

# Studsvik

Interim Report  
January-September 2016

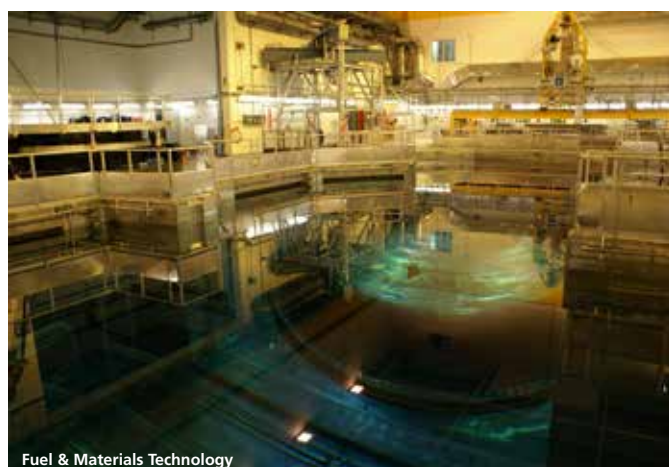


- The divestment of operations in the Waste Treatment business area was completed during the quarter.
- Sales in the quarter was SEK 164.6 (189.8) million. In local currencies sales decreased by 12.7 per cent.
- The operating profit for the quarter amounted to SEK –11.9 (26.1) million. Items affecting comparability impact earnings by SEK 3.0 (0) million.
- The free cash flow was SEK 183.1 (5.5) million.s

	July- September 2016	July- September 2015	January- September 2016	January- September 2015	Full year 2015
Sales, SEK million	164.6	189.8	512.5	524.3	721.2
Operating profit, SEK million	–11.9	26.1	–2.4	25.2	36.6
Profit after tax, SEK million	0.7	19.2	8.3	11.9	14.6
Free cash flow, SEK million*	183.1	5.5	151.8	–38.3	–29.8
Net debt, SEK million*	–18.5	145.6	–18.5	148.5	134.3
Net debt/equity ratio, %*	–5.4	47.0	–5.4	49.2	45.0
Profit per share after tax, SEK	0.08	2.34	1.01	1.45	1.78
Equity per share, SEK*	41.44	37.69	41.44	37.69	36.30

\*Refers to total operations

Unless otherwise stated the information in text and figures refers to operations excluding operations held for sale. Comparative figures for sales and earnings exclude operations held for sale.



### The divestment of the company's operations and facilities in the Waste Treatment business area in Sweden and the United Kingdom

The transaction was carried out during the quarter and generated a positive cash flow of SEK 226 million and a net result of SEK 107 million. The result was adversely affected by SEK 25 million because the Swedish authorities' permit did not accept the inclusion of some historical waste in the transaction. This cost was charged to operations held for sale. SEK 20 million of the purchase price is in a blocked account for the final settlement, which is expected to be before the end of the year.

#### Sales

Sales decreased to SEK 164.6 (189.8) million for the quarter and to SEK 512.5 (524.3) million for the first three quarters of the year. In local currencies this was a decrease of 12.7 and 1.4 per cent respectively. The decrease in sales is mainly due to delayed orders of software from Studsvik Scandpower and low billing in Consultancy Services.

#### Profit

Operating profit decreased in the quarter to SEK –11.9 (26.1) million and in the first three quarters of the year to SEK –2.4 (25.2) million. Items affecting comparability referring to staff cutbacks reduced earnings for the quarter by SEK 3.0 (0) and SEK 7.7 (0) million respectively. Adjusted for these, the operating margin for the quarter was –5.4 (13.8) per cent and 1.0 (4.8) per cent for the first three quarters of the year. The deterioration in earnings for the period derives from delayed orders for software and weak profitability in the consulting operations. Loss after financial items was SEK –2.5 (–5.4) million and during the year to date SEK –12.9 (–11.7) million. Profit after tax was SEK 0.7 (19.2) million for the quarter and SEK 8.3 (11.9) million for the year to date.

#### Fuel and Materials Technology

Sales decreased in the third quarter by 24.1 per cent to 50.3 (66.3) million and in the first three quarters of the year by 7.3 per cent to SEK 178.7 (192.8) million. In local currencies this was a decrease of 24.3 and 7.6 per cent respectively.

Operating profit for the quarter decreased to SEK –2.3 (14.6) million and during the year to date to SEK 8.7 (24.2) million. The operating margin for the quarter was –4.5 (22.0) per cent and for the year to date 4.9 (12.6) per cent.

Sales and profitability in Materials Technology are on a level with the previous period, while software sales in Studsvik Scandpower are negatively impacted by delayed orders and at the same time export licenses for delivery of ordered software to China have still not been obtained. The American authorities are currently processing export licenses for ordered software to the value of SEK 26 million. A new President has been appointed for Studsvik Scandpower with a mandate to increase the commercial focus of the unit.

#### Consultancy Services

In the quarter sales decreased by 11.2 per cent to SEK 104.3 (117.5) million. In the first three quarters of the year sales increased by 2.6 per cent to 319.5 (311.5) million. In local currencies this means a decrease for the quarter of 10.4 per cent and an increase of 3.9 per cent during the year to date.

Operating profit for the quarter decreased to SEK –5.5 (13.2) million and during the year to date to SEK 6.1 (19.7) million. Items affecting comparability referring to costs of staff cutbacks in Germany and England impacted earnings for the third quarter by SEK 3.0 (0) million and SEK 6.4 (0) million respectively. Adjusted for these, the operating margin for the third quarter was –2.4 (11.2) per cent and 3.9 (6.3) per cent for the first three quarters of the year.

Earnings from operations in Germany to date this year have deteriorated by SEK 10 million compared with the previous year due to continued weak demand for industrial services and decommissioning. Earnings from operations in the USA, apart from the royalty of SEK 16.6 million received in March, have deteriorated by SEK 6 million due to low billing by consultants in THOR technology. Profitability in the Swedish operations has improved and after completing an action program in HVAC in England losses in operating activities have decreased. The profit share from the associated company in England is on a level with the previous year.

The business area is focusing a large share of resources in the USA on selling THOR technology, which contributes to lower billing during the quarter. Interest in THOR technology is great and during the quarter our partner in Japan commissioned us to set up a small test facility to verify technology for the Japanese market. The intention is to set up a reference facility in Japan after completed tests. An action program is in progress in the business area, focused on growth in profitable segments, analysis of operations in Germany and improving effectiveness of administration in Germany and England.

### Waste Treatment

The business area is accounted for as operations held for sale.

#### Investments

Investments for the continuing operations in the quarter were SEK 2.7 (4.9) million and during the year amounted to SEK 9.8 (10.6) million. Investments in Waste Treatment were SEK 0.3 (4.3) million and SEK 3.2 (14.2) million respectively.

#### Cash flow

Working capital for total operations decreased during the quarter by SEK 7.1 (3.5) million and SEK 13.7 (43.9) million in the three first quarters. After this decrease in working capital, cash flow from operating activities was SEK –21.2 (11.3) million for the quarter and SEK –50.7 (–23.4) million for the year to date. The free cash flow amounted to SEK 183.1 (5.5) million for the quarter and for the year to date SEK 151.8 (–38.3) million. The free cash flow from the divested operations was SEK –36.1 (–2.5) million and SEK –49.0 (–17.4) million respectively.

#### Financial position and liquidity

Cash and cash equivalents at the end of the quarter were SEK 316.4 (83.4) million. Net interest-bearing debt was SEK –18.5 (145.6) million, which means that the net debt/equity ratio was –5.4 (47.0) per cent. At the close of 2015 the net debt/equity ratio was 45.0 per cent.

#### Personnel

The average number of employees as at September 30 was 699 (718). The number of qualified consultants has increased somewhat, while the number of employees in administration has continued to decrease. At the start of the year the number of employees was 708.

#### Transactions with related parties

During the quarter a dividend of SEK 1.4 (1.8) million was received from UK Nuclear Waste Management Ltd.

#### Parent company

Operations in the parent company consist of coordination of the Group. Parent company sales during the quarter were SEK 3.8 (2.4) million and for the first three quarters of the year SEK 12.7 (8.0) million. Operating profit for the quarter was SEK –4.5 (–3.1) million and during the year to date to SEK –15.5 (–20.0) million. Loss after financial items in the quarter was SEK –6.1 (–6.1) million and during the year to date SEK –21.3 (–23.6) million.

Cash and cash equivalents including current investments amounted to SEK 97.7 (20.4) million and interest-bearing liabilities to SEK 300.0 (200.0) million.

#### Risks and uncertainties

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

#### Accounting policies

The interim report has been prepared in accordance with IAS 34 and the Annual Accounts Act. The consolidated accounts for the Studsvik Group have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board recommendation RFR 1, Supplementary accounting rules for groups, International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. There is a description of these accounting policies in the annual report. The consolidated accounts have been prepared in accordance with the historical cost method except as regards financial assets and liabilities carried at fair value through profit or loss.

The interim report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for legal entities. The interim financial information on pages 4-12 forms an integral part of this financial report.

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

Amounts in SEK million

	July- September 2016	July- September 2015	January- September 2016	January- September 2015	Full year 2015
Net sales	164.6	189.8	512.5	524.3	721.2
Cost of services sold*	-126.3	-123.7	-369.1	-375.0	-519.6
<b>Gross profit</b>	<b>38.3</b>	<b>66.1</b>	<b>143.4</b>	<b>149.3</b>	<b>201.6</b>
Selling and marketing expenses*	-10.4	-4.9	-32.0	-26.2	-41.3
Administrative expenses*	-31.8	-32.2	-93.7	-87.8	-106.8
Research and development costs	-6.5	-5.7	-19.8	-17.1	-25.0
Share in earnings from associated companies	1.9	1.8	7.2	8.1	11.6
Other operating income	2.1	1.8	7.9	7.2	6.9
Other operating expenses	-5.5	-0.8	-15.4	-8.3	-10.3
<b>Operating profit</b>	<b>-11.9</b>	<b>26.1</b>	<b>-2.4</b>	<b>25.2</b>	<b>36.6</b>
Financial income	0.0	0.3	0.0	0.3	0.2
Financial expenses	-5.9	-4.4	-16.3	-10.4	-13.6
Fair value gain/loss (realized and unrealized)	3.4	-1.3	3.4	-1.6	-4.3
<b>Profit/loss before tax</b>	<b>-14.4</b>	<b>20.7</b>	<b>-15.3</b>	<b>13.5</b>	<b>18.9</b>
Income tax	15.1	-1.5	23.6	-1.6	-4.3
<b>Profit/loss for the period from continuing operations</b>	<b>0.7</b>	<b>19.2</b>	<b>8.3</b>	<b>11.9</b>	<b>14.6</b>
<b>Operations held for sale</b>	<b>Note 1</b>				
Profit/loss for the period from operations held for sale	78.4	-9.5	47.3	-2.2	-12.2
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>79.1</b>	<b>9.7</b>	<b>55.6</b>	<b>9.7</b>	<b>2.4</b>
<b>Other comprehensive income</b>					
<b>Items that may later be reversed in the income statement</b>					
Translation differences on foreign subsidiaries	-6.1	-0.9	-14.6	8.6	2.6
Cash flow hedging	-0.6	-1.1	1.7	-1.8	0.5
Income tax on items recognized in other comprehensive income	0.1	0.2	-0.4	0.4	-0.1
<b>Other comprehensive income for the period, net after tax</b>	<b>-6.6</b>	<b>-1.8</b>	<b>-13.3</b>	<b>7.2</b>	<b>3.0</b>
<b>Total profit/loss and other comprehensive income for the period</b>	<b>72.5</b>	<b>7.9</b>	<b>42.3</b>	<b>16.9</b>	<b>5.4</b>
<b>Income for the period attributable to</b>					
Parent company's shareholders	79.1	9.7	55.6	9.7	2.4
Non-controlling interests	-	-	-	-	0.0
<b>Total comprehensive income attributable to</b>					
Parent company's shareholders	72.5	7.9	42.3	16.9	5.3
Non-controlling interests	-	-	-	-	0.1
<b>Earnings per share calculated on income attributable to the parent company's shareholders during the period, SEK</b>					
<b>Earnings per share</b> (There is no dilution effect)					
Profit/loss from continuing operations	0.08	2.34	1.01	1.45	1.78
Profit/loss from operations for sale	9.54	-1.16	5.76	-0.27	-1.49
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>9.62</b>	<b>1.18</b>	<b>6.77</b>	<b>1.18</b>	<b>0.29</b>

\*An adjustment between expense types has been made for 2015 to ensure comparability with 2016. Administrative expenses has been increased with 12 MSEK, Cost of services sold reduced with 8 MSEK and Selling expenses reduced with 4 MSEK.

## Group statement of financial position

Amounts in SEK million

	September 2016	September 2015	December 2015
<b>ASSETS</b>			
Intangible assets	176.8	182.3	181.4
Property, plant and equipment	111.9	353.5	344.8
Other non-current assets	135.0	138.3	127.7
<b>Total non-current assets</b>	<b>423.7</b>	<b>674.1</b>	<b>653.9</b>
Inventories	2.3	2.9	2.4
Trade receivables	142.1	156.2	196.6
Other current receivables	118.7	109.8	65.7
Cash and cash equivalents	316.4	83.4	74.9
<b>Total current assets</b>	<b>579.5</b>	<b>352.3</b>	<b>339.6</b>
Assets in disposal group held for sale	Note 1	–	–
<b>TOTAL ASSETS</b>	<b>1,003.2</b>	<b>1,026.4</b>	<b>993.5</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to parent company's shareholders	340.2	309.5	297.9
Non-controlling interests	0.4	0.3	0.3
<b>Total equity</b>	<b>340.6</b>	<b>309.8</b>	<b>298.2</b>
Borrowing	297.9	1.5	1.0
Provisions and other non-current liabilities	161.0	246.6	238.0
<b>Total non-current liabilities</b>	<b>458.9</b>	<b>248.1</b>	<b>239.0</b>
Trade and other payables	203.7	241.0	248.1
Borrowing	0.0	227.5	208.2
<b>Total current liabilities</b>	<b>203.7</b>	<b>468.5</b>	<b>456.3</b>
Liabilities in disposal group held for sale	Note 1	–	–
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,003.2</b>	<b>1,026.4</b>	<b>993.5</b>
Pledged assets	238.9	155.2	148.9
Contingent liabilities	83.8	52.2	52.1

Amounts in SEK million

	Share capital	Other contributed capital	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non- controlling interest	Total equity
<b>Equity at December 31, 2014</b>	<b>8.2</b>	<b>225.3</b>	<b>12.6</b>	<b>46.5</b>	<b>292.6</b>	<b>0.3</b>	<b>292.9</b>
<b>Changes January 1 – September 30, 2015</b>							
Comprehensive income for the period	–	–	7.2	9.7	16.9	–	16.9
<b>Equity at September 30, 2015</b>	<b>8.2</b>	<b>225.3</b>	<b>19.8</b>	<b>56.2</b>	<b>309.5</b>	<b>0.3</b>	<b>309.8</b>
<b>Changes October July– December 31, 2015</b>							
Comprehensive income for the period	–	–	–4.3	–7.2	–11.5	–	–11.5
<b>Equity at December 31, 2015</b>	<b>8.2</b>	<b>225.3</b>	<b>15.5</b>	<b>49.0</b>	<b>297.9</b>	<b>0.3</b>	<b>298.3</b>
<b>Changes January 1 – September 30, 2016</b>							
Comprehensive income for the period	–	–	–13.3	55.6	42.3	–	42.3
<b>Equity at September 30, 2016</b>	<b>8.2</b>	<b>225.3</b>	<b>2.2</b>	<b>104.6</b>	<b>340.3</b>	<b>0.3</b>	<b>340.6</b>

## Group statement of cash flow

Amounts in SEK million

Total operations	July- September 2016	July- September 2015	January- September 2016	January- September 2015	Full year 2015
<b>Cash flow from operating activities</b>					
Operating profit	66.0	16.6	44.4	23.0	24.4
Adjustment for non-cash items	-69.9	5.7	-54.8	20.8	28.7
Financial items, net	-6.0	-4.0	-16.4	-10.0	-11.5
Income tax paid	-4.2	-3.5	-10.2	-13.3	-6.9
<b>Cash flow from operating activities before change in working capital</b>	<b>-14.1</b>	<b>14.7</b>	<b>-37.0</b>	<b>20.5</b>	<b>34.7</b>
Change in working capital	-7.1	-3.5	-13.7	-43.9	-41.3
<b>Cash flow from operating activities</b>	<b>-21.2</b>	<b>11.3</b>	<b>-50.7</b>	<b>-23.4</b>	<b>-6.6</b>
<b>Investing activities</b>					
Acquisition of property, plant and equipment	-3.0	-7.9	-13.0	-24.8	-33.5
Divestment of subsidiaries	206.2	-	206.2	-	-
Dividend from associated companies	1.4	1.8	8.4	9.7	12.7
Other cash flow from investing activities	-0.3	0.3	0.9	0.2	-2.4
<b>Cash flow from investment activities</b>	<b>204.3</b>	<b>-5.8</b>	<b>202.5</b>	<b>-14.9</b>	<b>-23.2</b>
<b>Free cash flow</b>	<b>183.1</b>	<b>5.5</b>	<b>151.8</b>	<b>-38.3</b>	<b>-29.8</b>
<b>Financing activities</b>					
Change in borrowing	-	-3.5	89.3	-1.5	-16.7
Dividend to shareholders	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-3.5</b>	<b>89.3</b>	<b>-1.5</b>	<b>-16.7</b>
Changes in cash and cash equivalents	183.1	2.0	241.1	-39.8	-46.5
Cash and cash equivalents at the beginning of the period	133.4	81.0	74.9	120.1	120.1
Translation difference	-0.1	0.4	0.4	3.0	1.3
<b>Cash and cash equivalents at the end of the period</b>	<b>316.4</b>	<b>83.4</b>	<b>316.4</b>	<b>83.4</b>	<b>74.9</b>

## Financial ratios for the Group

Amounts in SEK million

	January- September 2016	January- September 2015	Full year 2015
<b>Margins</b>			
Operating margin, %	-0.5	4.8	5.1
Profit margin, %	-3.0	2.6	2.6
<b>Return on investment*</b>			
Return on capital employed, %	0.3	6.5	12.0
Return on equity, %	17.4	3.2	-0.8
<b>Capital structure**</b>			
Capital employed	638.5	538.9	507.5
Equity	340.6	309.8	298.3
Net debt	-18.5	145.6	134.3
Net debt/equity ratio, %	-5.4	47.0	45.0
Equity/assets ratio, %	34.0	30.2	30.0
<b>Employees</b>			
Average number of employees	699	718	708
Net sales per employee	1.0	1.0	1.0

\*Calculation based on closing balance

\*\*Refers to total operations

## Data per share

	July- September 2016	July- September 2015	January- September 2016	January- September 2015	Full year 2015
Number of shares at the end of the period	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
<b>Earnings per share before and after dilution</b>					
Profit/loss from continuing operations	0.08	2.34	1.01	1.45	1.78
Profit/loss from operations held for sale	9.54	-1.16	5.76	-0.27	-1.49
<b>Profit/loss for the period</b>	<b>9.62</b>	<b>1.18</b>	<b>6.77</b>	<b>1.18</b>	<b>0.29</b>
Equity per share, SEK	41.44	37.69	41.44	37.69	36.30

## Net sales per geographical area

Amounts in SEK million

	July- September 2016	July- September 2015	January- September 2016	January- September 2015	Full year 2015
Sweden - from continuing operations	26.7	28.9	102.7	96.0	144.7
Europe, excluding Sweden - from continuing operations	107.7	122.6	314.9	327.6	438.5
North America	19.7	25.2	76.4	76.7	105.0
Asia	10.0	13.1	18.0	24.0	26.8
Other	0.5	-	0.5	-	6.1
<b>Total</b>	<b>164.6</b>	<b>189.8</b>	<b>512.5</b>	<b>524.3</b>	<b>721.2</b>
Sweden - operations held for sale	1.0	7.0	18.3	27.3	33.3
Europe - excluding Sweden – from operations to sale	4.3	20.8	53.3	101.9	140.9
<b>Total operations</b>	<b>169.9</b>	<b>217.6</b>	<b>584.1</b>	<b>653.5</b>	<b>895.4</b>

## Quarterly review

Amounts in SEK million

	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Continuing operations											
Net sales	152.9	156.8	171.9	187.8	156.8	177.7	189.8	197.0	171.6	176.3	164.6
Operating expenses	-156.7	-158.6	-160.9	-165.4	-158.5	-176.9	-163.7	-185.7	-160.9	-177.5	-176.5
<b>Operating profit</b>	<b>-3.8</b>	<b>-1.8</b>	<b>11.0</b>	<b>22.4</b>	<b>-1.7</b>	<b>0.8</b>	<b>26.1</b>	<b>11.3</b>	<b>10.7</b>	<b>-1.2</b>	<b>-11.9</b>
Financial items, net	-6.6	-4.1	-4.9	-3.3	-1.9	-4.4	-5.4	-5.9	-8.7	-1.7	-2.5
<b>Profit/loss after financial items</b>	<b>-10.3</b>	<b>-5.9</b>	<b>6.1</b>	<b>19.1</b>	<b>-3.6</b>	<b>-3.6</b>	<b>20.7</b>	<b>5.4</b>	<b>2.1</b>	<b>-2.9</b>	<b>-14.4</b>

## Financial data per segment

Amounts in SEK million

Total operations

<b>July-September 2016</b>	<b>Waste Treatment*</b>	<b>Consultancy Services</b>	<b>Fuel and Materials Technology</b>	<b>Other</b>	<b>Elimination</b>	<b>Group</b>
External sales revenue	5.3	100.5	49.4	14.7	–	169.9
Revenue from segment	0.3	3.8	0.9	1.9	–6.9	–
Operating profit	77.8	–5.5	–2.3	–4.1	–	66.0
Assets	–	415.0	235.1	622.5	–269.4	1,003.2
Liabilities	–	347.0	159.3	425.6	–269.4	662.6
Investments	0.3	0.8	1.7	0.2	–	3.0
Depreciation/amortization	–	0.9	2.0	1.4	–	4.2
Average number of employees	42	526	125	50	–	743
<b>July-September 2015</b>	<b>Waste Treatment*</b>	<b>Consultancy Services</b>	<b>Fuel and Materials Technology</b>	<b>Other</b>	<b>Elimination</b>	<b>Group</b>
External sales revenue**	27.8	117.2	66.3	6.3	–	217.6
Revenue from segment**	0.2	0.3	0.0	2.8	–3.3	–
Operating profit**	–8.9	13.2	14.6	–2.3	–	16.6
Assets	321.3	387.9	204.1	406.0	–292.9	1,026.4
Liabilities	246.7	320.5	87.5	354.7	–292.9	716.5
Investments	4.3	0.2	1.5	3.2	–	9.2
Depreciation/amortization	3.8	0.7	2.3	1.9	–	8.7
Average number of employees**	119	512	129	57	–	817
<b>January-September 2016</b>	<b>Waste Treatment*</b>	<b>Consultancy Services</b>	<b>Fuel and Materials Technology</b>	<b>Other</b>	<b>Elimination</b>	<b>Group</b>
External sales revenue	71.6	308.1	176.4	28.0	–	584.1
Revenue from segment	3.7	11.4	2.3	16.8	–34.2	–
Operating profit	46.7	6.1	8.7	–17.1	–	44.4
Assets	–	415.0	235.1	622.5	–269.4	1,003.2
Liabilities	–	320.5	87.5	354.7	–269.4	662.6
Investments	3.2	2.1	6.8	0.9	–	13.0
Depreciation/amortization	3.2	2.1	5.9	4.9	–	16.1
Average number of employees	54	527	125	47	–	753
<b>January-September 2015</b>	<b>Waste Treatment*</b>	<b>Consultancy Services</b>	<b>Fuel and Materials Technology</b>	<b>Other</b>	<b>Elimination</b>	<b>Group</b>
External sales revenue**	129.3	310.4	192.5	21.3	–	653.5
Revenue from segment**	1.0	1.1	0.3	8.3	–10.7	–
Operating profit**	–1.6	19.7	24.2	–19.3	–	23.0
Assets	321.3	387.9	204.1	406.0	–292.9	1,026.4
Liabilities	246.7	320.5	87.5	354.7	–292.9	716.5
Investments	14.2	0.7	4.9	5.0	–	24.8
Depreciation/amortization	11.0	1.5	6.7	5.8	–	25.0
Average number of employees**	111	493	129	95	–	828
<b>Full year 2015</b>	<b>Waste Treatment*</b>	<b>Consultancy Services</b>	<b>Fuel and Materials Technology</b>	<b>Other</b>	<b>Elimination</b>	<b>Group</b>
External sales revenue**	174.2	416.1	276.1	29.0	–	895.4
Revenue from segment**	1.2	1.4	0.4	11.0	–14.0	0.0
Operating profit**	–11.8	23.8	40.9	–28.4	–	24.4
Assets	320.9	394.8	234.1	344.2	–300.5	993.5
Liabilities	226.8	319.3	98.3	351.2	–300.5	695.2
Investments	18.9	1.2	5.9	7.5	–	33.5
Depreciation/amortization	14.9	2.2	9.0	7.4	–	33.6
Average number of employees**	122	522	128	57	–	829

\*Operations held for sale. For more information, please see Note 1.

\*\*Reclassification of income, earnings and employees was made between segments for the comparison year to achieve comparability with 2016.



## Parent company income statement

Amounts in SEK million	July- September 2016	July- September 2015	January- September 2016	January- September 2015	Full year 2015
Net sales	3.8	2.4	12.7	8.0	10.6
Cost of services sold	-0.8	-1.2	-2.2	-2.4	-2.9
<b>Gross profit</b>	<b>3.0</b>	<b>1.2</b>	<b>10.5</b>	<b>5.6</b>	<b>7.7</b>
Other operating income and costs	-7.5	-4.3	-26.0	-25.6	-36.6
<b>Operating profit</b>	<b>-4.5</b>	<b>-3.1</b>	<b>-15.5</b>	<b>-20.0</b>	<b>-28.9</b>
Result from participations in Group companies		-		-	45.1
Net financial items	-1.6	-3.0	-5.8	-3.6	-8.2
<b>Profit/loss before tax</b>	<b>-6.1</b>	<b>-6.1</b>	<b>-21.3</b>	<b>-23.6</b>	<b>8.0</b>
Income tax	1.5	1.4	4.8	5.3	-1.2
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-4.6</b>	<b>-4.7</b>	<b>-16.5</b>	<b>-18.3</b>	<b>6.8</b>

## Parent company balance sheet

Amounts in SEK million

	September 2016	September 2015	December 2015
<b>ASSETS</b>			
Intangible assets	2.7	3.2	3.3
Property, plant and equipment	-	-	0.0
Financial non-current assets	626.4	633.3	607.3
<b>Total non-current assets</b>	<b>629.1</b>	<b>636.5</b>	<b>610.6</b>
Current assets	12.2	10.1	51.8
Cash and cash equivalents	97.7	20.4	14.5
<b>Total current assets</b>	<b>109.9</b>	<b>30.5</b>	<b>66.3</b>
<b>TOTAL ASSETS</b>	<b>739.0</b>	<b>667.0</b>	<b>676.9</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	274.4	265.8	290.9
Provisions	-	-	-
Non-current liabilities	366.4	89.5	106.7
Current liabilities	98.2	311.7	279.3
<b>Total liabilities</b>	<b>464.6</b>	<b>401.2</b>	<b>386.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>739.0</b>	<b>667.0</b>	<b>676.9</b>
Pledged assets	223.4	133.9	133.9
Contingent liabilities	4.6	5.5	5.3

**Note 1 Operations held for sale**

Assets and liabilities referring to the Waste Treatment business area have been accounted for as held for sale.

Amounts in SEK million

	July- September 2016	July- September 2015	January- September 2016	January- September 2015	Full year 2015
Cash flow from operating activities	-36.1	1.8	-46.0	-3.2	5.6
Cash flow from investing activities	0.0	-4.3	-3.0	-14.2	-18.9
Cash flow from financing activities	-0.5	-0.6	-1.6	-1.3	-1.8
<b>Total cash flow</b>	<b>-36.6</b>	<b>-3.1</b>	<b>-50.6</b>	<b>-18.7</b>	<b>-15.1</b>
<b>Assets in operations held for sale</b>					
Property, plant and equipment			-	-	-
Intangible assets			-	-	-
Financial assets			-	-	-
Current assets			-	-	-
<b>Total assets</b>			-	-	-
<b>Liabilities in operations held for sale</b>					
Trade and other payables			-	-	-
Non-current liabilities			-	-	-
Provisions			-	-	-
<b>Total liabilities</b>			-	-	-
<b>Analysis of profit/loss from operations held for sale</b>					
Income	5.3	27.8	71.6	129.2	174.2
Costs	-35.4	-37.3	-132.7	-131.4	-186.4
<b>Profit/loss from operations held for sale – before tax</b>	<b>-30.0</b>	<b>-9.5</b>	<b>-61.1</b>	<b>-2.2</b>	<b>-12.2</b>
Profit from operations held for sale	107.1		107.1		
Income tax	1.3	-	1.3	-	-
<b>Profit/loss from operations held for sale – after tax</b>	<b>78.4</b>	<b>-9.5</b>	<b>47.3</b>	<b>-2.2</b>	<b>-12.2</b>

**Note 2 Fair value estimation**

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

**The Group's assets and liabilities measured at fair value as at September 30, 2016 (MSEK)**

	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value through profit or loss		19.1	12.3
Derivatives used for hedging		2.0	
<b>Liabilities</b>			
Derivatives used for hedging		5.0	

**The Group's assets and liabilities measured at fair value as at December 31, 2015 (MSEK)**

	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value through profit or loss	-	22.5	11.3
Derivatives used for hedging	-	2.5	-
<b>Liabilities</b>			
Derivatives used for hedging	-	6.8	-

**Fair value of the Group's borrowings (MSEK)**

	September 30, 2016	December 31, 2015
Non-current loans	297.9	1.0
Current loans	-	208.2
<b>Total loans</b>	<b>297.9</b>	<b>209.2</b>

## Reconciliations of key ratio

<b>Return on capital employed</b>	<b>January- September 2016</b>	<b>January- September 2015</b>	<b>Full year 2015</b>
<i>Amounts in SEK million</i>			
Profit/loss after financial items	-15.3	13.5	18.9
Financial costs according to the income statement	16.3	10.4	13.6
Fair value - foreign exchange losses	0.6	3.1	13.4
<b>Total</b>	<b>1.7</b>	<b>27.0</b>	<b>45.9</b>
Balance sheet total	715.0		
Provisions and other long-term liabilities	-84.6		
Trade and other payables	-217.2		
<b>Opening capital employed</b>	<b>413.2</b>		
Balans sheet total	1,003.2	715.0	686.6
Provisions and other long-term liabilities	-161.0	-84.6	-80.6
Trade and other payables	-203.7	-217.2	-224.3
<b>Closing capital employed</b>	<b>638.5</b>	<b>413.2</b>	<b>381.7</b>
<b>Average capital employed</b>	<b>525.9</b>	<b>413.2</b>	<b>381.7</b>
<b>Return on capital employed</b>	<b>0.3</b>	<b>6.5</b>	<b>12.0</b>

<b>Return on equity</b>	<b>January- September 2016</b>	<b>January- September 2015</b>	<b>Full year 2015</b>
<i>Amounts in SEK million</i>			
Net profit/loss for the year	55.6	9.7	2.4
<b>Total</b>	<b>55.6</b>	<b>9.7</b>	<b>2.4</b>
Opening equity	298.3	292.9	292.9
Closing equity	340.6	309.8	298.3
<b>Return on equity</b>	<b>17.4</b>	<b>3.2</b>	<b>0.8</b>

<b>Net debt</b>	<b>January- September 2016</b>	<b>January- September 2015</b>	<b>Full year 2015</b>
<i>Amounts in SEK million</i>			
Current borrowing	0.0	227.5	208.2
Non-current borrowing	297.9	1.5	1.0
<b>Total liabilities</b>	<b>297.9</b>	<b>229.0</b>	<b>209.2</b>
Cash and cash equivalents	316.4	83.4	74.9
<b>Net debt</b>	<b>-18.5</b>	<b>145.6</b>	<b>134.3</b>

## Definitions of key figures and ratios

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

### Equity

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

### Equity per share

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

### Free cash flow

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

### Sales revenue per employee

The year's net sales divided by the average number of employees.

### Investments

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

### Average number of employees

Average number of employees at the end of each month.

### Net debt

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

### Net debt-equity ratio

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

### Earnings per share

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

### Return on equity

Profit for the year as a percentage of average equity.

### Return on capital employed

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

### Interest coverage ratio

Profit after financial income divided by the financial expenses.

### Operating margin

Operating result after amortization as a percentage of net sales.

### Equity/assets ratio

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

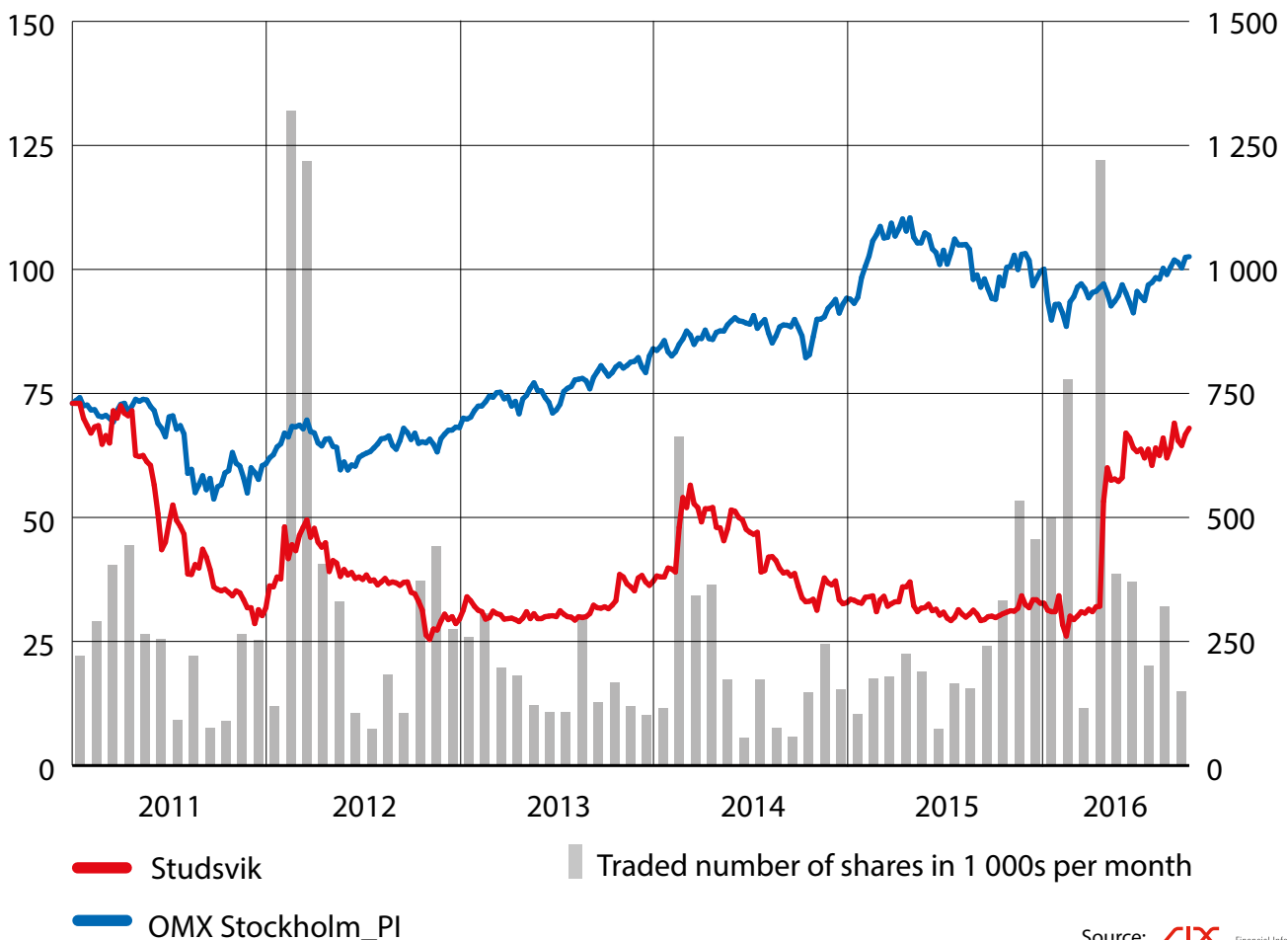
### Capital employed

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

## Major shareholders, September 30, 2016

	Number of shares	Share, %
The Karinen Family	1,769,552	21.5
Briban Invest AB	1,283,492	15.6
Peter Gyllenhammar AB	835,632	10.2
Avanza Pensionsförsäkring AB	411,247	5.0
Credit Agricole Suisse SA	363,879	4.4
Malte Edenius	250,000	3.0
Invus Investment AB	216,594	2.6
Leif Lundin	189,500	2.3
Nordnet Pensionsförsäkring AB	174,141	2.1
Unionen	152,709	1.9
<b>Total ten largest shareholders – holdings</b>	<b>5,648,746</b>	<b>68.6</b>
Other shareholders	2,569,865	31.4
<b>Total</b>	<b>8,218,611</b>	<b>100.0</b>

## The Studsvik share



### Facts about Studsvik

Studsvik offers a range of advanced technical services to the international nuclear power industry in such areas as consultancy services and fuel and materials technology. The company has over 65 years' experience of nuclear technology and radiological services. Studsvik has 700 employees in 7 countries and the company's shares are listed on the Nasdaq Stockholm.

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# Studsvik

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