



Rejlers is one of the largest engineering consultancy firms in the Nordic region. Our 2,000 experts work with projects in the areas of Building and property, Energy, Industry and Infrastructure. At Rejlers, you will meet specialist engineers with the knowledge, cutting edge expertise and energy to achieve results. We are still experiencing rapid growth and can now be found in 80 locations in Sweden, Finland and Norway. Rejlers recorded revenue of SEK 1.9 billion in 2015 and its class B share is listed on Nasdaq Stockholm.

25 October 2016

Interim report Rejlers AB January – September 2016



Focus on efficiency

Third quarter

- » Sales increased by 32 percent to SEK 500.3 million (380.1)
- » Operating profit/loss was SEK 4.9 million (18.9), which corresponds to an operating margin of 1.0 percent (5.0)
- » The profit/loss after tax was SEK 1.1 million (13.9)
- » Cash flow from operating activities totalled SEK -24.4 million (-23.3)
- » Earnings per share before and after dilution amounted to SEK 0.12 (1.12)

January–September

- » Sales increased by 29 percent to SEK 1,667.7 million (1,288.8)
- » Operating profit/loss was SEK 21.5 million (61.9), which corresponds to an operating margin of 1.3 percent (4.8)
- » Operating profit/loss adjusted for restructuring costs was SEK 31.2 million, which corresponds to an operating margin of 1.9 percent
- » The profit/loss after tax was SEK 14.0 million (46.0)
- » Cash flow from operating activities totalled SEK -27.0 million (21.4)
- » Earnings per share before and after dilution amounted to SEK 1.06 (3.73)



Comments from the CEO and Group President, Peter Rejler

Development during the third quarter was poorer than anticipated in Rejlers Sweden and Rejlers Norway. The operating profit of SEK 4.9 million has been adversely affected by a billable hours ratio that is clearly lower than in the previous year. The holiday period, July and August, was significantly worse than expected. We did note some recovery in September.

The reorganisation of the business through streamlining, phasing out unprofitable areas and increasing the focus on the digitalisation of processes and IT solutions has not yet produced the desired effect.

We have therefore initiated a further package of measures encompassing more sales activities, cost savings and improved monitoring of the business. We have also increased our focus on ensuring good employee utilisation and a good cash flow throughout the business.

Growth has remained good, with an increase in sales in the Group of 32 percent, of which 2 percentage points of the growth is organic. The acquisitions of Embriq in Norway and Orbion Consulting in Sweden have been well integrated into the business and have added new skills in the areas of IT solutions and ICT. Both of these acquisitions are contributing positively to the operating margin.

The market and demand for our services are generally good in Sweden and Norway, except within parts of the industrial segment in Sweden, where demand for nuclear power expertise has declined significantly. In Finland, we are delivering good results despite a difficult market. During the quarter, we have entered into major agreements with e.g. Serneke, Svenska Kraftnät, JM Norge, the Swedish Transport Administration and Lindbäcks Bygg.

In parallel with the package of measures, we are working with the digitalisation of the business and of our assignments. We are anticipating considerable growth in markets such as energy, the retail sector and transport. We are therefore now investing strategically in the digitalisation of infrastructure and smart handling of large volumes of data. At the same time as gathering all our expertise in the fields of IT and energy metering services under Rejlers Embriq, with a joint Nordic management, we are also launching *Connected Stores*, a new concept comprising IT solutions for the retail trade.

Our objective remains the same. We aim to improve the operating margin to 8 percent over time and to achieve our growth objective of 2020–3030–4040. Our focus is on becoming more efficient and more profitable.

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Sales and financial results

	Sales, SEK million					Operating profit, SEK million					Operating margin, %				
	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Rejlers Sweden	252.9	233.9	892.0	777.8	1,099.0	2.1	14.1	18.5	44.2	51.4	0.8	6.0	2.1	5.7	4.7
Rejlers Finland	85.4	70.5	274.5	240.1	336.4	5.4	2.0	8.8	11.3	18.9	6.3	2.8	3.2	4.7	5.6
Rejlers Norway	74.8	64.2	247.5	225.3	298.5	-1.5	4.5	-7.2	5.0	3.5	-2.0	7.0	-2.9	2.2	1.2
IT Solutions	99.1	14.8	272.8	51.1	151.3	2.1	1.2	12.9	7.6	9.3	2.1	8.1	4.7	14.9	6.1
Group-wide	5.9	4.2	17.1	18.9	27.1	-3.2	-2.9	-11.5	-6.2	-12.1	-	-	-	-	-
Eliminations	-17.8	-7.5	-36.2	-24.4	-36.8	-	-	-	-	-	-	-	-	-	-
Consolidated total	500.3	380.1	1,667.7	1,288.8	1,875.5	4.9	18.9	21.5	61.9	71.0	1.0	5.0	1.3	4.8	3.8

July – September 2016

Sales amounted to SEK 500.3 million (380.1), which represents an increase of 32 percent compared to the same period in the previous year. 2 percentage points of the growth is organic and 30 percentage points is through acquisition.

Operating profit for the third quarter amounted to SEK 4.9 million (18.9). The third quarter of the year had as many working days as the same period last year in Sweden, Finland and Norway. The weak results from the third quarter are due to reduced employee utilisation in the operations in Sweden and Norway compared to last year. In Norway, there have also been efficiency problems in ICT assignments. The billable hours ratio was 71.6 percent (74.8).

January – September 2016

Sales amounted to SEK 1,667.7 million (1,288.8), which represents an increase of 29 percent compared to the same period in the previous year. Growth was entirely through acquisition.

Operating profit for the nine-month period amounted to SEK 21.5 million (61.9). To date this year, the restructuring costs for Sweden have amounted to SEK 9.7 million. Major start-up costs for projects in Norway and weak employee utilisation have had an adverse effect on operating profit. However, the calendar effect has had a positive impact on operating profit. The first nine months of the year had one more working day in Sweden and Norway and two more working days in Finland, compared with the previous year.

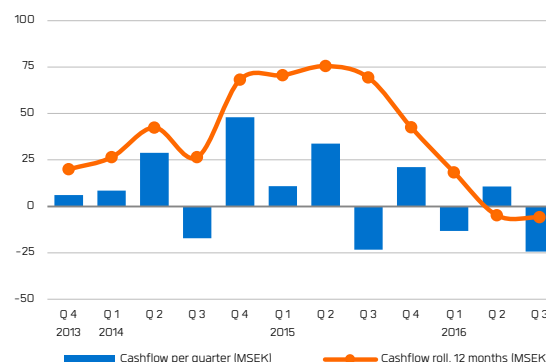
The billable hours ratio was 72.4 percent (75.0).

Cash flow and financial position

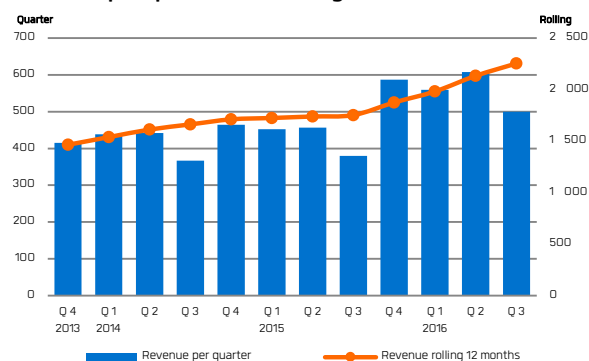
Cash flow from operating activities totalled SEK -27.0 million (21.4) for the nine-month period and SEK -24.4 million (-23.3) for the quarter. Consolidated cash and cash equivalents at the end of the quarter amounted to SEK 45.2 million compared to SEK 108.8 million on 31 December 2015. The change in cash and cash equivalents during the year has been affected by a dividend of SEK 25.8 million (24.6), investments in fixed assets totalling SEK 31.5 million (6.4) as well as new loans of SEK 55.5 million (-) and repayments of SEK 42.0 million (32.3).

Interest bearing liabilities increased from SEK 14.7 million from 31 December 2015 to SEK 295.4 million at the end of the period. Net indebtedness amounted to SEK 278.1 million compared to SEK 196.9 million as of 31 December 2015. The equity/assets ratio at the end of the period amounted to 40.5 percent compared to 41.7 percent as of 31 December 2015. Equity per share was SEK 41.44 at the end of the period compared to SEK 39.97 as of 31 December 2015. SEK 0.0 million (17.2) of the Group's overdraft facilities of SEK 50 million (50) has been used.

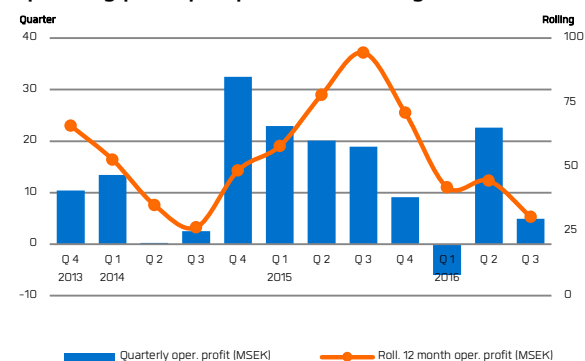
Cash flow from operating activities



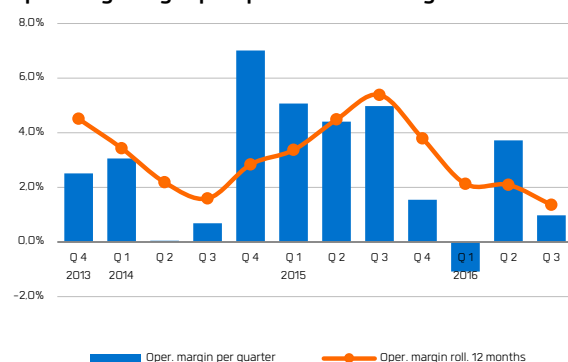
Revenue per quarter and rolling 12 months



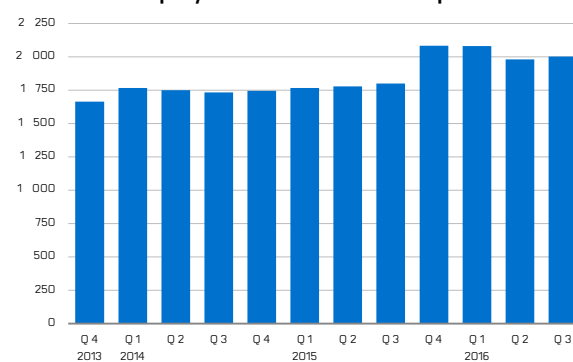
Operating profit per quarter and rolling 12 months



Operating margin per quarter and rolling 12 months



Number of employees at the end of the quarter



Investments

Investments in property, plant and equipment during the nine-month period amounted to SEK 6.7 million (5.5) and investments in intangible assets totalled SEK 24.8 million (0.6). Investments in subsidiaries and operations amounted to SEK 0.2 million (13.8). Further information about investments in subsidiaries and operations is available on page 12. Depreciation and impairment charges amounted to SEK 31.2 million (20.2).

Employees

The number of employees at the end of the period totalled 2,001 (1,800). The number of full-year employees totalled 1,903 (1,730).

A total of 23 employees (9) in Finland and none (1) in Norway were laid off at the end of the period.

Parent company

Net sales in the parent company during the period amounted to SEK 17.1 million (18.9) and earnings before tax totalled SEK -8.2 million (-6.7).

Significant events during the third quarter and after the end of the period

Further measures aimed at improving profitability in Rejlers Sweden were conducted during October. These measures entail cutbacks within unprofitable operations. Approximately 25 employees in Västerås in the Technology business area are being made redundant. This is a result of a significant decline in the demand for services within nuclear power production. The cost of these measures is expected to amount to approximately SEK 10 million, which will affect results in the fourth quarter.

Rejlers is making a strategic investment to utilise the potential that exists in the digitalisation of infrastructure and the smart management of large volumes of data. For this reason, we are now conducting an operational, market-oriented consolidation of the companies included within Rejlers IT Solutions, which in future will be assembled under the name Rejlers Embriq.

Segment Rejlers Sweden

Rejlers Sweden has offices in around 40 locations. Our range of services includes areas such as automation, electrical power, installation, railways, mechanical engineering, processes and installations, as well as telecommunications. Segment Sweden accounts for around 53 percent of Rejlers' total sales.

Rejlers Sweden increased sales during the third quarter by 8 percent to SEK 252.9 million (233.9). 13 percent of the growth is acquired. The organic growth is 5 percent negative. The operating profit for the quarter amounted to SEK 2.1 million (14.1), which represents an operating margin of 0.8 percent (6.0). The profit has been affected by lower employee utilisation compared to the corresponding period in 2015. The postponement of three large construction projects has also had a negative impact on profit. The quarter contained the same number of working days as in the previous year.

The action programme in Sweden is being intensified and entails that we are continuing to phase out unprofitable areas and implement cost savings.

In order to improve profitability in Rejlers Sweden, cut-backs were conducted during October within the Technology business area in Västerås. Approximately 25 employees are being made redundant. This is a result of a significant decline in the demand for services within nuclear power production.

Within Rejlers Sweden, a reorganisation of the business is being conducted in which we are reducing the industrial segment and expanding within community building, energy, infrastructure and IT.

The market and demand for our services are generally good, apart from within parts of the industrial segment.

Rejlers' services are contributing to the digitalisation of the energy sector, which is leading to energy production and usage becoming more efficient and hence sustainable.

In order to meet demand within the energy sector, Rejlers launched a power management group specialising in backbone networks during the quarter, as well as forming a new area of expertise for solar cell technology.

ICT operations are growing and there is a great need for ICT engineers, especially in information and IT security.

Rejlers is currently involved in a number of major assignments for the Swedish Transport Administration, such as the evaluation of high speed railways. Investments in large construction projects have increased greatly.

Assignments in the third quarter

- » Rejlers is helping Lindbäcks Bygg to build Europe's most modern production facility near Piteå.
- » Rejlers has been commissioned by Karlstad to prepare system documents for electricity, telecommunications and hotel lifts when the tallest skyscraper in the Nordic region is built in Gothenburg.
- » Rejlers has been commissioned by the Swedish Transport Administration to plan system documents for four traffic centres.
- » Rejlers is contracted by E.on regarding assignments for connection of wind power.

Key figures – Rejlers Sweden

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Sales, SEK million	252.9	233.9	892.0	777.8	1,099.0
Operating profit, SEK million	2.1	14.1	18.5	44.2	51.4
Operating margin, %	0.8	6.0	2.1	5.7	4.7
Number of employees	1,089	1,022	1,089	1,022	1,173



Rejlers operates at 18 locations in Finland. Rejlers in Finland offers consultancy services within architecture, automation, energy, mechanical engineering, environmental technology, water and sewerage, as well as turnkey deliveries to customers in the construction and buildings, energy, industry and infrastructure sectors. Segment Finland accounts for 16 percent of Rejlers' total sales.

Rejlers Finland increased sales during the third quarter by 21 percent to SEK 85.4 million (70.5). 9 percentage points of the growth is organic and 12 percentage points is through acquisition. The growth amounted to 13 percent, adjusted for exchange rate effects. The operating profit for the quarter amounted to SEK 5.4 million (2.0), which represents an operating margin of 6.3 percent (2.8). The quarter contained the same number of working days as in the previous year.

The efficiency programme, which was initiated in the first quarter, has had an effect on profitability. In Finland, we are delivering good results despite a difficult industrial market. During the quarter major industrial customers have started ordering an increasing number of assignments from Rejlers.

In order to further improve profitability, the industrial operation has launched new measures in the form of a more efficient organisation and an improved customer structure. For example, a new CRM system has been implemented. Rejlers Finland has adapted its services according to market conditions, and is now also offering services in production efficiency, process design, security and digitising processes.

Rejlers is noting increased demand for services in energy production and energy management. We are packaging our services in order to facilitate sales in the energy sector. Demand for Rejlers' energy metering services and IT solutions for power grids is good.

Significant investments within infrastructure are planned in Finland, particularly within the transport sector.

Key figures – Rejlers Finland

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Sales, SEK million	85.4	70.5	274.5	240.1	336.4
Operating profit, SEK million	5.4	2.0	8.8	11.3	18.9
Operating margin, %	6.3	2.8	3.2	4.7	5.6
Number of employees	497	502	497	502	482

CMN Service Oy was acquired in October, with its 17 employees. This acquisition is supplying new expertise within superstructures as well a bridge and tunnel constructions for railways, thereby completing Rejlers' offer within the railway sector.

Rejlers assignments in network planning and network design for both fixed and mobile networks cover the entire Nordic region. Several of our ICT customers are demanding outsourcing contracts.

The building market continues to develop strongly and major building projects aimed at urban extension have begun. Rejlers has won several new assignments in Helsinki, Tampere and Turku.

Assignments in the third quarter

- » Rejlers has been commissioned by Finncont Oy to develop an IoT (Internet of Things) platform. The assignment also includes supplying an IoT-based smart container solution.
- » Rejlers has been commissioned to implement customer information systems and online services for Karhu Voima Oy. This delivery encompasses the operation of IT services with the aim of handling customer information and invoicing processes.
- » Rejlers has entered into an agreement with the Swedish Transport Administration regarding planning and construction responsibility as well as monitoring installation during the construction of a new transformer central for rail transport.

Segment Rejlers Norway

In Norway, Rejlers offers expertise in the areas of electrical power, electrical safety, energy certification, installation, railways and telecommunications. There are operations at 10 locations in the country. Rejlers Norway accounts for around 15 percent of Rejlers' total sales.

In Rejlers Norway, sales during the quarter increased by 17 percent to SEK 74.8 million (64.2). The entire growth is organic. Sales increased by 16 percent, adjusted for currency effects. Norway is reporting a profit in the third quarter of SEK -1.5 million (4.5). The decline in profits is mainly due to poorer employee utilisation and efficiency problems in telecom assignments. The quarter contained the same number of working days as in the previous year.

Rejlers Norway is continuing to streamline the organisation and is making further cost savings, so as to improve profitability. These measures include organisational changes and new monitoring tools.

The market and demand for our services are generally good in Norway. Rejlers is in a development phase for services relating to digitalisation of processes for the infrastructure, energy and construction markets. Rejlers is actively participating in the development of the existing communications network and we have digitalised processes for electrical safety inspections.

Rejlers has recruited a new head of the ICT division and has implemented a new capacity planning tool. During the quarter, we had efficiency problems with subcontractors in some major ICT assignments.

ROC (Rejlers Operation Center for telecommunications) enables us, as the only company in Norway, to monitor operations and maintenance of communications networks for several customers at the same time from one operations centre in Trondheim.

The most important markets for Rejlers are energy, transport, railways and ICT, which are growing and undergoing comprehensive modernisation of technology and infrastructure.

The demand for Rejlers' services is increasing in the construction and property segment, and for assignments that aim to achieve more efficient and more sustainable energy use in properties and municipalities. A new concept, Engineer on demand, has been launched in Norway and covers all the divisions.

Assignments in the third quarter

- » Rejlers has entered into a major contract with Hafslund regarding the digitalisation of electrical safety supervision in Oslo. The assignment will be carried out in collaboration with EI-Tilsynet AS. The contract will run for two years, with the option of a further two years, and is worth approximately NOK 60 million.
- » Rejlers has entered into a framework agreement with housing developer JM Norge. The framework agreement covers consultancy services for JM Norge's current construction projects in Norway. The agreement includes energy consultancy as well as consulting services within electrotechnology for both low and high voltage systems.

Key figures – Rejlers Norway

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Sales, SEK million	74.8	64.2	247.5	225.3	298.5
Operating profit, SEK million	-1.5	4.5	-7.2	5.0	3.5
Operating margin, %	-2.0	7.0	-2.9	2.2	1.2
Number of employees	249	231	249	231	239

Segment IT Solutions

Rejlers IT Solutions segment offers IT services and products in the energy and infrastructure sectors. IT Solutions is also home to conventional IT services, cloud services and an advanced, modern centre for running customer IT environments. There are operations at 10 locations in Norway, Sweden and Finland. IT Solutions accounts for around 16 percent of Rejlers' total sales.

IT Solutions is reporting strong growth during the third quarter. Sales amounted to SEK 99.1 million (14.8) and profits to SEK 2.1 million (1.2). Business is developing according to plan.

The IT Solutions base is made up of operations in Rejlers Embriq, which designs, develops and manages IT solutions.

As from 1 January 2017, Rejlers Energitjänster, Rejlers Com IT and Rejlers Embriq will be gathered under Rejlers Embriq with a shared Nordic management. This will provide a wider-ranging, more complete range of services within IT and energy metering that is offered in all the Nordic countries.

Rejlers is now investing strategically in the digitalisation of infrastructure and smart handling of large volumes of data.

The digitalisation of physical infrastructure is an ongoing mega-trend. Smart electricity networks are being rolled out on a large scale. With smart electricity networks, you can manage a network digitally, control it and at the same time save resources.

Rejlers Embriq is anticipating significant growth in markets such as energy, the retail sector and transport. During the quarter we launched a new concept, Connected Stores, offering IT solutions to the retail sector.

From an operational perspective, the business has been characterised by a series of smart metering projects in the

energy sector during the third quarter, as well as by the implementation of advanced digital solutions. Rejlers Embriq has commenced the implementation of IT services for Elkjøp's operations in Norway, Sweden, Finland and Denmark. The agreement was entered into in April with L&T Infotech, which is the main contractor.

With strong growth on top of a large existing market share in Norway, Rejlers Embriq has a good basis for further development in the Nordic countries. Existing service platforms that support future needs for digitalisation, in combination with knowledge of the area, form the basis for such an expansion.

The market for energy metering services is expected to grow over the coming years, as many of the remote reading meters in the Nordic countries are replaced. The planned development of a central Swedish Elhub over the next few years is very positive for Rejlers' initiatives in this sector.

Assignments in the third quarter

- » Rejlers Embriq has entered into an agreement with Fred Olsen & CO. The assignment covers Infrastructure as a service (IaaS), i.e. the delivery of an IT infrastructure on board the customer's vessels.
- » Rejlers Embriq has entered into an agreement with the company Bouvet in respect of IT consultancy services. The agreement is for four years, with the option of a further two years. The end customer is Statnett.

Key figures – IT Solutions

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Sales, SEK million	99.1	14.8	272.8	51.1	151.3
Operating profit, SEK million	2.1	1.2	12.9	7.6	9.3
Operating margin, %	2.1	8.1	4.7	14.9	6.1
Number of employees	155	36	155	36	179

Group

Income Statement in summary

SEK million	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Net sales	500.3	380.1	1,667.7	1,288.8	1,875.5
Personnel expenses	-307.5	-260.1	-1,061.5	-898.8	-1,280.1
Other external expenses	-177.2	-95.5	-553.7	-308.4	-493.1
Depreciation and impairment	-10.8	-5.7	-31.2	-20.2	-32.2
Shares in associated companies	0.1	0.1	0.2	0.5	0.8
Operating profit	4.9	18.9	21.5	61.9	71.0
Net financial income/expense	-4.9	0.6	-2.7	-0.3	0.8
Profit after net financial income/expense	0.0	19.5	18.8	61.6	71.8
Tax	1.1	-5.6	-4.8	-15.6	-20.6
Profit for the period	1.1	13.9	14.0	46.0	51.2
<i>Attributed to:</i>					
Parent Company's shareholders	1.5	13.9	13.6	46.0	51.2
Shareholders without a controlling influence	-0.4	0.0	0.4	0.0	-0.1
Average number of shares	12,921,721	12,321,721	12,921,321	12,321,721	12,346,379
Earnings per share before and after dilution, SEK	0.12	1.12	1.06	3.73	3.96

Statement of comprehensive income in summary

SEK million	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Profit for the period	1.1	13.9	14.0	46.0	51.2
<i>Items that may be reclassified to the income statement:</i>					
Translation differences of foreign operations, net after tax	15.5	-3.9	31.3	-8.8	-22.4
<i>Items that will not be reclassified to the income statement</i>					
Revaluation of net pension liability	-	-	-	-	12.1
Total other comprehensive income	15.5	-3.9	31.3	-8.8	-10.3
Comprehensive income for the period	16.6	10.0	45.3	37.2	40.9

Balance sheet in summary

SEK million	30 Sep 2016	30 Sep 2015	31 Dec 2015
Assets			
Non-current assets			
Goodwill	407.3	271.1	395.4
Other intangible assets	112.8	55.4	99.8
Tangible assets	36.9	33.0	36.2
Other non-current assets	53.6	21.8	48.7
Total non-current assets	610.6	381.3	580.1
Current assets			
Current receivables	689.3	487.2	569.0
Cash and cash equivalents	45.2	29.5	108.8
Total current assets	734.5	516.7	677.8
Total Assets	1,345.1	898.0	1,257.9
Equity and liabilities			
Equity attributable to shareholders in the parent company	535.5	454.1	516.5
Holdings without a controlling influence	8.8	0.1	8.3
Total equity	544.3	454.2	524.8
Non-current liabilities			
Provision for pensions	27.9	40.0	25.0
Other non-current liabilities	213.6	82.5	232.9
Total non-current liabilities	241.5	122.5	257.9
Current liabilities			
Total liabilities and equity	1,345.1	898.0	1,257.9
Of which interest-bearing liabilities	295.4	76.7	280.7
Contingent liabilities	151.8	214.0	211.3

Changes in equity in summary

SEK million	30 Sep 2016	30 Sep 2015	31 Dec 2015
Equity at start of period	524.8	441.6	441.6
Comprehensive income for the period	45.3	37.2	40.9
Acquisition of holdings without a controlling influence	-	-	-0.4
The minority's share of acquired companies	-	-	8.3
Changes attributable to transactions with the owners			
New share issue	-	-	59.0
Dividends	-25.8	-24.6	-24.6
Total changes attributable to transactions with the owners	-25.8	-24.6	34.5
Equity at end of period	544.3	454.2	524.8
Attributed to:			
Parent Company's shareholders	535.5	454.1	516.5
Holdings without a controlling influence	8.8	0.1	8.3
SEK million	30 Sep	30 Sep	31 Dec

Cash flow analysis in summary

SEK million	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Cash flow from operating activities before change in operating capital and tax paid	21.0	18.5	58.3	68.4	83.0
Tax paid	-11.5	-8.0	-36.7	-17.9	-9.6
Change in working capital	-33.9	-33.8	-48.6	-29.1	-30.9
Cash flow from operating activities	-24.4	-23.3	-27.0	21.4	42.5
Cash flow from investment activities	-8.8	-14.7	-30.8	-21.8	-240.2
Cash flow from financing activities	39.5	-13.0	-12.7	-57.0	221.9
Cash flow for the period	6.3	-51.0	-70.5	-57.4	24.2
Cash and cash equivalents at beginning of the period	35.5	83.5	108.8	89.8	89.8
Exchange rate differences in cash and cash equivalents	3.4	-3.0	6.9	-2.9	-5.2
Cash and cash equivalents at end of the period	45.2	29.5	45.2	29.5	108.8

Net debt

SEK million	30 Sep 2016	30 Sep 2015	31 Dec 2015
Loans and credit	295.4	76.7	280.7
Pension provisions	27.9	40.0	25.0
Cash and cash equivalents	-45.2	-29.5	-108.8
Total	278.1	87.2	196.9

Acquisition of subsidiaries and operations

On 1 January, Rejlers acquired the assets in Insplacon Oy. On 1 May, all shares in JS-Verkot Oy were acquired.

So far this year, the acquisitions have contributed SEK 6.5 million to sales and SEK 0.8 million to operating profit. If the companies and operations had been owned since 1 January they would have contributed sales of SEK 10.3 million and operating profit of SEK 1.0 million.

Acquired companies' net assets at the time of acquisition

SEK million	Jan-Sep
	Total
Non-current assets	0.4
Current assets	1.2
Cash and cash equivalents	3.0
Non-current liabilities	-
Other current liabilities	-1.9
Net identifiable assets and liabilities	2.7
Goodwill	0.4
Customer values	0.2
Deferred tax on intangible assets	-0.0
Purchase price, cash	3.2
<i>Less:</i>	
Cash and cash equivalents in acquired companies	-3.0
Unadjusted purchase price previously paid	1.0
Net cash outflow during the period	1.2

Acquisition analyses for the acquired operations are preliminary because the assets have not been fully analysed. The goodwill value, which is not tax-deductible, 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.

Key figures

SEK million	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
IFRS key figures					
Earnings per share, SEK	0.12	1.12	1.06	3.73	4.15
Average number of shares	12,921,721	12,321,721	12,921,721	12,321,721	12,346,379
Alternative key figures					
Operating margin, %	1.0	5.0	1.3	4.8	3.8
Billable hours ratio, %	71.6	74.8	72.4	75.0	75.0
Sales per full-time employee, SEK thousand	261	219	876	745	1,046
Operating income per full-time employee, SEK thousand	3	11	11	36	40
Equity/assets ratio, %	40.5	50.6	40.5	50.6	41.7
Equity per share at the end of the period	41.44	36.85	41.44	36.85	40.0
Net indebtedness, SEK million	278.2	87.2	278.2	87.2	196.9
Net liabilities/adjusted EBITDA rolling 12, times 1)	3.8	0.7	3.8	0.7	1.9
Number of shares at the end of the period	12,921,721	12,321,721	12,921,721	12,321,721	12,921,721
Operational key figures					
Number of working days	66	66	187	186	249
Number of full-time employees	1,920	1,733	1,903	1,730	1,793
Number of employees at the end of the period	2,001	1,800	2,001	1,800	2,082

Definitions for key figures may be found in the company's latest annual report and on page 15.

1) During the quarter, the company has renegotiated financial terms for net indebtedness in relation to EBITDA.

Quarterly overview

SEK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016		
Sales													
Sweden	278.5	277.3	217.8	285.8	1,059.4	267.2	276.7	233.9	321.2	1,099.0	309.2	329.9	252.9
Finland	68.8	80.3	64.7	79.4	293.2	83.5	86.1	70.5	96.3	336.4	91.6	97.5	85.4
Norway	75.4	73.0	69.7	87.4	305.5	81.0	80.1	64.2	73.2	298.5	73.6	99.1	74.8
IT Solutions	18.0	17.0	17.4	18.4	70.8	19.9	16.4	14.8	100.2	151.3	87.8	85.9	99.1
Group-wide etc.	-1.8	-5.6	-3.1	-6.9	-17.4	0.6	-2.8	-3.3	-4.2	-9.7	-3.0	-4.2	-11.9
Total	438.9	442.0	366.5	464.1	1,711.5	452.2	456.5	380.1	586.7	1,875.5	559.2	608.2	500.3
Operating profit													
Sweden	24.8	7.6	5.8	21.7	59.9	14.5	15.6	14.1	7.2	51.4	-1.4	17.8	2.1
Finland	0.3	3.1	4.6	6.2	14.2	4.6	4.7	2.0	7.6	18.9	0.3	3.1	5.4
Norway	-3.8	-11.9	-12.6	2.7	-25.6	0.3	0.2	4.5	-1.5	3.5	-7.8	2.1	-1.5
IT Solutions	3.6	2.6	5.8	3.3	15.3	4.2	2.2	1.2	1.7	9.3	5.8	5.0	2.1
Group-wide etc.	-11.5	-1.2	-1.1	-0.6	-15.2	-0.7	-2.5	-2.7	-3.7	-12.1	-2.9	-5.4	-3.2
Total	13.4	0.2	2.5	32.5	48.6	22.9	20.1	18.9	9.1	71.0	-6.0	22.6	4.9
Operating margin													
Sweden	8.9	2.7	2.7	7.6	5.7	5.4	5.6	6.0	2.2	4.7	-0.5	5.4	0.8
Finland	0.4	3.9	7.1	7.8	4.8	5.5	5.5	2.8	7.9	5.6	0.3	3.2	6.3
Norway	-5.0	-16.3	-18.1	3.1	-8.4	0.4	0.2	7.0	-2.0	1.2	-10.6	2.1	-2.0
IT Solutions	20.0	15.3	33.3	17.9	21.6	21.1	13.4	8.1	1.7	6.1	6.6	5.8	2.1
Group-wide etc.	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3.1	0.0	0.7	7.0	2.8	5.1	4.4	5.0	1.6	3.8	-1.1	3.7	1.0
Number of employees													
Sweden	1,020	1,011	997	998	998	1,016	1,018	1,022	1,173	1,173	1,163	1,082	1,089
Finland	452	447	431	434	434	447	464	482	482	482	500	501	497
Norway	239	236	241	247	247	236	230	231	239	239	249	240	249
IT Solutions	55	55	53	55	55	57	57	56	179	179	155	147	155
Group-wide etc.	12	11	11	8	8	8	9	9	9	9	10	10	11
Total	1,778	1,760	1,733	1,742	1,742	1,764	1,778	1,800	2,082	2,082	2,077	1,980	2,001

Parent company

Income Statement in summary

SEK million	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Sales	5.9	6.2	17.1	18.9	25.1
Personnel expenses	-3.5	-3.9	-11.0	-11.9	-15.5
Other external expenses	-5.1	-4.9	-15.9	-14.0	-19.9
Depreciation	-0.1	-0.3	-0.6	-0.8	-1.1
Operating profit	-2.8	-2.9	-10.4	-7.8	-11.4
Net financial income/expense	-1.1	1.9	2.2	1.1	39.7
Profit after net financial income/expense	-3.9	-1.0	-8.2	-6.7	28.3
Appropriations	-	-	-	-	0.1
Tax	-	-	-	-	-5.6
Profit after tax	-3.9	-1.0	-8.2	-6.7	22.8

The parent company has no items to report in other comprehensive income so this financial report is not included.

Balance sheet in summary

SEK million	30 Sep 2016	30 Sep 2015	31 Dec 2015
Assets			
Non-current assets			
Intangible assets	-	0.6	0.4
Tangible assets	0.4	0.7	0.6
Financial assets	402.4	303.7	396.0
Total non-current assets	402.8	305.0	397.0
Current assets			
Current receivables	150.4	8.6	197.3
Cash and cash equivalents	22.7	-	36.5
Total current assets	173.1	8.6	233.8
Total Assets	575.9	313.6	630.8
Equity and liabilities			
Equity	215.1	160.5	249.1
Untaxed reserves	30.8	30.9	30.8
Non-current liabilities	157.0	17.4	172.8
Current liabilities	173.0	104.8	178.1
Total liabilities and equity	575.9	313.6	630.8

Rejlers' shares

The closing price for Rejlers' Class B shares on 30 September 2016 was SEK 92 per share, a reduction of 19 percent compared to 30 December 2015. On 24 October 2016, the closing price for Rejlers' Class B shares was SEK 94.25 per share. The Rejlers share is listed on Nasdaq Stockholm.

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 have been applied as in the most recent annual report for both the Group and the parent company. A number of changes in the standards have come into effect in 2016. None of these has a significant influence on the Group's accounts and reporting.

The parent company's reports are prepared in accordance with the Annual Accounts Act (ÅRL) and RFR 2. Accounting for Legal Entities.

Please refer to the Annual Accounts for 2015 for detailed information regarding the significant risks, uncertainties and accounting policies of the company.

ESMA's guidelines for Alternative Performance Measurements are applied with effect from the previous interim report.

Correction of errors

The year-end report for 2015 incorrectly stated a figure for earnings per share after dilution that deviated from earnings per share before dilution. Rejlers had no dilution effects during these periods, which is why there must not be any difference between earnings per share before and after dilution. Executed corrections are set out below.

Fourth quarter 2015	Previously reported	Recount	Recalculated
Earnings per share after dilution	0,40	0,02	0,42

January-December 2015	Previously reported	Recount	Recalculated
Earnings per share after dilution	3,96	0,19	4,15

Financial Calendar

Year-end report 2016	9 February 2017
Annual General Meeting	24 April 2017
Interim report January-March 2017	9 May 2017
Interim report January-June 2017	19 July 2017
Interim report January-September 2017	25 October 2017

Definitions

The company presents certain financial measurements in the interim reports that are not defined according to IFRS. The company considers that these measurements provide valuable supplementary information for investors and company management, since they permit an assessment of the company's performance. Since not all companies calculate financial measurements in the same way, these are not always comparable with measurements that are used by third companies. These financial measurements must not therefore be seen as a replacement for measurements that are defined according to IFRS.

The definition of the key figure Net liabilities/adjusted EBITDA rolling 12 is net liabilities in relation to operating profit before depreciation and impairment including acquired operations for the last 12-month period.

Other information

The carrying value for financial instruments reported at the accrued acquisition value corresponds to the fair value.

Transactions with related parties have taken place on market terms and have not significantly affected the Group's results.

Stockholm, 25 October 2016
Rejlers AB (publ)

Peter Rejler
Director, President and CEO

Auditor's review report

Introduction

We have conducted a general review of the interim report for Rejlers AB (publ) for the period 1 January 2016 to 30 September 2016. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express our conclusion about this interim report, based on our general review.

Focus and scope of the general review

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

Conclusion

Based on our general review, no circumstances have emerged that gives us grounds to consider that the interim report has not essentially been prepared on the Group's part in accordance with IAS 34 and the Annual Accounts Act, and on the Parent Company's part in accordance with the Annual Accounts Act.

Stockholm, 25 October 2016

Deloitte AB

Birgitta Lööf
Authorised Public Accountant

Rejlers AB (publ) is obliged by the EU market abuse directive and the law on the securities market to publish the information contained in this interim report. The information was provided by the above contact person for publication on 25 October 2016, at 08.00 CET. This report is also available in Swedish. This English report is a translation from Swedish. If there are any differences, the Swedish language report shall prevail.