

Improved result in a continued favourable market

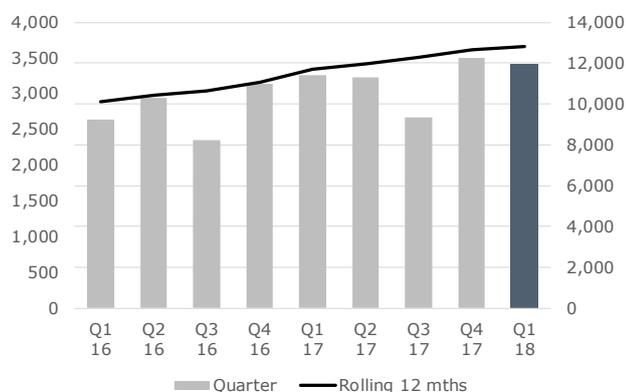
First quarter 2018

- Net sales amounted to SEK 3,415 million (3,265)
- EBITA totalled SEK 325 million (286)
- EBITA margin was 9.5 percent (8.8)
- EBIT (operating profit) was SEK 311 million (287)
- Basic earnings per share: SEK 2.94 (2.65)

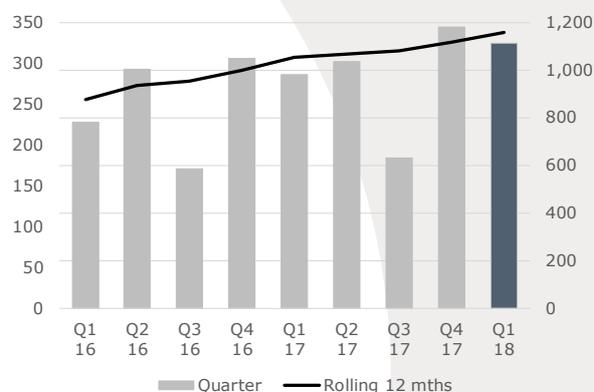
» We deliver improved results and have a positive view of the current market and its strong incentives for sustainable solutions, both in the Nordic region and internationally. We are also firmly focused on implementing our new strategy and are pleased that the year has started well. «

Jonas Gustavsson, President and CEO.

Net sales, SEK million



EBITA, SEK million¹



¹ Excl items affecting comparability.

Comments by the CEO

We have begun 2018 with stronger results for the first quarter in a market that remains favourable. EBITA for the quarter amounted to SEK 325 million (286), an increase of 13 percent compared with the same period in the previous year, and net sales increased by 5 percent.

Market trend

The general outlook for the market remains good and is largely unchanged since last quarter. Industrial demand remains healthy in most sectors, both in Sweden and internationally. Investments in infrastructure in Sweden and Norway are still at a high level. One strong driving force is that more municipalities, cities and private operators are increasing their demand for flexibility and smart solutions in their plants, urban planning and properties. This is where we can use our cross-functional skills to create end-to-end solutions for smart cities. The European energy market has stabilised, but remains weak. Meanwhile the shift to more fossil-free energy production is creating greater demand in areas such as cogeneration plants based on renewable fuels. The process of digitalisation that is currently under way is a motivator that is leading to sustained demand in the industrial, energy and infrastructure markets. It has also resulted in increased competition for engineers, which slowed our growth during the quarter.

Performance among the divisions

The Infrastructure Division continues to deliver strong growth with a good level of profitability. The division has converted its operations to cope with the shift from a small number of larger infrastructure projects to a greater number of medium to small projects.

The Industry Division continues to show stable profitability. We are strengthening our position within selected niches and increasing the number of projects in strategic partnerships both inside and outside the Nordic Region. Essentially all segments are experiencing healthy demand.

The Energy Division is showing improved profitability, and during the quarter it received several assignments for the maintenance, operation and renovation of existing power plants.

The Digital Solutions Division is showing higher profitability and seeing high demand for digital solutions. Customers are increasingly inquiring about digitalisation suppliers with the capability to deliver long-term end-to-end product development solutions. One example is our partnership with Electrolux, where ÅF took on around 50 qualified development engineers from the company, while also receiving a major assignment.

Implementation of our strategy is proceeding

Implementation of the new Future ÅF strategy is proceeding according to plan. The strategy means a shift in our business model, where we increase the value we deliver to our customers through complex project assignments, packaged solutions and concepts. This entails a gradual change from hourly fees towards a more value-based bu-

ness model. We are cultivating the international market in selected niches, which has resulted in new transactions such as an assignment for Sappi in South Africa, our largest order in the pulp and paper sector so far. Another initiative that is consolidating our competitiveness and position as an engineering and design company is the acquisition of architectural firm Gottlieb Paludan Architects in Denmark.

It is extremely important for our managers and employees to understand the drivers of our business, as well as to feel committed to our new vision, strategy and values. Therefore, all employees are participating in a digital change programme where they gain new insights into the road ahead, both individually and in teams.

An active sustainability agenda

ÅF's sustainability efforts are producing results, which can be seen in an improvement in the Sustainable Business Performance Indicators (SBPI), which measure our total sustainability performance. We are seeing progress in several areas: our employees are increasingly aware of how we apply sustainable values in our client assignments; our customers feel that we have contributed to greater sustainability. Our New Immigrated Engineers programme, has also proven to be a success in recruiting newly immigrated engineers.

We have an exciting year ahead of us, as the new strategic direction and increasing demand for ÅF's solutions form the foundation for continued profitable growth in 2018.

Stockholm, Sweden – 25 April 2018

Jonas Gustavsson
President and CEO



Net sales and earnings 2018

January-March

Net sales for the quarter totalled SEK 3,415 million (3,265). Growth was 4.6 percent (23.5), while organic growth was 0.3 percent (9.7). Organic growth was 2.0 percent (3.4) after adjusting for currency effects and the period having one less working day than the previous year. The comparative figures are also affected by the Easter holiday falling partly in March this year, while it took place entirely during April last year.

EBITA and the EBITA margin were SEK 325 million (286) and 9.5 percent (8.8), respectively.

The savings measures related to the restructuring programme that is currently under way are expected to have an annual impact of approximately SEK 100 million. The impact on earnings was SEK 16 million during the quarter, equivalent to an annual impact of SEK 64 million. The remainder of the savings measures, SEK 36 million on an annual basis, will be achieved during the first half of 2018.

Capacity utilisation was 77.2 percent (77.2).

EBIT totalled SEK 311 million (287). The difference between EBIT and EBITA consists entirely of acquisition-related items that do not affect cash flow, namely, amortisation of acquisition-related assets amounting

to SEK 10 million (10) and the change in assessments of future contingent considerations amounting to SEK -4 million (11).

Profit after financial items amounted to SEK 294 million (267). Net financial items totalled SEK -17 million (-20). Net financial items was charged with increased costs for discount rates related to contingent considerations, which do not affect cash flow, amounting to SEK 4 million (7).

Profit after tax amounted to SEK 227 million (206).

New divisional structure as of 1 January 2018

The strategy review led to establishment of new organisational and divisional structures starting 1 January 2018. The quarterly division data has thus been adjusted as if the new organisation existed throughout 2017. These are summarised on page 13 of this report.

Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales, MSEK	3,415	3,265	12,658
Total growth, %	4.6	23.5	14.3
Acquired, %	4.3	13.8	11.0
Organic, %	0.3	9.7	3.3
of which currency, %	-0.2	1.2	0.3
of which calendar, difference in number of working days, %	-1.6	5.1	-0.4
Adjusted/underlying organic growth, %	2.0	3.4	3.5
EBITA excl items affecting comparability, MSEK	325	286	1,117
EBITA margin excl items affecting comparability, %	9.5	8.8	8.8
EBITA, MSEK	325	286	1,027
EBITA margin, %	9.5	8.8	8.1
Operating profit, MSEK	311	287	1,033
Profit after financial items, MSEK	294	267	957
Earnings per share, before dilution, SEK	2.94	2.65	9.58
Earnings per share, after dilution, SEK	2.88	2.60	9.39
Cash flow from operating activities, MSEK	221	132	624
Net debt, MSEK	2,521	2,431	2,631
Net debt/EBITDA rolling 12-month, times	2.2	2.1	2.3
Net debt-equity ratio, %	47.4	49.6	52.7
Average number of employees, FTEs	10,015	9,602	9,865
Capacity utilisation, %	77.2	77.2	77.6

Cash flow and financial position

Consolidated net debt totalled SEK 2,521 million (2,431) at the end of the quarter and SEK 2,631 million (2,298) at the start of the quarter. Overall, total net debt decreased during the quarter by SEK 110 million. Cash flow from operating activities reduced net debt by SEK 221 million. Net debt increased through considerations paid, including contingent considerations, of SEK 74 million.

Consolidated cash and cash equivalents totalled SEK 233 million (223) at the end of the period and unused credit facilities amounted to SEK 1,606 million (583). Equity per share was SEK 68.59 (62.79). Net debt-equity ratio was 47,4 percent (49,6). Equity totalled SEK 5,321 million (4,906).

Parent company

Parent company operating income for the period January–March totalled SEK 196 million (181) and relates chiefly to internal services within the Group. Profit after net financial items was SEK 14 million (15). Cash and cash equivalents totalled SEK 38 million (13) and gross investment in non-current assets was SEK 5 million (11).

Acquisitions and divestments

Two businesses have been acquired since the beginning of the year, and they are expected to contribute sales of approximately SEK 150 million over a full year.

Number of employees

The average number of FTEs was 9,685 (9,200). The total number of employees at the end of the period was 10,015 (9,602).

Important events in first quarter 2018 and after end of reporting period

ÅF will deliver a new automation system to Stockholm Vatten och Avlopp for its Henriksdal purification plant, which will be modernised and expanded to meet future water treatment requirements. ÅF is responsible for all parts of the project, from project management, project planning and programming to hardware, installation and commissioning. The project is scheduled to start immediately and run until 2026. The order is valued at approximately SEK 200 million.

ÅF acquired Danish architectural firm Gottlieb Paludan Architects during the quarter. The acquisition is aligned with ÅF's strategy to expand its architecture and design offering, and to expand its operations in Denmark. The firm has around 90 employees and annual net sales of approximately SEK 140 million. Gottlieb Paludan Architects was consolidated from 1 January 2018.

We began an expanded partnership with Electrolux, where ÅF took on around 50 qualified development engineers from the company, while also receiving a major assignment to support the move of Electrolux's product development unit from Sweden to Italy.

ÅF has been awarded an engineering, procurement and construction management contract by Sappi Limited to improve the environmental footprint of the Saiccor Mill in South Africa and expand its capacity. The project is an equal effort joint venture between ÅF and the project, engineering and technical services company, Wood, and will be executed by an ÅF-Wood team with engineers and designers from South Africa, Sweden, Finland and Brazil. The project is estimated to 320,000 hours, which makes it the largest pulp and paper order ever secured by ÅF.

Infrastructure Division

The road and rail market remains very good. Larger infrastructure projects, such as the Stockholm Bypass project and the West Link, are entering new phases, and we are adding more medium-sized assignments to our project portfolio. The division continues to see high demand for services in the property segment, where ÅF is mainly active in commercial and public properties. Demand in the architecture and design area, where ÅF operates with well-known brands throughout the Nordic region, is also strong.

With its broad range of expertise, ÅF is well equipped to respond to the higher demands of municipalities, cities and private operators for complexity, flexibility and smart solutions in their plants, urban planning and properties. The division continues to deliver strong growth with a good level of profitability. Growth was 10.8 percent in the first quarter, of which 3.2 percentage points were organic. Adjusted for calendar (one less working day than the previous year) and currency effects, organic growth was 5.4 percent.

EBITA increased by 20.4 percent to SEK 165 million (137) and the EBITA margin was 11.3 percent (10.4). The ability to drive both a larger number of smaller and medium-sized projects, as well as large complex projects, is one of the division's success factors.

As Swedavia expands the capacity of Arlanda airport, it continues to turn to ÅF, which received a new order worth SEK 20 million. The order includes continued studies in preparation for the expansion of terminal 5.

AF Toscano won a design project that incorporates the environmental and cultural-historical values of the Rhône bridge in St. Triphon, Switzerland. The order is worth over SEK 20 million.

The division continues to strengthen its infrastructure planning offering in Denmark. In January it acquired the firm Gottlieb Paludan Architects, which specialises in

architecture for energy and technical supply systems, as well as the mobility and transportation segments. ÅF now has over 500 employees in Denmark, approximately 400 of whom work for the Infrastructure Division. Gottlieb Paludan Architects received a prestigious assignment with a green profile in the German city of Hamburg, which is to design the exterior of a new biomass plant that is expected to become a new landmark in the city.

Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales, MSEK	1,456	1,314	5,110
EBITA, MSEK	165	137	515
EBITA margin, %	11.3	10.4	10.1
Average number of employees, FTEs	4,253	3,843	3,969
Total growth, %	10.8	-	-
of which organic growth, %	3.2	-	-
of which adjusted/underlying organic growth, %	5.4	-	-

Comparing numbers for growth 2017 are not available due to the fact that 2016 numbers have not been adjusted for the reorganisation.

The Infrastructure Division is a significant operator in the area of design and technical solutions for properties and infrastructure. Its strengths include solid expertise in sustainable and high-tech solutions, as well as the ability to transform experience into innovations. The community builders in Infrastructure are united by a drive to work with our customers to create places where people choose to live, travel and work for generations.



Industry Division

Demand from industry remained strong during the first quarter. ÅF's automotive customers are very active, with the areas of electronics, software, self-driving cars and electrification driving demand. Automotive customers with product development and production in countries such as China, Brazil and the US, many of them Swedish companies, are also searching out ÅF's automotive expertise.

Demand is stable in the food and pharmaceutical sector, including in dairy where several new investments are planned in Sweden and Denmark. Higher demand is also being seen for ÅF's dairy production expertise in countries such as Finland and Estonia.

The positive trend in the Swedish chemical and petrochemical sector continues to strengthen. ÅF's greater international presence has resulted in new smaller projects outside Sweden, which lays a good foundation for larger projects in the future.

International demand for ÅF's expertise has grown in the pulp and paper industry, and project deliveries have increased. ÅF has a strong brand in this area internationally and has expanded its presence in the international market. ÅF received its largest order ever in this area during the quarter. Demand also remains stable in Sweden, even though there are fewer new investments in major projects.

There was strong demand for testing and verification services during the first quarter, from both Swedish and international customers.

Growth was 0.3 percent during the quarter, of which -0.9 percentage points were organic. Adjusted for calendar (one less working day than the previous year) and currency effects, organic growth was 0.4 percent. Underlying demand is high, but the difficulty in finding engineering capacity in certain segments has slowed our growth.

EBITA and the EBITA margin were SEK 98 million (100) and 8.8 percent (9.0), respectively. Project impairments in one of the previously acquired companies had a negative impact on the margin.

ÅF received a new automation order valued at approximately SEK 200 million from Stockholm Vatten och Avfall during the quarter, for the Henriksdal purification plant. ÅF has been awarded a large order from Sappi in South Africa, where it is to expand the Saiccor pulp mill and improve its environmental footprint. There is strong demand for ÅF's services within the automotive industry, and ÅF received several product development orders from Volvo Cars.

Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales, MSEK	1,124	1,121	4,371
EBITA, MSEK	98	100	387
EBITA margin, %	8.8	9.0	8.9
Average number of employees, FTEs	3,100	3,071	3,097
Total growth, %	0.3	-	-
of which organic growth, %	-0.9	-	-
of which adjusted/underlying organic growth, %	0.4	-	-

Comparing numbers for growth 2017 are not available due to the fact that 2016 numbers have not been adjusted for the reorganisation.

The Industry Division is a leading engineering operation in the fields of product development and process and production systems. Its mission is to improve our customers' profitability. Experience from previously completed projects provides competitiveness, stability and security. Geographic proximity and in-depth industry expertise are the most important foundations for long-term customer relationships.

Energy Division

The energy market in Europe is still largely unchanged and investment decisions are postponed due to low electricity prices. The refurbishment of existing installations continues to be good and in the Nordic region investment programmes to improve transmission and distribution grids continues. The market for nuclear refurbishment, site surveys, decommissioning and waste management handling has picked up. Renewables are gaining momentum and the market for onshore/offshore wind farms is expected to grow in the next few years, as will large-scale solar plants.

In South-east Asia and Africa, the demand for conventional power plants is still strong due to growing economies and increasing prosperity. Investments in upgrades and extensions of national transmission networks continue. Globally, the energy mix is becoming more diversified, as renewable energy sources contribute to an increasing degree to energy production.

Growth during the first quarter was -2.6 percent and was entirely organic. Adjusted for calendar (one working day less than the previous year) and currency effects, organic growth was 0.2 percent.

EBITA amounted to SEK 14 million (9) and the EBITA margin was 4.0 percent (2.4). Traditionally new assignments are fewer in the beginning of the year, and the first quarter is further affected by delays by clients in starting up contracted projects.

During the quarter, demand for nuclear-related assignments was strong in Sweden and the division received several new orders for maintenance, operation and refurbishment of existing installations. ÅF's expertise in the field of district heating and thermal cogeneration resulted in a strong order intake.

During the quarter, the division received an assignment to provide technical support to the Development Bank of Turkey, whose target is to increase private sector investment in geothermal exploration in Turkey. The division has also won several transmission line and substation projects in Africa, most notably a feasibility study for interconnection between Mozambique and Zambia, as well as consulting services for the building of a new hydropower plant in South-East Asia.

Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales, MSEK	353	363	1,467
EBITA, MSEK	14	9	88
EBITA margin, %	4.0	2.4	6.0
Average number of employees, FTEs	979	1,055	1,015
Total growth, %	-2.6	-	-
of which organic growth, %	-2.6	-	-
of which adjusted/underlying organic growth, %	0.2	-	-

Comparing numbers for growth 2017 are not available due to the fact that 2016 numbers have not been adjusted for the reorganisation.

The Energy Division has a strong position in the energy area with cutting-edge expertise in all areas concerning the production and transmission of energy in over 80 countries. The division has decades of experience in technical and international project management in the fields of energy and power, analyses, energy studies, design and commissioning. Projects are run and delivered in various forms based on relevant conditions, usually locally and in close cooperation with our customers in renewable energy, thermal power, hydropower and nuclear power, as well as transmission and distribution.



Digital Solutions Division

The market for digital solutions remained strong during the quarter. We are seeing stable demand in our areas of expertise including embedded systems, systems development, digital design and systems engineering

The division has continued to experience high demand for product and service development in all its customer segments.

We see a continuing trend in several sectors where clients increasingly seek partnerships with digitalisation suppliers who can take on long-term end-to-end product development solutions. One example is an expanded partnership with Electrolux, where ÅF took on around 50 qualified development engineers from Electrolux while also receiving an assignment to support the transfer of an R&D unit from Sweden to Italy.

Demand in the defence sector has been strong, and in view of the current security policy situation the market is expected to experience strong growth in the future. Growth was 4.1 percent, of which -0.7 percentage points were organic. Adjusted for calendar (one less working day than the previous year) and currency effects, organic growth was 0.9 percent. Organic growth has been inhibited by a restriction in delivery capacity due to a lack of engineers in the digital area, as well as one customer who significantly adjusted their needs downward.

EBITA and the EBITA margin were SEK 58 million (52) and 10.2 percent (9.5), respectively.

On 1 April the division acquired a small business with experts in apps, the internet and integration in order to further strengthen its digital solutions offering.

Integration of the digital design firm InUse is proceeding according to plan. The acquisition is part of ÅF's strate-

gic focus on digitalisation and design, where ÅF is now one of Sweden's largest operators in service design and user experience. Among our customer projects are smart digital healthcare solutions in partnership with Ascom, and control of private energy consumption in partnership with Eon. In addition to providing digital design solutions, inUse also has a training business and organises the Nordic region's largest service design and user experience conference, "From Business to Buttons", which will kick off on 15 May in Stockholm.

Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales, MSEK	566	544	2,046
EBITA, MSEK	58	52	199
EBITA margin, %	10.2	9.5	9.7
Average number of employees, FTEs	1,208	1,102	1,112
Total growth, %	4.1	-	-
of which organic growth, %	-0.7	-	-
of which adjusted/underlying organic growth, %	0.9	-	-

Comparing numbers for growth 2017 are not available due to the fact that 2016 numbers have not been adjusted for the reorganisation.

Digital Solutions provides companies and authorities with digital solutions as they develop new business models, services and products. By combining the opportunities offered by the connected world with ÅF's deep domain knowledge, the division helps create an in-demand partner in the industry, infrastructure and energy sectors. The division offers innovative solutions that focus on R&D, communication technology, digital design and IT.

Risks and uncertainties

The significant risks and uncertainties 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, such as 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 2017. No significant risks are considered to have arisen since the publication of the annual report.

Accounting policies

This report was 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 2017 (Note 1). New or revised IFRS standards that came into force in 2018 did not have any material impact on the Group. The parent company complies with the Swedish Financial Reporting Board's Recommendation RFR 2, which requires that the parent's annual report apply all IFRS standards and interpretations approved by the EU as far as is possible within the constraints of the Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), and while considering the relationship between reporting and taxation. Disclosures according to IAS 3416A can partly be found in the pages before the consolidated income statement.

The process of implementing the new standards IFRS 9 Financial instruments and IFRS 15 Revenue from Contracts with Customers has been completed. They have not had any significant effects on the balance sheet and income statement. One effect amounting to 2 SEK million has been recorded as an adjustment to consolidated equity brought forward as of 1 January 2018, as an effect of the implementation of IFRS 9. The evaluation of the effects of IFRS 16 Leases on consolidated earnings and position continues, and material effects are expected.

Definitions

Key ratios in this report are defined in ÅF's Annual Report for 2017.

EBITA – Earnings before interest, taxes and amortisation. Operating profit/loss with restoration of acquisition-related items.

EBITA margin – EBITA in relation to net sales.

Acquisition-related items – Depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains/losses on disposal of companies and operations.

Operating profit (EBIT) – Profit/loss before net financial items and tax (earnings before interest and tax).

The share

The ÅF share price at the end of the reporting period was SEK 182.20 (185.20), representing an increase of 0.7 percent since the start of the year, adjusted for dividends. Total shareholder return on the OMX Stockholm Allshare index amounted to -0.3 percent

A shares	3,217,752
B shares	75,044,113
Total shares	78,261,865
Of which own B shares	889,399
Votes	107,221,633

In 2018, 49,616 own shares were used to match the 2014 share plan and 270 own shares were used to match the 2013 share plan.

Stockholm, 25 April, ÅF AB (publ)
Jonas Gustavsson
President and CEO

This report has not been subjected to scrutiny by the company's auditors.

This information fulfils ÅF AB's (publ) disclosure requirements under the provisions of the EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication through the agency of the contact person set out above at 11.00 CET on 25 April 2018.

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.

This is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.

Presentation to investors

Time: 25 April 02:00 p.m. CET
Webcast: <http://www.afconsult.com/en/investor-relations/financial-reports/>
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Sweden: +46 (0)8 5065 3942
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Annual Report 2017

The annual report is now available for download at www.afconsult.com

2018 AGM

The Annual General Meeting (AGM) will be held on 25 April at 4:00 p.m. CET at ÅF AB, Frösundaleden 2, Solna, Sweden.

Calendar 2018

25 April – Q1 2018
13 July – Q2 2018
24 October – Q3 2018

Condensed income statement

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017	Apr 2017- Mar 2018
Net sales	3,415	3,265	12,658	12,809
Personnel costs	-1,999	-1,924	-7,269	-7,344
Purchases of services and materials	-813	-763	-3,192	-3,242
Other costs	-252	-266	-1,069	-1,055
Other income	1	0	4	5
Profit attributable to participations in associates	0	0	0	0
EBITDA	353	311	1,132	1,173
Amortisation and impairment of intangible assets ¹	-28	-25	-105	-107
EBITA	325	286	1,027	1,065
Acquisition-related items ²	-13	1	6	-8
Operating profit (EBIT)	311	287	1,033	1,057
Net financial items	-17	-20	-76	-73
Profit after financial items	294	267	957	985
Tax	-67	-61	-215	-221
Profit for the period	227	206	742	764
Attributable to:				
Shareholders in parent company	228	206	744	766
Non-controlling interest	0	0	-2	-2
Profit for the period	227	206	742	764
Earnings per share before dilution, SEK	2.94	2.65	9.58	-
Earnings per share after dilution, SEK	2.88	2.60	9.39	-
Number of shares outstanding	77,372,466	77,827,253	77,322,580	
Average number of outstanding shares before dilution	77,340,891	77,751,137	77,700,879	
Average number of outstanding shares after dilution	80,057,962	79,962,602	80,169,882	

¹ 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.

² Acquisition-related items are defined as depreciation/amortisation and impairment of acquisition-related intangible non-current assets including goodwill, revaluation of contingent consideration and gains/losses on divestment of companies and businesses. See page 14 for further details.

Statement of consolidated comprehensive income

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Profit for the period	227	206	742
Items which will be transferred to profit or loss			
Change in translation reserve for the period	107	-10	-44
Change in value of cash flow hedging	-1	2	5
Tax	0	0	-1
Items which will not be transferred to profit or loss			
Pensions	0	0	38
Tax	0	0	-7
Other comprehensive income for the period	107	-9	-9
Comprehensive income for the period	334	197	733
Attributable to:			
Shareholders in the parent	334	197	735
Non-controlling interest	0	0	-2
Total	334	197	733

Condensed balance sheet

SEK million	31 Mar 2018	31 Mar 2017	Full year 2017
ASSETS			
Non-current assets			
Intangible assets	6,745	6,313	6,542
Property, plant and equipment	524	496	510
Other non-current assets	20	18	18
Total non-current assets	7,290	6,827	7,070
Current assets			
Current receivables	4,100	3,668	4,086
Cash and cash equivalents	233	223	223
Total current assets	4,333	3,891	4,308
Total assets	11,623	10,718	11,378
EQUITY AND LIABILITIES			
Equity			
Attributable to shareholders in parent company	5,303	4,887	4,972
Attributable to non-controlling interest	17	19	17
Total equity	5,321	4,906	4,989
Non-current liabilities			
Provisions	330	355	295
Non-current liabilities	2,063	2,624	2,028
Total non-current liabilities	2,392	2,979	2,323
Current liabilities			
Provisions	77	26	105
Current liabilities	3,833	2,807	3,962
Total current liabilities	3,910	2,833	4,067
Total equity and liabilities	11,623	10,718	11,378

Condensed statement of change in consolidated equity

SEK million	31 Mar 2018	31 Mar 2017	Full year 2017
Equity at start of period	4,989	4,697	4,697
Change in accounting policies (IFRS 9)	-2	-	-
Adjusted Equity at start of period	4,987	4,697	4,697
Comprehensive income for the period	334	197	733
Dividends	-	-	-350
Conversion of staff convertible into shares	-	10	18
Value of conversion right	-	-	10
Share buy-backs/sales	-	-	-114
Share savings programmes	0	3	-5
Equity at end of period	5,321	4,906	4,989

Condensed statement of consolidated cash flows

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Profit after financial items	294	267	957
Adjustment for items not included in cash flow	24	10	114
Income tax paid	-90	-89	-211
Cash flow from operating activities before changes in working capital	228	187	861
Cash flow from changes in working capital	-7	-55	-237
Cash flow from operating activities	221	132	624
Cash flow from investing activities	-93	-244	-525
Cash flow from financing activities	-110	5	-209
Cash flow for the period	17	-107	-109
Opening cash and cash equivalents	223	329	329
Exchange difference in cash and cash equivalents	-6	0	3
Closing cash and cash equivalents	233	223	223

Change in consolidated net debt

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Opening balance	2,631	2,298	2,298
Cash flow from operating activities	-221	-132	-624
Acquisition of intangible assets, property, plant and equipment	20	26	92
Acquisition and contingent considerations paid	74	218	433
Dividend	-	-	350
Share buy-backs/sales	-	-	114
Other	16	21	-32
Closing balance	2,521	2,431	2,631

Consolidated net debt

SEK million	31 Mar 2018	31 Mar 2017	Full year 2017
Loans and credit facilities	2,656	2,505	2,758
Net pension liability	98	149	96
Cash and cash equivalents	-233	-223	-223
Group	2,521	2,431	2,631

Consolidated key ratios

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Return on equity, %	15.5	16.4	15.4
Return on capital employed, %	13.6	14.8	13.5
Equity ratio, %	45.8	45.8	43.8
Equity per share, SEK	68.59	62.79	64.30
Interest-bearing liabilities, MSEK	2,754	2,654	2,854
Average number of employees (FTEs)	9,685	9,200	9,329

Items affecting comparability

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Restructuring costs	-	-	-90
Total	-	-	-90

Revenue

Net sales according to business model

MSEK	Infrastructure Division	Industry Division	Energy Division	Digital Solutions Division	Group-wide/ eliminationsr	Total Group
Project Business	1,443	302	312	74	-52	2,079
Professional Services	13	822	41	493	-32	1,337
Total	1,456	1,124	353	566	-85	3,415

The Group began to apply the new accounting standard IFRS 15 Revenue from Contracts with Customers beginning on 1 January 2018. ÅF's business model is divided into two customer offerings: Project business and Professional services. Project business is ÅF's offering for major projects and end-to-end solutions. In such projects, ÅF acts as a partner for the client, leading and running the entire project. Professional services is ÅF's offering where the customer leads and runs the project, while ÅF provides suitable expertise at the right time.

The new standard has not produced any material effect on the financial statements aside from expanded disclosure requirements. No adjustment was made to the 1 January 2018 opening balance. Invoicing in the Project business takes place as work proceeds in accordance with agreed terms and conditions, either periodically (monthly) or when contractual milestones are reached. Invoicing ordinarily takes place after the income has been recorded, resulting in contract assets. However, ÅF sometimes receives advance pay-

ments or deposits from our customers before the income is recognised, which then results in contract liabilities. In Professional services, hours spent on a project are ordinarily invoiced at the end of each month. Performance obligations in the Project business are fulfilled over time as the service is provided. Revenue recognition is based on costs with accumulated costs set in relation to total estimated costs. In Professional services, revenue is recognised by the amount that the unit is entitled to invoice, in accordance with IFRS 15 B16.

Quarterly information by division

Net sales, SEK million	2017					2018				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	1,314	1,285	1,057	1,454	5,110	1,456				
Industry	1,121	1,122	935	1,194	4,371	1,124				
Energy	363	385	333	387	1,467	353				
Digital Solutions	544	519	418	565	2,046	566				
Group-wide/ eliminations	-77	-80	-81	-99	-336	-85				
Group	3,265	3,231	2,662	3,500	12,658	3,415				

EBITA, SEK million	2017					2018				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	137	140	70	168	515	165				
Industry	100	102	64	120	387	98				
Energy	9	26	23	30	88	14				
Digital Solutions	52	52	37	58	199	58				
Group-wide/ eliminations	-12	-39	-80	-32	-162	-10				
Group	286	282	114	344	1,027	325				

EBITA margin (%)	2017					2018				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	10.4	10.9	6.6	11.6	10.1	11.3				
Industry	9.0	9.1	6.8	10.1	8.9	8.8				
Energy	2.4	6.7	7.0	7.7	6.0	4.0				
Digital Solutions	9.5	10.0	8.9	10.2	9.7	10.2				
Group	8.8	8.7	4.3	9.8	8.1	9.5				

Employees (FTEs) ¹	2017					2018				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	3,843	3,964	3,950	4,120	3,969	4,253				
Industry	3,071	3,090	3,069	3,159	3,097	3,100				
Energy	1,055	1,032	990	986	1,015	979				
Digital Solutions	1,102	1,097	1,087	1,162	1,112	1,208				
Group functions	128	130	131	153	135	144				
Koncernen	9,200	9,312	9,228	9,579	9,329	9,685				

Number of working days	2017					2018				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Sweden only	64	59	65	63	251	63	60	65	62	250
All countries ¹	64	59	65	63	250	63	60 ²	65 ²	62 ²	249 ²

¹ In connection with the reorganisation, the calculation of the average number of FTEs has changed, as a more accurate and weighted calculation of the number of hours available by country has been performed. A more standardised calculation was used in the past.

² Estimated weighted average.

The historical figures above are adjusted based on the organisational changes implemented on 1 January 2018, which affected all four divisions and 21 business areas to differing degrees. The change aims to create clarity and well-defined divisions and business areas that have full responsibility for profitability in a decentralised governance model. All divisions bear international responsibility.

Infrastructure Division

Infrastructure operations in Switzerland and the Czech Republic have been transferred to the division. This means that all activities within infrastructure, both in the Nordic region and internationally, are consolidated in the division, which is divided into five business areas.

Industry Division

The changes are extensive, with large rearrangements within the division. The new organisation consists of seven business areas that

are focused by segment, versus the previous division by geography. Industrial operations in the Czech Republic and automotive-related operations in Brazil were transferred to the division.

Energy Division

This is a newly-formed division focusing on energy, made up of the Scandinavian energy operations from the Industry Division together with the energy operations in Switzerland, Finland and the Czech Republic as well as other international energy operations. It consists of five business areas.

Digital Solutions Division

The division consists mainly of the operations previously under the Technology Division, as well as the formation of a new business area, Experience Design, based on the industrial design operations from the Industry Division and the newly-acquired company InUse.

Acquired companies' net assets at time of acquisition

SEK million	Jan-Mar 2018
Intangible assets	-
Property, plant and equipment	7
Financial assets	-
Accounts receivable and other receivables	53
Cash equivalents	32
Accounts payable, loans and other liabilities	-56
Net identifiable assets and liabilities	36
Goodwill	83
Fair value adjustment intangible assets	8
Fair value adjustment non-current provisions	-2
Purchase price incl estimated contingent consideration	125
Transaction costs	1
Deduct:	
Cash (acquired)	-32
Estimated contingent consideration/option	-48
Net outflow of cash	45

The acquisitions refer to Gottlieb Paludan Architects A/S in Denmark and Arcad Arcitectes AG in Switzerland. No single acquisition is material, which is why the disclosures are presented in consolidated form.

The assets and liabilities of Samtanke AB were acquired after the end of the reporting period. An acquisition analysis has not yet been prepared for this acquisition.

The acquisition analyses are preliminary, since the assets of the acquired companies have not been definitively analysed. The purchase consideration for acquisitions for the year was larger than the book assets of the acquired companies, and the acquisition analyses resulted in intangible assets. The acquisition of a consulting business essentially involves the acquisition of human capital, and most of the intangible assets in the companies acquired are thus attributable to goodwill.

Acquisition-related items

SEK million	Jan-Mar 2018	Jan-Mar 2017
Amortisation and impairment of intangible assets	-10	-10
Revaluation of contingent consideration	-4	11
Total	-13	1

Change in contingent consideration/option

SEK million	31 Mar 2018
Opening balance as at 1 January 2018	554
Acquisitions this year	48
Payments	-29
Changes in value recognised in income statement	-4
Discounting	4
Exchange differences	14
Closing balance	587

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. These parameters are mainly related to expected EBIT the next two to three years for the acquired companies. The balance sheet items change is recognised in the table.

As regards other financial assets and liabilities, no significant changes in fair value measurement have been made since the 2017 Annual Report. Fair values are essentially consistent with carrying amounts.

Parent income statement

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales	142	130	562
Other operating income	55	50	202
Operating income	196	181	764
Personnel costs	-44	-40	-168
Other costs	-152	-143	-623
Depreciation and amortisation	-9	-9	-35
Operating profit/loss	-9	-11	-62
Net financial items	23	26	662
Profit/loss after financial items	14	15	599
Appropriations	-	-	88
Pre-tax profit/loss	14	15	687
Tax	2	4	-2
Profit/loss for the period	16	20	685
Other comprehensive income	-1	1	4
Comprehensive income for the period	15	21	689

Parent balance sheet

SEK million	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS			
Non-current assets			
Intangible assets	9	17	11
Property, plant and equipment	113	112	115
Financial assets	5,990	5,917	1,829
Total non-current assets	6,112	6,046	1,955
Current assets			
Current receivables	1,969	2,199	6,208
Cash and bank balances	38	13	21
Total current assets	2,007	2,212	6,229
Total assets	8,119	8,258	8,184
EQUITY AND LIABILITIES			
Equity	4,700	4,467	4,685
Untaxed reserves	136	134	136
Provisions	206	157	156
Non-current liabilities	1,506	2,158	1,505
Current liabilities	1,571	1,341	1,703
Total equity and liabilities	8,119	8,258	8,184

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