

INTERIM REPORT

January–March 2020

JANUARY–MARCH 2020

- Net sales increased by 8% to SEK 5,401 million (5,013)
- Organic growth was 2% (5)
- The order backlog was 11% higher at SEK 14,985 million (13,474)
- EBITA increased by 8% to SEK 272 million (251)
- The EBITA margin was 5.0% (5.0)
- Profit after tax was SEK 196 million (178)
- Cash flow from operating activities was SEK 560 million (414)
- Net debt amounted to SEK -1,698 million (-2,115)
- Four acquisitions were completed in the quarter, adding annual sales of approximately SEK 239 million
- Basic earnings per share were SEK 0.97 (0.88) and diluted earnings per share were SEK 0.96 (0.88)

Financial overview

SEK MIL.

| | Jan–Mar 2020 | Jan–Mar 2019 | Jan–Dec 2019 | Apr 2019– Mar 2020 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------------|
| Net sales | 5,401 | 5,013 | 20,404 | 20,792 |
| Operating profit (EBIT) | 271 | 250 | 1,224 | 1,244 |
| Operating margin (EBIT), % | 5.0 | 5.0 | 6.0 | 6.0 |
| EBITA | 272 | 251 | 1,226 | 1,247 |
| EBITA margin, % | 5.0 | 5.0 | 6.0 | 6.0 |
| Profit/loss after tax | 196 | 178 | 884 | 902 |
| Cash flow from operating activities | 560 | 414 | 1,599 | 1,744 |
| Cash conversion, % 12 m | 127 | 124 | 115 | 127 |
| Net debt/EBITDA, 12 m | 1.0 | 1.6 | 1.3 | 1.0 |
| Order intake | 5,732 | 6,465 | 22,534 | 21,800 |
| Order backlog | 14,985 | 13,474 | 14,485 | 14,985 |



ORGANIC GROWTH AND STRONG CASH FLOW

Bravida's first quarter of 2020 was characterised by organic growth, healthy order intake and strong cash flow. The COVID-19 pandemic has so far had a limited impact on the Group as a whole. However, some individual branches have been affected and the market outlook is uncertain.

ORGANIC GROWTH AND SOLID EARNINGS

Bravida reported positive organic growth of 2 percent for the first quarter. Servicing sales increased by 11 percent. Since servicing assignments are generally recurring, the increase contributes to the long-term stability of our business.

The order backlog also developed well, rising by SEK 500 million in the quarter as a result of healthy order intake in Sweden, Denmark and Finland. The overall EBITA margin was 5.0 percent, unchanged from the same period last year. The margin improved in Norway but was lower in Denmark and Finland.

STRONG CASH FLOW AND LOW DEBT

Cash flow for the quarter was strong and cash conversion was 127 percent, which is well above our target. Our net debt decreased in the quarter by SEK 365 million and is now at a record low.

ACQUISITIONS CONTINUE TO STRENGTHEN BRAVIDA

So far this year we have carried out eight different acquisitions, four of which were after the end of the reporting period. The acquisitions add annual sales of approximately SEK 483 million. Bravida aims to be an industry leader on sustainability. In April we acquired 51 percent of the shares in Solkraft EMK AB, providing a useful addition in the area of low-carbon solutions. The acquisition expands our customer offering and expertise in a rapidly growing area of technology. Our strong cash flow and low debt will continue to provide us with opportunities to make acquisitions going forward, although we believe that the intensity of acquisitions will be temporarily lower because of uncertainties over the impact of the ongoing pandemic.

SUSTAINABILITY

From 2020 we will be reporting the change in occupational injuries at Bravida on a quarterly basis. Our ultimate aim is to eliminate occupational injuries, while our medium-term goal is a lost time injury rate (LTIR) of below 5.5. The basis for our work environment-related measures is the Bravida Way, which ensures good organisation and safety at our workplaces. We are strengthening our safety culture through leadership and information for employees: we must speak up when we see a risk! Bravida is also continually endeavouring to improve injury prevention measures.

The LTIR is still too high and progress on this differs from country to country. Over the past 12 months occupational injuries at Bravida have decreased by 20 percent to a LTIR of 9.2.

Another key sustainability goal is the reduction of carbon dioxide emissions from our vehicles. In 2019 we decided to increase the percentage of zero-emissions vehicles by gradu-



“ Given the situation, it is great that we have a solid balance sheet

ally replacing our servicing vehicles and changing our company car policy. Our emissions per kilometre driven decreased by more than 6 percent in 2019.

OUTLOOK

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

The market development is uncertain because of the coronavirus pandemic in spring 2020. Given the situation, it is great that we have a healthy order backlog, strong cash flow and a solid balance sheet. In order to further strengthen liquidity, in April Bravida signed a new one-year credit agreement for SEK 500 million. In these times it is particularly important to prioritise margin before volume. There will always be business opportunities and we are well positioned to respond to them. Our main focus at present is to deliver for our customers on important projects without putting the health of our employees at risk.

Mattias Johansson, Stockholm, May 2020



CONSOLIDATED EARNINGS OVERVIEW

NET SALES

January–March

Net sales increased by 8 percent to SEK 5,401 million (5,013). Organic growth was 2 percent, acquisitions boosted net sales by 7 percent and currency effects had a negative impact of -1 percent. Net sales rose in Sweden, Denmark and Finland. Net sales increased in all countries in local currency. Growth was organic in Sweden, Norway and Denmark.

Compared with the first quarter of 2019, servicing business increased by 11 percent and installation business by 5 percent. The servicing business accounted for 46 percent (45) of total net sales.

Order intake amounted to SEK 5,732 million (6,465), a decrease of 11 percent. The comparatively lower order intake is due to an order relating to the Stockholm Bypass Project received in the first quarter of 2019 worth SEK 1,144 million. Order intake was lower in Sweden and Norway, but was higher in Denmark and Finland. The order backlog at 31 March was 11 percent higher than at the same point in last year and amounted to SEK 14,985 million (13,474). Including acquisitions, the order backlog rose by SEK 500 million in the quarter. The increase was attributable to business operations in Sweden, Finland and Denmark. The order backlog only includes installation projects.

EARNINGS

January–March

Operating profit was SEK 271 million (250). EBITA increased by 8 percent to SEK 272 million (251), resulting in an EBITA margin of 5.0 percent (5.0). The EBITA margin improved in Norway, while it was unchanged in Sweden and lower in Denmark and Finland. Group-wide profit was SEK 10 million (15). Net financial items totalled SEK -21 million (-24), and the weaker Norwegian krone resulted in a foreign exchange loss in the Group's cash pool. Profit after financial items was SEK 250 million (227). Profit after tax was SEK 196 million (178). Basic earnings per share increased by 9 percent to SEK 0.97 (0.88). Diluted earnings per share were SEK 0.96 (0.88).

DEPRECIATION AND AMORTISATION

Depreciation and amortisation in the quarter totalled SEK -106 million (-101), SEK -97 million (-92) of which related to the amortisation of right-of-use assets.

TAX

The tax expense for the quarter was SEK -54 million (-49). Profit before tax was SEK 250 million (227). The effective tax rate for the quarter was 22 percent (21). Tax paid totalled SEK 72 million (45).

CASH FLOW

January–March

Cash flow from operating activities was SEK 560 million (414). The higher cash flow was mainly due to reduced working capital. Working capital has improved as a result of current liabilities increasing. Cash flow from investing activities was SEK -81 million (-127), of which acquisitions of subsidiaries and businesses totalled SEK -78 million (-117). Cash flow from financing activities, which refers to net repayment of borrowing and amortisation of lease liabilities, was SEK -270 million (-460). Cash flow for the quarter was SEK 208 million (-172).

12-month cash conversion was 127 percent (124).

ACQUISITIONS

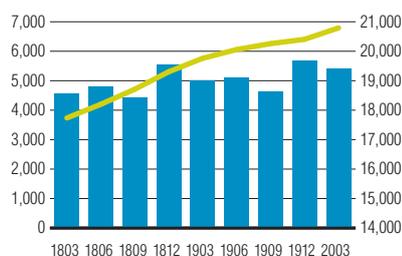
Four acquisitions were completed in the quarter, adding a total of SEK 239 million in annual sales. Two acquisitions were made in Sweden, adding a total of around SEK 47 million in annual sales. The acquired companies operate in the heating and plumbing and HVAC segments. One acquisition, of a business in the cooling segment, was completed in Denmark, adding a total of SEK 171 million in annual sales. One acquisition was completed in Norway, of a business in the electrical segment, adding around SEK 21 million in annual sales.

FINANCIAL POSITION

Bravida's net debt at 31 March was SEK -1,698 million (-2,115), which corresponds to a capital structure (net debt/EBITDA) ratio of 1.0 (1.6). Consolidated cash and cash equivalents were SEK 1,131 million (595). Interest-bearing liabilities totalled SEK -2,830 million (-2,710), of which SEK -820 million (-630) comprised commercial paper and SEK -1,010 million (-980) comprised financial leases. Total credit facilities amounted to SEK 2,500 million (2,700), of which SEK 2,000 million (1,568) was unused at 31 March.

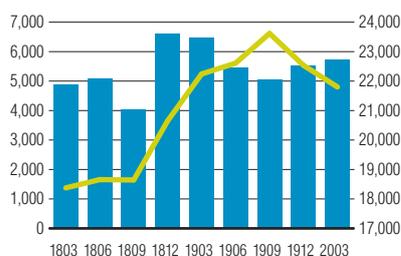
At the end of the period, equity totalled SEK 5,758 million (5,488). The equity/assets ratio was 34.0 percent (35.6).

NET SALES (SEK MIL.)



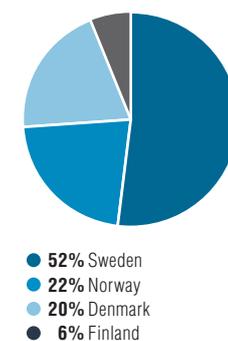
■ Net sales by quarter
— Net sales, rolling 12 months

ORDER INTAKE (SEK MIL.)



■ Order intake by quarter
— Order intake, rolling 12 months

NET SALES BY COUNTRY, JAN–MAR 2020



**EMPLOYEES**

The average number of employees at 31 March was 11,811 (11,252), an increase of 5 percent.

OCCUPATIONAL INJURIES

Reported occupational injuries that led to at least one day's sickness absence decreased by 20 percent over the past 12 months to a LTIR (lost time injury rate) of 9.2 (11.5).

In Sweden the LTIR was 8.2, in Norway it was 4.9, in Denmark 14.9 and in Finland 21.1. In Norway the LTIR increased slightly, while the LTIR decreased in the other countries. Our target is an LTIR of <5.5 and an ultimate target of zero workplace accidents.

PARENT COMPANY

Revenues for the quarter were SEK 49 million (45) and profit after net financial items was SEK 0 million (6).

SHAREHOLDER INFORMATION

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 31 March Bravida had 9,345 shareholders. The five largest shareholders were Mawer Investment Management funds, Lannebo funds, Swedbank Robur funds, the Fourth National Pension Insurance Fund (AP4) and SEB funds. Mawer Investment Management funds hold just over 10 percent of the votes.

The share price at 31 March 2020 was SEK 70.15, which corresponds to a market capitalisation of SEK 14,214 million based on the number of ordinary shares. Total shareholder return, including dividends, over the past 12 months was -10.7 percent.

Share capital totals SEK 4 million, divided among 203,316,598 shares, of which 202,625,490 are ordinary shares and 691,108 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.

AGM RESOLUTIONS

The resolutions of the AGM of 24 April 2020 included the following: The following Board members were elected: Fredrik Arp (re-election), Marie Nygren (re-election), Jan Johansson (re-election), Staffan Pålsson (re-election), Cecilia Daun Wennborg (re-election) and Karin Stålhandske (newly elected). Fredrik Arp was elected Chairman. The dividend was set, as per the Board's

proposal, at SEK 0.0 (2.0) per share.

OTHER EVENTS DURING THE PERIOD

On 4 March 2020 Bravida held a capital markets day, in conjunction with which it updated the company's financial targets.

FINANCIAL TARGETS UPDATED ON 04/03/2020

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

SIGNIFICANT RISKS

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

The COVID-19 pandemic impacts the business through the health risk for employees, customers and suppliers and through a decline in the financial position.

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

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

TRANSACTIONS WITH RELATED PARTIES

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

NET SALES AND GROWTH

| SEK MIL. | Jan-Mar 2020 | Jan-Mar 2019 | Jan-Dec 2019 |
|---------------------|-----------------|-----------------|-----------------|
| Net sales | 5,401 | 5,013 | 20,404 |
| Change | 388 | 456 | 1,099 |
| Change, % | 7.7 | 10.0 | 5.7 |
| Of which | | | |
| Organic growth, % | 2 | 5 | 0 |
| Acquisitions, % | 7 | 3 | 5 |
| Currency effects, % | -1 | 2 | 1 |

**EVENTS AFTER THE BALANCE SHEET DATE**

On 1 April 2020 Bravida acquired a Sweden-based company in the cooling segment with annual sales of approximately SEK 21 million.

On 3 April Bravida signed an agreement to acquire 51 percent of the shares in a company in Sweden operating in the solar panel segment with annual sales of approximately SEK 170 million.

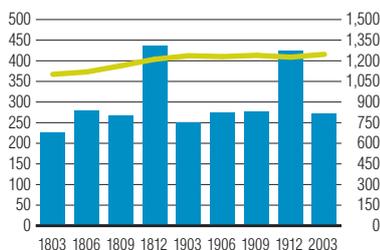
On 5 May Bravida signed an agreement to acquire a company in Sweden operating in the ventilation segment with annual sales of approximately SEK 33 million.

On 5 May Bravida signed an agreement to acquire a company in Sweden operating in the security segment with annual sales of approximately SEK 20 million.

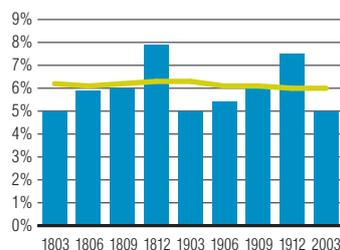
On 8 April Bravida's Board took the decision to withdraw the proposals to the AGM on 24 April regarding a dividend and the introduction of a long-term incentive programme (LTIP) for 2020. The Board aims to convene an extraordinary general meeting in the autumn to address these proposals if circumstances allow.

On 21 April Bravida signed a loan facility for SEK 500 million. The loan agreement is for 1 year.

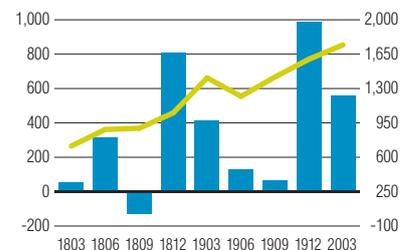
The long-term incentive programme from 2017 (LTIP 2017) expires on 8 May 2020, which preliminarily means that 380,554 class C shares will be converted into ordinary shares. Final allocation, which as a result of achieved EBITA under the programme, amounts to 70.0 percent of the maximum allocation. A total of 147 employees initially participated in LTIP 2017, of which preliminarily 126 employees will receive an allocation.

EBITA (SEK MIL.)

■ EBITA by quarter
— Adjusted EBITA, rolling 12 months

EBITA MARGIN

■ EBITA margin per quarter
— Adjusted 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

Demand for servicing and installation was healthy in the quarter. Market development is uncertain due to the COVID-19 situation in spring 2020.

Important drivers include the upgrading and refurbishment of public-sector buildings, housing and offices, as well as investment in infrastructure and energy efficiency measures.

NET SALES AND EARNINGS

January–March

Net sales in Sweden increased by 8 percent to SEK 2,806 million (2,607). The increase in net sales was attributable to both servicing and installation business. Organic growth was 2 percent, EBITA increased by 7 percent to SEK 156 million (146), and the EBITA margin was unchanged at 5.6 percent (5.6).

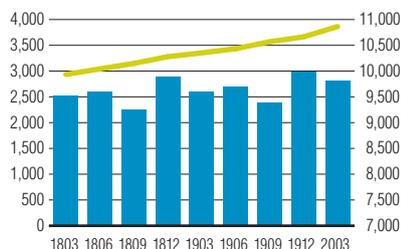
ORDER INTAKE AND ORDER BACKLOG

January–March

Order intake decreased by 17 percent to SEK 2,897 million (3,484). The decrease was as a result of a high comparative figure as an order of SEK 1,144 million relating to the Stockholm Bypass Project was received last year. Bravida has received a large order to carry out all electrical, heating and plumbing, HVAC and sprinkler installation work at Komatsu Forest's new production plant in Umeå. Order intake, however, mainly related to small and medium-sized installation projects and servicing assignments.

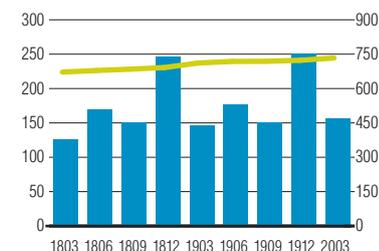
The order backlog at the end of the quarter was 14 percent higher than for the same period last year and amounted to SEK 9,111 million (7,971). The order backlog rose by SEK 91 million in the quarter.

NET SALES (SEK MIL.)



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

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

| SEK MIL. | Jan–Mar 2020 | Jan–Mar 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|
| Net sales | 2,806 | 2,607 | 10,664 |
| EBITA | 156 | 146 | 723 |
| EBITA margin, % | 5.6 | 5.6 | 6.8 |
| Order intake | 2,897 | 3,484 | 12,358 |
| Order backlog | 9,111 | 7,971 | 9,020 |
| Average number of employees | 5,885 | 5,724 | 5,887 |



Sustainable swimming and leisure centre in Enköping. Enköping's new swimming and leisure centre, Pepparrottsbadet, is due to be completed in 2021. The project has a strong emphasis on sustainability and Bravida is responsible for installing the centre's electrical, ventilation and heating, and plumbing systems. Project manager Henrik Wall explains Bravida's involvement. "We're doing a lot of work relating to recycling energy. For instance, a lot of waste heat is generated from cooling systems in the gym, the office and the adjacent ice rink. We're ensuring that waste heat is used to heat the water in the swimming pool."



OPERATIONS IN NORWAY

MARKET

Demand for servicing and installation was healthy in the quarter. Market development is uncertain due to the COVID-19 situation in spring 2020.

New public investment in and maintenance of road and transport infrastructure and health care are important drivers. There is also strong demand for investments relating to the shift towards greener sources of energy such as wind power, solar energy and electric car charging.

NET SALES AND EARNINGS

January–March

Net sales decreased by 3 percent to SEK 1,214 million (1,256). Net sales increased by 1 percent in local currency. Currency fluctuations had a negative 4 percent impact on net sales. Organic growth was 1 percent.

EBITA increased by 23 percent to SEK 54 million (44), resulting in an improved EBITA margin of 4.5 percent (3.5).

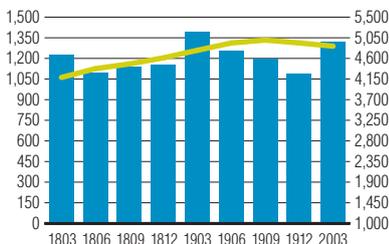
ORDER INTAKE AND ORDER BACKLOG

January–March

Order intake decreased by 40 percent to 1,001 million (1,680), while in local currency order intake declined by 16 percent. Last year Bravida received a large order worth just over SEK 350 million for installation work at a hospital. Order intake mainly related to small and medium-sized installation projects and servicing assignments.

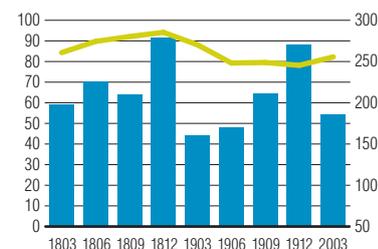
The order backlog at the end of the quarter was 21 percent lower than for the same period last year and amounted to SEK 2,339 million (2,976). The order backlog decreased by SEK 213 million in the quarter, while in local currency the order backlog increased by 1 percent.

NET SALES (SEK MIL.)



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

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

| SEK MIL. | Jan–Mar 2020 | Jan–Mar 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|
| Net sales | 1,214 | 1,256 | 4,867 |
| EBITA | 54 | 44 | 245 |
| EBITA margin, % | 4.5 | 3.5 | 5.0 |
| Order intake | 1,001 | 1,680 | 4,867 |
| Order backlog | 2,339 | 2,976 | 2,553 |
| Average number of employees | 2,969 | 2,958 | 2,975 |



Hospital servicing during coronavirus pandemic. In the current conditions, Bravida sometimes needs to take additional measures to prevent spreading coronavirus, for instance at Haraldsplass Diakonale Hospital in Bergen. Servicing Manager Bjørn Frostad-Solberg and his colleague Magne Solberg are shown here in full personal protection equipment, troubleshooting UVC lamps used for disinfecting isolation areas for infected patients.



OPERATIONS IN DENMARK

MARKET

The servicing and installation market was healthy during the quarter. Market development is uncertain due to the COVID-19 situation in spring 2020.

The housing market is growing, which is contributing to increased demand for technical installations in housing new-builds and refurbishments. New-builds and the upgrade of public-sector buildings are contributing to a stable market. Demand from the business sector has grown for premises and the installation of new technical solutions for automation and energy optimisation.

NET SALES AND EARNINGS

January–March

Net sales increased by 27 percent to SEK 1,067 million (842). The increase in net sales was attributable to both servicing and installation business. Organic growth was 3 percent. Currency fluctuations had a positive 2 percent impact on net sales.

EBITA increased by 16 percent to SEK 51 million (44), resulting in a EBITA margin of 4.7 percent (5.2). The lower EBITA margin was due to relatively higher administrative costs relating to acquisitions last year.

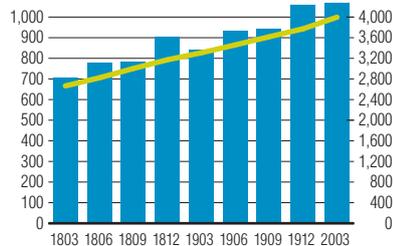
ORDER INTAKE AND ORDER BACKLOG

January–March

Order intake increased by 20 percent to SEK 1,256 million (1,049). Order intake mainly related to small and medium-sized installation projects and servicing assignments.

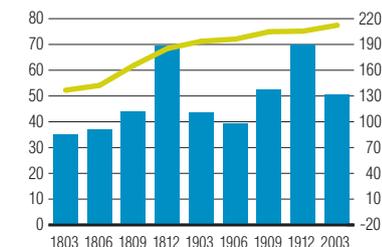
The order backlog at the end of the quarter was 26 percent higher than for the same period last year and amounted to SEK 2,555 million (2,023). The order backlog rose by SEK 358 million in the quarter.

NET SALES (SEK MIL.)



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

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

| SEK MIL. | Jan–Mar 2020 | Jan–Mar 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|
| Net sales | 1,067 | 842 | 3,773 |
| EBITA | 51 | 44 | 206 |
| EBITA margin, % | 4.7 | 5.2 | 5.4 |
| Order intake | 1,256 | 1,049 | 4,049 |
| Order backlog | 2,555 | 2,023 | 2,196 |
| Average number of employees | 2,257 | 1,885 | 2,173 |



Significant energy savings with efficient heat pump solution. The four-star Vejlebjerg Hotel in Denmark has 116 rooms and a large wellness centre. As part of a green upgrade, the hotel wanted to reduce its energy consumption, particularly for the heating of the numerous pools in its spa facility. Bravida's solution was to install a hybrid air-to-water heat pump to complement the existing gas-fired heating. Following an investment of DKK 950,000 the hotel will be able to save around DKK 4 million and 2,000 tonnes of carbon dioxide over the next 10 years.



OPERATIONS IN FINLAND

MARKET

The servicing and installation market was stable during the quarter. Given the situation with COVID-19 in spring 2020, market development is uncertain, particularly for technical servicing, and there is also a risk of new construction projects being postponed.

NET SALES AND EARNINGS

January–March

Net sales increased by 3 percent to SEK 325 million (315). The increase in net sales was attributable to the installation business, while net sales for the servicing business decreased by 5 percent. Organic growth was negative at -1 percent. Currency fluctuations had a positive 4 percent impact on net sales.

EBITA was SEK 1 million (3), resulting in a lower EBITA margin of 0.4 percent (0.9).

The decrease in profit was due to some project writedowns and higher administrative costs.

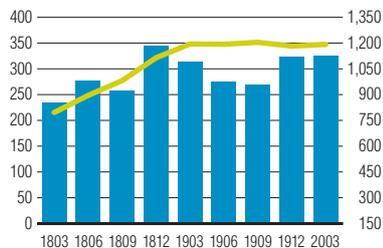
ORDER INTAKE AND ORDER BACKLOG

January–March

Order intake increased by 126 percent to SEK 589 million (260). During the quarter Bravida received a large order from Wärtsilä relating to electrical and HVAC installations in a new research centre. Order intake generally related to small and medium-sized installation projects and servicing assignments.

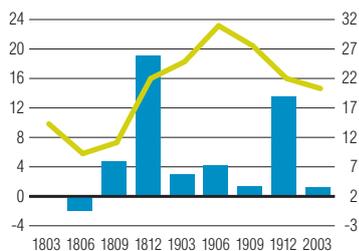
The order backlog at the end of the quarter was 95 percent higher than for the same period last year and amounted to SEK 980 million (504). The order backlog rose by SEK 264 million in the quarter.

NET SALES (SEK MIL.)



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

EBITA (SEK MIL.)



■ EBITA by quarter
— EBITA, rolling 12 months

| SEK MIL. | Jan–Mar 2020 | Jan–Mar 2019 | Jan–Dec 2019 |
|-----------------------------|--------------|--------------|--------------|
| Net sales | 325 | 315 | 1,182 |
| EBITA | 1 | 3 | 22 |
| EBITA margin, % | 0.4 | 0.9 | 1.9 |
| Order intake | 589 | 260 | 1,340 |
| Order backlog | 980 | 504 | 716 |
| Average number of employees | 607 | 605 | 596 |



Wasa Theatre centenary refurbishment. The Wasa Theatre in Vaasa is a traditional theatre with a rich history going back one hundred years. As part of the theatre's refurbishment to mark its centenary, Bravida carried out the electrical work on the theatre's high-voltage systems, including lighting control, computer systems, cabling for AV systems and its smoke ventilation system. The fire alarm system in the office section of the building was also upgraded. The past century has included several phases of construction that weren't documented at all. So it was important in this project to refurbish carefully to retain the spirit of the old building.



FINANCIAL REPORTING

CONSOLIDATED INCOME STATEMENT, SUMMARY

| SEK MIL. | Jan–Mar 2020 | Jan–Mar 2019 | Jan–Dec 2019 | Apr 2019– Mar 2020 |
|--|-----------------|-----------------|-----------------|-----------------------|
| Net sales | 5,401 | 5,013 | 20,404 | 20,792 |
| Production costs | -4,688 | -4,355 | -17,503 | -17,836 |
| Gross profit/loss | 713 | 658 | 2,901 | 2,957 |
| Selling and administrative expenses | -442 | -407 | -1,678 | -1,713 |
| Operating profit/loss | 271 | 250 | 1,224 | 1,244 |
| Net financial items | -21 | -24 | -73 | -70 |
| Profit/loss before tax | 250 | 227 | 1,151 | 1,174 |
| Tax | -54 | -49 | -267 | -272 |
| Profit/loss for the period | 196 | 178 | 884 | 902 |
| Profit/loss for the period attributable to: | | | | |
| Owners of the parent company | 196 | 178 | 882 | 900 |
| Non-controlling interests | 0 | 1 | 2 | 1 |
| Profit/loss for the period | 196 | 178 | 884 | 902 |
| Basic earnings per share, SEK | 0,97 | 0,88 | 4,36 | 4,44 |
| Diluted earnings per share, SEK | 0,96 | 0,88 | 4,35 | 4,43 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

| SEK MIL. | Jan–Mar 2020 | Jan–Mar 2019 | Jan–Dec 2019 | Apr 2019– Mar 2020 |
|---|-----------------|-----------------|-----------------|-----------------------|
| Profit/loss for the period | 196 | 178 | 884 | 902 |
| Other comprehensive income | | | | |
| <i>Items that have been or can be transferred to profit/loss for the period</i> | | | | |
| Translation differences for the period from the translation of foreign operations | -40 | 65 | 15 | -89 |
| <i>Items that cannot be transferred to profit/loss for the period</i> | | | | |
| Revaluation of defined-benefit pensions | – | – | -204 | -204 |
| Tax attributable to the revaluation of pensions | – | – | 44 | 44 |
| Other comprehensive income for the period | -40 | 65 | -145 | -250 |
| Comprehensive income for the period | 156 | 243 | 739 | 652 |
| Comprehensive income for the period attributable to: | | | | |
| Owners of the parent company | 156 | 242 | 737 | 651 |
| Non-controlling interests | 0 | 1 | 2 | 1 |
| Comprehensive income for the period | 156 | 243 | 739 | 652 |

**CONSOLIDATED BALANCE SHEET, SUMMARY**

| SEK MIL. | 31/03/2020 | 31/03/2019 | 31/12/2019 |
|---|-------------------|-------------------|-------------------|
| Goodwill | 8,807 | 8,347 | 8,731 |
| Right-of-use assets | 998 | 978 | 1,029 |
| Other non-current assets | 184 | 171 | 179 |
| Total non-current assets | 9,989 | 9,496 | 9,939 |
| Trade receivables | 3,451 | 3,237 | 3,540 |
| Income accrued but not invoiced | 1,820 | 1,509 | 1,514 |
| Other current assets | 537 | 583 | 545 |
| Cash and cash equivalents | 1,131 | 595 | 972 |
| Total current assets | 6,938 | 5,925 | 6,571 |
| Total assets | 16,928 | 15,421 | 16,510 |
| Equity attributable to owners of the parent company | 5,748 | 5,472 | 5,587 |
| Non-controlling interests | 9 | 15 | 9 |
| Total equity | 5,758 | 5,488 | 5,596 |
| Non-current liabilities | 1,843 | 1,798 | 1,500 |
| Lease liabilities | 673 | 648 | 700 |
| Total non-current liabilities | 2,517 | 2,447 | 2,200 |
| Lease liabilities | 336 | 332 | 340 |
| Trade payables | 2,229 | 2,008 | 2,239 |
| Income invoiced but not accrued | 2,258 | 1,905 | 2,004 |
| Other current liabilities | 3,831 | 3,241 | 4,131 |
| Total current liabilities | 8,653 | 7,487 | 8,714 |
| Total liabilities | 11,170 | 9,933 | 10,914 |
| Total equity and liabilities | 16,928 | 15,421 | 16,510 |
| Of which interest-bearing liabilities | 2,830 | 2,710 | 3,035 |

CHANGES IN EQUITY

| SEK MIL. | Jan-Mar 2020 | Jan-Mar 2019 | Jan-Dec 2019 |
|--|---------------------|---------------------|---------------------|
| Consolidated equity | | | |
| Amount at start of period | 5,596 | 5,238 | 5,238 |
| Comprehensive income for the period | 156 | 243 | 739 |
| Dividend | – | – | -404 |
| Cost of long-term incentive programmes | 5 | 7 | 24 |
| Amount at end of period | 5,758 | 5,488 | 5,596 |

**CONSOLIDATED CASH FLOW STATEMENT, SUMMARY**

| SEK MIL. | Jan-Mar 2020 | Jan-Mar 2019 | Jan-Dec 2019 |
|---|-------------------------|-------------------------|-------------------------|
| Cash flow from operating activities | | | |
| Profit/loss before tax | 250 | 227 | 1,151 |
| Adjustments for non-cash items | 116 | 85 | 423 |
| Income taxes paid | -72 | -45 | -154 |
| Change in working capital | 266 | 147 | 179 |
| Cash flow from operating activities | 560 | 414 | 1,599 |
| Investing activities | | | |
| Acquisitions of subsidiaries and businesses | -78 | -117 | -469 |
| Other | -4 | -10 | -34 |
| Cash flow from investing activities | -81 | -127 | -503 |
| Financing activities | | | |
| Net change in borrowing | -175 | -370 | -105 |
| Amortisation of lease liabilities | -95 | -90 | -372 |
| Dividend paid | - | - | -404 |
| Cash flow from financing activities | -270 | -460 | -881 |
| Cash flow for the period | 208 | -172 | 215 |
| Cash and cash equivalents at start of period | 972 | 735 | 735 |
| Translation difference on cash and cash equivalents | -49 | 33 | 22 |
| Cash and cash equivalents at end of period | 1,131 | 595 | 972 |

**PARENT COMPANY INCOME STATEMENT, SUMMARY**

| SEK MIL. | Jan-Mar 2020 | Jan-Mar 2019 | Jan-Dec 2019 |
|--|-----------------|-----------------|-----------------|
| Net sales | 49 | 45 | 184 |
| Selling and administrative expenses | -40 | -24 | -139 |
| Operating profit/loss | 9 | 21 | 46 |
| Net financial items | -9 | -15 | -25 |
| Profit/loss after net financial items | 0 | 6 | 21 |
| Net Group contributions | - | - | 11 |
| Appropriations | - | - | -6 |
| Profit/loss before tax | 0 | 6 | 26 |
| Tax | - | - | -7 |
| Profit/loss for the period | 0 | 6 | 20 |

PARENT COMPANY BALANCE SHEET, SUMMARY

| SEK MIL. | 31/03/2020 | 31/03/2019 | 31/12/2019 |
|---------------------------------------|---------------|--------------|--------------|
| Shares in subsidiaries | 7,341 | 7,341 | 7,341 |
| Total non-current assets | 7,341 | 7,341 | 7,341 |
| Receivables from Group companies | 1,790 | 1,907 | 1,629 |
| Current receivables | 38 | 99 | 21 |
| Total current receivables | 1,827 | 2,006 | 1,650 |
| Cash and bank balances | 987 | 468 | 811 |
| Total current assets | 2,814 | 2,474 | 2,461 |
| Total assets | 10,156 | 9,816 | 9,803 |
| Restricted equity | 4 | 4 | 4 |
| Non-restricted equity | 4,449 | 4,817 | 4,444 |
| Equity | 4,453 | 4,821 | 4,448 |
| Untaxed reserves | 480 | 474 | 480 |
| Liabilities to credit institutions | 800 | 1,100 | 500 |
| Provisions | 1 | 1 | 1 |
| Total non-current liabilities | 801 | 1,101 | 501 |
| Short-term loans | 1,020 | 630 | 1,495 |
| Liabilities to Group companies | 3,356 | 2,694 | 2,838 |
| Current liabilities | 46 | 95 | 41 |
| Total current liabilities | 4,422 | 3,420 | 4,374 |
| Total equity and liabilities | 10,156 | 9,816 | 9,803 |
| Of which interest-bearing liabilities | 1,820 | 1,730 | 1,995 |



QUARTERLY DATA

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

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

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

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

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


Reconciliation of performance measures, not defined under IFRS

The company presents certain financial measures in this interim report that are not defined under IFRS. The company considers that these measures provide valuable additional information for investors and the company's management as they allow relevant trends to be assessed. Bravida's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be regarded as complementary rather than replacing the measures defined under IFRS. Below are definitions of measures that are not defined under IFRS and that are not mentioned anywhere else in this interim report. Reconciliation of these measures is provided in the table below. Calculations do not always tally because amounts in the table below have been rounded to the nearest million Swedish kronor. See page 19 for definitions of key performance indicators.

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



NOTES

NOTE 1. ACCOUNTING POLICIES

This is a translation of the Swedish Interim Report of Bravida Holding AB. In the event of inconsistency between the English and the Swedish versions, the Swedish version shall prevail.

This interim report for the Group has been prepared in accordance with International Reporting Standards (IFRS) using IAS 34 Interim Reporting. The parent company applies Recommendation RFR 2 Accounting for Legal Entities and Chapter 9 of the Swedish Annual Accounts Act regarding interim reports. The

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

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

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

NOTE 2. SEGMENT REPORTING AND REVENUE DISTRIBUTION

NET SALES BY COUNTRY

| SEK MIL. | Jan-Mar 2020 | distribution | Jan-Mar 2019 | distribution | Jan-Dec 2019 | distribution |
|----------------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Sweden | 2,806 | 52% | 2,607 | 52% | 10,664 | 52% |
| Norway | 1,214 | 22% | 1,256 | 25% | 4,867 | 24% |
| Denmark | 1,067 | 20% | 842 | 17% | 3,773 | 18% |
| Finland | 325 | 6% | 315 | 6% | 1,182 | 6% |
| Groupwide and eliminations | -12 | | -7 | | -81 | |
| Total | 5,401 | | 5,013 | | 20,404 | |

EBITA, EBITA MARGIN AND PROFIT/LOSS BEFORE TAX

| SEK MIL. | Jan-Mar 2020 | EBITA margin | Jan-Mar 2019 | EBITA margin | Jan-Dec 2019 | EBITA margin |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sweden | 156 | 5.6% | 146 | 5.6% | 723 | 6.8% |
| Norway | 54 | 4.5% | 44 | 3.5% | 245 | 5.0% |
| Denmark | 51 | 4.7% | 44 | 5.2% | 206 | 5.4% |
| Finland | 1 | 0.4% | 3 | 0.9% | 22 | 1.9% |
| Groupwide | 10 | | 15 | | 30 | |
| EBITA | 272 | 5.0% | 251 | 5.0% | 1,226 | 6.0% |
| Amortisation of intangible assets | -1 | | -1 | | -3 | |
| Net financial items | -21 | | -24 | | -73 | |
| Profit/loss before tax (EBT) | 250 | | 227 | | 1,151 | |

DISTRIBUTION OF REVENUES

| REVENUE PER CATEGORY, SEK MIL. | Jan-Mar 2020 | | | Jan-Mar 2019 | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Servicing | Installation | Total | Servicing | Installation | Total |
| Sweden | 1,404 | 1,403 | 2,806 | 1,256 | 1,351 | 2,607 |
| Norway | 600 | 615 | 1,214 | 591 | 665 | 1,256 |
| Denmark | 423 | 644 | 1,067 | 339 | 503 | 842 |
| Finland | 66 | 259 | 325 | 68 | 247 | 315 |
| Eliminations | -3 | -9 | -12 | -1 | -6 | -7 |
| Group | 2,490 | 2,911 | 5,401 | 2,253 | 2,760 | 5,013 |

| AVERAGE NUMBER OF EMPLOYEES | Jan-Mar 2020 | Jan-Mar 2019 | Jan-Dec 2019 |
|-----------------------------|---------------|---------------|---------------|
| Sweden | 5,885 | 5,724 | 5,887 |
| Norway | 2,969 | 2,958 | 2,975 |
| Denmark | 2,257 | 1,885 | 2,173 |
| Finland | 607 | 605 | 596 |
| Groupwide | 93 | 80 | 91 |
| Total | 11,811 | 11,252 | 11,722 |

**NOTE 3. ACQUISITION OF OPERATIONS**

Bravida made the following acquisitions in the January–March 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 |

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 28 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 | 0 |
| Property, plant and equipment | 9 |
| Trade receivables* | 60 |
| Income accrued but not invoiced | 3 |
| Other current assets | 16 |
| Cash and cash equivalents | 4 |
| Non-current liabilities | -10 |
| Trade payables | -26 |
| Income invoiced but not accrued | -15 |
| Other current liabilities | -32 |
| Net identifiable assets and liabilities | 8 |
| Consolidated goodwill | 75 |
| Consideration | 83 |
| Cash and cash equivalents, acquired | 4 |
| Net effect on cash and cash equivalents | 80 |
| Cash consideration paid | 30 |
| Consideration recognised as a liability** | 54 |
| Consideration | 83 |

*There were no material impairments of trade receivables.

**Of the total consideration recognised as a liability, SEK 28 million is contingent consideration.

Acquisitions after the end of the reporting period

Bravida has made four acquisitions since the end of the reporting period. In April it acquired Swedish company Kylteknik Bohuslän AB with 13 employees and annual sales of around SEK 21 million, and 51 percent of the shares in Sweden-based Solkraft EMK AB with annual sales of approximately SEK 170 million, with completion of the transaction due in spring 2020. In May it acquired Swedish company Directlarm Bergslagen AB with 16 employees and annual sales of around SEK 20 million. In May it acquired Ventfyran i Göteborg AB with 13 employees and annual sales of approximately SEK 33 million, with completion of the transaction due on June 1 2020.

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, 8 May 2020
Bravida Holding AB

Mattias Johansson
CEO and Group President

INFORMATION

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

This information is information that Bravida Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on 8 May 2020.

FOR FURTHER INFORMATION, PLEASE

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

FINANCIAL REPORTING DATES

| | |
|-------------------------------|-----------------|
| Interim Report April–June | 17 July 2020 |
| Interim Report July–September | 6 November 2020 |



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.

ADJUSTED EBITA*

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

ADJUSTED EBITA MARGIN*

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

ADJUSTED EBITDA*

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

CAPITAL STRUCTURE

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

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

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

CASH CONVERSION (EXCLUDING IFRS 16 LEASES)*

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

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

NET SALES

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

NET DEBT/EBITDA ADJUSTED FOR SPECIFIC COSTS

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

NET DEBT*

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

ORGANIC GROWTH

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

OPERATING CASH FLOW*

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

ORDER INTAKE

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

ORDER BACKLOG

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

DILUTED EARNINGS PER SHARE

Profit/loss for the period attributable to shareholders of the parent company divided by the average number of outstanding ordinary shares after dilution.

BASIC EARNINGS PER SHARE

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

INTEREST COVERAGE RATIO*

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

WORKING CAPITAL*

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

OPERATING MARGIN

Operating profit/loss as a percentage of net sales.

OPERATING PROFIT/EBIT

Earnings net financial income/expense and tax.

EQUITY/ASSETS RATIO

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

SPECIFIC COSTS

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

*See page 15 for reconciliation of performance measures.

OPERATIONAL DEFINITIONS

INSTALLATION/CONTRACTING

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

SERVICING

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

ELECTRICAL

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

HVAC (HEATING, VENTILATION AND AIR CONDITIONING)

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

HEATING & PLUMBING

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

OTHER

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

OTHER DEFINITIONS

LTIR (LOST TIME INCIDENT RATE)

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



THIS IS BRAVIDA

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

Our mission

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

Our vision

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

Targets

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



THE BRAVIDA WAY

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

ENTREPRENEURSHIP

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

FOLLOW-UP AND SUPPORT

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

CONTINUOUS IMPROVEMENT

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



BRAVIDA'S STRATEGIES

Profitable growth

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

ORGANIC GROWTH

Focus on:

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

GROWTH THROUGH ACQUISITIONS

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

Financial stability

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

GOOD PROFITABILITY

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

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

STABLE CASH FLOW

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

Sustainable company

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

GOOD HEALTH AND SAFETY

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

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

SUSTAINABLE USE OF RESOURCES

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

GOOD BUSINESS ETHICS

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

Attractive employer

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

DEVELOPING EMPLOYEES AND LEADERS

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

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

RECRUITMENT AND INTEREST IN THE INDUSTRY

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

DIVERSITY AND INCLUSIVE CULTURE

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

Market leader

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

BRAVIDA WAY GENERATES SATISFIED CUSTOMERS

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

PROACTIVE STEPS TOWARDS THE FUTURE

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

A STRONG BRAND

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

BRINGING BUILDINGS TO LIFE

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