

INTERIM REPORT

July–September 2020

JULY–SEPTEMBER 2020

- Net sales increased by 2% to SEK 4,750 million (4,638)
- Order backlog decreased by 2% to SEK 14,274 million (14,507)
- EBITA increased by 3% to SEK 284 million (276)
- The EBITA margin was 6.0% (6.0)
- Profit after tax was SEK 213 million (202)
- Cash flow from operating activities was SEK 10 million (65)
- Net debt amounted to SEK -1,230 million (-2,735)
- Four acquisitions were completed in the quarter, adding annual sales of approximately SEK 129 million
- Basic and diluted earnings per share were SEK 1.07 (0.99)

JANUARY–SEPTEMBER 2020

- Net sales increased by 5% to SEK 15,533 million (14,737)
- EBITA increased by 9% to SEK 873 million (802)
- The EBITA margin was 5.6% (5.4)
- Profit after tax was SEK 647 million (581)
- Cash flow from operating activities was SEK 1,298 million (610)
- 14 acquisitions were completed in the period, adding annual sales of approximately SEK 731 million
- Basic and diluted earnings per share were SEK 3.22 (2.86)

Financial overview

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019	Oct 2019– Sep 2020
Net sales	4,750	4,638	15,533	14,737	20,404	21,199
Operating profit (EBIT)	283	276	871	800	1,224	1,294
Operating margin (EBIT), %	6.0	6.0	5.6	5.4	6.0	6.1
EBITA	284	276	873	802	1,226	1,297
EBITA margin, %	6.0	6.0	5.6	5.4	6.0	6.1
Profit/loss after tax	213	202	647	581	884	949
Cash flow from operating activities	10	65	1,298	610	1,599	2,286
Cash conversion, % 12 m	167	104	167	104	115	167
Net debt/EBITDA, 12 m	0.7	1.8	0.7	1.8	1.3	0.7
Order intake	4,024	5,055	15,101	16,988	22,534	20,647
Order backlog	14,274	14,507	14,274	14,507	14,485	14,274



CONTINUED GROWTH AND RESUMPTION OF DIVIDEND

In the third quarter of 2020 Bravida's net sales increased through both organic and acquired growth. It is pleasing that we were able to grow organically in this period, despite the pandemic and the resulting decrease in service business. Earnings performance was solid, with an unchanged EBITA margin, and cash flow was in line with last year. The growing pandemic is making the market outlook uncertain and it is difficult to assess when the market will return to what we consider normal.

ORGANIC GROWTH AND SOLID EBITA MARGIN

Net sales for the quarter increased by 2 percent on the back of healthy growth in Sweden and Finland. Organic growth was 1 percent and acquisitions contributed 4 percent growth. Foreign exchange fluctuations had a negative impact of 3 percent on growth. The service business was negatively affected by the pandemic, mainly in Denmark and Norway, as demand fell and in a number of cases we were unable to access service properties because of precautionary measures. Installation operations have proceeded without any significant interruptions during the current pandemic.

The order backlog, which only contains installation projects, decreased in the quarter. The level of activity is usually lower in the third quarter and the ongoing pandemic has also led to delays in project planning and investment decisions, resulting in lower demand and greater pricing pressure in the market.

The EBITA margin was unchanged at 6.0 percent, with the margin improving in Sweden and Finland. The earnings improvement in Sweden was due to good earnings performance in the Stockholm division as a result of the programme of measures we introduced at the end of last year. In Finland, the improved earnings were due to increased volumes and previously implemented restructuring. In Denmark, the EBITA margin declined due to reduced service sales and lower earnings in a few projects. The slightly lower margin in Norway was mainly due to a decrease in sales within the service business.

STRONG CASH CONVERSION AND REINSTATED SHARE DIVIDEND

Cash flow was solid in the third quarter. Cash conversion was 167 percent, which is well above our target, and our net debt remains at a record low.

Bravida's strong balance sheet has enabled us to reintroduce the share dividend this autumn. The dividend was SEK 2.25 per share for 2019, which corresponds to 52 percent of earnings per share. The decision on the share dividend means Bravida will pay back the furlough support it received in Sweden, which had a negative impact on earnings of around SEK 8 million in the quarter.

ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA

So far this year we have made 15 acquisitions, one of which was in October. The acquisitions have added annual sales of approximately SEK 776 million. The ongoing pandemic has led to us



reducing the rate of acquisitions. But this autumn we decided to raise the intensity once again.

SUSTAINABILITY

Occupational injuries have decreased by 15 percent over the last 12 months and the LTIR (lost time injury rate) was 9.6 (11.3).

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

OUTLOOK

We have a good order backlog and a solid service business in many locations. Some markets have been more affected than others by the ongoing pandemic, resulting in lower demand and pricing pressure in some geographic areas. Bravida is sticking to its strategy of margin always taking precedence over volume, even in worse market conditions; we do not take on unprofitable projects. We believe the market outlook will remain uncertain given the development of the pandemic. There will always be demand for our services, and in the longer term demand will also benefit from stimulus measures and transition in society.

Looking ahead, green investments under the EU's European Green Deal will support market performance and contribute to lots of interesting assignments for Bravida.

Mattias Johansson, Stockholm, November 2020



CONSOLIDATED EARNINGS OVERVIEW

NET SALES

July–September

Net sales increased by 2 percent to SEK 4,750 million (4,638). Organic growth was 1 percent, acquisitions boosted net sales by 4 percent and currency effects had a negative impact of -3 percent. Net sales rose in Sweden, Denmark and Finland. Sweden and Finland achieved organic growth.

Compared with the third quarter of 2019, net service sales decreased by 4 percent, while net installation sales rose by 8 percent. The service business accounted for 44 percent (47) of total net sales.

Order intake amounted to SEK 4,024 million (5,055), a decrease of 20 percent. Order intake was lower in Swedish kronor terms in all countries compared with the same quarter last year. The order backlog at 30 September was 2 percent lower than at the same point last year and amounted to SEK 14,274 million (14,507). The order backlog, including acquisitions, decreased by SEK 678 million in the quarter. The order backlog only includes installation projects.

January–September

Net sales increased by 5 percent to SEK 15,533 million (14,737). Organic growth was 2 percent, acquisitions boosted net sales by 5 percent and currency effects had a negative impact of -2 percent. Net sales rose in Sweden, Denmark and Finland, which also experienced organic growth.

Compared with the same period in 2019, service business increased by 1 percent and installation business by 9 percent. The service business accounted for 45 percent (47) of total net sales.

Order intake amounted to SEK 15,101 million (16,988), a decrease of 11 percent. The comparatively lower order intake was partly due to us receiving an order worth SEK 1,144 million last year relating to the Stockholm Bypass Project. Order intake was lower in Sweden, Norway and Denmark, but was higher in Finland. The order backlog, including acquisitions, decreased by SEK 211 million in the period.

EARNINGS

July–September

Operating profit was SEK 283 million (276). EBITA increased by 3 percent to SEK 284 million (276), resulting in an EBITA margin of 6.0 percent (6.0). The EBITA margin improved in Sweden and Finland, but was lower in Norway and Denmark. Group-wide income was SEK 6 million (8). Net financial items amounted to SEK -12 million (-16). Profit after financial items was SEK 271 million (259). Profit after tax was SEK 213 million (202). Basic and diluted earnings per share increased by 8 percent to SEK 1.07 (0.99).

January–September

Operating profit was SEK 871 million (800). EBITA increased by 9 percent to SEK 873 million (802), resulting in an EBITA margin of 5.6 percent (5.4). The EBITA margin improved in Sweden, Norway and Finland, but was lower in Denmark. Group-wide income was SEK 14 million (28). Net financial items amounted to SEK -46 million (-56). Profit after financial items was SEK 824 million (744). Profit after tax was SEK 647 million (581). Basic and diluted earnings per share increased by 13 percent to SEK 3.22 (2.86).

DEPRECIATION AND AMORTISATION

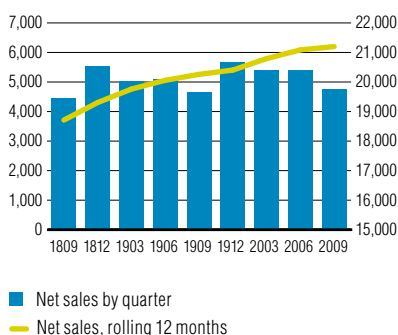
Depreciation and amortisation in the quarter totalled SEK -102 million (-105), SEK -93 million (-97) of which related to the amortisation of right-of-use assets. Depreciation and amortisation in the period totalled SEK -313 million (-306), SEK -286 million (-281) of which related to the amortisation of right-of-use assets.

TAX

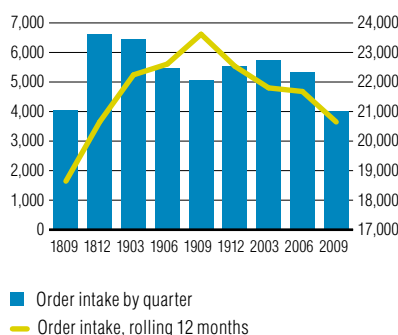
The tax expense for the quarter was SEK -58 million (-58). Profit before tax was SEK 271 million (259). The effective tax rate for the quarter was 21 percent (22). Tax paid totalled SEK -52 million (-6).

The tax expense for the period was SEK -178 million (-162). Profit before tax was SEK 824 million (744). The effective tax rate for the period was 22 percent (22). Tax paid totalled SEK -176 million (-100).

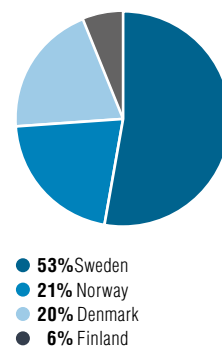
NET SALES (SEK MIL.)



ORDER INTAKE (SEK MIL.)



NET SALES BY COUNTRY, JAN–SEP 2020



**CASH FLOW****July–September**

Cash flow from operating activities was SEK 10 million (65). The lower cash flow was mainly due to higher paid tax on income, at SEK -52 million (-6). Cash flow from investing activities was SEK -27 million (-130), of which acquisitions of subsidiaries and businesses totalled SEK -13 million (-125). Cash flow from financing activities, which refers to the net change in borrowing and amortisation of lease liabilities, was SEK 43 million (-12). Cash flow for the quarter was SEK 26 million (-77).

12-month cash conversion was 167 percent (104).

January–September

Cash flow from operating activities was SEK 1,298 million (610). The higher cash flow was mainly due to a change in working capital. Working capital has improved as a result of current liabilities increasing. Bravida's operations in Norway and Denmark have been granted a temporary extension of time for the payment of taxes and charges because of the Covid-19 pandemic, with the total amounting to SEK 103 million at 30 September. Cash flow from investing activities was SEK -254 million (-425), of which acquisitions of subsidiaries and businesses totalled SEK -230 million (-406). Cash flow from financing activities, which refers to net repayment of borrowing and amortisation of lease liabilities, was SEK -817 million (-496). Cash flow for the period was SEK 226 million (-311).

FINANCIAL POSITION

Bravida's net debt at 30 September was SEK -1,230 million (-2,735), which corresponds to a capital structure (net debt/EBITDA) ratio of 0.7 (1.8). Net debt has been positively affected by decisions relating to the Covid-19 pandemic, the withdrawal of the dividend proposal and a temporary extension of time for the payment of taxes and charges in Norway and Denmark. Consolidated cash and cash equivalents were SEK 1,129 million (467). Interest-bearing liabilities totalled SEK -2,359 million (-3,202), of which SEK -260 million (-1,180) was commercial paper and SEK -882 million (-922) was leases.

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

At the end of the period, equity totalled SEK 6,033 million (5,355). The equity/assets ratio was 35.9 percent (33.5).

ACQUISITIONS

Four acquisitions were completed in the quarter, adding a total of SEK 129 million in annual sales. Three acquisitions were made in Denmark, adding a total of around SEK 123 million in annual sales. The acquired companies operate in the heating and plumbing and HVAC segments. One acquisition was completed in Norway – an energy consulting company, adding around SEK 6 million in annual sales.

During the period January to September 14 acquisitions were made; 7 in Sweden, 4 in Denmark, 2 in Norway, and 1 in Finland, adding total annual sales of SEK 731 million.

EMPLOYEES

The average number of employees at 30 September was 11,972 (11,584), an increase of 3 percent.

OCCUPATIONAL INJURIES

Reported occupational injuries that led to at least one day's sickness absence decreased by 15 percent over the past 12 months to a LTIR (lost time injury rate) of 9.6 (11.3).

In Sweden the LTIR was 8.8, in Norway it was 3.9, in Denmark 14.6 and in Finland 18.0. LTIR decreased in all countries. Our target is an LTIR of <5.5 and an ultimate target of zero workplace accidents.

PARENT COMPANY

Revenues for the quarter were SEK 43 million (41) and income after net financial items was SEK 7 million (5). Revenues for the January–September period were SEK 140 million (133) and earnings after net financial items were SEK 6 million (12).

SHAREHOLDER INFORMATION

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 30 September Bravida had 9,365 shareholders. The five largest shareholders were Mawer Investment Management funds, Swedbank Robur Funds, Lannebo Funds, the Fourth National Pension Insurance Fund (AP4) and SEB Funds. Mawer Investment Management funds hold just under 11 percent of the votes.

The listed share price at 30 September 2020 was SEK 109.20, which corresponds to a market capitalisation of SEK 22,165 million based on the number of ordinary shares. Total shareholder return over the past 12 months was just over 26 percent.

NET SALES AND GROWTH

SEK MIL.	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019
Net sales	4,750	4,638	15,533	14,737	20,404
Change	112	200	795	953	1,099
Change, %	2.4	4.5	5.4	6.9	5.7
Of which					
Organic growth, %	1	-3	2	1	0
Acquisitions, %	4	7	5	5	5
Currency effects, %	-3	1	-2	1	1



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

OTHER EVENTS DURING THE PERIOD

In September the Board took the decision to convene an extraordinary shareholders' meeting on 23 October. The agenda for the extraordinary shareholders' meeting includes decisions on long-term incentive programmes and a share dividend.

FINANCIAL GOALS

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

SIGNIFICANT RISKS

Changes in market conditions, financial turmoil and political decisions are the external factors that mainly affect demand for new construction of housing and commercial property, as well as investment from industry and the public sector. Demand for service and maintenance is less sensitive to economic fluctuations.

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

Operating risks are related to day-to-day business operations such as tendering, price risks, capacity utilisation and revenue recognition. Management of these risks is part of Bravida's ongoing business process.

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

TRANSACTIONS WITH RELATED PARTIES

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

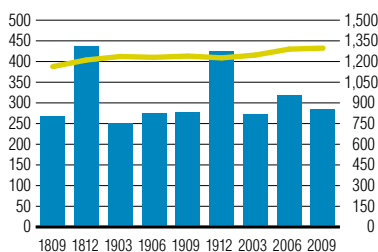
EVENTS AFTER THE BALANCE SHEET DATE

On 12 October Bravida acquired Svagströmsinstallationer i Norrköping AB, with 23 employees and around SEK 45 million in annual sales.

The extraordinary shareholders' meeting of 23 October voted in line with the Board's proposals:

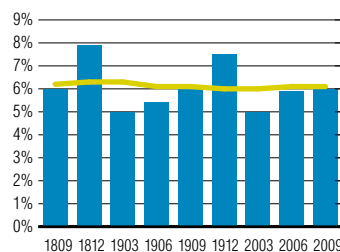
- to adopt the proposed dividend of SEK 2.25 per share. The total dividend amounted to SEK 456.7 million and was implemented on 30 October.
- to adopt a long-term incentive programme aimed at senior executives and other key personnel in the Bravida Group.
- to authorise the Board to take decisions regarding a new issue of C shares.
- to authorise the Board to take decisions regarding the buy-back of C shares and the transfer of treasury shares.

EBITA (SEK MIL.)



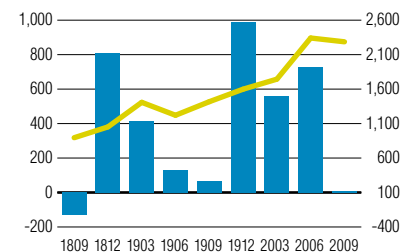
■ EBITA by quarter
— EBITA, rolling 12 months

EBITA MARGIN



■ EBITA margin per quarter
— EBITA margin, rolling 12 months

CASH FLOW FROM OPERATING ACTIVITIES (SEK MIL.)*



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

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



OPERATIONS IN SWEDEN

MARKET

The Covid-19 pandemic has resulted in decreased demand for service and installations. The ongoing pandemic, which is again seeing an increase, is making it hard to assess market development over the near term.

NET SALES AND EARNINGS

July–September

Net sales in Sweden increased by 4 percent to SEK 2,479 million (2,385). The increase in net sales was attributable to the installation business, while net sales for service were unchanged. Organic growth was 1 percent.

EBITA increased by 9 percent to SEK 164 million (150), while the EBITA margin rose to 6.6 percent (6.3). The improved EBITA margin was due to an improvement in earnings at the Stockholm division.

January–September

Net sales in Sweden rose by 7 percent to SEK 8,247 million (7,683). The increase in net sales was attributable to both service and installation business. Organic growth was 3%.

EBITA rose by 8% to SEK 510 million (472), while the EBITA margin increased to 6.2% (6.1).

ORDER INTAKE AND ORDER BACKLOG

July–September

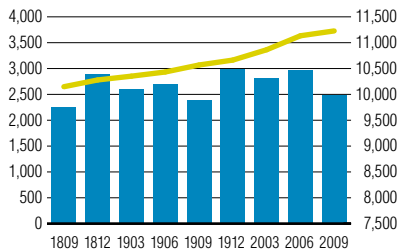
Order intake decreased by 20 percent to SEK 1,982 million (2,476). An order for SEK 220 million regarding a new wastewater tunnel in Stockholm was received in the quarter. Order intake mainly related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 5 percent higher than for the same period last year and amounted to SEK 8,764 million (8,380). The order backlog decreased by SEK 481 million in the quarter.

January–September

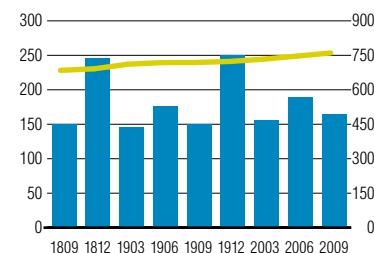
Order intake decreased by 9 percent to SEK 7,975 million (8,794). The decrease was partly due to a high comparative figure, as an order of SEK 1,144 million relating to the Stockholm Bypass Project was received last year.

NET SALES (SEK MIL.)



■ Net sales by quarter
— Net sales, rolling 12 months

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019
Net sales	2,479	2,385	8,247	7,683	10,664
EBITA	164	150	510	472	723
EBITA margin, %	6.6	6.3	6.2	6.1	6.8
Order intake	1,982	2,476	7,975	8,794	12,358
Order backlog	8,764	8,380	8,764	8,380	9,020
Average number of employees	5,838	5,854	5,826	5,854	5,887



PHOTO: VISUAL ID

We are helping turn Eurostop in Arlandastad into an international meeting destination.

For many years, Eurostop in Arlandastad has been a shopping centre located near Arlanda airport. The shopping centre is now being transformed into a meeting and event arena, Scandinavian XPO, and Bravida is carrying out all installations. The 40,000 m² arena, which will be completed by the end of 2020, includes hotels, restaurants, event halls and conference rooms for up to 8,500 guests. Bravida has been involved in designing the technical installations for electrical, security, control, HVAC, heating and plumbing and sprinkler systems, from concept to finished facility.



OPERATIONS IN NORWAY

MARKET

The Covid-19 pandemic has resulted in a decrease in demand for service and installation. The ongoing pandemic, which is again seeing an increase, is making it hard to assess market development over the near term.

NET SALES AND EARNINGS

July–September

Net sales decreased by 15 percent to SEK 920 million (1,089). Net sales decreased by 5 percent in local currency. Currency fluctuations had a negative 10 percent impact on net sales. Net sales decreased in both installation and service during the quarter. Organic growth was negative at -6 percent.

EBITA decreased by 18 percent to SEK 53 million (65). The EBITA margin decreased to 5.7 percent (5.9) mainly explained by the lower sales in the service business.

January–September

Net sales decreased by 10 percent to SEK 3,183 million (3,544). Net sales were 2 percent lower in local currency. Net sales decreased in both the installation and service business during the period. Currency fluctuations had a negative 8 percent impact on net sales. Organic growth was negative at -2 percent.

EBITA increased by 11 percent to SEK 174 million (157), while the EBITA margin rose to 5.5 percent (4.4).

ORDER INTAKE AND ORDER BACKLOG

July–September

Order intake decreased by 5 percent to SEK 889 million (939), while in local currency order intake increased by 5 percent. Order intake mainly related to small and medium-sized installation projects and service assignments. One order that deserves particular mention is the installation and security solutions work for a new hospital in Drammen, which is worth around SEK 130 million.

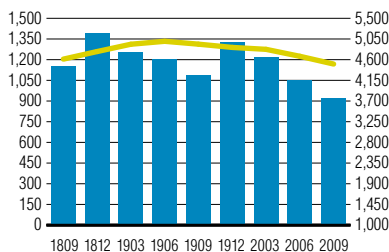
The order backlog at the end of the quarter was 18 percent lower than for the same period last year and amounted to SEK 2,327 million (2,828). The order backlog decreased by 7 percent in local currency. The order backlog decreased by SEK 32 million in the quarter.

Bravida is working with a number of large partnering projects that are at the early planning stage, and these are not yet included in the order backlog.

January–September

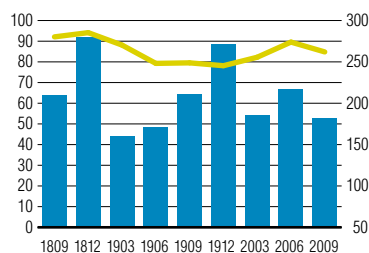
Order intake decreased by 23 percent to 2,957 million (3,820), while in local currency order intake decreased by 4 percent. Order intake mainly related to small and medium-sized installation projects and service assignments.

NET SALES (SEK MIL.)



■ Net sales by quarter
— Net sales, rolling 12 months

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019
Net sales	920	1,089	3,183	3,544	4,867
EBITA	53	65	174	157	245
EBITA margin, %	5.7	5.9	5.5	4.4	5.0
Order intake	889	939	2,957	3,820	4,867
Order backlog	2,327	2,828	2,327	2,828	2,553
Average number of employees	3,043	2,999	3,043	2,999	2,975



Bravida is installing Northern Norway's largest solar array. Bravida has been commissioned to install a solar array at the University of Tromsø's teacher training institution. The array, consisting of 720 solar modules, was installed over an area of approximately 1,200 m² in an area with a challenging climate, placing stringent requirements on the materials used. The installation, which was completed in summer 2020, has provided us with unique experience for future projects involving green technology and large solar panel systems in the Nordic climate.



OPERATIONS IN DENMARK

MARKET

The Covid-19 pandemic has resulted in a decrease in demand for service and installation. The ongoing pandemic, which is again seeing an increase, is making it hard to assess market development over the near term.

NET SALES AND EARNINGS

July–September

Net sales increased by 7 percent to SEK 1,007 million (942). The increase in net sales was attributable to the installation business, while net service sales decreased. Organic growth was negative at -2 percent. Currency fluctuations had a negative 2 percent impact on net sales.

EBITA decreased by 10% to SEK 48 million (53), while the EBITA margin decreased to 4.7% (5.6). The lower EBITA margin was due to lower earnings in some projects and lower sales in the service business.

January–September

Net sales increased by 15 percent to SEK 3,126 million (2,715). The increase in net sales was attributable to installation business. Organic growth was 1 percent. Currency fluctuations had a negligible impact on net sales. EBITA increased by 11 percent to SEK 151 million (136), while the EBITA margin decreased to 4.8 percent (5.0).

ORDER INTAKE AND ORDER BACKLOG

July–September

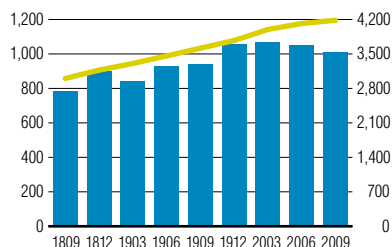
Order intake decreased by 28 percent compared with the same period last year, and amounted to SEK 896 million (1,240). The comparatively lower order intake was due to Bravida receiving a large SEK 350 million order last year. Order intake related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 7 percent lower than for the same period last year and amounted to SEK 2,330 million (2,507). The order backlog decreased by SEK 68 million in the quarter.

January–September

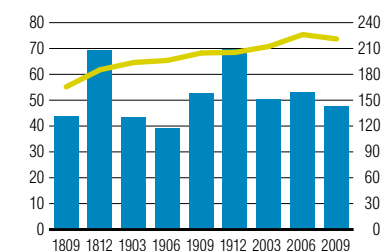
Order intake decreased by 9 percent to SEK 3,056 million (3,343). Order intake related to small and medium-sized installation projects and service assignments.

NET SALES (SEK MIL.)



■ Net sales by quarter
— Net sales, rolling 12 months

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019
Net sales	1,007	942	3,126	2,715	3,773
EBITA	48	53	151	136	206
EBITA margin, %	4.7	5.6	4.8	5.0	5.4
Order intake	896	1,240	3,056	3,343	4,049
Order backlog	2,330	2,507	2,330	2,507	2,196
Average number of employees	2,315	2,038	2,315	2,038	2,173



PHOTO: CUBO ARKITEKTER A/S

Comprehensive energy-related refurbishment at Aarhus University. When Aarhus University decided to refurbish the Bartholin complex, Bravida was tasked with the challenging assignment to refurbish around 12,000 m² of office and laboratory buildings. The project includes an extensive package of technology, comprising exterior energy-related upgrade work and total refurbishment of the interior, including adaptation of laboratory and office environments. The project is due to be completed in 2022.



OPERATIONS IN FINLAND

MARKET

The Covid-19 pandemic has resulted in a decrease in demand for service and technical installations. The ongoing pandemic, which is again seeing an increase, is making it hard to assess market development over the near term.

NET SALES AND EARNINGS

July–September

Net sales increased by 29 percent to SEK 349 million (270). The increase in net sales was attributable to both service and installation business. Organic growth was 26 percent. Currency fluctuations had a negative 4 percent impact on net sales.

EBITA increased by SEK 12 million to SEK 13 million (1), while the EBITA margin rose to 3.8% (0.5). The earnings improvement was due to previously implemented restructuring, project selection and higher net sales.

January–September

Net sales increased by 17 percent to SEK 1,002 million (859). The increase in net sales was attributable to both service and installation business. Organic growth was 12 percent. Currency fluctuations had a negligible impact on net sales.

EBITA increased by SEK 16 million to SEK 24 million (8), while the EBITA margin rose to 2.4 percent (1.0).

ORDER INTAKE AND ORDER BACKLOG

July–September

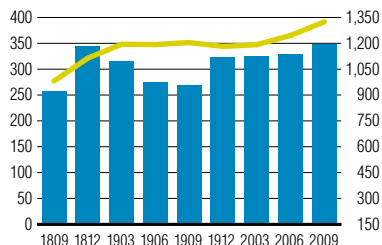
Order intake decreased by 41 percent to SEK 264 million (448). Order intake related to small and medium-sized installation projects and service assignments.

The order backlog at the end of the quarter was 8 percent higher than for the same period last year and amounted to SEK 853 million (793). The order backlog decreased by SEK 98 million in the quarter.

January–September

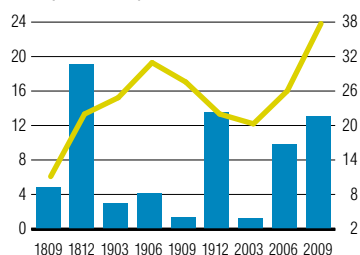
Order intake increased by 4 percent to SEK 1,139 million (1,094).

NET SALES (SEK MIL.)



■ Net sales by quarter
— Net sales, rolling 12 months

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019
Net sales	349	270	1,002	859	1,182
EBITA	13	1	24	8	22
EBITA margin, %	3.8	0.5	2.4	1.0	1.9
Order intake	264	448	1,139	1,094	1,340
Order backlog	853	793	853	793	716
Average number of employees	679	605	679	605	596



Refurbishment and extension of a striking Helsinki landmark. Bravida was commissioned to carry out the HVAC, automation, electrical and sprinkler system work on Sokos Hotel Vaakuna, in the Valtakulma building in central Helsinki. The project included the extension and refurbishment of the almost 40,000 m² property. Once complete by early 2021, the hotel's capacity will be increased by an additional 100 hotel rooms.



FINANCIAL REPORTING

CONSOLIDATED INCOME STATEMENT, SUMMARY

SEK MILLION	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019	Oct 2019– Sep 2020
Net sales	4,750	4,638	15,533	14,737	20,404	21,199
Production costs	-4,103	-4,004	-13,422	-12,760	-17,503	-18,165
Gross profit/loss	647	634	2,111	1,978	2,901	3,034
Selling and administrative expenses	-364	-358	-1,240	-1,178	-1,678	-1,740
Operating profit/loss	283	276	871	800	1,224	1,294
Net financial items	-12	-16	-46	-56	-73	-63
Profit/loss before tax	271	259	824	744	1,151	1,231
Tax	-58	-58	-178	-162	-267	-282
Profit/loss for the period	213	202	647	581	884	949
Profit/loss for the period attributable to:						
Owners of the parent company	217	201	651	579	882	955
Non-controlling interests	-4	1	-5	3	2	-6
Profit/loss for the period	213	202	647	581	884	949
Basic earnings per share, SEK	1.07	0.99	3.22	2.86	4.36	4.72
Diluted earnings per share, SEK	1.07	0.99	3.22	2.86	4.35	4.71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

SEK MILLION	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019	Oct 2019– Sep 2020
Profit/loss for the period	213	202	647	581	884	949
Other comprehensive income						
<i>Items that have been or can be transferred to profit/loss for the year</i>						
Translation differences for the period from the translation of foreign operations	-4	6	-103	98	15	-186
<i>Items that cannot be transferred to profit/loss for the year</i>						
Revaluation of defined-benefit pensions	–	–	60	-223	-204	80
Tax attributable to the revaluation of pensions	–	–	-13	48	44	-17
Other comprehensive income for the period	-4	6	-56	-78	-145	-123
Comprehensive income for the period	209	208	590	504	739	826
Comprehensive income for the period attributable to:						
Owners of the parent company	213	207	588	501	737	824
Non-controlling interests	-4	1	3	3	2	2
Comprehensive income for the period	209	208	590	504	739	826

**CONSOLIDATED BALANCE SHEET, SUMMARY**

SEK MIL.	30/09/2020	30/09/2019	31/12/2019
Goodwill	8,957	8,743	8,731
Right-of-use assets	868	913	1,029
Other non-current assets	177	173	179
Total non-current assets	10,003	9,828	9,939
Trade receivables	3,405	3,301	3,540
Contract assets	1,677	1,788	1,514
Other current assets	593	607	545
Cash and cash equivalents	1,129	467	972
Total current assets	6,804	6,164	6,571
Total assets	16,807	15,992	16,510
Equity attributable to owners of the parent company	6,032	5,338	5,587
Non-controlling interests	2	17	9
Total equity	6,033	5,355	5,596
Non-current liabilities	2,155	2,062	1,500
Lease liabilities	574	586	700
Total non-current liabilities	2,729	2,648	2,200
Lease liabilities	308	336	340
Trade payables	2,166	1,960	2,239
Contract liabilities	2,112	1,963	2,004
Other current liabilities	3,459	3,729	4,131
Total current liabilities	8,045	7,988	8,714
Total liabilities	10,774	10,636	10,914
Total equity and liabilities	16,807	15,992	16,510
Of which interest-bearing liabilities	2,359	3,202	3,035

CHANGES IN EQUITY

SEK MIL.	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Consolidated equity			
Amount at start of period	5,596	5,238	5,238
Comprehensive income for the period	590	504	739
Non-controlling interests' put option	-166	-	-
Dividend	-	-404	-404
Cost of long-term incentive programmes	13	18	24
Amount at end of period	6,033	5,355	5,596

**CONSOLIDATED CASH FLOW STATEMENT, SUMMARY**

SEK MILLION	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Cash flow from operating activities					
Profit/loss before tax	271	259	824	744	1,151
Adjustments for non-cash items	111	107	365	303	423
Income taxes paid	-52	-6	-176	-100	-154
Change in working capital	-320	-295	285	-336	179
Cash flow from operating activities	10	65	1,298	610	1,599
Investing activities					
Acquisitions of subsidiaries and businesses	-13	-125	-230	-406	-469
Other	-14	-5	-24	-18	-34
Cash flow from investing activities	-27	-130	-254	-425	-503
Financing activities					
Net change in borrowing	136	80	-535	180	-105
Repayment of lease liabilities	-93	-92	-282	-272	-372
Dividend paid	-	-	-	-404	-404
Cash flow from financing activities	43	-12	-817	-496	-881
Cash flow for the period	26	-77	226	-311	215
Cash and cash equivalents at start of period	1,103	545	972	735	735
Translation difference on cash and cash equivalents	0	-1	-70	42	22
Cash and cash equivalents at end of period	1,129	467	1,129	467	972


PARENT COMPANY INCOME STATEMENT, SUMMARY

SEK MILLION	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net sales	43	41	140	133	184
Selling and administrative expenses	-35	-30	-124	-97	-139
Operating profit/loss	8	11	16	35	46
Net financial items	-1	-6	-11	-24	-25
Profit/loss after net financial items	7	5	6	12	21
Net Group contributions	-	-	-	-	11
Appropriations	-	4	-	4	-6
Profit/loss before tax	7	8	6	15	26
Tax	-	-1	-	-1	-7
Profit/loss for the period	7	8	6	14	20

PARENT COMPANY BALANCE SHEET, SUMMARY

SEK MIL.	30/09/2020	30/09/2019	31/12/2019
Shares in subsidiaries	7,341	7,341	7,341
Deferred tax asset	0	0	0
Total non-current assets	7,341	7,341	7,341
Receivables from Group companies	1,455	1,865	1,629
Current receivables	67	29	21
Total current receivables	1,522	1,894	1,650
Cash and bank balances	950	345	811
Total current assets	2,472	2,239	2,461
Total assets	9,813	9,580	9,803
Restricted equity	4	4	4
Non-restricted equity	4,462	4,433	4,444
Equity	4,466	4,437	4,448
Untaxed reserves	480	471	480
Liabilities to credit institutions	1,000	1,100	500
Provisions	1	1	1
Total non-current liabilities	1,001	1,101	501
Short-term loans	460	1,180	1,495
Liabilities to Group companies	3,360	2,357	2,838
Current liabilities	47	35	41
Total current liabilities	3,867	3,572	4,374
Total equity and liabilities	9,813	9,580	9,803
Of which interest-bearing liabilities	1,460	2,280	1,995


QUARTERLY DATA

INCOME STATEMENT, SEK MIL.	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
Net sales	4,750	5,382	5,401	5,667	4,638	5,087	5,013
Production costs	-4,103	-4,632	-4,688	-4,743	-4,004	-4,401	-4,355
Gross profit/loss	647	750	713	924	634	686	658
Selling and administrative expenses	-364	-433	-442	-500	-358	-413	-407
Operating profit/loss	283	317	271	424	276	274	250
Net financial items	-12	-13	-21	-17	-16	-16	-24
Profit/loss after financial items	271	303	250	407	259	257	227
Tax	-58	-66	-54	-105	-58	-56	-49
Profit/loss for the period	213	238	196	303	202	201	178

BALANCE SHEET, SEK MIL.	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019	30/06/2019	31/03/2019
Goodwill	8,957	8,908	8,807	8,731	8,743	8,586	8,347
Other non-current assets	1,045	1,110	1,182	1,208	1,085	1,120	1,149
Current assets	5,675	5,710	5,807	5,599	5,697	5,470	5,329
Cash and cash equivalents	1,129	1,103	1,131	972	467	545	595
Total assets	16,807	16,830	16,928	16,510	15,992	15,720	15,421
Equity	6,033	5,819	5,758	5,596	5,355	5,141	5,488
Borrowings	1,012	1,018	800	500	1,100	1,100	1,100
Non-current liabilities	1,717	1,760	1,717	1,700	1,548	1,568	1,347
Current liabilities	8,045	8,233	8,653	8,714	7,988	7,911	7,487
Total equity and liabilities	16,807	16,830	16,928	16,510	15,992	15,720	15,421

CASH FLOW, SEK MIL.	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
Cash flow from operating activities	10	728	560	989	65	131	414
Cash flow from investing activities	-27	-146	-81	-79	-130	-168	-127
Cash flow from financing activities	43	-590	-270	-385	-12	-24	-460
Cash flow for the period	26	-8	208	525	-77	-61	-172

KEY FIGURES	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
Operating margin (EBIT), %	6.0	5.9	5.0	7.5	6.0	5.4	5.0
EBITA margin, %	6.0	5.9	5.0	7.5	6.0	5.4	5.0
Return on equity, %	16.0	16.2	15.9	16.1	18.2	18.0	18.0
Net debt	-1,230	-1,185	-1,698	-2,063	-2,735	-2,612	-2,115
Net debt/EBITDA:	0.7	0.7	1.0	1.3	1.8	1.8	1.6
Cash conversion, % 12 m	167	149	127	115	104	98	124
Interest coverage, multiple	29.8	24.5	25.0	34.6	19.7	19.9	20.9
Equity/assets ratio, %	35.9	34.6	34.0	33.9	33.5	32.7	35.6
Order intake	4,024	5,346	5,732	5,546	5,055	5,467	6,465
Order backlog	14,274	14,952	14,985	14,485	14,507	13,905	13,474
Average number of employees	11,972	11,940	11,811	11,722	11,584	11,339	11,252
Administration costs as % of sales	7.7	8.1	8.2	8.8	7.7	8.1	8.1
Working capital as % of sales	-6.7	-8.1	-6.5	-5.6	-3.1	-4.3	-5.3
Basic earnings per share, SEK	1.07	1.17	0.97	1.50	0.99	0.99	0.88
Diluted earnings per share, SEK	1.07	1.17	0.96	1.50	0.99	0.99	0.88
Equity per share, SEK	29.72	28.64	28.37	27.57	26.34	25.29	27.07
Cash flow from operating activities per share, SEK	0.05	3.59	2.76	4.88	0.32	0.65	2.05
Share price at balance sheet date, SEK	109.20	89.05	70.15	90.95	86.35	82.30	81.95


Reconciliation of key ratios, not defined under IFRS

The company presents certain financial measures in this interim report that are not defined under IFRS. The company considers that these measures provide valuable additional information for investors and the company's management as they allow relevant trends to be assessed. Bravida's definitions of these indicators may differ from other companies' definitions of the same terms. These financial measures should therefore be regarded as complementary rather than replacing the measures defined under IFRS. See page 20 for definitions of key performance indicators.

RECONCILIATION OF KEY PERFORMANCE MEASURES, NOT DEFINED UNDER IFRS	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
Net debt							
Interest-bearing liabilities	-2,359	-2,288	-2,830	-3,035	-3,202	-3,157	-2,710
Cash and cash equivalents	1,129	1,103	1,131	972	467	545	595
Total net debt	-1,230	-1,185	-1,698	-2,063	-2,735	-2,612	-2,115
EBITA							
Operating profit, EBIT	283	317	271	424	276	274	250
Amortisation and impairment of non-current intangible assets	1	1	1	1	1	1	1
EBITA	284	317	272	425	276	274	251
EBITDA							
Operating profit, EBIT	283	317	271	424	276	274	250
Depreciation, amortisation and impairment losses	102	104	106	111	105	101	101
EBITDA	385	421	377	535	380	374	351
Working capital							
Current assets	6,804	6,813	6,938	6,571	6,164	6,015	5,925
Cash and cash equivalents	-1,129	-1,103	-1,131	-972	-467	-545	-595
Current liabilities	-8,045	-8,233	-8,653	-8,714	-7,988	-7,911	-7,487
Lease, current liability	308	322	336	340	336	332	332
Short-term loans	465	320	1,020	1,495	1,180	1,100	630
Provisions	173	172	141	144	142	152	147
Total working capital	-1,424	-1,709	-1,349	-1,136	-633	-858	-1,048
Interest coverage ratio							
Profit/loss before tax	271	303	250	407	259	257	227
Interest expense	9	13	10	12	14	14	11
Total	281	316	260	419	273	271	238
Interest expense	9	13	10	12	14	14	11
Interest coverage, multiple	29.8	24.5	25.0	34.6	19.7	19.9	20.9
Cash conversion*							
12-month EBITDA	1,316	1,308	1,264	1,244	1,258	1,253	1,263
Non-cash items in EBITDA in last 12 months.	55	50	30	-2	81	70	58
Change in working capital, last 12 months	800	560	298	179	-44	-108	218
Investments in machinery and equipment, last 12 months	-40	-27	-28	-34	-23	-19	-18
Total operating cash flow	2,131	1,891	1,564	1,387	1,272	1,196	1,521
Operating profit/loss, last 12 months	1,279	1,272	1,228	1,209	1,223	1,219	1,229
Cash generation, last 12 months, %	167	149	127	115	104	98	124

*Excluding IFRS 16 Leases



NOTES

NOTE 1. ACCOUNTING POLICIES

This is a translation of the Swedish Interim Report of Bravida Holding AB. In the event of inconsistency between the English and the Swedish versions, the Swedish version shall prevail. This interim report for the Group has been prepared in accordance with International Reporting Standards (IFRS) using IAS 34 Interim Reporting. The parent company applies Recommendation RFR 2 Accounting for Legal Entities and Chapter 9 of the Swedish Annual Accounts Act regarding interim reports. The accounting policies applied are consistent with what is set out in the 2019 annual accounts.

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

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

Under IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, government grants are recognised in the income statement when there is reasonable certainty of the company meeting the requirements of the grants and of the grants being received. Government grants received have been recognised as a decrease in personnel costs for the periods for which the grants aim to compensate.

NOTE 2. SEGMENT REPORTING AND REVENUE DISTRIBUTION

NET SALES BY COUNTRY

SEK MIL.	Jul-Sep 2020	distrib- ution	Jul-Sep 2019	distrib- ution	Jan-Sep 2020	distrib- ution	Jan-Sep 2019	distrib- ution	Jan-Dec 2019	distrib- ution
Sweden	2,479	52%	2,385	51%	8,247	53%	7,683	52%	10,664	52%
Norway	920	19%	1,089	23%	3,183	20%	3,544	24%	4,867	24%
Denmark	1,007	21%	942	20%	3,126	20%	2,715	18%	3,773	18%
Finland	349	7%	270	6%	1,002	6%	859	6%	1,182	6%
Groupwide and eliminations	-6		-48		-25		-64		-81	
Total	4,750		4,638		15,533		14,737		20,404	

EBITA, EBITA MARGIN AND PROFIT/LOSS BEFORE TAX

SEK MIL.	Jul-Sep 2020	EBITA margin	Jul-Sep 2019	EBITA margin	Jan-Sep 2020	EBITA margin	Jan-Sep 2019	EBITA margin	Jan-Dec 2019	EBITA margin
Sweden	164	6.6%	150	6.3%	510	6.2%	472	6.1%	723	6.8%
Norway	53	5.7%	65	5.9%	174	5.5%	157	4.4%	245	5.0%
Denmark	48	4.7%	53	5.6%	151	4.8%	136	5.0%	206	5.4%
Finland	13	3.8%	1	0.5%	24	2.4%	8	1.0%	22	1.9%
Groupwide	6		8		14		28		30	
EBITA	284	6.0%	276	6.0%	873	5.6%	802	5.4%	1,226	6.0%
Amortisation of intangible assets	-1		-1		-2		-2		-3	
Net financial items	-12		-16		-46		-56		-73	
Profit/loss before tax (EBT)	271		259		824		744		1,151	

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

REVENUE PER CATEGORY, SEK MIL.	Jul–Sep 2020			Jul–Sep 2019		
	Service	Installation	Total	Service	Installation	Total
Sweden	1,186	1,293	2,479	1,188	1,197	2,385
Norway	472	449	920	563	526	1,089
Denmark	366	641	1,007	413	528	942
Finland	92	258	349	70	200	270
Eliminations	-2	-5	-6	-36	-12	-48
Group	2,114	2,636	4,750	2,198	2,440	4,638

REVENUE PER CATEGORY, SEK MIL.	Jan–Sep 2020			Jan–Sep 2019		
	Service	Installation	Total	Service	Installation	Total
Sweden	4,018	4,229	8,247	3,788	3,895	7,683
Norway	1,569	1,614	3,183	1,747	1,797	3,544
Denmark	1,116	2,010	3,126	1,159	1,555	2,715
Finland	236	766	1,002	209	650	859
Eliminations	-6	-19	-25	-38	-25	-64
Group	6,933	8,600	15,533	6,865	7,873	14,737

AVERAGE NUMBER OF EMPLOYEES	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019
Sweden	5,838	5,854	5,887
Norway	3,043	2,999	2,975
Denmark	2,315	2,038	2,173
Finland	679	605	596
Groupwide	97	88	91
Total	11,972	11,584	11,722

NOTE 3. ACQUISITION OF OPERATIONS

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

Acquired unit	Country	Technical area	Type	Date	Percentage of votes	Employees	Estimated annual sales, SEK MIL.
ICS Industrial Cooling Systems A/S	Denmark	Cooling	Company	January	100%	67	171
Rakkestad Energi	Norway	Electrical	Assets and liabilities	January	–	10	21
Rörteamet Själevad AB	Sweden	Heating and plumbing, HVAC	Company	March	100%	18	32
Ventilationskontroll & Plåt i Kiruna	Sweden	Ventilation	Assets and liabilities	March	–	13	15
Kylteknik i Bohuslän AB	Sweden	Cooling	Company	April	100%	13	21
Solkraft EMK AB	Sweden	Solar panels	Company	May	51%	100	172
Direct Larm Bergslagen AB	Sweden	Security	Company	May	100%	16	17
Ventfyran i Göteborg AB	Sweden	Ventilation	Company	June	100%	13	34
Flysta Elservice AB	Sweden	Electrical	Company	June	100%	13	23
Savon Aurinkoenergia Oy	Finland	Solar panels	Company	June	65%	63	96
Gjøl VVS A/S	Denmark	Heating and plumbing, HVAC	Company	July	100%	44	87
Vesthimmerlands VVS A/S	Denmark	Heating and plumbing, HVAC	Company	July	100%	18	28
Nielsen & Brostrøm A/S	Denmark	Heating and plumbing, HVAC	Company	July	100%	8	8
Energibyg AS	Norway	Energy consulting	Company	September	100%	5	6



NOTE 3. ACQUISITION OF OPERATIONS, CONT.

Effects of acquisitions in 2020

Bravida normally uses an acquisition structure with a fixed purchase price and contingent consideration. The contingent consideration is initially valued at the likely final amount, which for the year's acquisitions is SEK 96 million. The contingent considerations are due for payment within three to five years. The acquisitions are reported in aggregate form in the table below as individually they are not of sufficient size to justify separate recognition of each acquisition.

The acquisition analyses of acquired companies in 2020 are preliminary.

Assets and liabilities included in acquisition	Fair value recognised in the Group, SEK MIL.
Intangible assets	1
Property, plant and equipment	10
Trade receivables*	111
Contract assets	11
Other current assets	46
Cash and cash equivalents	39
Non-current liabilities	-31
Trade payables	-54
Contract liabilities	-17
Other current liabilities	-83
Net identifiable assets and liabilities	35
Consolidated goodwill	271
Consideration	306
Cash and cash equivalents, acquired	39
Net effect on cash and cash equivalents	267
Cash consideration paid	171
Consideration recognised as a liability**	134
Consideration	306

*There were no material impairments of trade receivables.

**Of the total consideration recognised as a liability, SEK 96 million is contingent consideration. In addition, non-controlling interests' option to sell shares held is recognised as a liability at the net present value of the expected amount to be paid upon exercise of the option, at an amount of SEK 166 million.

Acquisitions after the end of the reporting period

Bravida has made one acquisition in Sweden since the end of the reporting period. In October Bravida acquired Svagströmsinstallationer i Norrköping AB, with around SEK 45 million in annual sales and 23 employees.

NOTE 4. SEASONAL VARIATIONS

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

NOTE 5. FINANCIAL INSTRUMENTS, FAIR VALUE

The fair value of the Group's financial assets and liabilities is not materially different from carrying amounts. No items other than the contingent consideration are recognised at fair value in the balance sheet.



Stockholm, 6 November 2020
Bravida Holding AB

Mattias Johansson
CEO and Group President

THE AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM REPORT

**TO THE BOARD OF DIRECTORS OF BRAVIDA HOLDING AB (PUBL),
CORPORATE ID NUMBER 556891-5390**

INTRODUCTION

We have conducted a limited assurance review of the summary interim financial information (interim report) for Bravida Holding AB (publ) at 30 September 2020 and the nine-month period ended at such date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our limited assurance review.

SCOPE AND FOCUS OF THE LIMITED ASSURANCE REVIEW

We conducted our limited assurance review in accordance with the International Standard on Review Engagements ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A limited assurance review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures.

The procedures performed in a limited assurance review vary in nature from, and are considerably less in scope than, an audit conducted in accordance with the ISA and other generally accepted auditing standards. The procedures performed in a limited assurance review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a limited assurance review does not have the assurance of a conclusion based on an audit.

CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that this interim report has not been prepared for the Group, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 6 November 2020

KPMG AB
Mattias Lötbörn
Authorised 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 2020.

This report contains information and opinions on future prospects for Bravida's business activities. The information is based on Group management's current expectations and estimates. Actual future outcomes may vary considerably from the forward-looking statements in this report, partly because of changes in economic, market and competitive conditions.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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

Åsa Neving, CFO
E-mail: asa.neving@bravida.se
Telephone: +46 8 695 22 87

FINANCIAL REPORTING DATES

Interim report, October–December 2020	12 February 2021
Interim report, January–March 2021	26 April 2021
Interim Report, April–June 2021	16 July 2021
Interim Report, July–September 2021	26 October 2021



FINANCIAL DEFINITIONS

NUMBER OF EMPLOYEES

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

RETURN ON EQUITY

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

EBITA*

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

EBITA MARGIN*

EBITA as a percentage of net sales.

EBITDA*

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

EFFECTIVE TAX RATE

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

EQUITY PER SHARE, SEK

Equity attributable to equity holders of the parent company divided by the number of ordinary shares outstanding at period end.

NET FINANCIAL ITEMS

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

CAPITAL STRUCTURE (NET DEBT/EBITDA)

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

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities for the period, divided by the number of shares at period end.

CASH CONVERSION (EXCLUDING IFRS 16 LEASES)*

12-month EBITDA +/- change in working capital and investment in machinery and equipment and adjustment for non-cash items in EBITDA in relation to 12-month EBIT (operating profit/loss).

This key figure measures the percentage of profit that is converted into cash flow. The purpose is to analyse what percentage of earnings can be converted into cash and cash equivalents and, in the longer term, the opportunity for investments, acquisitions and dividends, with the exception of interest-related cash flows.

NET SALES

Net sales are recognised in accordance with the principle of recognition over time, rather than using the previous percentage-of-completion method. These revenues are recognised in proportion to the degree of completion of projects.

NET DEBT*

Interest-bearing liabilities (including lease liabilities, excluding pension liabilities), less cash and cash equivalents. This key figure is a measure to show the Group's total interest-bearing debt.

ORGANIC GROWTH

The change in sales adjusted for currency effects, as well as acquisitions and disposals compared with the same period of the previous year. Sales from acquisition and divestments are eliminated for a period of 12 months from the date of acquisition or divestment.

OPERATING CASH FLOW*

EBITDA adjusted for non-cash items, investments in machinery and equipment and changes in working capital.

ORDER INTAKE

The value of new projects and contracts received, and changes in existing projects and contracts over the period in question. Includes both installation and 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 ratio is a measure of how much earnings may fall by without interest payments being jeopardised or how much interest on borrowing may increase without operating profit turning negative.

WORKING CAPITAL*

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

OPERATING MARGIN

Operating profit/loss as a percentage of net sales.

OPERATING PROFIT/EBIT

Earnings net financial income/expense and tax.

EQUITY/ASSETS RATIO

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

*See page 15 for reconciliation of performance measures.

OPERATIONAL DEFINITIONS

INSTALLATION/CONTRACTING

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

SERVICE

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

ELECTRICAL

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

HVAC (HEATING, VENTILATION AND AIR CONDITIONING)

Comfort ventilation and comfort cooling through air treatment, air conditioning and climate control. Commercial cooling in freezer and cold rooms. Process ventilation control systems. Energy audits and energy efficiency through heat recovery, heat pumps, etc.

HEATING & PLUMBING

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

OTHER

Relates to other technical areas such as safety, sprinklers, cooling, power, lifts, and services in project management and technical property management.

OTHER DEFINITIONS

LTIR (LOST TIME INCIDENT RATE)

The number of occupational injuries that lead to at least one day of sickness absence per million working hours.



THIS IS BRAVIDA

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

Our mission

We offer technical end-to-end solutions over the life of a property, from consulting and design to installation and service. We are a large company with a local presence across the Nordics. We meet customers locally and take long-term responsibility for our work. Our employees are our most important resource. With shared values, working methods and tools, together we create a sustainable and profitable business for us and our customers.

Our vision

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

Targets

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



THE BRAVIDA WAY

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

ENTREPRENEURSHIP

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

FOLLOW-UP AND SUPPORT

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

CONTINUOUS IMPROVEMENT

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



BRAVIDA'S STRATEGIES

Profitable growth

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

ORGANIC GROWTH

Focus on:

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

GROWTH THROUGH ACQUISITIONS

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

Financial stability

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

GOOD PROFITABILITY

- ▶ Margin over volume
- Growth, but not at any price. We only take on assignments with a healthy margin and calculable risks.
- ▶ Focus on cost-effectiveness
- Minimise fixed costs. We adapt production capacity and administrative expenses according to sales.
- Coordination of purchasing generates economies of scale and cost-effectiveness.

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

STABLE CASH FLOW

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

Sustainable company

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

GOOD HEALTH AND SAFETY

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

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

SUSTAINABLE USE OF RESOURCES

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

GOOD BUSINESS ETHICS

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

Attractive employer

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

DEVELOPING EMPLOYEES AND LEADERS

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

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

RECRUITMENT AND INTEREST IN THE INDUSTRY

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

DIVERSITY AND INCLUSIVE CULTURE

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

Market leader

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

BRAVIDA WAY GENERATES SATISFIED CUSTOMERS

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

PROACTIVE STEPS TOWARDS THE FUTURE

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

A STRONG BRAND

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

BRINGING BUILDINGS TO LIFE

HEADQUARTERS

Bravida Holding AB
Stockholm 126 81
Sweden
Street address:
Mikrofonvägen 28
Telephone: +46 8 695 20 00
www.bravida.se

NORWAY

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

DENMARK

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

FINLAND

Bravida Finland Oy
Valimotie 21
00380 Helsinki
Finland
Telephone: +358 10 238 8000
www.bravida.fi

