

INTERIM REPORT

April–June 2020

APRIL–JUNE 2020

- Net sales increased by 6% to SEK 5,382 million (5,087)
- Organic growth was 3% (-1)
- The order backlog was 8% higher at SEK 14,952 million (13,905)
- EBITA increased by 16% to SEK 317 million (274)
- The EBITA margin was 5.9% (5.4)
- Profit after tax was SEK 238 million (201)
- Cash flow from operating activities was SEK 728 million (131)
- Net debt amounted to SEK -1,185 million (-2,612)
- Six acquisitions were completed in the quarter, adding annual sales of approximately SEK 363 million
- Basic and diluted earnings per share were SEK 1.17 (0.99)

JANUARY–JUNE 2020

- Net sales increased by 7% to SEK 10,783 million (10,100)
- Organic growth was 2% (2)
- EBITA increased by 12% to SEK 589 million (526)
- The EBITA margin was 5.5% (5.2)
- Profit after tax was SEK 433 million (380)
- Cash flow from operating activities was SEK 1,288 million (545)
- 10 acquisitions were completed in the period, adding annual sales of approximately SEK 602 million
- Basic earnings per share were SEK 2.14 (1.87) and diluted earnings per share were SEK 2.14 (1.86)

Financial overview

| SEK MIL. | Apr–Jun 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 | Jul 2019– Jun 2020 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Net sales | 5,382 | 5,087 | 10,783 | 10,100 | 20,404 | 21,087 |
| Operating profit (EBIT) | 317 | 274 | 588 | 524 | 1,224 | 1,287 |
| Operating margin (EBIT), % | 5.9 | 5.4 | 5.5 | 5.2 | 6.0 | 6.1 |
| EBITA | 317 | 274 | 589 | 526 | 1,226 | 1,290 |
| EBITA margin, % | 5.9 | 5.4 | 5.5 | 5.2 | 6.0 | 6.1 |
| Profit/loss after tax | 238 | 201 | 433 | 380 | 884 | 938 |
| Cash flow from operating activities | 728 | 131 | 1,288 | 545 | 1,599 | 2,341 |
| Cash conversion, % 12 m | 149 | 98 | 149 | 98 | 115 | 149 |
| Net debt/EBITDA, 12 m | 0.7 | 1.8 | 0.7 | 1.8 | 1.3 | 0.7 |
| Order intake | 5,346 | 5,467 | 11,078 | 11,932 | 22,534 | 21,679 |
| Order backlog | 14,952 | 13,905 | 14,952 | 13,905 | 14,485 | 14,952 |



ORGANIC GROWTH, IMPROVED EBITA MARGIN AND STRONG CASH FLOW

Bravida had a strong second quarter of 2020, with positive earnings performance, organic growth and good cash flow. Installation operations have been largely unaffected by the pandemic, but servicing sales have decreased.

The ongoing Covid-19 pandemic has had a bearing on Bravida's second quarter of 2020, as it has on society in general. So far the overall impact of the pandemic on our business has been surprisingly small.

The level of production within installation has been good, and only a few worksites have been closed because of the pandemic. The servicing business, however, has been negatively affected, as in many cases we have not had access to servicing sites because of precautionary measures in place. In most cases, cancelled servicing jobs have only been postponed and will be carried out at later date.

ORGANIC GROWTH AND IMPROVED EBITA MARGIN

It is really positive that, despite the Covid-19 pandemic, we have achieved our estimate from 2019 for organic growth in the first half of 2020. Net sales increased by 6 percent in the quarter, which is above Bravida's growth target. Organic growth was 3 percent and acquisitions contributed 6 percent growth, while the weaker Norwegian krone had a negative effect of 3 percentage points.

The EBITA margin increased to 5.9 percent in the quarter. Margins improved in Norway, Denmark and Finland.

Order intake was slightly lower than last year, which was entirely due to lower activity in the servicing business as well as currency effects. Our strong order backlog, which only contains installation projects, remains solid. The order backlog increased slightly in Sweden and Norway, but decreased somewhat in Denmark and Finland.

STRONG CASH FLOW AND LOW DEBT

Cash flow for the quarter was strong and cash conversion was 149 percent, which is well above our target. Our net debt decreased in the quarter by SEK 513 million and is now at a record low.

ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA

So far this year we have made thirteen acquisitions, six of which were in the second quarter and three were in July. The acquisitions add annual sales of approximately SEK 725 million. During the quarter Bravida acquired two solar cell companies, one each in Sweden and Finland. The acquisitions expand our customer offering in low-carbon solutions and our expertise in a rapidly growing area of technology. Our strong cash flow and low debt will provide us with continued opportunities to make acquisitions in future. However, because of the uncertainty in the market we believe that acquisition activity will temporarily be less intensive.

SUSTAINABILITY

Minimising occupational injuries is one of our key objectives.



Occupational injuries have decreased by 18 percent over the last 12 months and LTIR (lost time injury rate) was 9.6 (11.7). The LTIR is still too high and progress on this differs from country to country.

Our ultimate aim is to eliminate occupational injuries, while our medium-term goal is an LTIR of below 5.5. Bravida is continually endeavouring to improve injury prevention measures.

OUTLOOK

Bravida has a well-balanced level of risk and our business is diversified. We have a presence in around 160 locations in the Nordic region and more than 55,000 customers across different segments. Our geographical diversification, our broad offering and our solid and differentiated customer base provide us with low exposure to individual markets and customers.

During times of uncertainty like the Covid-19 pandemic, customers prefer to sign service agreements and commission installation projects from reliable suppliers, which could generate good business opportunities for Bravida.

Market development is uncertain because of the ongoing pandemic. My expectation over the next few quarters, however, is that the installation business will remain solid and that the servicing business will gradually return to normal levels, as I am confident that our customers see the value in well-maintained properties.

Mattias Johansson, Stockholm, July 2020



CONSOLIDATED EARNINGS OVERVIEW

NET SALES

April–June

Net sales increased by 6 percent to SEK 5,382 million (5,087). Organic growth was 3 percent, acquisitions boosted net sales by 6 percent and currency effects had a negative impact of -3 percent. Net sales rose in Sweden, Denmark and Finland.

Compared with the second quarter of 2019, net servicing sales decreased by 4 percent, while net installation sales rose by 14 percent. The servicing business accounted for 43 percent (47) of total net sales.

Order intake amounted to SEK 5,346 million (5,467), a decrease of 2 percent. Order intake was higher in Sweden but lower in other countries. The order backlog at 30 June was 8 percent higher than at the same point last year and amounted to SEK 14,952 million (13,905). The order backlog, including acquisitions, decreased by SEK 33 million in the quarter. The order backlog only includes installation projects.

January–June

Net sales increased by 7 percent to SEK 10,783 million (10,100). Organic growth was 2 percent, acquisitions boosted net sales by 6 percent and currency effects had a negative impact of -1 percent. Net sales rose in Sweden, Denmark and Finland. We had organic growth in Sweden, Denmark and Finland.

Compared with the same period in 2019, servicing business increased by 3 percent and installation business by 10 percent. The servicing business accounted for 45 percent (46) of total net sales.

Order intake amounted to SEK 11,078 million (11,932), a decrease of 7 percent. The comparatively lower order intake is due to us receiving an order worth SEK 1,144 million last year relating to the Stockholm Bypass Project. Order intake was lower in Sweden and Norway, but was higher in Denmark and Finland. The order backlog, including acquisitions, rose by SEK 467 million in the period.

EARNINGS

April–June

Operating profit was SEK 317 million (274). EBITA increased by 16 percent to SEK 317 million (274), resulting in an EBITA margin of 5.9 percent (5.4). The EBITA margin improved in Norway, Denmark and Finland, but was lower in Sweden. Group-wide income was SEK -2 million (6). Net financial items amounted to SEK -13 million (-16). Profit after financial items was SEK 303 million (257). Profit after tax was SEK 238 million (201). Basic and diluted earnings per share increased by 18 percent to SEK 1.17 (0.99).

January–June

Operating profit was SEK 588 million (524). EBITA increased by 12 percent to SEK 589 million (526), resulting in an EBITA margin of 5.5 percent (5.2). The EBITA margin improved in Norway, Denmark and Finland, but was lower in Sweden. Group-wide income was SEK 8 million (21). Net financial items amounted to SEK -35 million (-40). Profit after financial items was SEK 553 million (484). Profit after tax was SEK 433 million (380). Basic earnings per share increased by 14 percent to SEK 2.14 (1.87). Diluted earnings per share were SEK 2.14 (1.86).

DEPRECIATION AND AMORTISATION

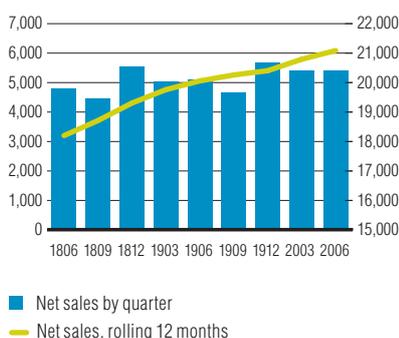
Depreciation and amortisation in the quarter totalled SEK -104 million (-101), SEK -96 million (-93) of which related to the amortisation of right-of-use assets. Depreciation and amortisation in the period totalled SEK -211 million (-201), SEK -193 million (-185) of which related to the amortisation of right-of-use assets.

TAX

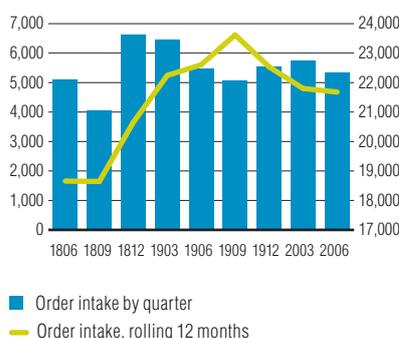
The tax expense for the quarter was SEK -66 million (-56). Profit before tax was SEK 303 million (257). The effective tax rate for the quarter was 22 percent (22). Tax paid totalled SEK 52 million (49).

The tax expense for the period was SEK -120 million (-104). Profit before tax was SEK 553 million (484). The effective tax rate for the period was 22 percent (22). Tax paid totalled SEK 124 million (94).

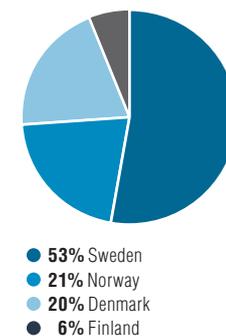
NET SALES (SEK MIL.)



ORDER INTAKE (SEK MIL.)



NET SALES BY COUNTRY, JAN–JUN 2020



**CASH FLOW****April–June**

Cash flow from operating activities was SEK 728 million (131). The higher cash flow was mainly due to reduced working capital. Working capital has improved as a result of current liabilities increasing and current receivables decreasing. Bravida's operations in Norway and Denmark have been granted a temporary extension of time for the payment of taxes and charges because of the Covid-19 pandemic, with the total amounting to SEK 277 million at 30 June. Cash flow from investing activities was SEK -146 million (-168), of which acquisitions of subsidiaries and businesses totalled SEK -139 million (-164). Cash flow from financing activities, which refers to net repayment of borrowing, amortisation of lease liabilities and the payment of dividends, was SEK -590 million (-24). Cash flow for the quarter was SEK -8 million (-61).

12-month cash conversion was 149 percent (98).

January–June

Cash flow from operating activities was SEK 1,288 million (545). The higher cash flow was mainly due to reduced working capital. Working capital has improved as a result of current liabilities increasing. Bravida's operations in Norway and Denmark have been granted a temporary extension of time for the payment of taxes and charges because of the Covid-19 pandemic, with the total amounting to SEK 277 million at 30 June. Cash flow from investing activities was SEK -227 million (-295), of which acquisitions of subsidiaries and businesses totalled SEK -217 million (-281). Cash flow from financing activities, which refers to net repayment of borrowing and amortisation of lease liabilities, was SEK -860 million (-484). Cash flow for the period was SEK 200 million (-233).

FINANCIAL POSITION

Bravida's net debt at 30 June was SEK -1,185 million (-2,612), which corresponds to a capital structure (net debt/adjusted EBITDA) ratio of 0.7 (1.8). Net debt has been positively affected by decisions relating to the Covid-19 pandemic, the withdrawal of the dividend proposal and a temporary extension of time for the payment of taxes and charges in Norway and Denmark. Consolidated cash and cash equivalents were SEK 1,103 million (545).

Interest-bearing liabilities totalled SEK -2,288 million (-3,157), of which commercial paper accounted for SEK -120 million (-1,100) and financial leases SEK -949 million (-957). On 21 April Bravida signed a temporary loan facility for SEK 500 million. The loan agreement is for 1 year.

Total credit facilities amounted to SEK 3,000 million (2,700), of which SEK 2,300 million (1,568) was unused at 30 June.

At the end of the period, equity totalled SEK 5,819 million (5,141). The equity/assets ratio was 34.6 percent (32.7).

ACQUISITIONS

Six acquisitions were completed in the quarter, adding a total of SEK 363 million in annual sales. Five acquisitions were made in Sweden, adding a total of around SEK 267 million in annual sales. The acquired companies operate in the solar cell, security, electrical, cooling and HVAC segments. One acquisition was completed in Finland, of a company in the solar cell segment, adding around SEK 96 million in annual sales.

Four acquisitions were completed in the first quarter; two in Sweden, one in Denmark and one in Norway, adding SEK 239 million in annual sales.

EMPLOYEES

The average number of employees at 30 June was 11,940 (11,339), an increase of 5 percent.

OCCUPATIONAL INJURIES

Reported occupational injuries that led to at least one day's sickness absence decreased by 18 percent over the past 12 months to a LTIR (lost time injury rate) of 9.6 (11.7).

In Sweden the LTIR was 9.4, in Norway it was 4.3, in Denmark 14.3 and in Finland 20.5. LTIR decreased in all countries. Our target is an LTIR of <5.5 and an ultimate target of zero workplace accidents.

PARENT COMPANY

Revenues for the quarter were SEK 49 million (47) and income after net financial items was SEK -1 million (1). Revenues for the January–June period were SEK 97 million (92) and earnings after net financial items were SEK -1 million (7).

NET SALES AND GROWTH

| SEK MIL. | Apr–Jun 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 5,382 | 5,087 | 10,783 | 10,100 | 20,404 |
| Change | 295 | 297 | 683 | 753 | 1,099 |
| Change, % | 5.8 | 6.2 | 6.8 | 8.1 | 5.7 |
| Of which | | | | | |
| Organic growth, % | 3 | -1 | 2 | 2 | 0 |
| Acquisitions, % | 6 | 6 | 6 | 5 | 5 |
| Currency effects, % | -3 | 1 | -1 | 1 | 1 |

**SHAREHOLDER INFORMATION**

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 30 June Bravida had 9,458 shareholders. The five largest shareholders were Mawer Investment Management funds, Swedbank Robur, Lannebo funds, funds, the Fourth National Pension Insurance Fund (AP4) and SEB funds. Mawer Investment Management funds hold just over 10 percent of the votes.

The listed share price at 30 June 2020 was SEK 89.05, which corresponds to a market capitalisation of SEK 18,075 million based on the number of ordinary shares. Total shareholder return over the past 12 months was 8.2 percent.

Share capital totals SEK 4 million, divided among 203,316,598 shares, of which 202,975,544 are ordinary shares and 341,054 are class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

OTHER EVENTS DURING THE PERIOD

In May the Board took the decision to convert 350,054 C shares into ordinary shares to be provided to participants in the long-term incentive programme 2017, and on 8 May these were transferred to the incentive programme participants.

FINANCIAL TARGETS UPDATED ON 04/03/2020

- Sales growth: over 5 percent a year
- EBITA margin: over 7 percent
- Cash conversion: over 100 percent
- Net debt/EBITDA: under 2.5x
- Dividend: over 50 percent of net profit

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 servicing and maintenance is less sensitive to economic fluctuations.

The impact of the Covid-19 pandemic on our business remains uncertain, with a risk to the health of employees, customers and suppliers and of a decline in the financial position.

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.

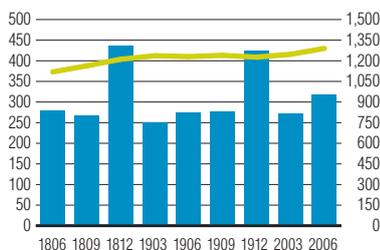
TRANSACTIONS WITH RELATED PARTIES

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

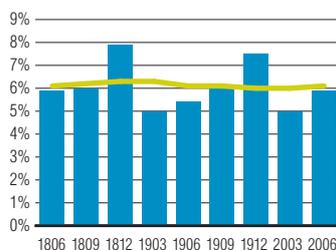
EVENTS AFTER THE BALANCE SHEET DATE

Ingegerd Engquist, Head of HR and member of Group management, left Bravida on 3 July to take on new challenges outside Bravida.

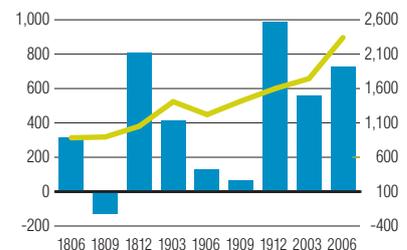
On 3 July Bravida acquired three heating and plumbing companies in Denmark from the same owner with sales of approximately SEK 125 million and 68 employees.

EBITA (SEK MIL.)

■ EBITA by quarter
— EBITA, rolling 12 months

EBITA MARGIN

■ EBITA margin per quarter
— EBITA margin, 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

*Cash flow affected by IFRS 16 from 1 January 2019.



OPERATIONS IN SWEDEN

MARKET

The Covid-19 pandemic has led to a decrease in demand for servicing, while demand for technical installations has been stable. The ongoing pandemic is leading to uncertainty in market development, but we believe that the servicing market will return to normal levels and that demand will remain stable in the installation market.

NET SALES AND EARNINGS

April–June

Net sales in Sweden increased by 10 percent to SEK 2,961 million (2,691). The increase in net sales was attributable to both servicing and installation business. Organic growth was 5 percent.

EBITA increased by 8 percent to SEK 190 million (176), while the EBITA margin decreased to 6.4 percent (6.6).

January–June

Net sales in Sweden increased by 9 percent to SEK 5,768 million (5,298). The increase in net sales was attributable to both servicing and installation business. Organic growth was 4 percent.

EBITA increased by 7% to SEK 345 million (322), while the EBITA margin decreased to 6.0% (6.1).

ORDER INTAKE AND ORDER BACKLOG

April–June

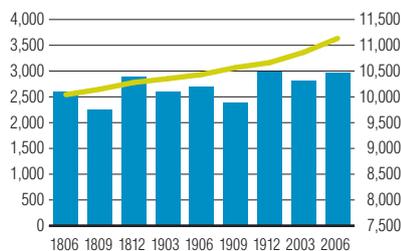
Order intake increased by 9 percent to SEK 3,096 million (2,835). Order intake mainly related to small and medium-sized installation projects and servicing assignments.

The order backlog at the end of the quarter was 14 percent higher than for the same period last year and amounted to SEK 9,245 million (8,115). The order backlog rose by SEK 135 million in the quarter.

January–June

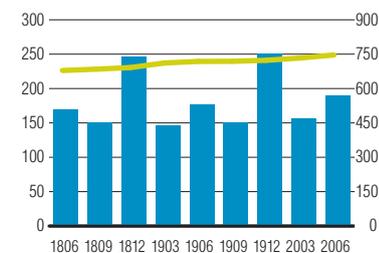
Order intake decreased by 5 percent to SEK 5,993 million (6,319). The decrease was as a result of a high comparative figure as an order of SEK 1,144 million relating to the Stockholm Bypass Project was received last year.

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 2020 | Apr–Jun 2010 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 2,961 | 2,691 | 5,768 | 5,298 | 10,664 |
| EBITA | 190 | 176 | 345 | 322 | 723 |
| EBITA margin, % | 6.4 | 6.6 | 6.0 | 6.1 | 6.8 |
| Order intake | 3,096 | 2,835 | 5,993 | 6,319 | 12,358 |
| Order backlog | 9,245 | 8,115 | 9,245 | 8,115 | 9,020 |
| Average number of employees | 5,934 | 5,808 | 5,922 | 5,808 | 5,887 |



Overseeing installation work through constructive cooperation. A few years ago Bravida was commissioned to project-manage electrical, heating and plumbing, and HVAC for the refurbishment of 108 student accommodation units in an old building at the Swedish University of Agricultural Sciences in Uppsala. The project was conducted with particular consideration to the building's age and character, while the advanced refurbishment faced numerous challenges requiring effective cooperation between all parties involved. Bravida carried out all installations through coordination with NCC and Akademiska Hus, and the project was completed in Summer 2020.



OPERATIONS IN NORWAY

MARKET

The Covid-19 pandemic has led to a decrease in demand for servicing, while demand for technical installations has been stable. The ongoing pandemic is leading to uncertainty in market development, but we believe that the servicing market will return to normal levels, while demand on the installation market will decrease because of lower demand for new-build homes and commercial premises.

NET SALES AND EARNINGS

April–June

Net sales decreased by 13 percent to SEK 1,048 million (1,199). Net sales decreased by 1 percent in local currency. Currency fluctuations had a negative 12 percent impact on net sales. Net sales from the installation business increased, while servicing business sales decreased in the quarter. Organic growth was negative at -2 percent.

EBITA increased by 38 percent to SEK 67 million (48), resulting in an improved EBITA margin of 6.4 percent (4.0). Last year's earnings were impacted by two large write-downs.

January–June

Net sales decreased by 8 percent to SEK 2,262 million (2,455). Net sales were unchanged in local currency. Currency fluctuations

had a negative 8 percent impact on net sales. Organic growth was negative at -1 percent.

EBITA increased by 31 percent to SEK 121 million (92), resulting in an improved EBITA margin of 5.3 percent (3.8). Last year's earnings were impacted by two large write-downs.

ORDER INTAKE AND ORDER BACKLOG

April–June

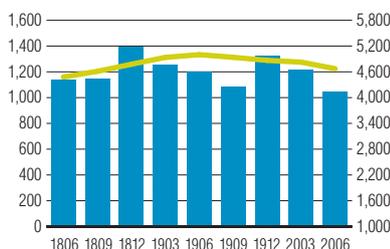
Order intake decreased by 11 percent to 1,067 million (1,201), while in local currency order intake increased by 4 percent. Order intake mainly related to small and medium-sized installation projects and servicing assignments.

The order backlog at the end of the quarter was 21 percent lower than for the same period last year and amounted to SEK 2,359 million (2,977). The order backlog decreased by 10 percent in local currency. The order backlog rose by SEK 20 million in the quarter.

January–June

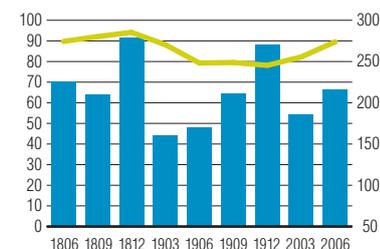
Order intake decreased by 28 percent to 2,068 million (2,881), while in local currency order intake decreased by 8 percent. Order intake mainly related to small and medium-sized installation projects and servicing assignments.

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 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 1,048 | 1,199 | 2,262 | 2,455 | 4,867 |
| EBITA | 67 | 48 | 121 | 92 | 245 |
| EBITA margin, % | 6.4 | 4.0 | 5.3 | 3.8 | 5.0 |
| Order intake | 1,067 | 1,201 | 2,068 | 2,881 | 4,867 |
| Order backlog | 2,359 | 2,977 | 2,359 | 2,977 | 2,553 |
| Average number of employees | 2,936 | 2,895 | 2,936 | 2,895 | 2,975 |



Installation of energy-efficient solar array for Norsk Kylling AS. Orkanger, Trondheim is where food company Norsk Kylling is building an energy-efficient production facility. Bravida has been tasked with delivering a comprehensive installation package comprising heating and plumbing, HVAC and electrical, as well as installation of a solar array to cover the energy requirements, for the entire building. The customer NHP Eiendom is delighted with the ongoing work and the facility is due for completion by autumn 2021.



OPERATIONS IN DENMARK

MARKET

The Covid-19 pandemic has led to a decrease in demand for servicing, while demand for technical installations has been stable. The ongoing pandemic is leading to uncertainty in market development, but we believe that the servicing market will return to normal levels and that demand will remain stable in the installation market.

NET SALES AND EARNINGS

April–June

Net sales increased by 13 percent to SEK 1,052 million (931). The increase in net sales was attributable to the installation business, while net sales for servicing decreased. Organic growth was 0 percent. Currency fluctuations had a negligible impact on net sales.

EBITA increased by 35 percent to SEK 53 million (39), resulting in an improved EBITA margin of 5.0 percent (4.2). Last year’s earnings were impacted by high integration costs relating to several acquisitions.

January–June

Net sales increased by 19 percent to SEK 2,119 million (1,773). The increase in net sales was attributable to installation business. Organic growth was 2 percent. Currency fluctuations had a positive 1 percent impact on net sales. EBITA increased by 25 percent to SEK 104 million (83), resulting in an improved EBITA margin of 4.9 percent (4.7).

ORDER INTAKE AND ORDER BACKLOG

April–June

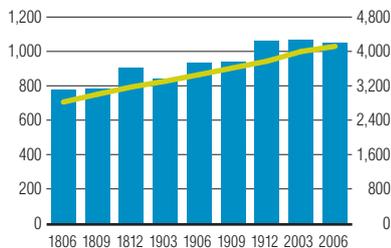
Order intake decreased by 14 percent to SEK 903 million (1,054). In local currency order intake decreased by 1 percent. Order intake mainly related to small and medium-sized installation projects and servicing assignments.

The order backlog at the end of the quarter was 9 percent higher than for the same period last year and amounted to SEK 2,398 million (2,198). The order backlog decreased by SEK 157 million in the quarter, while in local currency order backlog decreased by 1 percent.

January–June

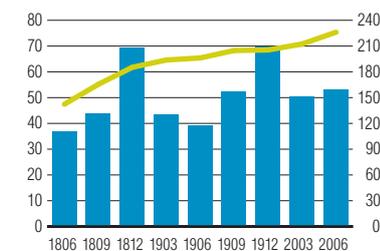
Order intake increased by 3 percent to SEK 2,159 million (2,103). Order intake mainly related to small and medium-sized installation projects and servicing assignments.

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 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 1,052 | 931 | 2,119 | 1,773 | 3,773 |
| EBITA | 53 | 39 | 104 | 83 | 206 |
| EBITA margin, % | 5.0 | 4.2 | 4.9 | 4.7 | 5.4 |
| Order intake | 903 | 1,054 | 2,159 | 2,103 | 4,049 |
| Order backlog | 2,398 | 2,198 | 2,398 | 2,198 | 2,196 |
| Average number of employees | 2,269 | 1,915 | 2,269 | 1,915 | 2,173 |



Optimal indoor climate through advanced technology. From 2020 a new centre in Vejle will be where police officers in western Denmark are taught. The construction project comprises a number of existing buildings and new-build work totalling 20,000 square metres. Bravida is installing HVAC and CTS control of heating, plumbing and cooling. The CTS assignment features a comprehensive building automation system of more than 160 zones, and Bravida’s task includes ensuring optimal indoor climate and minimal energy consumption.



OPERATIONS IN FINLAND

MARKET

The Covid-19 pandemic has led to a decrease in demand for servicing, while demand for technical installations has been stable. The ongoing pandemic is leading to uncertainty in market development, but we believe that the servicing market will return to normal levels and that demand will remain stable in the installation market.

NET SALES AND EARNINGS

April–June

Net sales increased by 19 percent to SEK 328 million (275). The increase in net sales was mainly attributable to the installation business. Organic growth was 12 percent. Currency fluctuations had a negligible impact on net sales.

EBITA increased by 138 percent to SEK 10 million (4), resulting in an improved EBITA margin of 3.0 percent (1.5).

January–June

Net sales increased by 11 percent to SEK 653 million (590). The increase in net sales was mainly attributable to the installation business. Organic growth was 5 percent. Currency fluctuations had a positive 1 percent impact on net sales.

EBITA increased by 56 percent to SEK 11 million (7), resulting in an improved EBITA margin of 1.7 percent (1.2).

ORDER INTAKE AND ORDER BACKLOG

April–June

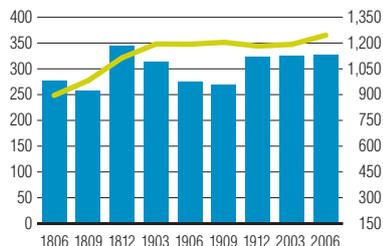
Order intake decreased by 26 percent to SEK 286 million (386). In local currency order intake decreased by 11 percent. Order intake mainly related to small and medium-sized installation projects and servicing assignments.

The order backlog at the end of the quarter was 55 percent higher than for the same period last year and amounted to SEK 950 million (615). The order backlog decreased by SEK 30 million in the quarter, while in local currency order backlog increased by 3 percent.

January–June

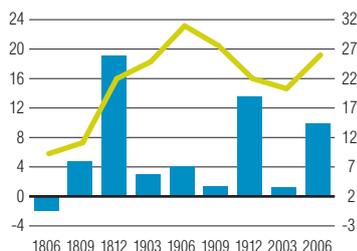
Order intake increased by 35 percent to SEK 875 million (646).

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 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 328 | 275 | 653 | 590 | 1,182 |
| EBITA | 10 | 4 | 11 | 7 | 22 |
| EBITA margin, % | 3.0 | 1.5 | 1.7 | 1.2 | 1.9 |
| Order intake | 286 | 386 | 875 | 646 | 1,340 |
| Order backlog | 950 | 615 | 950 | 615 | 716 |
| Average number of employees | 704 | 635 | 704 | 635 | 596 |



Electrical and HVAC installation in new smart technology centre. Wärtsilä is a world-leading provider of smart technologies and life cycle solutions for the marine and energy markets. They supply drive systems for ships, turnkey power stations and battery solutions. The company is now building its new Smart Technology Hub, a research, development and production centre in Vaasa, Finland, along with an associated office building. Bravida has been commissioned to carry out the installation of all electrical and HVAC systems in the new buildings, covering an area of around 73,000 square metres, which is expected to open in 2021.



FINANCIAL REPORTING

CONSOLIDATED INCOME STATEMENT, SUMMARY

| SEK MIL. | Apr–Jun 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 | Jul 2019– Jun 2020 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Net sales | 5,382 | 5,087 | 10,783 | 10,100 | 20,404 | 21,087 |
| Production costs | -4,632 | -4,401 | -9,320 | -8,756 | -17,503 | -18,067 |
| Gross profit/loss | 750 | 686 | 1,463 | 1,344 | 2,901 | 3,021 |
| Selling and administrative expenses | -433 | -413 | -876 | -820 | -1,678 | -1,734 |
| Operating profit/loss | 317 | 274 | 588 | 524 | 1,224 | 1,287 |
| Net financial items | -13 | -16 | -35 | -40 | -73 | -67 |
| Profit/loss before tax | 303 | 257 | 553 | 484 | 1,151 | 1,220 |
| Tax | -66 | -56 | -120 | -104 | -267 | -282 |
| Profit/loss for the period | 238 | 201 | 433 | 380 | 884 | 938 |
| Profit/loss for the period attributable to: | | | | | | |
| Owners of the parent company | 238 | 200 | 434 | 378 | 882 | 939 |
| Non-controlling interests | -1 | 1 | -1 | 2 | 2 | -1 |
| Profit/loss for the period | 238 | 201 | 433 | 380 | 884 | 938 |
| Basic earnings per share, SEK | 1.17 | 0.99 | 2.14 | 1.87 | 4.36 | 4.63 |
| Diluted earnings per share, SEK | 1.17 | 0.99 | 2.14 | 1.86 | 4.35 | 4.62 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

| SEK MIL. | Apr–Jun 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 | Jul 2019– Jun 2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Profit/loss for the period | 238 | 201 | 433 | 380 | 884 | 938 |
| Other comprehensive income | | | | | | |
| <i>Items that have been or can be transferred to profit/loss for the period</i> | | | | | | |
| Translation differences for the period from the translation of foreign operations | -62 | 27 | -102 | 92 | 15 | -178 |
| <i>Items that cannot be transferred to profit/loss for the period</i> | | | | | | |
| Revaluation of defined-benefit pensions | 60 | -223 | 60 | -223 | -204 | 80 |
| Tax attributable to the revaluation of pensions | -13 | 48 | -13 | 48 | 44 | -17 |
| Other comprehensive income for the period | -15 | -149 | -55 | -84 | -145 | -116 |
| Comprehensive income for the period | 223 | 53 | 379 | 296 | 739 | 822 |
| Comprehensive income for the period attributable to: | | | | | | |
| Owners of the parent company | 224 | 51 | 377 | 294 | 737 | 820 |
| Non-controlling interests | -1 | 1 | 2 | 2 | 2 | 2 |
| Comprehensive income for the period | 223 | 53 | 379 | 296 | 739 | 822 |

**CONSOLIDATED BALANCE SHEET, SUMMARY**

| SEK MIL. | 30/06/2020 | 30/06/2019 | 31/12/2019 |
|---|---------------|---------------|---------------|
| Goodwill | 8,908 | 8,586 | 8,731 |
| Right-of-use assets | 936 | 952 | 1,029 |
| Other non-current assets | 174 | 168 | 179 |
| Total non-current assets | 10,017 | 9,705 | 9,939 |
| Trade receivables | 3,442 | 3,283 | 3,540 |
| Income accrued but not invoiced | 1,705 | 1,603 | 1,514 |
| Other current assets | 564 | 584 | 545 |
| Cash and cash equivalents | 1,103 | 545 | 972 |
| Total current assets | 6,813 | 6,015 | 6,571 |
| Total assets | 16,830 | 15,720 | 16,510 |
| Equity attributable to owners of the parent company | 5,813 | 5,124 | 5,587 |
| Non-controlling interests | 6 | 16 | 9 |
| Total equity | 5,819 | 5,141 | 5,596 |
| Non-current liabilities | 2,151 | 2,043 | 1,500 |
| Lease liabilities | 627 | 625 | 700 |
| Total non-current liabilities | 2,778 | 2,668 | 2,200 |
| Lease liabilities | 322 | 332 | 340 |
| Trade payables | 2,191 | 1,919 | 2,239 |
| Income invoiced but not accrued | 2,292 | 1,907 | 2,004 |
| Other current liabilities | 3,428 | 3,753 | 4,131 |
| Total current liabilities | 8,233 | 7,911 | 8,714 |
| Total liabilities | 11,012 | 10,579 | 10,914 |
| Total equity and liabilities | 16,830 | 15,720 | 16,510 |
| Of which interest-bearing liabilities | 2,288 | 3,157 | 3,035 |

CHANGES IN EQUITY

| SEK MIL. | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|--|--------------|--------------|--------------|
| Consolidated equity | | | |
| Amount at start of period | 5,596 | 5,238 | 5,238 |
| Comprehensive income for the period | 379 | 296 | 739 |
| Non-controlling interests' put option | -166 | – | – |
| Dividend | – | -404 | -404 |
| Cost of long-term incentive programmes | 9 | 12 | 24 |
| Amount at end of period | 5,819 | 5,141 | 5,596 |

**CONSOLIDATED CASH FLOW STATEMENT, SUMMARY**

| SEK MIL. | Apr-Jun 2020 | Apr-Jun 2019 | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operating activities | | | | | |
| Profit/loss before tax | 303 | 257 | 553 | 484 | 1,151 |
| Adjustments for non-cash items | 138 | 111 | 254 | 197 | 423 |
| Income taxes paid | -52 | -49 | -124 | -94 | -154 |
| Change in working capital | 339 | -188 | 605 | -41 | 179 |
| Cash flow from operating activities | 728 | 131 | 1,288 | 545 | 1,599 |
| Investing activities | | | | | |
| Acquisitions of subsidiaries and businesses | -139 | -164 | -217 | -281 | -469 |
| Other | -6 | -4 | -10 | -14 | -34 |
| Cash flow from investing activities | -146 | -168 | -227 | -295 | -503 |
| Financing activities | | | | | |
| Net change in borrowing | -496 | 470 | -671 | 100 | -105 |
| Amortisation of lease liabilities | -94 | -90 | -189 | -180 | -372 |
| Dividend paid | - | -404 | - | -404 | -404 |
| Cash flow from financing activities | -590 | -24 | -860 | -484 | -881 |
| Cash flow for the period | -8 | -61 | 200 | -233 | 215 |
| Cash and cash equivalents at start of period | 1,131 | 595 | 972 | 735 | 735 |
| Translation difference on cash and cash equivalents | -21 | 10 | -69 | 43 | 22 |
| Cash and cash equivalents at end of period | 1,103 | 545 | 1,103 | 545 | 972 |

**PARENT COMPANY INCOME STATEMENT, SUMMARY**

| SEK MIL. | Apr–Jun 2020 | Apr–Jun 2019 | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 49 | 47 | 97 | 92 | 184 |
| Selling and administrative expenses | -49 | -43 | -89 | -67 | -139 |
| Operating profit/loss | 0 | 4 | 9 | 25 | 46 |
| Net financial items | -1 | -3 | -10 | -18 | -25 |
| Profit/loss after net financial items | -1 | 1 | -1 | 7 | 21 |
| Net Group contributions | – | – | – | – | 11 |
| Appropriations | – | – | – | – | -6 |
| Profit/loss before tax | -1 | 1 | -1 | 7 | 26 |
| Tax | – | – | – | – | -7 |
| Profit/loss for the period | -1 | 1 | -1 | 7 | 20 |

PARENT COMPANY BALANCE SHEET, SUMMARY

| SEK MIL. | 30/06/2020 | 30/06/2019 | 31/12/2019 |
|---------------------------------------|--------------|--------------|--------------|
| Shares in subsidiaries | 7,341 | 7,341 | 7,341 |
| Deferred tax assets | 0 | 0 | 0 |
| Total non-current assets | 7,341 | 7,341 | 7,341 |
| Receivables from Group companies | 1,474 | 1,615 | 1,629 |
| Current receivables | 51 | 72 | 21 |
| Total current receivables | 1,525 | 1,687 | 1,650 |
| Cash and bank balances | 956 | 375 | 811 |
| Total current assets | 2,481 | 2,062 | 2,461 |
| Total assets | 9,823 | 9,403 | 9,803 |
| Restricted equity | 4 | 4 | 4 |
| Non-restricted equity | 4,452 | 4,419 | 4,444 |
| Equity | 4,456 | 4,423 | 4,448 |
| Untaxed reserves | 480 | 474 | 480 |
| Liabilities to credit institutions | 1,000 | 1,100 | 500 |
| Provisions | 6 | 1 | 1 |
| Total non-current liabilities | 1,006 | 1,101 | 501 |
| Short-term loans | 320 | 1,100 | 1,495 |
| Liabilities to Group companies | 3,520 | 2,274 | 2,838 |
| Current liabilities | 41 | 32 | 41 |
| Total current liabilities | 3,882 | 3,406 | 4,374 |
| Total equity and liabilities | 9,823 | 9,403 | 9,803 |
| Of which interest-bearing liabilities | 1,320 | 2,200 | 1,995 |



QUARTERLY DATA

| INCOME STATEMENT, SEK MIL. | Apr–Jun 2020 | Jan–Mar 2020 | Oct–Dec 2019 | Jul–Sep 2019 | Apr–Jun 2019 | Jan–Mar 2019 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 5,382 | 5,401 | 5,667 | 4,638 | 5,087 | 5,013 |
| Production costs | -4,632 | -4,688 | -4,743 | -4,004 | -4,401 | -4,355 |
| Gross profit/loss | 750 | 713 | 924 | 634 | 686 | 658 |
| Selling and administrative expenses | -433 | -442 | -500 | -358 | -413 | -407 |
| Operating profit/loss | 317 | 271 | 424 | 276 | 274 | 250 |
| Net financial items | -13 | -21 | -17 | -16 | -16 | -24 |
| Profit/loss after financial items | 303 | 250 | 407 | 259 | 257 | 227 |
| Tax | -66 | -54 | -105 | -58 | -56 | -49 |
| Profit/loss for the period | 238 | 196 | 303 | 202 | 201 | 178 |

| BALANCE SHEET, SEK MIL. | 30/06/2020 | 31/03/2020 | 31/12/2019 | 30/09/2019 | 30/06/2019 | 31/03/2019 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Goodwill | 8,908 | 8,807 | 8,731 | 8,743 | 8,586 | 8,347 |
| Other non-current assets | 1,110 | 1,182 | 1,208 | 1,085 | 1,120 | 1,149 |
| Current assets | 5,710 | 5,807 | 5,599 | 5,697 | 5,470 | 5,329 |
| Cash and cash equivalents | 1,103 | 1,131 | 972 | 467 | 545 | 595 |
| Total assets | 16,830 | 16,928 | 16,510 | 15,992 | 15,720 | 15,421 |
| Equity | 5,819 | 5,758 | 5,596 | 5,355 | 5,141 | 5,488 |
| Borrowings | 1,018 | 800 | 500 | 1,100 | 1,100 | 1,100 |
| Non-current liabilities | 1,760 | 1,717 | 1,700 | 1,548 | 1,568 | 1,347 |
| Current liabilities | 8,233 | 8,653 | 8,714 | 7,988 | 7,911 | 7,487 |
| Total equity and liabilities | 16,830 | 16,928 | 16,510 | 15,992 | 15,720 | 15,421 |

| CASH FLOW, SEK MIL. | Apr–Jun 2020 | Jan–Mar 2020 | Oct–Dec 2019 | Jul–Sep 2019 | Apr–Jun 2019 | Jan–Mar 2019 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operating activities | 728 | 560 | 989 | 65 | 131 | 414 |
| Cash flow from investing activities | -146 | -81 | -79 | -130 | -168 | -127 |
| Cash flow from financing activities | -590 | -270 | -385 | -12 | -24 | -460 |
| Cash flow for the period | -8 | 208 | 525 | -77 | -61 | -172 |

| KEY FIGURES | Apr–Jun 2020 | Jan–Mar 2020 | Oct–Dec 2019 | Jul–Sep 2019 | Apr–Jun 2019 | Jan–Mar 2019 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating margin (EBIT), % | 5.9 | 5.0 | 7.5 | 6.0 | 5.4 | 5.0 |
| EBITA margin, % | 5.9 | 5.0 | 7.5 | 6.0 | 5.4 | 5.0 |
| Return on equity*, % | 16.2 | 15.9 | 16.1 | 18.2 | 18.0 | 18.0 |
| Net debt | -1,185 | -1,698 | -2,063 | -2,735 | -2,612 | -2,115 |
| Net debt/EBITDA* | 0.7 | 1.0 | 1.3 | 1.8 | 1.8 | 1.6 |
| Cash conversion****, % 12 m | 149 | 127 | 115 | 104 | 98 | 124 |
| Interest coverage, multiple | 24.5 | 25.0 | 34.6 | 19.7 | 19.9 | 20.9 |
| Equity/assets ratio, % | 34.6 | 34.0 | 33.9 | 33.5 | 32.7 | 35.6 |
| Order intake | 5,346 | 5,732 | 5,546 | 5,055 | 5,467 | 6,465 |
| Order backlog | 14,952 | 14,985 | 14,485 | 14,507 | 13,905 | 13,474 |
| Average number of employees | 11,940 | 11,811 | 11,722 | 11,584 | 11,339 | 11,252 |
| Administration costs as % of sales | 8.1 | 8.2 | 8.8 | 7.7 | 8.1 | 8.1 |
| Working capital as % of sales** | -8.1 | -6.5 | -5.6 | -3.1 | -4.3 | -5.3 |
| Basic earnings per share, SEK*** | 1.17 | 0.97 | 1.50 | 0.99 | 0.99 | 0.88 |
| Diluted earnings per share, SEK | 1.17 | 0.96 | 1.50 | 0.99 | 0.99 | 0.88 |
| Equity per share, SEK*** | 28.64 | 28.37 | 27.57 | 26.34 | 25.29 | 27.07 |
| Cash flow from operating activities per share, SEK*** | 3.59 | 2.76 | 4.88 | 0.32 | 0.65 | 2.05 |
| Share price at balance sheet date, SEK | 89.05 | 70.15 | 90.95 | 86.35 | 82.30 | 81.95 |

*Calculated on rolling 12-month earnings. **Calculated on rolling 12-month sales. ***Calculated on the number of outstanding ordinary shares. ****Excluding IFRS 16 Leases



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. See page 19 for definitions of key performance indicators.

| RECONCILIATION OF KEY PERFORMANCE MEASURES, NOT DEFINED UNDER IFRS. | Apr–Jun 2020 | Jan–Mar 2020 | Oct–Dec 2019 | Jul–Sep 2019 | Apr–Jun 2019 | Jan–Mar 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net debt | | | | | | |
| Interest-bearing liabilities | -2,288 | -2,830 | -3,035 | -3,202 | -3,157 | -2,710 |
| Cash and cash equivalents | 1,103 | 1,131 | 972 | 467 | 545 | 595 |
| Total net debt | -1,185 | -1,698 | -2,063 | -2,735 | -2,612 | -2,115 |
| EBITA | | | | | | |
| Operating profit, EBIT | 317 | 271 | 424 | 276 | 274 | 250 |
| Amortisation and impairment of non-current intangible assets | 1 | 1 | 1 | 1 | 1 | 1 |
| EBITA | 317 | 272 | 425 | 276 | 274 | 251 |
| EBITDA | | | | | | |
| Operating profit, EBIT | 317 | 271 | 424 | 276 | 274 | 250 |
| Depreciation, amortisation and impairment losses | 104 | 106 | 111 | 105 | 101 | 101 |
| EBITDA | 421 | 377 | 535 | 380 | 374 | 351 |
| Working capital | | | | | | |
| Current assets | 6,813 | 6,938 | 6,571 | 6,164 | 6,015 | 5,925 |
| Cash and cash equivalents | -1,103 | -1,131 | -972 | -467 | -545 | -595 |
| Current liabilities | -8,233 | -8,653 | -8,714 | -7,988 | -7,911 | -7,487 |
| Financial lease, current liability | 322 | 336 | 340 | 336 | 332 | 332 |
| Short-term loans | 320 | 1,020 | 1,495 | 1,180 | 1,100 | 630 |
| Provisions | 172 | 141 | 144 | 142 | 152 | 147 |
| Total working capital | -1,709 | -1,349 | -1,136 | -633 | -858 | -1,048 |
| Interest coverage ratio | | | | | | |
| Profit/loss before tax | 303 | 250 | 407 | 259 | 257 | 227 |
| Interest expense | 13 | 10 | 12 | 14 | 14 | 11 |
| Total | 316 | 260 | 419 | 273 | 271 | 238 |
| Interest expense | 13 | 10 | 12 | 14 | 14 | 11 |
| Interest coverage, multiple | 24.5 | 25.0 | 34.6 | 19.7 | 19.9 | 20.9 |
| Cash conversion* | | | | | | |
| 12-month EBITDA | 1,308 | 1,264 | 1,244 | 1,258 | 1,253 | 1,263 |
| Non-cash items in EBITDA in last 12 months | 50 | 30 | -2 | 81 | 70 | 58 |
| Change in working capital, last 12 months | 560 | 298 | 179 | -44 | -108 | 218 |
| Investments in machinery and equipment, last 12 months | -27 | -28 | -34 | -23 | -19 | -18 |
| Total operating cash flow | 1,891 | 1,564 | 1,387 | 1,272 | 1,196 | 1,521 |
| Operating profit/loss, last 12 months | 1,272 | 1,228 | 1,209 | 1,223 | 1,219 | 1,229 |
| Cash conversion, last 12 months, % | 149 | 127 | 115 | 104 | 98 | 124 |

*Excluding IFRS 16 Leases



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 International Reporting Standards (IFRS) using IAS 34 Interim Reporting. The parent company applies Recommendation RFR 2 Accounting for Legal Entities and Chapter 9 of the Swedish Annual Accounts Act regarding interim reports. The

accounting policies applied are consistent with what is set out in the 2019 annual accounts.

The IASB has published supplements to standards effective from 1 January 2020 or later. Such supplements have not had any material impact on Bravida's financial statements.

All amounts in this interim report are stated in millions of Swedish kronor (SEK), unless specified otherwise, and rounding differences may therefore occur.

NOTE 2. SEGMENT REPORTING AND REVENUE DISTRIBUTION

NET SALES BY COUNTRY

| SEK MIL. | Apr–Jun 2020 | distribution | Apr–Jun 2019 | distribution | Jan–Jun 2020 | distribution | Jan–Jun 2019 | distribution | Jan–Dec 2019 | distribution |
|----------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| Sweden | 2,961 | 55% | 2,691 | 53% | 5,768 | 53% | 5,298 | 52% | 10,664 | 52% |
| Norway | 1,048 | 19% | 1,199 | 24% | 2,262 | 21% | 2,455 | 24% | 4,867 | 24% |
| Denmark | 1,052 | 20% | 931 | 18% | 2,119 | 20% | 1,773 | 18% | 3,773 | 18% |
| Finland | 328 | 6% | 275 | 5% | 653 | 6% | 590 | 6% | 1,182 | 6% |
| Groupwide and eliminations | -7 | | -8 | | -19 | | -16 | | -81 | |
| Total | 5,382 | | 5,087 | | 10,783 | | 10,100 | | 20,404 | |

EBITA, EBITA MARGIN AND PROFIT/LOSS BEFORE TAX

| SEK MIL. | Apr–Jun 2020 | EBITA margin | Apr–Jun 2019 | EBITA margin | Jan–Jun 2020 | EBITA margin | Jan–Jun 2019 | EBITA margin | Jan–Dec 2019 | EBITA margin |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sweden | 190 | 6.4% | 176 | 6.6% | 345 | 6.0% | 322 | 6.1% | 723 | 6.8% |
| Norway | 67 | 6.4% | 48 | 4.0% | 121 | 5.3% | 92 | 3.8% | 245 | 5.0% |
| Denmark | 53 | 5.0% | 39 | 4.2% | 104 | 4.9% | 83 | 4.7% | 206 | 5.4% |
| Finland | 10 | 3.0% | 4 | 1.5% | 11 | 1.7% | 7 | 1.2% | 22 | 1.9% |
| Groupwide | -2 | | 6 | | 8 | | 21 | | 30 | |
| EBITA | 317 | 5.9% | 274 | 5.4% | 589 | 5.5% | 526 | 5.2% | 1,226 | 6.0% |
| Amortisation of intangible assets | -1 | | -1 | | -1 | | -2 | | -3 | |
| Net financial items | -13 | | -16 | | -35 | | -40 | | -73 | |
| Profit/loss before tax (EBT) | 303 | | 257 | | 553 | | 484 | | 1,151 | |

DISTRIBUTION OF REVENUES

| REVENUE PER CATEGORY, SEK MIL. | Apr–Jun 2020 | | | Apr–Jun 2019 | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Servicing | Installation | Total | Servicing | Installation | Total |
| Sweden | 1,428 | 1,534 | 2,961 | 1,344 | 1,347 | 2,691 |
| Norway | 498 | 550 | 1,048 | 593 | 606 | 1,199 |
| Denmark | 327 | 725 | 1,052 | 407 | 524 | 931 |
| Finland | 78 | 250 | 328 | 72 | 203 | 275 |
| Eliminations | -1 | -6 | -7 | -1 | -7 | -8 |
| Group | 2,329 | 3,053 | 5,382 | 2,414 | 2,673 | 5,087 |

DISTRIBUTION OF REVENUES

| REVENUE PER CATEGORY, SEK MIL. | Jan–Jun 2020 | | | Jan–Jun 2019 | | |
|--------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | Servicing | Installation | Total | Servicing | Installation | Total |
| Sweden | 2,832 | 2,936 | 5,768 | 2,600 | 2,698 | 5,298 |
| Norway | 1,098 | 1,165 | 2,262 | 1,184 | 1,271 | 2,455 |
| Denmark | 750 | 1,369 | 2,119 | 746 | 1,027 | 1,773 |
| Finland | 144 | 509 | 653 | 139 | 450 | 590 |
| Eliminations | -4 | -15 | -19 | -2 | -14 | -16 |
| Group | 4,819 | 5,964 | 10,783 | 4,667 | 5,433 | 10,100 |

**NOTE 2. SEGMENT REPORTING AND REVENUE DISTRIBUTION, CONT.**

| AVERAGE NUMBER OF EMPLOYEES | Jan–Jun 2020 | Jan–Jun 2019 | Jan–Dec 2019 |
|-----------------------------|-----------------|-----------------|-----------------|
| Sweden | 5,934 | 5,808 | 5,887 |
| Norway | 2,936 | 2,895 | 2,975 |
| Denmark | 2,269 | 1,915 | 2,173 |
| Finland | 704 | 635 | 596 |
| Groupwide | 97 | 85 | 91 |
| Total | 11,940 | 11,339 | 11,722 |

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. |
|--------------------------------------|---------|----------------------------|------------------------|---------|------------------------|-----------|-------------------------------------|
| ICS Industrial Cooling Systems A/S | Denmark | Cooling | Company | January | 100% | 67 | 171 |
| Rakkestad Energi | Norway | Electrical | Assets and liabilities | January | – | 10 | 21 |
| Rörteamet Själevad AB | Sweden | Heating and plumbing, HVAC | Company | March | 100% | 18 | 32 |
| Ventilationskontroll & Plåt i Kiruna | Sweden | Ventilation | Assets and liabilities | March | – | 13 | 15 |
| Kylteknik i Bohuslän | Sweden | Cooling | Company | April | 100% | 13 | 21 |
| Solkraft EMK AB | Sweden | Solar cells | Company | May | 51% | 100 | 172 |
| Direct Larm Bergslagen AB | Sweden | Security | Company | May | 100% | 16 | 17 |
| Ventfyran i Göteborg AB | Sweden | Ventilation | Company | June | 100% | 13 | 34 |
| Flysta Elservice AB | Sweden | Electrical | Company | June | 100% | 13 | 23 |
| Savon Aurinkoenergia Oy | Finland | Solar cells | Company | June | 65% | 63 | 96 |

Effects of acquisitions in 2020

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 81 million. The contingent considerations are due for payment within three to five years. 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 2020 are preliminary.

| Assets and liabilities included in acquisition | Fair value recognised in the Group, SEK mil. |
|--|---|
| Intangible assets | 0 |
| Property, plant and equipment | 9 |
| Trade receivables* | 96 |
| Income accrued but not invoiced | 10 |
| Other current assets | 43 |
| Cash and cash equivalents | 27 |
| Non-current liabilities | -25 |
| Trade payables | -48 |
| Income invoiced but not accrued | -15 |
| Other current liabilities | -79 |
| Net identifiable assets and liabilities | 21 |
| Consolidated goodwill | 228 |
| Consideration | 249 |
| Cash and cash equivalents, acquired | 27 |
| Net effect on cash and cash equivalents | 222 |
| Cash consideration paid | 133 |
| Consideration recognised as a liability** | 116 |
| Consideration | 249 |

*There were no material impairments of trade receivables.

**Of the total consideration recognised as a liability, SEK 81 million consists of contingent consideration. In addition, non-controlling interests' option to sell shares held is recognised as a liability at the net present value of the expected amount to be paid upon exercise of the option, at an amount of SEK 166 million.

Acquisitions after the end of the reporting period

Bravida has made three acquisitions in Denmark since the end of the reporting period. In July three heating and plumbing companies were acquired from the same owner with total sales of approximately SEK 125 million and 68 employees.

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, 17 July 2020
Bravida Holding AB

Fredrik Arp
Chairman

Jan Johansson
Director

Karin Stålhandske
Director

Marie Nygren
Director

Staffan Pålsson
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 12:00 CET on 17 July 2020.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FINANCIAL REPORTING DATES

| | |
|---------------------------------|------------------|
| Interim Report July–September | 6 November 2020 |
| Interim Report October–December | 12 February 2021 |



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 ratio 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 RATE

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.

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 (EXCLUDING IFRS 16 LEASES)*

The sum of 12-month EBITDA +/-, the 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 ratio 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 recognition over time, rather than using the previous percentage-of-completion method. These revenues are recognised in proportion to the degree of completion of projects.

NET DEBT*

Interest-bearing liabilities (including lease 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. Sales from acquisition and divestments are eliminated for a period of 12 months from the date of acquisition or divestment.

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 servicing 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 servicing operations, only installation projects.

DILUTED EARNINGS PER SHARE

Profit/loss for the period attributable to shareholders 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 ratio 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 net financial income/expense and tax.

EQUITY/ASSETS RATIO

Equity including non-controlling interests as a percentage of total assets.

*See page 15 for reconciliation of performance measures.

OPERATIONAL DEFINITIONS

INSTALLATION/CONTRACTING

The installation and refurbishment of technical systems in properties, facilities and infrastructure.

SERVICING

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 ventilation, heat pumps, etc.

HEATING & PLUMBING

Water, wastewater, 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 safety, sprinklers, cooling, power, lifts, and services in project management and technical property management.

OTHER DEFINITIONS

LTIR (LOST TIME INCIDENT RATE)

Number of occupational injuries that result in at least one day of sickness absence per million working hours.



THIS IS BRAVIDA

Bravida helps customers with servicing 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 servicing. 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 servicing 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.



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 servicing and proactive sales.

ORGANIC GROWTH

Focus on:

- ▶ Growth within servicing
- ▶ 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.

- ▶ 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.

SUSTAINABLE USE OF RESOURCES

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

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.

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

RECRUITMENT AND INTEREST IN THE INDUSTRY

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

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.

PROACTIVE STEPS TOWARDS THE FUTURE

- ▶ Continued growth in installation
- Systematic sales-related measures, cooperation between technical areas
- ▶ Focus on servicing
- 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.

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.

BRINGING BUILDINGS TO LIFE

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