

Q1

*Interim report,
January-March
2017*



Continued transformation of the business

First quarter

- Sales increased by 13 per cent to SEK 630.0 million (559.2)
- Organic sales growth excluding exchange rate fluctuations amounted to 8 per cent
- EBITA (adjusted) amounted to SEK 33.0 million (3.1) and the adjusted EBITA margin amounted to 5.2 per cent (0.6)
- Operating profit amounted to SEK 29.7 million (loss: 6.0), corresponding to an operating margin of 4.7 per cent (-1.1)
- Profit after tax was SEK 21.2 million (loss: 5.5)
- Earnings per share before and after dilution were SEK 1.59 (-0.46)
- Cash flow from operating activities totalled SEK -10.2 million (-13.3)
- The AGM decided in April to carry out a rights issue of around SEK 200 million before issue costs



Sales increased by 13 per cent

Organic growth excluding exchange rate fluctuations reached 8 per cent

Operating profit for the quarter was higher than the entire profit for the previous year

KPI	Q117	Q116	12M R	2016
<i>Sales</i>	630.0	559.2	2,412.2	2,341.4
<i>Organic growth excluding exchange rate effects, %</i>	8	-8	8	4
<i>EBITA* (adjusted)</i>	33.0	3.1	91.1	61.1
<i>EBITA margin* (adjusted)</i>	5.2	0.6	3.8	2.6
Operating profit/loss	29.7	-6.0	63.2	27.5
Profit/loss after tax	21.2	-5.5	40.7	14.0
Earnings per share before dilution	1.59	-0.46	3.08	1.03
Earnings per share after dilution	1.59	-0.46	3.08	1.03
Cash flow from operating activities	-10.2	-13.3	44.3	41.2
Net debt/EBITDA rolling 12 mo., times	2.4	2.8	2.4	3.4

* As of the first quarter of 2017, Rejlers recognises EBITA (adjusted) as operating profit. For the definition, refer to page 17.

Statement by the President and CEO

During the quarter, we reported continued growth, improved earnings and a higher utilization compared with the first quarter of the preceding year. The transformation of the business, with the closure of less profitable areas and a focus on the digitization of processes and IT solutions, is now beginning to have an effect and is providing us the right conditions to continue strengthening our offering and our position.

Continued growth

Growth remains strong with a sales increase of 13 per cent, of which 8 per cent is organic excluding exchange rate fluctuations. We are seeing strong growth in Rejlers Finland where the market conditions have improved, and a continued strong development for Rejlers Embriq, which is well positioned in a growing market. In Rejlers Sweden, part of the industrial operations during the previous year was shut down, which negatively impacted growth, but improved earnings.

Improved profitability

Adjusted EBITA increased to SEK 33.0 million (3.1) during the quarter, which is attributable to the restructuring we did in parts of the operations in the previous year, but was also affected by a positive calendar effect. It is pleasing to see a generally higher efficiency in the operations and that the utilization continued to increase during the quarter. However, Rejlers Norway is suffering from continued profitability problems as a result of a low efficiency in several projects.

Management changes

In April, Thomas Pettersen was appointed the CEO of Rejlers Norway. Thomas is also keeping the role of CEO of Rejlers Embriq and through this change can create both business and administrative synergies between the operations. I am convinced that this together with further measures in the ICT/Telecom and railway area will improve the profitability of Rejlers Norway over time.

Rights issue

During the quarter the AGM decided on a rights issue for existing shareholders, which was strongly oversubscribed. The issue was completed after the end of the quarter and raised around SEK 200 million before issue costs. We are thereby strengthening the company's position and operating flexibility and can now intensify the on-going transformation work.

Positive trend

Demand for our services remains good in all segments and we are continuously strengthening our position in the market. We are continuing the transformation into a more efficient organization and operation with the goal of increasing the operating margin to 8 per cent over time at the same time that we achieve our growth target.

Stockholm, May 2017

Peter Rejler



"We are continuing the transformation into a more efficient organization and operation with the goal of increasing the operating margin to 8 per cent over time at the same time that we achieve our growth target."

Financial summary

Profit/loss items and cash flow are compared with the corresponding time period in the previous year. Balance sheet items pertain to the position at the end of the period and are compared with the immediately preceding accounts.

FIRST QUARTER JANUARY - MARCH 2017

Net sales

Net sales totalled SEK 630.0 million (559.2), an increase of 12.7 per cent compared to the year-before period. This growth is mainly attributable to a strong development in the Rejlers Embriq and Rejlers Finland segments and a positive calendar effect. Organic growth excluding exchange rate fluctuations was 8.0 per cent.

Adjusted EBITA

As of the first quarter of 2017, Rejlers has used the key performance indicator of adjusted EBITA, which is a measure that Rejlers considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability. Adjusted EBITA increased to SEK 33.0 million (3.1) corresponding to an adjusted EBITA margin of 5.2 per cent (0.6).

Operating profit

Operating profit amounted to SEK 29.7 million (loss: 6.0). The improvement is primarily attributable to the Sweden and Finland segments, as a result of restructuring of the Swedish industrial operations in the previous year and a general improvement of the Finnish market. Calendar effects have had a positive impact as the quarter had three more workdays in Sweden and Finland, and four more workdays in Norway compared with the previous year. The operating loss of the previous year was affected by items affecting comparability of SEK -6.1 million for the restructuring of the industrial operations in Sweden.

Financial income and expenses

The quarter's financial income amounted to SEK 1.1 million (0.9) and pertains mainly to currency translations. The financial expenses amounted to SEK 2.4 million (1.5) and are mainly attributable to interest expenses and currency translations.

Tax

The tax expense for the quarter amounted to SEK 7.2 million (tax income: 1.1), corresponding to a tax rate of 25.4 per cent (16.7). The higher tax expense is mainly attributable to us now having a profit before tax.

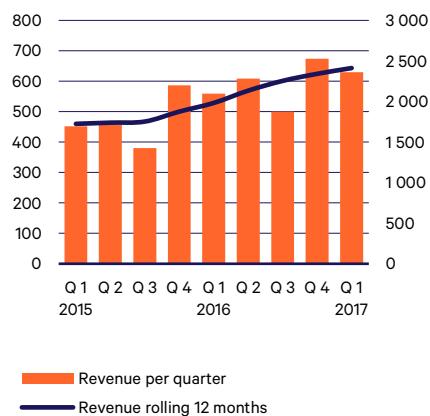
Profit after tax for the period

Profit after tax for the period amounted to SEK 21.2 million (loss: 5.5). Earnings per share amounted to SEK 1.59 (-0.46) both before and after dilution.

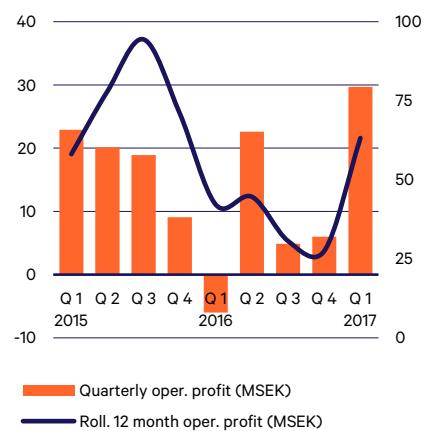
Cash flow

During the period, the Group generated a cash flow from operating activities of SEK -10.2 million (-13.3), positively impacted by lower tax paid and negatively impacted by higher accounts receivable and lower accounts payable and other current liabilities.

SALES PER QUARTER AND ROLLING 12 MONTHS



OPERATING PROFIT PER QUARTER AND ROLLING 12 MONTHS



Financial position

Consolidated cash and cash equivalents at the end of the period amounted to SEK 15.3 million compared to SEK 64.9 million on 31 December 2016. The change in cash and cash equivalents was affected by utilized overdraft facilities in an amount of SEK 31.2 million and SEK 57.1 million in repayments. Interest-bearing liabilities decreased by SEK 24.2 million since 31 December 2016 to amount to SEK 264.2 million at the end of period. Net debt amounted to SEK 269.9 million, compared with SEK 244.2 million as at 31 December 2016.

The ratio of net debt to EBITDA amounted to 2.4 at the end of the period compared with 3.4 at 31 December 2016. The equity/assets ratio amounted to 42.8 per cent at 31 March, compared with 40.6 per cent at 31 December 2016.

Equity per share was SEK 42.80 at the end of the period compared to SEK 41.50 as of 31 December 2016. The Group's overdraft facilities of SEK 50.0 million (50.0) were utilized in an amount of SEK 31.2 million (1.4).

Investments

Investments in tangible assets amounted to SEK 1.7 million (3.2) during the period and mainly pertain to servers and other IT equipment while investments in intangible assets, mainly attributable to the development of IT platforms in Rejlers Embriq, amounted to SEK 7.9 million (4.0). Investments in subsidiaries and businesses amounted to SEK 1.0 million (0.4). Depreciation, amortization and impairment losses amounted to SEK 11.8 million (10.1).

Utilization

The utilization increased to 73.9 per cent (72.3), mainly as a result of higher order volumes in Finland and Sweden.

Employees

At the end of the period, there were 2,048 employees (2,077). There were 1,967 full-year employees (1,990). At the end of the period, 10 (14) employees in Finland and 10 (1) in Norway had been laid off as of the end of the period.

Parent Company

Net sales in the Parent Company during the period amounted to SEK 7.2 million (5.7) and there was a loss before tax of SEK 5.3 million (profit: 0.9).

Seasonal variations

Rejlers is affected by seasonal variations and calendar effects. The respective quarters are relatively comparable over the years, but are affected by minor calendar effects, such as when in time Easter occurs. Sales are normally higher in the first, second and fourth quarters and lower in the third quarter when the order volume decreases in size due to holidays. Similar seasonal variations occur in all geographic markets.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER AND AFTER THE END OF THE PERIOD

Rights issue in April

With the aim of accelerating the transformation work and strengthening the company's financial position, the Annual General Meeting (AGM) decided to carry out a rights issue of around SEK 200 million before emission costs. The issue was concluded in April and was strongly oversubscribed.

New CEO of Rejlers Norge AS

After three years as the CEO of Rejlers Norge AS, Morten Thorkildsen is leaving the post. Thomas Pettersen, C of Rejlers Embriq AS, began as the CEO of Rejlers Norge AS as well on 21 April.

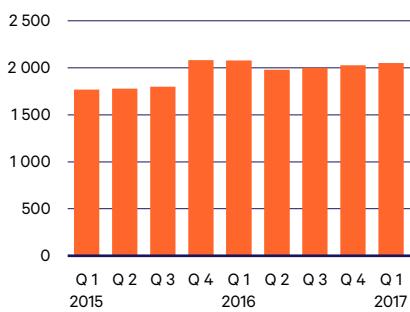
Annual General Meeting 2016

Rejlers' Annual General Meeting was held in Stockholm on 24 April. The Annual General Meeting voted to support all of the proposals of the Board of Directors and the Nomination Committee at the Meeting. The Annual General Meeting re-elected Board members Ivar Verner, Helena Nordman-Knutson, Thord Wilkne, Jan Samuelsson, Peter Rejler and Annika Steiber. The Annual General Meeting resolved that no dividends would be paid for the 2016 financial year.

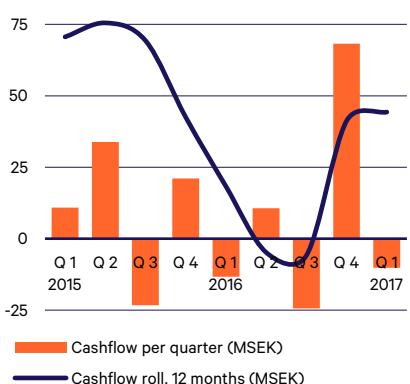
OPERATING MARGIN PER QUARTER AND ROLLING 12 MONTHS



NUMBER OF EMPLOYEES AT THE END OF THE QUARTER



CASH FLOW FROM OPERATING ACTIVITIES



Acting CFO of Rejlers appointed

Mats Åström withdrew from his position as the CFO of Rejlers AB on 27 April. The recruitment of his successor is under way. Mikael Lingefelt, Rejlers' Group Controller, will serve as the acting CFO until further notice.

SIGNIFICANT PROJECTS DURING THE FIRST QUARTER**Rejlers is one of Scania's new Preferred Suppliers**

Rejlers Sweden has signed a multi-year agreement with Scania. Production development, product development, design, programming, engine and function testing. These are some of the services that Scania can suborder from Rejlers in the next few years.

Rejlers Norway wins contract with Helgeland Kraft

Rejlers Norway has signed a long-term contract with Helgelands AS NET for consulting and engineering services for distribution grids and regional grids. The main purpose of the framework agreement is to ensure access to a high level of expertise and to streamline work processes.

Rejlers Embriq signs contract with Consilia Solutions

Rejlers Embriq has signed a contract with Consilia Solutions AB for the acquisition of rights to develop and commercialize charging systems for the energy market. The agreement also comprises Multi-Utility invoicing – such as for water, district heating, waste and broadband.

Rejlers Finland signs contract with ESE for the project engineering of solar power plants

Rejlers Finland has entered an agreement with Etelä-Savon Energia Oy (ESE) for the project engineering of solar power plants together. The companies are jointly drafting a concept for solar power plants adapted to Finnish conditions. The assignment comprises the connection to the electric grid, electricity project engineering, communication networks, measurement technology, design of lighting and video monitoring.

OTHER INFORMATION**Rejlers' shares**

The last price paid for Rejlers Class B on 31 March 2017 was SEK 64.25 per share, a decrease of 8.2 per cent compared with 30 December 2016. The last price paid for the Rejlers Class B share on 8 May 2017 was SEK 74,75 per share. The Rejlers share is listed on Nasdaq Stockholm.

As a result of the rights issue that Rejlers AB previously provided information on, the number of shares and votes in Rejlers changed in April 2017. All shares subscribed for in the rights issue have now been registered at the Swedish Companies Registration Office. As a result of this, the total number of shares in Rejlers increased by 498,000 Class A shares, corresponding to 4,980,000 votes, and 4,668,188 Class B shares, corresponding to 4,668,188 votes. At 28 April 2017, the total number of shares in Rejlers totalled 18,087,909 shares of which 1,749,250 Class A shares and 16,338,659 Class B shares. The number of votes in Rejlers totalled 33,831,159 votes at the same date.

After the rights issue the share capital has increased by SEK 10,332,376 from SEK 25,843,442 to SEK 36,175,818.

Segment Rejlers Sweden

Rejlers Sweden is undergoing a transformation of the operations with an expansion of energy, construction, infrastructure and IT, while part of the industrial operations is being reduced and focused on areas such as industrial IT and automation and digitization of production processes.

Net sales totalled SEK 308.7 million (309.2) in the first quarter, a decrease of 0.2 per cent compared with the year-before period. The weak growth is mainly attributable to the previous year's restructuring of the industry operations when around 115 employees were given notice of termination. Organic growth was -0.2 per cent.

Adjusted EBITA increased to SEK 24.8 million (6.0) corresponding to an adjusted EBITA margin of 8.0 per cent (1.9).

Operating profit for the quarter was SEK 23.5 million (loss: 1.4), equivalent to an operating margin of 7.6 per cent (-0.5). The previous year's loss was negatively impacted by restructuring costs of SEK 6.1 million related to transformation of the industrial operations, as a result of a lower demand in certain subsegments.

The calendar effect in the first quarter was positive by three days compared with the year-earlier period.



KPI	Q1 17	Q1 16	12M R	2016
Sales, SEK million	308.7	309.2	1,225.7	1,226.2
Adjusted EBITA, SEK million	24.8	6.0	73.4	54.6
Adjusted EBITA margin, %	8.0	1.9	6.0	4.5
Operating profit/loss, SEK million	23.5	-1.4	52.9	28.0

Segment Rejlers Finland

In the previous year, Rejlers Finland transformed part of the operations and at the same time, the market situation is developing positively with greater public and private construction.

Net sales totalled SEK 118.8 million (91.6) in the first quarter, an increase of 29.6 per cent compared with the year-before period. This growth is mainly attributable to the acquisition of CMN Oy in the fourth quarter of 2016 and the generally more favourable market. Organic growth excluding exchange rate fluctuations was 14.5 per cent.

Adjusted EBITA increased to SEK 11.4 million (0.9) corresponding to an adjusted EBITA margin of 9.6 per cent (1.0).

Operating profit for the quarter was SEK 10.5 million (0.3), equivalent to an operating margin of 8.8 per cent (0.3). The improved profit is mainly attributable to a higher order volume as a result of the acquisition of CMN and the previous year's transformation of the industrial operations. Changes in labour legislation, where the working hours were extended by 0.5 hour per employee and week, have had a positive impact on earnings.

The calendar effect in the first quarter was positive by three days compared with the year-earlier period.



KPI	Q1 17	Q1 16	12M R	2016
Sales, SEK million	118.8	91.6	416.6	389.4
Adjusted EBITA, SEK million	11.4	0.9	28.2	17.7
Adjusted EBITA margin, %	9.6	1.0	6.8	4.5
Operating profit/loss, SEK million	10.5	0.3	25.2	15.0

Segment Rejlers Norway

Thomas Pettersen was appointed the new President of Rejlers Norway in April. Thomas Pettersen is also the President of Rejlers Embriq. Rejlers Norway is now focusing on improving profitability through better cost control and an efficiency enhancement of the organization through coordination between Rejlers Norway and Rejlers Embriq.

Net sales totalled SEK 88.1 million (73.6) in the first quarter, an increase of 19.7 per cent compared with the year-before period. The growth is mainly attributable to continued good demand in ICT/Telecom and in the construction and property area. Organic growth excluding exchange rate fluctuations was 11.0 per cent.

Adjusted EBITA increased to SEK -3.8 million (-7.0) corresponding to an adjusted EBITA margin of -4.3 per cent (-9.5).

Operating profit/loss for the quarter was still weak and amounted to a loss of SEK 4.6 million (loss: 7.8), equivalent to an operating margin of -5.2 per cent (-10.6). Profit was negatively impacted by a continued weak order volume and efficiency problems in the ICT/Telecom and railway area. During the quarter, 10 employees were laid off.

The calendar effect in the first quarter was positive by four days compared with the corresponding period of the previous year.



KPI	Q1 17	Q1 16	12M R	2016
Sales, SEK million	88.1	73.6	350.1	335.6
Adjusted EBITA, SEK million	-3.8	-7.0	7.0	-10.2
Adjusted EBITA margin, %	-4.3	-9.5	-2.0	-3.0
Operating profit/loss, SEK million	-4.6	-7.8	-10.1	-13.3

Segment Rejlers Embriq

Rejlers Embriq has a strong position in a growing market in the energy sector and offers a complete range of products, IT services and solutions in energy, infrastructure and energy measurement services in all of the Nordic countries.

Net sales totalled SEK 118.6 million (87.8) in the first quarter, an increase of 35.2 per cent compared with the year-before period. The growth is mainly attributable to continued large assignments from Nettalliansen and a continued strong market position. Organic growth excluding exchange rate fluctuations was 26.6 per cent.

Adjusted EBITA decreased somewhat to SEK 4.9 million (5.8) corresponding to an adjusted EBITA margin of 4.1 per cent (6.6).

Operating profit for the quarter was SEK 4.9 million (5.8), equivalent to an operating margin of 4.1 per cent (6.6). High investment costs related to the roll-out of smart electricity meters for Nettalliansen provide an initial margin pressure, which is expected to decrease in upcoming years.

Rejlers Embriq is affected by the calendar effect both in Sweden and in Norway.



KPI	Q1 17	Q1 16	12M R	2016
Sales, SEK million	118.6	87.8	447.9	417.1
Adjusted EBITA, SEK million	4.9	5.8	14.7	15.6
Adjusted EBITA margin, %	4.1	6.6	3.3	3.7
Operating profit/loss, SEK million	4.9	5.8	14.7	15.6

The undersigned provides assurance that this interim report provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and the companies within the Group.

Stockholm, 9 May 2017 Rejlers AB (publ)

Peter Rejler
President and CEO

The information in this interim report is such that Rejlers AB (publ) is obliged to publish under the EU Market Abuse Directive and the Swedish Securities Market Act. The information was submitted through the care of the contact person above for publication on 9 May 2017 at 8:00 a.m. CET. This report is also available in Swedish. The English version is a translation of the Swedish original. If there are any differences, the Swedish version takes precedence.

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

Group

Condensed income statement

SEK MILLION	JAN - MAR 2017	JAN - MAR 2016	FULL YEAR 2016
Net sales	630.0	559.2	2,341.4
Personnel expenses	-375.2	-374.9	-1,453.7
Other external expenses	-213.4	-180.3	-816.4
Depreciation and impairment	-11.8	-10.1	-44.2
Participations in associates	0.1	0.1	0.4
Operating profit/loss	29.7	-6.0	27.5
Net financial income/expense	-1.3	-0.6	-5.3
Profit after net financial income/expense	28.4	-6.6	22.2
Tax	-7.2	1.1	-8.2
Profit for the period	21.2	-5.5	14.0
Attributable to:			
Parent Company's shareholders	20.6	-5.9	13.3
Shareholders without a controlling influence	0.6	0.4	0.7
Average number of shares	12,921 ,721	12,921 ,721	12,921 ,721
Earnings per share before and after dilution, SEK	1.59	-0.46	1.03

Condensed statement of comprehensive income

SEK MILLION	JAN - MAR 2017	JAN - MAR 2016	FULL YEAR 2016
Profit for the period	21.2	-5.5	14.0
<i>Items that may be reclassified to the income statement:</i>			
Translation differences of foreign operations, net after-tax	-3.0	6.9	28.5
<i>Items that will not be reclassified to the income statement:</i>			
Revaluation of net pension liability	-	-	4.3
Total other comprehensive income	-3.0	6.9	32.8
Comprehensive income for the period	18.2	1.4	46.8

Condensed balance sheet

SEK MILLION	31 MAR 2017	31 MAR 2016	31 DEC 2016
Assets			
Non-current assets			
Goodwill	432.5	396.5	432.6
Other intangible assets	121.3	99.6	121.8
Tangible assets	38.3	38.3	37.5
Other non-current assets	51.7	49.9	47.6
Total non-current assets	643.8	584.3	639.5
Current assets			
Current receivables	673.5	590.2	656.0
Cash and cash equivalents	15.3	63.3	64.9
Total current assets	688.8	653.5	720.9
Total assets	1,332.6	1,237.8	1,360.4
Equity and liabilities			
Equity attributable to shareholders in the Parent Company	553.0	517.5	536.2
Non-controlling interests	17.4	8.3	18.0
Total equity	570.4	525.8	552.2
Non-current liabilities			
Provision for pensions	21.0	24.9	20.7
Interest-bearing non-current liabilities	149.2	171.9	155.0
Other non-current liabilities	48.4	54.5	50.9
Total non-current liabilities	218.4	251.3	226.6
Interest-bearing current liabilities	115.0	84.0	133.4
Other current liabilities	428.8	376.7	448.2
Total current liabilities	543.8	460.7	581.6
Total liabilities and equity	1,332.6	1,237.8	1,360.4

Condensed changes in equity

SEK MILLION	31 MAR 2017	31 MAR 2016	31 DEC 2016
Equity at start of period	552.2	524.8	524.8
Comprehensive income for the period	18.2	1.4	46.8
The minority's share of acquired companies	-	-	6.9
<i>Changes attributable to transactions with the owners</i>			
Dividends	-	-	-26.3
Total changes attributable to transactions with the owners	-	1.4	-26.3
Equity at end of period	570.4	525.8	552.2
Attributable to:			
Parent Company's shareholders	553.0	517.5	536.2
Non-controlling interests	17.4	8.3	16.0
Total	570.4	525.8	552.2

Condensed cash flow statement

SEK MILLION	JAN - MAR 2017	JAN - MAR 2016	FULL YEAR 2016
Cash flow from operating activities before changes in operating capital and tax paid	40.9	3.7	70.5
Tax paid	2.1	-12.6	-21.0
Change in working capital	-53.2	-4.4	-8.3
Cash flow from operating activities	-10.2	-13.3	41.2
Cash flow from investing activities	-13.4	-7.3	-71.5
Cash flow from financing activities	-25.9	-26.5	-19.9
Cash flow for the period	-49.5	-47.1	-50.2
Cash and cash equivalents at start of period	64.9	108.8	108.8
Exchange rate differences in cash and cash equivalents	-0.1	1.6	6.3
Cash and cash equivalents at end of period	15.3	63.3	64.9

Net debt

SEK MILLION	31 MAR 2017	31 MAR 2016	31 DEC 2016
Interest-bearing non-current liabilities	149.2	171.9	155.0
Interest-bearing current liabilities	115.0	84.0	133.4
Pension provisions	21.0	24.9	20.7
Cash and cash equivalents	-15.3	-63.3	-64.9
Total	269.9	217.5	244.2

Parent Company

Condensed income statement

SEK MILLION	JAN - MAR 2017	JAN - MAR 2016	FULL YEAR 2016
Sales	7.2	5.7	22.7
Personnel expenses	-4.9	-3.6	-15.0
Other external expenses	-6.4	-4.4	-23.6
Depreciation	-0.1	-0.3	-0.7
Operating profit/loss	-4.2	-2.6	-16.6
Net financial income/expense	-1.1	3.5	10.7
Profit after net financial income/expense	-5.3	0.9	-5.9
Appropriations	-	-	8.8
Tax	-	-	0.2
Profit after tax	-5.3	0.9	3.1

The Parent Company has no items to report in other comprehensive income, which is why this financial statement has been omitted.

Condensed balance sheet

SEK MILLION	31 MAR 2017	31 MAR 2016	31 DEC 2016
Assets			
Non-current assets			
Intangible assets	-	0.2	-
Tangible assets	0.3	0.5	0.4
Financial assets	391.9	396.0	402.4
Total non-current assets	392.2	396.7	402.8
Current assets			
Current receivables	149.2	72.6	142.7
Cash and cash equivalents	0.0	-	50.2
Total current assets	149.2	72.6	192.9
Total assets	541.4	469.3	595.7
Equity and liabilities			
Equity	221.1	245.2	226.4
Untaxed reserves	22.0	37.0	22.0
Non-current liabilities	142.9	165.7	152.1
Current liabilities	155.4	21.4	195.2
Total liabilities and equity	541.4	469.3	595.7

Notes

Note 1 Rejler Group

Rejlers AB (publ) (556349-8426) (the Parent Company) and its subsidiaries (jointly called the Group) is a Nordic business group that offers services to customers in the areas of buildings and properties, energy, industry and infrastructure.

The Parent Company is a Swedish public limited company with its registered office in Stockholm. The address of the head office is Box 30233, Lindhagensgatan 126, SE 104 25 Stockholm, SWEDEN. The company's B shares are listed on Nasdaq Stockholm.

Note 2 Accounting policies

This interim report has been prepared for the Group in accordance with IAS 34 Interim Reporting and RFR 1, Supplementary Accounting Rules for Groups. The same accounting policies were applied as in the most recent annual report for both the Group and the Parent Company. A number of changes in the standards entered into effect in 2017. None of these has materially affected the Group's accounts and reporting.

The Parent Company's reports are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities.

Note 3 Risks and uncertainty factors

Through its operations, the Group is subject to various financial risks, such as market risk (comprehensive foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management involves striving for minimal unfavourable effects on financial position and performance. The Group's business risks and risk management as well as financial risks are described in detail in the annual report for 2016. No events of material significance occurred during the interim period that affects or changes these descriptions of the Group's risks and the management of them.

Note 4 Items affecting comparability

SEK MILLION	Q1 17	Q1 16	12M R	2016
Restructuring costs	0.0	6.1	15.4	21.5

Note 5 Business combinations

On 24 February, Rejlers acquired the assets in Sähkölinna Oy.

So far this year, the acquisition has contributed SEK 0.3 million to sales and SEK 0.0 million to operating profit. If the operation had been owned as of 1 January, it would have contributed sales of SEK 0.7 million and an operating profit of SEK 0.0 million.

Net assets of companies acquired at the time of acquisition

SEK MILLION	JAN - MAR
	Total
Non-current assets	0.1
Current assets	0.0
Cash and cash equivalents	0.1
Other current liabilities	-0.2
Net identifiable assets and liabilities	0.0
Goodwill	1.0
Customer values	0.2
Deferred tax on intangible assets	-0.1
Purchase price, cash and cash equivalents	1.1
Less:	
Cash and cash equivalents in acquired companies	-0.2
Net cash outflow during the period	1.0

The acquisition analysis for the acquired operation is preliminary because the assets have not been fully analysed. The goodwill value, which is not tax deductible in business acquisitions (but is tax deductible in net asset acquisitions), includes the technical skills of staff, acquired customer relationships that are not separable and synergies. Otherwise, the fair value of the assets and liabilities at the time of acquisition corresponds to the carrying amount in the acquired companies. There are no uncertain receivables among the acquired assets. Acquisition-related costs were expensed as other external expenses when they were incurred.

Note 6 Segments

	SALES, SEK MILLION			OPERATING PROFIT/LOSS, SEK MILLION			OPERATING MARGIN, %		
	JAN - MAR		FULL YEAR	JAN - MAR		FULL YEAR	JAN - MAR		FULL YEAR
	2017	2016	2016	2017	2016	2016	2017	2016	2016
Rejlers Sweden	308.7	309.2	1,226.2	23.5	-1.4	28.0	7.6	-0.5	2.3
Rejlers Finland	118.8	91.6	389.4	10.5	0.3	15.0	8.8	0.3	3.9
Rejlers Norway	88.1	73.6	335.6	-4.6	-7.8	-13.3	-5.2	-10.6	-4.0
Rejlers Embriq	118.6	87.8	417.1	4.9	5.8	15.6	4.1	6.6	3.7
Group wide	7.2	5.7	22.7	-4.6	-2.9	-17.8	-	-	-
Eliminations	-11.4	-8.7	-49.6	-	-	-	-	-	-
Consolidated total	630.0	559.2	2,341.4	29.7	-6.0	27.5	4.7	-1.1	1.2

NOTE 7 Financial instruments

The carrying amount for financial instruments recognised at the amortised cost corresponds to the fair value.

NOTE 8 Related party transactions

Related party transactions take place on market-based terms.

NOTE 9 Pledged assets and contingent liabilities

Pledged assets and contingent liabilities are essentially unchanged compared with the previous year.

Quarterly summary

SEK MILLION	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017
Sales											
Sweden	267.2	276.7	233.9	321.2	1,099.0	309.2	329.9	252.9	334.2	1,226.2	308.7
Finland	83.5	86.1	70.5	96.3	336.4	91.6	97.5	85.4	114.9	389.4	118.8
Norway	81.0	80.1	64.2	73.2	298.5	73.6	99.1	74.8	88.1	335.6	88.1
Embriq	19.9	16.4	14.8	100.2	151.3	87.8	85.9	99.1	144.3	417.1	118.6
Group-wide, etc.	0.6	-2.8	-3.3	-4.2	-9.7	-3.0	-4.2	-11.9	-7.8	-26.9	-4.2
Total	452.2	456.5	380.1	586.7	1,875.5	559.2	608.2	500.3	673.7	2,341.4	630.0
Operating profit/loss											
Sweden	14.5	15.6	14.1	7.2	51.4	-1.4	17.8	2.1	9.5	28.0	23.5
Finland	4.6	4.7	2.0	7.6	18.9	0.3	3.1	5.4	6.2	15.0	10.5
Norway	0.3	0.2	4.5	-1.5	3.5	-7.8	2.1	-1.5	-6.1	-13.3	-4.6
Embriq	4.2	2.2	1.2	1.7	9.3	5.8	5.0	2.1	2.7	15.6	4.9
Group-wide, etc.	-0.7	-2.5	-2.7	-3.7	-12.1	-2.9	-5.4	-3.2	-6.3	-17.8	-4.6
Total	22.9	20.1	18.9	9.1	71.0	-6.0	22.6	4.9	6.0	27.5	29.7
Operating margin											
Sweden	5.4	5.6	6.0	2.2	4.7	-0.5	5.4	0.8	2.8	2.3	7.6
Finland	5.5	5.5	2.8	7.9	5.6	0.3	3.2	6.3	5.4	3.9	8.8
Norway	0.4	0.2	7.0	-2.0	1.2	-10.6	2.1	-2.0	-6.9	-4.0	-5.2
Embriq	21.1	13.4	8.1	1.7	6.1	6.6	5.8	2.1	1.9	3.7	4.1
Group-wide, etc.	-	-	-	-	-	-	-	-	-	-	-
Total	5.1	4.4	5.0	1.6	3.8	-1.1	3.7	1.0	0.9	1.2	4.7
Number of employees											
Sweden	1,016	1,018	1,022	1,173	1,173	1,163	1,082	1,089	1,090	1,090	1,070
Finland	447	464	482	482	482	500	501	497	526	526	572
Norway	236	230	231	239	239	249	240	249	244	244	239
Embriq	57	57	56	179	179	155	147	155	156	156	155
Group-wide, etc.	12	11	11	8	8	10	10	11	11	11	12
Total	1,778	1,760	1,733	1,742	1,742	2,077	1,980	2,001	2,027	2,027	2,048

KPI

Rejlers uses, starting first quarter 2017, the key performance indicator of adjusted EBITA, which is a measure that Rejlers considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability. Definitions for key performance indicators are provided below and in the company's latest annual report.

SEK MILLION	JAN - MAR	JAN - MAR	FULL YEAR
	2017	2016	2016
IFRS key performance indicators			
Earnings per share before and after dilution, SEK	1.59	-0.46	1.03
Average number of shares	12,921,721	12,921,721	12,921,721
Number of shares at end of period	12,921,721	12,921,721	12,921,721
Operational key performance indicators			
Utilization	73.9	72.3	73.0
Sales per full-time employee	320	281	1,208
Number of working days	1,967	1,990	1,939
Number of full-time employees	2,048	2,077	2,027
Number of employees at end of period	2,048	2,077	2,027
Alternative performance measures			
Acquired growth, %	2	30	22
Currency effect, %	3	2	-2
Organic growth, %	8	-8	4
Adjusted EBITA	33.0	3.1	61.1
Depreciation/amortization of acquisition-related items	-3.3	-3.0	-12.1
Restructuring costs	-	-6.1	-21.5
Operating profit/loss (EBIT)	29.7	-6.0	27.5
Adjusted EBITA margin, %	5.2	0.6	2.6
Net debt	269.9	217.6	244.2
Net debt/ EBITDA, R12, times	3.4	2.8	2.4
Equity/assets ratio	42.8	42.5	40.6
Operating income per full-time employee, SEK thousand	15	-3	14
Equity per share at the end of the period	42.80	40.05	41.50

Definitions

Adjusted EBITA

Operating profit/loss (EBIT) according to the income statement, before items affecting comparability and amortization and impairment of acquisition-related intangible assets.

Adjusted EBITA margin

Adjusted EBITA in relation to net sales.

Items affecting comparability

Significant income and expense items, which are recognized separately due to the significance of their nature and amounts and are also to be viewed as non-recurring or rarely occurring.

Rejlers is one of the Nordic region's largest technical consultants. Our 2,000 experts work with projects in the areas of construction and property, energy, industry and infrastructure. At Rejlers, you will meet specialist engineers with the knowledge, cutting edge expertise and energy to achieve results. We are still experiencing rapid growth and can now be found in 80 locations in Sweden, Finland and Norway. Rejlers had sales of SEK 2.3 billion in 2016 and its class B share is listed on Nasdaq Stockholm.

UPCOMING REPORT OCCASIONS

Interim report, January-June 2017 **19 July 2017**

Interim report, January-September 2017 25 October 2017

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