COOR

Interim report
January – June 2018

Second quarter 2018

- Net sales increased by 25 per cent in the second quarter, to SEK **2,380** (1,900) million. Organic growth was 11 per cent and growth from acquisitions 11 per cent while foreign exchange effects accounted for 3 per cent of the increase.
- Adjusted EBITA increased by 19 per cent, to SEK **138** (115) million and the operating margin was **5.8** (6.1) per cent.
- EBIT was SEK **70** (68) million and the profit after tax SEK **22** (51) million.
- Earnings per share were SEK **0.2** (0.5).
- Operating cash flow was SEK **77** (136) million.

First half 2018

- Net sales increased by 20 per cent in the first half of the year, to SEK **4,507** (3,757) million. Organic growth was 11 per cent and growth from acquisitions 7 per cent while foreign exchange effects accounted for 2 per cent of the increase.
- Adjusted EBITA was SEK **253** (238) million and the operating margin **5.6** (6.3) per cent.
- EBIT was SEK **127** (144) million and the profit after tax SEK **39** (107) million.
- Earnings per share were SEK **0.4** (1.1).
- Operating cash flow was SEK **17** (201) million.

"Strong growth throughout the Nordic region, organically and through acquisitions"

Mikael Stöhr,
President and CEO, Coor

GROUP EARNINGS SUMMARY*	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Net sales	2,380	1,900	4,507	3,757	8,473	7,722
Organic growth, %	11	3	11	3	9	6
Acquired growth, %	11	0	7	0	4	0
Adjusted EBITA	138	115	253	238	482	468
Adjusted EBITA margin, %	5.8	6.1	5.6	6.3	5.7	6.1
EBIT	70	68	127	144	251	268
Income for the period	22	51	39	107	121	188
Operating cash flow	77	136	17	201	308	492
Earnings per share, SEK	0.2	0.5	0.4	1.1	1.3	2.0

* The comparative figures for 2017 refer to continuing operations in the Group after the sale of the damage services business

See page 24 for definitions and calculations of key performance indicators. Non-recurring items are presented in Note 3.

CEO's comments

Strong growth and good business opportunities throughout Nordic region

Coor grew by 25 per cent in the second quarter of the year. Coor has continued to deliver strong organic growth in all Nordic countries, now also coupled with acquired growth in Denmark and Norway. The operating profit is also up, increasing by almost 20 per cent, but cash flow has taken a temporary hit from the strong rate of growth.

Organic growth is joined by acquired growth

Our strong organic growth in the first quarter continued into the second quarter of 2018. Coor is growing in all Nordic countries, delivering organic growth of 11 per cent. This growth is the result of our continued success in delivering in line with our strategy of growing in the Nordic FM market, in integrated as well as single FM services. Our increased size and reach in the Nordic countries in turn enable us to achieve geographic density of volumes, which drives efficiency and enables us to deliver high-quality service and innovations to our customers.

The second quarter continued to see a larger number of small and medium-sized tenders, and there have also been good opportunities in major IFM processes. During the period, we signed a major new IFM contract with Storebrand in Norway, consolidating Coor's position as the market-leading provider of IFM services in the Nordic region. In the first six months of the year, Coor signed new contracts with customers representing combined annual sales of SEK 355 million, which is a clear increase on last year. Only a small number of contracts were terminated over the six-month period.

With the aim of accelerating our growth in the Nordic region, Coor made one further acquisition in the second quarter, of West FM in Norway. Like our previous acquisitions, West is a well managed company that is completely in line with our priority for acquisitions in terms of service content, geography and value creation while offering clear synergies.

The integration of the companies we acquired earlier in the year and of their underlying businesses is going entirely to plan. In the second quarter, we became even more convinced that the acquired businesses are well managed and maintain a high service quality, that they will expand our geographic reach and add new skills, and that the expected cost synergies will be realised.

Margins recover despite impact from growth

Our operating margin recovered in the second quarter. The recovery was driven by a combination of good profitability in variable project volumes and successful streamlining of service delivery in a number of contracts. This had an effect despite the impact from renegotiated and restarted contracts as well as the mix effect of a changed volume distribution among the countries. Rapid growth has increased Denmark's share of Coor's total sales, which had a negative mix effect on our consolidated margin. As always, growth is essential to our ability to continue building on our Nordic scale and density, paving the way for good long-term profitability for Coor as a whole.

Stable cash conversion hit by weekend effects and growth

A stable cash flow is a key priority for Coor that establishes a foundation for stable dividends to our owners over time. Coor's underlying cash flow remains strong.

During the period, cash flow was affected by the fact that the quarter once again ended on a weekend. This meant that a number of large payments from customers that would normally have been included in cash flow for the three-month period were received only after the end of the period. We are also seeing a temporary build-up of working capital due to the acquisitions as well as large variable volumes in several countries. Our structured approach to improving the efficiency of working capital will enable us to reverse this trend over the coming quarters.

A favourable outlook

We are seeing strong interest and good demand in the market as well as interesting business opportunities throughout the Nordic region. We believe our prospects to achieve growth, profitability and cash flow in line with our targets over time are good.

Stockholm, 18 July 2018

Mikael Stöhr
President and CEO, Coor

Group performance

Net sales and operating profit

CONSOLIDATED (SEK m)	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017
Net sales	2,380	1,900	4,507	3,757
Organic growth, %	*11*	*3*	*11*	*3*
Acquired growth, %	*11*	*0*	*7*	*0*
Adjusted EBITA	138	115	253	238
Adjusted EBITA margin, %	5.8	6.1	5.6	6.3
EBIT	70	68	127	144
EBIT margin, %	2.9	3.6	2.8	3.8
Number of employees (FTE)	8,556	6,467	8,556	6,467

Second quarter (April – June)

Organic growth for the period was 11 per cent, driven by robust growth in all countries. The two acquisitions that were completed in the first quarter added a further 11 percentage points to growth.

The operating profit (adjusted EBITA) increased by 19 per cent compared with the same period in 2017.

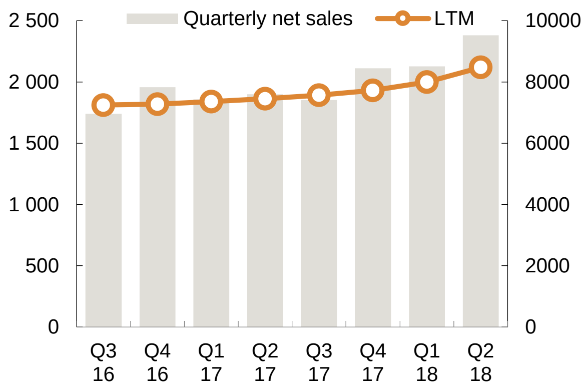
The operating margin for the period was 5.8 (6.1) per cent. The decreased margin is due to a negative mix effect arising from a changed volume distribution among our countries of operation, mainly as a result of the acquisition in Denmark.

EBIT was SEK 70 (68) million. The increased operating profit is largely offset by an increase in items affecting comparability as a result of acquisition-related integration- and restructuring costs.

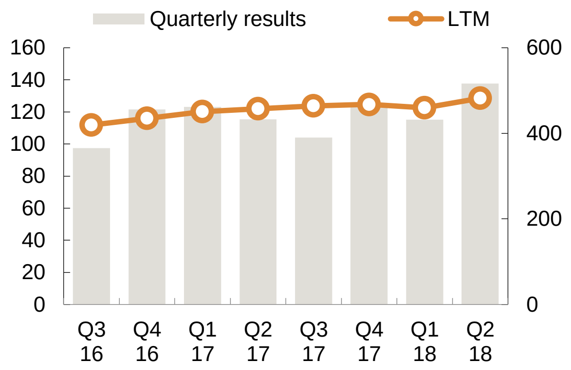
First half (January – June)

Organic growth was 11 per cent and growth from acquisitions 7 per cent, compared with the first half of 2017. The operating profit (adjusted EBITA) increased by 6 per cent, resulting in an operating margin of 5.6 (6.3) per cent for the first half.

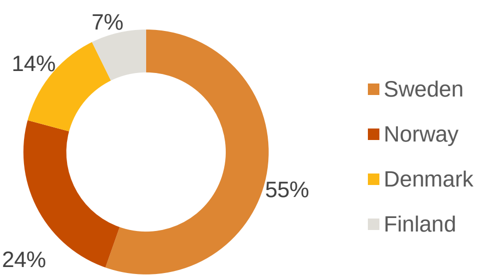
NET SALES (SEK M)



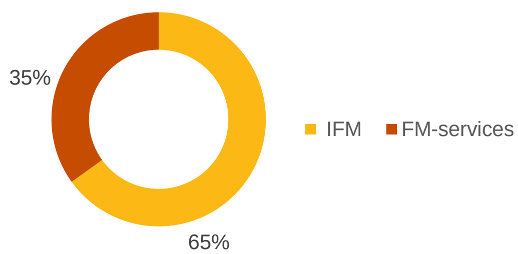
ADJUSTED EBITA (SEK M)



NET SALES BY COUNTRY LTM, Q2 2018



NET SALES BY CONTRACT TYPE LTM, Q2 2018



Financial net and profit after tax

FINANCIAL NET	Jan - Jun	
(SEK m)	2018	2017
Net interest	-18	-16
Borrowing costs	-1	-1
Other	-3	-2
Total excl exchange rate differences	**-22**	**-19**
Exchange rate differences	-36	13
Total	**-59**	**-6**

The net financial expense for the first six months of 2018 increased by SEK 53 million on the first half of 2017 as a result of negative translation differences. These were due to the revaluation of loans in foreign currency at higher quarter-end closing rates for NOK and EUR at the end of the period compared with year-end. In 2017, these translation differences were positive. The net interest expense and other financial expenses were largely flat compared with the year-before period.

The tax expense for the period was SEK -29 (-32) million, which represents 43 (23) per cent of earnings before tax. In June 2018, a decision was taken to lower the Swedish corporate tax rate in two stages while limiting interest deductibility. Following the change in the law, Coor restated its deferred tax asset in its Swedish business in the second quarter, which resulted in a net expense of around SEK 11 million for the period. Excluding this non-recurring effect, the tax expense was 26 (23) per cent of earnings before tax. The change compared with the previous year is mainly due to the fact that certain acquisition costs are not deductible. The profit after tax was SEK 39 (107) million.

Cash flow

Operating cash flow for the second quarter was SEK 77 (136) million. Seasonally, the second and fourth quarters are normally the Group's strongest. Invoicing of accrued project income is generally higher in the second quarter than in the first. There is also a positive calendar effect in the second quarter due to the fact that February is a shorter month and some customer payments therefore fall due after the end of the first quarter. The period was also positively affected by the inflow after the Easter weekend, which fell at the end of the first quarter. However, these positive seasonal and calendar effects were offset by a temporary build-up of working capital from acquired companies as well as from large variable volumes in all countries. Cash flow for the second quarter was also hit by the fact that the end of the period once again fell on a weekend. This meant that a number of large payments from customers that would normally be included in cash flow for the quarter were received only after the end of the period.

Operating cash flow varies from one quarter to the next. The key parameter is therefore the rolling twelve-month change in working capital. Over the past twelve-month period, working capital increased by SEK 77 million, which is a deterioration compared with the full year 2017.

The most important external KPI for cash flow is cash conversion, which is defined as the ratio of a simplified measure of operating cash flow to adjusted EBITDA. Cash conversion for the past twelve months was 69 (103) per cent.

CASH CONVERSION		
(SEK m)	Rolling 12 mth.	Full year 2017
Adjusted EBITDA	540	517
Change in net working capital	-77	89
Net investments	-93	-75
Cash flow for calculation of cash conversion	**370**	**531**
Cash conversion, %	**69**	**103**

Financial position

NET DEBT	Jun 30	Jun 30	Dec 31
(SEK m)	2018	2017	2017
Liabilities to credit institutions	1,707	1,377	1,394
Other	13	13	13
	1,721	**1,390**	**1,408**
Cash and cash equivalents	-270	-460	-709
Net debt	**1,451**	**930**	**699**
Leverage	2.7	1.8	1.4
Equity	2,210	2,443	2,464
Equity/assets ratio, %	36	42	40

At the end of the period, consolidated net debt was SEK 1,451 (930) million. The increase on the previous year is due partly to the acquisitions made in the first half of the year and partly to the dividend paid to the shareholders in May.

The leverage, defined as net debt to adjusted EBITDA, was 2.7 (1.8) at the end of the period, which is still in line with the Group's target of a leverage below 3.0.

Equity at the end of the period was SEK 2,210 (2,443) million and the equity/assets ratio 36 (42) per cent. The decrease in the equity/assets ratio compared with the previous year is due to a dividend payment of SEK 383 million in the second quarter.

Cash and cash equivalents at the end of the period were SEK 270 (460) million. At the same date, the Group had undrawn credit lines of SEK 90 (289) million.

Significant events in the second quarter

- On 15 May 2018, Coor announced that the company had signed a new five-year IFM contract with Storebrand in Norway. The contract will commence on 1 September and is worth SEK 80 million in annual subscriptions with further variable project volumes and good opportunities for further development.

- On 24 May 2018, Coor announced that Johan Mild would be stepping down as CEO in Finland. Rikard Wannerholt, Senior Vice President Operations Development, will temporarily take over the role until a replacement is found.

- On 25 May 2018, Coor announced that the company had concluded an agreement to acquire the Norwegian service provider West Facility Management AS. The company has 300 employees and annual sales of around SEK 140 million.

Significant events after the end of the period

- On 2 July 2018, Coor announced that the company had completed its acquisition of West Facility Management AS, following a review and approval by the Norwegian competition authority.

Contract portfolio

The net change in the contract portfolio for the first half of 2018 was SEK +300 million. In addition to the contract with Storebrand in Norway, Coor also signed a large number of small and medium-sized contracts with customers including Swedavia in Sweden, IKEA in Finland and Aarhus University Hospital in Denmark. Only three contracts were terminated during the six-month period.

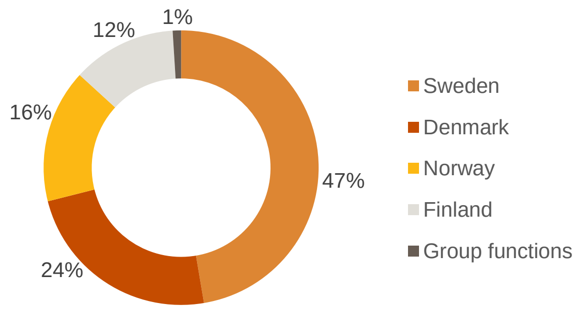
	Number of contracts	Annual sales
New contracts during the period	18	355 SEK m
Concluded contracts during the period	-3	-55 SEK m
Net change in the portfolio	**15**	**300 SEK m**

Changes in the contract portfolio refer to all contracts with annual sales of over SEK 5 million and are reported on a six-monthly basis. The threshold, previously SEK 10 million, has been lowered to provide a more complete picture of changes in the contract portfolio. For new contracts concluded during the period, the contracted or estimated annual sales volume is indicated. For contracts that were terminated during the period, the sales volume for the last twelve-month period in which the full volume of services was provided is indicated.

Organisation and employees

At the end of the period, the Group had 10,319 (7,015) employees, or 8,556 (6,467) on a full-time equivalent basis. The increased workforce is primarily explained by the two acquisitions that were made in the first quarter but is also due to the initiation of new contracts and expansion of existing contracts.

NUMBER OF EMPLOYEES (FULL-TIME EMPLOYEE EQUIVALENTS), 30 JUNE 2018



Operations by country

Sweden

SWEDEN (SEK m)	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017
Net sales	1,204	1,114	2,382	2,215
Organic growth, %	*8*	*3*	*8*	*4*
Acquired growth, %	*0*	*0*	*0*	*0*
Adjusted EBITA	123	114	246	238
Adjusted EBITA margin, %	10.2	10.2	10.3	10.7
Number of employees (FTE)	4,050	3,649	4,050	3,649

Second quarter (April – June)

The Swedish business saw continued robust sales growth in the second quarter. As in the preceding quarters, growth was driven by high variable volumes, new volumes from small and medium-sized contracts, and the ABB contract. The process of commissioning the new buildings at the Karolinska University Hospital in Solna also continued.

The quarterly operating profit (adjusted EBITA) increased by 8 per cent to SEK 123 million while the operating margin remained unchanged at 10.2 (10.2) per cent. A high growth rate normally has a negative short-term impact on the margin, as new contracts initially have lower margins. Coor Sweden also extended a number of major contracts in the second half of 2017, and renegotiated contracts partly have the same short-term impact on margins as new volumes. Despite these effects, the Swedish business maintained its margin compared with the second quarter of 2017 thanks to good profitability in variable project volumes.

First half (January – June)

Organic growth in the first half was 8 per cent.

The operating profit (adjusted EBITA) increased by 3 per cent compared with the first half of 2017 and the operating margin was 10.3 (10.7) per cent.

Norway

NORWAY (SEK m)	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017
Net sales	563	458	1,080	914
Organic growth, %	*14*	*-1*	*14*	*-2*
Acquired growth, %	*4*	*0*	*3*	*0*
Adjusted EBITA	36	30	68	63
Adjusted EBITA margin, %	6.4	6.6	6.3	6.9
Number of employees (FTE)	1,346	1,129	1,346	1,129

Second quarter (April – June)

In the second quarter, organic growth in the Norwegian business was as high as 14 per cent. The acquisition of OBOS Eiendomsdrift, which was completed in early February, added a further 4 percentage points to growth in the quarter.

Organic growth is being driven by increased variable volumes in a number of contracts as well as new small and medium-sized contracts that were concluded last year, including the Norwegian part of the ABB contract, which continued to be ramped up during the period.

The quarterly operating profit (adjusted EBITA) increased by 19 per cent to SEK 36 million and the operating margin was 6.4 (6.6) per cent. The change in the margin is due to the short-term effect of the start-up of new contracts, mainly the ABB contract and a major new cleaning contract with the University of Bergen. The margin impact of a contractual price adjustment and a number of contract extensions in 2017 has now largely been offset.

First half (January – June)

Organic growth in the first half of the year was 14 per cent and growth from the OBOS acquisition 3 per cent.

The operating profit (adjusted EBITA) increased by 7 per cent compared with the first half of 2017 and the operating margin was 6.3 (6.9) per cent.

Denmark

DENMARK (SEK m)	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017
Net sales	447	192	722	372
Organic growth, %	*22*	*10*	*16*	*8*
Acquired growth, %	*98*	*0*	*68*	*0*
Adjusted EBITA	18	5	20	12
Adjusted EBITA margin, %	4.0	2.7	2.7	3.4
Number of employees (FTE)	2,029	785	2,029	785

Second quarter (April – June)

The Danish business grew by a massive 134 per cent in the second quarter. Organic growth was 22 per cent while the acquisition of Elite Miljø accounted for 98 per cent of the increase. The acquisition was completed on 23 February and the business was thus included throughout the second quarter. Organic growth was driven by the new contract with Copenhagen Municipality, new small and medium-sized contracts, and high variable volumes.

The quarterly operating profit (adjusted EBITA) of the Danish business increased by 246 per cent to SEK 18 (5) million, pushing the operating margin to 4.0 (2.7) per cent. The margin improvement was driven partly by increased profitability in variable volumes. The realisation of cost synergies from the acquisition of Elite Miljø also started to have a positive impact during the period. The underlying operating profit in the acquired business remains in line with plan.

First half (January – June)

Organic growth in the first half of the year was 16 per cent and growth from the acquisition of Elite Miljø 68 per cent.

The operating profit (adjusted EBITA) increased by 57 per cent to SEK 20 (12) million and the operating margin was 2.7 (3.4) per cent.

The workforce increased sharply in the first half compared with 2017 as a result of the acquisition of Elite Miljø.

Finland

FINLAND (SEK m)	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017
Net sales	166	137	325	259
Organic growth, %	*13*	*13*	*19*	*7*
Acquired growth, %	*0*	*0*	*0*	*0*
Adjusted EBITA	1	2	0	1
Adjusted EBITA margin, %	0.9	1.2	0.0	0.3
Number of employees (FTE)	1,046	827	1,046	827

Second quarter (April – June)

In the second quarter, Coor Finland generated organic growth of 13 per cent as a result of the ABB contract, the major new cleaning contract with Sokotel and a number of new smaller contracts.

The Finnish business generated a small operating profit in the second quarter while the operating margin was in line with last year. In the short term, the margin improvement achieved in Finland over the past year is being offset by the start-up of the Sokotel contract and a number of other, by Finnish standards relatively large, cleaning contracts.

First half (January – June)

Organic growth in the first half was 19 per cent.

The operating profit (adjusted EBITA) for the period was largely unchanged compared with the previous year.

Significant risks and uncertainties

The Group's significant risks and uncertainties comprise **strategic risks** tied to changes in market and economic conditions as well as sustainability, and **operational risks** related to customer contracts. The Group is also exposed to different types of **financial risks**, including currency, interest rate and liquidity risk. A detailed description of the Group's risks is provided in the annual report, which is available on the company's website. No further significant risks are deemed to have arisen since the publication of the 2017 annual report.

Acquisitions and sales

The acquisition of the Norwegian property services company OBOS Eiendomsdrift AS was completed on 1 February 2018 and the acquisition of the Danish cleaning services company Elite Miljø A/S was completed on 23 February 2018. On 25 May 2018, Coor concluded an agreement to acquire the Norwegian service provider West Facility Management AS. The acquisition was completed after the end of period, on 2 July 2018. For more information on acquisitions, see Note 4.

Parent company

The Group's parent company, Coor Service Management Holding AB, provides management services to its wholly owned subsidiary Coor Service Management Group AB. The parent company also manages shares in subsidiaries.

The parent company reports a loss after tax of SEK -75 (-22) million. At 30 June, the parent company had total assets of SEK 7,897 (7,949) million. Equity was SEK 5,110 (5,367) million.

Related party transactions

No transactions between Coor and related parties with a material impact on the company's financial position and results took place during the period.

Ownership structure

The shares of Coor Service Management Holding AB were listed on Nasdaq Stockholm on 16 June 2015. At the end of the period, the three largest shareholders were Fidelity, Nordea Fonder and the Second Swedish National Pension Fund (AP2).

COOR'S FIFTEEN LARGEST SHAREHOLDERS JUNE 30, 2018 [1)]

Shareholder	Number of shares and votes	Shares and votes, %
Fidelity	8,140,502	8.5
Nordea Fonder	7,099,519	7.4
Second Swedish National Pension Fund (AP2)	5,884,628	6.1
Didner & Gerge Fonder	5,744,816	6.0
Swedbank Robur Fonder	5,146,723	5.4
Capital Group	4,285,759	4.5
Taiga Fund Management AS	4,024,256	4.2
Crux Asset Management Limited	3,855,304	4.0
AFA Försäkring	3,576,256	3.7
BMO Global Asset Management	3,468,262	3.6
SEB-Stiftelsen	3,450,000	3.6
Aviva	2,660,426	2.8
Aktie-Ansvar Fonder	1,141,000	1.2
Schroders	1,123,724	1.2
Danske Invest Fonder	1,101,070	1.1
Total 15 largest shareholders	**60,702,245**	**63.4**
Other shareholders	35,109,777	36.6
Total	**95,812,022**	**100.0**

[1)] Source: Monitor by Modular Finance AB. Compiled and adapted data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

Declaration

The Board of Directors and Chief Executive Officer warrant and declare that this interim report gives a true and fair view of the Group's operations, sales, results and financial position, and that it describes significant risks and uncertainties faced by the parent company and the companies in the Group. The information provided is accurate and nothing of material significance has been omitted that could affect the presentation of the Group and parent company in the financial statements.

Stockholm, 18 July 2018

Mats Granryd *Chairman*	Anders Ehrling
Mats Jönsson	Monica Lindstedt
Kristina Schauman	Heidi Skaaret
Mikael Stöhr *President and CEO*	Glenn Evans *Employee representative*
Pier Karlevall *Employee representative*	Linus Johansson *Employee representative*

For more information

For questions concerning the financial report, please contact CFO and Director of Investor Relations Olof Stålnacke (+46 10 559 59 20).

For questions concerning the operations or the company, please contact Mikael Stöhr, President and CEO, (+46 10 559 59 35) or Magdalena Öhrn, Director of Communications (+46 10 559 55 19).

IR Coordinator: Sara Marin (+46 10 559 59 51).

More information is also available on our website: www.coor.com

Invitation to a press and analyst presentation

On 18 July, at 9 a.m. CET, the company's President and CFO will give a presentation on developments in the second quarter in a webcast. To participate in the webcast, please register in advance using the following link:
http://event.on24.com//wcc/r/1767632-1/DCD33558D45ED2DA62134EA68F52C09F?partnerref=rss-events
To listen to the presentation by telephone, dial +46856642697 (Sweden), +4723500254 (Norway), +4535445576 (Denmark), +358981710493 (Finland) or +442030089810 (UK).

The briefing material and a recording of the webcast will be published on the company's website, www.coor.com, under Investors/Reports and presentations, after the briefing.

Financial calendar

Interim Report	January – September 2018	24 October 2018
Interim Report	January – December 2018	21 February 2019
Interim Report	January – March 2019	2 May 2019
Interim Report	January – June 2019	18 July 2019

This constitutes information which Coor Service Management Holding AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 18 July 2018, at 7:30 a.m. CET.

Coor is a leading provider of facility management services in the Nordic countries, focusing on integrated and complex service undertakings (IFM). Coor offers specialist expertise in workplace services (soft FM), property services (hard FM) and strategic advisory services for development of customers' service activities. Coor creates value by executing, leading, developing and streamlining its customers' service activities, ensuring that they provide optimal support to the core business over time. Coor's customer base includes many large and small companies and public-sector organisations across the Nordic region, including ABB, AB Volvo, Aibel, Det Norske Veritas, E.ON, Ericsson, EY, NCC, Politiet (Danish Police), Saab, Sandvik, SAS, Statoil, Telia Company, the Swedish Transport Administration, Vasakronan and Volvo Cars.

Established in 1998, Coor has been listed on the Nasdaq Stockholm exchange since June 2015. Coor takes responsibility for the operations it conducts, in relation to its customers, employees and shareholders, as well as for its wider impact on society and the environment. Read more at www.coor.com

CONSOLIDATED INCOME STATEMENT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Continuing operations						
Net sales	2,380	1,900	4,507	3,757	8,473	7,722
Cost of services sold	-2,132	-1,700	-4,049	-3,350	-7,595	-6,896
Gross income	**248**	**200**	**458**	**406**	**878**	**827**
Selling and administrative expenses	-178	-133	-331	-262	-627	-558
Operating profit	**70**	**68**	**127**	**144**	**251**	**268**
Net financial income/expense	-26	0	-59	-6	-77	-24
Profit before tax	**44**	**67**	**68**	**139**	**174**	**244**
Income tax expense	-22	-16	-29	-32	-53	-56
Income for the period, continuing operations	**22**	**51**	**39**	**107**	**121**	**188**
Discontinued operations						
Income for the period	0	-85	0	-88	-60	-148
Income for the period, total	**22**	**-33**	**39**	**19**	**61**	**40**
Operating profit	**70**	**68**	**127**	**144**	**251**	**268**
Amortisation and impairment of goodwill, customer contracts and trademarks	44	42	83	84	169	170
Items affecting comparability *(note 3)*	25	5	43	10	62	29
Adjusted EBITA	**138**	**115**	**253**	**238**	**482**	**468**
Earnings per share, SEK [1)]						
Continuing operations	0.2	0.5	0.4	1.1	1.3	2.0
Discontinued operations	0.0	-0.9	0.0	-0.9	-0.6	-1.5
Earnings per share, total	**0.2**	**-0.3**	**0.4**	**0.2**	**0.6**	**0.4**

1) There are no dilutive effects for any of the periods.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Income for the period	**22**	**-33**	**39**	**19**	**61**	**40**
Items that may be subsequently reclassified to profit or loss						
Currency translation differences	32	-12	90	-22	89	-23
Other comprehensive income for the period	**32**	**-12**	**90**	**-22**	**89**	**-23**
Total comprehensive income for the period	**54**	**-45**	**129**	**-3**	**150**	**17**

The interim information on pages 11–24 is an integral part of this financial report.

CONSOLIDATED BALANCE SHEET	Jun 30		Dec 31
(SEK m)	2018	2017	2017
Assets			
Intangible assets			
Goodwill	3,003	2,692	2,693
Customer contracts	754	808	723
Other intangible assets	144	112	116
Property, plant and equipment	107	70	85
Financial assets			
Deferred tax receivable	211	238	226
Other financial assets	13	12	12
Total non-current assets	**4,233**	**3,933**	**3,856**
Current assets			
Accounts receivable	1,265	988	1,159
Tax receivables	0	0	8
Other current assets, interest-bearing	1	3	1
Other current assets, non-interest-bearing	423	356	403
Cash and cash equivalents	270	460	709
Total	**1,959**	**1,806**	**2,280**
Assets of disposal group held for sale	0	89	0
Total current assets	**1,959**	**1,895**	**2,280**
Total assets	**6,191**	**5,828**	**6,136**

	Jun 30		Dec 31
	2018	2017	2017
Equity and liabilities			
Equity	**2,210**	**2,443**	**2,464**
Liabilities			
Non-current liabilities			
Borrowings	1,712	1,382	1,399
Deferred tax liability	44	27	24
Provisions for pensions	19	18	19
Other non-interest bearing liabilities	2	7	2
Total non-current liabilities	**1,777**	**1,434**	**1,444**
Current liabilities			
Interest-bearing liabilities	3	4	3
Current tax liabilities	26	26	30
Accounts payable	911	780	944
Other current liabilities	1,256	1,095	1,249
Short-term provisions	8	3	3
Total	**2,204**	**1,909**	**2,228**
Liabilities of disposal group held for sale	0	42	0
Total current liabilities	**2,204**	**1,950**	**2,228**
Total equity and liabilities	**6,191**	**5,828**	**6,136**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Jan - Jun		Full year
(SEK m)	2018	2017	2017
Opening balance at beginning of period	**2,464**	**2,734**	**2,734**
Income for the period	39	19	40
Other comprehensive income for the period	90	-22	-23
Transactions with shareholders	-383	-287	-287
Closing balance at end of period	**2,210**	**2,443**	**2,464**

There are no non-controlling interests, as the parent company owns all shares of all subsidiaries.

CONSOLIDATED CASH FLOW STATEMENT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Continuing operations						
Operating profit	**70**	**68**	**127**	**144**	**251**	**268**
Adjustment for non-cash items	61	53	116	102	221	208
Finance net	-12	-9	-21	-18	-40	-36
Income tax paid	-14	-9	-29	-18	-47	-36
Cash flow before changes in working capital	**104**	**104**	**192**	**211**	**385**	**404**
Change in working capital	-27	35	-180	-14	-77	89
Cash flow from operating activities	**78**	**138**	**12**	**197**	**309**	**493**
Net investments	-26	-20	-45	-31	-88	-74
Acquisition of subsidiaries *(note 4)*	0	0	-337	0	-337	0
Cash flow from investing activities	**-26**	**-20**	**-383**	**-31**	**-425**	**-74**
Change in borrowings	294	-6	272	-6	290	11
Dividend	-383	-287	-383	-287	-383	-287
Net lease commitments	0	0	-1	-1	-1	-2
Cash flow from financing activities	**-90**	**-294**	**-112**	**-294**	**-95**	**-278**
Cash flow from continuing operations	**-38**	**-175**	**-482**	**-129**	**-211**	**142**
Cash flow from discontinued operations	**0**	**9**	**0**	**-3**	**-19**	**-23**
Total cash flow for the period	**-38**	**-166**	**-482**	**-133**	**-230**	**119**
Cash and cash equivalents at beginning of period	293	633	709	603	460	603
Exchange gains on cash and cash equivalents	16	-7	43	-11	40	-13
Cash and cash equivalents at end of period	**270**	**460**	**270**	**460**	**270**	**709**

CONSOLIDATED OPERATING CASH FLOW	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Continuing operations						
EBIT	70	68	127	144	251	268
Depreciation and amortisation	61	54	116	108	227	219
Net investments	-26	-20	-45	-31	-88	-74
Change in working capital	-27	35	-180	-14	-77	89
Adjustment for non-cash items	0	-1	0	-6	-6	-11
Operating cash flow	**77**	**136**	**17**	**201**	**308**	**492**
Adjustment for items affecting comparability	25	5	43	10	62	29
Other	-2	1	-4	5	0	10
Cash flow for calculation of cash conversion	**100**	**143**	**55**	**217**	**370**	**531**
Cash conversion, %	**65**	**112**	**19**	**83**	**69**	**103**

GEOGRAPHICAL SEGMENTS	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Net sales						
Sweden	**1,204**	**1,114**	**2,382**	**2,215**	**4,693**	**4,527**
Total sales	*1,235*	*1,146*	*2,442*	*2,278*	*4,821*	*4,657*
Internal sales	*-31*	*-31*	*-61*	*-63*	*-128*	*-130*
Norway	**563**	**458**	**1,080**	**914**	**2,017**	**1,851**
Total sales	*565*	*462*	*1,083*	*920*	*2,024*	*1,861*
Internal sales	*-2*	*-4*	*-4*	*-7*	*-7*	*-10*
Finland	**166**	**137**	**325**	**259**	**616**	**550**
Total sales	*166*	*137*	*325*	*259*	*616*	*550*
Internal sales	*0*	*0*	*0*	*0*	*0*	*0*
Denmark	**447**	**192**	**722**	**372**	**1,149**	**799**
Total sales	*448*	*192*	*722*	*373*	*1,151*	*802*
Internal sales	*0*	*-1*	*-1*	*-1*	*-2*	*-3*
Group functions/other	**0**	**-2**	**-1**	**-3**	**-2**	**-5**
Total	**2,380**	**1,900**	**4,507**	**3,757**	**8,473**	**7,722**
Adjusted EBITA						
Sweden	123	114	246	238	464	456
Norway	36	30	68	63	128	123
Finland	1	2	0	1	16	16
Denmark	18	5	20	12	44	37
Group functions/other	-41	-36	-81	-76	-170	-165
Total	**138**	**115**	**253**	**238**	**482**	**468**
Adjusted EBITA is reconciled to profit before tax as follows:						
Amortisation and impairment of goodwill, customer contracts and trademarks	-44	-42	-83	-84	-169	-170
Items affecting comparability *(note 3)*	-25	-5	-43	-10	-62	-29
Net financial income/expense	-26	0	-59	-6	-77	-24
Profit before tax	**44**	**67**	**68**	**139**	**174**	**244**

	Apr - Jun		Jan - Jun		Rolling	Full year
Adjusted EBITA margin, %	2018	2017	2018	2017	12 mth.	2017
Sweden	10.2	10.2	10.3	10.7	9.9	10.1
Norway	6.4	6.6	6.3	6.9	6.3	6.6
Finland	0.9	1.2	0.0	0.3	2.5	3.0
Denmark	4.0	2.7	2.7	3.4	3.9	4.7
Group functions/other	-	-	-	-	-	-
Total	**5.8**	**6.1**	**5.6**	**6.3**	**5.7**	**6.1**

NET SALES BY TYPE OF CONTRACT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Net sales						
IFM	1,428	1,317	2,811	2,598	5,513	5,300
FM - services	952	583	1,696	1,159	2,960	2,423
Total	**2,380**	**1,900**	**4,507**	**3,757**	**8,473**	**7,722**

QUARTERLY DATA (SEK m)	2018		2017				2016	
GEOGRAPHICAL SEGMENTS	II	I	IV	III	II	I	IV	III
Net sales, external								
Sweden	1,204	1,178	1,228	1,084	1,114	1,101	1,117	1,002
Norway	563	517	498	439	458	456	509	448
Finland	166	159	153	138	137	122	136	118
Denmark	447	274	234	193	192	180	196	175
Group functions/other	0	-1	-1	-1	-2	-2	-2	-2
Total	**2,380**	**2,127**	**2,112**	**1,853**	**1,900**	**1,857**	**1,956**	**1,740**
Adjusted EBITA								
Sweden	123	123	123	95	114	124	113	82
Norway	36	32	33	27	30	33	41	33
Finland	1	-2	6	10	2	-1	4	7
Denmark	18	2	15	10	5	7	9	9
Group functions/other	-41	-40	-52	-37	-36	-40	-46	-34
Total	**138**	**115**	**125**	**104**	**115**	**123**	**122**	**97**
Adjusted EBITA margin, %								
Sweden	10.2	10.4	10.1	8.7	10.2	11.3	10.1	8.2
Norway	6.4	6.2	6.5	6.1	6.6	7.2	8.1	7.3
Finland	0.9	-1.0	3.9	7.1	1.2	-0.8	2.9	5.6
Denmark	4.0	0.6	6.2	5.2	2.7	4.1	4.7	5.4
Group functions/other	-	-	-	-	-	-	-	-
Total	**5.8**	**5.4**	**5.9**	**5.6**	**6.1**	**6.6**	**6.2**	**5.6**

QUARTERLY DATA (SEK m)	2018		2017				2016	
TYPE OF CONTRACT	II	I	IV	III	II	I	IV	III
Net sales, external								
IFM	1,428	1,383	1,423	1,279	1,317	1,281	1,363	1,199
FM-services	952	745	689	575	583	576	594	541
Total	**2,380**	**2,127**	**2,112**	**1,853**	**1,900**	**1,857**	**1,956**	**1,740**

PARENT COMPANY INCOME STATEMENT	Apr – Jun		Jan - Jun		Full year
(SEK m)	2018	2017	2018	2017	2017
Net sales	**1**	**1**	**2**	**2**	**7**
Selling and administrative expenses	-8	-7	-14	-14	-33
Operating profit	**-7**	**-6**	**-12**	**-12**	**-26**
Net financial income/expense	**-26**	**-3**	**-63**	**-10**	**-33**
Group contribution	0	0	0	0	290
Income before tax	**-33**	**-9**	**-75**	**-22**	**230**
Income tax expense	0	0	0	0	-51
Income for the period	**-33**	**-9**	**-75**	**-22**	**179**

PARENT COMPANY BALANCE SHEET	Jun 30		Dec 31
(SEK m)	2018	2017	2017
Assets			
Shares in subsidiaries	7,789	7,789	7,789
Deferred tax asset	104	156	104
Other financial assets	1	1	1
Total non-current assets	**7,894**	**7,945**	**7,894**
Receivables from Group companies*	0	0	292
Other trading assets	3	3	1
Cash and cash equivalents*	0	0	0
Total current assets	**3**	**3**	**293**
Total assets	**7,897**	**7,949**	**8,187**

	Jun 30		Dec 31
	2018	2017	2017
Equity and liabilities			
Shareholders' equity	**5,110**	**5,367**	**5,568**
Liabilities			
Borrowings	1,707	1,377	1,394
Provisions for pensions	2	2	2
Total non-current liabilities	**1,709**	**1,378**	**1,396**
Liabilities to Group companies*	1,069	1,194	1,209
Accounts payable	3	3	0
Other current liabilities	6	7	14
Total current liabilities	**1,078**	**1,203**	**1,223**
Total liabilities	**2,788**	**2,581**	**2,619**
Total equity and liabilities	**7,897**	**7,949**	**8,187**

** The company is part of the Group wide cash pool with the subsidiary Coor Service Management Group AB as master account holder. The balance in the Group cash pool is accounted for as a current receivable or liability to Group companies.*

Key performance indicators

KEY PERFORMANCE INDICATORS Continuing operations	Apr – Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Net sales	2,380	1,900	4,507	3,757	8,473	7,722
Net sales growth, %	25.2	5.1	20.0	5.1	13.7	6.2
of which organic growth, %	*11.3*	*3.4*	*10.7*	*3.1*	*9.3*	*5.6*
of which acquired growth, %	*10.8*	*0.0*	*7.5*	*0.0*	*3.8*	*0.0*
of which FX effect, %	*3.1*	*1.7*	*1.8*	*2.0*	*0.6*	*0.6*
Operating profit (EBIT)	70	68	127	144	251	268
EBIT margin, %	2.9	3.6	2.8	3.8	3.0	3.5
EBITA	113	110	210	229	420	438
EBITA margin, %	4.8	5.8	4.7	6.1	5.0	5.7
Adjusted EBITA	138	115	253	238	482	468
Adjusted EBITA margin, %	5.8	6.1	5.6	6.3	5.7	6.1
Adjusted EBITDA	155	127	285	262	540	517
Adjusted EBITDA margin, %	6.5	6.7	6.3	7.0	6.4	6.7
Adjusted net profit	65	94	123	191	290	358
Net working capital	-480	-532	-480	-532	-480	-630
Net working capital / Net sales, %	-5.7	-7.1	-5.7	-7.1	-5.7	-8.2
Operating cash flow	77	136	17	201	308	492
Cash conversion, %	65	112	19	83	69	103
Net debt	1,451	930	1,451	930	1,451	699
Leverage	2.7	1.8	2.7	1.8	2.7	1.4
Equity/assets ratio, %	36	42	36	42	36	40

DATA PER SHARE	Apr – Jun		Jan - Jun		Rolling	Full year
	2018	2017	2018	2017	12 mth.	2017
Share price at end of period	62.6	60.0	62.6	60.0	62.6	62.5
No. of shares at end of period	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022
No. of ordinary shares (weighted average)	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022
Earnings per share, continuing operations (SEK) [1)]	0.23	0.54	0.41	1.11	1.26	1.96
Earnings per share, discontinued operations (SEK) [1)]	0.00	-0.88	0.00	-0.92	-0.63	-1.54
Earnings per share, total (SEK) [1)]	**0.23**	**-0.35**	**0.41**	**0.20**	**0.63**	**0.42**
Shareholders' equity per share, SEK	**23.06**	**25.50**	**23.06**	**25.50**	**23.06**	**25.71**

[1)] There was no dilutive effect in the periods.

Notes

Note 1 – Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The applied accounting principles are consistent with those described in the Group's annual report for 2017 with the exception of the new standards and interpretations which became effective on 1 January 2018.

IFRS 15 Revenue from Contracts with Customers and *IFRS 9 Financial Instruments* came into effect on 1 January 2018.

IFRS 15 Revenue from Contracts with Customers: IFRS 15 introduces a new principle-based model for revenue recognition. A five-stage model is introduced, under which revenue should be recognised when a customer receives control over the sold good or service and is able to use or obtains a benefit from the good or service. The Group's principal source of revenue is services in which control is transferred to the customer in connection with delivery. Based on the analysis of the standard, it is considered that there are no significant differences compared with the previously applied accounting principles, which means that the standard will not have any impact on the consolidated financial statements, other than the expanded disclosure requirements in IFRS 15. Under IFRS 15, revenue is allocated to different categories to clarify the nature of the revenue. Coor considers that a breakdown of consolidated revenue by geographic segment and type of customer contract (IFM contracts and contracts for single or a small number of combined FM services) is the most appropriate breakdown. This breakdown is consistent with the Group's segment information and is presented on pages 15–16 of this interim report.

IFRS 9 Financial Instruments: IFRS 9 introduces new rules for the classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. The analysis of the standard shows that it will have no impact on the consolidated financial statements.

IFRS 16 Leases: IFRS 16 replaces the existing standard for accounting of leases. The Group will apply the standard from 1 January 2019. IFRS 16 requires that all assets and liabilities related to leases, with a few exceptions, be recognised in the balance sheet. Exceptions exist for low-value assets and leases with a term of less than 12 months. The Group has initiated the process of assessing the potential effects on the financial statements. The most significant effect identified so far is that the Group will need to recognise new assets and liabilities for its operating leases, mainly in respect of leases for premises. Further information on actual effects will be presented once the assessment has been completed, which is expected to be in the fourth quarter.

The parent company financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board.

Due to rounding, some totals in this interim report may differ from the sum of individual items.

Note 2 – Financial Instruments

The carrying amounts and fair values for borrowing, which is included in the category financial liabilities at amortised cost, are as follows:

	Carrying amount			Fair value		
	Jun 30		Dec 31	Jun 30		Dec 31
(SEK m)	2018	2017	2017	2018	2017	2017
Finance lease liabilities	6	8	6	6	8	6
Liabilities to credit institutions	1,707	1,377	1,394	1,707	1,377	1,394
Other non-current liabilities	2	1	2	2	1	2
Total	**1,715**	**1,386**	**1,402**	**1,715**	**1,386**	**1,402**

The existing credit margin in the Group's financing agreements is deemed to be consistent with market terms, and the carrying amount therefore approximates fair value. The Group considers that the liabilities have been measured in accordance with Level 2 of the fair value hierarchy, which means that the measurement is based on observable market inputs.

Note 3 – Items affecting comparability

Items affecting comparability are excluded from the measure of operating profit, adjusted EBITA, which the Group regards as the most relevant metric. The following table specifies the items affecting comparability that had an impact on earnings during the period. Integration and restructuring comprise organic transactions as well as acquisitions. Integration costs refer, for example, to costs for integrating IT systems while restructuring refers to costs related to staff reductions. Acquisition-related costs refer exclusively to transaction costs.

ITEMS AFFECTING COMPARABILITY	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Integration	-13	-6	-17	-8	-29	-20
Restructuring	-12	0	-19	0	-24	-4
Acquisition related expenses	0	0	-6	0	-12	-6
Other	0	0	0	-2	3	1
Total	**-25**	**-5**	**-43**	**-10**	**-62**	**-29**

Note 4 – Acquisitions

On 1 February 2018, Coor completed the acquisition of OBOS Eiendomsdrift AS, a Norwegian property services company. The company employs 45 staff and has annual sales of around SEK 70 million. In connection with the acquisition, Coor signed a strategic partnership agreement with the seller, the OBOS group.

On 23 February 2018, Coor completed the acquisition of the Danish cleaning services firm Elite Miljø A/S. Elite Miljø has around 2,000 employees and annual sales of about SEK 700 million. The acquisition will increase Coor's geographic coverage, create significant potential synergies and add to Coor's skills base in key cleaning segments.

Information on the considerations paid, acquired net assets and goodwill arising from the acquisitions of OBOS Eiendomsdrift AS and Elite Miljø A/S is presented in the table below.

The assets, liabilities and cash flow which have been recognised as a result of the acquisitions are the following:

(SEK m)	OBOS Eiendomsdrift AS	Elite Miljø A/S	Total
Purchase price			
Total consideration	**47**	**335**	**382**
The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following			
Property, plant and equipment	4	20	23
Intangible assets – customer contracts	0	101	101
Intangible assets – trademarks	0	6	6
Other financial assets	0	1	1
Cash and cash equivalents	11	34	45
Accounts receivable and other current receivables	7	134	141
Deferred tax liability	0	-22	-22
Accounts payable and other current liabilities	-17	-145	-162
Acquired identifiable net assets	**5**	**128**	**133**
Goodwill	42	207	249
Total acquired net assets	**47**	**335**	**382**
Cash flow attributable to acquisitions for the period			
Consideration paid	47	335	382
Cash in acquired businesses	-11	-34	-45
Net outflow, cash and cash equivalents	**36**	**301**	**337**

The total transaction cost for the acquisitions is SEK 6 million and mainly refers to costs for lawyers and financial advisors. These costs are recognised in selling and administrative expenses in the income statement and are included in operating activities in the cash flow statement.

In connection with the acquisition of Elite Miljø, customer contracts and trademarks with a total value of SEK 107 million were identified. The goodwill of SEK 207 million which arose from the acquisition of Elite Miljø is primarily attributable to the employees' skills in the cleaning segment and to increased profitability in the form of synergies from the acquisition.

The acquisition of OBOS Eiendomsdrift gave rise to goodwill of SEK 42 million, which is mainly attributable to the employees' skills within property service as well as the synergies which Coor expects to result from the acquisition.

No portion of the recognised goodwill is expected to be tax-deductible.

Income and earnings in acquired businesses
The acquired businesses added income of SEK 306 million and increased the consolidated net profit by SEK 7 million for the period 1 January to 30 June 2018.

If the acquisitions had taken place on 1 January 2018, the companies would have added income of SEK 442 million and increased the net profit by SEK 8 million based on pro forma income and earnings as at 30 June 2018. These amounts have been calculated by using the subsidiaries' earnings adjusted for differences in accounting principles between the Group and subsidiary, and the additional depreciation and amortisation charge that would have arisen if the fair value adjustment for intangible assets had been applied from 1 January 2018, along with the related tax effects.

Acquisitions completed after the end of the period
On 25 May 2018, Coor signed a contract to acquire the Norwegian service provider West Facility Management AS. The acquisition was completed on 2 July 2018 following approval from the Norwegian competition regulator. As the acquisition was completed after the end of the period, the company is not included in the consolidated financial statements as at 30 June 2018. The company has about 300 employees and annual sales of around SEK 140 million. The acquisition will have a positive impact on Coor's growth and skills base, mainly in the crucial cleaning segment. The consideration paid was NOK 95 million on a cash and debt-free basis. The purchase price allocation has not yet been completed.

Note 5 – Pledged assets and contingent liabilities

PLEDGED ASSETS	Jun 30		Dec 31
(SEK m)	2018	2017	2017
Bank guarantees	145	103	103
Total	**145**	**103**	**103**

CONTINGENT LIABILITIES	Jun 30		Dec 31
(SEK m)	2018	2017	2017
Performance bonds	174	203	154
Total	**174**	**203**	**154**

Parent company
The parent company has provided a parent company guarantee as well as a bank guarantee of SEK 110 (0) million to a major customer to ensure delivery of the contracted services. There are no other pledged assets or contingent liabilities in the parent company.

Purpose of the selected key performance indicators

To give its investors and other stakeholders clearer information about the Group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained in the following. See page 24 for definitions of terms and the calculation of key performance indicators.

Growth

The Group deems that organic growth best reflects the underlying growth of the business, as this measure excludes the effect of acquisitions and fluctuations in exchange rates.

Earnings and profitability

To reflect the performance and profitability of the underlying business more accurately, the Group has defined key performance indicators in which earnings have been adjusted for items affecting comparability and for amortisation and impairment of goodwill, customer contracts and trademarks. The Group considers that adjusted EBITA is the measure of operating profit which most clearly reflects the underlying profitability. It is also based on this measure of earnings that the Group's segments are followed up and evaluated internally.

The adjusted net profit measure of earnings excludes the non-cash items amortisation and impairment of goodwill, customer contracts and trademarks from consolidated net profit and is used as a basis for deciding on dividends to the shareholders.

Cash flow and working capital

The Group continuously monitors operating cash flow, which includes the operating profit (excluding non-cash items), net investments and changes in working capital. The Group has chosen to exclude cash flow related to financial transactions and income taxes from this measure in order to provide a clearer picture of the cash flow generated by the operations.

The Group's objective is to maintain a cash conversion ratio of at least 90 per cent on a rolling 12-month basis. To ensure that the measure provides a true and fair picture over time, the Group calculates cash conversion using measures of operating profit and operating cash flow which exclude items affecting comparability.

To achieve the defined target for cash conversion, it is important to minimise working capital and maintain a negative working capital. The Group therefore continuously monitors the size of working capital relative to net sales.

Net debt and leverage

To ensure that the Group has an appropriate funding structure at all times and is able to fulfil its financial obligations under its loan agreement, it is relevant to analyse net debt and leverage (defined as net debt divided by adjusted EBITDA). The Group's objective is to maintain a leverage of less than 3.0 times.

Reconciliation of key performance indicators

The following table shows a reconciliation between the calculated KPIs and the income statement and balance sheet.

RECONCILIATION OF ADJUSTED KEY PERFORMANCE INDICATORS	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Operating profit (EBIT)	**70**	**68**	**127**	**144**	**251**	**268**
Amortisation and impairment of customer contracts and trademarks	44	42	83	84	169	170
EBITA	**113**	**110**	**210**	**229**	**420**	**438**
Items affecting comparability *(note 3)*	25	5	43	10	62	29
Adjusted EBITA	**138**	**115**	**253**	**238**	**482**	**468**
Depreciation	17	12	32	24	58	50
Adjusted EBITDA	**155**	**127**	**285**	**262**	**540**	**517**
Income from continuing operations	**22**	**51**	**39**	**107**	**121**	**188**
Amortisation and impairment of customer contracts and trademarks	44	42	83	84	169	170
Adjusted net profit	**65**	**94**	**123**	**191**	**290**	**358**

SPECIFICATION OF NET WORKING CAPITAL	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Accounts receivable	1,265	988	1,265	988	1,265	1,159
Other current assets, non-interest-bearing	423	356	423	356	423	403
Accounts payable	-911	-780	-911	-780	-911	-944
Other current liabilities, non-interest-bearing	-1,256	-1,095	-1,256	-1,095	-1,256	-1,249
Adjustment for accrued financial expenses	0	0	0	0	0	0
Net working capital	**-480**	**-532**	**-480**	**-532**	**-480**	**-630**

SPECIFICATION OF NET DEBT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2017	2016	2018	2017	12 mth.	2017
Borrowings	1,712	1,382	1,712	1,382	1,712	1,399
Provisions for pensions	19	18	19	18	19	19
Interest-bearing current liabilities	3	4	3	4	3	3
Cash and cash equivalents	-270	-460	-270	-460	-270	-709
Other financial non-current assets, interest-bearing	-13	-12	-13	-12	-13	-12
Other current assets, interest-bearing	-1	-3	-1	-3	-1	-1
Other items	1	0	1	0	1	0
Net debt	**1,451**	**930**	**1,451**	**930**	**1,451**	**699**

See page 14 for a reconciliation of operating cash flow and cash conversion.

Definitions

Cost of services sold Costs which are directly related to the performance of the invoiced services, depreciation of property, plant and equipment, and amortisation of goodwill, customer contracts and trademarks.

Items affecting comparability Items affecting comparability mainly comprise costs for integration of contracts and acquisitions as well as more extensive restructuring programmes. Items affecting comparability are included either in cost of services sold or selling and administrative expenses.

EBITA Operating profit before amortisation of goodwill, customer contracts and trademarks.

Adjusted EBITA Operating profit before amortisation of goodwill, customer contracts and trademarks, excluding items affecting comparability.

Adjusted EBITDA Operating profit before depreciation of all property, plant and equipment and amortisation of all intangible assets, excluding items affecting comparability.

Adjusted net profit Profit after tax excluding amortisation of goodwill, customer contracts and trademarks.

Operating cash flow Cash flow from operating activities excluding interest paid/received and income tax paid but including net investments in property, plant and equipment and intangible assets.

Working capital Non-interest-bearing current assets less non-interest-bearing current liabilities at the balance sheet date.

Net investments Investments in property, plant and equipment and intangible assets less consideration received on sale of property, plant and equipment and intangible assets.

Calculation of key performance indicators

Net sales growth Change in net sales for the period as a percentage of net sales for the same period in the previous year.

Organic growth Change in net sales for the period as a percentage of net sales for the same period in the previous year excluding acquisitions and foreign exchange effects.

EBITA margin EBITA as a percentage of net sales.

Adjusted EBITA margin Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA margin Adjusted EBITDA as a percentage of net sales.

Working capital/net sales Working capital at the balance sheet date as a percentage of net sales (rolling 12 months).

Net debt Non-current and current interest-bearing assets less non-current and current interest-bearing liabilities at the balance sheet date.

Earnings per share Profit for the period attributable to shareholders of the parent company divided by average number of ordinary shares.

Equity per share Equity at the end of the period attributable to shareholders of the parent company divided by the number of shares at the end of the period.

Equity/assets ratio Consolidated equity and reserves attributable to shareholders of the parent company at the balance sheet date as a percentage of total assets at the balance sheet date.

Cash conversion Adjusted EBITDA less net investments and adjusted for changes in working capital as a percentage of adjusted EBITDA.

Leverage Net interest-bearing debt at the balance sheet date divided by adjusted EBITDA (rolling 12 months).