

Studsvik

Interim Report
January–March 2015



- Sales in the first quarter decreased to SEK 201.1 (219.7) million. In local currencies the decrease was 13.5 per cent.
- Operating profit for the first quarter decreased to SEK –5.0 (5.3) million, including items affecting comparability of SEK 0 (1.3) million.
- Cash flow after investments was SEK –5.6 (–18.4) million.

	January– March 2015	January– March 2014	Full year 2014
Sales, SEK million	201.1	219.7	909.6
Operating profit, SEK million	–5.0	5.3	30.5
Profit after tax, SEK million	–5.7	1.6	5.2
Profit per share after tax, SEK	–0.69	0.20	0.63
Cash flow after investments, SEK million	–5.6	–18.4	–54.8
Equity per share, SEK	34.98	33.95	35.64
Interest-bearing net debt, SEK million	107.0	86.5	105.7
Net debt/equity ratio. %	37.2	31.0	36.1



Sales

Sales in the first quarter decreased to SEK 201.1 (219.7) million. In local currencies the decrease was 13.5 per cent. The decreased sales primarily relate to the Waste Treatment business area.

Profit

Operating profit for the first quarter decreased to SEK –5.0 (5.3) million. Items affecting comparability were SEK 0 (1.3) million. Adjusted for these, the operating margin was –2.5 (2.4) per cent.

Net financial income for the first quarter was SEK –1.9 (–6.6) million. Profit/loss after tax for the first quarter was SEK –5.7 (1.6) million.

Fuel and Materials Technology

In the first quarter sales increased to SEK 55.4 (51.7) million. In local currencies the increase was 3.1 per cent.

Operating profit for the first quarter increased to SEK 3.3 (–0.8) million. The operating margin was 6.0 (–1.6) per cent.

Sales of the software in the first quarter were good and sales of services in Materials Technology continued to develop well, with rising margins.

Consultancy Services

In the first quarter sales decreased to SEK 94.9 (95.4) million. In local currencies the decrease was 8.7 per cent.

Operating profit for the first quarter decreased to SEK 2.6 (9.1) million. The decrease is attributable to weak demand for consulting services in ventilation in the UK. Items affecting comparability amounted to SEK 0 (1.7) million. Adjusted for these, the operating margin for the first quarter was 2.7 (7.8) per cent.

Demand for consulting services for THOR technology has increased.

Waste Treatment

In the first quarter sales decreased to SEK 44.7 (86.1) million. In local currencies the decrease was 34.6 per cent.

Operating profit in the first quarter decreased to SEK –3.2 (9.1) million. The operating margin was –7.2 (13.7) per cent.

Sales and earnings were unusually high in 2014 due to the large Berkeley project that continued for most of 2014. The first quarter this year was also negatively affected by weak demand for treatment of material in the Swedish facility. Demand for treatment at the facility in the UK is good and the actions taken is resulting in improvements. The order book for processing large metal components and material for incineration in the Swedish facility continues to be low.

Investments

The Group's investments in the first quarter were SEK 6.4 (4.4) million.

Cash flow

Working capital decreased in the first quarter by SEK 12.9 (increased 11.5) million. Cash flow from operating activities before changes in working capital amounted to SEK –12.1 (–2.5) million and after investments to SEK –5.6 (–18.4) million.

Financial position and liquidity

Cash and cash equivalents at the end of the first quarter amounted to SEK 122.8 (191.5) million. Interest-bearing liabilities were SEK 229.8 (278.0) million. Net interest-bearing debt was SEK 107.0 (86.5) million, which means a net debt/equity ratio of 37.2 (31.0) per cent.

Personnel

The average number of employees at the end of March was 828 (915). The decrease is attributable to the Waste Treatment and Consultancy Services business areas as well as the functions at the head office and Shared Services. As at December 31, 2014 the number of employees was 857.

Transactions with related parties

During the quarter a dividend of SEK 0.8 million was received from UK Nuclear Waste Management Ltd.

Parent company

Parent company operations comprise the co-ordination of tasks for the Group. Parent company sales in the first quarter amounted to SEK 3.0 (3.5) million. The operating loss amounted to SEK –8.9 (–12.0) million. Items affecting comparability related to restructuring impacted earnings by SEK 0 (–0.4) million. Loss after financial items was SEK –9.3 (–15.3) million.

Cash and cash equivalents, including current investments, amounted to SEK 37.4 (110.9) 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 estimated to have arisen.

Accounting policies

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 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".

Stockholm, April 29, 2015

Michael Mononen
President

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

Time schedule for financial information

Interim Report January–June 2015	July 21, 2015
Interim Report January–September 2015	October 21, 2015
Year-end Report January–December 2015	February 2016

For further information please contact

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The interim report will be presented at a telephone conference to be held in English, on April 29 at 2:30 pm. Further information for those interested in participating is available at www.studsvik.se.

Consolidated statement of profit or loss and other comprehensive income

Amounts in SEK million

	January– March 2015	January– March 2014	Full year 2014
Net sales	201.1	219.7	909.6
Cost of services sold	–153.0	–164.7	–660.5
Gross profit	48.1	55.0	249.1
Selling and marketing expenses	–13.3	–11.2	–47.6
Administrative expenses	–35.2	–39.6	–146.9
Research and development costs	–5.7	–6.2	–25.8
Share in earnings from associated companies	3.1	5.0	11.5
Other operating income	1.0	3.1	5.4
Other operating expenses	–3.0	–0.8	–15.2
Operating profit	–5.0	5.3	30.5
Financial income	4.7	0.4	0.2
Financial expenses	–8.1	–4.4	–17.1
Fair value gain/loss (realized and unrealized)	1.5	–2.6	–2.0
Profit/loss before tax	–6.9	–1.3	11.6
Income tax	1.2	2.9	–6.4
Profit/loss for the period from continuing operations	–5.7	1.6	5.2
Operations held for sale			
Profit/loss for the period from operations held for sale	–	–9.4	–17.2
NET PROFIT/LOSS FOR THE PERIOD	–5.7	–7.8	–12.0
Other comprehensive income			
Items that may later be reversed in the income statement			
Translation differences on foreign subsidiaries	4.2	0.5	19.1
Cash flow hedging	–5.5	–0.9	–0.6
Income tax on items recognized in other comprehensive income	1.0	0.2	0.1
Other comprehensive income for the period, net after tax	0.3	–0.2	18.6
Total profit/loss and other comprehensive income for the period	–5.4	–8.0	6.6
Income for the period attributable to			
Parent company's shareholders	–5.7	–7.8	–12.0
Non-controlling interests	–	–	–
Total comprehensive income attributable to			
Parent company's shareholders	–5.4	–8.0	6.6
Non-controlling interests	–	–	–
Earnings per share calculated on income attributable to the parent company's shareholders during the period, SEK			
Earnings per share before and after dilution			
Profit/loss from continuing operations	–0.69	0.20	0.63
Profit/loss from operations for sale	–	–1.15	–2.09
NET PROFIT/LOSS FOR THE PERIOD	–0.69	–0.95	–1.46

Group statement of financial position

Amounts in SEK million

	March 2015	March 2014	December 2014
ASSETS			
Intangible assets	178.7	161.8	177.2
Property, plant and equipment	355.8	327.9	350.0
Other non-current assets	152.3	123.5	128.4
Total non-current assets	686.8	613.2	655.6
Inventories	2.2	1.7	1.9
Trade receivables	131.6	159.0	183.3
Other current receivables	77.7	106.1	80.5
Cash and cash equivalents	122.8	191.5	120.1
Total current assets	334.3	458.3	385.8
TOTAL ASSETS	1,021.1	1,071.5	1,041.3
EQUITY AND LIABILITIES			
Equity attributable to parent company's shareholders	287.2	278.7	292.6
Non-controlling interests	0.3	0.3	0.3
Borrowing	202.3	264.3	203.0
Provisions and other non-current liabilities	246.5	225.4	241.0
Total non-current liabilities	448.8	489.7	444.0
Trade and other payables	257.3	289.1	281.6
Borrowing	27.5	13.7	22.8
Total current liabilities	284.8	302.8	304.4
TOTAL EQUITY AND LIABILITIES	1,021.1	1,071.5	1,041.3
Pledged assets	159.2	148.9	157.9
Contingent liabilities	60.8	55.1	60.7

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
Equity at December 31, 2013	8.2	225.3	-6.0	58.5	286.0	0.3	286.3
Changes January 1 – March 31, 2014							
Comprehensive income for the period	–	–	0.5	-7.8	-7.3	–	-7.3
Equity at March 31, 2014	8.2	225.3	-5.5	50.7	278.7	0.3	279.0
Changes April 1 – December 31, 2014							
Comprehensive income for the period	–	–	18.1	-4.2	13.9	–	13.9
Equity at December 31, 2014	8.2	225.3	12.6	46.5	292.6	0.3	292.9
Changes January 1 – March 31, 2015							
Comprehensive income for the period	–	–	0.3	-5.7	-5.4	–	-5.4
Equity at March 31, 2015	8.2	225.3	12.9	40.8	287.2	0.3	287.5

Group statement of cash flow

Amounts in SEK million

	January– March 2015	January– March 2014	Full year 2014
Total operations			
Cash flow from operating activities			
Operating profit	–5.0	–4.2	17.9
Adjustment for non-cash items	–1.6	4.9	17.3
	–6.6	0.7	35.2
Financial items, net	–3.0	–3.9	–17.6
Income tax paid	–2.5	0.7	1.1
Cash flow from operating activities before change in working capital	–12.1	–2.5	18.7
Change in working capital	12.9	–11.5	–39.5
Cash flow from operating activities	0.8	–14.0	–20.8
Investing activities			
Acquisition of property, plant and equipment	–6.4	–4.4	–34.0
Divestment of subsidiaries	–	93.9	93.9
Other cash flow from investing activities	0.8	–6.1	10.8
Cash flow after investments	–4.8	69.4	49.9
Financing activities			
Change in borrowing	4.0	–29.2	–92.6
Dividend to shareholders	–	–	–
Cash flow from financing activities	4.0	–29.2	–92.6
Changes in cash and cash equivalents	–0.8	40.2	–42.6
Cash and cash equivalents at the beginning of the period	120.1	151.4	151.4
Translation difference	3.5	–0.1	11.3
Cash and cash equivalents at the end of the period	122.8	191.5	120.1

Financial ratios for the Group

Amounts in SEK million

	January– March 2015	January– March 2014	Full year 2014
Margins			
Operating margin, %	–2.5	2.4	3.3
Profit margin, %	–3.4	–0.6	1.3
Return on investment			
Return on capital employed, %	0.9	4.0	5.5
Return on equity, %	–2.0	0.6	1.8
Capital structure			
Capital employed	517.3	556.9	518.7
Equity	287.5	279.0	292.9
Interest-bearing net debt	107.0	86.5	105.7
Net debt/equity ratio, %	37.2	31.0	36.1
EBITDA/Net financial items, rolling 12 months	3.8	2.4	3.2
Equity/assets ratio, %	28.2	26.0	28.1
Employees			
Average number of employees	828	915	895
Net sales per employee	1.0	1.0	1.0

Data per share

	January– March 2015	January– March 2014	Full year 2014
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
Earnings per share before and after dilution			
Profit/loss from continuing operations	–0.69	0.20	0.63
Profit/loss from operations held for sale	–	–1.15	–2.09
Profit/loss for the period	–0.69	–0.95	–1.46
Equity per share, SEK, total operations	34.98	33.95	35.64

Net sales per geographical area

Amounts in SEK million

	January– March 2015	January– March 2014	Full year 2014
Sweden	47.2	35.5	182.9
Europe, excluding Sweden	122.5	160.5	616.0
North America – from continuing operations	29.3	14.7	84.9
Asia	2.1	9.0	20.3
Other	–	–	5.6
Total	201.1	219.7	909.6

Quarterly review

Amounts in SEK million

	2013				2014				2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	250.9	266.5	216.9	266.9	219.7	217.0	225.1	247.8	201.1
Operating expenses	–243.6	–253.4	–211.2	–277.0	–214.4	–216.9	–212.2	–235.6	–206.1
Operating profit	7.3	13.1	5.7	–10.1	5.3	0.1	12.9	12.2	–5.0
Financial items, net	–4.9	–9.5	–0.3	–4.1	–6.6	–4.1	–4.9	–3.3	–1.9
Profit/loss after financial items	2.4	3.6	5.4	–14.2	–1.3	–4.0	8.0	8.9	–6.9

Financial data per segment

Amounts in SEK million

January–March 2015	Waste Treatment	Consultancy Services	Fuel and Materials Technology	Other	Elimination	Group
External sales revenue	44.3	94.4	55.4	7.0	–	201.1
Revenue from segment	0.4	0.5	–	2.7	–3.6	0.0
Operating profit	–3.2	2.6	3.3	–7.7	–	–5.0
Assets	318.4	334.2	201.0	418.8	–251.3	1,021.1
Liabilities	248.3	272.7	109.8	354.1	–251.3	733.6
Investments	3.7	0.4	1.7	0.6	–	6.4
Depreciation/amortization	3.6	0.6	2.1	1.8	–	8.1
Average number of employees	119	496	121	92	–	828

January–March 2014	Waste Treatment	Consultancy Services	Fuel and Materials Technology	Other	Elimination	Group
External sales revenue	66.8	94.5	51.6	6.8	–	219.7
Revenue from segment	–	0.9	0.1	4.7	–5.7	0.0
Operating profit	9.1	9.1	–0.8	–12.1	–	5.3
Assets	356.3	330.3	177.7	463.2	–256.0	1,071.5
Liabilities	281.8	266.7	137.3	362.7	–256.0	792.5
Investments	2.0	0.1	2.0	0.3	–	4.4
Depreciation/amortization	4.6	0.6	2.1	1.2	–	8.5
Average number of employees *	144	541	125	105	–	915

Full year 2014	Waste Treatment	Consultancy Services	Fuel and Materials Technology	Other	Elimination	Group
External sales revenue	240.3	397.7	239.5	32.1	–	909.6
Revenue from segment	0.8	2.0	0.0	14.7	–17.5	0.0
Operating profit	2.9	36.8	31.4	–40.6	–	30.5
Assets	320.8	359.5	227.4	414.6	–281.0	1,041.3
Liabilities	255.3	305.3	108.5	360.5	–281.0	748.4
Investments	21.7	0.3	5.3	5.4	–	32.8
Depreciation/amortization	16.0	2.2	8.5	7.2	–	33.5
Average number of employees *	148	527	120	100	–	895

* Reclassification of 26 employees between the segments for the full year 2014 (33 in January–March 2014) was made for comparability with 2015.

Parent company income statement

Amounts in SEK million

	January– March 2015	January– March 2014	Full year 2014
Net sales	3.0	3.5	11.9
Cost of services sold	–0.3	–0.6	–2.2
Gross profit	2.7	2.9	9.7
Other operating income and costs	–11.6	–14.9	–53.6
Operating profit	–8.9	–12.0	–43.9
Result from participations in Group companies	–	–	42.8
Net financial items	–0.3	–3.3	–7.4
Profit/loss before tax	–9.3	–15.3	–8.5
Income tax	2.0	3.2	2.4
NET PROFIT/LOSS FOR THE PERIOD	–7.2	–12.1	–6.1

Parent company balance sheet

Amounts in SEK million

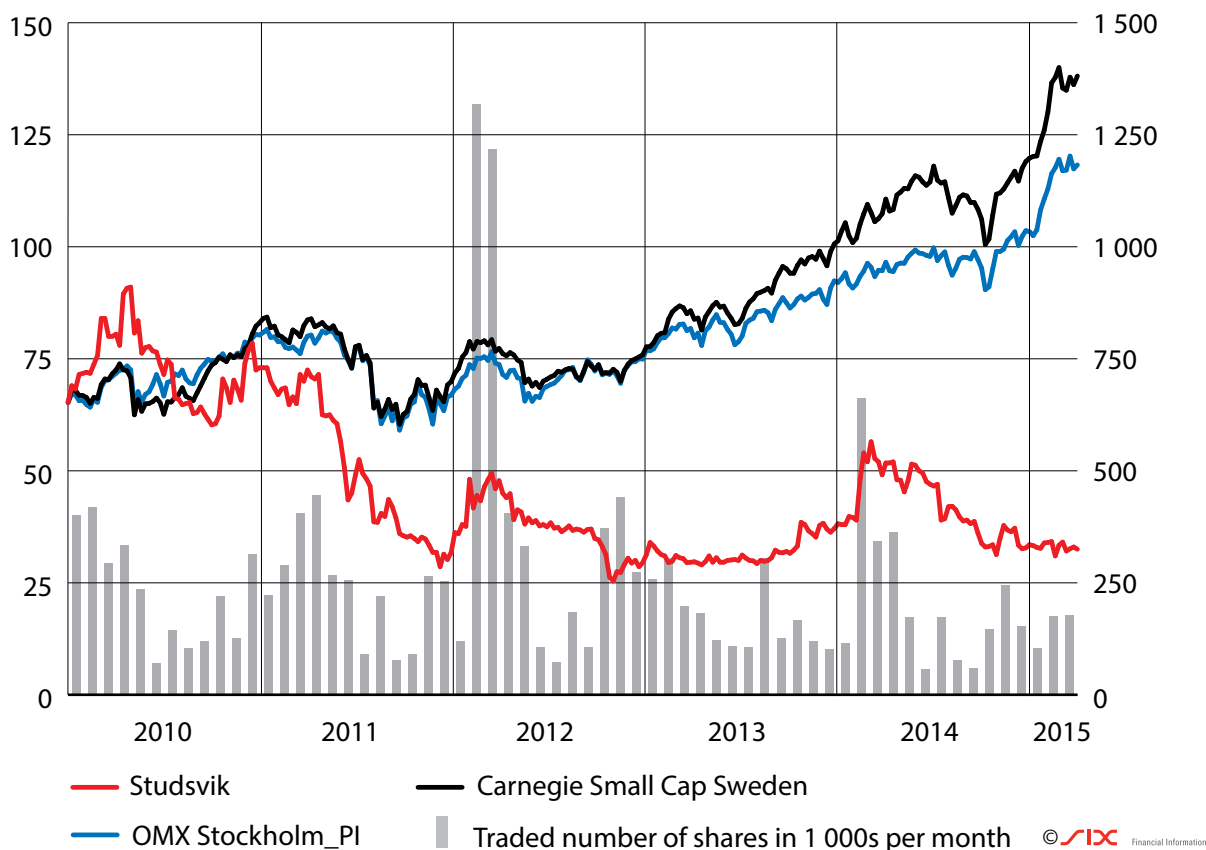
	March 2015	March 2014	December 2014
ASSETS			
Property, plant and equipment	0.0	0.1	0.0
Financial non-current assets	627.1	567.0	612.1
Total non-current assets	627.1	567.1	612.1
Current assets	12.3	66.2	53.3
Cash and cash equivalents	37.4	110.9	35.6
Total current assets	49.7	177.1	88.9
TOTAL ASSETS	676.8	744.2	701.0
EQUITY AND LIABILITIES			
Equity	234.1	277.1	284.1
Non-current liabilities	272.2	310.5	282.6
Current liabilities	170.5	156.5	134.3
Total liabilities	442.7	467.1	416.9
TOTAL EQUITY AND LIABILITIES	676.8	744.2	701.0

Major shareholders, March 31, 2015

	Number of shares	Share, %
The Karinen Family	1,769,552	21.5
Briban Invest AB	1,285,492	15.6
Avanza Pensionsförsäkring AB	465,981	5.7
Credit Agricole Suisse SA	346,098	4.2
Invus Investment AB	276,594	3.4
Malte Edenius	240,000	2.9
Eikos AB	225,000	2.7
Nordnet Pensionsförsäkring AB	209,836	2.6
Leif Lundin	181,850	2.2
Unionen	152,709	1.9
Total ten largest shareholders – holdings	5,153,112	62.7
Other shareholders	3,065,499	37.3
Total	8,218,611	100.0

The Studsvik share

In the first quarter the share price varied between a high of SEK 34.70 on February 12, and a low of SEK 30.80 on February 20, 2015. The opening price was SEK 32.80 at the beginning of the year and the closing price on March 31 was SEK 31.90. In the first quarter 456 thousand shares were traded.



Facts about Studsvik

Studsvik offers a range of advanced technical services to the international nuclear power industry in such areas as waste treatment, consultancy services and fuel and materials technology. The company has over 65 years' experience of nuclear technology and radiological services. Studsvik has 800 employees in 7 countries and the company's shares are listed on the Nasdaq Stockholm.

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