



Projektengagemang Sweden AB (publ)

Interim Report January - June 2021

Helena Hed, CEO

Peter Sandberg, CFO



2025

our focus forward

Agenda

- Financial summary
- Development in our segments
- PE 2025 – specialised in buildings
- New financial targets
- Questions and answers



New contracts

- Building design of RISE research facility SEEL at Castellum-owned Säve Airport
- Framework agreement for several disciplines with Jernhusen properties
- Environmental coordination in the design of a school for SISAB AB
- Framework agreement for several disciplines with Wihlborgs properties in Malmö, Lund and Helsingborg



Group financial summary Q2

- Solid margin 8,5 (9,7) %
- Lower revenue due to fewer employees entering the quarter
- Strong development within Architecture & Management
- Increased order intake

SEKm	3 months		12 months	
	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020	Rolling 12 mths
Net revenue	277.6	320.0	1,167.0	1,065.6
EBITA	23.5	30.9	78.7	60.6
EBITA margin, %	8.5	9.7	6.7	5.7
Operating profit/loss, EBIT	19.2	28.1	67.4	47.9
Operating margin, %	6.9	8.8	5.8	4.5
Profit/loss for the period	12.4	17.9	37.1	24.6
Basic earnings per share for the period, SEK	0.51	0.73	1.54	1.02
Net receivables (-)/debt	299.4	278.6	284.3	299.4

278

Net revenue SEK million
(320)

23.5

EBITA SEK million
(30,9)

8.5

EBITA margin %
(9.7)

Financial position

- Solid financial position
- Cash flow from operations generated SEK 45,5 million (88,7) in Q2
- Net debt exclusive IFRS 16, SEK 138 million (161)

SEKm	3 months		6 months		12 months
	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Operating activities					
Profit/loss after financial items	16.2	24.3	27.9	47.2	53.9
Adjustments for non-cash items	20.0	19.5	43.0	40.6	86.0
Tax paid	-0.9	-4.4	-5.5	-10.1	-3.0
Cash flow before changes in working capital	35.3	39.5	65.4	77.7	136.9
Cash flow from operating activities	45.5	88.7	46.5	129.2	188.5
Cash flow from investing activities	-1.2	-0.2	-2.4	-3.6	-11.8
Cash flow from financing activities	-24.5	-28.5	-51.5	-88.2	-162.6
Cash flow for the period	19.7	60.0	-7.3	37.3	14.1
Cash and cash equivalents at end of period	35.5	66.0	35.5	66.1	42.8

45,5

Cash flow from operations
SEK million (88,7)

97

Cash conversion %
(excl. Δ NWC) (99,7)

138

Net debt SEK million exclusive
IFRS 16 (161)

299

Net debt SEK million (279)

Architecture & Management

- Strong EBITA development – record high
- Increased sales activity, strong leadership and team effort
- Increased market activity

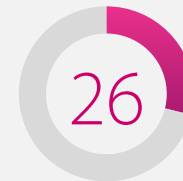
SEKm	3 months		6 months		12 months	
	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020	Rolling 12 mths
Net revenue	74.9	83.6	147.0	174.3	300.0	272.7
Total growth, %	-10.3	-14.8	-15.6	-13.4	-18.8	-
EBITA	7.4	4.8	11.2	6.5	3.9	8.6
- EBITA margin, %	9.9	5.8	7.6	3.7	1.3	3.1

75

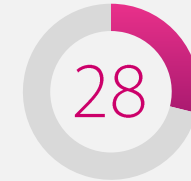
Net revenue SEKm
(84)

9.9

EBITA margin %
(5.8)



Share of revenue %



Share of EBITA %

Civil Engineering & Infrastructure

- Healthy margins in core business
- Lower margin versus last year due to weak performance within infrastructure and fewer employees
- Solid demand

SEKm	3 months		6 months		12 months	
	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020	Rolling 12 mths
Net revenue	105.0	132.7	212.3	255.9	455.6	412.0
Total growth, %	-20.9	18.8	-17.0	12.4	6.7	-
EBITA	12.3	21.0	22.5	34.4	43.9	32.0
- EBITA margin, %	11.8	15.8	10.6	13.4	9.6	7.8

105

Net revenue SEKm
(133)

11.8

EBITA margin %
(15.8)



Share of revenue %



Share of EBITA %

Systems

- Stable margin
- Revenue and profitability impacted by fewer employees
- Focus on strengthening and growing the business on a recovering market

SEKm	3 months		6 months		12 months	
	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020	Rolling 12 mths
Net revenue	103.5	114.7	211.9	251.2	445.1	405.8
Total growth, %	-9.8	-21.4	-15.7	-16.1	-19.5	-
EBITA	7.2	7.3	15.8	20.5	22.6	17.9
- EBITA margin, %	6.9	6.4	7.5	8.1	5.1	4.4

104

Net revenue SEKm
(115)

6.9

EBITA margin %
(6.4)

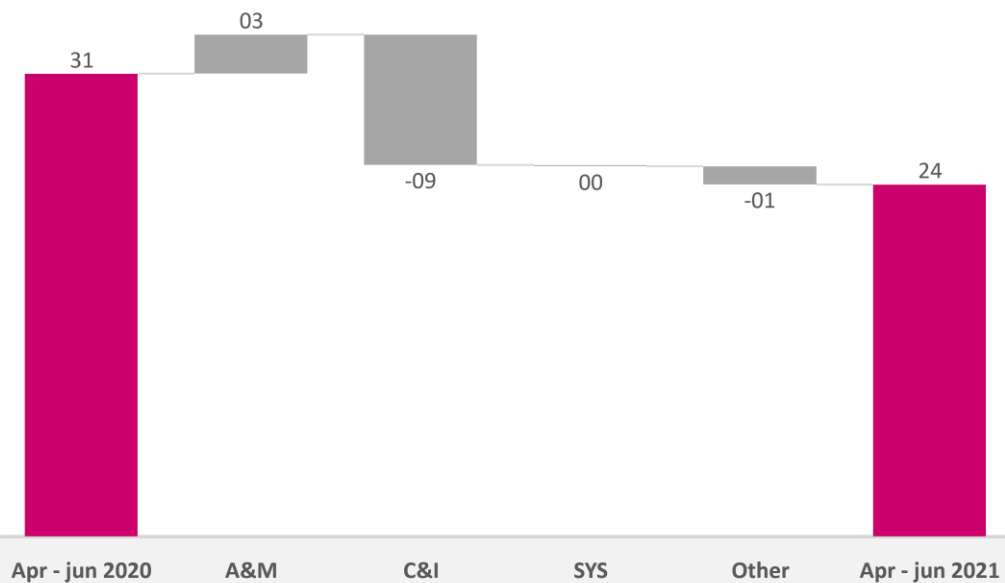


Share of revenue %



Share of EBITA %

EBITA bridge Q2



- Lower earnings in C&I mainly due to weaker development in infrastructure as well as fewer employees
- Strong performance in Architecture & Management
- Stable development in Systems

Group financial summary 2021

- Stable margin for the sixth quarter
- Lower net revenue due to pandemic and measures taken
- Platform for growth

SEKm	6 months		12 months	
	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020	Rolling 12 mths
Net revenue	559.6	661.0	1,167.0	1,065.6
EBITA	41.8	59.9	78.7	60.6
EBITA margin, %	7.5	9.1	6.7	5.7
Operating profit/loss, EBIT	34.7	54.2	67.4	47.9
Operating margin, %	6.2	8.2	5.8	4.5
Profit/loss for the period	21.7	34.1	37.1	24.6
Basic earnings per share for the period, SEK	0.89	1.40	1.54	1.02
Net receivables (-)/debt	299.4	278.6	284.3	299.4

560

Net revenue SEK million
(661)

41,8

EBITA SEK million
(59,9)

7.5

EBITA margin %
(9.1)

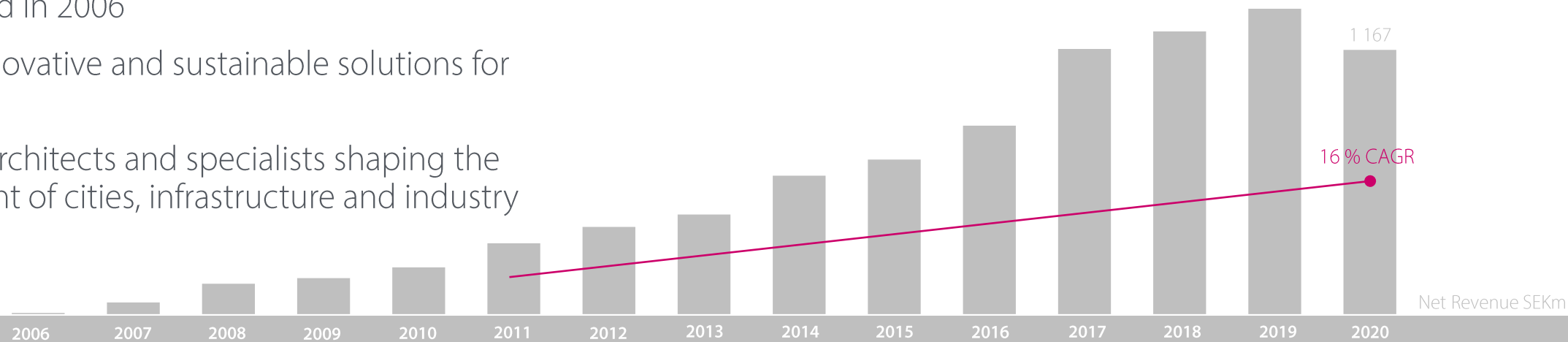


2025

specialised in buildings

Our history and growth journey

- A multi-disciplinary engineering consultancy firm founded in 2006
- Creating innovative and sustainable solutions for our clients
- Engineers, architects and specialists shaping the development of cities, infrastructure and industry



Start-up
phase

2006-2011

Building
critical mass

2011-2017

Foundation for
future growth

2017-2021

Platform in place

7,2/10

Employee satisfaction
(6,7/10 January 2019)

1 186

Turnover per consultant
(1 126 SEKm in 2019)

80k

Earnings per consultant
(8 SEKt in 2019)

77%

Utilisation rate
(73% in 2019)



Insights and conclusions

- An excellent competence base within buildings
- Agile and entrepreneurial
- A great potential going forward
- Consolidated organisational platform in place
- Affected by weaker market and pandemic
- Need for P&L responsibility on all levels
- A need for focus and building on our strengths
- Unique and distinct position in the market



Our ambition

By 2025, PE is Sweden's leading technical consultant specialised on buildings

Our offer

Wide

Multidisciplinary skills, a broad client base, a wide range of projects.

High

Leading in the area of tall buildings, high level of uniqueness – regarding both technology and design.

Sustainable

Sustainable and creative solutions in a sustainable business.

Our focus forward



We are a committed and long-term partner



We develop and grow in our core areas



We are a creative and learning organisation



We contribute to combatting climate change



We use digitalisation and new technology

Initial measures

- Concentrated our activities to the Nordic region - ending our involvement in India
- Agreement to divest the infrastructure business in railways
- A more focused and decentralised organisation - removed management level
- Moving out of process development and production within Industry

880

Total employees at PE



New financial targets

- Reflects Projektengagemang's full value creation potential
- The targets are to be achieved over time, but by 2025 at the latest

10%

EBITA margin over time

15%

Yearly revenue growth over time,
including acquisitions

2.5

Net debt should not over time
exceed 2,5 times EBITDA

30-50%

Dividend policy of profit for the year

New

Old

EBITA margin exceeding 8% over a
business cycle

Average annual growth of 15% over a
business cycle

Debt/equity ratio of 1.5–2.0 R12
EBITDA over a business cycle

Unchanged

Summary and outlook

- Stable margins
- Improved order intake and market activity
- Revenue impacted by fewer employees
- Focus on profitable growth
- New strategic direction strengthens our offering to customers and employees
- Q3 is seasonally our lowest quarter in terms of revenue
- New financial targets reflects our true potential





2025

specialised in buildings

Questions

Thank you!



We renew society
through innovative and
sustainable solutions.
See more at pe.se

