

# Projektengagemang Q1 2019

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January – March 2019

Per Hedeback, CEO  
Peter Sandberg, CFO

# Company overview

- Founded in 2006, listed on Nasdaq Stockholm since June 2018
- A multidisciplinary technical and architecture consultancy company
- Driven entrepreneurial organization
- ~10 000 projects 2018, 3 000 clients (35 % public, 65 % private)

1.3 SEKbn  
Net Revenue\*

4.8 %  
EBITA\*\*

1 200  
Employees

30  
Locations



\*LTM  
\*\*LTM, Adjusted earnings

# Our business areas

## Architecture & Management

Architecture in combination with urban planning, landscape and interior design

Project management and strategic advisory within sustainability and urban planning

## Industry & Energy

Industry specialist focusing on solution based projects within automation and digitalization and product development as well as design of industrial plants



## Civil Engineering & Infrastructure

Construction engineering, acoustics, geotechnics, energy, environment and sustainability

Specialist services regarding bridges, rail and road design and water treatment

## Systems

System installation design within HVAC, electricity, telecom, security and fire & safety

Systems specialists regarding digitalization, sensors and systems optimization and automation

\* LTM. Share of Group revenue and EBIT-margin.

# Q1 2019

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Continued growth but lower earnings



# Business highlights Q1

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- Integration of Integra Engineering progressing well
- Positive effect of transformation within Architecture & Management
- Increasing order backlog in railway
- Slowdown in some market segments in the Stockholm region within Systems and Civil Engineering & Infrastructure
- Efficiency measures initiated to adapt to increased market uncertainty
  - Yearly savings of SEKm 15 from 2020



# New projects

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- Railway project planning of ERTMS for the control areas Stockaryd in Småland and Polcirkeln in Lapland for the Swedish Transport Administration
- Pre-project planning and design planning of HSB's 24-storey building Jubileumshuset in Hagastaden
- Refurbishment of Tekniska nämndhuset in Stockholm

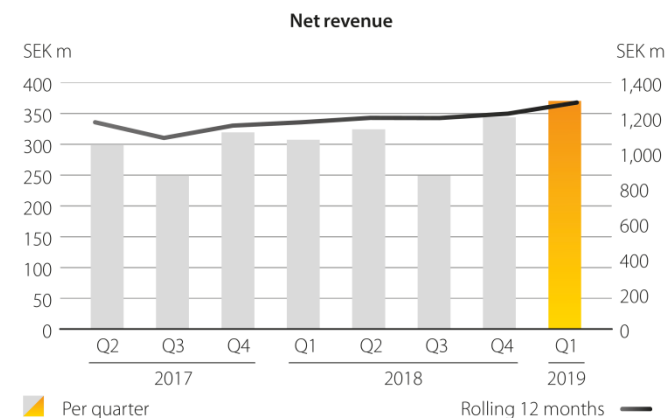


# Group financial summary Q1

- Net revenue grew 21 % to SEKm 370 (307)
  - Driven by acquisitions
- EBITA SEKm 14 (32)
  - Impacted by slowdown in some market segments
  - Measures implemented to mitigate effects of slowdown
- EBITA margin 3.7 (10.4) %

## Group summary

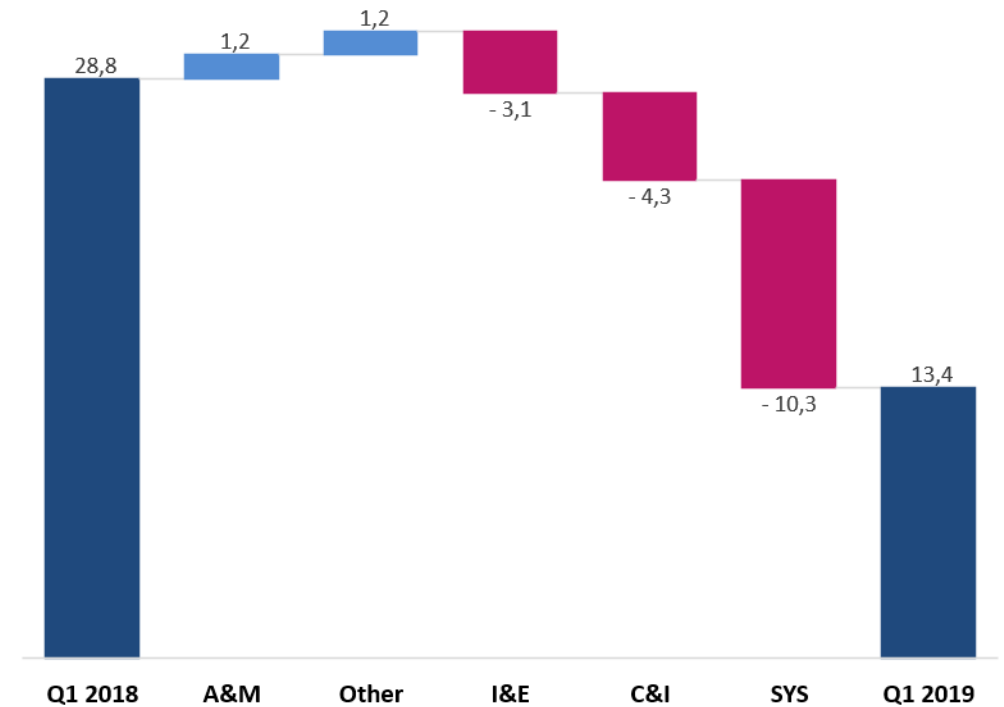
SEK million	3 months		12 months	
	Jan–Mar 2019	Jan–Mar 2018	Jan–Dec 2018	Rolling 12 mths
Net revenue	370.4	307.1	1,223.8	1,287.2
EBITA (adjusted earnings)	13.6	32.0	80.4	62.0
EBITA margin, % (adjusted earnings)	3.7	10.4	6.6	4.8
Operating profit/loss, EBIT (adjusted earnings)	13.4	31.1	76.7	56.4
Operating margin, % (adjusted earnings)	3.6	10.1	6.3	4.4
Net receivables (-)/debt (1)	395.7	247.4	207.8	395.7





# Group EBIT bridge Q1

- Lower utilization rates and earnings within **Systems** and **Civil Engineering & Infrastructure**
- Improved earnings within **Architecture & Management** as a result of transformation activities





# Architecture & Management

- 8 % growth
  - Organic 1 %
  - Acquired 7 %
- Transformation completed – increased revenue and profit
- Acquisition of Mats & Arne Arkitektkontor in Gothenburg
- Helena Liljegren new Head of Division

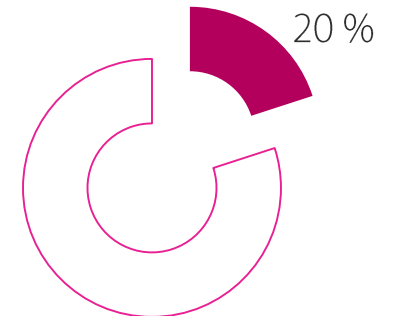
## Division summary

SEK million	3 months		12 months	
	Jan–Mar 2019	Jan–Mar 2018	Jan–Dec 2018	Rolling 12 mths
Net revenue	103.2	95.6	388.8	396.4
Total growth, %	7.9	–8.1	–1.2	
Operating profit/loss, EBIT (adjusted earnings)	3.5	2.2	10.6	11.8
- EBIT margin, %	3.4	2.4	2.7	3.0

### Share of revenue\*



### Share of EBIT\*



\*LTM

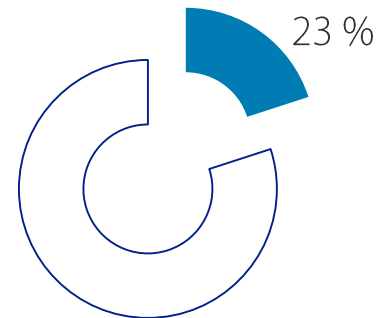
# Civil Engineering & Infrastructure

- 76 % revenue growth
  - Organic -5 %
  - Acquired 81 %
- Integration of Integra Engineering running according to plan
- Margin impacted by:
  - Slowdown in some market segments in the Stockholm region
  - Investments within railroad, approaching break-even - increasing order backlog

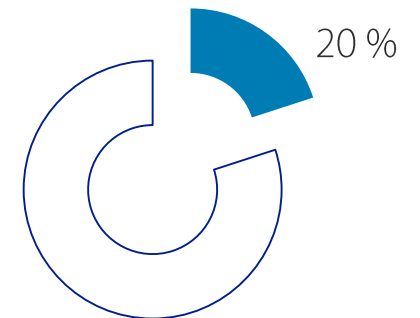
## Division summary

SEK million	3 months		12 months	
	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	116.1	66.0	250.2	300.2
Total growth, %	75.8	13.0	8.2	
Operating profit/loss, EBIT (adjusted earnings)	6.3	10.6	15.9	11.5
- EBIT margin, %	5.4	16.1	6.3	3.8

### Share of revenue\*



### Share of EBIT\*



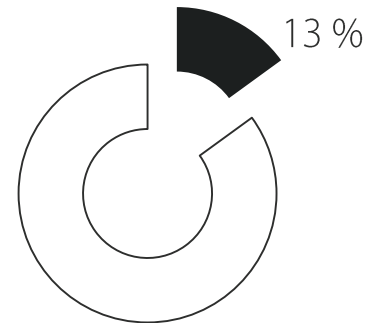
# Industry & Energy

- -25 % revenue growth
  - Organic -25 %
  - Acquired 0 %
- Sales focus on automation and digitalization as well as efficiency measures
  - Continued consolidation of offices

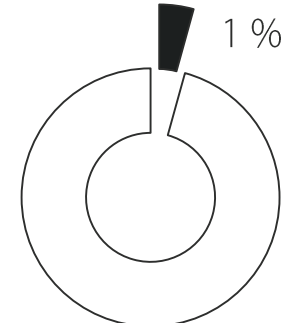
## Division summary

SEK million	3 months		12 months	
	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	33.7	45.2	179.9	168.4
Total growth, %	-25.4	-15.2	-17.2	
Operating profit/loss, EBIT (adjusted earnings)	-1.2	1.8	3.8	0.8
- EBIT margin, %	-3.6	4.1	2.1	0.5

Share of revenue\*



Share of EBIT\*



# Systems

- 10 % revenue growth
  - Organic -5 %
  - Acquired 14 %
- Lower utilization rates – especially in Stockholm within business area Electrical and telecommunications
- Business areas within HVAC and Fire and safety – in line with expectations
- Kjell-Åke Johansson new Head of Division

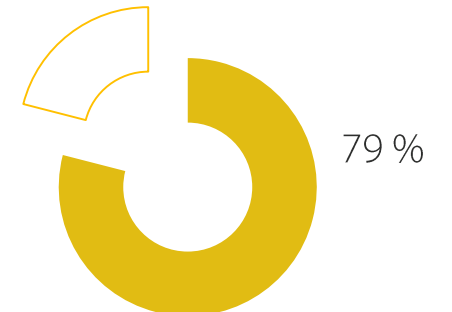
## Division summary

SEK million	3 months		12 months	
	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	122.3	111.5	445.3	456.1
Total growth, %	9.7	16.5	22.7	
Operating profit/loss, EBIT (adjusted earnings)	10.1	20.4	56.7	46.3
- EBIT margin, %	8.3	18.3	12.7	10.2

### Share of revenue\*



### Share of EBIT\*



\*LTM



# Cash flow and Net debt

- Cash flow from operations generated SEKm -14.4 (11.6) in Q1
- Cash conversion 89 % (excl.  $\Delta$  NWC)
- Net debt SEKm 396, increased by SEKm 136 due to IFRS16
- Board of Directors proposes dividend of SEK 1.0 per share equivalent of 43 % of EPS

SEK million	3 months		12 months
	Jan–Mar 2019	Jan–Mar 2018	Jan–Dec 2018
Operating activities			
Profit/loss after financial items	10.4	27.3	68.4
Adjustments for non-cash items	22.8	5.5	17.9
Tax paid	–0.5	–0.7	–5.7
Cash flow before changes in working capital	32.6	32.1	80.5
Cash flow from operating activities	–14.4	11.6	37.8
Cash flow from investing activities	–19.5	–11.9	–275.1
Cash flow from financing activities	–4.0	4.3	342.8
Cash flow for the period	–37.8	4.0	105.5
Cash and cash equivalents at end of period	71.2	7.5	109.0

# Conclusion and outlook

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- Continued revenue growth driven by acquisitions
- Lower earnings due to slowdown in some market segments in the Stockholm region within Systems and Civil Engineering & Infrastructure
- Based on the investments that have been made, the efficiency measures initiated and our assessment of the market situation, we anticipate a full-year EBITA-result for 2019 in line with or slightly better than in the previous year

# Q & A



# Appendix

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# Group income statement

SEK million	3 months		12 months	
	Jan–Mar 2019	Jan–Mar 2018	Jan–Dec 2018	Rolling 12 mths
Net revenue	370.4	307.1	1,223.8	1,287.2
Other external expenses	–79.6	–74.5	–347.9	–353.0
Personnel costs	–257.2	–198.0	–786.3	–845.6
Profit/loss before depreciation/amortisation, EBITDA	33.6	34.6	89.6	88.6
Depreciation, amortisation and impairment losses	–20.1	–4.9	–18.8	–33.9
Operating profit/loss, EBITA	13.6	29.7	70.8	54.7
Acquisition-related items <sup>1</sup>	–0.1	–0.9	3.4	4.1
Operating profit/loss, EBIT	13.4	28.8	74.2	58.8
Financial items	–3.0	–1.4	–5.8	–7.4
Profit/loss after financial items	10.4	27.3	68.4	51.4
Tax	–2.2	–5.2	–11.3	–8.3
Profit/loss for the period <sup>2</sup>	8.2	22.2	57.1	43.2
Attributable to:				
Parent Company shareholders	8.2	22.1	56.8	42.9
Non-controlling interests	0.0	–0.1	0.3	0.3
Basic and diluted earnings per share for the period, SEK	0.33	0.90	2.63	1.99

<sup>1</sup> 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.

<sup>2</sup> No deviations between the profit or loss for the period and comprehensive income for the period

# Consolidated balance sheet

SEK million	31 March 2019	31 March 2018	31 Dec 2018
<b>ASSETS</b>			
Non-current assets			
Goodwill	588.1	338.1	573.0
Other non-current intangible assets	48.2	15.3	50.6
Property, plant and equipment	211.9	43.2	62.4
Financial assets	3.9	4.3	3.9
<b>Total non-current assets</b>	<b>851.1</b>	<b>400.9</b>	<b>689.9</b>
Current assets			
Current assets excluding cash and cash equivalents	395.6	335.7	394.3
Cash and cash equivalents including short-term investments	71.7	7.8	109.5
<b>Total current assets</b>	<b>467.3</b>	<b>343.5</b>	<b>503.8</b>
<b>TOTAL ASSETS</b>	<b>1,319.4</b>	<b>744.4</b>	<b>1,193.7</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity attributable to Parent Company shareholders	594.6	249.8	586.1
Non-controlling interests	1.1	0.8	1.0
<b>Total equity</b>	<b>595.7</b>	<b>250.6</b>	<b>587.2</b>
Liabilities			
Non-current liabilities	338.0	160.1	264.8
Current liabilities, accrued expenses	355.1	315.4	310.7
Deferred tax liabilities	30.6	18.3	31.0
<b>Total liabilities</b>	<b>723.7</b>	<b>493.8</b>	<b>606.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,319.4</b>	<b>744.4</b>	<b>1,193.7</b>

# Consolidated cash flow statement

SEK million	3 months		12 months
	Jan–Mar 2019	Jan–Mar 2018	Jan–Dec 2018
Operating activities			
Profit/loss after financial items	10.4	27.3	68.4
Adjustments for non-cash items	22.8	5.5	17.9
Tax paid	–0.5	–0.7	–5.7
Cash flow before changes in working capital	32.6	32.1	80.5
Cash flow from changes in working capital	–47.0	–20.5	–42.7
Cash flow from operating activities	–14.4	11.6	37.8
Purchase of property, plant and equipment and non-current intangible assets	–3.8	–0.9	–3.6
Acquisition of Group companies, incl. cash funds	–15.6	–10.9	–271.6
Change in financial assets	0.0	–0.1	0.1
Cash flow from investing activities	–19.5	–11.9	–275.1
Dividend paid	–	–	–11.7
New share issue	–	–	329.1
Transaction expenses, new share issue	–	–	–19.9
Borrowings	–	–	281.0
Amortisation of loans	–30.2	–15.4	–213.6
Change in credit facilities	26.2	19.7	–22.2
Cash flow from financing activities	–4.0	4.3	342.8
Cash flow for the period	–37.8	4.0	105.5
Cash and cash equivalents at start of period	109.0	3.5	3.5
Cash and cash equivalents at end of period	71.2	7.5	109.0