Projektengagemang Sweden AB (publ)

Year-end Report January - December 2020

Helena Hed, CEO
Peter Sandberg, CFO
First impressions as new CEO

• An excellent competence base
• Agile and entrepreneurial
• Consolidated organisational platform in place
• Clear potential for profitable growth mid-term
Business highlights Q4

- Group earnings improvement continued during the fourth quarter
- Higher margins in all our segments year-on-year
- Strategic initiatives delivers targeted improvements
  - Efficiency – increased utilisation rate and sales synergies
  - Cost savings – on target
  - One PE – collaboration, systems and brand
- Further Covid-19 actions to mitigate business impact
  - Q4 revenue impacted by reductions of 70 FTEs during Q3 as a response to continued negative Covid-19 impact on demand in some market segments
Efficient organisation – establishing the base

- New organisation from 1 January
  - Decentralisation to serve our customers even better
  - Full P&L responsibility in our Business Areas
- Enhanced business culture
- Review of market potential for each Business Area will be done during H1 2021
New contracts

- HVAC solutions for the new Swedish National Courts Administration in Jönköping on behalf of Castellum
- Project management, construction management and project planning of a new swimming sport centre in Hällefors
- Multi-year contract with the City of Gothenburg to inspect fire safety facilities
Group financial summary Q4

- EBITA increased to SEKm 17 (-24)
- Earnings includes project write-down of SEKm -14 in the quarter
- EBITA margin was 5.8 (-6.8) %
- Net revenue decreased 18 % to SEKm 286 (347) 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>12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Oct-Dec 2020</td>
<td>Oct-Dec 2019</td>
</tr>
<tr>
<td>Net revenue</td>
<td>286.5</td>
<td>347.4</td>
</tr>
<tr>
<td>EBITA</td>
<td>16.5</td>
<td>-23.5</td>
</tr>
<tr>
<td>EBITA margin, %</td>
<td>5.8</td>
<td>-6.8</td>
</tr>
<tr>
<td>Operating profit/loss, EBIT</td>
<td>15.8</td>
<td>-26.3</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>5.5</td>
<td>-76</td>
</tr>
<tr>
<td>Earnings per share for the period, SEK</td>
<td>0.26</td>
<td>-1.35</td>
</tr>
<tr>
<td>Net receivables (/)/debt¹</td>
<td>284.3</td>
<td>400.5</td>
</tr>
</tbody>
</table>
EBITA bridge Q4 (adjusted)

- Significant earnings improvement in all segments
- Positive earnings impact by efficiency measures and cost reductions
Group financial summary Full Year 2020

- EBITA increased to SEKm 79 (-16)
- EBITA margin was 6.7 (-1.2) %
- Significantly strengthened financial position
- Net revenue decreased 12 % to SEKm 1,167 (1,348) due to staff reductions during 2019 in underperforming units and effects of covid-19
EBITA bridge Full Year 2020 (adjusted)

- Strategic initiatives delivering well in line with plan
- Positive earnings improvements in all segments
Strong Cash flow and reduced Net debt

- In range with financial targets
- Cash flow from operations generated SEKm 54 (53) in Q4
- Cash conversion 94.6 % (excl. Δ NWC)
- Net debt SEKm 284 (400)
- Net debt exclusive IFRS 16, SEKm 150 (254)

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<tr>
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<tr>
<td><strong>SEK million</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/loss after financial items</td>
<td>12.7</td>
<td>-29.4</td>
</tr>
<tr>
<td>Adjustments for non-cash items</td>
<td>21.6</td>
<td>37.7</td>
</tr>
<tr>
<td>Tax paid</td>
<td>-0.7</td>
<td>-1.1</td>
</tr>
<tr>
<td>Cash flow before changes in working capital</td>
<td>33.6</td>
<td>7.3</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>54.0</td>
<td>53.0</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-2.0</td>
<td>-3.7</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-34.5</td>
<td>-33.2</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>17.4</td>
<td>16.1</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>42.8</td>
<td>28.8</td>
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</tbody>
</table>
Key figures 2020

• Earnings per share SEK 1.54 (-1.62)
• Equity/assets ratio 50 (48.2) %
• Equity per share SEK 22.72 (21.25)
• Share price start of 2020: SEK 14.9
• Share price end of 2020: SEK 23.7
• The Board proposes no dividend for 2020
Covid-19 impact and measures

• Covid-19 impact on market demand from the latter part of March
• Remote work, increased digitalisation and collaboration
• Covid-19 financial impact of approximately SEKm -24 on revenue and SEKm -7 on EBITA in Q4. Full year impact of SEKm -64 on revenue and SEKm -21 on EBITA
• Covid-19 actions to mitigate business impact
  • Short-time work for 260 employees corresponding to approximately 48 FTE 2020
  • Cost savings
  • Staff reductions of approximately 70 FTEs during Q4
• Government subsidies during Q4 amounts to SEKm 10,3. Full year subsidies SEKm 28,9
Architecture & Management

• Increased EBITA margin to 0.7 (-6.5) %
• Lower revenue (25 %) due to staff reductions in 2019 and 2020
• Challenging market conditions
• Further cost and sales initiatives taken to adjust to local market conditions

Segment review

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<tr>
<td></td>
<td>Oct-Dec 2020</td>
<td>Oct-Dec 2019</td>
</tr>
<tr>
<td>Net revenue</td>
<td>706</td>
<td>946</td>
</tr>
<tr>
<td>Total growth, %</td>
<td>-25.3</td>
<td>-9.3</td>
</tr>
<tr>
<td>EBITA</td>
<td>0.5</td>
<td>-6.2</td>
</tr>
<tr>
<td>- EBITA margin, %</td>
<td>0.7</td>
<td>-6.5</td>
</tr>
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Share of revenue Q4 25 %
Civil Engineering & Infrastructure

- Increased EBITA margin to 4.5 (1.7) %
- Full year margin 9.6 (2.0) %
- 7 % organic growth full year
- Successful sales efforts and integration of acquisitions
- Stable order backlog

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<tr>
<td></td>
<td>Oct-Dec 2020</td>
<td>Oct-Dec 2019</td>
</tr>
<tr>
<td>Net revenue</td>
<td>108.2</td>
<td>117.2</td>
</tr>
<tr>
<td>Total growth, %</td>
<td>-7.7</td>
<td>56.8</td>
</tr>
<tr>
<td>EBITA</td>
<td>49.0</td>
<td>20.0</td>
</tr>
<tr>
<td>- EBITA margin, %</td>
<td>4.5</td>
<td>1.7</td>
</tr>
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### Share of revenue Q4

38 %
Systems

- Increased EBITA margin to 6.1 (2.4)%
- Positive earnings development in most business areas
- Lower revenue (-19%) due to staff reductions within Industry & Energy in 2019 and 2020
Priorities ahead

✔ Delivering the highest customer value
✔ Drive profitable growth
✔ Developing the best workplace

We renew society through innovative and sustainable solutions
Summary and outlook

- Significant margin uplift in 2020 to 6.7 (-1.2) %
- Strong performance and organic growth in Civil Engineering & Infrastructure in 2020
- Strong financial position
- Fewer employees will impact revenue. Entering 2021 with 964 employees (1,129)
- Continued uncertain market short-term, improvement expected in H2 2021
- Focus going forward – Secure stable margins and growth enhancing activities
Q & A