



# **Interim Report January – March 2017**

INNOVATION  
BY EXPERIENCE





# Increased profit and continued good growth

“As the new CEO, I see a very exciting time ahead for ÅF with broad development prospects. We have a unique collection of expertise that is in demand as our clients develop their businesses in a global digitised market. Societal developments are driving demand for our services and the first quarter shows increased profit with continued strong profitability,” said Jonas Gustavsson, President and CEO.



## First quarter 2017

- Net sales amounted to SEK 3,265 million (2,643)
- EBITA<sup>1)</sup> was SEK 286 million (228)
- EBITA margin was 8,8 percent (8,6)
- EBIT (operating profit) totalled SEK 287 million (220)
- Earnings per share, before dilution: SEK 2.65 (2.10)

### COMMENTS BY THE CEO

ÅF's EBITA for the first quarter totalled SEK 286 million, which is an increase of 25 percent compared with last year and the best Q1 profit to date. The quarter also shows growth of 24 percent and a strong cash flow. The Industry, Infrastructure and Technology Divisions continue to progress well, while the International Division was affected by the weak energy market in Europe.

Our assessment is that the market remains strong, with large variations in demand across industries. The high pace of government investment in infrastructure in Sweden and Norway drives high demand for ÅF's services. The automotive, paper and pulp, and pharmaceutical industries are growing, and ongoing digitalisation increased demand for digital services from most industries. The mining and steel industries show signs of increased demand, but from low levels. The energy market in Europe remains weak, while demand continues to grow in Southeast Asia, mainly driven by population growth and urbanisation.

The Industry Division continues to show profitable growth. The automotive business is performing well and is growing both in Sweden and abroad. A clear trend is that demand for engineering services is increasing at all stages, from design and product development to industrial automation. During the quarter, the Division's offering was strengthened with the acquisition of Quality Engineering Group in

Sweden, which works with quality assurance in the energy, life science and process industries.

The Infrastructure Division exhibits persistently strong growth of 29 percent, of which 12 percentage points is organic, with healthy profitability. The ability to run many small projects as well as large, complex projects is a success factor. During the quarter, the Division won yet another airport project, this time at Stockholm-Arlanda, a pre design project at Aker Hospital in Oslo and lighting design at Stockholm's Central Train Station. The acquisition of Midtconsult early in the year has given ÅF a good base for continued growth in Denmark. During the quarter, we were entrusted to participate in the Danish-German tunnel project between Rødby in Denmark and Puttgarden in Germany.

Business in the International Division continued to be influenced by the weak European energy market. Meanwhile, demand for renewable energy is increasing, and we won two such assignments in Lithuania during the quarter. The integration of AF Toscano in Switzerland is underway, providing ÅF with a good platform for a growing infrastructure business in Switzerland.

The Technology Division continues to grow and improve its EBITA. The market for digitalisation is growing and the strongest demand for the Division's services came from the automotive and defence industries, and the banking and financial sector. Several new con-

tracts were secured in the first quarter with companies such as Fingerprint Cards, Scania and Saab, as well as a new agreement for IT administration and digital development with Hertz.

ÅF's brand is essential to retaining and advancing our employees and to taking advantage of the expertise that exists within the company, along with being able to recruit the very best. During the quarter, digital solutions were launched to improve the recruitment and onboarding process, leadership was strengthened through a manager retention project and a new focus on career and skills development was implemented. These efforts have shown results and the recruitment rate continues to be high.

Overall, ÅF continues to grow both organically and through acquisitions, profitability is improving and our efforts to strengthen the brand are showing results. A strategy review will be initiated this spring with the purpose of ensuring that ÅF continues its strong development. The target for 2020 remains: ÅF will generate net sales of EUR 2 billion and achieve an operating margin of 10 percent over a business cycle.

Stockholm, Sweden – 25 April, 2017

Jonas Gustavsson  
President and CEO

<sup>1)</sup> As of the first quarter of 2017 the ÅF Group uses EBITA as the operating income measure. Operating profit (EBIT) was used previously. For further information, please see page 8.

## NET SALES AND EARNINGS

### January-March 2017

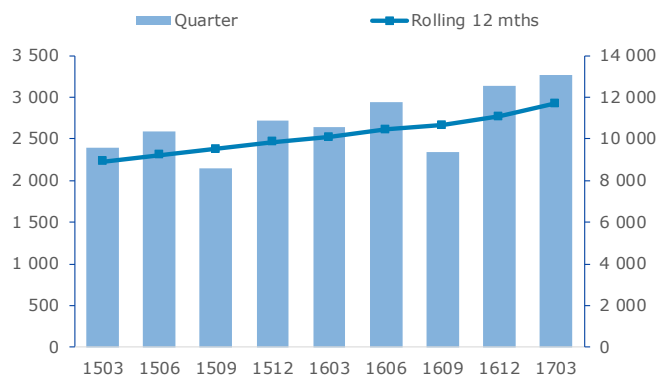
Net sales for the quarter totalled SEK 3,265 million (2,643). Growth was 23.5 percent, of which 9.7 percentage points was organic. Adjusted for currency translation effects, growth stood at 22.3 percent. The calendar effect of the Easter holiday occurring entirely in March last year, the current period having three more working days than last year and currency translation effects had a positive effect on net sales. The underlying organic growth was therefore broadly in line with the previous quarter. In line with that quarter, the International Division reported negative organic growth, which in this period was 10.8 percent in local currencies.

EBITA and the EBITA margin were SEK 286 million (228) and 8.8 percent (8.6), respectively. The calendar effect of Easter and three more working days had a positive effect on profit. EBIT totalled SEK 287 million (220). The difference between EBIT and EBITA consists entirely of acquisition-related items, namely, amortisation of acquisition-related assets amounting to SEK 10 million (8) and the change in assessment of future contingent considerations with a positive effect on result of SEK 11 million (0). Profit after financial items was SEK 267 million (211) and profit after tax was SEK 206 million (161). Capacity utilisation was 77.2 percent (76.9).

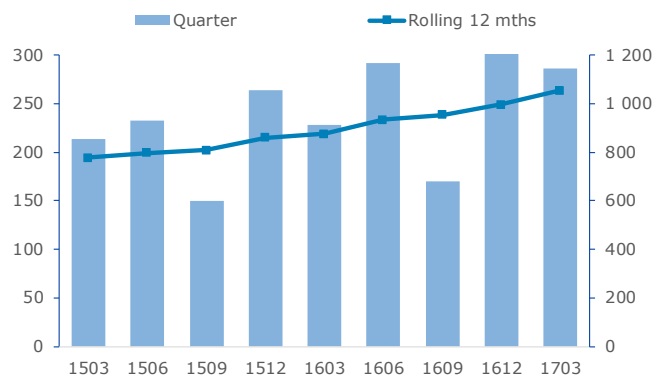
## KEY RATIOS

	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Net sales, SEK million	3,265	2,643	11,070
EBITA excl items affecting comparability, SEK million	286	228	996
EBITA margin excl items affecting comparability, %	8.8	8.6	9.0
EBITA, SEK million	286	228	992
EBITA margin, %	8.8	8.6	9.0
Operating profit (EBIT), SEK million	287	220	965
Profit after financial items, SEK million	267	211	923
Earnings per share, before dilution, SEK	2.65	2.10	9.32
Net debt, SEK million	2,431	1,748	2,298
Net debt/EBITDA rolling 12-month, times	2.1	1.8	2.1
Net debt-equity ratio, %	49.6	39.4	48.9
Total number of employees	9,602	8,502	9,133
Capacity utilisation, %	77.2	76.9	77.6

## NET SALES SEK MILLION



## EBITA SEK MILLION \*)



\*) excl items affecting comparability

### Cash flow and financial position

Consolidated net debt totalled SEK 2,431 million (1,748) at the end of the quarter and SEK 2,298 million (1,486) at the start of the quarter. Cash flow from operating activities reduced net debt by SEK 132 million and paid out considerations increased net debt by SEK 218 million.

Consolidated cash and cash equivalents totalled SEK 223 million (192) at the end of the period and unutilised credit facilities amounted to SEK 583 million (1,236).

Equity per share was SEK 62.79 (56.27). The equity/assets ratio was 45.8 percent (51.0). Equity totalled SEK 4,906 million (4,437).

### Parent company

Parent company operating income for the January–March period totalled SEK 181 million (151) and relates chiefly to internal services within the Group. Profit after net financial items was SEK 15 million (47). Cash and cash equivalents totalled SEK 13 million (69) and gross investment in non-current assets was SEK 11 million (13).

### Acquisitions and divestments

Six businesses have been acquired since the start of the year, and they are expected to contribute sales of approximately SEK 325 million over the full year.

### Number of employees

The average number of FTEs was 9,110 (7,898). The total number of employees at the end of the period was 9,602 (8,502).

### Important events in first quarter 2017 and after end of reporting period

Midtconsult was acquired in line with ÅF's growth strategy and ambition to increase its presence in Denmark. It was consolidated as of 1 January 2017. The company's main market is in the construction and property sector, but it is also growing in the infrastructure sector.

ÅF acquired Quality Engineering Group in Sweden in January 2017. The acquisition means that ÅF can offer a full range of quality assurance services to industrial customers in Scandinavia. Annual sales amount to approx-

imately SEK 30 million and the company has 24 employees based in Sweden.

In February, ÅF acquired Vatten & Miljöbyrå, who provides consultancy services to Sweden's municipal water and sewerage industry. For ÅF the acquisition will mean the establishment of a comprehensive Environment and Water offering. Annual sales amount to SEK 30 million and the company has 24 employees based in northern Sweden

ÅF's Board of Directors appointed Jonas Gustavsson as the new President and CEO. Jonas Gustavsson assumed his duties on 1 April 2017. He previously held various leading positions at Sandvik since 2008 and was head of Sandvik Machining Solutions since 2013. Before that he was Vice President of Operations at Rotax 2002–2007 and held various senior positions at Bombardier 1997–2002 and at ABB 1995–1997. He is a Swedish citizen, was born in 1967 and holds an engineering degree. Jonas Wiström left his post as CEO when Jonas Gustavsson took office.

# Industry Division



The Industry Division is the Nordic region's leading consultant in product development, process and production systems. Its mission is clear: to improve profitability for its clients. Experience from previous projects guarantees stability, competitive strength and peace of mind for clients. Geographical proximity to clients and a thorough understanding of the sectors in which they work are the most important foundations for long-term client relations.

The market for industrial investments is characterised by major differences in demand from different industries. Demand for end-to-end solutions for investment projects is increasing, primarily from the manufacturing and food and pharma industries, as well as from the automotive industry, in which ÅF, with its years of experience in managing large, complex projects and its technological breadth, can meet client demand for technical solutions, project implementation, delivery reliability and quality. Consequently, the market in those sectors is good, but there is also strong demand in the paper and pulp industry, where ÅF has won several interesting projects during the quarter.

The market in the nuclear and the oil and gas industries, which are normally consultant heavy, remains weak. Rising commodity prices have increased activities in the mining

industry, but investments related to ÅF's service offering have not increased so far.

Growth in the first quarter reached 17.8 percent, of which 10.7 percentage points were organic.

EBITA totalled SEK 109 (85) million, an increase of 28 percent compared with last year. The EBITA margin was 8.7 percent (8.0).

ÅF was commissioned by Outokumpu Stainless in Avesta to develop a new system for handling raw materials. The new system gives Outokumpu new communications equipment for loading raw materials and increased reliability in maintaining a high loading capacity for supplying raw materials to the steelworks.

During the first quarter, the acquisition of Quality Engineering Group boosted the

Division's offering in welding and quality assurance with a focus on the energy, pharmaceutical and process industries. The acquisition is part of a strategy to offer a full range of quality assurance services.

## KEY RATIOS - INDUSTRY DIVISION

	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Net sales, SEK million	1,260	1,070	4,437
EBITA, SEK million	109	85	403
EBITA margin, %	8.7	8.0	9.1
Average number of employees, FTEs	3,350	3,200	3,177
Total growth, %	17.8	6.9	7.0
of which organic growth, %	10.7	-0.9	2.1

# Infrastructure Division



The Infrastructure Division enjoys a leading position in the Scandinavian market for technical solutions for infrastructure projects. The division's strengths include a portfolio of services that offer clients sustainable, hi-tech solutions.

Thanks to its ability to develop innovative solutions that boost client profitability and target fulfilment, the division is continuously enhancing its market potential.

In Scandinavia, demand for engineering services in infrastructure remains high. For example, "The National Negotiation on Housing and Infrastructure" has landed a political agreement on four future infrastructure projects for tram, train and underground railway systems. Together with sustainable investment in property management, this drives demand for the Division's services.

The Division continues to combine strong growth with high profitability. During the period, growth was 29.2 percent, of which 12.5 percentage points was organic. Currency translation effects had a positive effect of 2.3 percent. The Division's EBITA rose by 28 percent to SEK 127 million (99) and the EBITA margin amounted to 10.6 percent (10.8). The ability to conduct both many small assignments and large, complex projects is a success factor.

The Division continues to receive development assignments for Scandinavian airports, including a contract with Swedavia concerning

the expansion of capacity at Stockholm-Arlanda that includes an expansion of Terminal 5. The Infrastructure Division continues to win new design and configuration projects.

In the first quarter, water supply and sewerage expert Vatten & Miljöbyrå i Sverige was acquired.

ÅF continues to strengthen its position in Norway with the aim of becoming one of the country's leading suppliers of consulting and engineering services. Among new business dealings is pre-planning for a new emergency ward at Aker Hospital for Omsorgsbygg Oslo KF.

The Division also continues to strengthen its infrastructure planning offering in Denmark. Acquired company Midtconsult and its 250 employees have been part of ÅF since January and integration efforts are proceeding according to plan.

ÅF now has over 400 employees in Denmark. New business dealings include an assignment for Femern A/S, an 18-km immersed tunnel between Rødby in Denmark and Puttgarden in Germany.

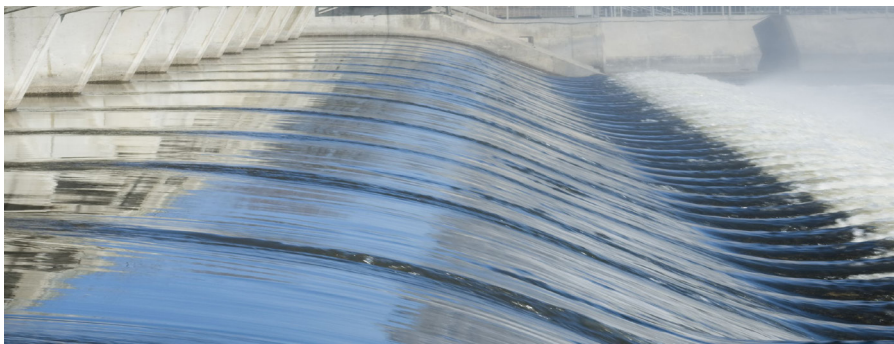
## KEY RATIOS - INFRASTRUCTURE DIVISION

	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Net sales, SEK million	1,190	921	4,037
EBITA, SEK million	127	99	421
EBITA margin, %	10.6	10.8	10.4
Average number of employees, FTEs	3,361	2,724	2,966
Total growth, %	29.2	24.5	29.7
of which organic growth, %	12.5	3.9	7.6

The historical figures above are adjusted based on the organisational changes implemented on 1 January 2017, when ÅF Technology AS (previously ÅF AdvansIT AS) was transferred from Infrastructure Division to Technology Division.



# International Division



The International Division offers technical consulting services, in the energy, Industry and infrastructure sectors. Most of the services provided are within the energy sector. The division's domestic markets are Switzerland, Finland and the Baltic countries, and the Czech Republic, but it also performs projects in around 70 countries worldwide. The division enjoys a strong position within renewable energy, thermal power, hydropower and nuclear power.

The market for energy projects in the Division's home market of Europe is still weak, while demand remains good in the Southeast Asian and African markets. Population growth and urbanisation are driving demand for power generation and distribution in these markets.

Growth in the first quarter was 34.8 percent, which was entirely related to the acquisitions made in 2016, especially that of the Swiss infrastructure company AF Toscano. Organic growth, which is mainly related to the energy sector, was negative 8.4 percent and negative 10.8 percent in local currencies. Acquired growth was 43.2 percent. Following the acquisition of Edy Toscano, now AF Toscano, infrastructure operations represent approximately 30 percent of net sales in the Division.

EBITA amounted to SEK 15 million (14) and the EBITA margin was 3.9 percent (4.9). The poorer results are due to weak performance in the energy sector, with a low willingness to invest, in parallel with suspended orders and cancellations. The EBITA margin excluding acquired units amounted to 1.8 percent. The integration of AF Toscano is proceeding according to plan, and both net sales and profit are in line with plan.

During the quarter, the Division received two important renewable energy assignments in Lithuania. Over three years, ÅF will deliver services as owner's engineer for a power plant for electricity and heat production that will increase energy security and the production of clean energy from local sources. ÅF will also run an EPCM (Engineering, Procurement, Construction Management) project for a waste

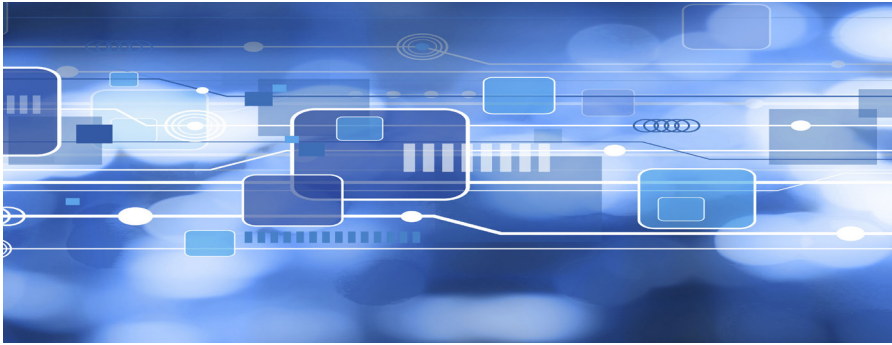
to energy power plant for heat and electricity production. This is also a three-year assignment.

The Division has also received a consultancy assignment for a new hydropower plant in Finland. The power plant will produce emission-free electricity and help Finland achieve its energy and climate targets.

## KEY RATIOS - INTERNATIONAL DIVISION

	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Net sales, SEK million	375	278	1,098
EBITA, SEK million	15	14	58
EBITA margin, %	3.9	4.9	5.3
Average number of employees, FTEs	1,199	859	844
Total growth, %	34.8	-1.4	-6.9
of which organic growth, %	-8.4	-1.4	-7.4

# Technology Division



The Technology Division's main operations are in Sweden, where it works with R&D, communication technology, and IT. Technology helps companies, government agencies, and the military take advantage of the possibilities of the connected world. A firm base and a long track record of success provide stability and give clients peace of mind.

The market for embedded systems and digital solutions remains strong. Growth in the Technology Division was 17.6 percent in the first quarter, of which 14.2 percentage points were organic. Net sales and EBITA continued to increase, mainly due to strong demand, continued high capacity utilisation and a high rate of recruitment. The EBITA margin for the quarter was 9.1 percent (9.7).

ÅF's breadth of expertise combined with Technology's in-depth knowledge of application and systems development for the connected world constitutes a strong offering in the market. Demand was strongest in the automotive industry, mainly in embedded systems with applications in active safety, hybrid development, autonomous driving intelligence and IT services related to telematics. ÅF is now

established as one of Sweden's leading development partners to the Swedish automotive industry.

Demand from the telecom sector's operators remained good, while demand on the supply side increased slightly after a period of low demand. Technology continues to see good opportunities to win telecom business by composing cross-functional consulting teams and working with cost-effective outsourcing projects in Sweden and abroad. A new partnership with a Czech consulting company focused on telecom was launched in the first quarter to further increase the skills base. The Division continued to grow in the banking and financial sector, where the need for digitalisation today is significant. Demand from the defence industry, another of the Division's

selected main markets, was stable during the quarter.

Several new contracts were secured in the first quarter with clients such as Fingerprint Cards, Stoneridge, Scania and Saab, as well as a new agreement for IT administration and digital development with Hertz. New and noteworthy framework agreements were also signed, one example being AB Volvo for telematics and connected vehicles.

## KEY RATIOS - TECHNOLOGY DIVISION

	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Net sales, SEK million	515	438	1,793
EBITA, SEK million	47	42	167
EBITA margin, %	9.1	9.7	9.3
Average number of employees, FTEs	1,085	988	1,006
Total growth, %	17.6	2.5	8.5
of which organic growth, %	14.2	2.5	6.9

The historical figures above are adjusted based on the organisational changes implemented on 1 January 2017, when ÅF Technology AS (previously ÅF AdvansIT AS) was transferred from Infrastructure Division to Technology Division.



## Risks and uncertainty factors

The significant risks and uncertainty factors to which the ÅF Group is exposed include strategic risks linked to the market, acquisitions, sustainability and IT, and operational risks related to projects and the ability to recruit and retain qualified co-workers. In addition, the Group is exposed to a number of financial risks, including currency risks, interest-rate risks and credit risks. The risks to which the Group is exposed are described in detail in ÅF's Annual Report for 2016. No significant risks are considered to have arisen since the publication of the annual report.

## Accounting policies

This report has been prepared in accordance with IAS 34, "Interim Financial Reporting". The accounting policies conform with International Financial Reporting Standards (IFRS), as well as with the EU approved interpretations of the relevant standards, the International Financial Reporting Interpretations Committee (IFRIC) and Chapter 9 of the Swedish Annual Accounts Act. The report has been drawn up using the same accounting policies and methods of calculation as those in the Annual Report for 2016 (Note 1). New or revised IFRS standards that came into force in 2017 did not have any material impact on the Group. The parent company has implemented the Swedish Financial Reporting Board's Recommendation RFR 2, which means that the parent in the legal entity shall apply all EU approved IFRS and related statements as far as this is possible, while continuing to apply the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and paying due regard to the relationship between accounting and taxation.

## Definitions

Key ratios in this report are defined in ÅF's Annual Report for 2016. ÅF is changing its operating income measure from EBIT to EBITA. EBITA is defined by ÅF as operating profit with restoration of acquisition-related items. Operating profit is thereby adjusted with amortisation and impairment of acquisition-related intangible assets including goodwill, revaluation of contingent considerations and gains/losses on the divestment of companies and businesses.

The purpose of the measure is to present a picture of business operations and their earnings capacity in an acquisition-intense company like ÅF. ÅF can thus help the reader to easily distinguish between income items attributable to operating activities and income items attributable to acquisition activity.

EBITA – Operating profit with restoration of acquisition-related items.

EBITA margin – EBITA in relation to net sales.

Acquisition-related items – Amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains/losses on the divestment of companies and businesses.

Operating profit (EBIT) – Profit before net financial items and tax.

## The share

The ÅF share price at the end of the reporting period was SEK 185.20 (167.00). Adjusted for dividend, total shareholder return for the ÅF share amounts to 10.9 percent since the start of the year. Total shareholder return on the OMX Stockholm Allshare index amounted to 6.2 percent for the same period.

A shares	3,217,752
B shares	75,795,801
Total shares	79,013,553
Of which own B shares	1,186,300
Votes	107,973,321

In 2017, 16,450 own shares were used for matching of the 2013 share savings programme. Shares were converted during the period as per the 2013 staff convertible programme, increasing the number of B shares by 99,800.

Stockholm, Sweden - 25 April, 2017  
ÅF AB (publ)

Jonas Gustavsson  
President and CEO

*This report has not been subject to review by the company's auditors.*

*This information is information that ÅF AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 25 April at 11.00 am CET.*

*All assumptions about the future that are made in this report are based on the best information available to the company at the time the report was written. As is the case with all assessments of the future, such assumptions are subject to risks and uncertainties, which may mean that the actual outcome differs from the anticipated result.*

## Investor call

ÅF invites analysts and investors to an online presentation of the interim report for the first quarter, 2017, on April 25 at 1.45 pm with Jonas Gustavsson, CEO and Stefan Johansson, CFO.

The presentation will be in English. Link to the webcast and presentation can be found at [www.afconsult.com/en/investor-relations/financial-reports](http://www.afconsult.com/en/investor-relations/financial-reports).

You can also participate by telephone:

Sverige: +46(0)8 5065 3936  
USA: +1 212 444 0895  
UK: +44(0)20 3427 1902

Confirmation code 9017417

## Calendar 2017

25 April, Interim report January-March  
25 April, Annual General Meeting  
13 July, Interim report January-June  
23 October, Interim report January-September

## Annual Report 2016

The Annual Report is now available for downloading at [www.afconsult.com](http://www.afconsult.com)

## AGM 2017

The Annual General Meeting will be held 25 April at 4.00 pm at ÅF AB, Frösundaleden 2, Solna, Sweden.

## Contact

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Corp. ID no. 556120-6474

## Consolidated income statement

SEK million	Jan-Mar 2017	Jan-Mar 2016	Full year 2016	Apr 2016- Mar 2017
Net sales	3,265	2,643	11,070	11,692
Personnel costs	-1,924	-1,516	-6,139	-6,546
Purchases of services and materials	-763	-669	-2,944	-3,038
Other costs	-266	-212	-918	-975
Other income	0	3	4	4
Profit attributable to participations in associates	0	0	0	0
<b>EBITDA</b>	<b>311</b>	<b>248</b>	<b>1,074</b>	<b>1,137</b>
Amortisation and impairment of non-current assets <sup>1)</sup>	-25	-20	-82	-87
<b>EBITA</b>	<b>286</b>	<b>228</b>	<b>992</b>	<b>1,050</b>
Acquisition-related items <sup>2)</sup>	1	-8	-27	-18
<b>Operating profit (EBIT)</b>	<b>287</b>	<b>220</b>	<b>965</b>	<b>1,032</b>
Net financial items	-20	-9	-42	-53
<b>Profit after financial items</b>	<b>267</b>	<b>211</b>	<b>923</b>	<b>979</b>
Tax	-61	-50	-212	-224
<b>Profit for the period</b>	<b>206</b>	<b>161</b>	<b>711</b>	<b>756</b>
Attributable to:				
Shareholders in the parent	206	163	726	755
Non-controlling interest	0	-2	-15	0
<b>Profit for the period</b>	<b>206</b>	<b>161</b>	<b>711</b>	<b>756</b>
Earnings per share before dilution, SEK	2,65	2,10	9,32	-
Earnings per share after dilution, SEK	2,60	2,07	9,14	-
Number of shares outstanding	77,827,253	77,873,732	77,711,003	
Average number of outstanding shares before dilution	77,751,137	77,660,008	77,937,176	
Average number of outstanding shares after dilution	79,962,602	79,946,625	80,220,366	

<sup>1)</sup> Depreciation/amortisation and impairment of non-current assets refers to property, plant and equipment and intangible non-current assets excluding intangible non-current assets related to acquisitions.

<sup>2)</sup> Acquisition-related items are defined as depreciation/amortisation and impairment of acquisition-related intangible non-current assets including goodwill, revaluation of contingent considerations and gains/losses on divestment of companies and businesses. See page 13 for further details.

## Statement of consolidated comprehensive income

SEK million	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
<b>Profit for the period</b>	<b>206</b>	<b>161</b>	<b>711</b>
<b>Items which will be transferred to profit or loss</b>			
Change in translation reserve	-10	20	112
Change in hedge reserve	2	-9	-11
Tax	0	2	2
<b>Items which will not be transferred to profit or loss</b>			
Pensions	0	0	-5
Tax	0	0	1
<b>Other comprehensive income for the period</b>	<b>-9</b>	<b>14</b>	<b>99</b>
<b>Comprehensive income for the period</b>	<b>197</b>	<b>175</b>	<b>810</b>
Attributable to:			
Shareholders in the parent	197	177	818
Non-controlling interest	0	-2	-8
<b>Total</b>	<b>197</b>	<b>175</b>	<b>810</b>

## Consolidated balance sheet

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	6,313	5,179	5,955
Property, plant and equipment	496	391	476
Other non-current assets	18	22	31
<b>Total non-current assets</b>	<b>6,827</b>	<b>5,592</b>	<b>6,462</b>
<b>Current assets</b>			
Current receivables	3,668	2,911	3,616
Cash and cash equivalents	223	192	329
<b>Total current assets</b>	<b>3,891</b>	<b>3,104</b>	<b>3,945</b>
<b>Total assets</b>	<b>10,718</b>	<b>8,696</b>	<b>10,407</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Attributable to shareholders in the parent	4,887	4,431	4,677
Attributable to non-controlling interest	19	6	19
<b>Total equity</b>	<b>4,906</b>	<b>4,437</b>	<b>4,697</b>
<b>Non-current liabilities</b>			
Provisions	355	253	360
Non-current liabilities	2,624	1,677	2,520
<b>Total non-current liabilities</b>	<b>2,979</b>	<b>1,931</b>	<b>2,880</b>
<b>Current liabilities</b>			
Provisions	26	19	39
Current liabilities	2,807	2,309	2,791
<b>Total current liabilities</b>	<b>2,833</b>	<b>2,329</b>	<b>2,830</b>
<b>Total equity and liabilities</b>	<b>10,718</b>	<b>8,696</b>	<b>10,407</b>

## Statement of change in consolidated equity

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>Equity at start of period</b>	<b>4,696</b>	<b>4,230</b>	<b>4,230</b>
<b>Comprehensive income for the period</b>	<b>197</b>	<b>175</b>	<b>810</b>
Dividends	-	-	-292
Conversion into shares under the staff convertible debenture program	10	21	79
Value of conversion right	-	-	8
Share buy-backs/sales	-	-	-128
Transactions related to non-controlling interest	-	8	-20
Share savings programmes	3	3	10
<b>Equity at end of period</b>	<b>4,906</b>	<b>4,437</b>	<b>4,697</b>



## Statement of consolidated cash flows

SEK million	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Profit after financial items	267	211	923
Adjustment for items not included in cash flow	10	24	95
Income tax paid	-89	-73	-188
<b>Cash flow from operating activities before changes in working capital</b>	<b>187</b>	<b>162</b>	<b>830</b>
Cash flow from changes in working capital	-55	-83	-208
<b>Cash flow from operating activities</b>	<b>132</b>	<b>78</b>	<b>622</b>
Cash flow from investing activities	-244	-306	-963
Cash flow from financing activities	5	156	411
<b>Cash flow for the period</b>	<b>-107</b>	<b>-71</b>	<b>70</b>
Opening cash and cash equivalents	329	264	264
Exchange difference in cash and cash equivalents	0	0	-5
<b>Closing cash and cash equivalents</b>	<b>223</b>	<b>192</b>	<b>329</b>

## Change in consolidated net debt

SEK million	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Opening balance	2,298	1,486	1,486
Cash flow from operating activities	-132	-79	-622
Acquisitions of intangible assets, property, plant and equipment	26	24	97
Acquisition and contingent considerations paid	218	332	917
Dividend	-	-	292
Share buy-backs/sales	-	-	128
Other	21	-15	0
<b>Closing balance</b>	<b>2,431</b>	<b>1,748</b>	<b>2,298</b>

## Consolidated net debt

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016
Loans and credit facilities	2,505	1,834	2,464
Net pension liability	149	107	163
Cash and cash equivalents	-223	-192	-329
<b>Group</b>	<b>2,431</b>	<b>1,748</b>	<b>2,298</b>

## Consolidated key ratios

	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Return on equity, %	16.4	14.7	15.9
Return on capital employed, %	14.8	14.3	14.7
Equity ratio, %	45.8	51.0	45.1
Equity per share, SEK	62.79	56.27	60.19
Interest-bearing liabilities, SEK million	2,654	1,941	2,627
Average number of employees (FTEs)	9,110	7,898	8,115

## Items affecting comparability

SEK million	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Restructuring costs	-	-	-25
Pension refunds	-	-	22
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-4</b>

## Quarterly information by division

NET SALES, SEK million	2016					2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	1,070	1,187	930	1,251	4,437	1,260				
Infrastructure	921	1,087	861	1,167	4,037	1,190				
International	278	263	257	300	1,098	375				
Technology	438	476	366	513	1,793	515				
Group-wide/ eliminations	-64	-71	-66	-94	-295	-76				
<b>Group</b>	<b>2,643</b>	<b>2,942</b>	<b>2,348</b>	<b>3,138</b>	<b>11,070</b>	<b>3,265</b>				

EBITA, SEK million	2016					2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	85	122	72	123	403	109				
Infrastructure	99	125	72	126	421	127				
International	14	17	0	28	58	15				
Technology	42	48	29	47	167	47				
Group-wide/ eliminations	-12	-24	-3	-18	-58	-12				
<b>Group</b>	<b>228</b>	<b>288</b>	<b>170</b>	<b>306</b>	<b>992</b>	<b>286</b>				

EBITA MARGIN (%)	2016					2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	8.0	10.3	7.7	9.9	9.1	8.7				
Infrastructure	10.8	11.5	8.4	10.8	10.4	10.6				
International	4.9	6.3	0.1	9.3	5.3	3.9				
Technology	9.7	10.1	8.1	9.2	9.3	9.1				
<b>Group</b>	<b>8.6</b>	<b>9.8</b>	<b>7.3</b>	<b>9.7</b>	<b>9.0</b>	<b>8.8</b>				

EMPLOYEES (FTES)	2016					2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	3,200	3,144	3,085	3,284	3,177	3,350				
Infrastructure	2,724	2,977	2,976	3,178	2,966	3,361				
International	859	842	826	851	844	1,199				
Technology	988	979	980	1,076	1,006	1,085				
ÅF AB	127	116	131	117	122	116				
<b>Group</b>	<b>7,898</b>	<b>8,057</b>	<b>7,998</b>	<b>8,505</b>	<b>8,115</b>	<b>9,110</b>				

NUMBER OF WORKING DAYS	2016					2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Sweden only	61	62	66	63	252	64	59	65	63	251
All countries	61	62	66	63	252	64	59 <sup>1)</sup>	65 <sup>1)</sup>	63 <sup>1)</sup>	252 <sup>1)</sup>

<sup>1)</sup> Estimated weighted average.

The historical figures above are adjusted based on the organisational changes implemented on 1 January 2017, where ÅF Technology AS (formerly ÅF AdvansIT) was transferred from the Infrastructure Division to the Technology Division.

## Acquired companies' net assets at time of acquisition

SEK million	Jan-Mar 2017
Intangible assets	3
Property, plant and equipment	8
Financial assets	0
Accounts receivable and other receivables	95
Cash and cash equivalents	9
Accounts payable and other liabilities	-124
<b>Net identifiable assets and liabilities</b>	<b>-9</b>
Goodwill	341
Fair value adjustment intangible assets	19
Fair value adjustment non-current provisions	-4
<b>Purchase price incl estimated contingent consideration</b>	<b>347</b>
Transaction costs	-
Deduct:	
Cash (acquired)	-9
Estimated contingent consideration/option	-160
<b>Net outflow of cash</b>	<b>178</b>

Acquisition analyses are preliminary as the assets in the companies acquired have not been definitively analysed. In the case of the above acquisitions, the purchase price has been greater than the assets recognised in the companies acquired: as a result, the acquisition analysis has created intangible assets. The acquisition of a consulting business involves in the first instance the acquisition of human capital in the form of the skills and expertise of the workforce: thus, the greater part of the intangible assets in the companies acquired is attributable to goodwill.

The acquisitions refer to AB Teknoplan, Midtconsult P/S, Quality Engineering Group AB, Vatten & Miljöbyrå i Sverige AB, Teroc Engineering AB and Climate Energy Consulting Piteå AB. None of the acquisitions are significant individually, so the information has been consolidated for presentation.

## Acquisition-related items

SEK million	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Amortisation and impairment of intangible assets	-10	-8	-33
Revaluation of contingent considerations	11	-	6
<b>Total</b>	<b>1</b>	<b>-8</b>	<b>-27</b>

### Valuation of fair value

Contingent considerations are valued to fair value in accordance with level 3. The changes in the balance are reported in the table below.

## Change in contingent consideration/option

SEK million	2017
Opening balance as at 1 January 2017	385
Acquisitions this year	165
Payments	-44
Changes in value recognised in other operational income	-11
Changes in value recognised in goodwill	-2
Discounting	6
Exchange differences	0
<b>Closing balance</b>	<b>500</b>

As regards other financial assets and liabilities, no significant changes in fair value measurement have been made since the 2016 Annual Report. Fair values are essentially consistent with carrying amounts.

Information in accordance with IAS 34.16A can partly be found on pages prior to the consolidated income statement for the group.



## Parent income statement

SEK million	Jan-Mar 2017	Jan-Mar 2016	Full year 2016
Net sales	130	103	456
Other operating income	50	48	202
<b>Operating income</b>	<b>181</b>	<b>151</b>	<b>658</b>
Personnel costs	-40	-35	-149
Other costs	-143	-117	-517
Depreciation and amortisation	-9	-7	-31
<b>Operating profit/loss</b>	<b>-11</b>	<b>-7</b>	<b>-39</b>
Net financial items	26	54	561
<b>Profit/loss after financial items</b>	<b>15</b>	<b>47</b>	<b>522</b>
Appropriations	-	-	65
<b>Pre-tax profit/loss</b>	<b>15</b>	<b>47</b>	<b>588</b>
Tax	4	3	-1
<b>Profit/loss for the period</b>	<b>20</b>	<b>50</b>	<b>587</b>
Other comprehensive income	1	-7	-9
<b>Comprehensive income for the period</b>	<b>21</b>	<b>43</b>	<b>579</b>

## Parent balance sheet

SEK million	Jan-Mar 2017	Jan-Mar 2016	31 Dec 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	17	20	19
Property, plant and equipment	112	90	107
Financial assets	5,917	5,534	5,764
<b>Total non-current assets</b>	<b>6,046</b>	<b>5,644</b>	<b>5,890</b>
<b>Current assets</b>			
Current receivables	2,199	888	1,875
Cash and bank balances	13	69	62
<b>Total current assets</b>	<b>2,212</b>	<b>957</b>	<b>1,937</b>
<b>Total assets</b>	<b>8,258</b>	<b>6,602</b>	<b>7,828</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	4,467	4,245	4,436
Untaxed reserves	134	129	134
Provisions	157	90	85
Non-current liabilities	2,158	1,472	2,157
Current liabilities	1,341	666	1,016
<b>Total equity and liabilities</b>	<b>8,258</b>	<b>6,602</b>	<b>7,828</b>



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ÅF is an engineering and consulting company with assignments in the energy, industrial and infrastructure sectors, creating progress for our clients since 1895.

By connecting technologies and skills, we provide profitable, innovative, and sustainable solutions to shape the future and improve people's lives. Building on our strong base in Europe, our business and clients are found all over the world.

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