2017 INTERIM REPORT

October–December

OCTOBER–DECEMBER 2017

- Net sales increased by 15% to SEK 4,927 million (4,277)
- Organic growth was 6% (4)
- The order backlog was 19% higher at SEK 10,271 million (8,644)
- Operating profit increased by 10% to SEK 389 million (353)
- The operating margin was 7.9% (8.3)
- Profit after tax was SEK 320 million (255)
- Cash flow from operating activities was SEK 650 million (415)
- Net debt amounted to SEK 1,862 million (2,417)
- One acquisition was made in the quarter, adding annual sales of SEK 10 million
- Basic earnings per share were SEK 1.59 (1.26) and diluted earnings per share were SEK 1.58 (1.26)

JANUARY–DECEMBER 2017

- Net sales increased by 17% to SEK 17,293 million (14,792)
- Organic growth was 6% (-1)
- Operating profit increased by 14% to SEK 1,072 million (944)
- The operating margin was 6.2% (6.4)
- Adjusted operating profit was SEK 1,080 million (954)
- The adjusted operating margin was 6.2% (6.5)
- Profit after tax was SEK 820 million (674)
- Cash flow from operating activities was SEK 1,038 million (428)
- Four acquisitions were made in the period, adding annual sales of SEK 1,370 million
- Basic earnings per share were SEK 4.07 (3.34) and diluted earnings per share were SEK 4.06 (3.34)
- The Board of Directors proposes a dividend of SEK 1.55 (1.25) per share for 2017

FINANCIAL OVERVIEW

SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	4,927	4,277	17,293	14,792
Operating profit/loss	389	353	1,072	944
Operating margin, %	7.9	8.3	6.2	6.4
Adjusted operating profit/loss	389	353	1,080	954
Adjusted operating margin, %	7.9	8.3	6.2	6.5
Profit/loss after tax	320	255	820	674
Cash flow from operating activities	650	415	1,038	428
Operating cash flow	679	449	1,171	594
Interest coverage ratio	30.0	21.6	22.9	15.5
Cash conversion, %	106	61	106	61
Net debt/adjust. EBITDA, 12 m	1.7	2.5	1.7	2.5
Order intake	4,620	4,313	17,972	15,990
Order backlog	10,271	8,644	10,271	8,644

A leading multi-technical service provider in the Nordics

bravida
WE BRING BUILDINGS TO LIFE

”A STRONG QUARTER TO END OUR BEST EVER YEAR”

ORGANIC GROWTH ABOVE OUR FINANCIAL TARGET

In 2017 and the fourth quarter we achieved growth in all countries. We grew by 15 percent in the quarter and by 17 percent for the full year. Organic growth was 6 percent for the quarter and for the full year, which is above our growth target.

It's very pleasing that our initiative to grow within the service business is generating results, with growth amounting to 16 percent for the year and to a very strong 25 percent for the fourth quarter. In the fourth quarter, service accounted for 50 percent of sales.

IMPROVED UNDERLYING MARGIN IN THE QUARTER

The underlying margin, excluding operations at Oras, improved to 8.5 percent (8.3) in the quarter as a result of higher profitability in Sweden and Norway.

The underlying operating margin for the full year was 6.5 percent, which is the same level as the previous year.

STRONG CASH FLOW BOLSTERS CAPITAL STRUCTURE

Cash flow in the fourth quarter reduced our net debt to SEK 1,862 million and gives us the financial flexibility to continue making acquisitions. In addition, the Board proposes that we raise the dividend by 24 percent to SEK 1.55 per share.

ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA

Acquisitions are continuing to strengthen Bravida's growth within both installation and service. In 2017 we carried out four acquisitions, which strengthened our market position. We will continue to grow through acquisitions and have already made three acquisitions so far in 2018.

The strategic acquisition of Oras means we are now the market leader in Norway and that our market position in heating & plumbing and HVAC has been significantly strengthened.

Integration of Oras has proceeded according to plan, with adaptation of the organisation, implementation of Bravida's procedures and systems, and training of personnel. Integration is essentially now complete, and integration costs have been recognised on an ongoing basis in Bravida Norway. Operating income for 2017 was SEK 0 million and our assessment is that the acquired businesses will post an operating profit in 2018.

In Finland, we acquired Adison Oy in January 2018, an acquisition that bolsters our position in the Helsinki region and is another building block in establishing a critical mass in Finland. To build on the platform we have established in Finland, Bravida has recruited Marko Holopainen as the new Head of Division from March 2018.

MARKET REMAINS GOOD

As mentioned previously, I believe the technical installations and service markets will remain good in Sweden, Norway and Denmark, and stable in Finland. Ten percent of our sales in 2017 came from new-build apartment buildings. The majority of installations in new-build homes are taking place outside Stockholm and Oslo, with installations for both tenant-owned apartments and rental apartments.

I expect a gradual slowdown in technical installations in new-build housing. Bravida offers, and has the expertise to carry out, complex installations in all types of properties and our broad customer base means we aren't dependent on individual projects or customers. A slowdown in housing construction will be substituted by other projects from industry, the public sector and housing renovation.

The order backlog, which only includes installation projects, is 19 percent higher than at the same point in the previous year. The order backlog largely consists of small and medium-sized installation projects, which together with our large service business, will support growth over the coming quarters.

During 2017 we have worked intensively with, among other things, the establishing of our new division Riks in Sweden, improvement initiatives in Finland, and several aqcuisitions. These efforts creates a good foundation which positively will contribute to Bravida's continuous development during 2018 and beyond.

Mattias Johansson
Stockholm, February 2018

CONSOLIDATED EARNINGS OVERVIEW

NET SALES

October–December

Net sales increased by 15 percent to SEK 4,927 million (4,277). Adjusted for currency fluctuations and acquisitions, net sales increased by 6 percent. Currency fluctuations had a negative 1 percent impact on net sales, while acquisitions increased net sales by 10 percent. Net sales increased in all countries. They increased by 11 percent in Sweden, by 24 percent in Norway, by 14 percent in Denmark and by 15 percent in Finland. The high level of growth in Norway and Finland was mainly due to the acquisitions of Oras and Asentaja Group, respectively.

Compared with the fourth quarter of 2016, installation business increased by 7 percent and service business by 25 percent. The service business accounted for 50 percent (47) of total net sales.

Order intake amounted to SEK 4,620 million (4,313), an increase of 7 percent. The order backlog at 31 December was 19 percent higher than at the same point in the previous year and amounted to SEK 10,271 million (8,644). The order backlog only contains installation projects.

January–December

Net sales increased by 17 percent to SEK 17,293 million (14,792). Adjusted for currency fluctuations and acquisitions, the increase was 6 percent. Currency fluctuations had a positive 1 percent impact, while acquisitions increased net sales by 10 percent. Net sales increased in all countries. They rose by 12 percent in Sweden, by 34 percent in Norway, by 12 percent in Denmark and by 13 percent in Finland.

Compared with the same period of 2016, installation business increased by 17 percent and service business by 16 percent. Installation business accounted for 53 percent (53) 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 the result of the Group's initiatives to boost service sales. Order intake, including both installation and service, amounted to SEK 17,972 million (15,990), an increase of 12 percent.

EARNINGS

October–December

Operating profit increased by 10 percent to SEK 389 million (353), resulting in an operating margin of 7.9 percent (8.3). Operating profit increased by 18 percent in Sweden, 13 percent in Denmark, and in Finland operating profit rose by 10 percent. In Norway, operating profit decreased by 2 percent. Group-wide operating profit was SEK 6 million (11). The acquisition of Oras in Norway has diluted the operating margin by 0.6 percentage points.

Net financial items amounted to SEK -15 million (-18). Profit after financial items was SEK 373 million (335). Profit after tax was SEK 320 million (255). Basic earnings per share increased by 26 percent to SEK 1.59 (1.26). Diluted earnings per share were SEK 1.58 (1.26).

January–December

Operating profit increased by 14 percent to SEK 1,072 million (944), resulting in an operating margin of 6.2 percent (6.4). Operating profit in Sweden increased by 15 percent, in Norway by 12 percent and in Denmark by 15 percent. In Finland, operating profit improved to SEK 15 million (7). Group-wide operating profit was SEK 18 million (25). The acquisition of Oras in Norway has diluted the operating margin by 0.3 percentage points. Oras' operating profit was SEK 0 million.

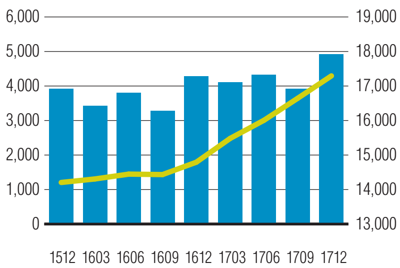
Specific costs were SEK 8 million (10). Adjusted operating profit was SEK 1,080 million (954) and the adjusted operating margin was 6.2 percent (6.5).

Net financial items totalled SEK -54 million (-67), with the improvement due to lower debt and lower financing expenses. Profit after financial items was SEK 1,019 million (877). Profit after tax was SEK 820 million (674). Basic earnings per share increased by 22 percent to SEK 4.07 (3.34). Diluted earnings per share were SEK 4.06 (3.34).

DEPRECIATION AND AMORTISATION

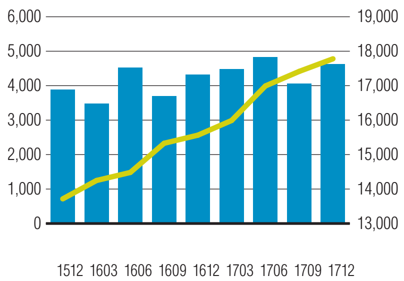
Depreciation and amortisation for the quarter was SEK 9 million (7). Depreciation and amortisation for the full year was SEK 34 million (26).

NET SALES (SEK MIL.)



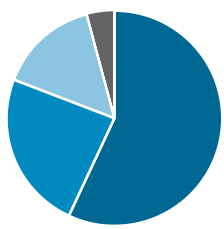
Net sales by quarter
Net sales, rolling 12 months

ORDER INTAKE (SEK MIL.)



Order intake by quarter
Order intake, rolling 12 months

NET SALES BY COUNTRY, JAN–DEC 2017



57% Sweden
24% Norway
15% Denmark
4% Finland

TAX

The tax expense for the quarter was SEK -53 million (-80). Profit before tax was SEK 373 million (335). Tax paid amounted to SEK 20 million (27).

The tax expense for the full year was SEK -199 million (-203). Profit before tax was SEK 1,019 million (877). The effective tax rate was 20 (23) percent. Tax paid amounted to SEK 95 million (112).

The tax rate in Sweden is 22 percent, in Norway it is 24 percent, in Denmark 22 percent and in Finland 20 percent.

CASH FLOW

October–December

Cash flow from operating activities was SEK 650 million (415). The improvement in cash flow was due to lower working capital and higher earnings. Working capital has improved as a result of current liabilities increasing. Cash flow from investment activities was SEK -12 million (-49), acquisitions of subsidiaries and businesses totalled SEK -6 million (-35). Cash flow from financing activities, which relate to the repayment of loans and the net reduction of utilised overdraft facilities, amounted to SEK -201 million.

12-month cash conversion was 106 percent.

January–December

Cash flow from operating activities was SEK 1,038 million (428). The improvement in cash flow was due to higher earnings and lower working capital. Working capital has improved as a result of current liabilities increasing. Cash flow from investment activities was SEK -231 million (-280), acquisitions of subsidiaries and businesses totalled SEK -215 million (-262). Cash flow from financing activities, which relate to a dividend payment and the net reduction of utilised overdraft facilities, amounted to SEK -254 million.

ACQUISITIONS

In the fourth quarter a small acquisition was made in Denmark of an electrical business, with sales equivalent to SEK 10 million and 8 employees.

Three other acquisitions were made earlier in the year. In the second quarter, Oras was acquired in Norway with heating & plumbing and HVAC operations, and sales equivalent to SEK 1,200 million. In Denmark, a district heating contracting company was acquired with sales equivalent to SEK 130 million. In the third quarter, a heating & plumbing company was acquired in Sweden with sales of SEK 30 million.

FINANCIAL POSITION

Bravida's net debt at 31 December was SEK 1,862 million (2,417), which corresponds to a capital structure (net debt/adjusted EBITDA) ratio of 1.7 (2.5). Consolidated cash and cash equivalents were SEK 839 million (286) at 31 December. Interest-bearing liabilities amounted to SEK 2,701 million (2,703) at 31 December, SEK 1,000 million of which was commercial paper. Bravida's total credit facilities amounted to SEK 3,703 million (4,003), of which SEK 1,997 million (1,300) was unused at 31 June.

At the end of the year, equity totalled SEK 4,662 million (4,079). The equity/assets ratio was 34.9 percent (34.1).

EMPLOYEES

The average number of employees at 31 December was 10,643 (9,730), an increase of 9 percent.

PARENT COMPANY

For the fourth quarter, revenues were SEK 45 million (22) and earnings after net financial items were SEK 2 million (-11).

For the full year, revenues were SEK 151 million (82) and earnings after net financial items were SEK -9 million (-34).

SHAREHOLDER INFORMATION

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 29 December Bravida had 11,890 shareholders, according to Euroclear. At 29 December, the four largest shareholders were; Swedbank Robur funds, Lannebo funds, Capital Group funds and the Fourth National Pension Insurance Fund (AP4). Bravida has no shareholders that hold shares exceeding 10 percent of voting rights.

The price of a Bravida share at 29 December 2017 was SEK 54.85 (55.25), corresponding to a market capitalisation of SEK 11,056 million (11,137) based on the number of ordinary shares. Over the past 12 months, Bravida shares produced a total shareholder return, including the dividend, of 1.5 percent.

Share capital amounts to SEK 4 million divided among 203,316,598 shares, of which 201,566,598 are ordinary shares and 1,750,000 are class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

DIVIDEND

The Board of Directors proposes a dividend of SEK 1.55 (1.25) per share for 2017. The proposal represents an increase of 24 percent and corresponds to 38 percent of net earnings per share. The proposal corresponds to a total dividend of SEK 312 million (252).

NET SALES AND GROWTH

SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	4,927	4,277	17,293	14,792
Change	650	358	2,501	587
Change, %	15.2	9.1	16.9	4.1
Of which				
Organic growth, %	6	4	6	-1
Acquisitions, %	10	5	10	6
Currency effects, %	-1	0	1	-1

OTHER EVENTS DURING THE PERIOD

Supported by the authorisation from the AGM on 10 May 2017, on 2 October Bravida's Board took the decision to increase the share capital by SEK 11,000 through a private cash issue of 550,000 class C shares to Nordea Bank AB (publ) ('Nordea'), each with a quotient value of SEK 0.02, at a subscription price of SEK 0.02 per share. Bravida's Board also took the decision to immediately repurchase all 550,000 class C shares from Nordea at the same price as the subscription price. The purpose of the new share issue and the repurchase is, by converting these class C shares, to ensure the supply of ordinary shares for employees within the Group participating in the performance-based LTIP 2017 incentive programme, which was adopted at the AGM on 10 May 2017.

Marko Holopainen was appointed as new Head of Division Finland. He joins the company from Finnish construction service company Consti Group Ltd., where he was CEO. Marko Holopainen will take on the position as Head of Division at the end of March 2018. He succeeds Mattias Johansson, Bravida's President and CEO, who has been Acting Head of Division since August 2017. Marko Holopainen will be a member of Bravida's Group management.

Monica Caneman, Chairwoman of Bravida Holding AB (publ) since the 2015 AGM, has stated that she will not stand for re-election as Chairwoman at the next AGM. Monica Caneman will remain as Chairwoman until the next AGM, which will take place on 20 April 2018.

Bravida has signed an agreement to acquire EL & Tele Installation AB in Enköping, Sweden, and the acquisition was completed on 1 January 2018.

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

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

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

TRANSACTIONS WITH RELATED PARTIES

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

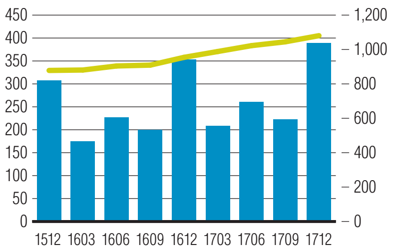
EVENTS SINCE THE END OF THE PERIOD

Electric Viborg A/S in Denmark was acquired on 2 January 2018. The company has 30 employees and sales equivalent to SEK 26 million in electrical service and security.

Finland-based Adison Oy was acquired on 4 January 2018. The company, which operates in the Helsinki region, has 70 employees and sales equivalent to SEK 190 million in electrical, heating & plumbing, HVAC and construction.

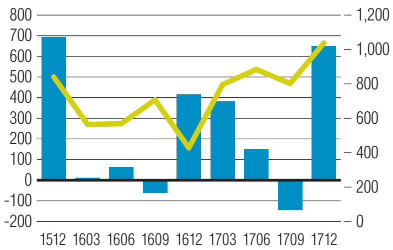
On 23 January 2018, Bravida's nomination committee proposed that the AGM on 20 April 2018 appoint Fredrik Arp as the new Chairman.

ADJUSTED OPERATING PROFIT (SEK MIL.)



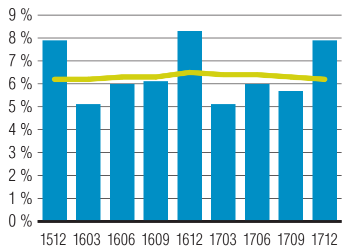
■ Adjusted operating profit by quarter
— Adjusted operating profit, rolling 12 months

CASH FLOW FROM OPERATING ACTIVITIES (SEK MIL.)



■ Cash flow from operating activities by quarter
— Cash flow from operating activities, rolling 12 months

ADJUSTED OPERATING MARGIN



■ Adjusted operating margin
— Adjusted operating margin, rolling 12 months

OPERATIONS IN SWEDEN

MARKET

Demand for new-builds and upgrades of public-sector premises, offices, housing and retail properties and building maintenance continues to be healthy.

Confidence indicators for the construction industry remain at historical highs. A gradual decrease in demand for technical installations in new-build housing is expected. However, this will be substituted by increased demand for other types of installation and renovation of existing housing.

Bravida believes demand for technical installations and service is strong in metropolitan regions and university towns and healthy in the rest of the country.

NET SALES AND EARNINGS

October–December

Net sales increased by 11 percent to SEK 2,755 million (2,480). The sales growth is due to strong growth in service business.

Operating profit increased by 18 percent to SEK 239 million (202), resulting in an operating margin of 8.7 percent (8.2).

January–December

Net sales increased by 12 percent to SEK 9,847 million (8,760). The growth in net sales is attributable to organic growth within both service and installation business. Division Stockholm, which reported weak sales performance in 2016, reported good organic growth for 2017.

Operating profit increased by 15 percent to SEK 658 million (574), resulting in an operating margin of 6.7 percent (6.6).

ORDER INTAKE AND ORDER BACKLOG

October–December

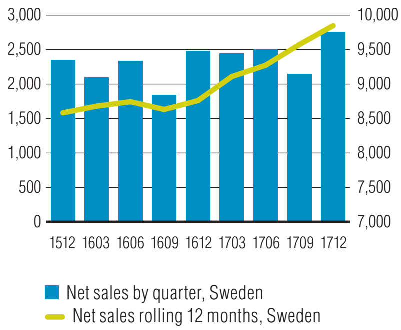
Order intake decreased by 8 percent to SEK 2,481 million (2,687). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 9 percent higher than for the same period of the previous year and amounted to SEK 5,372 million (4,944).

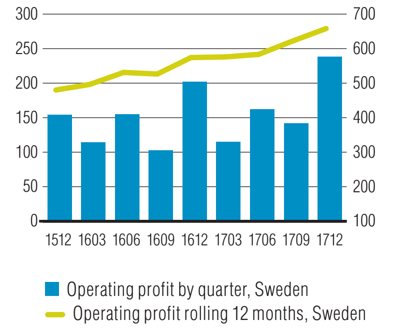
January–December

Order intake increased by 7 percent to SEK 10,275 million (9,566).

NET SALES (SEK MIL.)



OPERATING PROFIT (SEK MIL.)



SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	2,755	2,480	9,847	8,760
Operating profit (EBIT)	239	202	658	574
Operating margin, %	8.7	8.2	6.7	6.6
Order intake	2,481	2,687	10,275	9,566
Order backlog	5,372	4,944	5,372	4,944
Average number of employees	5,553	5,330	5,553	5,330

Specialfastigheter (Specialist Properties) owns, manages and develops properties with high security requirements in Sweden. This includes properties for the prison and probation service, the armed forces, the judicial system and institutional care. Bravida has previously provided heating & plumbing and HVAC service for specialist properties and has now been awarded a new extended and expanded national agreement to provide services.

OPERATIONS IN NORWAY

MARKET

Conditions in the construction industry in Norway are generally good, although the south-west parts of the market are still weak following the fall in the price of oil and gas. New public-sector investments in public transport 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 turbines, solar energy and electric car charging.

Housing construction has seen strong growth in recent years, but this segment is expected to gradually experience lower production. Bravida believes demand for technical installations and service is good.

NET SALES AND EARNINGS

October–December

Net sales increased by 24 percent to SEK 1,228 million (994). The growth is due to strong growth within the service business and the acquisition of Oras, which has annual net sales of around SEK 1,200 million.

Operating profit decreased by 2 percent to SEK 87 million (89), resulting in an operating margin of 7.1 percent (8.9). The acquisition of Oras has resulted in a 2.6 percentage point dilution of the operating margin; adjusted for this, the operating margin was 9.7 percent (8.9). Work to integrate Oras has gone to plan.

January–December

Net sales increased by 34 percent to SEK 4,185 million (3,124). The growth was due to acquisitions and organic growth, as well as a 1 percent positive currency translation effect. Growth is attributable to both installation and service business . The acquired company Oras was consolidated into the Group from May 2017.

Operating profit increased by 12 percent to SEK 251 million (224), resulting in an operating margin of 6.0 percent (7.2). The acquisition of Oras has resulted in a 1.3 percentage point dilution of the operating margin; adjusted for this, the operating margin was 7.3 percent (6.4). Integration costs have been recognised on an ongoing basis in Bravida Norway.

ORDER INTAKE AND ORDER BACKLOG

October–December

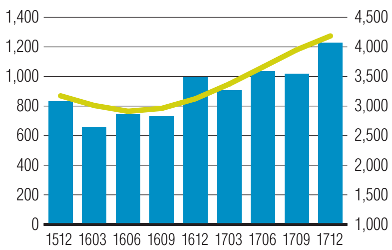
Order intake increased by 16 percent to SEK 1,195 million (1,031). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 67 percent higher than for the same period of the previous year and amounted to SEK 2,804 million (1,677).

January–December

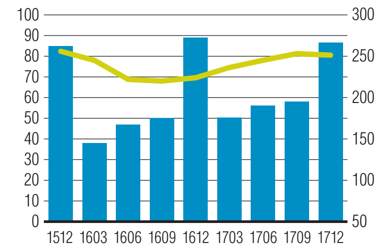
Order intake increased by 26 percent to SEK 4,406 million (3,507).

NET SALES (SEK MIL.)



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

OPERATING PROFIT (SEK MIL.)



Operating profit by quarter, Norway
Operating profit rolling 12 months, Norway

SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	1,228	994	4,185	3,124
Operating profit (EBIT)	87	89	251	224
Operating margin, %	7.1	8.9	6.0	7.2
Order intake	1,195	1,031	4,406	3,507
Order backlog	2,804	1,677	2,804	1,677
Average number of employees	2,718	2,349	2,718	2,349

Bravida provided service for St. Olav's Hospital in Øya, Trondheim in 2017. 15 different Bravida fitters provided the service alongside the hospital's continued day-to-day activities. A new service agreement has been signed based on the hospital's experience of Bravida and its need for a high level of expertise. The agreement runs for four years and covers the entire 230,000 square metres of the hospital buildings.

OPERATIONS IN DENMARK

MARKET

The The construction industry is performing well. Demand is driven both by significant public-sector investments such as large hospitals, and by private investments in data centres, as well as good demand for housing new-builds and renovation.

However, confidence indicators for the construction industry remain slightly below normal. Bravida believes demand for technical installations and service assignments is healthy in major cities.

NET SALES AND EARNINGS

October–December

Net sales increased by 14 percent to SEK 733 million (642). The increase in net sales is mainly attributable to the installation business.

Operating profit increased by 13 percent to SEK 49 million (44), resulting in an operating margin of 6.7 percent (6.8).

January–December

Net sales increased by 12 percent to SEK 2,547 million (2,278). The growth in sales was mainly due to growth in installation business. Currency fluctuations had a positive 2 percent impact on net sales.

Operating profit increased by 15 percent to SEK 130 million (114), resulting in an operating margin of 5.1 percent (5.0).

ORDER INTAKE AND ORDER BACKLOG

October–December

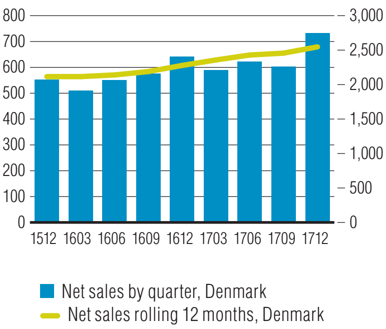
Order intake increased by 49 percent to SEK 737 million (493). Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 4 percent higher than for the same period of the previous year and amounted to SEK 1,752 million (1,689).

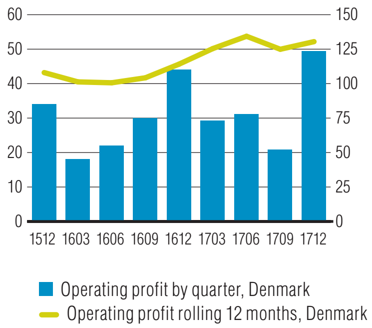
January–December

Order intake increased by 6 percent to SEK 2,567 million (2,412).

NET SALES (SEK MIL.)



OPERATING PROFIT (SEK MIL.)



SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	733	642	2,547	2,278
Operating profit (EBIT)	49	44	130	114
Operating margin, %	6.7	6.8	5.1	5.0
Order intake	737	493	2,567	2,412
Order backlog	1,752	1,689	1,752	1,689
Average number of employees	1,803	1,602	1,803	1,602

Hotel Alsik is being constructed in Sønderborg, southern Denmark and will become a new landmark for Sønderborg harbour. It will be a 19-storey state-of-the-art spa and conference hotel, due for completion by the end of 2018. The hotel will comprise 190 rooms and the spa will be the largest in Denmark. Bravida is providing all fire protection, heating & plumbing, HVAC, cooling and electrical installations for the building.

OPERATIONS IN FINLAND

MARKET

The construction industry has gradually improved over recent years and building firms are reporting increased sales. Confidence indicators for the construction industry are above the normal level. The number of granted building permits, however, has decreased somewhat recently.

Bravida believes demand for technical installations and service is growing.

NET SALES AND EARNINGS

October–December

Net sales increased by 15 percent to SEK 212 million (185). The acquisition of Asentaja Group in December 2016 has contributed to the growth in net sales.

Operating profit was SEK 8 million (7), which equates to an operating margin of 3.9 percent (4.0).

January–December

Net sales increased by 13 percent to SEK 745 million (662). Project selection has contributed to boosting operating profit to SEK 15 million (7), resulting in an operating margin of 2.0 percent (1.1). Operating profit includes the cost of severance pay to the previous Head of Division who left Bravida in August. Marko Holopainen has been appointed the new Head of Division Finland from the end of March 2018. President and CEO Mattias Johansson will remain Acting Head of Division until Marko Holopainen takes over the position.

Currency fluctuations had a positive 2 percent impact on net sales.

ORDER INTAKE AND ORDER BACKLOG

October–December

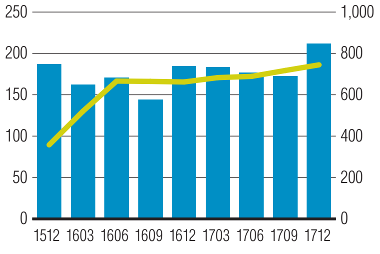
Order intake increased by 66 percent to SEK 208 million (125). Order intake related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 3 percent higher than for the same period of the previous year and amounted to SEK 344 million (334).

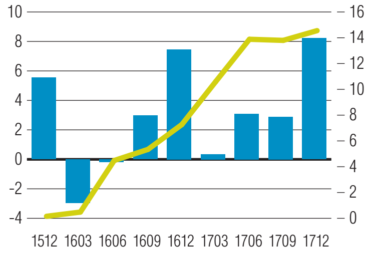
January–December

Order intake increased by 40 percent to SEK 755 million (538).

NET SALES (SEK MIL.)



OPERATING PROFIT (SEK MIL.)



SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	212	185	745	662
Operating profit (EBIT)	8	7	15	7
Operating margin, %	3.9	4.0	2.0	1.1
Order intake	208	125	755	538
Order backlog	344	334	344	334
Average number of employees	496	380	496	380

A new car dealership, Autokeskus Konala, is being built in Konala, Helsinki. Bravida is providing all heating & plumbing and HVAC installations for the building. Installation work began in December 2017 and construction is due for completion by April 2019. The new car dealership will have an area of 17,373 square metres and contain a sales department, workshop and offices.

CONSOLIDATED INCOME STATEMENT, SUMMARY

SEK MIL.	Okc–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	**4,927**	**4,277**	**17,293**	**14,792**
Production costs	-4,113	-3,547	-14,718	-12,562
Gross profit/loss	**815**	**730**	**2,575**	**2,230**
Selling and administrative expenses	-426	-377	-1,502	-1,286
Operating profit/loss	**389**	**353**	**1,072**	**944**
Net financial items	-15	-18	-54	-67
Profit/loss before tax	**373**	**335**	**1,019**	**877**
Tax on profit/loss for the period	-53	-80	-199	-203
Profit/loss for the period	**320**	**255**	**820**	**674**
Profit/loss for the period attributable to:				
Equity holders of the parent	319	254	818	673
Non-controlling interests	1	0	2	1
Profit/loss for the period	**320**	**255**	**820**	**674**
Basic earnings per share, SEK	1.59	1.26	4.07	3.34
Diluted earnings per share, SEK	1.58	1.26	4.06	3.34

STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Profit/loss for the period	**320**	**255**	**820**	**674**
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	1	-8	-26	92
Items that cannot be transferred to profit or loss				
Revaluation of defined-benefit pensions	60	270	23	-65
Tax attributable to the revaluation of pensions	-13	-59	-5	14
Other comprehensive income for the period	**47**	**202**	**-8**	**42**
Comprehensive income for the period	**367**	**457**	**812**	**715**
Comprehensive income for the period attributable to:				
Equity holders of the parent	366	456	811	714
Non-controlling interests	1	0	2	1
Comprehensive income for the period	**367**	**457**	**812**	**715**

CONSOLIDATED BALANCE SHEET, SUMMARY

SEK MIL.	31/12/17	31/12/16
Goodwill	7,844	7,599
Other non-current assets	154	144
Total non-current assets	**7,998**	**7,743**
Trade receivables	3,030	2,544
Income accrued but not invoiced	1,004	875
Other current assets	489	514
Cash and cash equivalents	839	286
Total current assets	**5,362**	**4,219**
Total assets	**13,360**	**11,962**
Equity attributable to holders of the parent	4,652	4,067
Equity attributable to non-controlling interests	10	11
Total equity	**4,662**	**4,079**
Other non-current liabilities	2,056	2,945
Total other non-current liabilities	**2,056**	**2,945**
Trade payables	1,866	1,468
Income invoiced but not accrued	1,519	1,318
Other current liabilities	3,257	2,151
Total current liabilities	**6,642**	**4,938**
Total liabilities	**8,698**	**7,883**
Total equity and liabilities	**13,360**	**11,962**
Of which interest-bearing liabilities	2,701	2,703

STATEMENT OF CHANGES IN EQUITY

SEK MIL.	31/12/17	31/12/16
Consolidated equity		
Opening balance	4,079	3,555
Comprehensive income for the period	812	715
Dividend	-252	-202
Cost shareholder programme	23	10
Closing balance	**4,662**	**4,079**

CONSOLIDATED CASH FLOW STATEMENT, SUMMARY

SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Cash flow from operating activities				
Profit/loss before tax	373	335	1,019	877
Adjustment for non-cash items	32	54	51	50
Income taxes paid	-20	-27	-95	-112
Changes in working capital	265	53	63	-387
Cash flow from operating activities	**650**	**415**	**1,038**	**428**
Investing activities				
Acquisition of subsidiaries and businesses	-6	-35	-215	-262
Other	-7	-14	-16	-18
Cash flow from investing activities	**-12**	**-49**	**-231**	**-280**
Financing activities				
Repayment of loan	-200	-300	1,700	-302
New loan	–	–	-1,700	–
Change in utilisation of overdraft facility	-1	0	-2	0
Dividend paid	–	–	-252	-202
Cash flow from financing activities	**-201**	**-300**	**-254**	**-504**
Cash flow for the period	**437**	**66**	**553**	**-356**
Cash and cash equivalents at start of year	388	220	286	573
Translation difference in cash and cash equivalents	15	-1	0	69
Cash and cash equivalents at end of period	**839**	**286**	**839**	**286**

OPERATING CASH FLOW

SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Operating profit/loss	389	353	1,072	944
Depreciation and amortisation	9	7	34	26
Other adjustments for non-cash items	24	49	17	28
Capital expenditure	-7	-14	-16	-18
Changes in working capital	265	53	63	-387
Operating cash flow	**679**	**449**	**1,171**	**594**

PARENT COMPANY INCOME STATEMENT, SUMMARY

SEK MIL.	Oct–Dec 2017	Oct–Dec 2016	Jan–Dec 2017	Jan–Dec 2016
Net sales	**45**	**22**	**151**	**82**
Selling and administrative expenses	-34	-22	-126	-83
Operating profit/loss	**11**	**0**	**25**	**-1**
Net financial items	-9	-12	-34	-34
Profit/loss after financial items	**2**	**-11**	**-9**	**-34**
Net Group contribution	644	644	644	644
Transfer to/from untaxed reserves	-160	-153	-160	-153
Profit/loss before tax	**487**	**479**	**475**	**456**
Tax	-105	-101	-105	-99
Profit/loss for the period	**382**	**378**	**370**	**357**

PARENT COMPANY BALANCE SHEET, SUMMARY

SEK MIL.	31/12/17	31/12/16
Shares in subsidiaries	7,341	7,341
Total non-current assets	**7,341**	**7,341**
Receivables from Group companies	1,562	1,755
Current receivables	33	51
Total current receivables	**1,595**	**1,806**
Cash and bank balances	644	184
Total current assets	**2,240**	**1,990**
Total assets	**9,581**	**9,331**
Restricted equity	4	4
Non-restricted equity	4,901	4,760
Equity	**4,905**	**4,764**
Untaxed reserves	390	231
Liabilities to credit institutions	1,700	2,700
Provisions	0	–
Total non-current liabilities	**1,700**	**2,700**
Short-term loans	1,000	–
Liabilities to Group companies	1,429	1,496
Other current liabilities	157	140
Total current liabilities	**2,585**	**1,635**
Total equity and liabilities	**9,581**	**9,331**
Of which interest-bearing liabilities	2,700	2,700

Quarterly data

INCOME STATEMENT, SEK MIL.	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016	Jul–Sep 2016	Apr–Jun 2016	Jan–Mar 2016
Net sales	4,927	3,926	4,325	4,115	4,277	3,289	3,800	3,427
Production costs	-4,113	-3,372	-3,675	-3,558	-3,547	-2,822	-3,245	-2,948
Gross profit/loss	**815**	**554**	**649**	**557**	**730**	**466**	**555**	**479**
Selling and administrative expenses	-426	-332	-396	-348	-377	-277	-328	-305
Operating profit/loss	**389**	**222**	**253**	**209**	**353**	**189**	**227**	**175**
Adjustments relating to specific costs	–	–	8	–	0	11	–	–
Adjusted operating profit/loss	**389**	**222**	**261**	**209**	**353**	**200**	**227**	**175**
Net financial items	-15	-11	-13	-14	-18	-17	-16	-15
Profit/Loss after financial items	**373**	**211**	**239**	**194**	**335**	**172**	**211**	**159**
Tax on profit/loss for the period	-53	-48	-54	-44	-80	-39	-48	-36
Profit/loss for the period	**320**	**164**	**186**	**151**	**255**	**133**	**163**	**123**

BALANCE SHEET, SEK MIL.	31/12/17	30/09/17	30/06/17	31/03/17	31/12/16	30/09/16	30/06/16	31/03/16
Goodwill	7,844	7,796	7,780	7,593	7,599	7,508	7,276	7,239
Other non-current assets	154	150	153	145	144	204	175	141
Current assets	4,523	4,463	4,439	3,890	3,933	3,813	3,638	3,521
Cash and cash equivalents	839	388	360	645	286	220	226	390
Total assets	**13,360**	**12,796**	**12,732**	**12,272**	**11,962**	**11,745**	**11,314**	**11,290**
Equity	4,662	4,286	4,116	4,221	4,079	3,619	3,543	3,640
Non-current borrowings	1,700	1,700	2,700	2,700	2,700	2,700	2,700	2,700
Other non-current liabilities	356	353	336	258	245	475	300	174
Current liabilities	6,642	6,458	5,581	5,093	4,938	4,951	4,771	4,776
Total equity and liabilities	**13,360**	**12,796**	**12,732**	**12,272**	**11,962**	**11,745**	**11,314**	**11,290**

CASH FLOW, SEK MIL.	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016	Jul–Sep 2016	Apr–Jun 2016	Jan–Mar 2016
Cash flow from operating activities	650	-144	150	381	415	-57	57	13
Cash flow from investing activities	-12	-31	-174	-14	-49	-183	-36	-13
Cash flow from financing activities	-201	200	-252	0	-300	200	-204	-200
Cash flow for the period	**437**	**25**	**-276**	**367**	**66**	**-40**	**-182**	**-200**

SALES BY GEOGRAPHICAL MARKET, 31/12/17

	OPERATIONS		TECHNICAL AREAS			
	Service	Installation	Electrical	Heating & Plumbing	HVAC	Other areas
Sweden	47%	53%	46%	30%	18%	6%
Norway	53%	47%	59%	26%	10%	6%
Denmark	44%	56%	56%	28%	16%	0%
Finland	21%	79%	36%	28%	24%	12%
The Group	**47%**	**53%**	**50%**	**29%**	**16%**	**5%**

Quarterly data

KEY FIGURES	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016	Jul–Sep 2016	Apr–Jun 2016	Jan–Mar 2016
Operating margin, %	7.9	5.7	5.8	5.1	8.3	5.8	6.0	5.1
Adjusted operating margin, %	7.9	5.7	6.0	5.1	8.3	6.1	6.0	5.1
Profit margin, %	7.6	5.4	5.5	4.7	7.8	5.2	5.5	4.6
Return on equity,* %	18.3	18.0	17.4	16.9	17.5	13.3	12.5	9.7
Net debt	1,862	2,515	2,343	2,058	2,417	2,783	2,577	2,416
Net debt/adjust. EBITDA*	1.7	2.3	2.2	2.0	2.5	3.0	2.8	2.7
Cash conversion,* %	106	88	104	98.0	61	91	77	85
Interest coverage ratio	30.0	19.8	26.6	15.9	21.6	12.5	15.6	11.7
Equity/assets ratio, %	34.9	33.5	32.3	34.4	34.1	30.8	31.3	32.2
Order intake	4,620	4,059	4,937	4,471	4,313	3,693	4,515	3,469
Order backlog	10,271	10,635	10,493	9,000	8,644	8,475	7,972	7,135
Average no. of employees	10,643	10,452	10,089	9,835	9,730	9,469	9,302	9,419
Administration costs as % of sales	8.6	8.5	9.2	8.5	8.8	8.4	8.6	8.9
Working capital as % of sales**	-5.5	-3.9	-6.2	-6.9	-5.8	-4.9	-6.3	-7.2
Basic earnings per share, SEK***	1.59	0.81	0.92	0.75	1.26	0.66	0.81	0.61
Diluted earnings per share, SEK	1.58	0.81	0.92	0.75	1.26	0.66	0.81	0.61
Equity per share, SEK***	23.13	21.26	20.42	20.94	20.24	17.96	17.58	18.06
Cash flow from operating activities per share, SEK***	3.23	-0.71	0.74	1.89	2.06	-0.28	0.28	0.06
Share price at balance sheet date, SEK	54.85	59.65	61.55	58.10	55.25	57.00	50.50	59.75

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

Reconciliation of key figures, not defined under IFRS

The company presents certain financial measures in the interim report that are not defined under IFRS. The company believes these measures provide valuable additional information for investors and the company's management as they allow relevant trends to be assessed. Bravida's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should be regarded as complementary rather than replacing the measures defined under IFRS. Below are definitions of measures not defined under IFRS and not mentioned elsewhere in the interim report. These measures are reconciled in the tables below. Calculations do not always tally because amounts in the table below have been rounded to the nearest million Swedish kronor. For definitions of key figures, see page 20.

RECONCILIATION OF KEY FIGURES, NOT DEFINED UNDER IFRS	Oct–Dec 2017	Jul–Sep 2017	Apr–Jun 2017	Jan–Mar 2017	Oct–Dec 2016	Jul–Sep 2016	Apr–Jun 2016	Jan–Mar 2016
Net debt								
Interest-bearing liabilities	2,701	2,903	2,703	2,703	2,703	3,003	2,803	2,805
Cash and cash equivalents	-839	-388	-360	-645	-286	-220	-226	-390
Total net debt	**1,862**	**2,515**	**2,343**	**2,058**	**2,417**	**2,783**	**2,577**	**2,416**
EBITDA								
Operating profit/loss	389	222	253	209	353	189	227	175
Depreciation, amortisation and impairment losses	9	8	9	8	7	6	6	6
EBITDA	**397**	**231**	**262**	**217**	**360**	**196**	**233**	**181**
Adjusted EBITDA								
Operating profit/loss	389	222	253	209	353	189	227	175
Depreciation, amortisation and impairment losses	9	8	9	8	7	6	6	6
Adjustment relating to specific costs*	–	–	8	–	0	11	–	–
Adjusted EBITDA	**397**	**231**	**270**	**217**	**360**	**207**	**233**	**181**
Working capital								
Current assets	5,362	4,851	4,799	4,534	4,219	4,033	3,864	3,911
Cash and cash equivalents	-839	-388	-360	-645	-286	-220	-226	-390
Current liabilities	-6,642	-6,458	-5,581	-5,093	-4,938	-4,951	-4,771	-4,776
Current loans	1,001	1,203	3	3	3	303	103	105
Provisions	172	137	143	137	143	130	115	117
Total working capital	**-946**	**-655**	**-996**	**-1,064**	**-859**	**-705**	**-916**	**-1,032**
Interest coverage ratio								
Profit/loss before tax	373	211	239	194	335	172	211	159
Interest expense	13	11	9	13	16	15	14	15
Total	**386**	**223**	**249**	**207**	**351**	**187**	**225**	**174**
Interest expense	13	11	9	13	16	15	14	15
Interest coverage ratio	**30.0**	**19.8**	**26.6**	**15,9**	**21.6**	**12.5**	**15.6**	**11.7**
Cash conversion								
Operating profit/loss before depreciation, amortisation and impairment losses, past 12 months	1, 107	1,070	1,035	1,006	970	891	868	827
Non-cash provisions in working capital, last 12 months	-14	22	55	28	16	54	39	51
Change in working capital, last 12 months	63	-148	-18	-54	-387	-122	-226	-158
Investments in machinery and equipment, last 12 months	-21	-28	-27	-22	-21	-32	-31	-32
Total	**1,135**	**916**	**1,045**	**958**	**578**	**791**	**650**	**688**
Operating profit/loss, last 12 months	1,072	1,037	1,004	978	944	866	847	805
Cash conversion, last 12 months, %	106	88	107	98	61	91	77	85
Specific costs								
Operating profit/loss	389	222	253	209	353	189	227	175
Adjustments relating to specific costs *	–	–	8	–	0	11	–	–
Adjusted operating profit/loss	**389**	**222**	**261**	**209**	**353**	**200**	**227**	**175**

* 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.

IASB has issued new standards that come into effect from 1 January 2018.

IFRS 9 Financial Instruments is replacing IAS 39 Financial Instruments: Recognition and Measurement The new standard will be applied by Bravida from 1 January 2018. For Bravida, the introduction of IFRS 9 will mean that credit losses will be recognised earlier than under IAS 39. Based on the Group having historically had very low recognised bad debt losses and the expectation that this will not change going forward, the application of the new standard will not have any significant impact on the Group's recognised items.

IFRS 15 Revenue from Contracts with Customers is replacing the existing standards for revenue recognition. The new standard will be applied by Bravida from 1 January 2018. An analysis of the impact of IFRS 15 has shown that this will not have an impact on the Group's revenue recognition.

IFRS 16 Leases is replacing 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 2016 annual accounts for a more detailed description of the implications of IFRS 16 and to Note 27 on operating leases for indications of the scope of existing leases.

This report has been prepared in accordance with the same accounting policies and calculation methods as the 2016 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

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

NET SALES BY COUNTRY

SEK MIL.	Oct–Dec 2017	Break-down	Oct–dec 2016	Break-down	Jan–Dec 2017	Break-down	Jan–Dec 2016	Break-down
Sweden	2,755	56%	2,480	58%	9,847	57%	8,760	59%
Norway	1,228	25%	994	23%	4,185	24%	3,124	21%
Denmark	733	15%	642	15%	2,547	15%	2,278	15%
Finland	212	4%	185	4%	745	4%	662	4%
Group-wide and eliminations	0		-24		-31		-32	
Total	**4,927**		**4,277**		**17,293**		**14,792**	

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

SEK MIL.	Oct–Dec 2017	Operating margin	Oct–Dec 2016	Operating margin	Jan–Dec 2017	Operating margin	Jan–Dec 2016	Operating margin
Sweden	239	8.7%	202	8.2%	658	6.7%	574	6.6%
Norway	87	7.1%	89	8.9%	251	6.0%	224	7.2%
Denmark	49	6.7%	44	6.8%	130	5.1%	114	5.0%
Finland	8	3.9%	7	4.0%	15	2.0%	7	1.1%
Group and eliminations	6		11		18		25	
Total	**389**	**7.9%**	**353**	**8.3%**	**1,072**	**6.2%**	**944**	**6.4%**
Adjustments (specific costs)*	–		–		8		10	
Adjusted operating profit/loss	**389**	**7.9%**	**353**	**8.3%**	**1,080**	**6.2%**	**954**	**6.5%**
Net financial items	-15		-18		-54		-67	
Profit/loss before tax	**373**		**335**		**1,019**		**877**	

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

AVERAGE NUMBER OF EMPLOYEES	Jan–Dec 2017	Jan–Dec 2016
Sweden	5,553	5,330
Norway	2,718	2,349
Denmark	1,803	1,602
Finland	496	380
Group and eliminations	73	70
Total	**10,643**	**9,730**

NOTE 3. ACQUISITION OF OPERATIONS

Bravida made the following acquisitions during 2017:

Acquired unit	Country	Type	Month of acquisition	Percentage of votes	No. of employees	Estimated annual sales in SEK MIL.
Electrical business, Oslo*	Norway	Company	February	9%		
Plumbing business, Denmark	Denmark	Company	April	100%	100	130
Plumbing & HVAC business, Norway	Norway	Company	May	100%	700	1,200
Plumbing business, Sweden	Sweden	Company	September	100%	18	30
Electrical business, Denmark	Denmark	Assets & liabilities	November	–	8	10

*Acquisition of non-controlling interest

Acquisition of Oras AS

On 8 May 2017 Bravida, via Bravida Norge AS, acquired 100 percent of the share capital in Norwegian installation and service company Oras AS. The acquisition of Oras, Norway's leading heating & plumbing and HVAC provider, makes Bravida the market-leading end-to-end provider of installation and service on the Norwegian market. Oras has annual sales of approximately SEK 1,200 million, around 700 employees, with headquarters in Oslo, and has a presence throughout Norway in areas where Bravida already operates. The acquisition provides for synergy effects, primarily in purchasing and central costs. The purchase price for the shares was SEK 121 million, with the purchase price being paid in the second quarter of 2017. Oras had net debt of SEK 55 million at the acquisition date. Oras was consolidated into the Group from 8 May 2017. Earnings for the second quarter of 2017 were impacted by acquisition costs of SEK 8 million as a specific cost.

The acquisition analysis for Oras AS below is preliminary.

Acquired net debt and goodwill	SEK MIL.
Purchase price	121
Fair value of acquired net debt	55
Goodwill	**176**

Goodwill is attributable to synergies expected to be achieved through further coordination of purchasing and central costs.

Effects of acquisitions in 2017

Acquisitions have the following effects on consolidated assets and liabilities.

Assets and liabilities included in acquisition, SEK MIL.	Oras AS	Other	Total
Intangible assets	0	1	1
Property, plant and equipment	8	7	14
Trade receivables *	209	35	244
Income accrued but not invoiced	75	2	76
Other current assets	44	6	50
Cash and cash equivalents	0	5	5
Long-term liabilities	-83	-16	-100
Trade payables	-102	-13	-115
Income invoiced but not accrued	-49	0	-49
Other current liabilities	-158	-18	-175
Sum net identifiable assets and liabilities	-55	5	-50
Consolidated goodwill	**176**	**57**	**233**
Aquisition price	121	66	187
Cash and cash equivalents (acquired)	0	5	5
Net effect on cash and cash equivalents	121	61	182
Purchase price paid in cash	121	38	159
Consideration recognised as a liability	0	29	29
Aquisition price	**121**	**66**	**187**

*No significant write-downs of trade receivables exist

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 higher earnings which is explained by many projects being 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 financial assets and liabilities are recognised at fair value in the balance sheet.

NOTE 6. SPECIFIC COSTS

Specific costs are costs that are limited in time and relate mainly to improvement programmes, acquisition costs and the IPO. In the second quarter of 2017 these costs were related to the acquisition of Oras. In the third quarter of 2016 these mainly related to the costs for the final settlement of a dispute. See also the table on page 16 for adjusted operating profit.

Stockholm, 16 February 2018
Bravida Holding AB

Mattias Johansson
CEO and Group President

This interim report has not been reviewed by Bravida's auditors.

This information is information that Bravida Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on 16 February 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.

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FINANCIAL REPORTING DATES

Annual report	29 March 2018
Interim report Jan – Mar 2018	3 May 2018
Interim report Apr – Jun 2018	20 July 2018
Interim report Jul – Sep 2018	6 November 2018

Annual General Meeting will be held 20 April 2018, at 13:00 CET.

DEFINITIONS

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.

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 EBITDA
Operating profit/loss before scheduled depreciation, amortisation and impairment losses, adjusted for specific costs. Improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

ADJUSTED OPERATING MARGIN
Operating profit/loss excluding specific costs as a percentage of net sales. The adjusted operating 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 OPERATING PROFIT/LOSS
Operating profit/loss adjusted for specific costs. Adjusted operating profit/loss 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.

12-MONTH CASH CONVERSION
12-month EBITDA (operating profit/loss plus depreciation and amortisation) +/-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 of the previous year.

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 new projects and contracts received as well as changes to existing projects and contracts during the period in question. Contains both installation projects and service operations.

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

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

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

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.

OPERATING PROFIT/LOSS BEFORE DEPRECIATION AND AMORTISATION (EBITDA)
Operating profit/loss before scheduled depreciation, amortisation and impairment losses. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets.

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.

UNDERLYING OPERATING MARGIN
Operating profit/loss adjusted for the impact on earnings from Oras and specific costs expressed as a percentage of net sales.

UNDERLYING OPERATING PROFIT/LOSS
Operating profit/loss adjusted for the impact on earnings from Oras and specific costs.

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

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 technical solutions and products for security, cooling, sprinklers, technical service management and power.

THIS IS BRAVIDA

Leader in installation and service

Bravida brings buildings to life – 24 hours a day, 365 days a year. We work primarily with electricity, heating & plumbing, and HVAC, but we also offer services in security, sprinklers, cooling, power and technical service management.

After every installation or service assignment we want properties and systems to work a little better, 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 installation and service of electrical, heating & plumbing and HVAC systems.

Our skills and efficiency add value and benefit for our customers on a daily basis.

We combine a local presence with the resources of a large company.

OUR VISION

Our vision is to be the leading partner in the Nordics for efficient technical solutions in installation and service. Our comprehensive knowledge will increase our customers' competitiveness.

TARGETS

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

BRAVIDA WAY

Our corporate culture and way of working make us unique in the market. Bravida's business model is built from entrepreneurship, follow-up and support, and continuous improvement.

ENTREPRENEURSHIP

Bravida's approach is based on an important principle: our local branches are at the heart of the business. Each Bravida branch knows its local customers best. So each branch is responsible for taking decisions regarding its local market. It's the commitment of the local branches and employees that drive the company forward.

FOLLOW-UP AND SUPPORT

But there are also advantages in being a large company. Together we have created working practices, templates and systems to provide support, follow up and help local branches move forward. Our central Group departments like financial management, legal services, purchasing and HR help create economies of scale and support local branches.

CONTINUOUS IMPROVEMENT

We want to constantly improve and simplify the way we operate. Our motto is 'same needs – same solution'. Our Group-wide working model 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
Recurring business reduces our cyclicality. Combining installation and service provides longer-term business.

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, with cost effectiveness being a corner stone 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 focussed measures to achieve clear results in our sustainability work.

SUSTAINABLE USE OF RESOURCES

– efficient production and energy-efficient offerings

Greater efficiency in our own operations and resource usage

Cooperation with customers to reduce energy and resource consumption in their properties and facilities

Sustainability impact assessment of installation

GOOD HEALTH AND SAFETY

– employee safety, and physical and mental health

Active health and safety work

Focus on leadership

GOOD BUSINESS ETHICS

– in relation to customers, employees and suppliers

Active measures to maintain a healthy corporate culture with positive values

Continual sustainability assessment of suppliers

WE BRING BUILDINGS TO LIFE

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