

# 2017 INTERIM REPORT

## July–September

### JULY – SEPTEMBER 2017

- Net sales increased by 19% to SEK 3,926 million (3,289)
- Organic growth was 6% (-4)
- The order backlog was 25% higher at SEK 10,635 million (8,475)
- Operating profit increased by 17% to SEK 222 million (189)
- The operating margin was 5.7% (5.8)
- Adjusted operating profit was SEK 222 million (200)
- The adjusted operating margin was 5.7% (6.1)
- Profit after tax was SEK 164 million (133)
- Cash flow from operating activities was SEK -144 million (-57)
- Net debt amounted to SEK 2,515 million (2,783)
- One acquisition was made in the quarter, adding annual sales of SEK 30 million
- Basic and diluted earnings per share were SEK 0.81 (0.66)

### JANUARY – SEPTEMBER 2017

- Net sales increased by 18% to SEK 12,366 million (10,515)
- Organic growth was 6% (-3)
- Operating profit increased by 16% to SEK 684 million (591)
- The operating margin was 5.5% (5.6)
- Adjusted operating profit was SEK 692 million (602)
- The adjusted operating margin was 5.6% (5.7)
- Profit after tax was SEK 500 million (419)
- Cash flow from operating activities was SEK 387 million (13)
- Three acquisitions were made in the period, adding annual sales of SEK 1,360 million
- Basic and diluted earnings per share were SEK 2.48 (2.08)

### FINANCIAL OVERVIEW

SEK MIL.	Jul–Sep 2017	Jul–Sep 2016	Jan–Sep 2017	Jan–Sep 2016	Jan–Dec 2016	Oct 2016 –Sep 2017
Net sales	3,926	3,289	12,366	10,515	14,792	16,643
Operating profit/loss	222	189	684	591	944	1,037
Operating margin, %	5.7	5.8	5.5	5.6	6.4	6.2
Adjusted operating profit/loss	222	200	692	602	954	1,044
Adjusted operating margin, %	5.7	6.1	5.6	5.7	6.5	6.3
Profit/loss after tax	164	133	500	419	674	755
Cash flow from operating activities	-144	-57	387	13	428	802
Operating cash flow	-130	-4	487	138	594	943
Interest coverage ratio	19.8	12.5	20.2	13.2	15.5	20.6
Cash conversion, %	88	91	88	91	61	88
Net debt/adjust. EBITDA, 12 m	2.3	3.0	2.3	3.0	2.5	2.3
Order intake	4,059	3,693	13,351	11,678	15,990	17,664
Order backlog	10,635	8,475	10,635	8,475	8,644	10,635

A leading multi-technical  
service provider in the Nordics





# ”GOOD GROWTH AND STABLE UNDERLYING OPERATING MARGIN”

## ORGANIC GROWTH SHOWS WE CAN COPE WITH LABOUR MARKET SITUATION

Bravida's sales reached an achieved organic growth of 6 percent in the quarter and overall sales growth was 19 percent. Our ability to grow beyond our financial targets and to attract and employ new people is pleasing, and it shows Bravida is an attractive employer with a strong brand.

We are performing well across all our segments and growth is coming from both the service and installation businesses. Our significant focus on growth in the service business is important and represents an investment for years to come. The order backlog continued to grow in the third quarter, amounting to SEK 10,635 million, which is a new record level for Bravida. The order backlog does not include our service assignments but has a good mix of different contracts. The bulk of the order backlog is made up of lots of small installation projects, supporting growth over the next few quarters.

## STABLE UNDERLYING OPERATING MARGIN AND REDUCED LEVERAGE

As well as growing by 19 percent, adjusted for the acquisition of Oras in Norway we also have a stable operating margin of 6.1 percent, which is the same level as last year.

The operating margin has improved in our largest markets, Sweden and Norway, adjusted for the dilution from Oras.

The operating margin in Denmark decreased in the quarter due to the write-down of a project.

Despite the third quarter being the weakest in terms of cash flow, we have improved Bravida's capital structure (net debt/EBITDA), which is now 2.3 compared with 3.0 in September 2016.

## PLATFORM IN FINLAND IS WELL-ESTABLISHED

The business in Finland was founded through the two acquisitions made in summer 2015. Sales in the ori-

ginal business have been reduced as a result of project selection, which has led to improved profitability. The acquisition of the Asentaja Group in December 2016 has strengthened the business and we now have a good platform on which to build.

The Finnish business is entering a new phase and a new Head of Division will oversee further expansion in Finland. I will temporarily assume this role until we have recruited a new Head of Division Finland. This role will provide me with deeper knowledge about the business, which I will use to support the next Head of Division. To achieve critical mass and a better market position, Bravida's business in Finland needs sales of SEK 1,200–1,500 million. This growth will mainly come from acquisitions and will contribute to greater profitability and an improved operating margin.

## ORAS INTEGRATION STILL PROCEEDING TO PLAN

The acquisition of Oras has gone to plan so far. Our Norwegian organisation has significant experience of acquisitions, which ensures successful integration. The business is breaking even, including the cost of organisational changes. The implementation of Bravida's business system was carried out at the end of October. The number of people employed by Oras has decreased since the takeover by Bravida, mainly within management and administration. We see significant synergies and opportunities for cost saving in purchasing, administration and premises and from the implementation of Bravida's operational processes. We believe Oras will break even for the fourth quarter 2017. We then expect to see a better margin in 2018 and then for the margin to gradually improve to the same level as the rest of the Norwegian business.

## MARKET REMAINS GOOD WITH LIMITED EXPOSURE TO HOUSING SEGMENT

My assessment is that the technical installations and service market will remain good in Sweden and Norway, stable in Denmark and is improving in Finland. Going forward, I expect to see a slowdown in new-build housing in Sweden and Norway. Currently, 10 percent of Bravida's net sales come from new-build housing and the margin in these projects is slightly lower than our average margin. I believe new-build apartment buildings will gradually be replaced by the renovation of housing, which has been neglected as resources have been allocated to new-builds. Demand for Bravida's service and installation services will remain good.

**Mattias Johansson**  
Stockholm, November 2017





## CONSOLIDATED EARNINGS OVERVIEW

### NET SALES

#### July–September

Net sales increased by 19 percent to SEK 3,926 million (3,289). Adjusted for currency fluctuations and acquisitions, net sales increased by 6 percent. Currency fluctuations had a marginal effect on net sales, while acquisitions increased net sales by 13 percent. Net sales increased in all countries. By 16 percent in Sweden, 40 percent in Norway, 5 percent in Denmark and by 20 percent in Finland. Growth in Finland and Norway was mainly due to the acquisitions of Asentaja Group and Oras.

Compared with the third quarter of 2016, installation business increased by 21 percent and service business by 18 percent. Installation business accounted for 54 percent (54) of total net sales.

Order intake amounted to SEK 4,059 million (3,693), an increase of 10 percent. The order backlog at 30 September was 25 percent higher than at the same date last year and amounted to SEK 10,635 million (8,475). The order backlog only contains installation projects.

#### January–September

Net sales increased by 18 percent to SEK 12,366 million (10,515). Adjusted for currency fluctuations and acquisitions, net sales increased by 6 percent. Currency fluctuations increased net sales by 1 percent and acquisitions increased net sales by 11 percent. Net sales increased in all countries. By 13 percent in Sweden, 39

percent in Norway, 11 percent in Denmark and by 12 percent in Finland.

Compared with the same period of 2016, installation business increased by 22 percent and service business by 13 percent. Installation business accounted for 54 percent (52) of total net sales. The increase in net sales in the installation business is mainly due to good growth in the order backlog reported since 2016.

The growth in service business is the result of the Group's initiatives to boost service sales. Order intake amounted to SEK 13,351 million (11,678), an increase of 14 percent.

### EARNINGS

#### July–September

Operating profit increased by 17 percent to SEK 222 million (189), resulting in an operating margin of 5.7 percent (5.8). Operating profit increased by 37 percent in Sweden and by 16 percent in Norway. In Denmark, operating profit decreased by 31 percent due to a project write-down. In Finland, operating profit was unchanged at SEK 3 million. Group-wide operating income was SEK -1 million (3). The acquisition of Oras in Norway has diluted the operating margin by 0.4 percentage points.

Last year specific costs were SEK 11 million. Adjusted operating profit was SEK 222 million (200) and the adjusted operating margin was 5.7 percent (6.1).

Net financial items amounted to SEK -11 million (-17). Profit after financial items

was SEK 211 million (172). Profit after tax was SEK 164 million (133). Basic and diluted earnings per share increased by 23 percent to SEK 0.81 (0.66).

#### January–September

Operating profit increased by 16 percent to SEK 684 million (591), resulting in an operating margin of 5.5 percent (5.6). Operating profit in Sweden increased by 13 percent, in Norway by 22 percent and in Denmark by 16 percent. In Finland, operating profit improved to SEK 6 million (0). Group-wide operating profit was SEK 12 million (14). The acquisition of Oras in Norway has diluted the operating margin by 0.2 percentage points.

Specific costs were SEK 8 million (11). Adjusted operating profit was SEK 692 million (602) and the adjusted operating margin was 5.6 percent (5.7).

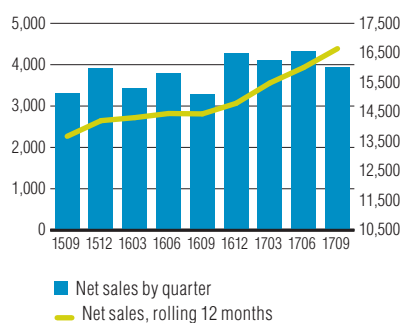
The change in the mix of net sales, with a higher percentage of installation business driven by a strong construction market, had a negative effect on the operating margin as the installation business generally has a slightly lower margin than the service business.

Net financial items amounted to SEK -39 million (-49). Profit after financial items was SEK 645 million (542). Profit after tax was SEK 500 million (419). Basic and diluted earnings per share increased by 19 percent to SEK 2.48 (2.08).

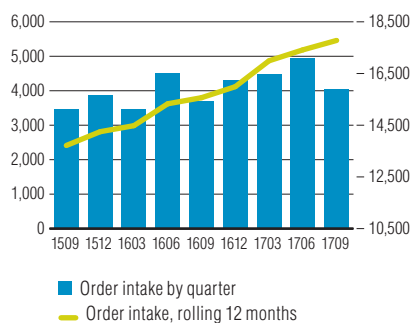
### DEPRECIATION AND AMORTISATION

Depreciation and amortisation for the

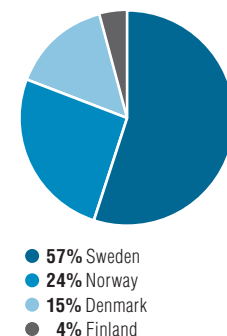
NET SALES (SEK MIL.)



ORDER INTAKE (SEK MIL.)



NET SALES BY COUNTRY, JAN–SEP 2017





quarter was SEK 8 million (6). Depreciation and amortisation for January to September amounted to SEK 26 million (19).

#### TAX

The tax expense for the quarter was SEK -48 million (-39). Profit before tax was SEK 211 million (172). The effective tax rate for the quarter was 23 (23) percent. The tax rate in Sweden is 22 percent, in Norway it is 24 percent, in Denmark 22 percent and in Finland 20 percent. Tax paid amounted to SEK 15 million (38).

The tax expense for January to September was SEK -145 million (-123). The effective tax rate was 23 (23) percent. Tax paid amounted to SEK 75 million (85).

#### CASH FLOW

##### July–September

Cash flow from operating activities was SEK -144 million (-57). The decrease in cash flow is due to increased working capital. Working capital has declined as a result of current liabilities decreasing. Cash flow from investment activities was SEK -31 million (-183), acquisitions of subsidiaries and businesses were SEK -27 million (-180). Cash flow from financing activities, which relates to the raising and repayment of loans, was SEK 200 million.

12-month cash conversion was 88 percent.

##### January–September

Cash flow from operating activities was SEK 387 million (13). The improvement in cash flow was due to higher earnings and improved working capital. Working capital has improved as a result of current liabilities increasing. Cash flow from investment activities was SEK -219 million (-231), acquisitions of subsidiaries and

businesses were SEK -209 million (-227). Cash flow from financing activities, which relates to dividends and a net increase in loans, was SEK -52 million (-204).

#### ACQUISITIONS

In the third quarter a small acquisition was made in Sweden of a heating and plumbing business, with sales SEK 30 million and 18 employees.

Two acquisitions were made in the second quarter. In Norway, there was the acquisition of Oras with heating and plumbing and HVAC operations, and sales equivalent to SEK 1,200 million. In Denmark, a district heating contracting company was acquired with sales equivalent to SEK 130 million.

#### FINANCIAL POSITION

Bravida's net debt at 30 September was SEK 2,515 million (2,783), which corresponds to a capital structure ratio (net debt/EBITDA) of 2.3 (3.0). Consolidated cash and cash equivalents were SEK 388 million (220) at 30 September. Interest-bearing liabilities amounted to SEK 2,903 million (3,003) at 30 September. Bravida's total credit facilities amounted to SEK 3,703 million (4,003), of which SEK 1,800 million (1,000) was unused at 30 September 2016. Bravida has established a commercial paper programme with a facility amount of SEK 2,000 million, SEK 1,000 million of which was used at 30 September.

At the end of the period, equity totalled SEK 4,286 million (3,619). The equity/assets ratio was 33.5 percent (30.8).

#### EMPLOYEES

The average number of employees at 30 September was 10,452 (9,469), an increase of 10 percent.

#### PARENT COMPANY

For the third quarter, revenues were SEK 32 million (15) and earnings after net financial items were SEK 1 million (-14). For the January–September period, revenues were SEK 106 million (60) and earnings after net financial items were SEK -12 million (-23).

#### SHAREHOLDER INFORMATION

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 30 September Bravida had 11,925 shareholders, according to Euroclear. At 30 September, the four largest shareholders were; Swedbank Robur funds, Lannebo funds, Capital Group funds and the Fourth National Pension Insurance Fund (AP4). Bravida has no shareholders that hold shares exceeding 10 percent of voting rights.

The price of a Bravida share at 30 September 2017 was SEK 59.65 (57.00), corresponding to a market capitalisation of SEK 12,023 million (11,489) based on the number of ordinary shares. Over the past 12 months, Bravida shares produced a total shareholder return, including the dividend, of 6.8 percent.

Share capital amounts to SEK 4 million divided among 202,766,598 shares, of which 201,566,598 are ordinary shares and 1,200,000 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

Marcus Karsten left his position as Head of Division Finland on 14 August. Bravida has begun the process of recruiting a new Head of Division, and in the meantime

#### NET SALES AND GROWTH

SEK MIL.	Jul–Sep 2017	Jul–Sep 2016	Jan–Sep 2017	Jan–Sep 2016	Jan–Dec 2016
Net sales	3,926	3,289	12,366	10,515	14,792
Change	638	-13	1,851	229	587
Change, %	19.4	-0.4	17.6	2.2	4.1
Of which					
Organic growth, %	6	-4	6	-3	-1
Acquisitions, %	13	5	11	6	6
Currency effects, %	0	-1	1	-1	-1



President and CEO Mattias Johansson will be acting Head of Division Finland.

Bravida has established a commercial paper programme with a facility amount of SEK 2 billion. The main purpose of the programme is to refinance parts of existing loans and to diversify the borrowing structure. In connection with the establishment of its commercial paper programme, Bravida has renegotiated the structures of its existing credit agreements. The new facilities amount to SEK 3.7 billion, divided into SEK 1.7 billion of term loans and SEK 2 billion of revolving credit facilities (RCFs).

**FINANCIAL GOALS**

- Sales growth: Over 10 percent a year, comprising 5 percent organic growth and 5 to 7 percent through acquisitions
- Operating 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

**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 significant risks and uncertainties apply to both parent company and the consolidated Group.

**TRANSACTIONS WITH RELATED PARTIES**

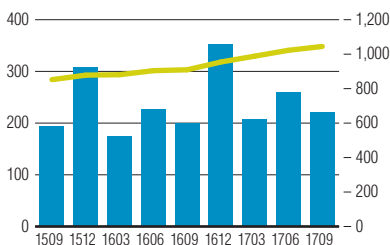
No transactions with related parties outside the Group took place during the period.

**EVENTS SINCE THE END OF THE PERIOD**

Supported by the authorisation from the AGM on 10 May 2017, on 2 October Bravida’s Board took the decision to increase the share capital by SEK 11,000 through a private cash issue of 550,000 class C shares to Nordea Bank AB (publ) (‘Nordea’), each with a quotient value of SEK 0.02, at a subscription price of SEK 0.02 per share. Bravida’s Board also took the decision to immediately repurchase all 550,000 class C shares from Nordea at the same price as the subscription price. The purpose of the new share issue and the repurchase is, by converting these class C shares, to ensure the supply of ordinary shares for employees within the Group participating in the performance-based LTIP 2017 incentive programme, which was adopted at the AGM on 10 May 2017.

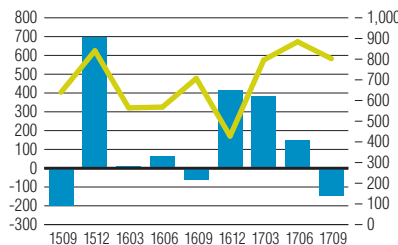


**ADJUSTED OPERATING PROFIT (SEK MIL.)**



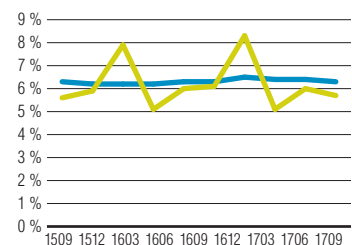
■ Adjusted operating profit by quarter  
 — Adjusted operating profit, rolling 12 months

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



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

**ADJUSTED OPERATING MARGIN**



— Adjusted operating margin  
 — Adjusted operating margin, rolling 12 months



## OPERATIONS IN SWEDEN

### MARKET

The construction industry is performing well, with new-build apartment buildings as the main growth driver behind the construction industry's strong growth. However, we expect a gradual slowdown in new-build housing. Currently, 10 percent of Bravida's sales in Sweden come from new-build housing.

Demand for new-builds and renovation 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. Bravida believes 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

#### July–September

Net sales in Sweden increased by 16 percent to SEK 2,144 million (1,844). The growth in sales was due to growth in both the installation and service businesses.

Operating profit increased by 37 percent to SEK 142 million (103), resulting in an operating margin of 6.6 percent (5.6).

#### January–September

Net sales in Sweden increased by 13 percent to SEK 7,093 million (6,280). Growth in the order backlog resulted in increased pro-

duction of installation projects, and the service business also experienced good growth. Division Stockholm, which reported weak sales performance in 2016, is reporting good organic growth in 2017.

Operating profit increased by 13 percent to SEK 420 million (372), resulting in an operating margin of 5.9 percent (5.9).

### ORDER INTAKE AND ORDER BACKLOG

#### July–September

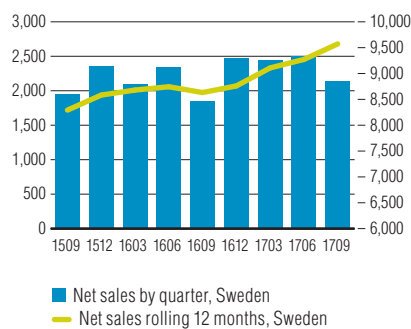
Order intake increased by 14 percent to SEK 2,251 million (1,979). Bravida Sweden has received a number of large orders, including the installation of a wind farm, installations in a multifunctional building comprising housing, offices and retail units, a large school building and a new cultural centre in Kiruna. The majority of the order intake, however, relates to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 20 percent higher than for the same period last year and amounted to SEK 5,645 million (4,694).

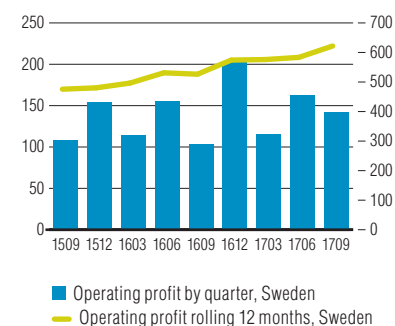
#### January–September

Order intake increased by 13 percent to SEK 7,794 million (6,879).

### NET SALES (SEK MIL.)



### OPERATING PROFIT (SEK MIL.)



SEK MIL.	Jul–Sep 2017	Jul–Sep 2016	Jan–Sep 2017	Jan–Sep 2016	Jan–Dec 2016
Net sales	2,144	1,844	7,093	6,280	8,760
Operating profit	142	103	420	372	574
Operating margin, %	6.6	5.6	5.9	5.9	6.6
Order intake	2,251	1,979	7,794	6,879	9,566
Order backlog	5,645	4,694	5,645	4,694	4,944
Average number of employees	5,486	5,233	5,486	5,233	5,330



The relocation of Kiruna's city centre has been underway for two years now and Bravida has been involved from the start. For example, Bravida has provided all the installation work in the new city hall which is currently being completed. Bravida has now also been commissioned by Peab to carry out all installation work in Kiruna's new cultural centre.



## OPERATIONS IN NORWAY

### MARKET

The construction sector in Norway is performing well, and the main drivers are investments in public-sector construction and infrastructure, along with housing. However, we expect a gradual slowdown in new-build housing. Currently, 10 percent of Bravida's sales in Norway come from new-build housing. Bravida believes demand for technical installations and service is strong around Oslo and in northern Norway and healthy in the rest of the country, except for the south-west of the country where overall demand remains weak.

### NET SALES AND EARNINGS

#### July–September

Net sales increased by 40 percent to SEK 1,019 million (728). The growth is mainly due to the acquisition of Oras, which has annual net sales of around SEK 1,200 million.

Operating profit increased by 16 percent to SEK 58 million (50), resulting in an operating margin of 5.7 percent (6.9). The acquisition of Oras has resulted in a 2.0 percentage point dilution of the operating margin; adjusted for this, the operating margin was 7.7 percent (6.9). Work to integrate Oras is going to plan.

#### January–September

Net sales increased by 39 percent to SEK 2,957 million (2,130). The growth was due to acquisitions and organic growth, as

well as a 4 percent positive currency translation effect. The acquired company Oras was consolidated into the Group from 8 May.

Operating profit increased by 22 percent to SEK 165 million (135), resulting in an operating margin of 5.6 percent (6.4). The acquisition of Oras has resulted in a 0.9 percentage point dilution of the operating margin; adjusted for this, the operating margin was 6.5 percent (6.4).

### ORDER INTAKE AND ORDER BACKLOG

#### July–September

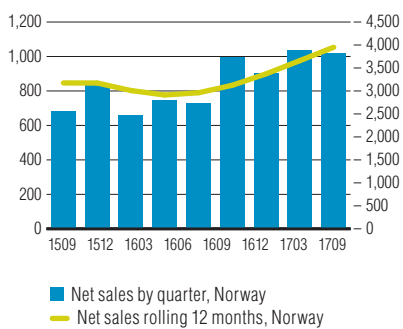
Order intake increased by 57 percent to SEK 1,180 million (749). In the third quarter of 2017, Bravida Norway received a large order for installation work at a wastewater treatment plant, with an order value equivalent to SEK 83 million. The majority of the order intake, however, relates to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 77 percent higher than for the same period last year and amounted to SEK 2,895 million (1,640), SEK 788 million of which relates to the order backlog at Oras.

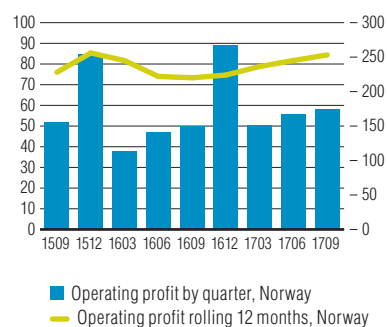
#### January–September

Order intake increased by 30 percent to SEK 3,211 million (2,476).

### NET SALES (SEK MIL.)



### OPERATING PROFIT (SEK MIL.)



SEK MIL.	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Net sales	1,019	728	2,957	2,130	3,124
Operating profit	58	50	165	135	224
Operating margin, %	5.7	6.9	5.6	6.4	7.2
Order intake	1,180	749	3,211	2,476	3,507
Order backlog	2,895	1,640	2,895	1,640	1,677
Average number of employees	2,672	2,230	2,672	2,230	2,349



**Trondheim is getting a new multi-functional sports centre** called Nye Nidarøhallen. Bravida subsidiary Oras is planning and installing all heating and plumbing, HVAC and building automation solutions for the project. The new facility will accommodate everything from local amateur sport and various trade fairs to concerts with 12,000 visitors. The venue is estimated to be completed by autumn 2019.



## 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 renovations. New-builds and the renovation of public-sector buildings and housing are contributing to a stable market. 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

#### July–September

Net sales increased by 5 percent to SEK 603 million (576). The increase in net sales is attributable to the installation business. A delay in a large installation project, however, has had a negative effect on sales growth and the project is now at the start-up phase.

Operating profit decreased by 31 percent to SEK 21 million (30), resulting in an operating margin of 3.4 percent (5.2). The lower operating profit is due to the write-down of a project.

#### January–September

Net sales increased by 11 percent to SEK 1,814 million (1,636). The growth in sales was due to growth in both the installation and

service businesses. Currency fluctuations had a positive 2 percent impact on net sales.

Operating profit increased by 16 percent to SEK 81 million (70), resulting in an operating margin of 4.5 percent (4.3).

### ORDER INTAKE AND ORDER BACKLOG

#### July–September

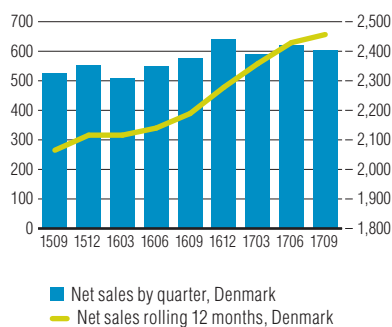
Order intake decreased by 42 percent to SEK 478 million (828). Last year a large order was received for installation work for a new-build hospital, with an order value of SEK 390 million. In the third quarter of 2017, Bravida Denmark received a large order concerning installation work for a hospital, with an order value equivalent to SEK 63 million. The majority of the order intake, however, relates to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 5 percent lower than for the same period last year and amounted to SEK 1,747 million (1,839).

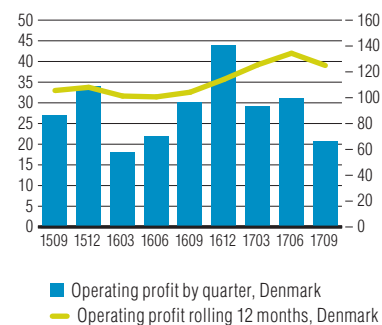
#### January–September

Order intake decreased by 5 percent, which was due to the comparatively high order intake in the third quarter of 2016.

### NET SALES (SEK MIL.)



### OPERATING PROFIT (SEK MIL.)



SEK MIL.	Jul–Sep 2017	Jul–Sep 2016	Jan–Sep 2017	Jan–Sep 2016	Jan–Dec 2016
Net sales	603	576	1,814	1,636	2,278
Operating profit	21	30	81	70	114
Operating margin, %	3.4	5.2	4.5	4.3	5.0
Order intake	478	828	1,830	1,919	2,412
Order backlog	1,747	1,839	1,747	1,839	1,689
Average number of employees	1,791	1,577	1,791	1,577	1,602



**Several new data centres are being built in Denmark.** Bravida has been involved in the construction of Facebook's data centre outside Luleå in Sweden for many years. Now a number of international IT businesses are building large data centres in Denmark and Bravida has been contracted to provide the installation work in all these ongoing projects.





## OPERATIONS IN FINLAND

### MARKET

The construction sector has gradually improved over recent years and building firms are reporting increased sales and better order levels. Confidence indicators for the construction industry are at a normal level. However, the granted volume within building permits has decreased recently. Bravida believes demand for technical installations and service is growing.

### NET SALES AND EARNINGS

#### July–September

Net sales increased by 20 percent to SEK 172 million (144). The acquisition of Asentaja Group in December 2016 has contributed to the growth in net sales.

Operating profit was unchanged at SEK 3 million (3), which equates to an operating margin of 1.7 percent (2.1). Operating profit includes the cost of severance pay to the previous Head of Division who left Bravida in August.

#### January–September

Net sales increased by 12 percent to SEK 533 million (477). Project selection has contributed to boosting operating profit to SEK 6

million (0), resulting in an operating margin of 1.2 percent (0.0).

Work to integrate Asentaja Group is going to plan.

Currency fluctuations had a positive 2 percent impact on net sales.

### ORDER INTAKE AND ORDER BACKLOG

#### July–September

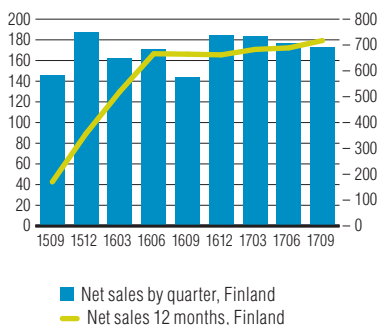
Order intake increased by 17 percent to SEK 163 million (139). Order intake related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 15 percent higher than for the same period last year and amounted to SEK 348 million (302).

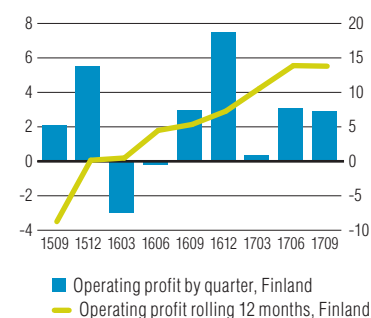
#### January–September

Order intake increased by 33 percent to SEK 547 million (413).

### NET SALES (SEK MIL.)



### OPERATING PROFIT (SEK MIL.)



SEK MIL.	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Net sales	172	144	533	477	662
Operating profit	3	3	6	0	7
Operating margin, %	1.7	2.1	1.2	0.0	1.1
Order intake	163	139	547	413	538
Order backlog	348	302	348	302	334
Average number of employees	433	358	433	358	380



A new property is being constructed in the centre of Kangasala that will house 26 apartments. The new high-quality apartment building will be five storeys high and is expected to be completed by August 2018. Bravida is providing all installation of electrical systems, heating and plumbing, HVAC and automation.

**CONSOLIDATED INCOME STATEMENT, SUMMARY**

SEK MIL.	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016	Oct 2016– Sep 2017
<b>Net sales</b>	<b>3,926</b>	<b>3,289</b>	<b>12,366</b>	<b>10,515</b>	<b>14,792</b>	<b>16,643</b>
Production costs	-3,372	-2,822	-10,606	-9,015	-12,562	-14,153
<b>Gross profit/loss</b>	<b>554</b>	<b>466</b>	<b>1,760</b>	<b>1,500</b>	<b>2,230</b>	<b>2,490</b>
Selling and administrative expenses	-332	-277	-1,076	-909	-1,286	-1,453
<b>Operating profit/loss</b>	<b>222</b>	<b>189</b>	<b>684</b>	<b>591</b>	<b>944</b>	<b>1,037</b>
Net financial items	-11	-17	-39	-49	-67	-57
<b>Profit/loss before tax</b>	<b>211</b>	<b>172</b>	<b>645</b>	<b>542</b>	<b>877</b>	<b>980</b>
Tax on profit/loss for the period	-48	-39	-145	-123	-203	-225
<b>Profit/loss for the period</b>	<b>164</b>	<b>133</b>	<b>500</b>	<b>419</b>	<b>674</b>	<b>755</b>
<b>Profit/loss for the period attributable to:</b>						
Equity holders of the parent	163	133	499	419	673	754
Non-controlling interests	0	0	1	0	1	1
<b>Profit/loss for the period</b>	<b>164</b>	<b>133</b>	<b>500</b>	<b>419</b>	<b>674</b>	<b>755</b>
Earnings per share for the period, SEK	0,81	0,66	2,48	2,08	3,34	3,74

Number of ordinary shares in the parent company for all periods are 201,566,598.

**STATEMENT OF COMPREHENSIVE INCOME, SUMMARY**

SEK MIL.	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016	Oct 2016– Sep 2017
<b>Profit/loss for the period</b>	<b>164</b>	<b>133</b>	<b>500</b>	<b>419</b>	<b>674</b>	<b>755</b>
<b>Other comprehensive income</b>						
<i>Items transferred or that can be transferred to profit or loss</i>						
Translation differences for the period from the translation of foreign operations	-1	57	-26	101	92	-35
<i>Items that cannot be transferred to profit or loss</i>						
Revaluation of defined-benefit pensions	–	-151	-36	-335	-65	233
Tax attributable to the revaluation of pensions	–	33	8	74	14	-67
<b>Other comprehensive income for the period</b>	<b>-1</b>	<b>-60</b>	<b>-55</b>	<b>-161</b>	<b>42</b>	<b>131</b>
<b>Comprehensive income for the period</b>	<b>163</b>	<b>73</b>	<b>445</b>	<b>258</b>	<b>715</b>	<b>886</b>
<b>Comprehensive income for the period attributable to:</b>						
Equity holders of the parent	162	73	445	258	714	885
Non-controlling interests	0	0	1	0	1	1
<b>Comprehensive income for the period</b>	<b>163</b>	<b>73</b>	<b>445</b>	<b>258</b>	<b>715</b>	<b>886</b>

**CONSOLIDATED BALANCE SHEET, SUMMARY**

SEK MIL.	30/09/17	30/09/16	31/12/16
Goodwill	7,796	7,508	7,599
Other non-current assets	150	204	144
<b>Total non-current assets</b>	<b>7,945</b>	<b>7,712</b>	<b>7,743</b>
Trade receivables	2,780	2,259	2,544
Income accrued but not invoiced	1,162	1,147	875
Other current assets	520	407	514
Cash and cash equivalents	388	220	286
<b>Total current assets</b>	<b>4,851</b>	<b>4,033</b>	<b>4,219</b>
<b>Total assets</b>	<b>12,796</b>	<b>11,745</b>	<b>11,962</b>
Equity attributable to holders of the parent	4,277	3,608	4,067
Equity attributable to non-controlling interests	9	11	11
<b>Total equity</b>	<b>4,286</b>	<b>3,619</b>	<b>4,079</b>
Other non-current liabilities	2,053	3,175	2,945
<b>Total other non-current liabilities</b>	<b>2,053</b>	<b>3,175</b>	<b>2,945</b>
Trade payables	1,600	1,295	1,468
Income invoiced but not accrued	1,445	1,367	1,318
Other current liabilities	3,413	2,289	2,151
<b>Total current liabilities</b>	<b>6,458</b>	<b>4,951</b>	<b>4,938</b>
<b>Total liabilities</b>	<b>8,510</b>	<b>8,126</b>	<b>7,883</b>
<b>Total equity and liabilities</b>	<b>12,796</b>	<b>11,745</b>	<b>11,962</b>
Of which interest-bearing liabilities	2,903	3,003	2,703

**STATEMENT OF CHANGES IN EQUITY**

SEK MIL.	30/09/17	30/09/16	31/12/16
<b>Consolidated equity</b>			
Opening balance	4,079	3,555	3,555
Comprehensive income for the period	445	258	715
Dividend	-252	-202	-202
Cost shareholder programme	14	8	10
<b>Closing balance</b>	<b>4,286</b>	<b>3,619</b>	<b>4,079</b>

**CONSOLIDATED CASH FLOW STATEMENT, SUMMARY**

SEK MIL.	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
<b>Cash flow from operating activities</b>					
Profit/loss before tax	211	172	645	542	877
Adjustment for non-cash items	1	20	18	-4	50
Income taxes paid	-15	-38	-75	-85	-112
Changes in working capital	-341	-211	-201	-440	-387
<b>Cash flow from operating activities</b>	<b>-144</b>	<b>-57</b>	<b>387</b>	<b>13</b>	<b>428</b>
<b>Investing activities</b>					
Acquisition of subsidiaries and businesses	-27	-180	-209	-227	-262
Other	-4	-3	-9	-4	-18
<b>Cash flow from investing activities</b>	<b>-31</b>	<b>-183</b>	<b>-219</b>	<b>-231</b>	<b>-280</b>
<b>Financing activities</b>					
Repayment of loan	-1,000	–	-1,500	-2	-302
New loan	1,200	198	1,700	–	–
Change in utilisation of overdraft facility	0	2	0	0	0
Dividend paid	–	–	-252	-202	-202
<b>Cash flow from financing activities</b>	<b>200</b>	<b>200</b>	<b>-52</b>	<b>-204</b>	<b>-504</b>
<b>Cash flow for the period</b>	<b>25</b>	<b>-40</b>	<b>116</b>	<b>-422</b>	<b>-356</b>
Cash and cash equivalents at start of year	360	226	286	573	573
Translation difference in cash and cash equivalents	2	34	-15	70	69
<b>Cash and cash equivalents at end of period</b>	<b>388</b>	<b>220</b>	<b>388</b>	<b>220</b>	<b>286</b>

**OPERATING CASH FLOW**

SEK MIL.	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Operating profit/loss	222	189	684	591	944
Depreciation and amortisation	8	6	26	12	26
Other adjustments for non-cash items	-15	14	-10	-21	28
Capital expenditure	-4	-3	-11	-4	-18
Changes in working capital	-341	-211	-201	-440	-387
<b>Operating cash flow</b>	<b>-130</b>	<b>-4</b>	<b>487</b>	<b>138</b>	<b>594</b>


**PARENT COMPANY INCOME STATEMENT, SUMMARY**

SEK MIL.	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 016	Jan-Dec 2016
<b>Net sales</b>	<b>32</b>	<b>15</b>	<b>106</b>	<b>60</b>	<b>82</b>
Selling and administrative expenses	-22	-16	-93	-61	-83
<b>Operating profit/loss</b>	<b>10</b>	<b>-1</b>	<b>13</b>	<b>-1</b>	<b>-1</b>
Net financial items	-9	-13	-25	-22	-34
<b>Profit/loss after financial items</b>	<b>1</b>	<b>-14</b>	<b>-12</b>	<b>-23</b>	<b>-34</b>
Net Group contribution	–	–	–	–	644
Transfer to/from untaxed reserves	–	–	–	–	-153
<b>Profit/loss before tax</b>	<b>1</b>	<b>-14</b>	<b>-12</b>	<b>-23</b>	<b>456</b>
Tax	–	2	–	2	-99
<b>Profit/loss for the period</b>	<b>1</b>	<b>-11</b>	<b>-12</b>	<b>-21</b>	<b>357</b>

**PARENT COMPANY BALANCE SHEET, SUMMARY**

SEK MIL.	30/09/17	30/09/16	31/12/16
Shares in subsidiaries	7,341	7,341	7,341
<b>Total non-current assets</b>	<b>7,341</b>	<b>7,341</b>	<b>7,341</b>
Receivables from Group companies	1,870	2,269	1,755
Current receivables	131	103	51
<b>Total current receivables</b>	<b>2,001</b>	<b>2,371</b>	<b>1,806</b>
Cash and bank balances	288	155	184
<b>Total current assets</b>	<b>2,289</b>	<b>2,527</b>	<b>1,990</b>
<b>Total assets</b>	<b>9,630</b>	<b>9,868</b>	<b>9,331</b>
Restricted equity	4	4	4
Non-restricted equity	4,511	4,380	4,760
<b>Equity</b>	<b>4,515</b>	<b>4,384</b>	<b>4,764</b>
Untaxed reserves	231	78	231
Liabilities to credit institutions	1,700	2,700	2,700
<b>Total non-current liabilities</b>	<b>1,700</b>	<b>2,700</b>	<b>2,700</b>
Short-term loans	1,200	300	–
Liabilities to Group companies	1,843	2,313	1,496
Other current liabilities	141	94	140
<b>Total current liabilities</b>	<b>3,184</b>	<b>2,707</b>	<b>1,636</b>
<b>Total equity and liabilities</b>	<b>9,630</b>	<b>9,868</b>	<b>9,331</b>
Of which interest-bearing liabilities	2,900	3,000	2,700



## Quarterly data

<b>INCOME STATEMENT, SEK MIL.</b>	<b>Jul-Sep 2017</b>	<b>Apr-Jun 2017</b>	<b>Jan-Mar 2017</b>	<b>Oct-Dec 2016</b>	<b>Jul-Sep 2016</b>	<b>Apr-Jun 2016</b>	<b>Jan-Mar 2016</b>	<b>Oct-Dec 2015</b>
Net sales	3,926	4,325	4,115	4,277	3,289	3,800	3,427	3,919
Production costs	-3,372	-3,675	-3,558	-3,547	-2,822	-3,245	-2,948	-3,272
<b>Gross profit/loss</b>	<b>554</b>	<b>649</b>	<b>557</b>	<b>730</b>	<b>466</b>	<b>555</b>	<b>479</b>	<b>647</b>
Selling and administrative expenses	-332	-396	-348	-377	-277	-328	-305	-372
<b>Operating profit/loss</b>	<b>222</b>	<b>253</b>	<b>209</b>	<b>353</b>	<b>189</b>	<b>227</b>	<b>175</b>	<b>275</b>
Adjustments relating to specific costs	-	8	-	0	11	-	-	33
<b>Adjusted operating profit/loss</b>	<b>222</b>	<b>261</b>	<b>209</b>	<b>353</b>	<b>200</b>	<b>227</b>	<b>175</b>	<b>308</b>
Net financial items including revaluation of hedges	-11	-13	-14	-18	-17	-16	-15	-202
<b>Profit/Loss after financial items</b>	<b>211</b>	<b>239</b>	<b>194</b>	<b>335</b>	<b>172</b>	<b>211</b>	<b>159</b>	<b>74</b>
Tax on profit/loss for the period	-48	-54	-44	-80	-39	-48	-36	-18
<b>Profit/loss for the period</b>	<b>164</b>	<b>186</b>	<b>151</b>	<b>255</b>	<b>133</b>	<b>163</b>	<b>123</b>	<b>56</b>

<b>BALANCE SHEET, SEK MIL.</b>	<b>30/09/17</b>	<b>30/06/17</b>	<b>31/03/17</b>	<b>31/12/16</b>	<b>30/09/16</b>	<b>30/06/16</b>	<b>31/03/16</b>	<b>31/12/16</b>
Goodwill	7,796	7,780	7,593	7,599	7,508	7,276	7,239	7,211
Other non-current assets	150	153	145	144	204	175	141	219
Current assets	4,463	4,439	3,890	3,933	3,813	3,638	3,521	3,395
Cash and cash equivalents	388	360	645	286	220	226	390	573
<b>Total assets</b>	<b>12,796</b>	<b>12,732</b>	<b>12,272</b>	<b>11,962</b>	<b>11,745</b>	<b>11,314</b>	<b>11,290</b>	<b>11,396</b>
Equity	4,286	4,116	4,221	4,079	3,619	3,543	3,640	3,555
Non-current borrowings	1,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Other non-current liabilities	353	336	258	245	475	300	174	177
Current liabilities	6,458	5,581	5,093	4,938	4,951	4,771	4,776	4,964
<b>Total equity and liabilities</b>	<b>12,796</b>	<b>12,732</b>	<b>12,272</b>	<b>11,962</b>	<b>11,745</b>	<b>11,314</b>	<b>11,290</b>	<b>11,396</b>

<b>CASH FLOW, SEK MIL.</b>	<b>Jul-Sep 2017</b>	<b>Apr-Jun 2017</b>	<b>Jan-Mar 2017</b>	<b>Oct-Dec 2016</b>	<b>Jul-Sep 2016</b>	<b>Apr-Jun 2016</b>	<b>Jan-Mar 2016</b>	<b>Oct-Dec 2015</b>
Cash flow from operating activities	-144	150	381	415	-57	57	13	694
Cash flow from investing activities	-31	-174	-14	-49	-183	-36	-13	-58
Cash flow from financing activities	200	-252	0	-300	200	-204	-200	-431
<b>Cash flow for the period</b>	<b>25</b>	<b>-276</b>	<b>367</b>	<b>66</b>	<b>-40</b>	<b>-182</b>	<b>-200</b>	<b>205</b>

## SALES BY GEOGRAPHICAL MARKET, 30/09/17

	OPERATIONS			TECHNICAL AREAS		
	Service	Installation	Electrical	Heating & Plumbing	HVAC	Other areas
Sweden	46%	54%	45%	30%	18%	7%
Norway	50%	50%	60%	31%	3%	6%
Denmark	44%	56%	56%	27%	16%	0%
Finland	20%	80%	37%	28%	23%	12%
<b>The Group</b>	<b>46%</b>	<b>54%</b>	<b>50%</b>	<b>30%</b>	<b>14%</b>	<b>6%</b>



## Quarterly data

KEY FIGURES	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Operating margin, %	5.7	5.8	5.1	8.3	5.8	6.0	5.1	7.0
Adjusted operating margin, %	5.7	6.0	5.1	8.3	6.1	6.0	5.1	7.9
Profit margin, %	5.4	5.5	4.7	7.8	5.2	5.5	4.6	1.9
Return on equity,* %	18.0	17.4	16.9	17.5	13.3	12.5	9.7	8.4
Net debt	2,515	2,343	2,058	2,417	2,783	2,577	2,416	2,433
Net debt/adjust. EBITDA*	2.3	2.2	2.0	2.5	3.0	2.8	2.7	2.7
Cash conversion,* %	88	104	98.0	61	91	77	85	125
Interest coverage ratio	19.8	26.6	15.9	21.6	12.5	15.6	11.7	4.3
Equity/assets ratio, %	33.5	32.3	34.4	34.1	30.8	31.3	32.2	31.2
Order intake	4,059	4,937	4,471	4,313	3,693	4,515	3,469	3,886
Order backlog	10,635	10,493	9,000	8,644	8,475	7,972	7,135	7,092
Average no. of employees	10,452	10,089	9,835	9,730	9,469	9,302	9,419	9,359
Administration costs as % of sales	8.5	9.2	8.5	8.8	8.4	8.6	8.9	9.5
Working capital as % of sales**	-3.9	-6.2	-6.9	-5.8	-4.9	-6.3	-7.2	-7.9
Earnings per share for the period, SEK***	0.81	0.92	0.75	1.26	0.66	0.81	0.61	0.28
Equity per share, SEK***	21.26	20.42	20.94	20.24	17.96	17.58	18.06	17.64
Cash flow from operating activities per share, SEK***	-0.71	0.74	1.89	2.06	-0.28	0.28	0.06	3.44
Share price at balance sheet date, SEK	59.65	61.55	58.10	55.25	57.00	50.50	59.75	55.50

\*Calculated on rolling 12-month earnings.

\*\*Calculated on rolling 12-month sales.

\*\*\*In the third quarter of 2015, a reverse 1:2 split of the company's shares was carried out, following which there are 201,566,598 shares. Earnings per share from previous periods have been restated in this interim report.


**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 21.

<b>RECONCILIATION OF KEY FIGURES, NOT DEFINED UNDER IFRS</b>	<b>Jul-Sep 2017</b>	<b>Apr-Jun 2017</b>	<b>Jan-Mar 2017</b>	<b>Oct-Dec 2016</b>	<b>Jul-Sep 2016</b>	<b>Apr-Jun 2016</b>	<b>Jan-Mar 2016</b>	<b>Oct-Dec 2015</b>
<b>Net debt</b>								
Interest-bearing liabilities	2,903	2,703	2,703	2,703	3,003	2,803	2,805	3,005
Cash and cash equivalents	-388	-360	-645	-286	-220	-226	-390	-573
<b>Total net debt</b>	<b>2,515</b>	<b>2,343</b>	<b>2,058</b>	<b>2,417</b>	<b>2,783</b>	<b>2,577</b>	<b>2,416</b>	<b>2,433</b>
<b>EBITDA</b>								
Operating profit/loss	222	253	209	353	189	227	175	275
Depreciation, amortisation and impairment losses	8	9	8	7	6	6	6	6
<b>EBITDA</b>	<b>231</b>	<b>262</b>	<b>217</b>	<b>360</b>	<b>196</b>	<b>233</b>	<b>181</b>	<b>281</b>
<b>Working capital</b>								
Current assets	4,851	4,799	4,534	4,219	4,033	3,864	3,911	3,967
Cash and cash equivalents	-388	-360	-645	-286	-220	-226	-390	-573
Current liabilities	-6,458	-5,581	-5,093	-4,938	-4,951	-4,771	-4,776	-4,964
Current loans	1,203	3	3	3	303	103	105	305
Provisions	137	143	137	143	130	115	117	141
<b>Total working capital</b>	<b>-655</b>	<b>-996</b>	<b>-1,064</b>	<b>-859</b>	<b>-705</b>	<b>-916</b>	<b>-1,032</b>	<b>-1,124</b>
<b>Interest coverage ratio</b>								
Profit/loss before tax	211	239	194	335	172	211	159	74
Interest expense	11	9	13	16	15	14	15	22
<b>Total</b>	<b>223</b>	<b>249</b>	<b>207</b>	<b>351</b>	<b>187</b>	<b>225</b>	<b>174</b>	<b>96</b>
Interest expense	11	9	13	16	15	14	15	22
<b>Interest coverage ratio</b>	<b>19.8</b>	<b>26.6</b>	<b>15.9</b>	<b>21.6</b>	<b>12.5</b>	<b>15.6</b>	<b>11.7</b>	<b>4.3</b>
<b>Cash conversion</b>								
Operating profit/loss before depreciation, amortisation and impairment losses, past 12 months	1,070	1,035	1,006	970	891	868	827	804
Non-cash provisions in working capital, last 12 months	22	55	28	16	54	39	51	60
Change in working capital, last 12 months	-148	-18	-54	-387	-122	-226	-158	150
Investments in machinery and equipment, last 12 months	-28	-27	-22	-21	-32	-31	-32	-34
<b>Total</b>	<b>916</b>	<b>1,045</b>	<b>958</b>	<b>578</b>	<b>791</b>	<b>650</b>	<b>688</b>	<b>979</b>
Operating profit/loss, last 12 months	1,037	1,004	978	944	866	847	805	782
Cash conversion, last 12 months, %	88	107	98	61	91	77	85	125
<b>Specific costs</b>								
Operating profit/loss	222	253	209	353	189	227	175	275
Adjustments relating to specific costs *	-	8	-	0	11	-	-	33
<b>Adjusted operating profit/loss</b>	<b>222</b>	<b>261</b>	<b>209</b>	<b>353</b>	<b>200</b>	<b>227</b>	<b>175</b>	<b>308</b>

\* See note 6.





# NOTES

## NOTE 1. ACCOUNTING POLICIES

This is a translation of the Swedish interim report of Bravida Holding AB. In the event of inconsistency between the English and the Swedish versions, the Swedish version shall prevail.

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 Section 9, Interim Reporting, of the Swedish Annual Accounts Act.

Ongoing work to analyse the effects of IFRS 15 Revenue Recognition, to be applied from 1 January 2018, shows that the new standard will not have any

material impact on the Group's revenue recognition. The application of IFRS 9 Financial Instruments, to be applied from 1 January 2018, is not expected to result in any material change to recognised items. With regard to IFRS 16 Leases, to be applied from 1 January 2019 and which Bravida will not apply in advance, will have an effect on Bravida's financial statements. Work is currently ongoing to calculate the effect on amounts from IFRS 16.

This report has been prepared in accordance with the same accounting policies and calculation methods as the 2016 Annual Report.

Amounts in the Group's financial reports are in Swedish kronor (SEK MIL) unless otherwise noted. 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.	Jul-Sep 2017	Break-down	Jul-Sep 2016	Break-down	Jan-Sep 2017	Break-down	Jan-Sep 2016	Break-down	Jan-Dec 2016	Break-down
Sweden	2,144	55%	1,844	56%	7,093	57%	6,280	60%	8,760	59%
Norway	1,019	26%	728	22%	2,957	24%	2,130	20%	3,124	21%
Denmark	603	15%	576	18%	1,814	15%	1,636	16%	2,278	15%
Finland	172	4%	144	4%	533	4%	477	5%	662	4%
Group-wide and eliminations	-12		-3		-31		-8		-32	
<b>Total</b>	<b>3,926</b>		<b>3,289</b>		<b>12,366</b>		<b>10,515</b>		<b>14,792</b>	

### OPERATING PROFIT/LOSS, OPERATING MARGIN AND PROFIT/LOSS BEFORE TAX

SEK MIL.	Jul-Sep 2017	Operating margin	Jul-Sep 2016	Operating margin	Jan-Sep 2017	Operating margin	Jan-Sep 2016	Operating margin	Jan-Dec 2016	Operating margin
Sweden	142	6.6%	103	5.6%	420	5.9%	372	5.9%	574	6.6%
Norway	58	5.7%	50	6.9%	165	5.6%	135	6.4%	224	7.2%
Denmark	21	3.4%	30	5.2%	81	4.5%	70	4.3%	114	5.0%
Finland	3	1.7%	3	2.1%	6	1.2%	0	0.0%	7	1.1%
Group and eliminations	-1		3		12		14		25	
<b>Total</b>	<b>222</b>	<b>5.7%</b>	<b>189</b>	<b>5.8%</b>	<b>684</b>	<b>5.5%</b>	<b>591</b>	<b>5.6%</b>	<b>944</b>	<b>6.4%</b>
Adjustments (specific costs)*	-		11		8		11		10	
<b>Adjusted operating profit/loss</b>	<b>222</b>	<b>5.7%</b>	<b>200</b>	<b>6.1%</b>	<b>692</b>	<b>5.6%</b>	<b>602</b>	<b>5.7%</b>	<b>954</b>	<b>6.5%</b>
Net financial items	-11		-17		-39		-49		-67	
<b>Profit/loss before tax</b>	<b>211</b>		<b>172</b>		<b>645</b>		<b>542</b>		<b>877</b>	

### AVERAGE NUMBER OF EMPLOYEES

	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Sweden	5,486	5,233	5,330
Norway	2,672	2,230	2,349
Denmark	1,791	1,577	1,602
Finland	433	358	380
Group and eliminations	71	70	70
<b>Total</b>	<b>10,452</b>	<b>9,469</b>	<b>9,730</b>

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

**NOTE 3. ACQUISITION OF OPERATIONS**

Bravida made the following acquisitions during the period January to September 2017:

Acquired unit	Country	Type	Month of acquisition	Percentage of votes	No. of employees	Estimated annual sales in SEK MIL.
Electrical business, Oslo*	Norway	Company	February	9%		
Plumbing business, Denmark	Denmark	Company	April	100%	100	130
Plumbing & HVAC business, Norway	Norway	Company	May	100%	700	1,200
Plumbing business, Sweden	Sweden	Company	September	100%	18	30

\*Acquisition of non-controlling interests.

**Acquisition of Oras AS**

On 8 May 2017 Bravida, via Bravida Norge AS, acquired 100 percent of the share capital in Norwegian installation and service company Oras AS. The acquisition of Oras, Norway's leading heating & plumbing and HVAC provider, makes Bravida the market-leading end-to-end provider of installation and service on the Norwegian market. Oras has annual sales of approximately SEK 1,200 million, around 700 employees, with headquarters in Oslo, and has a presence throughout Norway in areas where Bravida already operates. The acquisition provides for synergy effects, primarily in purchasing and central costs. The purchase price for the shares was SEK 121 million, with the purchase price being paid in the second quarter of 2017. Oras had net debt of SEK 7 million at the acquisition date. Oras

was consolidated into the Group from 8 May 2017. Earnings for the second quarter of 2017 were impacted by acquisition costs of SEK 8 million as a specific cost.

The acquisition analysis for Oras AS below is preliminary.

Acquired net debt and goodwill	SEK MIL.
Purchase price	121
Fair value of acquired net debt	7
<b>Goodwill</b>	<b>129</b>

**Effects of acquisitions in 2017**

Acquisitions have the following effects on consolidated assets and liabilities.

Assets and liabilities included in acquisition, SEK MIL.	Oras AS	Other	Total
Intangible assets	13	0	13
Property, plant and equipment	8	7	15
Trade receivables *	209	29	239
Income accrued but not invoiced	75	4	79
Other current assets	44	5	49
Cash and cash equivalents	0	5	5
Long-term liabilities	-10	-15	-26
Trade payables	-102	-13	-115
Income invoiced but not accrued	-49	0	-49
Other current liabilities	-196	-18	-214
Sum net identifiable assets and liabilities	-7	4	-3
<b>Consolidated goodwill</b>	<b>129</b>	<b>61</b>	<b>190</b>
Acquisition price	121	67	189
Cash and cash equivalents (acquired)	0	5	5
<b>Net effect on cash and cash equivalents</b>	<b>121</b>	<b>62</b>	<b>184</b>
Purchase price paid in cash	121	37	158
Consideration recognised as a liability	0	30	30
<b>Acquisition price</b>	<b>121</b>	<b>67</b>	<b>189</b>

\*No significant write-downs of trade receivables exist.

**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 costs were related to the acquisition of Oras. In the third quarter of 2016 these mainly related to the costs for the final settlement of a dispute. See also the table on page 16 for adjusted operating profit.



The Board of Directors and Chief Executive Officer warrant that the report gives a true and fair overview of the operations, financial position and results of the Group and parent company, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 10 November 2017 Bravida Holding AB

**Monica Caneman**  
Chairman

**Jan Johansson**  
Director

**Cecilia Daun Wennborg**  
Director

**Mikael Norman**  
Director

**Staffan Pålsson**  
Director

**Mattias Johansson**  
CEO and Group President

**Jan Ericson**  
Employee representative

**Geir Gjestad**  
Employee representative

**Anders Mårtensson**  
Employee representative

**Örnulf Thorsen**  
Employee representative



# REVIEW REPORT

**TILL STYRELSEN I BRAVIDA HOLDING AB (PUBL)**  
**ORG NR 556891-5390**

## INTRODUCTION

We have reviewed the summary interim financial information (interim report) of Bravida Holding AB (PUBL) as of 30 September 2017 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the 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 International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 and other generally accepted auditing practices and consequently does 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, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 10 November 2017

KPMG AB

**Anders Malmeby**

Authorized Public Accountant

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 10 November 2017. 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 Oct–Dec	16 February 2018
Interim report Jan – Mar 2018	3 May 2018
Interim report Apr – Jun 2018	20 July 2018

Annual General Meeting will be held 20 April 2018, at 13:00 CET.



# DEFINITIONS

## 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.

### 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 EBITDA

Operating profit/loss before scheduled depreciation, amortisation and impairment losses, adjusted for specific costs. Improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

### ADJUSTED OPERATING MARGIN

Operating profit/loss excluding specific costs as a percentage of net sales. The adjusted operating 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 OPERATING PROFIT/LOSS

Operating profit/loss adjusted for specific costs. Adjusted operating profit/loss 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.

### 12-MONTH CASH CONVERSION

12-month EBITDA (operating profit/loss plus depreciation and amortisation) +/- 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 of the previous year.

### OPERATING CASH FLOW

Operating profit/loss adjusted for noncash items, investments in machinery and equipment and changes in working capital.

### ORDER INTAKE

The value of projects received and changes to existing projects during the period in question.

### 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.

### EARNINGS PER SHARE

Earnings for the period in relation to the average number of shares in the period.

### 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.

### OPERATING PROFIT/LOSS BEFORE DEPRECIATION AND AMORTISATION (EBITDA)

Operating profit/loss before scheduled depreciation, amortisation and impairment losses. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets.

### 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 OPERATING MARGIN

Operating profit/loss adjusted for the impact on earnings from Oras and specific costs expressed as a percentage of net sales.

### UNDERLYING OPERATING PROFIT/LOSS

Operating profit/loss adjusted for the impact on earnings from Oras and specific costs.

### PROFIT MARGIN

Profit/loss after financial items, as a percentage of net sales.

## 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 technical solutions and products for security, cooling, sprinklers, technical service management and power.



# THIS IS BRAVIDA

## Leader in installation and service

Bravida brings buildings to life – 24 hours a day, 365 days a year. We work primarily with electricity, heating & plumbing, and HVAC, but we also offer services in security, sprinklers, cooling, power and technical service management.

After every installation or service assignment we want properties and systems to work a little better, 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 installation and service of electrical, heating & plumbing and HVAC systems.

Our skills and efficiency add value and benefit for our customers on a daily basis.

We combine a local presence with the resources of a large company.

### OUR VISION

**Our vision is to be the leading partner in the Nordics** for efficient technical solutions in installation and service. Our comprehensive knowledge will increase our customers' competitiveness.

### TARGETS

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

## BRAVIDA WAY

Our corporate culture and way of working make us unique in the market. Bravida's business model is built from entrepreneurship, follow-up and support, and continuous improvement.



#### ENTREPRENEURSHIP

● Bravida's approach is based on an important principle: our local branches are at the heart of the business. Each Bravida branch knows its local customers best. So each branch is responsible for taking decisions regarding its local market. It's the commitment of the local branches and employees that drive the company forward.

#### FOLLOW-UP AND SUPPORT

● But there are also advantages in being a large company. Together we have created working practices, templates and systems to provide support, follow up and help local branches move forward. Our central Group departments like financial management, legal services, purchasing and HR help create economies of scale and support local branches.

#### CONTINUOUS IMPROVEMENT

● We want to constantly improve and simplify the way we operate. Our motto is 'same needs – same solution'. Our Group-wide working model 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**

Recurring business reduces our cyclicalities. Combining installation and service provides longer-term business.

#### **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, with cost effectiveness being a corner stone 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 focussed measures to achieve clear results in our sustainability work.

### ▶ SUSTAINABLE USE OF RESOURCES

– efficient production and energy-efficient offerings

**Greater efficiency in our own operations** and resource usage

**Cooperation with customers** to reduce energy and resource consumption in their properties and facilities

**Sustainability impact assessment** of installation

### ▶ GOOD HEALTH AND SAFETY

– employee safety, and physical and mental health

**Active health and safety work**

**Focus on leadership**

### ▶ GOOD BUSINESS ETHICS

– in relation to customers, employees and suppliers

**Active measures to maintain a healthy corporate culture with positive values**

**Continual sustainability assessment of suppliers**

# WE BRING BUILDINGS TO LIFE

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