

# Studsvik

Interim Report January -  
June 2018



- Sales in the second quarter were SEK 174.0 (176.6) million. In local currencies sales decreased by 5 per cent in the second quarter.
- Operating profit for the second quarter amounted to SEK 2.0 (–19.4) million.
- The free cash flow in the second quarter was SEK 4.0 (–38.9) million.

	April-June 2018	April-June 2017	January- June 2018	January-June 2017	Full year 2017
Sales, SEK million	174.0	176.6	371.4	356.2	704.8
Operating profit, SEK million	2.0	–19.4	24.2	–21.4	–41.6
Profit after tax, SEK million	–2.2	–19.9	10.5	–26.1	–45.0
Free cash flow, SEK million	4.0	–38.9	25.6	–43.1	–84.2
Net debt, SEK million	71.6	58.3	71.6	58.3	101.2
Net debt/equity ratio, %	22.3	18.9	22.3	18.9	35.1
Profit per share after tax, SEK	–0.27	–2.42	1.27	–3.18	–5.47
Equity per share, SEK	39.00	37.52	39.00	37.52	35.09



## Sales

Sales in the second quarter decreased to SEK 174.0 (176.6) million but increased in the first half year to SEK 371.4 (356.2) million. In local currencies the decrease was 5 per cent for the quarter and an increase of 3 per cent for the half year. The increase for the half year is attributable to sales of software from Scandpower and high capacity utilization in Fuel and Materials Technology.

## Profit

The operating profit increased in the second quarter to SEK 2.0 (–19.4) million and in the first half year to SEK 24.2 (–21.4) million. Adjusted for items affecting comparability of SEK –1.4 (–1.9) million for the quarter and SEK –1.4 (–6.1) for the half year, the operating margin for the quarter increased to 2.0 (–9.9) per cent and for the half year to 6.9 (–4.3) per cent.

The improvement is mainly due to high sales of software in Scandpower and measures to restore profitability in the German operations.

Loss after financial items in the quarter was SEK –4.5 (–3.7) million and for the half year SEK –8.1 (–8.8) million. Profit after tax improved to SEK –1.4 (–19.9) million for the quarter and SEK 11.3 (–26.1) million for the half year.

## Fuel and Materials Technology

Sales in the second quarter were SEK 53.2 (52.2) million and in the first half year SEK 119.9 (104.7) million. In local currencies the decrease was 2 per cent for the quarter but an increase of 15 per cent for the half year.

The operating profit for the second quarter increased to SEK 7.4 (4.9) million and SEK 17.7 (10.7) million for the first half year. The operating margin for the quarter increased to 13.9 (9.4) per cent and for the half year 14.8 (10.5) per cent. The improvement in the margin is mainly from improved processes for treatment of operational waste. Capacity utilization in production is high and the order situation for the year is strong. Additional costs for overtime and recruitment of new employees reduced earnings.

## Consultancy Services

Sales in the second quarter decreased to SEK 19.4 (28.0) million and in the first half year to SEK 40.6 (61.7) million. In local currencies the decrease was 31 per cent for the quarter and 34 per cent for the half year.

However, the operating profit for the second quarter increased to SEK 1.1 (–1.3) million and SEK 1.1 (0.3) million for the first half year. Adjusted for items affecting comparability of SEK 1.4 (0.0) million for the quarter, the operating margin for the quarter increased to 12.9 (–4.6) per cent and for the half year to 3.4 (0.5) per cent. Sales are decreasing due to discontinuing low-margin services in England and Sweden, while sales of services related to Studsvik's technologies for treatment of radioactively contaminated material to customers primarily in Japan and China are increasing.

## Scandpower

Sales in the second quarter increased to SEK 23.8 (17.1) million and in the first half year to SEK 66.6 (36.8) million. In local currencies the increase was 32 per cent

for the quarter and 85 per cent for the half year.

The operating profit for the quarter improved to SEK –1.0 (–3.5) million and SEK 19.7 (–7.1) million for the half year. The operating margin for the quarter increased to –4.2 (–20.5) per cent and for the half year to 29.6 (–19.3) per cent.

Included in sales for the half year is SEK 30 million of the order totaling SEK 38 million from TVEL for delivery of software licenses and related services as reported in the first quarter. Most of the remaining parts of this order will be delivered in the second half of the year. The work to obtain licenses from the American authorities to export ordered software to China is continuing.

## Germany

Sales in the second quarter increased to SEK 77.4 (74.4) million but decreased in the first half year to SEK 141.3 (144.7) million. In local currencies the decrease was 2 per cent for the quarter and 8 per cent for the half year.

The operating profit for the second quarter increased to SEK –0.3 (–10.3) million and SEK –5.1 (–10.3) million for the first half year. Adjusted for items affecting comparability of SEK 0.0 (–1.1) million for the quarter and SEK 0.0 (–2.5) million for the half year, the operating margin for the quarter increased to –0.4 (–12.4) per cent and for the half year to –3.6 (–5.4) per cent. Measures taken to increase capacity utilization and reduce costs have helped to reduce losses. The continuing challenging market situation in Germany is to some extent offset by increased sales to customers in Switzerland.

## Investments

Investments in the second quarter were SEK 6.2 (7.3) million and in the first half year SEK 13.1 (12.4) million. The investments mainly refer to Fuel and Materials Technology.

## Cash flow

The free cash flow improved in the second quarter to SEK 4.0 (–38.9) million and in the first half year to SEK 25.6 (–43.1) million.

## Financial position and liquidity

Cash and cash equivalents at the close of the half year amounted to SEK 127.5 (140.8) million. Net interest-bearing debt was SEK 71.6 (58.3) million, which meant a net debt/equity ratio of 22.3 (18.9) per cent.

## Staff

The average number of employees at the close of the half year was 635 (654). Responsibility for operating the Studsvik facility has been outsourced and in connection with this the contractor has taken over staff. The decrease is also due to discontinuation of low-margin services in England and continued reductions in administration.

## Transactions with related parties

During the quarter a dividend of SEK 2.0 (4.8) million was received from UK Nuclear Waste Management Ltd.

### Parent company

Operations in the parent company consist of coordination of the Group. Sales in the second quarter were SEK 4.1 (4.9) million and in the first half year SEK 8.1 (10.1) million. The operating loss for the second quarter amounted to SEK -2.7 (-5.6) million and SEK -6.1 (-10.1) million for the first half year.

Profit after financial items in the quarter was SEK 3.5 (-11.2) million and for the half year SEK 4.0 (-19.6) million. Net financial income for the quarter includes revaluation of intra-group loans by SEK 7.5 (-4.1) million and for the half year SEK 12.8 (-6.4) million. Cash and cash equivalents including current investments amounted to SEK 23.7 (32.1) million and interest-bearing liabilities to SEK 199 (200) million.

### Events after the balance sheet date

The municipality of Nyköping has decided to purchase Horsviks Gård from Studsvik for SEK 14 million. Work on real property formation and the purchase agreement will be started in August.

### Risks and uncertainties

An overall analysis of the Group's risks and how they are dealt with is given in the Annual Report, which is available on the company's website. Apart from these risks, no further significant risks are deemed to have arisen.

### Accounting policies

Studsvik applies the International Financial Reporting Standards (IFRS) approved by the European Commission. This interim report was prepared for the Group in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the parent company, the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities and the Annual Accounts Act are applied. The accounting policies applied are in line with what is stated in the Annual Report for 2017, with the exception of new standards and revisions of standards and interpretations to be applied to the financial year starting on January 1, 2018 and that were not already applied when preparing the 2017 Annual Report. The standards that have an impact on the Group's financial statements and are being applied for the first time in the financial year starting on January 1, 2018 are set out below:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from contracts with customers

The amendments to these standards have not had any material impact on the financial reporting, apart from extended disclosure requirements. The accounting policies and valuation principles applicable to these new standards are presented on page 38 of the Annual Report for 2017. A number of new or amended standards and interpretations will not come into force until the coming financial year and have not been applied early when preparing these financial statements. No early application is planned of new or amended standards effective as of financial years

after 2018 and none of these are expected to have any material impact on the Group's financial statements.

The preliminary transition effect of SEK 1.5 million communicated in Q4 proved on final analysis to relate to a customer contract that was also recognized in income in 2017 in accordance with earlier principles. The amount was recognized in revenue in the income statement for 2017 and is thus included in retained earnings at the beginning of 2018. Consequently, the company does not report any transition effect for transition to IFRS 15.

The half-yearly report provides a fair review of the Group's and the Parent Company's operations, financial position and performance and describes significant risks and uncertainties faced by the Parent Company and the companies that are part of the Group. No significant events have occurred after the balance sheet date.

Stockholm, July 20, 2018

Anders Ullberg  
Chairman

Anna Karinen  
Vice Chairman

Jan Barchan  
Board Member

Peter Gossas  
Board Member

Agneta Nestenborg  
Board Member

Linda Ekstrand  
Board Member  
Employee Representative

Per Ekberg  
Board Member  
Employee Representative

Camilla Hoflund  
President

## **Report of the auditors concerning review of condensed interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act**

### **Introduction**

We have reviewed the condensed interim financial information (interim report) for Studsvik AB as at June 30, 2018 and the six-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### **Focus and scope of the review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 "Review of Interim Financial Information 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 has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion that is expressed on the basis of a review does not give the same level of assurance as a conclusion based on an audit.

### **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 Annual Accounts Act for the Group and, for the Parent Company, with the Annual Accounts Act.

Stockholm, July 20, 2018  
PricewaterhouseCoopers AB

Martin Johansson  
Authorized public accountant

### **Time Schedule for Financial Information**

Interim Report January-September 2018    October 22, 2018  
Year-end report 2018    February 15, 2019

### **For further information, please contact**

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Camilla Hoflund, President and Chief Executive Officer, +46 155 22 10 66.

The interim report will be presented at a conference call to be held in English, on July 20 at 3.30 p.m. Further information for those interested in participating is available at [www.studsvik.com](http://www.studsvik.com).



## Consolidated statement of profit or loss and other comprehensive income

Amounts in SEK million

	April-June 2018	April-June 2017	January-June 2018	January-June 2017	Full year 2017
Net sales	174.0	176.6	371.4	356.2	704.8
Cost of services sold	-127.5	-148.8	-260.5	-277.3	-539.1
<b>Gross profit</b>	<b>46.5</b>	<b>27.8</b>	<b>110.9</b>	<b>78.9</b>	<b>165.7</b>
Selling and marketing expenses	-9.7	-12.5	-20.1	-23.3	-44.2
Administrative expenses	-27.6	-28.7	-54.0	-59.5	-116.9
Research and development costs	-6.9	-6.6	-13.2	-13.9	-28.2
Share in earnings from associated companies	4.6	3.1	7.3	4.7	8.7
Other operating income	1.3	0.6	3.0	0.9	2.8
Other operating expenses	-6.1	-3.1	-9.6	-9.2	-29.5
<b>Operating profit</b>	<b>2.0</b>	<b>-19.4</b>	<b>24.2</b>	<b>-21.4</b>	<b>-41.6</b>
Financial income	0.0	0.8	0.2	0.8	1.0
Financial expenses	-3.6	-3.9	-7.5	-8.0	-15.3
Fair value gain/loss (realized and unrealized) <sup>1)</sup>	-0.9	-0.6	-0.8	-1.6	-2.8
<b>Profit/loss before tax</b>	<b>-2.3</b>	<b>-23.1</b>	<b>16.3</b>	<b>-30.2</b>	<b>-58.7</b>
Income tax	0.1	3.2	-5.8	4.1	13.7
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-2.2</b>	<b>-19.9</b>	<b>10.5</b>	<b>-26.1</b>	<b>-45.0</b>
<b>Other comprehensive income</b>					
<b>Items that may later be reversed in the income statement</b>					
Translation differences on foreign subsidiaries <sup>1)</sup>	12.6	-6.1	22.5	-8.2	-9.9
Cash flow hedging	-0.2	2.4	-1.2	3.0	4.1
Income tax on items recognized in other comprehensive income	0.1	-0.5	0.3	-0.6	-0.9
<b>Other comprehensive income for the period, net after tax</b>	<b>12.5</b>	<b>-4.2</b>	<b>21.6</b>	<b>-5.8</b>	<b>-6.7</b>
<b>Total profit/loss and other comprehensive income for the period</b>	<b>10.3</b>	<b>-24.1</b>	<b>32.1</b>	<b>-31.8</b>	<b>-51.7</b>
<b>Income for the period attributable to</b>					
Parent company's shareholders	-2.2	-19.9	10.5	-26.1	-45.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
<b>Total comprehensive income attributable to</b>					
Parent company's shareholders	10.2	-24.0	32.0	-31.7	-51.6
Non-controlling interests	0.1	-0.1	0.1	-0.1	-0.1
<b>Earnings per share calculated on income attributable to the parent company's shareholders during the period, SEK</b>					
<b>Earnings per share</b> (There is no dilution effect)					
Profit/loss from continuing operations	-0.27	-2.42	1.27	-3.18	-5.47
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-0.27</b>	<b>-2.42</b>	<b>1.27</b>	<b>-3.18</b>	<b>-5.47</b>

1) Net financial income and the translation difference in other comprehensive income have been adjusted in comparison with previous reports. The effect of this adjustment is presented in Note 1.

## Group statement of financial position

Amounts in SEK million

	June 2018	June 2017	December 2017
<b>ASSETS</b>			
Intangible assets	188.5	175.7	177.4
Property, plant and equipment	120.6	116.8	116.6
Other non-current assets	170.0	150.5	162.6
<b>Total non-current assets</b>	<b>479.1</b>	<b>443.0</b>	<b>456.6</b>
Inventories	1.2	2.2	0.6
Trade receivables	187.3	147.1	158.9
Other current receivables	87.1	128.7	110.1
Cash and cash equivalents	127.5	140.8	98.7
<b>Total current assets</b>	<b>403.1</b>	<b>418.8</b>	<b>368.3</b>
<b>TOTAL ASSETS</b>	<b>882.2</b>	<b>861.8</b>	<b>824.9</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to parent company's shareholders	320.1	308.1	288.1
Non-controlling interests	0.4	0.3	0.3
<b>Total equity</b>	<b>320.5</b>	<b>308.4</b>	<b>288.4</b>
Borrowing	199.1	199.1	199.9
Provisions and other non-current liabilities	163.3	158.4	164.8
<b>Total non-current liabilities</b>	<b>362.4</b>	<b>357.5</b>	<b>364.7</b>
Trade and other payables	199.3	195.9	171.8
Borrowing	0.0	0.0	0.0
<b>Total current liabilities</b>	<b>199.3</b>	<b>195.9</b>	<b>171.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>882.2</b>	<b>861.8</b>	<b>824.9</b>

## Changes in equity

Amounts in SEK million

	Share capital	Other contributed capital	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non-controlling interest	Total equity
<b>Equity at December 31, 2016</b>	<b>8.2</b>	<b>225.3</b>	<b>11.4</b>	<b>103.2</b>	<b>348.1</b>	<b>0.4</b>	<b>348.5</b>
<b>Changes January 1 – June 30, 2017</b>							
Dividend	0.0	0.0	0.0	–8.2	–8.2	0.0	–8.2
Comprehensive income for the period	0.0	0.0	–5.6	–26.1	31.8	–0.1	–31.9
<b>Equity at June 30, 2017</b>	<b>8.2</b>	<b>225.3</b>	<b>5.8</b>	<b>68.9</b>	<b>308.1</b>	<b>0.3</b>	<b>308.4</b>
<b>Changes July 1 – December 31, 2017</b>							
Comprehensive income for the period	0.0	0.0	–1.0	–19.0	–19.9	0.0	–19.9
<b>Equity at December 31, 2017</b>	<b>8.2</b>	<b>225.3</b>	<b>4.8</b>	<b>49.9</b>	<b>288.2</b>	<b>0.3</b>	<b>288.5</b>
<b>Changes January 1 – June 30, 2018</b>							
Comprehensive income for the period	0.0	0.0	21.6	10.5	32.1	0.1	32.2
<b>Equity at June 30, 2018</b>	<b>8.2</b>	<b>225.3</b>	<b>26.3</b>	<b>60.3</b>	<b>320.1</b>	<b>0.4</b>	<b>320.5</b>

## Group statement of cash flow

Amounts in SEK million

Total operations	April-June 2018	April-June 2017	January-June 2018	January-June 2017	Full year 2017
<b>Cash flow from operating activities</b>					
Operating profit	2.0	-19.4	24.2	-21.4	-41.6
Adjustment for non-cash items	-1.5	-0.9	0.7	1.8	16.1
Financial items, net	-3.6	-2.6	-7.2	-6.7	-9.0
Income tax paid	-5.2	-6.1	-4.5	-6.6	-6.5
<b>Cash flow from operating activities before change in working capital</b>	<b>-8.3</b>	<b>-29.0</b>	<b>13.2</b>	<b>-32.9</b>	<b>-41.0</b>
Change in working capital	16.4	-7.4	20.2	-5.1	-32.1
<b>Cash flow from operating activities</b>	<b>8.1</b>	<b>-36.4</b>	<b>33.4</b>	<b>-38.0</b>	<b>-73.1</b>
<b>Investing activities</b>					
Acquisition of property, plant and equipment	-6.2	-7.3	-13.1	-12.4	-22.1
Acquisition in associated companies	-	-	-	-	-
Divestment of subsidiaries	-	-	-	-	-
Dividend from associated companies	2.1	4.8	5.3	7.3	11.0
Other cash flow from investing activities	-	-	-	-	-
<b>Cash flow from investment activities</b>	<b>-4.1</b>	<b>-2.5</b>	<b>-7.8</b>	<b>-5.1</b>	<b>-11.1</b>
<b>Free cash flow</b>	<b>4.0</b>	<b>-38.9</b>	<b>25.6</b>	<b>-43.1</b>	<b>-84.2</b>
<b>Financing activities</b>					
Change in borrowing	0.0	0.0	0.0	0.0	0.0
Dividend to shareholders	0.0	-8.2	0.0	-8.2	-8.2
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>-8.2</b>	<b>0.0</b>	<b>-8.2</b>	<b>-8.2</b>
Changes in cash and cash equivalents	4.0	-47.1	25.6	-51.3	-92.4
Cash and cash equivalents at the beginning of the period	121.1	190.3	98.7	195.4	195.4
Translation difference	2.4	-2.4	3.2	-3.3	-4.3
<b>Cash and cash equivalents at the end of the period</b>	<b>127.5</b>	<b>140.8</b>	<b>127.5</b>	<b>140.8</b>	<b>98.7</b>



## Financial ratios for the Group

Amounts in SEK million

	January-June 2018	January-June 2017	Full year 2017
<b>Margins</b>			
Operating margin, %	6.5	-6.0	-5.9
Profit margin, %	4.4	-8.5	-8.3
<b>Return on investment</b>			
Return on capital employed, %	4.8	-2.6	-7.8
Return on equity, %	3.4	-8.0	-14.1
<b>Capital structure</b>			
Capital employed	519.6	507.5	488.3
Equity	320.5	308.4	288.4
Net debt	71.6	58.3	101.2
Net debt/equity ratio, %	22.3	18.9	35.1
Equity/assets ratio, %	36.3	35.8	35.0
<b>Employees</b>			
Average number of employees	635	654	662
Net sales per employee	1.2	1.1	1.1

## Data per share

	April-June 2018	April-June 2017	January-June 2018	January-June 2017	Full year 2017
Number of shares at the end of the period	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
<b>Earnings per share before and after dilution</b>					
Profit/loss from continuing operations	-0.27	-2.42	1.27	-3.18	-5.47
<b>Profit/loss for the period</b>	<b>-0.27</b>	<b>-2.42</b>	<b>1.27</b>	<b>-3.18</b>	<b>-5.47</b>
Equity per share, SEK	39.00	37.52	39.00	37.52	35.09

## Net sales per geographical area

Amounts in SEK million

	April-June 2018	April-June 2017	January-June 2018	January-June 2017	Full year 2017
Sweden	27.7	54.3	66.7	91.9	157.1
Europe	119.4	101.1	258.5	215.2	424.4
North America	12.3	17.4	25.3	35.6	72.7
Asia	14.2	3.6	20.5	13.3	50.6
Other	0.4	0.2	0.4	0.2	0.0
<b>Total</b>	<b>174.0</b>	<b>176.6</b>	<b>371.4</b>	<b>356.2</b>	<b>704.8</b>

## Quarterly review

Amounts in SEK million

	2016				2017				2018	
Continuing operations	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	171.6	176.3	164.6	246.3	179.6	176.6	183.3	165.4	197.4	174.0
Operating expenses	-160.9	-177.5	-176.5	-219.3	-181.6	-196.0	-167.8	-201.1	-175.2	-172.0
<b>Operating profit</b>	<b>10.7</b>	<b>-1.2</b>	<b>-11.9</b>	<b>27.0</b>	<b>-2.0</b>	<b>-19.4</b>	<b>15.5</b>	<b>-35.7</b>	<b>22.2</b>	<b>2.0</b>
Financial items, net	-5.1	-6.6	-4.5	-9.0	-5.1	-3.7	-4.6	-3.7	-3.6	-4.4
<b>Profit/loss after financial items</b>	<b>5.6</b>	<b>-7.8</b>	<b>-16.4</b>	<b>18.0</b>	<b>-7.1</b>	<b>-23.1</b>	<b>10.9</b>	<b>-39.4</b>	<b>18.6</b>	<b>-2.4</b>

## Financial data per segment

Amounts in SEK million

Total operations

	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Elimination	Group
<b>April-June 2018</b>							
External sales revenue	19.7	51.3	21.8	75.0	6.2	0.0	174.0
Revenue from segment	-0.3	1.9	2.0	2.4	5.9	-11.9	0.0
Operating profit	1.1	7.4	-1.0	-0.3	-5.2	0.0	2.0
Items affecting comparability	1.4	0.0	0.0	0.0	0.0	0.0	1.4
Adjusted operating profit	2.5	7.4	-1.0	-0.3	-5.2	0.0	3.4
Assets	173.7	152.6	134.2	243.7	455.5	-275.3	884.4
Liabilities	130.7	147.1	42.0	216.8	300.9	-275.3	562.2
Investments	1.4	3.9	0.2	-0.1	0.8	0.0	6.2
Depreciation/amortization	0.4	3.0	0.2	0.2	1.0	0.0	4.8
Average number of employees	55	97	33	418	29	-	632

	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Elimination	Group
<b>April-June 2017</b>							
External sales revenue	26.5	50.6	15.0	72.1	12.4	0.0	176.6
Revenue from segment	1.5	1.6	2.1	2.3	6.5	-14.0	0.0
Operating profit	-1.3	4.9	-3.5	-10.3	-9.2	0.0	-19.4
Items affecting comparability	0.0	0.0	0.0	1.1	0.8	0.0	1.9
Adjusted operating profit	-1.3	4.9	-3.5	-9.2	-8.4	0.0	-17.5
Assets	158.8	177.5	110.4	239.3	457.0	-281.2	861.8
Liabilities	137.1	144.6	34.3	208.8	309.8	-281.2	553.4
Investments	0.5	4.9	0.1	0.1	1.7	0.0	7.3
Depreciation/amortization	0.0	2.3	0.2	0.6	1.1	0.0	4.2
Average number of employees	62	99	34	430	39	-	664

	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Elimination	Group
<b>January-June 2018</b>							
External sales revenue	36.8	117.6	63.6	138.2	15.2	0.0	371.4
Revenue from segment	3.8	2.3	3.0	3.1	11.7	-23.9	0.0
Operating profit	1.1	17.7	19.7	-5.1	-9.2	0.0	24.2
Items affecting comparability	1.4	0.0	0.0	0.0	0.0	0.0	1.4
Adjusted operating profit	2.5	17.7	19.7	-5.1	-9.2	0.0	25.6
Assets	173.7	152.6	134.2	243.7	455.5	-275.3	884.4
Liabilities	130.7	147.1	42.0	216.8	300.9	-275.3	562.2
Investments	1.4	9.3	0.2	0.2	2.0	0.0	13.1
Depreciation/amortization	0.7	6.1	0.4	0.5	1.9	0.0	9.6
Average number of employees	54	97	33	424	27	-	635

	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Elimination	Group
<b>January-June 2017</b>							
External sales revenue	57.1	101.8	32.9	141.8	22.6	0.0	356.2
Revenue from segment	4.6	2.9	3.9	2.9	13.2	-27.5	0.0
Operating profit	0.3	10.7	-7.1	-10.3	-15.0	0.0	-21.4
Items affecting comparability	0.0	0.3	0.0	2.5	3.3	0.0	6.1
Adjusted operating profit	0.3	11.0	-7.1	-7.8	-11.7	0.0	-15.3
Assets	158.8	177.5	110.4	239.3	457.0	-281.2	861.8
Liabilities	137.1	144.6	34.3	208.8	309.8	-281.2	553.4
Investments	1.0	9.0	0.1	0.6	1.7	0.0	12.4
Depreciation/amortization	0.2	4.7	0.4	0.9	2.0	0.0	8.2
Average number of employees	50	100	34	430	40	-	654

	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Elimination	Group
<b>Full year 2017</b>							
External sales revenue	114.4	192.1	73.5	281.1	43.7	0.0	704.8
Revenue from segment	8.6	2.9	7.5	10.0	25.6	-54.6	0.0
Operating profit	11.3	5.3	-11.8	-8.4	-38.0	0.0	-41.6
Items affecting comparability	4.0	1.4	3.2	0.0	12.5	0.0	21.1
Adjusted operating profit	15.3	6.7	-8.6	-8.4	-25.5	0.0	-20.5
Assets	151.7	182.7	95.0	223.1	419.5	-247.1	824.9
Liabilities	120.2	151.0	22.5	191.1	298.8	-247.1	536.5
Investments	2.7	13.8	0.7	1.4	3.5	0.0	22.1
Depreciation/amortization	1.1	9.9	0.8	1.0	3.8	0.0	16.6
Average number of employees	57	101	34	435	35	-	662

## Financial data per segment cont. - External sales per country

Amounts in SEK million, total operation

	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Total
<b>April-June 2018</b>						
<b>Sales from</b>						
Germany	–	–	3.6	72.5	–	<b>76.1</b>
Switzerland	–	–	–	2.1	–	<b>2.1</b>
United Kingdom	4.7	–	–	–	–	<b>4.7</b>
USA	9.2	–	14.6	–	–	<b>23.8</b>
Sweden	5.8	47.4	3.6	–	6.3	<b>63.1</b>
France	0.4	–	–	–	–	<b>0.4</b>
Japan	0.0	3.8	–	–	–	<b>3.8</b>
<b>Total</b>	<b>20.1</b>	<b>51.2</b>	<b>21.8</b>	<b>74.6</b>	<b>6.3</b>	<b>174.0</b>
<b>April-June 2017</b>						
<b>Sales from</b>						
Germany	–	–	4.0	68.5	–	<b>72.5</b>
Switzerland	–	–	–	3.6	–	<b>3.6</b>
United Kingdom	8.2	–	–	–	–	<b>8.2</b>
USA	6.3	–	–	–	–	<b>14.2</b>
Sweden	11.4	46.7	3.1	–	12.4	<b>73.6</b>
France	0.6	–	–	–	–	<b>0.6</b>
Japan	–	3.9	–	–	–	<b>3.9</b>
<b>Total</b>	<b>26.5</b>	<b>50.6</b>	<b>15.0</b>	<b>72.1</b>	<b>12.4</b>	<b>176.6</b>
<b>January-June 2018</b>						
<b>Sales from</b>						
Germany	–	–	10.7	128.9	–	<b>139.6</b>
Switzerland	–	–	–	9.3	–	<b>9.3</b>
United Kingdom	10.4	–	–	–	–	<b>10.4</b>
USA	15.7	–	45.8	–	–	<b>61.5</b>
Sweden	9.7	113.8	7.1	–	15.2	<b>145.8</b>
France	1.0	–	–	–	–	<b>1.0</b>
Japan	–	3.8	–	–	–	<b>3.8</b>
<b>Total</b>	<b>36.8</b>	<b>117.6</b>	<b>63.6</b>	<b>138.2</b>	<b>15.2</b>	<b>371.4</b>
<b>January-June 2017</b>						
<b>Sales from</b>						
Germany	–	–	9.3	132.2	–	<b>141.5</b>
Switzerland	–	–	–	9.6	–	<b>9.6</b>
United Kingdom	18.9	–	–	–	–	<b>18.9</b>
USA	17.8	–	17.9	–	–	<b>35.7</b>
Sweden	19.2	97.9	5.7	–	22.6	<b>145.4</b>
France	1.2	–	–	–	–	<b>1.2</b>
Japan	–	3.9	–	–	–	<b>3.9</b>
<b>Total</b>	<b>57.1</b>	<b>101.8</b>	<b>32.9</b>	<b>141.8</b>	<b>22.6</b>	<b>356.2</b>
<b>Full year 2017</b>						
<b>Sales from</b>						
Germany	–	–	19.1	256.2	–	<b>275.3</b>
Switzerland	–	–	–	24.9	–	<b>24.9</b>
United Kingdom	34.1	–	–	–	–	<b>34.1</b>
USA	51.8	–	40.9	–	–	<b>92.7</b>
Sweden	26.2	187.7	13.5	–	43.7	<b>271.1</b>
France	2.3	–	–	–	–	<b>2.3</b>
Japan	–	4.4	–	–	–	<b>4.4</b>
<b>Total</b>	<b>114.4</b>	<b>192.1</b>	<b>73.5</b>	<b>281.1</b>	<b>43.7</b>	<b>704.8</b>

**Parent company income statement**

Amounts in SEK million

	April-June 2018	April-June 2017	January-June 2018	January-June 2017	Full year 2017
Net sales	4.1	4.9	8.1	10.1	19.7
Cost of services sold	0.0	-0.2	0.0	-0.9	-0.9
<b>Gross profit</b>	<b>4.0</b>	<b>4.7</b>	<b>8.1</b>	<b>9.2</b>	<b>18.8</b>
Other operating income and costs	-6.8	-10.3	-14.2	-19.3	-47.8
<b>Operating profit</b>	<b>-2.7</b>	<b>-5.6</b>	<b>-6.1</b>	<b>-10.1</b>	<b>-29.0</b>
Result from participations in Group companies	0.0	0.0	0.0	0.0	0.0
Net financial items	6.2	-5.6	10.1	-9.5	-13.1
<b>Profit/loss before tax</b>	<b>3.5</b>	<b>-11.2</b>	<b>4.0</b>	<b>-19.6</b>	<b>-42.1</b>
Income tax	-1.7	2.5	-1.7	4.3	9.3
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>1.8</b>	<b>-8.7</b>	<b>2.3</b>	<b>-15.3</b>	<b>-32.8</b>

**Parent company balance sheet**

Amounts in SEK million

	June 2018	June 2017	December 2017
<b>ASSETS</b>			
Intangible assets	1.5	2.2	1.9
Property, plant and equipment	–	–	–
Financial non-current assets	656.6	640.3	643.8
<b>Total non-current assets</b>	<b>658.1</b>	<b>642.5</b>	<b>645.7</b>
Current assets	22.0	26.5	8.2
Cash and cash equivalents	23.7	32.1	24.9
<b>Total current assets</b>	<b>45.7</b>	<b>58.6</b>	<b>33.1</b>
<b>TOTAL ASSETS</b>	<b>703.8</b>	<b>701.1</b>	<b>678.8</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	248.1	263.3	245.7
Provisions	–	–	–
Non-current liabilities	243.3	266.5	243.4
Current liabilities	212.4	171.3	189.7
<b>Total liabilities</b>	<b>455.7</b>	<b>437.8</b>	<b>433.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>703.8</b>	<b>701.1</b>	<b>678.8</b>

<b>Note 1 Adjustment of translation difference and net financial income</b>	<b>April-June 2018</b>	<b>April-June 2017</b>	<b>January-June 2018</b>	<b>January-June 2017</b>	<b>Full year 2017</b>
Fair value gain/loss before adjustment (realized and unrealized)	-0.9	-4.7	-0.8	-8.0	-2.8
Adjustment	-	4.1	-	6.4	-
<b>Fair value gain/loss after adjustments (realized and unrealized)</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-0.8</b>	<b>-1.6</b>	<b>-2.8</b>
Translation difference before adjustment	12.6	-2.0	22.5	-1.8	-9.9
Adjustment	-	-4.1	-	-6.4	-
<b>Translation difference after adjustment</b>	<b>12.6</b>	<b>-6.1</b>	<b>22.5</b>	<b>-8.2</b>	<b>-9.9</b>

## Note 2 Fair value estimation

The tables below show financial instruments at fair value on the basis of their classification in the fair value hierarchy. The definition of the various levels can be found in the Annual Report, Note 2.3. The tables below refer to total operations.

<b>The Group's assets and liabilities measured at fair value as at June 30, 2018 (MSEK)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			
Financial assets at fair value through profit or loss		16.4	14.1
Derivatives used for hedging		2.6	
<b>Liabilities</b>			
Derivatives used for hedging		4.1	
<b>The Group's assets and liabilities measured at fair value as at December 31, 2017 (MSEK)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			
Financial assets at fair value through profit or loss		17.9	13.0
Derivatives used for hedging		2.7	
<b>Liabilities</b>			
Derivatives used for hedging		2.9	
<b>Fair value of the Group's borrowings (MSEK)</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>	
Non-current loans	199.1		199.9
Current loans	-		-
<b>Total loans</b>	<b>199.1</b>		<b>199.9</b>

## Reconciliations of key ratio

<b>Return on capital employed</b>	<b>June 2018</b>	<b>June 2017</b>	<b>Full year 2017</b>
Amounts in SEK million			
Profit/loss after financial items	16.3	-30.2	-58.7
Financial costs according to the income statement	7.5	8.0	15.3
Fair value - foreign exchange losses	0.5	8.4	2.8
<b>Total</b>	<b>24.3</b>	<b>-13.8</b>	<b>-40.6</b>
Balance sheet total	824.9	901.0	901.0
Provisions and other long-term liabilities	-164.8	-161.7	-161.7
Trade and other payables	-171.8	-192.6	-192.6
<b>Opening capital employed</b>	<b>488.3</b>	<b>546.7</b>	<b>546.7</b>
Balance sheet total	882.2	861.8	824.9
Provisions and other long-term liabilities	-163.3	-158.4	-164.8
Trade and other payables	-199.3	-195.9	-171.8
<b>Closing capital employed</b>	<b>519.6</b>	<b>507.5</b>	<b>488.3</b>
<b>Average capital employed</b>	<b>504.0</b>	<b>527.1</b>	<b>517.5</b>
<b>Return on capital employed</b>	<b>4.8</b>	<b>-2.6</b>	<b>-7.8</b>

<b>Return on equity</b>	<b>June 2018</b>	<b>June 2017</b>	<b>Full year 2017</b>
Amounts in SEK million			
Net profit/loss for the year	10.5	-26.1	-45.0
<b>Total</b>	<b>10.5</b>	<b>-26.1</b>	<b>-45.0</b>
Opening equity	288.4	348.5	348.5
Closing equity	320.5	308.4	288.4
<b>Return on equity</b>	<b>3.4</b>	<b>-8.0</b>	<b>-14.1</b>

<b>Net debt</b>	<b>June 2018</b>	<b>June 2017</b>	<b>Full year 2017</b>
Amounts in SEK million			
Current borrowing	-	-	-
Non-current borrowing	199.1	199.1	199.9
<b>Total liabilities</b>	<b>199.1</b>	<b>199.1</b>	<b>199.9</b>
Cash and cash equivalents	127.5	140.8	98.7
<b>Net debt</b>	<b>71.6</b>	<b>58,3</b>	<b>101.2</b>



## Definitions of key figures and ratios

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Some key figures and ratios used by company management and analysts to assess the Group's development have not been prepared in accordance with IFRS (International Financial Reporting Standards). The company management considers that these key figures and ratios make it easier for investors to analyze the Group's development.

### Equity

The total of non-restricted and restricted equity at the end of the year. Average equity capital has been calculated as opening balance plus closing balance of equity capital, divided by two.

### Equity per share

Equity divided by the number of shares at the end of the period.

### Free cash flow

Cash flow from operating activities (after change in operating profit) minus cash flow from investing activities.

### Sales revenue per employee

Sales revenue divided by average number of employees. For quarterly reports net sales are estimated on a full year basis.

### Investments

Total of the acquisition of business/subsidiaries and acquisition of intangible asset and property, plant and equipment.

### Average number of employees

Average number of employees at the end of each month.

### Net debt

Total long-term and short-term borrowing less cash and cash equivalents.

### Net debt-equity ratio

Interest-bearing net debt divided by equity including non-controlling interests.

### Earnings per share

Profit for the year divided by the average number of shares. The average number of shares has been calculated as a weighted average of all shares in issue for the year.

### Return on equity

Profit for the year as a percentage of average equity.

### Return on capital employed

Profit/loss after financial items with financial expenses, fair value losses and foreign exchange losses added back, as a percentage of average capital employed. For the comparison year, capital employed has been adjusted by estimated values for operations held for sale, and only calculated on the closing balance.

### Interest coverage ratio

Profit after financial income divided by the financial expenses.

### Operating margin

Operating result after amortization as a percentage of net sales.

### Equity/assets ratio

Equity including non-controlling interests as a percentage of the balance sheet total.

### Capital employed

Balance sheet total less non-interest-bearing liabilities. Average capital employed has been calculated as opening balance plus closing balance of capital employed, divided by two.

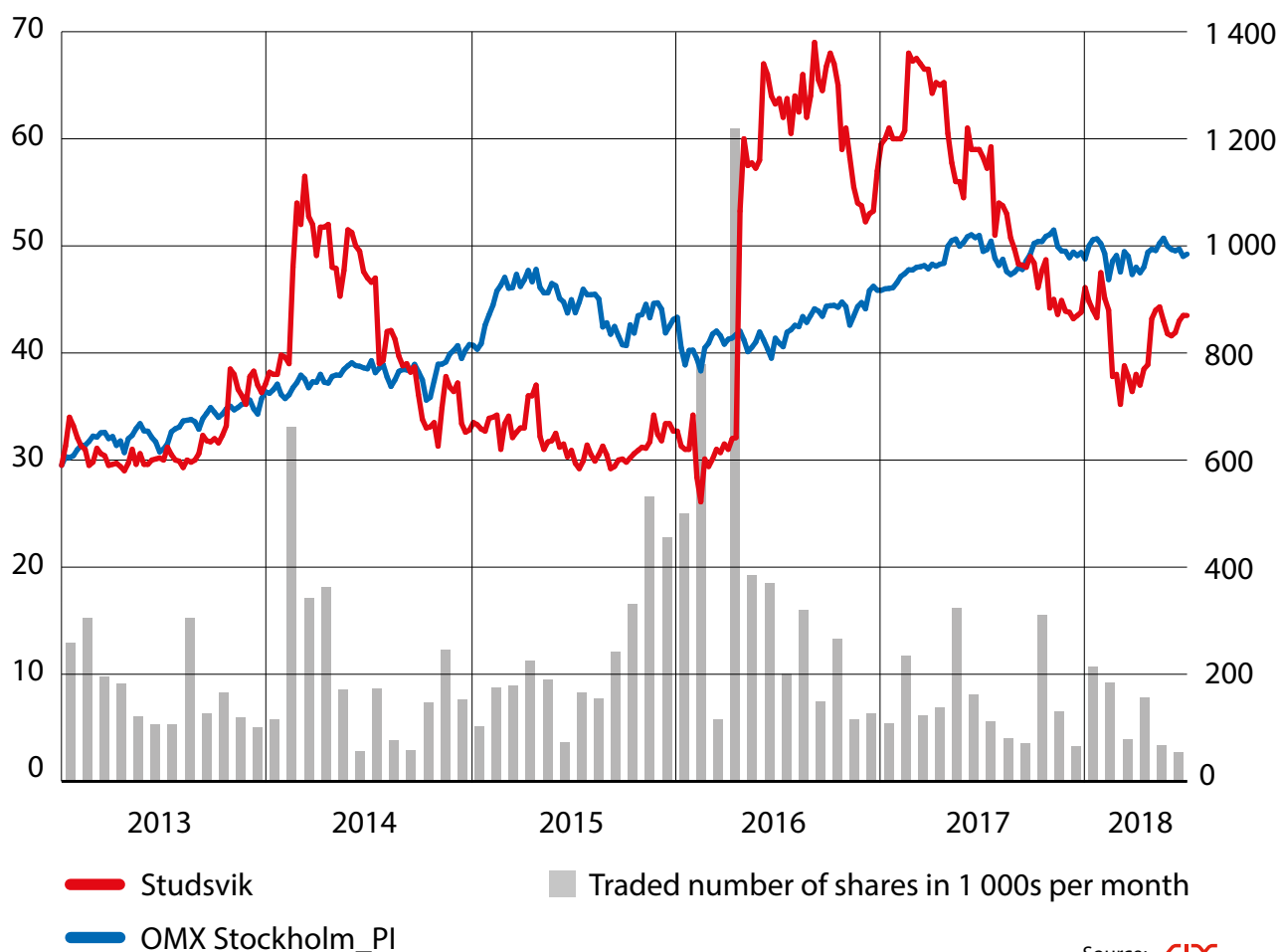
### Profit margin

Profit before tax as a percentage of net sales.

## Major shareholders, June 30, 2018

	Number of shares	Share, %
The Karinen Family	1,769,552	21.5
Briban Invest AB	1,285,492	15.6
Peter Gyllenhammar AB	823,006	10,0
Credit Agricole Suisse SA	363,879	4.4
The Girell Family	361,900	4,4
Avanza Pensionsförsäkring AB	298,740	3,6
Nordnet Pensionsförsäkring AB	256,105	3,1
Malte Edenius	250,000	3.0
Leif Lundin	194,500	2.4
Invus Investment AB	191,594	2.3
<b>Total ten largest shareholders - holdings</b>	<b>5,794,768</b>	<b>70,5</b>
Other shareholders	2,423,843	29,5
<b>Total</b>	<b>8,218,611</b>	<b>100.0</b>

## The Studsvik share



Source: SIX Financial Information

## Facts about Studsvik

Studsvik offers a range of advanced technical services to the global nuclear power industry. Studsvik's business focus areas are fuel and materials technology, reactor analysis software and consultancy services within waste treatment technology, decommissioning, NORM and solutions for final disposal. The company has 70 years nuclear technology and radiological service experience. Studsvik has 600 employees in 7 countries and the company's shares are listed on the Nasdaq Stockholm

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# Studsvik

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