

# 2016 INTERIM REPORT 3

## JULY–SEPTEMBER 2016

- Net sales amounted to SEK 3,289 million (3,302)
- The order backlog increased by 19% to SEK 8,475 million (7,099)
- Operating profit increased by 13 % to SEK 189 million (168)
- The operating margin improved to 5.8% (5.1)
- Adjusted operating profit was SEK 200 million (195) Specific costs\* were SEK 11 million (27). The adjusted operating margin was 6.1% (5.9).
- Profit after tax was SEK 133 million (109)
- Cash flow from operating activities was SEK -57 million (-201)
- Net debt amounted to SEK 2,783 million (2,972)
- One acquisition was completed in the quarter, adding annual sales of SEK 290 million
- Earnings per share were SEK 0.66 (0.54)

## JANUARY–SEPTEMBER 2016

- Net sales increased by 2% to SEK 10,515 million (10,287)
- Operating profit increased by 16% to SEK 591 million (507)
- The operating margin improved to 5.6% (4.9)
- Adjusted operating profit was SEK 602 million (571) Specific costs\* were SEK 11 million (64). The adjusted operating margin was 5.7% (5.5).
- Profit after tax was SEK 419 million (231)
- Cash flow from operating activities was SEK 13 million (146)
- Five acquisitions were completed in the period, adding annual sales of SEK 479 million
- Earnings per share were SEK 2.08 (1.15)

\*For further information, see Note 3.

## FINANCIAL OVERVIEW

SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015
Net sales	3,289	3,302	10,515	10,287	14,206
Operating profit/loss	189	168	591	507	782
Operating margin, %	5.8	5.1	5.6	4.9	5.5
Adjusted operating profit/loss	200	195	602	571	878
Adjusted operating margin, %	6.1	5.9	5.7	5.5	6.2
Profit/loss before tax	172	136	542	349	422
Cash flow from operating activities	-57	-201	13	146	841
Operating cash flow	-4	-171	138	306	988
Interest coverage ratio	12.5	2.7	13.2	2.3	2.5
Equity/assets ratio, %	30.8	28.9	30.8	28.9	31.2
Order intake	3,693	3,458	11,678	10,363	14,249
Order backlog	8,475	7,099	8,475	7,099	7,092



A leading multi-technical  
service provider in the Nordics





## CEO STATEMENT

# “CONTINUED IMPROVEMENT IN MARGINS, BETTER CASH FLOW AND A STRONG ORDER BACKLOG”

### CONTINUED IMPROVEMENT IN MARGINS AND BETTER CASH FLOW

Bravida's operating margin improved in the third quarter from an underlying 5.9 percent to 6.1 percent. Sales and earnings performance in the quarter show that our 'margin over volume' strategy is sustainable.

Operating margins have improved in Sweden, Denmark and Finland as a result of our improvement initiatives and careful selection of projects. The operating margin in the Norwegian business has decreased but is still the highest in the Group. Operations in Finland are developing according to plan.

Considering our seasonal fluctuation our operating cash flow in the quarter was acceptable, an improvement of approximately SEK 150 million.

### UNCHANGED NET SALES

Our net sales were unchanged in the quarter. This was due to certain factors that are independent of one another. Faced with tough competition in Stockholm, we have according to Bravida's strategy 'margin over volume', decided not to accept projects with low margins, which resulted in lower net sales in the region. We have also taken action on the cost side in Stockholm. In recent months, the order backlog in Stockholm has been built up to an acceptable level with good margins, which will increase our growth in the region. In 2014 and 2015, Bravida had several high volume projects in production which have now been completed. This contributed to a high growth and high comparative figures.

It is pleasing that we are growing within service at some 7 percent over the period January to September and by 2 percent in the quarter.

Acquired business contributed with a 5 percent growth,

which is in line with Bravida's financial targets. Continued good pipeline for acquisitions at attractive multiples.

### RECORD-HIGH ORDER BACKLOG

Our order backlog, which only includes installations, is continuing to increase and by the end of the third quarter it was once again at a new record level of SEK 8.5 billion, which represents an increase of SEK 500 million over the past quarter. In recent years, Bravida has successfully carried out a number of major installation assignments as part of various hospital projects. More recently, these have resulted in several new major orders relating to new-builds, redevelopments and refurbishments of other hospitals, such as projects in Uppsala University Hospital and Kungälv Hospital in Sweden, and a hospital in Gødstrup in Denmark, which will lead to future growth.

### CONTINUED COMPETITION FOR LABOUR

Bravida will grow and we will need more employees. We are working intensively with our resource issues and we are gradually strengthening our employer brand to be able to compete for skilled employees in the future.

### GRADUAL IMPROVEMENT IN DEMAND

Several of our large construction company customers are also improving their order backlogs, which is positive for our own business going forward. We will see continued good demand for Bravida's services, and our growth will gradually improve. The demand will be balanced against shortage in resources and price pressure which will continue our focus on 'margin over volume'.

**Mattias Johansson**

Stockholm, October 2016



**MARKET** (SEE NOTES 2 AND 4)

Demand for technical installations and service is stable with good demand for projects relating to hospitals, care, retail and housing, as well as infrastructure. The overall market is strong in Sweden, stable in Denmark and showing improvement in Finland. In Norway, the construction market is stable with the exception of the south-west of the country, where demand remains weak owing to lower activity in the oil and gas sector.

Major construction firms in the Nordic region are reporting stable sales and increased order backlogs.

**NET SALES****July–September**

Net sales were SEK 3,289 million (3,302), which means net sales were in line with the third quarter of 2015. Adjusted for currency fluctuations and acquisitions, net sales decreased by 4 percent. Currency fluctuations reduced net sales by 1 percent, while acquisitions contributed a 5 percent increase in net sales. Service sales rose by 2 percent.

In Sweden, net sales were SEK 1,844 million (1,955), a decrease of 6 percent. In Norway, net sales increased by 7 percent to SEK 728 million (679). In Denmark, net sales increased by 9 percent to SEK 576 million (527). In Finland, net sales were SEK 144 million (146).

Order intake in the quarter totalled SEK 3,693 (3,458), an increase of 7 percent. The order backlog at 30 September was SEK 8,475 million (7,099), an increase of 19 percent and a new record level for Bravida. The order backlog has grown by 19 percent since December 2015.

**January–September**

Net sales increased by 2 percent to SEK 10,515 million (10,287). Adjusted for currency fluctuations and acquisitions, sales decreased by 3 percent. Currency fluctuations had a negative 1 percent effect on sales, while acquisitions contributed a 6 percent increase. Service sales rose by 7 percent. The service initiative that was introduced at the start of 2016 is currently being implemented.

In Sweden, net sales were SEK 6,280 million (6,231), an increase of 1 percent. In Norway, net sales decreased by 9 percent to SEK 2,130 million (2,342). In local currency, net sales decreased by 3 percent. In Denmark, net sales rose by 5 percent to SEK 1,636 million (1,563). In Finland, net sales were SEK 477 million (170).

Order intake for the period January to September increased by 13 percent to SEK 11,678 million (10,363).

**EARNINGS** (SEE NOTE 3)**July–September**

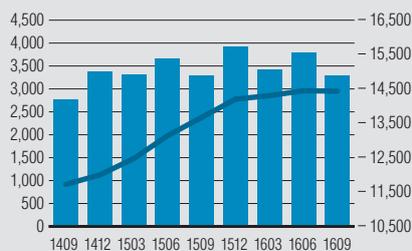
Operating profit rose by 13 percent to SEK 189 million (168), resulting in an operating margin of 5.8 percent (5.1). Operating profit in Sweden was SEK 103 million (108). Operating profit in Norway was SEK 50 million (52). Operating profit in Denmark rose by 14 percent to SEK 30 million (27). In Finland, operating profit was SEK 3 million (2). Group-wide earnings were SEK 3 million (-21). Part of the reason for the earnings improvement was that specific costs decreased to SEK 11 million (27). Specific costs in the third quarter of 2016 mainly relate to costs for final negotiations in the dispute regarding Thule Air Base, which was described on page

118 of the IPO prospectus, and acquisition costs. Adjusted operating profit was SEK 200 million (195) and the adjusted operating margin was 6.1 percent (5.9). Establishment of the Finnish business resulted in a 0.2 percent (0.2) dilution of the operating margin during the quarter; accounting for this, the Group's adjusted operating margin was 6.3 percent (6.1).

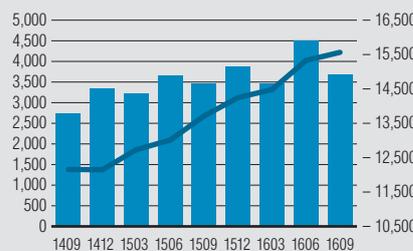
Net financial items in the third quarter amounted to SEK -17 million (-32) and the impact on earnings from the market-based measurement of currency and interest rate hedges was SEK - million (31). In October 2015, the Group refinanced its debt by replacing bond financing with bank financing, with bonds and related currency and interest rate hedges being repaid. Profit after financial items was SEK 172 million (136). Profit after tax was SEK 133 million (109). Earnings per share for the third quarter were SEK 0.66 (0.54).

**January–September**

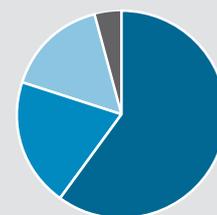
Operating profit rose by 16 percent to SEK 591 million (507), resulting in an operating margin of 5.6 percent (4.9). Operating profit in Sweden increased by 14 percent to SEK 372 million (326). Operating profit in Norway was SEK 135 million (171). Operating profit in Denmark was SEK 70 million (74). In Finland, operating profit was SEK 0 million (-5). Group-wide earnings were SEK 14 million (-58). Part of the reason for the earnings improvement was that specific costs decreased to SEK 11 million (63). Adjusted operating profit was SEK 602 million (571) and the adjusted operating margin was 5.7 percent (5.5). Our initiatives to make improvements in productivity and purchasing are continu-

**NET SALES (SEK MIL.)**

■ Net sales by quarter  
— Rolling 12 months

**ORDER INTAKE (SEK MIL.)**

■ Order intake by quarter  
— Rolling 12 months

**NET SALES BY COUNTRY, JANUARY–JUNE 2016**

● 60% Sweden  
● 20% Norway  
● 16% Denmark  
● 4% Finland



ing to contribute to the margin improvement. The establishment of the Finnish business during the period resulted in a dilution of the operating margin; accounting for this, the adjusted operating margin was 6.0 percent (5.7).

Net financial items amounted to SEK -49 million (-159) and the impact on earnings from the market-based measurement of currency and interest rate hedges was SEK – million (20). Profit after financial items was SEK 542 million (349). Profit after tax was SEK 419 million (231). Earnings per share for January to September were SEK 2.08 (1.15).

#### DEPRECIATION AND AMORTISATION

Depreciation and amortisation of machinery, equipment and intangible assets in the quarter amounted to SEK 6 million (5). Depreciation and amortisation for January to September amounted to SEK 19 million (15).

#### TAX

The tax expense for the third quarter was SEK -39 million (-28). Profit before tax was SEK 172 million (136). The effective tax rate for the quarter was 23 (20) percent. The tax rate in Sweden is 22 percent, in Norway 25 percent, in Denmark 22 percent and in Finland 20 percent. The tax expense for the January–September period was SEK -123 million (-117). The tax expense for the year-earlier period burdened by SEK 29 million, relating to a provision for a tax audit which has now been settled. The effective tax rate was 23 (34) percent. Profit before tax was SEK 542 million (349). Tax paid amounted to SEK 85 (3) million.

#### CASH FLOW

##### July–September

The third quarter is seasonally weak because of the year's main holiday period.

Cash flow from operating activities during the quarter was SEK -57 million (-201). Cash flow from investing activities was SEK -183 million (-95). Cash flow from financing activities was SEK 200 million (-1).

During the quarter, investments in machinery and equipment amounted to SEK -3 million (-3) and acquisitions and divestments of subsidiaries and businesses totalled SEK -180 million (-92). Tax paid amounted to SEK 38 million (-).

##### January–September

Cash flow from operating activities for January to September was SEK 13 million (146) and cash flow from investing activities amounted to SEK -231 million (-204). Cash flow from financing activities was SEK -204 million (-337). During the period, investments in machinery and equipment amounted to SEK -4 million (-3) and acquisitions and divestments of subsidiaries and businesses totalled SEK -227 million (-201). Tax paid amounted to SEK 85 (3) million.

#### ACQUISITIONS (SEE NOTE 5)

Bravida completed one acquisition in the third quarter in Sweden. Bravida has acquired 100 percent of the shares in the Björnbergs Group, which offers heating and plumbing services in the Stockholm area. The Björnbergs Group has annual sales of approximately SEK 290 million and has around 170 employees.

In the first six months of 2016, the Group acquired four businesses with estimated combined annual sales of SEK 189 million.

#### ACQUISITION AGREEMENTS

Bravida has signed agreements for two acquisitions in Sweden with effect from the fourth quarter of 2016. The companies provide installation and service of HVAC

and electrical systems, respectively, and each have sales of around SEK 40 million.

#### FINANCIAL POSITION

Bravida's net debt amounted to SEK 2,783 million (2,972) at 30 September. Currency fluctuations did not have an effect on net debt. Equity amounted to SEK 3,619 million (3,306) at the end of the period. The equity/assets ratio was 30.8 percent (28.9). Net financial items for the third quarter amounted to SEK -17 million (-32), of which SEK -14 million (-53) was a net interest expense. Net financial items also included exchange differences of SEK 0 million (-8). The revaluation of currency and interest rate hedges amounted to SEK – million (31), all currency and interest rate hedges were settled in conjunction with the refinancing carried out in October 2015. Net financial items for the January–September period amounted to SEK -49 million (-159), of which SEK -42 million (-181) was a net interest expense. Net financial items also included exchange differences of SEK 1 million (5). The revaluation of currency and interest rate hedges amounted to SEK – million (20).

Consolidated cash and cash equivalents were SEK 220 million (408) at 30 September.

Interest-bearing liabilities amounted to SEK 3,003 million (3,420) at 30 September. Bravida's total credit facilities amounted to SEK 4,003 million, of which SEK 3,003 million was unused at 30 September 2016.

#### EMPLOYEES

The average number of employees was 9,469 (9,374).

#### PARENT COMPANY

For the third quarter, revenues were SEK 15 million (0) and earnings before tax were SEK -14 million (-122). For the

#### NET SALES AND GROWTH

SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015
Net sales	3,289	3,302	10,515	10,287	14,206
Change	-13	530	229	1,675	2,205
Change, %	-0.4	19.1	2.2	19.5	18.4
Of which					
Organic growth, %	-4	6	-3	7	7
Acquisitions, %	5	15	6	12	12
Currency effects, %	-1	-2	-1	0	-1



January–September period, revenues were SEK 60 million (30) and earnings before tax were SEK -23 million (-168). This change in income was due to increased sales, lower costs and improved net financial items.

#### OTHER EVENTS DURING THE PERIOD

No events to report.

#### SHAREHOLDER INFORMATION

Bravida Holding AB was listed on Nasdaq Stockholm on 16 October 2015 at a price of SEK 40.0. At 30 September 2016 the share price was SEK 57.00, an increase of over 42 percent. The number of shareholders was 9,981 at 30 September 2016.

Share capital amounted to SEK 4 million divided among 202,766,598 shares, of which 201,566,598 are ordinary shares and 1,200,000 are class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while class C shares entitle holders to one-tenth of a vote and no dividend.

Bravissima Holding AB's (funds managed by Bain Capital) holding amounts to just over 30 percent and it is the only shareholder whose holding exceeds one-tenth of votes for all shares in the company.

#### EVENTS SINCE THE END OF THE PERIOD

Thommy Lundmark, who has been acting Division Head since April 2016, was appointed as permanent Head of Division North on 7 October.

#### FINANCIAL GOALS

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

#### MATERIAL RISKS IN THE GROUP AND PARENT COMPANY

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

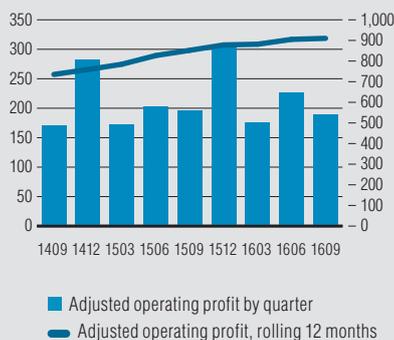
The percentage-of-completion method is applied and is based on the extent of completion of each project and the expected date of completion. A well-

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

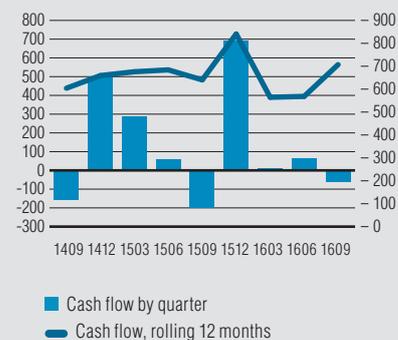
#### TRANSACTIONS WITH RELATED PARTIES

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

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



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





## OPERATIONS IN SWEDEN

### MARKET

The construction sector in Sweden remains stable, with the large building firms reporting unchanged sales performance but growing order backlogs. Confidence indicators for the construction industry are at historical highs. Bravida's assessment is that demand for technical installations and service is strong in metropolitan regions and university towns and healthy in the rest of Sweden.

### NET SALES AND EARNINGS

#### July–September

Net sales in Sweden in the period decreased by 6 percent to SEK 1,844 million (1,955). The reason for the decrease in net sales is as follows:

In Stockholm, Bravida has experienced tougher competition on pricing for some time and, based on our strategy, margin over volume, we have chosen not to accept projects with low margins. In recent months, however, the situation has

improved and Bravida has started building up its order backlog at acceptable margins. In 2015, a number of volume projects were in production which contributed to significant growth and led to high comparative figures. Operating income was SEK 103 million (108), which equates to an operating margin of 5.6 percent (5.5).

#### January–September

Net sales in Sweden rose by 1 percent to SEK 6,280 million (6,231). Operating profit rose by 14 percent to SEK 372 million (326), resulting in an operating margin of 5.9 percent (5.2).

### ORDER INTAKE AND ORDER BACKLOG

#### July–September

Order intake was unchanged, while the order backlog rose by 23 percent compared with the year-earlier period.

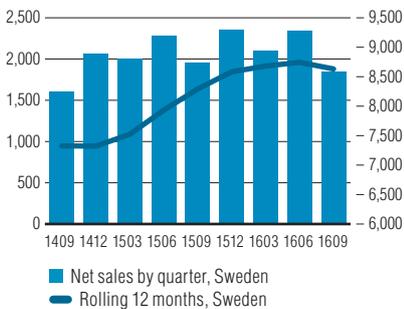
Bravida Sweden received a number of large orders concerning apartment projects and two office projects. The major-

ity of order intake in the quarter, however, related to small and medium-sized installation projects and service.

#### January–September

Order intake rose by 8 percent compared with the year-earlier period. The order backlog has grown by 17 percent since December 2015.

### NET SALES (SEK MIL.)



### OPERATING PROFIT (SEK MIL.)



SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015
Net sales	1,844	1,955	6,280	6,231	8,583
Operating profit (EBIT)	103	108	372	326	480
Operating margin, %	5.6	5.5	5.9	5.2	5.6
Order intake	1,979	1,972	6,879	6,372	8,886
Order backlog	4,694	3,822	4,694	3,822	3,999
Average number of employees	5,233	5,090	5,233	5,090	5,102



The new Värta Terminal in Stockholm opened to passengers on 21 June 2016. During construction of the terminal Bravida provided an end-to-end solution consisting of electrical, heating and plumbing, HVAC, cooling, sprinklers and system control. We have now also won the contract for operation of installations at the terminal and Bravida TSM will be providing services across its 16,000 square metres.



## OPERATIONS IN NORWAY

### MARKET

The Norwegian economy has stabilised after several years' economic downturn and the next few years are expected to show a gradual improvement. Increased investments in public-sector construction and infrastructure and housing, however, have resulted in a stable Norwegian construction sector. Construction starts for housing and commercial facilities have increased in 2016. Bravida's assessment is that demand for technical installations and service is strong around Oslo and in the northern parts and healthy in the rest of Norway, except for the south-west of the country where demand remains weak.

### NET SALES AND EARNINGS

#### July–September

Net sales increased by 7 percent to SEK 728 million (679). Net sales increased for all regions, except in south-west Norway. Organic growth was positive in the quarter. Operating income was SEK 50 million (52), which equates to an operating margin of 6.9 percent (7.7). In the second half

of 2015, several large projects were completed which contributed to a high operating margin. In addition, the operating margin in south-west Norway deteriorated in 2016.

#### January–September

Net sales decreased by 9 percent to SEK 2,130 million (2,342). In local currency, net sales decreased by 3 percent. The lower sales are mainly due to lower activity in the south-west of Norway. Operating income was SEK 135 million (171), which equates to an operating margin of 6.4 percent (7.3). The lower operating income was due to costs to adapt the organisation, lower sales in south-west Norway, the weaker Norwegian krone and the final completion of several large projects in the second half of 2015.

### ORDER INTAKE AND ORDER BACKLOG

#### July–September

Order intake has decreased by 17 percent. In the third quarter of 2015, an order for SEK 280 million was received concerning

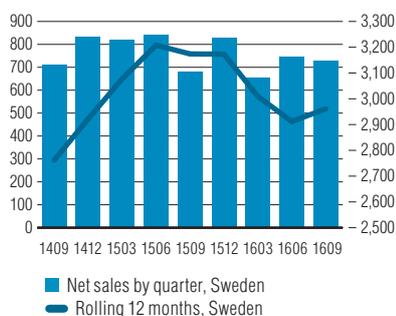
Tromsø hospital, which is the reason for the comparatively lower order intake for 2016. The order backlog has grown by 12 percent.

During the quarter, Bravida Norway received a number of large orders relating to new-builds of offices and housing, and the installation of a security system for a museum. The majority of order intake in the quarter, however, related to small and medium-sized installation projects and service.

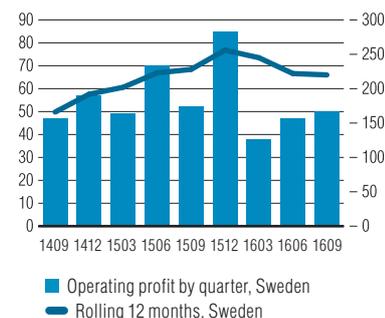
#### January–September

Order intake rose by 4 percent. The order backlog has grown by 27 percent since December 2015.

### NET SALES (SEK MIL.)



### OPERATING PROFIT (SEK MIL.)



SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015
Net sales	728	679	2,130	2,342	3,173
Operating profit (EBIT)	50	52	135	171	256
Operating margin, %	6.9	7.7	6.4	7.3	8.1
Order intake	749	906	2,476	2,377	3,018
Order backlog	1,640	1,462	1,640	1,462	1,295
Average number of employees	2,230	2,356	2,230	2,356	2,359



**Orkla is getting new headquarters in Oslo.** The building is to gain BREEAM-NOR Excellent environmental certification and will have its own solar PV panels on the roof. Bravida is providing both project planning and installation of all electrical, alarm and entry systems. With the main body of the building consisting of seven floors and a 16-storey tower, the building has total floor area of 21,000 square metres. The project is expected to be completed towards the end of 2018.



## OPERATIONS IN DENMARK

### MARKET

The Danish construction market is stable. The market is being driven by new-builds and renovation of public-sector buildings such as hospitals, universities and schools, as well as increased new-builds and renovation of housing. However, the confidence indicator for the Danish construction sector is still slightly below the normal level. Bravida's assessment is that demand for technical installations and service is healthy in major cities.

### NET SALES AND EARNINGS

#### July–September

Net sales increased by 9 percent to SEK 576 (527). Organic growth was positive in the quarter. Operating income was SEK 30 million (27), which equates to an operating margin of 5.2 percent (5.0). Currency fluctuations had a marginal impact on sales and operating profit.

#### January–September

Net sales increased by 5 percent to SEK 1,636 (1,563). Organic growth was positive in the quarter.

Operating income was SEK 70 million (74), which equates to an operating margin of 4.3 percent (4.7). The lower operating profit in the period was attributable to two project write-downs in the first quarter of 2016.

### ORDER INTAKE AND ORDER BACKLOG

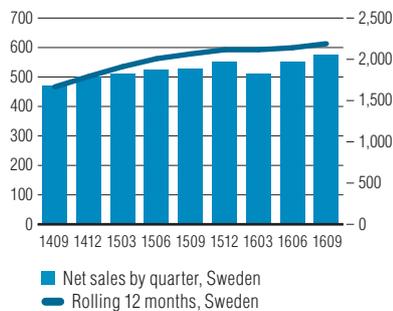
#### July–September

Order intake increased by 95 percent and the order backlog rose by 30 percent compared with the year-earlier period. Bravida Denmark received an order for technical installations in the newly built hospital in Gødstrup on Jutland, with an order value of up to SEK 390 million. The majority of order intake in the quarter, however, related to small and medium-sized installation projects and service.

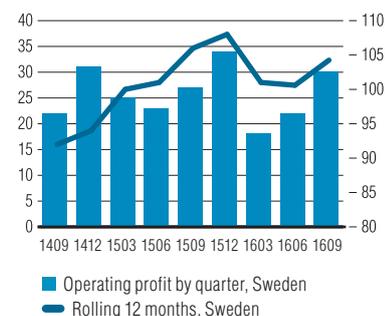
#### January–September

Order intake increased by 33 percent compared with the year-earlier period. The order backlog has grown by 28 percent since December 2015.

### NET SALES (SEK MIL.)



### OPERATING PROFIT (SEK MIL.)



SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015
Net sales	576	527	1,636	1,563	2,116
Operating profit (EBIT)	30	27	70	74	108
Operating margin, %	5.2	5.0	4.3	4.7	5.1
Order intake	828	426	1,919	1,443	2,014
Order backlog	1,839	1,414	1,839	1,414	1,432
Average number of employees	1,577	1,431	1,577	1,431	1,446



**Building OU44 at the University of Southern Denmark in Odense** is one of the 20 most energy-efficient buildings in the world. Bravida provided the installation of all electrical systems, heating and plumbing, HVAC, sprinklers, automation and solar PV panel solutions. All technical installations in the building were subject to performance testing to demonstrate the building meets the Danish Construction Association's stringent 2020 requirements.



## OPERATIONS IN FINLAND

### MARKET

The construction sector in Finland has gradually improved over the past year and construction companies are reporting increased sales and better order levels, and the number of building permits has also risen. Confidence indicators for the Finnish construction industry are slightly above normal levels.

### NET SALES AND EARNINGS

#### July–September

Net sales amounted to SEK 144 million (146). Operating income was SEK 3 million (2), which equates to an operating margin of 2.1 percent (1.5). Currency fluctuations had a marginal impact on sales and operating profit.

#### January–September

Net sales amounted to SEK 477 million (170). Bravida Finland was formed in 2015 through the acquisition of the installation

and service departments of Peko Group in June 2015 and Halmesvaara OY in July 2015.

Operating income was SEK 0 million (-5), which equates to an operating margin of 0.0 percent (-3.2).

### ORDER INTAKE AND ORDER BACKLOG

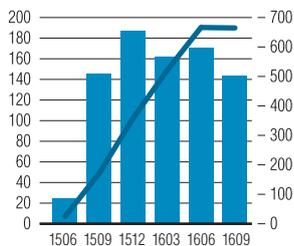
#### July–September

Order intake amounted to SEK 139 million (159). The majority of order intake in the quarter related to small and medium-sized installation projects and service. A large order was received in the quarter regarding the refurbishment of office premises in Helsinki. The order backlog at the end of the quarter was SEK 302 million (401).

#### January–September

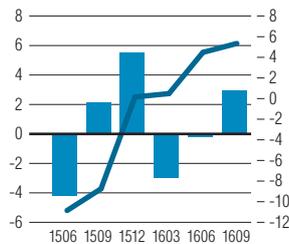
Order intake amounted to SEK 413 million (191). Project selection has resulted in a lower order backlog.

### NET SALES (SEK MIL.)



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

### OPERATING PROFIT (SEK MIL.)



■ Operating profit by quarter, Sweden  
 — Rolling 12 months, Sweden

SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015
Net sales	144	146	477	170	358
Operating profit (EBIT)	3	2	0	-5	0
Operating margin, %	2.1	1.5	0.0	-3.2	0.0
Order intake	139	159	413	191	355
Order backlog	302	401	302	401	367
Average number of employees	358	433	358	433	387



Located at the southern end of the Esplanade Park in Helsinki is the heritage building that has long been a meeting place for the Finnish financial industry. It is now owned by insurance company Fennia, which entrusted Bravida with installing all electrical, heating and plumbing, HVAC and sprinkler systems during the property's refurbishment. The plan is to create new office spaces and the project is expected to be completed in spring 2017.

**CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME, SUMMARY**

SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015	Oct 2015– Sept 2016
<b>Net sales</b>	<b>3,289</b>	<b>3,302</b>	<b>10,515</b>	<b>10,287</b>	<b>14,206</b>	<b>14,434</b>
Production costs	-2,822	-2,821	-9,015	-8,810	-12,081	-12,287
<b>Gross profit/loss</b>	<b>466</b>	<b>481</b>	<b>1,500</b>	<b>1,477</b>	<b>2,124</b>	<b>2,148</b>
Selling and administrative expenses	-277	-312	-909	-969	-1,342	-1,282
<b>Operating profit/loss</b>	<b>189</b>	<b>168</b>	<b>591</b>	<b>507</b>	<b>782</b>	<b>866</b>
Net financial items	-17	-64	-49	-178	-227	-97
Revaluation of currency and interest hedges	–	31	–	20	-133	-153
<b>Profit/loss before tax</b>	<b>172</b>	<b>136</b>	<b>542</b>	<b>349</b>	<b>422</b>	<b>616</b>
Tax on profit/loss for the period	-39	-28	-123	-117	-135	-141
<b>Profit/loss for the period</b>	<b>133</b>	<b>109</b>	<b>419</b>	<b>231</b>	<b>287</b>	<b>475</b>
<b>Other comprehensive income</b>						
<i>Items transferred or that can be transferred to profit or loss</i>						
Translation differences for the year from the translation of foreign operations	57	-18	101	-43	-89	55
Change in hedging reserve	–	-13	–	15	171	156
<i>Items that cannot be transferred to profit or loss</i>						
Revaluation of defined-benefit pensions	-151	97	-335	99	248	-187
Tax attributable to items in other comprehensive income	33	-18	74	-25	-92	7
<b>Comprehensive income for the period</b>	<b>73</b>	<b>155</b>	<b>258</b>	<b>277</b>	<b>525</b>	<b>505</b>
<b>Comprehensive income for the period attributable to:</b>						
Equity holders of the parent	73	152	258	273	519	504
Non-controlling interests	0	3	0	4	5	2
<b>Comprehensive income for the period</b>	<b>73</b>	<b>155</b>	<b>258</b>	<b>277</b>	<b>525</b>	<b>505</b>
Earnings per share for the period, SEK	0.66	0.54	2.08	1.15	1.42	2.35
<b>Order</b>						
Order intake	3,693	3,458	11,678	10,363	14,249	15,564
Order backlog	8,475	7,099	8,475	7,099	7,092	–
Number of shares in the parent company	201,566,598	201,566,598	201,566,598	201,566,598	201,566,598	201,566,598

SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015	Oct 2015– Sept 2016
Operating profit/loss	189	168	591	507	782	866
Adjustments relating to specific costs *	11	27	11	63	96	43
<b>Adjusted operating profit/loss</b>	<b>200</b>	<b>195</b>	<b>602</b>	<b>571</b>	<b>878</b>	<b>909</b>

\* See note 3.

**CONSOLIDATED BALANCE SHEET, SUMMARY**

<b>SEK MIL.</b>	<b>30 Sept 2016</b>	<b>30 Sept 2015</b>	<b>31 Dec 2015</b>
Goodwill	7,508	7,185	7,211
Other non-current assets	204	313	219
<b>Total non-current assets</b>	<b>7,712</b>	<b>7,498</b>	<b>7,429</b>
Trade receivables	2,259	2,074	2,165
Receivables from Group companies	–	54	–
Income accrued but not invoiced	1,147	1,023	813
Other current assets	407	386	415
Cash and cash equivalents	220	408	573
<b>Total current assets</b>	<b>4,033</b>	<b>3,945</b>	<b>3,967</b>
<b>Total assets</b>	<b>11,745</b>	<b>11,443</b>	<b>11,396</b>
Equity	3,619	3,306	3,555
Other non-current liabilities	3,175	3,747	2,877
Trade payables	1,295	1,237	1,399
Income invoiced but not accrued	1,367	1,362	1,287
Other current liabilities	2,289	1,790	2,278
<b>Total liabilities</b>	<b>8,126</b>	<b>8,136</b>	<b>7,842</b>
<b>Total equity and liabilities</b>	<b>11,745</b>	<b>11,443</b>	<b>11,396</b>
Of which interest-bearing liabilities	3,003	3,590	3,005
<b>Equity attributable to:</b>			
Equity holders of the parent	3,608	3,295	3,543
Non-controlling interests	11	11	11
<b>Total equity</b>	<b>3,619</b>	<b>3,306</b>	<b>3,555</b>

**STATEMENT OF CHANGES IN EQUITY**

<b>SEK MIL.</b>	<b>30 Sept 2016</b>	<b>30 Sept 2015</b>	<b>31 Dec 2015</b>
<b>Consolidated equity</b>			
Opening balance	3,555	3,306	3,306
Comprehensive income for the period	258	277	525
Dividend	-202	-277	-277
Cost shareholder programme	8	–	1
<b>Closing balance</b>	<b>3,619</b>	<b>3,306</b>	<b>3,555</b>

**CONSOLIDATED CASH FLOW STATEMENT, SUMMARY**

<b>SEK MIL.</b>	<b>July–Sept 2016</b>	<b>July–Sept 2015</b>	<b>Jan–Sept 2016</b>	<b>Jan–Sept 2015</b>	<b>Jan–Dec 2015</b>
Cash flow from operating activities					
Profit/loss before tax	172	136	542	349	422
Adjustment for non-cash items	20	-22	-4	-31	278
Income taxes paid	-38	–	-85	-3	-10
Changes in working capital	-211	-315	-440	-168	150
<b>Cash flow from operating activities</b>	<b>-57</b>	<b>-201</b>	<b>13</b>	<b>146</b>	<b>841</b>
<b>Investing activities</b>					
Acquisition of subsidiaries and businesses	-180	-92	-227	-201	-235
Other	-3	-3	-4	-3	-27
<b>Cash flow from investing activities</b>	<b>-183</b>	<b>-95</b>	<b>-231</b>	<b>-204</b>	<b>-262</b>
<b>Financing activities</b>					
Loans to Group companies	–	–	–	-54	–
Repayment of loan	–	–	-2	–	-3,441
New loan	198	–	–	–	3,002
Change in utilisation of overdraft facility	2	-1	0	-6	-6
Payment in connection with refinancing	–	–	–	–	-46
Dividend paid	–	–	-202	-277	-277
<b>Cash flow from financing activities</b>	<b>200</b>	<b>-1</b>	<b>-204</b>	<b>-337</b>	<b>-767</b>
<b>Cash flow for the period</b>	<b>-40</b>	<b>-296</b>	<b>-422</b>	<b>-394</b>	<b>-189</b>
Cash and cash equivalents at start of year	226	715	573	828	828
Translation difference in cash and cash equivalents	34	-11	70	-25	-66
<b>Cash and cash equivalents at end of period</b>	<b>220</b>	<b>408</b>	<b>220</b>	<b>408</b>	<b>573</b>

**OPERATING CASH FLOW**

<b>SEK MIL.</b>	<b>July–Sept 2016</b>	<b>July–Sept 2015</b>	<b>Jan–Sept 2016</b>	<b>Jan–Sept 2015</b>	<b>Jan–Dec 2015</b>
Operating profit/loss	189	168	591	507	782
Depreciation and amortisation	6	5	12	15	21
Other adjustments for non-cash items	14	-27	-21	-46	62
Capital expenditure	-3	-3	-4	-3	-27
Changes in working capital	-211	-315	-440	-168	150
<b>Operating cash flow</b>	<b>-4</b>	<b>-171</b>	<b>138</b>	<b>306</b>	<b>988</b>

**PARENT COMPANY INCOME STATEMENT, SUMMARY**

SEK MIL.	July–Sept 2016	July–Sept 2015	Jan–Sept 2016	Jan–Sept 2015	Jan–Dec 2015
<b>Net sales</b>	<b>15</b>	<b>–</b>	<b>60</b>	<b>30</b>	<b>71</b>
Selling and administrative expenses	-16	-39	-61	-78	-103
<b>Operating profit/loss</b>	<b>-1</b>	<b>-39</b>	<b>-1</b>	<b>-48</b>	<b>-32</b>
Net financial items	-13	-83	-22	-120	-111
<b>Profit/loss after financial items</b>	<b>-14</b>	<b>-122</b>	<b>-23</b>	<b>-168</b>	<b>-143</b>
Net Group contribution	–	–	–	–	490
Transfer to/from untaxed reserves	–	–	–	–	-78
<b>Profit/loss before tax</b>	<b>-14</b>	<b>-122</b>	<b>-23</b>	<b>-168</b>	<b>269</b>
Tax on profit/loss for the period	2	0	2	-20	-81
<b>Profit/loss for the period</b>	<b>-11</b>	<b>-122</b>	<b>-21</b>	<b>-189</b>	<b>188</b>

**PARENT COMPANY BALANCE SHEET, SUMMARY**

SEK MIL.	30 Sept 2016	30 Sept 2015	31 Dec 2015
Shares in subsidiaries	7,341	7,341	7,341
Deferred tax asset	–	8	–
<b>Total non-current assets</b>	<b>7,341</b>	<b>7,349</b>	<b>7,341</b>
Receivables from Parent company	–	54	–
Receivables from Group companies	2,269	2,087	1,897
Current receivables	103	17	45
<b>Total current receivables</b>	<b>2,371</b>	<b>2,158</b>	<b>1,942</b>
Cash and bank balances	155	271	456
<b>Total current assets</b>	<b>2,527</b>	<b>2,429</b>	<b>2,397</b>
<b>Total assets</b>	<b>9,868</b>	<b>9,779</b>	<b>9,739</b>
Restricted equity	4	4	4
Non-restricted equity	4,380	4,216	4,595
<b>Equity</b>	<b>4,384</b>	<b>4,220</b>	<b>4,599</b>
Untaxed reserves	78	–	78
Provisions	–	2	–
Bond loan	–	3,418	–
Liabilities to credit institutions	2,700	–	2,700
<b>Total non-current liabilities</b>	<b>2,700</b>	<b>3,418</b>	<b>2,700</b>
Short-term loans	300	–	300
Liabilities to Group companies	2,313	2,051	1,920
Other current liabilities	94	88	142
<b>Total current liabilities</b>	<b>2,707</b>	<b>2,139</b>	<b>2,362</b>
<b>Total equity and liabilities</b>	<b>9,868</b>	<b>9,779</b>	<b>9,739</b>
Of which interest-bearing liabilities	3,000	3,418	3,000
Number of shares	201,566,598	201,566,598	201,566,598



## Quarterly data

	July–Sept 2016	Apr–Jun 2016	Jan–Mar 2016	Oct–Dec 2015	July–Sept 2015	Apr–Jun 2015	Jan–Mar 2015	Jan–Dec 2015
<b>INCOME STATEMENT, SEK MIL.</b>								
Net sales	3,289	3,800	3,427	3,919	3,302	3,660	3,325	14,206
Production costs	-2,822	-3,245	-2,948	-3,272	-2,821	-3,135	-2,854	-12,081
<b>Gross profit/loss</b>	<b>466</b>	<b>555</b>	<b>479</b>	<b>647</b>	<b>481</b>	<b>525</b>	<b>471</b>	<b>2,124</b>
Administrative and selling expenses	-277	-328	-305	-372	-312	-339	-318	-1,342
<b>Operating profit/loss</b>	<b>189</b>	<b>227</b>	<b>175</b>	<b>275</b>	<b>168</b>	<b>187</b>	<b>152</b>	<b>782</b>
Adjustments relating to specific costs	11	–	–	33	27	17	20	96
<b>Operating profit/loss after adjustment of costs of a specific nature</b>	<b>200</b>	<b>227</b>	<b>175</b>	<b>308</b>	<b>195</b>	<b>203</b>	<b>172</b>	<b>878</b>
Net financial items	-17	-16	-15	-202	-32	-58	-68	-360
<b>Profit/Loss after financial items</b>	<b>172</b>	<b>211</b>	<b>159</b>	<b>74</b>	<b>136</b>	<b>129</b>	<b>84</b>	<b>422</b>
Tax on profit/loss for the period	-39	-48	-36	-18	-28	-68	-22	-135
<b>Profit/loss for the period</b>	<b>133</b>	<b>163</b>	<b>123</b>	<b>56</b>	<b>109</b>	<b>61</b>	<b>62</b>	<b>287</b>
<b>BALANCE SHEET, SEK MIL.</b>								
	30 Sept 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sept 2015	30 Jun 2015	31 Mar 2015	31 Dec 2015
Goodwill	7,508	7,276	7,239	7,211	7,185	7,120	7,016	7,211
Other non-current assets	204	175	141	219	313	342	367	219
Current assets	3,813	3,638	3,521	3,395	3,536	3,334	3,005	3,395
Cash and cash equivalents	220	226	390	573	408	715	991	573
<b>Total assets</b>	<b>11,745</b>	<b>11,314</b>	<b>11,290</b>	<b>11,396</b>	<b>11,443</b>	<b>11,512</b>	<b>11,379</b>	<b>11,396</b>
Equity	3,619	3,543	3,640	3,555	3,306	3,152	3,357	3,555
Borrowings	2,700	2,700	2,700	2,700	3,420	3,374	3,390	2,700
Other non-current liabilities	475	300	174	177	330	407	424	177
Current liabilities	4,951	4,771	4,776	4,964	4,387	4,579	4,209	4,964
<b>Total equity and liabilities</b>	<b>11,745</b>	<b>11,314</b>	<b>11,290</b>	<b>11,396</b>	<b>11,443</b>	<b>11,512</b>	<b>11,379</b>	<b>11,396</b>
<b>CASH FLOW, SEK MIL.</b>								
	July–Sept 2016	Apr–Jun 2016	Jan–Mar 2016	Oct–Dec 2015	July–Sept 2015	Apr–Jun 2015	Jan–Mar 2015	Jan–Dec 2015
Cash flow from operating activities	-57	57	13	694	-201	59	289	841
Cash flow from investing activities	-183	-36	-13	-58	-95	-44	-65	-262
Cash flow from financing activities	200	-204	-200	-431	-1	-279	-57	-767
<b>Cash flow for the period</b>	<b>-40</b>	<b>-182</b>	<b>-200</b>	<b>205</b>	<b>-296</b>	<b>-264</b>	<b>167</b>	<b>-189</b>



## Quarterly data

KEY FIGURES	July–Sept 2016	Apr–Jun 2016	Jan–Mar 2016	Oct–Dec 2015	July–Sept 2015	Apr–Jun 2015	Jan–Mar 2015	Jan–Dec 2015
Operating margin, %	5.8	6.0	5.1	7.0	5.1	5.1	4.6	5.5
Adjusted operating margin, %	6.1	6.0	5.1	7.9	5.9	5.6	5.2	6.2
Profit margin, %	5.2	5.5	4.6	1.9	4.1	3.5	2.5	3.0
Return on equity,* %	13.3	12.5	9.7	8.4	12.1	10.4	10.8	8.4
Net debt	2,783	2,577	2,416	2,433	2,972	2,675	2,441	2,433
Net debt/adjust. EBITDA, 12 m	3.0	2.8	2.7	2.7	3.4	3.2	3.0	2.7
Cash conversion,* %	91	77	85	125	113	124	128	125
Interest coverage ratio	12.5	15.6	11.7	4.3	2.7	2.3	1.9	2.5
Equity/assets ratio, %	30.8	31.3	32.2	31.2	28.9	27.4	29.5	31.2
Order intake	3,693	4,515	3,469	3,886	3,458	3,669	3,236	14,249
Order backlog	8,475	7,972	7,135	7,092	7,099	6,875	6,502	7,092
Average no. of employees	9,469	9,302	9,419	9,359	9,374	8,874	8,798	9,359
Administration costs as % of sales	8.4	8.6	8.9	9.5	9.5	9.3	9.6	9.4
Working capital as % of sales	-4.9	-6.3	-7.2	-7.9	-5.7	-8.5	-8.6	-7.9
Earnings per share for the period, SEK**	0.66	0.81	0.61	0.28	0.54	0.30	0.31	1.42
Equity per share, SEK**	17.96	17.58	18.06	17.64	16.40	15.64	16.65	17.64
Cash flow from operating activities per share, SEK**	-0.28	0.28	0.06	3.44	-1.00	0.29	1.43	4.17
Dividend per share, SEK	–	–	–	–	–	–	–	1.00
Share price at balance sheet date, SEK	57.00	50.50	59.75	55.50	–	–	–	55.50

\*Calculated on rolling 12-month earnings.

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

## SALES BY GEOGRAPHICAL MARKET IN 2016

	TECHNICAL AREAS					
	Service	Installation	Electrical	Heating & Plumbing	HVAC	Specialist areas
Sweden	47%	53%	46%	28%	19%	7%
Norway	54%	46%	71%	17%	4%	9%
Denmark	46%	54%	56%	25%	19%	0%
Finland	23%	77%	29%	27%	18%	26%
<b>The Group</b>	<b>48%</b>	<b>52%</b>	<b>52%</b>	<b>25%</b>	<b>16%</b>	<b>7%</b>



# NOTES

## NOTE 1. ACCOUNTING POLICIES

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

This report has been prepared in accordance with the same accounting policies and calculation methods as the 2015 Annual Report. New and amended IFRS standards and interpretations from the IFRS Interpretations Committee that apply from 1 January 2016 have no significant effect on Bravida Holding AB's financial reporting.

## NOTE 2. SEGMENT REPORTING

Bravida's segments are countries, i.e.: Sweden, Norway, Denmark and Finland.

### NET SALES BY COUNTRY

SEK MIL.	Jul-Sep 2016	break-down	Jul-Sep 2015	break-down	Jan-Sep 2016	break-down	Jan-Sep 2015	break-down	Jan-Dec 2015	break-down
Sweden	1,844	56%	1,955	59%	6,280	60%	6,231	61%	8,583	60%
Norway	728	22%	679	21%	2,130	20%	2,342	23%	3,173	22%
Denmark	576	18%	527	16%	1,636	16%	1,563	15%	2,116	15%
Finland*	144	4%	146	4%	477	5%	170	2%	358	3%
Group-wide and eliminations	-3		-5		-8		-19		-24	
<b>Total</b>	<b>3,289</b>		<b>3,302</b>		<b>10,515</b>		<b>10,287</b>		<b>14,206</b>	

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

SEK MIL.	Jul-Sep 2016	margin	Jul-Sep 2015	margin	Jan-Sep 2016	margin	Jan-Sep 2015	margin	Jan-Dec 2015	margin
Sweden	103	5,6%	108	5,5%	372	5,9%	326	5,2%	480	5,6%
Norway	50	6,9%	52	7,7%	135	6,4%	171	7,3%	256	8,1%
Denmark	30	5,2%	27	5,0%	70	4,3%	74	4,7%	108	5,1%
Finland*	3	2,1%	2	1,5%	0	0,0%	-5	-3,2%	0	0,0%
Group and eliminations	3		-21		14		-58		-62	
<b>Total</b>	<b>189</b>	<b>5,8%</b>	<b>168</b>	<b>5,1%</b>	<b>591</b>	<b>5,6%</b>	<b>507</b>	<b>4,9%</b>	<b>782</b>	<b>5,5%</b>
Adjustments (specific costs)**	11		27		11		63		96	
<b>Adjusted operating profit/loss</b>	<b>200</b>	<b>6,1%</b>	<b>195</b>	<b>5,9%</b>	<b>602</b>	<b>5,7%</b>	<b>571</b>	<b>5,5%</b>	<b>878</b>	<b>6,2%</b>
Net financial items	-17		-64		-49		-178		-227	
Revaluation of currency and interest hedges	-		31		-		20		-133	
<b>Profit/loss before tax</b>	<b>172</b>		<b>136</b>		<b>542</b>		<b>349</b>		<b>422</b>	

### AVERAGE NUMBER OF EMPLOYEES

	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Sweden	5,233	5,090	5,102
Norway	2,230	2,356	2,359
Denmark	1,577	1,431	1,446
Finland*	358	433	387
Group and eliminations	70	64	65
<b>Total</b>	<b>9,469</b>	<b>9,374</b>	<b>9,359</b>

\*Finland only for part of 2015. \*\*Specific costs have only had an effect on Group-wide operations, not the other segments.

**NOTE 3. SPECIFIC COSTS**

Specific costs are costs that are limited in time and relate mainly to improvement programmes, acquisition costs, the IPO, and during the third quarter 2016 costs for final negotiation of dispute. For distribution of specific costs per period, see also chart on page 10.

**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.

**NOTE 5. ACQUISITION OF OPERATIONS** (See page 4 for acquisitions)

Bravida made the following acquisitions during the period January to September 2016:

Acquired unit	Country	Type	Month of acquisition	Percentage of votes	No. of employees	Estimated annual sales in SEK MIL.
Heating and plumbing business, Oslo	Norway	Company	January	100%	35	69
Electrical business, Jutland	Denmark	Assets and liabilities	March	100%	25	38
Heating and plumbing business, Sandnes	Norway	Company	April	25%		
Electrical business, Sandnes	Norway	Company	April	25%		
Electrical business, Copenhagen	Denmark	Company	May	100%	52	70
Specialist business, Ljungby	Sweden	Assets and liabilities	June	100%	8	12
Heating and plumbing business, Stockholm	Sweden	Company	July	100%	179	290

**Effects of acquisitions in 2016**

Acquisitions have the following effects on consolidated assets and liabilities

	Group fair value, SEK MIL.
Intangible assets	1
Other non-current assets	11
Other current assets	52
Cash and cash equivalents	15
Provisions	-8
Long-term liabilities	-15
Current liabilities	-73
Sum net identifiable assets and liabilities	-17
<b>Consolidated goodwill</b>	<b>227</b>
Acquisition price	210
Cash and cash equivalents (acquired)	0
<b>Net effect on cash and cash equivalents</b>	<b>211</b>

**Calculation of cost**

Cash consideration paid	186
Consideration recognised as a liability	25
Acquisition price	210

**NOTE 6. FINANCIAL INSTRUMENTS**

Currency and interest hedges have been valued by an external party using the cash flow model, which is based on observable data for the currency and fixed-income markets.

The fair value of interest rate hedges are calculated using market value on the basis of listed prices. Based on the input data used, valuation can be classified as follows:

– Level 1 refers to fully observable data, unadjusted listed prices on an active market for identical assets and liabilities to which the company has access at the time of valuation.

– Level 2 refers to observable data, other than the listed prices of level 1, which is directly or indirectly observable.

– Level 3 refers to non-observable data for assets or liabilities. An asset or liability is included in its entirety in one of the three levels, based on the lowest level of input data that is material to the valuation.

Currency and interest hedges of the Group and the parent company which were ended during 2015 belonged to level 2.



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, 28 October 2016 Bravida Holding AB

**Monica Caneman**  
Chairman

**Michael Siefke**  
Director

**Jan Johansson**  
Director

**Ivano Sessa**  
Director

**Cecilia Daun Wennborg**  
Director

**Mikael Norman**  
Director

**Staffan Pålsson**  
Director

**Mattias Johansson**  
CEO and Group President

**Jan Ericson**  
Employee representative

**Örnulf Thorsen**  
Employee representative

**Anders Mårtensson**  
Employee representative

**Geir Gjestad**  
Employee representative

---



# REVIEW REPORT

**TO THE BOARD OF DIRECTORS OF BRAVIDA HOLDING AB (PUBL)  
CORP. ID. 556891-5390**

## INTRODUCTION

We have reviewed the summary interim financial information (interim report) of Bravida Holding AB (publ) as of 30 September 2016 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 28 October 2016

KPMG AB  
**Anders Malmeby**  
Authorized Public Accountant

---

This information is information that Bravida Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on 28 October 2016.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

**Mattias Johansson**, President and CEO  
E-mail: mattias.p.johansson@bravida.se  
Telephone: +46 8 695 20 00

**Nils-Johan Andersson**, CFO  
E-mail: nils-johan.andersson@bravida.se  
Telephone: +46 70 668 50 75

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.

## FINANCIAL REPORTING DATES

Year-end report 2016	22 February 2017
Interim report 1 2017	10 May 2017
Interim report 2 2017	25 July 2017



# DEFINITIONS

## FINANCIAL DEFINITIONS

### RETURN ON EQUITY

Profit/loss after financial items less calculated tax based on each country's tax rate in relation to taxable earnings as a percentage of average equity

### EBIT

Operating profit consists of comprehensive income before financial items and income tax.

### EBITDA

Operating profit before depreciation and amortisation.

### 12-MONTH CASH CONVERSION

12-month EBITDA (operating profit/loss plus depreciations and amortisations) +/- change in working capital and investments in machinery and equipment in relation to 12-month EBIT (operating profit/loss).

### NET SALES

Net sales are recorded 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

Interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents.

### OPERATING CASH FLOW

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

### ORDER INTAKE

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

### ORDER BACKLOG

The value of remaining, not yet accrued, project revenues from orders on hand at the end of the period.

### INTEREST COVERAGE RATIO

Profit/loss after financial items, plus interest charges, divided by interest expenses.

### WORKING CAPITAL

Total current assets, excluding cash and cash equivalents, less current liabilities.

### OPERATING MARGIN

Operating profit in percentage of net sales.

### EQUITY/ASSETS RATIO

Equity plus, in the parent company, the equity share of untaxed reserves, as a percentage of total assets at the end of the period.

### PROFIT MARGIN

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

## OPERATIONAL DEFINITIONS

### NUMBER OF EMPLOYEES

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

### INSTALLATION/CONTRACTING

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

### SERVICE

The operation, maintenance and minor refurbishment of installations in properties, facilities and infrastructure.

### ELECTRICAL

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

### HVAC

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, 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.



# THIS IS BRAVIDA

Bravida is a leading multi-technical service provider for properties and facilities in the Nordics across three main technical areas: electrical, heating and plumbing and HVAC. We combine the resources of a large company with the flexibility and presence of a local company in around 140 locations.

With modern technology and innovative solutions, we bring buildings to life. Our installation and service contracts cover buildings' energy, heating, cooling, water and air. Through the installation of modern technical systems and regular service, we create the conditions for sustainable growth and development in society.

## MISSION

- We offer installation and service of electrical, heating & plumbing and HVAC solutions.
- Our skills and efficiency add value and benefit for our customers on a daily basis.
- We combine local presence with the resources of a big company.

## VISION

“ We aim to become the leading multi-technical service provider in the Nordics. Our comprehensive capabilities help boost our customers' competitiveness.”

## OBJECTIVES

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

## BUSINESS MODEL



# WE BRING BUILDINGS TO LIFE

## HEADQUARTERS

Bravida Holding AB  
126 81 Stockholm  
Street address:  
Mikrofonvägen 28  
Sweden  
Telephone: +46 8 695 20 00  
[www.bravida.se](http://www.bravida.se)

## SWEDEN NORTH

Bravida Sverige AB  
Box 818  
721 22 Västerås  
Street address:  
Betonggatan 1  
Sweden  
Telephone: +46 21 15 48 00  
[www.bravida.se](http://www.bravida.se)

## SWEDEN STOCKHOLM

Bravida Sverige AB  
126 81 Stockholm  
Street address:  
Mikrofonvägen 28  
Sweden  
Telephone: +46 8 695 20 00  
[www.bravida.se](http://www.bravida.se)

## SWEDEN SOUTH

Bravida Sverige AB  
Box 40  
431 21 Mölndal  
Street address:  
Alfagatan 8  
Sweden  
Telephone: +46 31 709 51 00  
[www.bravida.se](http://www.bravida.se)

## NORWAY

Bravida Norge AS  
Postboks 313 Økern  
0511 Oslo  
Norway  
Street address:  
Østre Aker vei 90  
Telephone: +47 2404 80 00  
[www.bravida.no](http://www.bravida.no)

## DENMARK

Bravida Danmark A/S  
Park Allé 373  
2605 Brøndby  
Denmark  
Telephone: +45 4322 1100  
[www.bravida.dk](http://www.bravida.dk)

## FINLAND

Bravida Finland Oy  
Ajomiehentie 1  
00390 Helsinki  
Finland  
Telephone: +358 9 751 6060  
[www.bravida.fi](http://www.bravida.fi)