

# Q3

**Interim Report**  
**January –**  
**September 2018**



## Action programme delivers results

### Third quarter

- Net sales amounted to SEK 515.5 million (542.9)
- EBITA amounted to SEK 17.5 million (3.5) and the EBITA margin was 3.4% (0.6)
- Operating profit (EBIT) amounted to SEK 14.6 million (0.5) and the operating margin was 2.8% (0.1)
- Profit after tax was SEK 13.4 million (-5.7)
- Earnings per share before and after dilution were SEK 0.73 (-0.37)
- Cash flow from operating activities totalled SEK -34.6 million (-35.0)
- Total cost of restructuring measures was SEK 0.0 million (0.0)



**EBITA Q3 amounted to SEK 17.5 million (3.5), having benefited from the positive effects of a higher utilisation and the structural measures that have been implemented.**

### January - September

- Net sales amounted to SEK 1,721.0 million (1,794.0)
- EBITA (adjusted) amounted to SEK 62.1 million (37.3) and the adjusted EBITA margin amounted to 3.6% (2.1)
- Operating profit (EBIT) amounted to SEK 4.3 million (15.8) and the operating margin was 0.2% (0.9)
- Profit after tax was SEK -1.3 million (5.0)
- Earnings per share before and after dilution were SEK -0.13 (0.33)
- Cash flow from operating activities totalled SEK 35.0 million (-61.2)
- Total cost of restructuring measures was SEK 53.4 million (12.2)

KEY FIGURES	Q3 18	Q3 17	9M 18	9M 17	12 M R	2017
Net sales, SEK million	515.5	542.9	1,721.0	1,794.0	2,391.7	2,464.6
Organic growth excluding exchange rate effects, %	-1.3	5	-3.0	5	-1.5	4.1
EBITA* (adjusted), SEK million	17.5	3.5	62.1	37.3	79.9	55.2
EBITA margin* (adjusted), %	3.4	0.6	3.6	2.1	3.3	2.2
EBITA, SEK million	17.5	3.5	8.7	25.2	21.0	37.5
EBITA margin, %	3.4	0.6	0.5	1.5	0.9	1.5
Operating profit (EBIT), SEK million	14.6	0.5	4.3	15.8	13.6	25.1
Profit after tax, SEK million	13.4	-5.7	-1.3	5.0	5.4	11.7
Earnings per share before dilution, SEK	0.73	-0.37	-0.13	0.33	0.25	0.71
Earnings per share after dilution, SEK	0.73	-0.37	-0.13	0.33	0.25	0.71
Cash flow from operating activities, SEK million	-34.6	-34.8	35.0	-61.2	54.9	-41.3
Net debt/EBITDA rolling 12 mo., times	3.0	2.4	3.0	2.4	3.0	2.3

\* 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

*It is gratifying to see that the structural changes and efficiency measures that we implemented during the year are beginning to bear fruit in terms of positive effects on both our business and our results. The first stage of our transition has been successfully navigated and our journey of change to achieve our full potential is continuing. Rejlers Finland developed strongly during the third quarter and has shown further positive organic growth. The reorganisation in Sweden has resulted in the business now being based around industries and customer segments, rather than regions, which over time will lead to a more customer-led Rejlers. The merger of our Norwegian operations gives us an opportunity to focus on the areas where we see the greatest potential for growth in the future. Overall, we now have a more stable platform and a clear organisation to gradually strengthen both our market position and our profitability.*

### Restructuring

We have now completed the first phase towards our goal of establishing a more efficient, profitable and sustainable Rejlers through a new organisational structure and transformation and refining of the business. We are now well-equipped to take the next step in our journey of change by updating our vision and strategy over the next year, as well as starting the process of modernising our vital employer brand. In September, we assembled all Rejlers managers to jointly lay the foundations for this process of change.

### Strategic initiatives

Our goal is to become an even more attractive consultancy firm with a strong focus on employees, customer benefits and shareholder value. As part of this objective, we are now building up our own professional recruitment organisation in our largest cities. To add additional customer benefit, we will also launch our digital business platform 'Rejlers Network' during the fourth quarter to further augment our expertise.

### Profitability and sales

EBITA rose to SEK 17.5 million (3.5) as a result of efficiency measures and an increase in utilisation. Sales during the third quarter fell by 5 per cent to SEK 516 million. This downturn is explained in its entirety by structural changes in the form of divestments of unprofitable operations in Norway and a reduction in the share of hardware sales within Rejlers Embriq.

### Rejlers Embriq

Rejlers Embriq has continued to develop strongly. The business is changing, as evidenced by a declining share of hardware sales linked to the final stages of the successful roll-out of 180,000 smart electricity meters for Netalliansen in Norway. Hardware sales will be partly replaced by service contracts offering regular income and higher profitability. We are optimistic about the future of Embriq with its modern digital analytics range.

### Some personal reflections

It is with much pleasure, energy and enthusiasm that I, together with all our managers and colleagues, have started this sweeping journey of change to take Rejlers forward into the future. Our watchwords for value-adding change are leadership, business acumen and brand development. The change process primarily revolves around organisation, structure and culture, and it is culture that takes time.

Stockholm, October 2018

Viktor Svensson



***"The first stage of our transition has been successfully navigated and our journey of change to achieve our full potential is continuing."***

## Financial summary

**Income statement items and cash flow are compared with the corresponding period in the previous year. Balance sheet items refer to the position at the end of the period and are compared with the immediately preceding accounts.**

### THIRD QUARTER JULY - SEPTEMBER 2018

#### Net sales

Net sales amounted to SEK 515.5 million (542.9), a fall of 5.0 per cent compared with the corresponding quarter last year, as a result of the sale of the telecommunication operation in Norway and the closure of unprofitable operations. Organic growth excluding exchange rate fluctuations amounted to -1.3 per cent. In Finland, organic growth is positive, while the other operations have a negative organic growth.

#### Adjusted EBITA

Adjusted EBITA for the quarter amounted to SEK 17.5 million (3.5). Adjusted EBITA margin amounted to 3.4 percent (0.6). Structural changes such as the disposal and closure of unprofitable units and the higher utilisation had a positive impact on the financial results. The calendar effect for the quarter was unchanged compared with the previous year.

#### Operating profit

Operating profit (EBIT) amounted to SEK 14.6 million (0.5) and the operating margin was 2.8 per cent (0.1). No other restructuring costs impacted on the result for the quarter.

#### Financial income and expenses

Financial income for the quarter amounted to SEK 1.0 million (0.3). Financial expenses amounted to SEK -1.4 million (1.6) and are mainly attributable to interest expenses and currency translations.

#### Tax

The quarter's tax expense amounted to SEK 0.8 million (4.9). The effective tax rate is -6 per cent (613). The altered tax rate is mainly due to deferred tax income not being recognised in Norway.

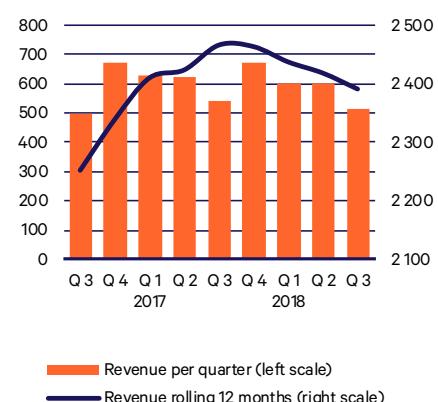
#### Profit after tax for the period

Profit after tax for the period amounted to SEK 13.4 million (-5.7). Earnings per share amounted to SEK 0.73 (-0.37) both before and after dilution.

#### Cash flow

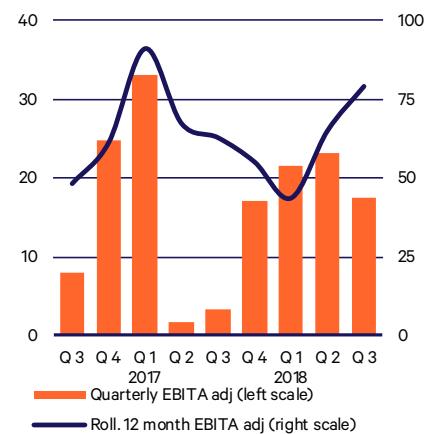
During the quarter, the Group generated a cash flow from operating activities of SEK -34.6 million (-35.0). Current liabilities increased by as much as trade receivables increased.

### NET SALES PER QUARTER AND ROLLING 12 MONTHS



Revenue per quarter (left scale)  
Revenue rolling 12 months (right scale)

### ADJUSTED EBITA PER QUARTER AND ROLLING 12 MONTHS



Quarterly EBITA adj (left scale)  
Roll. 12 month EBITA adj (right scale)

## THE PERIOD JANUARY - SEPTEMBER 2018

**Net sales**

Net sales amounted to SEK 1,721.0 million (1,794.0), a fall of 4.1 percent compared with the corresponding period last year, as a result of a number of factors, including the sale of the telecommunication operation in Norway and the closure of unprofitable units. Organic growth excluding exchange rate fluctuations amounted to -3.0 per cent. In Finland, organic growth is positive, while the other operations have a negative organic growth.

**Adjusted EBITA**

Adjusted EBITA for the period amounted to SEK 62.1 million (37.3). Adjusted EBITA margin amounted to 3.6 per cent (2.1). The improved financial results are explained by a higher utilisation and the structural changes that have been implemented.

**Operating profit**

Operating profit (EBIT) amounted to SEK 4.3 million (15.8) and the operating margin was 0.2 per cent (0.9). Earnings during the period were affected by restructuring costs totalling SEK 53.4 million (12.2) in the form of provisions for lease contracts where colocation is being implemented, the disposal of unprofitable units in Sweden and Norway and a substantial reduction in the number of managerial posts.

**Financial income and expenses**

Financial income during the period amounted to SEK 3.2 million (1.9) and relates mainly to currency translations. Financial expenses amounted to SEK 4.7 million (6.4) and are mainly attributable to interest expenses and currency translations.

**Tax**

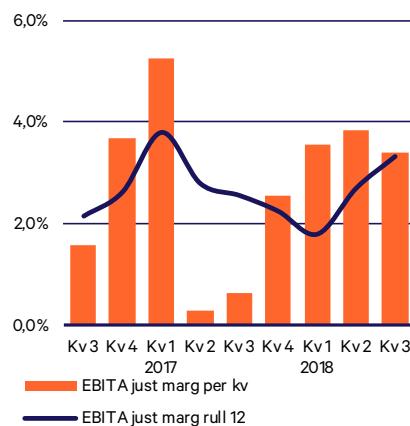
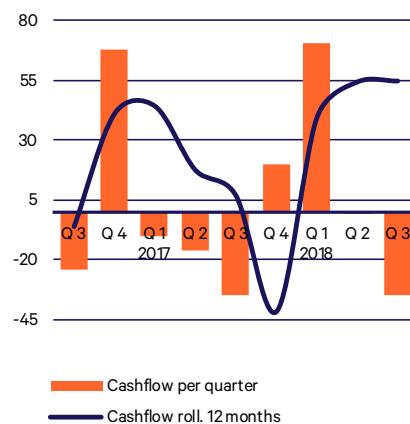
The tax expense for the period amounted to SEK 4.1 million (6.3). The effective tax rate is 146% (56). The higher tax rate is mainly due to deferred tax income not being recognised in Norway.

**Profit after tax for the period**

Profit after tax for the period amounted to SEK -1.3 million (5.0). Earnings per share amounted to SEK -0.13 (0.33) both before and after dilution.

**Cash flow**

During the first six months of the year, the Group generated a cash flow from operating activities of SEK 35.0 million (-61.2). The change mainly stems from a reduction in trade receivables.

**ADJUSTED EBITA MARGIN PER QUARTER AND ROLLING 12 MONTHS****CASH FLOW FROM OPERATING ACTIVITIES PER QUARTER AND ROLLING 12 MONTH**

**Financial position**

Consolidated cash and cash equivalents at the end of the period amounted to SEK 22.6 million, compared with SEK 20.3 million as of 31 December 2017. The change in cash and cash equivalents has been affected by amortisation of SEK 11.4 million and a dividend to shareholders of SEK 9.6 million (-).

Interest-bearing liabilities fell by SEK 10.8 million compared with 31 December 2017 to SEK 169.4 million at the end of the period. Net liabilities amounted to SEK 179.2 million, compared with SEK 167.2 million as of 31 December 2017.

The equity/assets ratio was 52.3 percent, compared with 53.5 on 31 December 2017.

Equity per share was SEK 41.44 at the end of the period, compared with SEK 40.77 on 31 December 2017. The Group's overdraft facilities of SEK 150.0 million (50.0) were utilised to the amount of SEK 25.0 million.

**Investments**

Investments in tangible non-current assets amounted to SEK 4.2 million (4.7), mainly relating to servers and other IT equipment. Investments in intangible assets, mainly attributable to the development of IT platforms at Rejlers Embriq, amounted to SEK 20.5 million (27.1). Investments in subsidiaries and businesses amounted to SEK 12.0 million (16.1). Depreciation/amortisation amounted to SEK 26.6 million (34.5).

**Utilisation**

The utilisation rose to 76.6 per cent (75.3), primarily as a result of higher order volumes in all three countries.

**Employees**

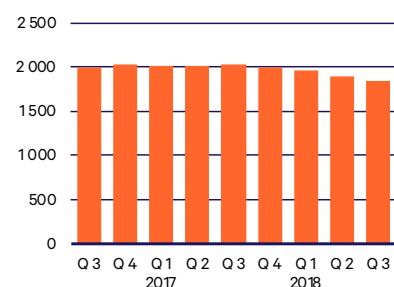
At the end of the period, there were 1,892 employees (2,064). There were 1,839 full-year employees (1,978).

**Parent Company**

Net sales for the Parent Company during the interim period amounted to SEK 27.1 million (25.5) and profit before tax amounted to SEK -18.5 million (-12.2). Profit at the Parent Company was impacted by non-recurring costs in connection with the replacement of the CEO.

**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 geographical markets.

**NUMBER OF EMPLOYEES AT END OF PERIOD**

## SIGNIFICANT EVENTS DURING THE THIRD QUARTER

### Rejlers signs an agreement with Telia Finland

Rejlers has signed an agreement with Telia Finland to run its Production Desk. Telia's Production Desk and all related activities have been transferred to Rejlers, which will handle the thousands of messages that are sent from this department every year.

### Rejlers' acquisitions in Energy in Finland

Rejlers Finland Oy has acquired the companies Antti Pitkänen Oy and Enease Oy. These acquisitions strengthen Rejlers' competence in digital energy services, for both grid planning and energy metering services. The companies have combined sales of EUR 0.6 million.

### Rejlers enters into close partnership with Andersson & Hultmark

Following a number of successful joint project assignments in the construction industry, Ingenjörsbyrån Andersson & Hultmark and Rejlers have decided to deepen their partnership and have signed a long-term cooperation agreement. The two companies complement each other in a unique way and together create a very strong installation contractor with expertise within a wide range of technology areas.

## IMPORTANT EVENTS SINCE THE END OF THE PERIOD

### Rejlers launches Rejlers Network

During the fourth quarter, Rejlers launches its digital partner platform, Rejlers Network, for independent consultants and companies. The platform will act as an important complement to Rejlers' operations and enable us to find the right partner for the right project more efficiently. The major advantage of the new platform is that it is based on artificial intelligence (AI), an advanced search engine which gives us better accuracy when searching for expertise.

### Rejlers signs agreement with Varner Group

Varner, one of Northern Europe's largest fashion firms, chooses Rejlers Embriq for technical infrastructure monitoring and operation. The agreement covers the monitoring and operation of Varner's technical infrastructure associated with the M3 and IBM i platforms.

## OTHER INFORMATION

### Rejlers shares

The closing price of Rejlers' Class B shares on 28 September 2018 was SEK 66,80 per share, an increase of 18 per cent compared with 29 December 2017. The Rejlers share is listed on Nasdaq Stockholm.

## Segment Rejlers Sweden

The reorganisation and restructuring programme within Rejlers Sweden has been implemented as planned and reduced our fixed costs. Our business is based around industries and customer segments rather than regions, which will lead to a more flexible and efficient operation over time. We have initiated recruitment initiatives in our four largest cities and are set to launch the Rejlers Network during the fourth quarter so that we can quickly and digitally offer complementary engineering resources to our customers.

Several new agreements were signed during the quarter, including an agreement on the design of power grid expansion with Svenska Kraftnät and Finnish FinGrid, a framework agreement with Rolls Royce and TeraCom, and a framework agreement for project and construction management with the Swedish Transport Administration. A number of new recruitments with specialist expertise in AI (Artificial Intelligence), Machine Learning and the Defence Industry were completed during the quarter.

The market for all our services remains strong and we are seeing particularly strong demand for Rejlers' digital energy services, projects within construction and property and the design and development of the fibre network.

Net sales totalled SEK 252.9 million (253.8) in the third quarter, a decrease of 0.4 percent compared with the corresponding quarter during the previous year. Organic growth amounted to -3.3 per cent. This decrease is explained by the earlier closure of unprofitable operations. Adjusted EBITA increased to SEK 8.9 million (2.4), corresponding to an adjusted EBITA margin of 3.5 percent (0.9). The effects of previous restructurings and an improved utilisation have had a positive impact on the financial results.

Operating profit for the quarter was SEK 7.4 million (1.1), equivalent to an operating margin of 2.9 per cent (0.4).

The calendar effect was neutral during the third quarter compared with the corresponding period in the previous year.



KEY FIGURES	Q3 18	Q3 17	9M 18	9M 17	12M R	2017
Net sales, SEK million	252.9	253.8	845.9	867.6	1,172.2	1,198.9
Adjusted EBITA, SEK million	8.9	2.4	35.1	39.2	51.1	55.2
Adjusted EBITA margin, %	3.5	0.9	4.1	4.5	4.4	4.6
Operating profit, SEK million	7.4	1.1	9.0	31.0	18.1	40.1

## Segment Rejlers Finland

Rejlers Finland delivered a robust third quarter with strong growth in both sales and profits. The efficiency measures implemented during the year proceeded according to plan and are starting to have a positive impact on earnings. Our recently acquired businesses developed strongly during the quarter. We offer a broad range of services in a market with good economic conditions and a positive outlook for the future.

During the quarter, a partnership with the ESA (European Space Agency) was launched regarding the development and delivery of terrestrial support equipment linked to the commercial launch of the JUICE satellite in 2022. JUICE will explore the planet Jupiter and its three major moons.

Net sales totalled SEK 129.2 million (106.4) in the third quarter, an increase of 21.4 per cent compared with the corresponding quarter in the previous year. Organic growth excluding exchange rate fluctuations amounted to 7.9 per cent. This growth is mainly attributable to the generally more favourable market conditions and the effects of completed acquisitions. The total technology consulting market is expanding, which is generating strong organic growth in all our business areas.

Adjusted EBITA rose to SEK 9.2 million (8.6), corresponding to an adjusted EBITA margin of 7.1 percent (8.2). Recently completed organisational changes and new systems and processes aimed at boosting internal efficiency have had a positive impact on earnings.

Operating profit for the quarter was SEK 8.7 million (8.1), equivalent to an operating margin of 6.7 percent (7.8).

The calendar effect was neutral during the third quarter compared with the corresponding period in the previous year.



KEY FIGURES	Q3 18	Q3 17	9M 18	9M 17	12M R	2017
Net sales, SEK million	129.2	104.4	410.3	336.7	538.5	464.9
Adjusted EBITA, SEK million	9.2	8.6	32.4	24.4	40.0	32.0
Adjusted EBITA margin, %	7.1	8.2	7.9	7.2	7.4	6.8
Operating profit, SEK million	8.7	8.1	28.4	22.3	35.4	29.3

## Segment Rejlers Norway

A new and more efficient organisation is now in place for Rejlers' Norwegian operations, with Rejlers Embriq and Rejlers Norge bringing together expertise in digitalisation, technological consulting and IT under one roof. This will enable us to enhance Rejlers' competitiveness in the Norwegian market through corporate synergies and joint operational functions and to focus on areas where we see the greatest potential for growth in the future.

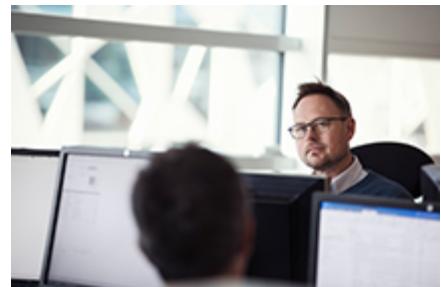
Rejlers' operations in the energy sector are undergoing change as the roll-out of smart electricity meters in the Norwegian market enters its final stages. As a result, sales of low-margin hardware and associated installation services are expected to fall. These will be replaced to some extent by ongoing operating and service contracts, which are expanding.

Net sales totalled SEK 151.4 million (190.9) in the third quarter, a decline of 17.9 percent compared with the corresponding quarter during the previous year. The decrease is mainly explained by the sale of the telecom operation, lower sales in hardware and the installation of smart electricity meters. Organic growth excluding exchange rate fluctuations amounted to -5.2 per cent.

Adjusted EBITA amounted to SEK 2.5 million (-7.0), corresponding to an adjusted EBITA margin of 1.7 percent (-3.7). The improvement in the result is mainly due to growth in operating and service contracts, as well as the implementation of structural changes.

Operating profit for the quarter amounted to SEK 1.8 million (-7.8), equivalent to an operating margin of 1.2 per cent (-4.1).

The calendar effect was neutral during the third quarter compared with the corresponding period in the previous year.



KEY FIGURES	Q3 18	Q3 17	9M 18	9M 17	12M R	2017
Net sales, SEK million	151.4	190.9	488.3	606.6	719.4	837.7
Adjusted EBITA, SEK million	2.5	-7.0	10.1	-12.6	17.3	-5.5
Adjusted EBITA margin, %	1.7	-3.7	2.1	-2.1	2.4	-0.6
Operating profit, SEK million	1.8	-7.8	-8.8	-22.8	-2.4	-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, 25 October 2018 Rejlers AB (publ).

**Viktor Svensson**  
President and CEO

### AUDITOR'S REVIEW REPORT

#### Introduction

We have conducted a general review of the interim report for Rejlers AB (publ) for the period 1 January 2018 to 30 September 2018. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express our conclusion about this interim report, based on our general review.

#### Focus and scope of the general review

We have conducted our general review in accordance with the International Standard on Review Engagements ISRE 2410 Review of interim financial information performed by the independent auditor of the entity. A general review consists of making enquiries, in the first instance with individuals who are responsible for financial and accounting issues, carrying out analytical reviews and implementing other general review procedures. A general review has a different approach and is substantially less in scope than an audit conducted in accordance with ISA and good auditing practice in general. The review procedures that are implemented in conjunction with a general review do not enable us to acquire such assurance that we are aware of all important circumstances that might have been identified had an audit been carried out. The expressed conclusion based on a general review does not therefore have the same level of assurance as an expressed conclusion based on an audit.

#### Conclusion

Based on our general review, no circumstances have come forth that give us reasons to consider that the interim report has not, in every essential respect, been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act as well as for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 25 October 2018  
Deloitte AB

Johan Telander  
Authorised Public Accountant

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 provided by the above contact person for publication on 25 October 2018, at 8.00 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.

## Group

## Condensed income statement

SEK million	JUL-SEP 2018	JUL-SEP 2017	JAN-SEP 2018	JAN-SEP 2017	JAN-DEC 2017
Net sales	515.5	542.9	1,721.0	1,794.0	2,464.7
Other income	-3.6	1.9	1.6	3.8	5.4
Personnel expenses	-305.1	-304.2	-1,073.7	-1,067.2	-1,448.9
Other external expenses	-180.6	-229.1	-614.2	-680.5	-950.3
Participations in associates	0.4	0.0	0.6	0.2	0.3
<b>EBITDA</b>	<b>26.6</b>	<b>11.5</b>	<b>35.3</b>	<b>50.3</b>	<b>71.2</b>
Depreciation/amortisation and impairment of non-current assets <sup>1)</sup>	-9.1	-8.0	-26.6	-25.1	-33.7
<b>EBITA</b>	<b>17.5</b>	<b>3.5</b>	<b>8.7</b>	<b>25.2</b>	<b>37.5</b>
Acquisition-related items <sup>2)</sup>	-2.9	-3.0	-4.4	-9.4	-12.4
<b>Operating profit (EBIT)</b>	<b>14.6</b>	<b>0.5</b>	<b>4.3</b>	<b>15.8</b>	<b>25.1</b>
Net financial items	-0.4	-1.3	-1.5	-4.5	-3.6
<b>Profit after net financial items</b>	<b>14.2</b>	<b>-0.8</b>	<b>2.8</b>	<b>11.3</b>	<b>21.5</b>
Tax	-0.8	-4.9	-4.1	-6.3	-9.8
<b>Profit for the period</b>	<b>13.4</b>	<b>-5.7</b>	<b>-1.3</b>	<b>5.0</b>	<b>11.7</b>
<b>Attributable to:</b>					
Parent Company's shareholders	13.2	-5.1	-2.3	5.3	11.7
Shareholders without a controlling influence	0.2	-5.0	1.0	-0.3	0.0
Average number of shares	18,087,909	18,087,909	18,087,909	15,854,905	16,417,744
Earnings per share before and after dilution, SEK	0.73	-0.37	-0.13	0.33	0.71

1. Impairment and depreciation of property plant and equipment and amortisation of intangible assets excluding goodwill and those related to acquisitions.

2. Impairment and amortisation of goodwill and intangible assets related to acquisitions, revaluation of supplemental purchase amounts and gains/losses in the divestment of subsidiaries and operations. See note 5.

## Condensed statement of comprehensive income

SEK million	JUL-SEP 2018	JUL-SEP 2017	JAN-SEP 2018	JAN-SEP 2017	JAN-DEC 2017
Profit for the period	13.4	-5.7	-1.3	5.0	11.7
<i>Items that may be reclassified to the income statement:</i>					
Translation differences of foreign operations, net after tax	-4.7	0.4	23.6	-6.9	-5.7
<i>Items that will not be reclassified to the income statement:</i>					
Revaluation of net pension liability	-	1.4	-	1.4	-3.5
<b>Total other comprehensive income</b>	<b>-4.7</b>	<b>1.8</b>	<b>23.6</b>	<b>-5.5</b>	<b>-9.2</b>
<b>Comprehensive income for the period</b>	<b>8.7</b>	<b>-3.9</b>	<b>22.3</b>	<b>-0.5</b>	<b>2.5</b>

## Condensed balance sheet

SEK million	30 SEP 2018	30 SEP 2017	31 DEC 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	461.2	435.6	443.8
Other intangible assets	135.9	120.0	121.7
Tangible assets	28.2	33.5	32.1
Other non-current assets	52.6	51.4	51.7
<b>Total non-current assets</b>	<b>677.9</b>	<b>640.5</b>	<b>649.3</b>
<b>Current assets</b>			
Current receivables	750.7	725.0	747.6
Cash and cash equivalents	22.6	22.8	20.3
<b>Total current assets</b>	<b>773.3</b>	<b>747.8</b>	<b>767.9</b>
<b>Total assets</b>	<b>1,451.2</b>	<b>1,388.3</b>	<b>1,417.2</b>
<b>Equity and liabilities</b>			
Equity attributable to shareholders in the Parent Company	749.6	734.6	737.4
Non-controlling interests	9.4	8.6	8.9
<b>Total equity</b>	<b>759.0</b>	<b>743.2</b>	<b>746.3</b>
<b>Non-current liabilities</b>			
Provision for pensions	32.4	21.9	28.8
Interest-bearing non-current liabilities <sup>1)</sup>	5.7	125.7	5.4
Other non-current liabilities	47.6	49.6	48.7
<b>Total non-current liabilities</b>	<b>85.7</b>	<b>197.2</b>	<b>82.9</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities <sup>1)</sup>	163.7	40.4	153.3
Other current liabilities	422.8	407.5	434.7
<b>Total current liabilities</b>	<b>606.5</b>	<b>447.9</b>	<b>588.0</b>
<b>Total liabilities and equity</b>	<b>1,451.2</b>	<b>1,388.3</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. The loans will be extended during the fourth quarter.

## Condensed changes in equity

SEK million	30 SEP 2018	30 SEP 2017	31 DEC 2017
Equity at start of period	746.3	552.2	552.2
Comprehensive income for the period	22.3	-0.5	2.5
<i>Changes attributable to transactions with the owners</i>		-	
Dividends	-9.6	-0.5	-0.5
New share issue	-	192.0	192.1
<b>Total changes attributable to transactions with the owners</b>	<b>-9.6</b>	<b>191.5</b>	<b>191.6</b>
<b>Equity at end of period</b>	<b>759.0</b>	<b>743.2</b>	<b>746.3</b>
<b>Attributable to:</b>			
Parent Company's shareholders	749.6	743.2	737.4
Non-controlling interests	9.4	8.6	8.9
<b>Total</b>	<b>759.0</b>	<b>743.2</b>	<b>746.3</b>

## Condensed cash flow statement

SEK million	JUL-SEP 2018	JUL-SEP 2017	JAN-SEP 2018	JAN-SEP 2017	JAN-DEC 2017
Cash flow from operating activities before changes in operating capital and tax paid	9.8	15.5	71.1	52.1	70.9
Tax paid	-12.7	-11.7	-37.6	-16.8	-8.3
Change in working capital	-31.7	-38.8	1.5	-96.5	-103.9
<b>Cash flow from operating activities</b>	<b>-34.6</b>	<b>-35.0</b>	<b>35.0</b>	<b>-61.2</b>	<b>-41.3</b>
Cash flow from investing activities	-8.8	-13.6	-34.6	-51.2	-66.7
Cash flow from financing activities	17.7	-7.7	1.2	70.3	63.2
<b>Cash flow for the period</b>	<b>-25.6</b>	<b>-56.3</b>	<b>1.5</b>	<b>-42.1</b>	<b>-44.8</b>
Cash and cash equivalents at start of period	48.5	79.0	20.3	64.9	64.9
Exchange rate differences in cash and cash equivalents	-0.3	0.1	0.8	0.0	0.2
<b>Cash and cash equivalents at end of period</b>	<b>22.6</b>	<b>22.8</b>	<b>22.6</b>	<b>22.8</b>	<b>20.3</b>

## Net liabilities

SEK million	30 SEP 2018	30 SEP 2017	31 DEC 2017
Interest-bearing non-current liabilities	5.7	125.7	5.4
Interest-bearing current liabilities	163.7	40.4	153.3
Pension provisions	32.4	21.9	28.8
Cash and cash equivalents	-22.6	-22.8	-20.3
<b>Total</b>	<b>179.2</b>	<b>165.2</b>	<b>167.2</b>

## Parent Company

### Condensed income statement

SEK million	JUL-SEP 2018	JUL-SEP 2017	JAN-SEP 2018	JAN-SEP 2017	JAN-DEC 2017
Sales	8.8	11.5	27.1	25.5	37.1
Personnel expenses	-8.0	-5.0	-27.5	-14.6	-19.3
Other external expenses	-6.2	-7.1	-23.5	-24.6	-44.0
Depreciation	-0.1	-0.1	-0.2	-0.2	-0.3
Participations in associated company earnings	0.3	-	0.3	-	-
<b>Operating profit</b>	<b>-5.2</b>	<b>-0.7</b>	<b>-23.9</b>	<b>-13.6</b>	<b>-26.5</b>
Net financial items	0.4	3.7	5.4	1.4	27.5
<b>Profit after net financial items</b>	<b>-4.8</b>	<b>3.0</b>	<b>-18.5</b>	<b>-12.2</b>	<b>1.0</b>
Appropriations	-	-	-	-	13.7
Tax	-	-	-	-	-0.2
<b>Profit after tax</b>	<b>-4.8</b>	<b>3.0</b>	<b>-18.5</b>	<b>-12.2</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	30 SEP 2018	30 SEP 2017	31 DEC 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	0.4	0.5	0.6
Financial assets	389.9	391.9	391.9
<b>Total non-current assets</b>	<b>390.3</b>	<b>392.4</b>	<b>392.5</b>
<b>Current assets</b>			
Current receivables	254.7	235.7	261.8
Cash and cash equivalents	1.2	2.7	0.9
<b>Total current assets</b>	<b>255.9</b>	<b>238.4</b>	<b>262.7</b>
<b>Total assets</b>	<b>646.2</b>	<b>630.8</b>	<b>655.2</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>405.3</b>	<b>406.1</b>	<b>432.8</b>
<b>Untaxed reserves</b>	<b>8.3</b>	<b>22.0</b>	<b>8.3</b>
<b>Non-current liabilities<sup>1)</sup></b>	<b>1.6</b>	<b>121.6</b>	<b>1.6</b>
<b>Current liabilities<sup>1)</sup></b>	<b>231.0</b>	<b>81.1</b>	<b>212.5</b>
<b>Total liabilities and equity</b>	<b>646.2</b>	<b>630.8</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. The loans will be extended during the fourth quarter.

# 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 2018. None of these has materially affected the Group's accounts and reporting. 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, income is categorised according to IFRS 15 at the same level as the segments and is presented in more detail under the segment information. Income mainly consists of the sale of consultancy services which fulfil the criteria for reporting over time. Work is performed on ongoing account or at fixed price and is recognised as income over time at the pace in which the work is done, largely monthly but also according to achieved milestones. In most cases, invoicing is done in the period after the income is entered in the accounts. Rejlers is currently evaluating the effects of IFRS 16 Leases, which enters into effect on 1 January 2019.

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. Information according to IAS 34 is provided both in notes and elsewhere in the interim report.

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	Q3 18	Q3 17	9M 18	9M 17	12M R	2017
Restructuring costs	-	-	53.4	12.2	58.9	17.7

## Note 5 Acquisition-related items

SEK million	Q3 18	Q3 17	9M 18	9M 17	12M R	2017
Impairment and amortisation of goodwill and intangible assets related to acquisitions	2.9	3.0	9.0	9.4	12.0	12.4
Profit from divestment of subsidiaries and operations	-	-	-4.6	-	-4.6	-
<b>Total</b>	<b>2.9</b>	<b>3.0</b>	<b>4.4</b>	<b>9.4</b>	<b>7.4</b>	<b>12.4</b>

## Note 6 Business combinations

On 1 April, Rejlers acquired the assets of Dynamate's consultancy division with 31 employees. On 1 June, the assets of A Pitkänen Oy were acquired, while on 1 July, the assets of Enease Oy were acquired. On 14 June, all shares in Nurmi Oy were acquired. No individual acquisition is of sufficient significance to be presented consolidated.

So far this year, acquisitions have contributed SEK 17.1 million to sales and SEK 0.8 million to operating profit. If the operations had been owned as of 1 January, they would have contributed sales of SEK 30.2 million and an operating profit of SEK 1.2 million.

## Net assets of companies acquired at the time of acquisition

SEK million	JAN – SEP
	Total
Non-current assets	1.5
Current assets	0.8
Cash and cash equivalents	0.3
Other current liabilities	-1.2
<b>Net identifiable assets and liabilities</b>	<b>1.4</b>
Goodwill	4.5
Customer values	8.6
Deferred tax on intangible assets	-0.0
<b>Purchase price, cash and cash equivalents</b>	<b>14.5</b>
Less:	
Cash and cash equivalents in acquired companies	-0.3
Estimated additional purchase prices	-2.2
<b>Net cash outflow during the period</b>	<b>12.0</b>

Acquisition analyses for the acquired operations are 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 7 Segments

	NET SALES, SEK MILLION					OPERATING PROFIT, SEK MILLION					OPERATING MARGIN, %				
	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR 2017	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR 2017	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR 2017
	Rejlers Sweden	252.9	253.8	845.9	867.6	1,198.9	7.4	1.1	9.0	31.0	40.1	2.9	0.4	1.1	3.6
Rejlers Finland	129.2	104.4	410.3	336.7	464.9	8.7	8.1	28.4	22.3	29.3	6.7	7.6	6.9	6.6	6.3
Rejlers Norway	151.4	190.9	488.3	606.6	837.7	1.8	-7.8	-8.8	-22.8	-16.4	1.1	-4.1	-1.8	-3.8	-2.2
Group-wide	8.6	11.6	26.9	25.5	37.1	-3.3	0.9	-24.3	-14.7	-27.9	-	-	-	-	-
Eliminations	-26.6	-19.7	-50.4	-42.4	-73.9	-	-	-	-	-	-	-	-	-	-
<b>Consolidated total</b>	<b>515.5</b>	<b>541.0</b>	<b>1,721.0</b>	<b>1,794.0</b>	<b>2,464.7</b>	<b>14.6</b>	<b>0.5</b>	<b>4.3</b>	<b>15.8</b>	<b>25.1</b>	<b>2.8</b>	<b>0.1</b>	<b>0.2</b>	<b>0.9</b>	<b>1.0</b>
Net financial income/expense	-	-	-	-	-	-0.4	-1.3	-1.5	-4.5	-3.6	-	-	-	-	-
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.2</b>	<b>-0.8</b>	<b>2.8</b>	<b>11.3</b>	<b>21.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTE 8 Financial instruments

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

## NOTE 9 Related party transactions

Related party transactions take place on market-based terms.

## NOTE 10 Pledged assets and contingent liabilities

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

## 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	298.9	252.9		
Finland	91.1	97.0	85.2	114.2	387.5	118.5	113.0	105.2	128.2	464.9	130.7	150.4	129.2		
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	145.1	151.4		
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	-7.9	-18.0		
<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>602.3</b>	<b>515.0</b>		
<b>Operating profit</b>															
Sweden	-1.4	17.8	2.1	9.5	28.0	23.5	6.4	1.1	9.1	40.1	9.7	-8.1	7.4		
Finland	0.3	3.1	5.4	6.2	15.0	10.5	3.7	8.1	7.0	29.3	7.8	11.9	8.7		
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	-11.4	1.8		
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	-7.8	-3.3		
<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>-15.4</b>	<b>14.6</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	-2.7	2.9		
Finland	0.3	3.2	6.3	5.4	3.9	8.8	3.3	7.6	5.4	6.3	5.9	7.9	6.7		
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	-7.9	1.1		
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>-2.6</b>	<b>2.8</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	1,011	1,010		
Finland	500	501	497	526	526	535	545	562	573	573	586	604	606		
Norway <sup>2)</sup>	404	387	404	400	400	394	393	393	361	361	359	273	267		
Group-wide, etc.	10	10	11	11	11	12	12	12	12	12	10	9	9		
<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>	<b>1,897</b>	<b>1,892</b>		

1) From Q1 2018, net sales are reported here. Previously reported sales were the sum of net sales and other income. Historical figures have been restated.

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

## Key figures

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 wish to understand profit generation excluding items affecting comparability. Definitions of key figures are in the company's latest annual report.

SEK million	JUL-SEP 2018	JUL-SEP 2017	JAN-SEP 2018	JAN-SEP 2017	JAN-DEC 2017
<b>IFRS key performance indicators</b>					
Earnings per share before and after dilution, SEK	0.73	-0.37	-0.13	0.33	0.71
Average number of shares	18,087,909	18,087,909	18,087,909	15,854,905	16,417,744
Number of shares at end of period	18,087,909	18,087,909	18,087,909	18,087,909	18,087,909
<b>Operational key performance indicators</b>					
Utilisation, %	76.9	76.2	76.6	75.3	75.2
Sales per full-time employee, SEK thousand	280	275	910	909	1,286
Number of full-time employees	1,830	1,950	1,892	1,978	1,921
Number of employees at end of period	1,839	2,064	1,839	2,064	1,994
<b>Alternative key figures</b>					
Acquired growth, %	1.9	3	1.4	2	2.1
Currency effect, %	2.9	1	2.2	1	-0.9
Organic growth, %	-1.3	5	-3.0	5	4.1
Adjusted EBITA, SEK million	17.5	3.5	62.1	37.3	55.2
Acquisition-related items, SEK million	-2.9	-3.0	-4.4	-9.4	12.4
Items affecting comparability, SEK million	-	-	53.4	-12.1	17.7
Operating profit (EBIT), SEK million	14.6	0.5	4.3	15.8	25.1
Adjusted EBITA margin, %	3.4	0.6	0.5	2.1	2.2
Net liabilities, SEK million	179.2	165.2	179.2	165.2	167.2
Net liabilities/EBITDA, R12, times	3.0	2.4	3.0	2.4	2.3
Equity/assets ratio, %	52.3	53.5	52.3	53.5	52.7
Operating profit per full-time employee, SEK thousand	8	0	2	8	13
Equity per share at the end of the period, SEK	41.44	40.61	41.44	40.61	40.77

## Definitions

### Adjusted EBITA

Operating profit (EBIT) according to income statement, before items affecting comparability and acquisition-related items.

### Adjusted EBITA margin

Adjusted EBITA in relation to net sales.

### Items affecting comparability

Items affecting comparability are significant items that are recognised separately as a result of their magnitude or occurrence in order to facilitate a full understanding of the group's financial performance and comparability.

### Acquisition-related items

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

### EBITDA

Operating profit excluding amortisation, depreciation and impairment.

### Restructuring costs

Costs attributable to the restructuring of operations, i.e. mainly downsizing and workplace closures.

**Rejlers is one of the Nordic region's largest technical consultants. Two thousand experts who work on projects in Energy, Buildings, Industry, Infrastructure and Telecom. At Rejlers, you will find specialist engineers with the knowledge, cutting edge expertise and energy to achieve results. We are still experiencing growth and can now be found in 75 locations across Sweden, Finland and Norway. Rejlers had sales of SEK 2.5 billion in 2017 and its class B share is listed on Nasdaq Stockholm.**

**FORTHCOMING REPORTS**

YEAR-END REPORT JANUARY-DECEMBER 2018	8 FEBRUARY 2019
INTERIM REPORT JANUARY - MARCH 2019	17 APRIL 2019
INTERIM REPORT JANUARY - JUNE 2019	17 JULY 2019
INTERIM REPORT JANUARY – SEPTEMBER 2019	24 OCTOBER 2019

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