Studsvik

YEAR-END REPORT

2019

Changes implemented during the year are having positive effects.

- Sales in the fourth quarter increased by 5 per cent in local currency and amounted to SEK 202.6 (187.6) million.
- Operating profit for the quarter amounted to SEK 20.4 (–0.3) million. Items affecting comparability of SEK 0.0 (3.6) million are included.
- The free cash flow during the quarter was SEK 7.2 (29.4) million.
- The Board of Directors proposes that no dividend be distributed for 2019.

	October-December 2019	**October-December 2018**	**Full year 2019**	**Full year 2018**
Sales. SEK million	202.6	187.6	654.0	726.1
Operating profit. SEK million	20.4	–0.3	–10.4	33.5
Profit after tax. SEK million	11.7	–6.4	–28.0	8.7
Free cash flow. SEK million	7.2	29.4	–38.8	54.2
Net debt. SEK million	82.9	44.4	82.9	44.4
Net debt/equity ratio. %	27.4	14.0	27.4	14.0
Profit per share after tax. SEK	1.42	–0.78	–3.41	1.06
Equity per share. SEK	36.84	38.47	36.84	38.47

Sales
Sales in the quarter in local currencies were 5 per cent higher than the previous year and amounted to SEK 202.6 (187.6) million. However, for the full year in local currencies they were 13 per cent lower than the previous year and amounted to SEK 654.0 (726.1) million. The higher sales in the quarter are mainly attributable to Scandpower, while the loss in sales compared with the previous year is mainly related to Fuel- and Materials Technology and Germany.

Profit
The operating profit improved in the quarter to SEK 20.4 (-0.3) million but deteriorated for the full year to SEK -10.4 (33.5) million. The improved performance in the quarter is attributable to developments in Scandpower and Germany. The full-year earnings deviate negatively for all business areas apart from Germany. The profit includes close-down costs of SEK 0.0 (–3.6) million in the quarter and SEK –14.8 (4.7) million for the full year. The close-down costs mainly refer to the restructuring of Waste Management Technology. Adjusted for items affecting comparability, the operating margin increased to 10 (2) per cent in the quarter but decreased to 1 (4) per cent for the year.

Net financial income in the quarter was SEK –6.4 (–3.6) million and SEK –12.4 (–14.8) million for the full year. Profit after tax increased to SEK 11.7 (–6,4) million for the quarter and decreased to SEK –28.0 (8.7) million for the full year.

Cash flow and financing
The free cash flow amounted to SEK 7.2 (29.4) million for the quarter and SEK –38.8 (54.2) million for the full year. The last quarter of the previous year included large customer payments to Scandpower. The Group's cash and cash equivalents at the year-end amounted to SEK 40.2 million and the unutilized portion of the overdraft facility was SEK 25.4 million.

Fuel- and Materials Technology
Sales in the quarter were in line with the previous year and amounted to SEK 65.2 (64.4) million. During the period the two first sets for Elekta's gamma knife were delivered. For the full year sales decreased to SEK 200.1 (224.3) million. In local currencies this meant a decrease of 11 per cent. The deterioration in performance for the full year is mainly due to disruptions in other projects in connection with implementation of the Elekta project and a lower proportion of transport services. Deliveries postponed had a positive effect on 2018 from 2017 to the first quarter of 2018, due to a breakdown in the Hot Cell facility.

The operating profit deteriorated in the quarter to SEK 7.0 (11.7) million and to SEK 25.3 (30.1) million in the full year. The operating margin decreased in the quarter to 10.7 (18.2) per cent and for the full year to 12.6 (13.4) per cent. The deterioration in profit in the quarter is mainly due to lower capacity utilization than last year and disruptions in other activities during the start-up of the Elekta order.

Waste Management Technology
Sales decreased during the quarter to SEK 14.7 (18.9) million and to SEK 56.8 (78.3) million for the full year. In local currencies this was a decrease of 26 and 30 per cent respectively. In mid-2019 the operations were extensively restructured to concentrate on license business with associated engineering services. In connection with this, most of the English operations were discontinued. However, no license business has been possible during the year. The operating profit for the quarter deteriorated to SEK –3.8 (–3.1) million and to SEK –33.6 (–10.7) million for the full year.

Items affecting comparability of SEK 0.0 (0.0) million are included in earnings for the quarter and of SEK –14.0 (–3.9) million in earnings for the year. Adjusted for items affecting comparability, the operating margin for the quarter deteriorated to –25.9 (–16.4) per cent and –34.5 (–8.7) per cent for the full year.

Scandpower
Sales increased during the quarter to SEK 61.2 (39.4) million, but decreased for the full year to SEK 130.1 (137.2) million. In local currencies this means increased sales of 47 per cent for the quarter but a decrease for the year of 10 per cent. Several major business contracts were signed during the quarter for Scandpower's software.

Operating profit for the quarter improved to SEK 17.2 (5.9) million, but decreased for the year to SEK 13.0 (26.8) million. The operating margin increased in the quarter to 28.1 (15.0) per cent but decreased for the full year to 10.0 (19.5) per cent.

Germany
Sales in the quarter were slightly less than in the previous year and amounted to SEK 61.7 (65.9) million and decreased during the year to SEK 263.0 (285.4) million. In local currencies this means a decrease of 9 per cent for the quarter and 11 per cent for the year.

Operating profit for the quarter improved to SEK 4.6 (–6.8) million and for the year to SEK –1.0 (–9.3) million. Capacity utilization was high in the quarter and sickness absence lower than before. The quarterly profit was also improved by higher prices to customers and an improved customer mix. The operating margin increased to 7.5 (–10.3) per cent in the quarter and to –0.4 (–3.3) per cent for the full year.

Investments
Investments decreased to SEK 9.4 (11.3) million in the quarter and were SEK 32.7 (32.1) million for the year. The year's investments are mainly related to the production line for medical isotopes.

Financial position and liquidity
The interest-bearing net debt has increased to SEK 82.9 (44.4) million. The net debt/equity ratio at the close of the year was 27.4 (14.0) per cent.

Personnel
The average number of employees decreased to 552 (624). The decrease is primarily attributable to the German and British operations.

Parent company
Operations in the parent company consist of coordination of the Group. Parent company sales in the quarter were SEK 3.6 (0.7) million and SEK 13.9 (12.8) million for the year. Operating profit for the quarter was SEK –5.7 (–6.8) million and SEK –15.2 (–12.7) million for the year.

Profit after financial items was SEK –35.9 (–64.9) million for the quarter and SEK –64.7 (–67.2) million for the year. The quarter was charged with SEK 24 million in impairment loss on the shareholding in Studsvik Ltd. Net financial income includes revaluation of intra-group loans of SEK –6.1 (0.4) million for the quarter and SEK 6.8 (10.5) million for the full year. Cash and cash equivalents including current investments amounted to SEK 0.0 (21.2) million and interest-bearing liabilities to SEK 123.1 (199.9) million.

A decision on leave to appeal regarding guarantees for future waste management costs is expected from the Land and Environment Court of Appeal in the first quarter of 2020.

Risks and uncertainties

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

Dividend

The Board of Directors proposes that no dividend be distributed for 2019.

Annual General Meeting and Annual Report

The Annual General Meeting will be held on Wednesday, April 29, 2020 at 16.00 at the World Trade Center, Klarabergsviadukten 70/Kungsbron 1, Stockholm. The Annual Report will be available on the company's website from week 13.

Accounting policies

Studsvik applies the International Financial Reporting Standards (IFRS) approved by the EU. This interim report was prepared for the Group in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the parent company, the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities and the Annual Accounts Act are applied. The accounting policies applied are in line with what is stated in the Annual Report for 2018, with the exception of new standards and revisions of standards and interpretations to be applied to the financial year starting on January 1, 2019 and that were not already applied when preparing the 2018 Annual Report. The standards that have an impact on the Group's financial statements and are being applied for the first time in the financial year starting on January 1, 2019 are set out below:

IFRS 16: Leases

Liabilities attributable to leases previously classified as operating leases under the rules of IAS 17 Leases will be recognized as of January 1, 2019 under IFRS 16, using the simplified transition method. In accordance with the transition rules in the standard, the comparative figures for 2018 have not been restated. An exemption is made for contracts with a shorter maturity than 1 year and contracts whose value is less than USD 5,000.

The new standard means that lessees must recognize all contracts that meet the definition of a lease as right-of-use assets and financial liabilities in the statement of financial position. For lessees the standard does not differentiate between operating and finance leases. Leases that previously constituted operating leases are now recognized in the balance sheet, with the consequence that what was previously recognized as an operating expense corresponding to the lease charge for the period, has now been replaced by depreciation and interest expense in the income statement.

The Group leases various offices, machinery and vehicles. The right of use is initially recognized at cost of acquisition and in following reporting periods at cost of acquisition less accumulated depreciation and impairment. The lease liability is recognized initially at the present value of future lease payments discounted at the incremental borrowing rate. In subsequent accounting the lease liability will be adjusted for interest and lease charges paid, as well as changes in the lease, such as extension clauses. Payments for short -term leases and leases of low value will be expensed on a straight-line basis in the income statement.

When determining the value of the rights of use and financial lease liability, the most significant assumptions are as follows:

- The lease payments have been discounted at the incremental borrowing rate. The same discount rate has been used for rights of use with similar characteristics. Studsvik has used an incremental borrowing rate of 2.6 per cent, which reflects the interest rate received from the Group's credit institution.
- Options to extend and terminate leases have been taken into account for leases where it is reasonably certain that they will be exercised. When determining the lease term, the Group takes into account available information that gives an economic incentive to exercise an option to extend. The majority of the options to extend that refer to office premises and vehicles have not been included in the lease liability, as Studsvik can replace the rights of use without significant costs or business disruptions.
- Historical information has been used in assessing a lease term in the cases where there are options to extend or terminate a lease.

The effect of the transition to IFRS 16 is presented in Note 2.

Stockholm, February 13, 2020
Camilla Hoflund
President and CEO

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

Time Schedule for Financial Information

Interim report January-March 2020	April 29, 2020
Interim report January-June 2020	July 21, 2020
Interim report January-September 2020	October 23, 2020

For further information, please contact

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The interim report will be presented at a conference call to be held in English, on February 13 at 3.00 pm. Further information for those interested in participating is available at www.studsvik.com.

This information is information that Studsvik AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, on February 13, 2020, at 12.30.

Consolidated statement of profit or loss and other comprehensive income

Amounts in SEK million	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Net sales	202.6	187.6	654.0	726.1
Cost of services sold*	–138.8	–149.1	–496.9	–551.2
Gross profit	**63.8**	**38.5**	**157.1**	**174.9**
Selling and marketing expenses	–14.6	–10.8	–51.1	–39.9
Administrative expenses	–28.6	–31.5	–102.0	–107.9
Research and development costs*	–3.1	–3.9	–8.8	–9.0
Share in earnings from associated companies	3.9	1.6	9.5	10.6
Other operating income	–0.1	0.8	4.8	17.3
Other operating expenses	–0.9	5.0	–19.9	–12.5
Operating profit	**20.4**	**–0.3**	**–10.4**	**33.5**
Financial income	6.5	0.8	9.6	4.0
Financial expenses	–12.9	–4.4	–22.0	–18.8
Profit/loss before tax	**14.0**	**–3.8**	**–22.8**	**18.7**
Income tax	–2.3	–2.6	–5.2	–10.0
NET PROFIT/LOSS FOR THE PERIOD	**11.7**	**–6.4**	**–28.0**	**8.7**
Other comprehensive income				
Items that may later be reversed in the income statement				
Translation differences on foreign subsidiaries	–9.6	1.6	13.3	19.6
Cash flow hedging	0.0	0.2	1.6	–0.7
Income tax on items recognized in other comprehensive income	0.0	0.0	–0.3	0.2
Other comprehensive income for the period. net after tax	**–9.6**	**1.8**	**14.6**	**19.1**
Total profit/loss and other comprehensive income for the period	**2.1**	**–4.6**	**–13.4**	**27.8**
Income for the period attributable to				
Parent company's shareholders	11.7	–6.4	–28.0	8.7
Non-controlling interests	–	–	–	–
Total comprehensive income attributable to				
Parent company's shareholders	2.1	–4.7	–13.4	27.7
Non-controlling interests	0.0	0.1	0.0	0.1
Earnings per share calculated on income attributable to the parent company's shareholders during the period. SEK	1.42	–0.78	–3.41	1.06
Earnings per share (There is no dilution effect)	**1.42**	**–0.78**	**–3.41**	**1.06**

*) Comparative year has been restated

Group statement of financial position

Amounts in SEK million

	December 2019	December 2018
ASSETS		
Intangible assets	193.1	190.2
Property, plant and equipment	147.4	124.3
Other non-current assets	183.5	169.0
Total non-current assets	**524.0**	**483.5**
Inventories	1.2	0.5
Trade receivables	160.0	145.7
Other current receivables	82.8	115.4
Cash and cash equivalents	40.2	155.5
Total current assets	**284.2**	**417.1**
TOTAL ASSETS	**808.2**	**900.6**
EQUITY AND LIABILITIES		
Equity attributable to parent company's shareholders	302.4	315.8
Non-controlling interests	0.4	0.4
Total equity	**302.8**	**316.2**
Borrowing	46.5	–
Provisions and other non-current liabilities	155.9	166.6
Total non-current liabilities	**202.4**	**166.6**
Trade and other payables	226.4	217.9
Borrowing	76.6	199.9
Total current liabilities	**303.0**	**417.8**
TOTAL EQUITY AND LIABILITIES	**808.2**	**900.6**

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, 2017	**8.2**	**225.3**	**4.8**	**49.9**	**288.1**	**0.3**	**288.4**
Changes January 1 – September 30, 2018							
Comprehensive income for the period	–	–	17.3	14.9	32.2	0.0	32.2
Equity at September 30, 2018	**8.2**	**225.3**	**22.1**	**64.8**	**320.4**	**0.3**	**320.7**
Changes October 1 – December 31, 2018							
Comprehensive income for the period	–	–	1.7	–6.3	–4.6	0.1	–4.5
Equity at December 31, 2018	**8.2**	**225.3**	**23.8**	**58.5**	**315.8**	**0.4**	**316.2**
Changes January 1 – September 30, 2019							
Comprehensive income for the period	–	–	24.1	–39.7	–15.6	0.0	–15.6
Equity at September 30, 2019	**8.2**	**225.3**	**47.9**	**18.9**	**300.2**	**0.4**	**300.6**
Changes October 1 – December 31, 2019							
Comprehensive income for the period	–	–	–9.5	11.7	2.2	0.0	2.2
Equity at December 31, 2019	**8.2**	**225.3**	**38.4**	**30.6**	**302.4**	**0.4**	**302.8**

Group statement of cash flow

Amounts in SEK million

	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Cash flow from operating activities				
Operating profit	20.4	–0.3	–10.4	33.5
Adjustment for non-cash items	7.1	10.1	0.9	16.3
Financial items, net	–4.4	–3.6	–9.2	–14.4
Income tax paid	–1.2	–0.1	–9.7	–6.4
Cash flow from operating activities before change in working capital	**21.9**	**6.1**	**–28.4**	**29.0**
Change in working capital	–5.3	35.1	14.9	51.3
Cash flow from operating activities	**16.6**	**41.2**	**–13.5**	**80.3**
Investing activities				
Acquisition of property, plant and equipment	–9.4	–10.8	–32.7	–32.1
Disposal of non-current assets	–	–	0.1	0.5
Dividend from associated companies	–	–	7.3	5.5
Other cash flow from investing activities	–	–1.0	–	–
Cash flow from investment activities	**–9.4**	**–11.9**	**–25.3**	**–26.1**
Free cash flow	**7.2**	**29.4**	**–38.8**	**54.2**
Financing activities				
Change in borrowing	0.9	–	–81.0	–
Cash flow from financing activities	**0.9**	**0.0**	**–81.0**	**–**
Changes in cash and cash equivalents	8.1	29.4	–119.8	54.2
Cash and cash equivalents at the beginning of the period	36.9	126.1	155.5	98.7
Translation difference	–4.8	0.0	4.5	2.6
Cash and cash equivalents at the end of the period	**40.2**	**155.5**	**40.2**	**155.5**

Financial ratios for the Group

Amounts in SEK million

	December 2019	Full year 2018
Margins		
Operating margin, %	–1.6	4.6
Profit margin, %	–3.5	2.6
Return on investment		
Return on capital employed, %	–0.2	7.4
Return on equity, %	–9.0	2.9
Capital structure		
Capital employed	425.9	516.1
Equity	302.8	316.2
Net debt	82.9	44.4
Net debt/equity ratio, %	27.4	14.0
Equity/assets ratio, %	37.5	35.1
Employees		
Average number of employees	552	624
Net sales per employee	1.2	1.2

Data per share

	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Number of shares at the end of the period	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
Earnings per share before and after dilution				
Profit/loss for the period	**1.42**	**–0.78**	**–3.41**	**1.06**
Equity per share, SEK	36.84	38.47	36.84	38.47

Net sales per geographical area

Amounts in SEK million

	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Sweden	30.7	30.8	113.7	126.9
Europe	113.4	117.3	417.7	484.3
North America	44.9	28.3	86.9	71.3
Asia	13.6	11.2	35.7	43.6
Other	–	–	–	–
Total	**202.6**	**187.6**	**654.0**	**726.1**

Quarterly review

Amounts in SEK million

Continuing operations	2017 Q1	Q2	Q3	Q4	2018 Q1	Q2	Q3	Q4	2019 Q1	Q2	Q3	Q4
Net sales	179.6	176.6	183.3	165.4	197.4	174.0	167.2	187.6	139.9	160.3	151.2	202.6
Operating expenses	–181.6	–196.0	–167.8	–201.1	–175.2	–172.0	–157.7	–187.9	–158.5	–168.4	–155.3	–182.2
Operating profit	**–2.0**	**–19.4**	**15.5**	**–35.7**	**22.2**	**2.0**	**9.5**	**–0.3**	**–18.6**	**–8.1**	**–4.1**	**20.4**
Financial items, net	–5.1	–3.7	–4.6	–3.7	–3.6	–4.4	–3.4	–3.5	–4.7	–1.1	–0.2	–6.4
Profit/loss after financial items	**–7.1**	**–23.1**	**10.9**	**–39.4**	**18.6**	**–2.4**	**6.1**	**–3.8**	**–23.3**	**–9.2**	**–4.3**	**14.0**

Financial data per segment

Amounts in SEK million

October - December 2019	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Elimination	Group
External sales revenue	63.8	13.9	57.0	60.1	7.8	–	202.6
Revenue from segment	1.4	0.8	4.2	1.6	8.6	–16.6	–
Operating profit	7.0	–3.8	17.2	4.6	–4.6	–	20.4
Items affecting comparability	–	–	–	–	–	–	–
Adjusted operating profit	7.0	–3.8	17.2	4.6	–4.6	–	20.4
Assets	206.4	157.7	170.4	222.0	381.7	–330.0	808.2
Liabilities	168.6	141.5	67.1	205.6	252.6	–330.0	505.4
Investments	5.3	1.5	1.0	1.3	0.3	–	9.4
Depreciation/amortization	3.0	0.7	1.1	1.1	1.4	–	7.3
Average number of employees	104	47	35	350	18	–	554

October - December 2018	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Elimination	Group
External sales revenue	62.7	15.5	37.5	64.9	7.0	–	187.6
Revenue from segment	1.7	3.4	1.9	1.0	2.5	–10.5	–
Operating profit	11.7	–3.1	5.9	–6.8	–8.0	–	–0.3
Items affecting comparability	0.7	–	–	2.9	–	–	3.6
Adjusted operating profit	12.4	–3.1	5.9	–3.9	–8.0	–	3.3
Assets	217.6	161.8	145.6	230.2	433.0	–287.6	900.6
Liabilities	183.3	133.6	49.5	210.7	296.3	–287,.6	585.8
Investments	7.5	0.4	–	0.2	3.2	–	11.3
Depreciation/amortization	3.6	0.1	0.2	0.3	0.9	–	5.1
Average number of employees	97	52	31	420	25	–	625

Full year 2019	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Elimination	Group
External sales revenue	196.8	49.7	118.5	258.5	30.5	–	654.0
Revenue from segment	3.3	7.1	11.6	4.5	20.4	–46.9	–
Operating profit	25.3	–33.,6	13.0	–1.0	–14.1	–	–10.4
Items affecting comparability	–	14.0	–	–	0.8	–	14.8
Adjusted operating profit	25.3	–19.6	13.0	–1.0	–13.3	–	4.4
Assets	206.4	157.7	170.4	222.0	381.7	–330.0	808.2
Liabilities	168.6	141.5	67.1	205.6	252.6	–330.0	505.4
Investments	22.9	4.2	1.3	1.7	2.6	–	32.7
Depreciation/amortization	12.9	3.8	3.5	4.4	4.4	–	29.0
Average number of employees	104	46	35	349	18	–	552

Full year 2018	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Elimination	Group
External sales revenue	219.5	68.9	129.7	280.0	28.0	–	726.1
Revenue from segment	4.8	9.4	7.5	5.4	20.0	–47.1	–
Operating profit	30.1	–10.7	26.8	–9.3	–3.4	–	33.5
Items affecting comparability	0.7	3.9	–	2.9	–12.2	–	–4.7
Adjusted operating profit	30.8	–6.8	26.8	–6.4	–15.6	–	28.8
Assets	217.6	161.8	145.6	230.2	433.0	–287.6	900.6
Liabilities	183.3	133.6	49.5	210.7	296.3	–287.6	585.8
Investments	23.2	2.4	0.5	0.3	5.7	–	32.1
Depreciation/amortization	12.7	1.1	0.8	1.1	3.7	–	19.4
Average number of employees	98	51	33	417	25	–	624

Financial data per segment cont. - External sales per country

Amounts in SEK million

October - December 2019	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Total
Sales from						
Germany	–	–	8.9	57.3	–	**66.2**
Switzerland	–	–	–	2.8	–	**2.8**
United Kingdom	–	2.7	–	–	–	**2.7**
USA	–	5.6	34.5	–	–	**40.1**
Sweden	61.4	5.6	8.3	–	7.8	**83.1**
France	–	–	–	–	–	**–**
Japan	2.4	–	–	–	–	**2.4**
China	–	–	5.3	–	–	**5.3**
Total	**63.8**	**13.9**	**57.0**	**60.1**	**7.8**	**202.6**

October - December 2018	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Total
Sales from					–	
Germany	–	–	7.1	61.5	–	**68.6**
Switzerland	–	–	–	3.4	–	**3.4**
United Kingdom	–	7.1	–	–	–	**7.1**
USA	–	4.6	21.9	–	–	**26.5**
Sweden	61.6	3.8	8.5	–	7.0	**80.9**
France	–	–	–	–	–	**–**
Japan	1.1	–	–	–	–	**1.1**
China	–	–	–	–	–	**–**
Total	**62.7**	**15.5**	**37.5**	**64.9**	**7.0**	**187.6**

Full year 2019	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Total
Sales from						
Germany	–	–	24.3	237.6	–	**261.9**
Switzerland	–	–	–	20.9	–	**20.9**
United Kingdom	–	16.9	–	–	–	**16.9**
USA	–	16.5	66.6	–	–	**83.1**
Sweden	188.3	16.3	22.3	–	30.5	**257.4**
France	–	–	–	–	–	**–**
Japan	8.5	–	–	–	–	**8.5**
China	–	–	5.3	–	–	**5.3**
Total	**196.8**	**49.7**	**118.5**	**258.5**	**30.5**	**654.0**

Full year 2018	Fuel- and Materials Technology	Waste Management Technology	Scandpower	Germany	Other	Total
Sales from						
Germany	–	–	21.2	260.0	–	**281.2**
Switzerland	–	–	–	20.0	–	**20.0**
United Kingdom	–	26.3	–	–	–	**26.3**
USA	–	24.7	84.1	–	–	**108.8**
Sweden	213.6	16.9	24.4	–	28.0	**282.9**
France	–	1.0	–	–	–	**1.0**
Japan	5.9	–	–	–	–	**5.9**
China	–	–	–	–	–	**–**
Total	**219.5**	**68.9**	**129.7**	**280.0**	**28.0**	**726.1**

Parent company income statement

Amounts in SEK million	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Net sales	3.6	0.7	13.9	12.8
Cost of services sold	–	–	–	–
Gross profit	**3.6**	**0.7**	**13.9**	**12.8**
Other operating income and costs	–9.3	–7.5	–29.1	–25.5
Operating profit	**–5.7**	**–6.8**	**–15.2**	**–12.7**
Result from participations in Group companies	–15.3	–58.3	–48.4	–58.3
Net financial items	–14.9	0.2	–1.1	3.8
Profit/loss before tax	**–35.9**	**–64.9**	**–64.7**	**–67.2**
Income tax	0.2	–0.3	–0.4	–1.8
NET PROFIT/LOSS FOR THE PERIOD	**–35.7**	**–65.2**	**–65.1**	**–69.0**

Parent company balance sheet

Amounts in SEK million	December 2019	December 2018
ASSETS		
Intangible assets	0.5	1.2
Financial non-current assets	554.6	599.3
Total non-current assets	**555.1**	**600.5**
Current assets	13.3	26.3
Cash and cash equivalents	0.0	21.2
Total current assets	**13.3**	**47.5**
TOTAL ASSETS	**568.4**	**648.0**
EQUITY AND LIABILITIES		
Equity	111.6	176.7
Non-current liabilities	130.2	42.8
Current liabilities	326.6	428.5
Total liabilities	**456.8**	**471.3**
TOTAL EQUITY AND LIABILITIES	**568.4**	**648.0**

Note 1 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 December 31, 2019 (MSEK)	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss		18.0	14.7
Derivatives used for hedging		–	
Liabilities			
Derivatives used for hedging		0.1	

The Group's assets and liabilities measured at fair value as at December 31, 2018 (MSEK)	Level 1	Level 2	Level 3
Assets		21.9	13.9
Financial assets at fair value through profit or loss		3.2	
Derivatives used for hedging			
Liabilities		3.7	
Derivatives used for hedging			

Fair value of the Group's borrowings (MSEK)	December 31, 2019	December 31, 2018
Non-current loans	46.5	–
Current loans	76.6	199.9
Total loans	**123.1**	**199.9**

Note 2 Effects of IFRS 16 Leases

Amounts in SEK millionr	December 2018	Adjustments	January 2019
ASSETS			
Intangible assets	190.2	–	190.2
Property, plant and equipment	124.3	25.0	149.3
Other non-current assets	169.0	–	169.0
Total non-current assets	**483.5**	**25.0**	**508.5**
Inventories	0.5	–	0.5
Trade receivables	145.7	–	145.7
Other current receivables	115.4	–	115.4
Cash and cash equivalents	155.5	–	155.5
Total current assets	**417.1**	–	**417.1**
TOTAL ASSETS	**900.6**	**25.0**	**925.6**
EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	315.8	–	315.8
Non-controlling interests	0.4	–	0.4
Total equity	**316.2**	–	**316.2**
Borrowings	–	–	–
Provisions and other long-term liabilities	166.6	15.4	182.0
Total long-term liabilities	**166.6**	**15.4**	**182.0**
Trade and other payables	217.9	9.6	227.5
Borrowings	199.9	–	199.9
Total current liabilities	**417.8**	**9.6**	**427.4**
TOTAL EQUITY AND LIABILITIES	**900.6**	**25.0**	**925.6**

Measurement of lease liability	**2019**
Commitments for operating leases as at December 31, 2018	16,099
Discounting using Studsvik's marginal borrowing rate at the time of transition	1,387
Added: liabilities for finance leases as at December 31, 2018	8,909
Less: short-term leases not recognized as a liability	–394
Less: leases for which the underlying asset is of a low value	–993
Lease liability recognized as at January 1, 2019	**25,008**
Of which	
Current liability	9,604
Non-current liability	15,404
Lease liability recognized as at January 1, 2019	**25,008**

Reconciliations of key ratios

Return on capital employed

Amounts in SEK million

	Full year 2019	Full year 2018
Profit/loss after financial items	–22.8	18.7
Financial costs according to the income statement	22.0	18.7
Total	**–0.8**	**37.4**
Balance sheet total	900.6	824.9
Provisions and other long-term liabilities	–166.6	–164.8
Trade and other payables	–217.9	–171.8
Opening capital employed	**516.1**	**488.3**
Balance sheet total	808.2	900.6
Provisions and other long-term liabilities	–155.9	–166.6
Trade and other payables	–226.4	–217.9
Closing capital employed	**425.9**	**516.1**
Average capital employed	**471.0**	**502.2**
Return on capital employed	**–0.2**	**7.4**

Return on equity

Amounts in SEK million

	Full year 2019	Full year 2018
Net profit/loss for the year	–28.0	8.7
Total	**–28.0**	**8.7**
Opening equity	316.2	288.4
Closing equity	302.8	316.2
Return on equity	**–9.0**	**2.9**

Net debt

Amounts in SEK million

	Full year 2019	Full year 2018
Current borrowing	76.6	199.9
Non-current borrowing	46.5	–
Total liabilities	**123.1**	**199.9**
Cash and cash equivalents	40.2	155.5
Net debt	**82.9**	**44.4**

Definitions of key figures and ratios

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

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

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

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

Sales revenue per employee
Sales revenue divided by average number of employees. For quarterly reports net sales are estimated on a full year basis.

Investments
Total of the acquisition of business/subsidairies and acquisition of intangible assest and property, plant and equipment.

Average number of employees
Average number of employees at the end of each month.

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

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

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

Return on equity
Profit for the year as a percentage of average equity.

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

Interest coverage ratio
Profit after financial income divided by the financial expenses.

Operating margin
Operating result after amortization as a percentage of net sales.

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

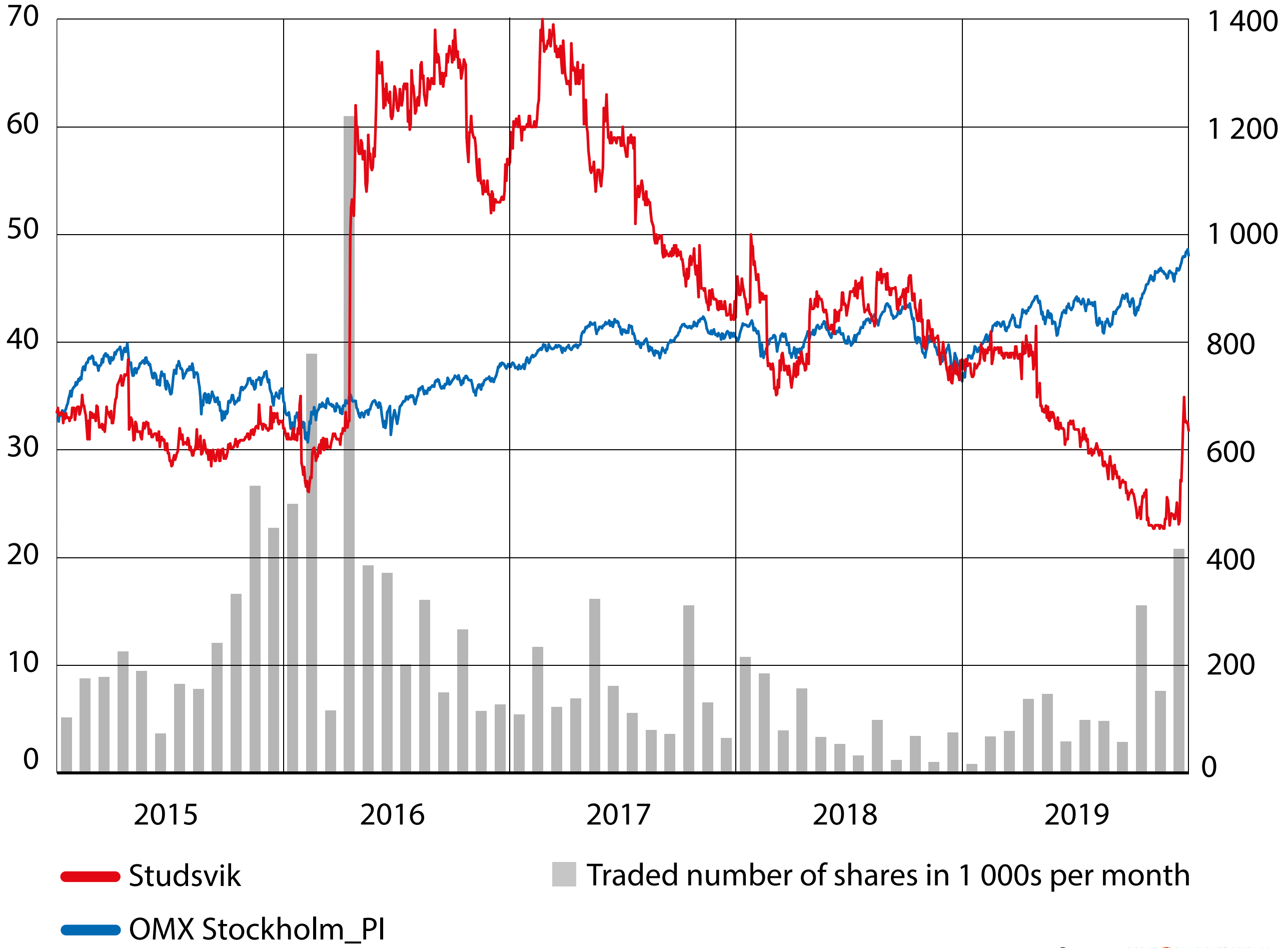
Capital employed
Balance sheet total less non-interest-bearing liabilities. Average capital employed has been calculated as opening balance plus closing balance of capital employed, divided by two.

Profit margin
Profit before tax as a percentage of net sales.

Major shareholders, December 31, 2019

	Number of shares	Share, %
The Karinen Family	1,769,552	21.5
Briban Invest AB	1,285,492	15.6
Peter Gyllenhammar AB	988,210	12.0
Avanza Pensionsförsäkring AB	581,882	7.1
The Girell Family	403,800	4.9
Caceis Bank, Switzerland Branch	363,879	4.4
Malte Edenius	250,000	3.0
Nordnet Pensionsförsäkring AB	225,849	2.7
Leif Lundin	199,000	2.4
SIX SIS AB	128,113	1.6
Total ten largest shareholders - holdings	**6,195,777**	**75.4**
Other shareholders	2,022,834	24.6
Total	**8,218,611**	**100.0**

The Studsvik share



Source: WebfinancialGroup

Facts about Studsvik

Studsvik offers a range of advanced technical services to the global nuclear power industry. Studsvik's business focus areas are fuel and materials technology, reactor analysis software and consultancy services within waste treatment technology, decommissioning, NORM and solutions for final disposal.

The company has 70 years nuclear technology and radiological service experience. Studsvik has 550 employees in 7 countries and the company's shares are listed on the Nasdaq Stockholm

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Studsvik

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