

Projektengagemang Q4 2019

January - December 2019

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Business highlights Q4

- The markets for our services is generally stable, but with regional variations and at a somewhat lower level, particularly in the Stockholm region
- Integration of the Industry & Energy division into Installation division to achieve cost and sales synergies
- Efficiency measures implemented during the quarter to improve profitability



New contracts

- Project management of Karlatornet for Serneke in Gothenburg
- Comprehensive framework agreement with Preem
- Refurbishment of an existing building for a new Scania business



Efficiency program

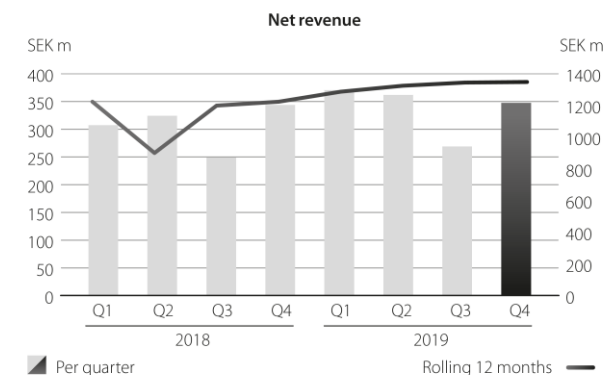
- Efficiency measures executed during the fourth quarter to increase organizational efficiency and profitability with an annual effect of SEK 55 million
- The one-time cost of implementing the savings program amounts to SEK 25 million
- Measures during the year reduces cost base by approximately SEK 70 million for full year 2020 compared with 2019. These measures includes the restructuring of under performing units made earlier during the year, mainly in Management and in Industry & Energy
- Actions taken in 2019 to improve profitability and efficiency during 2020 and onwards includes consolidating of companies, colocation of offices, integration of systems and acquired companies and one common brand
- Total employees entering 2020 after efficiency program: 1 104 (1 211)

Group financial summary Q4

- Net revenue grew 1 % to SEK 347 (344) million
- Cost of implementing the savings program amounts to SEK 25 million
- EBITA adj. SEK 1.7 (19.3) million
- EBITA margin adj. 0.5 (5.6) %

Group summary

SEK million	3 months		12 months	
	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net revenue	347.4	343.8	1,348.4	1,223.8
EBITA (adjusted earnings)	1.7	19.3	9.2	80.4
EBITA margin, % (adjusted earnings)	0.5	5.6	0.7	6.6
Operating profit/loss, EBIT (adjusted earnings)	-1.1	18.3	0.5	76.7
Operating margin, % (adjusted earnings)	-0.3	5.3	0.0	6.3
Net receivables (-)/debt ¹	400.2	207.8	400.2	207.8



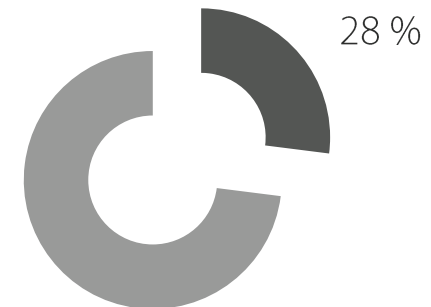
Architecture & Management

- -9 % revenue growth
 - Organic -15 %
 - Acquired 5 %
- Stable demand but on a lower level and with regional variations
- Restructuring of the Management consulting unit impacted by -1.5 MSEK in the quarter and by -11.5 MSEK for the full year
- New business area: Societal development

Division summary

SEK million	3 months		12 months	
	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net revenue	94.6	104.3	369.3	388.8
Total growth, %	-9.3	3.8	-5.0	-1.2
Operating profit/loss, EBIT (adjusted earnings)	-6.4	1.7	-9.5	10.6
- EBIT margin, %	-6.8	1.7	-2.6	2.7

Share of revenue*



Civil Engineering & Infrastructure

- 57 % revenue growth
 - Organic -18 %
 - Acquired 75 %
- Long term positive market outlook for our specialist services
- Margin impacted by integration work
- Infrastructure build up phase impacted by -5 MSEK in the quarter and by -19 MSEK for the full year

Division summary

SEK million	3 months		12 months	
	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net revenue	117.2	74.7	427.1	250.2
Total growth, %	56.8	17.9	70.7	8.2
Operating profit/loss, EBIT (adjusted earnings)	-0.3	1.7	-0.3	15.9
- EBIT margin, %	-0.2	2.2	-0.1	6.3

Share of revenue*



Systems*

- -16 % revenue growth
 - Organic -16 %
 - Acquired 0 %
- Positive earnings contribution from Systems business areas but lower versus the previous year
- Earnings for the Division impacted by losses in Industry & Energy. Focus on Automation and Digitalization
- Market demand stable but at somewhat lower level

*All numbers are proforma including Industry & Energy

Division summary

SEK million	3 months		12 months	
	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net revenue	143.0	169.4	553.1	604.2
Total growth, %	-15.6	7.6	-8.5	6.7
Operating profit/loss, EBIT (adjusted earnings)	3.1	17.1	14.1	59.7
- EBIT margin, %	2.1	10.0	2.5	9.9

Share of revenue*



Cash flow and Net debt

- Cash flow from operations generated SEKm 53 (39.6) in Q4
- Cash conversion 84 % (excl. Δ NWC)
- Renegotiated existing credit agreement with SEB and reduced the unused credit facility for acquisitions
- Net debt SEKm 400.2 (207.8) increased by SEKm 146.5 due to IFRS16

SEK million	3 months		12 months	
	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Operating activities				
Profit/loss after financial items	-29.4	23.8	-36.9	68.4
Adjustments for non-cash items	37.7	-2.7	113.5	179
Tax paid	-1.1	0.0	-6.2	-5.7
Cash flow before changes in working capital	7.3	21.1	70.4	80.5
Cash flow from operating activities	53.0	39.6	77.6	37.8
Cash flow from investing activities	-3.7	-218.7	-35.6	-275.1
Cash flow from financing activities	-33.2	115.3	-122.1	342.8
Cash flow for the period	16.1	-63.8	-80.2	105.5
Cash and cash equivalents at end of period	28.8	109.0	28.8	109.0

Conclusion and outlook

- Earnings during the year impacted by a slightly weaker market in some of our market segments combined with costs for restructuring and efficiency measures
- The market for our services is overall stable but with some regional variations, particularly in the Stockholm region where the building market has slowed down
- The efficiency measures taken during 2019 will restore our utilization rate and adjust our total cost base. Together with sales initiatives, we have entered into 2020 with significantly better earnings performance and can increase our earnings level towards our profitability target

Q & A
