

Q2

***Interim Report
January - June 2018***



Positive development after completion of changes

Second quarter

- Net sales amounted to SEK 602.3 million (621.5)
- EBITA (adjusted) amounted to SEK 23.1 million (1.7) and the adjusted EBITA margin amounted to 3.8% (0.3)
- Operating profit (EBIT) amounted to SEK -15.4 million (-14.4) and the operating margin was -2.5% (-2.3)
- Profit after tax was SEK -16.2 million (-10.5)
- Earnings per share before and after dilution were SEK -0.93 (-0.89)
- Cash flow from operating activities totalled SEK -1.1 million (-16.0)
- The total cost of restructuring amounted to SEK 40.0 million (13.0)



EBITA (adjusted) Q2 amounted to SEK 23.1 million (1.7) and benefitted from the positive effects of a higher billable hours ratio and the structural changes that have been made.

January - June

- Net sales amounted to SEK 1,205.5 million (1,251.1)
- EBITA (adjusted) amounted to SEK 44.6 million (34.7) and the adjusted EBITA margin amounted to 3.7% (2.8)
- Operating profit (EBIT) amounted to SEK -10.3 million (15.3) and the operating margin was -0.9% (1.2)
- Profit after tax was SEK -14.7 million (10.7)
- Earnings per share before and after dilution were SEK -0.86 (0.71)
- Cash flow from operating activities totalled SEK 69.6 million (-26.2)
- The total cost of restructuring amounted to SEK 53.4 million (13.0)

KEY FIGURES	Q2 18	Q2 17	6M 18	6M 17	12 M R	2017
Net sales, SEK million	602.3	621.5	1,205.5	1,251.1	2,419.1	2,464.6
Organic growth excluding exchange rate effects, %	-0.4	0.0	0.1	4.0	0.2	4.1
EBITA* (adjusted), SEK million	23.1	1.7	44.6	34.7	65.1	55.2
EBITA margin* (adjusted), %	3.8	0.3	3.7	2.8	2.7	2.2
EBITA, SEK million	-16.9	-11.3	-8.8	21.7	7.0	37.5
EBITA margin, %	-2.8	-1.8	-0.7	1.7	0.3	1.5
Operating profit (EBIT), SEK million	-15.4	-14.4	-10.3	15.3	-0.5	25.1
Profit after tax, SEK million	-16.2	-10.5	-14.7	10.7	-13.7	11.7
Earnings per share before dilution, SEK	-0.93	-0.89	-0.86	0.71	-0.79	0.71
Earnings per share after dilution, SEK	-0.93	-0.89	-0.86	0.71	-0.79	0.71
Cash flow from operating activities, SEK million	-1.1	-16.0	69.6	-26.2	54.5	-41.3
Net debt/EBITDA rolling 12 mo., times	3.0	1.6	3.0	1.6	3.0	2.3

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

Statement by the President and CEO

Rejlers' second quarter has been marked by a high operational focus and structural changes. We have reorganised both the Swedish and the Norwegian operations in the form of a new organisation and streamlining by means of divestment and reducing the number of management positions. In total, sales decreased slightly, while profitability is weighed down by non-recurring costs related to this reorganisation. The underlying profitability has improved, thanks to the structural changes that have been made and strong development in the Finnish operation. Today, Rejlers has an established position in the Nordic market with a broad range and clear potential to strengthen both its market position and its earnings.

Change work

During the second quarter, we have taken new steps on the path of creating a more efficient, profitable and sustainable Rejlers. Earnings have been affected by restructuring costs totalling SEK 40 million in respect of provisions for lease contracts where colocation is being implemented, the disposal of unprofitable units in Sweden and Norway and a considerable reduction in the number of management positions. The rationalisation affects all three Rejlers countries and is estimated to provide annual savings of SEK 30 million with full effect as of 2019. A significant event during the quarter was the divestment of Rejlers Telecom AS. During the quarter we have also completed the key recruitments of CFO, Communications Director and Recruitment Manager.

New organisation in Sweden and Norway

The objective is to create an operationally efficient Rejlers with greater focus on the market, profitability and growth. We have therefore introduced a new organisation in both Sweden and Norway during the second quarter. The Swedish organisation now consists of the five divisions Energy, Buildings, Industry, Infrastructure and Telecom, with a clear mandate that gives greater focus on industry sector specialisation rather than geography. The reorganisation has gone according to plan and creates greater efficiency in the operation in that the matrix organisation is disappearing and the size of the Swedish management group is halved. During the quarter, we performed corresponding changes in the Norwegian operations, where Rejlers Embriq and Rejlers Norway have been combined into one operation. The Norwegian operation can now focus on the areas where we see the greatest potential for growth; Energy, Buildings, IT and Digitalisation Services. Finland delivered a satisfactory second quarter with good growth in both sales and profit.

Sales and profitability

In the company's second quarter, net sales decreased by 3.1 per cent to SEK 602.3 million (621.5), as a consequence of disposal and closure of unprofitable operations. Adjusted EBITA increased to SEK 23.1 million (1.7) and benefitted from the positive effects of a higher billable hours ratio and the structural changes that have been made.

Personal reflections

It has been an inspiration to have been able, together with the company's managers and employees, to have set in motion during my first five months such a sweeping transformation that will take Rejlers into the future. Our aim is to establish the industry's most attractive workplace with a clear focus on employees, customer benefit and shareholder value. Rejlers has a strong foundation, with 75 years of history, almost 2,000 qualified engineers, a growing network of partners and high customer satisfaction. With such a strong platform, my assessment is that we can and have the ability to play a more active role in the digital development of business and society. I can see that it is in the border zone between customers, technology and our operations that the future's digital winners will be created.



"During the second quarter, we have taken new steps on the path of creating a more efficient, profitable and sustainable Rejlers. We have been reorganising both the Swedish and Norwegian operations, with a new organisational structure and by streamlining by selling the Norwegian telecom operation."

Financial summary

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

SECOND QUARTER APRIL - JUNE 2018

Net sales

Net sales amounted to SEK 602.3 million (621.5), a decrease of 3.1 per cent compared to the corresponding period last year, as a result of the sale of the telecommunication operation in Norway and the closure of unprofitable operations. Organic growth excluding exchange rate fluctuations was -0.4 per cent. In Finland, organic growth is positive, while the other operations have a negative organic growth.

Adjusted EBITA

The quarter's adjusted EBITA amounted to SEK 23.1 million (1.7). Adjusted EBITA margin amounted to 3.8 per cent (0.3). The improved financial results have been positively affected by a higher billable hours ratio and calendar effects, as well as by the structural changes, such as the disposal and closure of unprofitable units. There were positive calendar effects, with one more working day than the previous year in Sweden and Finland and two more working days in Norway.

Operating profit

Operating profit (EBIT) amounted to SEK -15.4 million (-14.4) and the operating margin was -2.5 per cent (-2.3). Earnings have been affected by restructuring costs totalling SEK 40.0 million in the form of provisions for lease contracts where colocation is being implemented, the disposal of unprofitable units primarily in Sweden and Norway and a considerable reduction in the number of management positions.

By agreement with the buyer of Rejlers Telecom AS, all rights and obligations were transferred to the buyer on 1 April. The sold operation therefore had no effects in the second quarter.

Financial income and expenses

Financial income for the quarter amounted to SEK 0.0 million (0.5). Financial expenses amounted to SEK 1.7 million (2.4) and are mainly attributable to interest expenses and currency translations.

Tax

The quarter's tax income amounted to SEK 0.9 million (tax income 5.8). Effective tax rate is -5.3% (-35.6). The higher tax rate is mainly due to deferred tax income not being recognised in Norway.

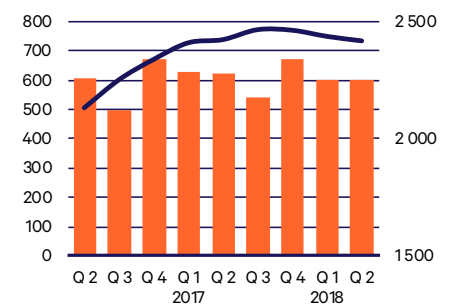
Profit after tax for the period

Profit after tax for the period amounted to SEK -16.2 million (-10.5). Earnings per share amounted to SEK -0.93 (-0.89) both before and after dilution.

Cash flow

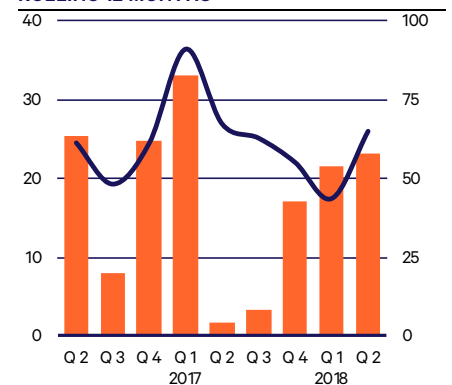
During the quarter, the Group generated a cash flow from operating activities of SEK -1.1 million (-16.0). An improved result from operating activities before changes in operating capital and tax paid explains the difference.

NET SALES PER QUARTER AND ROLLING 12 MONTHS



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

ADJUSTED EBITA PER QUARTER AND ROLLING 12 MONTHS



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

FIRST HALF JANUARY - JUNE 2018

Net sales

Net sales amounted to SEK 1,205.5 million (1,251.1), a decrease of 3.6 per cent compared to the corresponding period last year, as a result, among other things, of the sale of the telecommunication operation in Norway and the closure of unprofitable units. Organic growth excluding exchange rate fluctuations was 0.1 per cent. In Finland, organic growth is positive, while the other operations have a negative organic growth.

Adjusted EBITA

The half-year's adjusted EBITA amounted to SEK 44.6 million (34.7). Adjusted EBITA margin amounted to 3.7 per cent (2.8). The improved financial results are explained by a higher billable hours ratio and the structural changes that have been made.

Operating profit

Operating profit (EBIT) amounted to SEK -10.3 million (15.3) and the operating margin was -0.9 per cent (1.2). Earnings have been affected by restructuring costs totalling SEK 53.4 million (13.0) in the form of provisions for lease contracts where colocation is being implemented, the disposal of unprofitable units in Sweden and Norway and a considerable reduction in the number of management positions.

Financial income and expenses

The half-year's financial income amounted to SEK 2.2 million (1.6) and pertains mainly to currency translations. Financial expenses amounted to SEK 3.3 million (4.8) and are mainly attributable to interest expenses and currency translations.

Tax

The half-year's tax expense amounted to SEK 3.3 million (1.4). Effective tax rate is 28.9% (-11.6). The higher tax rate is mainly due to deferred tax income not being recognised in Norway.

Profit after tax for the period

Profit after tax for the period amounted to SEK -14.7 million (10.7). Earnings per share amounted to SEK -0.86 (0.71) both before and after dilution.

Cash flow

During the first half, the Group generated a cash flow from operating activities of SEK 69.6 million (-26.2). Lower trade receivables positively impacted the cash flow.

Financial position

Consolidated cash and cash equivalents at the end of the period amounted to SEK 48.5 million compared to SEK 20.3 million on 31 December 2017. The change in cash and cash equivalents has among other things been affected by amortisation in an amount of SEK 7.1 million and dividend to shareholders of 9.6 (-).

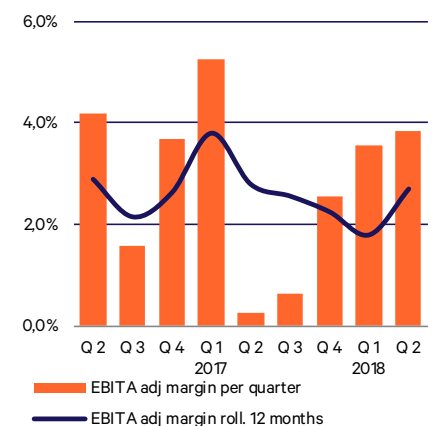
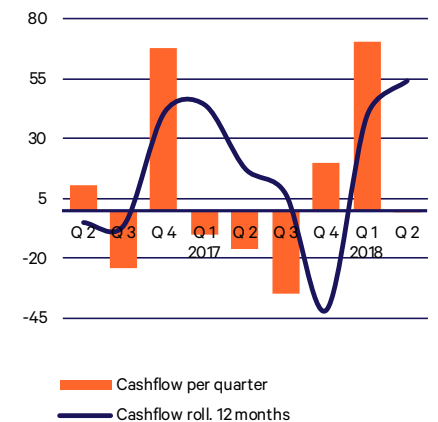
Interest-bearing liabilities decreased by SEK 5.1 million since 31 December 2017 to SEK 153.5 million at the end of period. Net liabilities amounted to SEK 137.5 million, compared with SEK 167.2 million as at 31 December 2017.

The equity/assets ratio amounted to 50.4 per cent compared with 52.7 on 31 December 2017.

Equity per share was SEK 40.97 at the end of the period compared to SEK 40.77 on 31 December 2017. The Group's overdraft facilities of SEK 150.0 million (50.0) are entirely unutilised.

Investments

Investments in tangible assets amounted to SEK 3.2 million (3.5) 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 14.3 million (14.9). Investments in subsidiaries and businesses amounted to SEK 9.9 million (16.1). Depreciation/amortisation amounted to SEK 23.6 million (23.5).

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

Billable hours ratio

The billable hours ratio increased to 76.9 per cent (75.3), mainly as a result of higher order volumes in all three countries.

Employees

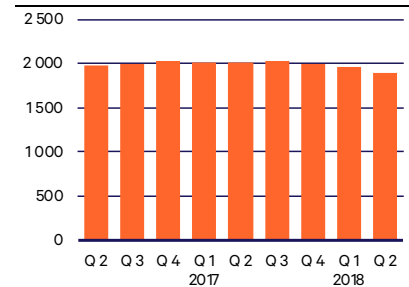
At the end of the period, there were 1,897 employees (2,053). There were 1,866 full-year employees (1,976).

Parent Company

Net sales for the parent company during the interim period amounted to SEK 18.3 million (14.0) and the profit before tax amounted to SEK -13.7 million (-15.2). Profit in the Parent Company was impacted by non-recurring costs in connection with the change in CEOs.

Seasonal variations

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

NUMBER OF EMPLOYEES AT END OF PERIOD**SIGNIFICANT EVENTS DURING THE SECOND QUARTER****Rejlers sells the Norwegian telecommunication operation to OneCo**

Rejlers Norway has sold its subsidiary Rejlers Telecom AS to OneCo. The proceeds from the sale amount to NOK 12.3 million excluding sale costs and generate a realised profit of NOK 4.6 million. The company was excluded from Rejlers' financial statements with effect from 1 April 2018. By agreement with the buyer of Rejlers Telecom AS, all rights and obligations were transferred to the buyer on 1 April.

Rejlers strengthens its operation in Buildings with the acquisition of Nurmi Oy

The acquisition strengthens Rejlers electrical and telecommunication offering to the property market in the Helsinki region. In 2017 the company had sales of EUR 0.7 million.

Anna Jennehov appointed CFO at Rejlers

Anna Jennehov has been appointed CFO at Rejlers AB and will join the group's management team. Anna is currently CFO at Knowit AB, where she has worked since 2013. Anna has extensive experience of change management with sustainable results within the consultancy sector. She will take up her new position at Rejlers on 8 February 2019.

Malin Sparf Rydberg is appointed Communications Director

Malin Sparf Rydberg has been appointed as the Communications Director of Rejlers, and will be part of the group's management team. Malin comes to Rejlers from Oscar Properties, and has more than 20 years' experience in communications and marketing. Malin will take up her new position on 1 September.

Åsa Törngren appointed new head of recruitment at Rejlers Sweden

Rejlers Sweden has recruited Åsa Törngren as Head of Talent Acquisition. Åsa will report to the head of Rejlers Sweden and becomes part of the management group in Sweden from September.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**Rejlers' acquisitions in Energy in Finland**

Rejlers Finland Oy has acquired the companies Antti Pitkänen Oy and Enease Oy. These acquisitions strengthen Rejlers' competence in digital energy services, for both grid planning and energy metering services. Together, the companies have sales of EUR 0.62 million.

SIGNIFICANT PROJECTS DURING THE SECOND QUARTER

Rejlers wins projects as the national grid expands in Stockholm

When the Stockholm region expands, the national electricity grid must also expand in order to safeguard power supplies. Digital information management is a key aspect of this and Rejlers has won yet another contract in GIS (Geographic Information Systems) from Svenska Kraftnät. Rejlers collects and analyses data concerning geography, environment, culture and terrain, which provides decision-making input for Svenska Kraftnät in its projects.

Rejlers signs an agreement with Telia Finland

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

Rejlers helps JM to build Norway's most energy-efficient homes

JM is extending its framework agreement with Rejlers Norway for electrical project design and energy consultancy. JM is one of Norway's largest home building and sales companies and its requirements for sustainability and energy-efficiency are very high.

OTHER INFORMATION

Rejlers' shares

The most recent share price for Rejlers Class B on 29 June 2018 was SEK 63 per share, an increase of 11 percent compared to 29 December 2017. On 25 July 2018, the most recent share price for Rejlers Class B was SEK 65.40 per share. The Rejlers share is listed on Nasdaq Stockholm.

Segment Rejlers Sweden

The work on reorganisation at Rejlers Sweden has been according to plan. In 1 May, we introduced a new organisational model with the focus on industry sector specialisation. The reorganisations means that the operation now consists of five divisions; Energy, Buildings, Industry, Infrastructure and Telecom. The new organisation creates greater efficiency in the operation in that the former matrix organisation is disappearing and the Swedish management group is reduced from 16 to 8. There has also been a reduction in the number of other managerial and administrative positions during the quarter.

The market for all our services continues to be strong and we see particularly strong demand for Rejler's digital energy projects and projects in building and property.

Net sales totalled SEK 283.9 million (303.8) in the second quarter, a decrease of 1.6 per cent compared with the same period the previous year. Organic growth amounted to -4.1 per cent. Adjusted EBITA decreased to SEK 11.1 million (12.0) corresponding to an adjusted EBITA margin of 3.7 per cent (3.9). Costs of the ongoing restructuring of operations and of management changes were SEK 17.8 million (4.3) on the income statement for the second quarter. Operating profit for the quarter was SEK -8.1 million (6.4), equivalent to an operating margin of -2.7 per cent (2.1).

The calendar effect in the second quarter was positive by one day compared with the corresponding period the previous year.



KEY FIGURES	Q2 18	Q2 17	6M 18	6M 17	12M R	2017
Net sales, SEK million	283.9	303.8	593.0	612.0	1,179.9	1,198.9
Adjusted EBITA, SEK million	11.1	12.0	26.1	36.8	44.5	55.2
Adjusted EBITA margin, %	3.7	3.9	4.4	6.0	3.8	4.6
Operating profit, SEK million	-8.1	6.4	1.6	29.9	11.8	40.1

Segment Rejlers Finland

Rejlers Finland delivered a satisfactory second quarter with good growth in both sales and profit. The number of employees in Finland passed 600 during the quarter and there is now a wide range of services in a market with improving economic prospects.

Two companies in the Energy sector were acquired during the quarter, which strengthens Rejlers' competence in digital energy services, for both grid planning and energy metering services. We also made an acquisition in Buildings, which strengthens our offer in electrical technology, telecommunications, security and audio-visual technology.

Net sales totalled SEK 150.4 million (113.0) in the second quarter, an increase of 33 per cent compared with the same period the previous year. Organic growth excluding exchange rate fluctuations was 22 per cent. This growth is mainly attributable to the generally more favourable market conditions and to calendar effects. Overall, the technological consultancy market is growing, which is resulting in good organic growth in all our business areas.

Adjusted EBITA increased to SEK 14.8 million (5.3) corresponding to an adjusted EBITA margin of 9.8 per cent (4.7). The improved financial results are due to a higher billable hours ratio than last year and positive calendar effects. Restructuring costs of SEK 2.4 million (-) in the form of new systems and processes to increase internal efficiency affected profit.

Operating profit for the quarter was SEK 11.9 million (3.7), equivalent to an operating margin of 7.9 per cent (3.3).

The calendar effect in the second quarter was positive by one day compared with the corresponding period the previous year.



KEY FIGURES	Q2 18	Q2 17	6M 18	6M 17	12M R	2017
Net sales, SEK million	150.4	113.0	281.1	231.5	514.4	464.9
Adjusted EBITA, SEK million	14.8	5.3	23.2	16.7	39.4	32.0
Adjusted EBITA margin, %	9.8	4.7	8.3	7.2	7.7	6.8
Operating profit, SEK million	11.9	3.7	19.7	14.2	34.8	29.3

Segment Rejlers Norway

Rejlers Norway's second quarter has been marked by the streamlining of the operation, with the disposal of the Norwegian telecommunication operation and with a new organisation in which Rejlers Embriq and Rejlers Norway have been combined into one operation, with competence in digitalisation, technological consultancy and IT. This will increase Rejlers competitiveness in the Norwegian market through business synergies, shared operating functions and colocation of the operations.

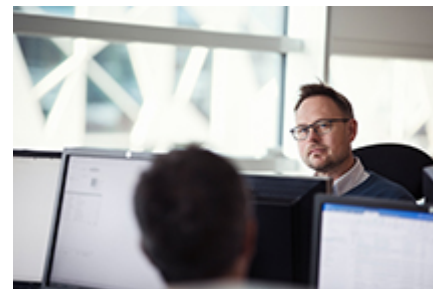
After this streamlining, the Norwegian operation can focus on the areas where we see the greatest potential for growth; Energy, Buildings, IT and Digitalisation Services. Demand for our digitalisation services to retail is increasing. The Connected Stores concept was well received by the customers and involves a digitalisation of retailing, which will lead to minimal stock, optimal logistics and reduced emissions.

Net sales totalled SEK 145.1 million (209.0) in the second quarter, a decrease of 31 per cent compared with the same period the previous year. The decrease is mainly explained by the sale of the telecommunication operation, fewer consultants and lower sales from the purchase and installation of smart electricity meters. Organic growth excluding exchange rate fluctuations was -16 per cent.

Adjusted EBITA amounted to SEK 2.6 million (-6.8), corresponding to an adjusted EBITA margin of 1.8 per cent (-3.3). The improved financial results were mainly due to strong growth in IT operational contracts and the sale of the telecommunication operation. Profit was negatively impacted by restructuring costs of SEK 17.8 million (7.8).

Operating profit for the quarter was SEK -11.4 million (-15.3), equivalent to an operating margin of -3.1 per cent (-7.3).

The calendar effect in the second quarter was positive by two days compared with the corresponding period the previous year.



KEY FIGURES	Q2 18	Q2 17	6M 18	6M 17	12M R	2017
Net sales, SEK million	145.1	209.0	336.9	415.7	758.9	837.7
Adjusted EBITA, SEK million	2.6	-6.8	7.5	-5.7	7.7	-5.5
Adjusted EBITA margin, %	1.8	-3.3	2.2	-1.4	1.0	3.1
Operating profit, SEK million	-11.4	-15.3	-10.6	-15.0	-12.0	-16.4

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

Stockholm, 26 July 2018 Rejlers AB (publ).

Peter Rejler
Chairman

Jan Samuelsson
Vice chairman

Annika Steiber
Board member

Helena Levander
Board member

Patrik Boman
Board member

Viktor Svensson
President and CEO

The information in this interim report is such that Rejlers AB (publ) is obliged to publish under the EU Market Abuse Directive and the Swedish Securities Market Act. The information was submitted by the abovementioned contact person above for publication on 26 July 2018 at 08.00 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.

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

Group

Condensed income statement

SEK million	APR-JUN 2018	APR-JUN 2017	JAN-JUN 2018	JAN-JUN 2017	JAN-DEC 2017
Net sales	602.3	621.5	1,205.5	1,251.1	2,464.6
Other income	4.0	1.5	5.2	1.9	5.5
Personnel expenses	-383.9	-387.8	-768.6	-763.0	-1,448.9
Other external expenses	-230.3	-238.0	-433.6	-451.4	-950.3
Participations in associates	0.0	0.1	0.2	0.2	0.3
EBITDA	-7.9	-2.7	8.7	38.8	71.2
Depreciation/amortisation and impairment of non-current assets ¹⁾	-9.0	-4.5	-17.5	-9.1	-18.8
EBITA	-16.9	-7.2	-8.8	29.7	52.4
Acquisition-related items ²⁾	1.5	-7.2	-1.5	-14.4	-27.3
Operating profit (EBIT)	-15.4	-14.4	-10.3	15.3	25.1
Net financial items	-1.7	-1.9	-1.1	-3.2	-3.6
Profit after net financial items	-17.1	-16.3	-11.4	12.1	21.5
Tax	0.9	5.8	-3.3	-1.4	-9.8
Profit for the period	-16.2	-10.5	-14.7	10.7	11.7
Attributable to:					
Parent Company's shareholders	-16.8	-10.5	-15.5	10.7	11.7
Shareholders without a controlling influence	0.6	0.0	0.8	0.0	0.0
Average number of shares	18,087,909	16,538,053	18,087,909	14,729,887	16,417,744
Earnings per share before and after dilution, SEK	-0.93	-0.89	-0.86	0.71	0.71

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

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

Condensed statement of comprehensive income

SEK million	APR-JUN 2018	APR-JUN 2017	JAN-JUN 2018	JAN-JUN 2017	JAN-DEC 2017
Profit for the period	-16.2	-10.5	-14.7	10.7	11.7
<i>Items that may be reclassified to the income statement:</i>					
Translation differences of foreign operations, net after tax	8.9	-4.3	28.3	-7.3	-5.7
<i>Items that will not be reclassified to the income statement:</i>					
Revaluation of net pension liability	-	-	-	-	-3.5
Total other comprehensive income	8.9	-4.3	28.3	-7.3	-9.2
Comprehensive income for the period	-7.3	-14.8	13.6	3.4	2.5

Condensed balance sheet

SEK million	30 JUN 2018	30 JUN 2017	31 DEC 2017
Assets			
Non-current assets			
Goodwill	463.4	431.9	443.8
Other intangible assets	137.8	118.7	121.7
Tangible assets	31.5	35.0	32.1
Other non-current assets	45.0	50.6	51.7
Total non-current assets	677.7	636.2	649.3
Current assets			
Current receivables	761.3	718.3	747.6
Cash and cash equivalents	48.5	79.0	20.3
Total current assets	809.8	797.3	767.9
Total assets	1,487.5	1,433.5	1,417.2
Equity and liabilities			
Equity attributable to shareholders in the Parent Company	741.1	747.7	737.4
Non-controlling interests	9.2	-	8.9
Total equity	750.3	747.7	746.3
Non-current liabilities			
Provision for pensions	32.5	20.8	28.8
Interest-bearing non-current liabilities ¹⁾	7.1	126.0	5.4
Other non-current liabilities	49.9	47.3	48.7
Total non-current liabilities	89.5	194.1	82.9
Current liabilities			
Interest-bearing current liabilities ¹⁾	146.4	47.7	153.3
Other current liabilities	501.3	444.0	434.7
Total current liabilities	647.7	491.7	588.0
Total liabilities and equity	1,487.5	1,433.5	1,417.2

¹⁾ At 31 December 2017, the company's non-current liabilities were classified as current because refinancing must take place. Refinancing is complete. In April, the company's loans were renewed with a five-year repayment plan. The extension of the loans will occur during the autumn.

Condensed changes in equity

SEK million	30 JUN 2018	30 JUN 2017	31 DEC 2017
Equity at start of period	746.3	552.2	552.2
Comprehensive income for the period	13.6	3.4	2.5
<i>Changes attributable to transactions with the owners</i>			
Dividends	-9.6	-	-0.5
New share issue	-	192.1	192.1
Total changes attributable to transactions with the owners	-9.6	192.1	191.6
Equity at end of period	750.3	747.7	746.3
Attributable to:			
Parent Company's shareholders	741.1	738.2	737.4
Non-controlling interests	9.2	9.5	8.9
Total	750.3	747.7	746.3

Condensed cash flow statement

SEK million	APR-JUN 2018	APR-JUN 2017	JAN-JUN 2018	JAN-JUN 2017	JAN-DEC 2017
Cash flow from operating activities before changes in operating capital and tax paid	46.4	-4.3	61.3	36.6	70.9
Tax paid	-10.5	-7.2	-24.9	-5.1	-8.3
Change in working capital	-37.0	-4.5	33.2	-57.7	-103.9
Cash flow from operating activities	-1.1	-16.0	69.6	-26.2	-41.3
Cash flow from investing activities	-16.7	-24.2	-25.8	-37.6	-66.7
Cash flow from financing activities	-9.5	103.9	-16.6	78.0	63.2
Cash flow for the period	-27.3	63.7	27.2	14.2	-44.8
Cash and cash equivalents at start of period	75.6	15.3	20.3	64.9	64.9
Exchange rate differences in cash and cash equivalents	-2.6	0.1	-1.8	0.0	0.2
Cash and cash equivalents at end of period	45.7	79.0	45.7	79.0	20.3

Net liabilities

SEK million	30 JUN 2018	30 JUN 2017	31 DEC 2017
Interest-bearing non-current liabilities	7.1	126.0	5.4
Interest-bearing current liabilities	146.4	47.7	153.3
Pension provisions	32.5	20.8	28.8
Cash and cash equivalents	-48.5	-79.0	-20.3
Total	137.5	115.5	167.2

Parent Company

Condensed income statement

SEK million	APR-JUN 2018	APR-JUN 2017	JAN-JUN 2018	JAN-JUN 2017	JAN-DEC 2017
Sales	9.2	6.8	18.3	14.0	37.1
Personnel expenses	-8.0	-4.7	-19.5	-9.6	-19.3
Other external expenses	-7.0	-10.8	-17.4	-17.2	-44.0
Depreciation	0.0	0.0	-0.1	-0.1	-0.3
Operating profit	-5.8	-8.7	-18.7	-12.9	-26.5
Net financial items	4.3	-1.2	5.0	-2.3	27.5
Profit after net financial items	-1.5	-9.9	-13.7	-15.2	1.0
Appropriations	-	-	-	-	13.7
Tax	-	-	-	-	-0.2
Profit after tax	-1.5	-9.9	-13.7	-15.2	14.5

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

Condensed balance sheet

SEK million	30 JUN 2018	30 JUN 2017	31 DEC 2016
Assets			
Non-current assets			
Tangible assets	0.4	0.3	0.6
Financial assets	391.9	391.9	391.9
Total non-current assets	392.3	392.2	392.5
Current assets			
Current receivables	218.9	182.3	261.8
Cash and cash equivalents	17.8	61.2	0.9
Total current assets	236.7	243.5	262.7
Total assets	629.0	635.7	655.2
Equity and liabilities			
Equity	410.1	403.3	432.8
Untaxed reserves	8.3	22.0	8.3
Non-current liabilities ¹⁾	1.6	121.6	1.6
Current liabilities ¹⁾	209.0	88.8	212.5
Total liabilities and equity	629.0	635.7	655.2

¹⁾ At 31 December 2017, the company's non-current liabilities were classified as current because refinancing must take place. Refinancing is complete. In April, the company's loans were renewed with a five-year repayment plan. The extension of the loans will occur during the autumn.

Notes

Note 1 Rejlers Group

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

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

Note 2 Accounting policies

This interim report has been prepared for the Group in accordance with IAS 34 Interim Reporting and RFR 1, Supplementary Accounting Rules for Groups. The same accounting policies (except for the below) were applied as in the most recent annual report for both the Group and the Parent Company. A number of changes in the standards entered into effect in 2017. None of these has materially affected the Group's accounts and reporting. Information according to IAS 34 is provided in both notes and elsewhere in the interim report. The new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers that entered into effect on 1 January 2018 have not had any material effects on the balance sheet or income statement. In Rejlers' business model, income is categorised according to IFRS 15 at the same level as the segments and is presented in more detail under the segment information. Income mainly consists of the sale of consultancy services which fulfil the criteria for reporting over time. Work is performed on ongoing account or at fixed price and is recognised as income over time at the pace in which the work is done, largely monthly but also according to achieved milestones. In most cases, invoicing is done in the period after the income is entered in the accounts. Rejlers is currently evaluating the effects of IFRS 16 Leases, which enters into effect on 1 January 2019. Here, material effects are expected in the financial statements.

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

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

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

Note 3 Risks and uncertainty factors

Through its operations, the Group is subject to various financial risks, such as market risk (comprehensive foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management involves striving for minimal unfavourable effects on financial position and performance. The Group's business risks and risk management as well as financial risks are described in detail in the annual report for 2017. No events of material significance occurred during the interim period that affects or changes these descriptions of the Group's risks and the management of them.

Note 4 Items affecting comparability

SEK million	Q2 18	Q2 17	6M 18	6M 17	12M R	2017
Restructuring costs	40.0	13.0	53.4	13.0	58.1	17.7

Note 5 Acquisition-related items

SEK million	Q2 18	Q2 17	6M 18	6M 17	12M R	2017
Impairment and amortisation of goodwill and intangible assets related to acquisitions	3.1	3.1	6.1	6.4	12.1	12.4
Profit from divestment of subsidiaries and operations	-4.6	-	-4.6	-	-4.6	-
Total	-1.5	3.1	1.5	6.4	7.5	12.4

Note 6 Business combinations

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

So far this year, acquisitions have contributed SEK 8.5 million to sales and SEK 0.5 million to operating profit. If the operations had been owned as of 1 January, they would have contributed sales of SEK 20.2 million and an operating profit of SEK 1.0 million.

Net assets of companies acquired at the time of acquisition

SEK million	JAN-JUN
	Total
Non-current assets	0.8
Current assets	0.8
Cash and cash equivalents	0.3
Other current liabilities	-0.9
Net identifiable assets and liabilities	1.0
Goodwill	0.7
Customer values	0.3
Deferred tax on intangible assets	-0.1
Purchase price, cash and cash equivalents	1.9
Less:	
Cash and cash equivalents in acquired companies	-0.3
Net cash outflow during the period	-1.6

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

Note 7 Segments

	NET SALES, SEK MILLION					OPERATING PROFIT, SEK MILLION					OPERATING MARGIN, %				
	APR- JUN	APR- JUN	JAN- JUN	JAN- JUN	FULL YEAR	APR- JUN	APR- JUN	JAN- JUN	JAN- JUN	FULL YEAR	APR- JUN	APR- JUN	JAN- JUN	JAN- JUN	FULL YEAR
	2018	2017	2018	2017	2017	2018	2017	2018	2017	2017	2018	2017	2018	2017	2017
Rejlers Sweden	298.9	303.8	593.0	612.0	1,198.9	-8.1	6.4	1.6	29.9	40.1	-2.7	2.1	0.3	4.9	3.3
Rejlers Finland	150.4	113.0	281.1	231.5	484.8	11.9	3.7	19.7	14.2	29.3	7.9	3.3	7.0	6.1	6.3
Rejlers Norway	145.1	209.0	336.9	415.7	837.7	-11.4	-15.3	-10.6	-15.0	-16.4	-7.9	-7.3	-3.1	-3.6	-2.2
Group wide	9.2	6.7	18.3	13.9	37.1	-7.8	-9.2	-21.0	-13.8	-27.9	-	-	-	-	-
Eliminations	-1.3	-11.0	-23.8	-22.0	-73.8	-	-	-	-	-	-	-	-	-	-
Consolidated total	602.3	621.5	1,205.5	1,251.1	2,484.7	-15.4	-14.4	-10.3	15.3	25.1	-2.6	-2.3	-0.9	1.2	1.0
Net financial income/expense	-	-	-	-	-	-1.7	-1.9	-1.1	-3.2	-3.6	-	-	-	-	-
Profit before tax	-	-	-	-	-	-17.1	-16.3	-11.4	12.1	21.5	-	-	-	-	-

NOTE 8 Financial instruments

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

NOTE 9 Related party transactions

Related party transactions take place on market-based terms.

NOTE 10 Pledged assets and contingent liabilities

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

Quarterly summary

SEK MILLION	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
Net sales¹⁾															
Sweden	308.5	329.7	252.3	333.8	1,224.3	308.2	303.8	255.6	331.3	1,198.9	294.1	298.9			
Finland	91.1	97.0	85.2	114.2	387.5	118.5	113.0	105.2	128.2	464.9	130.7	150.4			
Norway ²⁾	161.3	185.1	173.9	232.4	752.7	206.7	209.0	190.9	231.1	837.7	191.8	145.1			
Group-wide, etc.	-2.7	-4.1	-11.3	-7.5	-25.6	-3.8	-4.3	-8.8	-20.0	-36.9	-13.4	7.9			
Total	558.2	607.7	500.1	672.9	2,338.9	629.6	621.5	542.9	670.6	2,464.6	603.2	602.3			
Operating profit															
Sweden	-1.4	17.8	2.1	9.5	28.0	23.5	6.4	1.1	9.1	40.1	9.7	-8.1			
Finland	0.3	3.1	5.4	6.2	15.0	10.5	3.7	8.1	7.0	29.3	7.8	11.9			
Norway ²⁾	-2.0	7.1	0.6	-3.4	2.3	0.3	-15.3	-7.8	6.4	-16.4	0.8	-11.4			
Group-wide, etc.	-2.9	-5.4	-3.2	-6.3	-17.8	-4.6	-9.2	-0.9	-13.2	-27.9	-13.2	-7.8			
Total	-6.0	22.6	4.9	6.0	27.5	29.7	-14.4	0.5	9.3	25.1	5.1	-15.4			
Operating margin															
Sweden	-0.5	5.4	0.8	2.8	2.3	7.6	2.1	0.4	2.7	3.3	3.3	-2.7			
Finland	0.3	3.2	6.3	5.4	3.9	8.8	3.3	7.6	5.4	6.3	5.9	7.9			
Norway ²⁾	-1.2	3.8	0.3	-1.5	0.3	0.1	-7.3	-4.1	2.8	-2.2	0.4	-7.9			
Group-wide, etc.	-	-	-	-	-	-	-	-	-	-	-	-			
Total	-1.1	3.7	1.0	0.9	1.2	4.7	-2.3	0.1	1.4	1.0	0.8	-2.6			
Number of employees															
Sweden	1,163	1,082	1,089	1,090	1,090	1,070	1,066	1,056	1,048	1,048	998	1,011			
Finland	500	501	497	526	526	535	545	562	573	573	586	604			
Norway ²⁾	404	387	404	400	400	394	393	393	361	361	359	273			
Group-wide, etc.	10	10	11	11	11	12	12	12	12	12	10	9			
Total	2,077	1,980	2,001	2,027	2,027	2,011	2,016	2,023	1,994	1,994	1,953	1,897			

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

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

Key figures

As of the first quarter of 2017, Rejlers has used the key performance indicator of adjusted EBITA, which is a measure that Rejlers considers to be relevant for investors who wish to understand profit generation excluding items affecting comparability. Definitions of key figures are in the company's latest annual report.

SEK million	APR-JUN 2018	APR-JUN 2017	JAN-JUN 2018	JAN-JUN 2017	JAN-DEC 2017
IFRS key performance indicators					
Earnings per share before and after dilution, SEK	-0.93	-0.89	-0.86	0.71	0.71
Average number of shares	18,087,909	16,538,053	18,087,909	14,729,887	16,417,744
Number of shares at end of period	18,087,909	18,087,909	18,087,909	18,087,909	18,087,909
Operational key performance indicators					
Billable hours ratio, %	78.0	76.8	76.4	75.3	75.2
Sales per full-time employee, SEK thousand	344	314	649	634	1,286
Number of full-time employees	1,765	1,985	1,866	1,976	1,921
Number of employees at end of period	1,897	2,053	1,897	2,053	1,994
Alternative key figures					
Acquired growth, %	0.9	1.0	1.2	2.0	2.1
Currency effect, %	0.8	2.0	1.0	2.0	-0.9
Organic growth, %	-0.4	0.0	0.1	4.0	4.1
Adjusted EBITA, SEK million	23.1	1.7	44.6	34.7	55.2
Acquisition-related items, SEK million	-1.5	3.1	1.5	6.4	12.4
Items affecting comparability, SEK million	40.0	13.0	53.4	13.0	17.7
Operating profit (EBIT), SEK million	-15.4	-14.4	-10.3	15.3	25.1
Adjusted EBITA margin, %	3.8	0.3	3.7	2.8	2.2
Net liabilities, SEK million	137.5	115.5	137.5	115.5	167.2
Net liabilities/EBITDA, R12, times	3.0	1.6	3.0	1.6	2.3
Equity/assets ratio, %	50.4	52.2	50.4	52.2	52.7
Operating profit per full-time employee, SEK thousand	-9	-7	-6	8	13
Equity per share at the end of the period	40.97	40.81	40.97	40.81	40.77

Definitions

Adjusted EBITA

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

Adjusted EBITA margin

Adjusted EBITA in relation to net sales.

Items affecting comparability

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.

Acquisition-related items

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

EBITDA

Operating profit excluding amortisation, depreciation and impairment.

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

COMING REPORTS

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