Strong growth and stable profit

Fourth quarter 2018

- Net sales amounted to SEK 3,957 million (3,500)
- EBITA excl items affecting comparability, was SEK 357 million (344)
- EBITA margin, excl items affecting comparability, was 9.0 percent (9.8)
- EBITA totalled SEK 332 million (344)
- EBITA margin was 8.4 percent (9.8)
- EBIT (operating profit) was SEK 328 million (348)
- Basic earnings per share, before dilution: SEK 2.85 (3.28)

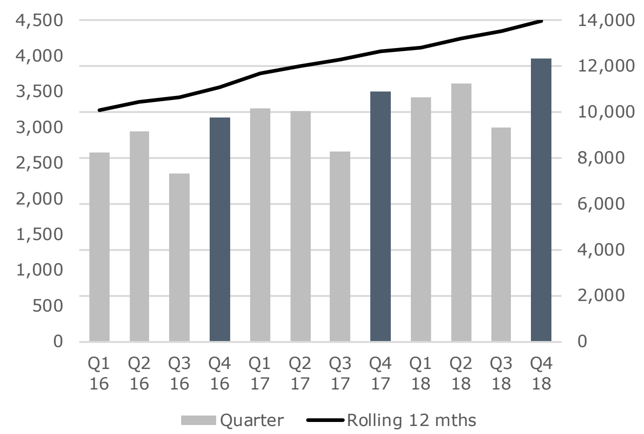
January-December 2018

- Net sales amounted to SEK 13,975 million (12,658)
- EBITA excl items affecting comparability, was SEK 1,268 million (1,117)
- EBITA margin, excl items affecting comparability, was 9.1 percent (8.8)
- EBITA totalled SEK 1,243 million (1,027)
- EBITA margin was 8.9 percent (8.1)
- EBIT (operating profit) was SEK 1,203 million (1,033)
- Basic earnings per share, before dilution: SEK 10.98 (9.58)
- Board of Directors proposes a dividend for 2018 of SEK 5.00 (5.00)

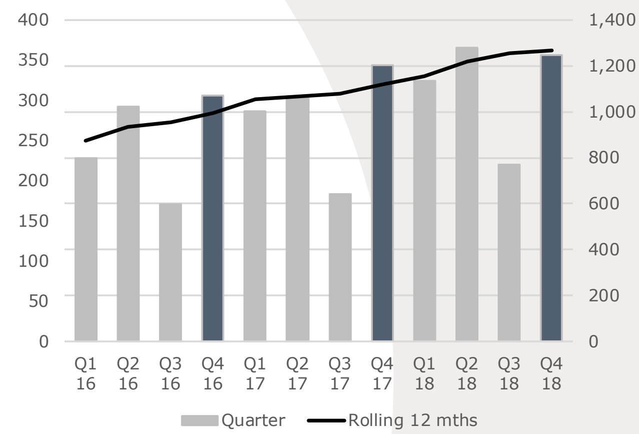
» 2018 was characterized by a high rate of growth and stable profit. We look forward to another exciting year in which we deliver leading solutions to our clients and realise the planned acquisition of Pöyry. «

Jonas Gustavsson, President and CEO

Net sales, SEK million



EBITA, SEK million[1]



[1] Excl items affecting comparabiity.

Making Future.

Comments by the CEO

ÅF delivered strong growth and achieved stable profit in the fourth quarter. Net sales increased by 13.0 percent (11.6). EBITA excluding items affecting comparability was SEK 357 million (344), and the corresponding EBITA margin was 9.0 percent (9.8). Cash flow remains strong.

Market trend
The transition to reducing climate impact and the global urbanisation and digitalisation trends continue to drive demand for sustainable solutions in all of ÅF's operations.

The general market trend and demand remained good in the fourth quarter and was largely unchanged compared with the previous quarter. Demand in the industrial sector for digitalisation, electrification and automation remains strong. The need for investments in infrastructure in the Nordic region and Switzerland, which are ÅF's principal markets, continues to drive demand in both commercial and public buildings and road & rail, as well as in niche areas such as architecture and design. The energy market is in a process of transformation, and we see stable demand for our services in the Nordic region. There is also stable demand on the global energy market. However, our international energy business is affected by the changes we are currently making.

Performance among the divisions
Based on the strong demand on the market, the Infrastructure Division continues to develop well with good growth and profitability. The level of investment in roads and railways remains strong, and the buildings segment, with the focus on sustainable solutions, is developing well. During the quarter, Swedavia renewed its trust in ÅF for the continued expansion of Arlanda Airport, with a contract value of approximately SEK 55 million.

The Industry Division delivered a stable profit and slightly higher growth than in the previous quarters of the year. Trends are positive in the automotive industry, the manufacturing industry and Food & Pharma. The division supports its clients in their transition towards a sustainable industry, driving continued strong orders in the process industry. Industrial clients demand increasingly advanced automation solutions to enhance both quality and productivity in their plants.

The Energy Division enjoyed a stable profit and growth on the Nordic market, but the international market remains challenging. We are changing our energy operations to improve profitability and transform our business model in line with the ongoing energy transformation. This entails greater focus on our core markets and, in line with this change, energy expert P.A.P in Denmark and Swiss-based IFEC Ingegneria were acquired during the quarter.

The Digital Solutions Division delivered strong growth of 20 percent and continued good profitability. Digitalisation in industry and society at large is driving demand for digital services, and ÅF's ability to deliver end-to-end solutions for the entire development chain in all sectors is producing results. During the quarter, ÅF entered a partnership contract with Ericsson, combining our deep knowledge of industry and digitalisation with Ericsson's telecommunications expertise. We thus have a strong offering when our clients take the next step in Industry 4.0.

Successful implementation of strategy
In 2018, we successfully implemented our strategy, focusing on developing our business model, increasing growth and strengthening our profitability. During the year, we grew organically by 6.3 percent (3.3) and acquired 11 businesses that strengthen our position in selected segments and geographical regions. In line with the strategy, we are now taking the next step to further enhance our competitiveness, meet our clients' increased demand for end-to-end suppliers with global reach and meet the ongoing consolidation in the sector. The planned acquisition of Pöyry gives us the opportunity, in selected segments, to become a leading international supplier of sustainable solutions, while creating a platform for continued value growth and international expansion. With our combined expertise and size, we will be able to take on even larger, more complex assignments. This also generates interesting career and development opportunities for our employees, further enhancing our employer brand.

We have now left 2018 behind us. Annual sales were SEK 14 billion, an increase of 10.4 percent on 2017. EBITA excluding items affecting comparability was SEK 1,268 million (1,117), and the corresponding EBITA margin was 9.1 percent (8.8). In 2018, ÅF continued to grow and return profits, laying a sound foundation for the future.

We look forward to an exciting year with our clients, employees and shareholders and will continue to focus on the journey towards our vision of providing leading solutions for generations to come – Making Future.

Stockholm, Sweden – 7 February, 2019
Jonas Gustavsson
President and CEO

ÅF's planned acquisition of Pöyry

Background
In 2017, ÅF launched a strategy focusing on growth, increased value creation and international expansion in selected segments. Aligned with this strategy, ÅF now plans to go through with a platform acquisition to facilitate internationalisation and continued long-term value creation.

The competitive landscape has changed significantly in the past few years. Things are changing quickly as a result of global trends, and clients largely want end-to-end suppliers with scale and reach. Our sector also continues to undergo consolidation, with greater competition as a result, from both domestic suppliers and international companies.

About Pöyry
Pöyry is an international consultancy and engineering company supplying services related to energy, the process industry, infrastructure and management consulting. Pöyry's net sales in 2017 were EUR 522 million and it had 5,500 employees. The company was founded in 1958 by Jaakko Pöyry.

The new ÅF Pöyry Group
Pöyry and ÅF are two leading engineering and consultancy companies in Europe with complementary operations. The merger will create a strong platform for international growth. With combined expertise, greater scale, more resources and committed, highly educated employees, ÅF Pöyry is expected to contribute to clients' continued development and meet the need for advanced sustainable solutions in increasingly complex assignments. Jonas Gustavsson will be President and CEO, and the head office will be in Stockholm.

Broader segment distribution and risk optimisation
The acquisition will strengthen our position in several segments. In infrastructure, the Scandinavian region remains a strong base, but local operations will be enhanced in parts of Europe such as Switzerland, Austria, Germany and Finland, where the companies have complementary operations.

In the process industry, current operations will be enhanced by Pöyry's pulp & paper operations, and by its mining and petrochemical activities, primarily in the Nordic region, Southeast Asia, North America and Brazil.

In energy, ÅF Pöyry will be a strong international operator in all segments, with operations primarily in the Nordic region, the rest of Europe and Asia.

Based on net sales, the four biggest segments are expected to be infrastructure, buildings, automotive and energy. At the same time, the acquisition will increase the number of segments we are involved in, resulting in a generally improved spread of risk.

The new Group will have greater international presence and conditions to increase the rate of internationalisation in selected segments while generating a profit. The Nordic region will continue to be the company's biggest market, with approximately 75 percent of net sales.

A new division structure that reflects the business
ÅF Pöyry will consist of five divisions that reflect the business, with managers from both ÅF and Pöyry. The new divisions and managers are expected to be:

- Infrastructure Division, Malin Frenning
- Energy Division, Richard Pinnock
- Process Industries Division, Nicholas Oksanen
- Industrial and Digital Solutions Division, Robert Larsson
- Management Consulting Division, Martin à Porta

An even more attractive employer
The merger is expected to provide greater opportunities for professional development and international careers for employees and thus further enhance the employer brand. ÅF and Pöyry share a Nordic industrial heritage and have great similarities in terms of corporate culture as both companies are high-performance organisations with a strong entrepreneurial spirit.

Synergies through economies of scale
Revenue synergies are expected to be achieved by winning new projects based on combined expertise, size and geographic footprint in all divisions. Other areas in which revenue synergies are expected are cross-selling between Sweden and Finland, economies of scale in the forest industry, mining industry, petrochemicals and bioeconomy, growth in Finnish and Swiss infrastructure business and digitalisation projects in Finland.

ÅF Pöyry will realize cost synergies, for example through reduced listed company costs, lower general and administrative costs and efficiency enhancements in offices, IT and operating structures. Cost synergies are expected to total at least SEK 180 million and the majority will be realised in 2019.

The transaction
On 10 December 2018, ÅF published a public takeover bid for all outstanding shares in Pöyry for a price of EUR 10.20 per share. The acceptance period for the bid will end on 15 February 2019.

The cash bid will initially be financed with debt. This will be followed by a private placement and a preferential rights issue totalling SEK 4 billion.

The takeover bid can be completed provided that ÅF obtains all necessary regulatory approvals and ÅF gains control over more than 90 percent of the shares in Pöyry.

ÅF's shares will continue to be listed on Nasdaq Stockholm.

Net sales and earnings 2018

October–December
Net sales during the quarter were SEK 3,957 million (3,500). Growth was 13.0 percent (11.6). Organic growth amounted to 8.2 percent (2.8) and 8.2 percent (5.0) when adjusted for currency translation and calendar effects. The period had one less working day than the previous year.

Adjusted for items affecting comparability, EBITA totalled SEK 357 million (344) and the EBITA margin was 9.0 percent (9.8). The items affecting comparability totalled SEK 25 (0) million and concern transaction costs in the ongoing process for the acquisition of the Pöyry PLC shares.

The total transaction costs are estimated to be approximately SEK 65 million. The remaining SEK 40 million is expected to be expensed in the first quarter of 2019.

EBITA and the EBITA margin were SEK 332 million (344) and 8.4 percent (9.8), respectively. The previous year's EBITA was affected by two major items: downward adjustment of a pension provision in the Swiss business and costs for the work on the new strategy. These items contributed SEK 2 million net.

Capacity utilisation was 77.2 percent (77.9).

EBIT was SEK 328 million (348). 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 11 million (10) and the change in assessments of future contingent considerations amounting to SEK 8 million (14).

Profit after financial items was SEK 287 million (330) and profit after tax for the period was SEK 222 million (253). Net financial items for the quarter totalled SEK -41 million (-18). Interest expense rose due to more borrowing and an increase in the average credit term in the loan portfolio. Net financial items was also charged with one-off financing costs linked to the tender offer to acquire all shares issued and outstanding in Pöyry PLC for SEK 15 million. The total financing costs in connection with the acquisition are estimated to be approximately SEK 65 million. The remaining SEK 50 million is expected to be expensed in 2019.

Net financial items was charged with discount rates related to contingent considerations, which do not affect cash flow, amounting to SEK 4 million (3).

January–December
Net sales during the period totalled SEK 13,975 (12,658). Growth was 10.4 percent (14.3). Organic growth amounted to 6.3 percent (3.3). When adjusted for currency translation effects and calendar effects, organic growth amounted to 5.6 percent (3.5). There was one working day less this year than last.

Adjusted for items affecting comparability, EBITA totalled SEK 1,268 million (1,117) and the EBITA margin was 9.1 percent (8.8). The items affecting comparability amounted to SEK 25 million (90) and concern transaction costs in the ongoing process for the acquisition of the Pöyry PLC shares. The items affecting comparability in the previous year amounted to SEK 90 million and concerned restructuring costs. EBITA totalled SEK 1,243 million (1,027) and the EBITA margin was 8.9 percent (8.1). The current period includes a disbursement received in the Prosolvia bankruptcy proceedings regarding receivables from Prosolvia AB for SEK 18 million. The receivables had been subject to impairment some time ago.

Capacity utilisation was 77.2 percent (77.6).

Key ratios

	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales, MSEK	3,957	3,500	13,975	12,658
Total growth, %	13.0	11.6	10.4	14.3
Acquired,%	4.9	8.8	4.1	11.0
Organic; %	8.2	2.8	6.3	3.3
of which currency, %	1.5	-0.8	1.1	0.3
of which calendar, difference in number of working days, %	-1.4	-1.4	-0.4	-0.4
Adjusted/underlying organic growth, %	8.2	5.0	5.6	3.5
EBITA excl items affecting comparability, MSEK	357	344	1,268	1,117
EBITA margin excl items affecting comparability, %	9.0	9.8	9.1	8.8
EBITA, MSEK	332	344	1,243	1,027
EBITA margin, %	8.4	9.8	8.9	8.1
Operating profit, MSEK	328	348	1,203	1,033
Profit after financial items, MSEK	287	330	1,103	957
Profit for the period, MSEK	222	253	850	742
Basic earnings per share, SEK	2.85	3.28	10.98	9.58
Diluted earnings per share, SEK	2.79	3.19	10.76	9.39
Cash flow from operating activities, MSEK	358	337	874	624
Net debt, MSEK	3,455	2,631	3,455	2,631
Net debt/EBITDA rolling 12-month, times	-	-	2.5	2.3
Net debt-equity ratio, %	-	-	63.2	52.7
Average number of employees, FTEs	-	-	10,928	9,865
Capacity utilisation, %	77.2	77.9	77.2	77.6

EBIT was SEK 1,203 million (1,033). 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 41 million (38) and the change in assessments of future contingent considerations amounting to SEK 2 million (44).

Profit after financial items was SEK 1,103 million (957) and profit after tax for the period was SEK 850 million (742). Net financial items for the period was SEK -99 million (-76). Interest expense rose due to more borrowing and an increase in the average credit term in the loan portfolio. Net financial items was also charged with one-off financing costs linked to the takeover bid to acquire all shares issued and outstanding in Pöyry PLC for SEK 15 million. Net financial items was charged with discount rates related to contingent considerations, which do not affect cash flow, amounting to SEK 16 million (17).

Cash flow and financial position

Consolidated net debt totalled SEK 3,455 million (2,631) at the end of the quarter and SEK 2,950 million (2,830) at the start of the quarter. Cash flow from operating activities reduced net debt by SEK 358 million. Net debt increased through purchases of shares in Pöyry PLC for SEK 657 million and considerations paid, including contingent considerations, of SEK 111 million.

At the beginning of the year, consolidated net debt totalled SEK 2,631 million (2,298), generating an accumulated increase in net debt of SEK 823 million (333). Net debt increased through dividends paid of SEK 387 million, share buy-backs of SEK 177 million, purchases of shares in Pöyry PLC 657 million investments in non-current assets amounting to SEK 121 million and considerations paid, including contingent considerations, of SEK 374 million. Cash flow from operating activities reduced net debt by SEK 874 million.

During the fourth quarter, ÅF AB entered new credit facility contracts with Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ) to guarantee available funds in debt financing for the takeover bid for Pöyry PLC. The availability of this credit to ÅF is contingent on the completion of the takeover bid for Pöyry PLC and certain other standard conditions within ÅF's control.

During the second quarter, ÅF AB established a medium-term note (MTN) programme with a loan limit of SEK 3,000 million. The MTN programme allows ÅF to issue bonds on the Swedish market and will be a complement to the current financing structure. On 13 June 2018, an unsecured bond loan was issued under the MTN programme totalling SEK 500 million, maturing in five years.

Consolidated cash and cash equivalents totalled SEK 239 million (223) at the end of the period and unutilised credit facilities amounted to SEK 7,841 million (1,498), including credit facilities to finance the takeover bid to acquire all shares issued and outstanding in Pöyry PLC. Equity per share was SEK 70.42 (64.30). The equity/assets ratio was 41.4 percent (43.8). Equity totalled SEK 5,465 million (4,989).

Parent

Parent operating income for the period January-December totalled SEK 831 million (764) and relates chiefly to internal services within the Group. Profit after net financial items was SEK 684 million (599). Cash and cash equivalents totalled SEK 32 million (21) and gross investment in intangible assets and property, plant and equipment was SEK 56 million (34).

Acquisitions and divestments

Eleven businesses have been acquired since the beginning of the year, and they are expected to contribute sales of approximately SEK 590 million over the full year, see page 16 for further details.

During the quarter, ÅF began the voluntary recommended cash takeover bid for all shares in Pöyry PLC. As at 31 December 2018, ÅF AB had acquired shares in Pöyry PLC to a value of SEK 672 million, equivalent to 10.5 percent.

Number of employees

The average number of FTEs was 10,037 (9,329). The total number of employees at the end of the period was 10,928 (9,865).

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

The Danish energy company P.A.P was acquired in the fourth quarter, which is in line with ÅF's growth strategy and its ambition to grow its presence in Denmark. The acquisition helps strengthen ÅF's position on the Danish energy market and creates a strong base for continued growth in Scandinavia. P.A.P has 46 employees and generated sales of approximately SEK 60 million in 2017. The company was consolidated into ÅF as of October 2018.

The Swiss company IFEC Ingegneria was also acquired in the quarter. It specialises in consultancy services on the environment, technical installations and energy efficiency for buildings. IFEC has 80 employees and generated sales of approximately SEK 90 million in 2017. The company was consolidated into ÅF as of November 2018.

During the quarter, ÅF AB and Pöyry PLC signed a contract to merge the two companies to form a leading European engineering, design and consultancy company. ÅF made a recommended cash public takeover bid to acquire all shares issued and outstanding in Pöyry. Four major shareholders of Pöyry have committed themselves to become shareholders of the merged company via a private placement after the completion of the tender offer.

An extraordinary General Meeting of ÅF AB (publ) was held on 16 January 2019. The meeting resolved to authorise on new share issue and to change the limits for share capital and the number of shares. Pöyry's chairman of the Board, Henrik Ehrnrooth, was elected to be a new member of the Board of ÅF, conditional on ÅF's public takeover bid for Pöyry PLC and the directed new share issue being completed. The meeting also resolved to change the company name from ÅF AB to ÅF Pöyry AB, contingent on ÅF's public takeover bid for for Pöyry PLC being completed.

After the end of the reporting period, ÅF extended the acceptance period for the tender offer to acquire all shares issued and outstanding in Pöyry. The original acceptance period of 20 December 2018 to 31 January 2019 was extended to 15 February in accordance with the terms of the takeover bid.

After the end of the period, Malin Frenning was appointed as the new head of the Infrastructure Division and assumed her position on 1 February. Malin has many years of experience of urban development and digitalisation, including in executive positions with Telia. Mats Påhlsson, former head of the division, retires in March 2019, but will continue for a while as senior adviser.

Infrastructure Division

The market for infrastructure in both buildings and road & rail is strong in all geographical regions, and the division is developing its offering for an increasingly digitalised infrastructure.

Total demand is increasing in the buildings segment. The biggest segment is public buildings, where demand is extremely strong. Society has a great need for modern, new buildings in the healthcare and education sectors, and to modernise existing buildings. Demand remains stable in commercial buildings, including energy efficiency enhancements and conversion of offices and retail spaces to achieve greater flexibility. In turn, this drives continued strong demand for architectural and design solutions.

Demand in road & rail remains strong, with stable growth. The level of investment is high in all countries and regions.

The division's positive performance persisted in the fourth quarter, with growth of 14.5 percent, of which 10.3 percentage points were organic. When adjusted for calendar and currency translation effects, organic growth amounted to 9.9 percent. Underlying strong demand, primarily in the building segment, contributed to the high rate of growth.

EBITA increased to SEK 184 million (168). Healthy profitability in Sweden and Switzerland, paired with improved earnings in Norway, are the primary reasons for the strong profit. The EBITA margin was 11.1 percent (11.6). The previous year's EBITA was affected by a downward adjustment of the pension liability in the Swiss business, amounting to SEK 12 million. Adjusted for this, the EBITA margin was 10.3 percent.

During the quarter, Swedavia renewed its trust in ÅF for the continued expansion of Arlanda Airport. The order is estimated at approximately SEK 55 million and runs to June 2019.

On the buildings side, ÅF won an order in Oslo during the quarter concerning Dronning Ingrids Hage, a residential facility for dementia suffers, with an estimated value of approximately SEK 15 million.

Malin Frenning assumed her position as the new head of the division on 1 February. Malin has many years of experience of urban development and digitalisation, including in executive positions with Telia. Mats Påhlsson, former head of the division, retires in March 2019, but will continue for a while as senior adviser.

Key ratios

Infrastructure Division	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales, MSEK	1,665	1,454	5,935	5,110
EBITA, MSEK	184	168	638	515
EBITA margin, %	11.1	11.6	10.8	10.1
Average number of employees, FTEs	4,605	4,120	4,426	3,969
Total growth, %	14.5	-	16.1	-
of which organic growth, %	10.3	-	11.8	-
of which adjusted/underlying organic growth, %	9.9	-	10.6	-

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 for the division's projects and services remains high.

During the fourth quarter, demand for ÅF's services in the automotive industry remained high. The long-term trend towards electrification of powertrains and connected and self-driving vehicles continues. Automotive clients continue to increase both quality and productivity in their plants with increasingly advanced automation solutions.

Developments in Food & Pharma remain positive. Clients are investing in and upgrading their production equipment to enhance delivery capacity and to introduce new products to the market. This is very clear in the dairy industry, where many new product variants are being introduced.

Demand in the manufacturing industry remains high. During the fourth quarter, ÅF won several significant contracts, demonstrating clients' trust in our ability to deliver complete functions and solutions. ÅF is at the cutting edge of virtual commissioning. We have recreated a secure, tried and tested platform in a virtual environment, to great industry acclaim.

The global transition to a more sustainable society is an increasingly strong driver in our business, with fossil-based materials and fuels being replaced by renewable alternatives. ÅF has deep, unique experience of the forestry industry and the petrochemical and energy sectors. We help our clients succeed in the transition to sustainable industry. Orders in the process industry remain strong, both in Sweden and worldwide.

Growth in the quarter was 6.5 percent of which 4.8 percentage points were organic, an increase on the previous quarter of 2018. Organic growth amounted to 5.9 percent when adjusted for calendar and currency translation effects.

EBITA and the EBITA margin were SEK 112 million (120) and 8.8 percent (10.1), respectively. The lower EBITA margin is primarily attributable to the fact that the margins in projects recognised in revenue were slightly lower than normal and there was an imbalance in capacity utilisation in some units at the start of the quarter.

During the period, ÅF delivered both initial concept studies and series-ready designs for various vehicle systems, such as a new concept for battery systems, to automotive clients in Sweden, Brazil, China and the US.

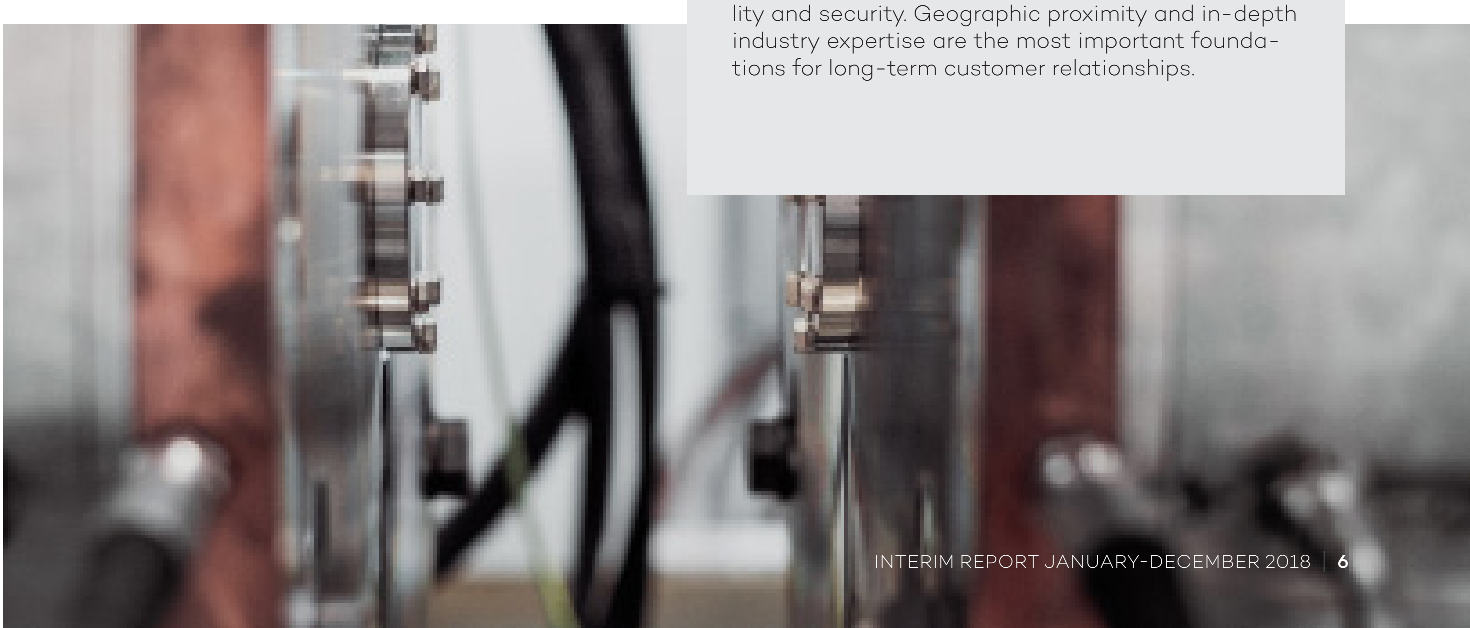
ÅF received several orders for automated production lines for Volvo Cars in both Olofström and Torslanda. ÅF was also given an extension on the flexible research and development project for Volvo Cars, on which we are working on body, chassis, exteriors, interiors, climate systems and mechanical architecture and integration in Sweden and China.

Key ratios

Industry Division	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales, MSEK	1,271	1,194	4,503	4,371
EBITA, MSEK	112	120	383	387
EBITA margin, %	8.8	10.1	8.5	8.9
Average number of employees, FTEs	3,241	3,159	3,146	3,097
Total growth, %	6.5	-	3.0	-
of which organic growth, %	4.8	-	1.4	-
of which adjusted/underlying organic growth, %	5.9	-	1.4	-

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

Environmental concerns have increased globally, among both political decision makers and consumers. The ongoing transition to sustainable, renewable energy generation is gaining momentum, also addressing the areas of energy efficiency, reliability and cost of electricity supply.

Energy market trends vary depending on geography. The developed markets in Europe are improving the transmission grid and extending the life of existing installations, while also adding capacity through decentralised renewable power generation. In other regions, electricity systems are still being built to support economic progress and increase energy consumption per capita, with new investments in thermal and hydropower plants and transmission networks.

Growth during the fourth quarter was 13.3 percent, of which 5.0 percentage points were organic. Adjusted for calendar and currency effects, organic growth was 1.7 percent.

EBITA amounted to SEK 13 million (30) and the EBITA margin was 3.0 percent (7.7). The Nordic business reports growth and a stable margin, whereas international operations are still challenging. The division continues to restructure its international energy business and is focusing on developing its offer in its core markets.

As the energy and infrastructure markets are moving closer together through energy efficiency in buildings, data collection of energy usage and the requirements for energy usage optimisation, ÅF is strengthening its ability to serve these segments. In line with ÅF's ambition to strengthen its position in those areas of its core markets, ÅF acquired the Danish energy company P.A.P. and the Swiss energy expert IFEC Ingegneria during the quarter. P.A.P. provides services in transmission and distribution, renewable energy and heat & power. IFEC specialises in engineering services within the fields of environmental consulting, energy efficiency and HVAC engineering.

During the quarter the division was awarded a strategically important hydropower framework agreement, several wind power assignments in the Nordic markets and multiple extensions of nuclear power assignments in its core markets. The division will also deliver project management and site supervision services related to a reserve power plant in Finland and refurbish an existing plant. An area of increased focus is the field of transmission grid stability, and the division was awarded an assignment by a Swedish operator regarding cloud-based cable analysis to predict errors in the grid.

During the period, the division won several orders in hydropower, including contract engineering services for a unit in Laos, consulting services for a hydropower plant in Bosnia-Herzegovina and a thermal power plant in Serbia.

Key ratios

Energy Division	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales, MSEK	438	387	1,552	1,467
EBITA, MSEK	13	30	69	88
EBITA margin, %	3.0	7.7	4.4	6.0
Average number of employees, FTEs	1,045	986	986	1,015
Total growth, %	13.3	-	5.8	-
of which organic growth, %	5.0	-	3.3	-
of which adjusted/underlying organic growth, %	1.7	-	1.0	-

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. 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 ongoing digital transformation in all sectors is generating continued strong demand for the division's projects and services.

The market remains strong in telecom, where the development of 5G is a strong driver.

During the quarter, ÅF and Ericsson entered a cooperation agreement to strengthen the offering in mobile communication for the industry. Secure mobile networks facilitate a more data-driven business. We combine our deep knowledge in industry and digitalisation with Ericsson's expertise in telecommunications, which helps our clients take the next step in Industry 4.0.

Demand for built-in intelligence in product development is also good, including two new framework agreements in the automotive industry. The automotive sector also continues to demand new solutions in design and mobility, and our efforts in this area continue to develop.

One area that attracts increasing interest from different industries is AI and machine learning, which in the quarter gave rise to several orders for feasibility studies for both new and existing clients in, for example, the property and retail industries.

Growth in the quarter was 20.1 percent, of which 10.0 percentage points were organic. When adjusted for currency and calendar effects, organic growth amounted to 11.2 percent. The organic growth rate thus continues to increase. This is driven by strong demand and ÅF's ability to deliver end-to-end solutions for the entire development chain from design and requirements, to architecture, development and testing.

EBITA and the EBITA margin increased to SEK 72 (58) and 10.6 percent (10.2), respectively.

Business in the defence sector showed very good growth during the quarter, with continued orders in existing framework agreements with the Swedish Defence Materiel Administration (FMV).

The demand for telecommunications networks remained stable, with several orders from several leading telecom operators in Sweden.

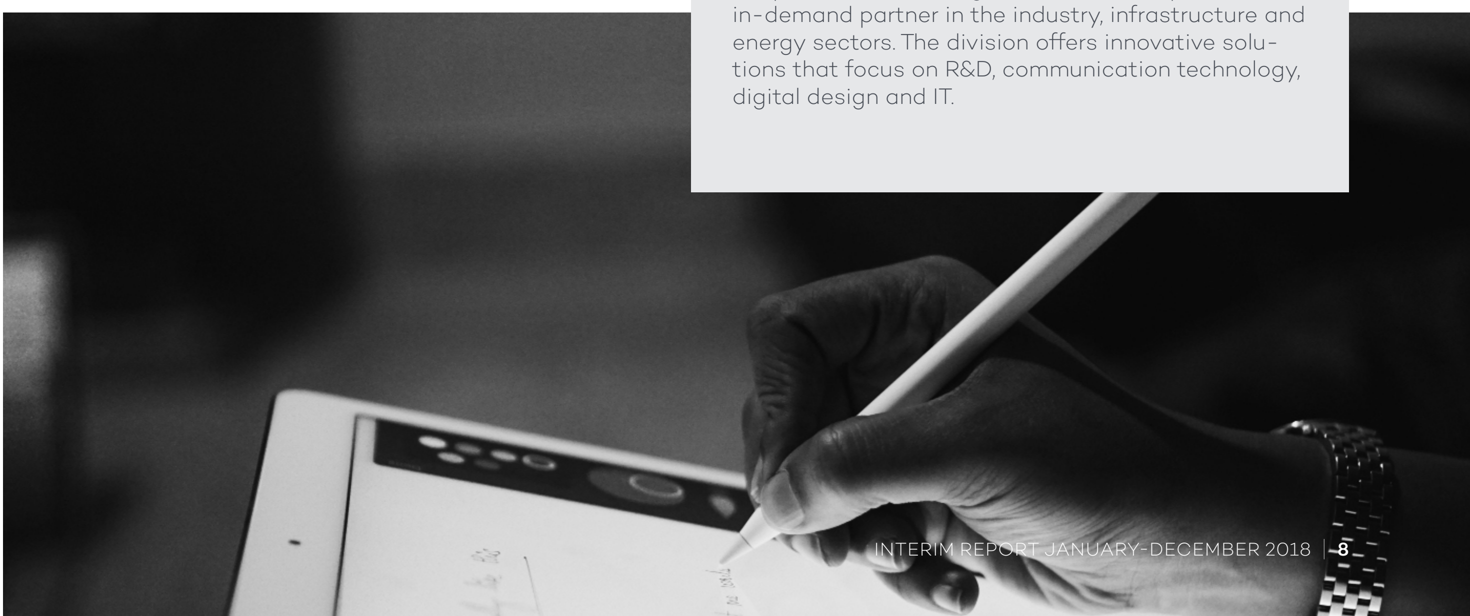
Operations in ÅF's newly established development centre in China continue to expand. We see interesting business opportunities that include the telecom industry in the local market and the opportunity to use the centre for projects in the Scandinavian market.

Key ratios

Digital Solutions Division	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales, MSEK	679	565	2,360	2,046
EBITA, MSEK	72	58	236	199
EBITA margin, %	10.6	10.2	10.0	9.7
Average number of employees, FTEs	1,391	1,162	1,315	1,112
Total growth, %	20.1	-	15.3	-
of which organic growth, %	10.0	-	5.9	-
of which adjusted/underlying organic growth, %	11.2	-	6.2	-

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 several 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) in addition to IFRS 9 and IFRS 15. New or revised IFRS standards that came into force in 2018 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. Disclosures according to IAS 34.16A can partly be found in the pages preceding 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 SEK 2 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 group applies IFRS 16 Leases as of 1 January 2019. IFRS 16 introduces a uniform lease accounting model for lessees. A lessee recognises a right of use that represents a right to use the underlying asset and a lease liability that represents an obligation make lease payments. ÅF applies exemptions for short-term leases and leasing of low-value assets. The interest rate that has been used is set per country and asset class, and as regards the respective contract's lease term.

Based on the information available, the Group estimates that it will recognise additional lease liabilities of approximately SEK 2.5 billion (after adjustment for prepayment of leases recognised on 31 December 2018), as well as right of use assets approximately SEK 2.5 billion.

The Group expects operating profit for 2019 to increase compared to if previous accounting principles had been used, since some of the lease costs will be recognised as interest expense. Cash flow from operating activities is expected to increase and from financing activities is expected to decrease, since amortisation of the lease payments will be recognised as a disbursement under financing activities.

The Group will apply the modified retroactive method. This means that the accumulated effect of IFRS 16 being introduced will be recognised in the opening balance at 1 January 2019 without restating comparative figures. The right of use assets attributable to previous operational leases will be recognised at the value of the liability on 1 January 2019, with adjustments for advance payments recognised in the balance sheet at 31 December 2018. Existing finance leases recognised in accordance with IAS 17 will be recognised in accordance with IFRS 16 at the amount of their value directly before the transition to the new standard.

The Group does not expect the introduction of IFRS 16 to affect its ability to meet the requirements contained in the covenants for the Group. The parent company will not apply IFRS 16, it will utilise the exception in RFR 2.

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

ÅF uses EBITA as its operating income measures. 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 – 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 160,40 (180,90); this represents a decrease in value of 11 percent since year-end, adjusted for dividend. The total return on the OMX Stockholm Allshare index amounted to -6 percent.

A shares	3,217,752
B shares	74,158,951
Total shares	77,376,703
Of which own B shares	0
Votes	106,336,471

Shares were converted during the period as per the 2015 staff convertible programme, increasing the number of B shares by 16,031. The share reduction implemented in the quarter reduced the number of B shares by 839,657.

Dividend
The Board of Directors proposes a dividend for 2018 of SEK 5.00 (5.00).

Stockholm, Sweden - 7 February, 2019

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 08.00 CET on 7 February 2019.

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:	7 February at 10.00 am CET
Webcast:	http://www.afconsult.com/en/investor-relations/financial-reports/
Via telephone:	code 5077849
Sweden:	+46 (0)8 5069 2180
UK:	+44 (0)2071 928 000
USA:	+1 631 510 7495

Calendar 2019

7 February - Q4 2018
15 May - Q1 2019 and AGM
12 July- Q2 2019
30 October - Q3 2019

Condensed income statement

SEK million	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales	3,957	3,500	13,975	12,658
Personnel costs	-2,221	-1,921	-7,996	-7,269
Purchases of services and materials	-1,056	-910	-3,547	-3,192
Other costs	-318	-299	-1,074	-1,065
Profit attributable to participations in associates	0	0	0	0
EBITDA	**361**	**371**	**1,358**	**1,132**
Amortisation and impairment of intangible assets [1]	-30	-27	-115	-105
EBITA	**332**	**344**	**1,243**	**1,027**
Acquisition-related items [2]	-4	4	-40	6
Operating profit (EBIT)	**328**	**348**	**1,203**	**1,033**
Net financial items	-41	-18	-99	-76
Profit after financial items	**287**	**330**	**1,103**	**957**
Tax	-65	-76	-253	-215
Profit for the period	**222**	**253**	**850**	**742**
Attributable to:				
Shareholders in parent company	221	254	850	744
Non-controlling interest	1	-1	0	-2
Profit for the period	**222**	**253**	**850**	**742**
Earnings per share before dilution, SEK	2.85	3.28	10.98	9.58
Earnings per share after dilution, SEK	2.79	3.19	10.76	9.39
Number of shares outstanding	77,376,703	77,322,580	77,376,703	77,322,580
Average number of outstanding shares before dilution	77,366,806	77,362,899	77,396,321	77,700,879
Average number of outstanding shares after dilution	80,064,456	80,192,004	80,021,397	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-curent 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 divetsment of companies and businesses. See page 17 for further details.

Statement of consolidated comprehensive income

SEK million	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Profit for the period	**222**	**253**	**850**	**742**
Items which will be tranfserred to profit or loss				
Change in translation reserve for the period	-52	10	87	-44
Change in cash flow hedging	-4	2	2	5
Change in fair value reserve	15	-	15	-
Tax	1	0	0	-1
Items which will not be be transferred to profit or loss				
Pensions	-31	37	-31	38
Tax	5	-7	6	-7
Other comprehensive income for the period	**-65**	**42**	**79**	**-9**
Comprehensive income for the period	**156**	**295**	**929**	**733**
Attributable to:				
Shareholders in the parent	155	295	929	735
Non-controlling interest	1	0	0	-2
Total	**156**	**295**	**929**	**733**

Condensed balance sheet

SEK million	31 Dec 2018	31 Dec 2017
ASSETS		
Non-current assets		
Intangible assets	7,166	6,542
Property, plant and equipment	571	510
Other non-current assets	695	18
Total non-current assets	**8,432**	**7,070**
Current assets		
Current receivables	4,538	4,086
Cash and cash equivalents	239	223
Total current assets	**4,776**	**4,308**
Total assets	**13,208**	**11,378**
EQUITY AND LIABILITIES		
Equity		
Attributable to shareholders in parent company	5,449	4,972
Attributable to non-controlling interest	16	17
Total equity	**5,465**	**4,989**
Non-current liabilities		
Provisions	389	295
Non-current liabilities	3,329	2,028
Total non-current liabilities	**3,718**	**2,323**
Current liabilities		
Provisions	58	105
Current liabilities	3,968	3,962
Total current liabilities	**4,026**	**4,067**
Total equity and liabilities	**13,208**	**11,378**

Condensed statement of change in consolidated equity

SEK million	31 Dec 2018	31 Dec 2017
Equity at start of period	**4,989**	**4,697**
Change in accounting policies (IFRS 9)	-2	-
Adjusted Equity at start of period	4,987	4,697
Comprehensive inocome for the period	**929**	**733**
Dividends	-387	-350
Conversion of staff convertible into shares	103	18
Value of conversion right	10	10
Share buy-backs/sales	-177	-114
Share savings programmes	0	-5
Equity at end of period	**5,465**	**4,989**

Condensed statement of consolidated cash flows

SEK million	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Profit after financial items	287	330	1,103	957
Adjustment for items not included in cash flow	3	-2	47	114
Income tax paid	-61	-44	-256	-211
Cash flow from operating activities before changes in working capital	**229**	**283**	**894**	**861**
Cash flow from changes in working capital	130	53	-21	-237
Cash flow from operating activities	**358**	**337**	**874**	**624**
Cash flow from investing activities	-820	-147	-1,153	-525
Cash flow from financing activities	500	-128	306	-209
Cash flow for the period	**39**	**62**	**26**	**-109**
Opening cash and cash equivalents	200	162	223	329
Exchange difference in cash and cash equivalents	0	-1	-10	3
Closing cash and cash equivalents	**239**	**223**	**239**	**223**

Change in consolidated net debt

SEK million	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Opening balance	2,950	2,830	2,631	2,298
Cash flow from operating activities	-358	-337	-874	-624
Acquisition of intangible assets, property, plant and equipment	50	25	121	92
Acquistion and contingent considerations paid	111	121	374	433
Dividend	-	-	387	350
Share buy-backs/sales	-	33	177	114
Purchase of shares in Pöyry PLC	657	-	657	-
Other	45	-41	-19	-32
Closing balance	**3,455**	**2,631**	**3,455**	**2,631**

Consolidated net debt

SEK million	31 Dec 2018	31 Dec 2017
Loans and credit facilities	3,553	2,758
Net pension liability	141	96
Cash and cash equivalents	-239	-223
Group	**3,455**	**2,631**

Consolidated key ratios

SEK million	Full year 2018	Full year 2017
Return on equity, %	16.1	15.4
Return on capital employed, %	14.3	13.5
Equity ratio, %	41.4	43.8
Equity per share, SEK	70.42	64.30
Interest-bearing liabilities, MSEK	3,694	2,854
Average number of employees (FTEs)	10,037	9,329

Items affecting comparability

SEK million	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Restructuring costs	-	-	-	-90
Transaction costs regarding Pöyry	-25	-	-25	-
Total	**-25**	**-**	**-25**	**-90**

Revenue

Net sales January-December 2018 according to business model

MSEK	Infrastructure Division	Industry Division	Energy Division	Digital Solutions Division	Group-wide/ eliminationsr	Total Group
Project Business	5,904	1,548	1,365	354	-232	8,939
Professional Services	31	2,954	187	2,006	-142	5,036
Totalt	**5,935**	**4,503**	**1,552**	**2,360**	**-375**	**13,975**

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 payments 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 (in millions of SEK)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full year	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Full year
Infrastructure	1,314	1,285	1,057	1,454	5,110	1,456	1,535	1,279	1,665	5,935
Industry	1,121	1,122	935	1,194	4,371	1,124	1,144	963	1,271	4,503
Energy	363	385	333	387	1,467	353	400	360	438	1,552
Digital Solutions	544	519	418	565	2,046	566	610	505	679	2,360
Group-wide/ eliminations	-77	-80	-81	-99	-336	-85	-81	-112	-97	-375
Group	**3,265**	**3,231**	**2,662**	**3,500**	**12,658**	**3,415**	**3,608**	**2,995**	**3,957**	**13,975**

EBITA (in millions of SEK)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full year	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Full year
Infrastructure	137	140	70	168	515	165	175	114	184	638
Industry	100	102	64	120	387	98	108	65	112	383
Energy	9	26	23	30	88	14	27	15	13	69
Digital Solutions	52	52	37	58	199	58	62	45	72	236
Group-wide/ eliminations	-12	-39	-80	-32	-162	-10	-5	-18	-49	-82
Group	**286**	**282**	**114**	**344**	**1,027**	**325**	**366**	**220**	**332**	**1,243**

EBITA margin (%)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full year	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Full year
Infrastructure	10.4	10.9	6.6	11.6	10.1	11.3	11.4	8.9	11.1	10.8
Industry	9.0	9.1	6.8	10.1	8.9	8.8	9.4	6.7	8.8	8.5
Energy	2.4	6.7	7.0	7.7	6.0	4.0	6.6	4.1	3.0	4.4
Digital Solutions	9.5	10.0	8.9	10.2	9.7	10.2	10.1	8.9	10.6	10.0
Group	**8.8**	**8.7**	**4.3**	**9.8**	**8.1**	**9.5**	**10.2**	**7.4**	**8.4**	**8.9**

Employees (FTEs)[1]	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full year	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Full year
Infrastructure	3,843	3,964	3,950	4,120	3,969	4,253	4,389	4,455	4,605	4,426
Industry	3,071	3,090	3,069	3,159	3,097	3,100	3,117	3,127	3,241	3,146
Energy	1,055	1,032	990	986	1,015	979	974	946	1,045	986
Digital Solutions	1,102	1,097	1,087	1,162	1,112	1,208	1,308	1,354	1,391	1,315
Group functions	128	130	131	153	135	144	165	182	164	164
Koncernen	**9,200**	**9,312**	**9,228**	**9,579**	**9,329**	**9,685**	**9,954**	**10,063**	**10,445**	**10,037**

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

[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.

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 acquisition InUse.

Acquisition of operations

The following acquisitions have been made during the period

SEK million	Company	Country	Division	Annual Net Sales	FTEs
Period					
Jan-Mar	Gottlieb Paludan Architects AS	DK	Infrastructure	140	90
	Arcad Architectes AG	CH	Infrastructure	11	8
Apr-Jun	Samtanke	SE	Digital Solutions	7	6
	Konsultbolag 1 AB	SE	Digital Solutions	110	100
	Facilia AB	SE	Energy	19	14
	Mometo AS	NO	Digital Solutions	38	14
	Effekt i Varberg AB	SE	Infrastructure	31	40
Jul-Sep	LBP AG	CH	Infrastructure	24	17
	Profil-Bau Industrial Oy	FI	Industry	60	70
Oct-Dec	P.A.P. A/S	DK	Energy	60	46
	IFEC Ingegneria SA	CH	Energy	90	80
Total				**590**	**485**

Acquired companies' net assets at time of acquisition

SEK million	Full year 2018
Intangible assets	1
Property, plant and equipment	12
Financial assets	0
Accounts receivable and other receivables	185
Cash equivalents	81
Accounts payable, loans and other liabilities	-182
Net identifiable assets and liabilities	**98**
Goodwill	477
Fair value adjustment intangible assets	36
Fair value adjustment non-current provisions	-8
Purchase price incl estimated contingent consideration	**603**
Transaction costs	4
Deduct:	
Cash (acquired)	-81
Estimated contingent consideration/option	-191
Net outflow of cash	**335**

The acquisition analyses are preliminary, since the assets of the acquired companies have not been definitively analysed. None of the acquisitions are significant individually, so the information has been consolidated for presentation. 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.

Total undiscounted contingent consideration for the companies acquired during the year is a maximum of SEK 203 million.

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.

Change in contingent consideration/option

SEK million	31 Dec 2018
Opening balance as at 1 January 2018	554
Acquisitions this year	191
Payments	-39
Changes in value recognised in income statement	-2
Adjustment, preliminary acquisition analysis	-
Discounting	16
Exchange differences	9
Closing balance	**731**

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. 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 following 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.

Acquisition-related items

SEK million	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Amortisation and impairment of intangible assets	-11	-10	-41	-38
Revaluation of contingent consideration	8	14	2	44
Divestment of operations	-1	-	-1	-
Total	**-4**	**4**	**-40**	**6**

Parent income statement

SEK million	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales	171	150	601	562
Other operating income	61	52	230	202
Operating income	**232**	**202**	**831**	**764**
Personnel costs	-55	-46	-188	-168
Other costs	-193	-175	-678	-623
Depreciation and amortisation	-8	-9	-34	-35
Operating profit/loss	**-25**	**-28**	**-69**	**-62**
Net financial items	686	538	753	662
Profit/loss after financial items	**661**	**509**	**684**	**599**
Appropriations	107	88	107	88
Pre-tax profit/loss	**768**	**597**	**792**	**685**
Tax	-12	-13	1	-2
Profit/loss for the period	**755**	**584**	**792**	**685**
Other comprehensive income	12	1	17	4
Comprehensive income for the period	**767**	**585**	**808**	**689**

Parent balance sheet

SEK million	31 Dec 2018	31 Dec 2017
ASSETS		
Non-current assets		
Intangible assets	12	11
Property, plant and equipment	137	115
Financial assets	6,818	1,829
Total non-current assets	**6,967**	**1,955**
Current assets		
Current receivables	2,630	6,208
Cash and bank balances	32	21
Total current assets	**2,662**	**6,229**
Total assets	**9,629**	**8,184**
EQUITY AND LIABILITIES		
Equity	5,041	4,685
Untaxed reserves	57	136
Provisions	252	156
Non-current liabilities	2,828	1,505
Current liabilities	1,451	1,703
Total equity and liabilities	**9,629**	**8,184**

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Corp. ID no.. 556120-6474

ÅF is an engineering and design company within the fields of energy, industry and infrastructure. We create sustainable solutions for the next generation through talented people and technology. We are based in Europe and our business and clients are found all over the world.

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