



BELLMAN GROUP
INTERIM REPORT
JANUARY - JUNE 2019



ABOUT BELLMAN GROUP

Bellman Group is a construction group that operates in rock blasting, soil removal, transport and mass handling in Sweden, primarily in the Stockholm and Gothenburg regions. The Group consists of Bellmans, which is a transport company, Uppländska, which performs blasting operations, VSM, which carries out excavation work with large machinery, and Samgräv, which is active in transport, mass handling and landfills.

In 2018 the Group sales were SEK 1.6 billion (pro forma*). The Bellman Group, with registered offices in Solna, Sweden, has approximately 400 employees and 800 subcontractors. The Group's corporate bonds are listed on Nasdaq Stockholm and the principal owner is Verdane Capital. Bellman Group is a group with an explicit acquisition strategy.

VISION

We do not follow the development in the industry. We lead it.

MISSION

We make it possible to build.

BUSINESS CONCEPT

Bellman Group's business concept is to blast, shaft and transport with focus on quality, efficiency and safety in complex projects and environments for our customers in the construction sector.

CORE VALUES

Quality. Competence. Security.

OVERALL GOALS

Bellman Group's growth will be achieved through the acquisition of established and profitable companies that supplement and act within the framework of the Group's offering. Revenue synergies, rather than cost synergies, are a criterion and the Group should not be perceived, by its key customers, to run competing operations. Growth will also occur organically in existing segments.

*) To illustrate the full year sales of the Bellman Group, the pro forma sales figure includes full year figures for VSM and Samgräv, as if the acquisitions of the subsidiaries had taken place on 1 January 2018.



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QUARTER AND YEAR-TO-DATE AT A GLANCE

On January 31, 2019, the Group completed the acquisition of Samgräv Holding AB.

In May 2019, Bellman Group consolidated and simplified its legal structure by merging six legal entities into two. At the same time the MST segment was renamed Uppländska.

One of the major infrastructure projects in Sweden is “Västlänken Göteborg”, where a railway connection is built under central Gothenburg.

VSM is contracted by NCC to handle excavation and transports for one of these projects (Centralstationen), with a contract that runs until 2024. VSM has in its turn contracted Samgräv to handle the transports in this project. The Group companies’ close and seamless cooperation provides efficiency in the project. Samgräv has also been contracted for transports at another “Västlänken Göteborg” project (Haga).



FINANCIAL SUMMARY

QUARTER 2

Revenue increased by 114% to SEK 441 million (206).

EBITDA before items affecting comparability increased by 215% to SEK 57 million (18).

EBITDA after items affecting comparability totalled SEK 53 million (13) with a margin of 12.0% (6.3%).

Operating profit totalled SEK 32 million (6) with a margin of 7.3% (3.1%).

Earnings per share, basic and diluted, equalled SEK 7.2 (2.1).

YEAR-TO-DATE

Revenue increased by 125% to SEK 886 million (395) equalling a pro forma** increase of 23% or SEK 170 million.

EBITDA before items affecting comparability increased by 208% to SEK 107 million (35) and on a proforma level by 51% to SEK 111 million (74).

EBITDA after items affecting comparability totalled SEK 101 million (28) with a margin of 11.4% (7.1%) and on a pro forma level totalled SEK 105 million (67) with a margin of 11.6% (9.1%).

Operating profit totalled SEK 61 million (15) with a margin of 6.9% (3.9%) and on a pro forma level SEK 65 million (32) with a margin of 7.1% (4.4%).

Earnings per share, basic and diluted, equalled SEK 14.2 (5.7).

BELLMAN GROUP KEY PERFORMANCE INDICATORS

SEK million	*)		*)		**)	
	Q2	Q2	YTD	YTD	Pro forma	Pro forma
	2019	2018	2019	2018	YTD	YTD
Revenue	440.8	205.6	886.4	394.8	910.2	740.2
EBITDA before items affecting comparability	57.0	18.1	106.8	34.7	111.1	73.8
EBITDA before items affecting comparability margin, %	12.9%	8.8%	12.0%	8.8%	12.2%	10.0%
EBITDA after items affecting comparability	53.1	12.9	101.1	28.0	105.5	67.1
EBITDA after items affecting comparability margin, %	12.0%	6.3%	11.4%	7.1%	11.6%	9.1%
Operating profit (EBIT)	32.0	6.5	60.9	15.2	64.9	32.4
Operating margin, %	7.3%	3.1%	6.9%	3.9%	7.1%	4.4%
Net income for the period	15.4	2.1	29.8	5.7	32.9	15.3
Earnings per share (SEK), basic and diluted	7.2	2.1	14.2	5.7		

*) The 2019 data includes Uppländska, Bellmans and VSM for January - June and Samgräv for February - June. The 2018 data includes Uppländska and Bellmans for January - June.

***) To illustrate the development of the Bellman Group, pro forma figures YTD 2018 and 2019 are reported. Figures for VSM and Samgräv are included as if the acquisitions of the subsidiaries had taken place on 1 January 2018.



A WORD FROM OUR CEO

The performance development during the second quarter has been positive. Growth has been strong, driven by both acquisitions and organic increases. We have seen organic growth in all segments during the quarter, mainly as a result of major infrastructure projects like “Förbifart Stockholm”, “Sälens flygplats” and “Västlänken Göteborg”. Together with the acquisition of Samgräv, which was completed during the first quarter of 2019, the Group has significantly strengthened its position in Western Sweden.

The integration of Samgräv is proceeding according to plan and we have already seen an increased cooperation between the companies within the Group towards our customers. The certification work within quality, working environment and environment is progressing according to plan. During the second quarter, we also continued to simplify our legal structure.

Reinforced position

During 2018 and 2019, we completed acquisitions in line with our goal of being a comprehensive supplier within groundwork and mass management, and we continued to be the preferred choice of our customers. Our customer consists mainly of large and medium sized construction and infrastructure companies in Sweden. Construction and infrastructure investments in Sweden are characterized by ever-increasing complexity, which places demands on our customers' collaboration

partners. Here we not only distinguish ourselves by our size and our uniquely broad offer, but also by our extensive experience from complex projects where the requirements for project management ability, competence and time management are crucial success factors. Our customers expect us to take leadership and together with them drive the development forward, with new solutions and standards. Our professionalism helps our customers develop, to strengthen their business and their processes and enables us to deliver value to our customers.

Stable foundation for further growth

The new Group has a stable basis for further growth through:

- ❖ Good balance between operations, with a broad offering in rock blasting, excavation, transport and mass handling in Sweden, primarily in the Stockholm and Gothenburg regions.
- ❖ Strong underlying market, with large infrastructure investments spanning over a long-time horizon.
- ❖ Low project risk in the business as the compensation model is largely variable/volume-based (majority of business is infrastructure driven).
- ❖ Being a quality supplier that actively helps our customers solve their problems during the process of the project's.
- ❖ A strong brand that the customer can always rely on.

Håkan Lind, CEO of Bellman Group

FINANCIAL OVERVIEW

QUARTER 2

Sales

The Group's consolidated revenue was SEK 440.8 million (205.6), an increase of SEK 235.2 million or 114.4%, mainly as a result of the acquisitions of VSM SEK 161.8 million and Samgräv SEK 64.7 million. Bellmans reported a revenue increase of SEK 26.7 million or 18.2%, driven by high capacity utilization as a result of strong market demand (infrastructure projects). Uppländska reported a revenue increase of SEK 1.3 million or 2.2%, primarily driven by large projects related to infrastructure and housing.

Earnings

EBITDA before items affecting comparability was SEK 57.0 million (18.1), an increase of SEK 38.9 million or 215.1%, mainly driven by the acquisitions of VSM SEK 27.8 million as well as Samgräv SEK 8.2 million. Bellmans reported an increase in EBITDA before items affecting comparability of SEK 3.3 million or 45.4%, as a result of profitable growth. Uppländska reported an increase in EBITDA of SEK 1.0 million or 11.0% due to a favourable project mix.

EBITDA after items affecting comparability was SEK 53.1 million (12.9), an increase of SEK 40.2 million or 311.7%. The items affecting comparability during the quarter amounted to SEK -3.9 million (-5.2). Items affecting comparability were comprised of Internal Control Project SEK -3.2 million, acquisition costs SEK -0.3 million and internal restructuring in order to simplify the Group's legal structure SEK -0.4 million.

Operating profit (EBIT) was SEK 32.0 million (6.5) and included depreciation and amortisation totalling SEK -21.1 million (-6.4), due to depreciation of property, plant, equipment SEK -20.4 million (-6.1) and intangible assets SEK -0.7 million (-0.4).

Net financial expenses were SEK -12.6 million (-4.1), which was mainly attributable to interest on the corporate bonds and amortisation of financing costs. Net profit in the second quarter totalled SEK 15.4 million (2.1).

Cash Flow

The Group's cash flow from operating activities was SEK 52.1 million (-8.0), an increase of SEK 60.1 million mainly driven by increased cash flow from operating activities before changes in working capital SEK 36.6 million, including a dividend of 9.9 million from an associated company, as well as a positive change in working capital of SEK 23.5 million.

Cash flow from investing activities was SEK -10.0 million (-2.6). This was a result of new investments of SEK -16.3 million (-2.6), partly offset by sales of equipment SEK 6.3 million (0.0).

Cash flow from financing activities was SEK -23.6 million (-19.5), driven by repayment of the vendor loan related to Bellmans SEK -19.5 million (-19.5) as well as repayment of lease liability SEK -4.1 million (0.0).

As a result, the cash flow for the quarter was positive and ended at SEK 18.4 million (-30.1) resulting in a quarter end cash and cash equivalent of SEK 100.5 million (65.6).

Investments

The Group's investments in property, plant and equipment totalled SEK 16.3 million (2.6), which referred to Samgräv (landfills) SEK 8.7 million (0.0), VSM (new vehicles) SEK 7.5 million (0.0), Uppländska SEK 0.1 million (2.3) and Bellmans SEK 0.0 million (0.3).

YEAR-TO-DATE

Sales

The Group's consolidated revenue was SEK 886.4 million (394.8), an increase of SEK 491.6 million or 124.5%, mainly as a result of the acquisitions of VSM SEK 351.0 million and Samgräv SEK 113.3 million. Bellmans reported a revenue increase of SEK 59.1 million or 20.9%, driven by high capacity utilization as a result of strong market demand (infrastructure projects). Uppländska reported a revenue increase of SEK 7.9 million or 6.9%, primarily driven by large projects related to infrastructure and housing.

The pro forma* revenue was SEK 910.2 million (740.2), an increase of SEK 170.0 million or 23.0%. VSM reported an increase of SEK 115.0 million or 48.7%, mainly driven by large infrastructure projects, like "Förbifart Stockholm", "Sälens flygplats" and "Västlänken Göteborg". Samgräv reported an increase of SEK 28.1 million or 25.7%, driven by large infrastructure projects.

Earnings

EBITDA before items affecting comparability was SEK 106.8 million (34.7), an increase of SEK 72.1 million or 207.7%, mainly driven by the acquisitions of VSM SEK 54.6 million as well as Samgräv SEK 14.8 million. Bellmans reported an increase in EBITDA before items affecting comparability of SEK 5.1 million or 36.6%, as a result of profitable growth. Uppländska reported a decrease of SEK -0.9 million or -4.7%, mainly due to an unfavourable project mix (increased utilization of sub-contractors within rock and gravel handling).

The pro forma* YTD EBITDA before items affecting comparability was SEK 111.1 million (73.8), an increase

*) To illustrate the full year sales of the Bellman Group, the pro forma sales figure includes full year figures for VSM and Samgräv, as if the acquisitions of the subsidiaries had taken place on 1 January 2018.

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of SEK 37.3 million or 50.6%. VSM reported an increase of SEK 33.8 million or 163.0%, mainly driven by profitable growth related to infrastructure projects. Samgräv reported an increase of SEK 0.9 million or 4.7%.

EBITDA after items affecting comparability was SEK 101.1 million (28.0), an increase of SEK 73.1 million or 261.0%. The items affecting comparability during the first half year amounted to SEK -5.7 million (-6.7). Items affecting comparability were comprised of project for Internal Control SEK -4.2 million, acquisition costs SEK -1.0 million and internal restructuring in order to simplify the Group's legal structure SEK -0.5 million.

Pro forma* EBITDA after items affecting comparability was SEK 105.5 million (67.1), an increase of SEK 38.4 million or 57.2%.

Operating profit (EBIT) was SEK 60.9 million (15.2) and included depreciation and amortization totalling SEK -40.2 million (-12.8), due to depreciation of property, plant, equipment SEK -38.8 million (-12.1) and Intangible assets SEK -1.4 million (-0.7).

Net financial expenses were SEK -23.4 million (-8.1), which was mainly attributable to interest on the corporate bonds and amortization of financing costs. Net profit the first half year totalled SEK 29.8 million (5.7).

Cash Flow

The Group's cash flow from operating activities was SEK 66.0 million (4.5), an increase of SEK 61.5 million mainly driven by increased cash flow from operating activities before changes in working capital SEK 57.1 million as well as a positive change in working capital of SEK 4.4 million.

Cash flow from investing activities was SEK -113.9 million (-7.5). This was a result of the acquisition of Samgräv SEK -94.2 million (0.0), new investments in current business SEK -25.9 million (-7.5), partly offset by sales of equipment SEK 6.3 million (0.0).

Cash flow from financing activities was SEK 54.0 million (-19.5) mainly a result of new loans due to the acquisition of Samgräv SEK 95.9 million (0.0), repayment of loans SEK -35.4 million (-19.5), related to vendor loan Bellmans SEK -19,5 million and payments of external bank debt Samgräv SEK -15,9 million, as well as repayment of lease liability SEK -6.5 million (0.0).

As a result, the cash flow for the period was positive and ended at SEK 6.1 million (-22.5) resulting in a period end cash and cash equivalents of SEK 100.5 million (65.6).

Investments

The Group's investments in property, plant and equipment totalled SEK 25.9 million (7.5), which referred to Samgräv SEK 15.9 million (0.0) (landfills), VSM SEK 8.4 million (0.0) (new vehicles), Bellmans SEK 0.9 million (3.0) and Uppländska SEK 0.7 million (4.5).

Acquisitions

On 31 January 2019, Bellman Group completed the acquisition of Samgräv Holding AB, purchasing all the shares in the company and acquiring, indirectly, its subsidiaries. The acquisition was funded by new equity, increasing the number of shares with 142,349 to 2,086,991 and the issuance of new corporate bonds increasing the bond loans of SEK 100 million up to SEK 600 million.

Net interest-bearing debt

The Group's net interest-bearing debt, for covenant purposes, as of June 30, 2019, amounted to SEK 502.5 million (159.6). This comprised of bonds to a nominal value of SEK 600.0 million (220.0), lease liabilities (according to IAS 17) of SEK 2.9 million (5.2) less cash and cash equivalents of SEK -100.5 million (-65.6). Interest bearing net debt in relation to rolling twelve-month pro forma EBITDA before items affecting comparability at June 30, 2019, was 2.3 (2.7).

Total net debt was SEK 646.3 million (198.5) including the bond of SEK 600.0 million (220.0), contingent consideration for the acquisition of Samgräv at a fair value of SEK 89.9 million (0.0), lease liabilities (including IFRS 16) of SEK 38.3 million (5.2), vendor loan SEK 18.6 million (38.9) partly reduced by cash and cash equivalent of SEK -100.5 million (-65.6).

Organization

At 30 June 2019, the Group had 377 (177) employees. Of these, 185 (0) employees in VSM, 95 (99) employees in Uppländska, 74 (77) employees in Bellmans, 19 (0) employees in Samgräv and 4 (1) employees in the Parent Company. The increase is mainly due to the acquisition of VSM and Samgräv.

Attracting competent employees and retaining key personnel is crucial for Bellman Group's success. The physical safety of personnel is high priority and the Bellman Group has a zero vision when it comes to accidents. Risks, incidents and accidents are reported and investigated so that measures can be taken as quickly as possible. Measures are continuously taken to create and maintain safe workplaces, train employees in safety, change attitudes and thereby contribute to a healthy organisation and a safe working environment.

We see challenges in recruiting more female employees in order to create a more balanced gender distribution within the company. We are convinced that an inclusive workplace culture characterised by diversity benefits everyone. Discrimination and harassment are not allowed in any form and all employees must be given equal opportunity to develop. A good corporate culture makes for wellbeing, good relationships, low staff turnover and low sick leave. Bellman Group collaborates with schools, employment services and competitors to secure jointly future needs for competent employees. We also encourage employees who want further education or undergo broadening training within our various machine types.

*) To illustrate the full year sales of the Bellman Group, the pro forma sales figure includes full year figures for VSM and Samgräv, as if the acquisitions of the subsidiaries had taken place on 1 January 2018.

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Financial position and financing

At the end of the period, the Group had cash and cash equivalents of SEK 100.5 million (65.6). Including an undrawn overdraft facility, available cash and cash equivalents totalled SEK 144.5 million (85.6). The Parent Company has issued corporate bonds, which are listed on the Corporate bond list at NASDAQ Stockholm AB ("Nasdaq Stockholm"). These bonds are listed as Bellman Group 1 with 600 units. The total outstanding nominal amount is SEK 600.0 million (220.0) and the nominal value per unit is SEK 1.0 million. The interest rate of the bonds is the variable 3-month STIBOR plus 6.50%. The interest is payable quarterly in arrears. The bonds mature in June 2022. The terms and conditions of the bonds include an early redemption option. The option is accounted for as a derivative at an amount of SEK 1.2 million (1.0) and is classified as a financial asset at fair value through profit or loss. The terms and conditions of the bonds include a quarterly maintenance test, which is deemed to be satisfied provided the ratio of net interest-bearing debt to EBITDA is less than 4.25. The terms and conditions of the bonds are available on the website of Bellman Group AB (publ), www.bellmangroup.se.

Risk and undertakings

A presentation of significant risks and uncertainties can be found in the Group's Annual Report for 2018. The

Annual Report is available on the website of Bellman Group AB (publ), www.bellmangroup.se. There has been no material change in significant risks and uncertainties since the Annual Report was published.

Significant events after the end of June

A planned expansion of one of Samgräv's facilities has been stopped by the municipality. Samgräv has requested inhibition of the decision which has been rejected. Samgräv is now evaluating the consequences of the municipal's decision.

Outlook

Bellman Group is continuously working to develop and customise its operations within the various segments. This work is done both through industry organisations and in connection with customers. The future development of the Group's subsidiaries is deemed good. The assessment is supported by the fact that the Group is active in a well-structured market, that the customers demand the Group's service offering and that the services are of high utility. Long-term trends, such as urbanization, also work to the Group's advantage. Urbanization promotes the market in which the group's largest customers are active, thereby increasing demand for the Group's services

SEGMENT DEVELOPMENT

SEK million		*)	*)	*)	**)	**)
	Q2	Q2	YTD	YTD	Pro forma	Pro forma
	2019	2018	2019	2018	YTD	YTD
					2019	2018
Uppländska	61.8	60.5	121.8	113.9	121.8	113.9
Bellmans	173.1	146.4	342.2	283.1	342.2	283.1
VSM	161.8	-	351.0	-	351.0	236.0
Samgräv	64.7	-	113.3	-	137.6	109.5
Elimination, inter-company sales	-20.7	-1.3	-41.9	-2.2	-42.4	-2.2
Total revenue	440.8	205.6	886.4	394.8	910.2	740.2
SEK million		*)	*)	*)	**)	**)
	Q2	Q2	YTD	YTD	Pro forma	Pro forma
	2019	2018	2019	2018	YTD	YTD
					2019	2018
Uppländska	10.4	9.4	18.6	19.5	18.6	19.5
Bellmans	10.5	7.2	19.0	13.9	19.0	13.9
VSM	27.8	-	54.6	-	54.6	20.7
Samgräv	8.2	-	14.8	-	19.2	18.3
Other	0.1	1.5	-0.2	1.3	-0.2	1.3
Total EBITDA before items affecting comparability	57.0	18.1	106.8	34.7	111.1	73.8

*) The 2019 data includes Uppländska, Bellmans and VSM for January - June and Samgräv for February - June. The 2018 data includes Uppländska and Bellmans January - June.

**) To illustrate the development of the Bellman Group, pro forma figures YTD 2018 and 2019 are reported. Figures for VSM and Samgräv are included as if the acquisitions of the subsidiaries had taken place on 1 January 2018.

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OTHER INFORMATION

AUDIT

This report has not been subject to review by the Group's auditors.

CONTACT INFORMATION

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FINANCIAL CALENDAR

The interim report for the period January - September and the third quarter 2019, to be released on 29 November 2019.

ASSURANCE

The Board of Directors and CEO hereby confirm that this interim report for January – June and the second quarter 2019 provides a true and fair overview of the performance of the Parent Company's and the Group's operations, financial position and earnings, and that it describes the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Stockholm, 29 August 2019

Björn Andersson
Chairman of the Board

Per Nordlander
Member of the Board

Håkan Lind
CEO and Member of the Board

Christina Ragsten
Member of the Board

Ingalill Östman
Member of the Board

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**CONSOLIDATED INCOME STATEMENT AND STATEMENT OF
COMPREHENSIVE INCOME**

SEK million		*)	*)	*)
	Note	Q2 2019	Q2 2018	YTD 2019
			YTD 2018	YTD 2018
Revenue		440.8	205.6	886.4
Other operating income		2.6	0.9	3.8
Total revenue		443.4	206.5	890.3
Operating expenses				
Raw materials and consumables		-308.8	-154.3	-629.2
Other external expenses		-16.0	-10.8	-32.9
Employee benefits		-66.4	-28.5	-128.5
Depreciation/amortization of property, plant, equipment and intangible assets		-21.1	-6.4	-40.2
Result from shares in associated companies		0.9	0.0	1.5
Total operating expenses		-411.4	-200.0	-829.4
Operating profit		32.0	6.5	60.9
Net financial items	4	-12.6	-4.1	-23.4
Profit after net financial items		19.4	2.4	37.5
Income tax		-4.0	-0.3	-7.7
Net profit for the period		15.4	2.1	29.8
Profit attributable to:				
- Parent Company shareholders		15.1	2.1	29.1
- non-controlling interests		0.3	0.0	0.7
Earnings per share (SEK), basic and diluted		7.2	2.1	14.2
Average number of shares, thousands		2,087.0	1,014.2	2,046.9
Total comprehensive income for the period		15.4	2.1	29.8
Total comprehensive income for the period is attributable to:				
- Parent Company shareholders		15.1	2.1	29.1
- non-controlling interests		0.3	0.0	0.7

*) The income statement for 2018 refers to Uppländska, Bellmans and the Parent Company for the year. The income statement for 2019 refers to Uppländska, Bellmans, VSM and the Parent Company for the year and to Samgräv for the period February - June.

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CONSOLIDATED BALANCE SHEET

SEK million	Note	End Q2 2019	*) End Q2 2018	*) End Year 2018
Assets				
Intangible assets	6	505.1	147.6	334.0
Property, plant and equipment		421.3	112.4	321.2
Non-current financial assets		12.6	6.2	14.7
Total non-current assets		939.1	266.2	670.0
Inventories		9.7	7.0	5.0
Current receivables		310.9	155.8	266.3
Cash and cash equivalents		100.5	65.6	94.5
Total current assets		421.1	228.4	365.8
TOTAL ASSETS		1,360.2	494.6	1,035.7
Equity and liabilities				
Parent shareholders' equity		319.0	82.1	245.5
Non-controlling interests		6.1	0.0	5.6
Non-current liabilities	8	735.2	261.3	568.9
Current liabilities	8	299.8	151.2	215.7
TOTAL EQUITY AND LIABILITIES		1,360.2	494.6	1,035.7

*) The statement of financial position for June 2018 refers to Uppländska, Bellmans and the Parent Company. The statement of financial position for December 2018 refers to Uppländska, Bellmans, VSM and the Parent Company.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Attributable to shareholders of Bellman Group AB					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Retained earnings (incl. net profit/loss for the year)	Total			
Opening balance, 1 January 2018	1.0	47.4	27.9	76.3	0.0	76.3	
Net profit/loss for the period	0.0	0.0	5.8	5.8	0.0	5.8	
Total comprehensive income	0.0	0.0	5.8	5.8	0.0	5.8	
Closing balance, 30 June 2018	1.0	47.4	33.7	82.1	0.0	82.1	
Opening balance, 1 January 2019	1.9	191.5	52.2	245.6	5.6	251.2	
Net profit/loss for the period	0.0	0.0	29.1	29.1	0.4	29.5	
Total comprehensive income	0.0	0.0	29.1	29.1	0.4	29.5	
Issue of new shares	0.2	43.8	0.0	44.0	0.0	44.0	
Transactions with shareholders in their roles as owners	0.2	43.8	0.0	44.0	0.0	44.0	
Non-controlling interests arising from a business combination	0.2	-25.7	25.9	0.4	0.0	0.4	
Transactions with shareholders in their roles as owners	0.2	-25.7	25.9	0.4	0.0	0.4	
Closing balance, 30 June 2019	2.3	209.5	107.1	319.0	6.1	325.1	

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CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million		*)	*)	*)
	Q2	Q2	YTD	YTD
	Note	2019	2018	2018
Cash flow from operating activities				
Operating profit		32.0	6.5	60.9
<u>Adjustment for non-cash items:</u>				
Depreciation and amortization		21.1	6.4	40.2
Other & non-cash items		-5.1	-1.1	-3.9
Interest paid		-10.3	-3.6	-19.7
Dividends from associated companies		9.9	0.0	9.9
Income taxes paid / received		-4.9	-2.1	-16.3
Cash flow from operating activities before changes in working capital		42.7	6.1	71.1
Changes in working capital		9.4	-14.1	-5.1
Cash flow from operating activities		52.1	-8.0	66.0
Cash flow from investing activities				
Acquisition of subsidiaries, net of acquired cash and cash equivalents	6	0.0	0.0	-94.2
Investments in property, plant and equipment		-16.3	-2.6	-25.9
Sale of property, plant and equipment		6.3	0.0	6.3
Cash flow from investing activities		-10.0	-2.6	-113.9
Cash flow from financing activities				
Repayment of lease liability		-4.1	0.0	-6.5
Loans raised	6, 8	0.0	0.0	95.9
Repayment of loans		-19.5	-19.5	-35.4
Cash flow from financing activities		-23.6	-19.5	54.0
Cash flow for the period		18.5	-30.1	6.1
Cash and cash equivalents at the beginning of the period		82.1	95.7	94.4
Cash and cash equivalents at the end of the period		100.6	65.6	100.6

*) The cash flow statement for 2018 refers to Uppländska, Bellmans and to the Parent Company for the year. The cash flow statement for 2019 refers to Uppländska, Bellmans, VSM and the Parent Company for the year and to Samgräv for the period February - June.

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**PARENT COMPANY INCOME STATEMENT AND STATEMENT OF
COMPREHENSIVE INCOME**

SEK million	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Total Revenue	4.7	2.4	7.8	4.4
Total operating expenses	-8.3	-7.3	-13.4	-10.9
Operating loss	-3.5	-4.9	-5.6	-6.5
Loss after net financial expense	-13.8	-8.2	-24.3	-13.0
Net gain/loss for the period	-10.8	-6.5	-19.1	-10.2
Statement of other comprehensive income				
Net gain/loss for the period	-10.8	-6.5	-19.1	-10.2
Total comprehensive income for the period	-10.8	-6.5	-19.1	-10.2

PARENT COMPANY BALANCE SHEET

SEK million	End Q2 2019	End Q2 2018	End Year 2018
Total non-current assets	1,086.8	349.9	829.9
Total current assets	86.7	65.1	81.4
TOTAL ASSETS	1,173.5	415.0	911.3
Total equity	314.9	124.6	290.0
Total non-current liabilities	833.9	233.0	592.7
Total current liabilities	24.7	57.4	28.6
TOTAL EQUITY AND LIABILITIES	1,173.5	415.0	911.3

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NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies

The significant accounting policies applied in preparing these consolidated financial statements are described below. Unless otherwise stated, these policies have been applied consistently for all the periods presented. All amounts presented in the financial statements are in millions of Swedish kronor (SEK million) unless stated otherwise.

The carrying amount of the Group's long-term and short-term financial instruments valued at amortized cost corresponds essentially to its fair value, since the interest rate is at par with current market rates.

1.1. Basis of preparation of financial statements

The consolidated financial statements for the Bellman Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 *Supplementary Financial Reporting Rules for Corporate Groups* of the Swedish Financial Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the Swedish Annual Accounts Act.

The parent company applies Recommendation RFR 2 *Financial Reporting for Legal Entities* of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. The accounting principles and calculation methods applied in the interim report are consistent with those described in the 2018 annual report, except for the changes in IFRS 16 described below. No other IFRS or IFRIC interpretations, which have not to date become effective, are expected to have any material impact on the Group. For further information regarding the Group's applied accounting principles, see the Group's annual report for 2018.

1.2. IFRS 16 Leases

In January 2016, IASB published a new lease standard that will replace IAS 17 Leases and the related interpretations, IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases are recognised in the balance sheet, with a few exceptions. This accounting treatment is based on the view that the lessee has a right to use an asset during a specific period, as well as an obligation to pay for this right. For the lessor, the accounting treatment will remain essentially unchanged. The standard is effective for financial years beginning on or after 1 January 2019.

From 1 January 2019, IFRS 16 is fully applied by Bellman Group. Comparatives for the 2018 financial year will not be restated.

The Group applies the recognition exemption to recognise short-term leases (with a lease term of 12 months or less) and leases where the underlying asset is of low value as an expense in profit or loss on a straight-line basis. Non-lease components are not separated from lease components. The Group is not applying IFRS 16 to leases of intangible assets.

Instead of operating lease expenses, the Group recognises depreciation and interest expenses in the consolidated income statement. Lease payments affects cash flow from operating activities (e.g. paid interest, leases of low value and short-term leases) and cash flow from financing activities (repayment of lease liability) in the cash flow statement.

The Group applies the following practical expedients permitted by the standard at transition to IFRS 16.

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and not reassessing whether a contract is, or contains, a lease at the date of initial application.

For the leases, earlier classified as financial leases according to IAS 17, the carrying amount of the right-of-use asset and the lease liability by January 1, 2019, equalled the carrying amount of the lease asset and lease liability by December 31, 2018. The Group's lease contracts mainly consist of leases of office premises, machinery and equipment.

The main judgements made are related to determining the lease term and to determine the incremental borrowing rate. Regarding the lease term, a majority of the lease contracts in the Group include options either to extend or to terminate the contract. When determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. When determining the incremental borrowing rate, the

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Group considers which entity within the Group entered into the lease contract, the duration of the lease and type of leased asset. The incremental borrowing rate reflects a secured borrowing for a similar right of use asset. As of 1 January 2019, the Group's right of use assets and leases amounted to SEK 22.7 million, and these were on the liability side reported as noncurrent liabilities of SEK 11.5 million and current liabilities of SEK 11.2 million.

2 Significant estimates and judgments regarding the accounting

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations regarding future events, which are seen to be reasonable under the circumstances at hand. Significant estimates and judgments made in the Group relate to impairment of goodwill. For more information, see note 15 in the Annual Report 2018.

3 Segment information

Description of segments and principal business activities:

The Bellman Group's senior management team comprises of the Group CEO, Group CFO, Group IR/Communication and the chief executives of the subsidiaries. This group constitutes the chief operating decision making in the Bellman Group and evaluates the Group's financial position and results, as well as makes strategic decisions. Management has defined the operating segments based on the information discussed by the senior management team, and this information is used as a basis for decisions regarding the allocation of resources and evaluation of results. Senior management monitors the operations based on the four operating segments Bellmans, Uppländska, VSM and Samgräv, as well as regards the Other segment. Senior management primarily applies EBITDA before items affecting comparability in monitoring the Group's results.

Bellmans

Bellmans Åkeri & Entreprenad AB is now the only legal entity in this segment since Grundab Entreprenader i Stockholm AB was consolidated in May 2019. Bellmans was acquired on July 1, 2017 and is a transport company founded in 1972. The business focus is on transport and machine services, excavation, as well as sales and mass handling. The business is geographically concentrated to the greater Stockholm region and the surrounding area. Bellmans head office is in Saltsjö-Boo, Stockholm.

Uppländska (earlier named MST)

Uppländska Bergborrnings AB is now the only legal entity in this segment since Modern Sprängteknik i Norden AB, Uppländska Bergkrossnings AB and Sprängarbeten i Trönödal AB were consolidated in May 2019. Uppländska was acquired on January 1, 2016 and was founded in 1972. The business focus is on rock blasting, rock drilling, wire sawing and rock cracking. The operations are concentrated geographically to the greater Stockholm region with the surrounding area, southwestern and western Sweden and to southern Norrland. The head office for Uppländska is Norrtälje.

VSM

VSM Entreprenad AB with its subsidiaries VSM AS, Munthers Specialtransporter AB and VSM Rental AB, which were acquired on July 17, 2018, was founded in 1972. VSM is a contracting machine company with operations that mainly include rock and gravel handling at stationary and mobile crushing plants, contracts within road, tunnel, construction and exploitation, as well as leasing of machines and drivers. The business is geographically concentrated to the greater Stockholm region and the surrounding area. The head office for VSM is Kallhäll, Stockholm.

Samgräv

Samgräv Holding AB with the subsidiaries Samkross i Härryda AB, Samgräv Maskinförmedling AB, Samgräv Recycling AB and Samkross i Uddevalla AB were acquired on January 31, 2019. This company was founded in 2010. The acquisition was financed through a new issue and issue of new bonds. The company has its head office in Kungälv.

Other segment

Bellman Group AB (publ) is the Group's Parent Company and was formed on April 10, 2017 with its registered office in Solna, Sweden. The Parent Company contains Group management and certain central functions. The Parent Company owns 100% of the shares in Bellmans Åkeri & Entreprenad AB, Uppländska Bergborrnings AB, VSM Entreprenad AB and Samgräv Holding AB.

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Net sales

Sales between segments are made on market terms. Revenue for the segments arising from external customers as reported to senior management is measured in the same manner as in the consolidated income statement.

SEK million		*)	*)	*)	**) Pro forma	**) Pro forma
	Q2	Q2	YTD	YTD	YTD	YTD
Revenue	2019	2018	2019	2018	2019	2018
Uppländska	61.8	60.5	121.8	113.9	121.8	113.9
Bellmans	173.1	146.4	342.2	283.1	342.2	283.1
VSM	161.8	0.0	351.0	0.0	351.0	236.0
Samgräv	64.7	0.0	113.3	0.0	137.6	109.5
Elimination, inter-company sales	-20.7	-1.3	-41.9	-2.2	-42.4	-2.2
Total revenue	440.8	205.6	886.4	394.8	910.2	740.2

SEK million		*)	*)	*)	**) Pro forma	**) Pro forma
	Q2	Q2	YTD	YTD	YTD	YTD
EBITDA before items affecting comparability	2019	2018	2019	2018	2019	2018
Uppländska	10.4	9.4	18.6	19.5	18.6	19.5
Bellmans	10.5	7.2	19.0	13.9	19.0	13.9
VSM	27.8	0.0	54.6	0.0	54.6	20.7
Samgräv	8.2	0.0	14.8	0.0	19.2	18.3
Other	0.1	1.5	-0.2	1.3	-0.2	1.3
Total EBITDA before items affecting comparability	57.0	18.1	106.7	34.7	111.1	73.8

SEK million		*)	*)	*)	**) Pro forma	**) Pro forma
	Q2	Q2	YTD	YTD	YTD	YTD
Operating profit/loss	2019	2018	2019	2018	2019	2018
Uppländska	6.9	6.0	11.6	12.6	11.6	12.6
Bellmans	7.2	4.5	12.8	8.6	12.8	8.6
VSM	15.1	0.0	30.5	0.0	30.5	1.8
Samgräv	7.1	0.0	13.0	0.0	17.1	15.4
Other	-4.3	-4.0	-7.0	-6.0	-7.0	-6.0
Total operating profit	31.9	6.4	60.8	15.2	64.9	32.4

SEK million		*)	*)	*)	**) Pro forma	**) Pro forma
	Q2	Q2	YTD	YTD	YTD	YTD
Depreciation, amortization and impairment	2019	2018	2019	2018	2019	2018
Uppländska	-3.2	-3.4	-6.7	-7.0	-6.7	-7.0
Bellmans	-3.5	-3.0	-6.7	-5.9	-6.7	-5.9
VSM	-13.0	0.0	-24.7	0.0	-24.7	-19.0
Samgräv	-1.2	0.0	-2.0	0.0	-2.3	-3.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total depreciation, amortization and impairment	-21.0	-6.4	-40.1	-12.8	-40.5	-34.7

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The following is a reconciliation of profit/loss before tax and EBITDA before items affecting comparability:

SEK million		*)	*)	*)	**)	**)
	Q2	Q2	YTD	YTD	Pro forma	Pro forma
	2019	2018	2019	2018	YTD	YTD
					2019	2018
EBITDA before items affecting comparability	57.0	18.1	106.8	34.7	111.1	73.8
items affecting comparability***	-3.9	-5.2	-5.7	-6.7	-5.7	-6.7
Depreciation, amortization and impairment	-21.1	-6.4	-40.2	-12.8	-40.5	-34.7
Financial income and expense	-12.6	-4.1	-23.4	-8.1	-23.5	-9.6
Profit before tax	19.4	2.4	37.5	7.1	41.5	22.8
SEK million		*)	*)	*)		
	Q2	Q2	YTD	YTD		
Working capital excl. taxes	2019	2018	2019	2018		
Uppländska	18.5	27.1	18.5	27.1		
Bellmans	-6.6	8.2	-6.6	8.2		
VSM	47.9	0.0	47.9	0.0		
Samgräv	5.0	0.0	5.0	0.0		
Other	-22.3	-4.9	-22.3	-4.9		
Total working capital excl. taxes	42.5	30.4	42.5	30.4		

*) The 2019 data includes Uppländska, Bellmans and VSM for January - June and Samgräv for February - June. The 2018 data includes Uppländska and Bellmans for January - June.

**) To illustrate the development of the Bellman Group, pro forma figures YTD 2018 and 2019 are reported. Figures for VSM and Samgräv are included as if the acquisitions of the subsidiaries had taken place on 1 January 2018.

***) YTD 2019 Items affecting comparability were all booked in the Other segment and comprised of provision expenses SEK -4.2 million, acquisition expenses SEK -1.0 million and internal restructuring in order to simplifying the group's legal structure SEK -0.5 million.

4 Financial assets at fair value through profit or loss

The Group's financial assets measured at fair value through profit or loss consist of an early redemption option included in corporate bonds, accounted for as a derivative. The Group has classified this financial instrument at Level 3 in the fair value hierarchy. The fair value of the derivative has been determined based on present value, and the applied discount rate has been adjusted for own credit risk. Unobservable inputs refer to the risk-adjusted discount rate and expected cash flows. The fair value of the derivative was SEK 1.2 million (1.0) as of June 30, 2019.

The additional purchase price for Samgräv has been updated to a fair value of SEK 89.9 million as of June 30, 2019 (SEK 88.8 million as of March 31, 2019). This is an earnout based on EBITDA for the next four years (2019-2022) and it is also classified at Level 3 in the fair value hierarchy.

No transfers have been made between the levels during the period.

5 Transactions with related parties

No transactions between the Bellman Group and related parties significantly impacted the Group's financial position or results during the period. For more information, see note 28 in the 2018 Annual Report.

6 Business combination

On January 31, 2019, the Group acquired all shares in Samgräv Holding AB ("Samgräv") including subsidiaries. Samgräv's principal activities include mediation and letting of e.g. construction machines, trucks, crane trucks, tractors, surface compactors, machine operators and builders. Samgräv's operations are focused to Western Sweden and they have their own inert landfills, recycling facilities and quarries, as well as transportation and machinery mediation. The combination of own facilities and transportation and machinery mediation means an important competitive advantage in creating cost-effective and environmentally friendly transports for customers. The acquisition was financed through newly issued shares and issuance of new bonds.

The total purchase price was SEK 232.8 million, funded by new equity and issuance of new bonds. This comprised of a cash payment of SEK 100.0 million, new shares with a value of SEK 44.0 million and a remaining contingent consideration at a fair value

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of SEK 88.8 million (at purchase). The additional purchase price will be paid annually, in cash, ending January 2023.

Reported net asset value in Samgräv at the date of the acquisition was SEK 60.5 million, resulting in a residual of SEK 172.3 million compared to purchase price of SEK 232.8 million. This residual comprises of goodwill SEK 171.4 million and an intangible asset (brand value) of SEK 1.1 million partly offset by tax SEK 0.2 million. The intention is that Samgräv will continue to operate as a separate business following the acquisition.

Purchase consideration

Cash paid	100.0
Ordinary shares issued	44.0
Contingent consideration	88.8
Total purchase consideration	232.8

Fair value

Cash	5.8
Trade receivables	36.3
Buildings and land	51.9
Plant and equipment	26.3
Financial assets	0.9
Inventories	1.3
Other current receivables	2.3
Trade payables	-35.1
Deferred tax liabilities	-2.0
Other non-current liabilities	-17.7
Other current liabilities	-9.5
Asset value Samgräv	60.5
Intangible assets	172.3
Net assets acquired	232.8

The fair value of the 142,349 ordinary shares issued as part of the purchase price for Samgräv (SEK 44 million) was based on an estimated market value of SEK 309.1 per share. The fair value of shares has been established using a generally accepted valuation method. The valuation method means that the company value is calculated using an EBITDA multiple that corresponds to comparable companies in the same industry. In the event that certain predetermined EBITDA levels are achieved by the subsidiary, the additional purchase price will be paid annually in cash.

Goodwill is attributable to the employees and the future profitability of the landfill business as well as a general high profitability of the acquired business. No portion of the recognised goodwill is expected to be tax-deductible.

Acquired assets: The fair value of acquired trade receivables was SEK 36.3 million which was equal to the gross amount.

Revenue and earnings of acquired business: The acquired business added revenues of SEK 113.3 million and net profit of SEK 9.9 million for the period February 1 to June 30, 2019. If the acquisition had taken place on 1 January 2019, pro forma consolidated revenue and earnings for the period to June 30, 2019 would have been SEK 137.6 million and SEK 13.1 million, respectively. These amounts have been calculated based on the subsidiary's earnings after adjustments for differences in accounting policies between the Group and its subsidiary, and the additional amortisation charge that would have been incurred if the fair value adjustment for intangible assets had been applied from January 1, 2019, along with the related tax effects.

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Effect on cashflow

Paid to seller	-100.0
Cash acquired business	5.8
Net effect on cashflow acquired business	-94.2

Acquisition-related costs of SEK 1.0 million are included in other external expenses in the income statement and in operating activities in the statement of cash flows.

7 Pledged assets

There have been no significant changes in pledged assets.

8 Interest bearing liabilities

During first quarter, the Parent Company has increased the value on the issued corporate bonds that are listed on Nasdaq Stockholm, with a nominal amount of SEK 100.0 million. These bonds are listed as BELLMAN GROUP AB 01 with 600 units (500 units), with a total outstanding nominal amount of SEK 600.0 million (SEK 500.0 million) and has a nominal value of SEK 1.2 million (SEK 1.0 million) per unit. Financing expenses of SEK 17.4 million (SEK 6.4 million) attributable to the bond loan have been reported against the loan.

The bond interest rate is variable interest three months STIBOR plus 6.50%, which is paid quarterly in arrears. The bond matures in June 2022. The Parent Company has provided shares in subsidiaries as collateral for the bond loan. The terms of the bond include an option that entitles the holder to the early repayment of the loan. This option is reported as a derivative and is classified as a financial asset that is measured at fair value through profit or loss. The terms of the corporate bond loan are available on Bellman Group AB's (publ) website, www.bellmangroup.se

The vendor loan amounts to a total of SEK 18.6 million (38.9), of which SEK 18.6 million (19.5) is a current liability and SEK 0.0 million (19.5) is a non-current liability. The vendor loan runs without interest and is unsecured. The terms of the loan stipulate that instalment payments started in 2018 and the loan must be fully repaid by 2022.

The Group leases certain property, plant and equipment as well as vehicles through leasing agreements. As of 30 June 2019, the Group's leases amounted to SEK 38.3 million (5.2), where of SEK 18.7 million (3.8) was non-current debt and SEK 19.6 million (1.4) was current debt.

Covenants

Under the terms and conditions of the bonds, certain covenants must be met each time the Group enters into a new business combination. All covenants were met in connection with the acquisitions of Samgräv.

9 Shares and earnings per share

Number of shares	Q2	*)	*)	*)	*)
	2019	Q2	YTD	YTD	Year
	2019	2018	2019	2018	2018
Total number of shares (A-shares), thousands	2,087.0	1,014.2	2,087.0	1,014.2	1,944.6
Total number of weighted average shares, before and after dilution (A-shares), thousands	2,087.0	1,014.2	2,046.9	1,011.4	1,344.2
Earnings per share (SEK), basic and diluted	7.2	2.1	14.2	5.7	18.3

*) The 2019 data includes Uppländska, Bellmans and VSM for January - June and Samgräv February - June. The 2018 data includes Uppländska and Bellmans for the year and VSM July - December.

A change in the number of shares relates to issues of ordinary shares was made during first quarter 2019. In February 2019 there was an issue of 142,349 ordinary shares which increased the share capital to SEK 2.1 million (total amount paid incl. share premium SEK 44 million).

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10 Events after the reported period

A planned expansion of one of Samgräv's facilities has been stopped by the municipality. Samgräv has requested inhibition of the decision which has been rejected. Samgräv is now evaluating the consequences of the municipal's decision.

DEFINITIONS AND USE OF NON-IFRS MEASURES

Below are descriptions of key ratios and descriptions of non-IFRS performance measures. A reconciliation of alternative performance measures (APMs) is shown in a separate document, which is published together with this interim report, see www.bellmangroup.se.

The APMs that have not been calculated according to IFRS and which are presented in this report do not constitute recognised valuation principles for financial position or liquidity according to IFRS, but are used by the Bellman Group to monitor the financial outcome of the Group's operations and the Group's financial position. The APMs presented in the report shall always be viewed together with the information presented in the income statement, balance sheet, cash flow statement and key ratios, which have been prepared in accordance with IFRS.

The Bellman Group reports these APMs since they consider them to be important complementary measures of profitability and financial position, and that these measures are often used by external stakeholders in order to assess and compare business-economic outcomes and financial position. When comparing the APMs presented here, the calculation for other companies may have been made with different definitions, which means that the outcome is not directly comparable.

APM	Description
Cash flow from operating activities	Operating profit adjusted for non-cash items, sales of machinery and equipment and changes in working capital.
Earnings per share	Profit for the year attributable to Parent Company shareholders divided by average number of outstanding ordinary shares.
EBITDA	Profit before net financial income/expense, tax, depreciation, amortization and impairment. EBITDA is a measure which the Group considers to be relevant for investors who want to understand the company's earnings performance before investments in non-current assets.
EBITDA margin	EBITDA as a percentage of revenue for the period.
Equity/assets ratio	Equity including non-controlling interests, expressed as a percentage of total assets. This key ratio is used to show financial risk, expressed as the percentage of total assets that is financed by the owners.
Items affecting comparability	Items that occur rarely or are unusual in the ordinary course of business, such as start-up costs, restructuring costs and acquisition costs.
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents. This key ratio shows the Group's total interest-bearing liabilities.
Net sales	The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will accrue to the company and specific criteria have been met for each of the Group's businesses. For time and materials service contracts, revenue is recognized in the period in which the services are performed.
Operating profit (EBIT)	Total revenue less total operating expenses.
Operating margin	Operating profit as a percentage of revenue during the period.
Net debt	Interest-bearing liabilities plus contingent consideration related to Bellmans and Samgräv less cash and cash equivalents.
Organic growth	The change in net sales adjusted for acquisitions and sales compared with the same period in the previous year.
Working capital	Working capital is calculated as short-term operating assets (inventories, trade receivables and other non-interest-bearing receivables) less current operating liabilities (trade payables and other current non-interest-bearing liabilities). This measure shows the amount of working capital tied up in operating activities and can be expressed as a percentage of revenues to gain an understanding of how efficiently tied-up working capital is being utilized.