INTERIM REPORT

July–September 2018

JULY–SEPTEMBER 2018

- Net sales increased by 13% to SEK 4,437 million (3,926)
- Organic growth was 6% (6)
- The order backlog was 1% higher at SEK 10,746 million (10,635)
- EBITA increased by 20% to SEK 267 million (223)
- The EBITA margin was 6.0% (5.7)
- Profit after tax was SEK 202 million (164)
- Cash flow from operating activities was SEK -132 million (-144)
- Net debt amounted to SEK -2,062 million (-2,515)
- Two acquisitions were completed in the quarter, adding annual sales of approximately SEK 86 million
- Basic earnings per share were SEK 1.00 (0.81) and diluted earnings per share were SEK 1.00 (0.81)

JANUARY–SEPTEMBER 2018

- Net sales increased by 11% to SEK 13,784 million (12,366)
- Organic growth was 4% (6)
- EBITA increased by 12% to SEK 774 million (689)
- The EBITA margin was 5.6% (5.6)
- Adjusted EBITA was SEK 774 million (697)
- The adjusted EBITA margin was 5.6% (5.6)
- Profit after tax was SEK 581 million (500)
- Cash flow from operating activities was SEK 244 million (387)
- Eight acquisitions were made in the period, adding annual sales of SEK 386 million
- Basic earnings per share were SEK 2.88 (2.48) and diluted earnings per share were SEK 2.87 (2.48)

FINANCIAL OVERVIEW

SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017	Oct 2017–Sep 2018
Net sales	4,437	3,926	13,784	12,366	17,293	18,711
Operating profit/loss (EBIT)	267	222	771	684	1,072	1,160
Operating margin (EBIT), %	6.0	5.7	5.6	5.5	6.2	6.2
EBITA	267	223	774	689	1,078	1,163
EBITA margin, %	6.0	5.7	5.6	5.6	6.2	6.2
Adjusted EBITA	267	223	774	697	1,086	1,163
Adjusted EBITA margin, %	6.0	5.7	5.6	5.6	6.3	6.2
Profit/loss after tax	202	164	581	500	820	901
Cash flow from operating activities	-132	-144	244	387	1,038	895
Operating cash flow	-95	-130	452	489	1,171	1,134
Interest coverage ratio	34.3	19.8	32.2	20.2	22.9	31.5
Cash conversion, %	93	88	93	88	106	93
Net debt/adjust. EBITDA, 12 m	1.7	2.3	1.7	2.3	1.7	1.7
Order intake	4,046	4,059	14,023	13,351	17,972	18,644
Order backlog	10,746	10,635	10,746	10,635	10,271	10,746

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

bravida
BRINGING BUILDINGS TO LIFE

A STRONG QUARTER

SALES GROWTH OF 13 PERCENT

Bravida's growth in the third quarter was strong, with sales rising by 13 percent and organic growth of 6 percent. Growth was positive in all countries, with strong growth in Finland and Denmark. Our service business is continuing to perform well, with growth of 11 percent for the quarter. Growth within service is bolstering our long-term business as the majority of our service relationships are longstanding and consequently generate recurring revenue.

PROFIT INCREASED BY 20 PERCENT

EBITA rose by 20 percent and the EBITA margin improved to 6 percent. The EBITA margin in Sweden remained unchanged but increased in Denmark and Finland. In Norway the EBITA margin declined, owing to the continued completion of Oras' old projects. I assess that the unprofitable projects that Oras had when it was acquired in May 2017 will be completed in the first quarter of 2019. Oras is now fully operationally integrated into Bravida.

The acquisitions of Asentaja and Adison that we recently made in Finland have strengthened the quality of our business by providing us with better geographic coverage and a broader customer offering. In addition, these acquisitions contribute to improved profitability and growth.

STOCKHOLM BYPASS PROJECT

The Swedish Transport Administration has awarded Bravida two contracts that are part of the Stockholm Bypass Project. We have been commissioned to carry out the installation and subsequent service of all electrical, lighting, water and wastewater systems, and fixed fire extinguishing equipment. The order is worth just over SEK 2.7 billion, which is the largest order in Bravida's history.

We have previously successfully and profitably provided installation work in several large tunnel projects and this experience is a clear benefit in our work on the Stockholm Bypass Project. The project offers interesting and stimulating work for our employees and it is already attracting new experienced employees to Bravida. In addition, recruitment for the project is also helping us strengthen our business in a number of fields.

The Swedish Transport Administration's tendering process for water and wastewater and fire extinguishing equipment, which is worth SEK 1.1 billion, is currently subject to an appeal on technical grounds, meaning there is a risk that the tendering process will have to be rerun.

ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA

So far this year we have made 12 acquisitions, two of which were in October and two in November. The acquisitions increase annual sales by around SEK 800 million. To further bolster our position in Finland, so far this year we have made two acquisitions that increase annual sales by approximately SEK 350 million. These acquisitions strengthen our local market position and expand our customer offering. During the autumn we have strengthened the acquisition team to ensure a continued high pace of acquisitions and good integration of future acquisitions.

OUTLOOK

I believe the technical service and installation market will remain good in Sweden, Norway and Denmark, and stable in Finland. The order backlog remains at a high level, despite decreasing slightly in the quarter. The decrease was due to a number of large projects being registered in Sweden in the second quarter of 2017 and continued completion of the acquired order backlog at Oras. The bulk of the order backlog comprises lots of small and medium-sized installation projects, which together with our large service operations will also continue to support growth.

Mattias Johansson,
Stockholm, November 2018

CONSOLIDATED EARNINGS OVERVIEW

NET SALES

July–September

Net sales increased by 13 percent to SEK 4,437 million (3,926). Adjusted for currency fluctuations and acquisitions, net sales increased by 6 percent. Currency fluctuations had a positive 3 percent impact on net sales, while acquisitions increased net sales by 4 percent. Sales increased in all countries; in Sweden by 5 percent, in Norway by 13 percent, in Denmark by 30 percent and in Finland by 50 percent. The high growth in Denmark was due to high organic growth, while in Finland it was mainly due to the acquisition of Adison Oy in January 2018.

Compared with the third quarter of 2017, service business increased by 11 percent and installation business by 15 percent. The service business accounted for 45 percent (46) of total net sales. The increase in net sales in the installation business was mainly due to good growth in the order backlog reported in recent years. The growth in service business is the result of the Group's initiatives to boost service sales.

Order intake amounted to SEK 4,046 million (4,059). Order intake increased in Denmark and Finland, but was lower in Sweden and Norway. The order backlog at 30 September was 1 percent higher than at the same date last year and amounted to SEK 10,746 million (10,635). During the quarter the order backlog decreased by SEK 394 million. The decrease was attributable to business operations in Norway and Sweden. In Norway, the continued completion of Oras' old projects with low profitability has resulted in a reduction in the order backlog. In Sweden, two large projects in power supply and sprinklers were completed, which has reduced the order backlog, and several large projects were registered in the second quarter of 2017. The order backlog only includes installation projects; order intake for the service business is recognised at invoicing.

January–September

Net sales increased by 11 percent to SEK 13,784 million (12,366). Adjusted for currency fluctuations and acquisitions, the increase was 4 percent. Currency fluctuations had a positive 2 percent impact, while acquisitions increased net sales by 6 percent. Net sales rose in all countries; in Sweden by 4 percent, in Norway by 14 percent, in Denmark by 25 percent and in Finland by 44 percent. The high growth in Denmark was due to high organic growth, while in Finland it was mainly due to the acquisition of Adison Oy in January 2018.

Compared with the same period of 2017, net service sales increased by 11 percent and net installation sales by 12 percent. The service business accounted for 45 percent (46) of total net sales.

The increase in net sales in the installation business is mainly due to good growth in the order backlog reported since 2016. The growth in service business is a result of the Group's initiatives to boost service sales.

Order intake amounted to SEK 14,023 million (13,351), an increase of 5 percent.

EARNINGS

July–September

Operating profit was SEK 267 million (222). EBITA increased by 20 percent to SEK 267 million (223), resulting in an EBITA margin of 6.0 percent (5.7).

EBITA increased in all countries. The EBITA margin improved in Denmark and Finland, while it was unchanged in Sweden and slightly lower in Norway. Group-wide profit was SEK 5 million (-2).

Net financial items amounted to SEK -10 million (-11). Profit after financial items was SEK 256 million (211). Profit after tax was SEK 202 million (164). Basic earnings per share increased by 23 percent to SEK 1.00 (0.81). Diluted earnings per share were SEK 1.00 (0.81).

January–September

Operating profit was SEK 771 million (684). EBITA increased by 12 percent to SEK 774 million (689), resulting in an EBITA margin of 5.6 percent (5.6). EBITA increased and the margin improved in Sweden, Norway and Denmark. In Finland, EBITA and the EBITA margin were lower. Group-wide profit was SEK 16 million (12).

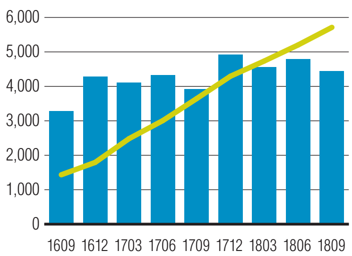
Specific costs were SEK – (SEK 8 million). Adjusted EBITA was SEK 774 million (697) and the adjusted EBITA margin was 5.6 percent (5.6).

Net financial items totalled SEK -26 million (-39), with the improvement due to lower debt, lower financing expenses and positive exchange rate effects. Profit after financial items was SEK 745 million (645). Profit after tax was SEK 581 million (500). Basic earnings per share increased by 16 percent to SEK 2.88 (2.48). Diluted earnings per share were SEK 2.87 (2.48).

DEPRECIATION AND AMORTISATION

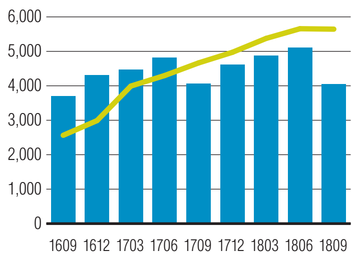
Depreciation and amortisation amounted to SEK 8 million (8) for the quarter and SEK 24 million (26) for January to September.

NET SALES (SEK MIL.)



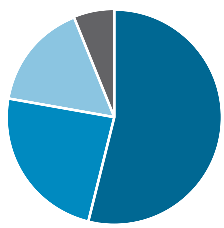
Net sales by quarter
Net sales, rolling 12 months

ORDER INTAKE (SEK MIL.)



Order intake by quarter
Order intake, rolling 12 months

NET SALES BY COUNTRY, JAN–SEP 2018



54% Sweden
24% Norway
16% Denmark
6% Finland

TAX

The tax expense for the quarter was SEK -55 million (-48). Profit before tax was SEK 256 million (211). Effective tax was 21 percent (23). Tax paid amounted to SEK 28 million (15).

The tax expense for January to September was SEK -164 million (-145). Profit before tax was SEK 745 million (645). The effective tax rate was 22 (23) percent. Tax paid amounted to SEK 189 million (75).

The tax rate in Sweden is 22 percent, in Norway it is 23 percent, in Denmark 22 percent and in Finland 20 percent. The Swedish deferred tax position has been revalued at the reduced corporate tax rate set by the government; the impact was marginal.

CASH FLOW

July–September

Cash flow is seasonally weak in the third quarter as it is affected by lower production owing to the holiday period of July–August. Cash flow from operating activities was SEK -132 million (-144). The improvement in cash flow was due to higher operating profit, but was impacted by higher tax payments. The payment of tax increased to SEK -28 million (-15), which was due to higher preliminary tax. Working capital increased owing to a rise in current receivables. Cash flow from investing activities was SEK -29 million (-31), of which acquisitions of subsidiaries and businesses totalled SEK -28 million (-27). Cash flow from financing activities was SEK 0 million (200).

12-month cash conversion was 93 percent (88). Cash flow from operating activities in the last 12 months was SEK 895 million (802).

January–September

Cash flow from operating activities was SEK 244 million (387). The decrease in cash flow was due to increased working capital and higher tax payments, but was partly counteracted by improved operating profit. Working capital rose owing to a rise in current receivables. The payment of tax increased to SEK -189 million (-75), owing to the settlement of tax liabilities from previous financial years and higher preliminary tax. Cash flow from investing activities was SEK -140 million (-219), while acquisitions of subsidiaries and businesses totalled SEK -132 million (-209).

Cash flow from financing activities, which relate to a dividend payment, the net reduction of utilised overdraft facilities and the repayment of borrowings, amounted to SEK -514 million (-52).

ACQUISITIONS

During the quarter, two small acquisitions were completed in Denmark and Norway, adding a total of SEK 86 million in annual sales. The acquired companies operate in the heating and plumbing, HVAC and electrical segments.

In the first six months, six acquisitions were completed, one each in Finland and Denmark and four in Sweden, adding a total of SEK 300 million in annual sales.

FINANCIAL POSITION

Bravida's net debt at 30 September was SEK -2,062 million (-2,515), which corresponds to a capital structure (net debt/adjusted EBITDA) ratio of 1.7 (2.3). Consolidated cash and cash equivalents were SEK 438 million (388) at 30 September. Interest-bearing liabilities amounted to SEK 2,500 million (2,903) at 30 September, SEK 1,000 million (1,000) of which was commercial paper. Bravida's total credit facilities amounted to SEK 3,500 million (SEK 3,703), of which SEK 1,968 million (1,800) was unused at 30 September.

At the end of the period, equity totalled SEK 4,988 million (4,286). The equity/assets ratio was 35.4 percent (33.5).

EMPLOYEES

The average number of employees at 30 September was 11,180 (10,452), an increase of 7 percent.

PARENT COMPANY

Revenues for the second quarter were SEK 39 million (32) and earnings after net financial items were SEK 27 million (1). For the January–September period, revenues were SEK 123 million (106) and earnings after net financial items were SEK 32 million (-12).

SHAREHOLDER INFORMATION

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 30 September Bravida had 9,860 shareholders, according to Euroclear. At 30 September the largest shareholders were Mawer Investment Management funds, Capital Group funds, Swedbank Robur funds, Lannebo funds and Fourth National Pension Insurance Fund (AP4). Bravida has no shareholders that hold shares exceeding 10 percent of voting rights. Just over 55 percent of the shares are held by foreign shareholders.

The listed price for Bravida's ordinary shares at 28 September 2018 was SEK 72.90 (59.65), which equates to a market capitalisation of SEK 14,738 million. Total shareholder return, including dividends, over the past 12 months was 24.8 percent.

Share capital amounts to SEK 4 million divided among 203,316,598 shares, of which 202,166,598 are ordinary shares and 1,150,000 are class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

NOMINATION COMMITTEE

In accordance with the decision at Bravida Holding AB's Annual General Meeting on 20 April 2018, the three largest shareholders in terms of votes at the end of September 2018 has appointed the following persons to be part of Bravida's Nomination Committee ahead of the

NET SALES AND GROWTH

SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Net sales	4,437	3,926	13,784	12,366	17,293
Change	511	638	1,418	1,851	2,501
Change, %	13.0	19.4	11.5	17.6	16.9
Of which					
Organic growth, %	6	6	4	6	6
Acquisitions, %	4	13	6	11	10
Currency effects, %	3	0	2	1	1

Annual General Meeting of 2019: Marianne Flink, Swedbank Robur funds (Chairman), John Wilson, Mawer Investment Management, Peter Lagerlöf, Lannebo funds, and Fredrik Arp, Chairman of the Board of Bravida Holding AB.

Shareholders who wish to submit proposals to Bravida's Nomination Committee are welcome to submit their proposals by e-mail to valberedningen@bravida.se or by regular mail to: Bravida Holding AB, Valberedningen, Att: Magnus Liljefors, 126 81 Stockholm, Sweden.

OTHER EVENTS DURING THE PERIOD

The Swedish Transport Administration has awarded Bravida two contracts that are part of the Stockholm Bypass Project. Bravida has been commissioned to carry out the installation and subsequent service of all electrical, lighting, water and wastewater systems, and fixed fire extinguishing equipment. The order is worth just over SEK 2,700 million.

The Swedish Transport Administration's tendering process for water and wastewater and fire extinguishing equipment, which is worth SEK 1,100 million, is currently subject to an appeal on technical grounds, meaning there is a risk of the tendering process being rerun.

The entire project consists of a 21-kilometre stretch of road, 18 kilometres of which is in a tunnel. The boring of tunnels and the construction of roads has already started. Bravida's project preparations start with just over two years' project planning. This will be followed by production operations, which will be conducted between 2021 and 2023, in addition to a test period of approximately two years before the tunnel opens to traffic. Bravida will then be responsible for the operation and maintenance of the installations for the first two years of the tunnel's use by traffic. The order is expected to be signed and registered in the first quarter of 2019 for the contracting that is not subject to an appeal. Provided the appeal is rejected, contracts for the other contracting are also expected to be signed in the same period.

FINANCIAL GOALS

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

SIGNIFICANT RISKS

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

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 writedown loss risks in fixed-price contracts and various types of financial risk such as currency, interest rate and credit risk. These significant risks and uncertainties apply to both parent company and the consolidated Group.

TRANSACTIONS WITH RELATED PARTIES

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

EVENTS SINCE THE END OF THE PERIOD

On 1 October 2018, Bravida acquired Finland-based electrical and plumbing company Hangö elektriska with annual sales of SEK 160 million.

On 1 October 2018, Bravida acquired Sweden-based Lindsténs Elektriska with annual sales of SEK 200 million.

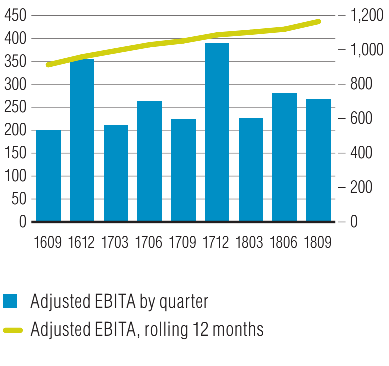
On 2 October, Bravida's CFO Nils-Johan Andersson informed the company of his decision to leave his position. The reason for his decision is that he is moving to the UK. Nils-Johan Andersson will remain in his position during his notice period and Bravida has started the process of finding his successor.

On 1 November 2018, Bravida acquired Sweden-based Nyheden Fällfors EL AB with annual sales of SEK 40 million.

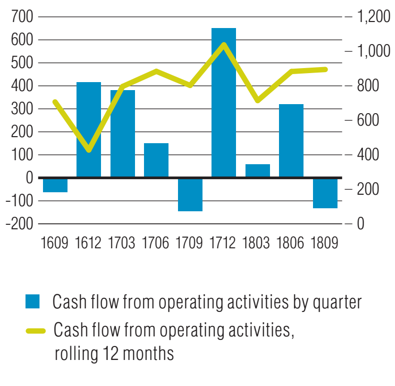
On 1 November 2018, Bravida acquired Sweden-based Karlshamns Rörmontage AB with annual sales of SEK 20 million.

Filip Bjurström is leaving his position as Head of Division for Stockholm and Bravida's Group management to instead work in a newly formed group-wide acquisition team. Filip will remain in his current position until his successor has been appointed.

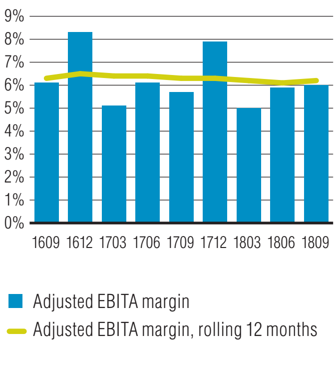
ADJUSTED EBITA (SEK MIL.)



CASH FLOW FROM OPERATING ACTIVITIES (SEK MIL.)



ADJUSTED EBITA MARGIN



OPERATIONS IN SWEDEN

MARKET

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

NET SALES AND EARNINGS

July–September

Net sales in Sweden increased by 5 percent to SEK 2,250 million (2,144). The sales growth was due to good growth in service business.

EBITA increased by 4 percent to SEK 150 million (144), resulting in an EBITA margin of 6.7 percent (6.7).

January–September

Net sales increased by 4 percent to SEK 7,394 million (7,093). Growth in net sales was attributable to good growth in service business.

EBITA increased by 6 percent to SEK 445 million (422), resulting in an EBITA margin of 6.0 percent (5.9).

ORDER INTAKE AND ORDER BACKLOG

July–September

Order intake was 11 percent lower than for the same period last year, and amounted to SEK 2,012 million (2,251). A number of large installation orders were received in the third quarter of last year, which is the reason for the comparatively lower order intake. Order intake mainly related to small and medium-sized installation projects and service assignments. Service business has increased in 2018 and accounts for 49 percent (47) of net sales. Order intake for service assignments is recorded at the time of invoicing.

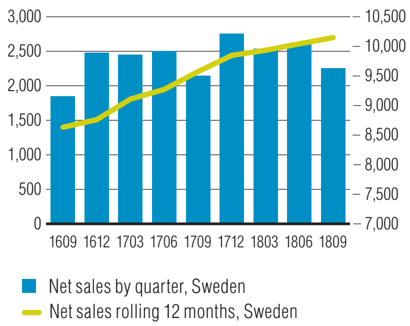
Bravida has been commissioned by the Swedish Transport Administration to carry out the installation of electrical, lighting, water and wastewater systems, and fixed fire extinguishing equipment as part of the Stockholm Bypass Project. The order is worth SEK 2,700 million and is expected to be signed at the start of 2019. The Swedish Transport Administration's tendering process for water and wastewater and fire extinguishing equipment, which is worth SEK 1.1 billion, is currently subject to an appeal on technical grounds, meaning there is a risk that this part of the tendering will have to be rerun. Bravida will register each order once they have been formally signed.

The order backlog at the end of the quarter was 8 percent lower than at the same point last year and amounted to SEK 5,215 million (5,645), while the order backlog decreased by SEK -237 million (106) over the quarter. Two large projects regarding sprinklers and power supply were completed in the quarter, which reduced the order backlog.

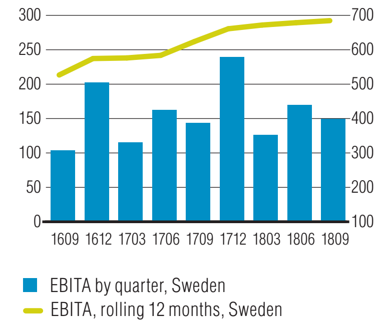
January–September

Order intake was 7 percent lower than for the same period last year, and amounted to SEK 7,237 million (7,794). Several large orders were received in the same period last year, while this year it is mainly small and medium-sized orders that have been received.

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Net sales	2,250	2,144	7,394	7,093	9,847
EBITA	150	144	445	422	661
EBITA margin, %	6.7	6.7	6.0	5.9	6.7
Order intake	2,012	2,251	7,237	7,794	10,275
Order backlog	5,215	5,645	5,215	5,645	5,372
Average number of employees	5,774	5,486	5,774	5,486	5,553

A Nordic contract for operation and service from an international pharmaceutical company is leading to cooperation between Bravida's divisions and countries. The agreement was signed in the spring of 2018 following proactive sales efforts. The contract covers the operation and service of technical solutions for electrical, heating and plumbing, HVAC and indoor climate systems at several of the company's factories. The customer has a strong focus on sustainability and energy efficiency, so the contract also includes energy efficiency services.

OPERATIONS IN NORWAY

MARKET

The service and installation market is healthy. New public investment in and maintenance of road and transport infrastructure and health care are important drivers. There is also good demand for investments relating to the shift towards greener sources of energy such as wind power, solar energy and electric car charging. We expect lower demand for installation work in new-build housing.

NET SALES AND EARNINGS

July–September

Net sales increased by 13 percent to SEK 1,151 million (1,019). Growth was attributable to both service and installation business. Currency translation had a positive 6 percent impact on net sales.

EBITA increased by 10 percent to SEK 64 million (58), resulting in an EBITA margin of 5.6 percent (5.7). The lower EBITA margin was due to the continued completion of Oras' old projects with weak profitability. Oras was acquired in May 2017, and its project portfolio included a number of projects with weak profitability.

January–September

Net sales increased by 14 percent to SEK 3,384 million (2,957). This growth was due to the acquisition of Oras in May 2017 and a positive currency translation effect of 3 percent. Growth was attributable to both service and installation business. EBITA increased by 16 percent to SEK 193 million (167), resulting in an EBITA margin of 5.7 percent (5.6).

ORDER INTAKE AND ORDER BACKLOG

July–September

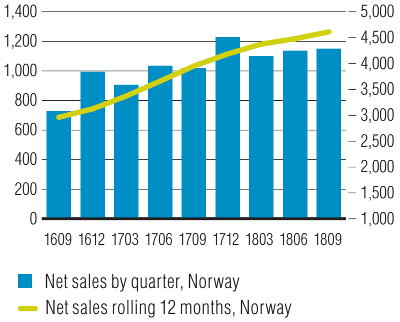
Order intake decreased by 20 percent to SEK 947 million (1,180). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 7 percent higher than at the same point last year and amounted to SEK 3,093 million (2,895), while the order backlog decreased by SEK -204 million (171) over the quarter. The lower order backlog was mainly due to the continued completion of Oras projects with weak profitability. Over the last 12 months, just over half of the acquired order backlog from Oras has been completed.

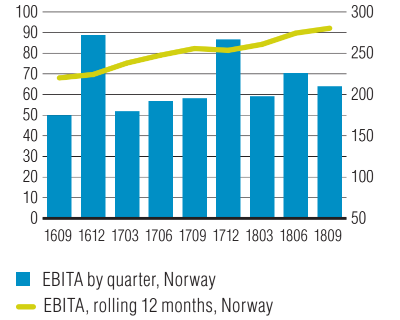
January–September

Order intake increased by 14 percent to SEK 3,672 million (3,211).

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Net sales	1,151	1,019	3,384	2,957	4,185
EBITA	64	58	193	167	254
EBITA margin, %	5.6	5.7	5.7	5.6	6.1
Order intake	947	1,180	3,672	3,211	4,406
Order backlog	3,093	2,895	3,093	2,895	2,804
Average number of employees	3,024	2,672	3,024	2,672	2,718

Over the past year Bravida has been working on electrical installations in the Eiganes and Hundvåg Tunnel. The Norwegian Public Roads Administration is building new tunnels in Stavanger. Eiganes Tunnel will direct traffic outside Stavanger, while the Hundvåg Tunnel is an undersea tunnel linked to the mainland. Bravida's work is going to plan and large parts of the electrical system have been commissioned and are now being tested. The project is in its final phase and should be complete by spring 2019.

OPERATIONS IN DENMARK

MARKET
The service and installation market is healthy. The housing market has improved, which is contributing to increased demand for technical installations in housing new-builds and upgrades. New-builds and the upgrade of public-sector buildings are contributing to a stable market. Demand from the business sector has grown for premises and the installation of new technical solutions for automation and energy optimisation. Confidence indicators for the construction industry have increased and are at a normal level.

NET SALES AND EARNINGS
July–September
Net sales increased by 30 percent to SEK 784 million (603). The increase in net sales was mainly attributable to the installation business, with two large hospital projects currently underway. Currency translation had a positive 9 percent impact on net sales.

EBITA increased by 111 percent to SEK 44 million (21), resulting in an EBITA margin of 5.6 percent (3.5). Last year, profit was negatively affected by the writedown of a project.

January–September
Net sales increased by 25 percent to SEK 2,269 million (1,814). The growth in sales was mainly due to increased operations in the installation business. Currency translation had a positive 7 percent impact on net sales.

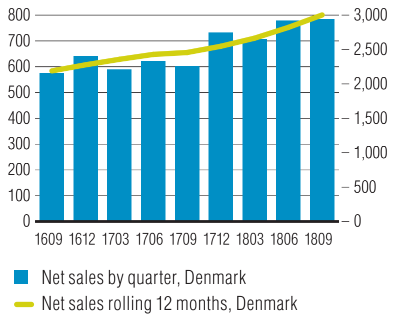
EBITA increased by 42 percent to SEK 116 million (82), resulting in an EBITA margin of 5.1 percent (4.5).

ORDER INTAKE AND ORDER BACKLOG
July–September
Order intake was 65 percent higher than for the same period last year, and amounted to SEK 790 million (478). A large order was received for electrical installations in a new-build hospital. Order intake, however, mainly related to small and medium-sized installation projects and service assignments.

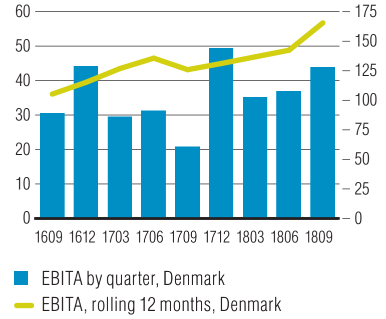
The order backlog at the end of the quarter was 12 percent higher than at the same point last year and amounted to SEK 1,951 million (1,747), while the order backlog increased by SEK 6 million (-126) over the quarter.

January–September
Order intake increased by 35 percent to SEK 2,467 million (1,830).

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Net sales	784	603	2,269	1,814	2,547
EBITA	44	21	116	82	131
EBITA margin, %	5.6	3.5	5.1	4.5	5.1
Order intake	790	478	2,467	1,830	2,567
Order backlog	1,951	1,747	1,951	1,747	1,752
Average number of employees	1,780	1,791	1,780	1,791	1,803

Bravida has been servicing the Danish power grid for Energinet, the grid owner, for a number of years. Bravida is responsible for both service and maintenance, and also undertakes the installation of new high-voltage power stations and overhead cables. The contract also includes inspection, maintenance and preventive work on Energinet's Offshore Transformer Platform for the company's wind turbines. The easiest way to get there is by helicopter.

OPERATIONS IN FINLAND

MARKET

Bravida assesses demand for technical service and installation is stable.

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

NET SALES AND EARNINGS

July–September

Net sales increased by 50 percent to SEK 258 million (172). The acquisition of Adison Oy in January 2018 was the main reason for the strong growth in net sales. Growth was attributable to both service and installation business. Currency translation had a positive 9 percent impact on net sales.

EBITA increased by 65 percent to SEK 5 million (3), resulting in an EBITA margin of 1.8 percent (1.7). Work to integrate the acquisitions continues and this will have a positive effect on earnings going forward.

January–September

Net sales increased by 44 percent to SEK 769 million (533). Growth was attributable to both service and installation business. Currency translation had a positive 7 percent impact on net sales.

EBITA was SEK 3 million (6), resulting in an EBITA margin of 0.4 percent (1.2).

A review of ongoing projects has resulted in writedowns, which was the reason for the deterioration in earnings performance.

ORDER INTAKE AND ORDER BACKLOG

July–September

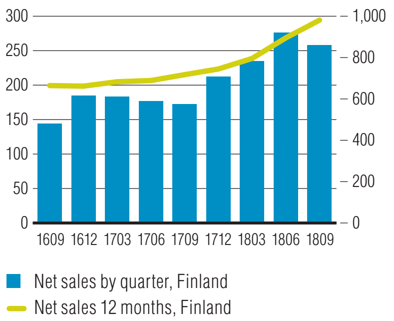
Order intake was 85 percent higher than for the same period last year, and amounted to SEK 303 million (163). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 40 percent higher than at the same point last year and amounted to SEK 488 million (348), while the order backlog increased by SEK 42 million (-9) over the quarter.

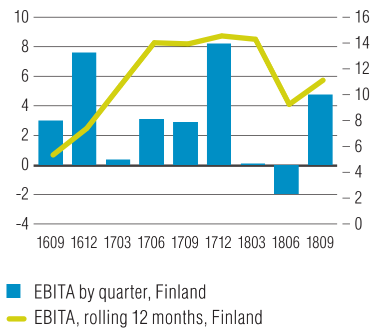
January–September

Order intake was 24 percent higher than for the same period last year, and amounted to SEK 679 million (547).

NET SALES (SEK MIL.)



EBITA (SEK MIL.)



SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Net sales	258	172	769	533	745
EBITA	5	3	3	6	15
EBITA margin, %	1.8	1.7	0.4	1.2	2.0
Order intake	303	163	679	547	755
Order backlog	488	348	488	348	344
Average number of employees	521	433	521	433	496

In spring 2018 the student association of University of Jyväskyläs received 144 new student accommodation units. The accommodation is part of a major upgrade project that will result in all the association's accommodation being upgraded. The project is contributing not only to new modern accommodation but also to improving energy efficiency by 25 percent per building through the replacement of ventilation and heating systems. Bravida is providing the installation of all technical solutions.

FINANCIAL REPORTING

CONSOLIDATED INCOME STATEMENT, SUMMARY

SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017	Oct 2017–Sep 2018
Net sales	**4,437**	**3,926**	**13,784**	**12,366**	**17,293**	**18,711**
Production costs	-3,823	-3,372	-11,926	-10,606	-14,718	-16,038
Gross profit/loss	**615**	**554**	**1,859**	**1,760**	**2,575**	**2,673**
Selling and administrative expenses	-348	-332	-1,088	-1,076	-1,502	-1,514
Operating profit/loss	**267**	**222**	**771**	**684**	**1,072**	**1,160**
Net financial items	-10	-11	-26	-39	-54	-41
Profit/loss before tax	**256**	**211**	**745**	**645**	**1,019**	**1,119**
Tax on profit/loss for the period	-55	-48	-164	-145	-199	-217
Profit/loss for the period	**202**	**164**	**581**	**500**	**820**	**902**
Profit/loss for the period attributable to:						
Equity holders of the parent	200	163	579	499	818	898
Non-controlling interests	1	0	3	1	2	4
Profit/loss for the period	**202**	**164**	**581**	**500**	**820**	**902**
Basic earnings per share, SEK	1.00	0.81	2.88	2.48	4.07	4.47
Diluted earnings per share, SEK	1.00	0.81	2.87	2.48	4.06	4.45

STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017	Oct 2017–Sep 2018
Profit/loss for the period	**202**	**164**	**581**	**500**	**820**	**902**
Other comprehensive income						
Items transferred or that can be transferred to profit or loss						
Translation differences for the period from the translation of foreign operations	-33	-1	100	-26	-26	101
Items that cannot be transferred to profit or loss						
Revaluation of defined-benefit pensions	–	–	-74	-36	23	-14
Tax attributable to the revaluation of pensions	–	–	16	8	-5	3
Other comprehensive income for the period	**-33**	**-1**	**42**	**-55**	**-8**	**89**
Comprehensive income for the period	**168**	**163**	**623**	**445**	**812**	**990**
Comprehensive income for the period attributable to:						
Equity holders of the parent	167	162	620	445	811	987
Non-controlling interests	1	0	3	1	2	4
Comprehensive income for the period	**168**	**163**	**623**	**445**	**812**	**990**

CONSOLIDATED BALANCE SHEET, SUMMARY

SEK MIL.	30/09/18	30/09/17	31/12/17
Goodwill	8,153	7,796	7,844
Other non-current assets	152	150	154
Total non-current assets	**8,306**	**7,945**	**7,998**
Trade receivables	3,262	2,780	3,030
Income accrued but not invoiced	1,424	1,162	1,004
Other current assets	677	520	489
Cash and cash equivalents	438	388	839
Total current assets	**5,802**	**4,851**	**5,362**
Total assets	**14,107**	**12,796**	**13,360**
Equity attributable to holders of the parent	4,976	4,277	4,652
Equity attributable to non-controlling interests	12	9	10
Total equity	**4,988**	**4,286**	**4,662**
Other non-current liabilities	2,039	2,053	2,056
Total other non-current liabilities	**2,039**	**2,053**	**2,056**
Trade payables	1,952	1,600	1,866
Income invoiced but not accrued	1,801	1,445	1,519
Other current liabilities	3,327	3,413	3,257
Total current liabilities	**7,081**	**6,458**	**6,642**
Total liabilities	**9,119**	**8,510**	**8,698**
Total equity and liabilities	**14,107**	**12,796**	**13,360**
Of which interest-bearing liabilities	2,500	2,903	2,701

STATEMENT OF CHANGES IN EQUITY

SEK MIL.	Jan– Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Consolidated equity			
Opening balance	4,662	4,079	4,079
Comprehensive income for the period	623	445	812
Dividend	-312	-252	-252
Cost long-term incentive programme	16	14	23
Closing balance	**4,988**	**4,286**	**4,662**

CONSOLIDATED CASH FLOW STATEMENT, SUMMARY

SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Cash flow from operating activities					
Profit/loss before tax	256	211	745	645	1,019
Adjustment for non-cash items	-1	1	6	18	51
Income taxes paid	-28	-15	-189	-75	-95
Changes in working capital	-359	-341	-318	-201	63
Cash flow from operating activities	**-132**	**-144**	**244**	**387**	**1,038**
Investing activities					
Acquisition of subsidiaries and businesses	-28	-27	-132	-209	-215
Other	-1	-4	-8	-9	-16
Cash flow from investing activities	**-29**	**-31**	**-140**	**-219**	**-231**
Financing activities					
Repayment of loan	–	-1,000	-200	-1,500	-1,700
New loan	–	1,200	–	1,700	1,700
Change in utilisation of overdraft facility	0	0	-1	0	-2
Dividend paid	–	–	-312	-252	-252
Cash flow from financing activities	**0**	**200**	**-514**	**-52**	**-254**
Cash flow for the period	**-161**	**25**	**-410**	**116**	**553**
Cash and cash equivalents at start of year	604	360	839	286	286
Translation difference in cash and cash equivalents	-4	2	8	-15	0
Cash and cash equivalents at end of period	**438**	**388**	**438**	**388**	**839**

OPERATING CASH FLOW

SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Operating profit/loss	267	222	771	684	1,072
Depreciation and amortisation	8	8	24	26	34
Other adjustments for non-cash items	-9	-15	-18	-10	17
Capital expenditure	-1	-4	-8	-9	-16
Changes in working capital	-359	-341	-318	-201	63
Operating cash flow	**-95**	**-130**	**452**	**489**	**1,171**

PARENT COMPANY INCOME STATEMENT, SUMMARY

SEK MIL.	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Net sales	**39**	**32**	**123**	**106**	**151**
Selling and administrative expenses	-5	-22	-77	-93	-126
Operating profit/loss	**34**	**10**	**46**	**13**	**25**
Net financial items	-6	-9	-14	-25	-34
Profit/loss after financial items	**27**	**1**	**32**	**-12**	**-9**
Net group contribution	0	–	-1	–	644
Transfer to/from untaxed reserves	–	–	–	–	-160
Profit/loss before tax	**27**	**1**	**31**	**-12**	**475**
Tax	–	–	0	–	-105
Profit/loss for the period	**27**	**1**	**31**	**-12**	**370**

PARENT COMPANY BALANCE SHEET, SUMMARY

SEK MIL.	30/09/18	30/09/17	31/12/17
Shares in subsidiaries	7,341	7,341	7,341
Total non-current assets	**7,341**	**7,341**	**7,341**
Receivables from Group companies	1,754	1,870	1,562
Current receivables	210	131	33
Total current receivables	**1,965**	**2,001**	**1,595**
Cash and bank balances	375	288	644
Total current assets	**2,339**	**2,289**	**2,240**
Total assets	**9,681**	**9,630**	**9,581**
Restricted equity	4	4	4
Non-restricted equity	4,635	4,511	4,901
Equity	**4,639**	**4,515**	**4,905**
Untaxed reserves	390	231	390
Liabilities to credit institutions	1,500	1,700	1,700
Provisions	0	0	0
Total non-current liabilities	**1,500**	**1,700**	**1,700**
Short-term loans	1,000	1,200	1,000
Liabilities to Group companies	2,012	1,843	1,429
Other current liabilities	139	141	157
Total current liabilities	**3,151**	**3,184**	**2,585**
Total equity and liabilities	**9,681**	**9,630**	**9,581**
Of which interest-bearing liabilities	2,500	2,900	2,700

Quarterly data

INCOME STATEMENT, SEK MIL.	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016
Net sales	4,437	4,790	4,557	4,927	3,926	4,325	4,115	4,277
Production costs	-3,823	-4,131	-3,972	-4,113	-3,372	-3,675	-3,558	-3,547
Gross profit/loss	**615**	**659**	**585**	**815**	**554**	**649**	**557**	**730**
Selling and administrative expenses	-348	-380	-360	-426	-332	-396	-348	-377
Operating profit/loss	**267**	**279**	**225**	**389**	**222**	**253**	**209**	**353**
Net financial items	-10	-7	-9	-15	-11	-13	-14	-18
Profit/Loss after financial items	**256**	**273**	**216**	**373**	**211**	**239**	**194**	**335**
Tax on profit/loss for the period	-55	-61	-48	-53	-48	-54	-44	-80
Profit/loss for the period	**202**	**212**	**168**	**320**	**164**	**186**	**151**	**255**

BALANCE SHEET, SEK MIL.	30/09/18	30/06/18	31/03/18	31/12/17	30/09/17	30/06/17	31/03/17	31/12/16
Goodwill	8,153	8,150	8,002	7,844	7,796	7,780	7,593	7,599
Other non-current assets	152	157	154	154	150	153	145	144
Current assets	5,363	5,154	4,684	4,523	4,463	4,439	3,890	3,933
Cash and cash equivalents	438	604	660	839	388	360	645	286
Total assets	**14,107**	**14,065**	**13,500**	**13,360**	**12,796**	**12,732**	**12,272**	**11,962**
Equity	4,988	4,804	4,921	4,662	4,286	4,116	4,221	4,079
Non-current borrowings	1,500	1,500	1,500	1,700	1,700	2,700	2,700	2,700
Other non-current liabilities	539	515	395	356	353	336	258	245
Current liabilities	7,081	7,246	6,684	6,642	6,458	5,581	5,093	4,938
Total equity and liabilities	**14,107**	**14,065**	**13,500**	**13,360**	**12,796**	**12,732**	**12,272**	**11,962**

CASH FLOW, SEK MIL.	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016
Cash flow from operating activities	-132	319	58	650	-144	150	381	415
Cash flow from investing activities	-29	-66	-45	-12	-31	-174	-14	-49
Cash flow from financing activities	0	-313	-201	-201	200	-252	0	-300
Cash flow for the period	**-161**	**-60**	**-188**	**437**	**25**	**-276**	**367**	**66**

KEY FIGURES	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016
Operating margin % (EBIT)	6.0	5.8	4.9	7.9	5.7	5.8	5.1	8.3
EBITA margin, %	6.0	5.9	5.0	7.9	5.7	5.9	5.1	8.3
Adjusted EBITA margin, %	6.0	5.9	5.0	7.9	5.7	6.1	5.1	8.3
Return on equity,* %	18.4	17.8	17.5	18.3	18.0	17.4	16.9	17.5
Net debt	-2,062	-1,896	-1,841	-1,862	-2,515	-2,343	-2,058	-2,417
Net debt/adjust. EBITDA*	1.7	1.7	1.6	1.7	2.3	2.2	2.0	2.5
Cash conversion,* %	93	94	75	106	88	104	98	61
Interest coverage ratio	34.3	30.0	32.7	30.0	19.8	26.6	15.9	21.6
Equity/assets ratio, %	35.4	34.2	36.5	34.9	33.5	32.3	34.4	34.1
Order intake	4,046	5,102	4,875	4,620	4,059	4,821	4,471	4,313
Order backlog	10,746	11,139	10,825	10,271	10,635	10,493	9,000	8,644
Average no. of employees	11,180	10,893	10,709	10,643	10,452	10,089	9,835	9,730
Administration costs as % of sales	7.8	7.9	7.9	8.6	8.5	9.2	8.5	8.8
Working capital as % of sales**	-3.1	-5.2	-4.7	-5.5	-3.9	-6.2	-6.9	-5.8
Basic earnings per share, SEK***	1.00	1.05	0.83	1.59	0.81	0.92	0.75	1.26
Diluted earnings per share, SEK	1.00	1.05	0.83	1.58	0.81	0.92	0.75	1.26
Equity per share, SEK***	24.67	23.76	24.41	23.13	21.26	20.42	20.94	20.24
Cash flow from operating activities per share, SEK***	-0.65	1.58	0.29	3.23	-0.71	0.74	1.89	2.06
Share price at balance sheet date, SEK	72.90	71.15	59.70	54.85	59.65	61.55	58.10	55.25

*Calculated on rolling 12-month earnings **Calculated on rolling 12-month sales ***Calculated on the company's outstanding ordinary shares

Reconciliation of key figures, not defined under IFRS

The company presents certain financial measures in the interim report that are not defined under IFRS. The company believes these measures provide valuable additional information for investors and the company's management as they allow relevant trends to be assessed. Bravida's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should be regarded as complementary rather than replacing the measures defined under IFRS. Below are definitions of measures not defined under IFRS and not mentioned elsewhere in the interim report. These measures are reconciled in the tables below. Calculations do not always tally because amounts in the table below have been rounded to the nearest million Swedish kronor. For definitions of key figures, see page 21.

RECONCILIATION OF KEY FIGURES, NOT DEFINED UNDER IFRS	Jul–Sep 2018	Apr–Jun 2018	Jan–Mar 2018	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016
Net debt								
Interest-bearing liabilities	2,500	2,500	2,500	2,701	2,903	2,703	2,703	2,703
Cash and cash equivalents	-438	-604	-660	-839	-388	-360	-645	-286
Total net debt	**2,062**	**1,896**	**1,841**	**1,862**	**2,515**	**2,343**	**2,058**	**2,417**
EBITA/Adjusted EBITA								
Operating profit/loss (EBIT)	267	279	225	389	222	253	209	353
Depreciation, amortisation and impairment losses	1	1	1	1	1	2	2	1
EBITA	**267**	**280**	**226**	**390**	**223**	**255**	**211**	**354**
Adjustment relating to specific cost*	–	–	–	–	–	8	–	0
Adjusted EBITA	**267**	**280**	**226**	**390**	**223**	**263**	**211**	**354**
EBITDA /Adjusted EBITDA								
Operating profit/loss (EBIT)	267	279	225	389	222	253	209	353
Depreciation, amortisation and impairment losses	8	8	8	9	8	9	8	7
EBITDA	**274**	**287**	**233**	**397**	**231**	**262**	**217**	**360**
Adjustment relating to specific costs*	–	–	–	–	–	8	–	0
Adjusted EBITDA	**274**	**287**	**233**	**397**	**231**	**270**	**217**	**360**
Working capital								
Current assets	5,802	5,758	5,344	5,362	4,851	4,799	4,534	4,219
Cash and cash equivalents	-438	-604	-660	-839	-388	-360	-645	-286
Current liabilities	-7,081	-7,246	-6,684	-6,642	-6,458	-5,581	-5,093	-4,938
Current loans	1,000	1,000	1,000	1,001	1,203	3	3	3
Provisions	135	153	162	172	137	143	137	143
Total working capital	**-583**	**-939**	**-837**	**-946**	**-655**	**-996**	**-1,064**	**-859**
Interest coverage ratio								
Profit/loss before tax	256	273	216	373	211	239	194	335
Interest expense	8	9	7	13	11	9	13	16
Total	**264**	**282**	**223**	**386**	**223**	**249**	**207**	**351**
Interest expense	8	9	7	13	11	9	13	16
Interest coverage ratio	**34.3**	**30.0**	**32.7**	**30.0**	**19.8**	**26.6**	**15.9**	**21.6**
Cash conversion								
Operating profit/loss before depreciation, amortisation and impairment losses, past 12 months	1,192	1,148	1,123	1,107	1,070	1,035	1,006	970
Non-cash provisions in working capital, last 12 months	-45	-44	-21	-14	22	55	28	16
Change in working capital, last 12 months	-49	-35	-260	63	-148	-18	-54	-387
Investments in machinery and equipment, last 12 months	-15	-17	-20	-21	-28	-27	-22	-21
Total	**1,083**	**1,052**	**822**	**1,135**	**916**	**1,045**	**958**	**578**
Operating profit/loss, last 12 months	1,160	1,116	1,089	1,072	1,037	1,004	978	944
Cash conversion, last 12 months, %	93	94	75	106	88	104	98	61

*See note 6

NOTES

NOTE 1. ACCOUNTING POLICIES

This is a translation of the Swedish Interim Report of Bravida Holding AB. In the event of inconsistency between the English and the Swedish versions, the Swedish version shall prevail. This interim report for the group has been prepared in accordance with IAS 34 Interim Reporting and appropriate sections of Chapter 9, Interim Reporting, of the Swedish Annual Accounts Act. The parts of the interim report that relate to the parent company have been prepared in accordance with Chapter 9, Interim Reporting, of the Swedish Annual Accounts Act.

Since 1 January 2018, Bravida has applied IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

For Bravida, the introduction of IFRS 9 will mean that credit losses will be recognised earlier than under IAS 39. The Group has historically had very low recorded bad debts and this is not expected to change going forward, so the impact of the impairment model on expected credit losses is immaterial. As the effects are immaterial, the transfer to the opening balance for 2018 is not affected.

IFRS 15 is replacing existing standards for revenue recognition. Initial assessment of the IFRS 15 criteria for recognition over time or at a particular date indicate that in most of these cases the goods are deemed to be controlled by the customer as they are installed, whereupon they will also be recognised over time rather than at the date when installation is completed. This implies no difference in revenue recognition compared with the current situation. The effects of this new accounting standard are immaterial for the Group. So the transition to IFRS 15 does not affect the opening balance for 2018.

IFRS 15 contains increased disclosure requirements on revenue. Information about the distribution of revenues is provided in Note 2 of the interim report.

The IASB has issued a new standard that comes into effect from 1 January 2019, IFRS 16 Leases.

IFRS 16 replaces the existing standard for the accounting of leases. The standard will be applied by Bravida from 1 January 2019. The new standard will have a not insignificant impact on Bravida's financial statements. Work is currently ongoing to calculate the effect on amounts from IFRS 16. Please refer to the 2017 annual accounts for a more detailed description of the implications of IFRS 16 and to Note 28 on operating leases for indications of the scope of existing leases.

As the effects of IFRS 9 and IFRS 15 are insignificant, the report has essentially been prepared in accordance with the same accounting policies and calculation methods as the 2017 annual accounts.

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

NOTE 2. SEGMENT REPORTING AND DISTRIBUTION OF NET SALES

Geographic markets constitute Bravida's operating segments. The Group's geographic markets comprise the countries; Sweden, Norway, Denmark and Finland.

NET SALES BY COUNTRY

SEK MIL.	Jul–Sep 2018	Break-down	Jul–Sep 2017	Break-down	Jan–Sep 2018	Break-down	Jan–Sep 2017	Break-down	Jan–Dec 2017	Break-down
Sweden	2,250	51%	2,144	55%	7,394	54%	7,093	57%	9,847	57%
Norway	1,151	26%	1,019	26%	3,384	25%	2,957	24%	4,185	24%
Denmark	784	18%	603	15%	2,269	16%	1,814	15%	2,547	15%
Finland	258	6%	172	4%	769	6%	533	4%	745	4%
Group-wide and eliminations	-6		-12		-31		-31		-31	
Total	**4,437**		**3,926**		**13,784**		**12,366**		**17,293**	

EBITA, EBITA MARGIN AND PROFIT/LOSS BEFORE TAX

SEK MIL.	Jul–Sep 2018	EBITA Margin	Jul–Sep 2017	EBITA Margin	Jan–Sep 2018	EBITA Margin	Jan–Sep 2017	EBITA Margin	Jan–Dec 2017	EBITA Margin
Sweden	150	6.7%	144	6.7%	445	6.0%	422	5.9%	661	6.7%
Norway	64	5.6%	58	5.7%	193	5.7%	167	5.6%	254	6.1%
Denmark	44	5.6%	21	3.5%	116	5.1%	82	4.5%	131	5.1%
Finland	5	1.8%	3	1.7%	3	0.4%	6	1.2%	15	2.0%
Group and eliminations	5		-2		16		12		18	
Total	**267**	**6.0%**	**223**	**5.7%**	**774**	**5.6%**	**689**	**5.6%**	**1,078**	**6.2%**
Adjustments (specific costs)*	–		–		–		8		8	
Adjusted operating profit/loss	**267**	**6.0%**	**223**	**5.7%**	**774**	**5.6%**	**697**	**5.6%**	**1,086**	**6.3%**
Amortisation of intangible assets	-1		-1		-3		-5		-6	
Net financial items	-10		-11		-26		-39		-54	
Profit/loss before tax	**256**		**211**		**745**		**645**		**1,019**	

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

DISTRIBUTION OF NET SALES

	Jul–Sep 2018			Jul–Sep 2017		
NET SALES PER CATEGORY	**Service**	**Installation**	**Total**	**Service**	**Installation**	**Total**
Sweden	1,100	1,150	2,250	999	1,145	2,144
Norway	553	598	1,151	512	506	1,019
Denmark	287	497	784	253	350	603
Finland	49	209	258	37	135	172
Eliminations	6	-11	-6	-2	-11	-12
The Group	**1,994**	**2,443**	**4,437**	**1,800**	**2,126**	**3,926**

	Jan–Sep 2018			Jan–Sep 2017		
	Service	**Installation**	**Total**	**Service**	**Installation**	**Total**
Sweden	3,602	3,792	7,394	3,262	3,831	7,093
Norway	1,658	1,726	3,384	1,482	1,475	2,957
Denmark	879	1,390	2,269	806	1,008	1,814
Finland	132	637	769	108	425	533
Eliminations	-3	-28	-31	-3	-28	-31
The Group	**6,268**	**7,517**	**13,784**	**5,655**	**6,711**	**12,366**

AVERAGE NUMBER OF EMPLOYEES	Jan–Sep 2018	Jan–Sep 2017	Jan–Dec 2017
Sweden	5,774	5,486	5,553
Norway	3,024	2,672	2,718
Denmark	1,780	1,791	1,803
Finland	521	433	496
Group functions	80	70	73
Total	**11,180**	**10,452**	**10,643**

NOTE 3. ACQUISITION OF OPERATIONS

Bravida made the following acquisitions during the period January to June:

Acquired unit	Country	Type	Month of acquisition	Percentage of votes	No. of employees	Estimated annual sales in SEK MIL.
Electrical business, Viborg	Denmark	Company	January	100%	30	26
Electrical business, Enköping	Sweden	Company	January	100%	10	16
Electrical, heating & plumbing, HVAC business, Helsinki region	Finland	Company	January	100%	70	190
Cooling business, Stockholm	Sweden	Company	April	100%	12	30
Electrical business, Sala	Sweden	Company	May	100%	18	20
Fire and safety business, Västerås	Sweden	Company	May	100%	14	18
Electrical business, Orkdal	Norway	Assets and liabilities	July	–	10	11
Heating & plumbing-, HVAC business, Skandenborg	Denmark	Company	July	100%	28	75

Effects of acquisitions in 2018

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 50 million. The contingent considerations are due for payment within three years.

The acquisition analyses of acquired companies in 2018 are preliminary.

Assets and liabilities included in acquisition	Fair value recognised in the Group, SEK MIL.
Intangible assets	0
Property, plant and equipment	6
Trade receivables*	40
Income accrued but not invoiced	4
Other current assets	30
Cash and cash equivalents	43
Long-term liabilities	-8
Trade payables	-21
Income invoiced but not accrued	-4
Other current liabilities	-42
Sum net identifiable assets and liabilities	48
Consolidated goodwill	**155**
Aquisition price	203
Cash and cash equivalents (acquired)	43
Net effect on cash and cash equivalents	**160**
Purchase price paid in cash	142
Consideration recognised as a liability**	61
Aquisition price	**203**

*No significant write-downs of trade receivables exist **Of total debited purchase price, SEK 50 million consists of conditional purchase price

Acquisitions after the end of the reporting period

Bravida has completed four acquisitions since the end of the reporting period. In October the acquisition took place of Finland-based Hangon Sähkö Oy with 90 employees and annual sales of approximately SEK 160 million, as well as the acquisition of Sweden-based Lindsténs Elektriska AB with 137 employees and annual sales of approximately SEK 200 million. On 1 November, the acquisition took place of Nyheden Fällfors El AB with 27 employees and annual sales of approximately SEK 40 million and Karlshamns Rörmontage AB with 12 employees and annual sales of approximately SEK 20 million.

NOTE 4. SEASONAL VARIATIONS

Bravida's business is affected by seasonal variations in the construction industry and employees' annual holiday. Bravida usually has a lower level of activity in the third quarter as it is the main holiday period. The fourth quarter normally has the highest earnings because many projects are completed during this period.

NOTE 5. FINANCIAL INSTRUMENTS, FAIR VALUE

The fair value of the Group's non-current assets and liabilities is not materially different from carrying amounts. No items other than the above mentioned contingent consideration, in Note 3, are recognised at fair value in the balance sheet.

NOTE 6. SPECIFIC COSTS

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

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, 6 November 2018
Bravida Holding AB

Fredrik Arp
Chairman

Jan Johansson
Director

Mikael Norman
Director

Marie Nygren
Director

Staffan Påhlsson
Director

Cecilia Daun Wennborg
Director

Mattias Johansson
CEO and Group President

Jan Ericson
Employee representative

Geir Gjestad
Employee representative

Anders Mårtensson
Employee representative

Örnulf Thorsen
Employee representative

REVIEW REPORT OF INTERIM REPORT

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

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Bravida Holding AB (publ) as of 30 September 2018 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 6 November 2018

KPMG AB
Anders Malmeby
Authorized Public Accountant

INFORMATION

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 6 November 2018.

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 2019

Interim Report October–December 2018	15 February
Annual Report 2018	Week 13
Interim Report January–March	7 May
Interim Report April–June	19 July
Interim Report July–September	6 November

Annual General Meeting will be held on 26 April 2019.

FINANCIAL DEFINITIONS

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

RETURN ON EQUITY
12-month rolling net profit/loss as a percentage of average equity.

EBITA*
Operating profit excluding depreciation, amortisation and impairment of non-current intangible assets. EBITA is the key figure and performance measure that is used for operational internal monitoring. EBITA provides an overall view of profit generated by operating activities.

EBITA MARGIN*
EBITA as a percentage of net sales.

EBITDA*
Earnings before interest, taxes, depreciation, and amortisation. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets.

EFFECTIVE TAX RATES
Recognised tax expense as a percentage of profit/loss before tax.

EQUITY PER SHARE, SEK
Equity attributable to equity holders of the parent company divided by the number of ordinary shares outstanding at period end.

NET FINANCIAL ITEMS
Total exchange differences on borrowing and cash and cash equivalents in foreign currency, other financial revenue and other finance costs.

ADJUSTED EBITA*
EBITA adjusted for specific costs Adjusted EBITA improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

ADJUSTED EBITA MARGIN*
EBITA excluding specific costs as a percentage of net sales. The adjusted EBITA margin excludes the effect of specific costs, which improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

ADJUSTED EBITDA*
Earnings before interest, taxes, depreciation, and amortisation, adjusted for specific costs. Improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

CAPITAL STRUCTURE
Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE
Cash flow from operating activities for the period, divided by the number of shares at period end.

CASH CONVERSION*
12-month EBITDA +/- change in working capital and investment in machinery and equipment in relation to 12-month EBIT (operating profit/loss).
This key figure measures the percentage of profit that is converted into cash flow. The purpose is to analyse what percentage of earnings can be converted into cash and cash equivalents and, in the longer term, the opportunity for investments, acquisitions and dividends, with the exception of interest-related cash flows.

NET SALES
Net sales are recognised in accordance with the principle of percentage-of-completion method. These revenues are recognised in proportion to the degree of completion of projects.

NET DEBT/EBITDA ADJUSTED FOR SPECIFIC COSTS
Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

NET DEBT*
Interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents. This key figure is a measure to show the Group's total interest-bearing debt.

ORGANIC GROWTH
The change in sales adjusted for currency effects, as well as acquisitions and disposals compared with the same period last year.

OPERATING CASH FLOW
Operating profit/loss adjusted for non-cash items, investments in machinery and equipment and changes in working capital.

ORDER INTAKE
The value of new projects and contracts received, and changes in existing projects and contracts over the period in question. Includes both installation and service business.

ORDER BACKLOG
The value of remaining, not yet accrued project revenues from orders on hand at the end of the period. Order backlog does not include service operations, only installation projects.

DILUTED EARNINGS PER SHARE
Profit/loss for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares after dilution.

BASIC EARNINGS PER SHARE
Profit/loss for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares.

INTEREST COVERAGE RATIO
Profit/loss after financial items plus interest expense, divided by interest expense. This key figure is a measure of how much earnings may fall by without interest payments being jeopardised or how much interest on borrowing may increase without operating profit turning negative.

WORKING CAPITAL
Total current assets, excluding cash and cash equivalents, minus current liabilities excluding current provisions and borrowing. This measure shows how much working capital is tied up in the business and may be set in relation to sales to understand how efficiently tied-up working capital is being used.

OPERATING MARGIN
Operating profit/loss as a percentage of net sales.

OPERATING PROFIT/EBIT
Earnings before financial items and taxes.

EQUITY/ASSETS RATIO
Equity including non-controlling interests as a percentage of total assets.

SPECIFIC COSTS
Transactions and items that are irregular in occurrence and size and consequently have an impact on earnings and key figures.

*See page 15 for reconciliation of 'alternative performance measures' used by Bravida. As of 1 January 2018, Bravida has opted to report and monitor EBITA and EBITA margin, as well as adjusted EBITA and adjusted EBITA margin. It has done so to reflect internal monitoring. These key figures consequently replace operating margin, and adjusted operating profit and adjusted operating margin.

OPERATIONAL DEFINITIONS

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

SERVICE
Operation and maintenance, as well as minor refurbishment of installations in buildings and facilities.

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

HVAC (HEATING, VENTILATION AND AIR CONDITIONING)
Comfort ventilation and comfort cooling through air treatment, air conditioning and climate control. Commercial cooling in freezer and cold rooms. Process ventilation control systems. Energy audits and energy efficiency through heat recovery ventilation, heat pumps, etc.

HEATING AND PLUMBING
Water, waste water, heating, sanitation, cooling and sprinkler systems. District heating and cooling. Industrial piping with expertise in all types of pipe welding. Energy saving through integrated energy systems.

OTHER AREAS
Principally relates to other areas of technology such as security, cooling, sprinklers, technical service management and power.

THIS IS BRAVIDA

Leader in service and installation

Bravida brings buildings to life – 24 hours a day, 365 days a year. We work primarily with electricity, heating & plumbing, and HVAC, and we offer services in security, sprinklers, cooling, power, lifts, project management and technical service management. After every service or installation assignment we want properties and systems to work a little better and be more energy-efficient and for those people that live or work there to feel safe and healthy. In other words, we bring buildings to life.

Our mission

We offer technical end-to-end solutions over the life of a property, from consulting and design to installation and service.

We are a large company with a local presence across the Nordics. We meet customers locally and take long-term responsibility for our work.

Our employees are our most important resource. With shared values, working methods and tools, together we create a sustainable and profitable business for us and our customers.

Our vision

Bravida is the best in the Nordics at providing sustainable service and installation of the functions that bring buildings to life. We are the first choice for customers and the most attractive employer in the industry.

Targets

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

THE BRAVIDA WAY

Our corporate culture and way of working make us unique in the market

ENTREPRENEURSHIP

● Our approach is based on an important principle: each local branch is responsible for its own earnings. Branch managers are responsible for creating, together with their employees, a successful business with stable profitability, growth and good local market relations. It's the combined commitment of the branches and employees that drive Bravida forward.

FOLLOW-UP AND SUPPORT

● Together, the branches create economies of scale, supported by Bravida's shared tools and working methods. Employees are responsible for continually making use of these. Regular follow-ups together help us create the stable profitability that is distinctive for our organisation. The business is supported by central Group departments.

CONTINUOUS IMPROVEMENT

● We have established shared best-practice working methods. We aim to constantly improve and simplify the way we operate. Our working model, which is designed to create constant improvement, helps local branches continually share experiences and learn from each other.

BRAVIDA'S STRATEGIES

PROFITABLE GROWTH

Bravida's objective is to be the largest or second-largest player in all the locations where we choose to operate. We aim to grow both organically and via acquisitions in our various key geographical markets. To ensure long-term stable growth, we are increasing our focus on service and proactive sales.

ORGANIC GROWTH

Focus on growth in service and proactive sales

Focus on end-to-end solutions and packaged solutions

Greater cooperation between branches

GROWTH THROUGH ACQUISITIONS

We acquire companies that help us become the local market leader in priority growth regions

Acquisitions should contribute at least one of the following:

- Strengthening our local offering
- Complementing our technical offering
- Providing geographical expansion
- Boosting expertise and improving offerings, for example in resource-efficient solutions

FINANCIAL STABILITY

Maintaining good financial stability is essential to Bravida. Margin always takes precedence over volume in our operations, cost-effectiveness is a cornerstone of our business and we continually endeavour to maintain stable cash flow.

STABLE CASH FLOW

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

Continual monitoring
Continual monitoring of cash flow at all levels of the company.

GOOD PROFITABILITY

Margin over volume
Growth, but not at any price. We only take on assignments with a healthy margin and calculable risks.

Focus on cost-effectiveness

- Minimise fixed costs. We adapt production capacity and administrative expenses according to sales volumes.
- Coordination of purchasing generates economies of scale and cost-effectiveness.

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

SUSTAINABLE COMPANY

Bravida aims to operate a responsible business and manage its own and others' resources efficiently. We take focused measures to achieve clear results in our sustainability work.

SUSTAINABLE USE OF RESOURCES

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

Energy efficiency in our customers properties
Cooperation with customers to reduce energy and resource consumption in their properties and facilities.

Sustainable products
Sustainability impact assessment of installation products.

GOOD HEALTH AND SAFETY

Active health and safety work
Employee safety, and physical and mental health.

Focus on leadership

GOOD BUSINESS ETHICS

Internal culture
Active measures to maintain a healthy corporate culture with good values.

Suppliers
Continual sustainability assessment of suppliers.

WE BRING BUILDINGS TO LIFE

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