COOR

Interim report
January – September 2018

Third quarter of 2018

- Net sales increased by 28 per cent in the third quarter, to SEK **2,369** (1,853) million. Organic growth was 10 per cent and growth from acquisitions 13 per cent while foreign exchange effects accounted for 5 per cent of the increase.
- Adjusted EBITA was SEK **102** (104) million and the operating margin **4.3** (5.6) per cent.
- EBIT was SEK **37** (53) million and the profit after tax SEK **22** (33) million.
- Earnings per share were SEK **0.2** (0.3).
- Operating cash flow was SEK **54** (-16) million.

January – September 2018

- Net sales increased by 23 per cent in the January-September period, to SEK **6,876** (5,610) million. Organic growth was 11 per cent and growth from acquisitions 9 per cent while foreign exchange effects accounted for 3 per cent of the increase.
- Adjusted EBITA was SEK **355** (343) million and the operating margin **5.2** (6.1) per cent.
- EBIT was SEK **164** (197) million and the profit after tax SEK **62** (140) million.
- Earnings per share were SEK **0.6** (1.5).
- Operating cash flow was SEK **71** (186) million.

" Continued growth throughout the Nordic region and important contract extensions in place

Mikael Stöhr,
President and CEO, Coor

GROUP EARNINGS SUMMARY*	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Net sales	2,369	1,853	6,876	5,610	8,988	7,722
Organic growth, %	10	7	11	4	10	6
Acquired growth, %	13	0	9	0	7	0
Adjusted EBITA	102	104	355	343	480	468
Adjusted EBITA-margin, %	4.3	5.6	5.2	6.1	5.3	6.1
EBIT	37	53	164	197	235	268
Income for the period	22	33	62	140	110	188
Operating cash flow	54	-16	71	186	378	492
Earnings per share, SEK	0.2	0.3	0.6	1.5	1.1	2.0

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

See page 25 for definitions and calculations of key performance indicators. Non-recurring items are presented in Note 3.

CEO's comments

Nordic growth and important contract extensions

Coor grew by 28 per cent in the third quarter of the year. Coor has continued to deliver strong organic growth in all Nordic countries, coupled with acquired growth in Denmark and Norway. During the period, the company also extended two important contracts, with Equinor and Ericsson.

Organic growth is joined by acquired growth

Our strong organic growth in the first and second quarters continued into the third quarter of 2018. Coor is growing in all Nordic countries, delivering organic growth of 10 per cent.

The third quarter continued to see a larger number of small and medium-sized procurements, and we also see good opportunities in major IFM processes. During the period, we initiated service delivery under a major IFM contract with Storebrand in Norway. The Storebrand contract covers a wide range of services, including property, cleaning, reception and guard services as well as service centres. Coor's services are provided at 20 sites across the whole of Norway with 7,000 service users at Storebrand's premises.

In the third quarter, we also extended two important contracts: with Equinor (formerly Statoil) in Norway and Ericsson in Sweden. Coor's Equinor and Ericsson contracts are two of the largest IFM contracts in the Nordic region, covering some 850,000 square metres of floor space with over 30,000 service users and involving some 800 Coor employees. In continuing to develop our deliveries to Equinor and Ericsson, we will be putting a greater emphasis on technical innovations as a key part of the service content. This will enable Coor to create a platform for increased innovation and technological development in facility management in the Nordic region.

The integration of the companies we acquired earlier in the year and of their underlying businesses is going to plan. In third quarter, we became increasingly confident the acquired businesses are well managed and offer high-quality services, and that the expected cost synergies will be realised during the year.

Contract extensions and rapid organic growth cause headwind for margins

The third quarter saw the start-up of significant volumes under extended contracts as well as strong organic growth.

The extension of major customer contracts is fundamentally very positive for Coor, but as we have seen previously this has a negative impact on our operating margin in the short term. When a contract undergoes a major restructuring, as in the case of the extended Ericsson contract, this impact is amplified. Under the extended contract, Coor's delivery will be expanded to a major Ericsson site in the Gothenburg area but our deliveries to Ericsson in Poland, Hungary, Estonia and Finland will be terminated.

Following the start-up of a new or renegotiated and extended contract, it normally takes Coor a number of months to work through and streamline the new or relaunched service delivery. One of the main reasons behind the reduced contract margin during the start-up phase is that Coor always prioritises service quality and customer satisfaction over short-term margins. This priority has been crucial to our success in building long-term customer relationships and thereby ensuring the long-term profitability of Coor's business.

The quarterly margin was also affected by continued strong growth through variable project volumes. When these volumes arise at short notice during holiday periods and in services that are provided through subcontractors, this has a negative mix effect on our operating margin.

Improved cash conversion

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

During the period, we started to reverse the build-up of working capital from the first six months. These efforts will continue into the next quarter.

A favourable outlook

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

Stockholm, 24 October 2018

Mikael Stöhr
President and CEO, Coor

Group performance

Net sales and operating profit

CONSOLIDATED (SEK m)	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017
Net sales	2,369	1,853	6,876	5,610
Organic growth, %	*10*	*7*	*11*	*4*
Acquired growth, %	*13*	*0*	*9*	*0*
FX effects, %	*5*	*0*	*3*	*1*
Adjusted EBITA	102	104	355	343
Adjusted EBITA-margin, %	4.3	5.6	5.2	6.1
EBIT	37	53	164	197
EBIT-margin, %	1.6	2.9	2.4	3.5
Number of employees (FTE)	8,766	6,510	8,766	6,510

Third quarter (July – September)

Organic growth for the period was 10 per cent, driven by robust growth in all countries. The three acquisitions that were completed during the year added a further 13 percentage points to growth.

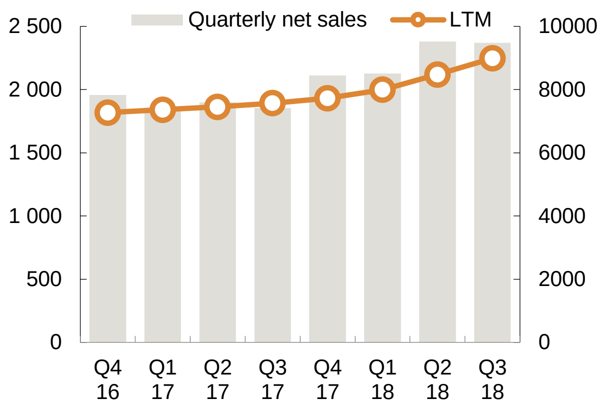
The operating profit (adjusted EBITA) was SEK 102 (104) million and the operating margin for the period 4.3 (5.6) per cent. The change was mainly due to a lower margin in Sweden resulting from a major contract extension and negative mix effects.

EBIT was SEK 37 (53) million. Apart from a lower operating profit, the change was also due to an increase in items affecting comparability, in the form of integration and restructuring costs related to the acquisitions.

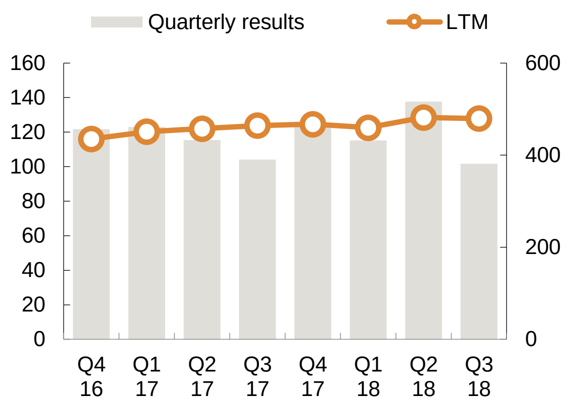
January to September period

Organic growth was 11 per cent and growth from acquisitions 9 per cent compared with the same period in 2017. The operating profit (adjusted EBITA) increased by 4 per cent and the operating margin was 5.2 (6.1) per cent for the nine-month period.

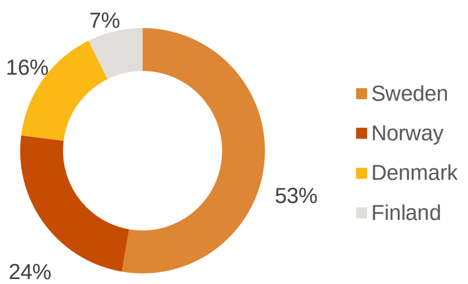
NET SALES (SEK M)



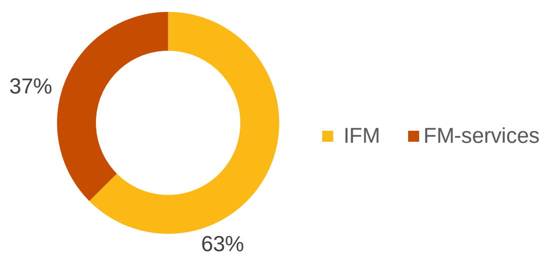
ADJUSTED EBITA (SEK M)



NET SALES BY COUNTRY LTM, Q3 2018



NET SALES BY CONTRACT TYPE LTM, Q3 2018



Financial net and profit after tax

FINANCIAL NET	Jan - Sep	
(SEK m)	2018	2017
Net interest	-30	-23
Borrowing costs	-2	-2
Other	-5	-3
Total excl exchange rate differences	**-37**	**-28**
Exchange rate differences	-30	11
Total	**-67**	**-17**

Coor's financial net decreased by SEK 50 million in January to September 2018 compared with the same period in 2017, mainly as a result of negative translation differences. These were due to the revaluation of foreign-currency loans at higher year-end closing rates for NOK and EUR at the end of the period compared with year-end. In 2017, these translation differences were positive. The change in the net interest expense and other financial expenses was due to an increase in debt in connection with the acquisitions that were made.

The tax expense for the period was SEK -35 (-41) million, which represents 36 (22) per cent of earnings before tax. In June 2018, a decision was taken to lower the Swedish corporate tax rate in two stages while limiting the deductibility of interest expenses. Following the change in the law, Coor restated its deferred tax asset in its Swedish business in the second quarter, which resulted in a net expense of around SEK 11 million. Excluding this non-recurring effect, the tax expense was 25 (22) per cent of earnings before tax. The change compared with the previous year is mainly due to the fact that certain acquisition costs are non-deductible. The profit after tax was SEK 62 (140) million.

Cash flow

Operating cash flow for the third quarter was SEK 54 (-16) million. Due to seasonal variations, the third quarter is normally the weakest for the Group. The period normally sees an increase in accrued project income due to longer lead times for invoicing during the holiday period. On top of the normal seasonal variation, cash flow was also affected by the fact that the last two days of the period fell on a weekend. Despite these negative effects, cash flow was higher than in 2017. The first six months of the year saw a temporary build-up of working capital as a result of the acquisitions and high project volumes. This increase was reduced somewhat in the third quarter.

Operating cash flow varies from one quarter to the next. The key parameter is therefore the rolling twelve-month change in working capital. Over the past twelve-month period, working capital increased by SEK 12 million, which is a deterioration compared with the full year 2017 but an improvement on the second quarter of 2018.

The most important external KPI for cash flow is cash conversion, which is defined as the ratio of a simplified measure of operating cash flow to adjusted EBITDA. Cash conversion for the past twelve months was 82 (85) per cent.

CASH CONVERSION			
(SEK m)	LTM Q3 2018	LTM Q3 2017	Full year 2017
Adjusted EBITDA	543	513	517
Change in net working capital	-12	-8	89
Net investments	-87	-70	-75
Cash flow for calculation of cash conversion	**444**	**435**	**531**
Cash conversion, %	**82**	**85**	**103**

Financial position

NET DEBT	Sep 30	Sep 30	Dec 31
(SEK m)	2018	2017	2017
Liabilities to credit institutions	1,838	1,380	1,394
Other	13	13	13
	1,851	**1,392**	**1,408**
Cash and cash equivalents	-335	-422	-709
Net debt	**1,516**	**970**	**699**
Leverage	2.8	1.9	1.4
Equity	2,214	2,448	2,464
Equity/assets ratio, %	35	42	40

At the end of the period, consolidated net debt was SEK 1,516 (970) million. The increase on the previous year is due partly to the acquisitions that were made during the year and partly to the dividend paid to the shareholders in May. In connection with the acquisition of West Facility Management in July, Coor took out a short-term bridge loan, which will be repaid in the fourth quarter.

The leverage, defined as net debt to adjusted EBITDA, was 2.8 (1.9) at the end of the period, which is still in line with the Group's target of a leverage below 3.0.

Equity at the end of the period was SEK 2,214 (2,448) million and the equity/assets ratio 35 (42) per cent. The decrease in the equity/assets ratio compared with the previous year is due to a dividend payment of SEK 383 million in the second quarter.

Cash and cash equivalents at the end of the period were SEK 335 (422) million. At the same date, the Group had undrawn credit lines of SEK 90 (288) million.

Significant events in the third quarter

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

- On 17 August 2018, it was announced that Coor had extended its contract with Equinor until July 2021 with an option to extend by another three years. The Equinor contract is one of the largest IFM contracts in the Nordic region with an estimated annual volume of around SEK 1 billion and a total floor space of 500,000 square metres. It will engage 500 Coor employees.

- On 31 August 2018, it was announced that Coor had extended its IFM contract with Ericsson until 2023. The total contract volume remains the same but the structure has been changed. Under the restructured contract, Coor will expand its service provision to all Ericsson sites while deliveries outside Sweden will be terminated.

- On 6 September 2018, it was announced that Marcus Karsten will take over as new CEO for Finland from 1 October 2018 and also join the Group's senior management team.

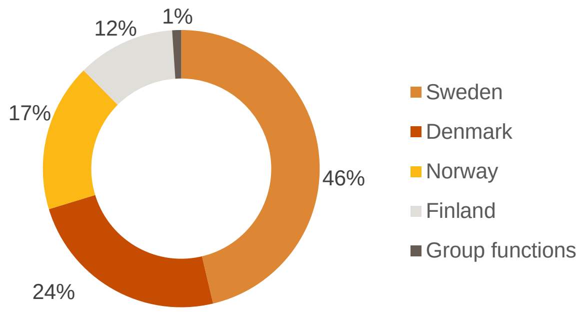
Significant events after the end of the period

No significant events have taken place after the end of the period.

Organisation and employees

At the end of the period, the Group had 10,805 (7,247) employees, or 8,766 (6,510) on a full-time equivalent basis. The increase in the workforce is primarily explained by the three acquisitions that were made during the year but is also due to the initiation of new contracts and expansion of existing contracts.

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



Operations by country

Sweden

SWEDEN (SEK m)	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017
Net sales	1,129	1,084	3,510	3,299
Organic growth, %	*4*	*8*	*6*	*5*
Acquired growth, %	*0*	*0*	*0*	*0*
FX-effects, %	*0*	*0*	*0*	*0*
Adjusted EBITA	72	95	318	333
Adjusted EBITA-margin, %	6.4	8.7	9.1	10.1
Number of employees (FTE)	4,059	3,673	4,059	3,673

Third quarter (July – September)

In the third quarter, the Swedish business grew by 4 per cent. As in the last few quarters, growth was driven by higher variable volumes in a number of major contracts, new volumes from small and medium-sized contracts and the commissioning of the new buildings at the Karolinska University Hospital in Solna.

The operating profit (adjusted EBITA) for the period was SEK 72 (95) million and the operating margin 6.4 (8.7) per cent.

The change in the margin is partly explained by the extension of the Ericsson contract. The contract has been affected partly by the initiated geographic restructuring and partly by the normal contract extension effect, which initially leads to lower margins. The level of activity, and therefore the contract volume, was also lower during the period.

The period was also affected by an unfavourable volume mix. Compared to previous year a significantly larger share of variable volumes was delivered through subcontractors, which leads to lower margins. The volume that can be handled in-house depends on the type of service, forward planning and our ability to plan the services as well as on access to staff, which in turn depends on absence due to holidays and sick leave.

The third quarter is seasonally the weakest. This is because July and August are holiday months, with fewer add-on orders and a small number of guests in Coor's restaurants and conference facilities.

In addition to the extension of the Ericsson contract, Coor also signed a new contract with Swedavia and extended its contract with the Swedish Transport Administration during the period.

January to September period

Organic growth for the January to September period was 6 per cent.

The operating profit (adjusted EBITA) decreased by 4 per cent compared with the same period in 2017 and the operating margin was 9.1 (10.1) per cent.

Norway

NORWAY (SEK m)	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017
Net sales	605	439	1 685	1 353
Organic growth, %	*17*	*-1*	*15*	*-2*
Acquired growth, %	*13*	*0*	*6*	*0*
FX-effects, %	*8*	*0*	*3*	*4*
Adjusted EBITA	41	27	109	90
Adjusted EBITA-margin, %	6.8	6.1	6.5	6.7
Number of employees (FTE)	1,513	1,161	1,513	1,161

Third quarter (July – September)

During the period, Coor's Norwegian business expanded by an impressive 38 per cent, of which 17 percentage points represented organic growth. The acquisition of West FM, which was completed in early July, and the earlier acquisition of OBOS Eiendomsdrift added a further 13 percentage points to growth in period.

Organic growth is being driven by increased variable volumes in a number of contracts as well as new small and medium-sized contracts, including the Norwegian part of the ABB contract, which continued to be ramped up during the period. In September, Coor also commenced deliveries under the new contract with Storebrand.

The quarterly operating profit (adjusted EBITA) increased by 52 per cent to SEK 41 (27) million and the operating margin was 6.8 (6.1) per cent. The improved margin was due to good profitability in variable project volumes as well as gradually improving margins in contracts that were initiated in the first half of the year. The negative margin impact of a contractual price adjustment and a number of contract extensions, which affected the margin in the third quarter of 2017, has now largely been offset.

In the third quarter of 2018, the process of integrating West FM was initiated. The integration is going to plan and the underlying business is performing as expected.

January to September period

Organic growth for the January to September period was 15 per cent and growth from acquisitions 6 per cent.

The operating profit (adjusted EBITA) increased by 21 per cent compared with the same period in 2017 and the operating margin was 6.5 (6.7) per cent.

Denmark

DENMARK (SEK m)	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017
Net sales	459	193	1,181	565
Organic growth, %	*24*	*10*	*19*	*9*
Acquired growth, %	*95*	*0*	*77*	*0*
FX effects, %	*18*	*0*	*13*	*3*
Adjusted EBITA	20	10	39	23
Adjusted EBITA-margin, %	4.3	5.2	3.3	4.0
Number of employees (FTE)	2,101	779	2,101	779

Third quarter (July – September)

The Danish business grew by a massive 138 per cent in the third quarter. Organic growth was 24 per cent while the acquisition of Elite Miljø accounted for 95 percentage points of the increase. Organic growth was driven by the new contract with Copenhagen Municipality, new small and medium-sized contracts, and high variable volumes.

The quarterly operating profit (adjusted EBITA) of the Danish business increased by 94 per cent to SEK 20 (10) million, and the operating margin was 4.3 (5.2) per cent. The change in the margin was driven by new contracts with initially lower margins as well as slightly lower profitability from variable volumes. The realisation of cost synergies from the acquisition of Elite Miljø continued to have a positive impact during the period. The underlying operating profit in the acquired business remains in line with plan.

January to September period

Organic growth for the January to September period was 19 per cent while the acquisition of Elite Miljø added 77 percentage points to growth.

The operating profit (adjusted EBITA) increased by 74 per cent to SEK 39 (23) million and the operating margin was 3.3 (4.0) per cent.

The workforce increased sharply during the period compared with 2017 as a result of the acquisition of Elite Miljø.

Finland

FINLAND (SEK m)	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017
Net sales	176	138	501	397
Organic growth, %	*17*	*17*	*18*	*10*
Acquired growth, %	*0*	*0*	*0*	*0*
FX effects	*10*	*1*	*8*	*2*
Adjusted EBITA	8	10	8	11
Adjusted EBITA-margin, %	4.8	7.1	1.7	2.6
Number of employees (FTE)	1,001	813	1,001	813

Third quarter (July – September)

In the third quarter, Finland generated organic growth of 17 per cent, driven by the new cleaning contract with Sokotel, new smaller contracts as well as the diminishing impact of the ABB contract.

The margin decreased in the third quarter compared with the previous year. The operating profit was affected by a provision of around SEK 3 million for an expected credit loss. The margin has also continued to be negatively impacted by the start-up of the Sokotel contract and a number of other, by Finnish standards relatively large cleaning contracts.

Unlike in the Group as a whole, the third quarter is seasonally the strongest in the Finnish business.

January to September period

Organic growth for the January to September period was 18 per cent.

The operating profit (adjusted EBITA) was SEK 8 (11) million and the operating margin 1.7 (2.6) per cent.

Significant risks and uncertainties

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

Acquisitions and sales

The acquisition of the Norwegian property services company OBOS Eiendomsdrift AS was completed on 1 February 2018 and the acquisition of the Danish cleaning services company Elite Miljø A/S was completed on 23 February. The acquisition of the Norwegian service provider West Facility Management AS was completed on 2 July 2018. For more information on acquisitions, see Note 4.

Parent company

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

Earnings after tax in the parent company were SEK -87 (-44) million. Total assets in the parent company at 30 September were SEK 7,897 (7,948) million and equity was SEK 5,098 (5,345) million.

Related party transactions

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

Ownership structure

The shares of Coor Service Management Holding AB were listed on Nasdaq Stockholm on 16 June 2015. At the end of the period, the three largest shareholders were Fidelity, Nordea Fonder and Didner & Gerge Fonder.

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

Shareholder	Number of shares and votes	Shares and votes, %
Fidelity	8,451,052	8.8
Nordea Fonder	6,774,326	7.1
Didner & Gerge Fonder	6,473,724	6.8
Andra AP-fonden	5,884,628	6.1
Swedbank Robur Fonder	5,146,723	5.4
Capital Group	4,864,588	5.1
Taiga Fund Management AS	4,024,256	4.2
Crux Asset Management Limited	3,855,304	4.0
BMO Global Asset Management	3,467,599	3.6
SEB-Stiftelsen	3,450,000	3.6
AFA-försäkring	2,978,856	3.1
Aviva	2,660,426	2.8
Länsförsäkringar Fonder	1,173,604	1.2
RBC - Royal Bank of Canada	1,056,449	1.1
Danske Invest Fonder	913,470	1.0
Total 15 largest shareholders	**61,175,005**	**63.8**
Other shareholders	34,637,017	36.2
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 report for the period has been reviewed by the company's auditors.

Stockholm, 24 October 2018

On behalf of the Board of Directors of Coor Service Management Holding AB

Mikael Stöhr
President and CEO

For more information

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

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

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

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

Invitation to a press and analyst presentation

On 24 October, at 9 a.m. CET, the company's President and CFO will give a presentation on developments in the third quarter in a webcast. To participate in the webcast, please register in advance using the following link: http://event.on24.com/wcc/r/1844394-1/29E50B3C03B301773837B92BF4141F51. To listen to the presentation by telephone, dial +468 56642698 (Sweden), +4723500266 (Norway), +4582333178 (Denmark), +358981710492 (Finland) or +442030089810 (UK).

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

Financial calendar

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

This constitutes information which Coor Service Management Holding AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 24 October 2018, at 7:30 a.m. CET.

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

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

For translation purpose only

Auditor's report

Coor Service Management Holding AB (publ) org nr: 556742-0806

Introduction

We have reviewed the condensed interim financial information (interim report) of Coor Service Management Holding AB (publ as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 24 October 2018

Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Continuing operations						
Net sales	2,369	1,853	6,876	5,610	8,988	7,722
Cost of services sold	-2,157	-1,660	-6,206	-5,011	-8,091	-6,896
Gross income	**212**	**193**	**670**	**599**	**897**	**827**
Selling and administrative expenses	-175	-140	-506	-402	-662	-558
Operating profit	**37**	**53**	**164**	**197**	**235**	**268**
Net financial income/expense	-9	-11	-67	-17	-74	-24
Profit before tax	**28**	**42**	**97**	**181**	**160**	**244**
Income tax expense	-6	-9	-35	-41	-51	-56
Income for the period, continuing operations	**22**	**33**	**62**	**140**	**110**	**188**
Discontinued operations						
Income for the period	0	-25	0	-113	-35	-148
Income for the period, total	**22**	**9**	**62**	**28**	**74**	**40**
Operating profit	**37**	**53**	**164**	**197**	**235**	**268**
Amortisation and impairment of goodwill, customer contracts and trademarks	46	43	130	127	172	170
Items affecting comparability *(note 3)*	19	8	61	18	73	29
Adjusted EBITA	**102**	**104**	**355**	**343**	**480**	**468**
Earnings per share, before and after dilution, SEK						
Continuing operations	0.2	0.3	0.6	1.5	1.1	2.0
Discontinued operations	0.0	-0.3	0.0	-1.2	-0.4	-1.5
Earnings per share, total	**0.2**	**0.1**	**0.6**	**0.3**	**0.8**	**0.4**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Income for the period	**22**	**9**	**62**	**28**	**74**	**40**
Items that may be subsequently reclassified to profit or loss						
Currency translation differences	-19	-4	71	-26	74	-23
Other comprehensive income for the period	**-19**	**-4**	**71**	**-26**	**74**	**-23**
Total comprehensive income for the period	**3**	**5**	**132**	**2**	**148**	**17**

The interim information on pages 11–25 is an integral part of this financial report.

CONSOLIDATED BALANCE SHEET	Sep 30		Dec 31
(SEK m)	2018	2017	2017
Assets			
Intangible assets			
Goodwill	3,066	2,693	2,693
Customer contracts	748	766	723
Other intangible assets	145	113	116
Property, plant and equipment	106	74	85
Financial assets	,	,	,
Deferred tax receivable	216	240	226
Other financial assets	13	12	12
Total non-current assets	**4,294**	**3,897**	**3,856**
Current assets	,	,	,
Accounts receivable	1,324	1,056	1,159
Tax receivables	0	0	8
Other current assets, interest-bearing	1	2	1
Other current assets, non-interest-bearing	403	387	403
Cash and cash equivalents	335	422	709
Total	**2,063**	**1,867**	**2,280**
Assets of disposal group held for sale	0	63	0
Total current assets	**2,063**	**1,930**	**2,280**
Total assets	**6,357**	**5,827**	**6,136**

	Sep 30		Dec 31
	2018	2017	2017
Equity and liabilities			
Equity	**2,214**	**2,448**	**2,464**
Liabilities			
Non-current liabilities			
Borrowings	1,843	1,385	1,399
Deferred tax liability	51	26	24
Provisions for pensions	19	18	19
Other non-interest-bearing liabilities	2	0	2
Total non-current liabilities	**1,915**	**1,429**	**1,444**
Current liabilities			
Interest-bearing liabilities	3	3	3
Current tax liabilities	38	38	30
Accounts payable	851	720	944
Other current liabilities	1,329	1,157	1,249
Short-term provisions	7	3	3
Total	**2,229**	**1,921**	**2,228**
Liabilities of disposal group held for sale	0	30	0
Total current liabilities	**2,229**	**1,951**	**2,228**
Total equity and liabilities	**6,357**	**5,827**	**6,136**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Jan - Sep		Full year
(SEK m)	2018	2017	2017
Opening balance at beginning of period	**2,464**	**2,734**	**2,734**
Income for the period	62	28	40
Other comprehensive income for the period	71	-26	-23
Long-term incentive programs	1	0	0
Transactions with shareholders	-383	-287	-287
Closing balance at end of period	**2,214**	**2,448**	**2,464**

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

CONSOLIDATED CASH FLOW STATEMENT	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Continuing operations						
Operating profit	**37**	**53**	**164**	**197**	**235**	**268**
Adjustment for non-cash items	67	47	182	150	240	208
Finance net	-13	-8	-35	-26	-45	-36
Income tax paid	-2	0	-30	-18	-49	-36
Cash flow before changes in working capital	**89**	**92**	**281**	**303**	**382**	**404**
Change in working capital	-35	-100	-215	-114	-12	89
Cash flow from operating activities	**54**	**-8**	**66**	**189**	**370**	**493**
Net investments	-14	-16	-60	-47	-86	-74
Acquisition of subsidiaries *(note 4)*	-99	0	-436	0	-436	0
Cash flow from investing activities	**-113**	**-16**	**-496**	**-47**	**-522**	**-74**
Change in borrowings	129	0	401	-6	419	11
Dividend	0	0	-383	-287	-383	-287
Other	1	0	0	-1	0	-2
Cash flow from financing activities	**129**	**0**	**18**	**-295**	**35**	**-278**
Cash flow from continuing operations	**70**	**-24**	**-412**	**-153**	**-117**	**142**
Cash flow from discontinued operations	**0**	**-14**	**0**	**-18**	**-5**	**-23**
Total cash flow for the period	**70**	**-39**	**-412**	**-171**	**-122**	**119**
Cash and cash equivalents at beginning of period	270	460	709	603	422	603
Exchange gains on cash and cash equivalents	-5	1	39	-10	35	-13
Cash and cash equivalents at end of period	**335**	**422**	**335**	**422**	**335**	**709**

CONSOLIDATED OPERATING CASH FLOW	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Continuing operations						
EBIT	37	53	164	197	235	268
Depreciation and amortisation	64	55	179	163	236	219
Net investments	-14	-16	-60	-47	-86	-74
Change in working capital	-35	-100	-215	-114	-12	89
Adjustment for non-cash items	3	-8	3	-13	5	-11
Operating cash flow	**54**	**-16**	**71**	**186**	**378**	**492**
Adjustment for items affecting comparability	19	8	61	18	73	29
Other	1	7	-3	12	-6	10
Cash flow for calculation of cash conversion	**74**	**0**	**130**	**216**	**444**	**531**
Cash conversion, %	**62**	**0**	**32**	**57**	**82**	**103**

GEOGRAPHICAL SEGMENTS	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Net sales						
Sweden	**1,129**	**1,084**	**3,510**	**3,299**	**4,739**	**4,527**
Total sales	*1,160*	*1,117*	*3,603*	*3,395*	*4,864*	*4,657*
Internal sales	*-31*	*-33*	*-92*	*-96*	*-126*	*-130*
Norway	**605**	**439**	**1,685**	**1,353**	**2,182**	**1,851**
Total sales	*607*	*441*	*1,691*	*1,362*	*2,190*	*1,861*
Internal sales	*-2*	*-2*	*-6*	*-9*	*-7*	*-10*
Finland	**176**	**138**	**501**	**397**	**654**	**550**
Total sales	*176*	*138*	*501*	*397*	*654*	*550*
Internal sales	*0*	*0*	*0*	*0*	*0*	*0*
Denmark	**459**	**193**	**1,181**	**565**	**1,415**	**799**
Total sales	*460*	*194*	*1,182*	*567*	*1,417*	*802*
Internal sales	*0*	*-1*	*-1*	*-2*	*-2*	*-3*
Group functions/other	**0**	**-1**	**-1**	**-4**	**-2**	**-5**
Total	**2,369**	**1,853**	**6,876**	**5,610**	**8,988**	**7,722**
Adjusted EBITA						
Sweden	72	95	318	333	442	456
Norway	41	27	109	90	142	123
Finland	8	10	8	11	14	16
Denmark	20	10	39	23	54	37
Group functions/other	-39	-37	-120	-113	-172	-165
Total	**102**	**104**	**355**	**343**	**480**	**468**
Adjusted EBITA is reconciled to profit before tax as follows:						
Amortisation and impairment of goodwill, customer contracts and trademarks	-46	-43	-130	-127	-172	-170
Items affecting comparability *(note 3)*	-19	-8	-61	-18	-73	-29
Net financial income/expense	-9	-11	-67	-17	-74	-24
Profit before tax	**28**	**42**	**97**	**181**	**160**	**244**

	Jul - Sep		Jan - Sep		Rolling	Full year
Adjusted EBITA margin, %	2018	2017	2018	2017	12 mth.	2017
Sweden	6.4	8.7	9.1	10.1	9.3	10.1
Norway	6.8	6.1	6.5	6.7	6.5	6.6
Finland	4.8	7.1	1.7	2.6	2.2	3.0
Denmark	4.3	5.2	3.3	4.0	3.8	4.7
Group functions/other	-	-	-	-	-	-
Total	**4.3**	**5.6**	**5.2**	**6.1**	**5.3**	**6.1**

NET SALES BY TYPE OF CONTRACT	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Net sales						
IFM	1,389	1,279	4,200	3,877	5,623	5,300
FM - services	980	575	2,676	1,734	3,365	2,423
Total	**2,369**	**1,853**	**6,876**	**5,610**	**8,988**	**7,722**

QUARTERLY DATA (SEK m)	2018			2017				2016
GEOGRAPHICAL SEGMENTS	III	II	I	IV	III	II	I	IV
Net sales, external								
Sweden	1,129	1,204	1,178	1,228	1,084	1,114	1,101	1,117
Norway	605	563	517	498	439	458	456	509
Finland	176	166	159	153	138	137	122	136
Denmark	459	447	274	234	193	192	180	196
Group functions/other	0	0	-1	-1	-1	-2	-2	-2
Total	**2,369**	**2,380**	**2,127**	**2,112**	**1,853**	**1,900**	**1,857**	**1,956**
Adjusted EBITA								
Sweden	72	123	123	123	95	114	124	113
Norway	41	36	32	33	27	30	33	41
Finland	8	1	-2	6	10	2	-1	4
Denmark	20	18	2	15	10	5	7	9
Group functions/other	-39	-41	-40	-52	-37	-36	-40	-46
Total	**102**	**138**	**115**	**125**	**104**	**115**	**123**	**122**
Adjusted EBITA-margin, %								
Sweden	6.4	10.2	10.4	10.1	8.7	10.2	11.3	10.1
Norway	6.8	6.4	6.2	6.5	6.1	6.6	7.2	8.1
Finland	4.8	0.9	-1.0	3.9	7.1	1.2	-0.8	2.9
Denmark	4.3	4.0	0.6	6.2	5.2	2.7	4.1	4.7
Group functions/other	-	-	-	-	-	-	-	-
Total	**4.3**	**5.8**	**5.4**	**5.9**	**5.6**	**6.1**	**6.6**	**6.2**

QUARTERLY DATA (SEK m)	2018			2017				2016
TYPE OF CONTRACT	III	II	I	IV	III	II	I	IV
Net sales, external								
IFM	1,389	1,428	1,383	1,423	1,279	1,317	1,281	1,363
FM-services	980	952	745	689	575	583	576	594
Total	**2,369**	**2,380**	**2,127**	**2,112**	**1,853**	**1,900**	**1,857**	**1,956**

PARENT COMPANY INCOME STATEMENT	Jul - Sep		Jan - Sep		Full year
(SEK m)	2018	2017	2018	2017	2017
Net sales	**1**	**1**	**3**	**3**	**7**
Selling and administrative expenses	-6	-9	-20	-23	-33
Operating profit	**-5**	**-8**	**-17**	**-19**	**-26**
Net financial income/expense	**-7**	**-14**	**-71**	**-24**	**-33**
Group contribution	0	0	0	0	290
Income before tax	**-13**	**-22**	**-87**	**-44**	**230**
Income tax expense	0	0	0	0	-51
Income for the period	**-13**	**-22**	**-87**	**-44**	**179**

PARENT COMPANY BALANCE SHEET	Sep 30		Dec 31
(SEK m)	2018	2017	2017
Assets			
Shares in subsidiaries	7,789	7,789	7,789
Deferred tax asset	104	156	104
Other financial assets	1	1	1
Total non-current assets	**7,894**	**7,945**	**7,894**
Receivables from Group companies*	0	0	292
Other trading assets	3	3	1
Cash and cash equivalents*	0	0	0
Total current assets	**3**	**3**	**293**
Total assets	**7,897**	**7,948**	**8,187**

	Sep 30		Dec 31
	2018	2017	2017
Equity and liabilities			
Shareholders' equity	**5,098**	**5,345**	**5,568**
Liabilities	,		
Borrowings	1,838	1,380	1,394
Provisions for pensions	2	2	2
Total non-current liabilities	**1,840**	**1,381**	**1,396**
Liabilities to Group companies*	952	1,214	1,209
Accounts payable	0	1	0
Other current liabilities	7	7	14
Total current liabilities	**959**	**1,222**	**1,223**
Total liabilities	**2,799**	**2,603**	**2,619**
Total equity and liabilities	**7,897**	**7,948**	**8,187**

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

Key performance indicators

KEY PERFORMANCE INDICATORS Continuing operations (SEK m)	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Rolling 12 mth.	Full year 2017
Net sales	2,369	1,853	6,876	5,610	8,988	7,722
Net sales growth, %	27.8	6.5	22.6	5.6	18.8	6.2
of which organic growth, %	*10.3*	*6.5*	*10.6*	*4.2*	*10.2*	*5.6*
of which acquired growth, %	*13.0*	*0.0*	*9.3*	*0.0*	*6.9*	*0.0*
of which FX effect, %	*4.6*	*0.0*	*2.7*	*1.3*	*1.7*	*0.6*
Operating profit (EBIT)	37	53	164	197	235	268
EBIT margin, %	1.6	2.9	2.4	3.5	2.6	3.5
EBITA	83	96	293	324	407	438
EBITA margin, %	3.5	5.2	4.3	5.8	4.5	5.7
Adjusted EBITA	102	104	355	343	480	468
Adjusted EBITA margin, %	4.3	5.6	5.2	6.1	5.3	6.1
Adjusted EBITDA	119	116	404	378	543	517
Adjusted EBITDA margin, %	5.0	6.3	5.9	6.7	6.0	6.7
Adjusted net profit	69	76	191	267	282	358
Net working capital	-454	-433	-454	-433	-454	-630
Net working capital / Net sales, %	-5.0	-5.7	-5.0	-5.7	-5.0	-8.2
Operating cash flow	54	-16	71	186	378	492
Cash conversion, %	62	0	32	57	82	103
Net debt	1,516	970	1,516	970	1,516	699
Leverage	2.8	1.9	2.8	1.9	2.8	1.4
Equity/assets ratio, %	35	42	35	42	35	40

DATA PER SHARE	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Rolling 12 mth.	Full year 2017
Share price at end of period	71.0	58.0	71.0	58.0	71.0	62.5
No. of shares at end of period	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022
No. of ordinary shares (weighted average)	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022
Earnings per share, before and after dilution, (SEK)						
Earnings per share, continuing operations (SEK)	0.23	0.35	0.64	1.46	1.14	1.96
Earnings per share, discontinued operations (SEK)	0.00	-0.26	0.00	-1.17	-0.37	-1.54
Earnings per share, total (SEK)	**0.23**	**0.09**	**0.64**	**0.29**	**0.78**	**0.42**
Shareholders' equity per share, SEK	**23.10**	**25.55**	**23.10**	**25.55**	**23.10**	**25.71**

Notes

Note 1 – Accounting principles

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

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

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

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

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

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

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

Note 2 – Financial Instruments

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

	Carrying amount			Fair value		
	Sep 30		Dec 31	Sep 30		Dec 31
(SEK m)	2018	2017	2017	2018	2017	2017
Finance lease liabilities	6	6	6	6	6	6
Liabilities to credit institutions	1,838	1,380	1,394	1,838	1,380	1,394
Other non-current liabilities	2	1	2	2	1	2
Total	**1,846**	**1,388**	**1,402**	**1,846**	**1,388**	**1,402**

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

Note 3 – Items affecting comparability

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

ITEMS AFFECTING COMPARABILITY	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Integration	-12	-3	-29	-11	-38	-20
Restructuring	-5	0	-25	0	-29	-4
Acquisition related expenses	-1	-6	-7	-6	-7	-6
Other	0	0	0	-2	3	1
Total	**-19**	**-8**	**-61**	**-18**	**-73**	**-29**

Note 4 – Acquisitions

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

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

The acquisition of the Norwegian service provider West Facility Management AS was completed on 2 July 2018. The company has about 300 employees and generates annual sales of around SEK 140 million. The acquisition has had a positive impact on Coor's growth and skills base, mainly in the crucial cleaning segment.

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

(SEK m)	Obos Eiendomsdrift AS	Elite Miljø A/S	West Facility Mgmt AS	Total
Purchase price				
Total consideration	**47**	**335**	**106**	**488**
The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following				
Property, plant and equipment	4	20	6	29
Intangible assets – customer contracts	0	101	43	144
Intangible assets – trademarks	0	6	1	7
Other financial assets	0	1	0	1
Cash and cash equivalents	11	34	7	52
Accounts receivable and other current receivables	7	134	17	159
Deferred tax liability	0	-22	-10	-32
Liabilities to credit institute	0	0	-8	-8
Accounts payable and other current liabilities	-17	-145	-27	-189
Acquired identifiable net assets	**5**	**128**	**30**	**163**
Goodwill	42	207	76	325
Total acquired net assets	**47**	**335**	**106**	**488**
Cash flow attributable to acquisitions for the period				
Consideration paid	47	335	106	488
Cash in acquired businesses	-11	-34	-7	-52
Net outflow, cash and cash equivalents	**36**	**301**	**99**	**436**

The total transaction cost for the acquisitions is SEK 7 million and mainly refers to costs for lawyers and financial advisors. These costs are recognised in selling and administrative expenses in the income statement and are included in operating activities in the cash flow statement.

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

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

In connection with the acquisition of West FM, customer contracts and trademarks with a total value of SEK 44 million were identified. The goodwill of SEK 76 million which arose from the acquisition is primarily attributable to the employees' skills in the cleaning segment and to increased profitability in the form of synergies from the acquisition.

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

Income of acquired businesses
The acquired businesses increased consolidated net sales by SEK 552 million for the period 1 January to 30 September 2018. If the acquisitions had taken place on 1 January 2018, the acquired businesses would have increased consolidated net sales by SEK 763 million on a pro forma basis for the period 1 January to 30 September 2018.

Note 5 – Pledged assets and contingent liabilities

PLEDGED ASSETS	Sep 30		Dec 31
(SEK m)	2018	2017	2017
Bank guarantees	143	104	103
Total	**143**	**104**	**103**

CONTINGENT LIABILITIES	Sep 30		Dec 31
(SEK m)	2018	2017	2017
Performance bonds	172	186	154
Total	**172**	**186**	**154**

Parent company
The parent company has provided a parent company guarantee as well as a bank guarantee of SEK 109 (0) million to a major customer to ensure delivery of the contracted services. There are no other pledged assets or contingent liabilities in the parent company.

Note 6 – Share-based compensation schemes

In accordance with a resolution of the Annual General Meeting, the company introduced a target- and performance-based incentive scheme (LTIP 2018) for senior executives and other key individuals in the Coor Group in September 2018.

The aim of the scheme is to improve the company’s ability to recruit and retain key individuals and encourage long-term personal ownership of Coor shares among the participants and thereby align the interests of participants and shareholders. To qualify for the scheme, participants will be required to own Coor shares that are allocated to the scheme. Each participant will have the right to allocate a specified number of shares. For each invested share, participants will then be entitled to an allocation of target- and performance-based subscription rights at the end of the vesting period. The allocation of subscription rights depends on the extent to which the defined targets and performance conditions have been met during the performance period 1 January 2018 – 31 December 2020. The employee is also required to retain his or her investment shares and remain an employee of Coor at the end of the vesting period. The vesting period will end in connection with the publication of Coor’s interim report for the first quarter of 2021.

The performance-based subscription rights are divided into three series:
Series A – customer satisfaction index: The allocation of subscription rights of series A is contingent on the improvement in Coor’s customer satisfaction index in relation to the defined targets.
Series B – earnings performance: The allocation of subscription rights of series B is contingent on the improvement in Coor’s earnings (adjusted EBITA) in relation to the adopted business plan.
Series C – relative total return performance: The allocation of subscription rights of series C is contingent on the total return performance of Coor’s shares in relation to a weighted average in a group of other companies (the benchmark group).

In total, the scheme comprised a maximum of 91,750 investment shares with a maximum allocation of 415,250 performance-based subscription rights. The take-up of the scheme was around 84 per cent, which meant that a total of 348,724 subscription rights were allocated at the issue date, comprising 75,431 subscription rights of series A, 197,862 of series B and 75,431 of series C.

To ensure delivery of shares under the scheme, the AGM resolved to authorise the Board of Directors to conclude share swap agreements with third parties on market terms.

Members of senior management were also offered, in addition to performance-based subscription rights, to acquire a certain number of Coor stock call options. A market-based premium was paid for the call options. The options scheme comprises a total of 320,000 options.

Purpose of the selected key performance indicators

To give its investors and other stakeholders clearer information about the Group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained in the following. See page 25 for definitions of terms and the calculation of key performance indicators.

Growth

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

Earnings and profitability

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

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

Cash flow and working capital

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

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

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

Net debt and leverage

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

Reconciliation of key performance indicators

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

RECONCILIATION OF ADJUSTED KEY PERFORMANCE INDICATORS	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Operating profit (EBIT)	**37**	**53**	**164**	**197**	**235**	**268**
Amortisation and impairment of customer contracts and trademarks	46	43	130	127	172	170
EBITA	**83**	**96**	**293**	**324**	**407**	**438**
Items affecting comparability *(note 3)*	19	8	61	18	73	29
Adjusted EBITA	**102**	**104**	**355**	**343**	**480**	**468**
Depreciation	18	12	50	36	63	50
Adjusted EBITDA	**119**	**116**	**404**	**378**	**543**	**517**
Income from continuing operations	**22**	**33**	**62**	**140**	**110**	**188**
Amortisation and impairment of customer contracts and trademarks	46	43	130	127	172	170
Adjusted net profit	**69**	**76**	**191**	**267**	**282**	**358**

SPECIFICATION OF NET WORKING CAPITAL	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2018	2017	2018	2017	12 mth.	2017
Accounts receivable	1,324	1,056	1,324	1,056	1,324	1,159
Other current assets, non-interest-bearing	403	387	403	387	403	403
Accounts payable	-851	-720	-851	-720	-851	-944
Other current liabilities, non-interest-bearing	-1,329	-1,157	-1,329	-1,157	-1,329	-1,249
Adjustment for accrued financial expenses	0	0	0	0	0	0
Net working capital	**-454**	**-433**	**-454**	**-433**	**-454**	**-630**

SPECIFICATION OF NET DEBT	Jul - Sep		Jan - Sep		Rolling	Full year
(SEK m)	2017	2016	2018	2017	12 mth.	2017
Borrowings	1,843	1,385	1,843	1,385	1,843	1,399
Provisions for pensions	19	18	19	18	19	19
Interest-bearing current liabilities	3	3	3	3	3	3
Cash and cash equivalents	-335	-422	-335	-422	-335	-709
Other financial non-current assets, interest-bearing	-13	-12	-13	-12	-13	-12
Other current assets, interest-bearing	-1	-2	-1	-2	-1	-1
Net debt	**1,516**	**970**	**1,516**	**970**	**1,516**	**699**

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

Definitions

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

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

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

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

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

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

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

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

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

Calculation of key performance indicators

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

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

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.

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

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

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

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