



Västerås, July 17 2019

# INTERIM REPORT January - June 2019

*Our passion is resolving technological challenges in developing smart products, smart industries and smart services.*

## Continued good trend

### APRIL - JUNE 2019

- Net turnover 201.7 MSEK (202.8)
- Operating profit/loss EBIT 8.7 MSEK (4.2)
- Operating margin EBIT 4.3 % (2.1)
- Profits after tax 6.0 MSEK (3.3)
- Profit per share 0.58 SEK (0.31)

### JANUARY - JUNE 2019

- Net turnover 406.4 MSEK (398.2)
- Operating profit/loss EBIT 19.9 MSEK (12.2)
- Operating margin EBIT 4.9 % (3.1)
- Profits after tax 13.7 MSEK (9.0)
- Profit per share 1.33 SEK (0.84)

# Doubled profits for the quarter

The profit for the second quarter of 2019 has doubled compared to the second quarter of 2018. One should bear in mind that the quarter this year was one working day shorter, which has a negative effect. The profit for the second quarter came to 8.7 MSEK, a profit per share of 0.58 SEK and operating margin of 4.3 percent. The operating margin is still not satisfactory but is moving in the right direction for Prevas. The first quarter of 2019 was the best in 28 quarters (7 years) and the positive development is continuing. It is still too early to say that it is has become a habit, but it is a relatively stable result.

## New innovative products and solutions

The heart of our operations is working with our customers and taking advantage of technology and digitalization and meeting the needs and ideas for increased sustainability and competitiveness. We have committed employees, strong customer relations and a network of partners, which means that we can take on complete assignments and drive technological developments forward. During the period we received an assignment from Borås Energi & Miljö AB to develop a new maintenance solution for their new state-of-the-art facilities for district heating, electricity and waste in Solbacken. Major investments have been made and the next stage was to find a matching solution for maintenance of the assets. Prevas were given the confidence. We have also received an interesting order from Atlas Copco where we will supply a collaborative robot application. The project is a turn-key solution including, among other things, a YuMi-robot, project management, design, programming and commissioning. It is also great to be able to follow the customer's journeys and successes. For example, a lot has been written about E-health company Pilloxa, both in Sweden and internationally. Pilloxa has developed a solution for medical support for patients with lifelong medication use. By combining software and hardware with the Internet of Things and connectivity, Pilloxa in collaboration with Prevas have developed a smart medicine box.

## Pathway for a Fossil free Sweden

Prevas is one of 40 companies from the IT consultancy industry that gathered to develop a pathway for a fossil free, climate positive and competitive IT consultancy sector 2045. The report, which took approximately 1 year to develop, has been submitted to the Minister for the Environment and Climate, Isabella Lövin and the Minister for Business, Industry and Innovation, Ibrahim Baylan. The pathway describes how the digitalization industry, together with customers, politicians and other decision makers, can make the change to a fossil free Sweden possible. Prevas' solutions and services already contribute positively to the development of a more sustainable society and we will continue to focus on developing innovative smart products, industries and services with our customers. On two occasions during the period, we offered all employees the opportunity to educate themselves within sustainability and sustainable product development.

## The way forward

The main driving force for me is creating a healthy company, with a safe and rewarding work place for employees where there is space to grow and develop, good relations with partners, value for customers and owners. Prevas is moving forwards on a good path. Development and stability in the operations are important for the company's continued success.

Johan Strid, CEO Prevas AB



Johan Strid, CEO Prevas AB

### MORE INFORMATION

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### FORTHCOMING REPORTS

Interim report Jan - Sep, October 24 2019  
End of year bulletin 2019, February 12 2020

# Operations

*Prevas has been around since 1985 and is a development partner to companies in selected industries. Our passion is resolving technological challenges in developing smart products, smart industries and smart services. Together with our customers, we are exploiting advances in technology and digitalization, and transforming needs and ideas into increased sustainability and competitiveness.*

## MARKET

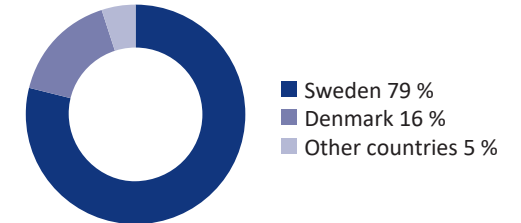
The market is clearly more differentiated now than previously. There is strong demand from several areas while there are also clear signs of a slowdown. Examples of customers reducing purchase volumes from consultants are becoming more frequent. At the same time it is important for companies, regardless of the industry, to keep up with new trends and technology, to rationalize, to develop new products with high demands for very great experience and expertise in those that they employ, which can benefit Prevas.

The manufacturing industry is constantly facing challenges that demand new solutions for making operations more efficient and for keeping up with the global competition. By applying IT support and new technologies in Industry 4.0, productivity is improved. Prevas has held a strong position here for a long time and we see a continued good market for it going forward. Robotized automation, connected machines with condition monitoring and data analysis with AI and machine learning are some of the tools that Prevas uses on customer projects to achieve efficient and sustainable production.

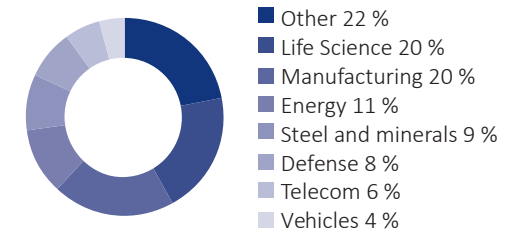
The interest for smart maintenance has increased because companies are moving from scheduled to condition based maintenance to an ever greater degree. With condition-based maintenance, downtime is minimized, and the equipment can also be run longer. It also gives the opportunity for completely new business models; thanks to monitoring one can give longer warranties or offer equipment as a service instead of as a product – sell miles instead of cars. You save on material since all components are used to their full extent, with no unnecessary replacements. Any failures can be anticipated, and consequential damage or downtime can thus be avoided. Moreover, monitoring enables continuous fine adjustment to the equipment for optimal resource utilization. All in all, it provides long-term sustainability with respect to the environment, materials and resources. Prevas has worked with maintenance systems for over 25 years and work with the market leading maintenance systems such as Infor EAM (Enterprise Asset Management) for fixed assets and IFS FSM (Field Service Management) for field service.

eHealth and mHealth are some of the biggest trends that we see among our customers. Interest is increasing in electronic and communicative care solutions, both among care givers and consumers who want to live long and healthy lives. They allow a whole new level of availability compared to what we are used to in traditional values. It is now possible to carry a data collector with us in the shape of a smartphone in combination with different types of sensors – perhaps a device fitted to our bodies. We can get an overview of our own health and also send data via cloud services to healthcare personnel for assessment. eHealth and mHealth solutions can increase the comfort of patients and the accuracy of patient care. Prevas specialists meet people and companies who need development support to realize their innovative ideas for medical technical products and healthcare solutions. Often to the benefit of the individual as well as society as a whole. Prevas helps its customers to make care more efficient, more reliable and, at the same time, more personal and more comfortable.

TURNOVER  
DIVIDED BY SEGMENT, Q1-2 2019



INDUSTRY BREAKDOWN, Q1-2 2019



THE LARGEST CUSTOMERS, Q1-2 2019

- Saab
- Ericsson
- Atlas Copco
- Sandvik
- ORGENTEC Diagnostika



## INDUSTRIES

### Life science

Interest is increasing in electronic and communicative care solutions, both among care givers and consumers who want to live long and healthy lives. Prevas specialists meet people and companies who require development support to realize their innovative ideas for medical technological products, eHealth and mHealth and different care solutions. Often to the benefit of the individual as well as society as a whole. Prevas has an excellent and long record regarding the development of analysis instruments and medical technology. Prevas also provides production solutions for manufacturing life science products.

### Engineering

The engineering industry is permeated by the trend for smart industries. Automating production and making it more efficient are among the most important measures a company's management team can take in meeting the challenges of today's competitive market. Robotized automation, connected machines with condition monitoring and data analysis with AI and machine learning are some of the tools that Prevas uses on customer projects to achieve efficient and sustainable production.

### Energy

Hopes for a greener world drive the development of renewable energy sources. There is a strong platform in the Nordic energy industry where one can adopt new digitalization and new technology. Prevas is active within many areas of energy production, energy management and energy optimization.

### Vehicles

Self-driving vehicles, lower fuel consumption, electric/hybrid motors and higher safety requirements have become new focus areas for the automotive industry, together with lower emissions levels, higher quality requirements and lower production costs. Shorter development times, opportunities provided by new technologies and customer requirements for connected services are also examples of new challenges. Prevas has long experience of supplying the automotive industry with high quality solutions.

### Defense

The Nordic defense industry supplies the global market with world leading products, solutions and services. A focus area is continuously improving, developing and adapting new technology to satisfy the customers' needs in accordance with legal requirements. The combination of advanced technology and high demands for reliability and environmental sustainability fit well with Prevas' experience and expertise.

### Consumer products

The digitalization wave has opened up new possibilities everywhere within society and recently Prevas has received more assignments to develop pure consumer products. This includes everything from products that monitor health to synthesizers, vacuum cleaners, home automation and security products. At present this sector is reported under Other.

### Steel and minerals

Today's metal and mineral producers face major challenges, both in terms of competition and profitability. Prevas' offer to this industry covers proven solutions and services with connection to operations control, production planning, project management, automation, environment & monitoring systems and reporting tools.

### Telecoms

The telecom industry is changing at the same fast pace as digitalization and these days there are lots of opportunities to get access to content and data. New opportunities are created via connected systems within both 5G-technology and increased network infrastructure. Prevas has long experience of complex consultancy services and solutions for telecoms companies.

## BUSINESS MODELS

These days many customers need advice and guidance in how to keep up with all the trends, differing legal requirements and changes. Prevas is a partner that helps customers orientate themselves and keep to that. Some customers take responsibility for innovation themselves and need a partner that can develop and industrialize their ideas. Prevas, with in-depth experience as a development house, has lots of assignments as the customer's complete development department. Some customers, usually the biggest players, have greater need of expertise and capacity reinforcement which Prevas can also provide with both individual consultants and assembled teams. Delivery is both through our own employees and using the sub-consultant network, partner network, that Prevas has.

Prevas' assignments involve the whole chain from early investigation and feasibility studies to concept development and proof-of-concept, on to development, industrialization and testing to move to ongoing further development and support. Sometimes the assignment is confined to one phase and sometimes we have responsibility for the whole life cycle.

Prevas applies different business models depending on the customer's wishes and the conditions of the assignment.

- Commitment to fixed or running billing with incentives
- License and product based costs, both their own and based on partner's products
- Costs for framework, laboratory, reusable components etc.
- Consumption based monthly fees (data for connections etc.)
- Hourly based pricing
- Support and administration fees

## OFFER

For us, technical development is an important enabler for all aspects of sustainability in our modern society. Our customer projects are characterized by great innovation, creativity and modern work methods. We provide solutions that not all that long ago, many thought impossible. To accomplish this, we focus on continually developing our strengths, which besides our technological breadth, also encompass our staff. Prevas is a place where people can develop through continuous learning and skills development. The basis of our own work with sustainability is being an attractive employer and responsible business partner.

Prevas works in areas such as IoT (Internet of Things), Industry 4.0, Big Data, AI/Machine Learning, AR/VR, cyber security, apps, sensors, life science and industrial IT and automation.

The wave of digitalization has cleared the way for new opportunities in nearly all parts of society and we see its influence every day. Prevas' investment in digitalization is aimed at smart products, smart industries and smart services, in the shape of new innovative products with increased functionality and improved customer experience and new system solutions for more efficient production and service.

## SMART PRODUCTS

Today's smart products are becoming ever more complex and electronics with advanced software are everywhere, in everything from cars, trains, planes, medical technical equipment and industrial robots to modern white goods. With the help of integrated intelligence and communication, the conditions for new income streams are being created by being able to offer customers new services in the aftermarket. This is an area that a lot of production companies have not previously focused on. By connecting products and collecting data about product status and customer behavior, analysis can give a rapid overview of how customer service can be improved. With a combination of technical expertise, application skill and understanding of the customer's business, we help get their products onto the market quickly and safely.

## MISSION

Prevas offers solutions and consultancy services in product development, embedded systems, industrial IT and automation to customers that are looking for increased productivity and pace of innovation.

Through continuous development we exploit advances in technology and digitalization. Working with our clients, we transform their needs and ideas into competitive strengths- for today and for tomorrow.

## VALUES

The company culture "Prevas United" has been created by close collaboration between the company staff and management. It is based on the four core values – "Business Driven", "Open Minded", "Accountability" and "Team Spirit" – often designated as "BOAT".

## VISION

With a passion to solve technical challenges, Prevas should be regarded as a leader in exploiting the progress of technology and digitalization to create a sustainable growth in our society.

## INNOVATION FOR GROWTH

Since the dawn of time it has been innovative ideas that have developed the world. In a global community the pace of innovation has to be faster than ever to assure growth. Since starting in 1985 Prevas has had the task of using high technological expertise and innovative solutions to create growth for our clients.

Example of customer offers:

- Smart products with integrated electronics and intelligent sensors
- Connected products for new services and aftermarket
- Test system solutions to reduce development times and improve product quality
- Life science solutions with advanced sensor technology, advanced analysis and new connectivity opportunities

### **SMART INDUSTRIES**

The concept of smart industries is based on exploiting comprehensive IT solutions for control, optimizing and monitoring of the production processes and is an area of strong growth. Automation and robot solutions make up a strong component of this and by embracing solutions within industry 4.0 and gathering data to analyze information about operation and maintenance, the processes can be improved to an even higher level and thereby achieve efficient and sustainable production.

Example of customer offers:

- Manufacturing Execution Systems (MES) that bridge the gap between business systems and automation and enable more optimized production. Connectivity of production equipment is a cornerstone of this.
- Offers within robot solutions are based on a thorough knowledge of applications within many industries. With special expertise within system design, mechanical design, robot and automation programming we can build competitive, complete and flexible robot based production installations.
- With Prevas' efficient maintenance solutions, the smart factory can improve availability and at the same time reduce maintenance costs. With status based maintenance that is based on digitalization, one can take another step in the direction of world class production.

### **SMART SERVICES**

For Prevas, smart service is often about continuously collecting large amounts of data, Big Data, from connected units. Data that is analyzed and visualized to give you a clear overview of the operational status and actual use of functions and equipment. Information that provides insight into service and maintenance needs, or opportunities for more optimized utilization of raw materials and equipment, at the same time as your R&D department also receives valuable input in making improvements.

Example of customer offers:

- Improved customer experiences and new business models within the aftermarket for the manufacturer. Made possible through connected products and new technology.
- Connected machines and instruments for extended and more efficient service.
- Rationalization of operation, maintenance and support within one or more installations by monitoring operation in real time.

### **MEET US AT**

Breakfast seminar within IVDR/MDR, Uppsala, Aug 27 2019

Meeting with Prevas and ABB, Västerås, Sep 12 2019

Roadshow, future scoping within production related IT & automation, Karlskoga Sep 26, Örebro Sep 27, Arvika Oct 3, Karlstad Oct 4

FEN Meetup, Stockholm, Oct 2 2019

Vedlikeholdsdagen, Oslo, Oct 15-16 2019

### **FOLLOW US**





## IMPORTANT EVENTS DURING THE PERIOD

*Information that was announced during the second quarter.*

- Borås Energi and Miljö AB selected Prevas and Infor EAM for the maintenance of Sobacken**  
 Borås Energi and Miljö AB have invested 3.7 billion SEK in new facilities in Sobacken outside Borås. These are state-of-the-art facilities for district heating, electricity and waste. Here biogas is also used for public sales and the council's own cars and buses. The maintenance solutions for the facilities will be supplied by Prevas.
- Prevas invests in UX**  
 The need to develop user friendly and smart products, systems and services is increasing. Therefore, Prevas is starting a new business area with focus on the user experience (UX). UX (User Experience) is about how users integrate with and experience a certain product, system or service. Innovative, sustainable solutions are created with people at the center. At Prevas we continuously work to make a difference, to create added value and to improve each day for people. With today's working methods we can demonstrate increased loyalty and commitment in users, which in turn leads to a strong brand, clear competitive advantages and increased profitability. Prevas is aiming to have 10 people in Malmö and more in other locations within a year.
- Annual General Meeting May 14 2019**  
 The Annual General Meeting resolved to approve all proposals put forward by the Board of Directors and the election committee. Joakim Alkman, Ulrika Grönberg, Bengt-Erik Lindgren, Christer Parkegren and Pia Sandvik were re-elected to the Board of Directors for the period up until next year's AGM. Bengt-Erik Lindgren was re-elected Chairman of the Board.



*Kenneth Lindahl (Project Manager Borås Energi och Miljö), David Baeckström (Sales Executive EAM Prevas), Andreas Ulveström (Maintenance Manager Borås Energi och Miljö), Johanna Alkmark (Purchaser Borås Energi och Miljö) and Ylva Amrén (Regional Manager West Prevas). With Sobacken in the background.*



*Helena Gautam manager for Prevas' investment in UX.*



*Preparations for Prevas' Annual General Meeting on May 14 2019. The AGM was held in Prevas' automation workshop in Västerås.*

# Financial Information, group

## TURNOVER

### APRIL - JUNE

Net turnover amounted to 201.7 MSEK (202.8). The number of working days amounted to 59 (60). Net turnover per employee amounted to 376 TSEK (386).

### JANUARY-JUNE

Net turnover amounted to 406.4 MSEK (398.2). The number of working days amounted to 122 (123). Net turnover per employee amounted to 751 TSEK (758 TSEK).

## PROFITS/LOSS

### APRIL - JUNE

Operating profit/loss EBIT amounted to 8.7 MSEK (4.2), which gives an operating margin of 4.3 percent (2.1). Profits before depreciation/amortization and write offs EBITDA amounted to 15.1 MSEK (5.8), which gives a profit margin before depreciation/amortization and write offs of 7.5 percent (2.9). Profits after tax amounted to 6.0 MSEK (3.3). Operations have seen continued positive development in consultancy utilization.

## KEY RATIOS PER QUARTER

	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating income, MSEK	201.7	204.7	211.8	161.0	202.8	195.4	194.1	154.5	187.5	198.7
Operating profit/loss, MSEK	8.7	11.2	-3.7	1.0	4.2	8.0	2.0	1.5	2.6	10.0
Operating margin in %	4.3	5.5	-1.8	0.6	2.1	4.1	1.0	1.0	1.4	5.0
Number of working days	59	63	62	65	60	63	63	65	59	64
Number of employees at end of period	558	568	582	560	551	546	538	532	535	540
Number of employees, average	536	546	551	515	526	523	511	488	514	532
Net turnover/employee, TSEK	376	375	384	313	386	374	380	317	365	374
Equity ratio, %	44	42	42	47	44	44	41	44	43	42
Profit per share, SEK	0.58	0.75	-0.38	0	0.31	0.53	0.10	0.09	0.15	0.72
Equity per share, SEK	16.76	16.09	15.22	15.45	15.50	15.21	14.58	14.46	14.39	14.24

## JANUARY - JUNE

Operating profit/loss EBIT amounted to 19.9 MSEK (12.2), which gives an operating margin of 4.9 percent (3.1). Profits before depreciation/amortization and write offs EBITDA amounted to 32.7 MSEK (15.8), which gives a profit margin before depreciation/amortization and write offs of 8.0 percent (4.0). Profits after tax amounted to 13.7 MSEK (9.0).

## CASH FLOW, LIQUID FUNDS AND FINANCING

The cash flow from the ongoing operations for the first six months amounted to 19.5 MSEK (13.3). Liquid funds at period end amounted to 36.0 MSEK (19.0) of which an unused overdraft facility for 35.5 MSEK (18.1).

## FINANCIAL POSITION

Equity at period end amounted to 170.8 MSEK (158.9), which gives an equity ratio of 44 percent (44). Equity per share amounted to 16.76 SEK (15.50).

## EMPLOYEES

The average number of employees during the six-month period amounted to 536 (525), of which 416 (408) were in Sweden, 82 (80) in Denmark, 16 (14) in Other segments and 22 (23) were central. The number of employees at period end amounted to 558 (551) of which the proportion who were women was 14 percent.

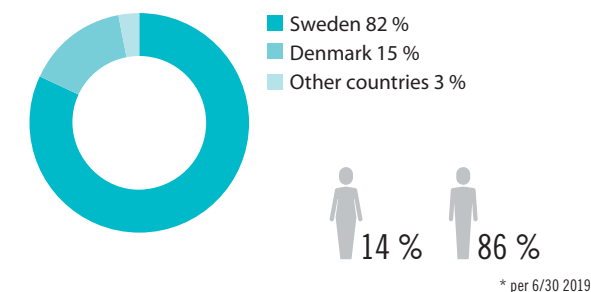
## INVESTMENTS

During the quarter, the group's investment in assets amounted to 2.0 MSEK (0.9), of which 1.3 MSEK (0.5) covered machinery and inventory and 0.6 MSEK (0.4) product development and intangible assets. In addition to this, acquisition costs for car leasing rose to 1.2 MSEK (1.5).

## OPERATIONAL STRENGTH KEY RATIOS, PROJECTS IN TIME

Customer satisfaction, delivery precision and warranty work are continuously metered as part of the company's certified quality system. Since starting in 1985, Prevas has had a very high number of satisfied customers and

## TOTAL NUMBER OF EMPLOYEES \*





uniquely high quality figures regarding delivery precision and warranty. Prevas' customer satisfaction rating has increased during the quarter and has risen to 8.7 (scale of 1 to 10). This together with the fact that a large part of our deliveries were on time, means that Prevas is highly valued by the customers.

## THE PARENT COMPANY

### APRIL - JUNE

Turnover amounted to 147.6 MSEK (143.9) and the profit after financial items amounted to 5.6 MSEK (-1.5).

### JANUARY - JUNE

Turnover amounted to 291.1 MSEK (284.5) and the profit after financial items amounted to 11.5 MSEK (1.9).

## RISKS AND UNCERTAINTY FACTORS

Prevas operates in very competitive and changeable market. This places great demands on risk management, or the point of view that Prevas focuses on – risk optimizing. Risk is involved in every operation and the objective is always to reduce risk so that it has as little impact as possible. However, Prevas takes the view that each risk also creates new opportunities and drives change. Based on this perspective, Prevas has integrated risk management into all aspects of our operations, with a special focus within the areas of marketing, delivery and operational management. The foundation of managing risk is the company's management system, which ensures that the work with risk management is carried out in a systematic and efficient way. Prevas works continuously with risk evaluation in all stages from business development to delivery. From that, new opportunities are identified and if necessary risk minimizing actions are implemented. Examples of operational and market related risks are; competition and pricing pressure, negative development at our customers, bankruptcy risks

and exchange and interest rate risk. It is Prevas' judgment that the risks have increased slightly during the last few years but that the second quarter in 2019 has not lead to any increased exposure to risk. Another risk is competition for qualified employees, where the risk has continued to increase in 2019. From Prevas' position as market leader within certain areas, it is important to attract and recruit the best possible people. Given the good labor market, the difficulty in maintaining the level of expertise is something that may affect Prevas in the future. More information about Prevas' risks and the management of them can be read in the Annual report for 2018, page 31. It is the company's evaluation that the risks are the same as for the parent company.

## TRANSACTIONS WITH AFFILIATED BODIES

Any transactions of this type are reported in the annual report 2018 under note 25 and largely attributable to purchases and sales between companies within the group. Transactions occur under market conditions.

## ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim reports. The group report has been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and where relevant Swedish legislation regarding annual reports. The parent company accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounts for legal entities.

The group applies the IFRS 16 Leasing agreement from January 1st 2019. The parent company does not apply IFRS 16 in accordance with the exceptions stated in RFR 2. The description of IFRS 16 and the effects of the transition to this standard are given alongside the calculations in

summary. The standard means that operational leasing agreements are reported in the balance sheet as rights of use and for Prevas it primarily concerns rental contracts and leased cars, as well as reporting a lease liability. The right of use assets are initially valued at acquisition value, which consists of the lease liability's original value with the addition of lease fees paid before or after the introduction date. Initially, the lease liability is valued at the present value of the future lease fees that have not been paid at the introduction date. The lease fees are discounted by the lease agreement's implicit interest rate. If this interest rate cannot be easily set, the group's marginal borrowing rate is used. The standard ignores low value contracts shorter than 12 months duration.

At the transition, Prevas opted for a relief rule that means that the comparative figures are not recalculated. The right of use assets value were set at January 1st to the lease liability's discounted present value with an addition for prepaid fees. The lease liability is discounted by an average interest rate of 2%. As at January 1st, the right of use assets have 2019 increased by MSEK 33. The Lease liabilities have increased by MSEK 31 of which MSEK 14 are current lease liabilities. Current receivables have reduced by MSEK 2.

## FINANCIAL INSTRUMENTS

Reported value of liquid funds, account receivables, generated but unbilled income, interest bearing liabilities and suppliers' liabilities are considered to make up an approximation of the actual value of these receivables and liabilities.

Västerås July 17 2019  
Prevas AB (publ)

Johan Strid, CEO Prevas AB

*This financial report has not been subject to inspection by the company's auditors.*

**Published 7/17/2019, 8:30 CET.** This information is such that Prevas AB (publ) is required to make it public in accordance with the EU's market abuse regulations and the Securities market Act. This is a translation of an original document in Swedish. In case of dispute, the original document should be taken as authoritative (Delårsrapport januari - juni 2019 at [www.prevas.se](http://www.prevas.se)). Or contact the company direct.

# Financial Overview for the group and parent company.

## STATEMENT OF OPERATIONS in summary, TSEK

### IFRS 16 - Effect of new regulations regarding leasing on statement of operations Q1-2 2019

Other external costs have reduced by 9.5 MSEK.

Write offs have increased by 9.2 MSEK .

Financial net has gone down by 0.3 MSEK .

	2019 Q 2	2018 Q 2	2019 Q1-2	2018 Q1-2	2018 Full year
<b>Net turnover</b>	<b>201,743</b>	<b>202,849</b>	<b>406,400</b>	<b>398,202</b>	<b>770,969</b>
Capitalized work	380	181	664	380	1,299
Other external costs	-52,792	-65,741	-107,914	-125,980	-250,486
Personnel costs	-134,252	-131,505	-266,501	-256,831	-505,459
<b>Profits before depreciation/amortization</b>	<b>15,079</b>	<b>5,784</b>	<b>32,649</b>	<b>15,771</b>	<b>16,323</b>
Depreciation intangible fixed assets	-5,102	-503	-10,149	-1,424	-2,372
Depreciation tangible fixed assets	-1,317	-1,099	-2,617	-2,148	-4,447
<b>Operating profit/loss</b>	<b>8,660</b>	<b>4,182</b>	<b>19,883</b>	<b>12,199</b>	<b>9,504</b>
Financial net	-906	-259	-2,211	-731	-2,207
<b>Profit after financial items</b>	<b>7,754</b>	<b>3,923</b>	<b>17,672</b>	<b>11,468</b>	<b>7,297</b>
Tax	-1,750	-649	-4,002	-2,507	-1,669
<b>Profits for the period</b>	<b>6,004</b>	<b>3,274</b>	<b>13,670</b>	<b>8,961</b>	<b>5,628</b>
<b>Profit for period attributable to parent company owners</b>	<b>5,917</b>	<b>3,115</b>	<b>13,453</b>	<b>8,463</b>	<b>4,581</b>
<b>Profit for period attributable to non-controlling interests</b>	<b>87</b>	<b>159</b>	<b>217</b>	<b>498</b>	<b>1,047</b>
Profit per share before and after dilution in SEK	0.58 SEK	0.31 SEK	1.33 SEK	0.84 SEK	0.45 SEK

## REPORT OF TOTAL EARNINGS in summary, TSEK

	2019 Q 2	2018 Q 2	2019 Q1-2	2018 Q1-2	2018 Full year
<b>Profits for the period</b>	<b>6,004</b>	<b>3,274</b>	<b>13,670</b>	<b>8,961</b>	<b>5,628</b>
<b>Items that will be later implemented in the period's profit/loss;</b>					
Calculation differences attributable to overseas operations	833	-212	2,105	879	1,878
<b>Total earnings for the period after tax</b>	<b>6,837</b>	<b>3,062</b>	<b>15,775</b>	<b>9,840</b>	<b>7,506</b>
<b>Total earnings for period attributable to parent company owners</b>	<b>6,750</b>	<b>2,903</b>	<b>15,558</b>	<b>9,342</b>	<b>6,459</b>
<b>Total earnings for period attributable to non-controlling interests</b>	<b>87</b>	<b>159</b>	<b>217</b>	<b>498</b>	<b>1,047</b>

## BALANCE SHEET in summary, TSEK

### IFRS 16 - Effect of new regulations regarding leasing on balance sheet 063019

Right-to-use assets have increased by 25 MSEK.

Long term interest bearing liabilities have increased by 13 MSEK .

Current interest bearing liabilities have increased by 11 MSEK.

Current receivables have reduced by 1 MSEK.

	2019 June 30th	2018 June 30th	2018 Dec 31st
Goodwill	137,001	136,970	136,352
Other intangible fixed assets	3,998	4,318	4,261
Tangible fixed assets	16,336	15,768	16,312
Rights-of-use assets	25,411	–	–
Deferred tax asset	3,015	3,964	3,608
<b>Total fixed assets</b>	<b>185,761</b>	<b>161,020</b>	<b>160,533</b>
Current receivables	198,262	202,712	210,107
Liquid funds	593	872	718
<b>Total current assets</b>	<b>198,855</b>	<b>203,584</b>	<b>210,825</b>
<b>TOTAL ASSETS</b>	<b>384,616</b>	<b>364,604</b>	<b>371,358</b>
Equity attributable to owners of parent company	169,267	156,591	153,708
Equity attributable to non-controlling interests	1,509	2,344	2,893
<b>Equity</b>	<b>170,776</b>	<b>158,935</b>	<b>156,601</b>
Deferred tax liability	7,395	7,984	7,487
Long term interest bearing liabilities	21,829	8,883	9,590
<b>Total non-current liabilities</b>	<b>29,224</b>	<b>16,867</b>	<b>17,077</b>
Current provisions	1,487	1,071	1,166
Current interest bearing liabilities	44,300	49,462	46,583
Other interest bearing liabilities	138,829	138,269	149,931
<b>Total current provisions</b>	<b>184,616</b>	<b>188,802</b>	<b>197,680</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>384,616</b>	<b>364,604</b>	<b>371,358</b>

## CHANGES IN EQUITY in summary, TSEK

	2019 June 30th	2018 June 30th	2018 Full year
Opening balance	156,601	149,535	149,535
Total of total earnings for period attributable to parent company owners	15,558	9,342	6,459
Total of total earnings for period attributable to non-controlling interests	217	498	1,047
Dividend non-controlling interests	-1,600	-440	-440
<b>Closing balance</b>	<b>170,776</b>	<b>158,935</b>	<b>156,601</b>
<b>Equity attributable to owners of parent company</b>	<b>169,267</b>	<b>156,591</b>	<b>153,708</b>
<b>Equity attributable to non-controlling interests</b>	<b>1,509</b>	<b>2,344</b>	<b>2,893</b>

## OPERATING SEGMENT, April-June 2019, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>156,350</b>	<b>34,143</b>	<b>11,250</b>	–	<b>201,743</b>
Sales to other segments	875	70	7	-952	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>10,670</b>	<b>2,299</b>	<b>1,990</b>	<b>120</b>	<b>15,079</b>
Write-offs	-4,887	-1,265	-267	–	-6,419
<b>Operating profit, EBIT</b>	<b>5,783</b>	<b>1,034</b>	<b>1,723</b>	<b>120</b>	<b>8,660</b>
Financial items				-906	-906
<b>Pretax Profits</b>					<b>7,754</b>

## OPERATING SEGMENT, April-June 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>160,512</b>	<b>32,728</b>	<b>9,609</b>	–	<b>202,849</b>
Sales to other segments	186	1,080	232	-1,498	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>5,909</b>	<b>2,370</b>	<b>571</b>	<b>-3,066</b>	<b>5,784</b>
Write-offs	-1,119	-338	-145	–	-1,602
<b>Operating profit, EBIT</b>	<b>4,790</b>	<b>2,032</b>	<b>426</b>	<b>-3,066</b>	<b>4,182</b>
Financial items				-259	-259
<b>Pretax Profits</b>					<b>3,923</b>

## OPERATING SEGMENT, January-June 2019, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>319,604</b>	<b>66,199</b>	<b>20,597</b>	–	<b>406,400</b>
Sales to other segments	1,113	345	64	-1,522	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>25,915</b>	<b>4,756</b>	<b>3,387</b>	<b>-1,409</b>	<b>32,649</b>
Write-offs	-9,851	-2,388	-527	–	-12,766
<b>Operating profit, EBIT</b>	<b>16,064</b>	<b>2,368</b>	<b>2,860</b>	<b>-1,409</b>	<b>19,883</b>
Financial items				-2,211	-2,211
<b>Pretax Profits</b>					<b>17,672</b>

## OPERATING SEGMENT, January-June 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>319,721</b>	<b>60,372</b>	<b>18,109</b>	–	<b>398,202</b>
Sales to other segments	429	2,270	536	-3,235	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>16,434</b>	<b>3,773</b>	<b>851</b>	<b>-5,287</b>	<b>15,771</b>
Write-offs	-2,360	-648	-564	–	-3,572
<b>Operating profit, EBIT</b>	<b>14,074</b>	<b>3,125</b>	<b>287</b>	<b>-5,287</b>	<b>12,199</b>
Financial items				-731	-731
<b>Pretax Profits</b>					<b>11,468</b>

## SALES TO EXTERNAL CUSTOMERS PER SEGMENT, April - June, TSEK

Industries	April - June 2019				April - June 2018			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	11,128	8,511	2,801	22,440	9,124	10,163	2,545	21,833
Vehicles	6,863	402	41	7,306	13,465	471	–	13,937
Defense	15,081	72	423	15,577	15,546	42	315	15,903
Life science	34,529	6,920	1,147	42,595	37,521	5,357	298	43,175
Steel and minerals	13,873	–	54	13,927	13,537	–	12	13,550
Telecoms	11,427	–	–	11,427	14,569	44	–	14,614
Manufacturing	33,171	7,622	1,576	42,370	24,319	8,221	1,836	34,377
Other	30,277	10,616	5,208	46,101	32,431	8,429	4,601	45,461
<b>Total</b>	<b>156,350</b>	<b>34,143</b>	<b>11,250</b>	<b>201,743</b>	<b>160,512</b>	<b>32,728</b>	<b>9,609</b>	<b>202,849</b>

## SALES TO EXTERNAL CUSTOMERS PER SEGMENT, January - June, TSEK

Industries	January - June 2019				January - June 2018			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	21,243	17,223	4,827	43,293	18,164	17,918	4,219	40,301
Vehicles	15,039	733	41	15,813	26,864	1,273	–	28,137
Defense	31,962	97	919	32,978	31,340	537	331	32,208
Life science	70,234	11,428	1,465	83,128	69,706	9,611	621	79,938
Steel and minerals	35,033	–	183	35,216	24,530	–	12	24,542
Telecoms	24,606	–	–	24,606	29,343	261	–	29,603
Manufacturing	61,360	16,811	3,235	81,406	52,881	15,486	4,126	72,493
Other	60,126	19,906	9,926	89,959	66,892	15,287	8,801	90,980
<b>Total</b>	<b>319,604</b>	<b>66,199</b>	<b>20,597</b>	<b>406,400</b>	<b>319,721</b>	<b>60,372</b>	<b>18,109</b>	<b>398,202</b>

## ANALYSIS OF CASH FLOW in summary, TSEK

	2019 Q 2	2018 Q 2	2019 Q1-2	2018 Q1-2	2018 Full year
<b>ONGOING OPERATIONS</b>					
Pretax Profits	7,754	3,923	17,672	11,468	7,297
Adjustments for items not included in cash flow	981	390	5,349	547	7,627
Paid income tax	-1,228	-1,133	-2,119	-1,675	-1,915
<b>Cash flow from ongoing operations before change to working capital</b>	<b>7,507</b>	<b>3,180</b>	<b>20,902</b>	<b>10,340</b>	<b>13,009</b>
Changes to operating receivables	2,270	-11,987	11,845	714	-6,681
Changes to operating liabilities	4,198	10,310	-13,221	2,242	11,989
<b>Cash flow from ongoing operations</b>	<b>13,975</b>	<b>1,503</b>	<b>19,526</b>	<b>13,296</b>	<b>18,317</b>
<b>INVESTMENT OPERATIONS</b>					
Acquisition of operations and shares excl. liquid funds	–	–	–	-500	-500
Investment in intangible fixed assets	-689	-380	-973	-579	-1,298
Investment in tangible fixed assets	-1,280	-475	-1,708	-1,071	-1,721
<b>Cash flow from investment operations</b>	<b>-1,969</b>	<b>-855</b>	<b>-2,681</b>	<b>-2,150</b>	<b>-3,519</b>
<b>FINANCING OPERATIONS</b>					
Repayment of loans	–	-1,900	–	-1,900	-1,900
Amortization of lease liabilities	-3,519	–	-1,067	–	–
Change of overdraft facility	-13,630	1,494	-14,389	-9,630	-12,594
Dividends paid	-1,600	–	-1,600	–	-440
<b>Cash flow from financing operations</b>	<b>-11,711</b>	<b>-406</b>	<b>-17,056</b>	<b>-11,530</b>	<b>-14,934</b>
<b>Cash flow for the period</b>	<b>295</b>	<b>242</b>	<b>-211</b>	<b>-384</b>	<b>-136</b>
Liquid funds at start of period	542	520	718	886	886
Exchange differences in liquid funds	-244	110	86	370	-32
Liquid funds at end of period	593	872	593	872	718



## KEY RATIOS, TSEK

	2019 Q 2	2018 Q 2	2019 Q1-2	2018 Q1-2	2018 Full year
Profit margin depreciation/amortization and write downs/EBIT-DA	7.5 %	2.9 %	8.0 %	4.0 %	2.1 %
Operating margin/EBIT	4.3 %	2.1 %	4.9 %	3.1 %	1.2 %
Profit margin	3.8 %	1.9 %	4.3 %	2.9 %	0.9 %
<i>Number of shares outstanding at close of report period, thousand</i>					
before and after dilution	10,102	10,102	10,102	10,102	10,102
<i>Average number of shares outstanding, thousand</i>					
before and after dilution	10,120	10,102	10,102	10,102	10,102
Profit per share before and after dilution	0.58 SEK	0.31 SEK	1.33 SEK	0.84 SEK	0.45 SEK
Equity per share before and after dilution			16.76 SEK	15.50 SEK	15.22 SEK
Equity ratio			44 %	44 %	42 %
Return on capital employed, %			8.9 %	5.7 %	4.6 %
Return on equity, %			8.4 %	5.8 %	3.7 %
Average number of employees	536	526	541	525	529
Number of working days	59	60	122	123	250
Turnover per employee in TSEK	376	386	751	758	1,457

Definitions of key ratios, see page 50 in Prevas' annual report 2018.

**STATEMENT OF OPERATIONS in summary,  
TSEK**

	2019 Q 2	2018 Q 2	2019 Q1-2	2018 Q1-2	2018 Full year
<b>Net turnover</b>	<b>147,587</b>	<b>143,881</b>	<b>291,124</b>	<b>284,544</b>	<b>556,883</b>
Other external costs	-50,787	-54,140	-98,217	-103,455	-206,846
Personnel costs	-89,648	-90,673	-180,957	-177,761	-353,715
Depreciation intangible fixed assets	-295	-295	-591	-619	-1,209
Depreciation tangible fixed assets	-195	-183	-410	-353	-713
<b>Operating profit/loss</b>	<b>6,662</b>	<b>-1,410</b>	<b>10,949</b>	<b>2,356</b>	<b>-5,600</b>
Profit from participation in group companies	0	1,801	2,400	1,801	6,286
Interest income and similar profit items	36	51	78	99	372
Interest costs and similar profit items	-1,108	-1,954	-1,884	-2,368	-2,325
<b>Profit after financial items</b>	<b>5,590</b>	<b>-1,512</b>	<b>11,543</b>	<b>1,888</b>	<b>-1,267</b>
Tax	-1,215	603	-2,039	-270	108
<b>Profits for the period</b>	<b>4,375</b>	<b>-909</b>	<b>9,504</b>	<b>1,618</b>	<b>-1,159</b>

**BALANCE SHEET in summary, TSEK**

	2019 June 30th	2018 June 30th	2018 Dec 31st
Intangible fixed assets	2,260	3,416	2,826
Tangible fixed assets	1,768	1,471	1,515
Financial fixed assets	54,440	63,621	63,183
Current receivables	142,032	145,184	160,681
Cash and Bank	2	151	–
<b>Total assets</b>	<b>200,502</b>	<b>213,843</b>	<b>228,205</b>
Restricted equity	36,407	36,719	36,407
Non-restricted equity	10,758	3,718	1,254
Equity	47,165	40,437	37,661
Provisions	1,514	1,476	1,225
Long term interest bearing liabilities	312	–	194
Current interest bearing liabilities	29,545	46,898	43,934
Other interest bearing liabilities	121,966	125,032	145,191
<b>Total liabilities and Equity</b>	<b>200,502</b>	<b>213,843</b>	<b>228,205</b>

Prevas has been around since 1985 and is a development partner to companies in selected industries. Our passion is resolving technological challenges in developing smart products, smart industries and smart services. Together with our customers, we are exploiting advances in technology and digitalization, and transforming needs and ideas into increased sustainability and competitiveness.

There are offices in Sweden, Denmark and Norway with approximately 600 employees. Prevas has been listed on NASDAQ Stockholm since 1998.



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