

INTERIM REPORT

October–December 2018



OCTOBER–DECEMBER 2018

- Net sales increased by 12% to SEK 5,521 million (4,927)
- Organic growth was 4% (6)
- The order backlog was SEK 11,992 million (10,271), an increase of 17%
- EBITA increased by 12% to SEK 438 million (390)
- The EBITA margin was 7.9% (7.9)
- Profit after tax was SEK 375 million (320)
- Cash flow from operating activities was SEK 807 million (650)
- Net debt amounted to SEK -1,365 million (-1,862)
- Four acquisitions were completed in the quarter, adding annual sales of approximately SEK 420 million
- Basic earnings per share were SEK 1.85 (1.59) and diluted earnings per share were SEK 1.85 (1.58)

JANUARY–DECEMBER 2018

- Net sales increased by 12% to SEK 19,305 million (17,293)
- Organic growth was 4% (6)
- EBITA increased by 12% to SEK 1,211 million (1,078)
- The EBITA margin was 6.3% (6.2)
- Profit after tax was SEK 956 million (820)
- Cash flow from operating activities was SEK 1,052 million (1,038)
- 12 acquisitions were completed in the period, adding annual sales of approximately SEK 800 million
- Basic earnings per share were SEK 4.73 (4.07) and diluted earnings per share were SEK 4.72 (4.06)
- The Board of Directors proposes a dividend of SEK 2.00 (1.55) per share for 2018

FINANCIAL OVERVIEW

SEK MIL.	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Net sales	5,521	4,927	19,305	17,293
Operating profit/loss (EBIT)	436	389	1,207	1,072
Operating margin (EBIT), %	7.9	7.9	6.3	6.2
EBITA	438	390	1,211	1,078
EBITA margin, %	7.9	7.9	6.3	6.2
Adjusted EBITA	438	390	1,211	1,086
Adjusted EBITA margin, %	7.9	7.9	6.3	6.3
Profit/loss after tax	375	320	956	820
Cash flow from operating activities	807	650	1,052	1,038
Operating cash flow	821	679	1,273	1,171
Interest coverage ratio	58.2	30.0	38.6	22.9
Cash conversion, %	102	106	102	106
Net debt/adjust. EBITDA, 12 m	1.1	1.7	1.1	1.7
Order intake	6,629	4,620	20,652	17,972
Order backlog	11,992	10,271	11,992	10,271

The leading end-to-end service and installation provider in the Nordics



A STRONG FINISH TO 2018

The fourth quarter of 2018 was another record quarter for Bravida. We are reporting our best earnings ever, with high growth and lots of good acquisitions, but we are still not satisfied. We have a business model that works, and our organisation retains significant potential.

SALES GROWTH OF 12 PERCENT

We are seeing continued good demand and growth in the fourth quarter was strong. Growth was well in line with our financial target of 12 percent, and organic growth was 4 percent. The order backlog rose by 17 percent. In Denmark and Finland growth was good, owing to high production in Denmark and acquisitions completed in Finland. Growth was also good in Sweden and Norway.

PROFIT UP BY 12 PERCENT

EBITA rose by 12 percent and the EBITA margin was unchanged at 7.9 percent.

The acquisitions we have made in Finland have meant we are close to achieving critical mass and have increased the quality of our operations, resulting in significantly improved profitability.

In Denmark we improved the EBITA margin through more efficient operations and administration.

The EBITA margin remains at a high level in Sweden. However, the margin was slightly lower than in the previous year owing to a positive non-recurring effect in the fourth quarter of 2017.

The level of production in Oras' old projects remained high in the quarter, which had a negative impact on the EBITA margin. My assessment is that the unprofitable projects that Oras had when it was acquired in May 2017 will be completed in the first quarter of 2019.

CASH FLOW STRONG AND DIVIDEND TO BE RAISED BY 29 PERCENT

Cash flow for the fourth quarter reduced our net liabilities to SEK -1,365 million. Our cash conversion was 102 percent, which is above our financial target. The Board proposes that the dividend be raised by 29 percent SEK 2.00 per share. Since our IPO in 2015 we have raised the dividend by an average of 26 percent a year. For me, this proves we have a business model that generates cash flow through profitable growth.

STOCKHOLM BYPASS PROJECT

Bravida has signed two agreements with the Swedish Transport Administration as part of the Stockholm Bypass Project. These

agreements relate to the contracts awarded to Bravida in the third quarter of 2018. One contract for SEK 1,597 million has been recorded in the order backlog for the fourth quarter. The second contract, for SEK 1,144 million, will be recorded in the order backlog in the first quarter of 2019.

The period 2019–2020 will cover project design and planning, which will generate some income. The bulk of production operations will be carried out during 2021–2023, after which Bravida will be responsible for maintenance and service for another two years.

The Stockholm Bypass Project is an important project that we are proud to be involved in. Bravida has extensive experience from previous infrastructure projects and we have the scale and capabilities to manage large and complex projects. We have been working on preparations relating to the Stockholm Bypass Project for the past few years and we're now focusing on establishing a strong delivery organisation.

ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA

Over the course of the year we completed 12 acquisitions and signed agreements for another three acquisitions, which were completed in January 2019. The acquisitions made in 2018/19 increase annual sales by around SEK 900 million. These acquisitions strengthen our local market position and expand our customer offering.

During the autumn we strengthened the acquisition team to ensure a continued high pace of acquisitions and good integration of future acquisitions. We see a continued good pipeline of potential acquisitions and are pursuing a number of interesting acquisition discussions.

OUTLOOK

Bravida has a well-balanced level of risk as a result of being based in around 160 locations in the Nordic region and having over 55,000 customers across different segments. Our geographical diversification, our broad offering and our solid and differentiated customer base provides us with low exposure to individual markets and customers.

2018 was our best ever year but there is still lots we can improve on, including in operations, purchasing and on costs. Demand for service and installation is good in our markets and I look forward with confidence to 2019.

Mattias Johansson,
Stockholm, February 2019



CONSOLIDATED EARNINGS OVERVIEW

NET SALES AND ORDER INTAKE October–December

Net sales increased by 12 percent to SEK 5,521 million (4,927). Adjusted for currency fluctuations and acquisitions, net sales increased by 4 percent. Currency fluctuations had a positive 2 percent impact on net sales, while acquisitions increased net sales by 6 percent. Net sales rose in all countries; in Sweden by 5 percent, in Norway by 13 percent, in Denmark by 23 percent and in Finland by 63 percent. The high growth in Denmark and Norway was largely due to organic growth. The growth in Finland was mainly due to the acquisitions of Adison Oy in January 2018 and Hangö Elektriska Oy in October 2018. Compared with the fourth quarter of 2017, service business increased by 4 percent and installation business by 20 percent. The service business accounted for 46 percent (50) of total net sales. The increase in net sales in the installation business was due to the good growth in the order backlog reported in recent years. Service growth was negatively affected by extended holiday leave at the end of the quarter.

Order intake amounted to SEK 6,629 million (4,620), a rise of 43 percent. Order intake increased in Sweden and Finland, but was lower in Denmark and Norway. The order backlog at 31 December was 17 percent higher than at the same point in the previous year and amounted to SEK 11,992 million (10,271). During the quarter the order backlog rose by SEK 1,247 million. The increase was attributable to business operations in Sweden and Finland. In Sweden, the first of two orders from the Swedish Transport Administration for the Stockholm Bypass Project was recorded for SEK 1,597 million. The second order from the Swedish Transport Administration, for SEK 1,144 million, will be recorded in the order backlog for the first quarter of 2019. In Norway, the continued completion of Oras' old projects and a high level of production in a large infrastructure project resulted in a reduction in the order backlog. In Denmark, two large projects are under production, which reduced the order backlog. The order backlog only includes installation projects; order intake for the service business is recognised at invoicing.

January–December

Net sales increased by 12 percent to SEK 19,305 million (17,293). Adjusted for currency fluctuations and acquisitions, the increase was 4 percent. Currency fluctuations had a positive 2 percent

impact, while acquisitions increased net sales by 6 percent. Sales increased in all countries; in Sweden by 4 percent, in Norway by 14 percent, in Denmark by 24 percent and in Finland by 50 percent. In Norway the high growth was due to the acquisition of Oras and organic growth. The high growth in Denmark was due to organic growth, while in Finland it was due to the acquisition of Adison Oy in January 2018 and Hangö Elektriska Oy in October 2018.

Compared with the same period of 2017, net service sales increased by 9 percent and net installation sales by 14 percent. The service business accounted for 46 percent (47) of total net sales.

The increase in net sales in the installation business was 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 20,652 million (17,972), an increase of 15 percent.

EARNINGS

October–December

Operating profit was SEK 436 million (389). EBITA increased by 12 percent to SEK 438 million (390), resulting in an EBITA margin of 7.9 percent (7.9).

EBITA increased in all countries. The EBITA margin improved in Denmark and Finland, while in Sweden and Norway it was slightly lower. Group-wide profit was SEK 11 million (6).

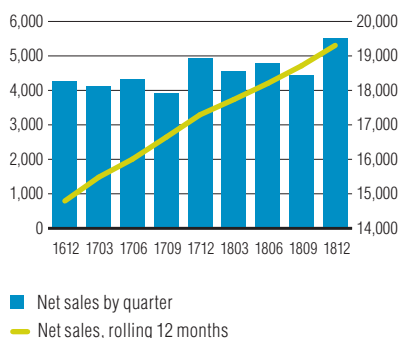
Net financial items totalled SEK 10 million (-15). The positive figure for net financial items was due to exchange rate effects. Profit after financial items was SEK 446 million (373). Profit after tax was SEK 375 million (320). Basic earnings per share increased by 17 percent to SEK 1.85 (1.59). Diluted earnings per share were SEK 1.85 (1.58).

January–December

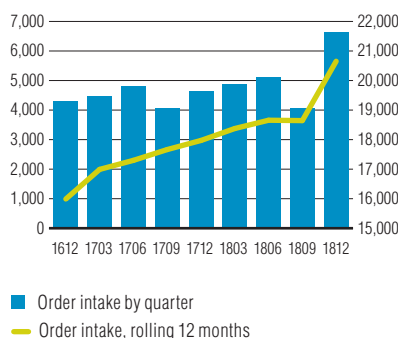
Operating profit was SEK 1,207 million (1,072). EBITA increased by 12 percent to SEK 1,211 million (1,078), resulting in an EBITA margin of 6.3 percent (6.2). EBITA increased in all countries. The EBITA margin improved in Denmark and Finland, while it was unchanged in Sweden and slightly lower in Norway. Group-wide profit was SEK 27 million (18).

Specific costs were SEK – million (8). Adjusted EBITA was SEK 1,211 million (1,086) and the adjusted EBITA margin was 6.3 per-

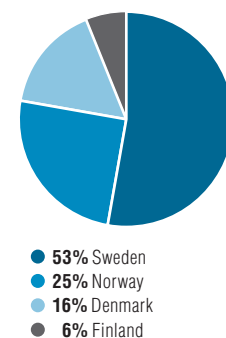
NET SALES (SEK MIL.)



ORDER INTAKE (SEK MIL.)



NET SALES BY COUNTRY,
JAN–DEC 2018





cent (6.3). Net financial items totalled SEK -16 million (-54), with the improvement due to lower debt, lower financing expenses and positive exchange rate effects. Profit after financial items was SEK 1,191 million (1,019). Profit after tax was SEK 956 million (820). Basic earnings per share increased by 16 percent to SEK 4.73 (4.07). Diluted earnings per share were SEK 4.72 (4.06).

DEPRECIATION AND AMORTISATION

Depreciation and amortisation amounted to SEK 10 million (9) for the quarter and SEK 33 million (34) for January to December.

TAX

The tax expense for the quarter was SEK -71 million (-53). Profit before tax was SEK 446 million (373). Effective tax was 16 percent (14). Tax paid amounted to SEK 30 million (20).

The tax expense for January to December was SEK -235 million (-199). Profit before tax was SEK 1,191 million (1,019). The effective tax rate was 20 percent (20), which includes the use of loss carry-forwards. Tax paid amounted to SEK 219 million (95).

The tax rate in Sweden is 22 percent, in Norway it is 23 percent, in Denmark 22 percent and in Finland 20 percent. The Swedish and Norwegian deferred tax positions have been revalued as a result of reduced corporation tax.

CASH FLOW

October–December

Cash flow from operating activities was SEK 807 million (650). The improvement in cash flow was due to higher operating profit and a reduction of SEK 292 million (265) in working capital. Payment of tax increased to SEK -30 million (-20). Cash flow from investing activities was SEK -109 million (-12), of which acquisitions of subsidiaries and businesses totalled SEK -105 million (-6). Cash flow from financing activities was SEK -400 million (-201) and related to the repayment of loans. 12-month cash conversion was 102 percent (106).

January–December

Cash flow from operating activities was SEK 1,052 million (1,038). The higher cash flow was due to improved operating profit, which was impacted by increased working capital, SEK -25 million (63), and higher tax payments. The payment of tax increased to SEK -219 million (-95), owing to the settlement of tax liabilities from previous financial years and higher preliminary tax. Cash flow from investing activities was SEK -249 million (-231), while acquisitions of subsidiaries and businesses totalled SEK -237 million (-215). Cash flow from financing activities,

relating to the repayment of loans, a dividend and the net reduction of utilised overdraft facilities, amounted to SEK -914 million (-254).

ACQUISITIONS

During the quarter, three acquisitions were completed in Sweden, adding a total of SEK 260 million in annual sales. The acquired companies are heating and plumbing, and electrical businesses. In Finland, an acquisition was completed that adds sales of SEK 160 million; the company operates in the electrical, heating and plumbing, and HVAC segments.

A total of twelve acquisitions were completed in 2018; seven in Sweden, two in Finland, two in Denmark and one in Norway. The acquired companies add annual sales totalling approximately SEK 800 million.

FINANCIAL POSITION

Bravida's net debt at 31 December was SEK -1,365 million (-1,862), which corresponds to a capital structure (net debt/adjusted EBITDA) ratio of 1.1 (1.7). Consolidated cash and cash equivalents were SEK 735 million (839) at 31 December. Interest-bearing liabilities amounted to SEK 2,100 million (2,701) at 31 December, SEK 800 million (1,000) of which was commercial paper. Bravida's total credit facilities amounted to SEK 2,900 million (3,703), of which SEK 1,568 million (1,800) was unused at 31 December. At the end of the period, equity totalled SEK 5,238 million (4,662). The equity/assets ratio was 36.6 percent (34.9).

EMPLOYEES

The average number of employees at 31 December was 11,475 (10,643), an increase of 8 percent.

PARENT COMPANY

Revenues for the quarter were SEK 50 million (45) and profit after net financial items was SEK 24 million (2). Revenues for the January–December period were SEK 173 million (151) and earnings after net financial items were SEK 57 million (-9).

SHAREHOLDER INFORMATION

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 31 December Bravida had 9,587 shareholders, according to Euroclear. At 31 December the largest shareholders were Capital Group funds, Mawer Investment Management funds, Swedbank Robur funds, Lannebo funds and Fourth National Pension Insurance Fund (AP4). Bravida has no shareholders that hold shares exceeding 10 percent of voting

NET SALES AND GROWTH

SEK MIL.	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Net sales	5,521	4,927	19,305	17,293
Change	594	650	2,012	2,501
Change, %	12.1	15.2	11.6	16.9
Of which				
Organic growth, %	4	6	4	6
Acquisitions, %	6	10	6	10
Currency effects, %	2	-1	2	1



rights. Just over 55 percent of the shares are held by foreign shareholders.

The listed price for Bravida's ordinary shares at 28 December 2018 was SEK 61.30 (54.85), which equates to a market capitalisation of SEK 12,393 million. Total shareholder return, including dividends, over the past 12 months was 14.6 percent.

Share capital amounts to SEK 4 million divided among 203,316,598 shares, of which 202,166,598 are ordinary shares and 1,150,000 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.

DIVIDEND

The Board of Directors proposes a dividend of SEK 2.00 (1.55) per share for 2018. The proposal represents an increase of 29 percent and corresponds to 42 percent (38) of net earnings per share. The proposed dividend totals SEK 404 million (312).

OTHER EVENTS DURING THE PERIOD

Bravida has appointed Åsa Neving as new CFO for the Bravida Group and as a member of Group management. She will take up the role in spring 2019. Åsa Neving holds an MSc in Economics and Business, and previously held a range of management positions at the Vattenfall Group. She joins Bravida from Svevia AB, where she was CFO.

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

The IFRS 16 Leasing accounting standard will be applied from 1 January 2019. The standard will mean the recognition of Bravida's leases in the balance sheet, resulting in an increase in liabilities and total assets. The standard will have an effect on a number of key performance indicators such as the capital structure

target and the EBITA margin. According to current estimates, there will be a negative effect of 0.4x on the capital structure target of net debt/adjusted EBITDA and a positive effect of 0.1 percentage points on the EBITA margin. It is assessed that current financial targets do not need to be adjusted. A description of the effects of opening balances is provided in Note 1 on page 16.

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

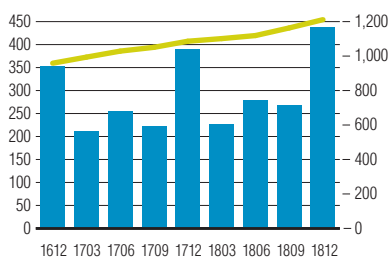
No transactions with related parties outside the Group took place during the period.

EVENTS AFTER THE BALANCE SHEET DATE

On 1 January 2019 Bravida acquired three companies. Insight Building Automation in Denmark with sales of SEK 35 million; Carrier Refrigeration Sweden in Sweden with sales of SEK 50 million; and Elbolaget Glödlampan in Sweden with sales of SEK 20 million.

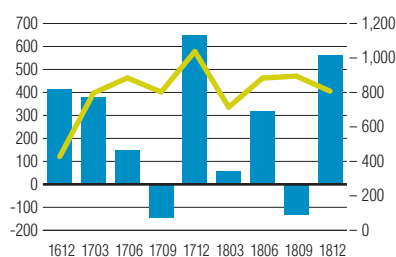
In January 2019 Lars Täuber became Head of Division Stockholm and becomes a member of Bravida's Group management.

ADJUSTED EBITA (SEK MIL.)



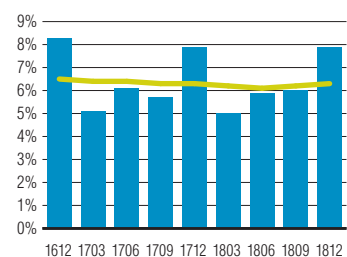
- Adjusted EBITA by quarter
- Adjusted EBITA, rolling 12 months

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 service and installation is good. Important drivers include new-builds and the renovation of public-sector buildings and offices, as well as investment in infrastructure and energy efficiency measures. Confidence indicators for the construction industry are at a normal level. We expect a gradual reduction in demand for technical installations in new-build housing. This is being replaced, however, by the upgrade of housing and increased demand for other types of installation work.

NET SALES AND EARNINGS

October–December

Net sales in Sweden increased by 5 percent to SEK 2,885 million (2,755). Sales growth is attributable to both service and installation business.

EBITA increased by 3 percent to SEK 246 million (239), resulting in an EBITA margin of 8.5 percent (8.7). Earnings for the fourth quarter 2017 were boosted by a non-recurring item regarding the repayment of pension funds, which is the main reason why the EBITA margin for the fourth quarter of 2018 was slightly lower in comparison.

January–December

Net sales increased by 4 percent to SEK 10,279 million (9,847). Net sales growth was due to good growth in service business.

EBITA increased by 5 percent to SEK 692 million (661), resulting in an EBITA margin of 6.7 percent (6.7).

ORDER INTAKE AND ORDER BACKLOG

October–December

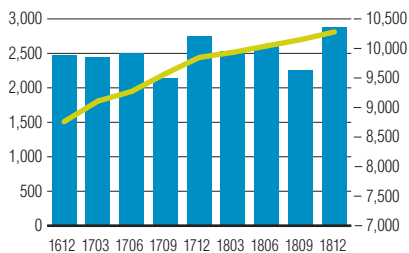
Order intake was 91 percent higher than for the same period of the previous year, and amounted to SEK 4,742 million (2,481). One of two orders for the Stockholm Bypass Project was recorded for SEK 1,597 million during the quarter. The second order will be recorded in the first quarter of 2019 at an order value of SEK 1,144 million. In other respects, order intake was generally better than in the same quarter in 2017 and all divisions reported increased order intake. Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 32 percent higher than at the same point of the previous year and amounted to SEK 7,094 million (5,372); the order backlog increased by SEK 1,880 million (-274) over the quarter. The rise in the order backlog excluding the Stockholm Bypass Project was SEK 283 million and all divisions reported an increased order backlog for the fourth quarter.

January–December

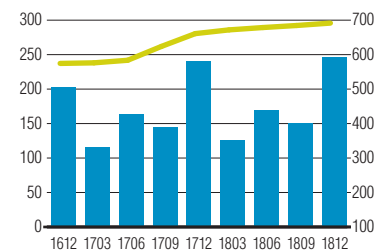
Order intake was 17 percent higher than for the same period for the previous year, and amounted to SEK 11,978 million (10,275). Excluding the large order for the Stockholm Bypass Project, order intake rose by 1 percent.

NET SALES (SEK MIL.)



■ Net sales by quarter, Sweden
— Net sales rolling 12 months, Sweden

EBITA (SEK MIL.)



■ EBITA by quarter, Sweden
— EBITA, rolling 12 months, Sweden

SEKMIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	2,885	2,755	10,279	9,847
EBITA	246	239	692	661
EBITA margin, %	8.5	8.7	6.7	6.7
Order intake	4,742	2,481	11,978	10,275
Order backlog	7,094	5,372	7,094	5,372
Average number of employees	5,971	5,553	5,971	5,553



Umeå is home to the Nordic region's most modern climbing centre. Construction of the new centre set high standards for lighting, fire safety and ventilation. Bravida met these requirements using the latest technical solutions in electrical systems, heating and plumbing, HVAC and sprinklers. The centre, which has facilities for both rope-based climbing and bouldering, opened in 2018 and is part of the IKSU sports association.



OPERATIONS IN NORWAY

MARKET

The service and installation market is healthy. 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.

NET SALES AND EARNINGS

October–December

Net sales increased by 13 percent to SEK 1,393 million (1,228). The growth was mainly attributable to the installation business. The increase in net sales was due to organic growth and a 5 percent positive effect from currency translation.

EBITA rose by 6 percent to SEK 92 million (87), resulting in an EBITA margin of 6.6 percent (7.1). The lower EBITA margin was due to the continued completion of Oras' old projects with weak profitability. Oras was acquired in May 2017, and its project portfolio included a number of projects with weak profitability. The acquired Oras projects are expected to be completed in the first quarter of 2019.

January–December

Net sales increased by 14 percent to SEK 4,777 million (4,185). This growth was due to the acquisition of Oras in May 2017, organic growth and a positive currency translation effect of 3 percent.

Growth is attributable to both service and installation business. EBITA increased by 13 percent to SEK 285 million (254), resulting in an EBITA margin of 6.0 percent (6.1).

ORDER INTAKE AND ORDER BACKLOG

October–December

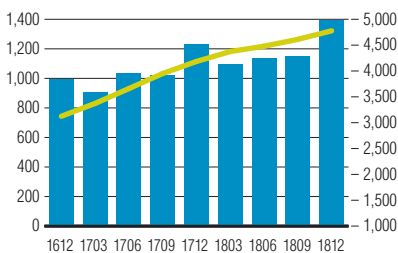
Order intake decreased by 29 percent to SEK 853 million (1,195). No large projects were reported in the order intake for the period.

The order backlog at the end of the quarter was 9 percent lower than at the same point in the previous year and amounted to SEK 2,552 million (2,804), while the order backlog decreased by SEK -541 million (-91) over the quarter. The lower order backlog was due to the continued completion of Oras projects with weak profitability and a high level of production in a large road tunnel project. Over the last 12 months, 75 percent of the acquired order backlog from Oras has been completed. The order backlog remains at a good level.

January–December

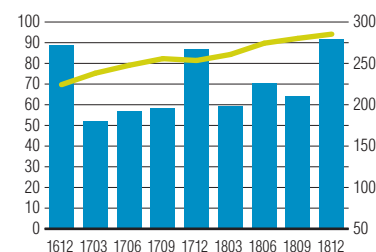
Order intake increased by 3 percent to SEK 4,525 million (4,406).

NET SALES (SEK MIL.)



■ Net sales by quarter, Norway
— Net sales rolling 12 months, Norway

EBITA (SEK MIL.)



■ EBITA by quarter, Norway
— EBITA, rolling 12 months, Norway

SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	1,393	1,228	4,777	4,185
EBITA	92	87	285	254
EBITA margin, %	6.6	7.1	6.0	6.1
Order intake	853	1,195	4,525	4,406
Order backlog	2,552	2,804	2,552	2,804
Average number of employees	2,994	2,718	2,994	2,718



Europe's largest land-based wind farm is being constructed in Central Norway. Once fully operational, the facility will supply 170,000 households with electricity. Bravida has been contracted to supply seven electrical substations that will collect 33 kV from the wind turbines and transform up to 132kV for the central grid. The facility is due to enter service in 2020.



OPERATIONS IN DENMARK

MARKET

The service and installation market is healthy. The housing market is growing, which is contributing to increased demand for technical installations in 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. Confidence indicators for the construction industry are at a normal level.

NET SALES AND EARNINGS

October–December

Net sales increased by 23 percent to SEK 902 million (733). The increase in net sales was mainly attributable to the installation business, with two large hospital projects currently underway. Currency translation had a positive 5 percent impact on net sales.

EBITA increased by 40 percent to SEK 69 million (49), resulting in an EBITA margin of 7.7 percent (6.7).

January–December

Net sales increased by 24 percent to SEK 3,171 million (2,547). The growth in sales was mainly due to increased operations in the installation business. Currency translation had a positive 6 percent impact on net sales.

EBITA increased by 41 percent to SEK 185 million (131), resulting in an EBITA margin of 5.8 percent (5.1).

ORDER INTAKE AND ORDER BACKLOG

October–December

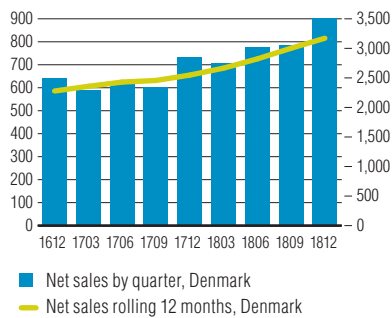
Order intake was 5 percent lower than for the same period of the previous year, and amounted to SEK 697 million (737). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 2 percent higher than for the same period of the previous year and amounted to SEK 1,787 million (1,752). The order backlog decreased by SEK -163 million (5) in the quarter, owing to a high level of production in two large projects.

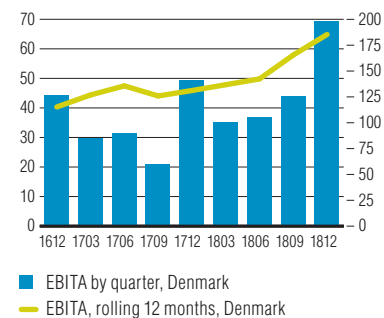
January–December

Order intake increased by 23 percent to SEK 3,164 million (2,567).

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	902	733	3,171	2,547
EBITA	69	49	185	131
EBITA margin, %	7.7	6.7	5.8	5.1
Order intake	697	737	3,164	2,567
Order backlog	1,787	1,752	1,787	1,752
Average number of employees	1,830	1,803	1,830	1,803



Hvidovre Hospital in Copenhagen is being extended with a new wing and new indoor parking. The new wing will house the hospital's accident and emergency, cardiology, paediatrics and maternity departments. Bravida is carrying out all heating and plumbing installation work in both the wing and indoor parking facility, which together comprise almost 40,000 square metres. Bravida is also providing installation work in an ongoing cooling and heating project in the existing hospital building.



OPERATIONS IN FINLAND

MARKET

Bravida believes demand for technical service and installation is stable. The construction industry has improved over the past few years and building firms are reporting increased sales, which is contributing to stable demand for technical installations. Confidence indicators for the construction industry are at a normal level.

NET SALES AND EARNINGS

October–December

Net sales increased by 63 percent to SEK 345 million (212). The acquisition of Adison Oy in January 2018 and Hangö Elektriska Oy was the main reason for the strong growth in net sales. Growth is attributable to both service and installation business. Currency translation had a positive 5 percent impact on net sales.

EBITA increased by 132 percent to SEK 19 million (8), resulting in an EBITA margin of 5.5 percent (3.9).

January–December

Net sales increased by 50 percent to SEK 1,114 million (745). Growth is attributable to both service and installation business. The significant growth was mainly due to acquisitions completed. Currency translation had a positive 6 percent impact on net sales.

EBITA was SEK 22 million (15), resulting in an EBITA margin of 2.0 percent (2.0).

ORDER INTAKE AND ORDER BACKLOG

October–December

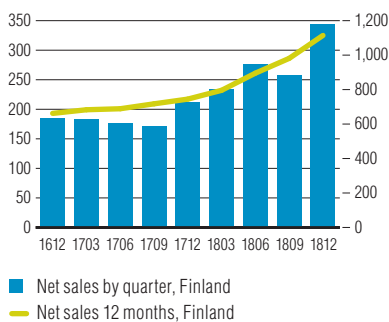
Order intake was 65 percent higher than for the same period of the previous year, and amounted to SEK 343 million (208). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 62 percent higher than for the same period of the previous year, which was due in part to acquisitions completed in 2018. The order backlog was SEK 559 million (344), with a SEK 71 million (-4) increase in the order backlog over the quarter.

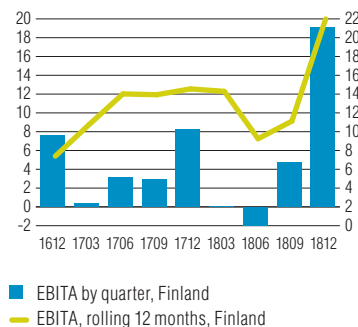
January–December

Order intake was 35 percent higher than for the same period of the previous year, and amounted to SEK 1,022 million (755).

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	345	212	1,114	745
EBITA	19	8	22	15
EBITA margin, %	5.5	3.9	2.0	2.0
Order intake	343	208	1,022	755
Order backlog	559	344	559	344
Average number of employees	599	496	599	496



When Helsinki's Pohjansäde apartment block, constructed in 1913, was due for refurbishment, Bravida's plumbing replacement department in Helsinki upgraded piping and electrical and heating systems. The building, which was in very poor condition, underwent complete refurbishment, including the replacement of bathrooms and kitchens. Over a period of four months Bravida upgraded all technical systems in the building and its 127 apartments.



FINANCIAL REPORTING

CONSOLIDATED INCOME STATEMENT, SUMMARY

SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	5,521	4,927	19,305	17,293
Production costs	-4,577	-4,113	-16,502	-14,718
Gross profit/loss	944	815	2,803	2,575
Selling and administrative expenses	-508	-426	-1,596	-1,502
Operating profit/loss	436	389	1,207	1,072
Net financial items	10	-15	-16	-54
Profit/loss before tax	446	373	1,191	1,019
Tax on profit/loss for the period	-71	-53	-235	-199
Profit/loss for the period	375	320	956	820
Profit/loss for the period attributable to:				
Equity holders of the parent	372	319	951	818
Non-controlling interests	2	1	5	2
Profit/loss for the period	375	320	956	820
Basic earnings per share, SEK	1.85	1.59	4.73	4.07
Diluted earnings per share, SEK	1.85	1.58	4.72	4.06

STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Profit/loss for the period	375	320	956	820
Other comprehensive income				
<i>Items transferred or that can be transferred to profit or loss</i>				
Translation differences for the period from the translation of foreign operations	-56	1	44	-26
<i>Items that cannot be transferred to profit or loss</i>				
Revaluation of defined-benefit pensions	-98	60	-172	23
Tax attributable to the revaluation of pensions	21	-13	37	-5
Other comprehensive income for the period	-133	47	-91	-8
Comprehensive income for the period	242	367	865	812
Comprehensive income for the period attributable to:				
Equity holders of the parent	239	366	860	811
Non-controlling interests	2	1	5	2
Comprehensive income for the period	242	367	865	812

**CONSOLIDATED BALANCE SHEET, SUMMARY**

SEK MIL.	31/12/18	31/12/17
Goodwill	8,210	7,844
Other non-current assets	168	154
Total non-current assets	8,378	7,998
Trade receivables	3,378	3,030
Income accrued but not invoiced	1,235	1,004
Other current assets	598	489
Cash and cash equivalents	735	839
Total current assets	5,946	5,362
Total assets	14,324	13,360
Equity attributable to holders of the parent	5,223	4,652
Equity attributable to non-controlling interests	15	10
Total equity	5,238	4,662
Other non-current liabilities	1,967	2,056
Total other non-current liabilities	1,967	2,056
Trade payables	2,058	1,866
Income invoiced but not accrued	1,803	1,519
Other current liabilities	3,259	3,257
Total current liabilities	7,120	6,642
Total liabilities	9,086	8,698
Total equity and liabilities	14,324	13,360
Of which interest-bearing liabilities	2,100	2,701

STATEMENT OF CHANGES IN EQUITY

SEK MIL.	Jan-Dec 2018	Jan-Dec 2017
Consolidated equity		
Opening balance	4,662	4,079
Comprehensive income for the period	865	812
Dividend	-312	-252
Cost long-term incentive programme	23	23
Closing balance	5,238	4,662

**CONSOLIDATED CASH FLOW STATEMENT, SUMMARY**

SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Cash flow from operating activities				
Profit/loss before tax	446	373	1,191	1,019
Adjustment for non-cash items	99	32	105	51
Income taxes paid	-30	-20	-219	-95
Changes in working capital	292	265	-25	63
Cash flow from operating activities	807	650	1,052	1,038
Investing activities				
Acquisition of subsidiaries and businesses	-105	-6	-237	-215
Other	-4	-7	-12	-16
Cash flow from investing activities	-109	-12	-249	-231
Financing activities				
Repayment of loan	-400	-200	-600	-1,700
New loan	-	-	-	1,700
Change in utilisation of overdraft facility	0	-1	-1	-2
Dividend paid	-	-	-312	-252
Cash flow from financing activities	-400	-201	-914	-254
Cash flow for the period	298	437	-111	553
Cash and cash equivalents at start of year	438	388	839	286
Translation difference in cash and cash equivalents	-1	15	7	0
Cash and cash equivalents at end of period	735	839	735	839

OPERATING CASH FLOW

SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating profit/loss	436	389	1,207	1,072
Depreciation and amortisation	10	9	33	34
Other adjustments for non-cash items	87	24	70	17
Capital expenditure	-4	-7	-12	-16
Changes in working capital	292	265	-25	63
Operating cash flow	821	679	1,273	1,171

**PARENT COMPANY INCOME STATEMENT, SUMMARY**

SEK MIL.	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	50	45	173	151
Selling and administrative expenses	-35	-34	-111	-126
Operating profit/loss	16	11	63	25
Net financial items	9	-9	-5	-34
Profit/loss after financial items	24	2	57	-9
Net group contribution	276	644	275	644
Transfer to/from untaxed reserves	-84	-160	-84	-160
Profit/loss before tax	217	487	248	475
Tax	-55	-105	-55	-105
Profit/loss for the period	161	382	193	370

PARENT COMPANY BALANCE SHEET, SUMMARY

SEK MIL.	31/12/18	31/12/17
Shares in subsidiaries	7,341	7,341
Total non-current assets	7,341	7,341
Receivables from Group companies	1,608	1,562
Current receivables	61	33
Total current receivables	1,668	1,595
Cash and bank balances	624	644
Total current assets	2,292	2,240
Total assets	9,634	9,581
Restricted equity	4	4
Non-restricted equity	4,804	4,901
Equity	4,809	4,905
Untaxed reserves	474	390
Liabilities to credit institutions	1,300	1,700
Provisions	1	0
Total non-current liabilities	1,301	1,700
Short-term loans	800	1,000
Liabilities to Group companies	2,212	1,429
Other current liabilities	39	157
Total current liabilities	3,051	2,585
Total equity and liabilities	9,634	9,581
Of which interest-bearing liabilities	2,100	2,700



Quarterly data

INCOME STATEMENT, SEK MIL.	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
Net sales	5,521	4,437	4,790	4,557	4,927	3,926	4,325	4,115
Production costs	-4,577	-3,823	-4,131	-3,972	-4,113	-3,372	-3,675	-3,558
Gross profit/loss	944	615	659	585	815	554	649	557
Selling and administrative expenses	-508	-348	-380	-360	-426	-332	-396	-348
Operating profit/loss	436	267	279	225	389	222	253	209
Net financial items	10	-10	-7	-9	-15	-11	-13	-14
Profit/Loss after financial items	446	256	273	216	373	211	239	194
Tax on profit/loss for the period	-71	-55	-61	-48	-53	-48	-54	-44
Profit/loss for the period	375	202	212	168	320	164	186	151

BALANCE SHEET, SEK MIL.	31/12/18	30/09/18	30/06/18	31/03/18	31/12/17	30/09/17	30/06/17	31/03/17
Goodwill	8,210	8,153	8,150	8,002	7,844	7,796	7,780	7,593
Other non-current assets	168	152	157	154	154	150	153	145
Current assets	5,211	5,363	5,154	4,684	4,523	4,463	4,439	3,890
Cash and cash equivalents	735	438	604	660	839	388	360	645
Total assets	14,324	14,107	14,065	13,500	13,360	12,796	12,732	12,272
Equity	5,238	4,988	4,804	4,921	4,662	4,286	4,116	4,221
Non-current borrowings	1,300	1,500	1,500	1,500	1,700	1,700	2,700	2,700
Other non-current liabilities	667	539	515	395	356	353	336	258
Current liabilities	7,120	7,081	7,246	6,684	6,642	6,458	5,581	5,093
Total equity and liabilities	14,324	14,107	14,065	13,500	13,360	12,796	12,732	12,272

CASH FLOW, SEK MIL.	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
Cash flow from operating activities	807	-132	319	58	650	-144	150	381
Cash flow from investing activities	-109	-29	-66	-45	-12	-31	-174	-14
Cash flow from financing activities	-400	0	-313	-201	-201	200	-252	0
Cash flow for the period	298	-161	-60	-188	437	25	-276	367

KEY FIGURES	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
Operating margin % (EBIT)	7.9	6.0	5.8	4.9	7.9	5.7	5.8	5.1
EBITA margin, %	7.9	6.0	5.9	5.0	7.9	5.7	5.9	5.1
Adjusted EBITA margin, %	7.9	6.0	5.9	5.0	7.9	5.7	6.1	5.1
Return on equity,* %	18.7	18.4	17.8	17.5	18.3	18.0	17.4	16.9
Net debt	-1,365	-2,062	-1,896	-1,841	-1,862	-2,515	-2,343	-2,058
Net debt/adjust. EBITDA*	1.1	1.7	1.7	1.6	1.7	2.3	2.2	2.0
Cash conversion,* %	102	93	94	75	106	88	104	98
Interest coverage ratio	58.2	34.3	30.0	32.7	30.0	19.8	26.6	15.9
Equity/assets ratio, %	36.6	35.4	34.2	36.5	34.9	33.5	32.3	34.4
Order intake	6,629	4,046	5,102	4,875	4,620	4,059	4,821	4,471
Order backlog	11,992	10,746	11,139	10,825	10,271	10,635	10,493	9,000
Average no. of employees	11,475	11,180	10,893	10,709	10,643	10,452	10,089	9,835
Administration costs as % of sales	9.2	7.8	7.9	7.9	8.6	8.5	9.2	8.5
Working capital as % of sales**	-4.9	-3.1	-5.2	-4.7	-5.5	-3.9	-6.2	-6.9
Basic earnings per share, SEK***	1.85	1.00	1.05	0.83	1.59	0.81	0.92	0.75
Diluted earnings per share, SEK	1.85	1.00	1.05	0.83	1.58	0.81	0.92	0.75
Equity per share, SEK***	25.91	24.67	23.76	24.41	23.13	21.26	20.42	20.94
Cash flow from operating activities per share, SEK***	3.99	-0.65	1.58	0.29	3.23	-0.71	0.74	1.89
Share price at balance sheet date, SEK	61.30	72.90	71.15	59.70	54.85	59.65	61.55	58.10

*Calculated on rolling 12-month earnings **Calculated on rolling 12-month sales ***Calculated on the company's outstanding 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	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
Net debt								
Interest-bearing liabilities	-2,100	-2,500	-2,500	-2,500	-2,701	-2,903	-2,703	-2,703
Cash and cash equivalents	735	438	604	660	839	388	360	645
Total net debt	-1,365	-2,062	-1,896	-1,841	-1,862	-2,515	-2,343	-2,058
EBITA/Adjusted EBITA								
Operating profit/loss (EBIT)	436	267	279	225	389	222	253	209
Depreciation, amortisation and impairment losses	2	1	1	1	1	1	2	2
EBITA	438	267	280	226	390	223	255	211
Adjustment relating to specific cost*	-	-	-	-	-	-	8	0
Adjusted EBITA	438	267	280	226	390	223	263	211
EBITDA/Adjusted EBITDA								
Operating profit/loss (EBIT)	436	267	279	225	389	222	253	209
Depreciation, amortisation and impairment losses	10	8	8	8	9	8	9	8
EBITDA	446	274	287	233	397	231	262	217
Adjustment relating to specific costs*	-	-	-	-	-	-	8	0
Adjusted EBITDA	446	274	287	233	397	231	270	217
Working capital								
Current assets	5,946	5,802	5,758	5,344	5,362	4,851	4,799	4,534
Cash and cash equivalents	-735	-438	-604	-660	-839	-388	-360	-645
Current liabilities	-7,120	-7,081	-7,246	-6,684	-6,642	-6,458	-5,581	-5,093
Current loans	800	1,000	1,000	1,000	1,001	1,203	3	3
Provisions	169	135	153	162	172	137	143	137
Total working capital	-940	-583	-939	-837	-946	-655	-996	-1,064
Interest coverage ratio								
Profit/loss before tax	446	256	273	216	373	211	239	194
Interest expense	8	8	9	7	13	11	9	13
Total	454	264	282	223	386	223	249	207
Interest expense	8	8	9	7	13	11	9	13
Interest coverage ratio	58.2	34.3	30.0	32.7	30.0	19.8	26.6	15.9
Cash conversion								
Operating profit/loss before depreciation, amortisation and impairment losses, past 12 months	1,241	1,192	1,148	1,123	1,107	1,070	1,035	1,006
Non-cash provisions in working capital, last 12 months	24	-45	-44	-21	-14	22	55	28
Change in working capital, last 12 months	-25	-49	-35	-260	63	-148	-18	-54
Investments in machinery and equipment, last 12 months	-12	-15	-17	-20	-21	-28	-27	-22
Total	1,228	1,083	1,052	822	1,135	916	1,045	958
Operating profit/loss, last 12 months	1,207	1,160	1,116	1,089	1,072	1,037	1,004	978
Cash conversion, last 12 months, %	102	93	94	75	106	88	104	98

*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 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.

Since the effects of IFRS 9 and IFRS 15 are immaterial, this report has essentially been prepared according to the same accounting policies and calculation methods as used for the 2017 annual accounts.

IFRS 16 replaces the existing standard for recognising leases and requires the recognition of essentially all leases in the balance sheet, and the depreciation/amortisation of right-of-use assets to be distinguished from interest on

lease liabilities in the income statement. Bravida has opted to apply the new standard at transition using the modified retrospective approach, which means the comparative periods will not be recalculated. Application of the standard will be recognised at 1 January 2019. Bravida has also chosen to allow right-of-use assets to correspond to liabilities at transition, adjusted for any prepaid lease expenses. Bravida will also apply the practical exceptions for exempting short-term leases and leases of low-value assets.

Bravida's lease portfolio mainly comprises rented premises and leased vehicles. Bravida's initial estimate is that an additional SEK 1,038 million in right-of-use assets and lease liabilities will be recognised in the balance sheet at transition, in addition to which prepaid rent of SEK 27 million will be reclassified from prepaid to right-of-use assets. Total assets and net debt will increase at transition. It is assessed that net debt will rise by SEK 1,038 million and the equity/assets ratio will decrease to 34 percent at the transition date. According to current calculations, the transition will have a marginal positive effect on EBITA compared with previous accounting policies.

The transition to IFRS 16 will have the following preliminary impact on the Group's balance sheet at the transition date on 1 January 2019.

PRELIMINARY EFFECTS OF IFRS 16

MSEK	1 Jan 2019
Right of use	1,065
Prepayments	-27
Transition effect – assets	1,038
Non-current lease liabilities	704
Current lease liabilities	334
Transition effect – liabilities	1,038

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



NOTE 2. SEGMENT REPORTING AND DISTRIBUTION OF NET SALES

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.	Oct-Dec 2018	Break-down	Oct-Dec 2017	Break-down	Jan-Dec 2018	Break-down	Jan-Dec 2017	Break-down
Sweden	2,885	52%	2,755	56%	10,279	53%	9,847	57%
Norway	1,393	25%	1,228	25%	4,777	25%	4,185	24%
Denmark	902	16%	733	15%	3,171	16%	2,547	15%
Finland	345	6%	212	4%	1,114	6%	745	4%
Group-wide and eliminations	-5		0		-36		-31	
Total	5,521		4,927		19,305		17,293	

EBITA, EBITA MARGIN AND PROFIT/LOSS BEFORE TAX

SEK MIL.	Oct-Dec 2018	EBITA Margin	Oct-Dec 2017	EBITA Margin	Jan-Dec 2018	EBITA Margin	Jan-Dec 2017	EBITA Margin
Sweden	246	8.5%	239	8.7%	692	6.7%	661	6.7%
Norway	92	6.6%	87	7.1%	285	6.0%	254	6.1%
Denmark	69	7.7%	49	6.7%	185	5.8%	131	5.1%
Finland	19	5.5%	8	3.9%	22	2.0%	15	2.0%
Group and eliminations	11		6		27		18	
Total	438	7.9%	390	7.9%	1,211	6.3%	1,078	6.2%
Adjustments (specific costs)*	-		-		-		8	
Adjusted operating profit/loss	438	7.9%	390	7.9%	1,211	6.3%	1,086	6.3%
Amortisation of intangible assets	-2		-1		-4		-6	
Net financial items	10		-15		-16		-54	
Profit/loss before tax	446		373		1,191		1,018	

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

DISTRIBUTION OF NET SALES

NET SALES PER CATEGORY	Oct-Dec 2018			Oct-Dec 2017		
	Service	Installation	Total	Service	Installation	Total
Sweden	1,430	1,456	2,885	1,380	1,375	2,755
Norway	672	721	1,393	717	511	1,228
Denmark	362	541	902	304	429	733
Finland	75	270	345	49	163	212
Eliminations	9	-15	-5	10	-11	0
The Group	2,548	2,973	5,521	2,459	2,468	4,927

NET SALES PER CATEGORY	Jan-Dec 2018			Jan-Dec 2017		
	Service	Installation	Total	Service	Installation	Total
Sweden	5,032	5,247	10,279	4,642	5,205	9,847
Norway	2,330	2,447	4,777	2,199	1,986	4,185
Denmark	1,241	1,931	3,171	1,110	1,438	2,547
Finland	207	907	1,114	157	588	745
Eliminations	6	-43	-36	8	-39	-31
The Group	8,816	10,490	19,305	8,114	9,179	17,293

AVERAGE NUMBER OF EMPLOYEES	Jan-Dec 2018	Jan-Dec 2017
Sweden	5,971	5,553
Norway	2,994	2,718
Denmark	1,830	1,803
Finland	599	496
Group functions	81	73
Total	11,475	10,643

**NOTE 3. ACQUISITION OF OPERATIONS**

Bravida completed the following acquisitions during the period January to December:

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, HVAC business, Helsinki region	Finland	Company	January	100%	70	190
Cooling business, Stockholm	Sweden	Company	April	100%	12	30
Electrical business, Sala	Sweden	Company	May	100%	18	20
Fire and safety business, Västerås	Sweden	Company	May	100%	14	18
Electrical business, Orkdal	Norway	Assets and liabilities	July	–	10	11
Heating & plumbing-, HVAC business, Skandenborg	Denmark	Company	July	100%	28	75
Electrical business, Skåneregionen	Sweden	Company	October	100%	137	200
Electrical, heating & plumbing, HVAC business, Hangö	Finland	Company	October	100%	90	160
Electrical business, Skellefteå	Sweden	Company	November	100%	27	40
Heating & plumbing business, Karlshamn	Sweden	Company	November	100%	12	20

Effects of acquisitions in 2018

Bravida normally uses an acquisition structure with a fixed purchase price and contingent consideration. The conditional purchase price is initially valued at the likely final amount, which for the year's acquisitions is SEK 55 million. The conditional purchase price are due for payment within three years. 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	30
Trade receivables*	100
Income accrued but not invoiced	8
Other current assets	46
Cash and cash equivalents	89
Long-term liabilities	-22
Trade payables	-46
Income invoiced but not accrued	-5
Other current liabilities	-74
Sum net identifiable assets and liabilities	126
Consolidated goodwill	227
Acquisition price	380
Cash and cash equivalents (acquired)	89
Net effect on cash and cash equivalents	292
Purchase price paid in cash	292
Consideration recognised as a liability**	88
Acquisition price	380

*No significant write-downs of trade receivables exist **Of total debited purchase price, SEK 55 million consists of conditional purchase price

Acquisitions after the end of the reporting period

Bravida has completed three acquisitions since the end of the reporting period. In January, in Sweden Bravida acquired Carrier Refrigeration Sweden's service business with 37 employees and sales of approximately SEK 50 million and Elbolaget Glödlampan AB with 18 employees and sales of around SEK 20 million. In Denmark, Bravida acquired Insight Building Automation AS with 22 employees and sales of approximately SEK 35 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 the highest earnings because many projects are completed during this period.

NOTE 5. FINANCIAL INSTRUMENTS, FAIR VALUE

The fair value of the Group's financial assets and liabilities is not materially different from carrying amounts. No items other than the above mentioned conditional purchase price, in Note 3, are recognised at fair value in the balance sheet at level 3.

NOTE 6. SPECIFIC COSTS

In the second quarter of 2017 these related to acquisition costs for Oras AS.



Stockholm, 15 February 2019
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 15 February 2019.

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 2019

Annual Report 2018	Week 13
Interim Report January–March	7 May
Interim Report April–June	19 July
Interim Report July–September	6 November

Annual General Meeting will be held on 26 April 2019.



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.

*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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