



Year-End Report 2020

January–December

Fourth quarter of 2020

- Net sales in the fourth quarter amounted to SEK **2,489** (2,732) million. Organic growth was -7 per cent and growth from acquisitions 1 per cent, while exchange rate effects accounted for -3 per cent.
- Adjusted EBITA amounted to SEK **153** (152) million and the operating margin was **6.2** (5.6) per cent.
- EBIT was SEK **82** (74) million. Profit after tax was SEK **49** (42) million.
- Earnings per share were SEK **0.5** (0.4).
- Operating cash flow was SEK **202** (311) million. Cash conversion for the most recent 12-month period amounted to **108** (104) per cent.
- Leverage in relation to adjusted EBITDA was **1.6** (2.3).
- The Board of Directors proposes a dividend of SEK **4.40** (0.00) per share for 2020, of which SEK **2.00** (0.00) comprises an ordinary dividend and SEK **2.40** (0.00) an extraordinary dividend, and that the dividend be paid on two occasions of SEK 2.00 and SEK 2.40 per share respectively.

Full-year 2020

- Net sales for full-year 2020 amounted to SEK **9,591** (10,313) million. Organic growth was -7 per cent and growth from acquisitions 2 per cent, while exchange rate effects accounted for -2 per cent.
- Adjusted EBITA amounted to SEK **556** (549) million and the operating margin was **5.8** (5.3) per cent.
- EBIT was SEK **318** (299) million. Profit after tax was SEK **191** (169) million.
- Earnings per share were SEK **2.0** (1.8).
- Operating cash flow was SEK **643** (591) million.
- A significant part of the year was dominated by the COVID-19 pandemic in the Nordic region, which negatively impacted the company. For a summary of the impact of COVID-19 on Coor and the company's actions linked to the pandemic, refer to page 3.

” *2020 – a showcase of strength for Coor’s business model and organisation despite the pandemic*

AnnaCarin Grandin, President and CEO, Coor

GROUP EARNINGS SUMMARY (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales	2,489	2,732	9,591	10,313
Organic growth, %	-7	3	-7	5
Acquired growth, %	1	2	2	2
FX effects, %	-3	0	-2	1
Adjusted EBITA	153	152	556	549
Adjusted EBITA margin, %	6.2	5.6	5.8	5.3
EBIT	82	74	318	299
Income for the period	49	42	191	169
Operating cash flow	202	311	643	591
Earnings per share, SEK	0.5	0.4	2.0	1.8

See page 23 for definitions and calculations of key performance indicators. Items affecting comparability are presented in Note 3.

CEO's comments

2020 – a showcase of strength for Coor's business model and organisation despite the pandemic

2020 was dominated by the pandemic and its impact on Coor and our customers. Despite this, Coor reported a strong full year and sales of SEK 9,591 (10,313) million, with operating profit of SEK 556 (549) million, corresponding to an operating margin of 5.8 (5.3) per cent. Coor's cash flow and balance sheet are strong, with cash conversion of 108 per cent over the most recent 12-month period and a leverage of 1.6 (2.3) times adjusted EBITDA. This provides a stable pipeline of new business opportunities across the Nordic region. The Board of Directors proposes a dividend of SEK 4.40 per share for 2020.

Rapid acclimatisation and a strong ability to find solutions

In the fourth quarter of 2020, the Nordic region was hit with a second wave of COVID-19 which resulted in both increased and decreased demand. The main area that saw an increase in demand was cleaning, which is our single largest service. We were pleased to see an increased focus on professional cleaning services, something that contributes to the security, health and safety of our customers. We noted a decline in demand for variable contract volumes, primarily in food and beverages but also in property-related projects. Coor's subscription volumes remain strong, creating stability for the company.

During the prevailing pandemic, Coor continued to work close to its customers and find solutions based on customer requirements. Coor's decentralised organisation, in which local managers are given broad ownership and authority, has rapidly resulted in cost savings and efficiency enhancements. I am extremely proud of all of the measures that our employees have taken, both for Coor and for our customers.

In the fourth quarter, the company further reduced the number of furloughed employees. In Sweden, Coor left the furlough program and no furlough support has been received in the fourth quarter. Subcontractors have been replaced by Coor employees and we have let a number of employees go.

Toward the end of the year, we also carried out an organisational change with the aim of increasing focus and clarity with regard to sustainability, digitization, innovation and service development.

Strong operating profit, increased margins and cash flow

Thanks to an intensive cost focus, a positive volume-mix effect and rapid acclimatisation, Coor delivered strong profit and increased margins in the fourth quarter. Coor reported operating profit of SEK 153 (152) million, corresponding to an operating margin of 6.2 (5.6) per cent.

Coor's operations are distinguished by a low level of tied-up capital. The cash conversion for 2020 was 108 per cent. Working capital declined SEK 133 million, primarily as a result of focused working capital efforts throughout the organisation. Coor has significant scope

and financial capacity for new business opportunities, dividend and company acquisitions.

Increased customer and employee satisfaction

During a challenging year, we are particularly proud that Coor succeeded in increasing both its customer and employee satisfaction.

Customer satisfaction increased from 68 to 70 and is a good indicator of healthy customer relations. Another good indicator is our high retention rate: with Coor extending 92 per cent of its renegotiated contract volumes in 2020. We also saw a positive change of SEK +159 million in the contract portfolio over the past year.

We are delighted to have achieved an increase in employee satisfaction for the sixth year in a row, up from 77 to 78 in the 2020 employee survey.

Important acquisition in Norway

In February 2021, it was announced that Coor was acquiring R&K Service. The company is a well-run family company that provides cleaning and food and beverage services in Stavanger region. The company generates annual sales of approximately NOK 80 million and is an important acquisition that strengthens Coor's position.

A favourable outlook

In January, it was announced that Coor was to lose part of its IFM contract with Equinor. Despite this, we are looking confidently to the future. Many positive dialogues are taking place with both existing and potential customers that require new solutions to streamline, transition and further develop their operations. We are of the opinion that we have healthy prospects for growth, profitability and cash flow that are in line with our long-term targets.

Stockholm, 11 February 2021



AnnaCarin Grandin
President and CEO, Coor



COVID-19, summary

A significant part of the year, including the fourth quarter, was dominated by the COVID-19 pandemic in the Nordic region. Coor's main priority is the health and safety of our employees and our customers' employees. This is always the case and especially in the wake of COVID-19. The immediate measures that were initiated early in the pandemic to minimise the financial effects by reducing the company's costs and safeguarding the company's cash flow continued to have very high priority. By way of our deliveries, Coor has also enabled crucial societal functions to be maintained – especially in healthcare, infrastructure and the police.

- Coor's efforts to promote the reduced spread of infection follow the recommendations of the authorities in the respective countries. This work was initially headed by the national organisations' crisis teams. The Group's crisis team coordinated the Group-wide efforts and ensured the sharing of know-how across national boundaries. The crisis management organisation for COVID-19 was already disbanded during the second quarter and the management of COVID-19 and its effects have been the full responsibility of the ordinary management structure in each respective country since May.
- COVID-19 is impacting the company's sales and operating profit negatively, especially regarding the variable volumes in food and beverages and property-related projects. The positive effect of the increased demand for professional cleaning services that was experienced in the second and third quarters continued in the fourth quarter.
- Coor's subscription volumes in other services are not automatically impacted by reductions in customers' operations as a result of government decisions. In the standard contract with Coor, a pandemic is not regarded as a *force majeure* event. Our operations are primarily conducted at our customers' locations. This means that Coor's operations are adjusted in close dialogue with our customers and we work in partnership to identify short and long-term sustainable solutions.
- To minimise the financial effects, Coor has implemented cost reductions – initially primarily through short-term furloughs based on the regulations and support in the respective countries. The number of people who were affected by short-term furloughs has gradually decreased thanks to the implementation of more long-term measures. At the end of the first quarter, this comprised approximately 2,300 people (corresponding to just over 20 per cent of all employees.) The corresponding levels at the end of the second quarter were approximately 1,500 people (about 13 per cent of all employees) and at the end of the third quarter approximately 700 people (about 6 per cent of all employees). During the fourth quarter, the company further reduced the number of furloughed employees, bringing the total at the end of the quarter to approximately 250 people (corresponding to about 2 per cent of all employees). In Sweden, Coor left the furlough program and no furlough support has been received in the fourth quarter.
- The company is working proactively to safeguard its cash flow from the perspective of both working capital and investments. Customer payments are monitored on a daily basis at a detailed level. We continue to see no significant changes in customer payment patterns. Earlier in the year, Coor was able to benefit from the possibilities to defer payments of certain taxes and fees free of charge in Denmark and Norway, which primarily impacted cash flow during the second and third quarters. These deferred taxes and fees in Denmark and Norway were paid during the fourth quarter and therefore had no effect on cash flow for full-year 2020.
- Coor has a strong financial position and healthy margins in relation to the bank covenants of 3.75x (interest-bearing net debt at the balance sheet date divided by adjusted EBITDA, rolling 12 months). Coor's bank financing of SEK 1,500 million runs through 2024, including optional extensions. Additionally, the company has a senior unsecured bond loan totalling SEK 1,000 million. The bond has a maturity of five years (from March 2019). During the fourth quarter, Coor was able to reduce its use of bank financing and at the end of the quarter, the unutilised lines of credit amounted to approximately SEK 1,250 million, compared with approximately SEK 700 million for the year-earlier period.
- Coor notes that it remains difficult to entirely foresee the consequences of the pandemic over the longer term and the decisions that will be made in society to limit the effects on both health and the economy.

Group performance

Net sales and operating profit

CONSOLIDATED (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales	2,489	2,732	9,591	10,313
Organic growth, %	-7	3	-7	5
Acquired growth, %	1	2	2	2
FX effects, %	-3	0	-2	1
Adjusted EBITA	153	152	556	549
Adjusted EBITA margin, %	6.2	5.6	5.8	5.3
EBIT	82	74	318	299
EBIT margin, %	3.3	2.7	3.3	2.9
Number of employees (FTE)	9,029	9,296	9,029	9,296

Fourth quarter (October–December)

Net sales declined 9 per cent compared with the year-earlier period. The acquisition of Norrlands Miljövärd in Sweden contributed 1 per cent to growth. Organic growth was negative and amounted to -7 per cent, a negative trend derived from the effects of COVID-19 in the form of lower variable volumes primarily in food and

beverages, but also in property-related projects. The new and expanded business, primarily in Sweden and Denmark, that commenced in November 2019 continued to make positive contributions. COVID-19 also generated increased assignment volumes in cleaning services in all countries.

Operating profit (adjusted EBITA) amounted to SEK 153 (152) million. The operating margin for the quarter was 6.2 (5.6) percent. The improvement was driven by cost reductions, efficiency improvements and profitability-enhancing measures across the organisation as well as positive volume-mix effects.

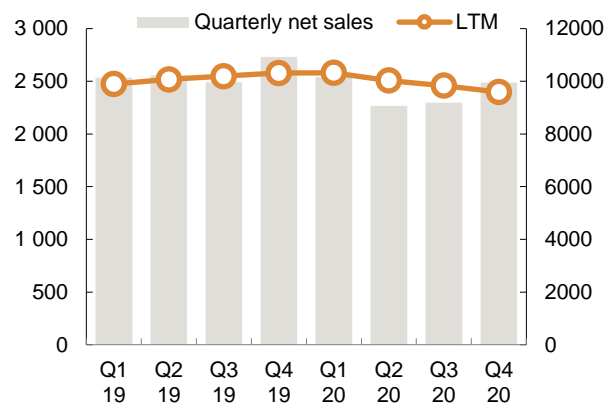
EBIT was SEK 82 (74) million. Items affecting comparability were lower compared with the fourth quarter in the previous year, while amortisation of customer contracts and trademarks was unchanged.

Full-year 2020

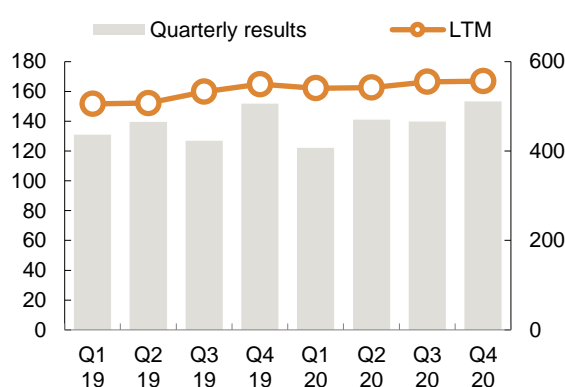
For full-year 2020, sales declined by a total of 7 per cent. Organic growth was negative and amounted to -7 per cent and growth from acquisitions was 2 per cent.

Operating profit (adjusted EBITA) amounted to SEK 556 (549) million and the margin increased to 5.8 (5.3) per cent. Items affecting comparability were significantly lower year-on-year, while amortisation of customer contracts and trademarks was somewhat higher year-on-year.

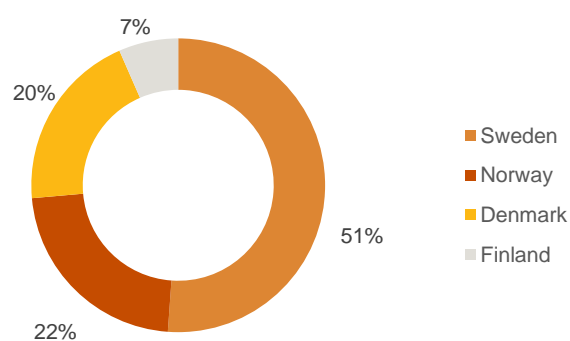
NET SALES (SEK m)



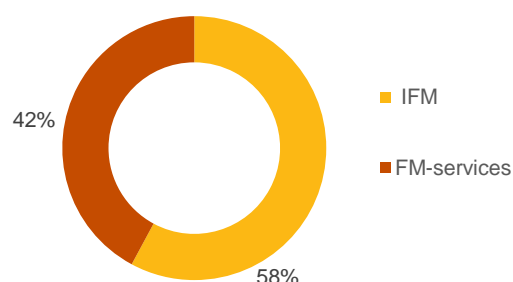
ADJUSTED EBITA (SEK m)



NET SALES BY COUNTRY, FULL-YEAR 2020



NET SALES BY TYPE OF CONTRACT, FULL-YEAR 2020



Financial net and profit after tax

FINANCIAL NET (SEK m)	Jan–Dec	
	2020	2019
Net interest, excl leasing	-46	-45
Net interest, leasing	-10	-11
Borrowing costs	-4	-4
Other	-5	-5
Total excl exchange rate differences	-65	-65
Exchange rate differences	-2	-6
Total	-66	-71

Net financial items for full-year 2020 improved SEK 5 million year-on-year, primarily attributable to the exchange rate differences that arose in the first quarter of 2019 when the loans under the previous financing agreement were repaid.

Tax for full-year 2020 was SEK -61 (-59) million, corresponding to 24 (26) per cent of profit before tax. Profit after tax was SEK 191 (169) million.

Cash flow

Operating cash flow for the fourth quarter was SEK 202 (311) million.

Operating cash flow varies from one quarter to the next. The key parameter to follow is therefore the rolling 12-month change in working capital. In the past 12 months, working capital declined by SEK 133 million, which is an improvement year-on-year. The strong cash flow was mainly attributable to focused working capital management across the organisation and a somewhat positive calendar effect as a result of more continuous working days during the last week of the year compared with the year-earlier period. Lower volumes for property-related projects also reduced tied-up capital.

The most important external key performance indicator for cash flow is cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA. Cash conversion for full-year 2020 was 108 (104) per cent.

CASH CONVERSION

(SEK m)	Full-year 2020	Full-year 2019
Adjusted EBITDA	756	749
Change in net working capital	133	101
Net investments	-70	-68
Cash flow for calculation of cash conversion	818	781
Cash conversion, %	108	104

Financial position

NET DEBT (SEK m)	31 Dec 2020	31 Dec 2019
Liabilities to credit institutions	241	791
Corporate bond	1,000	1,000
Leasing, net	328	379
Other	33	68
	1,603	2,238
Cash and cash equivalents	-396	-497
Net debt	1,207	1,741
Leverage	1.6	2.3
Equity	2,079	1,980
Equity/assets ratio, %	34	29

Consolidated net debt was SEK 1,207 (1,741) million at year-end.

The company's leverage, defined as net debt to adjusted EBITDA, was 1.6 (2.3) at year-end, which is well in line with the Group's target of a leverage below 3.0.

At the end of the year, equity amounted to SEK 2,079 (1,980) million and the equity/assets ratio was 34 (29) per cent.

Cash and cash equivalents amounted to SEK 396 (497) million at year-end. At year-end, the Group had undrawn credit lines totalling SEK 1,250 (700) million.

Significant events in the fourth quarter

- On 22 October 2020, Coor announced that Magnus Wikström had been appointed as the new President of Coor Sweden. Magnus Wikström had served as Acting President of the Swedish operations since 1 August 2020.

Significant events after the end of the period

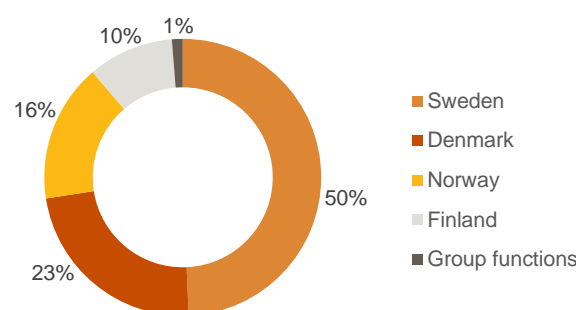
- On 12 January 2021, it was announced that Coor was to lose part of its IFM contract with Equinor in Norway. Coor's agreement with Equinor consists of delivery of services to production sites, office sites and offshore. After completing a tender process, Equinor decided not to extend the office portion of the contract when it expires in October 2021. The contract value for the office sites is approximately SEK 500 million annually. The production sites are not affected by this decision. The offshore portion of the contract was extended in March 2020 with an additional 3 years.
- In February 2021, it was announced that Coor was acquiring R&K Service. The company is a well-run family company that provides cleaning and food and beverage services in Stavanger region, Norway. The company generates annual sales of approximately NOK 80 million and is an important acquisition that strengthens Coor's position.

The renegotiation volume for 2020 was approximately SEK 1.5 (2.0) billion. The retention rate for the year was 92 per cent. For the last three years, the total retention rate amounts to 92 per cent.

Organisation and employees

At the end of the period, the number of employees was 11,230 (11,395), or 9,029 (9,296) on a full-time equivalent basis. At the end of the fourth quarter, approximately 250 employees were impacted by short-term furloughs.

NUMBER OF EMPLOYEES (FTE),
31 DECEMBER 2020



Contract portfolio

The net change in the contract portfolio for full-year 2020 was SEK +159 (+210) million. New agreements signed during the year included agreements with OP Group in Finland, Olav Thon Group and OBOS Eiendom in Norway, IBM and PostNord in Denmark, and the Västra Götaland Regional Council in Sweden. At the same time, nine minor contracts were terminated during the year.

CHANGES IN THE CONTRACT PORTFOLIO				
	2020		2019	
	Number of contracts	Annual sales SEK m	Number of contracts	Annual sales SEK m
New contracts during the period	15	257	14	430
Completed contracts during the period	-9	-98	-13	-220
Net change in the portfolio	6	159	1	210

¹⁾ Changes in the contract portfolio include all contracts with over SEK 5 million in annual sales and are reported semi-annually. For new agreements signed during the period, the contracted or estimated annual sales are listed. For contracts terminated during the period, the sales for the most recent 12-month period with full delivery are listed.

Operations by country

Sweden

SWEDEN (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales	1,275	1,400	4,904	5,138
Organic growth, %	-10	6	-9	6
Acquired growth, %	1	3	4	1
FX effects, %	0	0	0	0
Adjusted EBITA	129	138	479	462
Adjusted EBITA margin, %	10.1	9.9	9.8	9.0
Number of employees (FTE)	4,452	4,591	4,452	4,591

Fourth quarter (October–December)

During the fourth quarter, sales in the Swedish operations declined by 9 per cent. The acquisition of Norrlands Miljövärd contributed 1 per cent to growth, but organic growth was negative and amounted to -10 per cent. Variable volumes decreased compared with the year-earlier period due to the negative effects of COVID-19, primarily in food and beverages and property-related projects. Growth from new business (e.g. ICA) and increased assignment volumes for cleaning and security, driven by COVID-19, partly offset this.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 129 (138) million. The operating margin was 10.1 (9.9) per cent. Although operating profit was affected by the negative volume effects from COVID-19, the operating margin improved. This was attributable to continued intense cost focus, efficiency improvements and positive volume-mix effects. The acquisition of Norrlands Miljövärd also contributed positively during the fourth quarter.

New contracts signed during the fourth quarter included a contract with the European Spallation Source (ESS).

Full-year 2020

For full-year 2020, sales in the Swedish operations declined by 5 per cent. The acquisition of Norrlands Miljövärd contributed 4 per cent to growth, but organic growth was negative and amounted to -9 per cent.

Operating profit (adjusted EBITA) increased 4 per cent to SEK 479 (462) million. The operating margin was 9.8 (9.0) per cent.

Norway

NORWAY (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales	548	656	2,102	2,546
Organic growth, %	-8	0	-9	4
Acquired growth, %	0	0	0	3
FX effects, %	-9	-2	-8	1
Adjusted EBITA	34	40	124	161
Adjusted EBITA margin, %	6.2	6.2	5.9	6.3
Number of employees (FTE)	1,460	1,483	1,460	1,483

Fourth quarter (October–December)

During the fourth quarter, sales in the Norwegian operations declined by -16 per cent, partly due to negative organic growth of -8 per cent and partly due to negative exchange rate effects of -9 per cent. The negative organic growth was attributable to the effects of COVID-19 and its impact on variable volumes, primarily in food and beverages. Increased demand for professional cleaning services had a positive effect, but only partially offset this negative trend. Despite a great deal of caution still prevailing in the Norwegian oil and gas industry, the fourth quarter showed somewhat improved levels of property-related projects compared with previous quarters, even if volumes are lower than in the year-earlier period.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 34 (40) million. The operating margin was unchanged at 6.2 (6.2) per cent. The negative development in terms of operating profit is related to the effects of COVID-19, while ongoing efficiency efforts and positive effects from expanded cleaning services partially offset this negative trend and contributed positively to operating profit and the operating margin.

Contracts signed during the fourth quarter included a new IFM contract with OBOS Eiendom.

Full-year 2020

For full-year 2020, sales in the Norwegian operations declined by 17 per cent as a result of negative organic growth of -9 per cent and negative exchange rate effects of -8 per cent.

Operating profit (adjusted EBITA) amounted to SEK 124 (161) million. The operating margin was 5.9 (6.3) per cent.

Denmark

DENMARK (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales	497	509	1,941	1,924
Organic growth, %	1	3	2	6
Acquired growth, %	0	0	0	7
FX effects, %	-3	3	-1	3
Adjusted EBITA	22	19	83	74
Adjusted EBITA margin, %	4.5	3.7	4.3	3.9
Number of employees (FTE)	2,098	2,163	2,098	2,163

Fourth quarter (October–December)

During the fourth quarter, sales in the Danish operations declined by 2 per cent compared with the year-earlier period. Organic growth was 1 per cent, but exchange rate effects were negative and amounted to -3 per cent. The expanded contract with the Danish Police, the Prison and Probation Service and the Public Prosecution Agency, and assignment volumes in cleaning, driven by COVID-19, continued to make a positive contribution to sales. At the same time, COVID-19 had a negative effect on other variable volumes, mainly in food and beverages and property-related projects.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 22 (19) million. The operating margin was 4.5 (3.7) per cent. Along with new and expanded business and an increased demand for cleaning services, an intensive focus on costs and efficiency improvements contributed to improved operating profit and a higher operating margin.

Contracts signed during the fourth quarter included contracts with IBM, PostNord and CPH Highline.

Full-year 2020

For full-year 2020, sales in the Danish operations increased by 1 per cent. Organic growth was 2 per cent, but exchange rate effects were negative and amounted to -1 per cent. Operating profit (adjusted EBITA) amounted to SEK 83 (74) million. The operating margin was 4.3 (3.9) per cent.

Finland

FINLAND (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales	169	168	646	706
Organic growth, %	4	-15	-8	-1
Acquired growth, %	0	0	0	0
FX effects, %	-3	3	-1	3
Adjusted EBITA	4	1	24	13
Adjusted EBITA margin, %	2.5	0.6	3.8	1.8
Number of employees (FTE)	905	945	905	945

Fourth quarter (October–December)

During the fourth quarter, sales in Finland increased by 1 per cent. Organic growth was 4 per cent, but exchange rate effects were negative and amounted to -3 per cent. The positive organic growth was primarily attributable to the new contract with OP Group, while demand for cleaning services increased as a result of COVID-19. Property-related projects also increased somewhat during the fourth quarter compared with the year-earlier period.

Operating profit (adjusted EBITA) improved year-on-year and amounted to SEK 4 (1) million. The operating margin was 2.5 (0.6) per cent. Along with the new contract with OP Group, an intensive cost focus and positive effects from local cleaning service volumes contributed to the improved operating profit and operating margin.

Contracts signed during the fourth quarter included a new IFM contract with Arina.

Full-year 2020

Organic growth was negative for full-year 2020 and amounted to -8 per cent, driven by the previously completed termination of contracts with very low margins.

Operating profit (adjusted EBITA) improved year-on-year and amounted to SEK 24 (13) million. The operating margin was 3.8 (1.8) per cent.

Significant risks and uncertainties

The Group's significant risks and uncertainties consist of **strategic risks** related to changes in market and economic conditions as well as sustainability and **operational risks** related to customer contracts. The Group is also exposed to various kinds of **financial risks**, such as currency, interest and liquidity risks. A detailed description of the Group's risks is provided in the Annual Report, which is available on the company's website. The spread of COVID-19 has escalated since the publication of the Annual Report, creating uncertainty that impacts the market, Coor as a company and Coor's customers. Coor has summarised the measures taken owing to COVID-19 on page 3.

Acquisitions and sales

No significant acquisitions or sales were implemented during the quarter.

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.

Loss after tax in the Parent Company was SEK -10 (-581) million. Total assets in the Parent Company at the end of the period were SEK 7,913 (7,922) million. Equity in the Parent Company was SEK 5,509 (5,494) million.

Related-party transactions

No transactions between Coor and related parties that had 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 Nordea Fonder, the First Swedish National Pension Fund (Första AP-Fonden) and Didner & Gerge Fonder.

COOR'S FIFTEEN LARGEST SHAREHOLDERS 31 DECEMBER 2020 ¹⁾

Shareholder	Number of shares and votes	Shares and votes, %
Nordea Fonder	7,175,762	7.5
Första AP-Fonden	5,590,748	5.8
Didner & Gerge Fonder	5,414,528	5.7
Andra AP-Fonden	4,621,319	4.8
Spiltan Fonder	4,258,343	4.4
Capital Group	4,194,630	4.4
SEB-Stiftelsen	4,000,000	4.2
Swedbank Robur Fonder	3,764,823	3.9
Taiga Fund Management AS	3,257,291	3.4
Crux Asset Management Ltd	3,097,050	3.2
BMO Global Asset Management	2,784,869	2.9
Wipunen varainhallinta Oy	2,687,563	2.8
Heikantorppa Oy	2,000,000	2.1
Handelsbanken Fonder	1,484,539	1.5
Länsförsäkringar Fonder	1,291,154	1.3
Total 15 largest shareholders	55,622,619	58.1
Other shareholders	40,189,403	41.9
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.

The share

The Coor share declined 12 per cent in 2020. The number of shares totals 95,812,022.

Dividend

The Board of Directors proposes a dividend of SEK 4.40 (0.00) per share for 2020, of which SEK 2.00 (0.00) comprises an ordinary dividend and SEK 2.40 (0.00) an extraordinary dividend, and that the dividend be paid on two occasions of SEK 2.00 and SEK 2.40 per share respectively. The total dividend is thus SEK 422 million.

The Board proposes Wednesday, 28 April 2021 as the record date for the first payment and Monday, 4 October 2021 for the second payment. Subject to the approval of the Board's proposal by the general meeting of shareholders, it is expected that the first payment will be made on Monday, 3 May 2021 and the second payment on Thursday, 7 October 2021.

The report for the period has not been reviewed by the company's auditors.

Stockholm, 11 February 2021

For the Board of Directors of Coor Service Management Holding AB

AnnaCarin Grandin
President and CEO

For further information

For questions concerning the financial report, please contact our CFO and IR Director Klas Elmberg (+46 10 559 65 80).

For questions concerning the operations or the company in general, please contact President and CEO AnnaCarin Grandin (+46 10 559 57 70) or Director of Communications Magdalena Öhrn (+46 10 559 55 19).

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

Invitation to a press and analyst presentation

On 11 February 2021, at 10:00 a.m. CET, the company's President and CFO will give a presentation on developments in the fourth quarter in a webcast. To participate in the webcast, please register in advance using the following link:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=6A18AEBC-DF1C-4680-B9E6-121A4946B427>

To listen to the presentation by telephone, dial +46856642693 (Sweden), +4723963688 (Norway), +4578723251 (Denmark), +358981710522 (Finland) or +443333009032 (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

Annual Report 2020	Week of 29 March 2021
Interim Report January–March 2021	26 April 2021
Annual General Meeting 2021	26 April 2021
Interim Report January–June 2021	15 July 2021
Interim Report January–September 2021	9 November 2021
Interim Report January–December 2021	10 February 2022

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 11 February 2021, at 7:30 a.m. CET.

As a leading provider of facility management services, primarily focused on integrated and complex service undertakings (IFM), Coor is involved in creating the Nordic region's most prosperous and well-functional work environments. Coor offers specialist expertise in workplace services, property services and strategic advisory services. We create value by implementing, leading and streamlining our customers' service operations, thereby enabling our customers to focus on what they do best.

Coor's customer base includes many large and small companies and public-sector organisations across the Nordic region, including ABB, AB Volvo, Aibel, DNV-GL, E.ON, Ericsson, Equinor, ICA, NCC, OP Group, PKA (Danish Police, Prison and Probation Service and Public Prosecution Agency), Saab, Sandvik, SAS, Telia Company, the Swedish Transport Administration, Vasakronan and Volvo Cars.

Coor established its operations in 1998 and 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		Oct–Dec		Jan–Dec	
(SEK m)	2020	2019	2020	2019	
Net sales	2,489	2,732	9,591	10,313	
Cost of services sold	-2,240	-2,468	-8,595	-9,326	
Gross income	249	264	996	987	
Selling and administrative expenses	-167	-190	-678	-689	
Operating profit	82	74	318	299	
Net financial income/expense	-18	-17	-66	-71	
Profit before tax	64	57	252	228	
Income tax expense	-15	-16	-61	-59	
Income for the period	49	42	191	169	
Operating profit	82	74	318	299	
Amortisation and impairment of goodwill, customer contracts and trademarks	48	48	193	186	
Items affecting comparability (<i>note 3</i>)	24	29	46	65	
Adjusted EBITA	153	152	556	549	
Earnings per share, SEK, before and after dilution	0.5	0.4	2.0	1.8	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
		Oct–Dec		Jan–Dec	
(SEK m)	2020	2019	2020	2019	
Income for the period	49	42	191	169	
<i>Items that may be subsequently reclassified to profit or loss</i>					
Currency translation differences	-42	-40	-106	35	
Cash flow hedges	1	13	-10	12	
Other comprehensive income for the period	-41	-27	-116	47	
Total comprehensive income for the period	8	14	74	216	

The interim information on pages 11–23 is an integral part of this financial report.

CONSOLIDATED BALANCE SHEET		31 Dec	
(SEK m)	2020	2019	
Assets			
Intangible assets			
Goodwill	3,125	3,191	
Customer contracts	392	591	
Other intangible assets	170	173	
Property, plant and equipment			
Right-of use assets held via leases	334	387	
Other property, plant and equipment	83	85	
Financial assets			
Deferred tax receivable	146	161	
Other financial assets	18	31	
Total non-current assets	4,268	4,619	
Current assets			
Accounts receivable	1,144	1,310	
Other current assets, interest-bearing	1	1	
Other current assets, non-interest-bearing	256	438	
Cash and cash equivalents	396	497	
Total current assets	1,796	2,246	
Total assets	6,064	6,864	
31 Dec			
	2020	2019	
Equity and liabilities			
Equity	2,079	1,980	
Liabilities			
Non-current liabilities			
Borrowings (Note 2)	1,273	1,856	
Lease liabilities (Note 2)	227	276	
Deferred tax liability	18	35	
Provisions for pensions	18	20	
Other non-interest bearing liabilities	0	0	
Total non-current liabilities	1,536	2,188	
Current liabilities			
Borrowings (Note 2)	0	12	
Lease liabilities (Note 2)	103	105	
Current tax liabilities	50	42	
Accounts payable	607	978	
Other current liabilities	1,674	1,545	
Short-term provisions	15	15	
Total current liabilities	2,449	2,697	
Total equity and liabilities	6,064	6,864	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK m)	Jan–Dec	
	2020	2019
Opening balance at beginning of period	1,980	2,164
Income for the period	191	169
Other comprehensive income for the period	-116	47
Long-term incentive programs	10	8
Share swap for hedging of long-term incentive programme ¹⁾	15	0
Acquisition of own shares ²⁾	0	-28
Dividend	0	-380
Closing balance at end of period	2,079	1,980

¹⁾ Coor undertook share swaps to secure the LTIP 2018 incentive programme, which was resolved on by the 2018 Annual General Meeting. At 31 December 2020, the number of guaranteed shares amounted to 500,000, with an average cost of SEK 58.9.

²⁾ Coor repurchased its own shares to secure the LTIP 2019 incentive programme, as resolved by the 2019 Annual General Meeting. At 31 December 2020, the number of treasury shares was 340,000, which were repurchased at an average cost of SEK 82.50.

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

CONSOLIDATED CASH FLOW STATEMENT		Oct–Dec		Jan–Dec	
(SEK m)	2020	2019	2020	2019	
Operating profit	82	74	318	299	
Adjustment for non-cash items	108	114	395	395	
Finance net	-17	-16	-64	-74	
Income tax paid	-9	-13	-46	-45	
Cash flow before changes in working capital	164	160	603	575	
Change in working capital	62	183	133	101	
Cash flow from operating activities	226	343	736	676	
Net investments	-14	-22	-65	-63	
Acquisition of subsidiaries	0	-152	-12	-152	
Cash flow from investing activities	-14	-173	-77	-215	
Change in borrowings	-100	-100	-550	109	
Dividend	0	0	0	-380	
Net lease commitments	-34	-36	-126	-128	
Other	0	0	-20	-15	
Cash flow from financing activities	-134	-136	-696	-415	
Total cash flow for the period	78	33	-37	46	
Cash and cash equivalents at beginning of period	345	483	497	435	
Exchange gains on cash and cash equivalents	-27	-20	-63	16	
Cash and cash equivalents at end of period	396	497	396	497	
CONSOLIDATED OPERATING CASH FLOW					
(SEK m)	2020	2019	2020	2019	
EBIT	82	74	318	299	
Depreciation and amortisation	99	102	392	385	
Net investments	-14	-22	-65	-63	
Change in working capital	62	183	133	101	
Adjustment for lease payments ¹⁾	-36	-39	-137	-140	
Adjustment for non-cash items	9	12	3	10	
Operating cash flow	202	311	643	591	
Adjustment for items affecting comparability	24	29	46	65	
Adjustment for lease payments ¹⁾	36	39	137	140	
Other	-10	-13	-8	-15	
Cash flow for calculation of cash conversion	252	366	818	781	
Cash conversion, %	123	178	108	104	

¹⁾ Refers to payments linked to the leases that Coor reports in accordance with IFRS 16 in the balance sheet.

GEOGRAPHICAL SEGMENTS (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales				
Sweden	1,275	1,400	4,904	5,138
<i>Total sales</i>	1,318	1,439	5,072	5,279
<i>Internal sales</i>	-43	-39	-168	-140
Norway	548	656	2,102	2,546
<i>Total sales</i>	550	658	2,109	2,555
<i>Internal sales</i>	-2	-2	-8	-9
Finland	169	168	646	706
<i>Total sales</i>	169	168	646	706
<i>Internal sales</i>	0	0	0	0
Denmark	497	509	1,941	1,924
<i>Total sales</i>	498	509	1,944	1,927
<i>Internal sales</i>	-1	-1	-3	-2
Group functions/other	0	0	-1	-1
Total	2,489	2,732	9,591	10,313
Adjusted EBITA				
Sweden	129	138	479	462
Norway	34	40	124	161
Finland	4	1	24	13
Denmark	22	19	83	74
Group functions/other	-36	-47	-154	-162
Total	153	152	556	549
Adjusted EBITA is reconciled to profit before tax as follows:				
Amortisation and impairment of goodwill, customer contracts and trademarks	-48	-48	-193	-186
Items affecting comparability (note 3)	-24	-29	-46	-65
Net financial income/expense	-18	-17	-66	-71
Profit before tax	64	57	252	228

Adjusted EBITA margin, %	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Sweden	10.1	9.9	9.8	9.0
Norway	6.2	6.2	5.9	6.3
Finland	2.5	0.6	3.8	1.8
Denmark	4.5	3.7	4.3	3.9
Group functions/other	-	-	-	-
Total	6.2	5.6	5.8	5.3

NET SALES BY TYPE OF CONTRACT (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales				
IFM	1,379	1,695	5,550	6,286
FM services	1,110	1,038	4,041	4,027
Total	2,489	2,732	9,591	10,313

QUARTERLY DATA

(SEK m)	2020				2019			
GEOGRAPHICAL SEGMENTS	IV	III	II	I	IV	III	II	I
Net sales, external								
Sweden	1,275	1,158	1,174	1,297	1,400	1,201	1,272	1,266
Norway	548	495	461	598	656	638	627	625
Finland	169	156	158	163	168	165	184	188
Denmark	497	487	473	483	509	487	473	456
Group functions/other	0	0	0	0	0	0	0	0
Total	2,489	2,297	2,265	2,541	2,732	2,490	2,556	2,535
Adjusted EBITA								
Sweden	129	106	120	124	138	91	119	114
Norway	34	33	25	32	40	44	41	36
Finland	4	14	5	1	1	9	1	1
Denmark	22	21	29	10	19	20	17	19
Group functions/other	-36	-34	-38	-46	-47	-37	-38	-39
Total	153	140	141	122	152	127	140	131
Adjusted EBITA margin, %								
Sweden	10.1	9.1	10.2	9.6	9.9	7.6	9.4	9.0
Norway	6.2	6.6	5.5	5.4	6.2	6.9	6.5	5.8
Finland	2.5	8.9	3.0	0.9	0.6	5.6	0.7	0.7
Denmark	4.5	4.4	6.2	2.1	3.7	4.2	3.5	4.1
Group functions/other	-	-	-	-	-	-	-	-
Total	6.2	6.1	6.2	4.8	5.6	5.1	5.5	5.2

QUARTERLY DATA

(SEK m)	2020				2019			
TYPE OF CONTRACT	IV	III	II	I	IV	III	II	I
Net sales, external								
IFM	1,379	1,340	1,300	1,531	1,695	1,517	1,548	1,527
FM services	1,110	956	965	1,010	1,038	974	1,008	1,008
Total	2,489	2,297	2,265	2,541	2,732	2,490	2,556	2,535

PARENT COMPANY
INCOME STATEMENT

(SEK m)	Oct - Dec		Jan - Dec	
	2020	2019	2020	2019
Net sales	1	2	4	6
Selling and administrative expenses	0	-6	-27	-33
Operating profit	1	-5	-22	-27
Dividend from group companies	0	600	0	600
Other net financial income/expense	-11	-13	-45	-60
Income after financial items	-10	582	-67	514
Group contribution	64	76	64	76
Income before tax	54	658	-4	589
Income tax expense	-1	-8	-6	-8
Income for the period	52	649	-10	581

PARENT COMPANY BALANCE SHEET

(SEK m)	31 Dec	
	2020	2019
Assets		
Shares in subsidiaries	7,789	7,789
Deferred tax asset	50	50
Other financial assets	2	1
Total non-current assets	7,841	7,840
Receivables from Group companies*	69	80
Other trading assets	2	2
Cash and cash equivalents*	1	0
Total current assets	72	82
Total assets	7,913	7,922

	31 Dec	
	2020	2019
Equity and liabilities		
Shareholders' equity	5,509	5,494
Liabilities		
Borrowings	1,271	1,855
Provisions for pensions	3	2
Total non-current liabilities	1,273	1,856
Liabilities to Group companies*	1,108	553
Income tax liability	13	7
Accounts payable	0	0
Other current liabilities	10	12
Total current liabilities	1,131	572
Total liabilities	2,404	2,428
Total equity and liabilities	7,913	7,922

* 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 (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Net sales	2,489	2,732	9,591	10,313
Net sales growth, %	-8.9	4.6	-7.0	8.7
<i>of which organic growth, %</i>	-6.8	2.6	-6.8	5.3
<i>of which acquired growth, %</i>	0.7	1.6	2.0	2.4
<i>of which FX effect, %</i>	-2.9	0.4	-2.2	1.0
Operating profit (EBIT)	82	74	318	299
EBIT margin, %	3.3	2.7	3.3	2.9
EBITA	130	123	511	484
EBITA margin, %	5.2	4.5	5.3	4.7
Adjusted EBITA	153	152	556	549
Adjusted EBITA margin, %	6.2	5.6	5.8	5.3
Adjusted EBITDA	205	205	756	749
Adjusted EBITDA margin, %	8.2	7.5	7.9	7.3
Adjusted net profit	97	90	384	355
Net working capital	-881	-774	-881	-774
Net working capital / Net sales, %	-9.2	-7.5	-9.2	-7.5
Operating cash flow	202	311	643	591
Cash conversion, %	123	178	108	104
Net debt	1,207	1,741	1,207	1,741
Leverage ¹⁾	1.6	2.3	1.6	2.3
Equity/assets ratio, %	34	29	34	29

DATA PER SHARE	Oct - Dec		Jan - Dec	
	2020	2018	2020	2019
Share price at end of period	72.4	82.4	72.4	82.4
No. of shares at end of period	95,812,022	95,812,022	95,812,022	95,812,022
No. of treasury shares ¹⁾	-340,000	-340,000	-340,000	-340,000
No. of shares outstanding	95,472,022	95,472,022	95,472,022	95,472,022
No. of ordinary shares outstanding (weighted average)	95,472,022	95,472,000	95,472,022	95,661,302
Dividend per share ²⁾	4.40	0.00	4.40	0.00
Earnings per share, before and after dilution, SEK	0.52	0.44	2.00	1.77
Shareholders' equity per share, SEK	21.78	20.74	21.78	20.74

¹⁾ In accordance with the resolution of the Annual General Meeting, Coor undertook an acquisition of its own shares during 2019 to secure its financial exposure in accordance with the LTIP 2019 long-term incentive programme. In total, Coor had 340,000 treasury shares at the end of the period to secure the financial commitments related to LTIP 2019.

²⁾ Proposed dividend that is subject to adoption at the Annual General Meeting on 26 April 2021. A dividend of SEK 4.40 (0.00) per share is proposed, of which SEK 2.00 (0.00) comprised an ordinary dividend and SEK 2.40 (0.00) an extraordinary dividend. Payment is to take place on two occasions of SEK 2.00 and SEK 2.40 per share respectively. The total dividend is thus SEK 422 million.

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 2019.

During the second and third quarter of 2020, companies in the Group received certain government support packages that each country created to mitigate the financial effects of the outbreak of COVID-19. Government support was only recognised to the extent that the company deems it reasonably certain that the support will be received and that the company will meet the conditions for this support. The government support is recognised in the same periods as the costs that the support is intended to cover. Support received is deducted as a cost reduction on the same line in the income statement as the corresponding costs are recognised.

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 are included in the category financial liabilities at amortised cost, are as follows:

(SEK m)	Carrying amount		Fair value	
	31 Dec		31 Dec	
	2020	2019	2020	2019
Lease liabilities	330	381	330	381
Liabilities to credit institutions	241	791	241	791
Corporate Bond	1,000	1,000	1,000	1,000
Other non-current liabilities	31	78	31	78
Total	1,603	2,250	1,603	2,250

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 (SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Integration	-2	-15	-19	-40
Restructuring	-20	-14	-25	-24
Acquisition related expenses	0	0	0	0
Other	-1	0	-1	0
Total	-24	-29	-46	-65

Effects associated with COVID-19

Coor has elected not to report the financial effects associated with COVID-19 as items affecting comparability in the income statement. It is the assessment of management that it is extremely difficult to separate the effects on sales and operating profit related to COVID-19 from other day-to-day events in the operations in a clear and consistent manner. The effects of COVID-19 are described in detail on page 3.

Note 4 – Pledged assets and contingent liabilities

PLEGGED ASSETS	31 Dec	
(SEK m)	2020	2019
Bank guarantees	127	140
Total	127	140
CONTINGENT LIABILITIES	31 Dec	
(SEK m)	2020	2019
Performance bonds	169	181
Total	169	181

Parent Company

The Parent Company has provided a Parent Company guarantee of SEK 30 (31) million to secure financial commitments for the Finnish subsidiary regarding leasing frame and bank guarantees. The Parent Company has also provided a Parent Company guarantee for a subsidiary in Norway to ensure fulfilment of delivery to a larger customer. 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 below. See page 23 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 and payments linked to leasing agreements (even if the agreements according to IFRS 16 are reported in the balance sheet). 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, rolling 12 months). 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 key performance indicators and the income statement and balance sheet.

RECONCILIATION OF ADJUSTED KEY PERFORMANCE INDICATORS

(SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Operating profit (EBIT)	82	74	318	299
Amortisation and impairment of customer contracts and trademarks	48	48	193	186
EBITA	130	123	511	484
Items affecting comparability (Note 3)	24	29	46	65
Adjusted EBITA	153	152	556	549
Depreciation	52	54	199	199
Adjusted EBITDA	205	205	756	749
Income for the period	49	42	191	169
Amortisation and impairment of customer contracts and trademarks	48	48	193	186
Adjusted net profit	97	90	384	355

SPECIFICATION OF NET WORKING CAPITAL

(SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Accounts receivable	1,144	1,310	1,144	1,310
Other current assets, non-interest-bearing	256	438	256	438
Accounts payable	-607	-978	-607	-978
Other current liabilities, non-interest-bearing	-1,674	-1,545	-1,674	-1,545
Adjustment for accrued financial expenses	1	1	1	1
Net working capital	-881	-774	-881	-774

SPECIFICATION OF NET DEBT

(SEK m)	Oct–Dec		Jan–Dec	
	2020	2019	2020	2019
Borrowings	1,273	1,869	1,273	1,869
Lease liabilities	330	381	330	381
Provisions for pensions	18	20	18	20
Cash and cash equivalents	-396	-497	-396	-497
Other financial non-current assets, interest-bearing	-18	-31	-18	-31
Other current assets, interest-bearing	-1	-1	-1	-1
Net debt	1,207	1,741	1,207	1,741

For a reconciliation of operating cash flow and cash conversion, see page 14.

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 as well as payments connected with all leases.

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.

Acquired growth Net sales for the period attributable to acquired businesses, excluding foreign exchange effects, as a percentage of net sales for the same period in the previous year.

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 outstanding.

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