Projektengagemang Sweden (publ)

Interim Report January - September 2020

Per-Arne Gustavsson, CEO
Peter Sandberg, CFO
Business highlights Q3

• EBITA margin continues to improve
• Strong growth and increased earnings in Civil Engineering & Infrastructure
• Strategic initiatives 2019 delivers on target
  • Efficiency – increased utilisation rate and sales synergies
  • Cost savings – on target
  • One PE – collaboration, systems and brand
• Covid-19 actions to mitigate business impact
  • Short-time work and cost savings
  • Staff reductions of approx. 70 FTEs during Q3 as a response to continued negative Covid-19 impact on demand in some market segments
New contracts

- Streamlining production’s transport system and automation of final assembly for Daloc Trädörrar AB in Töreboda
- Sustainability services for Wihlborgs Fastigheter, including environmental coordination and sustainability certifications for new housing projects
- Urban development assignment in Kungens kurva, which is part of Stockholm’s regional expansion
Group financial summary Q3

- EBITA increased to 2.3 SEK (-22.2) million
- EBITA margin was 1.1 (-8.3) %
- Net revenue decreased 18 % to SEK 220 (269) million due to staff reductions during 2019 in underperforming units and effects of covid-19

### Group summary

<table>
<thead>
<tr>
<th></th>
<th>3 months</th>
<th>9 months</th>
<th>12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jul-Sep 2020</td>
<td>Jul-Sep 2019</td>
<td>Jan-Sep 2020</td>
</tr>
<tr>
<td>Net revenue</td>
<td>219.5</td>
<td>260.0</td>
<td>880.6</td>
</tr>
<tr>
<td>EBITA (adjusted earnings)</td>
<td>2.3</td>
<td>-22.2</td>
<td>62.2</td>
</tr>
<tr>
<td>EBITA margin, % (adjusted earnings)</td>
<td>1.1</td>
<td>-8.3</td>
<td>71</td>
</tr>
<tr>
<td>Operating profit/loss, EBIT (adjusted earnings)</td>
<td>-2.5</td>
<td>-25.0</td>
<td>51.7</td>
</tr>
<tr>
<td>Operating margin, % (adjusted earnings)</td>
<td>-1.1</td>
<td>-9.3</td>
<td>5.9</td>
</tr>
<tr>
<td>Earnings per share for the period, SEK (no dilution effect)</td>
<td>-0.13</td>
<td>-0.93</td>
<td>1.28</td>
</tr>
<tr>
<td>Net receivables (-Vdabt)</td>
<td>334.5</td>
<td>419.3</td>
<td>334.5</td>
</tr>
</tbody>
</table>
EBITA bridge Q3

- Significant earnings improvement in Civil Engineering & Infrastructure
- Improvement in Architecture & Management and in Systems but margins burdened by weak demand in some business areas and local markets
- Positive earnings impact by efficiency measures and cost reductions from activities in 2019
Group financial summary Jan – Sep

- EBITA increased to 62.2 SEK (7.4) million
- EBITA margin was 7.1 (0.7) %
- Improved financial position
- Net revenue decreased 12 % to SEK 881 (1,001) million due to staff reductions during 2019 in underperforming units and effects of covid-19
EBITA bridge Jan – Sep

- Strategic initiatives delivering in line with plan
- Exceptionally strong profit development in Civil Engineering & Infrastructure
- Improvements in all business areas
- Architecture & Management and Systems has been affected by weaker demand caused by the Covid-19 pandemic
Strong Cash flow and reduced Net debt

- Cash flow from operations generated SEKm 5.4 (-25.0) in Q3
- Cash conversion 72 % (excl. Δ NWC)
- Net debt SEKm 334.5 (419.1)
- Net debt exclusive IFRS 16, SEKm 189.1 (283.4)

<table>
<thead>
<tr>
<th>SEK million</th>
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<tr>
<td></td>
<td>Jul-Sep 2020</td>
<td>Jul-Sep 2019</td>
<td>Jan-Sep 2020</td>
</tr>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/loss after financial items</td>
<td>-6.0</td>
<td>-290</td>
<td>41.2</td>
</tr>
<tr>
<td>Adjustments for non-cash items</td>
<td>23.8</td>
<td>275</td>
<td>64.4</td>
</tr>
<tr>
<td>Tax paid</td>
<td>4.0</td>
<td>-15</td>
<td>-6.1</td>
</tr>
<tr>
<td>Cash flow before changes in working capital</td>
<td>21.7</td>
<td>-3.0</td>
<td>99.4</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>5.4</td>
<td>-25.0</td>
<td>134.5</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-6.2</td>
<td>-1.5</td>
<td>-9.8</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-39.8</td>
<td>-16.3</td>
<td>-128.1</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>-40.7</td>
<td>-42.8</td>
<td>-3.3</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>25.4</td>
<td>12.6</td>
<td>25.4</td>
</tr>
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</table>
Covid-19 impact and measures

- Covid-19 impact on market demand from the latter part of March. Market uncertainty remains.
- Remote work, increased digitalisation and collaboration
- Covid-19 financial impact of approximately SEKm -20 on revenue and SEKm -6 on EBITA
- Covid-19 actions to mitigate business impact
  - Short-time work for 260 employees corresponding to approximately 80 FTE
  - Cost savings
  - Staff reductions of approx. 70 FTEs during Q3
- Government subsidies during Q3 amounts to SEKm 8.8
Architecture & Management

-5.7 (-10.1) % EBITA margin
-25 % revenue
  - Organic -25 %
  - Acquired 0 %
Lower revenue due to staff reductions in 2019 and 2020
Challenging market conditions
Further cost and sales initiatives taken to adjust to local market conditions

Division summary

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<tr>
<td>Net revenue</td>
<td>55.1</td>
<td>73.5</td>
<td>229.3</td>
</tr>
<tr>
<td>Total growth, %</td>
<td>-25.0</td>
<td>-64.4</td>
<td>-16.5</td>
</tr>
<tr>
<td>EBITA</td>
<td>-3.1</td>
<td>-74.4</td>
<td>3.4</td>
</tr>
<tr>
<td>- EBITA margin, %</td>
<td>-5.7</td>
<td>-10.1</td>
<td>1.5</td>
</tr>
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Share of revenue* 25 %
Civil Engineering & Infrastructure

- 5.0 (-9.3) % EBITA margin
- 11 % revenue growth
  - Organic 11 %
  - Acquired 0 %
- Successful sales efforts and integration of acquisitions
- Positive revenue and earnings trend in infrastructure
- Stable market conditions

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<td>Jul-Sep 2019</td>
<td>Jan-Sep 2020</td>
<td>Jan-Sep 2019</td>
<td>Jan-Dec 2019</td>
<td>Rolling 12 mths</td>
</tr>
<tr>
<td>Net revenue</td>
<td>91.5</td>
<td>82.2</td>
<td>347.4</td>
<td>310.0</td>
<td>427.1</td>
<td>464.6</td>
</tr>
<tr>
<td>Total growth, %</td>
<td>11.3</td>
<td>72.1</td>
<td>12.1</td>
<td>8.2</td>
<td>70.7</td>
<td>12.0</td>
</tr>
<tr>
<td>EBITA</td>
<td>4.6</td>
<td>-7.7</td>
<td>39.0</td>
<td>6.6</td>
<td>8.6</td>
<td>41.0</td>
</tr>
<tr>
<td>- EBITA margin, %</td>
<td>5.0</td>
<td>-9.3</td>
<td>11.2</td>
<td>2.1</td>
<td>2.0</td>
<td>8.8</td>
</tr>
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### Share of revenue*

- 42 %
Systems*

-6.3 (-7.8) % EBITA margin
-29 % revenue
  – Organic -29 %
  – Acquired 0 %
Lower revenue due to staff reductions within Industry & Energy in 2019 and 2020
Stable revenue and earnings contribution from other business areas

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<tr>
<td>Net revenue</td>
<td>78.3</td>
<td>110.8</td>
<td>329.5</td>
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<tr>
<td>Total growth, %</td>
<td>-29.4</td>
<td>-12.1</td>
<td>-19.7</td>
</tr>
<tr>
<td>EBITA</td>
<td>-49.0</td>
<td>-8.5</td>
<td>15.5</td>
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<tr>
<td>-EBITA margin, %</td>
<td>-6.3</td>
<td>-7.8</td>
<td>4.7</td>
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Share of revenue**

36 %

*All numbers are proforma including Industry & Energy
**Q3 2020
Market demand

- The overall demand for PEs services is stable but with regional differences
- Long-term demand driven by societal development trends

Urbanisation

Digitalisation & Automation

Sustainability
Priorities ahead

• Adapt to covid-19 market situation
• Delivering the highest customer value
• Profitable growth
  • Create an efficient base and one PE
  • Secure margin improvements and leverage
  • Organic growth
• The best workplace

We renew society through innovative and sustainable solutions
New CEO 1 December

- Helena Hed appointed new President and CEO
- Previously Managing Director of Sweco Management
- 15 years of experience in various managerial roles within the Sweco Group
- Succeeds Per-Arne Gustavsson 1 December 2020
Summary and outlook

• Significant margin uplift year-to-date to 7.1 (0.7) %
• Uncertain market situation short-term, although with strong underlying market trends
• Further measures taken in Q3 with staff reductions to adjust cost-base to continued market uncertainty
• Agile and focused on market and collaboration
• Improved financial position
• Priorities ahead – One PE, secure margins and leverage, growth when market demand picks up
Q & A