

# Studsvik

Interim Report January -  
March 2018



- Sales in the quarter were SEK 197.4 (179.6) million. In local currencies sales increased by 10 per cent.
- Operating profit for the quarter amounted to SEK –22.2 (–2.0) million. Items affecting comparability reduced earnings by SEK 0 (4.2) million.
- The free cash flow during the quarter was SEK 21.6 (–4.2) million.
- As of April 1 the German consultancy business forms a separate business area.

	January- March 2018	January- March 2017	Full year 2017
Sales, SEK million	197.4	179.6	704.8
Operating profit, SEK million	22.2	–2.0	–41.6
Profit after tax, SEK million	12.7	–6.2	–45.0
Free cash flow, SEK million	21.6	–4.2	–84.2
Net debt, SEK million	79.1	8.4	101.2
Net debt/equity ratio, %	25.5	2.5	35.1
Profit per share after tax, SEK	1.55	–0.76	–5.47
Equity per share, SEK	37.77	41.45	35.09



## Sales

Sales increased in the quarter to SEK 197.4 (179.6) million. In local currencies the increase was 10 per cent. The increase is attributable to sales of software from Scandpower and high capacity utilization in Fuel and Materials Technology. Sales decreased, however, in Consultancy Services and in Germany.

## Profit

The operating profit for the quarter increased to SEK 22.2 (–2.0) million. There are no items affecting comparability for the quarter (SEK –4.2 million). Adjusted for items affecting comparability, the operating margin for the quarter increased to 11.2 (1.2) per cent.

The improvement is mainly from strong performance in Scandpower, where sales of software have given a good margin, while services related to software have given high capacity utilization and profitability in the underlying operations.

Net financial income in the quarter was SEK –3.6 (–5.1) million. Profit/loss for the period after tax was SEK 12.7 (–6.2) million.

## Fuel and Materials Technology

Sales increased in the quarter to SEK 66.7 (52.5) million. In local currencies the increase was 27 per cent.

The operating profit for the quarter increased to SEK 10.3 (5.8) million. There are no items affecting comparability for the quarter (SEK –0.3 million). Adjusted for items affecting comparability, the operating margin for the quarter increased to 15.4 (11.6) per cent. Production is again back to normal after a stoppage during parts of the fourth quarter. The stoppage entailed shifting production to the first quarter. In combination with sound order intake, capacity utilization in production was high. The order situation for the year is strong. Work to establish the production line for medical isotopes is going according to plan.

## Consultancy Services

Sales in the quarter decreased to SEK 21.2 (35.4) million. In local currencies the decrease was 38 per cent.

Operating profit for the quarter decreased to SEK 0 (1.6) million. There are no items affecting comparability for the quarter. The operating margin for the quarter decreased to 0 (4.5) per cent. Sales are decreasing due to discontinuation of low-margin services in England at the same time as capacity utilization and thus profitability in the core business is weak.

The focus lies on increasing capacity utilization by selling services related to Studsvik's technologies for treatment of radioactively contaminated material. Negotiations are in progress with several end customers concerning licenses for FBSR technology, mainly in China through the partnership established with Dynatech and in Japan through Studsvik's joint venture with Kobe Steel.

## Scandpower

Sales increased in the quarter to SEK 42.8 (19.7) million. In local currencies the increase was 132 per cent. The operating profit for the quarter increased to SEK 20.7 (–3.6) million. There are no items affecting comparability for the quarter.

ability for the quarter.

The operating margin for the quarter increased to 48.4 (–18.3) per cent.

During the quarter order contracts for delivery of software licenses and related services were signed with TVEL for SEK 38 million. Sales for the quarter include SEK 25 million of this order. Most of the remaining parts of the order will be delivered later in the year. The work to obtain licenses from the American authorities to export ordered software to China is continuing.

## Germany

Sales in the quarter decreased to SEK 63.9 (70.5) million. In local currencies the decrease was 14 per cent.

Operating profit for the quarter decreased to SEK –4.8 (0.0) million. There are no items affecting comparability for the quarter (SEK –1.4 million). Adjusted for items affecting comparability, the operating margin for the quarter decreased to –7.5 (2.0) per cent. Action is being taken to increase capacity utilization and raise prices. In the short term the market situation is challenging, as the decommissioning market is growing more slowly than expected. However, over time the market development for decommissioning will be positive.

## Investments

Investments during the quarter amounted to SEK 6.9 (5.1) million. Investment mainly refers to Fuel and Materials Technology.

## Cash flow

Cash flow from operating activities was SEK 25.3 (–1.6) million. The free cash flow was SEK 21.6 (–4.2) million. Cash flow for the quarter was positively affected by blocked funds released from the sale of Waste Treatment operations (SEK 20 million).

## Financial position and liquidity

Cash and cash equivalents amounted to SEK 121.1 (190.3) million. Net interest-bearing debt was SEK 79.1 (8.4) million, which means that the net debt/equity ratio was 25.5 (2.5) per cent.

## Staff

The average number of employees as at 31 March was 630 (633).

## Transactions with related parties

During the quarter a dividend of SEK 3.3 (2.5) 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 quarter were SEK 4.0 (5.2) million. Operating profit for the quarter amounted to SEK –3.4 (–4.5) million. Profit after financial items in the quarter was SEK 0.5 (–8.4) million. The year's net financial income includes revaluation of intra-group loans of SEK 5.3 (–2.3) million. Cash and cash equivalents including current investments amounted to SEK 25.1 (73.8) million and interest-bearing liabilities to SEK 200 (200) million.

## 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

The interim report has been prepared in accordance with IAS 34 and the Annual Accounts Act. The consolidated accounts for the Studsvik Group have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board recommendation RFR 1, Supplementary accounting rules for groups, International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. There is a description of these accounting policies in the annual report. The consolidated accounts have been prepared in accordance with the historical cost method, except as regards financial assets and liabilities carried at fair value through profit or loss. The revaluation effect of intra-group loans in foreign currencies is recognized as a translation difference on foreign subsidiaries under other comprehensive income. The comparison periods have been adjusted.

The interim report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for legal entities.

The interim financial information on pages 6-16 forms an integral part of this financial report.

## New standards

As of January 1, 2018 IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers came into force.

### IFRS 9

IFRS 9 deals with classification, measurement and accounting for financial assets and liabilities and introduces new rules for hedge accounting. The standard replaces the parts of IAS 39 that deal with classification and measurement of financial instruments and introduces a new impairment model. The Group has not identified any material impact on classification, measurement or recognition of the Group's financial assets and liabilities. The rules for derecognition from the balance sheet have been transferred from IAS 39 Financial instruments: Recognition and measurement have not been changed. The new hedge accounting rules in IFRS 9 are more consistent with the company's risk management in practice. It will be easier in general to apply hedge accounting since the standard introduces a more principles-based approach for hedge accounting. The Group's current hedging situation will continue to qualify for hedge accounting and the accounting treatment will be the same as before under IFRS 9.

The new model for calculating credit loss reserves is based on expected credit losses, instead of incurred credit losses under IAS 39, which could entail earlier recognition of credit losses. The model is to be applied to financial assets recognized at amortized cost,

debt instruments measured at fair value through other comprehensive income, contract assets under IFRS 15 Revenue from contracts with customers, lease receivables, loans and some financial guarantees.

Analysis carried out shows that the Group's reserves for credit losses will not be materially impacted by the new rules. The extended disclosure requirements that follow from the new standard will mean changes in future financial statements. IFRS 9 is to be applied retroactively with some practical exceptions presented in the standard. The Group will not restate previous periods.

### IFRS 15

IFRS 15 is the new standard for revenue recognition, IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction contracts. IFRS 15 is based on the principle that revenue is recognized when the customer obtains control over a good or service, a principle that replaces the earlier principle that revenue is recognized when risks and rewards have been transferred to the buyer. Implementation of IFRS 15 will have an impact in principle. This applies to Studsvik's recognition of license revenues. Under IFRS 15 one form of license that Studsvik sells is deemed to be a "right to use" license where control of the license is obtained by the customer directly at the time of its sale and delivery. Previously some licenses have been recognized in revenue over the period of the contract. The difference between IFRS 15 application and earlier principles means that Studsvik will therefore recognize the revenue earlier. For other customer contracts analyzed, no material differences in revenue recognition have emerged.

Final analysis of the customer contracts for which a preliminary effect of SEK 1,5 million was communicated in Q4 showed that the amount also per previous principles should be accounted for in 2017. The amount was accounted for in the 2017 income statement and is thus included in retained earnings in the 2018 opening balances.

Stockholm, April 25, 2018  
Camilla Hoflund  
President/CEO

This report has not been reviewed by the company's auditors.

**Time Schedule for Financial Information**

Interim Report January–June 2018	July 20, 2018
Interim Report January–September 2018	October 22, 2018
Year-end report 2018	February 15, 2019

**For further information, please contact**

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The interim report will be presented at a conference call to be held in English, on April 25 at 2.30 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

	January- March 2018	January- March 2017	Full year 2017
Net sales	197.4	179.6	704.8
Cost of services sold	-133.0	-128.5	-539.1
<b>Gross profit</b>	<b>64.4</b>	<b>51.1</b>	<b>165.7</b>
Selling and marketing expenses	-10.4	-10.8	-44.2
Administrative expenses	-26.4	-30.8	-116.9
Research and development costs	-6.3	-7.3	-28.2
Share in earnings from associated companies	2.7	1.6	8.7
Other operating income	1.7	0.3	2.8
Other operating expenses	-3.5	-6.1	-29.5
<b>Operating profit</b>	<b>22.2</b>	<b>-2.0</b>	<b>-41.6</b>
Financial income	0.2	0.0	1.0
Financial expenses	-3.9	-4.1	-15.3
Fair value gain/loss (realized and unrealized) <sup>1)</sup>	0.1	-1.0	-2.8
<b>Profit/loss before tax</b>	<b>18.6</b>	<b>-7.1</b>	<b>-58.7</b>
Income tax	-5.9	0.9	13.7
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>12.7</b>	<b>-6.2</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>	9.9	-2.1	-9.9
Cash flow hedging	-1.0	0.6	4.1
Income tax on items recognized in other comprehensive income	0.2	-0.1	-0.9
<b>Other comprehensive income for the period, net after tax</b>	<b>9.1</b>	<b>-1.6</b>	<b>-6.7</b>
<b>Total profit/loss and other comprehensive income for the period</b>	<b>21.8</b>	<b>-7.8</b>	<b>-51.7</b>
<b>Income for the period attributable to</b>			
Parent company's shareholders	12.7	-6.2	-45.0
Non-controlling interests	0.0	0.0	0.0
<b>Total comprehensive income attributable to</b>			
Parent company's shareholders	21.8	-7.8	-51.6
Non-controlling interests	0.0	0.0	-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	1.55	-0.76	-5.47
Profit/loss from operations for sale	0.00	0.00	0.00
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>1.55</b>	<b>-0.76</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

	March 2018	March 2017	December 2017
<b>ASSETS</b>			
Intangible assets	183.3	176.7	177.4
Property, plant and equipment	119.2	113.4	116.6
Other non-current assets	164.1	154.7	162.6
<b>Total non-current assets</b>	<b>466.6</b>	<b>444.8</b>	<b>456.6</b>
Inventories	1.1	2.4	0.6
Trade receivables	213.8	144.6	158.9
Other current receivables	107.1	112.0	110.1
Cash and cash equivalents	121.1	190.3	98.7
<b>Total current assets</b>	<b>443.1</b>	<b>449.3</b>	<b>368.3</b>
<b>TOTAL ASSETS</b>	<b>909.7</b>	<b>894.1</b>	<b>824.9</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to parent company's shareholders	310.0	340.3	288.1
Non-controlling interests	0.3	0.4	0.3
<b>Total equity</b>	<b>310.3</b>	<b>340.7</b>	<b>288.4</b>
Borrowing	200.2	198.7	199.9
Provisions and other non-current liabilities	168.8	160.7	164.8
<b>Total non-current liabilities</b>	<b>369.0</b>	<b>359.4</b>	<b>364.7</b>
Trade and other payables	230.4	194.0	171.8
Borrowing	0.0	0.0	0.0
<b>Total current liabilities</b>	<b>230.4</b>	<b>194.0</b>	<b>171.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>909.7</b>	<b>894.1</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>11.5</b>	<b>103.1</b>	<b>348.1</b>	<b>0.4</b>	<b>348.5</b>
<b>Changes January 1 – March 31, 2017</b>							
Comprehensive income for the period	0.0	0.0	-1.6	-6.2	-7.8	0.0	-7.8
<b>Equity at June 30, 2016</b>	<b>8.2</b>	<b>225.3</b>	<b>9.8</b>	<b>97.0</b>	<b>340.3</b>	<b>0.4</b>	<b>340.7</b>
<b>Changes April 1 – December 31, 2017</b>							
Dividend				-8.2	-8.2		-8.2
Comprehensive income for the period	0.0	0.0	-5.1	-38.8	-43.9	-0.1	-44.0
<b>Equity at December 31, 2017</b>	<b>8.2</b>	<b>225.3</b>	<b>4.7</b>	<b>49.9</b>	<b>288.1</b>	<b>0.3</b>	<b>288.4</b>
<b>Changes January 1 – March 31, 2018</b>							
Comprehensive income for the period	0.0	0.0	9.1	12.8	21.8	0.0	21.9
<b>Equity at March 31, 2018</b>	<b>8.2</b>	<b>225.3</b>	<b>13.9</b>	<b>62.7</b>	<b>310.1</b>	<b>0.3</b>	<b>310.3</b>

## Group statement of cash flow

Amounts in SEK million

Total operations

	January- March 2018	January- March 2017	Full year 2017
<b>Cash flow from operating activities</b>			
Operating profit	22.2	-2.0	-41.6
Adjustment for non-cash items	2.2	2.7	16.1
Financial items, net	-3.6	-4.1	-9.0
Income tax paid	0.7	-0.5	-6.5
<b>Cash flow from operating activities before change in working capital</b>	<b>21.5</b>	<b>-3.9</b>	<b>-41.0</b>
Change in working capital	3.8	2.3	-32.1
<b>Cash flow from operating activities</b>	<b>25.3</b>	<b>-1.6</b>	<b>-73.1</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	-6.9	-5.1	-22.1
Acquisition in associated companies	-	-	-
Divestment of subsidiaries	-	-	-
Dividend from associated companies	3.2	2.5	11.0
Other cash flow from investing activities	-	-	-
<b>Cash flow from investment activities</b>	<b>-3.7</b>	<b>-2.6</b>	<b>-11.1</b>
<b>Free cash flow</b>	<b>21.6</b>	<b>-4.2</b>	<b>-84.2</b>
<b>Financing activities</b>			
Change in borrowing	-	-	0.0
Dividend to shareholders	-	-	-8.2
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.2</b>
Changes in cash and cash equivalents	21.5	-4.2	-92.4
Cash and cash equivalents at the beginning of the period	98.7	195.4	195.4
Translation difference	0.9	-0.9	-4.3
<b>Cash and cash equivalents at the end of the period</b>	<b>121.1</b>	<b>190.3</b>	<b>98.7</b>



## Financial ratios for the Group

Amounts in SEK million

	January-March 2018	January-March 2017	Full year 2017
<b>Margins</b>			
Operating margin, %	11.2	-1.1	-5.9
Profit margin, %	9.4	-4.0	-8.3
<b>Return on investment</b>			
Return on capital employed, %	4.5	-0.4	-7.8
Return on equity, %	4.3	-1.8	-14.1
<b>Capital structure</b>			
Capital employed	510.5	539.4	488.3
Equity	310.3	340.7	288.4
Net debt	79.1	8.4	101.2
Net debt/equity ratio, %	25.5	2.5	35.1
Equity/assets ratio, %	34.1	38.1	35.0
<b>Employees</b>			
Average number of employees	630	633	662
Net sales per employee	1.3	1.1	1.1

## Data per share

	January-March 2018	January-March 2017	Full year 2017
Number of shares at the end of the period	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611
<b>Earnings per share before and after dilution</b>			
Profit/loss from continuing operations	1.55	-0.76	-5.47
<b>Profit/loss for the period</b>	<b>1.55</b>	<b>-0.76</b>	<b>-5.47</b>
Equity per share, SEK	37.77	41.45	35.09

## Net sales per geographical area

Amounts in SEK million

	January-March 2018	January-March 2017	Full year 2017
Sweden	39.0	37.6	157.1
Europe	139.1	114.1	424.4
North America	13.0	18.2	72.7
Asia	6.3	9.7	50.6
Other	0.0	0.0	0.0
<b>Total</b>	<b>197.4</b>	<b>179.6</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
Net sales	171.6	176.3	164.6	246.3	179.6	176.6	183.3	165.4	197.4
Operating expenses	-160.9	-177.5	-176.5	-219.3	-181.6	-196.0	-167.8	-201.1	-175.2
<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>
Financial items, net	-5.1	-6.6	-4.5	-9.0	-5.1	-3.7	-4.6	-3.7	-3.6
<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>

## Financial data per segment

Amounts in SEK million

Total operations

	Consultancy	Fuel and Materials					
	Services	Technology	Scandpower	Germany	Other	Elimination	Group
<b>January-March 2018</b>							
External sales revenue	17.1	66.3	41.8	63.2	8.9	0.0	197.4
Revenue from segment	4.1	0.4	1.0	0.7	5.8	-12.0	0.0
Operating profit	0.0	10.3	20.7	-4.8	-4.0	0.0	22.2
Items affecting comparability	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	0.0	10.3	20.7	-4.8	-4.0	0.0	22.2
Assets	151.3	243.9	126.5	230.0	406.9	-248.8	909.7
Liabilities	112.7	190.9	37.1	205.8	301.7	-248.8	599.3
Investments	0.0	5.4	0.0	0.3	1.2	0.0	6.9
Depreciation/amortization	0.3	3.1	0.2	0.3	0.9	0.0	4.8
Average number of employees	57	99	34	418	22	-	630
		Fuel and Materials					
	Consultancy	Technology	Scandpower	Germany	Other	Elimination	Group
<b>January-March 2017</b>	Services						
External sales revenue	30.6	51.2	17.9	69.9	10.2	0.0	179.6
Revenue from segment	4.8	1.3	1.8	0.6	6.7	-15.2	0.0
Operating profit	1.6	5.8	-3.6	0.0	-5.8	0.0	-2.0
Items affecting comparability	0.0	0.3	0.0	1.4	2.5	0.0	4.2
Adjusted operating profit	1.6	6.1	-3.6	1.4	-3.3	0.0	2.2
Assets	166.3	168.5	112.5	229.2	491.3	-273.7	894.1
Liabilities	140.2	145.2	32.3	189.2	320.2	-273.7	553.4
Investments	0.4	4.1	0.0	0.5	0.0	0.0	5.1
Depreciation/amortization	0.2	2.4	0.2	0.3	0.9	0.0	4.0
Average number of employees	64	98	34	397	40	-	633
		Fuel and Materials					
	Consultancy	Technology	Scandpower	Germany	Other	Elimination	Group
<b>Full year 2017</b>	Services						
External sales revenue	114.4	192.1	73.5	281.1	43.7	0.0	704.8
Revenue from segment	19.8	2.9	7.5	10.0	25.6	-65.8	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	3.4	13.8	0.7	0.7	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

January-March 2018	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Total
<b>Sales from</b>						
Germany	–	–	7.1	56.4	–	<b>63.5</b>
Switzerland	–	–	–	7.2	–	<b>7.2</b>
United Kingdom	5.7	–	–	–	–	<b>5.7</b>
USA	6.5	–	31.2	–	–	<b>37.7</b>
Sweden	3.9	66.4	3.5	–	8.9	<b>82.7</b>
France	0.6	–	–	–	–	<b>0.6</b>
Japan	–	–	–	–	–	<b>–</b>
<b>Total</b>	<b>16.7</b>	<b>66.4</b>	<b>41.8</b>	<b>63.6</b>	<b>8.9</b>	<b>197.4</b>

January-March 2017	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Total
<b>Sales from</b>						
Germany	–	–	5.3	63.7	–	<b>69.0</b>
Switzerland	–	–	–	6.0	–	<b>5.3</b>
United Kingdom	10.7	–	–	–	–	<b>10.7</b>
USA	11.5	–	10.0	–	–	<b>21.5</b>
Sweden	7.8	51.2	2.6	–	10.2	<b>71.8</b>
France	0.6	–	–	–	–	<b>0.6</b>
Japan	–	–	–	–	–	<b>–</b>
<b>Total</b>	<b>30.6</b>	<b>51.2</b>	<b>17.9</b>	<b>69.7</b>	<b>10.2</b>	<b>179.6</b>

Full year 2017	Consultancy Services	Fuel and Materials Technology	Scandpower	Germany	Other	Total
<b>Sales from</b>						
Germany	–	–	19.1	256.2	–	<b>275.4</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	26.1	187.7	13.5	–	43.7	<b>271.0</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

	January- March 2018	January- March 2017	Full year 2017
Net sales	4.0	5.2	19.7
Cost of services sold	0.0	-0.7	-0.9
<b>Gross profit</b>	<b>4.0</b>	<b>4.5</b>	<b>18.8</b>
Other operating income and costs	-7.4	-9.0	-47.8
<b>Operating profit</b>	<b>-3.4</b>	<b>-4.5</b>	<b>-29.0</b>
Result from participations in Group companies	0.0	0.0	0.0
Net financial items	3.9	-3.9	-13.1
<b>Profit/loss before tax</b>	<b>0.5</b>	<b>-8.4</b>	<b>-42.1</b>
Income tax	0.0	1.8	9.3
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>0.5</b>	<b>-6.6</b>	<b>-32.8</b>

## Parent company balance sheet

Amounts in SEK million

	January- March 2018	January- March 2017	December 2017
<b>ASSETS</b>			
Intangible assets	1.7	2.4	1.9
Property, plant and equipment	–	–	–
Financial non-current assets	641.3	635.1	643.8
<b>Total non-current assets</b>	<b>643.0</b>	<b>637.5</b>	<b>645.7</b>
Current assets	10.1	21.1	8.2
Cash and cash equivalents	25.1	73.8	24.9
<b>Total current assets</b>	<b>35.2</b>	<b>94.9</b>	<b>33.1</b>
<b>TOTAL ASSETS</b>	<b>678.2</b>	<b>732.4</b>	<b>678.8</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	246.2	280.2	245.7
Provisions	–	–	–
Non-current liabilities	243.5	266.8	243.4
Current liabilities	187.0	185.4	189.7
<b>Total liabilities</b>	<b>432.0</b>	<b>452.2</b>	<b>433.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>678.2</b>	<b>732.4</b>	<b>678.8</b>

**Note 1 Adjustment of translation difference and net financial income**

	January- March 2018	January- March 2017	Full year 2017
Fair value gain/loss before adjustment (realized and unrealized)	0.1	-3.3	-2.8
Adjustment	-	2.3	-
<b>Fair value gain/loss after adjustments (realized and unrealized)</b>	<b>0.1</b>	<b>-1.0</b>	<b>-2.8</b>
Translation difference before adjustment	9.9	0.2	-9.9
Adjustment	-	-2.3	-
<b>Translation difference after adjustment</b>	<b>9.9</b>	<b>-2.1</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 March 31, 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		16.6	13.6
Derivatives used for hedging		2.5	
<b>Liabilities</b>			
Derivatives used for hedging		2.9	

<b>The Group's assets and liabilities measured at fair value as at December 31, 2016 (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>March 31, 2018</b>	<b>December 31, 2016</b>
Non-current loans	200.2	199.9
Current loans	-	-
<b>Total loans</b>	<b>200.2</b>	<b>199.9</b>

## Reconciliations of key ratio

**Return on capital employed**

Amounts in SEK million

	March 2018	March 2017	Full year 2017
Profit/loss after financial items	18.6	-7.1	-58.7
Financial costs according to the income statement	3.9	4.1	15.3
Fair value - foreign exchange losses	-0.1	1.0	2.8
<b>Total</b>	<b>22.4</b>	<b>-2.0</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	909.7	894.1	824.9
Provisions and other long-term liabilities	-168.8	-160.7	-164.8
Trade and other payables	-230.4	-194.0	-171.8
<b>Closing capital employed</b>	<b>510.5</b>	<b>539.4</b>	<b>488.3</b>
<b>Average capital employed</b>	<b>499.4</b>	<b>543.0</b>	<b>517.5</b>
<b>Return on capital employed</b>	<b>4.5</b>	<b>-0.4</b>	<b>-7.8</b>

**Return on equity**

Amounts in SEK million

	March 2018	March 2017	Full year 2017
Net profit/loss for the year	12.7	-6.2	-45.0
<b>Total</b>	<b>12.7</b>	<b>-6.2</b>	<b>-45.0</b>
Opening equity	288.4	348.5	348.5
Closing equity	310.3	340.7	288.4
<b>Return on equity</b>	<b>4.3</b>	<b>-1.8</b>	<b>-14.1</b>

**Net debt**

Amounts in SEK million

	March 2018	March 2017	Full year 2017
Current borrowing	-	-	-
Non-current borrowing	200.2	198.7	199.9
<b>Total liabilities</b>	<b>200.2</b>	<b>198.7</b>	<b>199.9</b>
Cash and cash equivalents	121.1	190.3	98.7
<b>Net debt</b>	<b>79.1</b>	<b>8.4</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

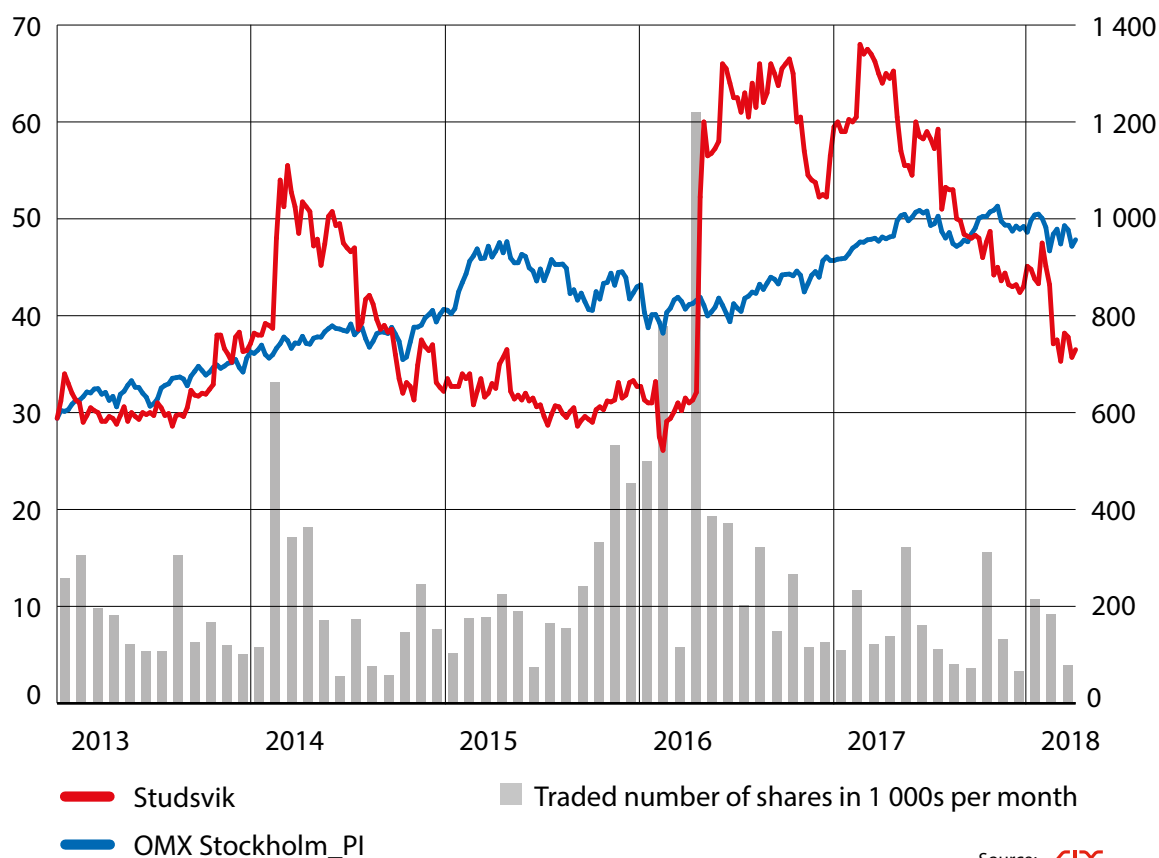
Profit before tax as a percentage of net sales.



## Major shareholders, March 31, 2018

	Number of shares	Share, %
The Karinen Family	1,769,552	21.5
Briban Invest AB	1,285,492	15.6
Peter Gyllenhammar AB	812,863	9.9
Credit Agricole Suisse SA	363,879	4.4
Avanza Pensionsförsäkring AB	326,352	4.0
The Girell Family	303,928	3.7
Malte Edenius	250,000	3.0
Nordnet Pensionsförsäkring AB	249,098	3.0
Leif Lundin	193,800	2.4
Invus Investment AB	191,594	2.3
<b>Total ten largest shareholders - holdings</b>	<b>5,746,558</b>	<b>69.9</b>
Other shareholders	2,472,053	30.1
<b>Total</b>	<b>8,218,611</b>	<b>100.0</b>

## The Studsvik share



## 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 700 employees in 7 countries and the company's shares are listed on the Nasdaq Stockholm

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# Studsvik

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