

Q1

Interim report

January to March 2020

Implemented measures generate effect as profit more than doubles in first quarter

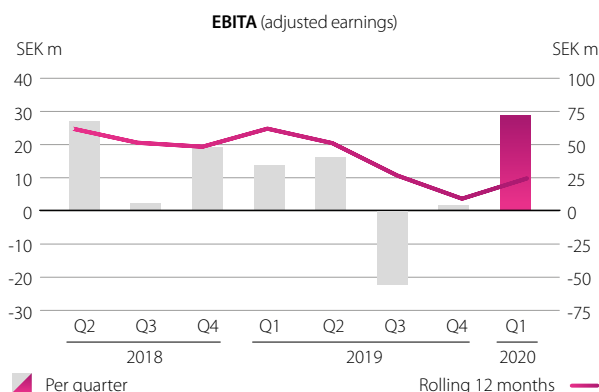
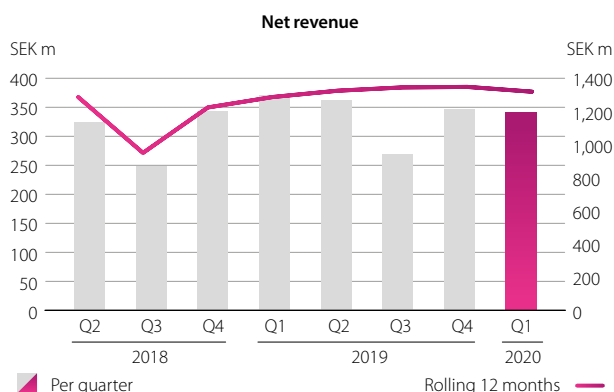
PE starts 2020 with a strong quarter. Net revenue totalled SEK 341 million (370). EBITA more than doubled to SEK 28.9 million (13.6) and the EBITA margin was 8.5 percent (3.7). The long-term sustainable efficiency improvements implemented in 2019 have had the intended effect, with the business achieving targeted profitability levels in the quarter. In addition, extensive measures are being taken to minimise the impact of the Covid-19 pandemic.

First quarter, 1 January–31 March 2020

- Net revenue totalled SEK 341.1 million (370.4)
- EBITA was SEK 28.9 million (13.6) and the EBITA margin increased to 8.5 percent (3.7)
- EBIT was SEK 26.1 million (13.4) and the operating margin rose to 7.7 percent (3.6)
- Earnings for the period totalled SEK 16.2 million (8.2)
- Basic and diluted earnings per share for the period totalled SEK 0.67 (0.33)

Group summary

SEK million	3 months		12 months	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue	341.1	370.4	1,348.4	1,319.0
EBITA	28.9	13.6	-16.1	-0.7
EBITA (adjusted earnings)	28.9	13.6	9.2	24.5
EBITA margin, %	8.5	3.7	-1.2	-0.1
EBITA margin, % (adjusted earnings)	8.5	3.7	0.7	1.9
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0
Operating profit/loss, EBIT (adjusted earnings)	26.1	13.4	0.5	13.2
Operating margin, %	7.7	3.6	-1.8	-0.9
Operating margin, % (adjusted earnings)	7.7	3.6	0.0	1.0
Profit/loss for the period	16.2	8.2	-40.2	-32.2
Basic earnings per share for the period, SEK	0.67	0.33	-1.62	2.63
Net receivables (-)/debt ¹	365.8	395.7	400.2	365.8



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

PE starts 2020 with a strong first quarter. Net revenue totalled SEK 341 million (370). EBITA more than doubled to SEK 28.9 million (13.6) and the EBITA margin was 8.5 percent (3.7). The positive earnings performance was mainly due to the extensive work undertaken in 2019 to adapt and make the organisation more efficient, as well as the cost savings programme that we launched at the end of the year. The end of the quarter was marked by uncertainty owing to the ongoing coronavirus pandemic, and we have taken measures to minimise the impact going forward. Despite the market conditions, during the quarter we noted greater efficiency, increased productivity, higher hourly rates and lower costs.

Efficiency measures generating effect

The 2019 financial year was difficult for us, and we worked hard to better adapt our business' organisational structure and operations to market conditions. We implemented a range of necessary changes, such as consolidating all our operating companies, bringing our offices under one roof in some locations, integrating systems and companies, and uniting under a single brand. These changes allow us in the long term to operate the business more efficiently and reduce our costs. Overall, the efficiency improvements that were enabled through personnel reductions and cost savings are expected to decrease our cost base by approximately SEK 70 million for the full year 2020 compared with 2019. We have also been able to raise our utilisation rate. Adapting operations has also required us to close parts of the business with insufficient profitability. This is resulting in reduced revenue, but the foundations of our business are now more robust and profitable. We now have a business that is meeting the profitability targets we have set.

Change in market conditions owing to Covid-19

The impact of Covid-19 resulted in a gradual change in market conditions in the latter part of March. As always, the health and safety of our employees, clients and cooperation partners is our highest priority, and we are complying with the decisions and recommendations of the authorities and taking the measures required to minimise the spread of the virus. The financial impact from the Covid-19 pandemic cannot currently be predicted, but there is significant uncertainty in the market regarding existing and future projects. We are well prepared for a range of different scenarios through the use of reduced working hours, increased digitalisation, postponed investments and a cost review. However, it is clear that, as with society in general, we will be affected going forward and we are taking action based on the prevailing conditions.



Performance of our divisions

The Architecture & Management division is still facing challenges in some parts of its business. Despite clear improvements compared with the past two quarters, further measures have been initiated to adapt affected areas to prevailing market conditions.

The Civil Engineering & Infrastructure division improved both revenue and margin in the quarter compared with the same period in 2019. The increase in earnings was largely due to focused marketing and successful integration of building design acquisitions, in which PE is one of Sweden's leading companies. The rise in earnings was also due to an improvement in the division's infrastructure business. The efforts made in recent years to strengthen the Group's infrastructure offering are gradually leading to improvements and have contributed to the division's organic growth.

The Systems division is improving its earnings compared with last year. The decrease in revenue compared with the same period last year was mainly due to the efficiency measures introduced in the industry business, including the closure of several offices and a reduction in the number of employees. The underlying installation engineering business performed in line with expectations in the quarter.

Despite the ongoing coronavirus crisis and the uncertainty that it brings, I am pleased with the start of the year. This applies to both the first quarter's result and the start of the second, where we show a margin in April that is even higher than that of the first quarter. The work and measures we implemented in 2019 have had the intended effect and we are well prepared for both opportunities and challenges as we face a more uncertain future.

Finally, I would like to thank all our employees, who have shown great commitment in continuing to focus on delivering high-quality, sustainable and innovative services for our clients at a time of turmoil and uncertainty.

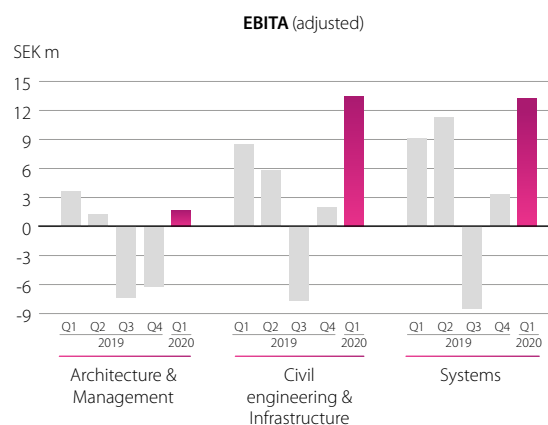
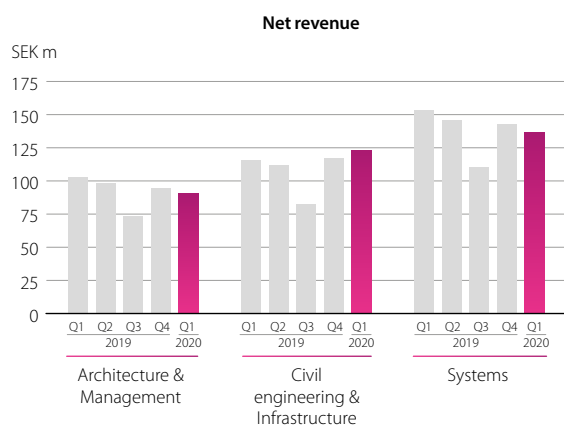
Per-Arne Gustavsson, President and CEO

Divisions: financial overview

Net revenue and operating profit by division

SEK million	3 months		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
Net revenue				
Architecture & Management	90.7	103.2	369.3	356.8
Civil Engineering & Infrastructure	123.2	116.1	427.1	434.2
Systems ¹	136.5	153.4	553.1	536.2
Other	-9.3	-2.2	-1.2	-8.2
Total	341.1	370.4	1,348.4	1,319.0
Earnings				
Architecture & Management	1.7	3.7	-8.6	-10.6
Civil Engineering & Infrastructure	13.4	8.5	8.6	13.5
Systems ¹	13.2	9.2	15.5	19.5
Other	0.7	-7.8	-31.6	-23.1
EBITA	28.9	13.6	-16.1	-0.7
Acquisition-related items	-2.8	-0.1	-8.7	-11.4
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0
Net financial items	-3.2	-3.0	-12.1	-12.3
Tax	-6.6	-2.2	-3.3	-7.8
Profit/loss for the period	16.2	8.2	-40.2	-32.2

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



Revenue and earnings for the Group

First quarter, 1 January–31 March 2020

Net revenue for the first quarter was SEK 341.1 million (370.4), a decrease of 7.9 percent compared with the previous year. The lower revenue in the quarter was due to a smaller number of employees. The reduction in personnel mainly related to the Systems division, in which Industry & Energy operations were decreased, and to the Architecture & Management division, in which the Management department has been closed. Organic growth in the quarter was –8.4 percent. The calendar effect had no impact on the period. The effect of the acquired companies on net revenue for the period for each division is detailed in the table below.

Profit before acquisition-related items (EBITA) was SEK 28.9 million (13.6), and operating profit (EBIT) was SEK 26.1 million (13.1). EBIT in the first quarter of 2019 was positively impacted by a capital gain of SEK 2.6 million from the sale of non-current assets. The EBITA margin amounted to 8.5 percent (3.7). The earnings improvement is a result of the restructuring measures taken in 2019 and the cost savings programme initiated in December 2019. In the first quarter the Civil Engineering & Infrastructure and Systems divisions reported better earnings than last year, and centrally managed costs were lower.

The Covid-19 pandemic has had a negative impact in the form of increased sickness absence with fewer hours worked on assignments and IT costs to support working from home. This has resulted in a reduction in revenue of around SEK 3 million and negative earnings impact of around SEK 2 million.

Acquired net revenue, SEKm	Jan–Mar 2020
Division	
Architecture & Management	1.7
Civil Engineering & Infrastructure	–
Systems	–
TOTAL	1.7
Acquisitions	
Acquired 2019	1.7
Acquired in 2020	–
TOTAL	1.7

Growth

Average annual growth of 15% over a business cycle

Profitability

EBITA margin exceeding 8% over a business cycle

Debt/equity ratio

Between 1.5–2.0 R12 EBITDA over a business cycle

Dividend policy

30–50% of profit for the year

Projektengagemang's financial targets

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 first quarter of 2020 the division's net revenue amounted to SEK 90.7 million (103.2), a decrease of 14 percent. EBITA was SEK 1.7 million (3.7) and the EBITA margin was 1.8 percent (3.6).

The division made overall progress in the quarter and the measures taken have had a positive impact. There are still challenges in some parts of the business and further measures have been initiated, despite the clear improvement on the two previous quarters. This is in order to adapt the areas affected to prevailing market conditions.

Up until the coronavirus outbreak the market for the division's services was solid but with geographical variations. In the second half of March the situation led to significant uncertainty,

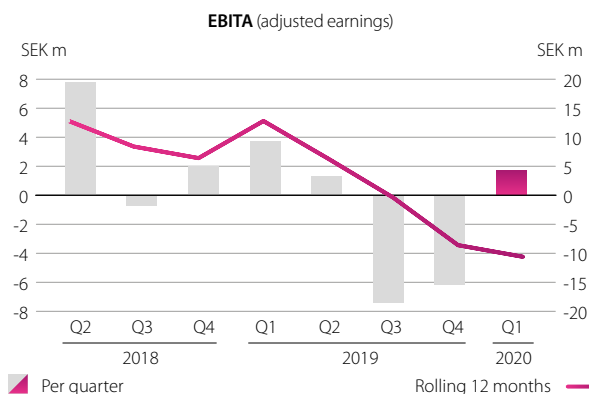
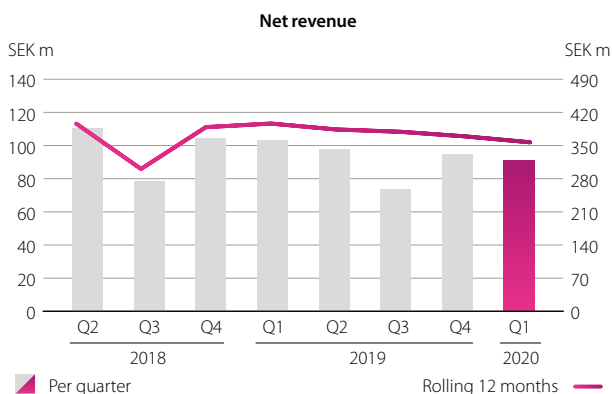
resulting in both lower orders and postponed projects. However, the organisation has rapidly adapted to the prevailing conditions and has had a high level of activity on the market. Nevertheless, the impact of Covid-19 had an adverse effect on earnings in the quarter.

New assignments

- Three-year agreement with Region Stockholm to provide interior design and project planning for 1,400 workplaces
- Construction project management for the new Lyra water tower in Örebro
- Stage 1 of the Ekerö Waterside project, providing services for project management, construction management and construction administration for landscaping and the construction of paths in a green space.

Division summary

SEK million	3 months		12 months	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue	90.7	103.2	369.3	356.8
- of which internal net revenue	9.2	13.5	31.7	27.4
Total growth, %	-12.1	7.9	-5.0	0.0
- of which organic growth, %	-13.8	-3.0	-11.5	0.0
- of which acquired growth, %	1.7	10.9	6.5	0.0
EBITA (adjusted earnings)	1.7	3.7	-8.6	-10.6
- EBITA margin, %	1.8	3.6	-2.3	-3.0
Average number of employees	246	287	273	263



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.

The division's net revenue amounted to SEK 123.2 million (116.1) for the first quarter of 2020, an increase of 6.1 percent. EBITA was SEK 13.4 million (8.5) and the EBITA margin was 10.9 percent (7.3).

The division improved both revenue and margin in the quarter compared with the same period in 2019. The increase in earnings was largely due to focused marketing and successful integration of building design acquisitions, in which PE is one of Sweden's leading companies. The rise in earnings was also due to an improvement in the division's infrastructure business. The efforts made in recent years to strengthen the Group's infrastructure offering are gradually leading to improvements and have contributed to the division's organic growth.

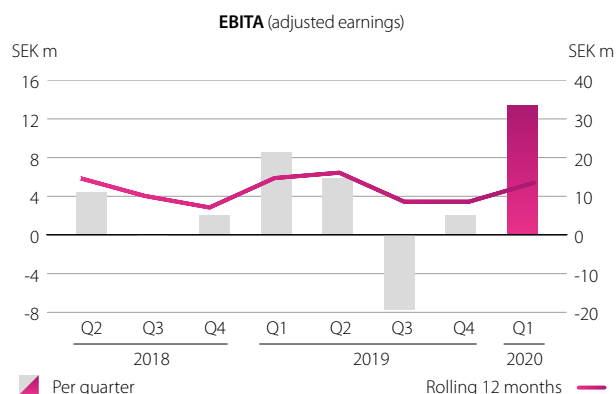
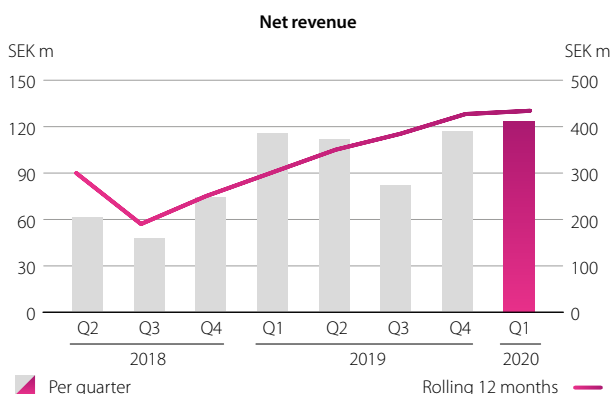
Overall, the market for the division's services is good. Significant marketing efforts in the quarter have led to a solid order backlog, suggesting a healthy level of activity and utilisation rate over the next few quarters. However, a number of the division's smaller units with expertise in areas such as the environment, environmental impact and acoustics have been adversely affected by the coronavirus situation. The organisation has generally adapted well to the prevailing market conditions, but significant uncertainty is hampering planning and forecasting.

New assignments

- Design of the frame of the 35-storey landmark Draken building, which will be Gothenburg's highest hotel, for property company Balder
- Building design for the Lagerkransen timber building in Lund for Wästbygg
- Assignment as the developer's environmental and energy coordinator for offices and a multistorey car park in the Bläckhornet 1 property for Wihlborg's properties in Malmö, Hyllie

Division summary

SEK million	3 months		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
Net revenue	123.2	116.1	427.1	434.2
- of which internal net revenue	8.1	6.4	20.1	0.0
Total growth, %	6.1	75.8	70.7	0.0
- of which organic growth, %	6.1	-5.2	-11.2	0.0
- of which acquired growth, %	0.0	81.0	81.9	0.0
EBITA (adjusted earnings)	13.4	8.5	8.6	13.5
- EBITA margin, %	10.9	7.3	2.0	3.1
Average number of employees	333	352	361	351



Systems

Our Systems 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 136.5 million (153.4) for the first quarter of 2020, a decrease of around 12 percent. EBITA was SEK 13.2 million (9.2) and the EBITA margin was 9.7 percent (5.9).

The division is improving its earnings compared with last year. The decrease in revenue compared with the same period last year was mainly due to the efficiency measures introduced in the industry business, including the closure of several offices and a reduction in the number of employees. The underlying installation engineering business performed in line with expectations in the quarter.

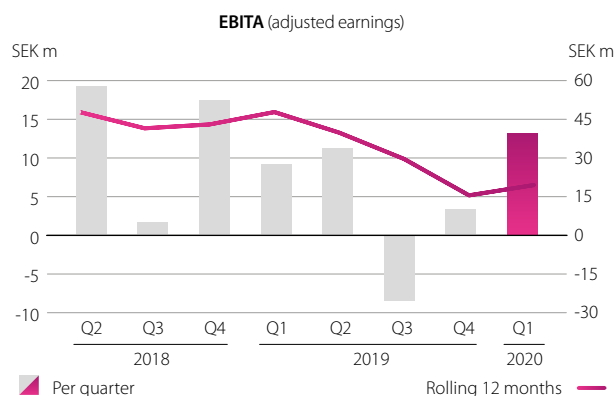
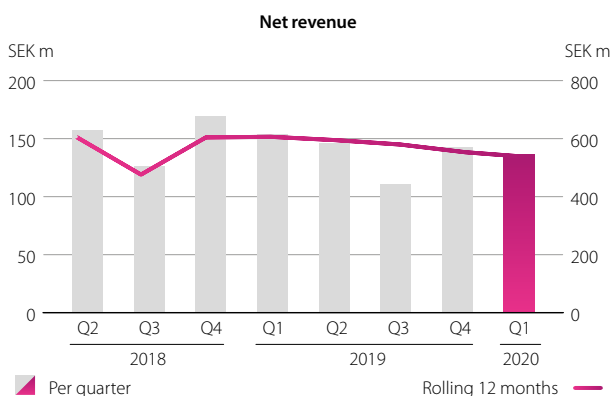
The market for the division's services is difficult to assess because of the coronavirus pandemic. In the second half of March the situation led to significant uncertainty, resulting in some project startups being postponed or not going ahead. Market conditions have stabilised slightly, albeit at lower levels than previously.

New assignments

- Automation project for Garos, Tectubes and MannTeknik, which also includes the construction of cabinets
- Electrical project planning for the programme documentation stage of a new swimming pool complex in Nacka, including swimming pool-related expertise
- HVAC and sanitation project design for refurbishment and extension of the USÖ Campus in Örebro. Premises covering 7,000 m² for medical training

Division summary

SEK million	3 months		12 months	
	Jan–Mar 2020	Jan–Mar 2019	Jan–Dec 2019	Rolling 12 mths
Net revenue	136.5	153.4	553.1	536.2
- of which internal net revenue	5.4	11.3	22.6	0.0
Total growth, %	-11.0	1.4	-8.5	0.0
- of which organic growth, %	-11.0	-7.2	-13.2	0.0
- of which acquired growth, %	0.0	8.6	4.8	0.0
EBITA (adjusted earnings)	13.2	9.2	15.5	19.5
- EBITA margin, %	9.7	5.9	2.8	3.6
Average number of employees	397	508	449	449



Cash flow and financial position

First quarter, 1 January–31 March 2020

Cash flow from operating activities amounted to SEK 40.5 million (–14.4), of which the change in working capital was SEK 2.3 million (–47.0). The improved working capital was due to materially higher trade payables than last year. Investing activities showed a net outflow in the quarter of SEK 3.4 million (19.5). Cash flow from financing activities amounted to SEK –59.7 million (–4.0) and is primarily attributable to the repayment of SEK –12.3 million (–12.2) on bank loans, the repayment of SEK –18.9 million (–19.9) on lease liabilities and a SEK –26.9 million (26.2) change in the overdraft facility. Net debt at the end of the quarter totalled SEK 365.8 million (395.7). Excluding the lease liability due, which from 2019 is recognised in accordance with IFRS 16, net debt is SEK 235.0 million (251.0).

Acquisitions

No companies were acquired in the first quarter of 2020.

Investments, depreciation and amortisation

Purchases of non-current assets for the period amounted to SEK 3.4 million (3.9). Depreciation of total non-current assets amounted to SEK 20.8 million (22.9), including depreciation of leased assets of SEK 15.7 million (18.2) and amortisation of intangible assets of SEK 3.2 million (3.0). Purchase considerations paid relating to acquired companies amounted to SEK 0.0 million (15.6).

Significant events in the period

1 January–31 March 2020

Impact of the Covid-19 pandemic

The impact of Covid-19 resulted in a gradual change in market conditions in the latter part of March. In addition to protecting the health of our employees, clients and cooperation partners, PE is complying with the decisions and recommendations of the authorities and taking measures required to minimise the spread of the virus. A raft of measures are being implemented to minimise the financial impact from Covid-19. We are planning to introduce reduced working hours in some parts of the business, covering both administrative employees and consultants. A cost review has been initiated and planned investments are being postponed. The financial impact from the Covid-19 pandemic cannot currently be predicted, but there is significant uncertainty in the market, resulting in some projects being postponed or not going ahead. We have not currently identified any indication of a need for impairment of Group assets and have not made any provision as a result of the impact of Covid-19.

Significant events after the end of the period

Implementation of reduced working hours

PE has implemented reduced working hours since the end of the period. In April it corresponded to approx 40 FTE. This 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.

Other information

Employees

The average number of FTEs in the quarter amounted to 1,094 (1,218). The number of employees at the end of the period was 1,084 (1,204).

Tax

The tax expense for the period totalled SEK –6.6 million (–2.2).

Parent Company

The Parent Company's net revenue for the 1 January–31 March period totalled SEK 0 million (60.5), with operating income (EBIT) corresponding to SEK –3.8 million (–8.3). Net revenue for the Parent Company mainly relates to intra-group cost allocations. In 2019, administrative activities and client contracts were transferred to the subsidiary PE Teknik & Arkitektur AB, leading to lower revenue for the Parent Company.

Share information

The company's B shares have been listed on Nasdaq Stockholm since 19 June 2018. The buying price at 31 March for PENG-B was SEK 9.10, a decrease of 39.5 percent in the first quarter of 2020.

Related-party transactions

In the first quarter, 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

There was no calendar effect for the first quarter of 2020 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. 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.

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 19 May 2020 at 06:30 at CET.

Stockholm 19/05/2020
Projektengagemang Sweden AB (publ)

Per-Arne Gustavsson
CEO

Group income statement

SEK million	3 months		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
Net revenue	341.1	370.4	1,348.4	1,319.0
Other external expenses	-65.3	-79.6	-322.9	-308.6
Personnel costs	-228.8	-257.2	-945.5	-917.1
Profit/loss before depreciation/amortisation, EBITDA	47.0	33.6	80.0	93.3
Depreciation, amortisation and impairment losses	-18.0	-20.1	-96.0	-94.0
Operating profit/loss, EBITA	28.9	13.6	-16.1	-0.7
Acquisition related items	-2.8	-0.1	-8.7	-11.4
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0
Financial items	-3.2	-3.0	-12.1	-12.3
Profit/loss after financial items	22.9	10.4	-36.9	-24.4
Tax	-6.6	-2.2	-3.3	-7.8
Profit/loss for the period	16.2	8.2	-40.2	-32.2
Attributable to:				
Parent Company shareholders	16.4	8.2	-39.7	-31.5
Non-controlling interests	-0.2	0.0	-0.5	-0.7
Basic and diluted earnings per share for the period, SEK	0.67	0.33	-1.62	2.63

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		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
Profit/loss for the year	16.2	8.2	-40.2	-32.2
Comprehensive income for the year	16.2	8.2	-40.2	-32.2

Consolidated balance sheet

SEK million	31 March 2020	31 March 2019	31 Dec 2019
ASSETS			
Non-current assets			
Goodwill	597.4	588.1	597.4
Other non-current intangible assets	40.8	48.2	42.9
Property, plant and equipment	178.4	211.9	187.5
Financial assets	3.4	3.9	3.4
Total non-current assets	820.0	851.1	831.2
Current assets			
Current assets excluding cash and cash equivalents	363.9	395.6	359.3
Cash and cash equivalents including short-term investments	6.7	71.7	29.4
Total current assets	370.6	467.3	388.6
TOTAL ASSETS	1,190.6	1,319.4	1,219.8
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	538.0	594.6	521.9
Non-controlling interests	0.3	1.1	0.5
Total equity	538.4	595.7	522.4
Liabilities			
Non-current liabilities	267.3	338.0	295.7
Current liabilities, accrued expenses	362.9	355.1	380.6
Deferred tax liabilities	22.0	30.6	21.1
Total liabilities	652.2	723.7	697.5
TOTAL EQUITY AND LIABILITIES	1,190.6	1,319.4	1,219.8

Consolidated statement of changes in equity

SEK million	31 March 2020	31 March 2019	31 Dec 2019
Equity at start of period	522.4	587.2	587.2
Profit/loss for the period	16.2	8.2	-40.2
Dividends paid	-	-	-24.6
Other transactions	-0.3	0.3	0.1
Equity at end of period	538.4	595.7	522.4
Attributable to:			
Parent Company shareholders	538.0	594.6	521.9
Non-controlling interests	0.3	1.1	0.5
Total	538.4	595.7	522.4

Consolidated cash flow statement

SEK million	3 months		12 months
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Operating activities			
Profit/loss after financial items	22.9	10.4	-36.9
Adjustments for non-cash items	21.1	22.8	113.5
Tax paid	-5.7	-0.5	-6.2
Cash flow before changes in working capital	38.2	32.6	70.4
Cash flow from changes in working capital	2.3	-47.0	7.2
Cash flow from operating activities	40.5	-14.4	77.6
Purchase of property, plant and equipment and non-current intangible assets	-3.4	-3.8	-9.9
Acquisition of Group companies, incl. cash funds	-	-15.6	-24.9
Sale of Group companies, incl. cash funds	-	-	-0.6
Change in financial assets	-	-	-0.3
Cash flow from investing activities	-3.4	-19.5	-35.6
Dividend paid	-	-	-24.6
Amortisation of loans	-32.8	-30.2	-124.5
Change in credit facilities	-26.9	26.2	26.9
Cash flow from financing activities	-59.7	-4.0	-122.1
Cash flow for the period	-22.7	-37.8	-80.2
Cash and cash equivalents at start of period	28.8	109.0	109.0
Exchange rate difference in cash and cash equivalents	-0.1	0.0	0.0
Cash and cash equivalents at end of period	6.1	71.2	28.8

Parent Company income statement

SEK million	3 months		12 months
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Net revenue	0.0	60.5	125.0
Other external expenses	-1.0	-50.4	-60.8
Personnel costs	-2.1	-15.1	-23.2
Profit/loss before depreciation/amortisation, EBITDA	-3.1	-5.0	41.1
Depreciation, amortisation and impairment losses	-0.7	-3.3	-26.9
Operating profit/loss, EBIT	-3.8	-8.3	14.2
Financial items	-2.4	-2.1	-8.4
Profit/loss after financial items	-6.2	-10.4	5.8
Appropriations	0.0	0.1	11.8
Profit/loss before tax	-6.2	-10.3	17.6
Tax	-0.8	0.0	-8.1
Profit/loss for the period	-7.0	-10.3	9.5

Parent Company statement of comprehensive income

SEK million	3 months		12 months
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Profit/loss for the year	-7.0	-10.3	9.5
Comprehensive income for the year	-7.0	-10.3	9.5

Parent Company balance sheet

SEK million	31 March 2020	31 March 2019	31 Dec 2019
ASSETS			
Non-current assets			
Other non-current intangible assets	0.2	1.8	0.1
Property, plant and equipment	36.7	44.2	35.5
Deferred tax assets	2.0	6.7	2.8
Financial assets	776.3	767.3	776.3
Total non-current assets	815.2	820.0	814.7
Current assets			
Current assets	62.1	126.4	51.4
Total current assets	62.1	126.4	51.4
TOTAL ASSETS	877.3	946.4	866.1
EQUITY AND LIABILITIES			
Equity	483.9	495.6	490.9
Non-current liabilities	199.3	250.4	215.4
Current liabilities	194.1	200.4	159.8
Total liabilities	393.4	450.8	375.2
TOTAL EQUITY AND LIABILITIES	877.3	946.4	866.1

Income statement per quarter for the Group⁴

SEK million	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018
Net revenue	341.1	347.4	269.0	361.6	370.4	343.8	248.9	324.1
Other external expenses	-65.3	-85.2	-75.6	-82.5	-79.6	-97.0	-77.8	-98.6
Personnel costs	-228.8	-251.2	-194.7	-242.4	-257.2	-222.8	-164.0	-201.6
Profit/loss before depreciation/amortisation, EBITDA	47.0	11.0	-1.4	36.7	33.6	24.0	7.1	23.9
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)¹	47.0	23.7	-1.4	36.7	33.6	24.0	7.1	31.2
Depreciation, amortisation and impairment losses	-18.0	-34.5	-20.8	-20.6	-20.1	-4.7	-4.9	-4.2
Operating profit/loss, EBITA	28.9	-23.5	-22.2	16.1	13.6	19.3	2.2	19.7
Operating profit/loss, EBITA (adjusted earnings)¹	28.9	1.7	-22.2	16.1	13.6	19.3	2.2	26.9
Acquisition-related items ²	-2.8	-2.9	-2.8	-2.8	-0.1	-0.9	-0.9	-0.9
Operating profit/loss, EBIT	26.1	-26.3	-25.0	13.2	13.4	25.4	1.2	18.8
Operating profit/loss, EBIT (adjusted earnings)¹	26.1	-1.1	-25.0	13.2	13.4	18.3	1.2	26.0
Financial items	-3.2	-3.0	-3.9	-2.1	-3.0	-1.6	-1.0	-1.8
Profit/loss after financial items	22.9	-29.4	-29.0	11.1	10.4	23.8	0.3	16.9
Tax	-6.6	-4.2	6.0	-3.0	-2.2	-1.7	-0.6	-3.8
Profit/loss for the period³	16.2	-33.6	-23.0	8.1	8.2	22.1	-0.3	13.1
Attributable to:								
Parent Company shareholders	16.4	-33.2	-22.8	8.1	8.2	21.9	-0.1	12.9
Non-controlling interests	-0.3	-0.5	-0.2	0.0	0.0	0.3	-0.2	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		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
PROFITABILITY				
EBITDA	470	33.6	80.0	93.3
EBITDA margin, %	13.8	9.1	5.9	7.1
EBITDA (adjusted earnings) ¹	470	33.6	92.7	106.0
EBITDA margin, % (adjusted earnings)	13.8	9.1	6.9	8.0
EBITA	28.9	13.6	-16.1	-0.7
EBITA margin, %	8.5	3.7	-1.2	-0.1
EBITA (adjusted earnings) ¹	28.9	13.6	9.2	24.5
EBITA margin, % (adjusted earnings)	8.5	3.7	0.7	1.9
EBIT ²	26.1	13.4	-24.7	-12.0
EBIT margin, %	7.7	3.6	-1.8	-0.9
EBIT (adjusted earnings) ¹	26.1	13.4	0.5	13.2
EBIT margin, % (adjusted earnings)	7.7	3.6	0.0	1.0
NET REVENUE				
Total growth, %	-7.9	20.6	10.2	-
- of which organic growth	-8.4	-4.4	-11.0	-
- of which acquired growth	0.5	25.0	21.2	-
FINANCIAL POSITION				
Equity/assets ratio, %	45.2	45.2	42.8	-
Available cash and cash equivalents	166.7	305.9	162.7	-
- of which undrawn credit facilities	160.0	234.1	133.4	-
Leverage	3.9	4.5	5.0	3.9
OTHER				
Number of employees	1,084	1,204	1,129	1,084
Average number of employees	1,094	1,218	1,198	1,167
Utilisation rate, %	76.2	75.1	73.0	72.9
Basic and diluted earnings per share, SEK	0.67	0.33	-1.62	2.63
Equity per share, SEK	21.91	24.22	21.25	21.91

1 Adjusted for items affecting comparability in 2019.

2 2019 EBIT boosted by a capital gain of SEK 2.6 million.

Notes

NOTE 1 Acquisitions

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

Acquisition-related items

SEK million	3 months		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
EBITA	28.9	13.6	-16.1	-0.7
Amortisation of acquisition-related non-current intangible assets	-2.8	-2.8	-11.3	-11.5
Acquisition-related capital gain from sale of non-current asset	0.0	2.6	2.6	0.0
Acquisition-related items	-2.8	-0.2	-8.7	-11.5
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0

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.

31 March 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	–	194.8	–	–	–	–
Short-term investments	0.6	–	–	–	–	0.6
Other non-current receivables	–	0.1	–	–	–	–
Total financial assets	3.9	195.0	–	–	–	3.9
Financial instruments, liabilities						
Recognised purchase considerations	13.8	–	–	–	–	13.8
Liabilities to customers and suppliers	–	–	64.0	–	–	–
Other non-current liabilities	–	–	1.5	–	–	–
Interest-bearing liabilities, non-current	–	–	256.9	–	–	–
Interest-bearing liabilities, current	–	–	115.7	–	–	–
Total financial liabilities	13.8	–	438.1	–	–	13.8

31 March 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	–	195.3	–	–	–	–
Short-term investments	0.5	–	–	–	–	0.5
Other non-current receivables	–	0.7	–	–	–	–
Total financial assets	3.7	196.0	–	–	–	3.7
Financial instruments, liabilities						
Recognised purchase considerations	17.3	–	–	–	–	17.3
Liabilities to customers and suppliers	–	–	28.1	–	–	–
Other non-current liabilities	–	–	0.2	–	–	–
Interest-bearing liabilities, non-current	–	–	324.5	–	–	–
Interest-bearing liabilities, current	–	–	143.6	–	–	–
Total financial liabilities	17.3	–	496.4	–	–	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 (i.e. as quoted prices) or indirectly (i.e. 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	31 March 2020	31 March 2019
Deferred tax asset		
Loss carry-forwards	1.0	7.8
Current assets	22.3	10.1
Total deferred tax assets	23.3	17.9
Deferred tax liabilities		
Untaxed reserves	17.4	20.1
Current assets	20.1	28.4
Non-current assets	7.8	0.0
Total deferred tax liabilities	45.3	48.5
Net deferred tax effect	-22.0	-30.6

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		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
Net revenue				
Architecture	52.2	50.8	183.2	184.6
Project Management	36.4	52.4	186.1	170.1
Societal Development	2.1	–	–	2.1
Architecture & Management	90.7	103.2	369.3	356.8
Building	26.0	40.9	143.1	128.1
Infrastructure	27.9	18.3	74.9	84.5
Integra	59.4	56.9	209.2	211.7
Building Environment	9.9	–	–	9.9
Civil Engineering & Infrastructure	123.2	116.1	427.1	434.2
Electrical, Telecommunications & Security	61.9	64.0	235.0	233.0
HVAC and Sanitation Design	35.0	34.5	126.6	127.1
Fire, Risk & Protection	23.2	23.6	95.2	94.8
Industry & Energy	16.4	31.3	96.3	81.4
Systems	136.5	153.4	553.1	536.2
Internal eliminations	-9.3	-2.2	-1.2	-8.2
Total	341.1	370.4	1,348.4	1,319.0

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		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
Non-current, interest-bearing liabilities	256.9	324.5	283.8	256.9
Current, interest-bearing liabilities	115.7	143.6	145.9	115.7
Cash and cash equivalents including short-term investments	-6.8	-72.4	-29.4	-6.8
Net receivables (-)/debt	365.8	395.7	400.2	365.8
Net receivables (-)/debt	365.8	395.7	400.2	365.8
EBITDA, rolling 12 months	93.3	88.6	80.0	93.3
Leverage	3.9	4.5	5.0	3.9
Net receivables (-)/debt	365.8	395.7	400.2	365.8
EBITDA, rolling 12 months (adjusted earnings)	106.0	95.9	92.7	106.0
Adjusted debt	3.5	4.1	4.3	3.5
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0
Net revenue	341.1	370.4	1,348.4	1,319.0
Operating margin EBIT, %	7.7	3.6	-1.8	-0.9
Operating profit/loss, EBIT (adjusted earnings)	26.1	13.4	0.5	13.2
Net revenue	341.1	370.4	1,348.4	1,319.0
Adjusted operating margin EBIT, %	7.7	3.6	0.0	1.0
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0
Acquisition-related items	-2.8	-0.1	-8.7	-11.4
EBITA	28.9	13.6	-16.1	-0.7
Net revenue	341.1	370.4	1,348.4	1,319.0
EBITA margin, %	8.5	3.7	-1.2	-0.1
Operating profit/loss, EBIT (adjusted earnings)	26.1	13.4	0.5	13.2
Acquisition-related items	-2.8	-0.1	-8.7	-11.4
EBITA (adjusted earnings)	28.9	13.6	9.2	24.5
Net revenue	341.1	370.4	1,348.4	1,319.0
Adjusted EBITA margin, %	8.5	3.7	0.7	1.9
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0
Amortisation	20.9	20.2	104.7	105.4
Profit/loss before depreciation/amortisation, EBITDA	47.0	33.6	80.0	93.3
Net revenue	341.1	370.4	1,348.4	1,319.0
EBITDA margin, %	13.8	9.1	5.9	7.1
Operating profit/loss, EBIT (adjusted earnings)	26.1	13.4	0.5	13.2
Amortisation	8.4	20.2	92.2	105.4
Profit/loss before depreciation/amortisation, EBITDA (adjusted earnings)	47.0	33.6	92.7	106.0
Net revenue	341.1	370.4	1,348.4	1,319.0
Adjusted EBITDA margin, %	13.8	9.1	6.9	8.0

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		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
EBITA	28.9	13.6	-16.1	-0.7
Efficiency improvements	0.0	0.0	25.2	25.2
EBITA items affecting comparability	0.0	0.0	25.2	25.2
Adjusted EBITA	28.9	13.6	9.2	24.5

SEK million	3 months		12 months	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Rolling 12 mths
Operating profit/loss, EBIT	26.1	13.4	-24.7	-12.0
EBITA items affecting comparability	0.0	0.0	25.2	25.2
Items affecting comparability EBIT	0.0	0.0	25.2	25.2
Adjusted EBIT	26.1	13.4	0.5	13.2

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. There was no calendar effect for the full year 2019.

SEK million	3 months			12 months		
	Jan-Mar 2020	Jan-Mar 2019	Growth %	Jan-Dec 2019	Jan-Dec 2018	Growth %
Reported revenue	341.1	370.4	-7.9%	1,348.4	1,223.8	10.2%
Adjustment for acquisitions/divestments	-1.7			-259.5		
Revenue adjusted for acquisitions/divestments (organic growth)	339.4	370.4	-8.4%	1,088.9	1,223.8	-11.0%
Adjustment for calendar effect	-			-		
Revenue adjusted for acquisitions/divestments and calendar effect (organic growth taking account of calendar effect)	339.4	370.4	-8.4%	1,088.9	1,223.8	-11.0%
Adjustment for loss of revenue due to Covid-19	3.0			-		
	342.3	370.4	-7.6%	1,088.9	1,223.8	-11.0%

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

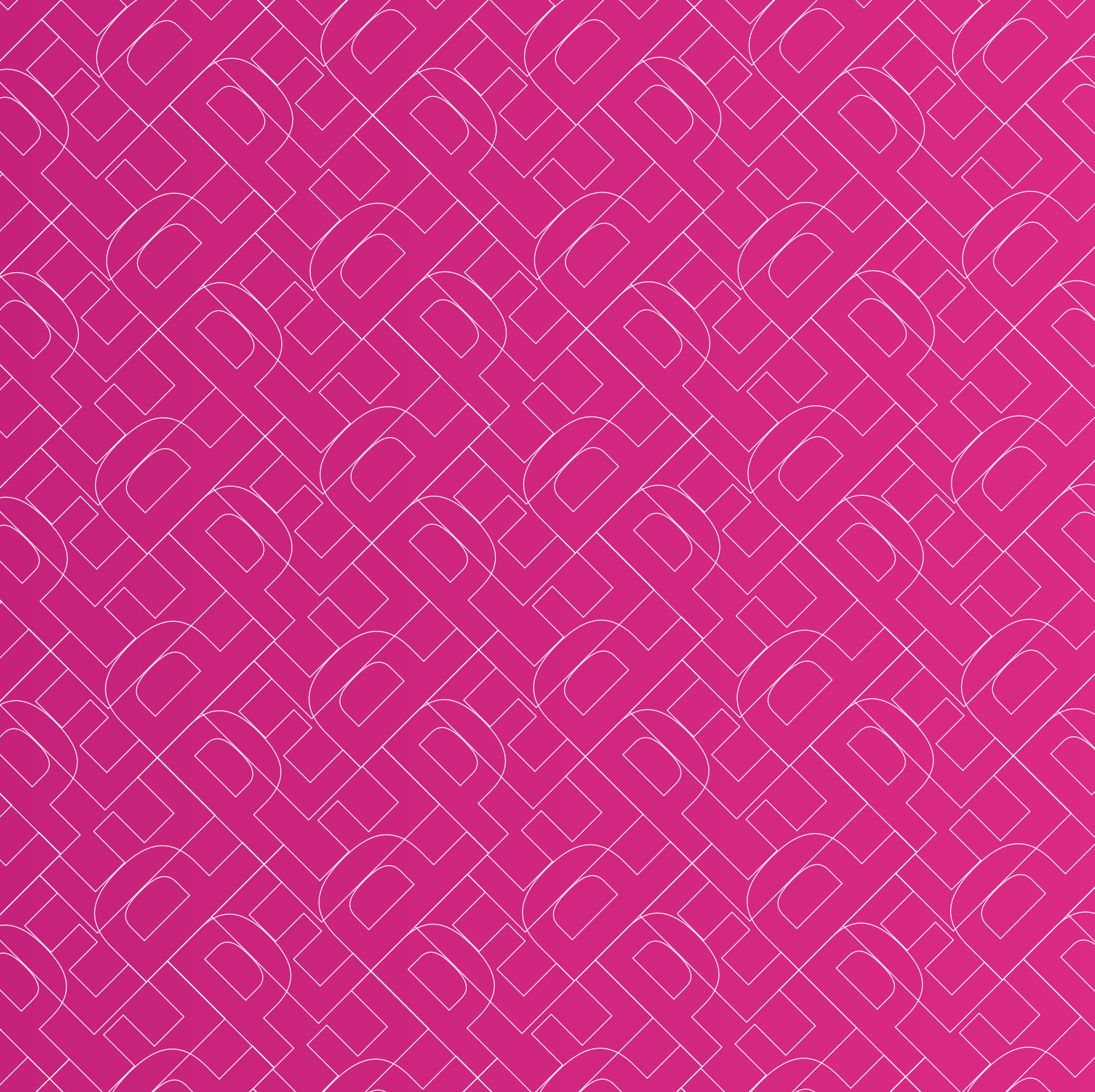
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Financial calendar

Interim report January–March 2020	19 May 2020
Annual General Meeting	19 May 2020
Interim report April–June 2020	17 July 2020
Interim report July–September 2020	6 November 2020
Year-end report 2020	19 February 2021



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