598).

**NET SALES (SEK MIL.)**




**EBITA (SEK MIL.)**




| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| Net sales | 707 | 590 | 2,547 |
| EBITA | 35 | 30 | 131 |
| EBITA margin, % | 5.0 | 5.0 | 5.1 |
| Order intake | 845 | 498 | 2,567 |
| Order backlog | 1,891 | 1,598 | 1,752 |
| Average number of employees | 1,803 | 1,629 | 1,803 |

**Århus University Hospital** has had a cutting-edge pneumatic tube system installed by Bravida. The system is automated and created to optimise the transport time for items such as blood samples, instruments and medicines. The system is supplied by Ing. Sumetzberger GMBH and was installed by Bravida. Parts of the system are already in use, and the entire system is expected to be completed in 2019.

# OPERATIONS IN FINLAND

### MARKET

The construction industry has gradually improved over recent years and building firms are reporting increased sales. Confidence indicators for the construction industry are slightly above the normal level. The number of granted building permits, however, has decreased somewhat recently. Bravida believes demand for technical installations and service is stable.

### NET SALES AND EARNINGS

**January–March**

Net sales increased by 28 percent to SEK 235 million (184). The acquisition of Adison Oy in January has contributed to the growth in net sales and was the main reason for the high growth. Currency fluctuations had a positive 5 percent impact on net sales.

EBITA was SEK 0 million (0,0), resulting in an EBITA margin of 0.0 percent (0.2).

Marko Holopainen joined as Head of Division at the end of March 2018.

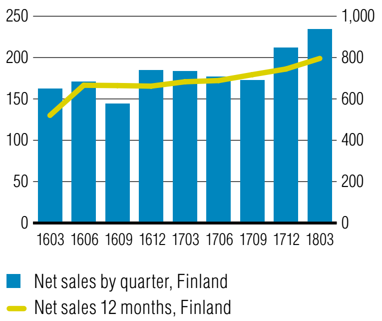
### ORDER INTAKE AND ORDER BACKLOG

**January–March**

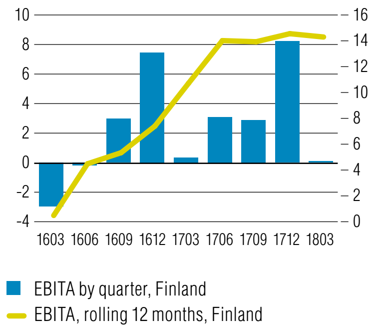
Order intake increased by 9 percent to SEK 210 million (193). Order intake related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 61 percent higher than for the same period last year and amounted to SEK 553 million (344), with SEK 223 million coming from the acquisition of Adison Oy.

### NET SALES (SEK MIL.)




### EBITA (SEK MIL.)




| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| Net sales | 235 | 184 | 745 |
| EBITA | 0 | 0 | 15 |
| EBITA margin, % | 0.0 | 0.2 | 2.0 |
| Order intake | 210 | 193 | 755 |
| Order backlog | 553 | 344 | 344 |
| Average number of employees | 513 | 443 | 496 |


**Cinema chain Finnkino** is building a new cutting-edge cinema facility at Helsinki's Itis shopping centre. Bravida has won the contract from lead contractor Skanska to install all electrical, heating, HVAC and sprinkler systems and fittings. Almost 40 employees from Bravida will be engaged throughout the project, which started in January of this year. The new cinema is expected to be completed by November 2018.

# FINANCIAL REPORTING

## CONSOLIDATED INCOME STATEMENT, SUMMARY

| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 | Apr 2017-Mar 2018 |
|---|---|---|---|---|
| **Net sales** | **4,557** | **4,115** | **17,293** | **17,735** |
| Production costs | -3,972 | -3,558 | -14,718 | -15,132 |
| **Gross profit/loss** | **585** | **557** | **2,575** | **2,603** |
| Selling and administrative expenses | -360 | -348 | -1,502 | -1,514 |
| **Operating profit/loss** | **225** | **209** | **1,072** | **1,089** |
| Net financial items | -9 | -14 | -54 | -49 |
| **Profit/loss before tax** | **216** | **194** | **1,019** | **1,041** |
| Tax on profit/loss for the period | -48 | -44 | -199 | -203 |
| **Profit/loss for the period** | **168** | **151** | **820** | **838** |
| | | | | |
| **Profit/loss for the period attributable to:** | | | | |
| Equity holders of the parent | 168 | 151 | 818 | 836 |
| Non-controlling interests | 0 | 0 | 2 | 2 |
| **Profit/loss for the period** | **168** | **151** | **820** | **838** |
| | | | | |
| Basic earnings per share, SEK | 0.83 | 0.75 | 4.07 | 4.16 |
| Diluted earnings per share, SEK | 0.83 | 0.75 | 4.06 | 4.15 |

## STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 | Apr 2017-Mar 2018 |
|---|---|---|---|---|
| **Profit/loss for the period** | **168** | **151** | **820** | **838** |
| | | | | |
| **Other comprehensive income** | | | | |
| *Items transferred or that can be transferred to profit or loss* | | | | |
| Translation differences for the period from the translation of foreign operations | 86 | -11 | -26 | 72 |
| *Items that cannot be transferred to profit or loss* | | | | |
| Revaluation of defined-benefit pensions | – | – | 23 | 23 |
| Tax attributable to the revaluation of pensions | – | – | -5 | -5 |
| **Other comprehensive income for the period** | **86** | **-11** | **-8** | **90** |
| **Comprehensive income for the period** | **255** | **139** | **812** | **928** |
| | | | | |
| **Comprehensive income for the period attributable to:** | | | | |
| Equity holders of the parent | 254 | 139 | 811 | 926 |
| Non-controlling interests | 0 | 0 | 2 | 2 |
| **Comprehensive income for the period** | **255** | **139** | **812** | **928** |

## CONSOLIDATED BALANCE SHEET, SUMMARY

| SEK MIL. | 31/03/18 | 31/03/17 | 31/12/17 |
|---|---|---|---|
| Goodwill | 8,002 | 7,593 | 7,844 |
| Other non-current assets | 154 | 145 | 154 |
| **Total non-current assets** | **8,156** | **7,737** | **7,998** |
| Trade receivables | 2,901 | 2,321 | 3,030 |
| Income accrued but not invoiced | 1,225 | 1,026 | 1,004 |
| Other current assets | 558 | 543 | 489 |
| Cash and cash equivalents | 660 | 645 | 839 |
| **Total current assets** | **5,344** | **4,534** | **5,362** |
| **Total assets** | **13,500** | **12,272** | **13,360** |
| | | | |
| Equity attributable to holders of the parent | 4,911 | 4,210 | 4,652 |
| Equity attributable to non-controlling interests | 11 | 11 | 10 |
| **Total equity** | **4,921** | **4,221** | **4,662** |
| Other non-current liabilities | 1,895 | 2,958 | 2,056 |
| **Total other non-current liabilities** | **1,895** | **2,958** | **2,056** |
| Trade payables | 1,663 | 1,439 | 1,866 |
| Income invoiced but not accrued | 1,541 | 1,345 | 1,519 |
| Other current liabilities | 3,479 | 2,309 | 3,257 |
| **Total current liabilities** | **6,684** | **5,093** | **6,642** |
| **Total liabilities** | **8,578** | **8,051** | **8,698** |
| **Total equity and liabilities** | **13,500** | **12,272** | **13,360** |
| | | | |
| Of which interest-bearing liabilities | 2,500 | 2,703 | 2,701 |

## STATEMENT OF CHANGES IN EQUITY

| SEK MIL. | 31/03/18 | 31/03/17 | 31/12/17 |
|---|---|---|---|
| **Consolidated equity** | | | |
| Opening balance | 4,662 | 4,079 | 4,079 |
| Comprehensive income for the period | 255 | 139 | 812 |
| Dividend | – | – | -252 |
| Cost shareholder programme | 5 | 3 | 23 |
| **Closing balance** | **4,921** | **4,221** | **4,662** |

## CONSOLIDATED CASH FLOW STATEMENT, SUMMARY

| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/loss before tax | 216 | 194 | 1,019 |
| Adjustment for non-cash items | 5 | 5 | 51 |
| Income taxes paid | -66 | -44 | -95 |
| Changes in working capital | -97 | 226 | 63 |
| **Cash flow from operating activities** | **58** | **381** | **1,038** |
| | | | |
| **Investing activities** | | | |
| Acquisition of subsidiaries and businesses | -41 | -9 | -215 |
| Other | -4 | -4 | -16 |
| **Cash flow from investing activities** | **-45** | **-14** | **-231** |
| | | | |
| **Financing activities** | | | |
| Repayment of loan | -200 | -500 | 1,700 |
| New loan | – | 500 | -1,700 |
| Change in utilisation of overdraft facility | -1 | 0 | -2 |
| Dividend paid | – | – | -252 |
| **Cash flow from financing activities** | **-201** | **0** | **-254** |
| | | | |
| **Cash flow for the period** | **-188** | **367** | **553** |
| Cash and cash equivalents at start of year | 839 | 286 | 286 |
| Translation difference in cash and cash equivalents | 8 | -9 | 0 |
| **Cash and cash equivalents at end of period** | **660** | **645** | **839** |

## OPERATING CASH FLOW

| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| Operating profit/loss | 225 | 209 | 1,072 |
| Depreciation and amortisation | 8 | 8 | 34 |
| Other adjustments for non-cash items | -3 | -4 | 17 |
| Capital expenditure | -4 | -4 | -16 |
| Changes in working capital | -97 | 226 | 63 |
| **Operating cash flow** | **129** | **435** | **1,171** |

## PARENT COMPANY INCOME STATEMENT, SUMMARY

| SEK MIL. | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| **Net sales** | **41** | **36** | **151** |
| Selling and administrative expenses | -35 | -27 | -126 |
| **Operating profit/loss** | **6** | **9** | **25** |
| Net financial items | -3 | -10 | -34 |
| **Profit/loss after financial items** | **3** | **-1** | **-9** |
| Net Group contribution | – | – | 644 |
| Transfer to/from untaxed reserves | – | – | -160 |
| **Profit/loss before tax** | **3** | **-1** | **475** |
| Tax | – | – | -105 |
| **Profit/loss for the period** | **3** | **-1** | **370** |

## PARENT COMPANY BALANCE SHEET, SUMMARY

| SEK MIL. | 31/03/18 | 31/03/17 | 31/12/17 |
|---|---|---|---|
| Shares in subsidiaries | 7,341 | 7,341 | 7,341 |
| **Total non-current assets** | **7,341** | **7,341** | **7,341** |
| Receivables from Group companies | 2,539 | 1,700 | 1,562 |
| Current receivables | 34 | 47 | 33 |
| **Total current receivables** | **2,573** | **1,746** | **1,595** |
| Cash and bank balances | 452 | 571 | 644 |
| **Total current assets** | **3,025** | **2,317** | **2,240** |
| **Total assets** | **10,366** | **9,659** | **9,581** |
| | | | |
| Restricted equity | 4 | 4 | 4 |
| Non-restricted equity | 4,909 | 4,762 | 4,901 |
| **Equity** | **4,913** | **4,766** | **4,905** |
| Untaxed reserves | 390 | 231 | 390 |
| Liabilities to credit institutions | 1,500 | 2,700 | 1,700 |
| Provisions | 4 | – | 0 |
| **Total non-current liabilities** | **1,504** | **2,700** | **1,700** |
| Short-term loans | 1,000 | – | 1,000 |
| Liabilities to Group companies | 2,490 | 1,868 | 1,429 |
| Other current liabilities | 69 | 94 | 157 |
| **Total current liabilities** | **3,559** | **1,962** | **2,585** |
| **Total equity and liabilities** | **10,366** | **9,659** | **9,581** |
| | | | |
| Of which interest-bearing liabilities | 2,500 | 2,700 | 2,700 |

## Quarterly data

| INCOME STATEMENT, SEK MIL. | Jan-Mar 2018 | Oct-Dec 2017 | Jul-Sep 2017 | Apr-Jun 2017 | Jan-Mar 2017 | Oct-Dec 2016 | Jul-Sep 2016 | Apr-Jun 2016 |
|---|---|---|---|---|---|---|---|---|
| Net sales | 4,557 | 4,927 | 3,926 | 4,325 | 4,115 | 4,277 | 3,289 | 3,800 |
| Production costs | -3,972 | -4,113 | -3,372 | -3,675 | -3,558 | -3,547 | -2,822 | -3,245 |
| **Gross profit/loss** | **585** | **815** | **554** | **649** | **557** | **730** | **466** | **555** |
| Selling and administrative expenses | -360 | -426 | -332 | -396 | -348 | -377 | -277 | -328 |
| **Operating profit/loss** | **225** | **389** | **222** | **253** | **209** | **353** | **189** | **227** |
| Net financial items | -9 | -15 | -11 | -13 | -14 | -18 | -17 | -16 |
| **Profit/Loss after financial items** | **216** | **373** | **211** | **239** | **194** | **335** | **172** | **211** |
| Tax on profit/loss for the period | -48 | -53 | -48 | -54 | -44 | -80 | -39 | -48 |
| **Profit/loss for the period** | **168** | **320** | **164** | **186** | **151** | **255** | **133** | **163** |

| BALANCE SHEET, SEK MIL. | 31/03/18 | 31/12/17 | 30/09/17 | 30/06/17 | 31/03/17 | 31/12/16 | 30/09/16 | 30/06/16 |
|---|---|---|---|---|---|---|---|---|
| Goodwill | 8,002 | 7,844 | 7,796 | 7,780 | 7,593 | 7,599 | 7,508 | 7,276 |
| Other non-current assets | 154 | 154 | 150 | 153 | 145 | 144 | 204 | 175 |
| Current assets | 4,684 | 4,523 | 4,463 | 4,439 | 3,890 | 3,933 | 3,813 | 3,638 |
| Cash and cash equivalents | 660 | 839 | 388 | 360 | 645 | 286 | 220 | 226 |
| **Total assets** | **13,500** | **13,360** | **12,796** | **12,732** | **12,272** | **11,962** | **11,745** | **11,314** |
| Equity | 4,921 | 4,662 | 4,286 | 4,116 | 4,221 | 4,079 | 3,619 | 3,543 |
| Non-current borrowings | 1,500 | 1,700 | 1,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other non-current liabilities | 395 | 356 | 353 | 336 | 258 | 245 | 475 | 300 |
| Current liabilities | 6,684 | 6,642 | 6,458 | 5,581 | 5,093 | 4,938 | 4,951 | 4,771 |
| **Total equity and liabilities** | **13,500** | **13,360** | **12,796** | **12,732** | **12,272** | **11,962** | **11,745** | **11,314** |

| CASH FLOW, SEK MIL. | Jan-Mar 2018 | Oct-Dec 2017 | Jul-Sep 2017 | Apr-Jun 2017 | Jan-Mar 2017 | Oct-Dec 2016 | Jul-Sep 2016 | Apr-Jun 2016 |
|---|---|---|---|---|---|---|---|---|
| Cash flow from operating activities | 58 | 650 | -144 | 150 | 381 | 415 | -57 | 57 |
| Cash flow from investing activities | -45 | -12 | -31 | -174 | -14 | -49 | -183 | -36 |
| Cash flow from financing activities | -201 | -201 | 200 | -252 | 0 | -300 | 200 | -204 |
| **Cash flow for the period** | **-188** | **437** | **25** | **-276** | **367** | **66** | **-40** | **-182** |

| KEY FIGURES | Jan-Mar 2018 | Oct-Dec 2017 | Jul-Sep 2017 | Apr-Jun 2017 | Jan-Mar 2017 | Oct-Dec 2016 | Jul-Sep 2016 | Apr-Jun 2016 |
|---|---|---|---|---|---|---|---|---|
| Operating margin % (EBIT) | 4.9 | 7.9 | 5.7 | 5.8 | 5.1 | 8.3 | 5.8 | 6.0 |
| EBITA margin, % | 5.0 | 7.9 | 5.7 | 5.9 | 5.1 | 8.3 | 5.8 | 6.0 |
| Adjusted EBITA margin, % | 5.0 | 7.9 | 5.7 | 6.1 | 5.1 | 8.3 | 6.1 | 6.0 |
| Return on equity,* % | 17.5 | 18.3 | 18.0 | 17.4 | 16.9 | 17.5 | 13.3 | 12.5 |
| Net debt | 1,841 | 1,862 | 2,515 | 2,343 | 2,058 | 2,417 | 2,783 | 2,577 |
| Net debt/adjust. EBITDA* | 1.6 | 1.7 | 2.3 | 2.2 | 2.0 | 2.5 | 3.0 | 2.8 |
| Cash conversion,* % | 75 | 106 | 88 | 104 | 98 | 61 | 91 | 77 |
| Interest coverage ratio | 32.7 | 30.0 | 19.8 | 26.6 | 15.9 | 21.6 | 12.5 | 15.6 |
| Equity/assets ratio, % | 36.5 | 34.9 | 33.5 | 32.3 | 34.4 | 34.1 | 30.8 | 31.3 |
| Order intake | 4,875 | 4,620 | 4,059 | 4,821 | 4,471 | 4,313 | 3,693 | 4,515 |
| Order backlog | 10,825 | 10,271 | 10,635 | 10,493 | 9,000 | 8,644 | 8,475 | 7,972 |
| Average no. of employees | 10,709 | 10,643 | 10,452 | 10,089 | 9,835 | 9,730 | 9,469 | 9,302 |
| Administration costs as % of sales | 7.9 | 8.6 | 8.5 | 9.2 | 8.5 | 8.8 | 8.4 | 8.6 |
| Working capital as % of sales** | -4.7 | -5.5 | -3.9 | -6.2 | -6.9 | -5.8 | -4.9 | -6.3 |
| Basic earnings per share, SEK*** | 0.83 | 1.59 | 0.81 | 0.92 | 0.75 | 1.26 | 0.66 | 0.81 |
| Diluted earnings per share, SEK | 0.83 | 1.58 | 0.81 | 0.92 | 0.75 | 1.26 | 0.66 | 0.81 |
| Equity per share, SEK*** | 24.41 | 23.13 | 21.26 | 20.42 | 20.94 | 20.24 | 17.96 | 17.58 |
| Cash flow from operating activities per share, SEK*** | 0.29 | 3.23 | -0.71 | 0.74 | 1.89 | 2.06 | -0.28 | 0.28 |
| Share price at balance sheet date, SEK | 59.70 | 54.85 | 59.65 | 61.55 | 58.10 | 55.25 | 57.00 | 50.50 |

*Calculated on rolling 12-month earnings **Calculated on rolling 12-month sales ***Calculated on the company's ordinary shares

**Reconciliation of key figures, not defined under IFRS**

The company presents certain financial measures in the interim report that are not defined under IFRS. The company believes these measures provide valuable additional information for investors and the company's management as they allow relevant trends to be assessed. Bravida's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should be regarded as complementary rather than replacing the measures defined under IFRS. Below are definitions of measures not defined under IFRS and not mentioned elsewhere in the interim report. These measures are reconciled in the tables below. Calculations do not always tally because amounts in the table below have been rounded to the nearest million Swedish kronor. For definitions of key figures, see page 20.

| RECONCILIATION OF KEY FIGURES, NOT DEFINED UNDER IFRS | Jan-Mar 2018 | Oct-Dec 2017 | Jul-Sep 2017 | Apr-Jun 2017 | Jan-Mar 2017 | Oct-Dec 2016 | Jul-Sep 2016 | Apr-Jun 2016 |
|---|---|---|---|---|---|---|---|---|
| **Net debt** | | | | | | | | |
| Interest-bearing liabilities | 2,500 | 2,701 | 2,903 | 2,703 | 2,703 | 2,703 | 3,003 | 2,803 |
| Cash and cash equivalents | -660 | -839 | -388 | -360 | -645 | -286 | -220 | -226 |
| **Total net debt** | **1,841** | **1,862** | **2,515** | **2,343** | **2,058** | **2,417** | **2,783** | **2,577** |
| **EBITA/Adjusted EBITA** | | | | | | | | |
| Operating profit/loss (EBIT) | 225 | 389 | 222 | 253 | 209 | 353 | 189 | 227 |
| Depreciation, amortisation and impairment losses | 1 | 1 | 1 | 2 | 2 | 1 | 1 | 1 |
| **EBITA** | **226** | **390** | **223** | **255** | **211** | **354** | **190** | **228** |
| Adjustment relating to specific cost* | – | – | – | 8 | – | 0 | 11 | – |
| **Adjusted EBITA** | **226** | **390** | **223** | **263** | **211** | **354** | **201** | **228** |
| **EBITDA /Adjusted EBITDA** | | | | | | | | |
| Operating profit/loss (EBIT) | 225 | 389 | 222 | 253 | 209 | 353 | 189 | 227 |
| Depreciation, amortisation and impairment losses | 8 | 9 | 8 | 9 | 8 | 7 | 6 | 6 |
| **EBITDA** | **233** | **397** | **231** | **262** | **217** | **360** | **196** | **233** |
| Adjustment relating to specific costs* | – | – | – | 8 | – | 0 | 11 | – |
| **Adjusted EBITDA** | **233** | **397** | **231** | **270** | **217** | **360** | **207** | **233** |
| **Working capital** | | | | | | | | |
| Current assets | 5,344 | 5,362 | 4,851 | 4,799 | 4,534 | 4,219 | 4,033 | 3,864 |
| Cash and cash equivalents | -660 | -839 | -388 | -360 | -645 | -286 | -220 | -226 |
| Current liabilities | -6,684 | -6,642 | -6,458 | -5,581 | -5,093 | -4,938 | -4,951 | -4,771 |
| Current loans | 1,000 | 1,001 | 1,203 | 3 | 3 | 3 | 303 | 103 |
| Provisions | 162 | 172 | 137 | 143 | 137 | 143 | 130 | 115 |
| **Total working capital** | **-837** | **-946** | **-655** | **-996** | **-1,064** | **-859** | **-705** | **-916** |
| **Interest coverage ratio** | | | | | | | | |
| Profit/loss before tax | 216 | 373 | 211 | 239 | 194 | 335 | 172 | 211 |
| Interest expense | 7 | 13 | 11 | 9 | 13 | 16 | 15 | 14 |
| **Total** | **223** | **386** | **223** | **249** | **207** | **351** | **187** | **225** |
| Interest expense | 7 | 13 | 11 | 9 | 13 | 16 | 15 | 14 |
| **Interest coverage ratio** | **32.7** | **30.0** | **19.8** | **26.6** | **15.9** | **21.6** | **12.5** | **15.6** |
| **Cash conversion** | | | | | | | | |
| Operating profit/loss before depreciation, amortisation and impairment losses, past 12 months | 1,123 | 1,107 | 1,070 | 1,035 | 1,006 | 970 | 891 | 868 |
| Non-cash provisions in working capital, last 12 months | -21 | -14 | 22 | 55 | 28 | 16 | 54 | 39 |
| Change in working capital, last 12 months | -260 | 63 | -148 | -18 | -54 | -387 | -122 | -226 |
| Investments in machinery and equipment, last 12 months | -20 | -21 | -28 | -27 | -22 | -21 | -32 | -31 |
| **Total** | **822** | **1,135** | **916** | **1,045** | **958** | **578** | **791** | **650** |
| Operating profit/loss, last 12 months | 1,089 | 1,072 | 1,037 | 1,004 | 978 | 944 | 866 | 845 |
| Cash conversion, last 12 months, % | 75 | 106 | 88 | 104 | 98 | 61 | 91 | 77 |

*See note 6

# NOTES

## NOTE 1. ACCOUNTING POLICIES

This interim report for the group has been prepared in accordance with IAS 34 Interim Reporting and appropriate sections of Chapter 9, Interim Reporting, of the Swedish Annual Accounts Act. The parts of the interim report that relate to the parent company have been prepared in accordance with Chapter 9, Interim Reporting, of the Swedish Annual Accounts Act.

Since 1 January 2018, Bravida has applied IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

For Bravida, the introduction of IFRS 9 will mean that credit losses will be recognised earlier than under IAS 39. The Group has historically had very low recorded bad debts and this is not expected to change going forward, so the impact of the impairment model on expected credit losses is immaterial. As the effects are immaterial, the transfer to the opening balance for 2018 is not affected.

IFRS 15 is replacing existing standards for revenue recognition. Initial assessment of the IFRS 15 criteria for recognition over time or at a particular date indicate that in most of these cases the goods are deemed to be controlled by the customer as they are installed, whereupon they will also be recognised over time rather than at the date when installation is completed. This implies no difference in revenue recognition compared with the current situation. The effects of this new accounting standard are immaterial for the Group. So the transition to IFRS 15 does not affect the opening balance for 2018.

IFRS 15 contains increased disclosure requirements on revenue. Information about the distribution of revenues is provided in Note 2 of the interim report.

The IASB has issued a new standard that comes into effect from 1 January 2019, IFRS 16 Leases.

IFRS 16 replaces the existing standard for the accounting of leases. The standard will be applied by Bravida from 1 January 2019. The new standard will have a not insignificant impact on Bravida's financial statements. Work is currently ongoing to calculate the effect on amounts from IFRS 16. Please refer to the 2017 annual accounts for a more detailed description of the implications of IFRS 16 and to Note 28 on operating leases for indications of the scope of existing leases.

This report has been prepared in accordance with the same accounting policies and calculation methods as the 2017 annual accounts.

Amounts in the Group's financial reporting are in Swedish kronor (SEK MIL.) unless stated otherwise. Rounding differences may occur.

**NOTE 2.** SEGMENT REPORTING

Geographic markets constitute Bravida's operating segments. The Group's geographic markets comprise the countries; Sweden, Norway, Denmark and Finland.

**NET SALES BY COUNTRY**

| SEK MIL. | Jan-Mar 2018 | Break-down | Jan-Mar 2017 | Break-down | Jan-Dec 2017 | Break-down |
|---|---|---|---|---|---|---|
| Sweden | 2,534 | 56% | 2,447 | 59% | 9,847 | 57% |
| Norway | 1,097 | 24% | 905 | 22% | 4,185 | 24% |
| Denmark | 707 | 16% | 590 | 14% | 2,547 | 15% |
| Finland | 235 | 5% | 184 | 4% | 745 | 4% |
| Group-wide and eliminations | -15 | | -10 | | -31 | |
| **Total** | **4,557** | | **4,115** | | **17,293** | |

**EBITA, EBITA MARGIN AND PROFIT/LOSS BEFORE TAX**

| SEK MIL. | Jan-Mar 2018 | Break-down | Jan-Mar 2017 | Break-down | Jan-Dec 2017 | Break-down |
|---|---|---|---|---|---|---|
| Sweden | 126 | 5.0% | 115 | 4.7% | 661 | 6.7% |
| Norway | 59 | 5.4% | 52 | 5.7% | 254 | 6.1% |
| Denmark | 35 | 5.0% | 30 | 5.0% | 131 | 5.1% |
| Finland | 0 | 0.0% | 0 | 0.2% | 15 | 2.0% |
| Group and eliminations | 6 | | 14 | | 18 | |
| **Total** | **226** | **5.0%** | **211** | **5.1%** | 1,078 | 6.2% |
| Adjustments (specific costs)* | – | | – | | 8 | |
| **Adjusted operating profit/loss** | **226** | **5.0%** | **211** | **5.1%** | 1,086 | 6.3% |
| Amortisation of intangible assets | -1 | | -2 | | -6 | |
| Net financial items | -9 | | -14 | | -54 | |
| **Profit/loss before tax** | **216** | | **194** | | 1,019 | |

*Specific costs have only had an effect on Group-wide operations, not the other segments

**DISTRIBUTION OF NET SALES**

| | Jan-Mar 2018 | | | Jan-Mar 2017 | | |
|---|---|---|---|---|---|---|
| **NET SALES PER CATEGORY** | **Service** | **Installation** | **Total** | **Service** | **Installation** | **Total** |
| Sweden | 1,235 | 1,299 | 2,534 | 1,119 | 1,328 | 2,447 |
| Norway | 546 | 551 | 1,097 | 471 | 434 | 905 |
| Denmark | 290 | 417 | 707 | 279 | 310 | 590 |
| Finland | 39 | 196 | 235 | 34 | 150 | 184 |
| Eliminations | -8 | -7 | -15 | 0 | -9 | -10 |
| **The Group** | **2,102** | **2,455** | **4,557** | **1,902** | **2,213** | **4,115** |

| AVERAGE NUMBER OF EMPLOYEES | Jan-Mar 2018 | Jan-Mar 2017 | Jan-Dec 2017 |
|---|---|---|---|
| Sweden | 5,576 | 5,469 | 5,553 |
| Norway | 2,738 | 2,226 | 2,718 |
| Denmark | 1,803 | 1,629 | 1,803 |
| Finland | 513 | 443 | 496 |
| Group functions | 79 | 68 | 73 |
| **Total** | **10,709** | **9,835** | **10,643** |

## NOTE 3. ACQUISITION OF OPERATIONS

Bravida made the following acquisitions during the period January to March:

| Acquired unit | Country | Type | Month of acquisition | Percentage of votes | No. of employees | Estimated annual sales in SEK MIL. |
|---|---|---|---|---|---|---|
| Electrical business, Viborg | Denmark | Company | January | 100% | 30 | 26 |
| Electrical business, Enköping | Sweden | Company | January | 100% | 10 | 16 |
| Electrical, heating & plumbing, and HVAC business, Helsinki region | Finland | Company | January | 100% | 70 | 190 |

**Effects of acquisitions in 2018**

Bravida normally uses an acquisition structure with a fixed purchase price and contingent consideration. The contingent consideration is initially valued at the likely final amount, which for this year's acquisitions is SEK 24 million. The contingent considerations are due for payment within three years and the final amount could be up to SEK 25 million.

The acquisition analyses of acquired companies in 2018 are preliminary.

| Assets and liabilities included in acquisition | Fair value recognised in the Group, SEK MIL. |
|---|---|
| Intangible assets | 0 |
| Property, plant and equipment | 2 |
| Trade receivables* | 18 |
| Income accrued but not invoiced | 3 |
| Other current assets | 12 |
| Cash and cash equivalents | 30 |
| Long-term liabilities | -2 |
| Trade payables | -10 |
| Income invoiced but not accrued | -4 |
| Other current liabilities | -23 |
| Sum net identifiable assets and liabilities | 27 |
| **Consolidated goodwill** | **85** |
| Aquisition price | 112 |
| Cash and cash equivalents (acquired) | 30 |
| **Net effect on cash and cash equivalents** | **82** |
| | |
| Purchase price paid in cash | 71 |
| Consideration recognised as a liability | 41 |
| **Aquisition price** | **112** |

*No significant write-downs of trade receivables exist

**Acquisitions after the end of the reporting period**

Bravida has made two acquisitions after the end of the reporting period. In April, Bravida acquired Inomhusklimat i Stockholm AB, with 12 employees and sales of approximately SEK 30 million, and Sala Elektriska AB, with 18 employees and sales of approximately SEK 20 million.

## NOTE 4. SEASONAL VARIATIONS

Bravida's business is affected by seasonal variations in the construction industry and employees' annual holiday. Bravida usually has a lower level of activity in the third quarter as it is the main holiday period. The fourth quarter normally has higher earnings which is explained by many projects being completed during this period.

## NOTE 5. FINANCIAL INSTRUMENTS, FAIR VALUE

The fair value of the Group's non-current assets and liabilities is not materially different from carrying amounts. No financial assets and liabilities are recognised at fair value in the balance sheet.

## NOTE 6. SPECIFIC COSTS

Specific costs are costs that are limited in time and relate mainly to improvement programmes, acquisition costs and the IPO. In the second quarter of 2017 these acquisition costs related to Oras. In the third quarter of 2016 these mainly related to the costs for the final settlement of a dispute.

Stockholm, 3 May 2018
Bravida Holding AB

**Mattias Johansson**
CEO and Group President

# INFORMATION

This interim report has not been reviewed by Bravida's auditors.
This information is information that Bravida Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on 3 May 2018.

This report contains information and opinions on future prospects for Bravida's business activities. The information is based on Group management's current expectations and estimates. Actual future outcomes may vary considerably from the forward-looking statements in this report, partly because of changes in economic, market and competitive conditions.

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**FINANCIAL REPORTING DATES**

| | |
|---|---|
| Interim report April-June 2018 | 20 July |
| Interim report July-September 2018 | 6 November |

# FINANCIAL DEFINITIONS

### NUMBER OF EMPLOYEES
Calculated as the average number of employees during the year, taking account of the percentage of full-time employment.

### RETURN ON EQUITY
12-month rolling net profit/loss as a percentage of average equity.

### EBITA*
Operating profit excluding depreciation, amortisation and impairment of non-current intangible assets. EBITA is the key figure and performance measure that is used for operational internal monitoring. EBITA provides an overall view of profit generated by operating activities.

### EBITA MARGIN*
EBITA as a percentage of net sales.

### EBITDA*
Earnings before interest, taxes, depreciation, and amortisation. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets.

### EFFECTIVE TAX RATES
Recognised tax expense as a percentage of profit/loss before tax.

### EQUITY PER SHARE, SEK
Equity attributable to equity holders of the parent company divided by the number of ordinary shares outstanding at period end.

### NET FINANCIAL ITEMS
Total exchange differences on borrowing and cash and cash equivalents in foreign currency, other financial revenue and other finance costs.

### ADJUSTED EBITA*
EBITA adjusted for specific costs Adjusted EBITA improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

### ADJUSTED EBITA MARGIN*
EBITA excluding specific costs as a percentage of net sales. The adjusted EBITA margin excludes the effect of specific costs, which improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

### ADJUSTED EBITDA*
Earnings before interest, taxes, depreciation, and amortisation, adjusted for specific costs. Improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

### CAPITAL STRUCTURE
Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

### CASH FLOW FROM OPERATING ACTIVITIES PER SHARE
Cash flow from operating activities for the period, divided by the number of shares at period end.

### CASH CONVERSION*
12-month EBITDA +/- change in working capital and investment in machinery and equipment in relation to 12-month EBIT (operating profit/loss).
This key figure measures the percentage of profit that is converted into cash flow. The purpose is to analyse what percentage of earnings can be converted into cash and cash equivalents and, in the longer term, the opportunity for investments, acquisitions and dividends, with the exception of interest-related cash flows.

### NET SALES
Net sales are recognised in accordance with the principle of percentage-of-completion method. These revenues are recognised in proportion to the degree of completion of projects.

### NET DEBT/EBITDA ADJUSTED FOR SPECIFIC COSTS
Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

### NET DEBT*
Interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents. This key figure is a measure to show the Group's total interest-bearing debt.

### ORGANIC GROWTH
The change in sales adjusted for currency effects, as well as acquisitions and disposals compared with the same period last year.

### OPERATING CASH FLOW
Operating profit/loss adjusted for non-cash items, investments in machinery and equipment and changes in working capital.

### ORDER INTAKE
The value of new projects and contracts received, and changes in existing projects and contracts over the period in question. Includes both installation and service business.

### ORDER BACKLOG
The value of remaining, not yet accrued project revenues from orders on hand at the end of the period. Order backlog does not include service operations, only installation projects.

### DILUTED EARNINGS PER SHARE
Profit/loss for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares after dilution.

### BASIC EARNINGS PER SHARE
Profit/loss for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares.

### INTEREST COVERAGE RATIO
Profit/loss after financial items plus interest expense, divided by interest expense. This key figure is a measure of how much earnings may fall by without interest payments being jeopardised or how much interest on borrowing may increase without operating profit turning negative.

### WORKING CAPITAL
Total current assets, excluding cash and cash equivalents, minus current liabilities excluding current provisions and borrowing. This measure shows how much working capital is tied up in the business and may be set in relation to sales to understand how efficiently tied-up working capital is being used.

### OPERATING MARGIN
Operating profit/loss as a percentage of net sales.

### OPERATING PROFIT/EBIT
Earnings before financial items and taxes.

### EQUITY/ASSETS RATIO
Equity including non-controlling interests as a percentage of total assets.

### SPECIFIC COSTS
Transactions and items that are irregular in occurrence and size and consequently have an impact on earnings and key figures.

### UNDERLYING EBITA MARGIN
EBITA adjusted for the impact on earnings from Oras and specific costs expressed as a percentage of net sales.

### UNDERLYING EBITA
EBITA adjusted for the impact on earnings from Oras and specific costs.

*See page 15 for reconciliation of 'alternative performance measures' used by Bravida. As of 1 January 2018, Bravida has opted to report and monitor EBITA and EBITA margin, as well as adjusted EBITA and adjusted EBITA margin. It has done so to reflect internal monitoring. These key figures consequently replace operating margin, and adjusted operating profit and adjusted operating margin.

# OPERATIONAL DEFINITIONS

### INSTALLATION/CONTRACTING
The installation and refurbishment of technical systems in properties, facilities and infrastructure.

### SERVICE
Operation and maintenance, as well as minor refurbishment of installations in buildings and facilities.

### ELECTRICAL
Power supply, lighting, heating, automatic control and surveillance systems. Telecom and other low-voltage installations. Fire and intruder alarm products and systems, access control systems, CCTV and integrated security systems.

### HVAC (HEATING, VENTILATION AND AIR CONDITIONING)
Comfort ventilation and comfort cooling through air treatment, air conditioning and climate control. Commercial cooling in freezer and cold rooms. Process ventilation control systems. Energy audits and energy efficiency through heat recovery ventilation, heat pumps, etc.

### HEATING AND PLUMBING
Water, waste water, heating, sanitation, cooling and sprinkler systems. District heating and cooling. Industrial piping with expertise in all types of pipe welding. Energy saving through integrated energy systems.

### OTHER AREAS
Principally relates to other areas of technology such as security, cooling, sprinklers, technical service management and power.

# THIS IS BRAVIDA

## Leader in service and installation

Bravida brings buildings to life – 24 hours a day, 365 days a year. We work primarily with electricity, heating & plumbing, and HVAC, and we offer services in security, sprinklers, cooling, power, lifts, project management and technical service management. After every service or installation assignment we want properties and systems to work a little better and be more energy-efficient and for those people that live or work there to feel safe and healthy. In other words, we bring buildings to life.

## Our mission

We offer technical end-to-end solutions over the life of a property, from consulting and design to installation and service.

We are a large company with a local presence across the Nordics. We meet customers locally and take long-term responsibility for our work.

Our employees are our most important resource. With shared values, working methods and tools, together we create a sustainable and profitable business for us and our customers.

## Our vision

Bravida is the best in the Nordics at providing sustainable service and installation of the functions that bring buildings to life. We are the first choice for customers and the most attractive employer in the industry.

## Targets

We manage our business according to a number of key goals that reflect our aims regarding growth, stability and leadership in the sector.

## THE BRAVIDA WAY

Our corporate culture and way of working make us unique in the market


### ENTREPRENEURSHIP

Our approach is based on an important principle: each local branch is responsible for its own earnings. Branch managers are responsible for creating, together with their employees, a successful business with stable profitability, growth and good local market relations. It's the combined commitment of the branches and employees that drive Bravida forward.

### FOLLOW-UP AND SUPPORT

Together, the branches create economies of scale, supported by Bravida's shared tools and working methods. Employees are responsible for continually making use of these. Regular follow-ups together help us create the stable profitability that is distinctive for our organisation. The business is supported by central Group departments.

### CONTINUOUS IMPROVEMENT

We have established shared best-practice working methods. We aim to constantly improve and simplify the way we operate. Our working model, which is designed to create constant improvement, helps local branches continually share experiences and learn from each other.

# BRAVIDA'S STRATEGIES

## PROFITABLE GROWTH

Bravida's objective is to be the largest or second-largest player in all the locations where we choose to operate. We aim to grow both organically and via acquisitions in our various key geographical markets. To ensure long-term stable growth, we are increasing our focus on service and proactive sales.

### ORGANIC GROWTH

**Focus on growth in service and proactive sales**

**Focus on end-to-end solutions and packaged solutions**

**Greater cooperation between branches**

### GROWTH THROUGH ACQUISITIONS

**We acquire companies that help us become the local market leader in priority growth regions**

Acquisitions should contribute at least one of the following:

- Strengthening our local offering
- Complementing our technical offering
- Providing geographical expansion
- Boosting expertise and improving offerings, for example in resource-efficient solutions

## FINANCIAL STABILITY

Maintaining good financial stability is essential to Bravida. Margin always takes precedence over volume in our operations, cost-effectiveness is a cornerstone of our business and we continually endeavour to maintain stable cash flow.

### STABLE CASH FLOW

**Focus on cash flow**
Long-term efforts to maintain strong cash flow and a healthy capital structure.

**Continual monitoring**
Continual monitoring of cash flow at all levels of the company.

### GOOD PROFITABILITY

**Margin over volume**
Growth, but not at any price. We only take on assignments with a healthy margin and calculable risks.

**Focus on cost-effectiveness**

- Minimise fixed costs. We adapt production capacity and administrative expenses according to sales volumes.
- Coordination of purchasing generates economies of scale and cost-effectiveness.

**Continual financial monitoring**
Continual financial monitoring at all levels of the company.

## SUSTAINABLE COMPANY

Bravida aims to operate a responsible business and manage its own and others' resources efficiently. We take focused measures to achieve clear results in our sustainability work.

### SUSTAINABLE USE OF RESOURCES

**Efficient production**
Greater efficiency in our own operations and resource usage.

**Energy efficiency in our customers properties**
Cooperation with customers to reduce energy and resource consumption in their properties and facilities.

**Sustainable products**
Sustainability impact assessment of installation products.

### GOOD HEALTH AND SAFETY

**Active health and safety work**
Employee safety, and physical and mental health.

**Focus on leadership**

### GOOD BUSINESS ETHICS

**Internal culture**
Active measures to maintain a healthy corporate culture with good values.

**Suppliers**
Continual sustainability assessment of suppliers.

# WE BRING BUILDINGS TO LIFE


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