COOR SERVICE MANAGEMENT

Interim Report January–September 2015

Continued growth and strong results in Norway

Third quarter 2015

- Net sales increased by 5 per cent in the third quarter, to SEK 1,806 (1,728) million. Organic growth excluding currency fluctuations amounted to 6 per cent.
- The operating profit (adjusted EBITA) decreased by SEK 4 million to SEK 75 (79) million. Excluding currency fluctuations, earnings decreased by SEK 2 million. The operating margin (adjusted EBITA margin) was 4.2 (4.6) per cent. EBIT was SEK 17 (-11) million.
- Earnings after tax were SEK 16 (-57) million. The improvement compared with the previous year was mainly due to reduced financial expenses.
- Earnings per share were SEK 0.2 (-8.1). After adjustments for the effects of the new capital structure, earnings per share were SEK 0.2 (-0.6).
- Operating cash flow was SEK -8 (140) million. Excluding the outflows related to the listing, the operating cash flow was SEK 64 (140) million. The third quarter was also affected by the favourable level of working capital in the year's second quarter.

The period January–September 2015

- Net sales during the period grew by 12 per cent to SEK 5,440 (4,877) million. Currency fluctuations had no impact on net sales during the period.
- The operating profit (adjusted EBITA) improved by SEK 22 million to SEK 264 (242) million. Excluding currency fluctuations, earnings increased by SEK 24 million. The operating margin (adjusted EBITA margin) was 4.8 (5.0) per cent. EBIT was SEK 26 (15) million.
- Earnings after tax were SEK 156 (-164) million. The change compared with the previous year is mainly due to lower financial expenses, as well as because tax losses are recognised during the second quarter.
- Earnings per share were SEK -4.2 (-23.3). After adjustments for the effects of the new capital structure and nonrecurring costs in connection with the listing, earnings per share were SEK 2.3 (-1.7).
- Operating cash flow was SEK 6 (15) million. Excluding outflows related to the listing, the operating cash flow was SEK 125 (15) million.

GROUP EARNINGS SUMMARY	July–Sep			Jan–Sep			Rolling	Full year
(SEK m)	2015	2014	Chg, %	2015	2014	Chg, %	12 mth.	2014
Net sales	1,806	1,728	5	5,440	4,877	12	7,406	6,844
Organic growth	6%	11%	-	12%	2%	-	-	6%
Adjusted EBITA	75	79	-5	264	242	9	376	354
Adjusted EBITA-margin	4.2%	4.6%	-	4.8%	5.0%	-	5.1%	5.2%
EBIT	17	-11	250	26	15	81	-71	-82
Income for the period	16	-57	128	156	-164	195	10	-311
Operating cash flow	-8	140	-106	6	15	-60	266	274
Earnings per share, SEK	0.2	-8.1	102	-4.2	-23.3	82	-15.1	-34.2

For definitions and calculation of key ratios, please see page 27. Non-recurring items are specified in note 5.

President's comments: Continued growth and strong results in Norway

Coor continues to deliver a strong organic growth of 6 percent in the third quarter and 12 percent for the period from January to September.

The operating margin (adjusted EBITA margin) for the third quarter was 4.2 per cent and 4.8 per cent for the period from January to September. The third quarter has always been the weakest quarter in terms of margins for the Group as a whole. Despite this margins have greatly improved in Norway, as well as in Denmark and Finland.

Our underlying cash flow continues to be strong, and in the last twelve months we have reduced operating capital by SEK 91 million and have cash conversion of 111 per cent. During the third quarter the cash flow was affected by large outflows related to the listing.

Continued growth is driven by Norway and Denmark

During the third quarter we have continued to win new contracts and extend some major existing contracts. The important contract extensions during the quarter include the contract with the Danish Police service. We deliver integrated facility management (IFM) to 210 police stations all over Denmark under this agreement. Another important contract extension was with Sweden's largest property company Vasakronan, where we deliver IFM to Vasakronan and bundled FM services to their tenants.

During the period we have successfully signed a new Norwegian IFM contracts with Frontica Business Solutions (for services to Aker Solutions in Fornebu) and Statoil (for services to five oil platforms in the North Sea). In addition, on 7 October we announced a large extension of the IFM contract with Aker Solutions in Norway.

The pressure from low oil prices in the Norwegian oil and gas industry continues to drive an interesting and expansive market for Coor and our effective IFM solutions. As the market leader in IFM solutions in the Nordic countries, we are well positioned to continue to help the Norwegian oil industry to find the next level of outsourced efficiency.

Strengthened margins in all countries except Sweden

During the third quarter profitability was strong in all countries except for Sweden.

For the Group as a whole and Sweden in particular, the third quarter has always been the weakest quarter in terms of margins. This is due to the fact that July and August are holiday months, which means that there are fewer additional orders of services that provide a higher margin and that there are fewer diners in Coor's restaurants. This seasonal effect was offset during the third quarter of 2014 by large additional orders in a single Swedish contract, which partly explains the difference between this year's third quarter and the third quarter of 2014.

As we announced after the second quarter, the cutbacks in the operations at one of our larger customers in Sweden were implemented during the third quarter. This will affect us negatively during the second half year 2015 until we have adjusted our cost mass.

On the other hand, Norwegian operations deliver a significant margin improvement during the quarter, which is driven by larger contract volumes that have existed for a longer period of time. This is an effect of our structured integration work with large contract volumes during the last twelve months. The strengthened margins in Denmark and Finland are mainly driven by efficiency measures which were implemented in a number of existing contracts.

Strong cash conversion rolling 12 months

Our underlying cash flow is very strong. During the last twelve months we have reduced operating capital by SEK 91 million and we have cash conversion of 111 per cent (see note 9). Efforts to generate high cash flows have always been central to us at Coor, and when we are able to combine a reduction in working capital with organic growth we create a good platform for large dividends to our shareholders in the future.

Good market prospects

In a turbulent world our home markets in the Nordic region continue to be stable with underlying GDP growth in all of the Nordic countries except Finland.

Market prospects for outsourced FM services continue to be favourable. We are witnessing a stable demand and high activity levels in all markets, and are in a good position to achieve continued growth with good cash flow.

Stockholm, 5 November 2015

Mikael Stöhr
President and CEO
Coor Service Management

Operations in brief

Coor Service Management ("Coor") is one of the leading providers of facility management (FM) services in the Nordic countries. The company has large and small customers in the private and public sectors. Coor is the market leader in the provision of complex, integrated facility management (IFM) services, but also offers single FM services and a number of bundled FM services. Priority service areas for provision as single services are cleaning, restaurant and property services.

Coor is organised into four geographic areas: Sweden, Norway, Denmark and Finland, which is also the company's primary segment structure. Coor has some operations in European countries in which the company's Nordic customers conduct operations. The Swedish business thus includes some operations in Belgium, Hungary and Poland, and the Finnish business includes a minor operation in Estonia.

Coor's vision is to be the customer's first choice when selecting a service provider, and the first choice for employees when selecting a service company. Our strength, and what sets us apart from our competitors, is our ability to continuously develop our operations and our provision of services. Our aim is to offer the most developed and smartest service solutions on the market - service with IQ.

Coor was listed on Nasdaq Stockholm on 16 June 2015.

Net sales and profit

The third quarter (July–September)

As a whole, strong growth and improved profitability continued in the third quarter in all countries except in the Swedish operations.

Net sales were SEK 1,806 (1,728) million, which is an increase of 5 per cent compared to the third quarter in 2014 (6 per cent excluding currency effects). The increase was mainly due to the large organic growth in Norway in the IFM contract for services to Statoil's land-based activities (on-shore), which commenced gradually from April 2014, as well as the new IFM contract for services to Statoil's oil platforms (off-shore), which commenced on 1 July 2015. Growth was also solid in Denmark, where several new contracts began in 2014. In Sweden, sales were essentially unchanged, and in Finland, sales declined slightly.

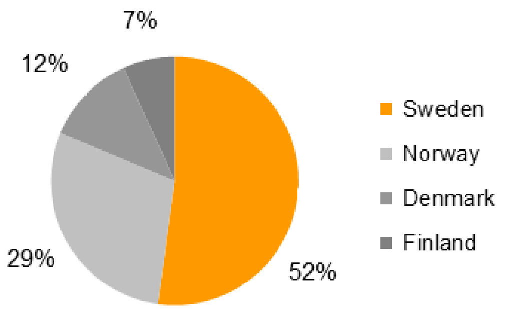
During the quarter two major IFM contracts were extended, the contract with the Danish Police service, where an extension option until the end of 2019 was signed in advance, and the contract with the property company Vasakronan in Sweden.

The operating profit (adjusted EBITA) was SEK 75 (79) million, which is a decrease of 5 per cent compared with the same period in 2014 (excluding currency fluctuations of 2 per cent). The operating margin (adjusted EBITA margin) was 4.2 (4.6) per cent.

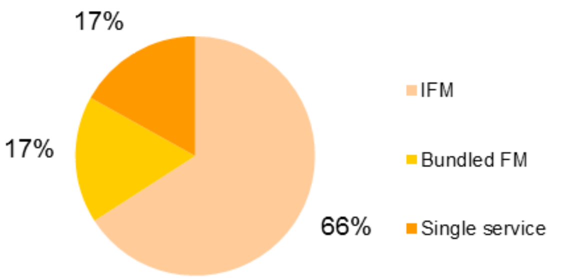
In terms of results, the third quarter is the weakest quarter for the Group as a whole. This is due to the fact that July and August are holiday months, which means that there are fewer additional orders that provide a good margin and that there are fewer diners in Coor's restaurants. Low occupancy rates in our restaurants put temporary pressure on margins, given that the cost base in the restaurants is largely fixed. In the third quarter of 2014, we got large volumes of additional orders in a Swedish contract, which partly explains the difference in comparison to the third quarter of last year. During the quarter, profitability was also affected by cutbacks in the operations at one of our larger customers in Sweden, which will have an impact until we have adjusted our cost mass. These impacts will decrease in 2015. The profitability of Norwegian operations rose sharply despite two new contracts starting. The improved margin is due to large contract volumes having achieved greater maturity and therefore improved efficiency. Profitability also increased in Denmark and Finland during the quarter.

EBIT for the third quarter was SEK 17 (-11) million, an improvement which can be explained by decreased nonrecurring costs, mainly attributable to the start of the Statoil on-shore contract in 2014, and reduced depreciation and write-downs.

Net sales by country



Net sales by contract type



The period (January–September)

Net sales were SEK 5,440 (4,877) million, which represents growth of 12 per cent compared with the previous year. Currency fluctuations essentially had no impact on growth for the period. The year-on-year increase is due primarily to the new IFM contract with Statoil, which commenced in April 2014 and had been fully rolled out by September 2014. Coor's Danish business is also reporting solid growth as a result of several contracts with new customers that were concluded in 2014.

Compared with the second quarter of the year, the growth rate declined somewhat, mainly due to the fact that effects from the IFM contract with Statoil on-shore in Norway levelled off in the third quarter as expected.

The operating profit (adjusted EBITA) was SEK 264 (242) million, which is an increase of 9 per cent compared with the same period in 2014. The operating margin (adjusted EBITA margin) was 4.8 (5.0) per cent. The improved profit is explained by the increase in sales coupled with an improved margin in operations in Norway and Denmark. This was offset by lower margins in the Swedish operations during the third quarter and lower margins in the Finnish operations' cleaning and property services in the second quarter.

EBIT for the period January – September was SEK 26 (15) million, which is an increase of 81 per cent compared with the same period in 2014 (see also note 5).

Net financial income and profit after tax

The new capital structure which came into force in connection with the listing in June meant a reduced indebtedness for the Group. This has led to a strong improvement in net financial income during the third quarter.

Net financial income for the period January–September was SEK -118 (-199) million. Net financial income for the third quarter was SEK 5 (-58) million. The improvement compared with the previous year is mainly due to a sharp reduction in interest costs and positive exchange rate differences on foreign currency loans. In total for the period January–September, net interest expense was SEK -93 (-144) million and exchange rate differences on foreign currency loans were SEK 43 (-25) million. The positive effects of lower net interest and positive exchange rate differences was offset somewhat by a non-recurring cost in June, associated with capitalised borrowing costs relating to the old financing structure being expensed. The total expense for capitalised borrowing costs in the period January–September was SEK -53 (-15) million. Other financial expenses totalled SEK -14 (-15) million.

The tax expense for the period January–September was SEK 248 (21) million. The positive tax effect is due to the fact that the Group recognised all tax losses attributable to the Swedish business in the second quarter. See Note 6 for more information.

The profit after tax for the period January–September was SEK 156 (-164) million.

Significant events during the third quarter

- On 9 September it was announced that the property company Vasakronan had extended its contract with Coor. The contract means that Coor will deliver IFM-services to the Vasakronan's larger offices in Sweden, but also that Coor will run the restaurant and conference activities located in Vasakronan's premises. These agreements correspond to an annual contract volume of approximately SEK 100 million and will run for a period of 3 years, with the possibility of a further extension. In addition, Coor is permitted to sell bundled and individual services to Vasakronan's tenants.

- On 28 September, it was announced that the Danish Police had chosen to take advantage of its extension option for the large IFM-service agreement Coor delivers to the 210 stations all over Denmark. The extension means that the agreement will now run until the end of 2019.

Cash flow and financial position

Operating cash flow for the period January – September 2015 was SEK 6 (15) million. Operating cash flow for the third quarter was SEK -8 (140) million. Operating cash flow largely follows the company's normal seasonal variations, but incurred the large outflows attributable to costs for the IPO. Excluding the outflows related to these costs, operating cash flow for the period January–September was SEK 125 (15) million, and amounted to SEK 64 (140) million in the third quarter.

Operating cash flow normally fluctuates between the quarters. The most important parameter to follow is therefore differences in operating capital over the last 12 months. For remaining operations, i.e. without the divested industrial services activity, working capital during this period decreased by SEK 91 million as a result of continued structured work in this area. Further information about out cash flow can be found in Note 9.

Net investments in property, plant and equipment and intangible assets in the Group totalled SEK -36 (-22) million over the period from January–September.

In connection with the IPO in June, the Group sold all Industrial Services operations, which had a negative impact on cash and cash equivalents of SEK -57 million. At the same time, the company received SEK 1,675 million in proceeds from the new shares issued and concluded a new funding agreement for senior loans of SEK 1,400 million. The new loans and the proceeds from the IPO were used to pay back loans of SEK 2,983 million.

The Group’s net debt at the end of September was SEK 1,206 (2,915) million (see Note 3).

Equity at the end of the period was SEK 2,714 (1,358) million. The equity/assets ratio was 46 (21) per cent.

Cash and cash equivalents at the end of the period were SEK 185 (131) million. The total undrawn borrowing capacity at the end of the period was SEK 291 (100) million.

Organisation and employees

At the end of the period the Group had 6,837 (6,435) employees, or 6,371 (5,908) on a full-time equivalent basis. The increase was chiefly due to the taking-over of employees in connection with new contracts, but was also a result of a decision by Coor to bring more operations in-house, mainly in cleaning and restaurant services.

Operations by country

Sweden

The third quarter saw a stable sales but lower profitability in the Swedish operations.

Net sales in Sweden during the period January–September were essentially unchanged compared to the previous year, and amounted to SEK 2,904 (2,892) million. Net sales for the third quarter were SEK 943 (943) million.

The operating profit (adjusted EBITA) for the period January–September was SEK 252 (261) million, which is an increase of 3 per cent compared with the previous year. The operating profit for the third quarter was SEK 58 (73) million, which is a decrease of 21 per cent compared with the same period in 2014. The operating margin (adjusted EBITA margin) was 8.7 (9.0) per cent for the period as a whole and 6.2 (7.7) per cent for the third quarter.

In terms of results, the third quarter is the weakest seasonally. This is due to the fact that July and August are holiday months, which means that there are fewer additional orders that provide higher margins and that there are fewer diners in Coor's restaurants. In the third quarter of 2014, we got large volumes of additional orders in a Swedish contract, which partly explains the difference in comparison to the third quarter of last year.

During the current quarter profitability was also temporarily weakened in the Swedish operations by costs for adjustments to our provision due to the cutbacks that one of our major customers has implemented. These deteriorations to our margins are not permanent and will decrease in 2015.

During the third quarter, Coor in Sweden extended cooperation regarding workplace services to Vasakronan and the contract for the operation of a number of major conference venues and restaurants in Vasakronan's properties. The extended contracts will run for three years with the possibility of a further extension, and the estimated value of this cooperation amounts to approximately SEK 100 million per year. In addition, Coor will continue to be able to offer work place services to Vasakronan's tenants.

Norway

The third quarter saw very strong growth and a significant profit improvement in the Norwegian operations.

Net sales in Norway during the period January–September were SEK 1,526 (1,044) million, which is an increase of 46 per cent compared with the previous year (49 per cent excluding currency fluctuations). Net sales in the third quarter were SEK 525 (461) million, an increase of 14 per cent (22 per cent excluding currency fluctuations). The growth is explained by the large IFM-contracts Coor has signed with Statoil on-shore (which started in April 2014 and reached full scale in September 2014), the contract with Aibel (which started on 1 May 2014) and the new contract with Statoil off-shore (where the provision started on 1 July 2015). Compared with the second quarter of 2015 growth declined somewhat, which is due to the positive effect of the start of the contract with Statoil on-shore which will gradually decrease as expected.

The operating profit (adjusted EBITA) for the period January–September increased to SEK 88 (55) million, which is a 60 per cent increase (excluding currency fluctuations of 64 per cent). The operating profit for the third quarter was SEK 35 (22) million, which is an increase of 56 per cent compared with the same period in 2014 (67 per cent excluding currency fluctuations. The operating margin (adjusted EBITA margin) for the period as a whole was 5.8 (5.3) per cent. The operating margin for the third quarter increased to 6.7 (4.9) per cent. The increase in operating profit during the whole period from January–September is to a large extent explained by sales growth, while the operating margin increase in the third quarter is explained by improved efficiency driven by larger contract volumes which have existed for a longer period of time.

During the quarter two major contracts started, an IFM-agreement with Statoil for five off-shore oil platforms, and the IFM-agreement with Frontica Business Solutions for the delivery to Aker Solutions and several customers in Fornebu. The start of both contracts has gone very well.

Denmark

The third quarter saw a very strong growth and a good margin improvement in the Danish operations.

Net sales during the period January–September increased to SEK 630 (566) million, which is an increase of 11 per cent compared with the previous year (7 per cent excluding currency fluctuations). Net sales in the third quarter increased to SEK 215 (199) million, an increase of 8 per cent (6 per cent excluding currency fluctuations). The increase was due to several contracts with new customers that were concluded in 2014.

The operating profit (adjusted EBITA) during the period January–September was SEK 20 (10) million. The operating profit for the third quarter was SEK 12 (7) million. The operating margin (adjusted EBITA margin) was 3.1 (1.7) per cent for the period as a whole and 5.4 (3.3) per cent for the third quarter. The improvement in earnings and margins is the result of efficiency measures implemented in larger customer contracts.

During the third quarter, the Danish Police service (Politiet) chose to take advantage of its extension option for the large IFM contract for the services that Coor delivers all over Denmark. The extension means that Coor will deliver and develop services such as cleaning, operating restaurants, postal services, servicing of 2,200 vehicles, lost property management, interior building maintenance and land maintenance to Politiet. The cooperation was rewarded earlier this year with the honourable Danish “Drifsherre-priset” prize.

Danish Radio also finalised a new procurement of its FM services during the third quarter. After this procurement Coor retains the delivery of internal services, while property services will be carried out in-house and other services will be performed by another service providers.

Finland

The third quarter saw slightly lower sales but a good improvement in the profitability of the Finnish operations.

Net sales during the period January–September were SEK 386 (387) million (excluding currency fluctuations sales decreased by 4 percent). Net sales in the third quarter were SEK 123 (129) million, which is a decrease of 4 per cent (6 per cent excluding currency fluctuations). The decrease was due to the termination of a number of smaller contracts during the second quarter.

In Finland, the third quarter is the year's strongest quarter in terms of profit in contrast to the other Nordic countries. This is explained by the fact that holiday wages in the Finnish operations are handled differently. The operating profit (adjusted EBITA) for the period January – September was SEK 5 (13) million. The operating profit for the third quarter was SEK 7 (7) million. The operating margin (adjusted EBITA margin) was 1.3 (3.4) per cent for the period as a whole and 5.9 (5.7) per cent for the third quarter. The improved margin for the quarter is mainly an effect of implemented cost efficiencies.

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 risks**, including currency, interest rate and liquidity risks. A detailed description of the Group’s risks is provided in the annual report for 2014. No further significant risks are deemed to have arisen since the publication of the annual report.

Acquisitions and sales

The assets and liabilities attributable to the Group’s previous operating segment Industrial Services were accounted for as held for sale during the period. The Industrial Services business was sold to Cinoor S.a.r.l. on 15 June. Further information on the transfer is provided in the section “Ownership structure and related-party transactions”.

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.

The parent company's earnings after tax were SEK 152 (537) million. In 2014 and 2015 the company received dividend payments from subsidiaries totalling SEK 210 (545) million. In 2015 costs attributable to the IPO were also charged to earnings in the parent company. Total assets in the parent company at 30 September were SEK 7,824 (4,847) million. Equity in the parent company was SEK 6,421 (4,836) million.

Ownership structure and related-party transactions

On 16 June 2015 the shares of Coor Service Management Holding AB were listed on the Nasdaq Stockholm exchange. At the end of the period the previous owner, Cinven Limited, remained the largest shareholder, through Cinoor S.a.r.l. More information on the company's ownership structure at the end of the period is provided at www.coor.com.

During the period January–September the following transactions with related parties were concluded:

- The parent company, Coor Service Management Holding AB, received invoices from the main owner, Cinven Limited, relating to management fees for the period until 15 June. These invoices amounted to SEK 2 (2) million in total. The parent company has re-invoiced services worth SEK 4 (3) million to Group companies.

- In the second quarter Coor Service Management Group AB concluded an agreement with the main shareholder Cinven Limited, acting through Cinoor S.a.r.l., on the transfer of the Industrial Services business. The consideration specified in the agreement was SEK 210 million, which was settled through the issuance by the main shareholder of a promissory note, which was then distributed to the main shareholder before the IPO. The net effect was thus that Coor received no payment for the sale of the Industrial Services segment.

- The Group's CEO previously had a participating debenture in a nominal amount of SEK 2 million for which the repayment terms were affected by the valuation of the Group in case of a sale. This participating debenture was repaid in connection with the IPO at an amount of SEK 4.3 million.

- Following the sale of the Industrial Services business, the Group sold services to Industrial Services for SEK 11 million and purchased services from Industrial Services for SEK 9 million. At 30 September the Group had a net receivable from Industrial Services of SEK 0 million.

Significant events after the end of the period

- On 8 October a new agreement was signed with Aker solutions to deliver integrated facility management services (IFM) to several offices and facilities in Norway. The estimated value of the new agreement is SEK 105 million per year and the agreement extends over a period of five years with deliveries starting on 1 January 2016. Together with the service provision that Coor already delivers to the office in Fornebu, the total contract with Aker Solutions amounts to about SEK 160 million per year, excluding sales in the restaurants.

- On 12 October, it was also announced that one of Coor's customers in Sweden decided to extend their agreement for subscription to services at a value of over SEK 60 million per year, with the possibility of additional orders, which is deemed to be equivalent to an additional approximately SEK 60 million per year.

Outlook

The market for outsourced FM services is expanding as private businesses and public-sector organisations opt to focus on their core activities, with a growing number realising the benefit of engaging a specialist to handle their support services. Factors influencing the choice of service provider include service quality, price, references, innovations and brand. This means that Coor, which stands out through its strong culture of continuous improvement and innovation, is in a good position to achieve continued growth.

The economic outlook in the Nordic countries is still good. We are seeing stable overall demand, especially in the IFM segment but also for bundled FM services and single services. Activity in the FM market is especially strong in the oil and gas industry in Norway and in the public sector throughout the Nordic region.

On the whole, the outlook for sales and earnings growth in line with our targets is good. This means that over the course of an economic cycle we expect to achieve annual organic growth of 4 – 5 per cent and an annual operating margin (adjusted EBITA margin) of 5.5 per cent per year. Coor's continued positive development of the operating cash flow also provides good future distribution opportunities.

The report for the period has been reviewed by the auditors.

Stockholm, 5 November 2015
For the board of directors in Coor Service Management Holding AB

Mikael Stöhr
President and CEO

The information is published in accordance with the Financial Instruments Trading Act. The information was submitted for publication on 5 November 2015 at 08:00 CET.

For more information

For questions concerning the financial report, please contact CFO Olof Stålnacke, (+46 10 559 59 20) or Director of Investor Relations Thomas Backteman, (+46 70 831 11 66).

For questions concerning the operations or the company, please contact CEO Mikael Stöhr, (+46 10-559 59 35) or Director of Communications and Sustainability Åsvor Brynnel (+46 10 559 54 04).

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

Invitation to press and analyst presentation

On 5 November at 10:00 CET, Coor's CEO and CFO will present the company's development during the third quarter in a webcast. To participate in the webcast please register via the following link http://edge.media-server.com/m/p/5589hwda before the meeting. If you would like to listen to the presentation via the phone, please call +46 8 566 426 96 (Sweden), +47 235 002 53 (Norway), +358 981 710 492 (Finland) or +44 203 428 14 09 (England). The presentation material as well as a recording of the webcast will be published on the company's website after the presentation.

Financial calendar

Year-end Report 2015	24 February 2016
Interim Report January – March 2016	28 April 2016
Interim Report January – June 2016	19 July 2016
Annual General Meeting	28 April 2016

Coor Service Management (Coor) is a leading provider of facility management services in the Nordics, 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 AB Volvo, Aibel, Det Norske Veritas, DR (Danish Radio), E.ON, Ericsson, EY, ICA, NCC, Politiet (Danish Police), Saab, Sandvik, SAS, Statoil, TeliaSonera, Swedish Transport Administration, Vasakronan and Volvo Cars.

Coor was founded in 1998. Coor takes responsibility for the operations it conducts, in relation to its customers, employees and shareholders, as well as for its wider impact on society and the environment. Read more at www.coor.com.

pwc

Auditors' Report: Review of interim financial information (Interim Report) in accordance with IAS 34 and chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed the condensed interim financial information (interim report) of Coor Service Management Holding AB (publ.) as of 30 September 2015 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, 5 November 2015

Öhrlings PricewaterhouseCoopers

Magnus Brändström
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT (SEK m)	July - Sep			Jan - Sep			Rolling	Full year
	2015	2014	Chg, %	2015	2014	Chg, %	12 mth.	2014
Continuing operations								
Net sales	1,806	1,728	5	5,440	4,877	12	7,406	6,844
Cost of services sold	-1,658	-1,629	2	-4,954	-4,514	10	-6,891	-6,451
Gross income	**148**	**98**	**50**	**486**	**363**	**34**	**516**	**393**
Selling and administrative expenses	-131	-110	19	-459	-348	32	-587	-476
Operating profit	**17**	**-11**	**250**	**26**	**15**	**81**	**-71**	**-82**
Net financial income/expense	5	-58	108	-118	-199	-41	-191	-272
Income before tax	**22**	**-69**	**-131**	**-92**	**-185**	**-50**	**-261**	**-354**
Income tax expense	-6	12	-146	248	21	1099	271	44
Income from continuing operations	**16**	**-57**	**128**	**156**	**-164**	**195**	**10**	**-311**
Discontinued operations								
Profit for the period *(note 4)*	0	-118	-100	-16	-125	-88	-37	-147
Income for the period, total	**16**	**-175**	**109**	**140**	**-290**	**148**	**-28**	**-458**
Profit attributable to:								
Owners of the parent	16	-175	109	140	-290	148	-28	-458
Non-controlling interests	0	0	-	0	0	-	0	0
	16	**-175**	**109**	**140**	**-290**	**148**	**-28**	**-458**
Depreciation, amortization and impairment - continuing operations								
Property, plant and equipment	7	10	-27	23	26	-11	32	35
Other intangible assets	4	3	31	13	10	28	17	14
Goodwill and customer contracts	44	52	-15	133	156	-14	308	331
EBITDA, continuing operations	**73**	**54**	**34**	**196**	**206**	**-5**	**286**	**297**
No. of shares								
No. of ordinary shares (weighted average)	95,812,022	34,739,974	176	68,932,202	34,739,974	98	-	34,739,974
Earnings per share, SEK *								
Continuing operations	0.2	-8.1	102	-4.2	-23.3	82	-	-34.2
Discontinued operations	0.0	-3.4	100	-0.2	-3.6	94	-	-4.2
Total	0.2	-11.5	101	-4.4	-26.9	84	-	-38.5

* There was no dilutive effect in the periods. See also Note 8, for a pro forma calculation of earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	July - Sep		Jan - Sep		Full year
(SEK m)	2015	2014	2015	2014	2014
Profit for the year	16	-175	140	-290	-458
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of provision for pensions	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**
Items that may be subsequently reclassified to profit or loss					
Net investment hedge	0	-8	-1	-20	2
Cash flow hedges	0	0	3	0	-1
Currency translation differences	-26	15	-37	40	7
Total	**-26**	**7**	**-35**	**20**	**8**
Other comprehensive income for the period, net of tax	**-26**	**7**	**-35**	**20**	**8**
Total comprehensive income for the year	**-10**	**-168**	**105**	**-270**	**-450**
Total comprehensive income attributable to:					
Owners of the parent	-10	-169	105	-270	-450
Non-controlling interests	0	0	0	0	0

CONSOLIDATED BALANCE SHEET (SEK m)

	30-sep		31-dec
	2015	**2014**	**2014**
Assets			
Non-current assets			
Intangible assets			
Goodwill	2,750	2,800	2,778
Customer contracts	1,109	1,431	1,250
Other intangible assets	77	76	76
Property, plant and equipment	76	81	78
Financial assets			
Deferred tax receivable *(note 6)*	278	0	0
Other financial assets	16	14	13
Total non-current assets	**4,305**	**4,403**	**4,195**
Current assets			
Accounts receivable	921	1,015	1,155
Current tax receivables	0	0	0
Other current assets, interest-bearing	10	14	15
Other current assets, non-interest-bearing	448	491	449
Cash and cash equivalents	185	131	335
Total	**1,563**	**1,652**	**1,955**
Assets of disposal group classified as held for sale *(note 4)*	0	537	412
Total current assets	**1,563**	**2,189**	**2,366**
Total assets	**5,868**	**6,592**	**6,561**

CONSOLIDATED BALANCE SHEET
(SEK m)

	30-sep		31-dec
	2015	**2014**	**2014**
Equity and liabilities			
Equity			
Total capital and reserves attributable to owners of the parent	2,714	1,358	1,178
Non-controlling interests	0	0	0
Total equity	**2,714**	**1,358**	**1,178**
Liabilities			
Non-current liabilities			
Borrowings	1,385	2,839	2,805
Derivatives	0	3	4
Deferred tax liability *(Note 6)*	36	71	43
Provisions for pensions	17	15	10
Other non-interest bearing liabilities	1	7	7
Total non-current liabilities	**1,438**	**2,936**	**2,868**
Current liabilities			
Interest-bearing liabilities	15	219	220
Current tax liabilities	25	5	3
Accounts payable	667	712	893
Other non-current liabilities	998	1,009	1,116
Short-term provisions	11	38	12
Total	**1,716**	**1,982**	**2,244**
Liabilities of disposal group classified as held for sale *(note 4)*	0	316	272
Total current liabilities	**1,716**	**2,299**	**2,516**
Total liabilities	**3,154**	**5,235**	**5,384**
Total equity and liabilities	**5,868**	**6,592**	**6,561**
Pledged assets	137	1,364	1,263
Contingent liabilities	258	267	265

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK m)

	Share capital	Other paid-in capital	Other reserves	Retained earnings incl. profit or loss	Non-controlling interests	TOTAL EQUITY
Opening balance, 1 January 2014	**302**	**5,237**	**-26**	**-3,885**	**2**	**1,630**
Comprehensive income						
Profit for the year	0	0	0	-290	0	-290
Total other comprehensive income for the year	0	0	20	0	0	20
Transactions with shareholders						
Purchase of other non-controlling interest	0	0	0	0	-2	-2
Closing balance, 30 September 2014	**302**	**5,237**	**-6**	**-4,175**	**0**	**1,358**
Opening balance, 1 January 2015	**302**	**5,237**	**-18**	**-4,343**	**0**	**1,178**
Comprehensive income						
Profit for the year	0	0	0	140	0	140
Total other comprehensive income for the year	0	0	-35	0	0	-35
Transactions with shareholders						
Bonus issue	8	0	0	-8	0	0
New share issue	207	1,468	0	0	0	1,675
Issue costs after tax *(Note 5)*	0	-38	0	0	0	-38
Reduction of share capital	-134	0	0	134	0	0
Redemption of convertible bonds	0	4	0	0	0	4
Dividend	0	0	0	-210	0	-210
Closing balance, 30 September 2015	**383**	**6,671**	**-53**	**-4,287**	**0**	**2,714**

CONSOLIDATED CASH FLOW STATEMENT (SEK m)	July - Sep			Jan - Sep			Rolling	Full year
(Indirect method) *	**2015**	**2014**	**Chg, %**	**2015**	**2014**	**Chg, %**	**12 mth.**	**2014**
Cash flow from operating activities								
Operating profit from continuing operations	17	-11	250	26	15	81	-71	-82
Operating profit from discontinued operations	0	-117	100	-19	-125	-85	-40	-145
Operating profit, total	**17**	**-129**	**113**	**7**	**-110**	**106**	**-110**	**-228**
Adjustment for non-cash items	52	170	-70	162	267	-39	346	451
IPO-related expenses recognised in equity	0	0	-	-49	0	-	-49	0
Finance net	-11	-45	-76	-134	-143	-6	-172	-181
Income tax paid	0	0	-244	-2	-7	-67	-6	-11
Cash flow from operating activities before changes in working capital	**57**	**-4**	**-1,446**	**-16**	**7**	**-339**	**8**	**31**
Changes in working capital	-60	72	-183	-98	-218	-55	163	44
Cash flow from operating activities *(note 4)*	**-3**	**67**	**-104**	**-114**	**-211**	**-46**	**172**	**75**
Cash flow from investing activities								
Net investment	-16	-10	59	-40	-22	79	-48	-31
Acquisition of subsidiaries	0	-2	-	0	-2	-	-22	-23
Disposal of subsidiaries	0	0	-	-57	0	-	-57	0
Cash flow from investing activities *(note 4)*	**-16**	**-12**	**37**	**-96**	**-24**	**304**	**-127**	**-54**
Cash flow from financing activities (note 4)								
Change in borrowings	0	24	-100	-1,603	84	-2,014	-1,643	44
New share issue	0	0	-	1,675	0	-	1,675	0
Net lease commitments	-2	-3	-47	-5	-8	-35	-8	-11
Cash flow from financing activities *(note 4)*	**-2**	**21**	**-107**	**66**	**75**	**-12**	**23**	**33**
Cash flow for the period	**-20**	**76**	**-126**	**-144**	**-160**	**-9**	**69**	**53**
Cash and cash equivalents at beginning of year	213	51	319	335	288	16	131	288
Exchange gains on cash and cash equivalents	-9	4	-319	-6	3	-318	-15	-6
Cash and cash equivalents at end of period	**185**	**131**	**40**	**185**	**131**	**40**	**185**	**335**

* The consolidated cash flow statement includes continuing and discontinued operations. See Note 4 for a specification of cash flow from discontinued operations.

OPERATING CASH FLOW, GROUP (SEK m)	July - Sep			Jan - Sep			Rolling	Full year
(Continuing operations)	**2015**	**2014**	**Chg, %**	**2015**	**2014**	**Chg, %**	**12 mth.**	**2014**
EBIT	17	-11	250	26	15	81	-71	-82
IPO-related expenses recognised in equity	0	0	-	-49	0	-	-49	0
Depreciation and amortisation	56	66	-15	169	192	-12	357	379
Net investment	-16	-9	82	-36	-22	60	-41	-27
Change in working capital	-60	105	-157	-94	-122	-23	91	63
Adjustment for non-cash items	-4	-11	-59	-11	-47	-77	-22	-58
Operating cash flow	**-8**	**140**	**-106**	**6**	**15**	**-60**	**266**	**274**

GEOGRAPHICAL SEGMENTS (SEK m)	July - Sep			Jan - Sep			Rolling	Full year
	2015	2014	Chg, %	2015	2014	Chg, %	12 mth.	2014
Net sales								
Sweden	**943**	**943**	**0**	**2,904**	**2,892**	**0**	**3,958**	**3,946**
Total sales	*965*	*962*	*0*	*2,971*	*2,948*	*1*	*4,050*	*4,027*
Internal sales	*-22*	*-19*	*14*	*-66*	*-56*	*19*	*-92*	*-81*
Norway	**525**	**461**	**14**	**1,526**	**1,044**	**46**	**2,085**	**1,603**
Total sales	*528*	*466*	*13*	*1,537*	*1,060*	*45*	*2,101*	*1,623*
Internal sales	*-3*	*-5*	*-41*	*-11*	*-16*	*-34*	*-15*	*-21*
Finland	**123**	**129**	**-4**	**386**	**387**	**0**	**525**	**526**
Total sales	*123*	*129*	*-4*	*386*	*387*	*0*	*525*	*526*
Internal sales		-	-	-	0	-	-	-
Denmark	**215**	**199**	**8**	**630**	**566**	**11**	**848**	**783**
Total sales	*215*	*199*	*8*	*630*	*566*	*11*	*849*	*784*
Internal sales	*0*	*0*	*-32*	*0*	*0*	*-26*	*-1*	*-1*
Group functions/other	**-1**	**-4**	**-78**	**-7**	**-12**	**-39**	**-10**	**-14**
Total	**1,806**	**1,728**	**5**	**5,440**	**4,877**	**12**	**7,406**	**6,844**
Adjusted EBITA								
Sweden	58	73	-21	252	261	-3	355	364
Norway	35	22	56	88	55	60	129	96
Finland	7	7	0	5	13	-60	5	12
Denmark	12	7	77	20	10	102	22	12
Group functions/other	-37	-30	22	-101	-97	4	-134	-130
Total	**75**	**79**	**-5**	**264**	**242**	**9**	**376**	**354**
Adjusted EBITA is reconciled to profit before tax as follows:								
Amortisation and impairment of goodwill and customer contracts	-44	-52	-15	-133	-156	-14	-308	-331
Non-recurring items *(note 5)*	-14	-38	-63	-104	-72	45	-138	-106
Net financial income/expense	5	-58	108	-118	-199	-41	-191	-272
Profit before tax	**22**	**-69**	**-131**	**-92**	**-185**	**-50**	**-261**	**-354**

	July - Sep		Jan - Sep		Rolling	Full year
Adjusted EBITA margin	**2015**	**2014**	**2015**	**2014**	**12 mth.**	**2014**
Sweden	6.2%	7.7%	8.7%	9.0%	9.0%	9.2%
Norway	6.7%	4.9%	5.8%	5.3%	6.2%	6.0%
Finland	5.9%	5.7%	1.3%	3.4%	0.9%	2.4%
Denmark	5.4%	3.3%	3.1%	1.7%	2.5%	1.5%
Group functions/other	-	-	-	-	-	-
Total	**4.2%**	**4.6%**	**4.8%**	**5.0%**	**5.1%**	**5.2%**

TYPE OF CONTRACT	July - Sep			Jan - Sep			Rolling	Full year
(SEK m)	2015	2014	Chg, %	2015.	2014	Chg, %	12 mth.	2014
Net sales								
IFM	1,200	1,102	9	3,539	2,980	19	4,814	4,255
Bundled FM	313	307	2	993	947	5	1,354	1,308
Single service	308	328	-6	946	991	-5	1,295	1,340
Other	-15	-9	62	-38	-41	-6	-57	-60
Total	**1,806**	**1,728**	**5**	**5,440**	**4,877**	**12**	**7,406**	**6,844**

QUARTERLY DATA (SEK m)	2015			2014				2013
GEOGRAPHICAL SEGMENTS	**III**	**II**	**I**	**IV**	**III**	**II**	**I**	**IV**
Net sales, external								
Sweden	943	973	988	1,054	943	983	967	1,123
Norway	525	486	516	559	461	338	245	267
Finland	123	128	134	139	129	130	128	134
Denmark	215	202	213	217	199	195	172	185
Group functions/other	-1	-3	-3	-3	-4	-4	-4	-4
Total	**1,806**	**1,786**	**1,848**	**1,967**	**1,728**	**1,642**	**1,508**	**1,704**
Adjusted EBITA								
Sweden	58	92	103	103	73	96	93	117
Norway	35	25	28	41	22	17	16	24
Finland	7	-1	-1	-1	7	4	1	-7
Denmark	12	3	5	2	7	3	0	4
Group functions/other	-37	-30	-34	-33	-30	-38	-29	-54
Total	**75**	**88**	**100**	**112**	**79**	**82**	**81**	**84**
Adjusted EBITA-margin								
Sweden	6.2%	9.4%	10.4%	9.8%	7.7%	9.7%	9.6%	10.4%
Norway	6.7%	5.1%	5.5%	7.3%	4.9%	5.0%	6.5%	9.2%
Finland	5.9%	-0.8%	-0.9%	-0.5%	5.7%	3.4%	1.1%	-5.0%
Denmark	5.4%	1.6%	2.2%	0.9%	3.3%	1.7%	-0.1%	1.9%
Group functions/other	-	-	-	-	-	-	-	-
Total	**4.2%**	**5.0%**	**5.4%**	**5.7%**	**4.6%**	**5.0%**	**5.4%**	**4.9%**

	2015			2014				2013
TYPE OF CONTRACT	**III**	**II**	**I**	**IV**	**III**	**II**	**I**	**IV**
Net sales								
IFM	1,200	1,146	1,193	1,275	1,102	1,009	869	1,017
Bundled FM	313	341	339	361	307	323	317	336
Single service	308	317	321	349	328	322	341	359
Other	-15	-18	-5	-19	-9	-12	-19	-7
Total	**1,806**	**1,786**	**1,848**	**1,967**	**1,728**	**1,642**	**1,508**	**1,704**

PARENT COMPANY INCOME STATEMENT	July - Sep			Jan - Sep			Rolling	Full year
(SEK m)	**2015**	**2014**	**Chg, %**	**2015**	**2014**	**Chg, %**	**12 mth.**	**2014**
Net sales	2	1	132	4	3	32	6	4
Net sales	**2**	**1**	**132**	**4**	**3**	**32**	**6**	**4**
Selling and administrative expenses	-8	-3	136	-69	-11	518	-69	-11
Other income/expenses	0	0	100	0	0	-100	0	0
Operating profit	**-5**	**-2**	**138**	**-65**	**-8**	**731**	**-63**	**-6**
Dividend	0	0	-	210	545	-61	210	545
Other net financial income/expense	7	0	-	7	0	-	7	0
Net financial income/expense	**7**	**0**	**-**	**217**	**545**	**-60**	**217**	**545**
Income before tax	**1**	**-2**	**-153**	**152**	**537**	**-72**	**153**	**539**
Income tax expense	0	**-**	**-**	0	**0**	**-**	0	**-**
Profit for the period	**1**	**-2**	**-153**	**152**	**537**	**-72**	**154**	**539**

PARENT COMPANY BALANCE SHEET
(SEK m)

	30-sep		31-dec
	2015	**2014**	**2014**
Assets			
Financial fixed assets			
Shares in subsidiaries	7,789	4,839	4,839
Other financial assets	12	0	0
Total non-current assets	**7,801**	**4,839**	**4,839**
Current assets			
Receivables from Group companies*	19	6	0
Other trading assets	4	2	2
Cash and cash equivalents*	0	1	12
Total current assets	**23**	**9**	**13**
Total assets	**7,824**	**4,847**	**4,852**

	30-sep		31-dec
	2015	**2014**	**2014**
Equity and liabilities			
Shareholders' equity	**6,421**	**4,836**	**4,838**
Liabilities			
Non-current liabilities			
Pension provision	2	0	0
Interest-bearing liabilities	1,371	0	0
Non-interest-bearing liabilities	0	6	6
Total non-current liabilities	**1,372**	**6**	**6**
Current liabilities			
Liabilities to Group companies*	0	0	1
Accounts payable	15	0	4
Other current liabilities	15	5	2
Total current liabilities	**31**	**5**	**8**
Total liabilities	**1,403**	**11**	**14**
Total equity and liabilities	**7,824**	**4,847**	**4,852**
Pledged assets	None	None	None
Contingent liabilities	None	None	None

* Since June 2015 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 (continuing operations)

(SEK m)	July - Sep 2015	July - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	Rolling 12 mth.	Full year 2014
Net sales	1,806	1,728	5,440	4,877	7,406	6,844
Net sales growth, %	5%	12%	12%	3%	13%	6%
of which organic growth, %	*6%*	*11%*	*12%*	*2%*	*12%*	*6%*
of which FX effect, %	*-2%*	*1%*	*0%*	*1%*	*0%*	*0%*
EBIT	17	-11	26	15	-71	-82
EBIT margin, %	0.9%	-0.7%	0.5%	0.3%	-1.0%	-1.2%
EBITA	61	41	159	170	238	248
EBITA margin, %	3.4%	2.4%	2.9%	3.5%	3.2%	3.6%
Adjusted EBITA	75	79	264	242	376	354
Adjusted EBITA margin, %	4.2%	4.6%	4.8%	5.0%	5.1%	5.2%
EBITDA	73	54	196	206	286	297
EBITDA margin, %	4.0%	3.1%	3.6%	4.2%	3.9%	4.3%
Adjusted EBITDA	87	93	300	278	425	403
Adjusted EBITDA margin, %	4.8%	5.4%	5.5%	5.7%	5.7%	5.9%
Adjusted net profit	60	-5	289	-9	318	20
Net working capital	-297	-208	-297	-208	-297	-392
Net working capital / Net sales, %	-4.0%	-3.2%	-4.0%	-3.2%	-4.0%	-5.7%
Operating cash flow	-8	140	6	15	266	274
Cash conversion	13%	204%	56%	48%	111%	108%
Net debt	1,206	2,915	1,206	2,915	1,206	2,673
Net debt/adjusted EBITDA LTM	2.8	7.7	2.8	7.7	2.8	6.6
Equity/assets ratio, %	46%	21%	46%	21%	46%	18%

DATA PER SHARE *

	July - Sep 2015	July - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	Full year 2014
No. of shares at end of period	95,812,022	50,326,435	95,812,022	50,326,435	50,326,435
No. of ordinary shares (weighted average)	95,812,022	34,739,974	68,932,202	34,739,974	34,739,974
Earnings per share, SEK					
Continuing operations	0.17	-8.13	-4.18	-23.30	-34.23
Discontinued operations	0.00	-3.39	-0.23	-3.61	-4.23
Total	**0.17**	**-11.52**	**-4.41**	**-26.91**	**-38.46**
Shareholders' equity per share, SEK	**28.33**	**26.98**	**28.33**	**26.98**	**23.40**

There was no dilutive effect in the periods.

* Number of shares and earnings per share for historical periods have been restated to take account of the reverse stock split and bonus issue that were completed in the second quarter of 2015. For information on changes to the number of shares, see Note 7. See also Note 8 for a calculation of pro forma earnings per share.

Notes

Note 1–Accounting policies

The Coor Service Management Holding AB Group applies the International Financial Reporting Standards (IFRS), as adopted by the EU. The accounting policies applied are the same as those described in Coor Service Management Holding AB's financial statements prepared for prospectus purposes for 2014. The standards and statements which took effect from 1 January have not had any impact on the consolidated financial statements. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies the Swedish Annual Accounts Act and RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Accounting Standards Council.

Due to rounding, small differences may exist in aggregations in this interim report.

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		
	30-sep		31-dec	30-sep		31-dec
(SEK m)	2015	2014	2014	2015	2014	2014
Finance lease liabilities	28	45	41	28	45	41
Liabilities to credit institutions	1,371	2,886	2,855	1,371	2,886	2,855
Bank overdraft facilities	0	120	120	0	120	120
Other non-current liabilities	1	8	8	1	8	8
Total	**1,400**	**3,058**	**3,024**	**1,400**	**3,058**	**3,024**

In connection with the initial public offering in June 2015 the Group concluded a new loan agreement with a consortium of banks with new interest terms for the Group's borrowing. The current credit margin for the Group's existing loans is therefore deemed to be consistent with market rates. The Group deems that the liabilities should be measured in accordance with level 2 of the fair value hierarchy, which means that the measurement is based on observable market inputs.

In previous periods the Group has held derivatives which were measured at fair value and classified as level 2 in the fair value hierarchy. In connection with concluding the new loan agreement the company repaid its old loans and redeemed the derivatives. At the end of the current period the Group does not hold any derivatives measured at fair value. The derivatives were included in the category derivatives used for hedging purposes.

Note 3–Net debt

In June 2015 Coor concluded a new loan agreement with a consortium of banks. The agreement provides for senior loans of SEK 1,400 million and a SEK 400 million revolving credit facility. Together with the net proceeds from the share offering on Nasdaq Stockholm, the credit facilities under the new loan agreement were used to repay the company's loans to its previous creditors. The company was thus able to reduce its net debt from SEK 2,673 million at 31 December 2014 to SEK 1,206 million at 30 September 2015.

	30-sep		31-dec
Specification of net debt (SEK m)	**2015**	**2014**	**2014**
Liabilities to credit institutions	1,371	3,006	2,975
Finance leases, net	10	18	16
Pensions, net	9	15	10
Other liabilities	1	8	8
	1,391	**3,047**	**3,009**
Cash and cash equivalents	-185	-131	-335
Net debt	**1,206**	**2,915**	**2,673**

Note 4–Operations held for sale

Following approval from the Project Committee of the Board of Directors in September 2014, the Group's operations in the Industrial Services segment were accounted for as held for sale in accordance with IFRS 5. The sale was effected in June 2015 through the acquisition of the shares by the Group's main shareholder. The main shareholder paid for the acquisition by issuing a promissory note to Coor, which was then distributed to the main shareholder before the initial public offering. The effect is thus that Coor received no net consideration for the Industrial Services business. Since June 2015 the Industrial Services segment has thus not been a part of the Coor Group.

Profit from operations held for sale (SEK m)	**July - Sep**		**Jan – Sep**		**Full year**
	2015	**2014**	**2015**	**2014**	**2014**
Revenue	0	296	479	864	1,187
Operating expenses	0	-303	-484	-878	-1,222
Net financial income/expense	0	-1	-2	-2	-4
Income tax expense	0	1	1	2	3
Total	0	**-8**	**-6**	**-15**	**-37**
Profit on remeasurement of assets and liabilities in operations held for sale	0	-110	-10	-110	-110
Profit from operations held for sale	**0**	**-118**	**-16**	**-125**	**-147**

Cash flow from operations held for sale (SEK m)	**July - Sep**		**Jan – Sep**		**Full year**
	2015	**2014**	**2015**	**2014**	**2014**
Cash flow from operating activities	0	-37	-22	-101	-40
Cash flow from investing activities	0	-1	-4	0	-4
Cash flow from financing activities	0	0	-	-1	-1
Cash flow from operations held for sale	**0**	**-39**	**-26**	**-102**	**-45**

	30-sep		**31-dec**
Assets in operations held for sale (SEK m)	**2015**	**2014**	**2014**
Tangible assets	0	50	51
Intangible assets	0	15	12
Other non-current assets	0	0	0
Inventory	0	30	29
Other current assets	0	441	319
Total	**0**	**537**	**412**

	30-sep		**31-dec**
Liabilities in operations held for sale (SEK m)	**2015**	**2014**	**2014**
Current liabilities	0	307	260
Deferred tax liability	0	4	3
Provisions	0	6	9
Total	**0**	**316**	**272**

Note 5–Non-recurring items

Non-recurring items and amortisation and impairment of customer contracts and goodwill are excluded from operating profit, adjusted EBITA, which measure the company believes is the most relevant to follow as this more fairly reflects the underlying operations.

Non-recurring items for the period mainly comprise costs related to the initial public offering on Nasdaq Stockholm and integration costs.

	July - Sep		Jan – Sep		Rolling	Full year
Adjusted EBITA is reconciled to EBIT as follows (SEK m)	**2015**	**2014**	**2015**	**2014**	**12 mth.**	**2014**
Adjusted EBITA	75	79	264	242	376	354
Amortisation and impairment of customer contracts	-44	-52	-133	-156	-308	-331
Non-recurring items	-14	-38	-104	-72	-138	-106
EBIT	**17**	**-11**	**26**	**15**	**-71**	**-82**

	July - Sep		Jan – Sep		Rolling	Full year
Non-recurring items (SEK m)	**2015**	**2014**	**2015**	**2014**	**12 mth.**	**2014**
IPO-related expenses [1)]	0	0	-78	0	-90	-12
Integration	-14	-33	-24	-60	-41	-76
Restructuring	0	-3	0	-8	-4	-11
Monitoring fee Cinven	0	-1	-2	-3	-3	-4
Other	0	-2	0	-2	-1	-3
Total	**-14**	**-38**	**-104**	**-72**	**-138**	**-106**
[1)] *Specification of IPO-related expenses*						
Total IPO-related expenses	-1	0	-127	0	-139	-12
Of which recognised in equity	0	0	49	0	49	0
Total accounted for in income statement	**0**	**0**	**-78**	**0**	**-90**	**-12**

Note 6–Deferred tax

The Group has significant tax losses, primarily in Sweden and Finland. Previously a deferred tax asset related to the tax losses in Sweden and Finland has only been recognised in the balance sheet to the extent that it has been offset by a deferred tax liability. In connection with the IPO the Group obtained a much lower debt ratio, which means that the Group's financial expenses will be significantly lower in future. This means that the Group will be reporting tax profits in Sweden, enabling it to make use of the existing tax losses over coming years.

In view of this the Group recognised all tax losses attributable to Sweden in the second quarter of 2015. The following is a summary of how the balance sheet item deferred tax asset/deferred tax liability has changed compared with 31 December 2014 and of how deferred tax assets and deferred tax liabilities have been recognised on a net basis in the balance sheet:

Deferred tax by country, net (SEK m)	**2015-09-30**	**2014-12-31**
Deferred tax receivable		
Sweden	278	0
Total deferred tax receivable, net	**278**	**0**
Deferred tax liability, net		
Sweden	0	0
Norway	32	38
Denmark	4	4
Finland	0	1
Total deferred tax liability, net	**36**	**43**

Deferred tax (SEK m)

	Goodwill arising from purchase of net assets	**Tax losses**	**Cash flow hedge**	**Customer contracts and trademark**	**Other**	**Total**
At 1 January 2015	**35**	**205**	**1**	**-290**	**7**	**-43**
Recognised in income statement 1)	-6	247	0	30	2	274
Recognised in other comprehensive income	0	0	-1	0	0	-1
Recognised in equity	0	11	0	0	0	11
Translation differences	0	0	0	2	0	2
At 30 September 2015	**29**	**463**	**0**	**-258**	**9**	**242**

1) Of which SEK m 229 relates to capitalised deferred tax on tax loss carry-forward from previous years.

Note 7–Number of shares

Prior to the IPO the company had 301,958,610 shares, of which 101,958,610 were preference shares. A reverse stock split and conversion of preference shares into ordinary share as well as a bonus issue, quotient value issue and offering of new shares were carried out in connection with the IPO. The company's share capital at 30 September 2015 comprised 95,812,022 ordinary shares.

Change in number of shares	Ordinary	Ordinary A	Ordinary B	Preference shares	Total number of shares
Number of shares at 1 January 2015	**-**	**188,832,009**	**11,167,991**	**101,958,610**	**301,958,610**
Reverse stock split	-	-157,360,008	-9,306,660	-84,965,509	-251,632,177
Conversion into ordinary shares	50,326,433	-31,472,001	-1,861,331	-16,993,101	-
Bonus issue	1,406,641	-	-	-	1,406,641
Quotient value issue	15,368,875	-	-	-	15,368,875
New share issue	28,710,073	-	-	-	28,710,073
Number of shares at 30 September 2015	**95,812,022**	**-**	**-**	**-**	**95,812,022**

Note 8–Pro forma earnings per share

To enable the presentation of key performance indicators that are meaningful and comparable with future periods, earnings per share have been restated in the following table. Compared with the calculated KPI earnings per share the following key performance indicator – pro forma earnings per share – has been adjusted to take account of the interest rate used in calculating the value of the previous preference shares, the high IPO-related non-recurring costs and the number of outstanding shares.

	July-Sep		Jan – Sep		Full year
Pro forma earnings per share	**2015**	**2014**	**2015**	**2014**	**2014**
Profit attributable to owners of the parent (continuing operations)	16	-57	156	-164	-311
					0
IPO-related expenses	0	0	78	0	12
Tax	0	0	-17	0	-3
Net adjustment of profit	**0**	**0**	**61**	**0**	**9**
Adjusted profit attributable to owners of the parent (SEK m)	**16**	**-57**	**217**	**-164**	**-302**
Number of shares at 30 June 2015	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022
Pro forma earnings per share, SEK	**0.16**	**-0.60**	**2.27**	**-1.72**	**-3.15**

Note 9–Cash conversion

The Group's goal is to achieve, in the medium-term, an annual cash conversion of at least 90 percent. Short-term deviations between quarters can result in temporary negative cash conversion, but Coor expects to be able to continue to undertake its operations with negative or declining working capital. Annual investments in intangible and tangible fixed assets are expected over time to reach approximately 0.5 percent of net sales.

Coor defines cash conversion as operational cash flow (adjusted EBITDA less investments and capital gains/losses on the sale of fixed assets and adjusted for changes in working capital) as a percentage of adjusted EBITDA.

Calculation of cash conversion	**July-Sep**		**Jan – Sep**		**Rolling**	**Full year**
(SEK m)	**2015**	**2014**	**2015**	**2014**	**12 mth.**	**2014**
EBIT	17	-11	26	15	-71	-82
Amortisation and impairment of customer contracts	44	52	133	156	308	331
Non-recurring items	14	38	104	72	138	106
Adjusted EBITA	*75*	*79*	*264*	*242*	*376*	*354*
Depreciation and amortisation of intangible and tangible fixed assets	12	14	36	36	49	49
Adjusted EBITDA	**87**	**93**	**300**	**278**	**425**	**403**
Changes in working capital	-60	105	-94	-122	91	63
Net investments	-16	-9	-36	-22	-41	-27
Capital gains/losses on the sale of fixed assets	0	0	-1	0	-6	-5
Operating cash flow - basis for calculation	**12**	**189**	**169**	**134**	**469**	**434**
Cash conversion (%)	**13%**	**204%**	**56%**	**48%**	**111%**	**108%**

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 and customer contracts.

Non-recurring items

Non-recurring items mainly comprise costs for integration of contracts and acquisitions as well as more extensive restructuring programmes. For the most recent periods non-recurring items also include costs related to the initial public offering. Non-recurring items are included either in cost of services sold or selling and administrative expenses.

EBITA

Operating profit before amortisation of customer contracts and goodwill.

Adjusted EBITDA

Operating profit before amortisation of goodwill and customer contracts, excluding non-recurring items.

EBITDA

Operating profit before depreciation of property, plant and equipment and amortisation of all intangible assets.

Adjusted EBITDA

Operating profit before depreciation of property, plant and equipment and amortisation of all intangible assets, excluding non-recurring items.

Adjusted net profit

Profit after tax excluding amortisation of goodwill and customer contracts.

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.

Calculation of key performance indicators

Net sales growth

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

Organic growth

Growth excluding acquisitions and FX effect.

EBITA margin

EBITA as a percentage of net sales.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

EBITDA margin

EBITDA as a percentage of net sales.

Adjusted EBITDA margin

Adjusted EBITA 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

Interest-bearing non-current and current assets less non-current and current interest-bearing liabilities.

Earnings per share

Profit for the period attributable to owners of the parent, adjusted for interest expense related to preference shares, in relation to average number of ordinary shares.

Equity/assets ratio

Consolidated equity and reserves attributable to owners of the parent as a percentage of total assets.

Cash conversion

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