

***Home of the  
learning minds***



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# *The company where you're always learning*

**Our most important skill** at Rejlers is being able to constantly learn. And our most valuable asset is the employees' learning mindset. With a basic learning attitude, we love challenges. We welcome the most complex questions and handle them in a way that adds new perspectives to our customers. We challenge the status quo.

**We attract ambitious** talents, partners and customers. We develop and rework our methods, our solutions, our businesses and our market. We prepare ourselves to face the future, every day.

**This is why we promote** an open and learning knowledge culture, where our daily activities are characterised by inquisitive exploration, a constantly ongoing search for knowledge and the desire to share. We invest in initiatives, processes and systems that help us learn and grow every day. And we build networks together with the very smartest.

**The future comes for everyone.** The best place to face it is in the company where you're always learning:

**Home of the learning minds.**

**A year with focus** on restructuring and streamlining.  
With these important changes behind us, we are prepared  
for renewed growth from 2020.

# Important progress towards the new vision

## SIGNIFICANT EVENTS

**22 March 2018**

### **Rejlers signs prestigious framework agreement with Ellevio**

The new framework agreement covers a total of nine areas with Rejlers being chosen as collaboration partner for all nine of the areas. The assignments can vary in terms of both duration and complexity, and the agreement runs for two years, with the option of extension for a total of a further six years.

**8 May 2018**

### **Rejlers wins contract as the main grid grows 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 where GIS (Geographic Information Systems) play an important role.

**8 June 2018**

### **Rejlers creates the technology of the future in one of the Swedish Transport Administration's most exciting development projects**

Existing relay technology in use at level crossings will eventually be phased out and replaced by a completely new technology: Automatic Level Crossing, ALEX. This new technology will bring about a step change in working methods on the railway. Rejlers is one of four selected suppliers who will carry out the development project in partnership with the Swedish Transport Administration.

**11 July 2018**

### **Rejlers makes acquisitions in Energy in Finland**

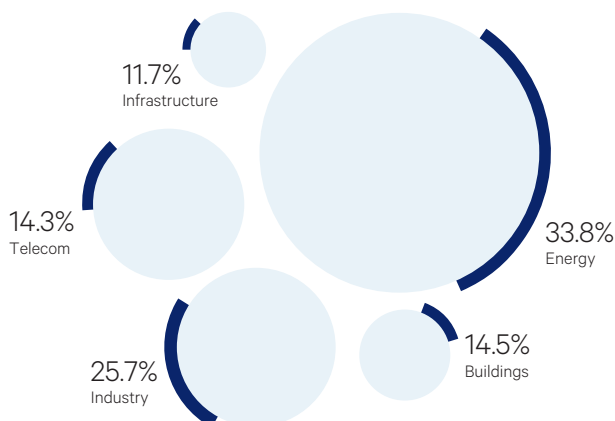
Rejlers Finland Oy acquired the companies Antti Pitkänen Oy and Enease Oy. Both acquisitions strengthen Rejlers' expertise in both power grid planning and energy measurement services.

**16 October 2018**

### **Launch of Rejlers Network – our digital platform**

The platform will become a key component in Rejlers' operations and will better enable us to find the right partner for the right assignment.

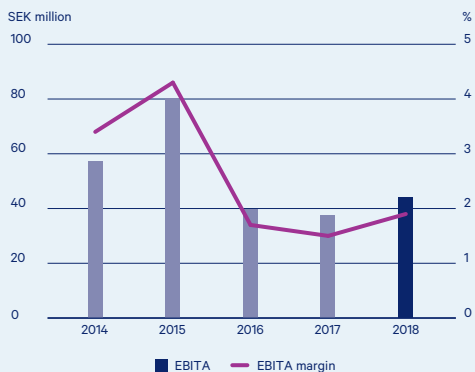
## GROUP SALES PER DIVISION



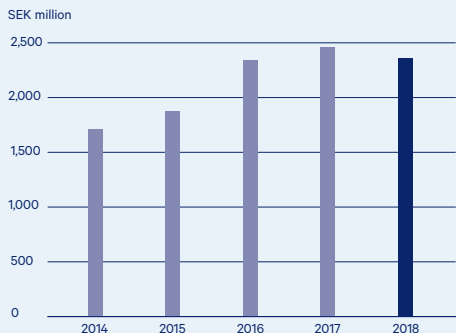
## OUR LOCATIONS



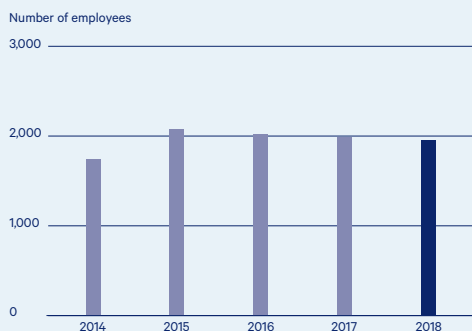
#### EBITA / EBITA MARGIN



#### NET SALES



#### NUMBER OF EMPLOYEES IN THE GROUP



# 1,953

Employees

# 2.4

Net sales, SEK billion

# 44.1

EBITA, SEK million

# 1.9%

EBITA margin

# 3



*Under my leadership, a thorough transformation of the company has started. The goal is a more efficient and more profitable Rejlers that lets us reach our full potential in a modern age where technical consultants have a key role to play.*

# A good start to the journey of change

**Taking office as the CEO** of Rejlers in February 2018 was very exciting. In our time, the engineer is at the centre of development perhaps more than ever. Digitalisation, sustainability, infrastructure and new mobility – for all important social challenges, people turn to the engineer. This is why it's such a privilege to be able to lead a well-known technical consulting company.

**Despite the relatively long** period of a strong economy, Rejlers has had problems with declining margins and earnings in recent years. We therefore started a thorough transformation of the company in 2018. And we can confirm that this journey of change has had a good start.

## **REORGANISATION AND COST CONTROL**

In order to succeed in the long term to turn around Rejlers' development, there are many planned measures. It is therefore important to prioritise. Not try to do everything all at once. In the past year, we have implemented the first stage towards the goal of establishing a more efficient and profitable Rejlers. We have introduced a new organisation and lowered our fixed costs in parallel. Among other measures, nearly 100 employees, the majority of whom were non-billing, had to leave Rejlers at the same time that we decided to divest the unprofitable telecom operations in Norway.

**In parallel with the reorganisation**, we've worked to develop our future strategy, new financial targets and a new vision for Rejlers with our sights on 2025. We conducted a number of key recruitments and also appointed five divisional heads to the new, industry-oriented organisation in Sweden. We also began building up an internal headhunting function in Sweden that I have great hopes for in terms of improving our recruitment, mainly of slightly younger talents. This can become a concept that we also establish in the other countries in the long term. It's pleasing that we doubled the rate of recruitment in our Swedish operations in the fourth quarter.

## **MARKET REMAINS STRONG**

The market for our services is generally still strong in all industries even if we've seen some slowdown in the construction industry. In Sweden, we've had a positive response to our new clearer divisional breakdown. The customers appreciate the greater industry specialisation. Our operations in Finland are still going well and growing both organically and through acquisitions. In Norway, we took strong measures for profitability that gradually yielded results and now provide a better outlook for 2019 and onwards.

**Except for Finland**, corporate acquisitions were not a focus for Rejlers in 2018. We made a deliberate choice to concentrate on our internal work to improve. Now that we have a large part of the restructuring behind us, I am counting on us becoming more active in the acquisition market beginning the second half of 2019.

**In the short term**, we have deliberately downsized the business and at the same time, the cost savings have borne fruit. Our earnings have gradually improved and utilisation has increased in large parts of the operations. Better profitability prepares us for renewed growth from 2020 until 2025.

**A strategic growth initiative** was the launch of our digital business platform Rejlers Network at the end of 2018.

**“Our greatest growth potential is created by the significant upcoming transition to a fossil-free energy system.”**



It's a unique partner network where we at this moment have nearly 200 external consultants who have registered to-date. Rejlers Network is an important complement to our own operations and makes us more efficient in the work of finding the right consulting resources for the right assignments. This also gives us capacity to supply more larger assignments to our customers. We will now continue to invest in both system development and the marketing of the partner platform.

#### **PROFITABLE GROWTH AHEAD**

The work of changing Rejlers will continue in the coming years. Our revised strategy and vision have their sights set on 2025. Our financial target is that by then, 2025, we will be in shape to deliver an EBITA margin of 10 percent over a business cycle. The sales target is set at around SEK 4.5 billion by the same time.

**Our greatest growth potential** is created by the significant upcoming transition to a fossil-free energy system. In Sweden alone, an investment need on a scale of SEK 1,500 billion is expected by 2040. The energy area will therefore become our primary growth area towards 2025. Then we will also grow in our other areas, but more in pace with our surroundings and market.

**Geographically Rejlers** will dig where we stand. We don't intend to set out on a global conquering expedition, but will continue to grow in our existing markets. We'll do this by developing our project business – selling a “solution” to the customer to a greater extent instead of “hours”. We'll get more adept and more competitive here.

**In order to achieve our goals**, we need to develop our leadership and professionalism. The positive financial earnings trend we've seen so far is a result of lower costs, but we also have to continue to increase our utilisation and get paid for the extensive value we add to the customers every day. Our primary task is ultimately to deliver good results, which also has to characterise our corporate culture.

#### **WE WILL STAND OUT**

Attracting the best graduates and more established employees is crucial to our possibilities of achieving our ambitious objectives. We therefore have to become an even more attractive employer. The way we've chosen to get there focuses on no other issue being more important in today's rapidly changing world than continuously learning.

**“Rejlers – Home of the learning minds”** is the title of our Vision 2025 and stands for our aim to become the most “learning” company in our industry. We will systematically work with and increase our investments in greater learning that benefits our employees and customers. This learning will be promoted by both systems and leadership, behaviour and culture. Our success in the work to become the industry's most learning company will be followed up every year. Here, we will take the lead and the search for our first “Chief Learning Officer” with a position in Group management has begun.

**As mentioned, the journey has** just begun. It's to be continued, and I'm looking forward to the continued teamwork to improve our operations to create the industry's sharpest company.

**Viktor Svensson,**  
President and CEO

*Rejlers is in a vitalisation process that will create conditions for profitable growth. Our strive for change covers everything from organisation, structure and culture to further development of brands, customer offerings, partnership and recruitment.*

# Profitability through continuous learning, development and growth

## **GROWTH**

Our strategy is based on creating profitable growth in the Nordic region. By 2025, we have set the goal of doubling our size. This will take place through both organic growth and continued strategic acquisitions. In order to create conditions to grow, we are now investing in strongly improving our profitability by improving the efficiency of our organisation and our internal structures, as well as focusing and developing our offering. We want to grow in every segment, but are prioritising energy as the foremost catalyst for our future growth.

## **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 can provide, but at the same time we offer fast decision-making pathways and extensive adaptive ability. We will meet today's demand for proactiveness, agility and transparency. In 2018, we took steps in every part of the organisation to better be able to meet our customers' expectations.

## **PARTNERS**

For Rejlers, it is important to always be able to help our customers in the best way. This is why Rejlers is building a large network with partners that can complement us and further develop our customers' projects. We have now developed a new, effective digital tool with an intelligent search engine that makes it easy both for independent consultants to become a part of our network and for use to find the right partner for the right assignment.

## **BRAND AND CULTURE**

Rejlers is in the middle of a process to vitalise the company. With guidance from customer interviews, employee surveys, market studies, workshops and a large management conference, we have adopted a new vision and new core values. The launch will take place in 2019.

Our new vision describes Rejlers as the "Home of learning minds" and in line with this, we encourage a collegial knowledge culture. In a digital world, where changes happen quickly, the winners of the future invest in learning and share knowledge. Moving ahead, we will carry out extensive and well-implemented initiatives to realise the vision.

## **EMPLOYEES**

As a technical consulting company, we are nothing without our employees and their expertise. Our goal is to be the industry's best employer. Our brand and the culture and core values that they stand for will contribute to attracting the foremost talents in the industry. We have begun building up an entirely new organisation in precisely recruitment and talent sourcing with the aim of creating a first-class recruitment experience, both for candidates and recruiting managers.

## **SUSTAINABILITY**

Our success is based on us contributing to a sustainable societal development. Within the scope of our sustainability area, we are working with three focus areas: sustainable solutions, healthy workplaces and the engineers of the future.





**REJLERS' NEW VISION AND POSITION**

## **Home of the learning minds**

This means that Rejlers will become a platform for continuous learning, development and growth. This way, we will also stay ahead of our competitors and be able to attract the best talents, maintain the most impressive network and ensure profitability.

**REJLERS NEW CORE VALUES**

## **Open source culture**

With a culture where we learn, share and are inquisitive, Rejlers becomes a gathering place for new ways of finding knowledge. Regardless of how long you have been with the company, you need to further develop your knowledge every day.

## **Love the challenge**

All strong brands need the right fuel to reach the future. Our desire to inquisitively take on large, never before seen challenges fits perfectly to this trend.

## **Brilliant networks**

As a starting point to living up to our vision, Rejlers needs to take good care of and constantly develop dynamic partnerships that are characterised by diversity and innovation. This applies both within and outside our walls.

### **MARKET FOR TECHNICAL CONSULTANTS**

2018 was another very strong year in the market for technical consulting companies in the Nordic region. Important impacting factors are an increasing globalisation, urbanisation, automation, more mobility and the Internet of Things (IoT). Digitalisation is driving investments in every sector.

**The on-going** digitalisation also entails major opportunities for companies and other organisations to collaborate and cooperate in new ways around solutions and services that did not exist before. In this development, there is potential for technical consultants to bring together customers and create an independent meeting place. In addition to their own varied expertise, the consulting companies possess a broad network of contacts in various companies, organisations and industries.

### **SECTORS AND ECONOMY**

Every sector in the market has grown. Growth is especially strong in the infrastructure area. Today, after several decades of inaction, society is making major investments in Scandinavia's most neglected infrastructure systems.

**In connection with** the upcoming transition to a sustainable energy system that is set out by EU directives, there are enormous opportunities in the energy industry. The transition from energy sources with even flows to those with uneven flows will mean that the entire system for transmission and distribution needs to be renewed.

**In an economy** that has been going strong since the recovery after the financial crisis, the concern for an upcoming downturn is tangible today. Nobody knows for certain when a recession will occur or how deep it can get. Once it does happen the consulting companies, that are characterised by a diversification between industries and have customers with varying degrees of economic sensitivity, are better equipped to cope with this change.

### **COMPETITION**

The rapid technical development and the growing internationalisation means that Nordic technical consulting companies encounter competition from global actors. The market is characterised by specialisation that is driven by new technology and innovation. We see an on-going consolidation where already large actors become even larger.

**At the same time**, for example, in large procurements in the infrastructure area, it is becoming increasingly common that multiple technical consulting companies join consortia where they contribute with various specialist competencies. Many companies also work on building networks for cooperation with smaller, specialized consulting firms. It can be an important complement especially in a strong market with extensive demand.

### **CUSTOMERS AND SERVICES**

Qualified engineering and IT services are in demand, so customers can focus on their core business. Digitalisation and automation mean that they expect new solutions that improve efficiency and increase their profitability. In addition to purely technical core competence, customers also demand their consultants to be proactive in terms of such aspects as regulatory compliance, digitalisation, sustainability and ways of working. It is important to understand the customer's processes and business and quickly be able to adapt to them. Taking greater responsibility for part of the customer's operations also entails demands for more transparency on behalf of the consultants.

### **DEVELOPMENT OF PRICES**

A major challenge for the industry is the high price trend. In order to raise the average rates, the technical consulting firms need to get better at clarifying the value creation that their engineers contribute. The industry needs to improve businessmanship and focus more on profitability. New business models must be developed to meet the customers' expectations of proactiveness, adaptive ability and transparency.

### **SKILLS SUPPLY**

A strong economy entails considerable demand on employees in the industry in general – and on specialist expertise in particular. The shortage of relevant expertise leads to a high employee turnover and wage drift when companies recruit from each other. The situation is made worse by the number of students in technology-related programmes not growing fast enough. The hope lies in us living in a time when the engineer is at the centre of development. When smart cities, sustainable societies, mobility and new infrastructure are to be realised, the industry has a golden opportunity to raise the status of the profession and increase interest in it.

# *The engineer is at the centre of development*

*As the world digitalises, major opportunities open up for technical consulting firms. The market is developing strongly and the energy sector in particular looks promising in the future. At the same time, the industry needs to better clarify the value that the engineer contributes to the customers.*

# Global trends

## 1.

### **More complex services**

A technology-driven society sets high demands on companies and organisations being able to handle increasingly complex issues. This requires better cooperation, which is achieved through reinforcement of the company's own expertise or access to necessary expertise through a partner.

#### **REJLERS' RESPONSE:**

*We want to be a constantly learning organisation that is always on the forefront of development. We are governed by and are attentive to our customers' needs. Proactively and agilely, we will help them handle the complex new world emerging. Our customers will expect cooperation characterised by transparency and clarity in every aspect from our side. By developing the industry's best networks, we always make sure to meet our customers' needs for expertise.*

## 2.

### **Development of companies**

As companies grow, expand and change, a greater need arises for structure, organisation and renewed leadership. Staff development receive more resources, which in turn increases the value of what is delivered to customers and provides indications of development opportunities for potential employees.

#### **REJLERS' RESPONSE:**

*We are now better adapting Rejlers to the size the Group has achieved today. Organisation, leadership, processes and procedures are changing with the aim of better realising economies of scale and reflecting our customers' future needs and requests. In line with our vision of being the industry's "Home of the learning minds", we are also making Rejlers a platform for continuous learning and development for our employees. This way, we will always be one step ahead of our competitors.*

**In our strategic work,** Rejlers has identified five global trends that affect both our surrounding world and the industry for technical consultants. With knowledge of the trends and what drives them, we can develop our operations to better meet our customers' expectations in the future.

## 3.

### **Struggle between competitors**

The shortage of university graduate engineers is continuing. This means that companies, in addition to picking out qualified individuals from existing schools and the labour market, are seeking employees from other countries or conducting their own training programmes to be able to meet the market's demand.

#### **REJLERS' RESPONSE:**

*Rejlers wants to be the industry's best employer. We have begun building up a professional organisation for Talent Acquisition and are developing our operations and our brand to attract the best talents, both new and more established in the labour market. As the "Home of the learning minds", Rejlers is aggressively investing in learning in the company. Our employees never stop learning and developing their expertise.*

## 4.

### **Industry drift**

Various competencies are being mixed and new offerings are being formulated. The industry is expanding and drifting into new roles that are frequently far beyond its traditional boundaries.

#### **REJLERS' RESPONSE:**

*Our culture affirms the need for innovative thinking, relearning and updating one's knowledge. We do not back down from new challenges and can benefit extensively from our dynamic partnerships with innovative actors in many different areas. As technical consultants, we see extensive potential in being able to bring together customers and collaborative partners from various backgrounds and industries around exciting, new projects, solutions, services and products that require many kinds of expertise.*

## 5.

### **Internationalisation**

There is more pressure on capturing knowledge, experience and working methods from other countries. More foreign actors are looking inquisitively at the Swedish market and Swedish companies are looking out into the world – both on the search for new assignments and to find the strength to expand their own businesses.

#### **REJLERS' RESPONSE:**

*Moving forward, we are investing in further strengthening our position in the Nordic region. At the same time, we are striving to take care of and continuously build further on and develop our international networks. By cultivating contacts with the business community and the academic community around the world, such as in leading technical hubs in Silicon Valley, Shenzhen and Switzerland, we are making sure to take in new findings and methods, capture the latest trends, lines of development and the solutions.*

***"We want to be a constantly learning organisation that is always on the forefront of development."***

*Rejlers AB is one of the largest technical consulting firms in the Nordic region. The business rests on a strong foundation in the company's more than 75-year history, our extensive expert knowledge, our high customer satisfaction and our expansive partner network.*

## A strong platform for the future

**Rejlers AB is one of the largest** technical consulting firms in the Nordic region. We have nearly 2,000 qualified engineers who work with projects and IT solutions in construction and property, energy, industry and infrastructure. We are still experiencing growth and can now be found in 75 locations in Sweden, Finland and Norway. The business rests on a strong foundation in the company's more than 75-year history, our extensive expert knowledge, our high customer satisfaction and our expansive partner network.

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

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

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

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### Rejlers offering



#### ENERGY

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



#### BUILDINGS

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



#### INDUSTRY

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



#### INFRASTRUCTURE

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



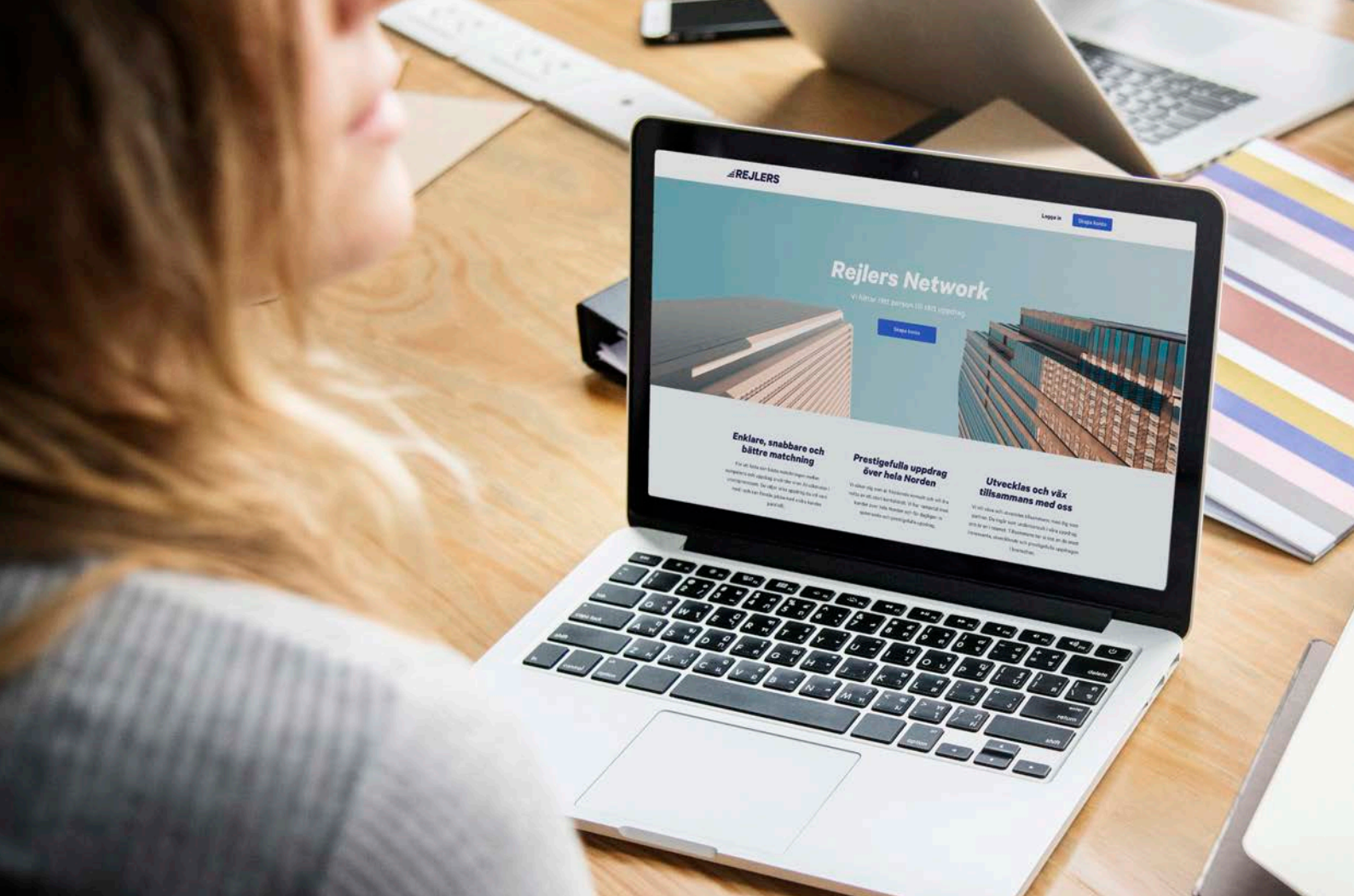
#### TELECOM

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



#### REJLERS EMBRIQ

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



## Rejlers Network

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

**Rejlers Network** is an important complement to our own operations and means that we can supply even more assignments to our customers. The partner platform builds on artificial intelligence (AI), which means that we can efficiently identify the right partner for the right assignment. An advanced search engine lets us find expertise that our customers need for a specific project with great accuracy.

**Our large contact network** and our framework agreements with customers throughout the Nordic region means that we get exciting, prestigious and stimulating assignments every day. Becoming affiliated with Rejlers and becoming a part of our network as a subconsultant opens a world of opportunities. We want our partners to grow and develop together with us.

**Rejlers plans** to grow rapidly in the next few years, and our ambition is for the network to grow even faster. By enabling more business for us, Rejlers Network will constitute an important success factor to achieve our growth and profitability targets. For our customers, the greater cooperation also means that we can always offer the best digital solutions that develop their projects.

# The digitalisation and security issues are driving investments

**The Swedish operations** are the Group's largest, with around 1,000 employees distributed over some 40 locations from Malmö in the south to Kiruna in the north. Sweden accounts for around half of the Group's total sales.

**The economy in Sweden** remained strong during the year. In the infrastructure area and in electrical power and power supply, the investment rate is high. Large on-going urban development projects around the country are keeping demand up in the construction area. Digitalisation and issues linked to security are driving investments in large parts of industry.

**Despite the prevailing strong economy**, Rejlers Sweden has not achieved the desired profitability levels in recent years. This is the background of the reorganisation that largely characterised 2018. With the aim of being able to meet the customers in a more direct manner, Rejlers Sweden left behind its earlier matrix

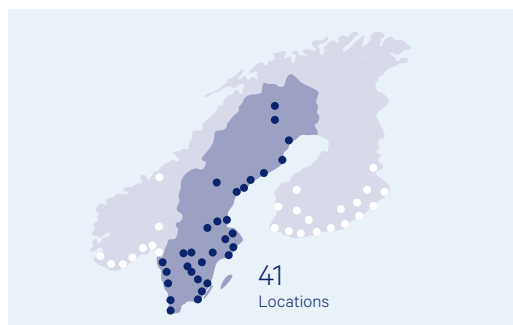
organisation with both regions and divisions as of May. Instead, a more streamlined organisation was introduced with five divisions – Energy, Buildings, Industry, Infrastructure and Telecom.

**The reorganisation also means** that a number of, mainly non-billing, employees were terminated and the number of management positions decreased. The new CEO Viktor Svensson also took over the President position of Rejlers Sweden in March.

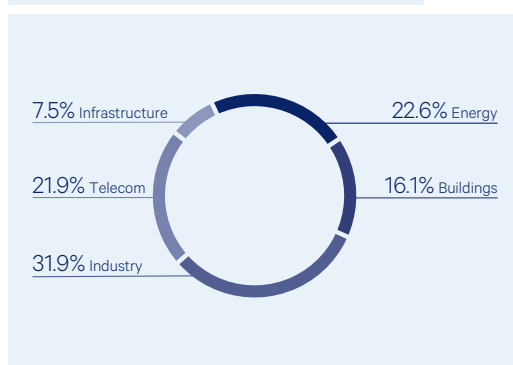
**The aim of the changes** is to provide the operations more control over their costs, greater clarity and faster decision pathways. When all employees have gone from belonging to a region to instead be taken up in an industry-focused division with a new management, it is an adjustment of course. However, the new organisation has mainly been well received both externally and internally. As a deliberate choice, the Swedish operations did not focus during the year on new corporate acquisitions, but on improving profitability. Once this has come under control, more acquisitions will again be of interest. Rejlers Sweden still has its sights set on growth.

**In parallel with the introduction** of the new organisation in Sweden, a large amount of work has been devoted to developing Rejlers' strategy and goals at the Group level. As a part of developing in a desired direction, a new function for Talent Acquisition has been established in Rejlers Sweden. This will support the divisions throughout the recruitment process in a structured way.

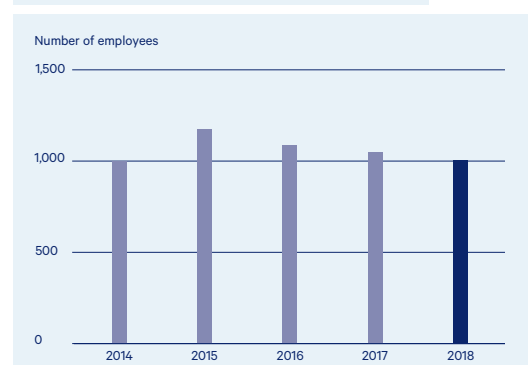
NUMBER OF LOCATIONS, SWEDEN



SALES PER DIVISION IN SWEDEN



NUMBER OF EMPLOYEES, SWEDEN







CASE

## **Power line between Sweden and Finland**

**Rejlers is responsible for the preliminary planning** when Svenska Kraftnät and FinGrid plan to build a new power line that will contribute to a more robust power system in the Nordic region. It involves a 190-kilometre 400-kV power line between Massaure in Sweden and Keminmaa in Finland.

01

# IT growth and extensive restructuring

**Rejlers Norway** stands on two legs – the technical consulting activities in Rejlers Engineering and the service operations in IT and digitalisation in Rejlers Embriq. The two operations share management, systems, procedures and, to some extent, offices with each other. At the end of 2018, the number of employees in Rejlers Norway was 263 in total, distributed over nine locations in Norway and four in Sweden (with staff that belongs to Rejlers Embriq). During the year, Rejlers Norway accounted for around 27 per cent of the Group's total sales. An increasingly important objective is to create synergies between the two operations through joint innovation and customer projects, such as in the area smart buildings.

**For Rejlers Embriq**, which also has a presence in Sweden and customers with operations in the rest of the Nordic region, 2018 was a year characterised by very large deliveries to customers in both the energy and retailing industries. Sales grew by 20 per cent and the rapid growth led to some challenges in terms of recruitment. However, the projects have been successful both in terms of the implementation and financially. These projects in many cases involve long-term service deliveries and therefore they form a good basis for further future growth.

**In 2018**, a multi-year assignment for Rejlers Embriq in energy began nearing its end. This includes a total responsibility for installation and operation so that customers can focus on their core business of supplying electrical power. Within retailing, Rejlers Embriq has rolled out the digitalisation concept Connected Store in thousands of Nordic stores during the year.

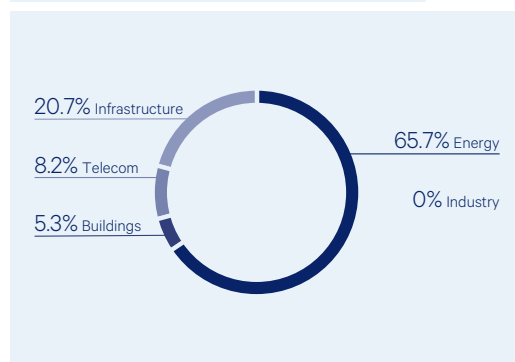
**Rejlers Engineering** has had major economic challenges for many years. Therefore, 2018 was characterised by extensive restructuring to turn the trend. In a short period of time, the operation also succeeded in turning losses to a profit with acceptable margins in the final quarter of the year.

**The restructuring** of Rejlers Engineering involves a streamlining of the core operations with technology consulting services. The Norwegian contract operations in telecom with around 90 employees were divested. This included field operations and basic maintenance, which is not a strategic focus for Rejlers.

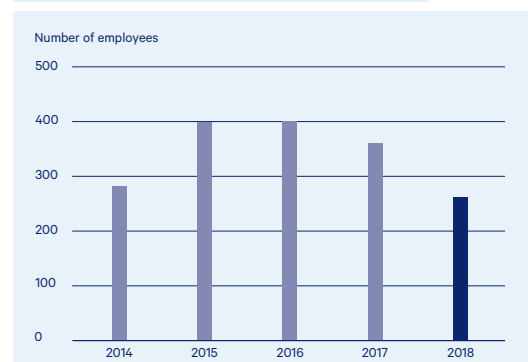
NUMBER OF LOCATIONS, NORWAY



SALES PER DIVISION IN NORWAY



NUMBER OF EMPLOYEES, NORWAY



**Within Rejlers Engineering** otherwise, staffing also decreased by some 50 employees. Management was renewed, the number of locations was reduced through co-location and cuts were made mainly in staff and administration, but also among the consultants. Rejlers Engineering is mainly making a stake on Energy and Buildings, where it is specialising. Staffing was reduced in the Infrastructure area.

**Consolidation was carried out** to create a platform for further growth. There is particularly an extensive potential to combine engineering competence in a traditional sense with all of the digitalisation expertise that exists in Rejlers Embriq. In both Energy and Buildings, Rejlers Norway developed highly interesting digital solutions. This means that it can meet the customer demand for

integrated competence and greater willingness to buy comprehensive solutions.

**Smart properties** with built-in intelligence can, for example, both optimise operations for the property owner and give those who work and spend time in the buildings a better experience in terms of lighting, climate and general comfort. This in turn provides potential for the owner to increase revenues per square metre and reduce operating costs. Likewise, digitalisation can contribute to more efficient and better power grids with the right capacity and thereby reduce the risks of incorrect investments. Here, Rejlers has a unique strength in Rejlers Embriq's IT engineers – this applies not only to Norway, but the entire Group.



CASE

### **BIM is used for new transformer station**

**Rejlers is far ahead** in terms of digital project planning in 3D-models, so-called BIM (Building Information Modelling), which is quickly becoming more common. For example, Rejlers is supplying the BIM project planning when Statnett is to build a new transformer station in Kobbvatnet in northern Norway.

02

# Growth in all areas

**In Finland, Rejlers has 690 employees** distributed over 20 locations. The operations account for around 23 percent of the total sales in the Group. In 2018, industry and business in Finland had their first really good year since the financial crisis in 2008-2009.

**Rejlers Finland** has also had a good and stable year with growth in all four of its areas – Energy, Infrastructure, Building and Industry. The four divisions in Finland are of somewhat equal size.

**The greatest challenge** has been the recruitment of competent new employees. The pressure on the labour market is considerable, especially in Building. During the year, Rejlers Finland nonetheless succeeded in implementing more than 100 recruitments and fortunately for the future, employee turnover was low. Few employees chose to leave the company.

**Of the year's new hires**, corporate acquisitions accounted for 40 per cent while 60 percent were new recruits. The total personnel growth was 15 percent in 2018.

**Profitability also improved** considerably and Rejlers Finland achieved its set targets. In parallel with investments in acquisitions, the operations invested in the development of new digital services linked to the energy sector, construction management and Industry 4.0.

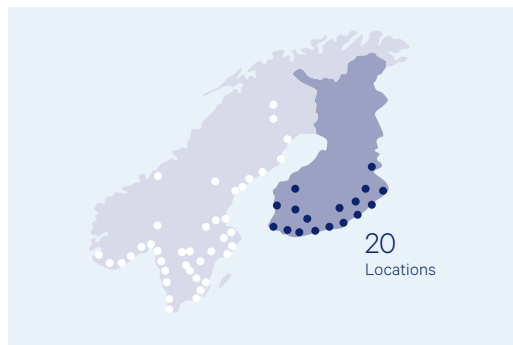
A number of pilot projects were successfully conducted during the year together with customers who want to find the way forward in their industrial digitalisation.

**Within three out of** four divisions, Rejlers Finland carried out a number of small and large acquisitions, from one-man companies with specialist competence to the largest and more strategic purchase of Jimexo Tech Oy, a Tampere-based company with 56 employees. Jimexo Tech offers technical engineering services for the chemicals, forestry and engineering industries. Through the acquisition, Rejlers is prepared to supply turn-key solutions and EPCM services to customers in industry on a new level. Within the energy division, Rejlers increased its know-how in the design of power grids and monitoring systems for buildings.

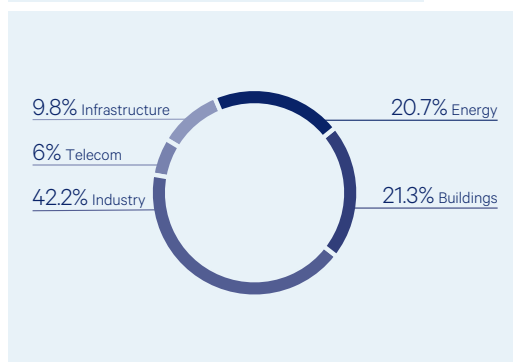
**A large internal** project in 2018 was the introduction of a new business system. This contributed to greater efficiency in the operation.

**The building sector in Finland** has sensed a slowdown as a result of overheating. Some building projects were postponed or stopped due to a run-away cost development. However, it appears to be mainly a healthy correction of the industry that in the long term will begin growing again. Rejlers is currently in cities characterised by growth and has good conditions for the future.

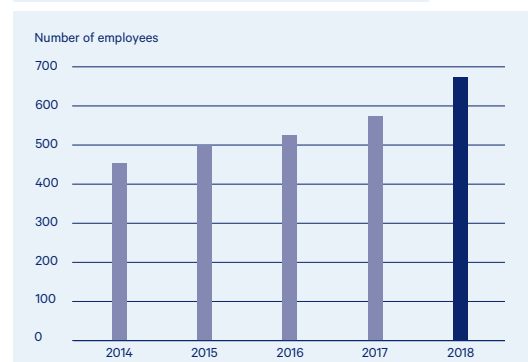
## NUMBER OF LOCATIONS, FINLAND



## SALES PER DIVISION IN FINLAND



## NUMBER OF EMPLOYEES, FINLAND



## Helsinki's new library

**Rejlers has provided** the project planning for all electrification and automation in the Finnish capital's new city library Oodi. This is a unique project where the building is an architectural work of art that rises over the city in the form of a wave of glass.

## ESA's spacecraft going to Jupiter

**Rejlers Finland has been awarded** a contract to deliver one ground support equipment for ESA's spacecraft JUICE to explore Jupiter and its three largest moons. The equipment is used to test the deployment of some booms, which measure radio and plasma waves and support the calibration of the laser altimeter on ground, prior to launch in 2022.

**Rejlers Embriq** builds commercial benefit for our customers through digitalisation of physical infrastructure, small options and strategic use of IT, within such focus areas as energy, retailing and smart properties.

**Through the role** of systems integrator, Rejlers Embriq takes responsibility for the collection, processing and analysis of sensor data from various sources and providers. With a complete service offering in smart infrastructure operations, we take comprehensive responsibility for the operation of physical infrastructure and associated communication. Sensor data goes where it should, on time and at the right quality, and we ensure that it creates real value for our customers.

**Rejler Embriq's** proprietary IOT platform Quant is central to our service offering. It uses modern technology to handle the collection, validation and value increase of enormous data volumes, and to create interoperability and integration to other specialist applications that the customer has.

**Rejler Embriq** also delivers smart, modern IT operations services to a number of industries with a focus on hybrid sign services, IOT, networks and the operation of complex applications. Several of our customers have global units where the operations services we deliver are critical to their activities.

**Norwegian authority requirements** on the introduction of smart electrical meters in the entire power grid for the collection and analyses of measured readings and the introduction of Elhub, a national data hub for the electricity market, opened the way for Rejlers Embriq's development and delivery of comprehensive services. The experiences from Norway then become of central importance as the other Nordic and European countries are on the way to introducing corresponding authority requirements.

**Within retailing**, Rejlers Embriq has developed the concept Connected Store. It is a scalable service that digitalises the purchasing experience in store and integrates the physical store with online sales. This way, it contributes to more satisfied customers, more efficient warehousing, optimal logistics and less carbon dioxide emissions through fewer transports. Connected Store already exists today in thousands of stores in the Nordic region and its future potential is strong.

**Moving forward**, Rejlers Embriq will strive to win several new contracts in the markets of the other Nordic countries. Our business model scales up in volume. As more customers in the Nordic countries begin to use Rejlers Embriq's offering of standardised services, it will lead to increased profitability.

# Collective IT business operations

**Rejlers Embriq gathers** Rejlers' business operations in IT. Rejlers Embriq delivers proprietary digitalisation solutions and specialised IT services for energy companies, retailing and other transaction-intensive industries, with a focus on business critical IT systems.



CASE

## **Allians buys comprehensive service**

**Nettalliansen gathers small** and medium-sized local power grid companies throughout Norway. To meet authority requirements on smart electricity meters, Rejlers Embriq was commissioned to take comprehensive responsibility for the introduction including hardware and software and installation and delivery of operation, collection and analysis of measurement data as a service over ten years.

05

*Since the beginning, Rejlers has been involved in creating tomorrow's communities. Through the assignments we perform for our customers, we want to make a significant contribution to the development of a sustainable society. This is something that all of our employees take responsibility for in their daily activities.*

## **We contribute to tomorrow's sustainable societies**

### **ACTING RESPONSIBLY**

In all contexts where Rejlers is active, we strive to act responsibly. We require our employees and partners to follow the Code of Conduct Rejlers has prepared. It includes business ethics principles that apply and demand that everyone does their part for the environment and respects human rights. The Code of Conduct sets rules for Rejlers' business conduct and the company's responsibility toward colleagues, customers, shareholders and other stakeholders.

**Rejlers follows the** UN Global compact and its ten principles for sustainable development in regard to human rights, working conditions, consideration for the environment and anti-corruption. All employees at Rejlers shall be treated equally and given equal opportunities, which is reflected in our daily work and our recruitments.

**Our business operations** are based on high ethical standards. Rejlers conducts business within the scope of laws, ordinances and international conventions in every country in which we operate. We do not tolerate abuse of power, nepotism or any form of corruption. Rejlers' employees shall not engage in activities that can lead to conflicts of interest or use relationships with customers for personal gain.

**In the interaction with customers,** subcontractors, suppliers and other stakeholders, we observe great caution if we offer benefits or carry out activities of various kinds. Employees shall also keep information and commercial secrets that concern Rejlers' current and future business operations strictly confidential.

***“Rejlers shall make a significant contribution to the development of sustainable communities.”***





### SUSTAINABLE SOLUTIONS

When Rejlers carries out assignments for customers, the strive for sustainable solutions shall constitute a natural part of the assignment. The major environmental benefits from Rejlers' operations occur when we help our customers streamline, modernize and automate their infrastructure and processes. This can cover everything from energy-efficient solutions and "Smart Grids" to the development of renewable energy production and sustainable infrastructure.

**We shall always observe** the customer's environmental requirements in our assignments, and ensure that laws, regulations and industry-specific environmental requirements are complied with. If the customer has not set its own environmental requirements, Rejlers' employees shall primarily recommend environmentally friendly and energy-efficient products and solutions. To ensure compliance with these principles, a specific environmental checklist shall be prepared in every assignment.

### CUSTOMER RESPONSIBILITY

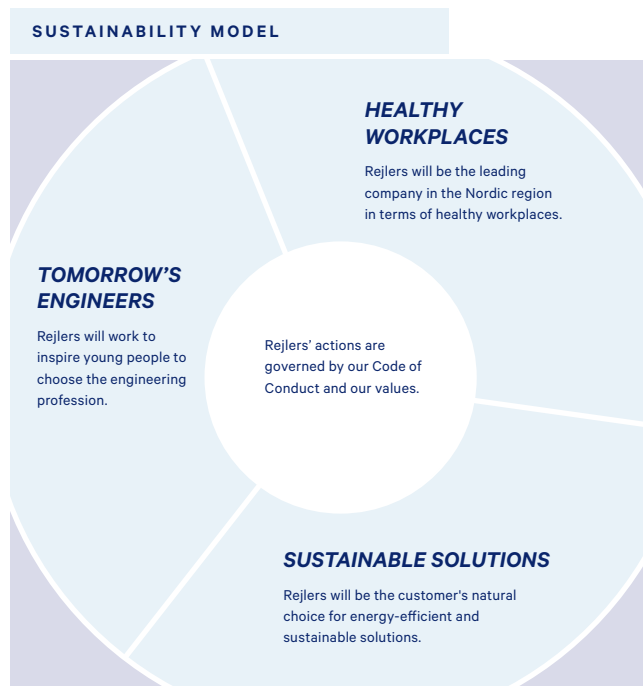
Rejlers is qualified to ISO 9001 and ISO 14001 standards. This means our assignments – from concept to completion – are planned and controlled according to our quality and environmental standards. Our employees must have an insight into the importance of the environment and must work to achieve international and national environmental goals.

**We shall always contribute** our knowledge and, together with our customers, make choices that contribute to a sustainable development, such as when selecting materials and regarding energy savings. In all major assignments, we follow up this work and its estimated environmental effect in customer surveys. Rejlers also conducts work to minimise the environmental impact our offices and business travel account for.

### REJLERS SUSTAINABILITY MODEL

Since Rejlers' founding more than 75 years ago, we have been involved in creating the societies of tomorrow. Our ambition is for Rejlers to make a significant contribution to the development of sustainable communities through the assignments we carry out for our customers. To achieve this, we have set three focus areas within the framework of our sustainability work: sustainable solutions, healthy workplaces and tomorrow's engineers.

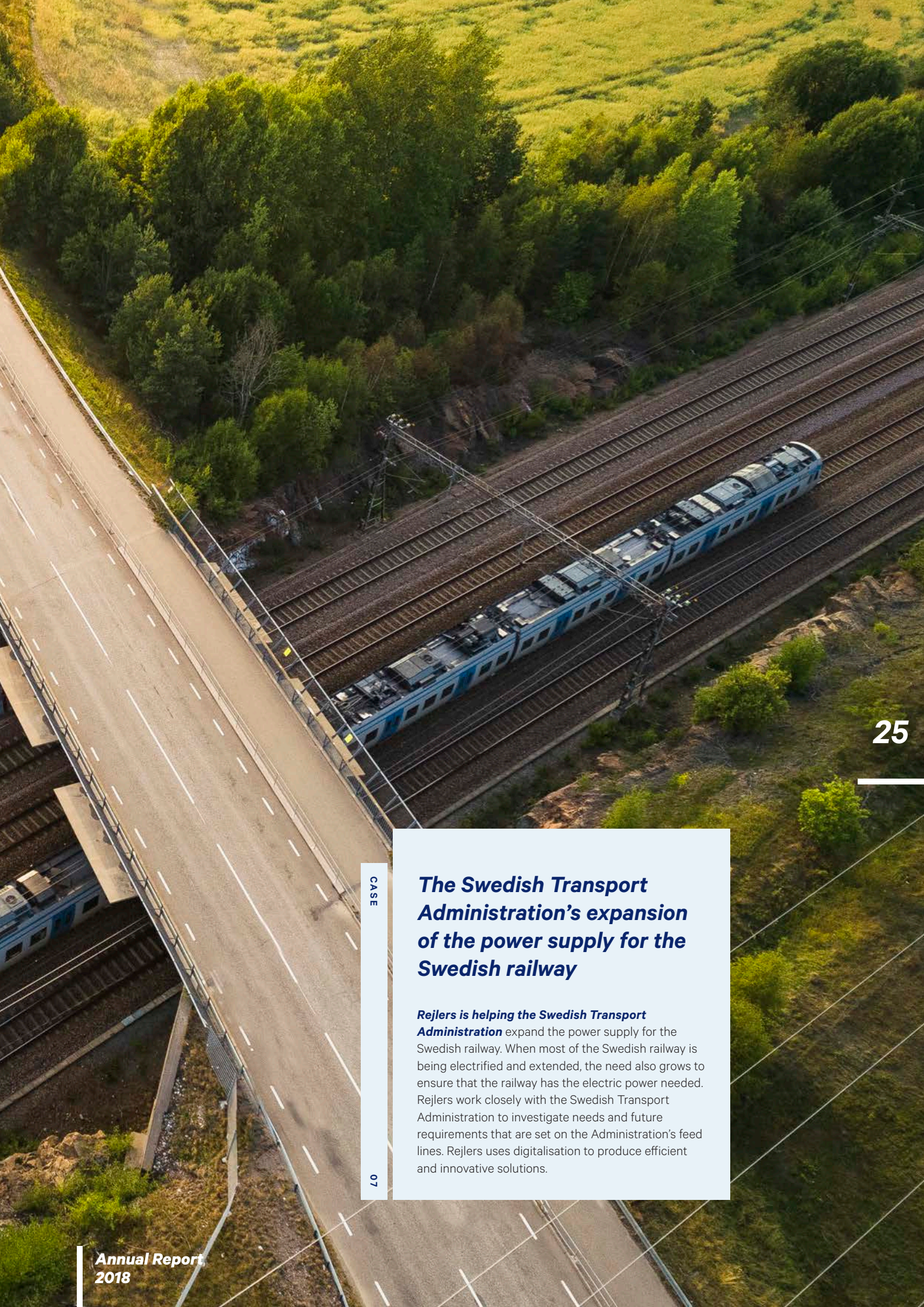
Today, growing numbers of customers demand both energy efficiency improvements and other solutions with a life cycle perspective. We therefore believe that the chances for Rejlers to make a difference are good.



## Reinforcement of the main grid in southern Sweden

**Rejlers is project planning the** reinforcement of the main grid in southern Sweden. To ensure that the Swedish main grid is used optimally, parts of the southern main grid must be rebuilt. This is part of increasing operational reliability in the Malmö region and southern Sweden, and part of meeting future demands on the Swedish electrical grid. Rejlers is project engineering and planning this roughly 40-km long grid expansion. The line is a 400-kV power line, which is also the highest voltage level in the Swedish grid.





CASE

## **The Swedish Transport Administration's expansion of the power supply for the Swedish railway**

**Rejlers is helping the Swedish Transport Administration** expand the power supply for the Swedish railway. When most of the Swedish railway is being electrified and extended, the need also grows to ensure that the railway has the electric power needed. Rejlers work closely with the Swedish Transport Administration to investigate needs and future requirements that are set on the Administration's feed lines. Rejlers uses digitalisation to produce efficient and innovative solutions.

07

*By becoming leaders in learning, Rejlers aims to become the best employer in the industry. We want to be a company where the employees continuously further develop their expertise and share their knowledge, where it is easy to work, thrive and do well and where our managers are always supportive.*

# We want to be the industry's best employer

## PLATFORM FOR CONTINUOUS LEARNING

The most important success factor for Rejlers is the ability to attract the best employees. Our goal is therefore to be the industry's best employer. To achieve this, we want to be a platform for continuous learning and development, which also ensures our profitability and growth in the future.

The culture at Rejlers is characterised by open knowledge exchange where we willingly share our know-how with other employees at the same time that we constantly build further on our own expertise. We take on new challenges with inquisitive enthusiasm and constantly develop our networks, both internally and externally.

**We focus** on a number of areas so that Rejlers shall be a strong alternative in the competition on the labour market. Our goal is to attract both young talents and competent engineers with longer experience. At Rejlers, they will get the best of two worlds, the speed and agility of the smaller actor combined with the exciting assignments, career paths and development opportunities of the larger actor.

## HEALTHY WORKPLACES

For many years, Rejlers has focused on health issues and worked in various ways so that our employees thrive physically and mentally. We therefore want to create an environment that provides the possibility of working and developing in the way that best suits the individual employee. Leadership and the balance between work and free time are key factors. We are all different and the employee must be given the opportunity to choose how, where and when the work is done as much as the customer assignments allow and in consultation with his or her supervisor. We know that this is much appreciated and, in our annual employee survey, a very high percentage of the employees say that they have a good balance between work and free time.

**A healthy workplace** also means that we have guidelines and procedures that ensure that we act responsibly based on our Code of Conduct and our business ethics guidelines. For this purpose, we have a system for whistle-blowing where employees can openly or anonymously report improprieties to an independent

**Sometimes you end up  
in the wrong company**

Om du vill ge dig själv en ny utmaning under 2019 hjälper vi gärna till. Just nu arbetar vi på Rejlers med en spännande omställning. Exakt vad som händer kan vi inte avslöja än. Men för att det ska bli möjligt söker Rejlers efter 250 nya superingenjörer som är redo att ta ett rejalt kliv framåt. Välkommen!

Läs mer på [rejlers.se/karriar](http://rejlers.se/karriar)

rejlers.se



external party, which also helps us investigate and handle received reports. In 2018, we did not receive any reports that were classified as a serious impropriety or conflict of interest. Other cases of problems that normally arise in a business are handled within the scope of daily operations.

**We also support** exercise campaigns through Rejlers Activity Challenge, participation in the “Blodomloppet” race and, not least, the Grönklitt Relay Race on skis where teams from the entire Group meet over a weekend for a relaxed competition on skis and to socialise. Many local activities are also conducted with the aim of creating satisfaction and well-being, such as cooking courses, concerts, floorball and local exercise runs.

**Rejlers has healthy attendance** as an employee goal. With this measurement, an employee is counted as healthy if the person is out sick a maximum of three times for a total maximum of five days over the year. Our ambitious

target is to have a healthy attendance of at least 75 per cent. The outcome for 2018 was 73 per cent.

#### **LEADERSHIP**

Good leadership is crucial for Rejlers to be able to be the industry's best employer. We continuously work with leadership development and support our managers with clear procedures and processes for their various tasks.

**Our annual** employee surveys show recurring good results in terms of how satisfied employees are with their managers. In the survey, we also measure the scope and quality of our annual employee talks, which are largely aimed at skills development. Through exit surveys of those who choose to leave us, it is also apparent that there are very few who say that they are leaving due to their immediate manager.

**SIMPLICITY AND KNOWLEDGE DEVELOPMENT**

It should be easy to work at Rejlers. We have established working tools and clear processes that make work efficient and simplifies cooperation between different parts of the organisation.

**The vision of Rejlers** as the “Home of the learning minds” and the new core values that go with it mean that we promote an open culture of knowledge. Employees shall both share what they know themselves and be able to learn from others. Here, it should be possible to continuously further develop one’s expertise and explore new ways to knowledge. We also build networks externally to acquire knowledge from outside. Rejlers is now taking several initiatives and investing in new processes and systems that continuously help us to further build up our knowledge and expertise.

**CHANGE AND FLEXIBILITY**

Rejlers is constantly developing, which required flexibility from both the company and employees. This is also why a continuous dialogue is necessary between managers and employees to create understanding and engagement for the new situation. As support for this, there is a well-conceived concept for employee development talks.

**We also believe** in the value for an organisation to continuously change in its composition to remain vital and innovative. We therefore have the target of having an employee turnover of around 10 per cent. In 2018, the voluntary mobility was slightly above the target, at 12 per cent.

**In addition to a controlled** employee turnover, it is also important to increase diversity in terms of

gender and ethnic background. Companies and organisations with a diversity of perspectives are more successful. The percentage of women in Rejlers was 18 per cent in 2018 compared with 18 per cent in 2017. The percentage of women managers increased from 12 to 16 per cent. The percentage of employees with a foreign background was 11 per cent in 2018 compared with 10 per cent in 2017.

**TOMORROW’S ENGINEERS**

Succeeding in attracting talented graduate engineers despite the tough competition on the labour market is crucial for Rejlers. This is one of the reasons that we are now making major investments in the further development of our recruitment and our brand as an employer.

**Within Rejlers Embriq** and the Energy division, we have developed the talent programme Rejlers Next Generation. It is directed at recent engineering graduates and is under way for 12 weeks. The programme combines practical experience in real assignments with training in the entire project cycle. The talents get the chance to quickly enter the consultant role, understand our business and share in the knowledge, experience and networks we have. The programme has been successful and much appreciated.

**In pace with Rejlers** developing new operational areas and establishing operations in more locations, better conditions are created for the individual employee to develop in the direction planned together with his or her immediate manager. There are career path descriptors for advancement as technical specialists, team leaders and assignment managers and as managers with budget and personnel responsibility.

EMPLOYEE DATA	2018	2017	2016	2015	2014
Number of employees	1,953	1,994	2,027	2,082	1,742
Average age	45	45	45	45	44
Total sick leave %	3.0	3.2	2.8	2.9	2.7
Of which long-term* %	2.0	1.8	1.4	1.2	1.3
Employee turnover %	12	13	12	10	10



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