

# Projektengagemang Q3 2019

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January - September 2019

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Peter Sandberg, CFO

# Business highlights Q3

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- The market for our services is at a slightly lower level with some regional variations and particularly in the Stockholm region
- Several major contracts won within and across business areas
- Restructuring costs and investments in the Infrastructure area have impacted earnings with SEK 13 million
- Implementing a cost-saving program starting in late 2019
- Extensive restructuring





# New major contracts

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- Västfastigheter, services within building design, including geotechnics, starting in 2020
- Ica Fastigheter relating to provision of planning consultants for civil engineering project within HVAC design and electrical project planning
- Win in a land allocation competition together with housing developer OBOS in project Västervång Nordost in Trelleborg

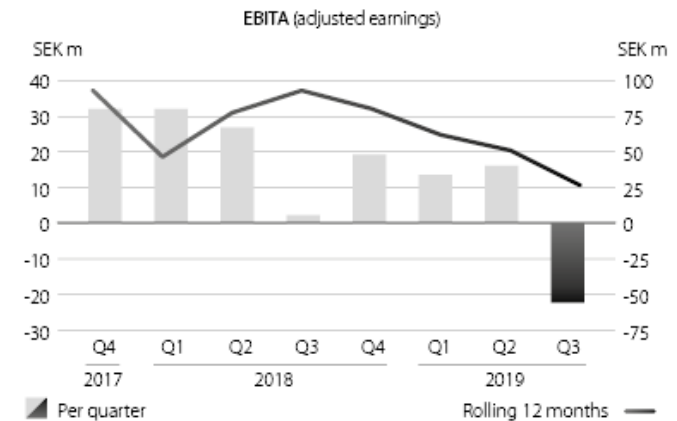
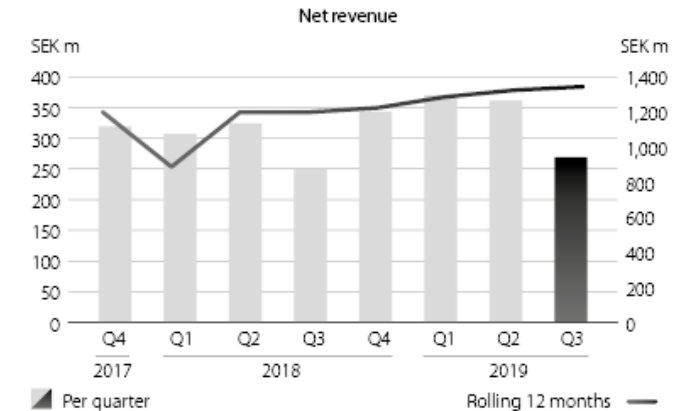


# Group financial summary Q3

- Net revenue grew 8 % to SEKm 269 (249)
  - Driven by acquisitions
- EBITA SEKm -22 (2)
  - Lower utilization rates due to larger projects being started later than planned and restructuring costs in the management consulting business unit
- EBITA margin -8.3 (0.9) %

## Group summary

SEK million	3 months		9 months		12 months	
	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	269.0	248.9	1,001.0	880.0	1,223.8	1,344.8
EBITA (adjusted earnings)	-22.2	2.1	7.4	61.1	80.4	26.7
EBITA margin, % (adjusted earnings)	-8.3	0.9	0.7	6.9	6.6	2.0
Operating profit/loss, EBIT (adjusted earnings)	-25.0	1.2	1.6	58.3	76.7	20.0
Operating margin, % (adjusted earnings)	-9.3	0.5	0.2	6.6	6.3	1.5
Net receivables (-)/debt (1)	419.1	27.9	419.1	27.9	207.8	419.1



# Group EBIT bridge Q3 (adj.)

- Lower utilization rates affecting all business areas
- Restructuring within the Management business unit and Industry & Energy
- Infrastructure business unit (railroad) still in a build up phase



# Architecture & Management

- -6 % revenue growth
  - Organic -12 %
  - Acquired 5 %
- Stable demand but on a lower level
- Restructuring of the Management consulting unit impacted by -5 MSEK in the quarter and by -10 MSEK for the nine month period

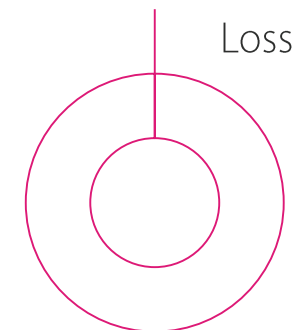
## Division summary

SEK million	3 months		9 months		12 months	
	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	73.5	78.5	274.7	284.5	388.8	379.0
Total growth, %	-6.4	-7.0	-1.2	-3.0	-1.2	-
Operating profit/loss, EBIT (adjusted earnings)	-7.7	-1.0	-3.1	8.9	10.6	-1.3
- EBIT margin, %	-10.4	-1.2	-1.1	3.1	2.7	-0.4

Share of revenue\*



Share of EBIT\*





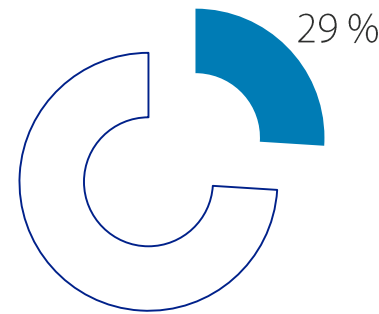
# Civil Engineering & Infrastructure

- 71 % revenue growth
  - Organic -19 %
  - Acquired 91 %
- Stable market for most of our specialist services
- Margin impacted by lower utilization rates in some of the business areas
- Infrastructure business still in a build up phase and impacted by -7 MSEK in the quarter and by -14 MSEK for the nine month period

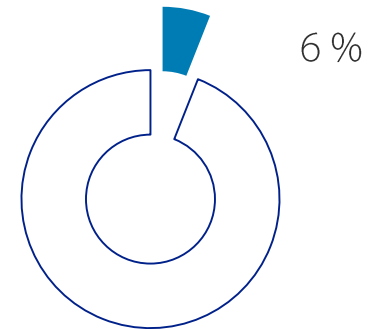
## Division summary

SEK million	3 months		9 months		12 months	
	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	82.2	47.8	310.0	175.5	250.2	384.7
Total growth, %	72.1	-1.8	8.2	4.5	8.2	-
Operating profit/loss, EBIT (adjusted earnings)	-9.9	-0.4	-0.1	14.2	15.9	1.6
- EBIT margin, %	-12.1	-0.9	0.0	8.1	6.3	0.4

Share of revenue\*



Share of EBIT\*



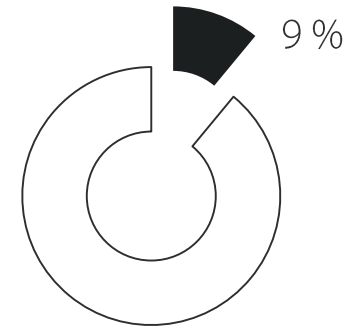
# Industry & Energy

- -42 % revenue growth
  - Organic -42 %
  - Acquired 0 %
- Market demand varying in our different Industry segments
- Revenue and earnings impacted by transformation with further staff reduction
- Transformation from resource consulting to project based consulting continued
- Decision to integrate I&E into Systems

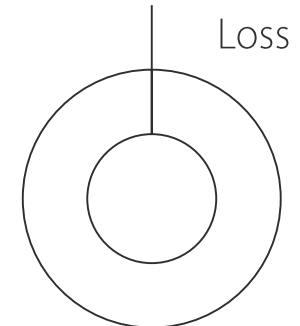
## Division summary

SEK million	3 months		9 months		12 months	
	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	22.3	38.6	83.5	135.9	179.9	127.5
Total growth, %	-42.1	-22.3	-17.2	-14.2	-17.2	-
Operating profit/loss, EBIT (adjusted earnings)	-7.1	-2.1	-11.5	2.7	3.8	-10.4
- EBIT margin, %	-32.0	-5.5	-13.8	2.0	2.1	-8.2

Share of revenue\*



Share of EBIT\*





# Systems

- -2 % revenue growth
  - Organic -15 %
  - Acquired 13 %
- Market demand slowing down but still at high level
- Revenue and earnings impacted by delayed project starts and increased competition

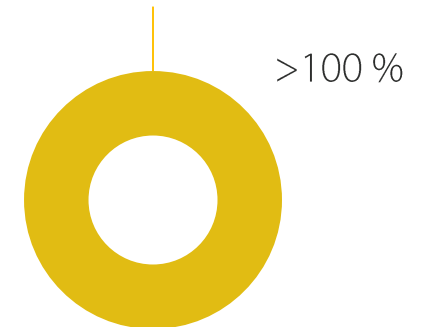
## Division summary

SEK million	3 months		9 months		12 months	
	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018	Rolling 12 mths
Net revenue	90.5	92.6	334.5	315.8	445.3	463.9
Total growth, %	-2.3	34.1	22.7	22.9	22.7	-
Operating profit/loss, EBIT (adjusted earnings)	-2.0	3.1	22.2	39.9	56.7	38.9
- EBIT margin, %	-2.2	3.3	6.6	12.6	12.7	8.4

### Share of revenue\*



### Share of EBIT\*



# Cash flow and Net debt

- Cash flow from operations generated SEKm -25 (-33) in Q3
- Cash conversion 79 % (excl.  $\Delta$  NWC)
- Net debt SEKm 419.1 increased by SEKm 136 due to IFRS16 (effect as of January 1 2019)

SEK million	3 months		9 months		12 months
	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
<b>Operating activities</b>					
Profit/loss after financial items	-29.0	0.3	-7.5	44.6	68.4
Adjustments for non-cash items	27.5	18.8	75.7	20.6	17.9
Tax paid	-1.5	-5.0	-5.1	-5.7	-5.7
<b>Cash flow before changes in working capital</b>	<b>-3.0</b>	<b>14.1</b>	<b>63.1</b>	<b>59.4</b>	<b>80.5</b>
<b>Cash flow from operating activities</b>	<b>-25.0</b>	<b>-32.5</b>	<b>24.5</b>	<b>-1.8</b>	<b>37.8</b>
<b>Cash flow from investing activities</b>	<b>-1.5</b>	<b>-7.2</b>	<b>-32.0</b>	<b>-56.4</b>	<b>-275.1</b>
<b>Cash flow from financing activities</b>	<b>-16.3</b>	<b>-8.1</b>	<b>-89.0</b>	<b>227.4</b>	<b>342.8</b>
<b>Cash flow for the period</b>	<b>-42.8</b>	<b>-47.8</b>	<b>-96.4</b>	<b>169.2</b>	<b>105.5</b>
<b>Cash and cash equivalents at end of period</b>	<b>12.6</b>	<b>172.7</b>	<b>12.6</b>	<b>172.7</b>	<b>109.0</b>

# Conclusion and outlook

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- Continued revenue growth driven by acquisitions
- The market for our services is at a slightly lower level with some regional variations and particularly in the Stockholm region
- Implemented a number of necessary internal changes during 2019
  - Consolidating companies, colocation of offices, integration of systems and acquired companies and one common brand
- Intention to implement a cost-saving program starting in late 2019, in addition to the program already implemented with annual savings of SEK 15 million
- Combined with the costs so far in 2019 for restructuring and investments in the infrastructure area of SEK 28 million, we will enter 2020 with a significantly better earnings performance

# Q & A

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