

# Q1

## *Interim Report* **January-March 2018**



## Restructuring strengthens the market position and earnings

### First quarter

- Net sales amounted to SEK 603.2 million (629.6)
- Organic sales growth excluding exchange rate fluctuations amounted to -1.7%
- EBITA (adjusted) amounted to SEK 20.7 million (33.0) and the adjusted EBITA margin amounted to 3.4% (5.2)
- Operating profit (EBIT) amounted to SEK 5.1 million (29.7) and the operating margin was 0.8% (4.7)
- Profit after tax was SEK 1.5 million (21.2)
- Earnings per share before and after dilution were SEK 0.07 (1.59)
- Cash flow from operating activities totalled SEK 70.7 million (-10.2)
- Total costs for restructuring amounted to SEK 13.4 million in the first quarter and are estimated to amount to SEK 40 million in the second quarter of 2018



**Cash flow from operating activities totalled SEK 70.7 million for the quarter.**

KEY FIGURES	Q1 18	Q1 17	12 M R	2017
Net sales, SEK million	603.2	629.6	2 438,3	2 464,6
Organic growth excluding exchange rate effects, %	-1.7	8.0	0.9	4.1
EBITA, SEK million	7.3	33.0	11.9	37.5
EBITA* (adjusted), SEK million	20.7	33.0	43.0	55.2
EBITA margin* (adjusted), %	3.4	5.2	1.8	2.2
Operating profit/loss, SEK million	5.1	29.7	0.5	25.1
Profit/loss after tax, SEK million	1.5	21.2	-8.0	11.7
Earnings per share before dilution, SEK	0.07	1.59	-0.42	0.71
Earnings per share after dilution, SEK	0.07	1.59	-0.42	0.71
Cash flow from operating activities, SEK million	70.7	-10.2	39.6	-41.3
Net debt/EBITDA rolling 12 mo., times	2.3	2.4	2.3	2.3

\* As of the first quarter of 2017, Rejlers recognizes EBITA (adjusted) as operating profit/loss. For the definition, refer to page 18.

## Statement by the President and CEO

With a strong belief in the future, I am pleased to present the interim report for the first quarter of 2018 as the new President and CEO. Rejlers has an established position in the Nordic market with a broad range of services and clear potential to strengthen both its market position and earnings in the future. And we have begun the work of creating a more efficient, profitable and sustainable Rejlers through changes mainly in the Swedish and Norwegian operations. In total, sales decreased slightly in the first quarter while profitability is weighed down by non-recurring costs related to structural changes. The restructuring will also substantially encumber the second quarter earnings. Cash flow was strong during the first quarter.

### Change work

Change is needed to achieve our full potential. We need to become more efficient internally and at the same time more specialized to better be able to challenge and support our customers. We need to revise our strategy and strengthen our brand. It is exciting work we have ahead of us that will be done in stages. The first stage will be to increase operational efficiency.

### New organization in Sweden and Norway

We have already begun the change work by introducing a new organizational model for the Swedish operations. An organization that focuses on industry specialization rather than geography. Our new organization will enter into effect on 1 May and consists of five divisions with a clear mandate: Energy, Buildings, Industry, Infrastructure and Telecom. The reorganization means that the previous matrix organization is disappearing and that the Swedish operations will have a smaller management group. We are now also initiating corresponding changes in the Norwegian operations, where Rejlers Embriq and Rejlers Norway are being combined into one operation.

### Sales and profitability

In the first quarter of the financial year, net sales decreased by 4.1 per cent to SEK 603.2 million (629.6) partly as a result of calendar effects. Adjusted EBITA decreased to SEK 20.7 million (33.0) and was negatively impacted by calendar effects, fewer consultants and a continued low billing ratio. The on-going change work entails restructuring costs, which are charged to the quarter's profit in an amount of SEK 13.4 million (-). The change work will continue in the second quarter and are estimated to be charged to profit on a magnitude of SEK 40 million. The costs mainly consist of provisions for property contracts where co-location has occurred, closure of loss-generating operations and the discontinuation of several management positions. The rationalization affects all three Rejlers countries and is estimated to provide annual savings of SEK 30 million with full effect as of 2019. The objective is to create an operationally efficient Rejlers with greater focus on the market, profitability and growth.

### Personal reflections

It is inspiring to be on-site – since 22 February – to take Rejlers into the future together with the company's managers and employees. Rejlers has a 75-year history, nearly 2,000 qualified engineers, a growing partner network and high customer satisfaction. With such a strong platform, my assessment is that we can and will play an even more active role in the digital development of business and society. We will take a position as the "digital innovator". It is in the border zone between customers, technology and our operations that the future's digital winners will be created. The aim is to establish the industry's most exciting workplace with a clear focus on both customer benefit and shareholder value.



***"Change is needed to achieve our full potential. We need to become more efficient internally and at the same time more specialized to better be able to challenge and support our customers."***

## 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 2018

#### Net sales

Net sales totalled SEK 603.2 million (629.6), a decrease of 4.1 per cent compared to the corresponding quarter last year, partly as a result of calendar effects. Organic growth excluding exchange rate fluctuations was -1.7 per cent. In Finland, organic growth is positive while the other operations have a negative organic growth.

#### Adjusted EBITA

The quarter's adjusted EBITA amounted to SEK 20.7 million (33.0). Adjusted EBITA margin amounted to 3.4 per cent (5.2). The decline is partly attributable to the calendar effect of one working day less during the quarter compared with last year in Sweden and Finland and three working days less in Norway, and partly attributable to restructuring costs of SEK 13.4 million and a lower number of consultants.

#### Operating profit/loss

Operating profit (EBIT) amounted to SEK 5.1 million (29.7) and the operating margin was 0.6 per cent (4.7)

#### Financial income and expenses

The quarter's financial income amounted to SEK 2.2 million (1.1) and pertains mainly to currency translations. Financial expenses amounted to SEK 1.6 million (2.4) and are mainly attributable to interest expenses and currency translations.

#### Tax

The quarter's tax expense amounted to SEK 4.2 million (7.2). The lower tax expense is mainly attributable to deferred taxes in Norway belonging to earlier years.

#### Profit/loss after tax for the period

Profit after tax for the period amounted to SEK 1.5 million (21.2). Earnings per share amounted to SEK 0.07 (1.59) both before and after dilution.

#### Cash flow

During the quarter, the Group generated a cash flow from operating activities of SEK 70.7 million (-10.2). Lower trade receivables positively impacted the cash flow.

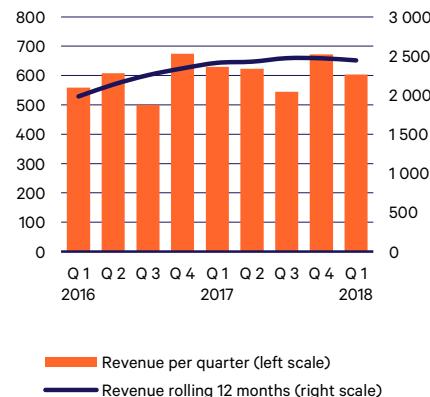
#### Financial position

Consolidated cash and cash equivalents at the end of the period amounted to SEK 75.6 million compared to SEK 20.3 million on 31 December 2017. The change in cash and cash equivalents has among other things been affected by amortization in an amount of SEK 7.1 million.

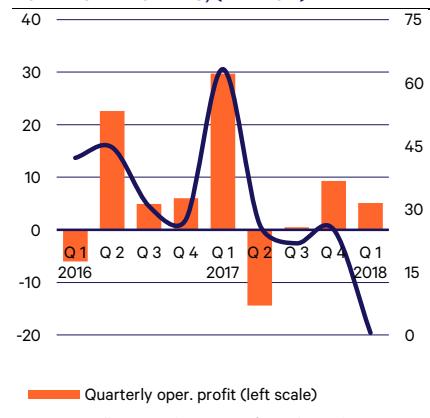
Interest-bearing liabilities decreased by SEK 5.9 million since 31 December 2017 to amount to SEK 152.7 million at the end of period. Net debt amounted to SEK 108.1 million, compared with SEK 167.2 million as at 31 December 2017. The refinancing negotiations were concluded. The company's loans will, after revision, be paid off in five years.

The ratio of net debt to EBITDA amounted to 2.3 at the end of the period compared with 2.3 at 31 December 2017. The equity/assets ratio amounted to 52.1 per cent compared with 52.7 on 31 December 2017.

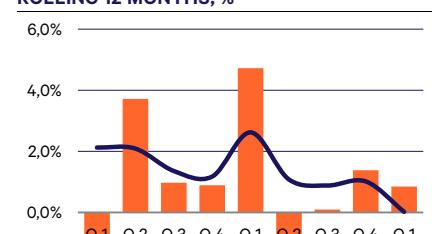
### NET SALES PER QUARTER AND ROLLING 12 MONTHS, (MILLION)



### OPERATING PROFIT PER QUARTER AND ROLLING 12 MONTHS, (MILLION)



### OPERATING MARGIN PER QUARTER AND ROLLING 12 MONTHS, %



Equity per share was SEK 41.89 at the end of the period compared to SEK 40.77 as of 31 December 2017. The Group's overdraft facilities of SEK 150.0 million (50.0) are entirely unutilized.

#### **Investments**

Investments in tangible assets amounted to SEK 1.9 million (1.7) and mainly pertain to servers and other IT equipment while investments in intangible assets, mainly attributable to the development of IT platforms at Rejlers Embriq, amounted to SEK 7.3 million (7.9). Investments in subsidiaries and businesses amounted to SEK 0.0 million (1.0). Depreciation/amortization amounted to SEK 11.5 million (11.8).

#### **Billing ratio**

The billing ratio increased to 75.2 per cent (73.9), mainly as a result of higher order volumes in Norway and Sweden. The billing ratio increased compared with the same period last year, but is on a level that is too low.

#### **Employees**

At the end of the period, there were 1,953 employees (2,048). There were 1,876 full-year employees (1 967).

#### **Parent Company**

Net sales for the parent company during the interim period amounted to SEK 9.1 million (7.2) and the profit/loss before tax amounted to a loss of SEK 12.2 million (loss: 5.3). The profit/loss in the Parent Company was impacted by non-recurring costs in connection with the change in CEOs.

#### **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. Similar seasonal variations occur in all geographic markets.

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

#### **New President and CEO of Rejlers**

On 22 February, Viktor Svensson took office as the President and CEO of Rejlers AB. At the Annual General Meeting on 7 May 2018, Peter Rejler will be proposed as the new Chairman of the Board of Rejlers. Viktor most recently comes from ÅF where he has worked in several different roles over the past 15 years, in recent years as the President of the ÅF Technology Division.

#### **Rejlers acquired DynaMate's consulting division**

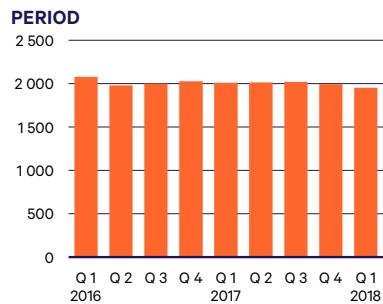
Through the agreement with Scania-owned DynaMate, Rejlers Sweden is adding to its expertise within HVAC and other key areas and further strengthening the services it offers within safety. In total, 31 employees will transfer to Rejlers' offices in Luleå, Stockholm, Borlänge and Oskarshamn effective 1 April.

**Management change in Rejlers Sverige AB**

On 23 March, Rejlers' President and CEO Viktor Svensson and Rejlers Sweden's President Jonas Thimberg have agreed that Jonas will step down from his position as President of the Swedish operation. At the same time, Viktor took the position of acting President for the Swedish operations.

**Changed proposal on dividends in Rejlers AB**

Rejlers long-term policy is for around 50 per cent of the company's earnings to be paid out as dividends. Rejlers Board proposes that the 2018 AGM approve a dividend of SEK 0.50 per share (0.00) for the 2017 financial year, which corresponds to 70.4 per cent of earnings per share after dilution. The dividend amount is SEK 9.0 million (0.0).

**NUMBER OF EMPLOYEES AT END OF PERIOD****Rejlers Sweden strengthens its business services through new organization**

Rejlers Sweden is streamlining its organization and establishing five national divisions with an office network which stretches from Kiruna in the north to Malmö in the south. The new organization will enter into effect on 1 May.

**Rejlers Norway and Rejlers Embriq becoming one operation**

The operations in Rejlers Norge AS and Rejlers Embriq AS are now being gathered and forming a new, powerful organization with unique expertise in digitalization, technical consulting and IT. As of the first quarterly report this year, Rejlers Norway will also be financially reported as one operation.

**New financing secured**

Rejlers' refinancing negotiations are concluded with improved terms and conditions and repayment times, as well as a higher bank overdraft facility.

**SIGNIFICANT PROJECTS DURING THE FIRST QUARTER****Rejlers signs prestigious framework agreement with Ellevio**

The new framework agreement comprises a total of nine areas and Rejlers Sweden has been chosen as the partner in all of them. The agreement comprises construction technology and electrical power both in local and regional grids, cables and overhead lines in regional grids, inspections and expertise in nature, environment, culture and forest and property law.

**Rejlers wins contract to modernize Rosenbad**

The Swedish National Property Board will renovate the Rosenbad block (which houses the Government Offices) in Stockholm, where there is a major need to modernize the climate system and technical installations. Rejlers will be responsible for design work regarding electrical and telecommunications systems in connection with the modernization in order to future-proof the block for efficient operation and management, and to ensure that the premises remain functional, safe, efficient, flexible and attractive for the tenant.

**Rejlers digital tools save time in operations and maintenance for Fortum**

Rejlers has pilot tested an entirely new way of using tools for augmented reality (AR) to locate Internet of Things (IoT) sensors in operations and maintenance of Fortum's hydroelectric power plant Oulunjoki in Finland.

**OTHER INFORMATION****Rejlers' shares**

The last price paid for Rejlers Class B on 29 March 2018 was SEK 51.80 per share, a decrease of 9.5 per cent compared with 29 December 2017. The last price paid for the Rejlers Class B share on 4 May 2018 was SEK 61.00 per share. The Rejlers share is listed on Nasdaq Stockholm.

## Segment Rejlers Sweden

The change work in Rejlers Sweden began with the introduction of a new organizational model on 1 May with a focus on industry specialization. The reorganization means that the matrix organization is disappearing and the organization will now consist of five divisions: Energy, Buildings, Industry, Infrastructure and Telecom. In addition, the size of the management group is being cut in half for greater efficiency and clarity both internally and externally. In connection with this, Johan Thimberg left as the President of Rejlers Sweden at the same time that Viktor Svensson became the acting President for the Swedish operations.

Net sales totalled SEK 294.1 million (308.2) in the first quarter, a decrease of 4.6 per cent compared with the year-before period. Organic growth amounted to -4.6 per cent.

Adjusted EBITA decreased to SEK 15.0 million (24.8), corresponding to an adjusted EBITA margin of 5.1 per cent (8.0) where the decrease is mainly attributable to fewer consultants and the calendar effect. Costs for the on-going restructuring of the operations and management changes were charged to profit/loss in an amount of SEK 4.0 million in the first quarter.

Operating profit for the quarter was SEK 9.7 million (23.5), equivalent to an operating margin of 3.3 per cent (7.6).



The calendar effect was negative by one day compared with the corresponding period the previous year.

Key figures	Q1 18	Q1 17	12M R	2017
Net sales, SEK million	294.1	308.2	1 184.8	1 198.9
Adjusted EBITA, SEK million	15.0	24.8	45.4	55.2
Adjusted EBITA margin, %	5.1	8.0	3.8	4.6
Operating profit, SEK million	9.7	23.5	26.3	40.1

## Segment Rejlers Finland

Rejlers Finland continues to have good market conditions with higher public and private construction and a positive development for the operations in Energy, Industry and Infrastructure.

Net sales totalled SEK 130.7 million (118.5) in the first quarter, an increase of 10.5 per cent compared with the year-before period. Organic growth excluding exchange rate fluctuations was 2.9 per cent. Growth is mainly attributable to the generally more favourable market conditions, as well as the calendar effect.

Adjusted EBITA decreased to SEK 8.4 million (11.4), corresponding to an adjusted EBITA margin of 6.4 per cent (9.6) where the decrease is mainly attributable to the calendar effect and a slightly lower billing ratio.

Operating profit for the quarter was SEK 7.8 million (10.5), equivalent to an operating margin of 5.9 per cent (8.8).



Key figures	Q1 18	Q1 17	12M R	2017
Net sales, SEK million	130.7	118.5	477.1	464.9
Adjusted EBITA, SEK million	8.4	11.4	29.1	32.0
Adjusted EBITA margin, %	6.4	9.6	6.1	6.8
Operating profit, SEK million	7.8	10.5	26.6	29.3

## Segment Rejlers Norway

Rejlers Norway and Rejlers Embriq are being combined into one operation and forming a new organization with expertise in digitalization, technical consulting and IT. This will increase Rejlers competitiveness in the Norwegian market through business synergies and shared operating functions. At the same time, it provides cost savings.

Rejlers Norway has for some time been marked by profitability problems as a result of low efficiency in some large telecom projects and a generally low billing ratio. Efficiency has improved, but the first quarter was marked by the merger of the two operations with cut-backs in administrative personnel and co-location of the operations to improve profitability.

During the quarter, the roll-out of smart electricity meters in Netalliansen continued with higher revenues from associated operating contracts. The Connected Stores concept was well received by the customers and involves a digitalization of retailing, which will lead to minimal stock, optimal logistics and reduced emissions.

Net sales totalled SEK 191.8 million (206.7) in the first quarter, a decrease of 14.5 per cent compared with the year-before period. The decrease is mainly attributable to the calendar effect, a generally low billing ratio and personnel cut-backs. Organic growth excluding exchange rate fluctuations was -5.5 per cent.

Adjusted EBITA amounted to SEK 4.1 million (1.1), corresponding to an adjusted EBITA margin of 2.1 per cent (0.5). Positive effects from the action programme in 2017 were not able to fully compensate for a negative calendar effect and continued low efficiency in some assignments. Start-up costs related to the delivery of smart electrical meters and the initiative in Connected Stores entail an initial margin pressure, which is expected to decline in the coming years. Profit was negatively impacted by restructuring costs of SEK 3.3 million.

Operating profit for the quarter was SEK 0.8 million (0.3), equivalent to an operating margin of 0.4 per cent (0.1).

The calendar effect was negative by three days compared with the corresponding period the previous year.



Key figures	Q1 18	Q1 17	12M R	2017
Net sales, SEK million	191.8	206.7	822.8	837.7
Adjusted EBITA, SEK million	4.1	1.1	-2.5	-5.5
Adjusted EBITA margin, %	2.1	0.5	-0.3	3.1
Operating profit, SEK million	0.8	0.3	-15.9	-16.4

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, 7 May 2018 Rejlers AB (publ)

**Viktor Svensson**  
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 7 May 2018 at 4:00 p.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.

The interim report has not been reviewed by the company's auditor.

# Group

## Condensed income statement

SEK million	Jan - Mar 2018	Jan - Mar 2017	JAN-DEC 2017
Net sales	603.2	629.6	2 464.6
Other income	1.2	0.4	5.5
Personnel expenses	-384.7	-375.2	-1,448.9
Other external expenses	-203.3	-213.4	-950.3
Participations in associates	0.2	0.1	0.3
<b>EBITDA</b>	<b>16.6</b>	<b>41.5</b>	<b>71.2</b>
Depreciation/amortization and impairment of non-current assets <sup>1)</sup>	-4.9	-4.6	-18.8
<b>EBITA</b>	<b>11.7</b>	<b>36.9</b>	<b>52.4</b>
Acquisition-related items <sup>2)</sup>	-6.6	-7.2	-27.3
<b>Operating profit/loss (EBIT)</b>	<b>5.1</b>	<b>29.7</b>	<b>25.1</b>
Net financial income/expense	0.6	-1.3	-3.6
<b>Profit/loss after net financial income/expense</b>	<b>5.7</b>	<b>28.4</b>	<b>21.5</b>
Tax	-4.2	-7.2	-9.8
<b>Profit/loss for the period</b>	<b>1.5</b>	<b>21.2</b>	<b>11.7</b>
<b>Attributable to:</b>			
Parent Company's shareholders	1.3	20.6	11.7
Shareholders without a controlling influence	0.2	0.6	0.0
Average number of shares	18,087,909	12,921,721	16,417,744
Earnings per share before and after dilution, SEK	0.07	1.59	0.71

1. Impairment and depreciation of property plant and equipment and amortization of intangible assets excluding good will and those related to acquisitions.

2. Impairment and amortization of goodwill and intangible assets related to acquisitions, revaluation of supplemental purchase amounts and gains/losses in the divestment of subsidiaries and operations.

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	JAN - MAR 2018	JAN - MAR 2017	JAN-DEC 2017
Profit/loss for the period	1.5	21.2	11.7
<i>Items that may be reclassified to the income statement:</i>			
Translation differences of foreign operations, net after-tax	19.0	-3.0	-5.7
<i>Items that will not be reclassified to the income statement:</i>			
Revaluation of net pension liability	-	-	-3.5
<b>Total other comprehensive income</b>	<b>19.0</b>	<b>-3.0</b>	<b>-9.2</b>
<b>Comprehensive income for the period</b>	<b>20.5</b>	<b>18.2</b>	<b>2.5</b>

## Condensed balance sheet

SEK million	31 Mar 2018	31 Mar 2017	31 Dec 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	454.9	432.5	443.8
Other intangible assets	126.8	121.3	121.7
Tangible assets	33.2	38.3	32.1
Other non-current assets	53.2	51.7	51.7
<b>Total non-current assets</b>	<b>668.1</b>	<b>643.8</b>	<b>649.3</b>
<b>Current assets</b>			
Current receivables	727.3	673.5	747.6
Cash and cash equivalents	75.6	15.3	20.3
<b>Total current assets</b>	<b>802.9</b>	<b>688.8</b>	<b>767.9</b>
<b>Total assets</b>	<b>1 471.0</b>	<b>1 332.6</b>	<b>1,417.2</b>
<b>Equity and liabilities</b>			
Equity attributable to shareholders in the Parent Company	757.7	553.0	737.4
Non-controlling interests	9.1	17.4	8.9
<b>Total equity</b>	<b>766.8</b>	<b>570.4</b>	<b>746.3</b>
<b>Non-current liabilities</b>			
Provision for pensions	31.0	21.0	28.8
Interest-bearing non-current liabilities <sup>1)</sup>	7.2	149.2	5.4
Other non-current liabilities	45.0	48.4	48.7
<b>Total non-current liabilities</b>	<b>83.2</b>	<b>218.4</b>	<b>82.9</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities <sup>1)</sup>	145.5	115.0	153.3
Other current liabilities	475.50	428.8	434.7
<b>Total current liabilities</b>	<b>621.0</b>	<b>543.8</b>	<b>588.0</b>
<b>Total liabilities and equity</b>	<b>1 471.0</b>	<b>1 332.6</b>	<b>1,417.2</b>

<sup>1)</sup> At 31 December 2017, the company's non-current liabilities were classified as current because refinancing must take place. Refinancing is complete. In April, the company's loans were renewed with a five-year repayment plan.

## Condensed changes in equity

SEK million	31 Mar 2018	31 Mar 2017	31 Dec 2017
Equity at start of period	746.3	552.2	552.2
Comprehensive income for the period	20.5	18.2	2.5
<i>Changes attributable to transactions with the owners</i>			
Dividends	-	-	-0.5
New share issue	-	-	192.1
<b>Total changes attributable to transactions with the owners</b>	<b>-</b>	<b>-</b>	<b>191.6</b>
<b>Equity at end of period</b>	<b>766.8</b>	<b>570.4</b>	<b>746.3</b>
<i>Attributable to:</i>			
Parent Company's shareholders	757.7	553.0	737.4
Non-controlling interests	9.1	17.4	8.9
<b>Total</b>	<b>766.8</b>	<b>570.4</b>	<b>746.3</b>

## Condensed cash flow statement

SEK million	Jan - Mar 2018	Jan - Mar 2017	JAN-DEC 2017
Cash flow from operating activities before changes in operating capital and tax paid	14.9	40.9	70.9
Tax paid	-14.4	2.1	-8.3
Change in working capital	70.2	-53.2	-103.9
<b>Cash flow from operating activities</b>	<b>70.7</b>	<b>-10.2</b>	<b>-41.3</b>
Cash flow from investing activities	-9.1	-13.4	-66.7
Cash flow from financing activities	-7.1	-25.9	63.2
<b>Cash flow for the period</b>	<b>54.5</b>	<b>-49.5</b>	<b>-44.8</b>
Cash and cash equivalents at start of period	20.3	64.9	64.9
Exchange rate differences in cash and cash equivalents	0.8	-0.1	0.2
<b>Cash and cash equivalents at end of period</b>	<b>75.6</b>	<b>15.3</b>	<b>20.3</b>

## Net liabilities

SEK million	31 Mar 2018	31 Mar 2017	31 Dec 2017
Interest-bearing non-current liabilities	7.2	149.2	5.4
Interest-bearing current liabilities	145.5	115.0	153.3
Pension provisions	31.0	21.0	28.8
Cash and cash equivalents	-75.6	-15.3	-20.3
<b>Total</b>	<b>108.1</b>	<b>269.9</b>	<b>167.2</b>

## Parent Company

### Condensed income statement

SEK million	Jan - Mar 2018	Jan - Mar 2017	JAN-DEC 2017
Sales	9.1	7.2	37.1
Personnel expenses	-11.5	-4.9	-19.3
Other external expenses	-10.4	-6.4	-44.0
Depreciation	-0.1	-0.1	-0.3
<b>Operating profit/loss</b>	<b>-12.9</b>	<b>-4.2</b>	<b>-26.5</b>
Net financial income/expense	0.7	-1.1	27.5
<b>Profit/loss after net financial income/expense</b>	<b>-12.2</b>	<b>-5.3</b>	<b>1.0</b>
Appropriations	-	-	13.7
Tax	-	-	-0.2
<b>Profit/loss after tax</b>	<b>-12.2</b>	<b>-5.3</b>	<b>14.5</b>

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 2018	31 Mar 2017	31 Dec 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	0.5	0.3	0.6
Financial assets	391.9	391.9	391.9
<b>Total non-current assets</b>	<b>392.4</b>	<b>392.2</b>	<b>392.5</b>
<b>Current assets</b>			
Current receivables	196.1	149.2	261.8
Cash and cash equivalents	46.4	0.0	0.9
<b>Total current assets</b>	<b>242.5</b>	<b>149.2</b>	<b>262.7</b>
<b>Total assets</b>	<b>634.9</b>	<b>541.4</b>	<b>655.2</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>420.7</b>	<b>221.1</b>	<b>432.8</b>
Untaxed reserves	8.3	22.0	8.3
<b>Non-current liabilities <sup>1)</sup></b>	<b>1.6</b>	<b>142.9</b>	<b>1.6</b>
<b>Current liabilities <sup>1)</sup></b>	<b>204.3</b>	<b>155.4</b>	<b>212.5</b>
<b>Total liabilities and equity</b>	<b>634.9</b>	<b>541.4</b>	<b>655.2</b>

<sup>1)</sup> At 31 December 2017, the company's non-current liabilities were classified as current because refinancing must take place. Refinancing is complete. In April, the company's loans were renewed with a five-year repayment plan.

# Notes

## Note 1 Rejlers Group

Rejlers AB (publ) (556349-8426) (the Parent Company) and its subsidiaries (jointly called the Group) are a Nordic business group that offers services to customers in the areas of Buildings, Energy, Industry, Infrastructure and Telecom.

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 (except for the below) 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. Information according to IAS 34 is provided in both notes and elsewhere in the interim report. The new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers that entered into effect on 1 January 2018 have not had any material effects on the balance sheet or income statement. In Rejlers' business model, revenues are categorized according to IFRS 15 at the same level as the segments, and are presented in more detail under the segment information. Revenues consist mainly of sales of consulting services that meet the criteria for reporting over time. The work is carried out on an ongoing basis or at a fixed price and is recognized over time as the work is carried out, mostly monthly but also after so-called milestones. In most cases, billing occurs the period after the revenue has been posted.

Rejlers is currently evaluating the effects of IFRS 16 - Leases that enters effect on 1 January 2019. Here, material effects are expected in the financial statements.

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

The segment division is changed as of 1 January 2018. The former segments Rejlers Norway and Rejlers Embriq are now reported together as Rejlers Norway. The reason for the change is that both of the Norwegian units have been integrated and now form one unit. Historical figures have been restated.

For clearer reporting, sales have been divided into net sales and other income. Historical figures have been restated.

## 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 2017. 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	Q118	Q117	12M R	2017
Restructuring costs	13.4	0.0	31.1	17.7

## Note 5 Business combinations

No acquisitions were made during the quarter.

## Note 6 Segments

	NET SALES, SEK MILLION			OPERATING PROFIT, SEK MILLION			OPERATING MARGIN %		
	JAN- MAR 2018	JAN- MAR 2017	JAN- DEC 2017	JAN- MAR 2018	JAN- MAR 2017	JAN- DEC 2017	JAN- MAR 2018	JAN- MAR 2017	JAN- DEC 2017
	294.1	308.2	1198.9	9.7	23.5	40.1	3.3	7.6	3.3
Rejlers Sweden	294.1	308.2	1198.9	9.7	23.5	40.1	3.3	7.6	3.3
Rejlers Finland	130.7	118.5	464.8	7.8	10.5	29.3	5.9	8.8	6.3
Rejlers Norway	191.8	206.7	837.7	0.8	0.3	-16.4	0.4	0.1	-2.2
Group wide	9.1	7.2	37.1	-13.2	-4.8	-27.9	-	-	-
Eliminations	-22.5	-11.0	-73.8	-	-	-	-	-	-
Consolidated total	603.2	629.6	2 464,7	5.1	29.7	25.1	0.8	4.7	1.0
Net financial income/expense	-	-	-	0.6	-1.3	-3.6	-	-	-
Profit before tax	-	-	-	5.7	28.4	21.5	-	-	-

**NOTE 7 Financial instruments**

The carrying amount of financial instruments recognized in amortized cost matches the fair value as the duration for financial assets and liabilities is short.

**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.

**NOTE 10 Annual General Meeting**

The Annual General Meeting will be held at the Lindhagen Conference Centre, Lindhagensgatan 126 in Stockholm, Sweden on 7 May 2018 at 5:00 p.m. Information on the Nomination Committee and the AGM is available on the company's website, [www.rejlers.com/se](http://www.rejlers.com/se).

**NOTE 11 Proposed dividend**

Rejlers long-term policy is for around 50 per cent of the company's earnings to be paid out as dividends. Rejlers Board proposes that the 2018 AGM approve a dividend of SEK 0.50 per share (0.00) for the 2017 financial year, which corresponds to 70.4 per cent of earnings per share after dilution. The dividend amount is SEK 9.0 million (0.0).

## Quarterly summary

SEK MILLION	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
<b>Net sales<sup>1)</sup></b>															
Sweden	308.5	329.7	252.3	333.8	1 224.3	308.2	303.8	255.6	331.3	1 198.9	294.1				
Finland	91.1	97.0	85.2	114.2	387.5	118.5	113.0	105.2	128.2	464.9	130.7				
Norway <sup>2)</sup>	161.3	185.1	173.9	232.4	752.7	206.7	209.0	190.9	231.1	837.7	191.8				
Group-wide, etc.	-2.7	-4.1	-11.3	-7.5	-25.6	-3.8	-4.3	-8.8	-20.0	-36.9	-13.4				
<b>Total</b>	<b>558.2</b>	<b>607.7</b>	<b>500.1</b>	<b>672.9</b>	<b>2,338.9</b>	<b>629.6</b>	<b>621.5</b>	<b>542.9</b>	<b>670.6</b>	<b>2,464.6</b>	<b>603.2</b>				
<b>Operating profit/loss</b>															
Sweden	-1.4	17.8	2.1	9.5	28.0	23.5	6.4	1.1	9.1	40.1	9.7				
Finland	0.3	3.1	5.4	6.2	15.0	10.5	3.7	8.1	7.0	29.3	7.8				
Norway <sup>2)</sup>	-2.0	7.1	0.6	-3.4	2.3	0.3	-15.3	-7.8	6.4	-16.4	0.8				
Group-wide, etc.	-2.9	-5.4	-3.2	-6.3	-17.8	-4.6	-9.2	-0.9	-13.2	-27.9	-13.2				
<b>Total</b>	<b>-6.0</b>	<b>22.6</b>	<b>4.9</b>	<b>6.0</b>	<b>27.5</b>	<b>29.7</b>	<b>-14.4</b>	<b>0.5</b>	<b>9.3</b>	<b>25.1</b>	<b>5.1</b>				
<b>Operating margin</b>															
Sweden	-0.5	5.4	0.8	2.8	2.3	7.6	2.1	0.4	2.7	3.3	3.3				
Finland	0.3	3.2	6.3	5.4	3.9	8.8	3.3	7.6	5.4	6.3	5.9				
Norway <sup>2)</sup>	-1.2	3.8	0.3	-1.5	0.3	0.1	-7.3	-4.1	2.8	-2.2	0.4				
Group-wide, etc.	-	-	-	-	-	-	-	-	-	-	-				
<b>Total</b>	<b>-1.1</b>	<b>3.7</b>	<b>1.0</b>	<b>0.9</b>	<b>1.2</b>	<b>4.7</b>	<b>-2.3</b>	<b>0.1</b>	<b>1.4</b>	<b>1.0</b>	<b>0.8</b>				
<b>Number of employees</b>															
Sweden	1,163	1,082	1,089	1,090	1,090	1,070	1,066	1,056	1,048	1,048	998				
Finland	500	501	497	526	526	535	545	562	573	573	586				
Norway <sup>2)</sup>	404	387	404	400	400	394	393	393	361	361	359				
Group-wide, etc.	10	10	11	11	11	12	12	12	12	12	10				
<b>Total</b>	<b>2,077</b>	<b>1,980</b>	<b>2,001</b>	<b>2,027</b>	<b>2,027</b>	<b>2,011</b>	<b>2,016</b>	<b>2,023</b>	<b>1,994</b>	<b>1,994</b>	<b>1,953</b>				

<sup>1)</sup> From Q1 2018, net sales are reported here. Previously reported sales were the sum of net sales and other income. Historical figures are recalculated.

<sup>2)</sup> From Q1 2018, the former segments Rejlers Norway and Rejlers Embriq are reported together as Rejlers Norway.

**Rejlers is one of the Nordic region's largest technical consultants. 2,000 experts who work on projects in Energy, Buildings, Industry, Infrastructure and Telecom. At Rejlers, you will meet specialist engineers with the knowledge, cutting edge expertise and energy to achieve results. We are still experiencing growth and can now be found in 80 locations in Sweden, Finland and Norway. Rejlers had sales of SEK 2.5 billion in 2017 and its class B share is listed on Nasdaq Stockholm.**

#### COMING REPORTS

<b>Annual General Meeting 2018</b>	<b>7 May 2018</b>
<b>Interim report, January-June 2018</b>	<b>26 July 2018</b>
<b>Interim report, January-September 2018</b>	<b>25 October 2018</b>

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