

# Q4

## Year-end report

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January to December 2018

# Acquisitions and investments

Projektengagemang continued to progress over the year. Revenue increased during the year but profit decreased as a result of investment in our own organisation to lay the ground for continued development in line with financial targets. Revenue in the fourth quarter was the Group's highest ever and an eventful year was rounded off with the company's largest acquisition.

## Fourth quarter, 1 October – 31 December 2018

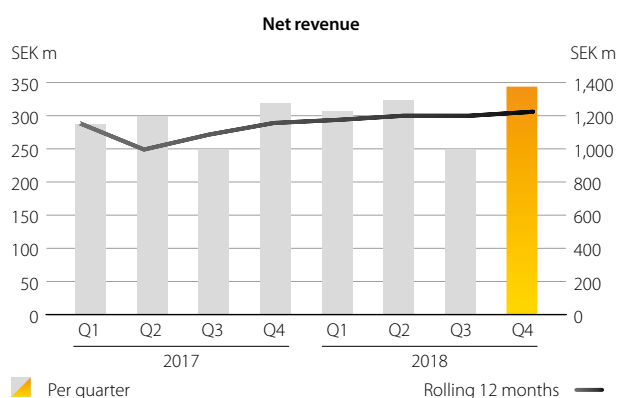
- Net revenue totalled SEK 343.8 million (319.3), an increase of 8%
- EBITA amounted to SEK 19.3 million (23.3); SEK 19.3 million (32.0) when adjusted for items affecting comparability
- EBIT amounted to SEK 25.4 million (22.4); SEK 18.3 million (31.0) when adjusted for items affecting comparability
- Earnings for the period totalled SEK 22.1 million (11.9)
- Basic and diluted earnings per share totalled SEK 0.89 (0.47)
- Integra Engineering AB was acquired during the period, with estimated annual revenue of just over SEK 200 million and 200 employees

## The period, 1 January – 31 December 2018

- Net revenue totalled SEK 1,223.8 million (1,170.7), an increase of 5%
- EBITA amounted to SEK 70.8 million (68.7); SEK 80.4 million (97.4) when adjusted for items affecting comparability
- EBIT amounted to SEK 74.2 million (65.0); SEK 76.7 million (93.7) when adjusted for items affecting comparability
- Earnings for the period totalled SEK 57.1 million (37.5)
- Earnings per share were SEK 2.63 (1.73)
- PE was listed on Nasdaq Stockholm on 19 June. To coincide with the listing and exercise of the over-allotment option, an issue of new shares was carried out, the proceeds of which totalled SEK 329.1 million before transaction expenses
- A total of seven companies were acquired over the year, with estimated annual revenue of around SEK 290 million
- The Board proposes a dividend of SEK 1.00 (0.48) per share<sup>1</sup>

## Group summary

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net revenue	343.8	319.3	1,223.8	1,170.7
EBITA	19.3	23.3	70.8	68.7
EBITA (adjusted earnings)	19.3	32.0	80.4	97.4
EBITA margin, %	5.6	7.3	5.8	5.9
EBITA margin, % (adjusted earnings)	5.6	10.0	6.6	8.3
Operating profit/loss, EBIT	25.4	22.4	74.2	65.0
Operating profit/loss, EBIT (adjusted earnings)	18.3	31.0	76.7	93.7
Operating margin, %	7.4	7.0	6.1	5.6
Operating margin, % (adjusted earnings)	5.3	9.7	6.3	8.0
Profit/loss for the period	22.1	11.9	57.1	37.5
Earnings per share (SEK) before and after dilution for the period	0.89	0.47	2.63	1.73
Net debt	207.8	246.3	207.8	246.3



<sup>1</sup> SEK 0.48 is a recalculation based on the number of shares outstanding at 31 December 2018. The actual dividend paid was SEK 2 per 5,851,414 shares

# CEO comments

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Projektengagemang is continuing to grow. Net revenue for the fourth quarter was SEK 344 million, which is the highest in our company's history. This corresponds to an increase of just under 8 percent compared with the previous year. For the full year, net revenue was SEK 1.2 billion, which equates to growth of 5 percent.

Profit did not develop in the same way. The adjusted EBITA margin for the quarter was 5 percent and 7 percent for the full year, which is a decrease compared with the previous year. However, I believe that profit was satisfactory given the transition work undertaken in Architecture & Management and Industry & Energy, in addition to investment in our organisation and in railways.

2018 was an eventful year that saw both our IPO and the acquisition of seven companies. In order to continue developing our business and offering, we have also invested in our organisation and corporate culture and initiated clearer productisation and packaging of our services. For instance, during the quarter we launched 'Sustainable Property', which strengthens our market position in sustainability. We also carried out extensive work on our core values, bolstered our HR department and started work on bringing our different capabilities within larger but fewer offices in our growth regions. These measures are intended to support continued profitable growth over the coming years.

## Our largest ever acquisition

In the fourth quarter we acquired Integra Engineering AB. Integra specialises in building design in both construction and industry. The company has around 200 employees and just over SEK 200 million in annual revenue and an operating profit of approximately SEK 25 million. This means that Integra will contribute with a 16 percent revenue increase from 1 January 2019. The acquisition makes us one of the market leaders in building design in Sweden. The acquisition also meant that during the year PE went from having around 50 to over 200 employees in the fast-growth Västergötland region, which is a priority area for us.

## Demand driven by significant social needs

2018 saw a slowdown in new-build projects, particularly in the Stockholm region, which is affecting demand in our areas of business. Underlying growth factors in the market remain positive, however. This is mainly being driven by continued significant need for new builds, extensions or refurbishment of buildings such as hospitals, schools and offices, large infrastructure projects and the transition to a more sustainable society.

## Workforce planning

A general problem in the industry is the availability of the right skills which has means we have been unable to recruit new employees to the extent that we wanted. According to an estimate made by the trade association Innovationsföretagen in June 2018, 7,000 more people are needed in the industry.



To address this issue, we have strengthened our HR department with additional capabilities in the form of a new HR manager and dedicated HR support for each business area. As an attractive employer with a focus on the development and commitment of our employees, we will ensure continued profitable growth.

## Significant progress in transition work

The Systems division delivered strong results in 2018, with increased revenue and profitability both for the quarter and the full year. This was achieved through good performance by operating activities and effective integration of acquired companies. Over the year PE established itself as one of the market leaders in fire and safety.

The transition work in the Architecture & Management and Industry & Energy divisions is largely complete. The Civil Engineering & Infrastructure division showed a material deterioration in earnings compared with the previous year. This was mainly due to the investment in railways and environment, which started in the third quarter. This is a strategically important investment for the division to meet an increase in demand.

I believe the long-term work we put in over the year will lay the ground for continued profitable growth in line with our financial targets. The results of the transition work and investment are expected to generate a gradual improvement in the margin from the second quarter of 2019. I look forward with confidence to 2019 as we continue the exciting work of renewing society through innovative and sustainable solutions.

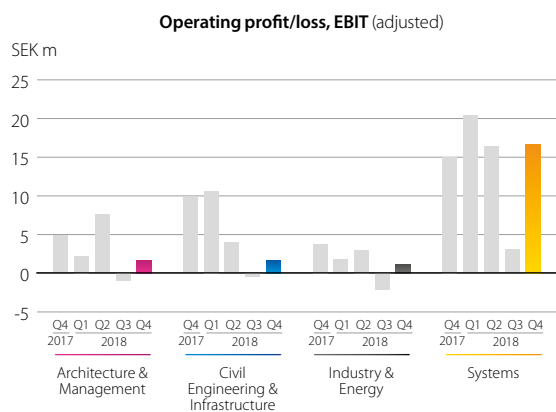
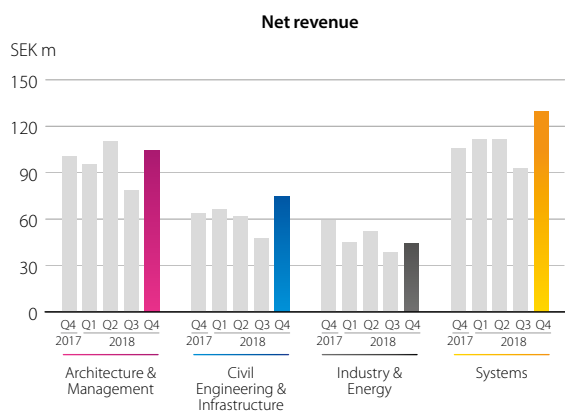
Together we make a difference!

Per Hedebäck  
*President and CEO*

# Divisions: financial overview

## Net revenue and operating profit by division

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Net revenue</b>				
Architecture & Management	104.3	100.5	388.8	393.7
Civil Engineering & Infrastructure	74.7	63.4	250.2	231.2
Industry & Energy	44.0	59.0	179.9	217.4
Systems	129.5	105.9	445.3	363.0
Other and items affecting comparability	-8.7	-9.5	-40.4	-34.6
<b>Total</b>	<b>343.8</b>	<b>319.3</b>	<b>1,223.8</b>	<b>1,170.7</b>
<b>Earnings</b>				
Architecture & Management	1.7	4.9	10.6	18.7
Civil Engineering & Infrastructure	1.7	9.8	15.9	28.9
Industry & Energy	1.1	3.8	3.8	4.4
Systems	16.7	15.0	56.7	43.0
Other and items affecting comparability	4.2	-11.1	-12.8	-30.0
<b>Operating profit/loss, EBIT</b>	<b>25.4</b>	<b>22.4</b>	<b>74.2</b>	<b>65.0</b>
Net financial items	-1.6	-2.1	-5.8	-7.6
Tax	-1.7	-8.4	-11.3	-19.9
<b>Profit/loss for the period</b>	<b>22.1</b>	<b>11.9</b>	<b>57.1</b>	<b>37.5</b>



# Revenue and earnings for the Group

## Fourth quarter, 1 October – 31 December 2018

Net revenue for the fourth quarter of 2018 was SEK 343.8 million (319.3), an increase of 7.7 percent compared with the previous year. Profit before acquisition-related items (EBITA) was SEK 19.3 million (23.3), and operating profit (EBIT) was SEK 25.4 million (22.4). The corresponding profit adjusted for items affecting comparability amounted to SEK 19.3 million (32.0) and SEK 18.3 million (31.0) respectively. The EBITA margin adjusted for items affecting comparability amounted to 5.6 percent (10.0).

The increase in revenue in the fourth quarter was largely attributable to the companies that were acquired during the year, which have performed in line with expectations. The acquired companies contributed SEK 24.7 million to revenue for the quarter. Organic growth was 0 percent and adjusted for the calendar effect it was 2.8 percent. See page 25 for the calculation. The increase in revenue was mainly attributable to the Systems and Civil Engineering & Infrastructure divisions. The decrease in adjusted operating profit (EBITA) was mainly attributable to the investment in railways and environment which has negatively affected the results with SEK 5.0 million in the quarter, as well as the transition work undertaken in two of our divisions.

Items affecting comparability in the quarter had a positive effect on profit and amounted to SEK 7.1 million (-8.6) and had an impact on EBITA. This item is attributable to the reversed contingent consideration for previous acquisitions.

In the fourth quarter Integra Engineering AB was acquired. The company was consolidated at 31 December 2018 and therefore did not have an effect on revenue or profit in the quarter.

## The period, 1 January – 31 December 2018

Net revenue for the 1 January to 31 December period amounted to SEK 1,223.8 million (1,170.7), an increase of 4.5 percent compared with the previous year. Profit before acquisition-related items (EBITA) was SEK 70.8 million (68.7), and operating profit (EBIT) was SEK 74.2 million (65.0), an improvement of 3.0 and 14.2 percent respectively. The corresponding profit adjusted for items affecting comparability amounted to SEK 80.4 million (97.4) and SEK 76.7 million (93.7) respectively. The EBITA margin adjusted for items affecting comparability amounted to 6.6 percent (8.3).

The increase in revenue was largely due to the acquired companies, which contributed SEK 55.8 million in revenue. Organic growth totalled -0.2 percent. Adjusted for the calendar effect, which corresponded to a SEK 9.0 million negative deviation versus the previous year, it was 0.6 percent. See page 25 for further information.

The lower adjusted EBITA compared with the previous year was mainly due to the transition work in the Architecture & Management and Industry & Energy divisions as well as the Civil Engineering & Infrastructure division, whose profit decreased owing to the investment being made in railways and environment. During the year, the investment has affected the operating profit by approximately SEK 10 million. The Systems division's improved profit was due to acquisitions and good performance of the existing business.

Items affecting comparability for the period amounted to SEK 2.5 million (28.7). SEK 9.6 million of this corresponds to costs relating to the IPO on Nasdaq Stockholm, while revenue of SEK 7.1 million is attributable to reversed contingent consideration from previous acquisitions. Please see page 25 for further details about these items.

### Growth

Average annual growth of 15% over a business cycle

### Profitability

EBITA margin exceeding 8% over a business cycle

### Debt/equity ratio

Between 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, water supply and sanitation, land, as well as project management and management consulting in strategic matters within public construction.

The division's net revenue amounted to SEK 104 million (101) for the quarter, an increase of 3 percent. Operating profit for the period was SEK 2 million (5). The decrease in profit was mainly due to costs related to the transition work during the quarter. For the full year net revenue was SEK 389 million (394) with operating profit of SEK 11 million (19).

The transition work is largely complete and is expected to contribute a gradual improvement in profit in 2019. The main aim of the transition is to adapt the organisation to the market to improve profitability. Efforts to develop our project management and management offering are continuing to progress well and integration into the new divisional structure was effective during the year. The investment in sustainability initiated in the third quarter has expanded our offering and strengthened the organisation, although it has initially impacted profit.

After the end of the quarter, Helena Liljegren took up the post as new Head of Division and the firm of architects Mats & Arne Arkitektkontor AB was acquired. The company is based on Gothenburg and Stenungsund and strengthens the division's offering in the region.

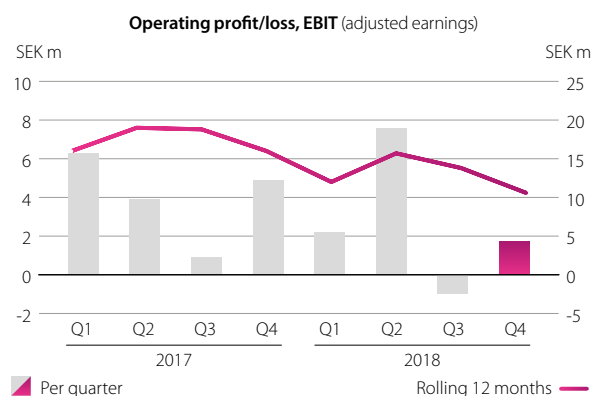
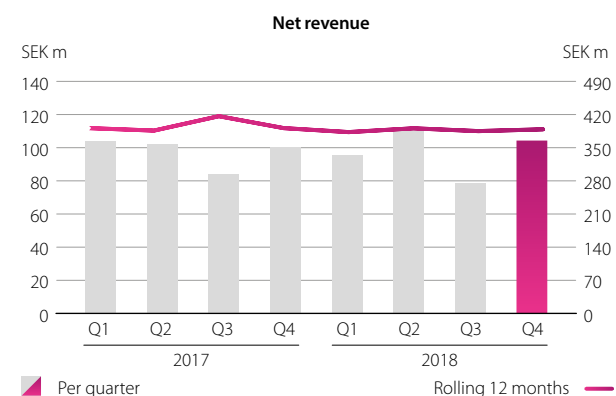
We believe the underlying market trends for the services offered by the division remain solid. We are seeing increased demand for sustainability-related services and general consulting assignments. There is also an underlying lack of housing in Sweden, where the Swedish National Board of Housing, Building and Planning assesses that an additional 600,000 homes are needed by 2025. There has been a slowdown, however, in new construction projects, primarily with regard to the building of exclusive tenant-owner apartments in the Stockholm region. Although PE is not highly dependent on new housing construction, this has still had a negative effect on the division's revenue and earnings.

Work on the division's 'Sustainable Property' product has continued and the market response is very positive. The product is a tool that provides a structured and specific method for property owners to analyse sustainability work in their property portfolio.

The Architecture & Management division is represented in 11 locations in Sweden, and the number of employees at the end of the fourth quarter totalled 270.

## Division summary

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net revenue	104.3	100.5	388.8	393.7
- of which internal net revenue	14.4	17.6	56.4	44.1
Total growth, %	3.8	-20.0	-1.2	40.2
- of which organic growth, %	-3.6	-20.0	-6.3	-8.0
- of which acquired growth, %	7.4	0.0	5.1	48.2
Operating profit/loss, EBIT (adjusted earnings)	1.7	4.9	10.6	18.7
- EBIT margin, %	1.7	4.9	2.7	4.7
Average number of employees	276	276	278	293



# Civil Engineering & Infrastructure

Through its Civil Engineering & Infrastructure division, Projektengagemang offers services for the construction and property sectors, as well as within infrastructure. These services range from building design, acoustics, geotechnics, energy, environment and sustainability, to bridge and plant design, railways, roads, water treatment and environmental impact.

The division's net revenue amounted to SEK 75 million (63) for the quarter, an increase of 19 percent. Operating profit for the period decreased to SEK 2 million (10). The decrease in profit is mainly due to low capacity utilisation of the two strategic investments being made in railways and environment and to internal costs relating to the acquisition of Integra. For the full year net revenue was SEK 250 million (231) with operating profit of SEK 16 million (29).

During the quarter we acquired Integra Engineering AB. Integra is PE's largest ever acquisition and specialises in building design in both construction and industry. The acquisition makes Projektengagemang one of Sweden's market leaders in building design, and the transaction is in line with the growth strategy which aims to take leading market positions. Integra's financial results will be included in the Group's accounts from the first quarter of 2019.

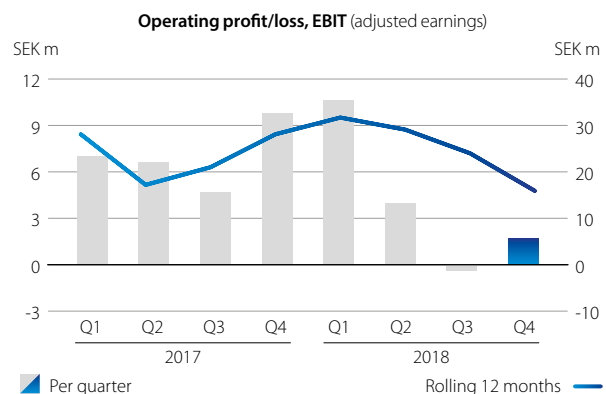
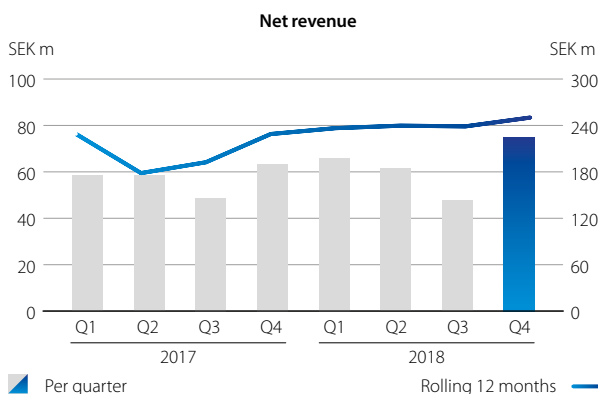
Looking ahead, we see continued infrastructure investments fuelled by neglected maintenance and new investment. The rate of activity is intensifying given political clarity and will, with infrastructure now having its own department. The market is assessed to be growing particularly in Stockholm and the Västra Götaland region.

Despite the slowdown in new-build projects in 2018, particularly in the Stockholm region, construction project start-ups increased considerably in other regions. There is still a significant need for new-builds, extension work and refurbishments of buildings such as hospitals, schools and offices. We therefore continue to view the market for our specialist services and our local markets as stable and positive in the long term.

The Civil Engineering & Infrastructure division is represented in 16 locations in Sweden, and the number of employees, including Integra, at the end of the fourth quarter totalled 369.

## Division summary

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net revenue	74.7	63.4	250.2	231.2
- of which internal net revenue	6.5	8.3	299	25.0
Total growth, %	17.9	135.4	8.2	67.4
- of which organic growth, %	15.5	60.1	6.0	13.6
- of which acquired growth, %	2.4	75.3	2.2	53.8
Operating profit/loss, EBIT (adjusted earnings)	1.7	9.8	15.9	28.9
- EBIT margin, %	2.2	15.4	6.3	12.5
Average number of employees	196	161	185	169



# Industry & Energy

PE's Industry & Energy division offers the industrial sector solutions comprising strategic consulting, automation, product development, mechanical design, process and calculation services. PE's work aims to make these sectors more sustainable, competitive and profitable.

The division's net revenue amounted to SEK 44 million (59) for the quarter, a decrease of 25 percent. The change is largely due to a decline in deliveries, including material, and impairment of certain major projects. Operating profit for the period was SEK 2 million (4). The decrease in profit is mainly due to the transition work that has largely been completed and to adjustments to revenue recognition of certain major projects. Despite significantly lower revenue, accumulated profit was in line with the previous year. Full-year net revenue for the division was SEK 180 million (217) and operating profit was SEK 4 million (5).

Several strategic initiatives have been launched, focusing on supporting industrial customers in streamlining processes and production using automation and digitalisation. The division is

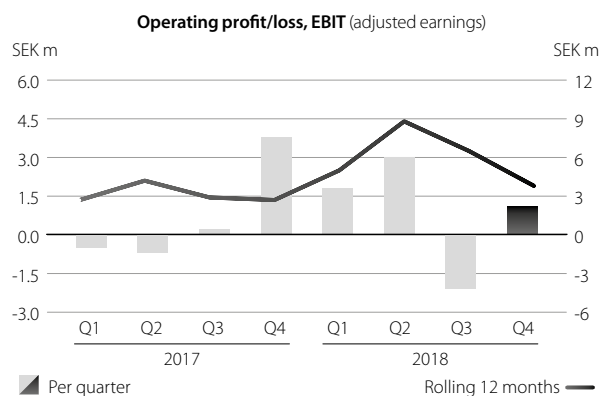
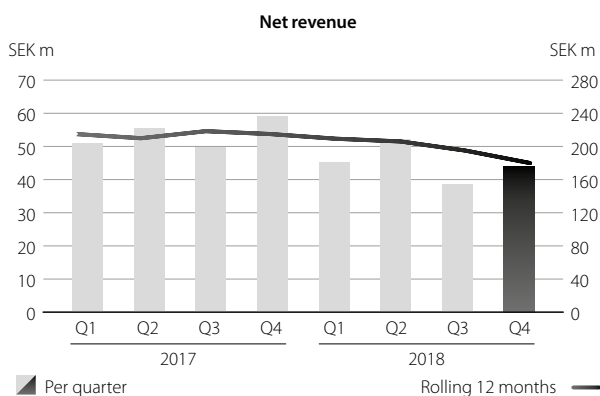
seeing increased demand in these areas, which suggests the investments are fully in line with customer needs. PE's extensive capabilities within digitalisation are an important factor in receiving new assignments.

Our market assessment is that the division will continue to encounter a trend that features variations between different segments of industry. In order to boost profitability and competitiveness, we are working to clarify PE's end-to-end solutions within automation and digitalisation, which we believe will increase value for our customers.

The Industry & Energy division is represented in 15 locations in Sweden and India, and the number of employees in the division at the end of the fourth quarter totalled 160.

## Division summary

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net revenue	44.0	59.0	179.9	217.4
- of which internal net revenue	4.9	3.9	12.6	9.9
Total growth, %	-25.5	-5.5	-17.2	0.9
- of which organic growth, %	-25.5	-5.5	-17.2	0.9
- of which acquired growth, %	0.0	0.0	0.0	0.0
Operating profit/loss, EBIT (adjusted earnings)	1.1	3.8	3.8	4.4
- EBIT margin, %	2.5	6.4	2.1	2.0
Average number of employees	165	152	177	210





# Systems

In the Systems division, Projektengagemang offers installation engineering services at all stages of the building process, focusing on HVAC design, electrical and telecommunications engineering, safety, fire protection and sprinkler systems.

The division's net revenue amounted to SEK 130 million (106) for the fourth quarter, an increase of 23 percent. Operating profit for the period was approximately SEK 17 million (15). The improvement in revenue and earnings is partly the result of developments in operating activities, and the successful integration work with the companies acquired during the year. Full-year net revenue for the division was SEK 445 million (363) and operating profit was SEK 57 million (43).

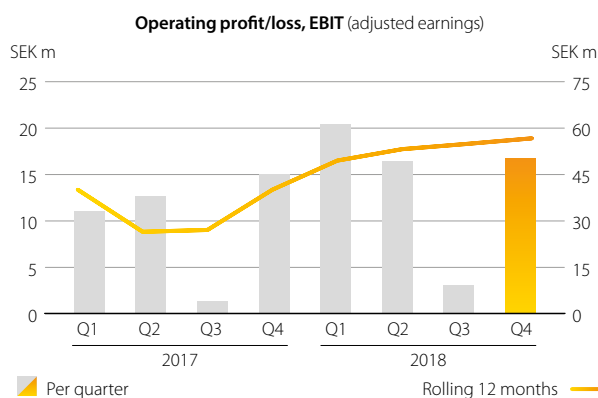
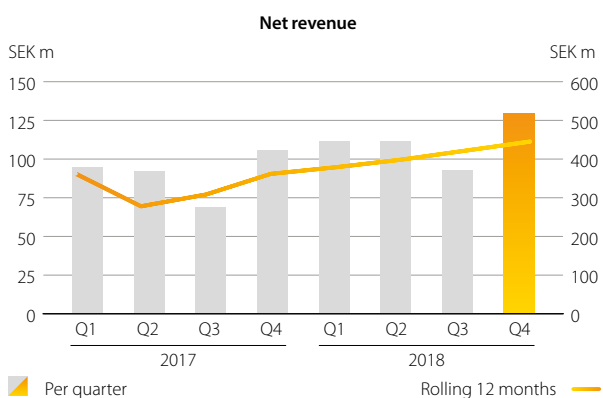
The investment made in fire protection planning and risk management has performed well. Through acquisitions and organic growth PE has taken a market-leading position. Fire protection planning engineers are often involved in the early stages of projects, which generates greater cooperation with other parts of PE. The investment has resulted in the creation of the new business area Fire, Risk & Protection.

Market conditions for the division's services are assessed to be favourable throughout Sweden, particularly in metropolitan regions. Most of the assignments focus on installation engineering in new builds and refurbishments of all types of properties, including major, complex projects spanning several areas. These include the manufacturing industry, hospitals, shopping centres, housing and sports grounds. The combination of wide-ranging and specialist services is much in demand, and customers mainly comprise private property management companies and building contractors, as well as public-sector customers.

The Systems division is represented in 20 locations in Sweden and Norway, and the number of employees in the division at the end of the fourth quarter totalled 357.

## Division summary

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net revenue	129.5	105.9	445.3	363.0
- of which internal net revenue	14.0	15.4	58.9	34.4
Total growth, %	22.2	40.1	22.7	75.1
- of which organic growth, %	7.3	40.1	14.2	12.0
- of which acquired growth, %	14.9	0.0	8.5	63.0
Operating profit/loss, EBIT (adjusted earnings)	16.7	15.0	56.7	43.0
- EBIT margin, %	12.9	14.1	12.7	11.8
Average number of employees	361	294	332	278



# Cash flow and financial position

## Fourth quarter, 1 Oct–31 Dec 2018

Cash flow from operating activities amounted to SEK 39.6 million (59.4).

Investing activities for the quarter showed a net outflow of SEK 218.7 million (6.9), which was largely due to the acquisition of Integra Engineering AB.

Cash flow from financing activities totalled SEK 115.3 million (-50.3). In the fourth quarter PE signed a new bank agreement, which is for a period of three years and amounts to SEK 541.8 million including acquisition and investment facilities of SEK 200.0 million. In conjunction with the conclusion of the agreement, SEK 281.0 million was received and SEK 156.0 million was amortised. In addition to this, a further SEK 9.7 million was amortised during the quarter.

## Period, 1 January–31 December 2018

Cash flow from operating activities for the full year amounted to SEK 37.8 million (76.6). The negative development compared with the previous year was attributable to working capital.

Investing activities exhibited a net outflow for the full year of SEK 275.1 million (18.9), which was primarily attributable to the acquisition of subsidiaries.

Cash flow from financing activities during the period totalled SEK 342.8 million (-67.3). The positive inflow was linked to the issue of new shares in connection with the company's listing on Nasdaq Stockholm and a new bank agreement, which resulted in a net inflow of SEK 125.0 million. During the period, a dividend of SEK 11.3 million was paid, in addition to amortisations of SEK 213.6 million, SEK 156.0 million of which related to the redemption of existing loans in conjunction with the signing of a new bank agreement. At the end of June the company repaid the drawn portion of the revolving credit facility, which is the main reason for the change in credit facilities.

The equity/assets ratio for the Group was 49.1 percent (31.6) and equity totalled SEK 587.2 million, corresponding to SEK 23.87 per share.

## Acquisitions

The fourth quarter saw the acquisition of Engineering AB, which specialises in building design and is based in Trollhättan, with offices in around ten locations around Sweden. Earlier in the year Energi & VVS-planering i Helsingborg AB, Sture Byberg Ingenjörbyrå AB, ROOF Arkitekter AB, Smedjan Projektledning AB, FAST Engineering AB and PreCendo AB were acquired. All acquisitions have strengthened the Group's offering in the respective location and created a more stable foundation for continued growth.

The contribution from acquisitions to Group revenue for the period was SEK 55.0 million, with operating profit of SEK 8.0 million. If the companies had been owned for the full year, the companies would have contributed revenue of approximately SEK 300.0 million and operating profit of SEK 45.0 million. Of this, Integra accounts for approximately SEK 200.0 million and SEK 25.0 million respectively.

## Investments, depreciation and amortisation

Equipment has been purchased for a total of SEK 3.0 million (4.8). Depreciation of equipment totalled SEK 18.2 million (21.6), of which amortisation of finance leases amounted to SEK 13.6 million (15.3). Amortisation of intangible assets totalled SEK 4.3 million (4.5). Purchase considerations paid relating to acquired companies amounted to SEK 276.1 million, see Note 1 for further details.

## Significant events in the period

### 1 January – 31 December 2018

In the first quarter, PE was reorganised according to a new divisional structure.

PE 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 within the Group, to clarify our offering to customers and streamline internal processes. PE carried out seven acquisitions in the period with total estimated annual revenue of around SEK 285 million. During the year Åsa Holmgren joined as HR Director and Helena Liljegren was appointed Head of Division for Architecture & Management. Helena took up the post in January 2019. Both are members of the Group's management team.

PE was listed on Nasdaq Stockholm with an initial trading date of 19 June. The offering included a total of 10,003,860 B shares, of which 6,382,979 were newly issued shares. The new share offering, including the over-allotment option, generated proceeds of SEK 329.0 million for PE before transaction expenses. Costs of SEK 9.6 million attributable to the IPO have been charged to operating profit in the second quarter. In addition, SEK 19.9 million has been booked against equity.

## Significant events after the end of the period

There have been no events since the end of the reporting period that have materially affected the Group's earnings or financial position.

## Other information

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### Employees

The average number of FTEs in the quarter amounted to 1,051 (996). The number of employees at the end of the period was 1,211 (978).

### Tax

The tax expense for the period totalled SEK 11.3 million (19.9). 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–31 December period totalled SEK 249.2 million (180.1), with operating income (EBIT) corresponding to SEK -10.0 million (-16.0). Net revenue for the Parent Company mainly relates to intra-group cost allocations.

### Share information

Projektengagemang was listed on Nasdaq Stockholm in 2018. The first day of trading was 19 June and the shares were listed at a price of SEK 47. The buying price at 31 December for PENG-B was SEK 35, a decrease of 25.5 percent.

### Dividend

The Board proposes that a dividend of SEK 1.0 per share be paid, an increase by SEK 0.52. The total dividend amounts to SEK 24,555,677 (11,702,828).

### Related-party transactions

During the year, Projektengagemang purchased consulting services from K-Konsult Management AB for SEK 0.7 million (0.9). The transactions took place at market prices.

### Calendar effects

The calendar effect for the fourth quarter and full year was two days, corresponding to SEK 9.0 million, which had a negative impact on revenue for the period.

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. PE, which has opted not to apply the method retrospectively, 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 measurement of financial assets. The new standard features a forward-looking model based on anticipated instead of past credit losses. PE 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** 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. The standard is applicable for financial years starting 1 January 2019 or later, and Projektengagemang will not use early application. The standard, which has been adopted by the EU, will mainly affect accounting of the Group's operating leases. Commitments regarding leases will be calculated at present value and reported as non-current assets with an interest-bearing liability in the balance sheet. In the income statement, lease expenses will be replaced by depreciation/amortisation and interest expenses. The change means that total assets and operating profit will increase, which will affect various key performance indicators. Projektengagemang estimates that for 2019 IFRS 16 will result in an additional lease liability of SEK 138.5 million and right-of-use assets of SEK 151.1 million. The difference comprising prepaid lease payments and the effect on equity is SEK 0.0 million.

The 2019 opening balance for total lease liability has been calculated as follows:

<b>Operating lease commitments at 31 Dec 2018</b>	<b>142.6</b>
Discount of margin loan interest	-41.1
Plus: liabilities for finance leases at 31 Dec 2018	61.5
(Less): short-term leases expensed on a straight-line basis	-4.1
(Less): leases with underlying low value	-0.7
<b>Lease liability at 1 Jan 2019</b>	<b>195.2</b>

To increase comparability with other companies on the market, as of 1 January 2018 PE 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.

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

## Risks and uncertainties

PE 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, PE 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.

Stockholm, 22 February 2019  
Projektengagemang Sweden AB (publ)

Per Hedebäck  
President and CEO

## Group income statement

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Net revenue</b>	<b>343.8</b>	<b>319.3</b>	<b>1,223.8</b>	<b>1,170.7</b>
Other external expenses	-97.0	-91.4	-347.9	-338.1
Personnel costs	-222.8	-198.9	-786.3	-741.5
<b>Profit/loss before depreciation/amortisation, EBITDA</b>	<b>24.0</b>	<b>29.0</b>	<b>89.6</b>	<b>91.1</b>
Depreciation, amortisation and impairment losses	-4.7	-5.7	-18.8	-22.4
<b>Operating profit/loss, EBITA</b>	<b>19.3</b>	<b>23.3</b>	<b>70.8</b>	<b>68.7</b>
Acquisition-related items <sup>1</sup>	6.1	-0.9	3.4	-3.7
<b>Operating profit/loss, EBIT</b>	<b>25.4</b>	<b>22.4</b>	<b>74.2</b>	<b>65.0</b>
Financial items	-1.6	-2.1	-5.8	-7.6
<b>Profit/loss after financial items</b>	<b>23.8</b>	<b>20.3</b>	<b>68.4</b>	<b>57.4</b>
Tax	-1.7	-8.4	-11.3	-19.9
<b>Profit/loss for the period</b>	<b>22.1</b>	<b>11.9</b>	<b>57.1</b>	<b>37.5</b>
Attributable to:				
Parent Company shareholders	22.1	11.5	56.8	37.3
Non-controlling interests	0.3	0.4	0.3	0.2
Basic and diluted earnings per share for the period, SEK	0.89	0.47	2.63	1.73

<sup>1</sup> 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.

## Consolidated statement of comprehensive income

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Profit/loss for the year	22.1	11.9	57.1	37.5
<b>Comprehensive income for the year</b>	<b>22.1</b>	<b>11.9</b>	<b>57.1</b>	<b>37.5</b>

## Consolidated balance sheet

SEK million	31 Dec 2018	31 Dec 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	573.0	322.6
Other non-current intangible assets	50.3	16.1
Property, plant and equipment	62.4	47.3
Financial assets	3.9	4.2
<b>Total non-current assets</b>	<b>689.9</b>	<b>390.3</b>
<b>Current assets</b>		
Current assets excluding cash and cash equivalents	394.3	328.2
Cash and cash equivalents including short-term investments	109.5	5.0
<b>Total current assets</b>	<b>503.8</b>	<b>333.2</b>
<b>TOTAL ASSETS</b>	<b>1,193.7</b>	<b>723.5</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity attributable to Parent Company shareholders	586.1	227.7
Non-controlling interests	1.0	0.8
<b>Total equity</b>	<b>587.1</b>	<b>228.5</b>
<b>Liabilities</b>		
Non-current liabilities	264.8	174.1
Current liabilities, accrued expenses	310.7	307.5
Deferred tax liability	31.0	13.5
<b>Total liabilities</b>	<b>606.5</b>	<b>495.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,193.7</b>	<b>723.5</b>

## Consolidated statement of changes in equity

SEK million	31 Dec 2018	31 Dec 2017
<b>Equity at start of period</b>	<b>228.4</b>	<b>191.0</b>
Profit/loss for the period	57.1	37.5
Dividends paid	-11.7	-
New share issue	329.1	-
Transaction expenses	-19.9	-
Deferred tax on transaction expenses	4.2	-
Other transactions	-0.1	-0.1
<b>Equity at end of period</b>	<b>587.1</b>	<b>228.5</b>
Attributable to:		
Parent Company shareholders	586.1	227.7
Non-controlling interests	1.0	0.8
<b>Total</b>	<b>587.1</b>	<b>228.5</b>

# Consolidated cash flow statement

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Operating activities</b>				
Profit/loss after financial items	23.8	20.3	68.4	57.4
Adjustments for non-cash items	-2.7	5.8	17.9	20.0
Tax paid	0.0	0.5	5.7	0.5
<b>Cash flow before changes in working capital</b>	<b>21.1</b>	<b>26.6</b>	<b>80.5</b>	<b>77.9</b>
Cash flow from changes in working capital	18.5	32.8	-42.7	-1.3
<b>Cash flow from operating activities</b>	<b>39.6</b>	<b>59.4</b>	<b>37.8</b>	<b>76.6</b>
Purchase of property, plant and equipment and non-current intangible assets	-1.0	-1.7	-3.6	-4.7
Acquisition of Group companies, incl. cash funds	-217.4	-0.1	-271.6	-15.2
Sale of Group companies	-	0.9	-	0.9
Change in financial assets	-0.3	-6.1	0.1	-
<b>Cash flow from investing activities</b>	<b>-218.7</b>	<b>-6.9</b>	<b>-275.1</b>	<b>-18.9</b>
Dividend paid	0.0	-	-11.7	-
New share issue	-	-	329.1	-
Transaction expenses, new share issue	-	-	-19.9	-
Borrowings	281.0	-	281.0	-
Amortisation of loans	-165.7	-17.5	-213.6	-62.6
Change in credit facilities	-	-32.8	-22.2	-4.7
<b>Cash flow from financing activities</b>	<b>115.3</b>	<b>-50.3</b>	<b>342.8</b>	<b>-67.3</b>
<b>Cash flow for the period</b>	<b>-63.8</b>	<b>2.2</b>	<b>105.5</b>	<b>-9.6</b>
Cash and cash equivalents at start of period	172.7	1.3	3.5	13.2
Exchange rate difference in cash and cash equivalents	-0.0	-	-0.0	-0.1
<b>Cash and cash equivalents at end of period</b>	<b>109.0</b>	<b>3.5</b>	<b>109.0</b>	<b>3.4</b>

## Parent Company income statement

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Net revenue</b>	<b>67.3</b>	<b>58.7</b>	<b>249.2</b>	<b>180.1</b>
Other external expenses	-45.7	-51.1	-201.5	-153.9
Personnel costs	14.4	-13.5	-53.2	-37.3
<b>Profit/loss before depreciation/amortisation, EBITDA</b>	<b>7.2</b>	<b>-5.8</b>	<b>-5.5</b>	<b>-11.1</b>
Depreciation, amortisation and impairment losses	-0.1	-1.2	-4.5	-4.8
<b>Operating profit/loss, EBIT</b>	<b>7.1</b>	<b>-6.9</b>	<b>-10.0</b>	<b>-16.0</b>
Financial items	-16.5	5.6	-19.9	1.4
<b>Profit/loss after financial items</b>	<b>-9.4</b>	<b>-1.4</b>	<b>-29.9</b>	<b>-14.5</b>
Appropriations	36.5	20.3	36.5	20.3
<b>Profit/loss before tax</b>	<b>27.1</b>	<b>18.9</b>	<b>6.6</b>	<b>5.8</b>
Tax	-0.4	-1.2	-0.3	-0.8
<b>Profit/loss for the period</b>	<b>26.7</b>	<b>17.6</b>	<b>6.2</b>	<b>4.9</b>

## Parent Company statement of comprehensive income

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Profit/loss for the year	26.7	17.6	6.2	4.9
<b>Comprehensive income for the year</b>	<b>26.7</b>	<b>17.6</b>	<b>6.2</b>	<b>4.9</b>



# Parent Company balance sheet

SEK million	31 Dec 2018	31 Dec 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Other non-current intangible assets	1.3	1.0
Property, plant and equipment	9.0	8.7
Deferred tax asset	6.7	7.1
Financial assets	745.6	373.0
<b>Total non-current assets</b>	<b>762.7</b>	<b>389.7</b>
<b>Current assets</b>		
Current assets	252.7	153.1
<b>Total current assets</b>	<b>252.7</b>	<b>153.1</b>
<b>TOTAL ASSETS</b>	<b>1,015.4</b>	<b>542.8</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	506.0	198.1
Non-current liabilities	237.1	150.7
Current liabilities	272.3	194.0
<b>Total liabilities</b>	<b>509.4</b>	<b>344.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,015.4</b>	<b>542.8</b>

# Income statement per quarter for the Group

SEK million	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
<b>Net revenue</b>	<b>343.8</b>	<b>248.9</b>	<b>324.1</b>	<b>307.1</b>	<b>319.3</b>	<b>249.3</b>	<b>299.4</b>	<b>302.7</b>
Other external expenses	-97.0	-77.8	-98.6	-74.5	-91.4	-86.9	-84.6	-75.2
Personnel costs	-222.8	-164.0	-201.6	-197.9	-198.9	-154.0	-193.4	-195.2
<b>Profit/loss before depreciation/amortisation, EBITDA</b>	<b>24.0</b>	<b>7.1</b>	<b>23.9</b>	<b>34.6</b>	<b>29.0</b>	<b>8.3</b>	<b>21.4</b>	<b>32.3</b>
<b>Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)<sup>1</sup></b>	<b>24.0</b>	<b>7.1</b>	<b>31.2</b>	<b>36.9</b>	<b>37.6</b>	<b>15.1</b>	<b>28.9</b>	<b>38.1</b>
Depreciation, amortisation and impairment losses	-4.7	-4.9	-4.2	-4.9	-5.7	-5.4	-5.7	-5.6
<b>Operating profit/loss, EBITA</b>	<b>19.3</b>	<b>2.2</b>	<b>19.7</b>	<b>29.7</b>	<b>23.3</b>	<b>3.0</b>	<b>15.7</b>	<b>26.7</b>
<b>Operating profit/loss, EBITA (adjusted earnings)<sup>1</sup></b>	<b>19.3</b>	<b>2.2</b>	<b>26.9</b>	<b>32.0</b>	<b>32.0</b>	<b>9.7</b>	<b>23.2</b>	<b>32.5</b>
Acquisition-related items <sup>2</sup>	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9
<b>Operating profit/loss, EBIT</b>	<b>25.4</b>	<b>1.2</b>	<b>18.8</b>	<b>28.8</b>	<b>22.4</b>	<b>2.0</b>	<b>14.8</b>	<b>25.8</b>
<b>Operating profit/loss, EBIT (adjusted earnings)<sup>1</sup></b>	<b>18.3</b>	<b>1.2</b>	<b>26.0</b>	<b>31.1</b>	<b>31.0</b>	<b>8.8</b>	<b>22.3</b>	<b>31.6</b>
Financial items	-1.6	-1.0	-1.8	-1.4	-2.1	-1.8	-2.9	-0.8
<b>Profit/loss after financial items</b>	<b>23.8</b>	<b>0.3</b>	<b>16.9</b>	<b>27.3</b>	<b>20.3</b>	<b>0.2</b>	<b>11.9</b>	<b>24.9</b>
Tax	-1.7	-0.6	-3.8	-5.2	-8.4	-0.1	-2.1	-9.1
<b>Profit/loss for the period<sup>3</sup></b>	<b>22.1</b>	<b>-0.3</b>	<b>13.1</b>	<b>22.2</b>	<b>11.9</b>	<b>0.1</b>	<b>9.7</b>	<b>15.8</b>
Attributable to:								
Parent Company shareholders	21.9	-0.1	12.9	22.1	11.5	0.2	9.7	15.9
Non-controlling interests	0.3	-0.2	0.2	0.0	0.4	-0.1	0.1	-0.1

1 Adjusted for items affecting comparability.

2 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.

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

# Key performance indicators, Group

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>PROFITABILITY</b>				
EBITDA	24.0	29.0	89.6	91.1
EBITDA margin, %	7.0	9.1	7.3	7.8
EBITDA (adjusted earnings) <sup>1</sup>	24.0	37.6	99.2	119.7
EBITDA margin, % (adjusted earnings)	7.0	11.8	8.1	10.2
EBITA	19.3	23.3	70.8	68.7
EBITA margin, %	5.6	7.3	5.8	5.9
EBITA (adjusted earnings) <sup>1</sup>	19.3	32.0	80.4	97.4
EBITA margin, % (adjusted earnings)	5.6	10.0	6.6	8.3
EBIT	25.4	22.4	74.2	65.0
EBIT margin, %	7.4	7.0	6.1	5.6
EBIT (adjusted earnings) <sup>1</sup>	18.3	31.0	76.7	93.7
EBIT margin, % (adjusted earnings)	5.3	9.7	6.3	8.0
<b>NET REVENUE</b>				
Total growth, %	7.7	6.9	4.6	40.0
- of which organic growth	-0.1	6.9	-0.2	4.1
- of which acquired growth	7.8	-	4.8	35.9
<b>FINANCIAL POSITION</b>				
Equity/assets ratio, %	49.3	31.6	49.3	31.6
Available cash and cash equivalents	369.8	142.9	369.8	142.9
- of which undrawn credit facilities	260.3	137.8	260.3	137.8
Leverage	2.3	2.7	2.3	2.7
<b>OTHER</b>				
Number of employees	1,211	978	1,211	978
Average number of employees	1,051	996	1,022	988
Chargeability, %	76.0	78.2	77.7	78.6
Basic and diluted earnings per share, SEK	0.89	0.47	2.63	1.73
Equity per share, SEK <sup>2</sup>	23.87	38.91	23.87	38.91

<sup>1</sup> Adjusted for items affecting comparability.

<sup>2</sup> Previous year's basic and diluted earnings per share have been recalculated based on share issues implemented in 2018.

# Notes

## NOTE 1 Acquisitions

At the end of the year an acquisition was made of Integra Engineering AB, a building design specialist with estimated annual revenue of approximately SEK 200 million. As the acquisition was completed at the end of the year, the Group's revenue and profit are not affected.

Earlier in the year the Group made six other acquisitions: consulting firm Energi & VVS-planering i Helsingborg AB, Örebro-based ROOF Arkitekter AB and Gothenburg-based Sture Byberg Ingenjörbyrå AB, Smedjan Projektledning AB, FAST Engineering AB and Precendo AB.

During the period these acquisitions contributed SEK 55 million to Group revenue, with operating profit of SEK 8 million. If the companies had been owned for the full year, the companies would have contributed revenue of approximately SEK 300 million and operating profit of SEK 45 million. Of this, Integra accounts for approximately SEK 200 million and SEK 25 million respectively.

Transaction expenses for the period totalled SEK 2.7 million and are included in earnings under other external expenses.

### Reversed contingent consideration

The contingent consideration was adjusted in the fourth quarter. The agreed price for the acquisition was based on a multiple applied to the company's profit. Projektengagemang has previously made a provision for a contingent consideration at the assessed maximum level. In the fourth quarter, an independence valuer established the value of the profit on which the valuation shall be based. This has

meant that the assessed contingent consideration decreased by SEK 7.1 million. As the period for the preparation of an acquisition analysis exceeds 12 months, the adjustment has been transferred to Group profit under items affecting comparability on page 25.

### Acquisition analysis Jan–Dec 2018

SEK million	Total	Integra	Other acquisitions
Goodwill and other intangible assets	284.7	215.7	69.0
Other non-current assets	1.1	0.8	0.3
Current receivables	80.7	57.3	23.5
Cash and cash equivalents	35.4	25.3	10.1
Current and non-current liabilities	-71.6	-49.1	-22.5
<b>Purchase considerations</b>	<b>330.3</b>	<b>250.0</b>	<b>80.3</b>
Unpaid purchase considerations	-18.8	-1.3	-17.5
Cash and cash equivalents in the acquired company	35.4	25.3	10.1
<b>Purchase considerations paid incl. cash funds</b>	<b>276.1</b>	<b>223.4</b>	<b>52.7</b>
Transaction expenses	2.7	1.0	1.7
<b>Total payments</b>	<b>278.8</b>	<b>224.4</b>	<b>54.4</b>

### Acquisition-related items

SEK million	3 months		12 months	
	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Amortisation of acquisition-related non-current intangible assets	-0.9	-0.9	-3.7	-3.7
Reversed contingent consideration	7.1	0.0	7.1	0.0
<b>Acquisition-related items</b>	<b>6.1</b>	<b>-0.9</b>	<b>3.4</b>	<b>-3.7</b>

## 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.

### 31 Dec 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
<b>Financial instruments, assets</b>							
Financial investments	-	-	3.2	-	-	-	3.2
Trade receivables	-	224.3	-	-	-	-	-
Short-term investments	-	-	0.5	-	-	-	0.5
Cash and cash equivalents	-	109.0	-	-	-	-	-
Other non-current receivables	-	0.6	-	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>333.9</b>	<b>3.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.7</b>
<b>Financial instruments, liabilities</b>							
Recognised purchase considerations	18.8	-	-	-	-	-	18.8
Liabilities to customers and suppliers	-	-	-	59.1	-	-	-
Other non-current liabilities	-	-	-	0.4	-	-	-
Interest-bearing liabilities, non-current	-	-	-	251.2	-	-	-
Interest-bearing liabilities, current	-	-	-	66.7	-	-	-
<b>Total financial liabilities</b>	<b>18.8</b>	<b>-</b>	<b>-</b>	<b>377.3</b>	<b>-</b>	<b>-</b>	<b>18.8</b>

### 31 Dec 2017

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
<b>Financial instruments, assets</b>							
Financial investments	-	-	3.3	-	-	-	3.3
Trade receivables	-	167.8	-	-	-	-	-
Short-term investments	-	-	1.6	-	-	-	1.6
Cash and cash equivalents	-	3.5	-	-	-	-	-
Other non-current receivables	-	1.0	-	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>172.3</b>	<b>4.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.8</b>
<b>Financial instruments, liabilities</b>							
Recognised purchase considerations	16.1	-	-	-	-	-	16.1
Liabilities to customers and suppliers	-	-	-	69.2	-	-	-
Other non-current liabilities	-	-	-	0.3	-	-	-
Interest-bearing liabilities, non-current	-	-	-	173.8	-	-	-
Interest-bearing liabilities, current	-	-	-	77.5	-	-	-
<b>Total financial liabilities</b>	<b>16.1</b>	<b>-</b>	<b>-</b>	<b>320.8</b>	<b>-</b>	<b>-</b>	<b>16.1</b>

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	31 Dec 2018	31 Dec 2017
<b>Deferred tax asset</b>		
Loss carryforwards	10.3	0.0
Current assets	1.7	0.0
<b>Total deferred tax asset</b>	<b>12.0</b>	<b>-</b>
<b>Deferred tax liability</b>		
Untaxed reserves	20.7	0.0
Current assets	22.3	13.5
<b>Total deferred tax liability</b>	<b>43.0</b>	<b>13.5</b>
<b>Net deferred tax effect</b>	<b>-31.0</b>	<b>-13.5</b>

## 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 into which Projektengagemang is segmented. 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		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Net revenue</b>				
Architecture	49.9	52.8	188.9	270.8
Project Management	54.4	47.7	199.9	122.9
<b>Architecture &amp; Management</b>	<b>104.3</b>	<b>100.5</b>	<b>388.8</b>	<b>393.7</b>
Building	50.2	46.7	178.7	170.9
Infrastructure	24.5	16.6	71.5	60.3
<b>Civil Engineering &amp; Infrastructure</b>	<b>74.7</b>	<b>63.4</b>	<b>250.2</b>	<b>231.2</b>
<b>Industry &amp; Energy</b>	<b>44.0</b>	<b>59.0</b>	<b>179.9</b>	<b>217.4</b>
Electrical, Telecommunications & Safety	95.4	73.4	313.3	246.4
HVAC	34.1	32.5	132.1	116.6
<b>Systems</b>	<b>129.5</b>	<b>105.9</b>	<b>445.3</b>	<b>363.0</b>
Internal eliminations	-8.7	-9.5	-40.4	-34.6
<b>Total</b>	<b>343.8</b>	<b>319.3</b>	<b>1,223.8</b>	<b>1,170.7</b>

# 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 receivables (-)/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 receivables (-)/debt divided by EBITDA, rolling 12 months

### Debt/equity ratio

Net receivables (-)/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 revenue/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		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Non-current, interest-bearing liabilities	251.2	173.8	251.2	173.8
Current, interest-bearing liabilities	66.7	77.5	66.7	77.5
Cash and cash equivalents including short-term investments	-110.1	-5.0	-110.1	-5.0
<b>Net receivables (-)/debt</b>	<b>207.8</b>	<b>246.3</b>	<b>207.8</b>	<b>246.3</b>
Net receivables (-)/debt	207.8	246.3	207.8	246.3
EBITDA, rolling 12 months	89.6	91.1	89.6	91.1
<b>Leverage</b>	<b>2.3</b>	<b>2.7</b>	<b>2.3</b>	<b>2.7</b>
Operating profit/loss, EBIT	25.4	22.4	74.2	65.0
Net revenue	343.8	319.3	1,223.8	1,170.7
<b>Operating margin EBIT, %</b>	<b>7.4</b>	<b>7.0</b>	<b>6.1</b>	<b>5.6</b>
Operating profit/loss, EBIT (adjusted earnings)	18.3	31.0	76.7	93.7
Net revenue	343.8	319.3	1,223.8	1,170.7
<b>Adjusted operating margin EBIT, %</b>	<b>5.3</b>	<b>9.7</b>	<b>6.3</b>	<b>8.0</b>
Operating profit/loss, EBIT	25.4	22.4	74.2	65.0
Acquisition-related items	6.1	-0.9	3.4	-3.7
EBITA	19.3	23.3	70.8	68.7
Net revenue	343.8	319.3	1,223.8	1,170.7
<b>EBITA margin, %</b>	<b>5.6</b>	<b>7.3</b>	<b>5.8</b>	<b>5.9</b>
Operating profit/loss, EBIT (adjusted earnings)	18.3	31.0	76.7	93.7
Acquisition-related items	6.1	-0.9	3.4	-3.7
EBITA (adjusted earnings)	19.3	32.0	80.4	97.4
Net revenue	343.8	319.3	1,223.8	1,170.7
<b>Adjusted EBITA margin, %</b>	<b>5.6</b>	<b>10.0</b>	<b>6.6</b>	<b>8.3</b>
Operating profit/loss, EBIT	25.4	22.4	74.2	65.0
Depreciation/amortisation	-1.4	6.6	15.4	26.1
Profit/loss before depreciation/amortisation, EBITDA	24.0	29.0	89.6	91.1
Net revenue	343.8	319.3	1,223.8	1,170.7
<b>EBITDA margin, %</b>	<b>7.0</b>	<b>9.1</b>	<b>7.3</b>	<b>7.8</b>
Operating profit/loss, EBIT (adjusted earnings)	18.3	31.0	76.7	93.7
Depreciation/amortisation	-1.4	6.6	15.4	26.1
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)	24.0	37.6	99.2	119.7
Net revenue	343.8	319.3	1,223.8	1,170.7
<b>Adjusted EBITDA margin, %</b>	<b>7.0</b>	<b>11.8</b>	<b>8.1</b>	<b>10.2</b>



## 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. During the January to December 2018 period, earnings were negatively impacted by a total of SEK 2.5 million in items affecting comparability. These costs consist of consulting expenses of SEK 9.6 million relating to the company's IPO and reversed contingent consideration of SEK -7.1 million.

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>EBITA</b>	<b>19.3</b>	<b>23.3</b>	<b>70.8</b>	<b>68.7</b>
Terminated operations	0.0	0.1	0.0	0.9
Acquisition and integration expenses	0.0	6.3	0.0	19.5
IPO expenses	0.0	2.3	9.6	8.3
<b>EBITA items affecting comparability</b>	<b>0.0</b>	<b>8.6</b>	<b>9.6</b>	<b>28.7</b>
<b>Adjusted EBITA</b>	<b>19.3</b>	<b>31.9</b>	<b>80.4</b>	<b>97.4</b>

SEK million	3 months		12 months	
	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Operating profit/loss, EBIT</b>	<b>25.4</b>	<b>22.4</b>	<b>74.2</b>	<b>65.0</b>
EBITA items affecting comparability	0.0	8.6	9.6	28.7
Reversed contingent consideration	-7.1	0.0	-7.1	0.0
<b>Items affecting comparability EBIT</b>	<b>-7.1</b>	<b>8.6</b>	<b>2.5</b>	<b>28.7</b>
<b>Adjusted EBIT</b>	<b>18.3</b>	<b>31.0</b>	<b>76.7</b>	<b>93.7</b>

## 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. There was no calendar effect in the quarter or for the 2018 period.

SEK million	3 months			12 months		
	Oct-Dec 2018	Oct-Dec 2017	Growth %	Jan-Dec 2018	Jan-Dec 2017	Growth %
Reported revenue	343.8	319.3	7.7%	1,223.8	1,170.6	4.5%
Adjustment for acquisitions/divestments	-24.7			-55.8		
Revenue adjusted for acquisitions/divestments (organic growth)	319.1	319.3	-0.1%	1,168.0	1,170.6	-0.2%
Adjustment for calendar effect	9.0			9.0		
Revenue adjusted for acquisitions/divestments and calendar effect (organic growth taking account of calendar effect)	328.1	319.3	2.8%	1,177.0	1,170.6	0.5%

## Calendar effect days

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.

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
<b>Total</b>	<b>247.5</b>	<b>249.5</b>	<b>-2.0</b>

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### Financial calendar

Interim report January–March 2019	7 May 2019
Annual General Meeting 2019	21 May 2019
Interim report April–June 2019	19 July 2019
Interim report July–September 2019	8 November 2019
Year-end report 2019	21 February 2020

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