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Results Reaction	Services	Sweden	25 April 2024
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Q1: Well ahead of all earnings forecasts, pending upgrades

Architectural consultancy group PE reported Q1 earnings well ahead of all market estimates as cost measures feed through the P&L lines. While sales are below (-4%) our forecasts, EBIT of SEK 18m is SEK 11m above our SEK 7m estimate (and SEK 12m ahead of consensus estimates). This implies an 8.3% margin (SEBE: 3.2%), up from 6.5% in Q1 a year ago. Mechanically, the deviation implies raising our EBIT forecasts c. 27%. Our mid-point equity value of SEK 15 is also under review.

Outcome: A solid report in terms of earnings masks an 11% organic sales decline y/y

Q1 deviation of reported from expected results

Report due:	25 April 2024 at 07.30 CET										
Presentation/conf. call:	09.00 CET. Registration details: https://ir.pe.se/en/										
SEB Rec:	Corporate Research										
SEB DCF mid-point (SEK)	15 (range: 13-17)										
Guidance:	n.a.										
Source:	SEB, Factset										
P&Ls (IFRS-16)	Q1/24E		Deviation vs. SEB		Deviation vs. Cons.		Q1/23		Q4/23		
	Actual	SEB	Cons*	Abs	Rel (%)	Abs	Rel (%)	Actual	y/y (%)	Actual	q/q (%)
Consolidated (SEKm)											
Net revenue	218.3	227.1	222.9	(8.9)	(3.9)	(4.7)	(2.1)	245.8	(11.2)	231.0	(5.5)
Other external expenses	(37.0)	(40.1)	n.a.	3.0	(7.5)	n.a.	n.a.	(40.4)	(8.3)	(48.4)	(23.4)
Personnel costs	(149.2)	(161.5)	n.a.	12.2	(7.6)	n.a.	n.a.	(175.3)	(14.9)	(159.2)	(6.2)
Total opex excl. D&A & PPA	(186.3)	(201.5)	(201.8)	15.2	(7.6)	15.5	(7.7)	(215.7)	(13.6)	(207.5)	10.2
Associated income	0.0	0.0	n.a.	0.0	n.a.	n.a.	n.a.	0.0	n.a.	0.0	n.a.
EBITDA	32.0	25.6	21.1	6.4	25.0	10.9	51.5	30.1	6.2	23.5	36.0
D&A	(13.8)	(18.3)	n.a.	4.5	(24.7)	n.a.	n.a.	(19.4)	(28.9)	(19.5)	(29.2)
of which: PPA & M&A items	0.0	(1.9)	n.a.	1.9	n.a.	n.a.	n.a.	(1.9)	(100.0)	(2.0)	(100.0)
EBIT (excl. M&A items)	18.2	9.2	n.a.	9.0	98.2	n.a.	n.a.	12.6	44.2	6.0	202.8
EBIT	18.2	7.3	5.9	10.9	150.1	12.3	208.0	10.7	69.8	4.0	354.3
of which: NRIs, total	0.0	0.0	0.0	0.0	n.a.	0.0	n.a.	(5.2)	n.a.	(6.1)	n.a.
Adj. EBIT (excl. M&A items)	18.2	9.2	n.a.	9.0	98.2	n.a.	n.a.	17.8	2.1	12.1	50.2
Adj. EBIT	18.2	7.3	5.9	10.9	150.1	12.3	208.0	15.9	14.3	10.1	79.9
Net financials (excl. assoc.)	(2.7)	(2.7)	(2.8)	0.0	(1.1)	0.1	(3.6)	(2.6)	3.8	(3.1)	(12.9)
Pre-tax profit	15.5	4.5	3.1	10.9	241.1	12.4	399.0	8.1	91.0	0.9	1,618.9
Total taxes	(3.1)	(1.1)	(0.6)	(1.9)	169.6	(2.5)	408.3	(2.0)	52.5	0.8	n.a.
After tax profit, reported	12.4	3.4	2.5	9.0	264.8	9.9	n.a.	6.1	103.6	1.7	630.6
Adjustments, net of tax effect	0.0	1.5	n.a.	(1.5)	n.a.	n.a.	n.a.	5.6	(100.0)	6.4	(100.0)
Adjusted after tax profit	12.4	4.9	n.a.	7.5	152.8	n.a.	n.a.	11.7	5.8	8.1	52.7
EPS, reported	0.51	0.14	0.10	0.37	264.8	0.40	396.8	0.25	103.6	0.07	630.6
EPS, adj.	0.51	0.20	n.a.	0.31	152.8	n.a.	n.a.	0.48	5.8	0.33	52.7
No of shares, f.dil (m)	24.6	24.6	24.6	0.0	0.0	0.0	0.0	24.6	0.0	24.6	0.0

Source: SEB

Conference call details: starts at 09.00 CET - see call-in details on ir.pe.se

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