

**Prevas** | Hello Possibility.

INTERIM REPORT, January - September,

2019

INTERIM REPORT



### → July - September 2019

Net turnover 176.2 MSEK (161.0)

- Operating profit/loss EBIT 9.1 MSEK (1.0)
- Operating margin EBIT 5.2 % (0.6)
- Profits after tax 6.2 MSEK (0.2)
- Profit per share 0.60 SEK (0.0)

### → January - September 2019

- Net turnover 582.6 MSEK (559.2)
- Operating profit/loss EBIT 29.0 MSEK (13.2)
- Operating margin EBIT 5.0 % (2.4)
- Profits after tax 19.9 MSEK (9.2)
- Profit per share 1.93 SEK (0.84)

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A word from the CEO

## Growth, stable results and an upgraded brand

The profit/loss for the third quarter amounted to 9.1 MSEK, which gives an operating margin of 5.2 percent. We consider this to be a stable result for the period. It is interesting to compare with last year's Prevas profits, which amounted to 1 MSEK with an operating margin of 0.6 percent. We see these changes, and the stability of the year's results quarter by quarter, as a good acknowledgment that our journey of change gives results. It is gratifying to see that the turnover for the third quarter also rose by 10 percent, from 161 MSEK to 176 MSEK compared to the previous year.

### The way forward for us

A journey of change involves both challenges and progress. One area that we have spent a lot of time on is our brand. Although it has taken time and created costs during the year, in the short-term it has also released a

lot of positive energy internally. We have undertaken thorough analyses, had significant participation in the development and also had external help. Not everything is one hundred percent complete, but it is sufficiently mature for the first external launch.

The Prevas brand work covers the contents in the form of the vision, mission, tag line and our values. It also includes the visual identity with the logo, colors and visual impression. Now we think that our identity and brand reflect what we think Prevas represents. The result can be seen in this report, on the updated website and in a launch film that is published at the same time as the report.

Is the brand important? Yes. Having the boost of a strong brand makes things easier. Methodically reinforcing a



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### Forthcoming Reports

Year End Report 2019  
February 12th 2020

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brand is vital to competitiveness. Especially to attract colleagues of the future. This is an excellent example of working towards increased results here and now and at the same time as we build methodically for the future.

### Successful collaborations

Our clients come from all different kinds of industries. What sets them apart from their competition is their drive to leverage on the opportunities new technology brings. During the period we continued to receive great confidence from companies within the life science, telecoms and engineering industries. It is also gratifying that we have expanded our collaborations with organizations to grasp the opportunities together. And we believe very much in our new collaborations with SmiLe Incubator and Robotlyftet, where we have the opportunity to help

startup companies within life science to develop their products and services, as well as small and medium size manufacturers to invest in sustainable production.

On September 3rd we participated in the ABG Sundal Colliers investors day where I had the opportunity to introduce myself and Prevas. If you are interested, the presentation is still available to view (see the link on page 6).

Our journey of change has created a positive atmosphere in the organization and we choose to see the opportunities in most things. So I want to conclude "a word from the CEO" with our new tag line - Hello Possibility.



*Johan Strid, CEO Prevas AB*

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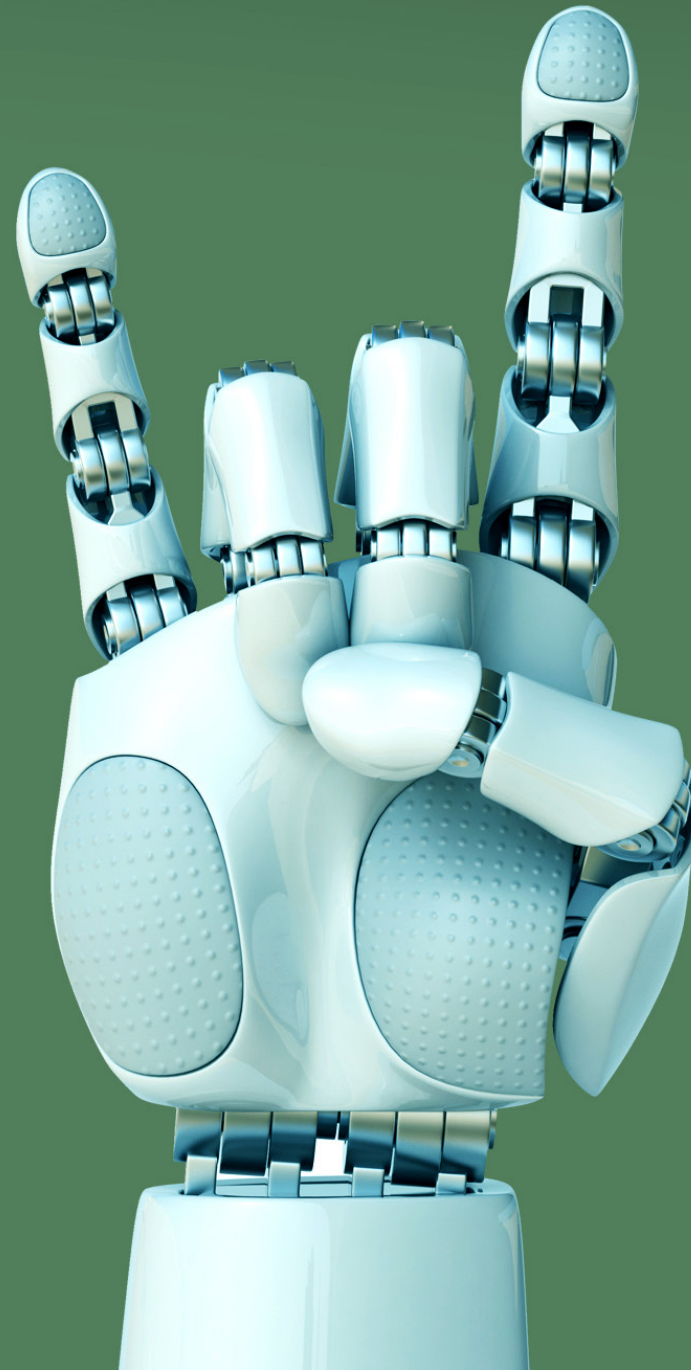
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We love technology. But even more important perhaps, are ingenuity and seeing new opportunities. That's what Prevas is really about.



#### Meet us at

- High Tech Summit 2019, Copenhagen, Oct 30-31 2019
- Embedded Conference Scandinavia, Kista, Nov 5-6 2019
- Employment market day UTNARM, Uppsala, Nov 7 2019
- Employment market day ARKAD, Lund, Nov 13-14 2019
- Employment market day LINK, Linköping, Nov 28 2019
- Next Level, Ingenjörjobb, Stockholm, Nov 29 2019
- Employment market day, Uniaden, Umeå, Jan 28-29 2020
- Employment market day, Campus, Örebro, Feb 2 2020
- Employment market day, LARM, Linköping, Feb 12 2020
- Employment market day, Hotspot, Karlstad, Feb 12 2020
- Employment market day Högvarv, Västerås, Feb 18 2020

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Operation

## Hello Possibility

Prevas is a development hub with ingenuity at its core. With a high technical competence and a deep business understanding, we help customers from a wide variety of industries benefit through continuous technological innovation. Good for people, planet, and profit.

### New brand platform

Prevas' new brand platform is the result of comprehensive work that has involved a lot of people, such as colleagues, customers, board members and partners. The work started at the end of last year and we have now come far enough to be able to start our external launch. There is a lot that we want to show and say, so we start with an updated brand platform and a new visual appearance. The film about Prevas' new brand could be fun to watch for those who are interested. You can find it at [www.prevas.se/hello](http://www.prevas.se/hello).

### Vision - Ingenuity will save the world

We solve problems. Some might say we do it by using sophisticated technical solutions. They might not be wrong, but the most important success factor is probably our curiosity. Our unique ability to discover potential by simply looking at things from a different point of view. Basically, that's what Prevas really is all about.

We believe that this way of thinking will ultimately save the world. Ingenious men and women coming up with solutions that have never existed before. We believe that ingenuity will do other things too. Minor things, but important to many people's everyday life nonetheless.

### Mission - We co-create technological advancement for the betterment of all; people, planet and profit

Doing things together is often a factor of success. Within Prevas we do things together, using the skills of our various specialists to create a stronger unit. But it is also about doing things with others. Not least with customers. Customers can bring their insights and Prevas supplies the industry knowledge and deep technical capability. Co-creation can also occur with our partners and sometimes with our industry colleagues.



#### Films/presentations

About Prevas' new brand,  
[www.prevas.se/hello](http://www.prevas.se/hello).

Prevas' presentation from ABG Sundal Colliers investors' day,  
go to [www.prevas.se/ir](http://www.prevas.se/ir).

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Having a sustainable perspective is both important and popular. And can mean a lot of different things to a lot of different players. For our part we make it the concrete aspect of creating technical progress together with others. And that this progress brings benefits for people, planet and profit.

### **Core values - Business Driven, Open Minded, Active and Team Player**

Shared core values are key to our success. They pave the way for better communication and co-operation, reduce the need for detailed rules and regulations, and make our organization more agile and worker friendly. Shared values serve as our mutual agreement and allows everyone to work more freely within our common beliefs. Sharing values does not mean that we are all the same. We embrace differences and promote diversity. We believe that unique individuals are important in creating strong, successful teams.

At Prevas we summarize our values with the acronym BOAT - Business Driven, Open Minded, Active and Team Player.

### **Market - customers who see opportunities**

If you look at macro factors there are several signs of a downward turn and increased uncertainty. We have noticed increased watchfulness and preparation by some of our customers. At the same time we experienced

good demand for our services during the quarter. Prevas services are becoming more niche and often cover added value above and beyond the consultancy hours. The added value can be reuse, access to laboratories etc. that gives the clients a faster start, increased efficiency and predictable quality.

Our clients come from all different kinds of industries. What sets them apart from their competition is their drive to leverage on the opportunities new technology brings. It can be about finding new competitive advantages, creating new or developing existing products and services, or rationalizing an industry. Or something completely different. Often our customers face major and complicated challenges that require experience and ingenuity to be resolved. And that's where we come into the picture.

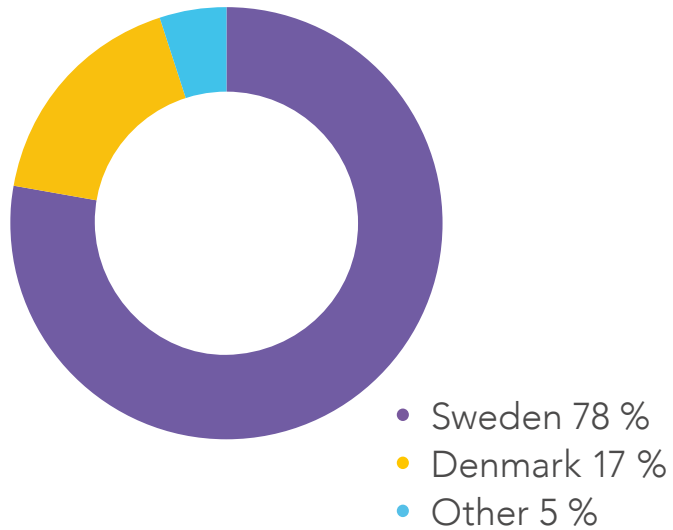
Since 1985 we have faced challenges and found solutions in industries with high standards. Life Science is one example, with demands for high security, regulatory standards and reliability. Or the manufacturing industry with its global competition and a strong pressure to change combined with sustainability. Just to name two. Here are some of our customers who have seen the opportunities:

ABB, Ambu, Atlas Copco, Ericsson, GKN Driveline, Hounö, Hy5, Kontigo Care, Löfbergs, Outokumpu, Sandvik, Zenicor and Volvo.

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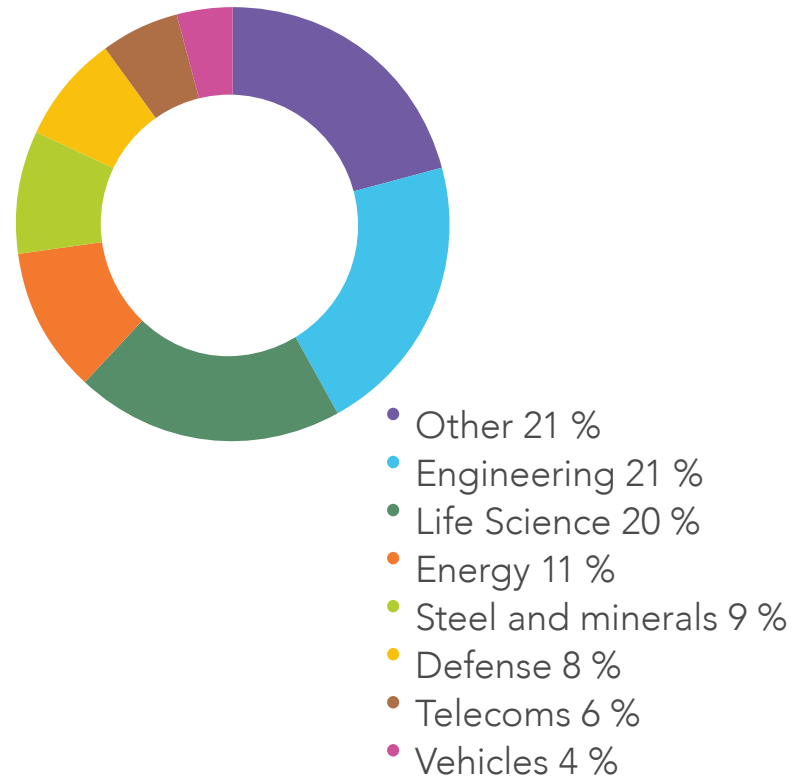
## Turnover Divided by segment Q1-3 2019



## The largest customers Q1-3 2019

Saab / Ericsson / Atlas Copco /  
Sandvik / ORGENTEC Diagnostika

## Division by industry Q1-3 2019



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Since the beginning in 1985, we've joined with our customers in solving tens of thousands of problems – and in most industries.

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## Branches

### 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. Our 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. We have an excellent and long track record regarding the development of analysis instruments and medical technology. We also provide 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 we use 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. We are 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. We have long experience of supplying the automotive industry with high quality solutions.



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## 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 fits well with our experience and expertise.

## Consumer products

The digitalization wave has opened up new possibilities everywhere within society and recently we have 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 & Minerals

Today's metal and mineral producers face major challenges, both in terms of competition and profitability. Our 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. We have long experience of complex consultancy services and solutions for telecoms companies.

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Information that was made public during the third quarter

## Important events during the period

- Increased automation and digitalization with help from Prevas and Robotlyftet.** The Government's and Swedish Agency for Economic and Regional Growth's program "Robotlyftet" promotes automation in Sweden's small and medium sized manufacturing enterprises. Robotlyftet provides economic support in the form of automation checks so that companies can bring in external expertise cost effectively. Prevas has been appointed as the recommended systems integrator to Robotlyftet.

Information that was made public after the third quarter

## Important events after the period

- Prevas sponsor for SmiLe Incubator.** The SmiLe incubator helps entrepreneurs and startup companies within life science to develop and commercialize their products and services. Prevas is a gold sponsor of SmiLe Incubator and will guide the incubator companies through the jungle of regulations and quality requirements in fields such as medicines, diagnostic, e-health and medical technology.
- Prevas supports the entrepreneurs in collaborations around e-health.** Health2B is an e-health-accelerator that gives the entrepreneurs the possibility of developing their ideas for successful companies. Seven companies that develop connected products and services for more effective healthcare have been selected from 50 applicants from around the world. These companies will have the opportunity to develop their business concepts with support from a team of experts and advisors, of which Prevas are one, for a period of three months.
- Focus on sustainable production as Prevas and Recab become partners.** Prevas and Recab are both established suppliers within Swedish industry and have now chosen to start a non-dependent collaboration around sustainable production with the purpose of being able to offer complete solutions that make it easier for organizations that take the next step of the digitalization journey.

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## Financial Information, group

### Turnover

#### July - September

Net turnover amounted to 176.2 MSEK (161.0). The number of working days amounted to 66 (65). Net turnover per employee amounted to 329 TSEK (313).

#### January - September

Net turnover amounted to 582.6 MSEK (559.2). The number of working days amounted to 188 (188). Net turnover per employee amounted to 1,081 TSEK (1,073).

### Earnings

#### July - September

Operating profit/loss EBIT amounted to 9.1 MSEK (1.0), which gives an operating margin of 5.2 percent (0.6). Profit before depreciation/amortization and write downs EBITDA amounted to 16.7 MSEK (2.6) which gives profit margin before depreciation/amortization and write downs of 9.5 percent (1.6). EBITDA has been affected by the implementation of IFRS 16, see page 16. Profits after tax amounted to 6.2 MSEK (0.2). Operations have seen continued positive development in consultancy utilization.

#### January - September

Operating profit/loss EBIT amounted to 29.0 MSEK (13.2), which gives an operating margin of 5.0 percent (2.4). Profit before depreciation/amortization and write

downs EBITDA amounted to 49.3 MSEK (18.4) which gives profit margin before depreciation/amortization and write downs of 8.5 percent (3.3). EBITDA has been affected by the implementation of IFRS 16, see page 16. Profits after tax amounted to 19.9 MSEK (9.2).

### Cash flow, liquid funds and financing

The cash flow from ongoing operations for Jan-Sept amounted to 45.6 MSEK (15.4). Liquid funds at period end amounted to 45.2 MSEK (20.1) of which an unused overdraft facility for 44.6 MSEK (19.5).

### Financial position

Equity at period end amounted to 177.8 MSEK (158.7), which gives an equity ratio of 46 percent (47). Equity per share amounted to 17.44 SEK (15.45).

### Employees

The average number of employees during the quarter amounted to 535 (515), of which 415 (394) were in Sweden, 82 (81) in Denmark, 17 (15) in Other segments and 22 (25) were central. The number of employees at period end amounted to 575 (560) of which the proportion who were women was 14 percent.

### Investments

During the nine month period, the group's investment in assets amounted to 3.6 MSEK (2.6), of which 1.9 MSEK





(1.3) covered machinery and inventory and 1.7 MSEK (0.8) product development and intangible assets. Other investments refers to rights-of-use assets regarding IFRS16 that saw a net increase of 49 MSEK.

### 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 unique high quality figures regarding delivery precision and warranty. Prevas' customer satisfaction rating has increased during the quarter and has risen to 8.6 (scale of 1 to 10). This combined with a large part of our deliveries being on time and of the correct quality, means that Prevas is rated highly by customers.

### The Parent Company

January - September

Turnover amounted to 411.5 MSEK (400.4) and the result after financial items amounted to 11.3 MSEK (0).

During the quarter a fusion was implemented regarding Psiam AB that resulted in a negative fusion differential of 6.5 MSEK.

### 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 optimiz-

ing. 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 generally have increased slightly in the last few years and that the third quarter of 2019 has also brought some exposure to risk particularly from a market perspective. 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.



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## 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 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. Leasing debts are discounted at an average interest rate of 2% for rental agreements and 5% for car leasing. During quarter 3 the utilization value of the new rental contract has increased primarily. Additional value of leased cars has amounted to approx. 1.0 MSEK. Leasing cars acquired before January 1 2019 and reported in accordance with IAS17 have been reclassified during Q3 2019 from material assets to rights of use assets. The total value of all rights of use assets at the beginning of the year was 50.9 MSEK, of which 12 MSEK was reclassification.

## 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 October 24th 2019  
Prevas AB (publ)

Johan Strid, CEO Prevas AB

Published 10/24/2019  
8:30 CET.

This information is such that Prevas AB (publ) is required to make public in accordance with EU regulations to prevent market abuse 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 - september 2019 at [www.prevas.se](http://www.prevas.se)). Or contact the company direct.*

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Auditor's report regarding

# Review of the interim report

To the Board of Prevas AB (publ) company reg. no. 556252-1384

## Introduction

We have carried out a review of the financial interim information in summary (interim report) for Prevas AB (publ) as per September 30th 2019 and the nine month period to that date. The Board and the Chief Executive Officer have the responsibility for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish legislation regarding annual reports. It is our responsibility to state our conclusions about this interim report based on this overall review.

## The intention and scope of the overall review

We have carried out a review in accordance with the International Standard on Review Engagements ISRE 2410, Review of interim financial information performed by the independent auditor of the entity. A review consists of asking questions, primarily of those responsible for financial aspects and accounting aspects, carrying out an analytical inspection and taking other review inspection actions. A review has a different intention and significant-

ly smaller scope than the intention and scope that an audit in accordance with ISA and good auditing practice might have. The review actions that are taken in a review are not sufficient for us to be able to ascertain with certainty all the significant circumstances, which would be identified by an audit. The stated conclusion based on a review does not, therefore, have the security of a conclusion based on an audit.

## Conclusion

Based on our review, no circumstances have arisen that have given us reason to believe that the interim report has not, in all material respects, been prepared by the company in accordance with IAS 34 and the relevant Swedish legislation regarding annual reports, and for the parent company in accordance with the relevant Swedish legislation regarding annual reports.

Stockholm October 24th 2019  
KPMG AB

Helena Arvidsson Älgne  
Chartered Accountant

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# Financial overview

## Statement of operations in summary, TSEK

	2019 Q 3	2018 Q 3	2019 Q1-3	2018 Q1-3	2018 Full year
<b>Net turnover</b>	<b>176,231</b>	<b>160,985</b>	<b>582,631</b>	<b>559,187</b>	<b>770,969</b>
Capitalized work	61	463	725	843	1,299
Other external costs	-48,493	-52,623	-156,407	-178,603	-250,486
Personnel costs	-111,116	-106,210	-377,617	-363,041	-505,459
<b>Profits before depreciation/amortization</b>	<b>16,683</b>	<b>2,615</b>	<b>49,332</b>	<b>18,386</b>	<b>16,323</b>
Depreciation intangible fixed assets	-528	-473	-1,524	-1,897	-2,372
Depreciation right of use assets	-5,989	-	-17,373	-	-
Depreciation tangible fixed assets	-1,035	-1,128	-1,420	-3,276	-4,447
<b>Operating profit/loss</b>	<b>9,131</b>	<b>1,014</b>	<b>29,015</b>	<b>13,213</b>	<b>9,504</b>
Financial net	-914	-580	-3,125	-1,311	-2,207
<b>Profit after financial items</b>	<b>8,217</b>	<b>434</b>	<b>25,890</b>	<b>11,902</b>	<b>7,297</b>
Tax	-1,972	-207	-5,974	-2,714	-1,669
<b>Profits for the period</b>	<b>6,245</b>	<b>227</b>	<b>19,916</b>	<b>9,188</b>	<b>5,628</b>
<b>Profit for period attributable to parent company owners</b>	<b>6,051</b>	<b>2</b>	<b>19,505</b>	<b>8,465</b>	<b>4,581</b>
<b>Profit for period attributable to non-controlling interests</b>	<b>194</b>	<b>225</b>	<b>411</b>	<b>723</b>	<b>1,047</b>
Profit per share before and after dilution in SEK	0.60 SEK	0.0 SEK	1.93 SEK	0.84 SEK	0.45 SEK

### IFRS 16 - Effect of new regulations regarding leasing on statement of operations Q1-3 2019

Other external costs have reduced by 15.7 MSEK.

Write offs have increased by 15.1 MSEK.

Financial net has gone down by 0.6 MSEK.



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## Report of total earnings in summary, TSEK

	2019 Q 3	2018 Q 3	2019 Q1-3	2018 Q1-3	2018 Full year
<b>Profits for the period</b>	<b>6,245</b>	<b>227</b>	<b>19,916</b>	<b>9,188</b>	<b>5,628</b>
Items that will be later implemented in the period's profit/loss; Calculation differences attributable to overseas operations	821	-485	2,926	394	1,878
<b>Total earnings for the period after tax</b>	<b>7,066</b>	<b>-258</b>	<b>22,842</b>	<b>9,582</b>	<b>7,506</b>
<b>Total earnings for period attributable to parent company owners</b>	<b>6,872</b>	<b>-483</b>	<b>22,431</b>	<b>8,859</b>	<b>6,459</b>
<b>Total earnings for period attributable to non-controlling interests</b>	<b>194</b>	<b>225</b>	<b>411</b>	<b>723</b>	<b>1,047</b>

## Key ratio per quarter

	2019 Q 3	2019 Q 2	2019 Q 1	2018 Q 4	2018 Q 3	2018 Q 2	2018 Q 1	2017 Q 4	2017 Q 3	2017 Q 2	2017 Q 1
Operating income, MSEK	176.2	201.7	204.7	211.8	161.0	202.8	195.4	194.1	154.5	187.5	198.7
Operating profit/loss, MSEK	9.1	8.7	11.2	-3.7	1.0	4.2	8.0	2.0	1.5	2.6	10.0
Operating margin in %	5.2	4.3	5.5	-1.8	0.6	2.1	4.1	1.0	1.0	1.4	5.0
Number of working days	66	59	63	62	65	60	63	63	65	59	64
Employees at end of period	575	558	568	582	560	551	546	538	532	535	540
Number of employees, average	535	536	546	551	515	526	523	511	488	514	532
Net turnover/employee, TSEK	329	376	375	384	313	386	374	380	317	365	374
Equity ratio, %	46	44	42	42	47	44	44	41	44	43	42
Profit per share, SEK	0.60	0.58	0.75	-0.38	0	0.31	0.53	0.10	0.09	0.15	0.72
Equity per share, SEK	17.44	16.76	16.09	15.22	15.45	15.50	15.21	14.58	14.46	14.39	14.24



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## Balance sheet in summary, TSEK

	2019 Sept 30th	2018 Sept 30th	2018 Full year
Goodwill	137,239	136,705	136,352
Other intangible fixed assets	3,576	4,281	4,261
Tangible fixed assets	4,116	15,562	16,312
Rights-of-use assets	57,353	–	–
Deferred tax asset	2,698	3,459	3,608
<b>Total fixed assets</b>	<b>204,982</b>	<b>160,007</b>	<b>160,533</b>
Current receivables	178,864	179,012	210,107
Liquid funds	601	620	718
<b>Total current assets</b>	<b>179,465</b>	<b>179,632</b>	<b>210,825</b>
<b>TOTAL ASSETS</b>	<b>384,447</b>	<b>339,639</b>	<b>371,358</b>
Equity attributable to owners of parent company	176,140	156,109	153,708
Equity attributable to non-controlling interests	1,703	2,568	2,893
<b>Equity</b>	<b>177,843</b>	<b>158,677</b>	<b>156,601</b>
Deferred tax liability	7,387	7,509	7,487
Long term interest bearing liabilities	34,933	8,922	9,590
<b>Total non-current liabilities</b>	<b>42,320</b>	<b>16,431</b>	<b>17,077</b>
Current provisions	1,276	966	1,166
Current interest bearing liabilities	41,816	48,072	46,583
Other interest bearing liabilities	121,192	115,493	149,931
<b>Total current provisions</b>	<b>164,284</b>	<b>164,531</b>	<b>197,680</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>384,447</b>	<b>339,639</b>	<b>371,358</b>

### IFRS 16 - Effect of new regulations regarding leasing on balance sheet 093019

Fixed assets have increased by 44 MSEK.

Long term interest bearing liabilities have increased by 26 MSEK.

Current interest bearing liabilities have increased by 19 MSEK.

Current receivables have reduced by 2 MSEK.



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## Changes in equity in summary, TSEK

	2019 Sept 30th	2018 Sept 30th	2018 Full year
Opening balance	156,601	149,535	149,535
Total of total earnings for period attributable to parent company owners	22,431	8,859	6,459
Total of total earnings for period attributable to non-controlling interests	411	723	1,047
Dividend non-controlling interests	-1,600	-440	-440
<b>Closing balance</b>	<b>177,843</b>	<b>158,677</b>	<b>156,601</b>
<b>Equity attributable to owners of parent company</b>	<b>176,140</b>	<b>156,109</b>	<b>153,708</b>
<b>Equity attributable to non-controlling interests</b>	<b>1,703</b>	<b>2,568</b>	<b>2,893</b>



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## Operating segment, July-Sept 2019, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>134,251</b>	<b>33,784</b>	<b>8,196</b>	<b>-</b>	<b>176,231</b>
Sales to other segments	455	124	1	-580	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>3,658</b>	<b>5,644</b>	<b>1,460</b>	<b>5,922</b>	<b>16,684</b>
Write-offs	-501	-441	-42	-6,568	-7,552
<b>Operating profit, EBIT</b>	<b>3,157</b>	<b>5,203</b>	<b>1,418</b>	<b>-646</b>	<b>9,132</b>
Financial items				-914	-914
<b>Pretax Profits</b>					<b>8,218</b>

## Operating segment, July-Sept 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>126,549</b>	<b>26,405</b>	<b>8,031</b>	<b>-</b>	<b>160,985</b>
Sales to other segments	56	261	233	-550	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>2,004</b>	<b>1,266</b>	<b>1,365</b>	<b>-2,020</b>	<b>2,615</b>
Write-offs	-1,150	-361	-90	-	-1,601
<b>Operating profit, EBIT</b>	<b>854</b>	<b>905</b>	<b>1,275</b>	<b>-2,020</b>	<b>1,014</b>
Financial items				-580	-580
<b>Pretax Profits</b>					<b>434</b>

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## Operating segment, Jan-Sept 2019, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>453,855</b>	<b>99,983</b>	<b>28,793</b>	<b>-</b>	<b>582,631</b>
Sales to other segments	1,568	469	65	-2,102	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>20,788</b>	<b>8,834</b>	<b>4,393</b>	<b>15,318*</b>	<b>49,333</b>
Write-offs	-1,567	-1,263	-115	-17,373*	-20,318
<b>Operating profit, EBIT</b>	<b>19,221</b>	<b>7,571</b>	<b>4,278</b>	<b>-2,055</b>	<b>29,015</b>
Financial items				-3,125	-3,125
<b>Pretax Profits</b>					<b>25,890</b>

\*) Leasing according to IFRS 16 that is applied at group level is not recorded by the different segments.

←

## Operating segment, Jan-Sept 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>446,270</b>	<b>86,777</b>	<b>26,140</b>	<b>-</b>	<b>559,187</b>
Sales to other segments	485	2,531	769	-3,785	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>18,438</b>	<b>5,039</b>	<b>2,216</b>	<b>-7,307</b>	<b>18,386</b>
Write-offs	-3,510	-1,009	-654	-	-5,173
<b>Operating profit, EBIT</b>	<b>14,928</b>	<b>4,030</b>	<b>1,562</b>	<b>-7,307</b>	<b>13,213</b>
Financial items				-1,311	-1,311
<b>Pretax Profits</b>					<b>11,902</b>

↓

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## Sales to external customers per segment, July - September, TSEK

Branches	July - September 2019				July - September 2018			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	10,753	6,465	2,417	19,635	8,041	7,602	2,368	18,011
Vehicles	4,454	349	–	4,802	10,189	340	7	10,536
Defense	11,726	103	334	12,164	9,847	8	451	10,306
Life science	25,671	6,299	437	32,407	30,246	4,884	397	35,527
Steel and minerals	14,457	–	48	14,506	12,531	–	16	12,546
Telecoms	12,736	–	–	12,736	11,387	–	–	11,387
Engineering	29,514	9,582	1,319	40,415	19,742	7,750	1,199	28,691
Other	24,939	10,986	3,641	39,566	24,566	5,821	3,595	33,982
<b>Total</b>	<b>134,251</b>	<b>33,784</b>	<b>8,196</b>	<b>176,231</b>	<b>126,549</b>	<b>26,405</b>	<b>8,031</b>	<b>160,985</b>

## Sales to external customers per segment, Jan - September, TSEK

Branches	Jan - Sept 2019				Jan - Sept 2018			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	31,995	23,688	7,244	62,927	26,205	25,520	6,587	58,311
Vehicles	19,493	1,082	40	20,615	37,053	1,613	7	38,673
Defense	43,689	200	1,253	45,142	41,187	545	781	42,514
Life science	95,905	17,728	1,902	115,535	99,952	14,495	1,017	115,465
Steel and minerals	49,491	–	231	49,722	37,061	–	28	37,089
Telecoms	37,342	–	–	37,342	40,730	261	–	40,990
Engineering	90,874	26,393	4,554	121,822	72,623	23,236	5,325	101,183
Other	85,066	30,892	13,568	129,525	91,458	21,108	12,395	124,961
<b>Total</b>	<b>453,855</b>	<b>99,983</b>	<b>28,793</b>	<b>582,631</b>	<b>446,270</b>	<b>86,777</b>	<b>26,140</b>	<b>559,187</b>

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## Analysis of cash flow in summary, TSEK

	2019 Q 3	2018 Q 3	2019 Q1-3	2018 Q1-3	2018 Full year
<b>ONGOING OPERATIONS</b>					
Pretax Profits	8,217	434	25,890	11,902	7,297
Adjustments for items not included in cash flow	1,188	4,469	17,237	5,016	7,627
Paid income tax	-549	-1,011	-2,668	-2,686	-1,915
<b>Cash flow from ongoing operations before change to working capital</b>	<b>8,856</b>	<b>3,892</b>	<b>40,459</b>	<b>14,232</b>	<b>13,009</b>
Changes to operating receivables	19,398	23,700	31,243	24,414	-6,681
Changes to operating liabilities	-12,850	-25,462	-26,071	-23,220	11,989
<b>Cash flow from ongoing operations</b>	<b>15,404</b>	<b>2,130</b>	<b>45,631</b>	<b>15,426</b>	<b>18,317</b>
<b>INVESTMENT OPERATIONS</b>					
Acquisition of operations and shares excl. liquid funds	-	-	-	-500	-500
Investment in intangible fixed assets	-725	-264	-1,698	-843	-1,298
Investment in tangible fixed assets	-183	-226	-1,891	-1,297	-1,721
<b>Cash flow from investment operations</b>	<b>-908</b>	<b>-490</b>	<b>-3,589</b>	<b>-2,640</b>	<b>-3,519</b>
<b>FINANCING OPERATIONS</b>					
Repayment of loans	-	-	-	-1,900	-1,900
Amortization of lease liabilities	-5,280	-	-17,047	-	-
Change of overdraft facility	-9,149	-1,370	-23,538	-11,000	-12,594
Dividends paid	-	-440	-1,600	-440	-440
<b>Cash flow from financing operations</b>	<b>-14,429</b>	<b>-1,810</b>	<b>-42,185</b>	<b>-13,340</b>	<b>-14,934</b>
<b>Cash flow for the period</b>	<b>67</b>	<b>-170</b>	<b>-143</b>	<b>-554</b>	<b>-136</b>
Liquid funds at start of period	593	872	718	886	886
Exchange differences in liquid funds	-60	-82	26	288	-32
Liquid funds at end of period	601	620	601	620	718

### IFRS 16 - Effect of new regulations regarding leasing on the cashflow analysis Q1-3 2019

Cashflow from ongoing operations will be 15.1 MSEK better than if the new regulations had not been applied to the cashflow analysis.

Cashflow from the financing operations has higher amortization than the leasing debt.



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## Key figures

	2019 Q 3	2018 Q 3	2019 Q1-3	2018 Q1-3	2018 Full year
Profit margin depreciation/amortization and write downs/ EBITDA	9.5 %*	1.6 %	8.5 %*	3.3 %	2.1 %
Operating margin/EBIT	5.2 %	0.6 %	5.0 %	2.4 %	1.2 %
Profit margin	4.7 %	0.3 %	4.4 %	2.1 %	0.9 %
Number of shares outstanding at close of report period, thousand					
before and after dilution	10,102	10,102	10,102	10,102	10,102
Average number of shares outstanding, thousand					
before and after dilution	10,120	10,102	10,102	10,102	10,102
Profit per share before and after dilution	0.60 SEK	0.0 SEK	1.93 SEK	0.84 SEK	0.45 SEK
Equity per share before and after dilution			17.44 SEK	15.45 SEK	15.22 SEK
Equity ratio			46 %	47 %	42 %
Return on capital employed, %			12.6 %	6.4 %	4.6 %
Return on equity, %			11.9 %	6,0 %	3.7 %
Average number of employees	535	515	539	521	529
Number of working days	66	65	188	188	250
Turnover per employee in TSEK	329	313	1,081	1,073	1,457

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



\*) If the same regulations applied in 2019 as were applied in 2018 regarding leasing, EBITDA excluding the effects of IFRS 16 would have been 6.0 percent in quarter 3 and 5.8 percent in quarters 1-3 2019.

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## Statement of operations in summary, TSEK

	2019 Q 3	2018 Q 3	2019 Q1-3	2018 Q1-3	2018 Full year
<b>Net turnover</b>	<b>120,344</b>	<b>115,874</b>	<b>411,468</b>	<b>400,418</b>	<b>556,883</b>
Other external costs	-43,180	-43,484	-141,397	-146,939	-206,846
Personnel costs	-76,055	-73,779	-257,012	-251,540	-353,715
Depreciation intangible fixed assets	-293	-295	-884	-914	-1,209
Depreciation tangible fixed assets	-204	-178	-614	-531	-713
<b>Operating profit/loss</b>	<b>612</b>	<b>-1,862</b>	<b>11,561</b>	<b>494</b>	<b>-5,600</b>
Profit from participation in group companies	-227	0	2,173	1,801	6,286
Interest income and similar profit items	144	41	222	140	372
Interest costs and similar profit items	-779	-89	-2,663	-2,457	-2,325
<b>Profit after financial items</b>	<b>-250</b>	<b>-1,910</b>	<b>11,293</b>	<b>-22</b>	<b>-1,267</b>
Tax	-192	295	-2,231	25	108
<b>Profits for the period</b>	<b>-442</b>	<b>-1,615</b>	<b>9,062</b>	<b>3</b>	<b>-1,159</b>



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**Balance sheet in summary, TSEK**

	<b>2019</b> Sept 30th	<b>2018</b> Sept 30th	<b>2018</b> Full year
Intangible fixed assets	1,967	3,121	2,826
Tangible fixed assets	1,568	1,428	1,515
Financial fixed assets	47,640	63,621	63,183
Current receivables	120,713	124,042	160,681
Cash and Bank	3	23	–
<b>Total assets</b>	<b>171,891</b>	<b>192,235</b>	<b>228,205</b>
Restricted equity	36,407	36,719	36,407
Non-restricted equity	3,865	2,103	1,254
Equity	40,272	38,822	37,661
Provisions	1,292	1,351	1,225
Long term interest bearing liabilities	516	–	194
Current interest bearing liabilities	20,396	45,528	43,934
Other interest bearing liabilities	109,415	106,534	145,191
<b>Total liabilities and Equity</b>	<b>171,891</b>	<b>192,235</b>	<b>228,205</b>

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