

**“We will increase shareholder value through a more efficient, growing and more learning Rejlers.”**



IN BRIEF

APRIL–JUNE

- Net sales increased by 5.7% to SEK 636.4 million (602.3)
- Organic sales growth excluding exchange rate fluctuations amounted to 1.0% (-0.4)
- EBITA increased to SEK 32.3 million (-16.9) including impact from IFRS 16 Leasing of SEK 0.8 million and the EBITA margin increased to 5.1% (-2.8)
- Operating profit (EBIT) increased to SEK 24.7 million (-15.4) and the operating margin was 3.9% (-2.5). EBIT was impacted by expenses regarding the acquisition from Neste by SEK 2.2 million
- Profit after tax increased to SEK 15.9 million (-16.2), including an impact from IFRS 16 Leases of SEK -0.5 million
- Earnings per share before and after dilution were SEK 0.87 (-0.93)
- Cash flow from operating activities totalled SEK 67.6 million (-1.1)
- Total cost of restructuring measures was SEK 0.0 million (40.0)

JANUARY–JUNE

- Net sales increased by 3.4% to SEK 1,246.8 million (1,205.5)
- Organic sales growth excluding exchange rate fluctuations amounted to 0.7% (0.1)
- EBITA increased to SEK 71.0 million (-8.8) including impact from IFRS 16 Leasing of SEK 1.4 million and the EBITA margin increased to 5.7% (-0.7)
- Operating profit (EBIT) increased to SEK 60.2 million (-10.3) and the operating margin was 4.8% (-0.9). EBIT was impacted by expenses regarding the acquisition from Neste by SEK 2.2 million
- Profit after tax increased to SEK 44.1 million (-14.7), including an impact from IFRS 16 Leases of SEK -1.2 million
- Earnings per share before and after dilution were SEK 2.41 (-0.86)
- Cash flow from operating activities totalled SEK 131.3 million (69.6)
- Total cost of restructuring measures was SEK 0.0 million (53.4)

SIGNIFICANT EVENTS DURING THE QUARTER

**The City of Stockholm has tasked Rejlers Embriq** with collecting and processing data from solar electricity production at all of the City’s photovoltaic plants.

**In the Sälenfjällen Mountains, Rejlers has been commissioned** by Malungs Elnät to prepare and do the detailed project planning for the new power lines to secure the power supply in the area and at the same time improve the environment for natural life.

**Ellevio continued to entrust Rejlers Embriq** to deliver the Quant TP SELMA system, a quality system for electricity grid and trading companies.

**Rejlers is making a major investment in the Malmö region and relocates into The Edge.** The move is an important milestone and a part of achieving the new vision of being the “Home of the learning minds”.

**Rejlers has entered a strategic partnership with Neste** through acquisitions and a five-year framework agreement. The acquisition is a part of the new strategy to grow in existing markets, within project-based consultancy operations and the energy sector.

APRIL–JUNE:

**636.4**

NET SALES, SEK MILLION

**32.3**

EBITA, SEK MILLION

**0.87**

EARNINGS PER SHARE, SEK



# First steps with the new strategy

STATEMENT BY THE PRESIDENT AND CEO

**Our significantly improved EBITA** for the first half of 2019 shows the strength in the on-going transformation of Rejlers into a more efficient and more profitable company. In the second quarter, we launched our new strategy and also began delivering on it, in the form of our largest acquisition ever.

## **Continued positive trend**

It is pleasing that we continued to deliver improved profit in the second quarter compared with the year-before period – despite less available working hours. Our positive trend continues. The business in Finland developed particularly well with clearly better earnings in the second quarter. In Norway, the journey of positive improvement continued in the wake of last year's significant restructuring. In Sweden, the new, combined division Industry & Infra had a fine start with higher utilization. As a result of a lower rate of investment in the telecom operator chain, the earnings trend in Sweden slowed somewhat.

## **New strategy and vision launched**

The spring's launch of our new strategy and vision 'Rejlers – Home of the learning minds' was carried out with an extensive internal road-show in every country. The response from our 2,000 employees has been positive and the journey towards creating the industry's most learning company has begun. I am counting on us in the second half of the year completing the recruitment of the Stockholm Stock Exchange's first "Head of Learning" with a position in Group management.

## **Strategic acquisition and partnership**

Our new strategy includes strong growth in existing segments, particularly in project-based consultancy operations and the energy sector. We have already begun to deliver on the strategy through the acquisition agreement announced at the end of June with the Finnish energy giant Neste, considered to be one of the world's most sustainable companies according to Corporate Knights. The acquisition comprises operations within Neste Engineering Solutions with an annual turnover of around EUR 35 million, with a 10 per cent margin. More than 330 new, highly qualified employees are strengthening our expertise in projects and the energy field, at the same time that we are expanding our relationship to one of our most important customers through a five-year partnership agreement with Neste.

## **Some personal reflections**

Through the largest acquisition in Rejlers' history, we are taking an important step towards our long-term goals for 2025. By that time, we will double our sales and achieve an EBITA margin of 10 per cent over time. At the same time, we see improved results in the first six months of the year. Our journey of change is now continuing. The work of developing leadership, professionalism, brand and corporate culture is continuing with undiminished strength with the aim of building a more profitable, growing and significantly more learning Rejlers.

Stockholm, 17 July 2019

Viktor Svensson

**“Through the largest acquisition in Rejlers' history, we are taking an important step towards our long-term goals for 2025**



# Strategy and vision

STRATEGY AND VISION

## STRATEGY

- **Growth:** Doubling Rejlers' size by 2025, growth of 10% per year
- **Market:** Extra focus on Energy, a catalyst for future growth
- **Offering:** Increasing the share of projects and complete solutions, selling "the Rejlers solution"
- **Geography:** Continuously growing in Sweden, Finland and Norway plus one new market by 2025

## VISION

- **Home of the learning minds**

Rejlers will become a platform for continuous learning, development and growth. This way, we will be on the leading edge of development, be able to attract the best talents, maintain a competitive network and secure profitability.

## FINANCIAL GOALS

**10 / 10 / 😊**

- **10% EBITA margin**
- **10% annual growth**

## CORE VALUES

**Open source culture**

**Love the challenge**

**Brilliant networks**



**Home of the learning minds**

# Financial summary

## APRIL-JUNE 2019

### INCOME AND PROFIT

Net sales increased to SEK 636.4 million (602.3), an increase of 5.7 per cent compared to the year-before period. Organic growth excluding exchange rate fluctuations amounted to 1.0 per cent.

EBITA for the quarter increased to SEK 32.3 million (-16.9), including an impact from IFRS 16 Leases of SEK 0.8 million. EBITA margin amounted to 5.1 per cent (-2.8). The increase is attributed to greater efficiency and lower costs despite one workday less compared with the previous year. EBITA 2018 includes restructuring costs of SEK 40.0 million. Operating profit (EBIT) amounted to SEK 24.7 million (-15.4) and the operating margin was 3.9 per cent (-2.5). EBIT was impacted by acquisition-related expenses regarding the acquisition from Neste by SEK 2.2 million

The quarter's financial income amounted to SEK 1.0 million (0.0) and pertains mainly to currency translations. Financial expenses amounted to SEK 3.9 million (1.7) and are mainly attributable to interest expenses and currency translations. The quarter's tax expense amounted to SEK 5.9 million (0.9). The higher tax expense is mainly attributable to improved earnings.

Profit after tax for the quarter amounted to SEK 15.9 million (-16.2), including an impact from IFRS 16 Leases of SEK -0.5 million. Earnings per share amounted to SEK 0.87 (-0.93) both before and after dilution.

## JANUARY-JUNE 2019

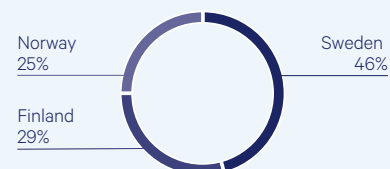
### INCOME AND PROFIT

Net sales increased to SEK 1,246.8 million (1,205.5), an increase of 3.4 per cent compared to the year-before period. Organic growth excluding exchange rate fluctuations amounted to 0.7 per cent.

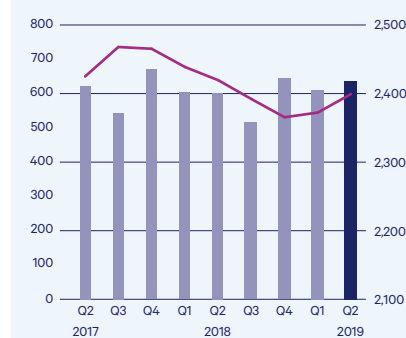
EBITA for the period increased to SEK 71.0 million (-8.8), including an impact from IFRS 16 Leases of SEK 1.4 million. EBITA margin amounted to 5.7 per cent (-0.7). The increase is attributed to greater efficiency and lower costs with an unchanged number of workdays during the quarter compared with the previous year. EBITA 2018 includes restructuring costs of SEK 53.4 million. Operating profit (EBIT) amounted to SEK 60.2 million (-10.3) and the operating margin was 4.8 per cent (-0.9). EBIT was impacted by acquisition-related expenses regarding the acquisition from Neste by SEK 2.2 million

Financial income during the period amounted to SEK 4.3 million (2.2) and relates mainly to currency translations. Financial expenses amounted to SEK 6.5 million (3.3) and are mainly attributable to interest expenses and currency translations. The tax expense for the period amounted to SEK 13.9 million (3.3). The higher tax expense is mainly attributable to improved earnings.

## SALES BY COUNTRY Q2, %



## NET SALES, SEK MILLION



■ Quarter, left ■ 12-month rolling, right

## EBITA, SEK MILLION



■ Quarter, left ■ 12-month rolling, right

KEY FIGURES	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Net sales, SEK million	636.4	602.3	1,246.8	1,205.5	2,365.2
Organic growth excluding exchange rate effects, %	1.0	-0.4	0.7	0.1	-4.3
EBITA, SEK million	32.3	-16.9	71.0	-8.8	44.1
EBITA margin, %	5.1	-2.8	5.7	-0.7	1.8
Operating profit/loss (EBIT), SEK million	24.7	-15.4	60.2	-10.3	36.1
Profit/loss after tax, SEK million	15.9	-16.2	44.1	-14.7	16.2
Earnings per share before dilution, SEK	0.87	-0.93	2.41	-0.86	0.85
Earnings per share after dilution, SEK	0.87	-0.93	2.41	-0.86	0.85
Cash flow from operating activities, SEK million	67.6	-1.1	131.3	69.6	123.1
Net debt/EBITDA rolling 12 mo. <sup>2)</sup> , multiple	1.3	3.0	1.3	3.0	1.4

\* Beginning in the first quarter of 2019, IFRS 16 Leasing entered into effect. Consequently, EBITDA accumulated June increased by SEK 52.2 million and EBIT increased by SEK 1.4 million, and profit after tax decreased by SEK 1.2 million. Net debt/EBITDA rolling 12 mos. excl. IFRS 16 Leases is 0.1.

## JANUARY–JUNE 2019

**CASH FLOW AND FINANCIAL POSITION**

During the period, the Group generated a strong cash flow from operating activities in an amount of SEK 131.3 million (69.6). Consolidated cash and cash equivalents at the end of the period amounted to SEK 140.6 million, compared with SEK 38.2 million as of 31 December 2018. The strong cash flow is attributable to a higher profit, lower trade receivables and reduced other current receivables.

Interest-bearing liabilities increased by SEK 246.9 million since 31 December 2018 to SEK 375.8 million at the end of period; see page 14. The increase is attributable to new accounting policies and convertible programmes. The increase of the leasing component with regard to IFRS 16 Leasing of interest-bearing liabilities amounts to SEK 246.8 million and convertible programme SEK 23.3 million.

Net debt amounted to SEK 268.3 million, compared with SEK 119.8 million as of 31 December 2018. Net debt is also affected by the leasing effect; see page 14. The ratio of net debt to EBITDA rolling 12 months amounted to 1.3 at the end of the period compared with 1.4 at 31 December 2018. The ratio of net debt to EBITDA rolling 12 months excluding IFRS 16 Leasing is 0.1. The equity/assets ratio amounted to 43.4 per cent compared with 50.4 on 31 December 2018. The equity/assets ratio excluding IFRS 16 Leasing amounts to 50.6 per cent.

Equity per share was SEK 41.50 at the end of the period compared to SEK 39.10 as of 31 December 2018. The Group's overdraft facilities of SEK 150.0 million (150.0) are unutilised.

**INVESTMENTS**

Investments in property, plant and equipment amounted to SEK 2.4 million (3.2) 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 12.7 million (14.3). Investments in subsidiaries and businesses amounted to SEK 3.2 million (9.9). Depreciation and amortisation amounted to SEK 72.2 million (23.6) of which SEK 50.7 million pertains to leasing according to IFRS 16.

**UTILISATION**

Utilisation increased to 77.0 per cent (76.9), mainly as a result of higher order volumes in Norway.

**EMPLOYEES**

At the end of the period, there were 1,983 employees (1,897). There were 1,916 full-year employees (1,866).

**PARENT COMPANY**

Net sales for the Parent Company during the interim period amounted to SEK 17.9 million (18.3) and profit before tax amounted to SEK -6.2 million (-13.7).

**SEASONAL VARIATIONS**

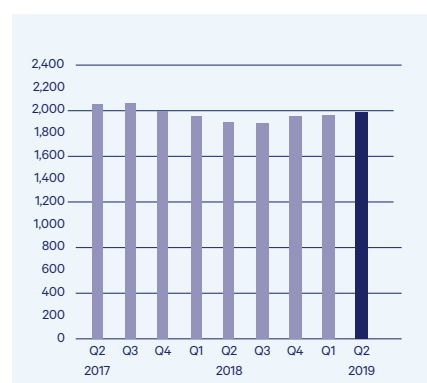
Rejlers is affected by seasonal variations and calendar effects. The respective quarters are relatively comparable over the years, but are affected by minor calendar effects, such as when in time Easter occurs. Sales are normally higher in the first and fourth quarters and lower in the second and third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

**EBITDA MARGIN, %**

■ Quarter, left ■ 12-month rolling, right

**CASH FLOW FROM OPERATING ACTIVITIES, SEK MILLION**

■ Quarter, left ■ 12-month rolling, right

**NUMBER OF EMPLOYEES AT END OF PERIOD**

**THE SHARE**

The Group issued designated convertibles to employees in senior positions according to a resolution at the Annual General Meeting on 3 May 2019. The convertibles are divided up into a debt amount and a conversion right whereby the latter is recognised as equity. The programme does not entail any personnel expenses. The entire convertible programme comprises SEK 41,200,000; as an acquisition occurred during the subscription period, only SEK 24,400,000 has been able to be subscribed for to-date, as several employees in senior positions were logged as insiders and thereby stopped from being able to subscribe for convertibles. Rejlers AB intends to convene an Extraordinary General Meeting to provide the possibility to these people to subscribe for the remaining part up to SEK 41,200,000.

**SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

**Tekniska verken chooses Rejlers Embriq's service platform.** As part of the energy conversion and the efforts being made to boost electricity grid capacity, Tekniska verken Linköping Nät AB has chosen Rejlers Embriq's Quant Insight service to analyse data collected from smart meters in order to optimise operation of the electricity grid.

**Rejlers Embriq is a part of an alliance that signed an agreement worth billions with Statnett.** Statnett has entered an agreement with a delivery group that Rejlers Embriq is a part of. The agreement comprises the development and administration of system solutions. Rejlers Embriq has provided corresponding services to Statnett since 2016.

# Business overview

## REJLERS SWEDEN

**The market trend remained strong in Sweden during the second quarter** and Rejlers Sweden provided an EBITA of SEK 11.4 million (-6.6), compared with the same period in the previous year.

**Within the sectors of energy, industry and infrastructure, demand remained strong.** The Energy division provided another strong quarterly profit. Among other things, the division won the grid project: Snösåtra – Ekudden, which is a part of the Stockholm region's investment to meet future needs for more secure electricity deliveries. In Uppsala, Rejlers is leading the work on a large cable relocation to make it possible for more homes and a better local environment in the city centre. In addition to this, Rejlers also entered a new framework agreement with Jönköpings Energi during the quarter.

**Profit for the new combined division Industry & Infra exceeded expectations,** and the division was awarded a major assignment for machine safety in the manufacturing industry, which is led by a team of experts from various parts of Rejlers' operations.

**The telecom market is being negatively impacted by a declining expansion of fibre networks,** at the same time that the upgrade of the mobile networks to 5G has not yet gotten started, which contributed to a lower activity for the Telecom division during the quarter.

**The Buildings had positive growth during the period** and has many on-going projects such as SFA (Stockholm's Future Wastewater Treatment), which is an important environmental project that will lead to cleaner water in the Stockholm region. Another significant assignment is the 'Jubilee Project at Liseberg', where Liseberg intends to build a water park and a thematic experience hotel south of the existing amusement part.

## EBITA, SEK MILLION



■ Quarter, left      ■ 12-month rolling, right

KEY FIGURES	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Net sales, SEK million	297.5	298.9	597.9	593.0	1,183.5
EBITA, SEK million	11.4	-6.6	37.4	4.4	39.0
EBITA margin, %	3.8	-2.2	6.3	0.7	3.3
Operating profit/loss, SEK million	9.9	-8.1	34.7	1.6	33.1

## REJLERS FINLAND

**The market in Finland remained strong in the second quarter. The industry market grew at a good pace**, at the same time that we see some slowdown in the Finnish construction market after a long period of strong growth. All of Rejlers' divisions in Finland have continued the positive development from 2018 and the first quarter this year. In total, the business in Finland grew by 24 per cent, and provided an EBITA of SEK 19.8 million (12.4) in the second quarter.

**Notable among many exciting customer assignments is a renewed agreement with Fingrid** in measurement services and with the property company Tampereen Tilapalvelut Oy where new digital technology solutions are being used in combination with traditional engineering to create a higher quality in the building construction.

**In the second quarter, Rejlers' largest acquisition to-date was also announced**, an acquisition with a significant part in the Finnish business. Rejlers was a part of a strategic partnership with Finnish Neste where Rejlers is acquiring operations from Neste Engineering Solutions. The acquisition means that Rejlers is growing the organisation by a total of 333 employees, of whom more than 220 are in Finland. Focus in the future will be on integration of this operation when the transaction is completed, which is expected to take place no later than 1 October 2019.

## EBITA, SEK MILLION



■ Quarter, left ■ 12-month rolling, right

KEY FIGURES	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Net sales, SEK million	186.2	150.4	357.4	281.1	576.9
EBITA, SEK million	19.8	12.4	33.1	20.8	41.5
EBITA margin, %	10.6	8.2	9.3	7.4	7.2
Operating profit/loss, SEK million	19.0	11.9	31.6	19.7	38.7

## REJLERS NORWAY

**In Norway, the market continued to develop positively in the second quarter**, with strong demand for all of Rejlers Norway's range of services, from traditional consulting in Energy and Buildings to IT services and operating optimisation. Rejlers Norway recognised a good growth of 15 per cent. EBITA of SEK 6.8 million (-15.2) continued on a positive trend as a result of the past year's reorganisation and cost savings programmes.

**Rejlers Embriq, our Norwegian operations in IT and digitalisation services, continued to grow** with existing customers in Norway. In the second quarter, Rejlers Embriq also signed several important consulting agreements in the energy sector in the Swedish market, such as with Ellevio and the City of Stockholm. The technical consulting operation, Rejlers Engineering, had a high level of coverage with many new assignments for existing customers, such as Hafslund, LTI Elkjøp and Gresvig AS.

## EBITA, SEK MILLION



■ Quarter, left ■ 12-month rolling, right

KEY FIGURES	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Net sales, SEK million	166.3	145.1	315.0	336.9	643.5
EBITA, SEK million	6.8	-15.2	17.9	-13.6	-5.2
EBITA margin, %	4.1	-10.5	5.6	-4.0	-0.8
Operating profit/loss, SEK million	3.8	-11.4	14.1	-10.6	-3.7





# Rejlers offering

REJLERS OFFERING

**Rejlers AB is one of the largest technical consulting firms in the Nordic region.** We have nearly 2,000 qualified engineers who work with projects and IT solutions in construction and property, energy, industry and infrastructure.

**Within all areas,** we work with great sensitivity and responsiveness to our customers' wishes. Our goal is to always deliver the maximal business benefit to the customer through our consulting services. We can take responsibility for projects in many parts of our customers' processes. In many cases, we also take a comprehensive responsibility for value added solutions and services.

Rejlers size enables us to assemble teams that unite different competencies. We offer both expert knowledge and breadth in everything from preliminary studies and planning to design, construction, project planning, programming and digitalisation. At the same time, we value the roots as a small family company. Among other things, this means that we safeguard our fast decision-making pathways and show extensive proactiveness and adaptive ability in relation to our customers.

**Today, we have a strong** platform in place to play a very active role in the digital development of business and society. A revolution is taking place in all areas where products, services and solutions are being created with the help of networks rather than in traditional supply chains. As an agile and alert consulting firm, Rejlers strives for a combinatory function in this development.

**Rejlers Network** is our digital partner platform for independent consultants and companies. In our industry and the labour market in general, network constellations based on digital collaboration are becoming increasingly important. At Rejlers Network, our collaborative partners can register and thereby become searchable for all projects in Rejlers where we need to supplement our own expertise.



## ENERGY

We offer services at every level of the energy supply chain from production through distribution to consumption.



## BUILDINGS

Our offering to you in the property industry. Regardless of whether you own, rent, build or manage properties, premises or their systems.



## INDUSTRY

At Rejlers, we have a long history of completing industrial projects throughout the Nordic region. We also have experience in following our customers in their projects worldwide.



## INFRASTRUCTURE

We work on a broad front within the infrastructure sector with the modernisation and planning of e.g. roads, tunnels, railways, bridges, airports and harbours.



## TELECOM

Rejlers Telecom is a technology- and partner-independent supplier that offers technical and legal consulting services in network infrastructure, communication and information security.



## REJLERS EMBRIQ

We deliver a broad range of IT services to both large and small companies where we focus on business critical IT installations. We contribute smart options and strategic use of IT.



# Other information

## 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 Parent Company's reports are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities. The same accounting policies (except IFRS 16 and convertible programmes) were applied as in the most recent annual report for both the Group and the Parent Company. (for convertible programmes, see under the Share on page 6)

## EFFECTS OF THE TRANSITION TO IFRS 16 LEASES

From 1 January 2019, Rejlers applies IFRS 16 Leases. Rejlers' initial estimate is that IFRS 16 will have a small positive effect on operating profit and a small effect on profit after financial items. The effects on the balance sheet as of 1 January 2019 amounted to SEK 289.3 million in Rights of Use with a lease liability in the same amount. The leasing portfolio contains nearly 250 leases and mainly comprises operating leases for offices, office equipment and vehicles. Existing finance leases previously recognised according to IAS 17 Leases are reclassified according to IFRS 16 to the amounts that were recognised the date immediately before the application of the new standard. Rejlers has identified leases with options to extend the lease in addition to the ordinary contract period. This means that Rejlers must itself determine the contract period that can be considered reasonable instead of considering the contract period in the leases. As a result of these considerations, the contract period of many leases has been deemed to be longer. For other information, please refer to the 2018 Annual Report.

Rejlers has chosen to report the transition to the new standard with the simplified method. The relief rule to not prepare a comparison year was applied, which means that the comparison year was not restated. The size of the right of use has been measured to correspond to the size of the lease liability at the transition date. A marginal interest rate on loans has been set. The usufruct period has been set with knowledge of how termination and extension clauses have been applied. Right of use agreements shorter than 12 months or that expire within 12 months from the transition date are classified as short-term agreements and are thereby not included in the recognised liabilities and rights of use. In addition, right of use agreements (with a new purchase price of less than USD 5,000) have been classified as low-value agreements and are not included in the recognised liabilities or rights of use.

After the transition to IFRS 16, Rejlers measures all leases in accordance with the cost method, which means that the rights of use are measured at cost less accumulated amortisation and impairment and adjustments as a result of potential restatement of the lease liability that reflects a reassessment or change of the lease. The remeasurement amount is recognised as an adjustment of the right of use, if the carrying amount for the right of use is impaired to zero and there is a further reduction in the valuation of the lease liability, any remaining amount for the remeasurement is recognised in profit or loss.

## 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 2018. 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.



**FINANCIAL INSTRUMENTS**

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

**RELATED PARTY TRANSACTIONS**

Related party transactions take place on market-based terms.

**PLEGDED ASSETS AND CONTINGENT LIABILITIES**

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

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, 17 July 2019 Rejlers AB (publ).

*Peter Rejler*  
Chairman

*Jan Samuelsson*  
Vice chairman

*Lisa Rejler*  
Board member

*Helena Levander*  
Board member

*Patrik Boman*  
Board member

*Viktor Svensson*  
President and CEO

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

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 by the aforementioned contact person for publication on 17 July 2019 at 12:00 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

GROUP

## CONSOLIDATED INCOME STATEMENT

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Net sales	636.4	602.3	1,246.8	1,205.5	2,365.2
Other income	1.8	4.0	2.7	5.2	1.8
Personnel expenses	-390.1	-383.9	-779.1	-768.6	-1,460.8
Other external expenses	-183.0	-230.3	-334.3	-433.6	-828.1
Participations in associated company earnings	0.5	0.0	0.7	0.2	0.8
<b>EBITDA</b>	<b>65.6</b>	<b>-7.9</b>	<b>136.8</b>	<b>8.7</b>	<b>78.9</b>
Depreciation/amortisation and impairment of non-current assets <sup>1)</sup>	-33.3	-9.0	-65.8	-17.5	-34.8
<b>EBITA</b>	<b>32.3</b>	<b>-16.9</b>	<b>71.0</b>	<b>-8.8</b>	<b>44.1</b>
Acquisition-related items <sup>2)</sup>	-7.6	1.5	-10.8	-1.5	-8.0
<b>Operating profit/loss (EBIT)</b>	<b>24.7</b>	<b>-15.4</b>	<b>60.2</b>	<b>-10.3</b>	<b>36.1</b>
Net financial income/expense	-2.9	-1.7	-2.2	-1.1	-6.0
<b>Profit/loss after net financial items</b>	<b>21.8</b>	<b>-17.1</b>	<b>58.0</b>	<b>-11.4</b>	<b>30.1</b>
Tax	-5.9	0.9	-13.9	-3.3	-13.9
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>15.9</b>	<b>-16.2</b>	<b>44.1</b>	<b>-14.7</b>	<b>16.2</b>
Attributable to the Parent Company's shareholders	15.7	-16.8	43.6	-15.5	15.4
Attributable to shareholders without a controlling influence	0.3	0.6	0.5	0.8	0.8
Average number of shares	18,087,909	18,087,909	18,087,909	18,087,909	18,087,909
Earnings per share before and after dilution, SEK	0.87	-0.93	2.41	-0.86	0.85

<sup>1)</sup> Impairment and depreciation of property, plant and equipment and amortisation of intangible assets excluding goodwill and those related to acquisitions.

<sup>2)</sup> 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, as well as acquisition expenses.

Due to the new accounting standard IFRS 16 Leasing, EBITDA increased in the first half of the year by SEK 52.2 million and EBITA by SEK 1.4 million, and profit after tax decreased by SEK 1.2 million. In the quarter, EBITDA increased by SEK 26.3 million and EBITA by SEK 0.8 million, and profit after tax decreased by SEK 0.5 million.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Profit/loss for the period	15.9	-16.2	44.1	-14.7	16.2
<b>Items that may be reclassified to the income statement</b>					
Translation differences of foreign operations, net after tax	5.4	8.9	16.9	28.3	12.9
<b>Items that will not be reclassified to the income statement</b>					
Revaluation of net pension provisions	-	-	-	-	1.4
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>5.4</b>	<b>8.9</b>	<b>16.9</b>	<b>28.3</b>	<b>14.3</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>21.3</b>	<b>-7.3</b>	<b>61.0</b>	<b>13.6</b>	<b>30.5</b>

## CONSOLIDATED BALANCE SHEET

Amounts in SEK million	30 June 2019	30 June 2018	31 Dec 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	479.7	463.4	468.3
Other intangible assets	141.9	137.8	138.0
Property, plant and equipment	15.7	31.5	24.8
Rights of use	244.0	-	-
Other non-current assets	52.9	45.0	50.2
<b>Total non-current assets</b>	<b>934.2</b>	<b>677.7</b>	<b>681.3</b>
<b>Current assets</b>			
Current receivables	656.6	761.3	679.2
Cash and cash equivalents	140.6	48.5	38.2
<b>Total current assets</b>	<b>797.2</b>	<b>809.8</b>	<b>717.4</b>
<b>TOTAL ASSETS</b>	<b>1,731.4</b>	<b>1,487.5</b>	<b>1,398.7</b>
<b>Equity and liabilities</b>			
Equity attributable to shareholders in the Parent Company	750.6	741.1	707.3
Non-controlling interests	0.3	9.2	-
<b>Total equity</b>	<b>750.9</b>	<b>750.3</b>	<b>707.3</b>
<b>Non-current liabilities</b>			
Provision for pensions	33.1	32.5	29.1
Interest-bearing non-current liabilities <sup>1)</sup>	247.9	7.1	95.5
Other non-current liabilities	104.9	49.9	113.5
<b>Total non-current liabilities</b>	<b>385.9</b>	<b>89.5</b>	<b>238.1</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities <sup>1)</sup>	128.0	146.4	33.4
Other current liabilities	466.6	501.3	419.9
<b>Total current liabilities</b>	<b>594.6</b>	<b>647.7</b>	<b>453.3</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,731.4</b>	<b>1,487.5</b>	<b>1,398.7</b>

<sup>1)</sup> Impact from IFRS 16 Leases: Interest bearing non-current liabilities SEK 147.6 million, interest-bearing current liabilities SEK 99.2 million.

## CONSOLIDATED CHANGES IN EQUITY

Amounts in SEK million	30 June 2019	30 June 2018	31 Dec 2018
Equity at start of period	707.3	746.3	746.3
Comprehensive income for the period	61.0	13.6	30.5
Acquisition of non-controlling interests	-	-	-60.0
Conversion rights for convertible debt instruments	0.7	-	-
<b>Changes attributable to transactions with the owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividends	-18.1	-9.6	-9.5
<b>Total changes attributable to transactions with the owners</b>	<b>-18.1</b>	<b>-9.6</b>	<b>-9.5</b>
<b>Equity at end of period</b>	<b>750.9</b>	<b>750.3</b>	<b>707.3</b>
Attributable to the Parent Company's shareholders	750.6	741.1	707.3
Attributable to non-controlling interests	0.3	9.2	-
<b>Total</b>	<b>750.9</b>	<b>750.3</b>	<b>707.3</b>

## CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Cash flow from operating activities before changes in operating capital and tax paid	22.3	46.4	81.7	61.3	117.0
Tax paid	-9.8	-10.5	-12.9	-24.9	-30.7
Change in working capital	55.1	-37.0	62.5	33.2	36.8
<b>Cash flow from operating activities</b>	<b>67.6</b>	<b>-1.1</b>	<b>131.3</b>	<b>69.6</b>	<b>123.1</b>
Cash flow from investing activities	-10.1	-16.7	-20.1	-25.8	-67.9
Cash flow from financing activities	-1.6	-9.5	-9.2	-16.6	-38.1
<b>Cash flow for the period</b>	<b>55.9</b>	<b>-27.3</b>	<b>102.0</b>	<b>27.2</b>	<b>17.1</b>
Cash and cash equivalents at start of period	84.7	75.6	38.2	20.3	20.3
Exchange rate differences in cash and cash equivalents	-	-2.6	0.4	-1.8	0.8
<b>Cash and cash equivalents at end of period</b>	<b>140.6</b>	<b>45.7</b>	<b>140.6</b>	<b>45.7</b>	<b>38.2</b>

## NET LIABILITIES

Amounts in SEK million	30 June 2019	30 June 2018	31 Dec 2018
Interest-bearing non-current liabilities	76.9	71	95.5
Convertibles programme	23.3	-	-
Non-current lease liability	147.6	-	-
Interest-bearing current liabilities	28.8	146.4	33.4
Current lease liability	99.2	-	-
Pension provisions	33.1	32.5	29.1
Cash and cash equivalents	-140.6	-48.5	-38.2
<b>Total</b>	<b>268.3</b>	<b>137.5</b>	<b>119.8</b>

## ITEMS AFFECTING COMPARABILITY

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Restructuring costs	-	40.0	-	53.4	53.4

## ACQUISITION-RELATED ITEMS

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Impairment and amortisation of goodwill and intangible assets related to acquisitions	-3.4	-3.1	-6.6	-6.1	-12.1
Profit/loss from divestment of subsidiaries and operations	-2.0	4.6	-2.0	4.6	4.1
Acquisition expenses	-2.2	-	-2.2	-	-
<b>Total</b>	<b>-7.6</b>	<b>1.5</b>	<b>-10.8</b>	<b>-1.5</b>	<b>-8.0</b>

# Parent Company

## INCOME STATEMENT

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Sales	8.9	9.2	17.9	18.3	35.8
Personnel expenses	-8.1	-8.0	-18.1	-19.5	-34.5
Other external expenses	-6.9	-7.0	-12.7	-17.4	-32.0
Depreciation	-	-	-0.1	-0.1	-0.2
Participations in associated company earnings	0.4	-	0.4	-	0.3
<b>Operating profit/loss</b>	<b>-5.7</b>	<b>-5.8</b>	<b>-12.6</b>	<b>-18.7</b>	<b>-30.9</b>
Net financial income/expense	-1.1	4.3	6.4	5.0	-25.7
<b>Profit/loss after net financial items</b>	<b>-6.8</b>	<b>-1.5</b>	<b>-6.2</b>	<b>-13.7</b>	<b>-5.2</b>
Appropriations	-	-	-	-	8.3
Tax	-	-	-	-	-
<b>Profit/loss after tax</b>	<b>-6.8</b>	<b>-1.5</b>	<b>-6.2</b>	<b>-13.7</b>	<b>3.1</b>

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

## BALANCE SHEET

Amounts in SEK million	30 June 2019	30 June 2018	31 Dec 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.2	0.4	0.4
Financial assets	451.4	391.9	449.9
<b>Total non-current assets</b>	<b>453.6</b>	<b>392.3</b>	<b>450.3</b>
<b>Current assets</b>			
Current receivables	126.2	218.9	211.3
Cash and cash equivalents	103.6	17.8	8.6
<b>Total current assets</b>	<b>229.8</b>	<b>236.7</b>	<b>219.9</b>
<b>TOTAL ASSETS</b>	<b>683.4</b>	<b>629.0</b>	<b>670.2</b>
<b>Equity and liabilities</b>			
Equity	403.3	410.1	426.9
Untaxed reserves	-	8.3	-
Non-current liabilities	161.8	1.6	152.9
Current liabilities	118.3	209.0	90.4
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>683.4</b>	<b>629.0</b>	<b>670.2</b>

# Segment overview

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
<b>Net sales</b>					
Sweden	297.5	298.9	597.9	593.0	1,183.5
Finland	186.2	150.4	357.4	281.1	576.9
Norway	166.3	145.1	315.0	336.9	643.5
Group-wide	8.9	9.2	17.9	18.3	-35.6
Eliminations	-22.5	-1.3	-41.4	-23.8	-74.3
<b>Consolidated total</b>	<b>636.4</b>	<b>602.3</b>	<b>1,246.8</b>	<b>1,205.5</b>	<b>2,365.2</b>
<b>EBIT</b>					
Sweden	9.9	-8.1	34.7	1.6	33.1
Finland	19.0	11.9	31.6	19.7	38.7
Norway	3.8	-11.4	14.1	-10.6	-3.7
Group-wide	-8.0	-7.8	-20.2	-21.0	-32.0
Eliminations	-	-	-	-	-
<b>Consolidated total</b>	<b>24.7</b>	<b>-15.4</b>	<b>60.2</b>	<b>-10.3</b>	<b>36.1</b>
Net financial income/expense	-2.9	-1.7	-2.2	-1.1	-6.0
<b>Profit/loss before tax</b>	<b>21.8</b>	<b>-17.1</b>	<b>58.0</b>	<b>-11.4</b>	<b>30.1</b>
<b>Operating margin</b>					
Sweden	3.3	-2.7	5.8	0.3	2.8
Finland	10.2	7.9	8.8	7.0	6.7
Norway	2.3	-7.9	4.5	-3.1	-0.6
Group-wide	-	-	-	-	-
Eliminations	-	-	-	-	-
<b>Consolidated total</b>	<b>3.9</b>	<b>-2.6</b>	<b>4.8</b>	<b>-0.9</b>	<b>1.5</b>
<b>Number of employees</b>					
Sweden	996	1,011	996	1,011	1,006
Finland	706	604	706	604	675
Norway	269	273	269	273	263
Group-wide	12	9	12	9	9
<b>Consolidated total</b>	<b>1,983</b>	<b>1,897</b>	<b>1,983</b>	<b>1,897</b>	<b>1,953</b>



# Key figures

Definitions of key figures are in the company's latest annual report.

Amounts in SEK million	Apr–June 2019	Apr–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
<b>IFRS key performance indicators</b>					
Earnings per share before and after dilution, SEK	0.87	-0.93	2.41	-0.86	0.85
Average number of shares	18,087,909	18,087,909	18,087,909	18,087,909	18,087,909
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, %	76.6	78.0	77.0	76.4	77.1
Sales per full-time employee, SEK thousand	332	344	651	649	1,270
Number of full-time employees	1,912	1,765	1,915	1,866	1,863
Number of employees at end of period	1,983	1,897	1,983	1,897	1,953
<b>Alternative key figures</b>					
Acquired growth, %	3	0.9	2.9	1.2	1.7
Currency effect, %	2.1	0.8	1	1.0	2.2
Organic growth, %	1	-0.4	1.5	0.1	-3.8
EBITA, SEK million	32.3	-16.9	71.0	-8.8	44.1
Depreciation/amortisation of acquisition-related items, SEK million	-3.4	-3.1	-6.6	-6.6	-12.1
Items affecting comparability, SEK million	-	40.0	-	53.4	-53.4
Operating profit/loss (EBIT), SEK million	24.7	-15.4	60.2	-10.3	36.1
EBITA margin, %	5.1	-2.8	5.7	-0.7	1.8
Net liabilities, SEK million	268.3	137.5	268.3	137.5	119.8
Net debt/EBITDA, R12, times	1.3	3.0	1.3	3.0	1.4
Equity/assets ratio, %	43.4	50.4	43.4	50.4	50.6
Operating profit/loss per full-time employee, SEK thousand	13	-9	31	-6	19
Equity per share at the end of the period, SEK	41.50	40.97	41.50	40.97	39.10

## Definitions

### Items affecting comparability

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

### EBITDA

Operating profit excluding amortisation, depreciation and impairment.

**REJLERS AB (PUBL)**

CORP. ID NO. 556349-8426 | BOX 30233 | SE-104 25 STOCKHOLM  
TEL +46-771-78 00 00 | FAX +46-8-654 33 39 | WWW.REJLERS.COM/SE

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**FOR MORE INFORMATION, PLEASE CONTACT**

VIKTOR SVENSSON, PRESIDENT AND CEO  
TEL. +46-70-657 20 26  
E-MAIL: VIKTOR.SVENSSON@REJLERS.SE

ANNA JENNEHOV, CFO  
TEL. +46-73-074 06 70  
E-MAIL: ANNA.JENNEHOV@REJLERS.SE