

“We are increasing shareholder value through a more efficient, growing and more Learning Rejlers.”



#### OCTOBER-DECEMBER

- Net sales increased by 17.5% to SEK 756.8 million (644.2)
- Organic sales growth excluding exchange rate fluctuations amounted to 8.4% (-6.5)
- EBITA increased to SEK 40.4 million (35.4) including impact from IFRS 16 Leases of SEK 2.2 million and the EBITA margin increased to 5.4% (5.5)
- A three-day strike in Finland negatively impacted EBITA by SEK 4.2 million
- Operating profit (EBIT) amounted to SEK 23.3 million (31.8) and the operating margin was 3.1 per cent (5.0)
- EBIT was impacted by acquisition expenses of SEK 10.2 million
- Profit after tax increased to SEK 20.5 million (17.5), including an impact from IFRS 16 Leases of SEK 0.1 million
- Earnings per share before dilution amounted to SEK 1.04 (0.98) and after dilution to SEK 1.03 (0.98)
- Cash flow from operating activities totalled SEK 40.8 million (88.1)
- A direct share issue of SEK 154 million was carried out for the financing of the acquisition from Neste
- The Board proposes a dividend of SEK 2,25 per share (1.00)

#### JANUARY-DECEMBER

- Net sales increased by 8.1% to SEK 2,557.1 million (2,365.2)
- Organic sales growth excluding exchange rate fluctuations amounted to 8.2% (-4.3)
- EBITA increased to SEK 138.0 million (44.1) including impact from IFRS 16 Leasing of SEK 3.3 million and the EBITA margin increased to 5.4% (1.9)
- Last year's restructuring costs amounted to SEK 53.4 million
- A three-day strike in Finland negatively impacted EBITA by SEK 4.2 million
- Operating profit (EBIT) increased to SEK 103.5 million (36.1) and the operating margin was 4.0% (1.5)
- EBIT was impacted by acquisition expenses of SEK 15.6 million
- Profit after tax increased to SEK 77.6 million (16.2), including a negative impact from IFRS 16 Leases of SEK -1.6 million
- Earnings per share before dilution amounted to SEK 4.19 (0.85) and after dilution to SEK 4.16 (0.85)
- Cash flow from operating activities totalled SEK 146.6 million (123.1)
- A direct share issue of SEK 154 million was carried out for the financing of the acquisition from Neste

#### OCTOBER-DECEMBER:

756.8

Net sales, SEK million

40.4

EBITA, SEK million

#### SIGNIFICANT EVENTS DURING THE QUARTER

**Rejlers and Specialfastigheter sign a framework agreement.** Rejlers has signed a framework agreement with Specialfastigheter Sverige AB. The agreement runs for two years with an option for extension and includes technical consulting services in a number of different areas of expertise.

**Rejlers AB (publ) carried out a new share issue.** The share issue was carried out without preferential rights for the company's shareholders and comprised 1,600,000 Class B shares, which corresponds to around 8.8 per cent of the number of shares outstanding. The share issue proceeds amounted to 154,240,000 before issue expenses.

**Rejlers acquires Elproj teknik AB.** Elproj teknik AB has 18 employees with leading expertise in electrical power, automation and installation project engineering and sales of around SEK 24 million. The company's clients include Scania, the Swedish Transport Administration and OKG.

**Oslo's biggest urban development project has chosen Rejlers as its electrical engineering design contractor.** Rejlers was chosen as the supplier when Oslo's largest project for smart urban development, Økern Portal, was to be provided with electricity. The assignment comprises office buildings and the market area totalling 68,300 m<sup>2</sup>.

**Jenny Edfast named new President of Rejlers Sweden.** Jenny Edfast has been appointed the new President of Rejlers Sverige AB, with more than 1,000 employees, 40 offices and 350 partners, and will be a member of Rejlers Group management.

**Rejlers acquires Smarthub AS in Norway.** Rejlers is thereby strengthening its position as a leading independent service provider of IoT infrastructure (Internet of Things) in the Nordic region.

**Rejlers has been appointed advisers to Node Pole.** Rejlers will assist Node Pole's customers with decision documentation for investments in Nordic infrastructure. The advice relates to the establishment of large-scale service centres and data centres, among other things.

1.04

Earnings per share before dilution, SEK



# A record year for Rejlers

2019 was a record year for Rejlers in terms of both operating profit and new recruitment, and we carried out our largest business acquisition to-date. Altogether, the positive development shows that our journey of change with our sights set on 2025 is off to a good start.

## Best annual earnings to-date

Rejlers achieved its best annual earnings to-date in 2019. Thanks to improved earnings in every country, EBITA for the full year amounted to SEK 138.0 million (44.1). For the fourth quarter, EBITA increased to SEK 40.4 million (35.4). This is despite the three-day strike in December in the Finnish business, which accounts for around 33 per cent of our total sales. The strike impacted fourth-quarter earnings by just over SEK 4 million. The establishment of a new organisation with greater clarity in earnings responsibility, cost reductions and strong demand for our services were behind the full-year earnings increase.

## Both organic growth and acquisitions

The year was also characterised by a record number of new recruitments and it is pleasing that Rejlers is climbing in the popularity lists for employers. Among a handful of corporate acquisitions in 2019 was our largest one to-date, when we took over operations from Nest Engineering Solutions with a total of 330 employees in Finland, Sweden and the United Arab Emirates on 1 October.

## Integration of the acquisition from Neste

The integration of Neste's former operations went according to plan during the fourth quarter, with a strong outcome in Finland while the Swedish operations can improve their earnings. Considerable focus will be devoted to this in early 2020.

## Strongly rooted strategic direction

Our growth follows Rejlers' new strategy to develop a more profitable, growing and learning Rejlers, which was established internally during the year and also well received externally. The objective is to achieve an average growth of 10 per cent per year and an EBITA margin of 10 per cent over time by 2025. An example of the initiatives we are launching in line with the 2025 strategy is Energy X, where we package our offering to the Nordic electricity producers in a coordinated manner. We have also launched a Nordic trainee programme to further strengthen Rejlers' brand among young graduate engineers.

## Some personal reflections

Rejlers is on a journey of change and we have had a good start. This work is and needs to be long-term and we continue to constantly improve the organisation, leadership, structure, working methods and, not least, our culture. I am gladly looking forward to the continued journey of change towards 2025, which we gather under the epithet and the vision: Rejlers – Home of the Learning Minds. The most learning company in our industry.

Stockholm, 7 February 2020

Viktor Svensson

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



# On our way

## STRATEGY

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

## VISION

- **Home of the learning minds**

Rejlers is 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 TARGETS

**10 / 10 / 😊**

- 10% EBITA margin
- 10% average annual growth

## CORE VALUES

**OPEN SOURCE  
CULTURE**

**LOVE** the **CHALLENGE**

**BRILLIANT  
NETWORKS**



# Financial summary

## OCTOBER-DECEMBER 2019

### Income and profit

Net sales increased to SEK 756.8 million (644.2), an increase of 17.5 per cent compared to the year-before period. Organic growth excluding exchange rate fluctuations was 8.4 per cent.

EBITA for the quarter increased to SEK 40.4 million (35.4), including an impact from IFRS 16 Leases of SEK 2.2 million. EBITA margin amounted to 5.4 per cent (5.5). The EBITA increase is attributable to more employees, lower costs and higher prices to customers. A three-day strike in Finland negatively impacted EBITA by SEK 4.2 million. Operating profit (EBIT) amounted to SEK 23.3 million (31.8) and the operating margin was 3.1 per cent (5.0). EBIT was impacted by acquisition and integration expenses of SEK 10.2 million.

The quarter's financial income amounted to SEK 6.3 million (0.8) and pertains mainly to currency translations. Financial expenses amounted to SEK -10.5 million (5.3) and are mainly attributable to interest expenses and currency translations. Interest expenses were impacted by IFRS 16 Leases by SEK 0.1 million. The tax expense for the quarter amounted to SEK 1.4 million (-9.8) and is partly due to a deferred tax asset on tax loss carry forwards in the Parent Company.

## JANUARY-DECEMBER 2019

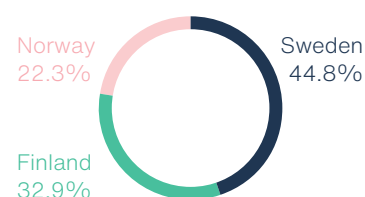
### Income and profit

Net sales increased to SEK 2,557.1 million (2,365.2), an increase of 8.1 per cent compared to the year-before period. Organic growth excluding exchange rate fluctuations and divestment of operations was 8.2 per cent.

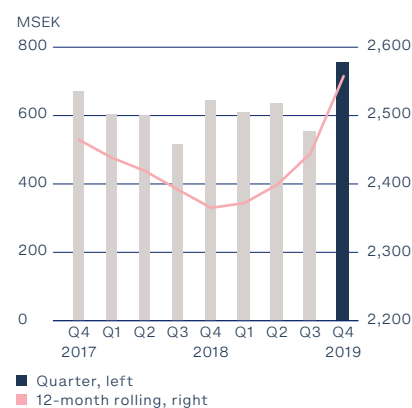
EBITA for the period increased to SEK 138.0 million (44.1), including an impact from IFRS 16 Leases of SEK 3.3 million. EBITA margin amounted to 5.4 per cent (1.9). The increase is attributable to more employees, one workday more, lower costs and higher prices to customers. A three-day strike in Finland negatively impacted EBITA by SEK 4.2 million. EBITA 2018 includes restructuring costs of SEK 53.4 million. Operating profit (EBIT) increased to SEK 103.5 million (36.1) and the operating margin was 4.0 per cent (1.5). EBIT was impacted by acquisition and integration expenses of SEK 15.6 million.

Financial income during the period amounted to SEK 12.2 million (4.0) and relates mainly to currency translations. Financial expenses amounted to SEK -19.5 million (-10.0) and are mainly attributable to interest expenses and currency translations. Interest expenses were impacted by IFRS 16 Leases by SEK -1.6 million. The tax expense for the period amounted to SEK -18.6 million (-13.9). The higher tax expense is mainly attributable to improved earnings.

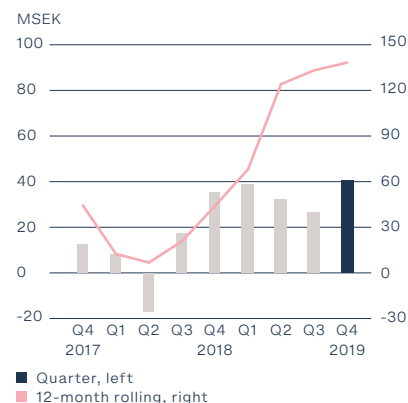
## SALES BY COUNTRY Q4, %



## NET SALES, SEK MILLION



## EBITA SEK MILLION



KPI	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales, SEK million	<b>756.8</b>	644.2	<b>2,557.1</b>	2,365.2
Organic growth excluding exchange rate effects, %	<b>8.4</b>	-6.5	<b>8.2</b>	-4.3
EBITA, SEK million	<b>40.4</b>	35.4	<b>138.0</b>	44.1
EBITA margin, %	<b>5.4</b>	5.5	<b>5.4</b>	1.9
Operating profit/loss (EBIT), SEK million	<b>23.3</b>	31.8	<b>103.5</b>	36.1
Profit/loss after tax, SEK million	<b>20.5</b>	17.5	<b>77.6</b>	16.2
Earnings per share before dilution, SEK	<b>1.04</b>	0.98	<b>4.19</b>	0.85
Earnings per share after dilution, SEK	<b>1.03</b>	0.98	<b>4.16</b>	0.85
Cash flow from operating activities, SEK million	<b>40.8</b>	88.1	<b>146.6</b>	123.1
Net debt/EBITDA rolling 12 mo. <sup>*)</sup> , multiple	<b>1.5</b>	1.4	<b>1.5</b>	1.4

\* Beginning in the first quarter of 2019, IFRS 16 Leases entered into effect. Consequently, EBITDA accumulated to December increased by SEK 102.7 million and EBITA increased by SEK 3.3 million, and profit after tax decreased by SEK 1.6 million. Net debt/EBITDA rolling 12 mos. excl. IFRS 16 Leases is 0.9.

## JANUARY-DECEMBER 2019

### Cash flow and financial position

During the period, the Group generated a strong cash flow from operating activities in an amount of SEK 146.6 million (123.1) excluding IFRS 16 Leases. Consolidated cash and cash equivalents at the end of the period amounted to SEK 142.0 million, compared with SEK 38.2 million as of 31 December 2018. The strong cash flow is attributable to a higher profit and increased operating liabilities. Cash flow from operating activities is affected by the settlement of operating liabilities regarding the acquisition from Neste. The positive cash flow from financing activities is mainly attributable to the new share issue and convertible programme. Investing activities mainly refers to the acquisition from Neste.

Interest-bearing liabilities increased by SEK 390.2 million since 31 December 2018 to SEK 519.1 million at the end of period; see page 15. The increase is attributable to new accounting policies IFRS 16 Leases, convertible programmes and financing of Neste. The increase of the leasing component with regard to IFRS 16 Leases of interest-bearing liabilities amounts to SEK 256.3 million, a convertible programme of SEK 46.3 million and loans in the acquisition of Neste of SEK 125,2 million. Current interest-bearing liabilities amount to SEK 215.4 million and non-current liabilities amount to SEK 303.7 million. The distribution is adapted to achieve an effective interest level. A direct share issue of SEK 154 million was carried out in October for the financing of the acquisition from Neste; see the note "Changes in equity" on page 14.

Net debt amounted to SEK 405.5 million, compared with SEK 119.8 million as of 31 December 2018. Net debt is also affected by the leasing effect; see page 15. The ratio of net debt to EBITDA rolling 12 months amounted to 1.5 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 Leases is 0.9. Covenant reporting to Danske Bank includes pro forma EBITDA for the acquisition of 12 months, which entails a positive effect on the covenant. The equity/assets ratio amounted to 44.2 per cent compared with 50.6 on 31 December 2018. The equity/assets ratio excluding IFRS 16 Leases amounts to 50.3 per cent.

Equity per share was SEK 47.25 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 9.7 million (5.8), mainly relating to servers and other IT equipment. Investments in intangible assets, mainly attributable to the development of IT platforms at Rejlers Embriq AS, amounted to SEK 30.2 million (27.2). Investments in subsidiaries and businesses amounted to SEK 266.3 million (33.9). Depreciation and amortisation amounted to SEK 130.9 million (34.8) of which SEK 99.1 million pertains to leasing according to IFRS 16.

### Utilisation

Utilisation amounted to 76.8 per cent (77.1), mainly as a result of lower order volumes in Sweden.

### Employees

At the end of the period, there were 2,393 employees (1,953). There were 2,001 full-year employees (1,863).

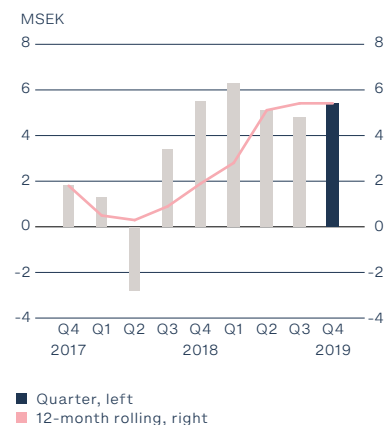
### Parent Company

Net sales for the Parent Company during the interim period amounted to SEK 37.1 million (35.8) and loss before tax amounted to SEK 7.6 million (5.2).

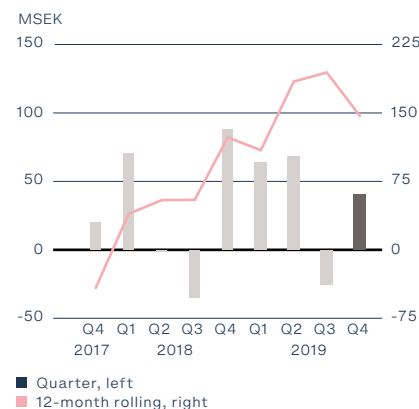
### Seasonal variations

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 geographic markets.

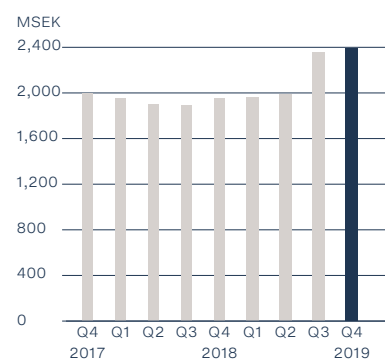
### EBITDA MARGIN, %



### CASH FLOW FROM OPERATING ACTIVITIES, SEK MILLION



### 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 and an Extraordinary General Meeting on 18 November 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. Both of the convertible programmes total SEK 48,400,000.

In October, a direct share issue of 1,600,000 Class B shares was carried out to qualified investors, at a subscription price of SEK 96.40 per shares. The number of shares in Rejlers thereby changed. On 31 December 2019, the number of shares in Rejlers amounts to 19,687,909 shares, of which 1,749,250 Class A shares and 17,938,659 Class B shares. The total number of votes in Rejlers amounts to 35,431,159.

### Significant events after the end of the period

#### REJLERS CHANGES CONTROL SYSTEM FOR STOCKHOLM EXERGI

The assignment includes replacing the control system at a number of pumping stations in the company's southern production area and is part of a long-term automation programme aimed at modernisation and the creation of a unified system. The project is expected to continue throughout 2020, with Rejlers assuming responsibility for the delivery of project management, design, programming, construction and commissioning.

#### JESPER BÖRJESSON'S NEW JOB: HEAD OF LEARNING AT REJLERS

The TV journalist Jesper Börjesson is beginning at the technology consulting firm Rejlers as the Head of Learning. The objective is to be involved and realise the company's new vision, the Home of the Learning Minds. Jesper Börjesson will lead the initiative on Rejlers Play, one of several initiatives to strengthen Rejlers knowledge dissemination internally and externally.

#### REJLERS RECEIVES ANOTHER VOTE OF CONFIDENCE FROM SSAB IN LULEÅ

The contract covers electrical systems design for the new control system, which regulates gas processing at the coke plant, and the new switchgear. Rejlers responsibility also includes maintaining a high level of quality when the new systems are commissioned.

# Business overview

## REJLERS SWEDEN

**In Sweden, we noted in the fourth quarter a slightly weaker development** in all operating areas except energy, compared with the same period the year before. We have therefore acted in two ways: we have increased our sales efforts and we have streamlined areas where we did not succeed in increasing the order volume, primarily in Telecom. Rejlers Sweden provided an EBITA for the quarter of SEK 16.3 million (25.7). As expected, the Swedish operations acquired from Neste negatively impacted earnings. Measures to address this are being intensified in the first quarter of 2020.

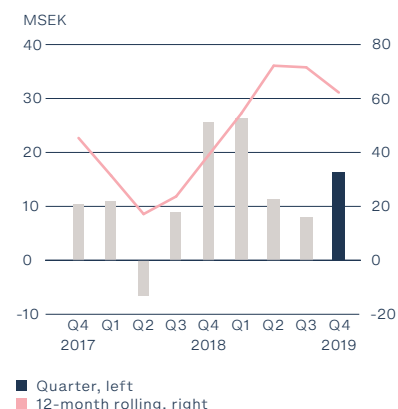
**Energy had a strong development and grew during the quarter** compared with the same period the year before. The customers' investments in electricity network infrastructure remained high and Rejlers continues to further develop the service offering with digital offerings, such as project engineering with digital twins. Projects that concern the expansion of computer centres have also increased and we have begun a strategic cooperation with Node Pole in this area.

**Industry & Infra won a number of important assignments** for the customers Stockholm Exergi, SSAB, Telia and the Swedish Transport Administration. The assignments are in line with Rejlers' strategy to win more large assignments. The acquisition of Elproj teknik AB in Oskarhamn adds 18 industry consultants to our already strong offering in the area in the region. The industry part of the division is growing, but is also being geographically refined for a somewhat more challenging market. Within the infrastructure part, the new business area Civil was established, which offers consultancy services in urban development.

**Buildings recovered well after a weak third quarter** and ended the year at a good coverage level. The division has a good order backlog that has continuously been refilled during the quarter, among other things with project engineering assignments for NCC. Previously won and reported framework agreements are also beginning to provide dividends in assignments.

**At year-end, the Telecom division changed name to Communication & Security,** which better corresponds to its areas of operations. In the fourth quarter, the division recovered despite a cautious telecom market that is awaiting the transition to 5G. The initiative in total defence is continuing and several new assignments were signed during the quarter with the Swedish Defence Materiel Administration and the Swedish Coast Guard, among others.

## EBITA, SEK MILLION



KPI	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales, SEK million	348.6	337.6	1,196.6	1,183.5
EBITA, SEK million	16.3	25.7	62.1	39.0
EBITA margin, %	4.7	7.6	5.2	3.3
Operating profit/loss, SEK million	14.0	24.1	55.1	33.1

## REJLERS FINLAND

**In Finland, the market also remained strong in the fourth quarter.** All divisions in Rejlers Finland performed well. Earnings were weakened by Rejlers being one of the large technology consulting firms that were struck by a three-day strike in December announced by the union to hasten negotiations for a new collective agreement. Growth during the quarter totalled 54 per cent of which organic growth amounted to 22 per cent and EBITA ended up at SEK 24.0 million (11.5).

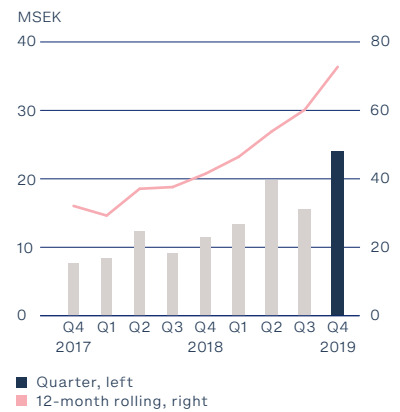
**The quarter began with the conclusion of the largest acquisition in Rejlers' history.**

At the same time that Rejlers took over operations from Neste Engineering Solutions, a strategic partnership was initiated with a five-year framework agreement with the selling company. Thanks to the 220 new qualified employees that were added in the acquisition, Rejlers Finland approached 1,000 employees during the fourth quarter.

**Earnings for the industry segment improved thanks to the acquisition from Neste** and that the quarter showed a continued good performance for the division Electrification, Instrumentation & Automation. The slowdown in the Finnish construction market continued, which we foresaw in earlier quarters, but this is taking place gradually from an overheated market down to a more normal market situation.

**Rejlers won an agreement with the Finnish Transport Infrastructure Agency for an extensive railway project.** Rejlers will provide services regarding construction procurement, monitoring and design as the important railway route Kouvola-Kotka/Fredrikshamn is improved.

## EBITA, SEK MILLION



KPI	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales, SEK million	256.8	166.6	780.6	576.9
EBITA, SEK million	24.0	11.5	72.6	41.5
EBITA margin, %	9.3	6.9	9.3	7.2
Operating profit/loss, SEK million	11.0	10.3	57.3	38.7

## REJLERS NORWAY

**The market development in Norway continued to be positive during the fourth quarter,** with a good demand for Rejlers Norway's entire service offering. Rejlers Norway was able to report an EBITA for the quarter of SEK 7.3 million (5.9).

**Industry, which provides services in IT and digitalisation, showed continued growth** through deliveries to existing customers in Norway. Several agreements with new customers were also closed, including the Elektroimportøren AS for the delivery of our Connected Store concept for all of their 21 existing stores and additional stores in the future.

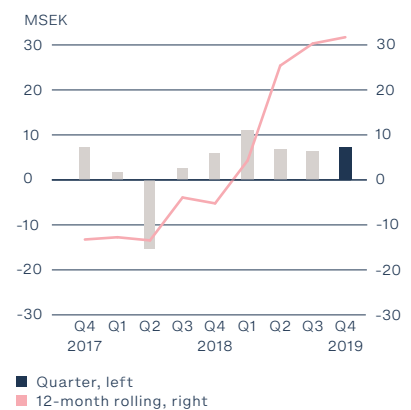
**Energy continued to grow in both consulting and IT services during the quarter.**

Through the acquisition of Smarthub AS, we are now strengthening our position as a leading service provider within IoT infrastructure, including smart electrical meters. In a cross-border collaborative project, the division also launched a concept for digital twins that targets customers in Sweden, Finland and Norway.

**Buildings encountered a strong market and made many deliveries during the quarter.**

During the period, focus on recruitment increased as a part of meeting increased demand from existing customers. Noteworthy among new transactions is the delivery of electrical technology design for a total of 68,300 m<sup>2</sup> office and retailing properties in the urban development project Økern Portal in Oslo. Within the area of local electrical inspections, a new agreement was also signed with Lyse Elnett regarding the monitoring of around 3,500 homes and commercial premises.

## EBITA, SEK MILLION



KPI	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales, SEK million	174.0	155.2	633.1	643.5
EBITA, SEK million	7.3	5.9	31.6	-5.2
EBITA margin, %	4.2	3.8	5.0	-0.8
Operating profit/loss, SEK million	6.1	5.1	25.4	-3.7



# Rejlers offering

Rejlers AB is one of the largest technical consulting firms in the Nordic region. We have nearly 2,400 qualified engineers who work with projects and IT solutions in construction and property, energy, industry and infrastructure.

**Rejlers' goal is to always deliver the maximal business benefit** to our customers. Rejlers offers both expert knowledge and breadth in everything from preliminary studies and planning to design, construction, project planning, programming and digitalisation. Our most valuable asset is the employees' learning mindset. We welcome the most complex questions and handle them in a way that adds new perspectives to our customers.

For our customers, we want to be an alternative that stands out, the little big consulting company that combines the best of two worlds. Like larger actors, Rejlers has extensive depth and breadth in the expertise we provide, at the same time that we offer fast decision-making pathways and extensive adaptive ability.

**We have a strong platform** in place to play a very active role in the digital development of business and society. In our industry and the labour market in general, network constellations based on digital collaboration are becoming increasingly important. Through Rejlers Network, we have a large network of partners that supplement our expertise and broaden our offering.



## ENERGY

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



## BUILDINGS

Based on well-tryed methods and with innovative solutions, we have the ambition to create buildings that meet your specific requirements.



## 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 are railway experts and work with everything from the total project commitments, preliminary studies and project engineering to installations for technically complex and digital systems.



## COMMUNICATION & SECURITY

As Sweden's largest telecom consultancy, we develop mobile and fibre networks for a safer society and a stronger defence.



## IT SERVICES

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.

### Business combinations

#### DURING THE PERIOD, THE FOLLOWING ACQUISITIONS WERE CARRIED OUT

Period	Company	Segment	Annual net sales	FTE
Oct-Dec	Neste	FI, SE	SEK 370 million	330
Oct-Dec	Other acquisitions	SE	SEK 59 million	32

#### ACQUIRED COMPANY'S NET ASSETS AT THE TIME OF THE ACQUISITION

SEK million	Total	Other acquisitions	Neste Finland (Assets+liabilities)	Neste AB
Non-current assets	1.1	0.6		0.5
Financial assets	17.1	1.4		15.7
Accounts receivable, other receivables	43.4	13.0		30.4
Cash and cash equivalents	20.5	4.0		16.5
Accounts payable, loans and other liabilities	-79.1	-10.9	-32.2	-36.0
<b>Net identifiable assets and liabilities</b>	<b>3.0</b>	<b>8.1</b>	<b>-32.2</b>	<b>27.1</b>
Goodwill	92.3	5.3	72.0	15.0
Customer value	141.8	14.4	99.6	27.7
Deferred tax	-8.7	-3.0	0.0	-5.7
<b>Purchase sum</b>	<b>228.4</b>	<b>24.8</b>	<b>139.5</b>	<b>64.1</b>
Transaction costs, deduction	6.1	0.0		6.1
Cash and cash equivalents (acquired)	-20.5	-4.0		-16.5
<b>Net outflow, Group</b>	<b>214.0</b>	<b>20.8</b>	<b>139.5</b>	<b>53.7</b>

The acquisition analysis is preliminary. The analysis of fair value for identified customer values is under way.

### Neste

In June 2019, Rejlers entered an agreement to acquire strategically significant operations from Neste Engineering Solutions. The operations acquired have a total of 330 employees, of which 220 are in Finland, 50 in Sweden and 60 in the United Arab Emirates (Abu Dhabi) and strengthens Rejlers in the energy sector. The acquisition is comprised of a purchase of assets and liabilities in Finland and the purchase of all shares in Neste AB where Abu Dhabi is a branch of Neste AB. Rejlers assumes expertise within the process industry, especially in the hydrocarbon and bioindustry where the acquired units have decades of experience of assignments in every part of the life cycle. The transaction was completed on 30 September 2019.

### Elproj teknik AB

In december 2019, as part of the company's growth strategy, Rejlers entered an agreement to acquire technology consulting firm Elproj teknik AB, which is based in Oskarshamn. Elproj teknik AB has 18 employees with cutting-edge expertise within electrical power, automation and installation planning. The acquisition boosts Rejlers' presence and offering in the region.

### Pondra AB

On 1 September 2019, Rejlers entered an agreement to acquire the technical consultancy Pondra AB, which is a part of the IT group, Empir Group AB. The acquisition is a part of Rejlers' growth strategy and means that the company is strengthening its offering in the Defence and Security business area. Pondra AB has 14 employees with extensive experience in defence and public security, both towards the public and private sector.

### Related party transactions

Related party transactions take place on market-based terms.

### Pledged assets and contingent liabilities

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

### Nomination Committee

In accordance with the resolution by the Annual General Meeting on 3 May 2019, the Nomination Committee shall consist of representatives for the three largest shareholders with voting rights on the last banking day in August of each year. The Annual General Meeting resolved to provide a mandate to the Chairman of the Board to annually contact the three largest shareholders by votes, which each appoint a representative to the Nomination Committee for the period until the next Annual General Meeting has been held or when necessary until a new Nomination Committee has been appointed.

The Nomination Committee for Rejlers 2020 Annual General Meeting is comprised of:

Kent Hägglund, Chairman, represents Peter Rejler

Martina Rejler, represents Jan Rejler

Mats Andersson, represents Nordea Fonder

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 February 2020 Rejlers AB (publ)

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 through the care of the contact person above for publication on 7 February 2020 at 8:30 a.m. CET. This report is also available in Swedish. The English version is a translation of the Swedish original. If there are any differences, the Swedish version takes precedence.

## CONDENSED INCOME STATEMENT

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	756.8	644.2	2,557.1	2,365.2
Other income	1.6	0.2	4.6	1.8
Personnel expenses	-461.6	-387.1	-1,566.7	-1,460.8
Other external expenses	-213.4	-213.9	-727.3	-828.1
Participations in associated company earnings	0.2	0.2	1.2	0.8
<b>EBITDA</b>	<b>83.6</b>	<b>43.6</b>	<b>268.9</b>	<b>78.9</b>
Depreciation/amortisation and impairment of non-current assets <sup>1)</sup>	-43.2	-8.2	-130.9	-34.8
<b>EBITA</b>	<b>40.4</b>	<b>35.4</b>	<b>138.0</b>	<b>44.1</b>
Acquisition-related items <sup>2)</sup>	-17.1	-3.6	-34.5	-8.0
<b>Operating profit/loss (EBIT)</b>	<b>23.3</b>	<b>31.8</b>	<b>103.5</b>	<b>36.1</b>
Net financial income/expense	-4.2	-4.5	-7.3	-6.0
<b>Profit/loss after net financial income/expense</b>	<b>19.1</b>	<b>27.3</b>	<b>96.2</b>	<b>30.1</b>
Tax	1.4	-9.8	-18.6	-13.9
<b>PROFIT FOR THE PERIOD</b>	<b>20.5</b>	<b>17.5</b>	<b>77.6</b>	<b>16.2</b>
Attributable to the Parent Company's shareholders	20.5	17.7	77.6	15.4
Attributable to shareholders without a controlling influence		-0.2		0.8
Average number of shares	19,687,909	18,087,909	18,487,909	18,087,909
Number of shares at end of period	19,687,909	18,087,909	19,687,909	18,087,909
Number of shares after dilution	19,944,751	18,087,909	19,944,751	18,087,909
Earnings per share before dilution, SEK	1.04	0.98	4.19	0.85
Earnings per share after dilution, SEK	1.03	0.98	4.16	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- and integration costs.

Due to the new accounting standard IFRS 16 Leases, EBITDA for the full year increased by SEK 102.7 million and EBITA by SEK 3.3 million, and profit after tax decreased by SEK -1.6 million. In the quarter, EBITDA increased by SEK 36.9 million and EBITA increased by SEK 2.2 million, and profit after tax increased by SEK 0.1 million.

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Profit/loss for the period	20.5	17.5	77.6	16.2
<b>Items that may be reclassified to the income statement</b>				
Translation differences of foreign operations, net after-tax	-4.9	-10.7	13.3	12.9
<b>Items that will not be reclassified to the income statement</b>				
Revaluation of net pension provisions	1.3	1.4	1.3	1.4
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-3.6</b>	<b>-9.3</b>	<b>14.6</b>	<b>14.3</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16.9</b>	<b>8.2</b>	<b>92.2</b>	<b>30.5</b>

## CONDENSED BALANCE SHEET

Amounts in SEK million	31 Dec 2019	31 Dec 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill <sup>2)</sup>	565.6	468.3
Other intangible assets <sup>1)</sup>	271.2	138.0
Property, plant and equipment	20.3	24.8
Rights of use	272.0	-
Other non-current assets	68.3	50.2
<b>Total non-current assets</b>	<b>1,197.4</b>	<b>681.3</b>
<b>Current assets</b>		
Current receivables	764.2	679.2
Cash and cash equivalents	142.0	38.2
<b>Total current assets</b>	<b>906.2</b>	<b>717.4</b>
<b>TOTAL ASSETS</b>	<b>2,103.6</b>	<b>1,398.7</b>
<b>Equity and liabilities</b>		
Equity attributable to shareholders in the Parent Company	930.2	707.3
Non-controlling interests	-	-
<b>Total equity</b>	<b>930.2</b>	<b>707.3</b>
<b>Non-current liabilities</b>		
Provision for pensions	28.4	29.1
Interest-bearing non-current liabilities <sup>2)</sup>	303.7	95.5
Other non-current liabilities	118.3	113.5
<b>Total non-current liabilities</b>	<b>450.4</b>	<b>238.1</b>
<b>Current liabilities</b>		
Interest-bearing current liabilities <sup>2)</sup>	215.4	33.4
Other current liabilities	507.6	419.9
<b>Total current liabilities</b>	<b>723.0</b>	<b>453.3</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,103.6</b>	<b>1,398.7</b>

<sup>1</sup> Has been affected by the business combination; see page 11.

<sup>2</sup> Impact from IFRS 16 Leases: Interest bearing non-current liabilities SEK 155.5 million, interest-bearing current liabilities SEK 100.8 million, and the acquisition; see page 11.

## CONDENSED CHANGES IN EQUITY

Amounts in SEK million	31 Dec 2019	31 Dec 2018
Equity at start of period	707.3	746.3
Comprehensive income for the period	92.2	30.5
Acquisition of non-controlling interests	-	-60.0
Direct share issue	147.1	-
Conversion rights for convertible debt instruments	1.7	-
<b>Changes attributable to transactions with the owners</b>		
Dividends	-18.1	-9.5
<b>Total changes attributable to transactions with the owners</b>	<b>-9.5</b>	<b>-9.5</b>
<b>Equity at end of period</b>	<b>930.2</b>	<b>707.3</b>
Attributable to the Parent Company's shareholders	930.2	707.3
Attributable to non-controlling interests	-	-
<b>Total</b>	<b>930.2</b>	<b>707.3</b>

## CONDENSED CASH FLOW STATEMENT

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Cash flow from operating activities before changes in operating capital and tax paid	36.3	45.9	137.8	117.0
Tax paid	3.7	6.9	-20.6	-30.7
Change in working capital	0.8	35.3	29.4	36.8
<b>Cash flow from operating activities</b>	<b>40.8</b>	<b>88.1</b>	<b>146.6</b>	<b>123.1</b>
Cash flow from investing activities	-38.6	-33.3	-317.6	-67.9
Cash flow from financing activities	63.8	-39.3	276.3	-38.1
<b>Cash flow for the period</b>	<b>66.0</b>	<b>15.5</b>	<b>105.3</b>	<b>17.1</b>
Cash and cash equivalents at start of period	78.5	22.6	38.2	20.3
Exchange rate differences in cash and cash equivalents	-2.5	0.1	-1.5	0.8
<b>Cash and cash equivalents at end of period</b>	<b>142.0</b>	<b>38.2</b>	<b>142.0</b>	<b>38.2</b>

## NET INDEBTEDNESS

Amounts in SEK million	31 Dec 2019	31 Dec 2018
Non-current liabilities, credit institutions	101.9	95.5
Convertible debentures	46.3	-
Non-current lease liability	155.5	-
Current liabilities, credit institutions	114.6	33.4
Current lease liability	100.8	-
Pension provisions	28.4	29.1
Cash and cash equivalents	-142.0	-38.2
<b>Total</b>	<b>405.5</b>	<b>119.8</b>

## ITEMS AFFECTING COMPARABILITY

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Restructuring costs	-	-	-	53.4

## ACQUISITION-RELATED ITEMS

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Impairment and amortisation of goodwill and intangible assets related to acquisitions	-6.5	-3.1	-16.4	-12.1
Profit/loss from divestment of subsidiaries and operations	-0.4	-	-2.5	4.1
Integration expenses	-9.5	-	-9.5	-
Acquisition expenses	-0.7	-0.5	-6.1	-
<b>Total</b>	<b>-17.1</b>	<b>-3.6</b>	<b>-34.5</b>	<b>-8.0</b>

# Parent Company

## CONDENSED INCOME STATEMENT

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Sales	9.3	8.7	37.1	35.8
Personnel expenses	-12.0	-7.0	-36.4	-34.5
Other external expenses	-7.0	-8.7	-27.1	-32.3
Depreciation	0.0	0.0	-0.1	-0.2
Participations in associated company earnings	0.0	0.0	0.4	0.3
<b>Operating profit/loss</b>	<b>-9.7</b>	<b>-7.0</b>	<b>-26.1</b>	<b>-30.9</b>
Net financial income/expense	27.6	20.3	33.7	25.7
<b>Profit/loss after net financial income/expense</b>	<b>17.9</b>	<b>13.3</b>	<b>7.6</b>	<b>-5.2</b>
Appropriations	-	8.3	-	8.3
Tax	0.9	-	0.9	-
<b>Profit/loss after tax</b>	<b>18.8</b>	<b>21.6</b>	<b>8.5</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.

## CONDENSED BALANCE SHEET

Amounts in SEK million	31 Dec 2019	31 Dec 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3.3	0.4
Financial assets <sup>1)</sup>	522.7	449.9
<b>Total non-current assets</b>	<b>526.0</b>	<b>450.3</b>
<b>Current assets</b>		
Current receivables	377.4	211.3
Cash and cash equivalents	94.1	8.6
<b>Total current assets</b>	<b>471.5</b>	<b>219.9</b>
<b>TOTAL ASSETS</b>	<b>997.5</b>	<b>670.2</b>
<b>Equity and liabilities</b>		
Equity	566.0	426.9
Non-current liabilities <sup>1)</sup>	210.0	152.9
Current liabilities <sup>1)</sup>	221.5	90.4
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>997.5</b>	<b>670.2</b>

<sup>1)</sup> Has been affected by the acquisition of Neste; see page 11.



# Segment overview

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<b>Net sales</b>				
Sweden	348.6	337.6	1,196.6	1,183.5
Finland	256.8	166.6	780.6	576.9
Norway	174.0	155.2	633.1	643.5
Group wide	9.3	8.7	37.1	35.6
Eliminations	-31.9	-23.9	-90.3	-74.3
<b>Consolidated total</b>	<b>756.8</b>	<b>644.2</b>	<b>2,557.1</b>	<b>2,365.2</b>
<b>EBIT</b>				
Sweden	14.0	24.1	55.1	33.1
Finland	11.0	10.3	57.3	38.7
Norway	6.1	5.1	25.4	-3.7
Group wide	-7.8	-7.7	-34.3	-32.0
Eliminations				-
<b>Consolidated total</b>	<b>23.3</b>	<b>31.8</b>	<b>103.5</b>	<b>36.1</b>
Net financial income/expense	-4.2	-4.5	-7.3	-6.0
<b>Profit/loss before tax</b>	<b>19.1</b>	<b>27.3</b>	<b>96.2</b>	<b>30.1</b>
<b>Operating margin</b>				
Sweden	4.0	7.1	4.6	2.8
Finland	4.3	6.2	7.3	6.7
Norway	3.5	3.3	4.0	-0.6
Group-wide	-	-		-
Eliminations				-
<b>Consolidated total</b>	<b>3.1</b>	<b>5.0</b>	<b>4.0</b>	<b>1.5</b>
Number of employees				
Sweden	1,109	1,006	1,109	1,006
Finland	994	675	994	675
Norway	280	263	280	263
Group wide	10	9	10	9
<b>Consolidated total</b>	<b>2,393</b>	<b>1,953</b>	<b>2,393</b>	<b>1,953</b>

# Key performance indicators

Beginning in the second quarter of 2016, Rejlers has applied the new European Securities and Markets Authority (ESMA) guidelines for Alternative Performance Measures. In brief, an alternative performance measure is a financial measure over historical or future earnings trends, financial position or cash flow that are not defined or specified in IFRS. To support the analysis by company management and other stakeholders of the Group's development, Rejlers presents certain key performance indicators that are not defined in IFRS. Company management believes that this information facilitates an analysis of the Group's development. These additional measurements are supplementary information to IFRS and do not replace key performance indicators defined in IFRS. Rejlers' definitions of measurements not defined in IFRS may differ from other companies' definitions. All of Rejlers' definitions are included below. Calculations of key performance indicators that cannot be reconciled against new items in the income statement and balance sheet are found on the company's website, [www.rejlersgroup.com](http://www.rejlersgroup.com).

Amounts in SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<b>IFRS key performance indicators</b>				
Earnings per share before dilution, SEK	1.04	0.98	4.19	0.85
Earnings per share after dilution, SEK	1.03	0.98	4.16	0.85
Average number of shares	19,687,909	18,087,909	18,487,909	18,087,909
Number of shares at end of period	19,687,909	18,087,909	19,687,909	18,087,909
<b>Operational key performance indicators</b>				
Utilisation, %	76.6	77.5	76.8	77.1
Sales per full-time employee, SEK thousand	329	351	1,278	1,270
Number of full-time employees	2,299	1,837	2,001	1,863
Number of employees at end of period	2,393	1,953	2,393	1,953
<b>Alternative key figures</b>				
Acquired growth, %	10.2	2.6	3.9	1.7
Currency effect, %	0.3	2.3	0.1	2.2
Organic growth, %	8.4	-6.5	8.2	-3.8
EBITDA, SEK million	40.4	35.4	138.0	44.1
Depreciation/amortisation of acquisition-related items, SEK million	-6.5	-3.1	-16.4	-12.1
Items affecting comparability, SEK million	-	-	-	-53.4
Operating profit/loss (EBIT), SEK million	23.3	31.8	103.5	36.1
EBITA margin, %	5.4	5.5	5.4	1.8
Net debt, SEK million	405.5	119.8	405.5	119.8
Net debt/EBITDA, R12, times	1.5	1.4	1.5	1.4
Equity/assets ratio, %	44.2	50.6	44.2	50.6
Operating profit/loss per full-time employee, SEK thousand	10	17	52	19
Equity per share at the end of the period, SEK	47.25	39.10	47.25	39.10

## 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](http://www.rejlers.com/se)

## CALENDAR

Interim Report January-March	22 April 2020
Annual General Meeting	22 April 2020
Interim Report April-June	16 July 2020
Interim Report July-September	23 Oct 2020
Year-end Report January-December 2020	5 February 2021

## FOR MORE INFORMATION, PLEASE CONTACT

Viktor Svensson, President and CEO  
Tel. +46-70-657 20 26  
e-mail: [viktor.svensson@rejlers.se](mailto:viktor.svensson@rejlers.se)

Anna Jennehov, CFO  
Tel. +46-73-074 06 70  
e-mail: [anna.jennehov@rejlers.se](mailto:anna.jennehov@rejlers.se)