

# Interim Report

» January–March 2015



## Solid underlying earnings, new financial targets, and revised strategy

### First quarter 2015

- Revenue increased 1 per cent to SEK 1,009 million (996)
- EBITA increased by 10 per cent to SEK 22 million (20)
- The EBITA margin totalled 2.2 per cent (2.0)
- Write-down of goodwill totalled SEK 36 million
- Cash flow from operating activities totalled SEK 34 million (-1)
- Basic earnings per share totalled SEK -0.31 (0.19)

## Key events

### First quarter

**Dfind Group expands and opens new offices in Sweden.** The Dfind Group consists of specialist companies Dfind Finance, Dfind IT, and Dfind Science & Engineering, which are part of the Proffice Group.

**Proffice appointed new director in Norway.** Eivind Bøe assumed the position of director of the Proffice Group's operations in Norway in the second half of February.

### After end of quarter

**New financial targets and revised strategy.** The Board adopted new long-term financial targets, which are: EBITA margin of at least 5 per cent, organic growth at least in line with the market in the Group's priority areas, and an average debt/equity ratio of 10-30 per cent. The Group's strategy was also revised in conjunction with this.

**AGM resolved to approve the Board's dividend proposal.** A dividend of SEK 0.90 per share (0.60) totalling SEK 61 million was approved.

**Proffice Group sells Aviation area of competence.** The Aviation area of competence was sold to OSM Aviation AS. The sale affects all four Nordic countries.

**Acquisition of treasury shares.** The Board agreed to acquire a maximum of 4,500,000 B shares up until the 2016 Annual General Meeting (AGM).

## Financial overview

Group	Q1			Full year 2014
	2015	2014	Change	
Revenue, SEK million	1,009	996	1%	4,203
Other operating income, SEK million	1	0	-	4
EBITA, SEK million	22	20	10%	140
EBITA margin, %	2.2	2.0	-	3.3
Operating profit/loss, SEK million	-14	20	-	140
Operating margin, %	-1.4	2.0	-	3.3
Profit/loss after tax, SEK million	-21	13	-	104
Basic earnings per share, SEK	-0.31	0.19	-	1.51
Diluted earnings per share, SEK	-0.31	0.19	-	1.51
Cash flow from operating activities, SEK million	34	-1	-	148
Cash flow from operating activities per share, SEK	0.50	-0.01	-	2.17
Basic equity per share, SEK	9.09	8.63	-	9.36
Return on equity, %	11.6	19.0	-	17.2

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## Comments by Henrik Højsgaard, CEO

### Continued good performance in Sweden and strong cash flow

Proffice continued to perform well overall in Q1. All of the Group's operating areas – Staffing, Recruitment, and Outplacement – grew and the consolidated underlying operating profit and operating margin improved. Cash flow remained strong during the quarter, which led to a further strengthening of financial position.

It is gratifying to note that the Swedish operations continue to perform well in terms of profitability. We are now intensifying our efforts to increase profitability in the rest of the Nordic region, that is, Norway, Finland, and Denmark. Among other things, a new head of the Norwegian operations was appointed in Q1. In conjunction with the Group's strategic review and new circumstances in the current market situation, SEK 36 million in goodwill attributable to Finland was written down. In addition, the restructuring in Norway encumbered operating profit by SEK 2 million. Consolidated operating profit excluding these non-recurring items was SEK 24 million, an increase of 20 per cent as compared year-on-year.

### New financial targets

The Board has taken decisions on new long-term financial targets. Organic growth should be in line with the market in the Group's priority areas. Our organic growth should be achieved with good profitability. Consolidated EBITA as a percentage of revenue should amount to at least 5 per cent in the long term.

Proffice's financial position is good. The Group has been debt free since October 2014, and at the end of the quarter our net cash was just over SEK 100 million. If developments continue as they have we will very likely see a further strengthening of our cash position. Taking all this

into account, we intend to make our capital structure more effective. Our new capital structure target entails that Proffice's average net debt is to range between 10 and 30 percent of equity. Introducing this target range makes our capital utilisation more effective. The Board was also authorised by the AGM to repurchase shares.

The Group's dividend policy that at least 50 per cent of consolidated earnings after tax should be distributed remains unchanged.

### Revised strategy

In order to achieve the new financial targets Proffice has revised its strategy (see page 3). Proffice's main strategy is competence specialisation. We will prioritise profitable business dealings within existing areas of competence, increase the proportion of advanced services in our offer throughout the Group, and develop new, attractive services and solutions. To support the implementation of this strategy for competence specialisation, we invested in systems support and added 30 new salespeople to the sales organisation, who began their employment during the quarter. The sales organisation now has clear processes and methods for strengthening our presence in the local markets of the Nordic countries.

The Group's new long-term financial targets reflect existing market conditions well. Efforts to build a more stable and consistently profitable Proffice have begun, aided by investments in infrastructure and systems support as well as a stronger sales organisation. Great effort will continue to be required, but we now have a strategy, a plan, and the determination needed to succeed.

Henrik Højsgaard  
President and CEO

## Key ratios – quarterly overview

Group	2015	2014				2013			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue, SEK million	1,009	1,071	1,058	1,078	996	1,060	1,066	1,130	1,062
Other operating income, SEK million	1	3	0	1	0	5	0	0	0
EBITA, SEK million	22	43	52	25	20	35	50	30	10
EBITA margin, %	2.2	4.0	4.9	2.3	2.0	3.3	4.7	2.7	0.9
Operating profit/loss, SEK million	-14	43	52	25	20	35	50	30	10
Operating margin, %	-1.4	4.0	4.9	2.3	2.0	3.3	4.7	2.7	0.9
Profit margin, %	-1.3	4.0	4.9	2.4	2.0	3.4	4.8	2.7	1.0
Cash flow from operating activities, SEK million	34	147	-22	24	-1	91	62	10	44
Cash flow from operating activities per share, SEK	0.50	2.15	-0.32	0.35	-0.01	1.33	0.91	0.15	0.64
Basic equity per share, SEK	9.09	9.36	9.01	8.38	8.63	8.37	8.00	7.52	7.44
Return on equity, %	11.6	17.2	15.7	18.2	19.0	19.2	14.0	9.7	12.6
Return on capital employed, %	17.0	22.0	17.8	19.3	20.5	19.9	11.8	8.3	12.5
Net debt, SEK million	-102	-74	65	38	21	19	105	165	151
Equity/assets ratio, %	38.3	39.6	37.5	35.1	37.3	36.5	33.1	29.1	30.7
Number of working days	61.5	61.5	66.0	57.5	62.0	61.5	66.0	59.0	61.5

# About the Proffice Group

## The Proffice Group in brief

The Proffice Group is one of the largest staffing specialist companies in the Nordics, with around 10,000 employees in about 80 offices. By being passionate and attentive, Proffice helps people and companies find ways forward.

The Board of Directors is domiciled in Stockholm. Operations are organised and monitored with regard to the countries in which the Group is active. Operating segments are defined as Sweden and Other Nordic Countries.

The Proffice share is listed on NASDAQ Stockholm, Mid Cap.

## Brands

The Proffice Group has three main brands: Proffice, Dfind, and Antenn. Proffice and Dfind provide staffing and recruitment services and Antenn works with outplacement.

## Business concept

We offer people and companies opportunities to develop by being a passionate, attentive, and solution-oriented staffing company.

## Vision

The Proffice Group will be the most successful staffing company in the Nordic region.

## Financial targets

Our long-term EBITA target is to reach at least 5 per cent of revenue.

We will grow organically in line with the market in the Group's priority areas.

Our net debt/equity ratio will be in the range of 10-30 per cent.

## Personnel target

We will increase our leadership index by at least one point per year.

## Customer target

We will increase our customer satisfaction index by at least one point per year.

## Dividend policy

The goal of the Board is that, over time, dividends should be at least 50 per cent of consolidated earnings after tax on average.

## Strategies

We create value for our shareholders by growing with profitability. Strategies have been revised in order to achieve the new financial targets.

The Proffice Group's main strategy is competence specialisation. This means that customers and candidates

meet specialists who understand their challenges and circumstances.

Strategies and activities for increased profitability, sustainable growth, and effective capital utilisation:

### Increased profitability:

- More clear-cut prioritisation of services and business dealings that are highly profitable
- Increased efficiency and productivity through a well-defined operational model, stable infrastructure, and a common basic platform

### Sustainable growth:

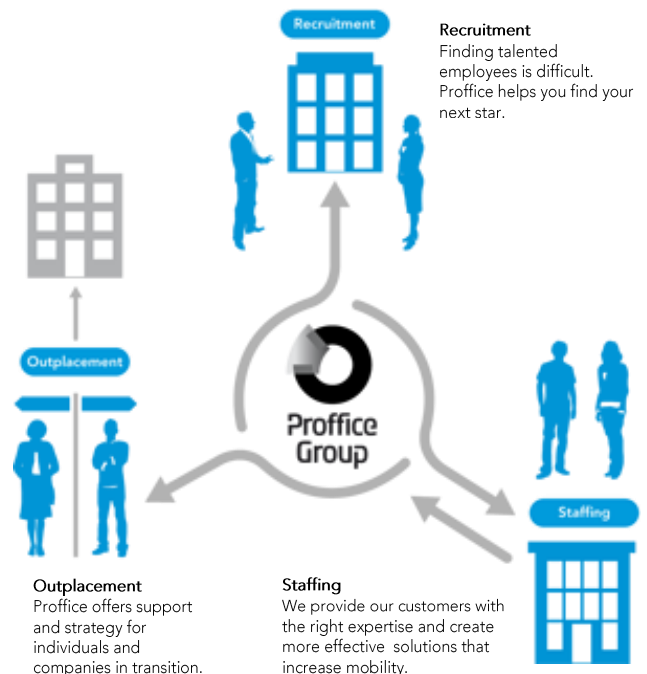
- Accelerate sales through clear processes, segmentation, and an enhanced sales organisation
- Strengthen the offer through structured diversification and further development of services
- Evaluate new, attractive service areas and partnerships/alliances in order to strengthen market position

### Capital utilisation:

- Improve capital utilisation through repurchase program and dividend

## Business model

Proffice's operations are divided into three operating areas: Staffing, Recruitment, and Outplacement.

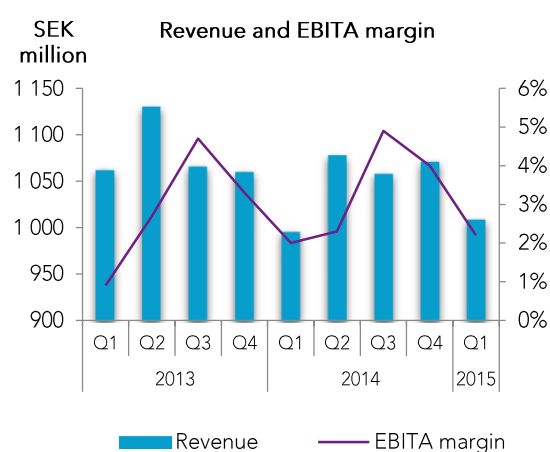
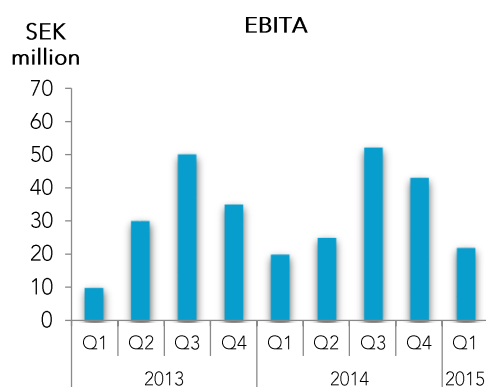


## Group overview

### Q1 revenue and EBITA

Consolidated revenue for Q1 totalled SEK 1,009 million (996), a 1 per cent increase as compared year-on-year. The quarter had 0.5 fewer working days than last year. The change in revenue mostly concerned Other Nordic Countries (Norway, Finland, and Denmark) and the Industry & Logistics area of competence in Norway. Consolidated EBITA for Q1 amounted to SEK 22 million (20) and the EBITA margin was 2.2 per cent (2.0). The increase in profitability is attributable to Sweden.

Consolidated operating profit for Q1 was impacted by a goodwill write-down of SEK -36 million attributable to the Finland cash-generating entity. Operating loss totalled SEK -14 million (20), and the operating margin was -1.4 per cent (2.0).



### Revenue by operating area

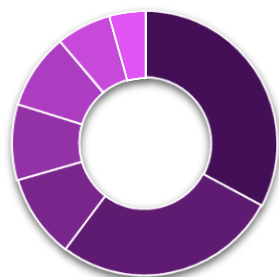
Within each country, Proffice's operations are divided into three operating areas: Staffing, Recruitment, and Outplacement.

SEK MILLION	Q1			Full year 2014
	2015	2014	Change	
<b>Revenue</b>				
Staffing	947	938	1%	3,978
Recruitment	46	43	7%	167
Outplacement	16	15	7%	58
<b>Total</b>	<b>1,009</b>	<b>996</b>	<b>1%</b>	<b>4,203</b>

## Breakdown by area of competence – Staffing

Staffing, Proffice's largest operating area, is divided into seven areas of competence: Industry & Logistics, Office & Customer Service, IT & Technology, Care, Finance, Aviation, and Life Science.

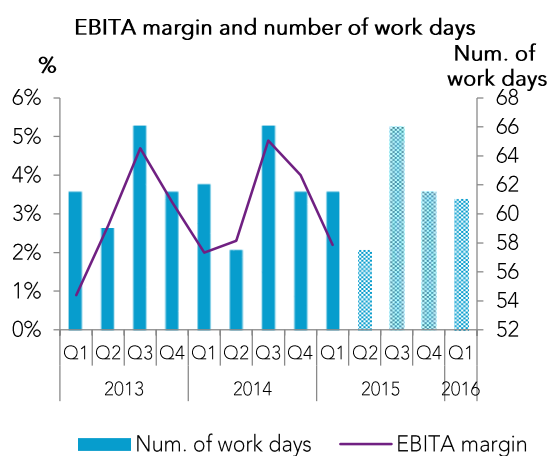
SEK MILLION	Q1			Full year 2014
	2015	2014	Change	
<b>Revenue</b>				
Industry & Logistics	311	303	3%	1,374
Office & Customer Service	260	249	4%	1,037
IT & Technology	97	110	-12%	399
Care	88	85	4%	349
Finance	87	88	-1%	321
Aviation	63	67	-6%	352
Life Science	41	36	14%	146
<b>Total</b>	<b>947</b>	<b>938</b>	<b>1%</b>	<b>3,978</b>



- Industry & Logistics 33% (35)
- Office & Customer Service 28% (26)
- IT/Technology 10% (10)
- Care 9% (9)
- Finance 9% (8)
- Aviation 7% (8)
- Life Science 4% (4)

## Calendar effects

Proffice's revenue and earnings are affected by seasonal fluctuations due to the number of working days. Q1 and Q2 are usually weaker than the rest of the year due to fewer working days. There were 0.5 fewer working days in Q1 than there were last year.



## Financial position and other financial information

Consolidated equity at the end of the quarter totalled SEK 620 million (589) and the equity/assets ratio was 38.3 per cent (37.3).

Consolidated earnings were affected by negative exchange differences in the quarter, mostly attributable to NOK.

Consolidated tax expense for Q1 totalled SEK 6 million (4).

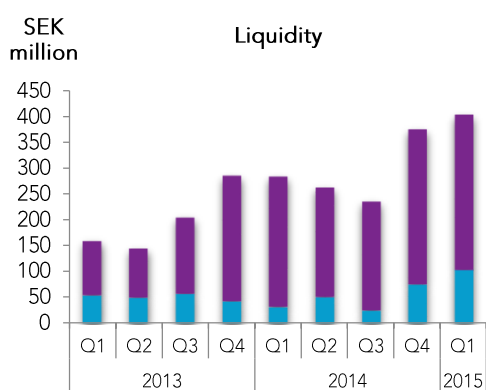
## Liquidity and cash flow

Cash and cash equivalents at the end of the reporting period totalled SEK 102 million (31), and no credit was utilised. The Group has been debt free since October 2014. Total credit available is SEK 300 million. Unappropriated cash and cash equivalents thereby totalled SEK 402 million (283), including unused borrowing facilities.

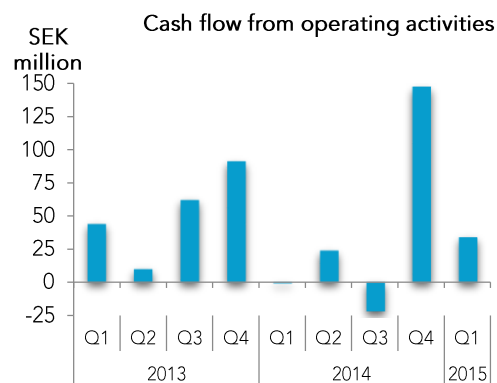
Consolidated cash flow is normally affected by seasonal fluctuations over the course of the year. Wide variations in working capital may result because of how certain customer payment due dates fall around the end of the quarter.

Cash flow from operating activities in Q1 totalled SEK 34 million (-1).

The increase is attributable to normal operational variations and not to any specific event.



■ Unused credit undertakings ■ Cash and cash equivalents



## Employees

The average number of full-time employees (FTEs) in the Group for Q1 was 6,035 (5,995), an increase of 40 FTEs as compared year-on-year.



[www.profficegroup.com](http://www.profficegroup.com)

Our website has all the latest information about us. You can download financial reports and financial statistics, watch presentations, read and subscribe to press releases, and much more.

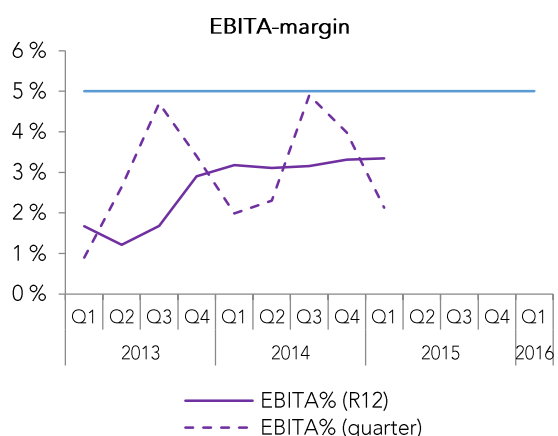


## Financial targets

Proffice has adopted new long-term financial targets and the Group's main strategy was revised in conjunction with this. The financial targets comprise profitability, growth, and capital structure. The Group's dividend policy remains unchanged.

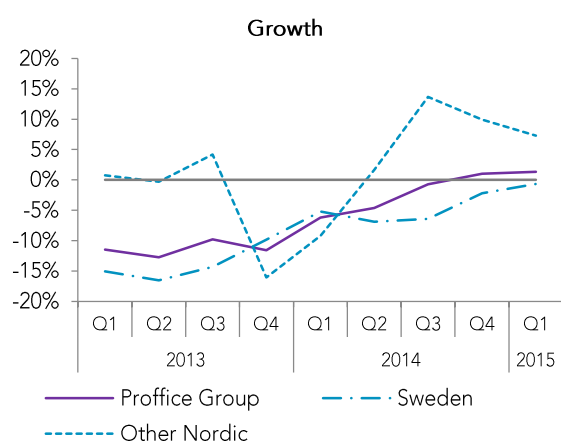
### Profitability

Consolidated EBITA as a percentage of revenue should amount to at least 5 per cent in the long term. The EBITA margin for the last 12 months stood at 3.3 per cent. The profitability target should be achieved within three years.



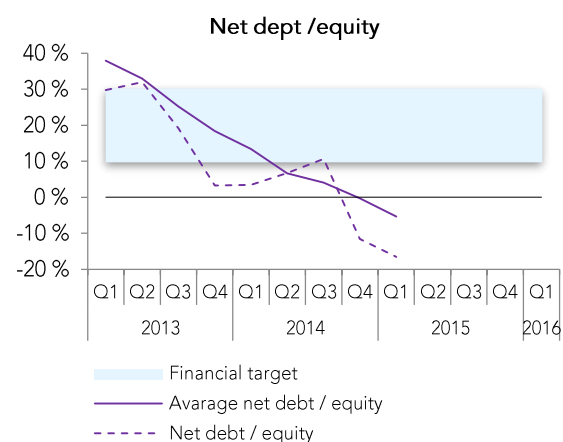
### Growth

Organic growth should be in line with the market in the Group's priority areas. The strengthened sales organisation and investment in systems support has laid the foundation for Proffice to grow in pace with the market.



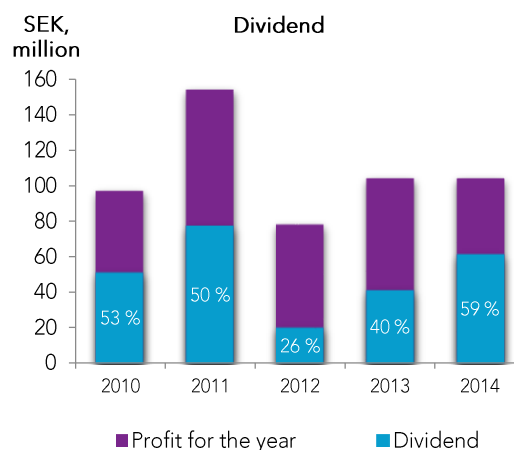
## Capital structure

The average net debt/equity ratio should amount to between 10 and 30 per cent in the long term. The Group's liquidity was very good at the end of the quarter, and the Group has been debt free since October 2014. The average net debt/equity ratio at the end of the quarter was thus negative and amounted to -5 per cent.



## Dividend policy

The goal of the Board is that, over time, dividends should be at least 50 per cent of consolidated earnings after tax on average. A dividend was approved on 28 April 2015 and amounted to 59 per cent of consolidated profit for the year.



## Segment reporting

### Breakdown by segment – revenue and EBITA

The Group's operations are organised in such a way that management monitors revenue and EBITA by the geographic areas in which the Group operates: Sweden and Other Nordic Countries (Norway, Finland, and Denmark). As of 1 January 2015, the Group is using a new structure for monitoring operations.

SEK MILLION	Q1			Full year
	2015	2014	Change	2014
<b>Sweden</b>				
Revenue	744	749	-1%	2,998
EBITA	24	20	20%	128
EBITA margin	3.2%	2.7%		4.3%
<b>Other Nordic Countries</b>				
Revenue	265	247	7%	1,205
EBITA	5	8	-	41
EBITA margin	1.9%	3.2%		3.4%

### Breakdown by segment – Q1 revenue and EBITA

SEK MILLION	2015	2014				2013			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Revenue</b>									
Sweden	744	761	717	771	749	778	766	828	790
Other Nordic Countries	265	310	341	307	247	282	300	302	272
<b>Total</b>	<b>1,009</b>	<b>1,071</b>	<b>1,058</b>	<b>1,078</b>	<b>996</b>	<b>1,060</b>	<b>1,066</b>	<b>1,130</b>	<b>1,062</b>
<b>EBITA</b>									
Sweden	24	43	43	22	20	37	40	24	22
Other Nordic Countries	5	6	16	11	8	8	18	14	3
Group-wide	-7	-6	-7	-8	-8	-10	-8	-8	-15
<b>Total</b>	<b>22</b>	<b>43</b>	<b>52</b>	<b>25</b>	<b>20</b>	<b>35</b>	<b>50</b>	<b>30</b>	<b>10</b>
<b>EBITA margin</b>									
Sweden	3.2%	5.7%	6.0%	2.9%	2.7%	4.8%	5.2%	2.9%	2.8%
Other Nordic Countries	1.9%	1.9%	4.7%	3.6%	3.2%	2.8%	6.0%	4.6%	1.1%
<b>Total</b>	<b>2.2%</b>	<b>4.0%</b>	<b>4.9%</b>	<b>2.3%</b>	<b>2.0%</b>	<b>3.3%</b>	<b>4.7%</b>	<b>2.7%</b>	<b>0.9%</b>

### Group-wide

Internal pricing between operating segments is based on market-based conditions. The Parent Company's operations are included in the Group-wide item, which consists of Group functions and Group eliminations.

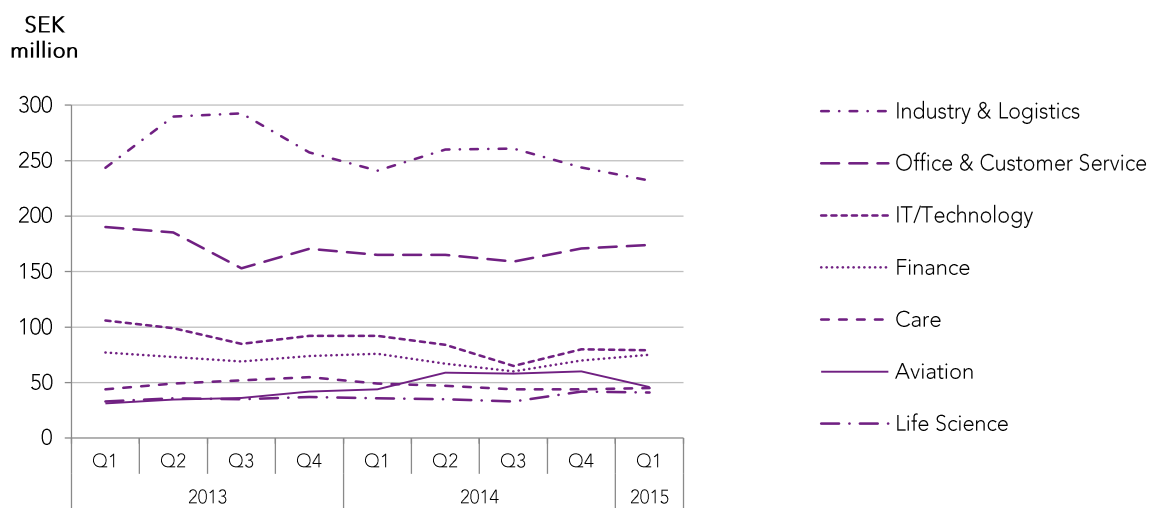


# Sweden

## Revenue by operating area

SEK MILLION	2015	Q1 2014	Change	Full year 2014
<b>Revenue</b>				
Staffing	692	703	-2%	2,811
Recruitment	36	32	13%	131
Outplacement	16	14	14%	56
<b>Total</b>	<b>744</b>	<b>749</b>	<b>-1%</b>	<b>2,998</b>

## Revenue by area of competence from Staffing



## Q1

In Sweden, Q1 revenue totalled SEK 744 million (749), a decrease of 1 per cent as compared year-on-year. Sweden accounted for 74 per cent (75) of consolidated revenue in Q1. The Recruitment and Outplacement operating areas showed an increase in the quarter.

It was primarily the Office & Customer Service and Life Science areas of competence that showed an increase during the quarter as compared year-on-year.

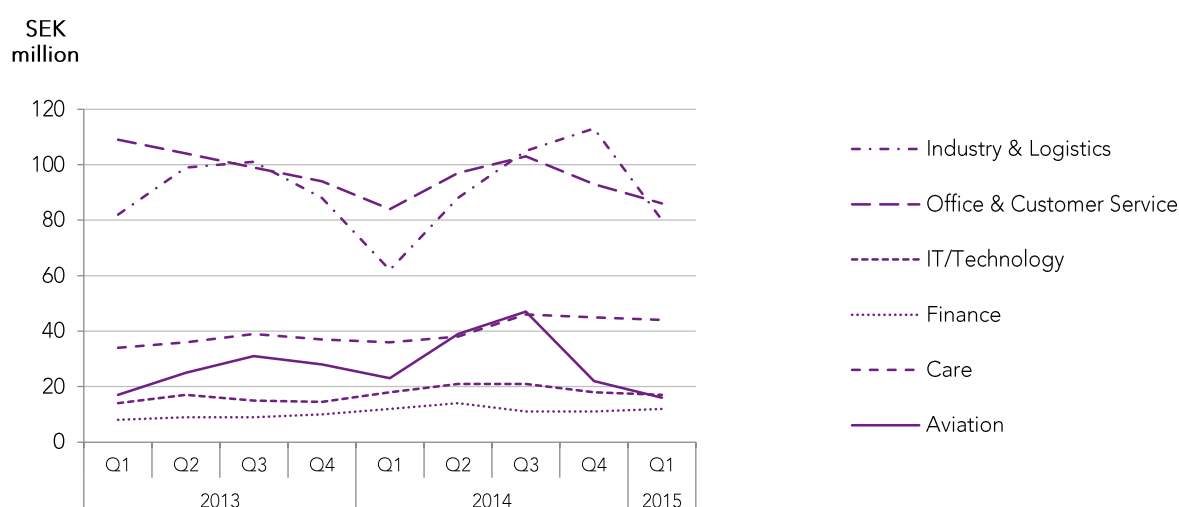
A sharper focus on profitability helped EBITA for Q1 rise to SEK 24 million (20) in Sweden, corresponding to an EBITA margin of 3.2 per cent (2.7).

## Other Nordic Countries (Norway, Finland, and Denmark)

### Revenue by operating area

SEK MILLION	2015	Q1 2014	Change	Full year 2014
Revenue				
Staffing	255	235	9%	1,167
Recruitment	10	11	-9%	36
Outplacement	0	1	-100%	2
<b>Total</b>	<b>265</b>	<b>247</b>	<b>7%</b>	<b>1,205</b>

### Revenue by area of competence from Staffing



### Q1

Revenue totalled SEK 265 million (247), up 7 per cent as compared year-on-year. Revenue increased in all areas of competence except for IT & Technology and Aviation. Industry & Logistics increased by 29 per cent, which was due to increased sales to existing customers.

Industry & Logistics and Office & Customer Service are the largest areas of competence in Norway, earning 31 per cent and 34 per cent of total revenue within Staffing, respectively, during the quarter.

EBITA totalled SEK 5 million (8), and the EBITA margin totalled 1.8 per cent (3.2). The mix of areas of competence in Staffing, profitability pressure in Finland, and

restructuring costs of SEK 2 million in Norway had a negative effect on EBITA during the quarter. In conjunction with the Group's strategic review and with new circumstances in the current market situation, SEK 36 million in goodwill attributable to the Finnish business was written down.

## Other disclosures

### The Proffice share

The number of shares at 31 March 2015 stood at 68,677,773, of which 66,677,773 are class B shares. The Proffice share is listed on NASDAQ Stockholm, Mid Cap.

At Proffice's AGM on 28 April 2015, the Board was authorised to make decisions on acquisition and transfer of treasury shares. No shares have been acquired since the 2015 AGM.

	Q1		Full year
	2015	2014	2014
Number of shares at end of period	68,677,773	68,677,773	68,677,773
Average number of shares, basic	68,677,773	68,677,773	68,677,773
Average number of shares, diluted	68,677,773	68,677,773	68,677,773
Holdings of Proffice treasury shares	438,919	438,919	438,919

### Transactions with related parties

Transactions with related parties are conducted under market terms and are unchanged in Q1 as compared to previous periods. Transactions with related parties are disclosed in the 2014 Annual Report, Note 16 (p. 67).

### Risks and uncertainty factors

The most substantial risks and uncertainty factors faced by the Group and Parent Company are described in detail in the 2014 Annual Report on page 29 and in Note 2 on pages 57-58. Apart from the risks described there, no additional significant risks were deemed to have emerged.

### Estimates and assessments

Preparation of the interim report requires company management to make assessments and estimates, and to make assumptions that affect application of the accounting policies and the recognised amounts of assets, liabilities, income, and expenses. The actual results may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the 2014 Annual Report.

The carrying amount is considered to represent a reasonable estimate of fair value for all financial assets and liabilities.

### Events after end of quarter

The Aviation area of competence was sold and operations were discontinued in all four Nordic countries. The sale is expected to have a negative impact of SEK 15 million on full-year consolidated earnings in 2015. The purchase price amounted to about SEK 50 million, including a preliminary capital gain of SEK 10 million. This is not considered to constitute a discontinued operation under IFRS 5.

**Acquisition of treasury shares.** The Board decided to acquire treasury B shares up until the 2016 AGM. The acquisition will comprise no more than 4,500,000 B shares, equivalent to 7.19 percent of the total number of Proffice AB shares (including Proffice's existing holdings of B shares).

### Parent Company

Parent Company operations consist of managing joint functions such as Finance, HR, IT, Marketing, Facilities Management, and Communication for Group companies and external deliveries from subsidiaries to certain Group-wide customers.

The Parent Company's operating loss totalled SEK -7 million (-8) in Q1. Loss after financial items totalled SEK -6 million (-9). Investments in non-current assets totalled SEK 6 million (0) in Q1, of which SEK 6 million (0) was for the Group's ERP system. Unappropriated cash and cash equivalents totalled SEK 180 million (77) at the end of the quarter and included credit commitments of SEK 100 million (100).

### Accounting policies

The interim report for the Group was prepared pursuant to IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act, and the Swedish Securities Market Act. The interim report for the Parent Company was prepared pursuant to Chapter 9, on interim reporting, of the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with the regulations of the Swedish Financial Reporting Board's RFR 2. The accounting policies and bases of calculation used in the latest annual report were used for the Group and Parent Company. New or revised IFRS standards and interpretive statements from the IFRS Interpretations Committee have had no effect on the Group's or Parent Company's earnings, financial position, or disclosures.

This report was not subject to review by the company's auditors.

Stockholm, 6 May 2015

Proffice AB (publ)

Henrik Højsgaard  
President and CEO

## Q1 figures

### Consolidated statement of earnings and other comprehensive income, condensed

SEK MILLION	Q1		Full year
	2015	2014	2014
Revenue	1,009	996	4,203
Other operating income	1	0	4
<b>Operating expenses</b>			
Employee expenses	-823	-813	-3,421
Other operating expenses	-162	-160	-630
Depreciation, amortisation, and impairment of assets	-39	-3	-16
<b>Operating profit/loss</b>	<b>-14</b>	<b>20</b>	<b>140</b>
<b>Earnings from financial items</b>			
Financial income	1	0	1
Financial expense	0	-1	-2
Exchange differences	-2	-2	-2
<b>Profit/loss after financial items</b>	<b>-15</b>	<b>17</b>	<b>137</b>
Tax	-6	-4	-33
<b>Net profit/loss</b>	<b>-21</b>	<b>13</b>	<b>104</b>
<b>Other comprehensive income Items that will be reclassified to net profit/loss</b>			
Translation differences in foreign subsidiaries for the period	2	5	5
<b>Items that will not be reclassified to net profit/loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period</b>	<b>2</b>	<b>5</b>	<b>5</b>
<b>Comprehensive income for the period</b>	<b>-19</b>	<b>18</b>	<b>109</b>
<b>Net profit/loss attributable to:</b>			
Parent Company shareholders	-21	13	103
Non-controlling interest	0	0	1
<b>Net profit/loss</b>	<b>-21</b>	<b>13</b>	<b>104</b>
<b>Comprehensive income for the period attributable to:</b>			
Parent Company shareholders	-19	18	108
Non-controlling interest	0	0	1
<b>Comprehensive income for the period</b>	<b>-19</b>	<b>18</b>	<b>109</b>
Basic earnings per share, SEK	-0.31	0.19	1.51
Diluted earnings per share, SEK	-0.31	0.19	1.51

## Consolidated statement of financial position, condensed

SEK MILLION	31 Mar 2015	31 Mar 2014	31 Dec 2014
<b>ASSETS</b>			
Intangible assets	592	624	624
Equipment	10	9	10
Other long-term securities holdings	1	1	1
Non-current receivables	0	1	0
Deferred tax assets	9	12	9
<b>Total non-current assets</b>	<b>612</b>	<b>647</b>	<b>644</b>
Current receivables	905	899	894
Cash and cash equivalents	102	31	74
<b>Total current assets</b>	<b>1,007</b>	<b>930</b>	<b>968</b>
<b>TOTAL ASSETS</b>	<b>1,619</b>	<b>1,577</b>	<b>1,612</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>620</b>	<b>589</b>	<b>639</b>
Deferred tax liabilities	41	42	42
Interest-bearing non-current liabilities	-	25	0
<b>Total provisions and non-current liabilities</b>	<b>41</b>	<b>67</b>	<b>42</b>
Interest-bearing current liabilities	-	27	0
Non-interest-bearing current liabilities	958	894	931
<b>Total current liabilities</b>	<b>958</b>	<b>921</b>	<b>931</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,619</b>	<b>1,577</b>	<b>1,612</b>
Pledged assets	325	296	347
Contingent liabilities	-	-	-

## Consolidated statement of changes in equity, condensed

SEK MILLION	Equity attributable to Parent Company shareholders					Total attributable to Parent Company shareholders	Non-controlling interest	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings including net profit/loss				
Equity, 1 January 2014	17	361	-39	230	569	2	571	
<b>Comprehensive income</b>								
Net profit	-	-	-	103	103	1	104	
<b>Other comprehensive income</b>								
Exchange differences	-	-	5	-	5	0	5	
<b>Total comprehensive income for the period</b>	-	-	5	103	108	1	109	
<b>Transactions with shareholders</b>								
Acquisition of non-controlling interests	-	-	-	0	0	0	-	
Dividend	-	-	-	-41	-41	0	-41	
<b>Transactions with shareholders for the period</b>	-	-	-	-41	-41	0	-41	
<b>Equity 31 December 2014</b>	<b>17</b>	<b>361</b>	<b>-34</b>	<b>292</b>	<b>636</b>	<b>3</b>	<b>639</b>	
<b>Equity, 1 January 2015</b>	<b>17</b>	<b>361</b>	<b>-34</b>	<b>292</b>	<b>636</b>	<b>3</b>	<b>639</b>	
<b>Comprehensive income</b>								
Net profit/loss	-	-	-	-21	-21	0	-21	
<b>Other comprehensive income</b>								
Exchange differences	-	-	2	-	2	0	2	
<b>Total comprehensive income for the period</b>	-	-	2	-21	-19	0	-19	
<b>Transactions with shareholders</b>								
<b>Transactions with shareholders for the period</b>	-	-	-	-	-	-	-	
<b>Equity, 31 March 2015</b>	<b>17</b>	<b>361</b>	<b>-32</b>	<b>271</b>	<b>617</b>	<b>3</b>	<b>620</b>	

## Consolidated statement of cash flows, condensed

SEK MILLION	Q1 2015	2014	Full year 2014
<b>Operating activities</b>			
Profit/loss after financial items	-15	17	138
Adjustments for items not included in cash flow*	39	3	15
Tax paid/refunded	-24	-15	16
<b>Cash flow from operating activities before changes in working capital</b>	<b>0</b>	<b>5</b>	<b>169</b>
<b>Change in working capital</b>			
Change in operating receivables	-5	-6	-33
Change in operating liabilities	39	0	12
<b>Total change in working capital</b>	<b>34</b>	<b>-6</b>	<b>-21</b>
<b>Cash flow from operating activities</b>	<b>34</b>	<b>-1</b>	<b>148</b>
<b>Investing activities</b>			
Acquisition of business, less acquired cash and cash equivalents	-	0	-4
Acquisition of intangible assets	-6	-	-9
Acquisition of equipment	-1	0	-4
Amortisation of loans receivable	-	0	1
<b>Cash flow from investing activities</b>	<b>-7</b>	<b>0</b>	<b>-16</b>
<b>Financing activities</b>			
Dividend to Parent Company shareholders	-	-	-41
Dividend to non-controlling interests	-	0	0
Change in short-term credit facilities	-	-10	-33
Loan repayment	-	-	-25
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-10</b>	<b>-99</b>
<b>Cash flow for the period</b>	<b>27</b>	<b>-11</b>	<b>33</b>
<b>Cash and cash equivalents at start of period</b>	<b>74</b>	<b>42</b>	<b>42</b>
Exchange-rate difference in cash and cash equivalents	1	0	-1
<b>Cash and cash equivalents at end of period</b>	<b>102</b>	<b>31</b>	<b>74</b>

### \*Adjustments for items not included in cash flow

Reversal of depreciation and impairment losses	39	3	12
Deviation between actual and estimated additional purchase price	-	-	0
Other	-	0	3
<b>Adjustments for items not included in cash flow</b>	<b>39</b>	<b>3</b>	<b>15</b>

## Income statement for Parent Company, condensed

SEK MILLION	Q1		Full year
	2015	2014	2014
<b>Revenue</b>	110	98	377
<b>Operating expenses</b>			
Employee expenses	-28	-29	-120
Other external costs	-86	-75	-273
Depreciation, amortisation and impairment of equipment and intangible assets	-3	-2	-13
<b>Operating loss</b>	-7	-8	-29
<b>Earnings from financial items</b>			
Earnings from shares and participating interests in Group companies	-	-	102
Impairment of shares and participating interests in Group companies	-	-	-20
Interest income and similar items	2	2	9
Interest expense and similar items	0	-1	-4
Exchange differences	-1	-2	-2
<b>Loss after financial items</b>	-6	-9	56
Appropriations	-	-	13
Tax	1	2	-9
<b>Net profit/loss</b>	-5	-7	60

## Statement of earnings and other comprehensive income for Parent Company, condensed

SEK MILLION	Q1		Full year
	2015	2014	2014
<b>Net profit/loss</b>	-5	-7	60
<b>Other comprehensive income</b>	-	-	-
<b>Comprehensive income for the period</b>	-5	-7	60



## Balance sheet for Parent Company, condensed

SEK MILLION	31 Mar 2015	31 Mar 2014	31 Dec 2014
<b>ASSETS</b>			
Intangible non-current assets	57	53	53
Equipment	5	7	6
Non-current financial assets	676	785	676
<b>Total non-current assets</b>	<b>738</b>	<b>845</b>	<b>735</b>
Receivables from Group companies	109	143	145
Other current receivables	90	69	63
Cash and bank balances	80	0	7
<b>Total current assets</b>	<b>279</b>	<b>212</b>	<b>215</b>
<b>TOTAL ASSETS</b>	<b>1,017</b>	<b>1,057</b>	<b>950</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	294	294	294
Unrestricted equity	155	134	161
<b>Total equity</b>	<b>449</b>	<b>428</b>	<b>455</b>
<b>Untaxed reserves</b>	<b>56</b>	<b>68</b>	<b>56</b>
Interest-bearing current liabilities to credit institutions	-	23	0
Liabilities to Group companies	448	488	375
Other current liabilities	64	50	64
<b>Total current liabilities</b>	<b>512</b>	<b>561</b>	<b>439</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,017</b>	<b>1,057</b>	<b>950</b>
Pledged assets	36	0	36
Contingent liabilities*	-	-	-

\*The Parent Company has issued capital cover guarantees for certain subsidiaries.

## Other

### Definitions of key ratios

#### Number of working days

Total number of days, less public holidays and work-free days in Sweden, in accordance with salaried employee contracts

#### EBITA

Earnings before interest, taxes, amortisation, and impairment of goodwill and other intangible assets that arise in conjunction with acquisitions

#### EBITA margin

EBITA as a percentage of revenue

#### Equity per share

Equity attributable to Parent Company shareholders divided by average number of basic shares outstanding

#### Cash flow from operating activities per share

Cash flow from operating activities divided by average number of basic shares outstanding

#### Average number of FTEs

Total hours worked during the period for both office employees and consultants in the staffing operation divided by normal number of hours worked for the period for a full-time employee

#### Net debt

Total interest-bearing liabilities less cash and cash equivalents, including short-term investments

#### Earnings per share

Earnings after tax attributable to Parent Company shareholders divided by average number of basic and diluted shares outstanding

#### Return on equity

Earnings after tax for the last 12 months as a percentage of average equity for the last 12 months

#### Return on capital employed

Operating profit/loss plus financial income for the last 12 months as a percentage of average capital employed for the last 12 months

#### Operating margin

Operating profit/loss as a percentage of revenue

#### Equity/assets ratio

Equity as a percentage of total assets

#### Capital employed

Total assets less non-interest-bearing liabilities and provisions

#### Profit margin

Earnings after financial income, excluding any positive exchange rate effects, as a percentage of revenue

### Company/Industry-specific glossary

#### Outplacement

Process in which job coaches provide support and assistance to individuals in the transition process from one job to another.

#### Staffing

Personnel in various specific areas are employed by Proffice but can be hired for short or extended periods by other companies.

#### Recruitment/recruitment process

Process for hiring the person(s) a company needs to ensure qualified employees. Needs analyses, searches, interviews, tests, and follow-ups are included in the process.

## Analysts

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## Financial information

### **Interim report, January-June 2015:**

18 August 2015, 8 am

### **Interim report, January-September 2015:**

5 November 2015, 8 am

The information in this report is such that Proffice AB (publ) is required to publish it pursuant to the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was released for publication on 6 May 2015 at 8 am.

All forward-looking statements in this report are based on the company's best estimate at the time of the report. As with all forecasts, such statements contain risks and uncertainties that may entail a different outcome.

Unless stated otherwise, all amounts in this interim report are in Swedish krona, rounded to the nearest million. Rounding to SEK million may mean that the financial tables and figures do not always tally. Certain ratios are calculated using thousands of Swedish krona.

