

Projektengagemang Sweden AB (publ)

Year-end Report January - December 2020

Helena Hed, CEO

Peter Sandberg, CFO

First impressions as new CEO

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



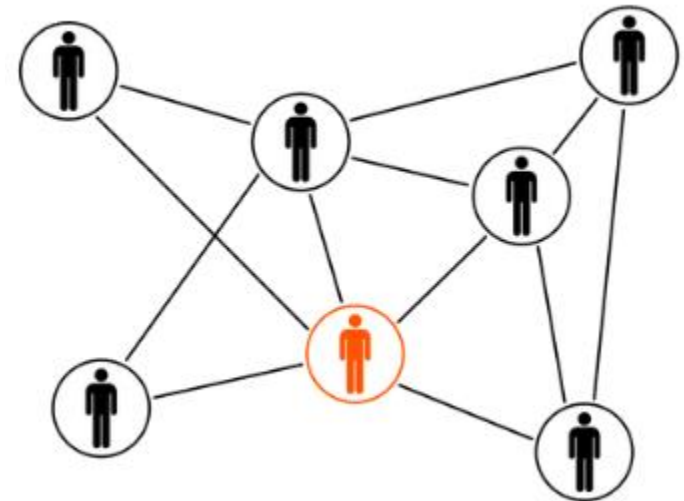
Business highlights Q4

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



Efficient organisation – establishing the base

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



New contracts

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

4 000

13 000

Group financial summary Q4

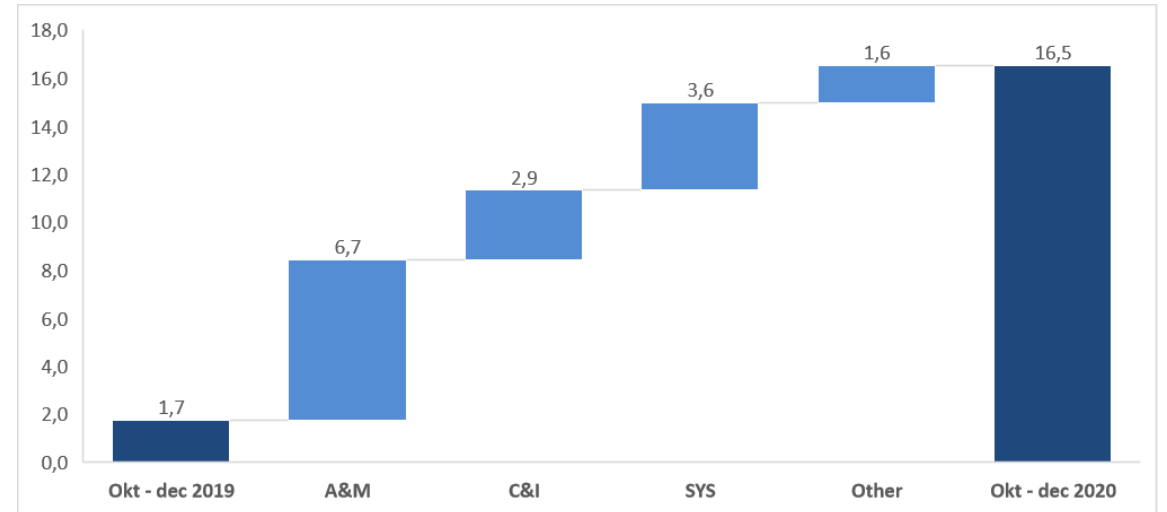
- EBITA increased to SEKm 17 (-24)
- Earnings includes project write-down of SEKm -14 in the quarter
- EBITA margin was 5.8 (-6.8) %
- Net revenue decreased 18 % to SEKm 286 (347) due to staff reductions during 2019 in underperforming units and effects of covid-19

Group summary

SEK million	3 months		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net revenue	286.5	347.4	1,167.0	1,348.4
EBITA	16.5	-23.5	78.7	-16.1
EBITA margin, %	5.8	-6.8	6.7	-1.2
Operating profit/loss, EBIT	15.8	-26.3	67.4	-24.7
Operating margin, %	5.5	-7.6	5.8	-1.8
Earnings per share for the period, SEK	0.26	-1.35	1.54	-1.62
Net receivables (-)/debt ¹	284.3	400.5	284.3	400.2

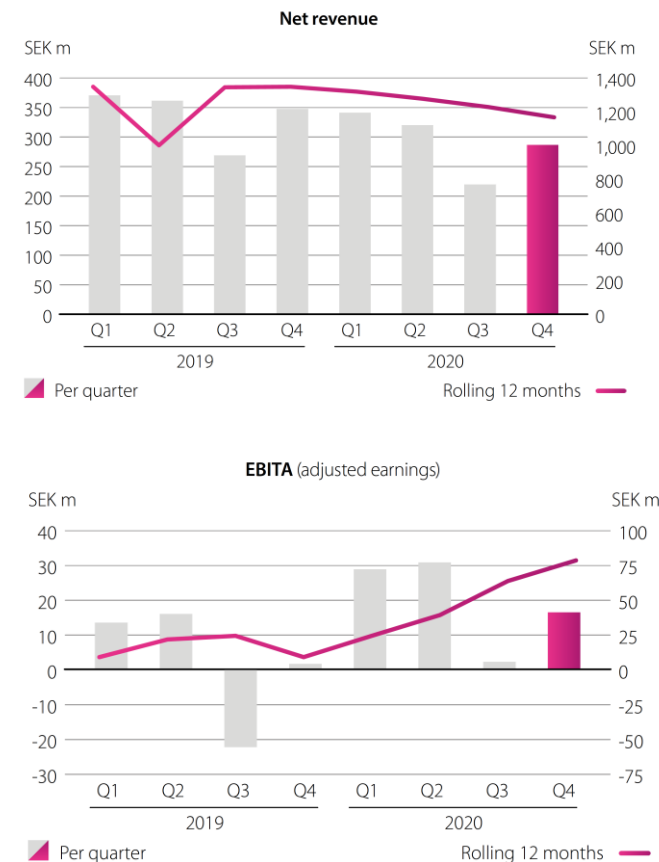
EBITA bridge Q4 (adjusted)

- Significant earnings improvement in all segments
- Positive earnings impact by efficiency measures and cost reductions



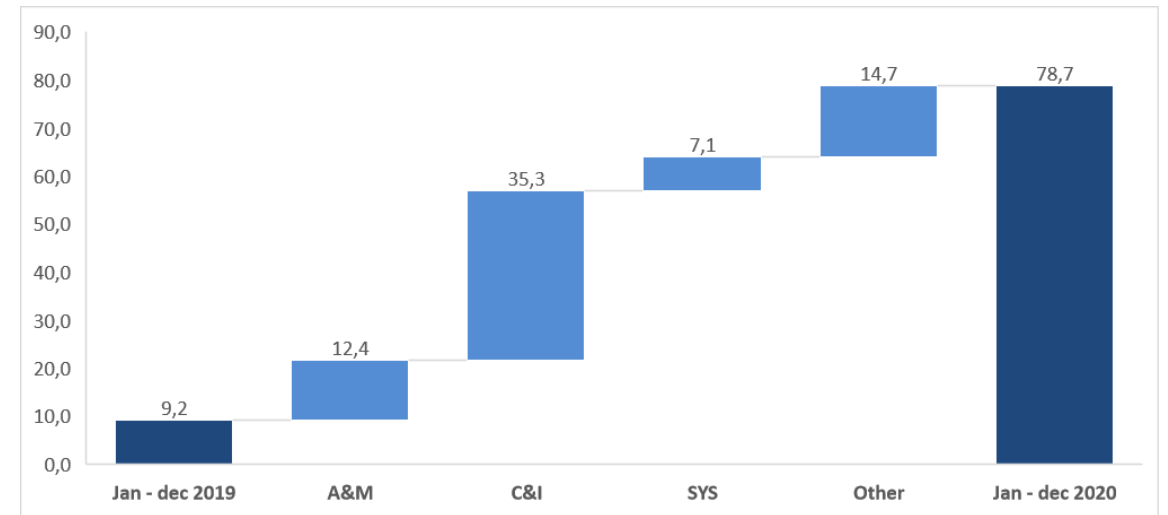
Group financial summary Full Year 2020

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



EBITA bridge Full Year 2020 (adjusted)

- Strategic initiatives delivering well in line with plan
- Positive earnings improvements in all segments



Strong Cash flow and reduced Net debt

- In range with financial targets
- Cash flow from operations generated SEKm 54 (53) in Q4
- Cash conversion 94,6 % (excl. Δ NWC)
- Net debt SEKm 284 (400)
- Net debt exclusive IFRS 16, SEKm 150 (254)

SEK million	3 months		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating activities				
Profit/loss after financial items	12.7	-29.4	53.9	-36.9
Adjustments for non-cash items	21.6	37.7	86.0	113.5
Tax paid	-0.7	-1.1	-3.0	-6.2
Cash flow before changes in working capital	33.6	7.3	136.9	70.4
Cash flow from operating activities	54.0	53.0	188.5	77.6
Cash flow from investing activities	-2.0	-3.7	-11.8	-35.6
Cash flow from financing activities	-34.5	-33.2	-162.6	-122.1
Cash flow for the period	17.4	16.1	14.1	-80.2
Cash and cash equivalents at end of period	42.8	28.8	42.8	28.8

Key figures 2020

- Earnings per share SEK 1,54 (-1,62)
- Equity/assets ratio 50 (48,2) %
- Equity per share SEK 22.72 (21.25)
- Share price start of 2020: SEK 14.9
- Share price end of 2020: SEK 23.7
- The Board proposes no dividend for 2020



Covid-19 impact and measures

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

Architecture & Management

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

Segment review

SEK million	3 months		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net revenue	70.6	94.6	300.0	369.3
Total growth, %	-25.3	-9.3	-18.8	-5.0
EBITA	0.5	-6.2	3.9	-8.6
- EBITA margin, %	0.7	-6.5	1.3	-2.3

Share of revenue Q4



Civil Engineering & Infrastructure

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

Segment review

SEK million	3 months		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net revenue	108.2	117.2	455.6	427.1
Total growth, %	-7.7	56.8	6.7	70.7
EBITA	4.9	2.0	43.9	8.6
- EBITA margin, %	4.5	1.7	9.6	2.0

Share of revenue Q4



Systems

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

Segment review

SEK million	3 months		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net revenue	115.7	143.0	445.1	553.1
Total growth, %	-19.1	-15.6	-19.5	-8.5
EBITA	7.1	3.4	22.6	15.5
- EBITA margin, %	6.1	2.4	5.1	2.8

Share of revenue Q4



Priorities ahead

- ✓ Delivering the highest customer value
- ✓ Drive profitable growth
- ✓ Developing the best workplace



*We renew society through innovative
and sustainable solutions*

Summary and outlook

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



Q & A
