INTERIM REPORT

April–June 2019

APRIL–JUNE 2019

- Net sales increased by 6% to SEK 5,087 million (4,790)
- Organic growth was -1% (4)
- The order backlog was 25% higher at SEK 13,905 million (11,139)
- EBITA decreased by 2% to SEK 274 million (280)
- The EBITA margin was 5.4% (5.9)
- Profit after tax was SEK 201 million (212)
- Cash flow from operating activities was SEK 131 million (319)
- Net debt amounted to SEK -2,612 million (-1,896)
- Seven acquisitions were completed in the quarter, adding annual sales of approximately SEK 340 million
- Basic and diluted earnings per share were SEK 0.99 (1.05)

JANUARY–JUNE 2019

- Net sales increased by 8% to SEK 10,100 million (9,347)
- Organic growth was 2% (3)
- EBITA increased by 4% to SEK 526 million (506)
- The EBITA margin was 5.2% (5.4)
- Profit after tax was SEK 380 million (380)
- Cash flow from operating activities was SEK 545 million (377)
- 12 acquisitions were completed in the period, adding annual sales of SEK 685 million
- Basic earnings per share were SEK 1.87 (1.88) and diluted earnings per share were SEK 1.86 (1.88)

Financial overview

SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018	Jul 2018– Jun 2019
Net sales	5,087	4,790	10,100	9,347	19,305	20,058
Operating profit (EBIT)	274	279	524	505	1,207	1,226
Operating margin (EBIT), %	5.4	5.8	5.2	5.4	6.3	6.1
EBITA	274	280	526	506	1,211	1,230
EBITA margin, %	5.4	5.9	5.2	5.4	6.3	6.1
Profit/loss after tax	201	212	380	380	956	956
Cash flow from operating activities	131	319	545	377	1,052	1,220
Cash conversion, %	113	99	113	99	105	113
Net debt/adjust. EBITDA, 12 m	1.8	1.7	1.8	1.7	1.1	1.8
Order intake	5,467	5,102	11,932	9,977	20,652	22,608
Order backlog	13,905	11,139	13,905	11,139	11,992	13,905

bravida

HIGH ACQUISITION RATE AND A GOOD MARKET

The demand for technical service and installations remains on a good level. Sales increased in the second quarter and Bravida is continuing to grow in the area of service. The EBITA margin was lower than last year due to lower earnings in Norway and Denmark. The order backlog continued to increase and is at a new record high. The high pace of acquisitions continues, with seven acquisitions completed in the quarter.

SALES GROWTH THROUGH ACQUISITIONS
Bravida continued to grow in the second quarter, with sales rising by 6 percent as a result of acquisitions. Service sales rose by 11 percent in the quarter, which is pleasing as service assignments generally constitute recurring business. The market remains good in general, which is reflected in a higher order intake. Our order backlog increased by just over SEK 400 million to a new record high of SEK 13.9 billion. The strong order backlog has given us the possibility to focus even more on project selection. This, together with the fact that our large projects were in a less intensive stage, explains the organic growth of -1 percent in the quarter.

LOWER EBITA MARGIN BUT STABLE CASH FLOW
The EBITA margin improved in Sweden and Finland, but decreased in Norway and Denmark. In Norway, we completed the two loss-making projects we have previously mentioned. The projects were part of the order backlog from the acquisition of Oras and have resulted in significant project write-downs. In Denmark, acquisition-related integration costs had a negative impact on earnings. Together, this led to a lower EBITA margin in the quarter.

Cash flow remained stable and cash conversion was 113 percent.

ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA
Bravida's growth and market position in both service and installation continue to strengthen through acquisitions. So far this year we have completed twelve acquisitions, whereof seven in the quarter, adding annual sales of almost SEK 700 million. The acquisitions strengthen our local market position, complement our business and expand our offering.

Over the past five years we have carried out 70 acquisitions, adding sales of just over SEK 6 billion with good profitability. Bravida has an effective acquisition model that creates value for our shareholders, and I believe we can continue growing through acquisitions.

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.

The order backlog is at a record high and the emphasis of the order backlog is on many small and medium-sized installation projects. Together with our large service operations, the order backlog will contribute to stable sales development going forward. Long-term underlying profitability remains good, and I am positive about our future development.

Mattias Johansson, Stockholm, July 2019

CONSOLIDATED EARNINGS OVERVIEW

NET SALES

April–June

Net sales increased by 6 percent to SEK 5,087 million (4,790). Adjusted for currency fluctuations and acquisitions, net sales decreased by 1 percent. Currency fluctuations had a positive 1 percent impact on net sales, while acquisitions increased net sales by 6 percent. Sales increased in Sweden by 3 percent, in Norway by 6 percent and in Denmark by 20 percent. In Finland net sales were unchanged.

Compared with the second quarter of 2018, service business increased by 11 percent and installation business by 2 percent. The service business accounted for 47 percent (45) of total net sales.

Order intake was SEK 5,467 million (5,102), an increase of 7 percent on the same period of the previous year. Order intake increased in Sweden, Denmark and Finland, but was lower in Norway. The order backlog at 30 June was 25 percent higher than at the same point in the previous year and amounted to SEK 13,905 million (11,139). The order backlog, including acquisitions, rose by SEK 431 million in the quarter. The order backlog increased in all countries.

The order backlog does not include service assignments.

January–June

Net sales increased by 8 percent to SEK 10,100 million (9,347). Adjusted for currency fluctuations and acquisitions, net sales increased by 2 percent. Currency fluctuations had a 1 percent impact on net sales, while acquisitions increased net sales by 5 percent. Net sales increased in all countries. They rose by 3 percent in Sweden, by 10 percent in Norway, by 19 percent in Denmark and by 15 percent in Finland.

Compared with the same period in 2018, net service sales increased by 9 percent while net installation sales rose by 7 percent. The service business accounted for 46 percent (46) of total net sales. The order intake, which includes both installation and service, totalled SEK 11,932 million (9,977), an increase of 20 percent.

EARNINGS

April–June

Operating profit was SEK 274 million (279). EBITA decreased by 2 percent to SEK 274 million (280), resulting in an EBITA margin of 5.4 percent (5.9). The lower EBITA margin was due to project write-downs in Norway and acquisition-related integration costs in Denmark.

EBITA increased in Sweden, Denmark and Finland, but decreased in Norway. The EBITA margin improved in Sweden and Finland, but was lower in Denmark and Norway. Group-wide profit was SEK 6 million (5).

Financial items were SEK -16 million (-7), with the decline mainly due to the introduction of IFRS 16. Profit after financial items was SEK 257 million (273). Profit after tax was SEK 201 million (212). Basic and diluted earnings per share decreased by 6 percent to SEK 0.99 (1.05).

January–June

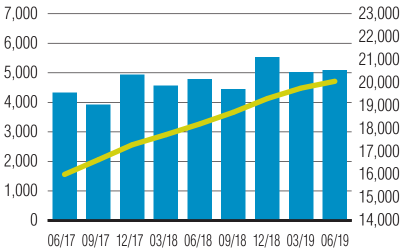
Operating profit was SEK 524 million (505). EBITA increased by 4 percent to SEK 526 million (506), resulting in an EBITA margin of 5.2 percent (5.4). EBITA rose in Sweden, Denmark and Finland. The EBITA margin improved in Sweden and Finland, but was lower in Denmark and Norway. Group-wide profit was SEK 21 million (11).

Net financial items totalled SEK -40 million (-16), with the decrease due to negative foreign exchange effects in the Group's cash pool and the impact of the introduction of IFRS 16. Profit after financial items was SEK 484 million (489). Profit after tax was SEK 380 million (380). Basic earnings per share were SEK 1.87 (1.88). Diluted earnings per share were SEK 1.86 (1.88).

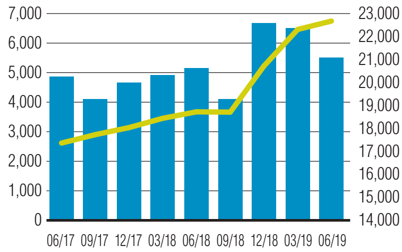
DEPRECIATION AND AMORTISATION

Depreciation and amortisation in the quarter totalled SEK 101 million (8), SEK 93 million of which related to the depreciation of right-of-use assets under IFRS 16. Depreciation and amortisation in the January–June period totalled SEK 201 million (16), SEK 185 million of which related to the depreciation of right-of-use assets under IFRS 16.

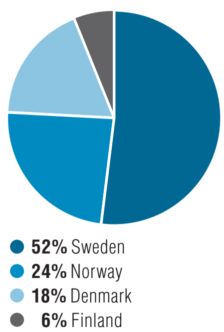
NET SALES (SEK MIL.)



ORDER INTAKE (SEK MIL.)



NET SALES BY COUNTRY, JAN–JUN 2019



TAX

The tax expense for the quarter was SEK -56 million (-61). Profit before tax was SEK 257 million (273). The effective tax rate was 22 percent (22). Tax paid amounted to SEK 49 million (95).

The tax expense for January to June was SEK -104 million (-109). Profit before tax was SEK 484 million (489). The effective tax rate was 22 percent (22). Tax paid was SEK 94 million (161), while last year was affected by settled tax liabilities from previous financial years.

CASH FLOW

April–June

Cash flow from operating activities was SEK 131 million (319). The lower cash flow was mainly due to weaker working capital. The introduction of the IFRS 16 accounting policy had a SEK 90 million positive impact on cash flow. Payment of tax decreased to SEK -49 million (-95).

Cash flow from investing activities was SEK -168 million (-66), of which acquisitions of subsidiaries and businesses totalled SEK -164 million (-63).

Cash flow from financing activities was SEK -24 million (-313). The difference is due to a higher dividend and an increase in loans, as well as the repayment of a lease liability.

Cash flow for the quarter was SEK -61 million (-60).

12-month cash conversion was 113 percent (99). Cash flow from operating activities for the last 12 months was SEK 1,220 million (884).

January–June

Cash flow from operating activities was SEK 545 million (377). The improved cash flow was due to a positive impact from the introduction of IFRS 16, at SEK 180 million, and lower tax payments, at SEK 67 million. Working capital was down with SEK 82 million.

Cash flow from investing activities was SEK -295 million (-111), while acquisitions of subsidiaries and businesses totalled SEK -281 million (-104).

Cash flow from financing activities was SEK -484 million (-514).

Cash flow for the period was SEK -233 million (-248).

ACQUISITIONS

April–June

In Sweden, four acquisitions were completed, adding a total of SEK 165 million in annual sales. The acquired companies operate in the electrical, heating and plumbing, and security segments. In Denmark, two acquisitions were completed, adding a total of SEK 155 million in annual sales. The acquired companies operate in the electrical and heating and plumbing segments.

In Finland, one acquisition was completed, adding a total of SEK 20 million in annual sales. The acquired company operates in the heating and plumbing segment.

Five acquisitions were completed in the first quarter; three in Denmark and two in Sweden, adding a total of SEK 345 million in annual sales. For the January–June 2019 period, a total of 12 acquisitions were completed, adding annual sales of SEK 685 million.

In Sweden, an agreement has been signed on the acquisition of a heating and plumbing company, to be completed in September 2019.

FINANCIAL POSITION

Bravida's net debt at 30 June was SEK -2,612 million (-1,896), which corresponds to a capital structure (net debt/adjusted EBITDA) ratio of 1.8 (1.7). The higher net debt was due to amended accounting policies on leasing under IFRS 16. Lease liabilities included in net debt totalled SEK 957 million (–). EBITDA has been affected by IFRS 16 for six months and by IAS 17 for six months. Consolidated cash and cash equivalents were SEK 545 million (604). Interest-bearing liabilities amounted to SEK 3,157 million (2,500), of which SEK 1,100 million (1,000) was commercial paper and SEK 957 million (–) was lease liabilities. Total credit facilities amounted to SEK 2,700 million (3,500), of which SEK 1,568 million (1,994) was unused at 30 June. Total credit facilities only include credit agreements with credit institutions.

At the end of the period, equity totalled SEK 5,141 million (4,804). The equity/assets ratio was 32.7 percent (34.2).

EMPLOYEES

The average number of employees at 30 June was 11,339 (10,893), an increase of 4 percent.

PARENT COMPANY

Revenues for the quarter were SEK 47 million (43) and profit after net financial items was SEK 1 million (2). Revenues for the January–June period were SEK 92 million (85) and earnings after net financial items were SEK 7 million (5).

SHAREHOLDER INFORMATION

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 28 June Bravida had 9,400 shareholders, according to Euroclear. At 28 June the largest shareholders were Mawer Investment Management funds, Capi-

NET SALES AND GROWTH

SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Net sales	5,087	4,790	10,100	9,347	19,305
Change	297	466	753	907	2,012
Change, %	6.2	10.8	8.1	10.8	11.6
Of which					
Organic growth, %	-1	4	2	3	4
Acquisitions, %	6	5	5	7	6
Currency effects, %	1	2	1	1	2

tal Group funds, Swedbank Robur funds, Lannebo funds and Fourth National Pension Insurance Fund (AP4). Mawer Investment Management funds hold just over 10 percent of the votes.

The listed price for Bravida's ordinary shares at 28 June 2019 was SEK 82.30, which equates to a market capitalisation of SEK 16,676 million. Total shareholder return, including dividends, over the past 12 months was 21.5 percent.

Share capital amounts to SEK 4 million divided among 203,316,598 shares, of which 202,625,490 are ordinary shares and 691,108 are class C shares.

In April the Board took the decision to convert 458,892 C shares into ordinary shares to be provided to participants in the long-term incentive programme 2016, and on 7 May these were transferred to the incentive programme participants.

DECISIONS AT EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting on 3 June 2019 resolved, in accordance with the Board's proposal, to adopt a long-term incentive programme aimed at senior executives and other key personnel in the Bravida Group. The resolution also included decisions on authorising the Board to issue new C shares, authorising the Board to repurchase C shares and the transfer of ordinary treasury shares.

OTHER EVENTS DURING THE PERIOD

There were no other events to report during the period.

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.

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.

Recognition over time (previously 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.

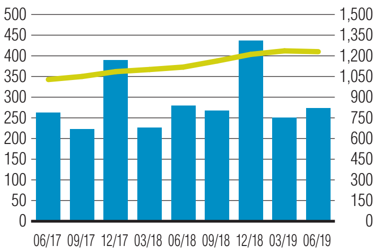
TRANSACTIONS WITH RELATED PARTIES

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

EVENTS AFTER THE BALANCE SHEET DATE

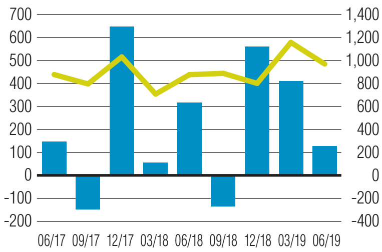
There are no material events to report after the balance sheet date.

ADJUSTED EBITDA (SEK MIL.)



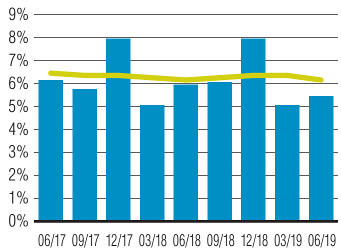
Adjusted EBITA by quarter
Adjusted EBITA, rolling 12 months

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

*Cash flow is affected by IFRS 16 from January 1, 2019

OPERATIONS IN SWEDEN

MARKET

Demand for technical service and installations remains good. Important drivers include the upgrade and refurbishment of public-sector buildings, housing and offices, as well as investment in infrastructure and energy efficiency measures. Confidence indicators for the construction industry are at a normal level.

NET SALES AND EARNINGS

April–June

Net sales in Sweden increased by 3 percent to SEK 2,691 million (2,610). The growth was due to good activity in the service business.

EBITA increased by 4 percent to SEK 176 million (169), resulting in an EBITA margin of 6.6 percent (6.5).

January–June

Net sales increased by 3 percent to SEK 5,298 million (5,144). The growth is attributable to good activity in the service business.

EBITA increased by 9 percent to SEK 322 million (295), resulting in an EBITA margin of 6.1 percent (5.7).

ORDER INTAKE AND ORDER BACKLOG

April–June

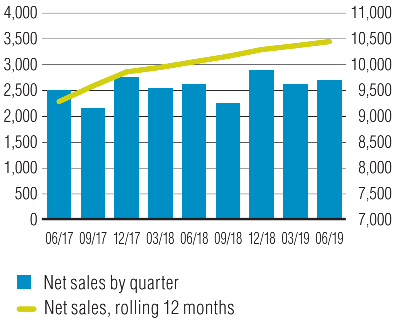
Order intake increased by 4 percent compared with the same period of last year, and amounted to SEK 2,835 million (2,726). Order intake mainly related to small and medium-sized installation projects and service assignments. Order intake for service assignments is recorded at the time of billing.

The order backlog at the end of the quarter was 49 percent higher than at the same point of last year and amounted to SEK 8,115 million (5,452); the order backlog increased by SEK 144 million over the quarter. The order value of the Stockholm Bypass Project amounts to just over SEK 2.7 billion, at 30 June.

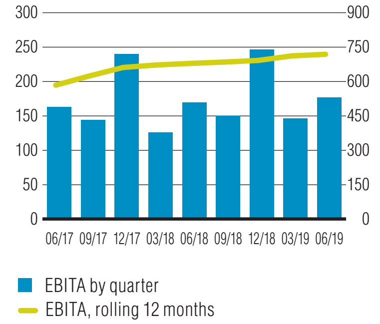
January–June

Order intake increased by 21 percent compared with the same period last year, and amounted to SEK 6,319 million (5,224). The second order for the Stockholm Bypass Project, valued at SEK 1,144 million, was recorded in the period.

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Net sales	2,691	2,610	5,298	5,144	10,279
EBITA	176	169	322	295	692
EBITA margin, %	6.6	6.5	6.1	5.7	6.7
Order intake	2,835	2,726	6,319	5,224	11,978
Order backlog	8,115	5,452	8,115	5,452	7,094
Average number of employees	5,808	5,621	5,808	5,621	5,971

Stockholm County Council ('SLL') is conducting active measures on carbon emissions and the environment and aims to use sustainable, fossil-free fuel for its bus transport. Bravida has been commissioned by SLL to oversee the operation, maintenance and care of biogas facilities at four bus depots in Stockholm.

OPERATIONS IN NORWAY

MARKET

The service and installation market remains good. Key drivers are investment in and maintenance of road and transport infrastructure, new construction and refurbishment of healthcare facilities and new construction of housing. 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

April–June

Net sales increased by 6 percent to SEK 1,199 million (1,136). The growth was due to good service and installation activity. Currency fluctuation had a positive 1 percent impact on net sales. EBITA decreased by 31 percent to SEK 48 million (70), resulting in an EBITA margin of 4.0 percent (6.2). The lower earnings were due to a write-down on two large projects that were included in the order backlog when Oras was acquired. These projects were completed during the quarter.

January–June

Net sales increased by 10 percent to SEK 2,455 million (2,233). Growth is attributable to both service and installation business. Currency fluctuations had a positive 2 percent impact on net sales. EBITA decreased by 29 percent to SEK 92 million (130), resulting in an EBITA margin of 3.8 percent (5.8). The lower earnings were due to a write-down on two large projects that were included in the order backlog when Oras was acquired. These projects have been completed.

ORDER INTAKE AND ORDER BACKLOG

April–June

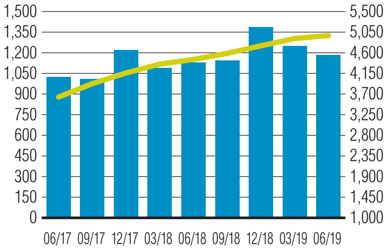
Order intake decreased by 13 percent compared with the same period last year, and amounted to SEK 1,201 million (1,388). Order intake mainly related to small and medium-sized installation projects and service assignments. Last year a large installation project was won at an order value of just over SEK 300 million.

The order backlog at the end of the quarter was 10 percent lower than at the same point last year and amounted to SEK 2,977 million (3,296), while the order backlog increased by SEK 1 million over the quarter.

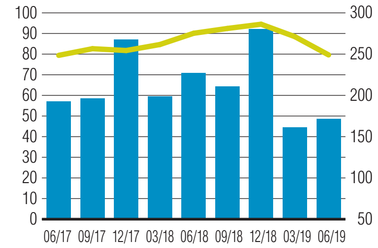
January–June

Order intake increased by 6 percent compared with the same period last year, and amounted to SEK 2,881 million (2,725).

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Net sales	1,199	1,136	2,455	2,233	4,777
EBITA	48	70	92	130	285
EBITA margin, %	4.0	6.2	3.8	5.8	6.0
Order intake	1,201	1,388	2,881	2,725	4,525
Order backlog	2,977	3,296	2,977	3,296	2,552
Average number of employees	2,895	2,852	2,895	2,852	2,994

Outside Oslo, the Vevelstadåsen residential area is preparing parking facilities for electric cars. Just under 700 parking spaces are being upgraded with a new electrical system for charging electric cars. Bravida has been commissioned by Smartfly AS to oversee the new infrastructure. Along with the electrical installations, Bravida is also handling ordering and fitting charging stations for residents.

OPERATIONS IN DENMARK

MARKET

The service and installation market remains good. 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 healthy 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

April–June

Net sales increased by 20 percent to SEK 931 million (778). The increase in net sales is mainly attributable to the service business. Currency translation had a positive 3 percent impact on net sales.

EBITA increased by 7 percent to SEK 39 million (37), resulting in an EBITA margin of 4.2 percent (4.7). The lower margin was due to integration costs related to the five acquisitions completed during the year.

January–June

Net sales increased by 19 percent to SEK 1,773 million (1,485). Sales growth is attributable to both service and installation business. Currency translation had a positive 3 percent impact on net sales.

EBITA increased by 15 percent to SEK 83 million (72), resulting in an EBITA margin of 4.7 percent (4.9).

ORDER INTAKE AND ORDER BACKLOG

April–June

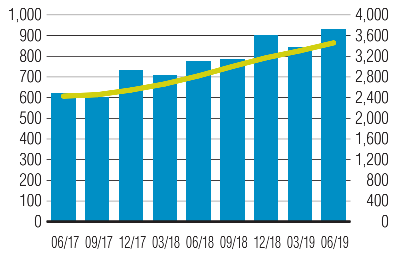
Order intake rose by 27 percent compared with the same period last year, and amounted to SEK 1,054 million (832). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 13 percent higher than at the same point of the previous year and amounted to SEK 2,198 million (1,945); the order backlog increased by SEK 175 million over the quarter.

January–June

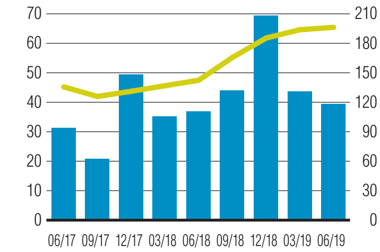
Order intake increased by 25 percent to SEK 2,103 million (1,677).

NET SALES (SEK MIL.)



Net sales by quarter
Net sales, rolling 12 months

EBITA (SEK MIL.)



EBITA by quarter
EBITA, rolling 12 months

SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Net sales	931	778	1,773	1,485	3,171
EBITA	39	37	83	72	185
EBITA margin, %	4.2	4.7	4.7	4.9	5.8
Order intake	1,054	832	2,103	1,677	3,164
Order backlog	2,198	1,945	2,198	1,945	1,787
Average number of employees	1,915	1,798	1,915	1,798	1,830

Ringgadebroen, an iconic bridge in Århus, was turned into a work of art when Bravida was commissioned to realise artist Signe Klej's light artwork 'Hesitation of Light'. When darkness falls, 200 lights and four cameras create a unique light of different colours that illuminates the bridge. The lighting is unique each evening as it is based on that day's sunset. Bravida provided consulting and project management, as well as all installation work.

OPERATIONS IN FINLAND

MARKET

The service and installation market is stable. Construction firms are reporting solid sales, which is contributing to stable demand for technical installations. Key drivers are the new construction and refurbishment of housing and business premises. Confidence indicators for the construction industry are at a normal level.

NET SALES AND EARNINGS

April–June

Net sales were virtually unchanged at SEK 275 million (276). Net sales from the service business increased, while installation business sales decreased. Currency translation had a positive 3 percent impact on net sales.

EBITA was SEK 4 million (-2), resulting in an EBITA margin of 1.5 percent (-0.7).

January–June

Net sales increased by 15 percent to SEK 590 million (511), which was due to the acquisition of Hangö Elektriska Oy in October 2018. Sales growth is attributable to both service and installation business. EBITA was SEK 7 million (-2), resulting in an EBITA margin of 1.2 percent (-0.4). Currency translation had a positive 3 percent impact on net sales.

ORDER INTAKE AND ORDER BACKLOG

April–June

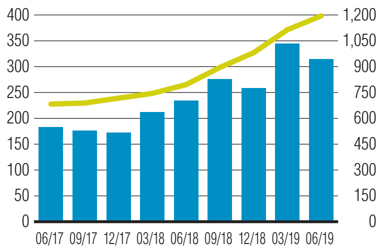
Order intake rose by 132 percent compared with the same period last year, and amounted to SEK 386 million (166). Order intake related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 38 percent higher than at the same point last year and amounted to SEK 615 million (446); the order backlog increased by SEK 111 million over the quarter.

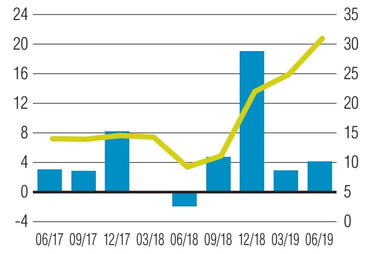
January–June

Order intake rose by 72 percent compared with the same period last year, and amounted to SEK 646 million (376).

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Net sales	275	276	590	511	1,114
EBITA	4	-2	7	-2	22
EBITA margin, %	1.5	-0.7	1.2	-0.4	2.0
Order intake	386	166	646	376	1,022
Order backlog	615	446	615	446	559
Average number of employees	635	543	635	543	599

Saarioinen is one of Finland's leading food industry companies. Bravida has managed the electrical and ventilation systems of the company's 40,000 square-metre production plant in Kangasala in southern Finland for many years. The service agreement covers maintenance of the building's technical systems and minor repair jobs.

FINANCIAL REPORTING

CONSOLIDATED INCOME STATEMENT, SUMMARY

SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018	Jul 2018–Jun 2019
Net sales	**5,087**	**4,790**	**10,100**	**9,347**	**19,305**	**20,058**
Production costs	-4,401	-4,131	-8,756	-8,103	-16,502	-17,156
Gross profit/loss	**686**	**659**	**1,344**	**1,244**	**2,803**	**2,903**
Selling and administrative expenses	-413	-380	-820	-740	-1,596	-1,676
Operating profit/loss	**274**	**279**	**524**	**505**	**1,207**	**1,226**
Net financial items	-16	-7	-40	-16	-16	-40
Profit/loss before tax	**257**	**273**	**484**	**489**	**1,191**	**1,187**
Tax	-56	-61	-104	-109	-235	-231
Profit/loss for the period	**201**	**212**	**380**	**380**	**956**	**956**
Profit/loss for the period attributable to:						
Owners of the parent company	200	210	378	378	951	951
Non-controlling interests	1	1	2	1	5	5
Profit/loss for the period	**201**	**212**	**380**	**380**	**956**	**956**
Basic earnings per share, SEK	0.99	1.05	1.87	1.88	4.73	4.70
Diluted earnings per share, SEK	0.99	1.05	1.86	1.88	4.72	4.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018	Jul 2018–Jun 2019
Profit/loss for the period	**201**	**212**	**380**	**380**	**956**	**956**
Other comprehensive income						
Items that have been or can be transferred to profit/loss for the period						
Translation differences for the period from the translation of foreign operations	27	35	92	122	44	14
Items that cannot be transferred to profit/loss for the period						
Revaluation of defined-benefit pensions	-223	-74	-223	-74	-172	-322
Tax attributable to the revaluation of pensions	48	16	48	16	37	69
Other comprehensive income for the period	**-149**	**-23**	**-84**	**64**	**-91**	**-239**
Comprehensive income for the period	**53**	**189**	**296**	**443**	**865**	**717**
Comprehensive income for the period attributable to:						
Owners of the parent company	51	188	294	442	860	712
Non-controlling interests	1	1	2	1	5	5
Comprehensive income for the period	**53**	**189**	**296**	**443**	**865**	**717**

CONSOLIDATED BALANCE SHEET, SUMMARY

SEK MIL.	30/06/2019	30/06/2018	31/12/2018
Goodwill	8,586	8,150	8,210
Right-of-use assets	952	–	–
Other non-current assets	168	157	168
Total non-current assets	**9,705**	**8,307**	**8,378**
Trade receivables	3,283	3,112	3,378
Income accrued but not invoiced	1,603	1,309	1,235
Other current assets	584	733	598
Cash and cash equivalents	545	604	735
Total current assets	**6,015**	**5,758**	**5,946**
Total assets	**15,720**	**14,065**	**14,324**
Equity attributable to owners of the parent company	5,124	4,793	5,223
Non-controlling interests	16	11	15
Total equity	**5,141**	**4,804**	**5,238**
Non-current liabilities	2,043	2,015	1,967
Lease liabilities	625	–	–
Total non-current liabilities	**2,668**	**2,015**	**1,967**
Lease liabilities	332	–	–
Trade payables	1,919	1,863	2,058
Income invoiced but not accrued	1,907	1,734	1,803
Other current liabilities	3,753	3,649	3,259
Total current liabilities	**7,911**	**7,246**	**7,120**
Total liabilities	**10,579**	**9,261**	**9,086**
Total equity and liabilities	**15,720**	**14,065**	**14,324**
Of which interest-bearing liabilities	3,157	2,500	2,100

CHANGES IN EQUITY

SEK MIL.	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Consolidated equity			
Amount at start of period	5,238	4,662	4,662
Comprehensive income for the period	296	443	865
Dividend	-404	-312	-312
Cost of long-term incentive programmes	12	11	23
Amount at end of period	**5,141**	**4,804**	**5,238**

CONSOLIDATED CASH FLOW STATEMENT, SUMMARY

SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Cash flow from operating activities					
Profit/loss before tax	257	273	484	489	1,191
Adjustments for non-cash items	111	3	197	8	105
Income taxes paid	-49	-95	-94	-161	-219
Change in working capital	-188	138	-41	41	-25
Cash flow from operating activities	**131**	**319**	**545**	**377**	**1,052**
Investing activities					
Acquisitions of subsidiaries and businesses	-164	-63	-281	-104	-237
Other	-4	-3	-14	-7	-12
Cash flow from investing activities	**-168**	**-66**	**-295**	**-111**	**-249**
Financing activities					
Repayment of loans	–	–	-370	-200	-600
New loans	470	–	470	–	–
Repayment of lease liabilities	-90	–	-180	–	–
Change in utilisation of overdraft facility	–	0	–	-1	-1
Dividend paid	-404	-312	-404	-312	-312
Cash flow from financing activities	**-24**	**-313**	**-484**	**-514**	**-914**
Cash flow for the period	**-61**	**-60**	**-233**	**-248**	**-111**
Cash and cash equivalents at start of period	595	660	735	839	839
Translation difference on cash and cash equivalents	10	4	43	12	7
Cash and cash equivalents at end of period	**545**	**604**	**545**	**604**	**735**

PARENT COMPANY INCOME STATEMENT, SUMMARY

SEK MIL.	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Net sales	**47**	**43**	**92**	**85**	**173**
Selling and administrative expenses	-43	-37	-67	-72	-111
Operating profit/loss	**4**	**6**	**25**	**12**	**63**
Net financial items	-3	-5	-18	-8	-5
Profit/loss after net financial items	**1**	**2**	**7**	**5**	**57**
Net Group contributions	–	-1	–	-1	275
Appropriations	–	–	–	–	-84
Profit/loss before tax	**1**	**0**	**7**	**3**	**248**
Tax	–	0	–	0	-55
Profit/loss for the period	**1**	**1**	**7**	**4**	**193**

PARENT COMPANY BALANCE SHEET, SUMMARY

SEK MIL.	30/06/2019	30/06/2018	31/12/2018
Shares in subsidiaries	7,341	7,341	7,341
Total non-current assets	**7,341**	**7,341**	**7,341**
Receivables from Group companies	1,615	1,887	1,608
Current receivables	72	185	61
Total current receivables	**1,687**	**2,072**	**1,668**
Cash and bank balances	375	386	624
Total current assets	**2,062**	**2,458**	**2,292**
Total assets	**9,403**	**9,799**	**9,634**
Restricted equity	4	4	4
Non-restricted equity	4,419	4,603	4,804
Equity	**4,423**	**4,607**	**4,809**
Untaxed reserves	474	390	474
Liabilities to credit institutions	1,100	1,500	1,300
Provisions	1	3	1
Total non-current liabilities	**1,101**	**1,503**	**1,301**
Short-term loans	1,100	1,000	800
Liabilities to Group companies	2,274	2,155	2,212
Current liabilities	32	143	39
Total current liabilities	**3,406**	**3,298**	**3,051**
Total equity and liabilities	**9,403**	**9,799**	**9,634**
Of which interest-bearing liabilities	2,200	2,500	2,100

QUARTERLY DATA

The new IFRS 16 Leases standard has been introduced from 1 January 2019. The financial statements for previous periods, quarterly data and key performance indicators presented in this report have not been restated. Comparable financial figures, quarterly data and key performance indicators are set out in Note 1 and in quarterly data and alternative performance measures as per IAS 17 on subsequent pages.

INCOME STATEMENT, SEK MIL.	Apr–Jun 2019	Jan–Mar 2019
Net sales	5,087	5,013
Production costs	-4,401	-4,355
Gross profit/loss	**686**	**658**
Selling and administrative expenses	-413	-407
Operating profit/loss	**274**	**250**
Net financial items	-16	-24
Profit/loss after financial items	**257**	**227**
Tax	-56	-49
Profit/loss for the period	**201**	**178**
Profit/loss for the period attributable to:		
Owners of the parent company	200	178
Non-controlling interests	1	1
Profit/loss for the period	**201**	**178**

BALANCE SHEET, SEK MIL.	30/06/2019	31/03/2019
Goodwill	8,586	8,347
Other non-current assets	1,120	1,149
Current assets	5,470	5,329
Cash and cash equivalents	545	595
Total assets	**15,720**	**15,421**
Equity	5,141	5,488
Borrowings	1,100	1,100
Non-current liabilities	1,568	1,347
Current liabilities	7,911	7,487
Total equity and liabilities	**15,720**	**15,421**

CASH FLOW, SEK MIL.	Apr–Jun 2019	Jan–Mar 2019
Cash flow from operating activities	131	414
Cash flow from investing activities	-168	-127
Cash flow from financing activities	-24	-460
Cash flow for the period	**-61**	**-172**

KEY FIGURES	Apr–Jun 2019	Jan–Mar 2019
Operating margin (EBIT), %	5.4	5.0
EBITA margin, %	5.4	5.0
Return on equity,* %	18.0	18.0
Net debt	-2,612	-2,115
Net debt/adjusted EBITDA*	1.8	1.6
Cash conversion,* %	113	131
Interest coverage, multiple	19.9	20.9
Equity/assets ratio, %	32.7	35.6
Order intake	5,467	6,465
Order backlog	13,905	13,474
Average number of employees	11,339	11,252
Administration costs as % of sales	8.1	8.1
Working capital as % of sales**	-4.3	-5.3
Basic earnings per share, SEK***	0.99	0.88
Diluted earnings per share, SEK	0.99	0.88
Equity per share, SEK***	25.29	27.07
Cash flow from operating activities per share, SEK***	0.65	2.05
Share price at balance sheet date, SEK	82.30	81.95

*Calculated on rolling 12-month earnings. **Calculated on rolling 12-month sales. ***Calculated on the number of outstanding ordinary shares.

QUARTERLY DATA, AS PER IAS 17

INCOME STATEMENT, SEK MIL.	Apr–Jun 2019	Jan–Mar 2019	Oct–Dec 2018	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017
Net sales	5,087	5,013	5,521	4,437	4,790	4,557	4,927	3,926
Production costs	-4,403	-4,356	-4,577	-3,823	-4,131	-3,972	-4,113	-3,372
Gross profit/loss	**684**	**657**	**944**	**615**	**659**	**585**	**815**	**554**
Selling and administrative expenses	-415	-410	-508	-348	-380	-360	-426	-332
Operating profit/loss	**269**	**247**	**436**	**267**	**279**	**225**	**389**	**222**
Net financial items	-10	-18	10	-10	-7	-9	-15	-11
Profit/loss after financial items	**258**	**229**	**446**	**256**	**273**	**216**	**373**	**211**
Tax	-56	-49	-71	-55	-61	-48	-53	-48
Profit/loss for the period	**203**	**181**	**375**	**202**	**212**	**168**	**320**	**164**

BALANCE SHEET, SEK MIL.	30/06/2019	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018	31/12/2017	30/09/2017
Goodwill	8,586	8,347	8,210	8,153	8,150	8,002	7,844	7,796
Other non-current assets	168	171	168	152	157	154	154	150
Current assets	5,470	5,329	5,211	5,363	5,154	4,684	4,523	4,463
Cash and cash equivalents	546	595	735	438	604	660	839	388
Total assets	**14,770**	**14,443**	**14,324**	**14,107**	**14,065**	**13,500**	**13,360**	**12,796**
Equity	5,144	5,490	5,238	4,988	4,804	4,921	4,662	4,286
Long-term loans	1,100	1,100	1,300	1,500	1,500	1,500	1,700	1,700
Non-current liabilities	943	698	667	539	515	395	356	353
Current liabilities	7,583	7,155	7,120	7,081	7,246	6,684	6,642	6,458
Total equity and liabilities	**14,770**	**14,443**	**14,324**	**14,107**	**14,065**	**13,500**	**13,360**	**12,796**

CASH FLOW, SEK MIL.	Apr–Jun 2019	Jan–Mar 2019	Oct–Dec 2018	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017
Cash flow from operating activities	41	325	807	-132	319	58	650	-144
Cash flow from investing activities	-168	-127	-109	-29	-66	-45	-12	-31
Cash flow from financing activities	66	-370	-400	0	-313	-201	-201	200
Cash flow for the period	**-61**	**-172**	**298**	**-161**	**-60**	**-188**	**437**	**25**

KEY FIGURES	Apr–Jun 2019	Jan–Mar 2019	Oct–Dec 2018	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017
Operating margin (EBIT), %	5.3	4.9	7.9	6.0	5.8	4.9	7.9	5.7
EBITA margin, %	5.3	5.0	7.9	6.0	5.9	5.0	7.9	5.7
Adjusted EBITA margin, %	5.3	5.0	7.9	6.0	5.9	5.0	7.9	5.7
Return on equity,* %	18.0	18.1	18.7	18.4	17.8	17.5	18.3	18.0
Net debt	-1,654	-1,135	-1,365	-2,062	-1,896	-1,841	-1,862	-2,515
Net debt/adjusted EBITDA*	1.3	0.9	1.1	1.7	1.7	1.6	1.7	2.3
Cash conversion,* %	98	124	105	98	99	79	109	90
Interest coverage, multiple	34.4	39.0	58.2	34.3	30.0	32.7	30.0	19.8
Equity/assets ratio, %	34.8	38.0	36.6	35.4	34.2	36.5	34.9	33.5
Order intake	5,467	6,465	6,629	4,046	5,102	4,875	4,620	4,059
Order backlog	13,905	13,474	11,992	10,746	11,139	10,825	10,271	10,635
Average number of employees	11,339	11,252	11,475	11,180	10,893	10,709	10,643	10,452
Administration costs as % of sales	8.2	8.2	9.2	7.8	7.9	7.9	8.6	8.5
Working capital as % of sales**	-4.3	-5.3	-4.9	-3.1	-5.2	-4.7	-5.5	-3.9
Basic earnings per share, SEK***	1.00	0.89	1.85	1.00	1.05	0.83	1.59	0.81
Diluted earnings per share, SEK	0.99	0.89	1.85	1.00	1.05	0.83	1.58	0.81
Equity per share, SEK***	25.31	27.08	25.91	24.67	23.76	24.41	23.13	21.26
Cash flow from operating activities per share, SEK***	0.20	1.61	3.99	-0.65	1.58	0.29	3.23	-0.71
Share price at balance sheet date, SEK	82.30	81.95	61.30	72.90	71.15	59.70	54.85	59.65

*Calculated on rolling 12-month earnings. **Calculated on rolling 12-month sales. ***Calculated on the number of outstanding ordinary shares.

Reconciliation of performance measures, not defined under IFRS.

The company presents certain financial measures in this interim report that are not defined under IFRS. The company considers that 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 therefore be regarded as complementary rather than replacing the measures defined under IFRS. Below are definitions of measures that are not defined under IFRS and that are not mentioned anywhere else in this interim report. Reconciliation of these measures is provided in the table below. Calculations do not always tally because amounts in the table below have been rounded to the nearest million Swedish kronor. See page 23 for definitions of key performance indicators.

RECONCILIATION OF KEY PERFORMANCE MEASURES, NOT DEFINED UNDER IFRS.	Apr–Jun 2019	Jan–Mar 2019
Net debt		
Interest-bearing liabilities	-3,157	-2,710
Cash and cash equivalents	545	595
Total net debt	**-2,612**	**-2,115**
EBITA		
Operating profit, EBIT	274	250
Amortisation and impairment of non-current intangible assets	1	1
EBITA	**274**	**251**
EBITDA		
Operating profit, EBIT	274	250
Depreciation, amortisation and impairment losses	101	101
EBITDA	**374**	**351**
Working capital		
Current assets	6,015	5,925
Cash and cash equivalents	-545	-595
Current liabilities	-7,911	-7,487
Financial lease, current liability	332	332
Short-term loans	1,100	630
Provisions	152	147
Total working capital	**-858**	**-1,048**
Interest coverage ratio		
Profit/loss before tax	257	227
Interest expense	14	11
Total	**271**	**238**
Interest expense	14	11
Interest coverage, multiple	**19.9**	**20.9**
Cash conversion		
12-month EBITDA	1,446	1,358
Non-cash items in EBITDA in last 12 months	70	58
Change in working capital, last 12 months	-108	218
Investments in machinery and equipment, last 12 months	-19	-18
Total operating cash flow	**1,389**	**1,616**
Operating profit/loss, last 12 months	1,226	1,232
Cash conversion, last 12 months, %	113	131

Reconciliation of key performance indicators under IAS 17

RECONCILIATION OF KEY PERFORMANCE MEASURES, NOT DEFINED UNDER IFRS.	Apr–Jun 2019	Jan–Mar 2019	Oct–Dec 2018	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017
Net debt								
Interest-bearing liabilities	-2,200	-1,730	-2,100	-2,500	-2,500	-2,500	-2,701	-2,903
Cash and cash equivalents	546	595	735	438	604	660	839	388
Total net debt	**-1,654**	**-1,135**	**-1,365**	**-2,062**	**-1,896**	**-1,841**	**-1,862**	**-2,515**
EBITA								
Operating profit, EBIT	269	247	436	267	279	225	389	222
Amortisation and impairment of non-current intangible assets	1	1	2	1	1	1	1	1
EBITA	**269**	**248**	**438**	**267**	**280**	**226**	**390**	**223**
EBITDA								
Operating profit, EBIT	269	247	436	267	279	225	389	222
Depreciation, amortisation and impairment losses	8	9	10	8	8	8	9	8
EBITDA	**277**	**256**	**446**	**274**	**287**	**233**	**397**	**231**
Working capital								
Current assets	6,016	5,925	5,946	5,802	5,758	5,344	5,362	4,851
Cash and cash equivalents	-546	-595	-735	-438	-604	-660	-839	-388
Current liabilities	-7,583	-7,155	-7,120	-7,081	-7,246	-6,684	-6,642	-6,458
Short-term loans	1,100	630	800	1,000	1,000	1,000	1,001	1,203
Provisions	152	147	169	135	153	162	172	137
Total working capital	**-861**	**-1,048**	**-940**	**-583**	**-939**	**-837**	**-946**	**-655**
Interest coverage ratio								
Profit/loss before tax	258	229	446	256	273	216	373	211
Interest expense	8	6	8	8	9	7	13	11
Total	**266**	**235**	**454**	**264**	**282**	**223**	**386**	**223**
Interest expense	8	6	8	8	9	7	13	11
Interest coverage, multiple	**34.4**	**39.0**	**58.2**	**34.3**	**30.0**	**32.7**	**30.0**	**19.8**
Cash conversion								
12-month EBITDA	1,253	1,263	1,241	1,192	1,148	1,123	1,107	1,070
Non-cash items in EBITDA in last 12 months.	70	58	69	6	7	17	17	40
Change in working capital, last 12 months	-108	218	-25	-49	-35	-260	63	-148
Investments in machinery and equipment, last 12 months	-19	-18	-12	-15	-17	-20	-21	-28
Total operating cash flow	**1,196**	**1,521**	**1,273**	**1,134**	**1,103**	**860**	**1,166**	**934**
Operating profit/loss, last 12 months	1,219	1,229	1,207	1,160	1,116	1,089	1,072	1,037
Cash conversion, last 12 months, %	98	124	105	98	99	79	109	90

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.

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

IFRS 16 Leases

Bravida has applied IFRS 16 Leases since 1 January 2019. This standard replaces the previous rules for the accounting of leases, such as IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. The Group has opted for a simplified transition method that involves the comparative year, 2018, not being recalculated as though IFRS 16 had been applied. This means that comparative figures for 2018 and earlier periods are recognised according to previously applied accounting policies. The effects of the transition to IFRS 16 are recognised at 1 January 2019.

IFRS 16 mainly affects lessees, with the main effect being that all leases previously recognised as operating leases are now recognised in a way that is similar to the previous recognition financial leases. This means that assets and liabilities are also recognised for operating leases, with related recognition of costs for depreciation/amortisation and interest, in contrast to the previous situation in which leased assets and related liabilities were not recognised and lease payments were accrued on a straight-line basis as a lease expense.

The Group has chosen to apply the options in IFRS 16 not to recognise right-of-use assets and lease liabilities for leases with an assessed lease term of 12 months or less (short-term leases) and for low-value assets (SEK 50,000). Upon transition to IFRS 16, leases ending in 2019 that were not short-term leases when they were entered into are included. In addition, Bravida has chosen to carry out entries and adjustments relating to IFRS 16 at group level. Segment reporting will therefore not be affected and is reported under previous accounting policies.

The Group's leases that will be capitalised mainly relate to leased premises and vehicles. The lease liability has been calculated as the net present value of remaining lease payments, less margin loan interest at 1 January 2019. Margin loan interest has been set per country. The Group has used weighted average margin loan interest of 2 percent in establishing the lease liability in the opening balance at 1 January 2019.

Right-of-use assets have been calculated as the value of the liability at 1 January 2019 plus prepaid lease payments, which were recognised in the balance sheet at 31 December 2018.

Upon transition to IFRS 16 the Group recognised right-of-use assets of SEK 1,045 million and lease liabilities of SEK 1,018 million, SEK 326 million of which are current lease liabilities. The difference between assets and liabilities is due to prepaid lease payments that were recognised as current assets at 31 December 2018, which were classified as right-of-use assets at 1 January 2019. Under IAS 17 operating leases were not recognised in the balance sheet; instead, the disclosure was made in the notes. The recognised lease liabilities under IFRS 16 at the point of transition exceeds the net present value of the minimum lease payments for operating leases, about which information was provided in Note 26 to the 2018 annual accounts. In Note 26 'Lease payments under operating leases' the nominal value of future lease payments amounts to SEK 927 million. Lease liabilities recognised in the balance sheet at the point of transition at 1 January 2019 amount to SEK 1,018 million. The main reason is that the assessment of the length of the lease terms in accordance with IFRS 16 in some cases included extension periods, whereas the Note 26 only includes the non-cancellable term. The difference is also due to future lease payments in Note 26 being recognised at nominal value.

The recognised right-of-use assets are attributable to the following types of asset:

SEK MIL.	30/06/2019	01/01/2019
Property	551	654
Vehicles	400	391
Total right-of-use assets	**952**	**1,045**

IFRS 16 transition effects on assets and liabilities at 1 January 2019

SEK MIL.	Recognised balance sheet items 1 January 2019	Restatement to IFRS 16	Restated balance sheet items 1 January 2019
Non-current assets	8,378	1,045	9,423
Current assets	5,946	-27	5,919
Total assets	**14,324**	**1,018**	**15,342**
Equity	5,238	–	5,238
Non-current liabilities	1,967	692	2,659
Current liabilities	7,120	326	7,446
Total liabilities	**9,086**	**1,018**	**10,104**
Total equity and liabilities	**14,324**	**1,018**	**15,342**

NOTE 1. ACCOUNTING POLICIES, CONT.

Comparative figures if IAS 17 had been applied in 2019

CONSOLIDATED INCOME STATEMENT, SUMMARY, SEK MIL.	IFRS 16 Apr–Jun 2019	IFRS 17 Apr–Jun 2019	IFRS 17 Apr–Jun 2018	IFRS 16 Jan–Jun 2019	IAS 17 Jan–Jun 2019	IAS 17 Jan–Jun 2018
Net sales	**5,087**	**5,087**	**4,790**	**10,100**	**10,100**	**9,347**
Production costs	-4,401	-4,403	-4,131	-8,756	-8,759	-8,103
Gross profit/loss	**686**	**684**	**659**	**1,344**	**1,341**	**1,244**
Selling and administrative expenses	-413	-415	-380	-820	-825	-740
Operating profit/loss	**274**	**269**	**279**	**524**	**516**	**505**
Net financial items	-16	-10	-7	-40	-29	-16
Profit/loss before tax	**257**	**258**	**273**	**484**	**488**	**489**
Tax	-56	-56	-61	-104	-104	-109
Profit/loss for the period	**201**	**203**	**212**	**380**	**383**	**380**
EBITDA	374	277	287	725	533	520
EBITA	274	269	280	526	518	506

CONSOLIDATED BALANCE SHEET, SUMMARY, SEK MIL.	IFRS 16 30/06/2019	IAS 17 30/06/2019	IAS 17 30/06/2018
Goodwill	8,586	8,586	8,150
Right-of-use assets	952	–	–
Other non-current assets	168	168	157
Total non-current assets	**9,705**	**8,753**	**8,307**
Total current assets	**6,015**	**6,016**	**5,758**
Total assets	**15,720**	**14,770**	**14,065**
Total equity	**5,141**	**5,144**	**4,804**
Non-current liabilities	2,043	2,043	2,015
Lease liabilities	625	–	–
Total non-current liabilities	**2,668**	**2,043**	**2,015**
Lease liabilities	332	–	–
Other current liabilities	**7,580**	**7,583**	**7,246**
Total current liabilities	**7,911**	**7,583**	**7,246**
Total liabilities	**10,579**	**9,625**	**9,261**
Total equity and liabilities	**15,720**	**14,770**	**14,065**

CONSOLIDATED CASH FLOW STATEMENT, SEK MIL.	IFRS 16 Apr–Jun 2019	IFRS 17 Apr–Jun 2019	IFRS 17 Apr–Jun 2018	IFRS 16 Jan–Jun 2019	IAS 17 Jan–Jun 2019	IAS 17 Jan–Jun 2018
Cash flow from operating activities						
Profit/loss before tax	257	258	273	484	488	489
Adjustments for non-cash items	111	20	3	197	14	8
Income taxes paid	-49	-49	-95	-94	-94	-161
Change in working capital	-188	-188	138	-41	-41	41
Cash flow from operating activities	**131**	**41**	**319**	**545**	**366**	**377**
Cash flow from investing activities	**-168**	**-168**	**-66**	**-295**	**-295**	**-111**
Financing activities						
Change in loans	470	470	–	100	100	-200
Repayment of lease liabilities	-90	–	–	-180	–	–
Change in utilisation of overdraft facility	–	–	0	–	–	-1
Dividends paid	-404	-404	-312	-404	-404	-312
Cash flow from financing activities	**-24**	**66**	**-313**	**-484**	**-304**	**-514**
Cash flow for the period	**-61**	**-61**	**-60**	**-233**	**-233**	**-248**

NOTE 2. SEGMENT REPORTING AND REVENUE DISTRIBUTION

NET SALES BY COUNTRY

SEK MIL.	Apr–Jun 2019	distri-bution	Apr–Jun 2018	distri-bution	Jan–Jun 2019	distri-bution	Jan–Jun 2018	distri-bution	Jan–Dec 2018	distri-bution
Sweden	2,691	53%	2,610	54%	5,298	52%	5,144	55%	10,279	53%
Norway	1,199	24%	1,136	24%	2,455	24%	2,233	24%	4,777	25%
Denmark	931	18%	778	16%	1,773	18%	1,485	16%	3,171	16%
Finland	275	5%	276	6%	590	6%	511	5%	1,114	6%
Groupwide and eliminations	-8		-10		-16		-25		-36	
Total	**5,087**		**4,790**		**10,100**		**9,347**		**19,305**	

EBITA, EBITA MARGIN AND PROFIT/LOSS BEFORE TAX

SEK MIL.	Apr–Jun 2019	EBITA margin	Apr–Jun 2018	EBITA margin	Jan–Jun 2019	EBITA margin	Jan–Jun 2018	EBITA margin	Jan–Dec 2018	EBITA margin
Sweden	176	6.6%	169	6.5%	322	6.1%	295	5.7%	692	6.7%
Norway	48	4.0%	70	6.2%	92	3.8%	130	5.8%	285	6.0%
Denmark	39	4.2%	37	4.7%	83	4.7%	72	4.9%	185	5.8%
Finland	4	1.5%	-2	-0.7%	7	1.2%	-2	-0.4%	22	2.0%
Groupwide	6		5		21		11		27	
EBITA	**274**	**5.4%**	**280**	**5.9%**	**526**	**5.2%**	**506**	**5.4%**	**1,211**	**6.3%**
Amortisation of intangible assets	-1		-1		-2		-2		-4	
Net financial items	-16		-7		-40		-16		-16	
Profit/loss before tax (EBT)	**257**		**273**		**484**		**489**		**1,191**	

DISTRIBUTION OF REVENUES

	Apr–Jun 2019			Apr–Jun 2018		
REVENUE PER CATEGORY, SEK MIL.	**Service**	**Installation**	**Total**	**Service**	**Installation**	**Total**
Sweden	1,344	1,347	2,691	1,268	1,342	2,610
Norway	593	606	1,199	558	578	1,136
Denmark	407	524	931	302	476	778
Finland	72	203	275	44	232	276
Eliminations	-1	-7	-8	-1	-9	-10
Group	**2,414**	**2,673**	**5,087**	**2,171**	**2,619**	**4,790**

	Jan–Jun 2019			Jan–Jun 2018		
	Service	**Installation**	**Total**	**Service**	**Installation**	**Total**
Sweden	2,600	2,698	5,298	2,503	2,641	5,144
Norway	1,184	1,271	2,455	1,104	1,128	2,233
Denmark	746	1,027	1,773	593	892	1,485
Finland	139	450	590	83	428	511
Eliminations	-2	-14	-16	-9	-17	-25
Group	**4,667**	**5,433**	**10,100**	**4,274**	**5,073**	**9,347**

AVERAGE NUMBER OF EMPLOYEES	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
Sweden	5,808	5,621	5,971
Norway	2,895	2,852	2,994
Denmark	1,915	1,798	1,830
Finland	635	543	599
Groupwide	85	79	81
Total	**11,339**	**10,893**	**11,475**

NOTE 3. ACQUISITION OF OPERATIONS

Bravida made the following acquisitions in the January–June period:

Acquired unit	Country	Technical area	Type	Date	Percentage of votes	Employees	Estimated annual sales, SEK MIL.
Insight Building Automation A/S	Denmark	Automation	Company	January	100%	22	35
Carrier Refrigeration Sweden	Sweden	Cooling	Assets and liabilities	January	–	37	50
Elbolaget Glödlampan AB	Sweden	Electrical	Company	January	100%	18	20
Cura VVS A/S	Denmark	Heating and plumbing, HVAC	Company	March	100%	60	130
H. Helbo Hansen A/S	Denmark	Electrical	Company	March	100%	75	110
Bylunds Elektriska AB	Sweden	Electrical	Company	April	100%	43	40
Buchreitz A/S	Denmark	Electrical	Company	April	100%	45	55
San Tek Kameraövervakning AB	Sweden	Security	Company	May	100%	20	30
MIH VVS ApS	Denmark	Heating and plumbing, HVAC	Company	May	100%	70	100
Jyväskylän LVI-Palvelu Oy	Finland	Heating and plumbing, HVAC	Company	May	100%	10	20
Herberts Rör AB	Sweden	Heating and plumbing, HVAC	Company	June	100%	37	55
El-teknik i Gävle AB	Sweden	Electrical	Company	June	100%	34	40

Effects of acquisitions in 2019

Bravida normally uses an acquisition structure with a fixed purchase price and contingent consideration. The contingent consideration is initially valued at the likely final amount, which for the year's acquisitions is SEK 65 million. The contingent considerations are due for payment within three years. The acquisitions are reported in aggregate form in the table below as individually they are not of sufficient size to justify separate recognition of each acquisition. The acquisition analyses of acquired companies in 2019 are preliminary.

Assets and liabilities included in acquisition	Fair value recognised in the Group, SEK mil.
Intangible assets	0
Property, plant and equipment	3
Trade receivables*	43
Income accrued but not invoiced	5
Other current assets	46
Cash and cash equivalents	33
Non-current liabilities	-6
Trade payables	-19
Income invoiced but not accrued	-1
Other current liabilities	-30
Net identifiable assets and liabilities	74
Consolidated goodwill	**292**
Consideration	366
Cash and cash equivalents, acquired	33
Net effect on cash and cash equivalents	**333**
Cash consideration paid	264
Consideration recognised as a liability**	102
Consideration	**366**

*There were no material impairments of trade receivables. **Of the total consideration recognised as a liability, SEK 65 million is contingent consideration.

Acquisitions after the end of the reporting period

Bravida has acquired one company since the end of the period. In June in Sweden it acquired Karby VVS AB with 14 employees and annual sales of around SEK 40 million, with completion in September.

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 contingent consideration are recognised at fair value in the balance sheet.

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, 19 July 2019
Bravida Holding AB

Fredrik Arp
Chairman

Jan Johansson
Director

Mikael Norman
Director

Marie Nygren
Director

Staffan Påhlsson
Director

Cecilia Daun Wennborg
Director

Mattias Johansson
CEO and Group President

Jan Ericson
Employee representative

Geir Gjestad
Employee representative

Anders Mårtensson
Employee representative

Örnulf Thorsen
Employee representative

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 11:30 CET on 19 July 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

Interim Report July–September	6 November
Interim Report October–December	13 February 2020

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 amortisation and impairment of non-current intangible assets. EBITA is the key figure and performance indicator that is used for internal operational 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 item improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

ADJUSTED EBITDA MARGIN*
EBITDA 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 and adjustment for non-cash items in EBITDA 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*
EBITDA 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, and current lease liabilities. 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 16 for reconciliation of performance measures.

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, 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, heat pumps, etc.

HEATING & 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
Relates to other technical areas such as security, sprinklers, cooling, power, and lifts, as well as project management and service management.

THIS IS BRAVIDA

Bravida helps customers with the service and installation of technical functions in properties and industrial facilities. Our aim is for each service and installation project to make a property better and more energy efficient.

Our mission

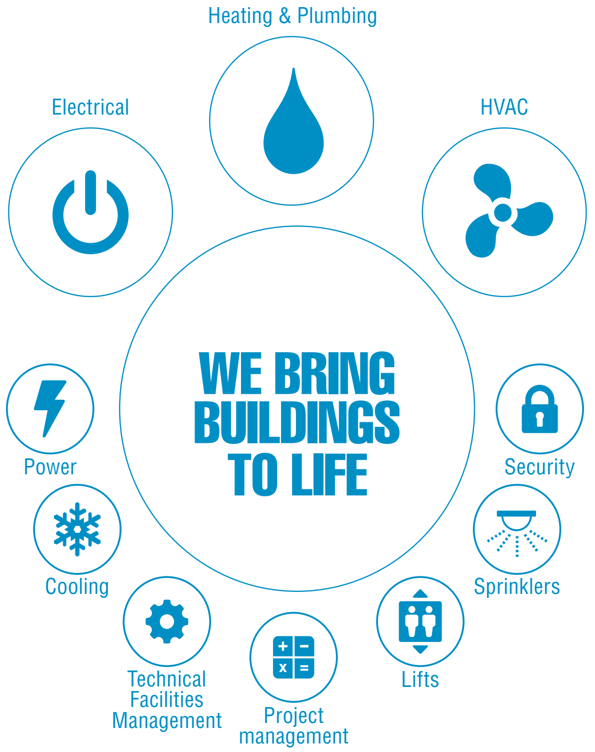
We offer technical end-to-end solutions over the life of a property, from consulting and design to installation and service. We are a large company with a local presence across the Nordics. We meet customers locally and take long-term responsibility for our work. Our employees are our most important 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 sustainable growth, stability and leadership in the sector.



SERVICE		INSTALLATION
Operation & maintenance	Refurbishment & extension work	New-builds

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 within service
▶ Proactive sales
▶ Comprehensive solutions
▶ More cooperation involving multiple technical areas

GROWTH THROUGH ACQUISITIONS

▶ Continual acquisition process
• We acquire companies that help us become the local market leader in selected regions.
▶ Acquisitions should contribute at least one of the following:
• Strengthening our local offering
• Complementing our technical offering
• Providing geographical expansion

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.

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.
• Coordination of purchasing generates economies of scale and cost-effectiveness.

▶ Continual financial monitoring
• Continual financial monitoring at all levels of the company.

STABLE CASH FLOW

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

Sustainable company

Bravida's sustainability work is an integral part of our business. Our priority sustainability issues are good health and safety, sustainable use of resources and good business ethics. These are supported by our working methods and values.

GOOD HEALTH AND SAFETY

▶ Active health and safety work
• Focus on employee safety, and physical and mental health.
▶ A culture promoting good health and safety
• Collective responsibility to contribute to a pleasant and safe work environment.

SUSTAINABLE USE OF RESOURCES

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

▶ Energy efficiency in customer properties
• Cooperation with customers to reduce the consumption of energy and resources in their properties and industrial facilities.
▶ Sustainable products
• Environmental assessment of materials and products.

GOOD BUSINESS ETHICS

▶ Internal culture
• Active measures to maintain a healthy corporate culture with good values.
▶ Suppliers
• Continual sustainability assessment of suppliers.

Attractive employer

Access to capable employees is vital to Bravida's success and growth, but competition for labour is tough. That's why we're focusing more on recruiting, retaining and developing the best leaders and employees.

DEVELOPING EMPLOYEES AND LEADERS

▶ Employees
• Professional development through work. The Bravida School supports our employees. Career paths in the Group.
▶ Leaders and leadership
• Bravida's activities to recruit, assess, develop and support its leaders.

RECRUITMENT AND INTEREST IN THE INDUSTRY

▶ Coordinated activities
• Workforce management, coordinated recruitment activities, development of Bravida's employer brand

▶ Boosting interest in the industry
• Presence at institutes of technology.
• Apprentice programmes.

DIVERSITY AND INCLUSIVE CULTURE

▶ Policies, goals and action for gender equality and diversity
▶ Zero tolerance of harassment and discriminatory treatment
▶ Code of Conduct
• Whistleblower function

Market leader

Bravida's objective is to be the largest or second-largest player in all the locations where we choose to operate. To achieve this we need a well-organised and profitable business at each of our branches.
Our recipe for success is called the Bravida Way.

BRAVIDA WAY GENERATES SATISFIED CUSTOMERS

▶ Shared working methods
• Provide a systematic way of monitoring and improving each aspect of our business.
▶ Good organisation in our projects and assignments leads to satisfied customers.

A STRONG BRAND

▶ Strong branches make for a strong brand
• The same high quality in all locations. We want each branch to be considered the best local provider.

PROACTIVE STEPS TOWARDS THE FUTURE

▶ Continued growth in installation
• Systematic sales-related measures, cooperation between technical areas
▶ Focus on service.
• Strengthen our position as the Nordic leader in service
▶ Digitalisation
• Increased digitalisation of customer relationships, offerings and internal processes will make us the industry leader.

BRINGING BUILDINGS TO LIFE

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