COOR

Interim Report
January – March 2017

First quarter 2017

- Net sales increased by 4 per cent in the first quarter, to SEK **1,930** (1,859) million. Organic growth excluding foreign exchange effects was 1 per cent.
- Adjusted EBITA increased by 7 per cent to SEK **119** (111) million and the operating margin expanded to **6.2** (6.0) per cent.
- EBIT was SEK **72** (65) million and the profit after tax SEK **52** (34) million.
- Earnings per share were SEK **0.5** (0.4).
- Operating cash flow was SEK **53** (-2) million.

"The beginning of 2017 has seen a stable improvement in earnings, continued strong cash flow and good market prospects throughout the Nordic region."

Mikael Stöhr,
President and CEO, Coor

GROUP EARNINGS SUMMARY	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Net sales	1,930	1,859	7,701	7,631
Organic growth, %	1	3	2	3
Adjusted EBITA	119	111	448	440
Adjusted EBITA margin, %	6.2	6.0	5.8	5.8
EBIT	72	65	249	242
Income for the period	52	34	143	124
Operating cash flow	53	-2	481	426
Earnings per share, SEK	0.5	0.4	1.5	1.3

See page 22 for definitions and calculations of key performance indicators. Items affecting comparability are presented in Note 3.

CEO's comments

Improved profitability and good market prospects

Through active development work over an extended period of time we have gradually improved the profitability of Coor's businesses across the whole Nordic region. The first few months of 2017 have seen a stable improvement in earnings, continued strong cash flow and good market prospects throughout the Nordic region.

Increased sales and a high level of activity in the market

For the first quarter of 2017 Coor reports an increase in net sales of 4 per cent compared with the previous year (1 per cent excluding foreign exchange effects). The Swedish and Danish businesses generated most of the growth, driven mainly by expanded and new small and medium-sized contracts as well as continued high variable project volumes in Coor's existing IFM contracts.

The inflow of new small and medium-sized contracts continued during the period. Notable new customers include Assa Abloy, Novozymes, Platzer Fastigheter, the County Council of Gävleborg, the Central Bank of Sweden, the Danish Customs and Tax Administration and Yara. Coor has also extended and expanded several of its existing contracts, including those with Aibel, Akelius and Volvo Cars.

We are seeing an exciting development in many of our customer dialogues as a growing number of customers view Coor and our integrated FM delivery as an important factor in their own efforts to increase productivity and employee engagement and in their environmental and health activities. Through a contained and integrated approach covering the full spectrum of support services, Coor can play an important role as strategic advisor to its customers as well as implementing change projects and providing FM services. Customers that use the full capacity of Coor receive not just a provider of FM services but above all a partner which actively supports its customer's own core business.

In the first quarter we have also continued to evaluate potential acquisitions, primarily in our three largest service areas – property services, food & beverage and cleaning – where we see exciting opportunities to accelerate our growth through value-creating acquisitions in the Nordic region.

Improved profitability

Coor reports a stable improvement in earnings for the three-month period. The operating profit increased by 7 per cent and the operating margin rose from 6.0 to 6.2 per cent compared with previous year. The margin improvement is being driven mainly by increased profitability in Coor's Swedish, Danish and Finnish businesses following the implementation of efficiency and improvement programmes as well as active contract management that is generating good variable contract volumes.

During the period Coor in Norway was hit by a loss in the damage services business. This business, which forms part of Coor's offering, exists only in Norway, where it accounts for around 15 per cent of sales. The damage services business comprises cleaning and repair after fire and water damage to buildings, and is driven by a different logic than the FM business.

Volumes and profitability in the damage services business have been declining for some time amid significant price pressure. In the fourth quarter of 2016 a number of measures were implemented to turn the trend, but after the first quarter it is clear that these measures have not had the sufficient effect. Due to the unsatisfactory performance, we will be implementing further restructuring measures. Excluding the damage services business, first-quarter margins improved year on year also in the Norwegian business.

Strong cash flow

Coor's underlying cash flow remains strong, and working capital has decreased by SEK 87 million over the past 12-month period, which is an improvement compared with full year 2016. We have a low debt level, with a leverage of 1.6 (2.2) at the end of the period, well below our target of 3.0 or less. Cash conversion for the past 12 months was 103 per cent, comfortably above the Group's target of 90 per cent. Our strong cash flow and low leverage give us the financial muscle to step up our activities in evaluating potential acquisitions in 2017.

A favourable outlook

We are experiencing strong interest and good demand in the market, and we see interesting business opportunities throughout the Nordic market. As communicated previously, the relatively small number of major IFM contracts in the Nordic markets in 2016 has had a temporary negative impact on our growth rate. Despite this, we believe Coor has good prospects to achieve growth, profitability and cash flow in line with our targets over time.

Stockholm, 4 May 2017

Mikael Stöhr
President and CEO

Group performance

Net sales and operating profit

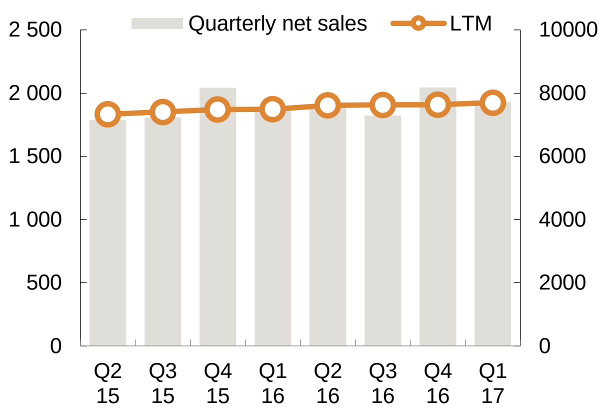
CONSOLIDATED	Jan - Mar	
(SEK m)	2017	2016
Net sales	1,930	1,859
Organic growth, %	*1*	*3*
Adjusted EBITA	119	111
Adjusted EBITA margin, %	6.2	6.0
EBIT	72	65
EBIT margin, %	3.7	3.5
Number of employees (FTE)	6,498	6,136

Organic growth for the period compared with the first quarter of 2016 was 1 per cent. Coor's Swedish, Danish and Finnish businesses contributed to growth at the Group level. In Coor's Norwegian business sales were also up slightly in SEK terms but excluding foreign exchange effects organic growth was negative.

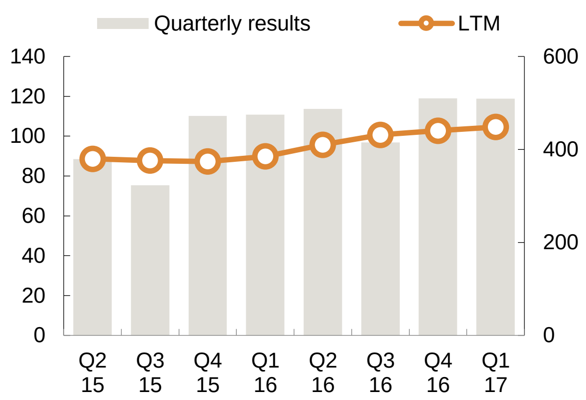
The operating profit (adjusted EBITA) increased by 7 per cent year on year (5 per cent excluding foreign exchange effects), which meant that the operating margin for the period increased to 6.2 (6.0) per cent. The improvement in the margin compared with the first quarter in 2016 is due to increased profitability in the Swedish and Danish businesses.

As a consequence of the improved result at EBITA level, EBIT also increased, to SEK 72 (65) million.

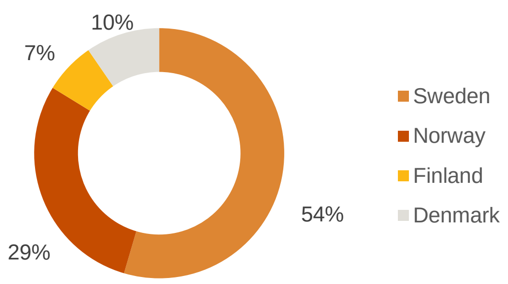
NET SALES (SEK m)



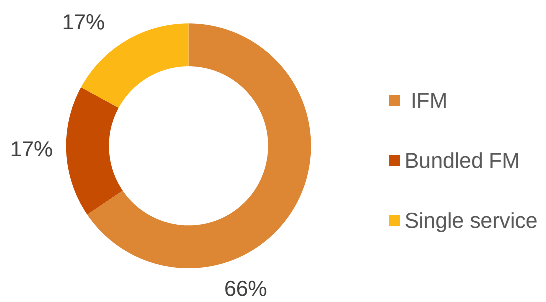
ADJUSTED EBITA (SEK m)



NET SALES BY COUNTRY, Q1 2017



NET SALES BY TYPE OF CONTRACT, Q1 2017



Net financial expense and profit after tax

FINANCIAL NET (SEK m)	Jan - Mar 2017	2016
Net interest	-8	-9
Borrowing costs	-1	-1
Other	-2	-1
Total excl exchange rate differences	**-10**	**-10**
Exchange rate differences	5	-9
Total	**-5**	**-19**

Coor's net financial expense decreased by SEK 14 million compared with the same period in 2016, mainly as a result of positive translation differences. These were due to the revaluation of loans in foreign currency at lower closing rates for NOK and EUR at the end of the period compared with year-end. In 2016 these translation differences were negative. The net interest expense and other financial expenses were largely flat compared with the year-before period.

The tax expense for the period was SEK -14 (-11) million, which represents 22 (25) per cent of earnings before tax. The change compared with the previous year is mainly due to a reduction of the corporate tax rate in Norway in 2017. Earnings after tax were SEK 52 (34) million.

Cash flow

Operating cash flow for the first quarter was SEK 53 (-2) million, which is largely in line with the normal seasonal variation for the Group, with the first and third quarters being the weakest. As a rule, the first quarter is affected by an increase in accrued project income as well as a certain calendar effect due to February being a shorter month. The year-on-year increase in operating cash flow for the period was due to a higher profit and lower build-up of working capital. Net investments also decreased slightly compared with the same quarter in 2016.

Operating cash flow normally fluctuates from one quarter to another. The key performance indicator is therefore the rolling 12-month change in working capital. Over the past 12-month period working capital decreased by SEK 87 million, which is an improvement compared with the full year 2016.

The most important external KPI for cash flow is cash conversion, which is defined as the ratio of a simplified measure of operating cash flow to adjusted EBITDA. Cash conversion for the past 12 months was 103 per cent, comfortably above the Group's target of 90 per cent.

CASH CONVERSION (SEK m)	Rolling 12 mth.	Full year 2016
Adjusted EBITDA	497	487
Change in net working capital	87	38
Net investments	-72	-74
Cash flow for calculation of cash conversion	**511**	**451**
Cash conversion, %	**103**	**93**

Financial position

NET DEBT (SEK m)	Mar 31 2017	Mar 31 2016	Dec 31 2016
Liabilities to credit institutions	1,391	1,365	1,395
Other	13	18	16
	1,404	**1,383**	**1,411**
Cash and cash equivalents	-633	-419	-603
Net debt	**771**	**965**	**808**
Leverage	1.6	2.2	1.7
Equity	2,776	2,784	2,734
Equity/assets ratio, %	46	46	44

Consolidated net debt was SEK 771 (965) million at the end of the period. The decrease compared with the same period in the previous year is due to an increase in cash of around SEK 200 million.

The leverage, defined as net debt to adjusted EBITDA, was 1.6 (2.2) at the end of the period, which is well below the Group's target of a leverage below 3.0.

Equity at the end of the period was SEK 2,776 (2,784) million and the equity/assets ratio 46 (46) per cent.

Cash and cash equivalents at the end of the period were SEK 633 (419) million. At the same date the Group had undrawn credit lines of SEK 286 (292) million.

Significant events in the first quarter

- On 10 January it was announced that Coor's IFM contract with Norwegian oil service company Aibel had been extended and expanded. The new contract, which runs until 2020, is worth around SEK 50 million annually.
- On 25 January Coor signed an expanded contract with Akelius for building management services at Akelius's Swedish properties. The three-year contract is worth around SEK 85 million annually.
- On 31 January it was announced that Coor had concluded a new IFM contract with ABB for services to be provided at a number of facilities in Sweden, Norway and Finland. The agreement runs for five years and has an annual volume of around SEK 230 million.
- On 1 February Coor announced that it had extended its Scandinavian IFM contract with SAS. The contract covers an annual subscription volume of SEK 160 million and additional variable project volumes. The contract runs for six years and the total volume is estimated at around SEK 200 million per year.
- On 21 February Coor's Nominating Committee announced that Søren Christensen had chosen not to stand for re-election and proposed that Anders Ehrling be elected as a new Director.
- On 31 March Coor signed a letter of intent with Gävleborg County Council. The two-year contract covers cleaning services for hospitals in the county, with an annual volume of around SEK 50 million.

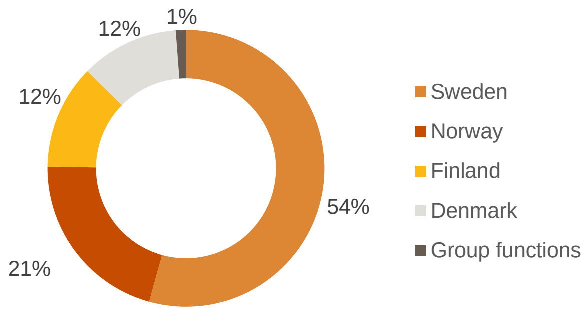
Significant events after the end of the period

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

Organisation and employees

At the end of the period the Group had 7,067 (6,646) employees, or 6,498 (6,136) on a full-time equivalent basis. The increase in the workforce is due to the start of new contracts and expansion of existing contracts.

NUMBER OF EMPLOYEES (FULL-TIME EMPLOYEE EQUIVALENTS) AT 31 MARCH 2017



Operations by country

Sweden

SWEDEN (SEK m)	Jan – Mar 2017	2016
Net sales	1,101	1,053
Organic growth, %	*5*	*7*
Adjusted EBITA	124	117
Adjusted EBITA margin, %	11.3	11.1
Number of employees (FTE)	3,528	3,146

The Swedish business saw continued sales growth in the first quarter. Increased volumes from the commissioning of the New Karolinska Solna University Hospital, continued high variable project volumes in a number of other IFM contracts and several new small contracts more than offset the negative impact of staff cutbacks at Ericsson and the termination of the ICA contract in 2016.

The quarterly operating profit (adjusted EBITA) increased by 6 per cent and the operating margin widened to 11.3 (11.1) per cent. The improvement is due to continued good margins from variable project volumes and the implementation of efficiencies in a number of major contracts.

Several new contracts were concluded during the period, including a new contract with Platzer Fastigheter for property services.

Denmark

DENMARK (SEK m)	Jan - Mar 2017	2016
Net sales	180	165
Organic growth, %	*7*	*-22*
Adjusted EBITA	7	4
Adjusted EBITA margin, %	4.1	2.4
Number of employees (FTE)	742	703

The Danish business returned to sales growth in the first quarter. Organic growth of 7 per cent was mainly due to the new small and medium-sized contracts that were signed in the previous year.

The Danish business successfully adapted its costs to lower volumes last year and therefore reports a solid increase in margins on the back of the renewed increase in sales.

During the period Coor Denmark signed a new five-year contract for property services with Novozymes as well as a four-year restaurant contract with the Danish Customs and Tax Administration.

Norway

NORWAY (SEK m)	Jan - Mar 2017	2016
Net sales	529	523
Organic growth, %	*-7*	*11*
Adjusted EBITA	29	29
Adjusted EBITA margin, %	5.4	5.6
Number of employees (FTE)	1,356	1,431

Net sales in the Norwegian business increased by 1 per cent in the first quarter, but excluding positive foreign exchange effects organic growth was negative. This was due to a sharp decline in volumes in the damage services business while sales in the FM business were largely unchanged.

The operating profit (adjusted EBITA) for the period decreased by 3 per cent (-10 per cent excluding foreign exchange effects) and the operating margin contracted to 5.4 (5.6) per cent. In the damage services business, which accounted for just under 15 per cent of net sales during the period, the operating margin was negative, due to lower volumes and structural price pressure. The ongoing review of the damage services business has therefore been intensified with the aim of implementing further restructuring measures as soon as possible. Excluding the damage services business, first-quarter margins improved year-on-year also in the Norwegian business.

During the period Coor Norway signed a new contract with the Norwegian Police Service and extended its existing long-term IFM contract with Arcus by a further three years.

Finland

FINLAND (SEK m)	Jan - Mar 2017	2016
Net sales	122	117
Organic growth, %	*2*	*-12*
Adjusted EBITA	-1	-2
Adjusted EBITA margin, %	-0.8	-1.4
Number of employees (FTE)	794	781

Finland reported growth in the first quarter. This was due to the signing of a number of new minor contracts in 2016 and shows that the recent recruitments in sales are starting to pay off.

The Finnish business also reported a reduced operating loss (adjusted EBITA) for the period as well as slightly better earnings than in the previous year. Unlike in the Group as a whole, the first quarter is seasonally relatively weak in the Finnish business.

A number of new minor contracts for cleaning and property services were signed during the period.

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, which is available on the company's website. No further significant risks are deemed to have arisen since the publication of the 2016 annual report.

Acquisitions and sales

No acquisitions or sales were made during the period.

Parent company

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

Earnings after tax in the parent company were SEK -13 (-22) million, total assets at 31 March were SEK 7,946 (7,826) million and equity was SEK 5,664 (6,426) million.

Related-party transactions

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

Ownership structure

The shares of Coor Service Management Holding AB were listed on Nasdaq Stockholm on 16 June 2015.
At the end of the period the three largest shareholders were Fidelity, Swedbank Robur and the Second Swedish National Pension Fund (AP2).

COOR'S FIFTEEN LARGEST SHAREHOLDERS (31 MAR 2017) [1)]

Shareholder	Number of shares and votes	Number of shares and votes, %,
Fidelity	8,611,202	9.0
Swedbank Robur Fonder	7,309,484	7.6
AP2	5,884,628	6.1
Nordea Fonder	5,038,698	5.3
Schroders	4,769,235	5.0
Handelsbanken Fonder	4,542,404	4.7
AFA Försäkring	3,906,133	4.1
Crux Asset Management Ltd	3,697,563	3.9
SEB-Stiftelsen	3,450,000	3.6
Didner & Gerge Fonder	2,718,771	2.8
Ilmarinen Mutual Pension Insurance	2,428,506	2.5
Vanguard	2,400,000	2.5
Aviva	2,003,103	2.1
Aktie-Ansvar fonder	1,806,694	1.9
Danske Invest Fonder	1,090,064	1.1
Total, 15 largest shareholders	**59,656,485**	**62.3**
Other shareholders	36,155,537	37.7
Total	**95,812,022**	**100.0**

[1)] Source: Monitor by Modular Finance AB. Compiled and adapted data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

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

Stockholm, 4 May 2017
On behalf of the Board of Directors of Coor Service Management Holding AB

Mikael Stöhr
President and CEO

For more information

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

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

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

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

Invitation to a press and analyst presentation

On 4 May, at 2 p.m. CET the company's President and CFO will give a briefing on developments in the first quarter in a webcast. To participate in the webcast, please register in advance using the following link: http://edge.media-server.com/m/p/uisrdbmb. To listen to the presentation by telephone, dial +46 8 566 426 69 (Sweden), +47 23 50 02 53, (Norway), +45 35 44 55 75 (Denmark), +358 981 710 491 (Finland) or +44 203 008 98 07 (UK).

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

Financial calendar

Interim Report	January – June 2017	20 July 2017
Interim Report	January – September 2017	27 October 2017
Interim Report	January – December 2017	February 2018
Interim Report	January – March 2018	April 2018

This constitutes information which Coor Service Management Holding AB (publ) is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 4 May 2017, at 1:30 p.m. CET.

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

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.se

CONSOLIDATED INCOME STATEMENT	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Net sales	1,930	1,859	7,701	7,631
Cost of services sold	-1,726	-1,662	-6,888	-6,824
Gross income	**203**	**197**	**813**	**807**
Selling and administrative expenses	-131	-132	-564	-565
Operating profit	**72**	**65**	**249**	**242**
Net financial income/expense	-5	-19	-61	-75
Profit before tax	**67**	**45**	**188**	**167**
Income tax expense	-14	-11	-46	-43
Income for the period	**52**	**34**	**143**	**124**
Operating profit	**72**	**65**	**249**	**242**
Amortisation and impairment of customer contracts and goodwill	42	43	175	176
Items affecting comparability *(note 3)*	5	3	23	22
Adjusted EBITA	**119**	**111**	**448**	**440**
Earnings per share, SEK [1)]	**0.55**	**0.35**	**1.49**	**1.30**

1) There are no dilutive effects for any of the periods.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Income for the period	**52**	**34**	**143**	**124**
Items that may be subsequently reclassified to profit or loss				
Currency translation differences	-10	17	41	68
Other comprehensive income for the period	**-10**	**17**	**41**	**68**
Total comprehensive income for the period	**42**	**51**	**183**	**192**

The interim information on pages 10–22 constitutes an integral part of this financial report.

CONSOLIDATED BALANCE SHEET	Mar 31		Dec 31
(SEK m)	2017	2016	2016
Assets			
Intangible assets			
Goodwill	2,774	2,740	2,781
Customer contracts	852	1,019	896
Other intangible assets	108	86	107
Property, plant and equipment	75	70	77
Financial assets			
Deferred tax receivable	244	262	252
Other financial assets	12	14	12
Total non-current assets	**4,065**	**4,192**	**4,124**
Current assets			
Accounts receivable	1,004	977	1,080
Other current assets, interest-bearing	4	8	6
Other current assets, non-interest-bearing	372	434	413
Cash and cash equivalents	633	419	603
Total current assets	**2,013**	**1,837**	**2,102**
Total assets	**6,078**	**6,029**	**6,225**

	Mar 31		Dec 31
	2017	2016	2016
Equity and liabilities			
Equity	**2,776**	**2,784**	**2,734**
Liabilities			
Non-current liabilities			
Borrowings	1,397	1,374	1,401
Deferred tax liability	28	34	32
Provisions for pensions	18	18	19
Other non-interest bearing liabilities	7	1	7
Total non-current liabilities	**1,449**	**1,427**	**1,460**
Current liabilities			
Interest-bearing liabilities	5	12	7
Current tax liabilities	25	33	25
Accounts payable	674	616	790
Other current liabilities	1,144	1,141	1,203
Short-term provisions	5	15	7
Total current liabilities	**1,853**	**1,817**	**2,032**
Total equity and liabilities	**6,078**	**6,029**	**6,225**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Jan - Mar		Full year
(SEK m)	2017	2016	2016
Opening balance at beginning of period	**2,734**	**2,733**	**2,733**
Income for the period	52	34	124
Other comprehensive income for the period	-10	17	68
Transactions with shareholders	0	0	-192
Closing balance at end of period	**2,776**	**2,784**	**2,734**

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

CONSOLIDATED CASH FLOW STATEMENT	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Operating profit	**72**	**65**	**249**	**242**
Adjustment for non-cash items	50	53	217	220
Finance net	-9	-10	-36	-37
Income tax paid	-9	-1	-45	-36
Cash flow before changes in working capital	**104**	**107**	**385**	**389**
Change in working capital	-57	-105	87	38
Cash flow from operating activities	**47**	**2**	**472**	**427**
Net investments	-13	-14	-72	-74
Cash flow from investing activities	**-13**	**-14**	**-72**	**-74**
Change in borrowings	0	0	-1	-1
Dividend	0	0	-192	-192
Net lease commitments	-1	-1	-4	-4
Cash flow from financing activities	**-1**	**-1**	**-197**	**-197**
Cash flow for the period	**33**	**-14**	**203**	**156**
Cash and cash equivalents at beginning of period	603	428	419	428
Exchange gains on cash and cash equivalents	-4	4	11	19
Cash and cash equivalents at end of period	**633**	**419**	**633**	**603**

CONSOLIDATED OPERATING CASH FLOW	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
EBIT	72	65	249	242
Depreciation and amortisation	55	54	224	223
Net investments	-13	-14	-72	-74
Change in working capital	-57	-105	87	38
Adjustment for non-cash items	-5	-1	-7	-3
Operating cash flow	**53**	**-2**	**481**	**426**
Adjustment for items affecting comparability	5	3	23	22
Other	4	1	6	3
Cash flow for cash conversion calculation	**62**	**2**	**511**	**451**
Cash conversion, %	**47**	**2**	**103**	**93**

GEOGRAPHICAL SEGMENTS	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Net sales				
Sweden	**1,101**	**1,053**	**4,298**	**4,250**
Total sales	*1,132*	*1,080*	*4,426*	*4,373*
Internal sales	*-32*	*-26*	*-128*	*-123*
Norway	**529**	**523**	**2,199**	**2,194**
Total sales	*531*	*526*	*2,209*	*2,204*
Internal sales	*-2*	*-3*	*-10*	*-10*
Finland	**122**	**117**	**493**	**488**
Total sales	*122*	*117*	*493*	*488*
Internal sales	*0*	*0*	*0*	*0*
Denmark	**180**	**165**	**718**	**703**
Total sales	*181*	*166*	*721*	*706*
Internal sales	*-1*	*-1*	*-3*	*-3*
Group functions/other	**-2**	**1**	**-6**	**-4**
Total	**1,930**	**1,859**	**7,701**	**7,631**
Adjusted EBITA				
Sweden	124	117	430	423
Norway	29	29	132	133
Finland	-1	-2	10	9
Denmark	7	4	30	27
Group functions/other	-40	-38	-154	-152
Total	**119**	**111**	**448**	**440**
Adjusted EBITA is reconciled to profit before tax as follows:				
Amortisation and impairment of goodwill and customer contracts	-42	-43	-175	-176
Items affecting comparability *(note 3)*	-5	-3	-23	-22
Net financial income/expense	-5	-19	-61	-75
Profit before tax	**67**	**45**	**188**	**167**

	Jan - Mar		Rolling	Full year
Adjusted EBITA margin, %	2017	2016	12 mth.	2016
Sweden	11.3	11.1	10.0	9.9
Norway	5.4	5.6	6.0	6.1
Finland	-0.8	-1.4	2.1	1.9
Denmark	4.1	2.4	4.2	3.8
Group functions/other	-	-	-	-
Total	**6.2**	**6.0**	**5.8**	**5.8**

NET SALES BY TYPE OF CONTRACT	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Net sales				
IFM	1,281	1,227	5,080	5,027
Bundled FM	341	319	1,348	1,326
Single service	334	333	1,363	1,362
Other	-25	-20	-90	-85
Total	**1,930**	**1,859**	**7,701**	**7,631**

QUARTERLY DATA (SEK m)	2017	2016				2015		
GEOGRAPHICAL SEGMENTS	I	IV	III	II	I	IV	III	II
Net sales, external								
Sweden	1,101	1,117	1,002	1,078	1,053	1,105	943	973
Norway	529	598	529	543	523	577	525	486
Finland	122	136	118	117	117	123	123	128
Denmark	180	196	175	167	165	237	215	202
Group functions/other	-2	-2	-2	0	1	-1	-1	-3
Total	**1,930**	**2,045**	**1,821**	**1,905**	**1,859**	**2,042**	**1,806**	**1,786**
Adjusted EBITA								
Sweden	124	113	82	110	117	95	58	92
Norway	29	39	32	33	29	36	35	25
Finland	-1	4	7	1	-2	0	7	-1
Denmark	7	9	9	4	4	12	12	3
Group functions/other	-40	-46	-34	-35	-38	-32	-37	-30
Total	**119**	**119**	**97**	**114**	**111**	**110**	**75**	**88**
Adjusted EBITA margin, %								
Sweden	11.3	10.1	8.2	10.2	11.1	8.6	6.2	9.4
Norway	5.4	6.5	6.0	6.1	5.6	6.2	6.7	5.1
Finland	-0.8	2.9	5.6	0.6	-1.4	-0.4	5.9	-0.8
Denmark	4.1	4.7	5.4	2.5	2.4	4.9	5.4	1.6
Group functions/other	-	-	-	-	-	-	-	-
Total	**6.2**	**5.8**	**5.3**	**6.0**	**6.0**	**5.4**	**4.2**	**5.0**

QUARTERLY DATA (SEK m)	2017	2016				2015		
TYPE OF CONTRACT	I	IV	III	II	I	IV	III	II
Net sales								
IFM	1,281	1,363	1,199	1,238	1,227	1,345	1,200	1,146
Bundled FM	341	353	318	336	319	338	313	341
Single service	334	354	322	353	333	389	308	317
Other	-25	-25	-18	-22	-20	-30	-15	-18
Total	**1,930**	**2,045**	**1,821**	**1,905**	**1,859**	**2,042**	**1,806**	**1,786**

PARENT COMPANY INCOME STATEMENT

(SEK m)	Jan - Mar 2017	Jan - Mar 2016	Full year 2016
Net sales	**1**	**1**	**5**
Selling and administrative expenses	-6	-7	-25
Operating profit	**-5**	**-6**	**-20**
Net financial income/expense	**-7**	**-17**	**-83**
Group contribution	0	0	307
Income before tax	**-13**	**-22**	**204**
Income tax expense	0	0	-45
Income for the period	**-13**	**-22**	**158**

PARENT COMPANY BALANCE SHEET

(SEK m)	Mar 31 2017	Mar 31 2016	Dec 31 2016
Assets			
Shares in subsidiaries	7,789	7,789	7,789
Deferred tax asset	156	34	156
Other financial assets	1	1	1
Total non-current assets	**7,945**	**7,824**	**7,945**
Receivables from Group companies*	0	0	308
Other trading assets	1	3	1
Cash and cash equivalents*	0	0	0
Total current assets	**1**	**3**	**310**
Total assets	**7,946**	**7,826**	**8,255**

	Mar 31 2017	Mar 31 2016	Dec 31 2016
Equity and liabilities			
Shareholders' equity	**5,664**	**6,426**	**5,676**
Liabilities			
Borrowings	1,391	1,365	1,395
Provisions for pensions	2	2	2
Total non-current liabilities	**1,393**	**1,367**	**1,396**
Liabilities to Group companies*	878	24	1,172
Accounts payable	1	2	0
Other current liabilities	11	7	10
Total current liabilities	**890**	**33**	**1,182**
Total liabilities	**2,282**	**1,400**	**2,579**
Total equity and liabilities	**7,946**	**7,826**	**8,255**

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

Key performance indicators

KEY PERFORMANCE INDICATORS	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Net sales	1,930	1,859	7,701	7,631
Net sales growth, %	4	1	3	2
of which organic growth, %	*1*	*3*	*2*	*3*
of which FX effect, %	*2*	*-3*	*1*	*-1*
Operating profit (EBIT)	72	65	249	242
EBIT margin, %	3.7	3.5	3.2	3.2
EBITA	114	108	425	419
EBITA margin, %	5.9	5.8	5.5	5.5
Adjusted EBITA	119	111	448	440
Adjusted EBITA margin, %	6.2	6.0	5.8	5.8
Adjusted EBITDA	132	122	497	487
Adjusted EBITDA margin, %	6.8	6.6	6.5	6.4
Adjusted net profit	94	77	318	301
Net working capital	-442	-346	-442	-500
Net working capital / Net sales, %	-5.7	-4.6	-5.7	-6.5
Operating cash flow	53	-2	481	426
Cash conversion, %	47	2	103	93
Net debt	771	965	771	808
Leverage	1.6	2.2	1.6	1.7
Equity/assets ratio, %	46	46	46	44

DATA PER SHARE [1]	Jan - Mar		Rolling	Full year
	2017	2016	12 mth.	2016
Share price at end of period	53.8	39.8	53.8	50.8
No. of shares at end of period	95,812,022	95,812,022	95,812,022	95,812,022
No. of ordinary shares (weighted average)	95,812,022	95,812,022	95,812,022	95,812,022
Dividend, SEK [1]	-	-	3.00	3.00
Earnings per share, SEK [2]	0.55	0.35	1.49	1.30
Shareholders' equity per share, SEK	28.97	29.06	28.97	28.53

[1] Proposed dividend that is subject to adoption at the Annual General Meeting on 4 May 2017.

[2] There is no dilutive effect for any of the periods.

Notes

Note 1 – Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The applied accounting principles are consistent with those described in the Group's annual report for 2016. The standards and statements which took effect from 1 January 2017 have not had any impact on the consolidated financial statements.

As of 1 January 2018 the new standard for revenue recognition, IFRS 15, must be applied. Management is currently evaluating the effects of applying the new standard. The initial assessment indicates that the new standard will have a limited impact on the recognition of revenue in the Group, as the Group's revenue mainly comes from services where control is transferred in connection with delivery. In the report for the third quarter, management plan to provide more detailed information regarding the effects of the transition to IFRS 15.

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

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

Note 2 – Financial instruments

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

	Carrying amount		Fair value		
FINANCIAL INSTRUMENTS	Mar 31		Mar 31		Dec 31
(SEK m)	2017	2016	2017	2016	2016
Finance lease liabilities	9	20	9	20	12
Liabilities to credit institutions	1,391	1,365	1,391	1,365	1,395
Other non-current liabilities	1	1	1	1	1
Total	**1,402**	**1,387**	**1,402**	**1,387**	**1,408**

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

Note 3 – Items affecting comparability

Items affecting comparability are excluded from the measure of operating profit, adjusted EBITA, which the Group regards as the most relevant metric. The following table specifies the items affecting comparability that had an impact on earnings during the period.

ITEMS AFFECTING COMPARABILITY	Jan – Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Integration	-2	0	-9	-7
Restructuring	0	-1	-10	-11
Other	-3	-2	-4	-4
Total	**-5**	**-3**	**-23**	**-22**

Note 4 – Pledged assets and contingent liabilities

PLEDGED ASSETS	Mar 31		Dec 31
(SEK m)	2017	2016	2016
Bank guarantees	106	105	107
Total	**106**	**105**	**107**

CONTINGENT LIABILITIES	Mar 31		Dec 31
(SEK m)	2017	2016	2016
Performance bonds	206	244	207
Total	**206**	**244**	**207**

The parent company has provided a parent company guarantee to a major customer to ensure that the contracted services are delivered. There are no other pledged assets or contingent liabilities in the parent company.

Purpose of the selected key performance indicators

To give its investors and other stakeholders clearer information about the Group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained in the following. See page 22 for definitions of terms and the calculation of key performance indicators.

Growth

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

Earnings and profitability

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

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

Cash flow and working capital

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

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

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

Net debt and leverage

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

Reconciliation of key performance indicators

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

RECONCILIATION OF ADJUSTED KEY PERFORMANCE INDICATORS	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Operating profit (EBIT)	**72**	**65**	**249**	**242**
Amortisation and impairment of customer contracts and goodwill	42	43	175	176
EBITA	**114**	**108**	**425**	**419**
Items affecting comparability *(note 3)*	5	3	23	22
Adjusted EBITA	**119**	**111**	**448**	**440**
Depreciation	13	11	49	47
Adjusted EBITDA	**132**	**122**	**497**	**487**
Income for the period	**52**	**34**	**143**	**124**
Amortisation and impairment of customer contracts and goodwill	42	43	175	176
Adjusted net profit	**94**	**77**	**318**	**301**

SPECIFICATION OF NET WORKING CAPITAL	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Accounts receivable	1,004	977	1,004	1,080
Other current assets, non-interest-bearing	372	434	372	413
Accounts payable	-674	-616	-674	-790
Other current liabilities, non-interest-bearing	-1,144	-1,141	-1,144	-1,203
Adjustment for accrued financial expenses	0	0	0	0
Net working capital	**-442**	**-346**	**-442**	**-500**

SPECIFICATION OF NET DEBT	Jan - Mar		Rolling	Full year
(SEK m)	2017	2016	12 mth.	2016
Borrowings	1,397	1,374	1,397	1,401
Provisions for pensions	18	18	18	19
Interest-bearing current liabilities	5	12	5	7
Cash and cash equivalents	-633	-419	-633	-603
Other financial non-current assets, interest-bearing	-12	-14	-12	-12
Other current assets, interest-bearing	-4	-8	-4	-6
Other items	0	0	0	1
Net debt	**771**	**965**	**771**	**808**

See page 13 for a reconciliation of operating cash flow and cash conversion.

Definitions

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

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

EBITA Operating profit before amortisation of goodwill and customer contracts.

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

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

Adjusted net profit Profit after tax excluding amortisation of goodwill 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 at the balance sheet date.

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

Calculation of key performance indicators

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

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

EBITA margin EBITA as a percentage of net sales.

Adjusted EBITA margin Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA margin Adjusted EBITDA as a percentage of net sales.

Working capital/net sales Working capital at the balance sheet date as a percentage of net sales (rolling 12 months).

Net debt Non-current and current interest-bearing assets less non-current and current interest-bearing liabilities at the balance sheet date.

Earnings per share Profit for the period attributable to shareholders of the parent company divided by average number of ordinary shares.

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

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

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

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