

Interim Report

Q2 January—June 2020



This Interim Report consists of two sections. The first one is the regular Interim Report January—June 2020. The last section is an additional disclosure for holders of the Assemblin Senior Secured Notes issued on December 6, 2019.

Assemblin designs, installs and maintains technical systems for air, water and energy. We are present at more than 100 locations in Sweden, Norway and Finland which makes us one of the leading installation companies in the Nordics. Our vision is to create smart and sustainable installations - in both large and small assignments.

Assemblin





Second quarter (April–June) 2020

- Net sales in the second quarter increased 3.8 per cent to SEK 2,597 million (2,503) whereof 2.0 per cent was organic growth.
- Adjusted EBITA increased to SEK 136 million (114). The adjusted EBITA margin increased to 5.2 per cent (4.6).
- EBITA increased to SEK 138 million (113).
- EBIT totalled SEK 133 million (110).
- Profit after tax amounted to SEK 70 million (79).
- Order intake increased to SEK 2,818 million (2,460).
- Order backlog at the end of the period increased to SEK 8,342 million (7,663).

First half of the year (January–June) 2020

- Net sales for the six-month period increased 4.4 per cent to SEK 5,109 million (4,896) whereof 1.9 per cent was organic growth.
- Adjusted EBITA increased to SEK 250 million (198). The adjusted EBITA margin increased to 4.9 per cent (4.0).
- EBITA increased to SEK 241 million (196).
- EBIT totalled SEK 229 million (189).
- Profit after tax amounted to SEK 101 million (125).
- Order intake was SEK 5,264 million (5,512).

Key figures

	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales, SEKm	2,597	2,503	5,109	4,896	10,191	9,978
Growth, %	3.8	10.7	4.4	12.3	8.2	12.3
Organic growth, %	2.0	7.2	1.9	8.7	4.7	8.3
Aquired growth, %	3.6	3.2	3.7	3.1	4.0	3.7
Currency effect, %	-1.8	0.4	-1.2	0.5	-0.5	0.3
Adjusted EBITA, SEKm	136	114	250	198	569	516
Adjusted EBITA margin, %	5.2	4.6	4.9	4.0	5.6	5.2
EBITA, SEKm	138	113	241	196	315	270
EBITA-margin, %	5.3	4.5	4.7	4.0	3.1	2.7
EBIT, SEKm	133	110	229	189	292	252
Profit for the period, SEKm	70	79	101	125	54	78
Order backlog, SEKm	8,342	7,663	8,342	7,663	8,342	8,478
Order intake, SEKm	2,818	2,460	5,264	5,512	11,011	11,258
Average number of employees, FTE	5,798	5,810	5,845	5,750	5,894	5,901

For definitions, refer to page 19. For reconciliation of key performance indicators not defined under IFRS, refer to page 15.

Unless otherwise indicated, the amounts in the report are in SEK million rounded to the nearest million, which may result in rounding differences.

Comments from the CEO

Improved earnings and strong cash flow

The second quarter showed continued improvement in earnings and a strong cash flow. We have adapted our operations to a new reality, and we are focusing on completing 2020 in the best way possible, despite the changed circumstances and greater uncertainty in the market.

A new reality in the light of Corona

We have adapted our operations to a new reality in the wake of the Corona outbreak in compliance with the authorities' recommendations in Sweden, Finland and Norway. The standard risk assessment that is conducted for all assignments now includes an analysis of any possible spread of infection. The increase in employee sick leave that affected us initially has returned to normal levels at the end of the period. We are still seeing some service assignments impacted as a result of more limited access, while project operations were relatively unaffected for the quarter. Thanks to our loyal, committed employees and close collaboration with customers and suppliers, we have found solutions to the problems we have encountered and have successfully kept production going.

Stable sales and strong order intake

Sales in the second quarter were in line with prior year and amounted to SEK 2,597 million (2,503) despite the closure of certain unprofitable units at the end of 2019 and some negative effects due to the Corona situation, on service operations. This corresponds to growth of 3.8 per cent, of which 2.0 per cent was organic, 3.6 per cent from acquisitions and -1.8 per cent currency driven. Net sales for the six-month period increased 4.4 per cent to SEK 5,109 million (4,896).

The order intake for the quarter was overall favourable and particularly strong for Assemblin Norway and Assemblin EI, increasing to SEK 2,818 million (2,460). The order backlog at the end of the period increased to SEK 5,845 million (5,750).

Continued strengthening of the margin

The measures taken to improve profitability at the end of 2019 also yielded positive effects on earnings in the second quarter, although partly offset by the negative Corona effects. Adjusted operating profit (EBITA) in the second quarter increased 19.1 per cent to SEK 136 million (114). The adjusted EBITA margin was strengthened to 5.2 per cent (4.6) for the quarter and 4.9 per cent (4.0) for the six-month period. The

strongest improvement in earnings was seen in Assemblin Norway and Assemblin VS.

Focus on cash flow

Thanks to focused efforts with our cash flow, our cash generation remains strong. Free cash flow in the second quarter was SEK 148 (57) and rolling-twelve-month cash conversion was 125 per cent (101). At the end of the period, our cash and unutilised credit lines amounted to SEK 1 129 million, meaning that we continue to have a strong liquidity position and acquisition capacity.

Market and prospects

The underlying drivers for long-term growth in the installation markets in the Nordics remain strong, even if the short- and medium-term outlook is uncertain in the light of the corona pandemic. The market is currently adopting a cautious approach and competition in connection with tendering has increased. At Assemblin, we have intensified our market activities and strive to stay close to our customers. In this way, we ensure that we can capitalise on the opportunities that remain whilst rapidly addressing any negative signals. Under the current uncertainty, it is beneficial to be a large, stable player. Thanks to an increasingly strong market position and stable financials, we have a good starting point.

Even if market conditions have changed, our goal for 2020 is crystal-clear: to continue our journey to become best in class. Our focus is on profitability, meaning that we will prioritise operational excellence as well as the right customers and assignments.

Stockholm, July 17, 2020

Mats Johansson
President and CEO,
Assemblin



Overview, consolidated results

Net sales and order intake

Second quarter (April–June)

Sales for the second quarter were SEK 2,597 million (2,503), of which 2.0 percentage points were organic, 3.6 percentage points driven by acquisitions and -1.8 percentage points driven by a weaker Norwegian krona. Compared with the previous year, sales were negatively impacted by the units that were discontinued at the end of 2019 and somewhat reduced service operations due to the coronavirus, while healthy growth in Assemblin Norway had a positive impact on the Group.

Service assignments increased year on year and accounted for 38 per cent (37) of the Group's sales for the quarter, largely driven by previously completed acquisitions.

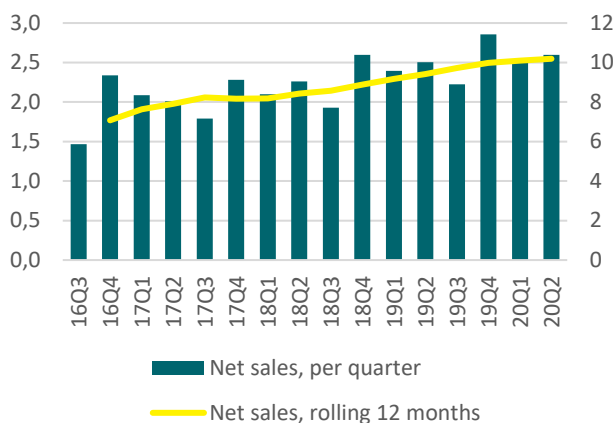
Order intake for the quarter increased to SEK 2,818 million (2,460), driven by Assemblin EI and Norway.

First half of the year (January–June)

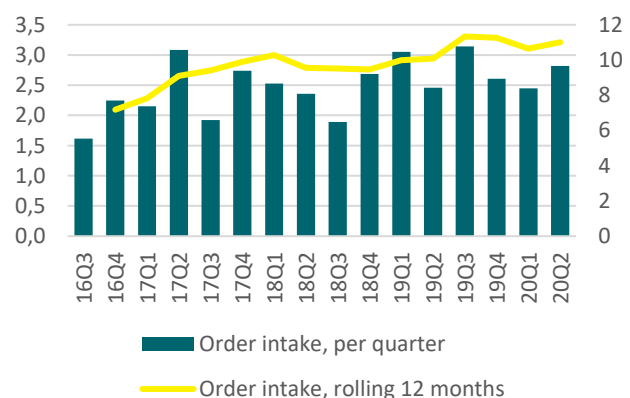
For the first half of the year, net sales increased to SEK 5,109 million (4,896). Sales increased in all business areas except for Assemblin Ventilation. Of total growth, 1.9 percentage points were organic, 3.7 percentage points driven by acquisitions and -1.2 percentage points currency driven. Compared with the year-earlier period, service operations grew and accounted for 39 per cent of Group sales.

Order intake was SEK 5,264 million (5,512). The change is primarily attributable to the major ventilation assignment in the Stockholm Bypass tunnel project, worth SEK 520 million, won in the beginning of 2019.

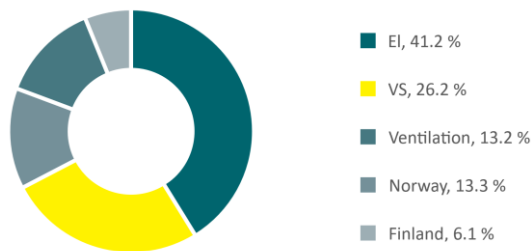
Net sales, SEK bn



Order intake, SEK bn



Net sales per business area, rolling 12 months



Net sales per assignment, rolling 12 months



Earnings and profitability

Second quarter (April–June)

Adjusted EBITA improved in the second quarter to SEK 136 million (114), meaning that profitability compared with the previous year was strengthened from 4.6 to 5.2 per cent. The improvement in earnings was mainly attributable to the measures taken to enhance profitability at the end of 2019 as well as acquisitions, although this was somewhat offset by the negative effects of the corona pandemic and a project write-down in Finland. The strongest earnings improvement was in Assemblin Norway and Assemblin VS.

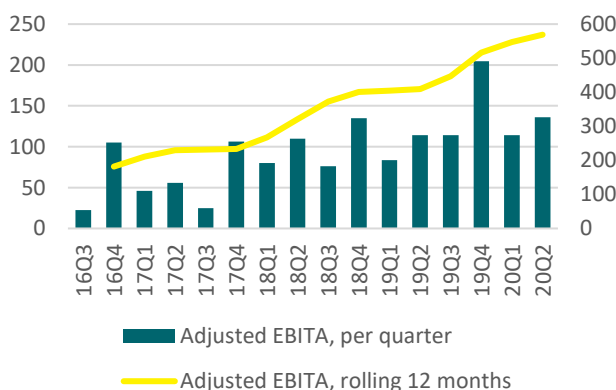
EBITA for the quarter amounted to SEK 138 million (113), and the EBITA margin improved year on year from 4.5 per cent to 5.3 per cent.

First half of the year (January–June)

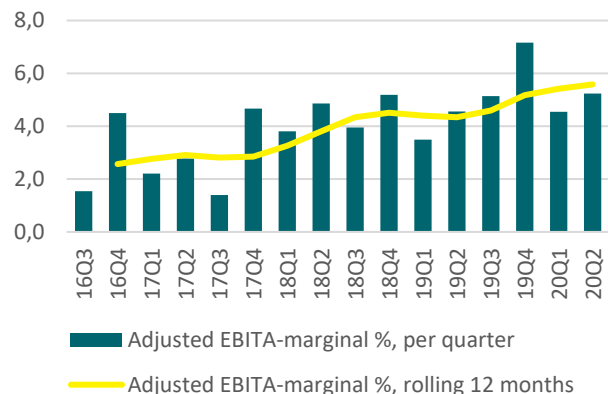
Assemblin’s adjusted EBITA amounted to SEK 250 million (198) for the period, corresponding to a year-on-year increase of 26.5 per cent. The adjusted EBITA margin increased in all business areas except for Assemblin Finland, totalling 4.9 per cent (4.0).

EBITA for the quarter increased to SEK 241 million (196), and the EBITA margin improved year on year from 4.0 per cent to 4.7 per cent.

Adjusted EBITA, SEK m



Adjusted EBITA margin, %



Net financial items and profit/loss after tax

Net financial items in the quarter decreased by SEK 38 million to SEK -47 million (-9) and by SEK 65 million to SEK -95 million (-30) in the period. The change was driven by higher interest rates on the current senior secured notes compared with the previous bank financing and a positive effect in the second quarter 2019 from a SEK 19 million dividend. Tax for the quarter was SEK -17 million (-21) and for the period SEK -33 million (-34), corresponding to 18 (21) per cent or 23 (22) of the profit, respectively. Profit after tax for the period amounted to SEK 101 million (125).

Cash flow and financial position

Cash flow from operations for second quarter totalled SEK 150 million (59) and SEK 391 million (264) for the period. Net debt at the end of the period was SEK 2,640 million (1,938), primarily the result of the refinancing through the issuance of senior secured notes.

Cash and cash equivalents amounted to SEK 679 million (518). Unutilised available credit facilities at the end of the period totalled SEK 450 million (435).

Organisation and employees

For the second quarter, the average number of employees restated in full-time equivalents (FTEs) was 5,798 (5,810).

Significant events during the period

In April the net assets of Elservice i Åmål in Northwest Sweden were acquired. In May the cooling installation company Örestadskyl was acquired.

Actions related to Corona Covid-19

Assemblin carefully tracks the development and evaluate the consequences of the Corona pandemic. Throughout the pandemic our business continuously has been adapted to the authorities' recommendations in Sweden, Norway and Finland. Our approach and actions taken are disclosed on our website.

Significant events after the period

In Assemblin VS acquired the three companies, Botkyrka VVS & Fastighetsservice AB, ELIN i Stockholm AB and SDC Stockholm Design och Construction AB focused on RCE services in South Stockholm.

Risks and uncertainties

The Group's material risks and uncertainties comprise strategic risks associated with the market and business cycle, as well as sustainability and operational risks related to customer contracts. Furthermore, the Group is exposed to different kinds of financial risks, for example, currency, interest rate and liquidity risks. The Group's and Parent Company's risks are described in Assemblin's Annual Report, which can be found on Assemblin's website. Apart from increased uncertainty regarding future performance owing to Corona, no additional material risks are deemed to have arisen since the 2019 Annual Report was released.

Parent Company

The Parent Company of the Group changed in the fourth quarter of 2019, from Assemblin Holding AB (559025-2952) to Assemblin Financing AB (559077-5952), in conjunction with the issuance of a bond. The internal restructuring was deemed not to be a business acquisition. From a reporting perspective, this means that predecessor accounting has been applied. Accordingly, the assets and liabilities in the former Group have not been restated. The new legal Parent Company, Assemblin Financing AB (publ), has chosen to present the historical consolidated financial statements of its predecessor, Assemblin Holding AB, for 2019.

The Parent Company's loss after tax for the quarter totalled SEK -17 million (0) and for the first six months -37 million (0). The Parent Company's assets at 30 June 2020 totalled SEK 6,695 million (0). Equity in the Parent Company totalled SEK 4,048 million (0).

Related party transactions

No transactions that substantially impacted the financial position and earnings took place between Assemblin and related parties during the period.

The share and shareholders

Since 2015, Assemblin has been owned primarily by the private equity house Triton through Ignition MidCo S.á.r.l. (owned by Trion Fund IV). Share capital amounts to SEK 500,000, with a quotient value of SEK 1 per share.

Business areas

Business Area Assemblin EI (Sweden)

Net sales and order intake

Sales amounted to SEK 1,056 million (1,048) in the second quarter and to SEK 2,092 million (2,056) for the first six months. The order intake for the quarter remained strong totalling SEK 1,230 million, meaning that the total order backlog at the end of the period was SEK 3,077 million (2,485).

Earnings and profitability

Earnings and profitability were strengthened in the quarter, primarily driven by measures to improve profitability in 2019. Adjusted EBITA for the second quarter increased to SEK 56 million (50) and the adjusted EBITA margin increased to 5.3 per cent (4.7) year on year. Adjusted EBITA increased to SEK 111 million (101) for the period, and the adjusted EBITA margin improved to 5.3 per cent (4.9).

Key figures

	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales, SEKm	1,056	1,048	2,092	2,056	4,187	4,151
Growth, %	0.7	12.7	1.7	13.6	9.1	15.6
Adjusted EBITA, SEKm	56	50	111	101	232	222
Adjusted EBITA margin, %	5.3	4.7	5.3	4.9	5.5	5.3
Order intake	1,230	1,067	2,154	1,967	4,695	4,507
Order Backlog	3,077	2,485	3,077	2,485	3,077	3,029
Average number of employees, FTE	2,800	2,776	2,807	2,762	2,826	2,796



Business Area Assemblin VS (Sweden)

Net sales and order intake

Net sales for the quarter totalled SEK 705 million (668). Net sales for the period increased to SEK 1,359 million (1,291).

The order intake for the second quarter totalled SEK 677 million (679). The order backlog at the end of the period was SEK 1,963 million (1,811).

Earnings and profitability

Adjusted EBITA increased to SEK 42 million (29) in the second quarter, and to SEK 75 million (57) for the period, driven by efficiency measures carried out in 2019. The adjusted EBITA margin improved to 6.0 per cent (4.3) for the quarter and 5.5 per cent (4.4) for the period.

Key figures	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales, SEKm	705	668	1,359	1,291	2,710	2,642
Growth, %	5.5	6.3	5.3	4.9	10.7	10.7
Adjusted EBITA, SEKm	42	29	75	57	158	139
Adjusted EBITA margin, %	6.0	4.3	5.5	4.4	5.8	5.3
Order intake	677	679	1,338	1,441	2,904	3,007
Order Backlog	1,963	1,811	1,963	1,811	1,963	2,005
Average number of employees, FTE	1,395	1,480	1,406	1,459	1,450	1,475

Business Area Ventilation (Sweden)

Net sales and order intake

Net sales for the quarter amounted to SEK 371 million (358), and sales for the six-month period amounted to SEK 681 million (697).

Order intake for the quarter totalled SEK 286 million (277) and for the period SEK 579 million (1,225). The difference for the period year on year is attributable primarily to the SEK 520 million Stockholm Bypass tunnel construction project won in the first quarter of 2019. The order backlog at the end of the period was SEK 1,672 million (1,803).

Earnings and profitability

Adjusted EBITA for Assemblin Ventilation for the second quarter was SEK 22 million (19), and the adjusted EBITA margin was 5.8 per cent (5.4). Adjusted EBITA for the period totalled SEK 32 million (28) and the adjusted EBITA margin was 4.8 per cent (4.0).

Key figures	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales, SEKm	371	358	681	697	1,351	1,367
Growth, %	3.6	4.7	-2.4	9.7	-2.0	3.9
Adjusted EBITA, SEKm	22	19	32	28	78	73
Adjusted EBITA margin, %	5.8	5.4	4.8	4.0	5.7	5.3
Order intake	286	277	579	1,225	1,310	1,956
Order Backlog	1,672	1,803	1,672	1,803	1,672	1,805
Average number of employees, FTE	554	558	551	547	555	544

Business Area Norway

Net sales and order intake

Assemblin Norway continued to report strong growth for the second quarter driven by previously completed acquisitions and organic growth. Sales increased to SEK 346 million (309), and for the six-month period to SEK 725 million (618).

Order intake for the quarter increased to SEK 474 million (268). At the end of the quarter, order backlog amounted to SEK 1,358 million (1,178).

Earnings and profitability

Adjusted EBITA for the quarter increased to SEK 24 million (18) and the adjusted EBITA margin improved to 7.0 per cent (5.7). Adjusted EBITA for the period totalled SEK 42 million (16) and the adjusted EBITA margin was 5.8 per cent (2.7). The year-on-year profitability improvement is attributable partly to write-downs on a handful of projects in the first quarter of 2019, as well as operational improvements implemented and profitable acquisitions.

Key figures

	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales, SEKm	346	309	725	618	1,392	1,285
Growth, %	12.0	21.4	17.3	31.1	14.2	19.8
Adjusted EBITA, SEKm	24	18	42	16	95	70
Adjusted EBITA margin, %	7.0	5.7	5.8	2.7	6.9	5.4
Order intake	474	268	851	636	1,512	1,296
Order Backlog	1,358	1,178	1,358	1,178	1,358	1,367
Average number of employees, FTE	721	616	725	615	693	704

Business Area Finland

Net sales and order intake

Assemblin Finland reported sales of SEK 144 million (137) for the second quarter and SEK 298 million (264) for the period.

The order intake for the quarter totalled SEK 150 million (168). The order backlog at the end of the period was SEK 271 million (386).

Earnings and profitability

For Assemblin Finland, a project write-down in the second quarter was the main reason that adjusted EBITA decreased to SEK 0 million (2) and the adjusted EBITA margin to -0.1 per cent (1.7). Adjusted EBITA was SEK -1 million (-1) for the period, and the adjusted EBITA margin amounted to -0.3 per cent (-0.2).

Key figures

	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales, SEKm	144	137	298	264	632	598
Growth, %	5.3	8.3	13.0	14.3	10.4	10.8
Adjusted EBITA, SEKm	0	2	-1	-1	11	12
Adjusted EBITA margin, %	-0.1	1.7	-0.3	-0.2	1.8	1.9
Order intake	150	168	341	243	591	492
Order Backlog	271	386	271	386	271	272
Average number of employees, FTE	304	356	332	343	346	357

Condensed consolidated statement of earnings

Amounts in SEKm	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales	2,597	2,503	5,109	4,896	10,191	9,978
Production cost	-2,150	-2,031	-4,235	-4,003	-8,363	-8,131
Gross profit	447	471	874	893	1,828	1,848
Sales and administrative expenses	-314	-362	-644	-704	-1,536	-1,595
Operating profit (EBIT)	133	110	229	189	292	252
Net financial items	-47	-9	-95	-30	-185	-120
Profit/loss before tax	86	100	134	160	107	133
Tax	-17	-21	-33	-34	-53	-54
Profit for the period	70	79	101	125	54	78
Profit for the year attributable to:						
Parent company owner	70	79	101	125	54	78
Holders without controlling influence	-	-	-	-	-	-
	70	79	101	125	54	78

Condensed comprehensive income

Amounts in SEKm	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Profit for the period	70	79	101	125	54	78
Other comprehensive income						
Items that have been transferred or can be transferred to profit for the period						
Translation differences for the year in translation of foreign operations	-23	21	-59	21	-69	11
Changes in the fair value of hedge reserve	-19		-13		-20	-6
Tax attributable to items that can be transferred to profit/loss for the year	4		10		12	1
Items that cannot be transferred to profit/loss for the year						
Revaluation of defined-benefit pension plans	39		39		-72	-111
Tax attributable to items that cannot be transferred to profit/loss for the year	-8		-8		15	23
Other comprehensive income for the period	-8	21	-31	21	-134	-82
Comprehensive income for the period	62	100	69	146	-80	-4
Attributable to:						
Parent Company owners	62	100	69	146	-80	-4
Holders without controlling influence	-	-	-	-	-	-
	62	100	69	146	-80	-4

Condensed consolidated statement of financial position

Amounts in SEKm	30-Jun-2020	30-Jun-2019	31-Dec-2019
Assets			
Goodwill	2,604	2,548	2,640
Right-of-use assets	668	689	693
Other fixed assets	272	278	288
Total fixed assets	3,544	3,515	3,621
Contract assets	490	570	441
Trade receivables	1,267	1,212	1,410
Other receivables	357	357	363
Cash and cash equivalents	679	518	407
Total current assets	2,793	2,657	2,621
Total assets	6,337	6,172	6,242
Equity	-733	339	-803
Liabilities			
Long-term liabilities	3,455	2,430	3,492
Leasing debt	567	583	583
Total long-term liabilities	4,022	3,013	4,075
Leasing debt	180	168	193
Contract liabilities	804	691	712
Trade payables	804	856	861
Other current liabilities	1,260	1,106	1,204
Total current liabilities	3,048	2,821	2,970
Total liabilities	7,071	5,834	7,045
Total equity and liabilities	6,337	6,172	6,242

Condensed consolidated statement of changes in equity

Amounts in SEKm	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Equity at the beginning of the period	-803	238	238
Transition to IFRS 16		-45	-45
Profit for the period	101	125	78
Other comprehensive income	-31	21	-82
Comprehensive income for the period	69	146	-4
Effect of new parent company			-992
New capital issue			0
Equity at end of period *	-733	339	-803

* The negative equity is an accounting consequence of the restructuring of the group in 2019. The actual value of Assemblin's equity is better reflected in the equity of the parent company.

Condensed consolidated statement of cash flow

Amounts in SEKm	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Operating activities						
Profit/loss before tax	86	100	134	160	107	133
Adjustments for items not included in the cash flow	87	34	164	83	566	484
Tax paid	-3	-18	-16	-26	-1	-12
Cash flow from operating activities before changes in working capital	170	116	282	216	671	605
Changes in working capital	-20	-56	109	48	-60	-121
Cash flow from operating activities	150	59	391	264	611	485
Investment activities						
Net investment fixed assets	-1	-1	-5	-1	-7	-4
Acquisitions of subsidiaries	-6	-53	-17	-97	-130	-211
Other	0	18	0	18	-1	17
Cash flow from investment activities	-7	-37	-22	-81	-138	-197
Financing activities						
Loans raised	0	0	0	0	2,591	2,591
Repayment of loan	0	0	0	0	-2,718	-2,717
Amortisation of lease debt	-44	-41	-87	-83	-174	-170
Cash flow from financing activities	-44	-41	-87	-83	-301	-296
Cash flow for the period	99	-19	282	101	173	-8
Cash and cash equivalents at the beginning of the	586	535	407	411	518	411
Exchange rate difference in cash and cash equivalents	-6	2	-9	7	-12	4
Cash and cash equivalents at the end of the period	679	518	679	518	679	407

Condensed summary of the Parent Company's income statement

Amounts in SEKm	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net sales	4		9		30	22
Administrative expenses	-9		-22		-53	-31
Operating profit (EBIT)	-5		-13		-23	-9
Net financial items	-16	0	-33	0	-37	-5
Profit after financial items	-21	0	-46	0	-60	-14
Allocations				0	10	10
Profit/loss before tax	-21	0	-46	0	-51	-4
Tax	4		10		10	0
Profit for the period	-17	0	-37	0	-41	-4

The result for the period corresponds to the total result for the period.

Condensed consolidated statement of the Parent Company's financial position

Amounts in SEKm	30-Jun-2020	30-Jun-2019	31-Dec-2019
Assets			
Shares in Group companies	5,081		5,081
Receivables in Group companies	1,616		1,616
Other fixed assets	0		
Total fixed assets	6,698		6,697
Other receivables	10		
Short-term receivables, group companies	8		33
Cash and cash equivalents	-19		18
Total current assets	-2	0	51
Total assets	6,696	0	6,748
Equity			
Restricted equity			
Share capital	1	0	1
Unrestricted equity			
Retained earnings	4,084		4,089
Profit for the period	-37		-4
Equity	4,048	0	4,085
Liabilities			
Long-term interest-bearing liabilities	2,623		2,621
Total long-term liabilities	2,623		2,621
Provisions	1		7
Other current liabilities	24		35
Total current liabilities	25		42
Total liabilities	2,648		2,663
Total equity and liabilities	6,696	0	6,748

Condensed statement of changes in equity for the Parent Company

Amounts in SEKm	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Equity at the beginning of the period	4,085	0	0
New capital issue			0
Shareholder contribution			4,089
Profit for the period	-37		-4
Equity at end of period	4,048	0	4,085

The result for the period corresponds to the total result for the period.

Calculation of key performance indicators not defined under IFRS

This interim report presents certain financial measures that are not fully defined under IFRS. Assemblin believes that these measures provide valuable information about the company's performance, but they should be regarded as a supplement to the measures defined under IFRS. Assemblin's definitions of these measures may differ from other companies' definitions of the same terms. A reconciliation of these measures follows below. For definitions of key performance indicators, refer to page 19.

Reconciliation of key figures

Amounts in SEKm	Quarter 2		The period Jan - Jun		Rolling	Full Year
	2020	2019	2020	2019	12 months	2019
Net debt						
Interest-bearing liabilities	3,319	2,456	3,319	2,456	3,319	3,337
Cash and cash equivalents	-679	-518	-679	-518	-679	-407
Net debt	2,640	1,938	2,640	1,938	2,640	2,931
EBITA						
Operating profit/loss (EBIT)	133	110	229	189	292	252
Amortisation and impairment, intangible fixed assets	5	4	11	7	23	18
EBITA	138	113	241	196	315	270
Adjusted EBITA						
EBITA	138	113	241	196	315	270
Adjustments for Items Affecting Comparability	-2	1	9	2	254	246
Adjusted EBITA	136	114	250	198	569	516
Adjusted EBITDA						
Adjusted EBITA	136	114	250	198	569	516
Depreciation of property, plant and equipment and right-of-use assets	49	51	97	100	240	243
Lease accounting adjustments	-26	-27	-52	-55	-150	-153
Adjusted EBITDA	158	138	295	243	658	606
Free Cash Flow						
Adjusted EBITDA	158	138	295	243	658	606
Changes in working capital	-20	-56	109	48	-60	-121
Excluding changes in provisions	26	5	73	13	217	158
Net investment fixed assets	-1	-1	-5	-1	-7	-4
Net vehicle leases capex	-15	-28	-37	-53	-100	-116
Free Cash Flow	148	57	435	250	709	524
Cash Conversion (%)	109%	50%	174%	127%	125%	101%

Notes

1. Accounting policies

The condensed consolidated financial statements were prepared in accordance with IAS 34 Interim financial reporting and the applicable provisions in the Swedish Annual Accounts Act. The Parent Company interim report was prepared in accordance with Chapter 9, Interim reports, of the Annual Accounts Act.

For the Group and the Parent Company, the same accounting policies and bases for calculation have been applied as in the latest annual report. In addition to the financial statements and the accompanying notes, disclosures in accordance with IAS 34.16a also appear in other parts of this interim report.

2. Items affecting comparability

In the second quarter, items affecting comparability amounted to SEK -2 million (1) and SEK 9 million (2) for the period attributable to acquisitions, integration and restructuring costs, and other non-recurring items.

3. Acquisition of business

In the period January–June 2020, Assemblin completed the following acquisitions:

Acquired unit	Country	Type	Time	Percentage of votes	Employees	Estimated annual sales in SEKm
Projektuppdrag Syd AB	Sweden	Company	January	100%	8	10
Elservice i Åmål AB	Sweden	Assets	April	-	8	8
Örestadskyl AB	Sweden	Company	May	100%	9	23

Effects of acquisitions 2020 and 2019

Assemblin completed three acquisition in the period from January to June.

Acquisition analyses regarding companies acquired in 2020 are preliminary, as only a brief period of time has elapsed since the acquisitions took place. These acquisitions are not considered to be material.

The maximum (i.e. non-discounted) amount that could be paid to previous owners of acquired companies is SEK 30 million, of which SEK 24 million pertains to acquisitions in 2019. The purchase amounts fall due for payment within three years and are fully reflected in the balance sheet.

4. Financial assets

Holdings in Elajo were recognized at fair value. The shares are classified as Level 3 assets since they are not listed in regulated market and no observable transactions have recently been conducted in the company. Fair value as at 31 December 2019 was SEK 30 million; at the end of the second quarter of 2020, fair value was SEK 30 million.

The fair values of the Group's long-term assets and liabilities do not differ substantially from the carrying amounts.

5. Non-current liabilities

Non-current liabilities include provisions for pensions of SEK 681 million (compared to SEK 580 million 30 June 2019 and SEK 703 million at 31 December 2019 excluding commitments covered by endowment insurance). The discounted value of pension commitments is dependent on several factors that are estimated by an independent actuary based on certain financial assumptions. The assumptions for inflation and future salary growth have decreased since the year-end reducing the liability, offset in part by a reduced discount rate that increases the liability. The key assumptions for the defined benefit obligations are presented below:

	30-jun-2020	30-jun-2019	31-dec-2019
Discount rate	1.30%	2.40%	1.40%
Wage increase	1.80%	2.50%	2.20%
Inflation	1.30%	2.00%	1.70%

As a result of the changed financial assumptions an actuarial profit of SEK 39 million has been recognised in other comprehensive income in the period. The entire effect is included in the second quarter, including the effect on deferred tax.

In December, Assemblin issued senior secured notes totalling EUR 250 million with a quarterly coupon of 5 per cent. All future payments of principal and coupons have been hedged to SEK.

6. Events occurring after the balance sheet date

No significant events of a company-specific type occurred after the balance-sheet date. The situation caused by COVID-19, however, has caused greater uncertainty than would otherwise have been the case.

On July 3, 2020 Assemblin VS acquired the three companies, Botkyrka VVS & Fastighetsservice AB, ELIN i Stockholm AB and SDC Stockholm Design och Construction AB focused on RCE services in South Stockholm with total annual sales of approximately SEK 125 million and 42 employees.

Assurance

The Board of Directors and the CEO give their assurance that this interim report provides a true and fair account of the Group's operations, sales and financial position, and describes the material risks and uncertainties faced by the Parent Company and the companies that form the Group. The disclosures presented are in agreement with the facts, and nothing of material significance that could impact the account of the Group and Parent Company in their financial statements has been omitted.

This report for the period has not been audited.

Stockholm, July 17, 2020

Matts Våppling <i>Chairman of the Board</i>	Susanne Ekblom <i>Styrelseledamot</i>	Leif Gustafsson <i>Styrelseledamot</i>	Mats Johansson <i>Vd och koncernchef</i>
Mats Jönsson <i>Styrelseledamot</i>	Young Kim <i>Styrelseledamot</i>	Anders Thulin <i>Styrelseledamot</i>	

For more information

For questions concerning this report, please contact CFO [Philip Carlsson](#) (tel: +46 10 475 39 50). For questions concerning operations in general, contact President and CEO [Mats Johansson](#) (tel: +46 10 475 39 60) or Head of Communications and Sustainability [Åsvor Brynnel](#) (tel: +46 10 475 39 48).

More information is also available on our website: www.assemblin.com

Invitation to an investor presentation

On 17 July, at 13:00 a.m. CET, the company's President and CFO will present developments in the quarter in a webcast. To participate in the webcast, please register in advance using [the following link](#).

If you would like to listen to the presentation by telephone, ring +46 856642651 (Sweden), +45 35445577 (Denmark), +35 8 981710310 (Finland), +33 170750711 (France), +44 3333000804 (UK) or via other international telephone number at http://events-ftp.arkadin.com/ev/docs/NE_W2_TOLL_Events_International_Access_List.pdf and use PIN code **18690958#** (all participants).

The presentation material, and a recording of the webcast, will be published on the company's website www.assemblin.com under the "Investors" tab after the meeting (password required). For access to this page, please contact Head of Communications and Sustainability [Åsvor Brynnel](#) (tel: +46 10 475 39 48).

Future reporting dates

Interim report	January–September 2020	November 5, 2020
Year End report	January–December 2020	February, 2021
Interim report	January–March 2021	May, 2021
Interim report	January–June 2021	July, 2021

Definitions

Financial definitions

Acquired growth Net sales from units acquired during the period and the preceding period, less net sales from units acquired in the preceding period, divided by net sales for the equivalent period of the preceding year.

Adjusted EBITA Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability. Adjusted EBITA improves comparison over time by excluding non-recurring items.

Adjusted EBITDA Adjusted EBITA adjusted for Depreciation of property, plant and equipment and right-of-use assets. Assets excluding the effect of applying IFRS 16. Adjusted EBITDA improves comparison over time by excluding non-recurring items.

Adjusted EBITA margin (EBITA, %) Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability and divided by net sales. Adjusted EBITA margin, % excludes the effect of non-recurring items, thereby improving the possibility of comparisons over time.

Average number of employees, FTE Average number of employees during the period, taking full or part-time employment into account.

Cash Conversion, % Free cashflow divided by Adjusted EBITA. Cash conversion provides a measure of the ability to convert profits to cash.

Free Cash Flow Adjusted EBITDA adding or subtracting any changes in working capital adjusted for changes from non-cash items less net investment in fixed assets adjusted for net vehicle leases capex. Free cash flow shows the cash generation before costs related to items affecting comparability and capital structure, e.g. tax, financing activities and acquisitions.

Items affecting comparability Primarily costs for acquisitions and integration of acquisitions, as well as more comprehensive restructuring programmes and new establishments. These occur on an irregular basis, and thus make comparison over time difficult.

Net sales Sales recorded in accordance with the Group's accounting policies as described in Note 1 of Assemblin's 2019 Annual Report.

Net debt Long- and short-term interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents at the end of the period. This key metric is a measurement showing the Group's total interest-bearing debt.

Organic growth Growth less currency effect less acquired growth.

Order intake The value of projects received and changes to existing projects in the current period.

Order backlog The value of the remaining production value in all projects not generated at the end of the period.

Working capital The sum of current assets, reduced by cash and cash equivalents minus the sum of current liabilities, reduced by current provisions and short-term interest-bearing liabilities. This key metric shows how much working capital is tied up in the operations, and can be set in relation to sales to show how efficiently tied-up capital working capital is being used.

EBITA Earnings before tax, net financial items, and amortisation and impairment of intangible assets. EBITA is used as the primary key earnings figure in the operational monitoring of the Group.

EBITA, % Earnings before tax, net financial items, and amortisation and impairment of intangible assets, divided by net sales.

EBIT Earnings before tax and net financial items.

EBITDA EBITA before planned depreciation, amortisation and impairment. EBITDA is a measurement the Group considers relevant for an investor who wishes to understand earnings generation before making investments in fixed assets.

Growth Changes to net sales for the period, divided by net sales from the year-earlier period (including currency effects).

Profit margin Earnings for the period, divided by net sales for the period.

Other definitions

Installations/Installation assignments New construction and reconstruction of technical systems in buildings, facilities and infrastructure.

Service/Service assignments Operation and maintenance assignments, including maintenance-related reconstruction of technical systems in buildings, facilities and infrastructure.

Additional disclosure

Information for holders of Assemblin Senior Secured Notes
issued on December 6, 2019



Amounts in SEKm	30-jun-2020
Ratios:	
Consolidated Net Leverage Ratio	3.3x
Fixed Charge Coverage Ratio	5.4x
Reconciliations:	
Cash and cash equivalents	-679
Senior Secured Floating Rate Notes	2,640
Other long-term debt	1
Market value currency agreement ⁽¹⁾	20
Lease liabilities ⁽²⁾	328
Indebtedness	2,989
Consolidated Net Leverage	2,310
EBITA - reported	315
Depreciation of property, plant and equipment and right-of-use assets	240
EBITDA - Reported	555
Lease accounting adjustments (2)	-150
Items Affecting Comparability (3)	254
EBITDA excluding items affecting comparability	658
EBITDA - Proforma Acquisition adjustments (4)	18
EBITDA - Proforma Operational improvement program (5)	25
Consolidated EBITDA - (Pro forma Adjusted EBITDA) ⁽⁶⁾	701
Consolidated Interest Expense	-130
Dividends	0
Fixed Charges	-130

Comments

1. Market value currency agreements refers to mark-to-market changes in value of derivative instruments used to hedged EUR senior secured notes to SEK.
2. Lease liabilities refer to lease liabilities as defined in the Offering Memorandum for EUR 250,000,000 Senior Secured Floating Rate Notes due 2025, i.e. excluding additional lease liabilities recognised as a consequence of implementing IFRS16. Lease accounting adjustments is the effect on EBITDA of implementing IFRS16 compared to previous IFRS.
3. Items Affecting Comparability include acquisition, integration and start-up costs, restructuring costs, transformation costs and other adjustments. Year-to-date 2020 Items Affecting Comparability of SEK 9 million consist primarily of fees related to refinancing (listing etc) and, to a lesser degree acquisition and start-up costs partly offset by gains from the sale of discontinued branch offices in the second quarter.

4. EBITDA - Pro forma Acquisition adjustments reflects an estimate of the pro forma full twelve-month impact of acquisitions that were completed prior to 30 June 2020 as if such acquisitions had completed on 1 July 2019. The adjustments are based on each target's historical EBITDA derived from its management accounts, as adjusted for its actual contribution to our results of operations since the date of its acquisition and as further adjusted in a manner consistent with our Adjusted EBITDA to the extent applicable and the application of our accounting policies and other items.
5. EBITDA - Pro forma Operational improvement adjustments reflects an estimate of the pro forma run-rate effect of certain operational cost savings initiatives that have been implemented in 2019 as if such operational cost savings initiatives had been completed by 1 January 2019. The amount SEK 25 million pertains to the pro forma effect for the period 1 July 2019 to 31 December 2019.
6. The pro forma adjustments to EBITDA presented above are for informational purposes only and do not purport to present what our results of operations would have been, nor do they purport to project our results of operations for any future period. Moreover, the assumptions underlying the pro forma adjustments to EBITDA presented above are based on our current estimates, and they involve risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such pro forma financial information. Please refer to the Offering Memorandum for EUR 250,000,000 Senior Secured Floating Rate Notes due 2025 section *"Risk Factors—Risks Related to Our Business—Benefits from our accelerated profitability programme and anticipated pro forma adjustments to our financial information may not materialize as anticipated."*

Consolidated leverage decreasing from 4.3x LTM Q3-2019 to 3.3x LTM Q2-2020

Assemblin Financing AB (publ)

Västberga Allé 1 | 126 30 Hägersten | Tel. +46 10 472 60 00 | www.assemblin.com
Corp. Reg. No. 559077-5952 |

It's the inside that matters.

In every building, there are people living and working who depend on functioning air, water and energy every day, year-round. Our 5,900 skilled and committed employees make this a reality. With full focus on the inside, we'll take your construction project all the way from start to finish.

A complete installation and service partner



Electrical, Heating and sanitation, Ventilation, Automation, Data and telecom, Security, Industrial pipes, District heating, Cooling, Sprinklers, Electrical workshop and field service.

Our common platform

Vision

Smart and sustainable installations. By people, for people.

Mission

We use air, energy and water to make buildings work and make people feel comfortable.

Business concept

We design, install and maintain technical systems for buildings.

We act as a responsible and value-adding company in relation to all our stakeholders.

Assemblin as a supplier

Innovative and sustainable installations that make buildings work and people feel comfortable.

Assemblin as an employer

A developing and responsible employer who offers exciting assignments in a good, safe and non-discriminatory work environment.



Assemblin as a social player

We create prosperous citizens in buildings with good indoor climate and carry out our activities with care for the environment and the community around us.

Assemblin as an investment

A good return through stable economic development with controlled risk and a sound business ethics approach.



Our view of sustainability.

We try to take responsibility for the impact that our services and installations give rise to. Our objective is to run a profitable and sound business with respect for the world around us and manage our own and other's resources efficiently. Assemblin shall show great environmental consideration in all our activities.