

Q2

Interim report



January to June 2020



Strategic initiatives strengthen margin

PE continued to deliver strong earnings in the second quarter despite challenging market conditions. EBITA amounted to SEK 31 million (16) and the EBITA margin more than doubled to 9.7 percent (4.4). The improved profitability is attributable to our long-term strategic investment in 2019, which resulted in lower costs and greater efficiency. Net revenue declined to SEK 320 million (362) as a result of restructuring work and the effects of Covid-19.

Second quarter, 1 April–30 June 2020

- Net revenue totalled SEK 320.0 million (361.6)
- EBITA was SEK 30.9 million (16.1) and the EBITA margin increased to 9.7 percent (4.4)
- EBIT was SEK 28.1 million (13.2) and the operating margin rose to 8.8 percent (3.7)
- Earnings for the period totalled SEK 17.9 million (8.1)
- Earnings per share for the period totalled SEK 0.73 (0.33) There is no dilution effect

Half-year period, 1 January–30 June 2020

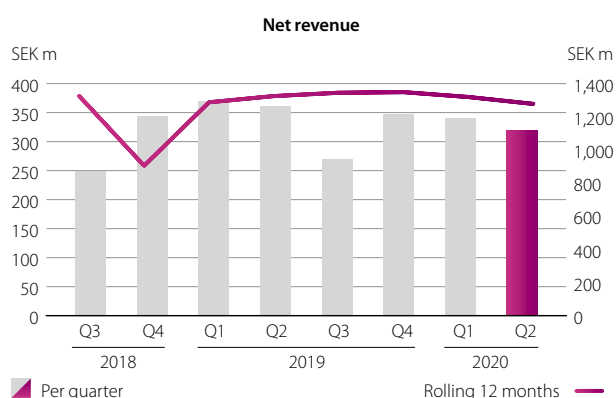
- Net revenue totalled SEK 661.0 million (732.0)
- EBITA was SEK 59.9 million (29.6) and the EBITA margin increased to 9.1 percent (4.0)
- EBIT was SEK 54.2 million (26.6) and the operating margin rose to 8.2 percent (3.6)
- Earnings for the period totalled SEK 34.1 million (16.3)
- Earnings per share for the period were SEK 1.40 (0.67) There is no dilution effect

Significant events after the end of the quarter

- PE's Board of Directors has appointed Helena Hed as the new President and CEO. Helena will take up the position in January 2021

Group summary

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
EBITA	30.9	16.1	59.9	29.6	-16.1	14.2
EBITA (adjusted earnings)	30.9	16.1	59.9	29.6	9.2	39.4
EBITA margin, %	9.7	4.4	9.1	4.0	-1.2	1.1
EBITA margin, % (adjusted earnings)	9.7	4.4	9.1	4.0	0.7	3.1
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
Operating profit/loss, EBIT (adjusted earnings)	28.1	13.2	54.2	26.6	0.5	28.1
Operating margin, %	8.8	3.7	8.2	3.6	-1.8	0.2
Operating margin, % (adjusted earnings)	8.8	3.7	8.2	3.6	0.0	2.2
Profit/loss for the period	17.9	8.1	34.1	16.3	-40.2	-22.4
Earnings per share for the period, SEK (there is no dilution effect)	0.73	0.33	1.40	0.67	-1.62	-0.88
Net receivables (-)/debt ¹	278.6	390.9	278.6	390.9	400.2	278.6



¹ Net debt for 2019 is affected by changes to the IFRS 16 accounting policy. The effect of the transition to IFRS 16 amounted to SEK 136 million, while the effect at year-end was SEK 146.5 million. No adjustment has been made to historical figures.

CEO comments

We have delivered strong earnings for the quarter despite challenging market conditions. EBITA amounted to SEK 31 million (16) and the EBITA margin more than doubled to 9.7 percent (4.4). The improved profitability is attributable to our long-term strategic investment in 2019, which resulted in lower costs and greater efficiency. Net revenue declined to SEK 320 million (362) as a result of restructuring work and the effects of Covid-19. EBITA earnings totalled SEK 60 million (30) for the first half of 2020, corresponding to a margin of 9.1 percent (4.0), which is also double that of the previous year. Revenue totalled SEK 661 million (732).

Strategic investment pays off

We saw a significant improvement in profitability in the first half of 2020, which has in turn boosted our financial position. We are now witnessing the effects of the long-term strategic investment we carried out in 2019 to create 'One PE', which involved consolidation of companies, shared support systems and a single brand. Our organisation is now more market-focused and oriented towards greater collaboration. Overall, our cost base will be reduced by around SEK 70 million for the 2020 full year compared with 2019. The measures that have been implemented have produced the desired effect, and had it not been for the negative impact of Covid-19, we would have generated even higher earnings and revenue. The new organisation we have established has also meant we are better equipped to manage the challenges and the uncertainty that have arisen as a result of Covid-19.

The decline in net revenue during the quarter has largely been a consequence of the restructuring of Industry & Energy within Systems and in Architecture & Management. Just under half of the drop in revenue is attributable to the effects of Covid-19. We have offset the effect on earnings of the decline in revenue related to Covid-19 by implementing short-time work, increased use of our digital tools and increased preparedness. In the second quarter, we had a total of around 200 individuals in short-time work, corresponding to roughly 60 full-time positions.

The market is still affected by uncertainty, but we believe the negative effects of the pandemic will gradually begin to lessen in the latter half of the year. There will also be a need for a sustainable recovery that results in extensive stimulus measures in areas that may affect large sections of the consulting industry. As we enter the second half of 2020 we have built up a level of preparedness to manage various scenarios, and if necessary we are ready to make further efficiency improvements.

Performance of our divisions

The Architecture & Management division is continuing with its positive trend and saw a considerable improvement in earnings during the quarter, compared with both the previous quarter and last year. Profitability improved in the first half of 2020, but further measures were implemented to adjust our staffing levels to prevailing conditions on our local markets.

The Civil Engineering & Infrastructure division continued to display both higher revenue and margins in the quarter com-



pared with the same period in 2019. The positive trend is largely due to focused marketing, a strong commercial focus which means we have gained market share, and successful integration of acquisitions within building design, where PE is now one of Sweden's leading companies. The earnings trend for Infrastructure remained positive during the quarter, and the business area contributed to the division's organic revenue growth.

Earnings for the Systems division were somewhat lower compared with last year. On the whole, the underlying installation engineering business performed in line with expectations, although some areas were affected by the pandemic. The lower earnings are due to a combination of the pandemic and the extensive restructuring work that was carried out within the Industry & Energy business area, which had a negative impact on both earnings and revenue. Several offices were closed and the number of employees was reduced in 2019, and efforts to streamline operations owing to the pandemic are continuing in 2020.

Robust local market positions

Despite the uncertainty and turbulence that have characterised much of the first half of the year, we have succeeded in improving our margins considerably. We have established a firm foundation in which our various areas of expertise come together in a cohesive offering and brand. By continuing to develop our shared platform we are improving our ability to supply innovative, sustainable solutions. Over the next few years, we plan to further consolidate our local market positions and create good conditions for organic growth. The best way of doing this is to devote time to working together to create the industry's most attractive workplace. One key piece of the puzzle as part of this work is the appointment of Helena Hed as our new President and CEO. Helena will take up her position at the beginning of next year, and we are looking forward to welcoming her to PE.

As always, I would like to extend a huge thank-you to all our employees for the strong commitment that you show every day in your work. It is together, working enthusiastically in strong teams, that we make the greatest difference for our clients and our society. Our focused marketing efforts and the efficiency measures we have introduced will boost our ability to respond to the uncertain economic times that we are currently facing.

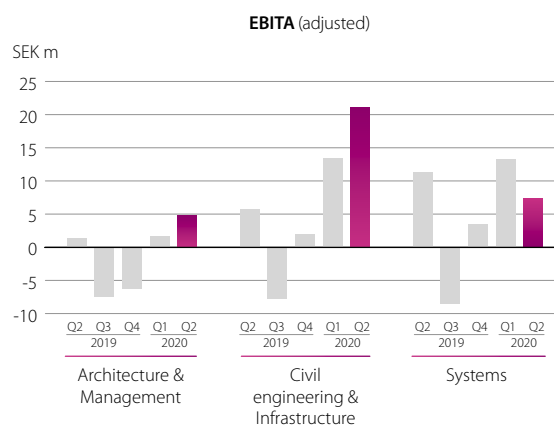
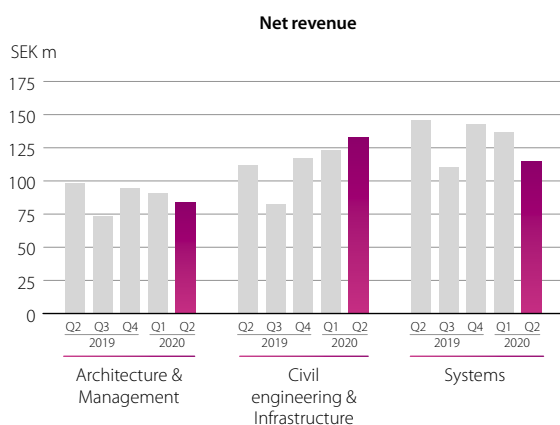
Per-Arne Gustavsson, President and CEO

Divisions: financial overview

Net revenue and operating profit by division

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue						
Architecture & Management	83.6	98.1	174.3	201.3	369.3	342.3
Civil Engineering & Infrastructure	132.7	111.7	255.9	227.7	427.1	455.3
Systems ¹	114.7	146.0	251.2	299.4	553.1	505.0
Other/Internal eliminations	-11.0	5.8	-20.3	3.6	-1.2	-25.1
Total	320.0	361.6	661.0	732.0	1,348.4	1,277.4
Earnings						
Architecture & Management	4.8	1.3	6.5	5.0	-8.6	-7.1
Civil Engineering & Infrastructure	21.0	5.8	34.4	14.3	8.6	28.7
Systems ¹	7.3	11.3	20.5	20.6	15.5	15.4
Other and items affecting comparability	-2.2	-2.4	-1.5	-10.3	-31.6	-22.8
EBITA	30.9	16.1	59.9	29.6	-16.1	14.2
Acquisition-related items	-2.8	-2.8	-5.7	-3.0	-8.7	-11.4
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
Net financial items	-3.8	-2.1	-7.0	-5.2	-12.1	-14.0
Tax	-6.4	-3.0	-13.1	-5.1	-3.3	-11.3
Profit/loss for the period	17.9	8.1	34.1	16.3	-40.2	-22.4

¹ Comparative periods have been restated due to the inclusion of the previous Industry & Energy division.



Revenue and earnings for the Group

Second quarter, 1 April–30 June 2020

Net revenue for the second quarter was SEK 320.0 million (361.6), a decline of 12 percent compared with the previous year. The lower revenue in the quarter was mainly due to a smaller number of employees and the negative impact of the Covid-19 pandemic.

The calendar effect has had a negative impact on revenue in the amount of SEK 6.1 million, as the quarter had one working day less than in the previous year. Organic growth was negative as a consequence of personnel cutbacks, amounting to –11.5 percent and –9.8 percent taking account of the calendar effect. Profit before acquisition-related items (EBITA) was SEK 30.9 million (16.1), and operating profit (EBIT) was SEK 28.1 million (13.2).

During the quarter, a total of SEK 9.7 million (0) in government assistance has been received in line with regulations for short-time work and compensation for sick pay expenses. These grants are recognised as deductions from corresponding costs, such as cost reductions. See Note 5.

The restructuring measures and cost-cutting programme launched in December 2019 had a positive effect in the second quarter as well, and efficiency improved in the form of a higher utilisation rate; this was in addition to the measures initiated to combat the effect of Covid-19. Earnings for the Civil Engineering & Infrastructure and Architecture & Management divisions were a significant improvement on the previous year, while Systems reported slightly lower earnings compared with last year.

The Covid-19 pandemic has had a negative impact on operations. Revenue has declined due to a more challenging situation as regards order levels. This has been managed by implementing short-time work. Meanwhile, absence due to sickness has been higher, and an increase in IT costs to support working from home. Overall, the pandemic has resulted in a reduction in revenue of around SEK 18 million and a negative earnings impact of around SEK 6 million in relation to recognised revenue of SEK 320 million and EBITA earnings of SEK 30.9 million.

Half-year period, 1 January–30 June 2020

Net revenue for the 1 January to 30 June period amounted to SEK 661.0 million (732.0), a decline of 10 percent compared with last year. The lower revenue in the quarter was mainly due to a smaller number of employees and the impact of the Covid-19 pandemic. The reduction in personnel mainly related to the Systems division, in which Industry & Energy operations decreased, and to the Architecture & Management division, where the Management department has been discontinued. The calendar effect has had a negative impact on revenue in the amount of SEK 6.1 million, as the first half of the year had one less working day compared with the previous year.

During the period, a total of SEK 9.7 million (0) in government assistance has been received in line with regulations for short-time work and compensation for sick pay expenses. These grants are recognised as deductions from corresponding costs, such as cost reductions. See Note 5.

Organic growth was negative as a consequence of personnel cutbacks, amounting to –9.7 percent and –8.9 percent taking account of the calendar effect. Profit before acquisition-related items (EBITA) was SEK 59.9 million (29.6), and operating profit (EBIT) was SEK 54.2 million (26.6) SEK million. The earnings improvement is a result of the restructuring measures taken in 2019 and the cost savings programme launched in December 2019. Earnings for the Civil Engineering & Infrastructure and Architecture & Management divisions were a significant improvement, or an improvement on the previous year. Systems reported earnings that were consistent with the previous year, while central costs have decreased compared with last year.

The Covid-19 pandemic has had a negative impact on operations. Revenue has declined due to a more challenging situation as regards order levels. This has been managed by implementing short-time work. Meanwhile, absence due to sickness has been higher, which has led to fewer hours worked on assignments and an increase in IT costs to support working from home. Overall, the pandemic has resulted in a reduction in revenue of around SEK 21 million and a negative earnings impact of around SEK 8 million in relation to recognised revenue of SEK 661 million and EBITA earnings of SEK 59.9 million.

Growth

Average annual growth of 15% over a business cycle

Profitability

EBITA margin exceeding 8% over a business cycle

Debt/equity ratio

Between 1.5 and 2.0 R12 EBITDA over a business cycle

Dividend policy

30–50% of profit for the year

Architecture & Management

Our Architecture & Management division offers a wide range of services within urban planning, architecture, landscape architecture and interior architecture, as well as project management, analysis and consulting on all stages of the building process or on issues concerning societal development and sustainability.

In the second quarter of 2020 the division's net revenue amounted to SEK 83.6 million (98.1), a decline of 15 percent compared with the year-earlier period. EBITA increased to SEK 4.8 million (1.3) and the EBITA margin was 5.8 percent (1.4).

The division is continuing with its positive trend and saw a considerable improvement in earnings during the quarter, both compared with the previous quarter and last year. Profitability grew in the first half of 2020 owing cost reductions and efficiency improvements. In addition, further measures were carried out to adjust staffing levels to prevailing conditions on our local markets. Overall progress and the measures taken have had a positive impact. In the second quarter the division had a total of 75 individuals in short-time work, corresponding to roughly 21 full-time positions.

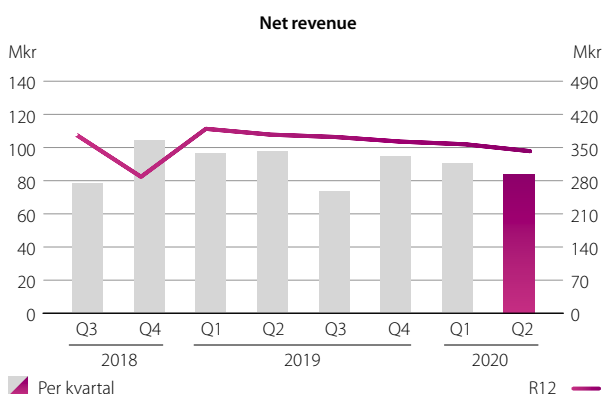
The market for the division's services has been challenging during the quarter. The pandemic has had a negative impact and led to a fall in orders and projects being postponed. Despite this, the division has adapted well to the change in conditions and experienced a higher level of activity in the market, which has had a positive effect. The market continues to be affected by uncertainty, but we are well prepared to manage various potential scenarios.

New assignments

- Four-year framework agreement with Skövde Municipality regarding architecture services
- Installation leaders and assistant project managers for new data centre for Coromatic in Stockholm
- End-to-end project to plan and design tender request documentation for new construction of Närlunda School in Askersund Municipality

Division summary

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue	83.6	98.1	174.3	201.3	369.3	342.3
- of which internal net revenue	9.3	7.0	18.4	20.5	31.7	29.6
Total growth, %	-14.8	-11.2	-13.4	-1.2	-5.0	-
- of which organic growth, %	-14.8	-15.8	-14.3	-6.3	-11.5	-
- of which acquired growth, %	0.0	4.6	0.8	5.1	6.5	-
EBITA	4.8	1.3	6.5	5.0	-8.6	-7.1
- EBITA margin, %	5.8	1.4	3.7	2.5	-2.3	-2.1
Average number of employees	232	286	239	286	273	249



Civil Engineering & Infrastructure

Our Civil Engineering & Infrastructure division offers services to clients in the construction and property sectors, as well as infrastructure. These services range from building design, acoustics, geotechnics, energy, environment and sustainability, to bridge and plant design, railways, roads and environmental impact.

In the second quarter of 2020 the division's net revenue amounted to SEK 132.7 million (111.7), an increase of 19 percent compared with the year-earlier period. EBITA increased to SEK 21.0 million (5.8) and the EBITA margin was 15.8 percent (5.2).

The division continued to see improvements in both revenue and margins in the quarter compared with the same period in 2019. The positive trend is largely due to focused marketing, a strong commercial focus which means we have gained market share, and successful integration of acquisitions within building design, where PE is now one of Sweden's leading companies. The earnings trend for Infrastructure remained positive during the quarter, and the business area contributed to the division's organic revenue growth. In the second quarter the division had a total of 26 individuals in short-time work, corresponding to roughly 6 full-time positions.

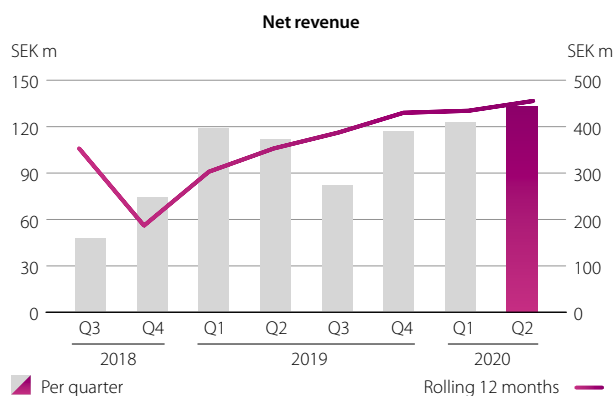
Overall, the market for the division's services is good. Continued dedicated marketing efforts have led to a solid order backlog, suggesting a healthy level of activity and utilisation rate over the next few quarters. Despite the prevailing uncertain market conditions as a result of the pandemic, building design is not experiencing a slowdown as yet. However, a number of the division's smaller units with expertise in areas such as the environment, environmental impact and acoustics have been adversely affected.

New assignments

- Stability investigations and proposals for improvements for the Sävån River along the Häradsbron-Järnvägsbron stretch for Lerum Municipality
- Extended assignment for energy coordination in construction documentation project planning of Danderyd Hospital, which is to achieve 'Miljöbyggnad' status, level Silver
- Multidisciplinary tender request documentation for Saab's new plant in Järfälla

Division summary

SEK million	3 months		6 months		12 months	
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Rolling 12 mths
Net revenue	132.7	111.7	255.9	227.7	427.1	455.3
- of which internal net revenue	8.1	4.0	16.2	10.4	20.1	0.0
Total growth, %	18.8	81.2	12.4	8.2	70.7	-
- of which organic growth, %	18.8	-3.9	12.4	6.0	-11.2	-
- of which acquired growth, %	0.0	85.1	0.0	2.2	81.9	-
EBITA	21.0	5.8	34.4	14.3	8.6	28.7
- EBITA margin, %	15.8	5.2	13.4	6.3	2.0	6.3
Average number of employees	331	349	332	360	361	346



Systems

Our Systems division offers installation engineering services at all stages of the building process, focusing on HVAC and sanitation design, electrical and telecommunications engineering, security, fire safety, risk, protection and sprinkler systems, as well as services within automation and digitalisation aimed at the industrial sector.

The division's net revenue amounted to SEK 114.7 million (146.0) for the second quarter of 2020, a decrease of around 21 percent. EBITA totalled SEK 7.3 million (11.3) and the EBITA margin was 6.4 percent (7.7).

Earnings for the division were somewhat lower compared with last year for the quarter. On the whole, the underlying installation engineering business performed in line with expectations, although some areas were affected by the pandemic. The lower earnings are due to a combination of the pandemic and the extensive restructuring work that was carried out within the Industry & Energy business area, which had a negative impact on both earnings and revenue. Several offices were closed and the number of employees was reduced in 2019. Measures to streamline operations have continued into 2020 due to the pandemic. In the second quarter the division had a total of 86 individuals in

short-time work, corresponding to roughly 26 full-time positions.

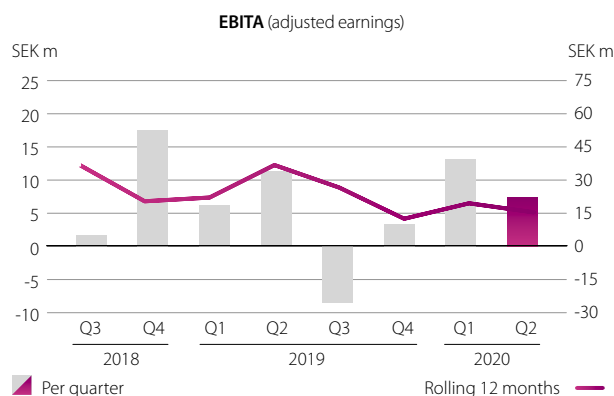
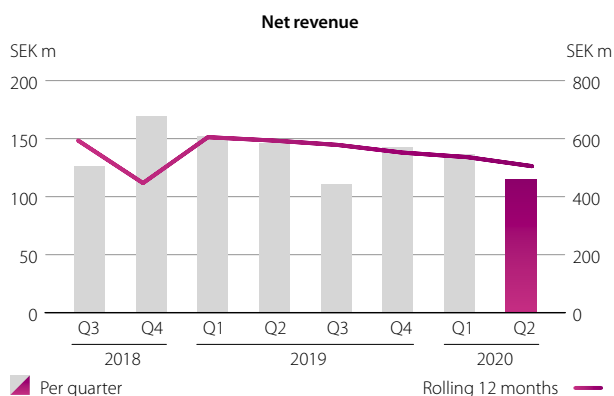
The market for the division's services is unsettled, due to the pandemic. The number of new assignments declined during the quarter, and several existing projects have been temporarily halted and postponed. The market continues to be affected by uncertainty.

New assignments

- PLC programming including commissioning for Garos
- Project planning of HVAC for engine rig at NEVS in Trollhättan for Koenigsegg
- Framework agreement regarding electrical project planning for Locum concerning works in the subregion Danderyd-Norrtälje hospital

Division summary

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue	114.7	146.0	251.2	299.4	553.1	505.0
- of which internal net revenue	5.4	2.7	10.8	14.0	22.6	0.0
Total growth, %	-21.4	-7.3	-16.1	-3.1	-8.5	-
- of which organic growth, %	-21.4	-14.8	-16.1	-11.1	-13.2	-
- of which acquired growth, %	0.0	7.5	0.0	8.0	4.8	-
EBITA	7.3	11.3	20.5	20.6	15.5	15.4
- EBITA margin, %	6.4	7.7	8.1	6.9	2.8	3.0
Average number of employees	377	499	388	504	449	461



Cash flow and financial position

Second quarter, 1 April–30 June 2020

Cash flow from operating activities amounted to SEK 88.7 million (63.9). Change in working capital totalled SEK 49.2 million (28.0). Investing activities showed a net outflow in the quarter of SEK 0.2 million (11.2). Cash flow from financing activities amounted to SEK –28.5 million (–68.5) and is attributable to the amortisation of bank loans in the amount of SEK 12.3 million and amortisation of lease liabilities in the amount of SEK 16.2 million.

Half-year period, 1 January–30 June 2020

Cash flow from operating activities amounted to SEK 129.2 million (49.8). Change in working capital totalled SEK 51.5 million (–16.5). Investing activities exhibited a net outflow during the period of SEK 3.6 million (30.7) and comprise purchases of non-current assets. Cash flow from financing activities totalled SEK –88.2 million (–72.6). This mainly consists of changes to drawn overdraft facilities of SEK 26.9 million and amortisation of bank loans and lease liabilities of SEK 24.6 million and SEK 35.1 million respectively. Net debt at the end of the quarter totalled SEK 278.6 million (390.9). Excluding the lease liability due, which from 2019 is recognised in accordance with IFRS 16, net debt is SEK 160.7 million (241.1).

Acquisitions

No companies were acquired in the first half of 2020.

Investments, depreciation and amortisation

Purchases of non-current assets for the period amounted to SEK 3.6 million (5.6). Depreciation of total non-current assets amounted to SEK 40.2 million (46.3), including depreciation of leased assets of SEK 30.0 million (36.9), amortisation of acquisition-related items of SEK 5.7 million (5.6) and amortisation of other intangible assets of SEK 0.8 million (0.4). Purchase considerations paid relating to acquired companies amounted to SEK 0.0 million (28.1).

Significant events in the period

1 January – 30 June 2020

There were no organisational changes during the period.

Impact of the Covid-19 pandemic

The impact of Covid-19 resulted in a gradual change in market conditions from the latter part of March onwards. In addition to protecting the health of our employees, clients and cooperation partners, PE is complying with the decisions and recommen-

dations of the authorities and taking the measures required to minimise the spread of the virus. Several measures are being implemented to minimise the financial impact from Covid-19. Short-time work have been introduced in some areas of the business; see Note 5. In total this corresponds to approximately 60 full-time positions and concerns all divisions and administrative employees. PE is planning its business operations based on different scenarios of how the impact of Covid-19 should be handled and is preparing measures that should be taken based on what happens.

Further cost savings have been implemented. It is still difficult to predict the financial impact of Covid-19. There is uncertainty on the market, resulting in both postponed and cancelled projects. We have not currently identified any indication of a need for impairment of Group assets and have not made any special provision as a result of the impact of Covid-19.

Annual General Meeting

At the AGM on 19 May 2020 in Stockholm, the AGM resolved not to pay a dividend, in accordance with the Board's proposal. The AGM also resolved that the Board of Directors shall comprise six (unchanged) members, and re-elected Lars Erik Blom, Per Göransson, Per-Arne Gustavsson (currently also CEO) and Carina Malmgren Heander as Board members, and appointed Christina Ragsten and Jon Risfelt as new Board members. Per Göransson was elected Chairman, and the Board of Directors was given the right to appoint another Board member as chair after a new CEO had been appointed following the ongoing CEO recruitment process. Britta Dalunde and Øystein Engebretsen declined re-election.

The AGM resolved to re-elect auditing firm PricewaterhouseCoopers AB as the company's auditor for the period extending up until the end of the 2021 AGM. Further information about the AGM can be found on the company's website under Corporate Governance.

Significant events after the end of the period

PE's HR Director Åsa Holmgren has decided to leave the company for another assignment.

PE's Board of Directors has appointed Helena Hed as the new President and CEO. Her most recent position was Managing Director at Sweco Management, and she will take over from Per-Arne Gustavsson in January 2021.

Other information

Employees

The average number of FTEs in the quarter amounted to 1,042 (1,190). The number of employees at the end of the period was 1,059 (1,195).

Tax

The tax expense for the period totalled SEK –13.1 million (–5.1).

Parent Company

The Parent Company's net revenue for the 1 January–30 June period totalled SEK 0 million (71.5), with operating income (EBIT) corresponding to SEK –8.2 million (–12.6). Net revenue for the Parent Company mainly relates to intra-group cost allocations.

Share information

The company's B shares have been listed on Nasdaq Stockholm since 19 June 2018. The buying price at 30 June for PENG-B was SEK 17.00, an increase of 13 percent in the first half of 2020.

Related-party transactions

In the half of the year, PE purchased consulting services from K-Konsult Management AB for SEK 0.2 million (0.3). The transactions took place at market prices.

Calendar effects

The calendar effect in the second quarter of 2020 means there is one less working day compared with 2019. See page 23 for further information.

Accounting policies

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU.

The Group applies the same accounting policies as detailed in Note 1 of the 2019 annual accounts, with the addition of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Government grants are recognised in the financial statements when there is reasonable assurance that the grant will be received and that the company will satisfy the terms associated with the grant. Government grants to cover costs are recorded on an accrual basis and recognised as income systematically in profit/loss for the year in the same way and over the same periods as the costs that the grants are intended to cover. These grants are recognised as deductions from corresponding costs, such as cost reductions. The balance sheets are presented in summary. To increase comparability with other companies on the market, as of 1 January 2018 PE introduced the earnings concept EBITA, which is defined as operating profit excluding acquisition-related items. Operating profit is therefore adjusted for amortisation and impairment of acquisition-related intangible assets, including goodwill,

and revaluation of contingent considerations and gains/losses from the divestment of companies and operations. PE applies all EU-adopted IFRS standards and statements (IFRIC), to the extent possible within the framework of the Swedish Annual Accounts Act, and in some cases for tax reasons. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Risks and uncertainties

PE is exposed to business risks associated with economic and structural changes, as well as changes in market trends. Other risks include the ability to recruit, retain and develop employees. Furthermore, the Group is exposed to interest rate, foreign exchange and credit risks. In the event of a significant change in circumstances in the company's markets, PE could experience problems in signing new credit facilities and consequently need to use a larger portion of cash flow to make interest payments and repayments. This could have a negative effect on the company. The risk exposure described in the 2019 annual accounts provides further details of risks and uncertainties and these remain unchanged for this period.

PE is currently involved in two disputes with Cortus AB. On 5 June 2019, two summons applications were submitted against Cortus AB, in which the claim amounts to approximately SEK 5.3 million. PE's claim relates to remuneration for work carried out. Cortus AB has responded with a counterclaim amounting to approximately SEK 12.6 million. PE believes Cortus AB's claims are without merit.

Audit

This report has not been reviewed by the company's auditors.

Forward-looking information

Forward-looking information in this report is based on company management's expectations at the time of writing. As with all assessments regarding the future, such assumptions include risks and uncertainties that may mean actual outcomes differ from the anticipated result. The company does not undertake to update or rectify such forward-looking information other than what is stipulated by law.

This information is information that Projektengagemang Sweden AB (PUBL) is obliged to disclose under the EU market abuse regulation. The information was submitted, through the provision of the contact person, for publication on 17 July 2020 at 07:30 CEST.

Stockholm 17/07/2020
Projektengagemang Sweden AB (publ)

Per-Arne Gustavsson
CEO

Group income statement

SEK million	3 months		6 months		12 months	
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Rolling 12 mths
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
Other external expenses	-78.3	-82.5	-143.6	-162.1	-322.9	-304.4
Personnel costs	-194.3	-242.4	-423.1	-499.5	-945.5	-869.0
Profit/loss before depreciation/amortisation, EBITDA	47.4	36.7	94.4	70.3	80.0	104.0
Depreciation, amortisation and impairment losses	-16.5	-20.6	-34.5	-40.7	-96.0	-89.9
Operating profit/loss, EBITA	30.9	16.1	59.9	29.6	-16.1	14.2
Acquisition related items	-2.8	-2.8	-5.7	-3.0	-8.7	-11.4
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
Financial items	-3.8	-2.1	-7.0	-5.2	-12.1	-14.0
Profit/loss after financial items	24.3	11.1	47.2	21.5	-36.9	-11.2
Tax	-6.4	-3.0	-13.1	-5.1	-3.3	-11.3
Profit/loss for the period	17.9	8.1	34.1	16.3	-40.2	-22.4
Attributable to:						
Parent Company shareholders	18.0	8.1	34.4	16.3	-39.7	-21.6
Non-controlling interests	-0.1	0.0	-0.3	0.0	-0.5	-0.8
Basic and diluted earnings per share for the period, SEK	0.73	0.33	1.40	0.67	-1.62	-0.88

- 1 Acquisition-related items are defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains and losses from divestments of companies, operations, land and buildings.
- 2 No deviations between the profit or loss for the period and comprehensive income for the period.

Consolidated statement of comprehensive income

SEK million	3 months		6 months		12 months	
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Rolling 12 mths
Profit/loss for the year	17.9	8.1	34.1	16.3	-40.2	-22.4
Comprehensive income for the year	17.9	8.1	34.1	16.3	-40.2	-22.4

Consolidated balance sheet

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Non-current assets			
Goodwill	597.4	597.4	597.4
Other non-current intangible assets	37.6	47.3	42.9
Property, plant and equipment	166.0	211.9	187.5
Financial assets	3.4	4.3	3.4
Total non-current assets	804.4	861.0	831.2
Current assets			
Current assets excluding cash and cash equivalents	328.5	402.5	359.3
Cash and cash equivalents including short-term investments	66.8	56.1	29.4
Total current assets	395.3	458.6	388.6
TOTAL ASSETS	1,199.6	1,319.6	1,219.8
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	555.9	578.3	521.9
Non-controlling interests	0.2	1.3	0.5
Total equity	556.1	579.6	522.4
Liabilities			
Non-current liabilities	242.6	327.2	295.7
Current liabilities, accrued expenses	376.7	380.5	380.6
Deferred tax liabilities	24.2	32.3	21.1
Total liabilities	643.5	740.0	697.5
TOTAL EQUITY AND LIABILITIES	1,199.6	1,319.6	1,219.8

Consolidated statement of changes in equity

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019
Equity at start of period	522.4	587.2	587.2
Profit/loss for the period	34.1	16.3	-40.2
Dividends paid	-	-24.6	-24.6
Other transactions	-0.4	0.5	0.1
Equity at end of period	556.1	579.6	522.4
Attributable to:			
Parent Company shareholders	555.9	578.3	521.9
Non-controlling interests	0.2	1.3	0.5
Total	556.1	579.6	522.4

Consolidated cash flow statement

SEK million	3 months		6 months		12 months
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Operating activities					
Profit/loss after financial items	24.3	11.1	47.2	21.5	-36.9
Adjustments for non-cash items	19.5	28.0	40.6	48.4	113.5
Tax paid	-4.4	-3.1	-10.1	-3.6	-6.2
Cash flow before changes in working capital	39.5	36.0	77.7	66.3	70.4
Cash flow from changes in working capital	49.2	28.0	51.5	-16.4	7.2
Cash flow from operating activities	88.7	63.9	129.2	49.8	77.6
Purchase of property, plant and equipment and non-current intangible assets	-0.2	-1.8	-3.6	-5.6	-9.9
Acquisition of Group companies, incl. cash funds	-	-9.3	-	-24.9	-24.9
Sale of Group companies, incl. cash funds	-	-	-	-	-0.6
Change in financial assets	-0.0	-0.1	-0.0	-0.2	-0.3
Cash flow from investing activities	-0.2	-11.2	-3.6	-30.7	-35.6
Dividend paid	-	-24.6	-	-24.6	-24.6
Amortisation of loans	-28.5	-32.0	-61.3	-62.1	-124.5
Change in credit facilities	-	-12.0	-26.9	14.1	26.9
Cash flow from financing activities	-28.5	-68.5	-88.2	-72.6	-122.1
Cash flow for the period	60.0	-15.8	37.3	-53.5	-80.2
Cash and cash equivalents at start of period	6.1	71.2	28.8	109.0	109.0
Exchange rate difference in cash and cash equivalents	-0.1	0.0	-0.1	-0.0	0.0
Cash and cash equivalents at end of period	66.0	55.5	66.1	55.5	28.8

Parent Company income statement

SEK million	3 months		6 months		12 months
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net revenue	0.0	11.1	0.0	71.5	125.0
Other external expenses	-3.4	-10.1	-4.4	-60.5	-60.8
Personnel costs	-1.6	-1.6	-3.8	-16.7	-23.2
Profit/loss before depreciation/amortisation, EBITDA	-5.1	-0.6	-8.2	-5.7	41.1
Depreciation, amortisation and impairment losses	0.6	-3.6	0.0	-6.9	-26.9
Operating profit/loss, EBIT	-4.4	-4.2	-8.2	-12.6	14.2
Financial items	-3.7	-2.1	-6.1	-4.2	-8.4
Profit/loss after financial items	-8.1	-6.3	-14.3	-16.7	5.8
Appropriations	-	-	-	0.1	11.8
Profit/loss before tax	-8.1	-6.3	-14.3	-16.7	17.6
Tax	-0.5	0.0	-1.3	0.0	-8.1
Profit/loss for the period	-8.6	-6.3	-15.6	-16.6	9.5

Parent Company statement of comprehensive income

SEK million	3 months		6 months		12 months
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Profit/loss for the year	-8.6	-6.3	-15.6	-16.6	9.5
Comprehensive income for the year	-8.6	-6.3	-15.6	-16.6	9.5

Parent Company balance sheet

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Non-current assets			
Other non-current intangible assets	0.2	0.1	0.1
Property, plant and equipment	–	59.4	35.5
Deferred tax assets	1.4	6.8	2.8
Financial assets	776.3	776.7	776.3
Total non-current assets	777.9	842.9	814.7
Current assets			
Current assets	69.1	39.8	51.4
Total current assets	69.1	39.8	51.4
TOTAL ASSETS	847.0	882.8	866.1
EQUITY AND LIABILITIES			
Equity	475.2	464.8	490.9
Non-current liabilities	159.3	250.4	215.4
Current liabilities	212.5	167.6	159.8
Total liabilities	371.8	418.0	375.2
TOTAL EQUITY AND LIABILITIES	847.0	882.8	866.1

Income statement per quarter for the Group⁴

SEK million	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018
Net revenue	320.0	341.1	347.4	269.0	361.6	370.4	343.8	248.9
Other external expenses	-78.3	-65.3	-85.2	-75.6	-82.5	-79.6	-97.0	-77.8
Personnel costs	-194.3	-228.8	-251.2	-194.7	-242.4	-257.2	-222.8	-164.0
Profit/loss before depreciation/amortisation, EBITDA	47.4	47.0	11.0	-1.4	36.7	33.6	24.0	7.1
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)¹	47.4	47.0	23.7	-1.4	36.7	33.6	24.0	7.1
Depreciation, amortisation and impairment losses	-16.5	-18.0	-34.5	-20.8	-20.6	-20.1	-4.7	-4.9
Operating profit/loss, EBITA	30.9	28.9	-23.5	-22.2	16.1	13.6	19.3	2.2
Operating profit/loss, EBITA (adjusted earnings)¹	30.9	28.9	1.7	-22.2	16.1	13.6	19.3	2.2
Acquisition-related items ²	-2.8	-2.8	-2.9	-2.8	-2.8	-0.1	-0.9	-0.9
Operating profit/loss, EBIT	28.1	26.1	-26.3	-25.0	13.2	13.4	25.4	1.2
Operating profit/loss, EBIT (adjusted earnings)¹	28.1	26.1	-1.1	-25.0	13.2	13.4	18.3	1.2
Financial items	-3.8	-3.2	-3.0	-3.9	-2.1	-3.0	-1.6	-1.0
Profit/loss after financial items	24.3	22.9	-29.4	-29.0	11.1	10.4	23.8	0.3
Tax	-6.4	-6.6	-4.2	6.0	-3.0	-2.2	-1.7	-0.6
Profit/loss for the period³	17.9	16.2	-33.6	-23.0	8.1	8.2	22.1	-0.3
Attributable to:								
Parent Company shareholders	18.0	16.4	-33.2	-22.8	8.1	8.2	21.9	-0.1
Non-controlling interests	-0.2	-0.3	-0.5	-0.2	0.0	0.0	0.3	-0.2

1 Adjusted for items affecting comparability 2019 and earlier.

2 *Acquisition-related items are defined as amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains and losses from divestments of companies, operations, land and buildings. 2019 EBIT boosted by a capital gain of SEK 2.6 million.

3 No deviations between the profit or loss for the period and comprehensive income for the period.

4 2018 not restated for IFRS 16.

Key performance indicators, Group

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
PROFITABILITY						
EBITDA	47.4	36.7	94.4	70.3	80.0	104.0
EBITDA margin, %	14.8	10.1	14.3	9.6	5.9	8.1
EBITDA (adjusted earnings) ¹	47.4	36.7	94.4	70.3	92.7	116.7
EBITDA margin, % (adjusted earnings)	14.8	10.1	14.3	9.6	6.9	9.1
EBITA	30.9	16.1	59.9	29.6	-16.1	14.2
EBITA margin, %	9.7	4.4	9.1	4.0	-1.2	1.1
EBITA (adjusted earnings) ¹	30.9	16.1	59.9	29.6	9.2	39.4
EBITA margin, % (adjusted earnings)	9.7	4.4	9.1	4.0	0.7	3.1
EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
EBIT margin, %	8.8	3.7	8.2	3.6	-1.8	0.2
EBIT (adjusted earnings) ¹	28.1	13.2	54.2	26.6	0.5	28.1
EBIT margin, % (adjusted earnings)	8.8	3.7	8.2	3.6	0.0	2.2
NET REVENUE						
Total growth, %	-11.3	11.3	-9.6	15.8	10.2	-
- of which organic growth	-11.3	-10.1	-9.6	-7.3	-11.0	-
- of which acquired growth	-	21.4	-	23.2	21.2	-
FINANCIAL POSITION						
Equity/assets ratio, %	46.4	43.9	46.4	43.9	42.8	-
Available cash and cash equivalents	226.8	302.3	226.8	302.3	162.7	-
- of which undrawn credit facilities	160.0	246.2	160.0	246.2	133.4	-
Leverage	2.7	3.9	2.7	3.9	5.0	2.7
OTHER						
Number of employees	1,059	1,195	1,059	1,195	1,129	1,059
Average number of employees	1,042	1,190	1,061	1,205	1,198	1,160
Utilisation rate, %	79.9	74.1	77.9	74.6	73.0	75.6
Basic and diluted earnings per share, SEK	0.73	0.33	1.40	0.73	-1.62	-0.88
Equity per share, SEK	22.64	23.55	22.64	23.55	21.25	22.64

¹ Adjusted for items affecting comparability.

Notes

NOTE 1 Acquisitions

No acquisitions of subsidiaries were made in the first half of 2020.

Acquisition-related items

SEK million	3 months		6 months		12 months	
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Rolling 12 mths
EBITA	30.9	16.1	59.9	29.6	-16.1	14.2
Amortisation of acquisition-related non-current intangible assets	-2.8	-2.8	-5.7	-5.6	-11.3	-11.4
Acquisition-related capital gain from sale of non-current asset	-	-	-	2.6	2.6	2.6
Acquisition-related items	-2.8	-2.9	-5.7	-3.1	-8.7	-8.8
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	5.5

NOTE 2 Financial instruments by category

The fair value of the Group's financial instruments is established via market valuation, e.g. recently completed transactions, the price of similar instruments and discounted cash flows. When there is no reliable data available for fair value measurement, financial instruments are recognised at cost (Level 3). There were

no transfers between any of the levels during the period. No financial instruments have been classified at Level 2. Carrying amount is deemed to represent a reasonable estimate of the fair value of all financial assets and liabilities. The financial assets and liabilities are assigned to valuation categories 2 and 3.

30 June 2020

SEK million	Measured at fair value via profit/loss	Financial assets measured at amortised cost	Financial liabilities measured at fair value through profit/loss	Of which fair value per level*		
				1	2	3
Financial instruments, assets						
Financial investments	3.2	–	–	–	–	3.2
Trade receivables	–	156.6	–	–	–	–
Short-term investments	0.7	–	–	–	–	0.7
Other non-current receivables	–	0.1	–	–	–	–
Total financial assets	3.9	156.8	–	–	–	3.9
Financial instruments, liabilities						
Recognised purchase considerations	13.8	–	–	–	–	13.8
Liabilities to customers and suppliers	–	–	67.7	–	–	–
Other non-current liabilities	–	–	1.4	–	–	–
Interest-bearing liabilities, non-current	–	–	232.2	–	–	–
Interest-bearing liabilities, current	–	–	115.2	–	–	–
Total financial liabilities	13.8	–	416.5	–	–	13.8

30 June 2019

SEK million	Measured at fair value via profit/loss	Financial assets measured at amortised cost	Financial liabilities measured at fair value through profit/loss	Of which fair value per level*		
				1	2	3
Financial instruments, assets						
Financial investments	3.2	–	–	–	–	3.2
Trade receivables	–	213.2	–	–	–	–
Short-term investments	0.7	–	–	–	–	0.7
Other non-current receivables	–	0.7	–	–	–	–
Total financial assets	3.9	213.9	–	–	–	3.9
Financial instruments, liabilities						
Recognised purchase considerations	17.3	–	–	–	–	17.3
Liabilities to customers and suppliers	–	–	72.7	–	–	–
Other non-current liabilities	–	–	0.2	–	–	–
Interest-bearing liabilities, non-current	–	–	313.7	–	–	–
Interest-bearing liabilities, current	–	–	134.0	–	–	–
Total financial liabilities	17.3	–	520.5	–	–	17.3

Financial assets and financial liabilities measured at fair value in the balance sheet, or where disclosures are submitted regarding fair value, are classified according to one of three levels based on the information used to establish the fair value. No transfers have occurred between these levels in 2019 or 2018.

Level 1

Financial instruments for which fair value is established based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. A market is considered active if quoted prices from a stock market, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and such prices represent actual and regularly occurring arm's-length market transactions.

Level 2

Financial instruments for which fair value is established according to valuation models based on observable data for the asset or liability other than quoted prices included in Level 1, either directly (as quoted prices) or indirectly (derived from quoted prices). Examples of observable data under Level 2 are:

- Quoted prices for similar assets and liabilities.
- Data that may constitute grounds for assessing price, e.g. market rates and yield curves.

Level 3

Financial instruments for which fair value is established according to valuation models in which material inputs are based on unobservable data. No significant transfers between the levels have occurred during the periods. For other financial assets and financial liabilities, the recognised values are in all material respects deemed to correspond to the fair values. Recognised purchase considerations and financial investments are valued based on future earnings forecasts.

NOTE 3 Deferred tax assets/tax liabilities

The interim report's balance sheet is aggregated. Deferred tax assets are therefore netted against deferred tax liabilities. In order to illustrate the impact of such netting on the balance sheet, the table below shows how the various components affect the deferred tax asset and deferred tax liability.

Deferred tax effect

SEK million	30 Jun 2020	30 Jun 2019
Deferred tax asset		
Loss carry-forwards	1.0	6.3
Current assets	21.5	10.1
Total deferred tax assets	22.5	16.4
Deferred tax liabilities		
Untaxed reserves	16.8	20.2
Current assets	22.1	28.5
Non-current assets	7.8	0.0
Total deferred tax liabilities	46.7	48.7
Net deferred tax effect	-24.2	-32.3

NOTE 5 Government assistance related to Covid-19

SEK million	Amount received	Period concerned
Short-time work	10.25	April–July 2020
Sick pay cost	1.74	April–May 2020

SEK 9.7 million of this assistance is recognised in income in the second quarter 2020 and has reduced personnel costs. The remaining portion is included in 'Current liabilities, accrued expenses' in the balance sheet at 30 June 2020. No government assistance or grants were received in 2019.

In addition to the government assistance, PE has been granted extra time to pay VAT, employer contributions and the retained tax deduction of SEK 99.9 million, SEK 49.6 million of which has been credited to the tax account and is not included in cash and cash equivalents. This balance has been netted against these items in the balance sheet, i.e. current receivables have been netted against current liabilities.

NOTE 4 Revenue breakdown

PE's revenue comprises one type of income relating to delivery of assignments to customers. Revenue is broken down based on the company's business areas, which are separated into the divisions into which PE is segmented. For further information regarding the Group's revenue recognition, please refer to the accounting policies detailed in the 2019 Annual Report.

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue						
Architecture	45.2	51.0	97.4	101.6	183.2	179.0
Project Management	34.1	47.0	70.5	99.6	186.1	157.0
Societal Development	4.2	–	6.3	–	–	–
Architecture & Management	83.6	98.1	174.3	201.3	369.3	342.3
Building	27.7	39.0	53.7	79.9	143.1	116.8
Infrastructure	33.9	18.9	61.8	37.2	74.9	–
Integra	60.8	53.7	120.1	110.6	209.2	–
Building Environment	10.4	–	20.3	–	–	20.3
Civil Engineering & Infrastructure	132.7	111.7	255.9	227.7	427.1	455.3
Electrical, Telecommunications & Security	49.9	60.2	111.8	124.2	235.0	222.7
HVAC and Sanitation Design	34.0	32.7	68.9	67.2	126.6	128.3
Fire, Risk & Protection	20.4	28.2	43.6	51.7	95.2	–
Industry & Energy	10.5	24.9	26.9	56.3	96.3	66.9
Systems	114.7	146.0	251.2	299.4	553.1	505.0
Internal eliminations	-11.0	5.8	-20.3	3.6	-1.2	-25.1
Total	320.0	361.6	661.0	732.0	1,348.4	1,277.4

Key performance indicators, definitions

This report contains financial measures that are not defined in IFRS. These financial measures are used to monitor, analyse and direct operations and to supply the Group's stakeholders with information about the Group's financial position, earnings and performance. These financial measures are considered to be necessary to be able to monitor and direct the development of the Group's financial targets and it is therefore relevant to publish them regularly. Below is a list of definitions of the key performance indicators used in this report.

Share-based measures

Earnings per share

Profit/loss for the year attributable to shareholders divided by a weighted average of the number of shares during the year

Performance figures

Return on equity

Profit/loss for the year according to income statement excluding minority's share, as a percentage of average equity

Return on capital employed

Profit/loss after net financial items, including earnings from participations in associates with reversal of interest expenses, as a percentage of average capital employed

Return on total capital

Profit/loss after net financial items, including earnings from participations in associates plus finance costs, as a percentage of average total assets

Financial measures

Acquisition-related items

Defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains and losses from divestments of companies, operations, land and buildings

Average period of fixed interest

Period of fixed interest weighted according to outstanding interest-bearing liabilities

Average equity

Average amount of recognised equity at 1 January and 31 December

EBITA

Operating profit/loss excluding acquisition-related items

Adjusted earnings

Operating profit/loss adjusted for items affecting comparability

Items affecting comparability

Items relating to terminated operations, significant restructurings, acquisition and integration expenses and IPO expenses

Asset turnover

Net revenue divided by average capital employed

Net receivables (-)/debt

Interest-bearing liabilities less financial assets including cash and cash equivalents

Net revenue

Net revenue corresponds to invoicing of current projects

Order intake

The value of projects taken on and changes to existing projects during the current period

R12

Rolling 12 months

Interest coverage ratio

Profit/loss after financial items plus finance costs divided by finance costs

Leverage

Net receivables (-)/debt divided by EBITDA, rolling 12 months

Debt/equity ratio

Net receivables (-)/debt divided by equity

Equity/assets ratio

Total equity as a percentage of total assets

Capital employed

Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed is calculated as the average of values at 1 January and 31 December

Margins

Operating margin

Operating profit/loss as a percentage of net revenue

EBITA margin

EBITA as a percentage of net revenue

Profit margin

Profit/loss after financial items as a percentage of net revenue for the period

Other key performance indicators

Number of employees

Total number of employees, all forms of employment, at end of period

Utilisation rate

Time charged to customer in relation to total attendance

Average number of FTEs

Average number of employees during the year recalculated to full-time equivalents. The actual number of employees is higher due to part-time positions, and the fact that some employees only work for part of the year

Calendar effect

Average number of employees for the period multiplied by the difference in the number of available working days during the period, multiplied by average revenue/employee

Average interest

Nominal interest weighted according to outstanding interest-bearing liabilities at the balance sheet date

Calculations of financial performance measures not defined according to IFRS

Some of the descriptions and analyses presented in this interim report include alternative performance measures that are not defined by IFRS. The company is of the opinion that this information, in combination with comparable defined IFRS measures, is useful for investors, as it provides a basis for measuring operating earnings and the ability to repay liabilities and invest in the business. Company management uses these financial measures, together with the most directly comparable financial

measures according to IFRS, when evaluating operating earnings and value creation. These alternative performance measures should not be considered in isolation from, or as a substitute for financial information published in the financial statements in accordance with IFRS. The alternative performance measures that are reported do not necessarily need to be comparable with similar measures published by other companies. Reconciliations are presented in the tables below.

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
Non-current, interest-bearing liabilities	232.2	313.7	232.2	313.7	283.8	232.2
Current, interest-bearing liabilities	115.2	134.0	115.2	134.0	145.9	115.2
Cash and cash equivalents including short-term investments	-68.8	-56.8	-68.8	-56.8	-29.4	-68.8
Net receivables (-)/debt	278.6	390.9	278.6	390.9	400.2	278.6
Net receivables (-)/debt	278.6	390.9	278.6	390.9	400.2	278.6
EBITDA, rolling 12 months	104.0	101.4	104.0	101.4	80.0	104.0
Leverage	2.7	3.9	2.7	3.9	5.0	2.7
Net receivables (-)/debt	278.6	390.9	278.6	390.9	400.2	278.6
EBITDA, rolling 12 months (adjusted earnings)	116.7	101.4	116.7	101.4	92.7	116.7
Adjusted debt	2.4	3.9	2.4	3.9	4.3	2.4
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
Operating margin EBIT, %	8.8	3.7	8.2	3.6	-1.8	0.2
Operating profit/loss, EBIT (adjusted earnings)	28.1	13.2	54.2	26.6	0.5	28.1
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
Adjusted operating margin EBIT, %	8.8	3.7	8.2	3.6	0.0	2.2
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
Acquisition-related items	-2.8	-2.8	-5.7	-3.0	-8.7	-11.4
EBITA	30.9	16.1	59.9	29.6	-16.1	14.2
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
EBITA margin, %	9.7	4.4	9.1	4.0	-1.2	1.1
Operating profit/loss, EBIT (adjusted earnings)	28.1	13.2	54.2	26.6	0.5	28.1
Acquisition-related items	-2.8	-2.8	-5.7	-3.0	-8.7	-11.4
EBITA (adjusted earnings)	30.9	16.1	59.9	29.6	9.2	39.4
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
Adjusted EBITA margin, %	9.7	4.4	9.1	4.0	0.7	1.1
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
Amortisation	19.3	23.5	40.2	43.7	104.7	101.2
Profit/loss before depreciation/amortisation, EBITDA	47.4	36.7	94.4	70.3	80.0	104.0
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
EBITDA margin, %	14.8	10.1	14.3	9.6	5.9	8.1
Operating profit/loss, EBIT (adjusted earnings)	28.1	13.2	54.2	26.6	0.5	28.1
Amortisation	6.8	23.5	27.7	43.7	92.2	101.2
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)	47.4	36.7	94.4	70.3	92.7	116.7
Net revenue	320.0	361.6	661.0	732.0	1,348.4	1,277.4
Adjusted EBITDA margin, %	14.8	10.1	14.3	9.6	6.9	9.1

Adjusted operating profit/loss EBIT and EBITA for items affecting comparability

Company management is of the opinion that the operating performance measures EBIT and EBITA, adjusted for acquisition expenses and integration expenses associated with significant acquisitions, together with listing-related costs provide

useful information allowing investors to monitor and analyse the underlying earnings performance of the business, and create comparable performance measures between different periods.

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
EBITA	30.9	16.1	59.9	29.6	-16.1	14.2
Efficiency improvements	–	–	–	–	25.2	25.2
EBITA items affecting comparability	–	–	–	–	25.2	25.2
Adjusted EBITA	30.9	16.1	59.9	29.6	9.2	39.4

SEK million	3 months		6 months		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019	Rolling 12 mths
Operating profit/loss, EBIT	28.1	13.2	54.2	26.6	-24.7	2.8
EBITA items affecting comparability	–	–	–	–	25.2	25.2
Items affecting comparability EBIT	–	–	–	–	25.2	25.2
Adjusted EBIT	28.1	13.2	54.2	26.6	0.5	28.1

Net revenue growth

For clarification of net revenue growth, PE attributes growth partly to acquired growth and organic growth, and partly to the calendar effect.

SEK million	3 months			6 months		
	Apr–Jun 2020	Apr–Jun 2019	Growth %	Jan–Jun 2020	Jan–Jun 2019	Growth %
Reported revenue	320.0	361.6	-11.5%	661.0	732.0	-9.6%
Adjustment for acquisitions/divestments	–	–	–	–	–	–
Revenue adjusted for acquisitions/divestments (organic growth)	320.0	361.6	-11.5%	661.0	732.0	-9.6%
Adjustment for calendar effect	6.1	–	–	6.1	–	–
Revenue adjusted for acquisitions/divestments and calendar effect (organic growth taking account of calendar effect)	326.1	361.6	-9.8%	667.1	732.0	-8.8%
Adjustment for loss of revenue due to Covid-19	18.0	–	–	21.0	–	–
	344.1	361.6	-4.9%	688.1	732.0	-6.0%

Calendar effect days

Average number of employees for the period multiplied by the difference in the number of available working days during the period, multiplied by average net revenue/employee.

Quarter	2020	2019	Difference
Q1	63.0	63.0	0.0
Q2	57.0	58.0	-1.0
Q3	66.0	66.0	0.0
Q4	61.5	60.5	1.0
Total	247.5	247.5	0.0

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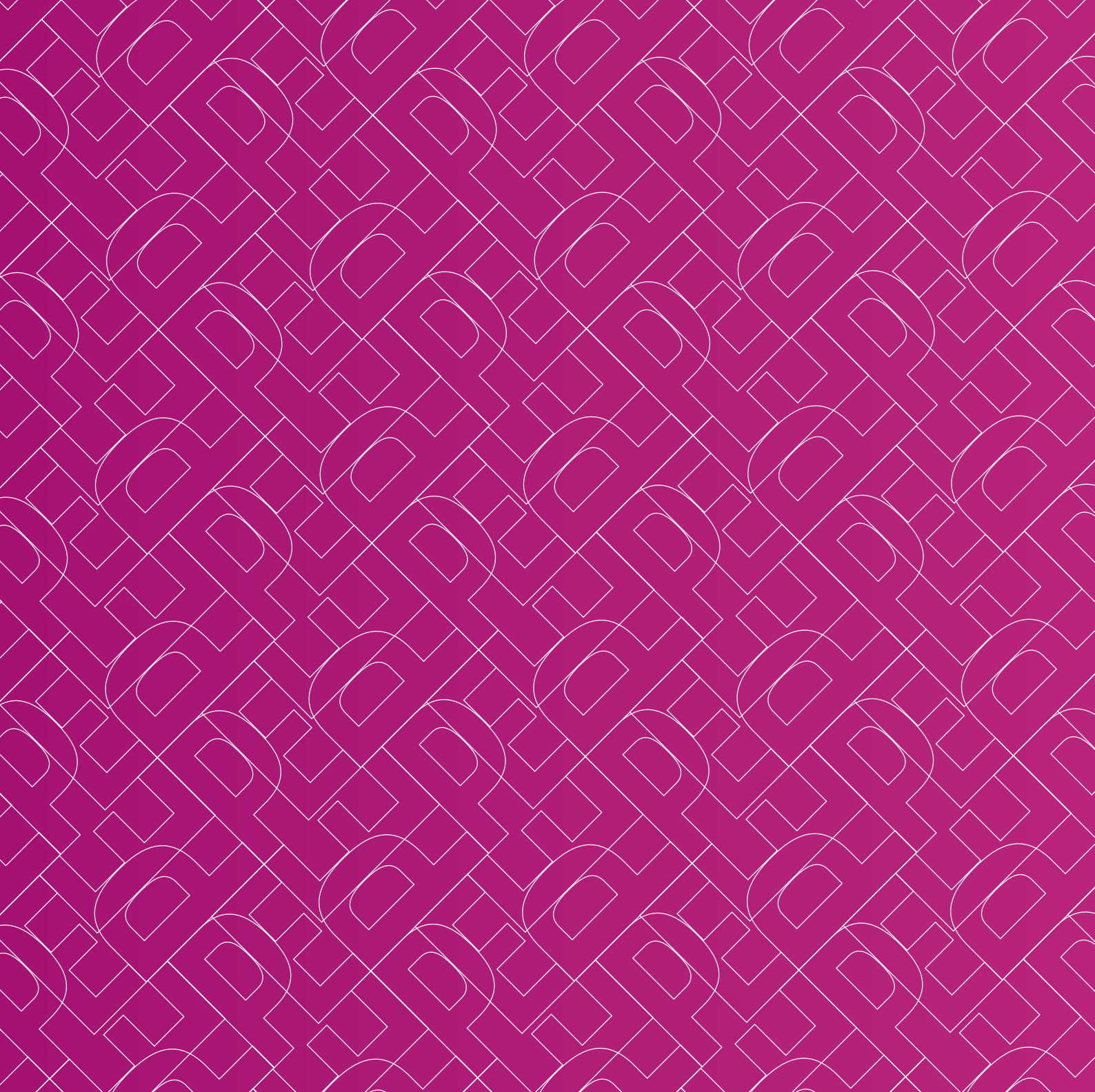
Financial calendar

Interim report July–September 2020

5 November 2020

Year-end report 2020

19 February 2021



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