



Q2

Interim report

January to June 2018

Continued solid performance in second quarter 2018

Projektengagemang has delivered a solid first half of the year in terms of sales and earnings. Sales grew, and there was an improvement in operating profit for the quarter and H1 compared with the previous year. The foundations have now been established for continued expansion via listing of the company's B shares on Nasdaq Stockholm.

Second quarter, 1 April–30 June 2018

- Net revenue totalled SEK 324.1 million (299.4), corresponding to growth of around 8 percent.
- EBITA amounted to SEK 19.7 million (15.7); SEK 26.9 million (23.2) when adjusted for items affecting comparability.
- EBIT amounted to SEK 18.8 million (14.8); SEK 26.0 million (22.3) when adjusted for items affecting comparability.
- Profit for the period totalled SEK 13.1 million (9.7).
- Basic and diluted earnings per share totalled SEK 0.66 (0.49).
- Projektengagemang was listed on Nasdaq Stockholm on 19 June.
- To coincide with the listing, an issue of new shares was carried out, the proceeds of which totalled SEK 300 million before transaction expenses.

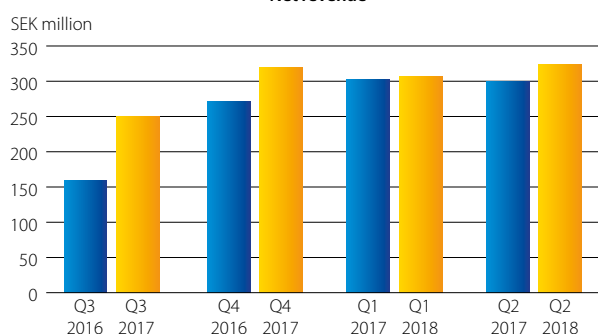
Half-year period, 1 January–30 June 2018

- Net revenue totalled SEK 631.1 million (602.1), corresponding to growth of around 5 percent.
- EBITA amounted to SEK 49.4 million (42.4); SEK 59.0 million (55.7) when adjusted for items affecting comparability.
- EBIT amounted to SEK 47.5 million (40.6); SEK 57.1 million (53.8) when adjusted for items affecting comparability.
- Profit for the period totalled SEK 35.3 million (25.6).
- Basic and diluted earnings per share totalled SEK 1.88 (1.38).
- A new organisational structure was introduced in the first quarter. Projektengagemang is now organised into four divisions.
- During the period, Projektengagemang acquired five companies with total estimated annual sales of SEK 70 million.

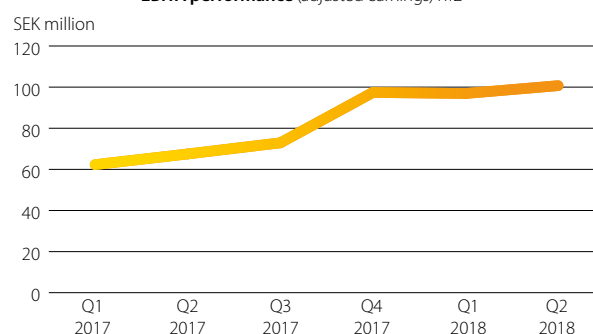
Group summary

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
EBITA	19.7	15.7	49.4	42.4	68.7	75.7
EBITA (adjusted earnings)	26.9	23.2	59.0	55.7	97.4	100.7
EBITA margin, %	6.1	5.2	7.8	7.0	5.9	6.3
EBITA margin, % (adjusted earnings)	8.3	7.7	9.3	9.2	8.3	8.4
Operating profit/loss, EBIT	18.8	14.8	47.5	40.6	65.0	72.0
Operating profit/loss, EBIT (adjusted earnings)	26.0	22.3	57.1	53.8	93.7	97.0
Operating margin, %	5.8	4.9	7.5	6.7	5.6	6.0
Operating margin, % (adjusted earnings)	8.0	7.4	9.1	8.9	8.0	8.1
Profit/loss for the period	13.1	9.7	35.3	25.6	37.5	47.2
Basic and diluted earnings per share for the period, SEK	0.66	0.49	1.88	1.38	1.75	2.26
Net cash position (-)/debt	-21.6	267.5	-21.6	267.5	246.3	-21.6

Net revenue



EBITA performance (adjusted earnings) R12



CEO comments

The company saw a solid start to H1 2018. In the second quarter of the year, sales amounted to SEK 324.1 million, corresponding to growth of 8 percent compared with the same period last year. Adjusted operating profit was SEK 26.0 million, which is an improvement of just over 16 percent compared with Q2 2017.

We have now entered a phase in which several international factors may also impact performance in Sweden. However, demand for our services continues to be strong, and we are still of the opinion that underlying growth factors will remain positive over time. Our business is diversified and we have a broad customer base, which makes us less sensitive to economic fluctuations.

Continued positive trend

Our operative business is persistently delivering stable earnings overall, however, as we have communicated previously, the trend varies across our divisions. It is pleasing to see a positive trend and to note that adopted measures are starting to generate results. Civil Engineering & Infrastructure and Systems are continuing to deliver and perform well, although we have seen a slight decline in the second quarter for Civil Engineering & Infrastructure. This is primarily attributable to initiatives undertaken to satisfy customers' requirements to an even greater degree. The success of the two divisions is down to effectively implemented acquisitions, an efficient integration process and greater demand for expertise within areas with high margins, as well as strong operating activities.

The trend in the Architecture & Management division has been positive during the quarter, although profitability has yet to reach a satisfactory level. The transition work that was initiated at the end of 2017 is progressing and we are already beginning to see the results. The transition to the new divisional structure has been good for Architecture & Management and profitability has improved. The division plays a key role in our business and we are confident that our investments and the new divisional structure will continue to have a positive impact.

The Industry & Energy division is still undergoing a transition process, driven by digitalisation and activities aimed at boosting productivity. The initiatives that were launched in the first quarter of 2018 are currently being implemented. As previously, we estimate that work on developing both divisions will continue throughout 2018.

One team – one goal

Over the next few years, we plan to carry out essential and important work to further consolidate our unique corporate culture. This is a key step in our endeavours to attract the best employees, and to ensure we are equipped to win the most prestigious and profitable assignments. We have a unique



opportunity to build on our heritage, which is founded on an entrepreneurial spirit, commitment and responsibility for being a workplace that rewards ambition and initiative. During the year we have therefore planned and launched several activities aimed at strengthening the company's values, which hold that each employee has a significant role to play. This will not only make us one of the best workplaces in the sector, it will also enable us to make more effective use of our time and resources.

IPO creates opportunities

On 19 June, trading began in the company's shares on Nasdaq Stockholm. The IPO is good for us in many ways, but primarily because it gives us access to capital that can be used to further develop Projektengagemang, to continue to grow and provide more benefit for society in line with our vision and acquisition strategy. The IPO is also a stamp of approval, both for all Projektengagemang's employees and for the market, showing that we maintain a high level of quality in our deliveries to customers and that we have robust internal systems and processes.

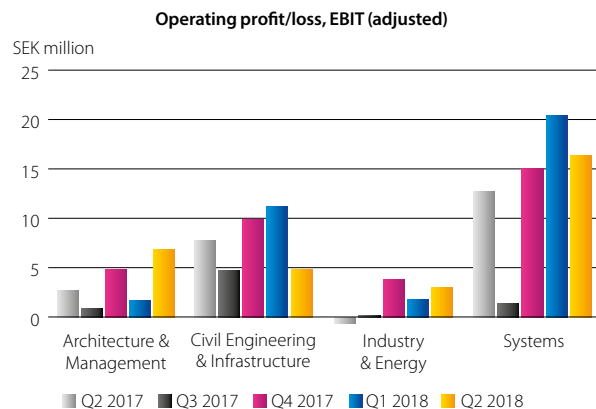
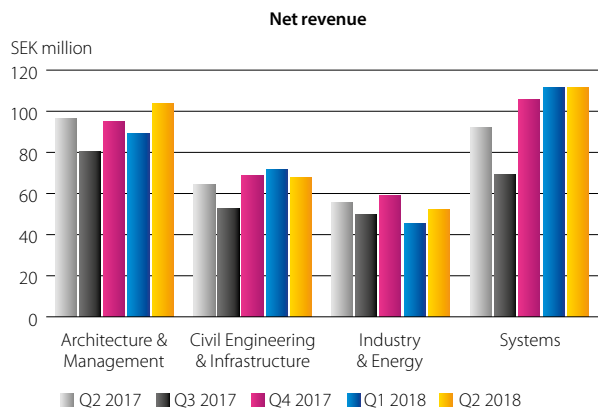
We have enjoyed a good start to 2018, and with two solid sets of quarterly results behind us we have a positive outlook on the rest of the year. Our plan is to continue to renew not just our sector, but society as a whole, with our innovative and sustainable solutions.

Per Hedebäck
CEO
21 August 2018

Divisions: financial overview

Net revenue and operating profit by division

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Net revenue						
Architecture & Management	103.5	96.3	192.8	196.0	371.7	368.4
Civil Engineering & Infrastructure	67.7	64.6	139.4	131.7	253.2	260.9
Industry & Energy	52.1	55.4	97.3	108.7	217.4	206.0
Systems	111.7	92.3	223.2	188.0	363.0	398.2
Other and items affecting comparability	-11.0	-9.1	-21.6	-22.3	-34.5	-33.8
Total	324.1	299.4	631.1	602.1	1,170.7	1,199.7
Profit/loss						
Architecture & Management	6.8	2.7	8.5	10.3	16.0	14.3
Civil Engineering & Infrastructure	4.8	7.8	16.0	17.0	31.6	30.6
Industry & Energy	3.0	-0.7	4.9	0.5	4.4	8.8
Systems	16.4	12.7	36.8	26.6	43.0	53.2
Other and items affecting comparability	-12.3	-7.7	-18.6	-13.8	-30.0	-34.8
Operating profit/loss, EBIT	18.8	14.8	47.5	40.6	65.0	72.0
Net financial items	-1.8	-2.9	-3.2	-3.7	-7.6	-7.1
Tax	-3.8	-2.1	-9.0	-11.3	-19.9	-17.6
Profit/loss for the period	13.1	9.7	35.3	25.6	37.5	47.2



Revenue and earnings for the Group

Second quarter, 1 April–30 June 2018

Net revenue for the second quarter of 2018 amounted to SEK 324.1 million (299.4), representing a total increase of 8.2 percent compared with the same quarter last year. Organic growth totalled 4.4 percent; when adjusted for the calendar effect, which corresponds to half a day's, or roughly SEK 2.2 million, positive deviation versus the previous year, it totals 3.7 percent. See page 25 for further information.

Profit before acquisition-related items (EBITA) was SEK 19.7 million (15.7), and operating profit (EBIT) was SEK 18.8 million (14.8), an improvement of 25.3 and 26.9 percent respectively. The corresponding profit adjusted for items affecting comparability amounted to SEK 26.9 million (23.2) and SEK 26.0 million (22.3) respectively. The EBITA margin adjusted for items affecting comparability strengthened in the quarter compared with last year, totalling 8.3 percent (7.7). The improvement in operating profit is attributable to the Architecture & Management, Industry & Energy and Systems divisions, all of which delivered strong earnings in the second quarter.

The quarter has been impacted negatively by expenses relating to items affecting comparability. These costs total SEK 7.3 million (7.5) and in the second quarter of 2018 they relate in their entirety to expenses connected with the IPO. Please see page 25 for further details about these expenses.

In the second quarter, the acquisitions of ROOF Arkitekter AB in Örebro and Smedjan Projektledning AB in Gothenburg were completed and both companies have made a positive contribution to sales and earnings. In terms of sales, both companies contributed SEK 7.4 million.

Half-year period, 1 January–30 June 2018

Net revenue for the 1 January to 30 June period amounted to SEK 631.1 million (602.1), an increase of 4.8 percent compared with last year. Of the increase, 2.4 percent is attributable to organic growth. There is no calendar effect between 2018 and 2017 regarding the first half of the year. See page 25 for further information.

Profit before acquisition-related items (EBITA) was SEK 49.4 million (42.4), and operating profit (EBIT) was SEK 47.5 million (40.6), an improvement of 16.4 and 17.2 percent respectively. The corresponding profit adjusted for items affecting comparability amounted to SEK 59.0 million (55.7) and SEK 57.1 million (53.8) respectively. The improvement in operating profit is derived from the Systems and Industry divisions, which exhibited a positive trend in the first half of 2018 compared with last year.

Items affecting comparability that impacted the period totalled SEK 9.6 million (13.3) and are entirely related to the listing on Nasdaq Stockholm. Please see page 25 for further details about these expenses.

In the first half of the year, the acquired companies Energi och VVS Planering AB, Sture Byberg Ingenjörbyrå AB, ROOF Arkitekter AB and Smedjan Projektledning AB performed in line with expectations and contributed SEK 14.1 million to sales. Since FAST Engineering has only been part of the Group for a few days, it has not any impact on consolidated sales or profit.

Growth

Average annual growth of 15% over a business cycle

Profitability

EBITA margin exceeding 8% over a business cycle

Leverage

Debt/equity ratio of 1.5–2.0 R12 EBITDA over a business cycle

Dividend policy

30–50% of profit for the year

Projektengagemang's financial targets



Architecture & Management

In the Architecture & Management division, Projektengagemang offers solutions relating to urban planning, architecture, landscape and interior architecture, as well as project management and management consulting in strategic matters within public construction.

The division enjoyed a strong second quarter compared with the corresponding period last year. Net revenue totalled approximately SEK 104 million, which is an increase of around 7 percent compared with Q2 2017. Operating profit for the second quarter amounted to roughly SEK 7 million, which is an increase of around SEK 4 million compared with the corresponding quarter in 2017. The transition work that was initiated in the division at the end of the previous year is continuing. The purpose is to package our offerings more clearly, enabling us to be part of our customers' decision processes at an earlier stage. We are already seeing positive effects from the initiatives carried out and the new divisional structure. As previously, we estimate that work on developing the division will continue throughout 2018.

Improvements to the services within project management and management are continuing to progress well and efforts to establish the organisation are proceeding as planned. Changes include an extension of the offering to cover services within sustainability, and strategic appointments have been made to strengthen our offering. Sustainability is a significant issue for all organisations and it is important to have effective strategies in

place for the benefit of both the company and the rest of society. We are now able to help more customers develop their own sustainability work. Work has begun on integrating the companies that were acquired in the first quarter, which is expected to be completed during 2018.

There has been a slowdown in housing projects during the quarter, but the underlying positive market trend for the services offered by the division looks set to continue. This is attributable to generally strong economic conditions, a need for more housing in metropolitan regions and a shortage of resources among public sector customers. Despite the healthy market trend there continues to be pressure on prices.

According to *Branschöversikten* (a report produced by the Swedish Federation of Consulting Engineers and Architects), Projektengagemang is one of Sweden's largest suppliers of architecture services. The Architecture & Management division has a presence in 13 locations across Sweden, including Uppsala, Stockholm, Södertälje, Visby, Skövde/Mariestad, Gothenburg, Malmö and Örebro. The number of employees in the division at the end of the second quarter totalled 267.

Division summary

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Net revenue	103.5	96.3	192.8	196.0	371.7	368.4
- of which internal net revenue	14.7	12.1	30.4	18.4	43.3	55.3
Total growth, %	7.5	123.2	-1.6	120.4	44.8	–
- of which organic growth, %	0.3	12.9	-5.2	12.8	-2.6	–
- of which acquired growth, %	7.2	110.3	3.5	107.6	47.1	–
Operating profit/loss, EBIT (adjusted earnings)	6.8	2.7	8.5	10.3	16.0	14.3
- EBIT margin, %	6.6	2.8	4.4	5.3	4.3	3.9
Average number of employees	271	286	261	285	276	265

Civil Engineering & Infrastructure

Through its Civil Engineering & Infrastructure division, Projektengagemang offers services in the construction and property sectors, as well as within infrastructure. These services cover everything from building design, acoustics, geotechnics, 3D-laser scanning, energy, environment and sustainability, to bridge and plant design, railways and roads, water treatment and environmental impact.

Net revenue in the second quarter totalled approximately SEK 68 million, which is an increase of almost 5 percent compared with the corresponding quarter in 2017. However, operating profit for the quarter dropped by around SEK 3 million and amounted to approximately SEK 5 million, corresponding to an operating margin of 7.1 percent. The decline in profit during the quarter is mainly attributable to market initiatives to further strengthen our opportunities to meet demand in the market.

In the Civil Engineering & Infrastructure division, Projektengagemang works with both public and private clients in the construction, building and property sectors as the main customer groups, with most of the assignments involving collaborative work with other divisions in the Group. The division has a broad skills base, which enables it to be competitive within both multi-disciplinary and specialist projects. Civil Engineering & Infrastructure is continuing to experience strong demand in all service areas, and the division won a number of significant assignments

in the quarter. There has been a slight slowdown during the quarter in relation to housing projects, however, the division has a low level of exposure to new builds so the impact is minor.

The infrastructure services market in Sweden is showing persistently stable and high demand, fuelled by investments in both new and existing infrastructure, as well as investments in the industrial sector. Available forecasts suggest infrastructure investments will continue to rise. However, prices are under a degree of pressure driven by a high proportion of public clients. The challenge for the division remains the same as for the rest of the PE Group and the industry as a whole: strong competition regarding expertise, and production capacity.

At the end of the second quarter, Civil Engineering & Infrastructure comprised 188 employees distributed across nine offices in the metropolitan regions, including Uppsala, Umeå, Hudiksvall, Sollefteå, Västerås och Köping.

Division summary

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Net revenue	67.7	64.6	139.4	131.7	253.2	260.9
- of which internal net revenue	8.4	7.2	15.6	11.6	25.7	29.7
Total growth, %	4.9	14.5	5.8	40.7	48.1	–
- of which organic growth, %	2.7	-19.2	4.1	0.6	4.6	–
- of which acquired growth, %	2.2	33.7	1.8	40.2	43.5	–
Operating profit/loss, EBIT (adjusted earnings)	4.8	7.8	16.0	17.0	31.6	30.6
- EBIT margin, %	7.1	12.1	11.5	12.9	12.5	11.7
Average number of employees	191	184	184	195	187	176

Industry & Energy

The Industry & Energy division supplies all Projektengagemang's areas of expertise to its customers within industry, ranging from management services to comprehensive end-to-end solutions.

Net revenue in the second quarter totalled approximately SEK 52 million, compared with just over SEK 55 million for Q2 2017. Operating profit for the second quarter amounted to SEK 3 million, compared with a loss of just over SEK -1 million for Q2 2017. The transition work is continuing as planned and the improvement in profit is primarily attributable to a change in the mix in favour of projects with higher margins.

The Industry & Energy division covers strategic advice, automation, product development, mechanical design, process and calculation services aimed at making industry more sustainable, competitive and profitable. Services are provided in the form of consulting and as part of end-to-end solutions, which include the supply of materials and complete robot cells.

Like the entire industrial sector, the Industry & Energy division is undergoing a transition process, driven by digitalisation and activities aimed at boosting productivity. Several strategic initiatives have been launched, focusing on supporting industrial

customers in streamlining processes and production, in which PE's combined expertise in digitalisation has been an essential factor in obtaining new assignments. Adaptations to the division's operations will continue in 2018.

The previous market assessment remains valid, which means that the division is continuing to encounter a market trend that features variations between different branches of industry. Generally speaking, the market is characterised by tough competition and price pressure, although there are variations between different sectors and different types of services. The strategy in meeting this challenge is to clarify the total value that Projektengagemang delivers to customers via a comprehensive offering, which besides consulting services also extends to supplying materials in end-to-end projects.

At the end of the second quarter, the division had 182 employees distributed across 13 offices in central and southern Sweden, as well as in Chennai in India.

Division summary

SEK million	3 months		6 months		12 months	
	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017	Rolling 12 mths
Net revenue	52.1	55.4	97.3	108.7	217.4	206.0
- of which internal net revenue	3.4	2.9	5.9	4.4	9.9	11.4
Total growth, %	-5.9	-1.8	-10.4	-2.7	0.9	-
- of which organic growth, %	-5.9	-10.0	-10.4	-10.0	0.9	-
- of which acquired growth, %	0.0	8.2	0.0	7.3	0.0	-
Operating profit/loss, EBIT (adjusted earnings)	3.0	-0.7	4.9	0.5	4.4	8.8
- EBIT margin, %	5.8	-1.3	5.0	0.5	2.0	4.3
Average number of employees	184	202	185	226	210	195

Systems

In the Systems division, Projektengagemang offers installation engineering services in all stages of the building process, focusing on HVAC design, electrical and telecommunications engineering and safety. The combination of wide-ranging and specialist services is much in demand, and PE delivers services within all types of properties and facilities. The division also specialises in areas such as fire protection and sprinkler planning, as well as risk analysis.

Net revenue for the Systems division totalled SEK 112 million in the second quarter, compared with around SEK 92 million for the second quarter the previous year, corresponding to total growth of 21.0 percent. The majority of this growth was organic. Operating profit for the quarter totalled just over SEK 16 million, compared with around SEK 13 million in the same quarter in 2017.

Most of the assignments focus on system engineering in new builds and conversions for all types of properties, including major complex projects for the manufacturing industry, hospitals, shopping centres, homes and sports grounds, spanning several areas. Customers mainly comprise private property management companies and building contractors, as well as public-sector customers.

In the second quarter, work on integrating previously acquired companies continued as planned, and a further acquisition was made in Gothenburg during the period within fire protection planning. The acquisition further strengthens PE's leading position within fire protection planning and broadens our offering geographically.

Market conditions are strong in construction-related services throughout Sweden, particularly in metropolitan regions. Ongoing investments in the field of infrastructure are fuelling demand for installation services.

At the end of the second quarter the division employed 349 people across offices in the three metropolitan areas, Mälardalen and Uppsala, Örebro, Jönköping, Skövde, Lidköping and Åmål.

Division summary

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Net revenue	111.7	92.3	223.2	188.0	363.0	398.2
- of which internal net revenue	16.8	8.5	30.8	13.4	34.4	51.8
Total growth, %	21.0	50.8	18.7	57.9	75.1	–
- of which organic growth, %	17.8	-17.4	16.1	-12.0	12.0	–
- of which acquired growth, %	3.3	68.2	2.7	69.9	63.0	–
Operating profit/loss, EBIT (adjusted earnings)	16.4	12.7	36.8	26.6	43.0	53.2
- EBIT margin, %	14.7	13.7	16.5	14.2	11.8	13.4
Average number of employees	318	275	315	272	278	298

Cash flow and financial position

Second quarter, 1 April–30 June 2018

Cash flow from operating activities amounted to SEK 19.1 million (13.9). The positive trend is due to both improved profit and a positive change in working capital of SEK 5.9 million (-3.0).

In the second quarter, purchase considerations were paid for the acquired companies ROOF Arkitekter AB, Smedjan Projektledning AB Energi and FAST Engineering AB, which account for SEK 36.7 million of the net outflow of SEK 37.4 million (15.7) in investing activities.

Cash flow from financing activities totalled SEK 231.3 million (-16.3). On 19 June, the company was listed on Nasdaq Stockholm and received SEK 300 million in an issue of new shares. During the period, dividend payments of SEK 11.7 million were made and SEK 15.1 million was paid out for the amortisation of bank loans and financial liabilities. The change in credit facilities, SEK 41.9 million, is mainly due to the company's repayment of the drawn portion of the revolving credit facility, which amounted to SEK 44.2 million.

Half-year period, 1 January–30 June 2018

Cash flow from operating activities for H1 amounted to SEK 30.7 million (37.9). The change in working capital totalled SEK -14.6 million (-8.2).

Investing activities exhibited a net outflow during the period of SEK 49.2 million (18.5), which is primarily attributable to the acquisition of subsidiaries, SEK 47.5 million (15.1).

Cash flow from financing activities during the period totalled SEK 235.5 million (-30.5). The positive inflow is linked to the issue of new shares of SEK 300 million in connection with the company's listing on Nasdaq Stockholm. During the period, dividends of SEK 11.7 million and amortisations in the amount of SEK 30.6 million have been paid. The company repaid the drawn portion of the revolving credit facility of SEK 44.2 million in the period, which is the main reason for the change in credit facilities.

The equity/assets ratio for the Group was 53.3 percent (30.0) and equity totalled SEK 536.1 million, corresponding to SEK 22.36 per share.

Acquisitions

In the first quarter, the consulting firms Energi & VVS-planering i Helsingborg AB and Sture Byberg Ingenjörbyrå AB in Gothenburg were acquired, while the second quarter saw the acquisition of consulting firms ROOF Arkitekter AB in Örebro and Smedjan Projektledning AB in Gothenburg, as well as FAST Engineering AB, also in Gothenburg. All these acquisitions strengthen the Group's offering in the respective location and provide us with a more stable foundation for continued growth.

Investments, depreciation and amortisation

The purchase of equipment totalled SEK 1.7 million (3.8), of which purchases of finance leases totalled SEK 0 million (1.3). Depreciation of equipment totalled SEK 8.9 million (11.1), of which amortisation of finance leases amounted to SEK 6.5 million (7.8). Amortisation of intangible assets totalled SEK 2.1 million (2.0). Purchase considerations paid relating to acquired companies amounted to SEK 47.5 million.

Significant events during the H1 period, 1 January–30 June 2018

In the first quarter, Projektengagemang was reorganised according to a new divisional structure. Projektengagemang is now made up of four business divisions: Architecture & Management, Civil Engineering & Infrastructure, Industry & Energy and Systems. Each division has a head of division, all of whom are members of the Group management team. The aim of the new divisional structure is to generate more opportunities for collaboration, to clarify our offering to customers and streamline internal processes.

Projektengagemang carried out five acquisitions in the period with total estimated annual sales of around SEK 70 million.

On 1 January 2018, Nicke Rydgren joined Projektengagemang as Head of Strategy and Business Development. Nicke Rydgren is also a member of Projektengagemang's Group management team.

IPO

Projektengagemang was listed on Nasdaq Stockholm on 19 June 2018. The subscription price was SEK 47 per share.

The offering included a total of 10,003,860 B shares, of which 6,382,979 were newly issued shares. The new share offering generated proceeds of SEK 300 million for Projektengagemang before transaction expenses.

Immediately following the completion of the offering, Projektengagemang's largest shareholders were Projektengagemang Holding i Stockholm AB, Öresund Investment AB, Swedbank Robur fonder, SEB Enskilda and LK Finans AB.

Costs of SEK 9.6 million attributable to the IPO have been charged to operating profit in the second quarter.

Annual General Meeting

At the AGM on 7 May 2018, the AGM resolved to distribute dividends totalling SEK 11.7 million, corresponding to SEK 2.00 per share.

The AGM also resolved that the Board of Directors shall comprise seven members, and re-elected Gunnar Grönkvist, Britta Dalunde, Øystein Engebretsen, Lars Erik Blom, Carina Malmgren Heander and Per Göransson. Per-Arne Gustansson was elected as a new member of the Board. Gunnar Grönkvist was re-elected Chairman.

Further information about the AGM can be found on Projektengagemang's website under Corporate Governance.

Change in the number of shares

As part of preparations prior to the company's listing, a decision was made at an extraordinary general meeting on 4 June 2018 to carry out a 3:1 share split. The number of shares increased by 11,702,828.

In connection with the IPO, 6,382,979 new B shares were issued. At 29 June 2018, the total number of shares and votes in Projektengagemang Sweden AB (publ) amounted to 23,937,221 and 73,401,221 respectively. Of these shares, 5,496,000 are A shares, representing 54,960,000 votes, and 18,441,221 are B shares, representing 18,441,221 votes. The quotient value is SEK 0.11 (0.33) per share. Share capital at 30 June 2018 therefore amounted to SEK 2,659,691, which is an increase of SEK 709,220 since 31 December 2017.

Significant events after the end of the reporting period

In July, the number of shares and votes in Projektengagemang Sweden AB (publ) rose by 618,456 shares and votes as a result of the issue of 618,456 new B shares in connection with the exercise of the over-allotment option following the listing of the company's shares on Nasdaq Stockholm. The issue of new shares raised SEK 29.1 million before transaction expenses.

At 31 July 2018, the total number of shares and votes in Projektengagemang amounted to 24,555,677 and 74,019,677 respectively. Of these shares, 5,496,000 are A shares, representing 54,960,000 votes, and 19,059,677 are B shares, representing 19,059,677 votes.

Projektengagemang has recruited Åsa Holmgren to fill the role of HR Director. Åsa will take on her position on 14 September and will be part of the Group's management team. Åsa has extensive experience of management positions in HR, sustainability and business development in internationally active companies. The appointment of Åsa is an important step in the Group's growth strategy and towards the goal of creating the industry's best workplace.

Other information

Employees

The average number of FTEs in the quarter amounted to 1,013 (982). The number of employees at the end of the period was 1,037 (1,033).

Tax

The tax expense for the first half of the year totalled SEK 9.0 million (11.3) and related primarily to deferred tax. In 2017, tax attributable to prior years amounted to SEK 3.6 million, which was recognised in its entirety in the interim report for Q1 2017.

Parent Company

The Parent Company's net revenue for the 1 January–30 June period totalled SEK 125.3 million (76.2), with operating income (EBIT) corresponding to SEK -18.4 million (-6.3). Net revenue for the Parent Company mainly relates to intra-group cost allocations.

Related-party transactions

In the second quarter, Projektengagemang purchased consulting services from K-Konsult Management AB in the amount of SEK 0.2 million (0.3). The transactions took place at market prices.

Calendar effects

The calendar effect had a negative impact on the second quarter of 2018 by a half day, which has had a negative effect on Group sales of approximately SEK 2.2 million.

See page 25 for further information.

Accounting policies

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The Group applies the same accounting policies as detailed in Note 1 of the 2017 Annual Report. New or revised IFRS standards that entered into force in 2018 have not had any material impact on the Group.

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments entered into force as of January 2018. IFRS 16 Leases applies as of January 2019, but early application is permitted.

IFRS 15 is a principle-based standard that specifies how and when revenue should be recognised and it replaces the previous standard IAS 18 and other interpretations by IFRS. The Group has conducted an analysis of its various contract types according to the control-based model in five stages, as specified by the standard. Projektengagemang, which has opted not to apply the method retroactively, has concluded that the new standard does not have any impact on the Group's financial statements, which is why no adjustment/recalculation is necessary.

IFRS 9 replaces IAS 39 Financial Instruments. The main impact of the standard relates to a new model for the valuation of financial assets. The new standard features a forward-looking model based on anticipated instead of past credit losses. Projektengagemang has analysed the effects of the new standard and applied the transition prospectively. In taking account of historical bad debt losses we have noted that the new standard does not have any material impact on the Group's financial statements. For a more detailed description, please refer to the 2017 Annual Report.

IFRS 16 Leases is a new leasing standard that replaces IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities attributable to all leases, with a few exceptions, to be recognised in the balance sheet. This accounting is based on the approach that the lessee has a right to use an asset for a specific period of time, and at the same time an obligation to pay for such right. A project evaluating the effects of IFRS 16 is progressing according to plan and when application of IFRS 16 enters into force, it will have an impact on Projektengagemang's earnings and balance sheets.

The interim report for the first quarter of 2018 refers to certain non-IFRS measures that Projektengagemang and other parties use when evaluating Projektengagemang's earnings and performance. These measures provide management and investors with significant information in order to analyse trends in the company's operations. These non-IFRS measures are intended to complement, not replace financial measures presented in accordance with IFRS.

To increase comparability with other companies on the market, as of 1 January 2018 Projektengagemang has introduced the earnings concept EBITA, which is defined as operating profit excluding acquisition-related items. Operating profit is therefore adjusted for depreciation, amortisation and impairment losses of acquisition-related intangible assets, including goodwill, and revaluation of contingent considerations and gains/losses from the divestment of companies and operations.

Projektengagemang applies all EU-adopted IFRS standards and statements (IFRIC), to the extent possible within the framework of the Swedish Annual Accounts Act, and in some cases for tax reasons. This interim report has been prepared in accord-

ance with IAS 34 Interim Financial Reporting and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Risks and uncertainties

Projektengagemang is exposed to business risks associated with economic and structural changes, as well as changes in market trends. Other risks include the ability to recruit, retain and develop employees. Furthermore, the Group is exposed to interest rate, foreign exchange and credit risks. In the event of a significant change in circumstances in the company's markets, the Projektengagemang could experience problems in signing new credit facilities and consequently need to use a larger portion of cash flow to make interest payments and repayments. This could have a negative effect on the company. The risk exposure described in the 2017 Annual Report provides further details of risks and uncertainties and these remain unchanged for this period.

Audit

This report has not been subject to a limited assurance review.

The Board of Directors and Chief Executive Officer certify that this interim report provides a true and fair overview of the company and Group's operations, position and earnings and describes the significant risks and uncertainties faced by the company and Group companies.

Stockholm, 21 August 2018

Gunnar Grönkvist
Chairman of the Board

Britta Dalunde
Board member

Lars Erik Blom
Board member

Per Göransson
Board member

Öystein Engebretsen
Board member

Per-Arne Gustavsson
Board member

Carina Malmgren Heander
Board member

Per Hedeback
CEO

Group income statement

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
Other external expenses	-98.6	-84.6	-173.1	-159.8	-338.1	-351.5
Personnel costs	-201.6	-193.4	-399.5	-388.6	-741.5	-752.4
Profit/loss before depreciation/amortisation, EBITDA	23.9	21.4	58.5	53.7	91.1	95.8
Depreciation, amortisation and impairment losses	-4.2	-5.7	-9.1	-11.3	-22.4	-20.1
Operating profit/loss, EBITA	19.7	15.7	49.4	42.4	68.7	75.7
Acquisition-related items	-0.9	-0.9	-1.8	-1.8	-3.7	-3.7
Operating profit/loss, EBIT	18.8	14.8	47.5	40.6	65.0	72.0
Financial items	-1.8	-2.9	-3.2	-3.7	-7.6	-7.1
Profit/loss after financial items	16.9	11.9	44.3	36.8	57.4	64.8
Tax	-3.8	-2.1	-9.0	-11.3	-19.9	-17.6
Profit/loss for the period	13.1	9.7	35.3	25.6	37.5	47.2
Attributable to:						
Parent Company shareholders	12.9	9.7	35.1	25.6	37.3	46.8
Non-controlling interests	0.2	0.1	0.2	-0.1	0.2	0.4
Basic and diluted earnings per share, SEK	0.66	0.49	1.88	1.38	1.75	2.26

Consolidated statement of comprehensive income

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Profit/loss for the year	13.1	9.7	35.3	25.6	37.5	47.2
Comprehensive income for the year	13.1	9.7	35.3	25.6	37.5	47.2

Consolidated balance sheet

SEK million	30 June 2018	30 June 2017	31 Dec 2017
ASSETS			
Non-current assets			
Goodwill	385.3	305.3	322.6
Other non-current intangible assets	14.6	17.2	16.1
Property, plant and equipment	40.0	49.7	47.3
Financial assets	3.9	0.9	4.2
Total non-current assets	443.8	373.2	390.3
Current assets			
Current assets excluding cash and cash equivalents	351.4	342.5	328.2
Cash and cash equivalents including short-term investments	221.0	5.2	5.0
Total current assets	572.4	347.7	333.2
TOTAL ASSETS	1,016.2	720.9	723.5
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	535.1	216.0	227.7
Non-controlling interests	0.9	0.5	0.8
Total equity	536.1	216.5	228.5
Liabilities			
Non-current liabilities	156.4	193.6	174.1
Current liabilities	309.5	308.9	307.5
Deferred tax liability	14.2	1.9	13.5
Total liabilities	480.1	504.4	495.1
TOTAL EQUITY AND LIABILITIES	1,016.2	720.9	723.5

Consolidated statement of changes in equity

SEK million	30 June 2018	30 June 2017	31 Dec 2017
Equity at start of period	228.4	191.0	191.0
Profit/loss for the period	35.3	25.6	37.5
Dividends paid	-11.7	–	–
New share issue	300.0	–	–
Transaction expenses	-20.5	–	–
Tax effect on transaction expenses	4.5	–	–
Other transactions	0.1	-0.0	-0.1
Equity at end of period	536.1	216.5	228.4
Attributable to:			
Parent Company shareholders	535.1	216.0	227.7
Non-controlling interests	0.9	0.5	0.7
Total	536.1	216.5	228.4

Consolidated cash flow statement

SEK million	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
Operating activities					
Profit/loss after financial items	16.9	11.9	44.3	36.8	57.4
Adjustments for non-cash items	-3.6	5.5	1.8	14.0	20.0
Tax paid	-0.0	-0.5	-0.7	-4.7	0.5
Cash flow before changes in working capital	13.3	16.9	45.3	46.2	77.9
Cash flow from changes in working capital	5.9	-3.0	-14.6	-8.2	-1.3
Cash flow from operating activities	19.2	13.9	30.7	37.9	76.6
Purchase of property, plant and equipment and non-current intangible assets	-1.1	-1.9	-2.0	-3.3	-4.7
Acquisition of Group companies, incl. cash funds	-36.7	-13.8	-47.5	-15.1	-15.2
Sale of Group companies	-	-	-	-	0.9
Change in financial assets	0.4	-0.0	0.3	-0.1	-
Cash flow from investing activities	-37.4	-15.7	-49.2	-18.5	-18.9
Dividend paid	-11.7	-	-11.7	-	-
New share issue	300.0	-	300.0	-	-
Amortisation of loans	-15.1	-15.4	-30.6	-31.5	-62.6
Change in credit facilities	-41.9	-0.9	-22.2	1.0	-4.7
Cash flow from financing activities	231.3	-16.3	235.5	-30.5	-67.3
Cash flow for the period	213.2	-18.1	217.1	-11.1	-9.6
Cash and cash equivalents at start of period	7.5	20.2	3.5	13.2	13.2
Exchange rate difference in cash and cash equivalents	0.0	-0.1	0.0	-0.0	-0.1
Cash and cash equivalents at end of period	220.6	2.0	220.6	2.0	3.4

Parent Company income statement

SEK million	3 months		6 months		12 months
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017
Net revenue	64.6	41.5	125.3	76.2	180.1
Other external expenses	-61.7	-35.6	-113.8	-63.7	-153.9
Personnel costs	-14.0	-8.0	-27.5	-15.7	-37.3
Profit/loss from participations in associates	0.0	0.0	0.0	0.0	0.0
Profit/loss before depreciation/amortisation, EBITDA	-11.0	-2.1	-16.1	-3.2	-11.1
Depreciation, amortisation and impairment losses	-1.2	-1.6	-2.3	-3.2	-4.8
Operating profit/loss, EBIT	-12.2	-3.7	-18.4	-6.3	-16.0
Financial items	-1.2	-3.0	-2.4	-3.0	1.4
Profit/loss after financial items	-13.4	-6.7	-20.7	-9.3	-14.5
Appropriations	0.0	0.0	0.0	0.0	20.3
Profit/loss before tax	-13.4	-6.7	-20.7	-9.3	5.8
Tax	0.0	0.3	0.0	0.3	-0.8
Profit/loss for the period	-13.4	-6.4	-20.8	-9.0	4.9

Parent Company statement of comprehensive income

SEK million	3 months		6 months		12 months
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017
Profit/loss for the year	-13.4	-6.4	-20.8	-9.0	4.9
Comprehensive income for the year	-13.4	-6.4	-20.8	-9.0	4.9

Parent Company balance sheet

SEK million	30 June 2018	30 June 2017	31 Dec 2017
ASSETS			
Non-current assets			
Other non-current intangible assets	1.5	–	1.0
Property, plant and equipment	6.5	9.7	8.7
Deferred tax asset	7.1	8.2	7.1
Financial assets	440.5	373.2	373.0
Total non-current assets	455.6	391.2	389.7
Current assets			
Current assets	472.1	211.0	153.1
Total current assets	472.1	129.3	153.1
TOTAL ASSETS	927.7	521.3	542.8
EQUITY AND LIABILITIES			
Equity	449.6	184.1	198.1
Non-current liabilities	135.1	175.5	150.7
Current liabilities	343.0	161.7	194.0
Total liabilities	478.0	337.2	344.7
TOTAL EQUITY AND LIABILITIES	927.7	521.3	542.8

Income statement per quarter for the Group

SEK million	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016
Net revenue	324.1	307.1	319.3	249.3	299.4	302.7	271.4	159.5
Other external expenses	-98.6	-74.5	-91.4	-86.9	-84.6	-75.2	-106.2	-49.2
Personnel costs	-201.6	-197.9	-198.9	-154.0	-193.4	-195.2	-168.5	-102.2
Profit/loss from participations in associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Profit/loss before depreciation/amortisation, EBITDA	23.9	34.6	29.0	8.3	21.4	32.3	-3.2	9.2
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)*	31.2	36.9	37.6	15.1	28.9	38.1	14.2	9.4
Depreciation, amortisation and impairment losses	-4.2	-4.9	-5.7	-5.4	-5.7	-5.6	-30.2	-5.8
Operating profit/loss, EBITA	19.7	29.7	23.3	3.0	15.7	26.7	-33.5	3.4
Operating profit/loss, EBITA (adjusted earnings)*	26.9	32.0	32.0	9.7	23.2	32.5	7.5	5.4
Acquisition-related items**	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.1	-0.1
Operating profit/loss, EBIT	18.8	28.8	22.4	2.0	14.8	25.8	-33.6	3.4
Operating profit/loss, EBIT (adjusted earnings)*	26.0	31.1	31.0	8.8	22.3	31.6	7.4	5.3
Financial items	-1.8	-1.4	-2.1	-1.8	-2.9	-0.8	-3.3	-4.2
Profit/loss after financial items	16.9	27.3	20.3	0.2	11.9	24.9	-36.8	-0.8
Tax	-3.8	-5.2	-8.4	-0.1	-2.1	-9.1	11.2	-1.2
Profit/loss for the period***	13.1	22.2	11.9	0.1	9.7	15.8	-25.6	-2.0
Attributable to:								
Parent Company shareholders	12.9	22.1	11.5	0.2	9.7	15.9	-25.5	-2.2
Non-controlling interests	0.2	0.0	0.4	-0.1	0.1	-0.1	-0.1	0.2

*Adjusted for items affecting comparability.

**Acquisition-related items are defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains and losses from divestments of companies, operations, land and buildings.

***No deviations between the profit or loss for the period and comprehensive income for the period.

Key performance indicators, Group

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
PROFITABILITY						
EBITDA	23.9	21.4	58.5	53.7	91.1	95.8
EBITDA margin, %	7.4	7.2	9.3	8.9	7.8	8.0
EBITDA (adjusted earnings)*	31.2	28.9	68.1	67.0	119.7	120.8
EBITDA margin, % (adjusted earnings)	9.6	9.7	10.8	11.1	10.2	10.1
EBITA	19.7	15.7	49.4	42.4	68.7	75.7
EBITA margin, %	6.1	5.2	7.8	7.0	5.9	6.3
EBITA (adjusted earnings)*	26.9	23.2	59.0	55.7	97.4	100.7
EBITA margin, % (adjusted earnings)	8.3	7.7	9.3	9.2	8.3	8.4
EBIT	18.8	14.8	47.5	40.6	65.0	72.0
EBIT margin, %	5.8	4.9	7.5	6.7	5.6	6.0
EBIT (adjusted earnings)*	26.0	22.3	57.1	53.8	93.7	97.0
EBIT margin, % (adjusted earnings)	8.0	7.4	9.1	8.9	8.0	8.1
NET REVENUE						
Total growth, %	8.2	44.0	4.8	50.0	40.0	–
- of which organic growth	4.4	-10.0	2.4	-6.0	4.1	–
- of which acquired growth	3.8	54.0	2.4	56.0	35.9	–
FINANCIAL POSITION						
Equity/assets ratio, %	52.8	30.0	52.8	30.0	31.6	–
Available cash and cash equivalents	381.3	145.5	381.3	145.5	142.9	–
- of which undrawn credit facilities	160.3	140.0	160.3	140.0	137.8	–
Leverage	-0.2	3.8	-0.2	3.8	2.5	-0.2
OTHER						
Number of employees	1,037	1,033	1,037	1,033	978	1,037
Average number of employees	1,013	982	992	1,012	988	978
Chargeability, %	79.7	79.0	79.5	79.0	78.6	78.9
Basic and diluted earnings per share, SEK	0.66	0.49	1.88	1.38	1.75	2.26
Equity per share, SEK	22.24	36.58**	22.24	36.58**	38.58**	22.24

*Adjusted for items affecting comparability.

**Previous year's basic and diluted earnings per share have been recalculated based on share issues implemented in 2018.

Notes

NOTE 1 Acquisitions

The company acquired the consulting firm FAST Engineering AB at the end of the second quarter. The company is expected to have annual sales of approximately SEK 27 million.

During the January to June period, the company carried out a total of five acquisitions: consulting firm Energi & VVS-planering i Helsingborg AB, Örebro-based ROOF Arkitekter AB and Gothenburg-based Sture Byberg Ingenjörbyrå AB, Smedjan Projektleddning AB and FAST Engineering AB. These acquisitions have contributed SEK 14.1 million and SEK 4.2 million to the Group's sales and operating profit respectively. If the companies had been owned since the start of the year, the corresponding figures would have been SEK 41.0 million and SEK 8.2 million. Since FAST Engineering has only been part of the Group for a few days, it has not any impact on consolidated sales or profit. Transaction expenses for the period total SEK 1.0 million (0.6) and are included in earnings under other external expenses.

Acquisition analysis

SEK million	Jan–Jun 2018
Goodwill	62.7
Other non-current assets	0.2
Current receivables	20.9
Cash and cash equivalents	8.5
Current and non-current liabilities	-18.9
Purchase considerations	73.3
Unpaid purchase considerations	-17.3
Cash and cash equivalents in acquired companies	8.5
Purchase considerations paid incl. cash funds	47.5
Transaction expenses	1.0
Total payments	48.5

NOTE 2 Financial instruments by category

The fair value of the Group's financial instruments is established via market valuation, e.g. recently completed transactions, the price of similar instruments and discounted cash flows. When there is no reliable data available for fair value measurement, financial instruments are recognised at cost (Level 3). There were no transfers between any of the levels during the period.

No financial instruments have been classified at Level 2. Carrying amount is deemed to represent a reasonable estimate of the fair value of all financial assets and liabilities. The financial assets and liabilities are assigned to valuation categories 2 and 3.

30 June 2018

SEK million	Measured at fair value via profit/loss	Loans and trade receivables	Financial assets available for sale, measured at fair value	Financial liabilities measured at amortised cost	Of which fair value per level*		
					1	2	3
Financial instruments, assets							
Financial investments	–	–	3.2	–	–	–	3.2
Trade receivables	–	180.4	–	–	–	–	–
Short-term investments	–	–	0.4	–	–	–	0.4
Cash and cash equivalents	–	220.6	–	–	–	–	–
Other non-current receivables	–	0.6	–	–	–	–	–
Total financial assets	–	401.6	3.6	–	–	–	3.6
Financial instruments, liabilities							
Recognised purchase considerations	33.4	–	–	–	–	–	33.4
Liabilities to customers and suppliers	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–
Interest-bearing liabilities, non-current	–	–	–	144.6	–	–	–
Interest-bearing liabilities, current	–	–	–	55.4	–	–	–
Total financial liabilities	33.4	–	–	200.0	–	–	33.4

NOTE 2 Financial instruments by category, cont.

30 June 2017

	Measured at fair value via profit/loss	Loans and trade receivables	Financial assets availa- ble for sale, measured at fair value	Financial liabilities measured at amortised cost	Of which fair value per level*		
SEK million					1	2	3
Financial instruments, assets							
Financial investments	–	–	–	–	–	–	–
Trade receivables	–	158.2	–	–	–	–	–
Short-term investments	–	3.2	–	–	–	–	3.2
Cash and cash equivalents	–	2.0	–	–	–	–	–
Other non-current receivables	–	0.9	–	–	–	–	–
Total financial assets	–	164.3	–	–	–	–	3.2
Financial instruments, liabilities							
Recognised purchase considerations	3.6	–	–	–	–	–	3.6
Liabilities to customers and suppliers	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–
Interest-bearing liabilities, non-current	–	–	–	25.3	–	–	–
Interest-bearing liabilities, current	–	–	–	247.4	–	–	–
Total financial liabilities	3.6	–	–	272.8	–	–	3.6

Financial assets and financial liabilities measured at fair value in the balance sheet, or where disclosures are submitted regarding fair value, are classified according to one of three levels based on the information used to establish the fair value. No transfers have occurred between these levels in 2018 or 2017.

Level 1

Financial instruments for which fair value is established based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. A market is considered active if quoted prices from a stock market, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and such prices represent actual and regularly occurring arm's-length market transactions.

Level 2

Financial instruments for which fair value is established according to valuation models based on observable data for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices). Examples of observable data under Level 2 are:

- Quoted prices for similar assets and liabilities.
- Data that may constitute grounds for assessing price, e.g. market rates and yield curves.

Level 3

Financial instruments for which fair value is established according to valuation models in which material inputs are based on unobservable data. No significant transfers between the levels have occurred during the periods. For other financial assets and financial liabilities, the recognised values are in all material respects deemed to correspond to the fair values. Recognised purchase considerations and financial investments are valued based on future earnings forecasts.

NOTE 3 Deferred tax asset/tax liability

The interim report's balance sheet is aggregated, which is why deferred tax assets are netted against deferred tax liabilities. In order to illustrate the impact of such netting on the balance sheet, the table below shows how the various components affect the deferred tax asset and deferred tax liability.

Deferred tax effect

SEK million	30 June 2018	30 June 2017
Deferred tax asset		
Loss carryforwards	15.0	24.1
Current assets	0.9	0.1
Total deferred tax asset	15.9	24.2
Deferred tax liability		
Non-current assets	11.4	6.2
Current assets	18.7	19.9
Total deferred tax liability	30.1	26.1
Net deferred tax effect	-14.2	-1.9

NOTE 4 Revenue breakdown

Projektengagemang's revenue comprises one type of income relating to delivery of assignments to customers. Revenue is broken down based on the company's technical areas, which are separated into the divisions that Projektengagemang is segmented into. For further information regarding the Group's revenue recognition, please refer to the accounting policies detailed in the 2017 Annual Report.

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Net revenue						
Architecture	48.1	71.5	91.3	144.4	248.7	195.6
Project Management	55.4	24.8	101.5	51.6	123.0	172.9
Architecture & Management	103.5	96.3	192.8	196.0	371.7	368.5
Building	45.3	43.9	94.2	89.2	170.9	176.0
Infrastructure	22.4	20.7	45.3	42.6	82.3	84.9
Civil Engineering & Infrastructure	67.7	64.6	139.4	131.7	253.2	260.9
Industry & Energy	52.1	55.4	97.4	108.7	217.4	206.0
Electrical, Telecommunications & Safety	76.4	61.6	151.3	126.5	246.4	271.3
HVAC	35.3	30.7	71.9	61.5	116.6	127.0
Systems	111.7	92.3	223.2	188.0	363.0	398.2
Internal eliminations	-11.0	-9.1	-21.6	-22.3	-34.6	-33.9
Total	324.1	299.4	631.1	602.1	1,170.7	1,199.7

Key performance indicators, definitions

This report contains financial measures that are not defined in IFRS. These financial measures are used to monitor, analyse and direct operations and to supply the Group's stakeholders with information about the Group's financial position, earnings and performance. These financial measures are considered to be necessary to be able to monitor and direct the development of the Group's financial targets and it is therefore relevant to publish them regularly. Below is a list of definitions of the key performance indicators used in this report.

Share-based measures

Earnings per share

Profit/loss for the year attributable to shareholders divided by a weighted average of the number of shares during the year

Performance figures

Return on equity

Profit/loss for the year according to income statement excluding minority's share, as a percentage of average equity

Return on capital employed

Profit/loss after net financial items, including earnings from participations in associates with reversal of interest expenses, as a percentage of average capital employed

Return on total capital

Profit/loss after net financial items, including earnings from participations in associates plus finance costs, as a percentage of average total assets

Financial measures

Acquisition-related items

Defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains and losses from divestments of companies, operations, land and buildings.

Average period of fixed interest

Period of fixed interest weighted according to outstanding interest-bearing liabilities

Average equity

Average amount of recognised equity at 1 January and 31 December

EBITA

Operating profit/loss excluding acquisition-related items

Adjusted earnings

Operating profit/loss adjusted for items affecting comparability

Items affecting comparability

Items relating to terminated operations, acquisition and integration expenses and IPO expenses

Asset turnover

Net revenue divided by average capital employed

Net cash position (-)/debt

Interest-bearing liabilities less financial assets including cash and cash equivalents

Net revenue

Net revenue corresponds to invoicing of current projects

Order intake

The value of projects taken on and changes to existing projects during the current period

R12

Rolling 12 months

Interest coverage ratio

Profit/loss after financial items plus finance costs divided by finance costs

Leverage

Net cash position (-)/debt divided by EBITDA, rolling 12 months

Debt/equity ratio

Net cash position (-)/debt divided by equity

Equity/assets ratio

Total equity as a percentage of total assets

Capital employed

Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed is calculated as the average of values at 1 January and 31 December

Margins

Operating margin

Operating profit/loss as a percentage of net revenue

EBITA margin

EBITA as a percentage of net revenue

Profit margin

Profit/loss after financial items as a percentage of net revenue for the period

Other key performance indicators

Number of employees

Total number of employees, all forms of employment, at end of period

Chargeability

Time charged to customer in relation to total attendance

Average number of FTEs

Average number of employees during the year recalculated to full-time equivalents. The actual number of employees is higher due to part-time positions, and the fact that some employees only work for part of the year

Calendar effect

Average number of employees for the period multiplied by the difference in the number of available working days during the period, multiplied by average sales/employee

Average interest

Nominal interest weighted according to outstanding interest-bearing liabilities at the balance sheet date

Calculations of financial performance measures not defined according to IFRS

Some of the descriptions and analyses presented in this interim report include alternative performance measures that are not defined by IFRS. The company is of the opinion that this information, in combination with comparable defined IFRS measures, is useful for investors, as it provides a basis for measuring operating earnings and the ability to repay liabilities and invest in the business. Company management uses these financial measures,

together with the most directly comparable financial measures according to IFRS, when evaluating operating earnings and value creation. These alternative performance measures should not be considered in isolation from, or as a substitute for financial information published in the financial statements in accordance with IFRS. The alternative performance measures that are reported do not necessarily need to be comparable with similar measures published by other companies. Reconciliations are presented in the tables below.

SEK million	3 months		6 months		12 months	
	Apr–Jun 2018	Apr–Jun 2017	Jan–Jun 2018	Jan–Jun 2017	Jan–Dec 2017	Rolling 12 mths
Non-current, interest-bearing liabilities	144.6	217.3	144.6	217.3	173.8	144.6
Current, interest-bearing liabilities	55.4	55.4	55.4	55.4	77.5	55.4
Cash and cash equivalents including short-term investments	-221.0	-5.2	-221.0	-5.2	-5.0	-221.0
Net cash position (-)/debt	-21.6	267.5	-21.6	267.5	246.3	-21.6
Net cash position (-)/debt	-21.6	267.5	-21.6	267.5	224.2	-21.6
EBITDA, rolling 12 months	95.8	70.9*	95.8	70.9*	91.1	95.8
Leverage	-0.2	3.8*	-0.2	3.8*	2.5	-0.2
Operating profit/loss, EBIT	18.8	14.8	47.5	40.6	65.0	72.0
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
Operating margin EBIT, %	5.8	4.9	7.5	6.7	5.6	6.0
Operating profit/loss, EBIT (adjusted earnings)	26.0	22.3	57.1	53.8	93.7	97.0
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
Adjusted operating margin EBIT, %	8.0	7.4	9.1	8.9	8.0	8.1
Operating profit/loss, EBIT	18.8	14.8	47.5	40.6	65.0	72.0
Acquisition-related items	-0.9	-0.9	-1.8	-1.8	-3.7	-3.7
EBITA	19.7	15.7	49.4	42.4	68.7	75.7
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
EBITA margin, %	6.1	5.2	7.8	7.0	5.9	6.3
Operating profit/loss, EBIT (adjusted earnings)	26.0	22.3	57.1	53.8	93.7	97.0
Acquisition-related items	-0.9	-0.9	-1.8	-1.8	-3.7	-3.7
EBITA (adjusted earnings)	26.9	23.2	59.0	55.7	97.4	100.7
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
Adjusted EBITA margin, %	8.3	7.7	9.3	9.2	8.3	8.4
Operating profit/loss, EBIT	18.8	14.8	47.5	40.6	65.0	72.0
Depreciation/amortisation	5.1	6.6	11.0	13.2	26.1	23.9
Profit/loss before depreciation/amortisation, EBITDA	23.9	21.4	58.5	53.7	91.1	95.8
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
EBITDA margin, %	7.4	7.2	9.3	8.9	7.8	8.0
Operating profit/loss, EBIT (adjusted earnings)	26.0	22.3	57.1	53.8	93.7	97.0
Depreciation/amortisation	5.1	6.6	11.0	13.2	26.1	23.9
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)	31.2	28.9	68.1	67.0	119.7	120.8
Net revenue	324.1	299.4	631.1	602.1	1,170.7	1,199.7
Adjusted EBITDA margin, %	9.6	9.7	10.8	11.1	10.2	10.1

* Proforma EBITDA

Adjusted operating profit/loss EBIT and EBITA for items affecting comparability

Company management is of the opinion that the operating performance measures EBIT and EBITA, adjusted for acquisition expenses and integration expenses associated with the significant acquisitions that occurred in 2016, together with listing-related costs provide useful information allowing investors

to monitor and analyse the underlying earnings performance of the business, and create comparable performance measures between different periods. In the second quarter of 2018, earnings were negatively impacted by a total of SEK 7.3 million in items affecting comparability. These costs comprise consulting expenses associated with the company's IPO.

SEK million	3 months		6 months		12 months	
	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017	Rolling 12 mths
EBITA	19.7	15.7	49.4	42.4	68.7	75.7
Terminated operations	0.0	0.0	0.0	–	0.9	0.5
Acquisition and integration expenses	0.0	6.2	0.0	10.6	19.5	8.9
IPO expenses	7.3	1.3	9.6	2.3	8.3	15.6
EBITA items affecting comparability	7.3	7.5	9.6	12.9	28.7	25.0
Adjusted EBITA	26.9	23.2	59.0	55.7	97.4	100.7

SEK million	3 months		6 months		12 months	
	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017	Rolling 12 mths
Operating profit/loss, EBIT	18.8	14.8	47.5	40.6	65.0	72.0
EBITA items affecting comparability	7.3	7.5	9.6	12.9	28.7	25.0
Items affecting comparability EBIT	7.3	7.5	9.6	12.9	28.7	25.0
Adjusted EBIT	26.1	22.3	57.1	53.8	93.7	96.9

Net revenue growth

For clarification of net revenue growth, Projektengagemang attributes growth partly to acquired growth and organic growth, and partly to the calendar effect. The quarter's calendar effect of

a half day affects net revenue in the amount of SEK 2.2 million. There is no calendar effect for the January–June 2018 period.

SEK million	3 months			6 months		
	Apr-Jun 2018	Apr-Jun 2017	Growth %	Jan-Jun 2018	Jan-Jun 2017	Growth %
Reported net revenue	324.1	299.4	8.2	631.1	602.1	4.8
Adjustment for acquisitions/divestments	-11.3	–	–	-14.3	–	–
Net revenue adjusted for acquisitions/divestments (organic growth)	312.7	299.4	4.4	616.8	602.1	2.4
Adjustment for calendar effect	-2.2	–	–	–	–	–
Net revenue adjusted for acquisitions/divestments and calendar effect (organic growth taking account of calendar effect)	310.5	299.4	3.7	616.8	602.1	2.4

Calendar effect days

Quarter	2018	2017	Difference
Q1	63.0	63.5	-0.5
Q2	58.0	57.5	0.5
Q3	65.0	65.0	0.0
Q4	61.5	63.5	-2.0
Total	247.5	249.5	-2.0

Average number of employees for the period multiplied by the difference in the number of available working days during the period, multiplied by average net revenue/employee.

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Financial calendar

Second quarter 21 August 2018
Third quarter 7 November 2018
Year-end report 22 February 2019

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