

Results due: 21 February

## Leaving 2019 behind

The Q4 report will mark the end to a challenging year burdened by internal transformation and restructurings, which will be the picture in Q4 as well. We do not believe in a quick fix for turning PE's earnings momentum around, but expect that recent actions to transform group functions will start to have gradual impact on operations during 2020. We reiterate our fair valuation mid-point of SEK 18 per share, implying 2021E EV/EBITA of 8.4x.

### Key Data (2019E)

Price (SEK)	13.75
Reuters	PENGB.ST
Bloomberg	PENGB.SS
Market cap (SEKm)	338
Market cap (USDm)	35
Market cap (EURm)	32
Net debt (SEKm)	294
Net gearing	55%
Net debt/EBITDA (x)	8.9
Shares fully dil. (m)	24.6
Avg daily turnover (m)	0.0
Free float	67%

### Still a tough quarter to be expected

We expect Projektengagemang to report another weak quarter, still burdened by internal transformation and restructurings, and estimate sales of SEK 355m, down some 11% y/y in organic terms. Group EBITA will be charged by a one-off of SEK 25m, relating to the most recent announcement for new restructurings in the group. Excluding the one-off charge, we estimate adj. EBITA of SEK 7.2m, implying a margin of 2%. Staff reductions should start to help improve utilization rates, but we expect them to remain at low levels in Q4 (72.5%).

### Cost savings and restructurings should start to have an impact during 2020

The year 2019 was a challenging one with negative effects from a tougher competitive landscape and continued internal transformation work. We expect the transformation to still take some time before tangible results are visible in terms of earnings, but anticipate that after the recent staff reductions and reduced cost base the group's earnings growth prospects look much better going into 2020. The Swedish market for technical consultants should still be relatively stable, despite growth rates being at slightly lower levels, providing some breathing space for PE to turn around its operations, we believe.

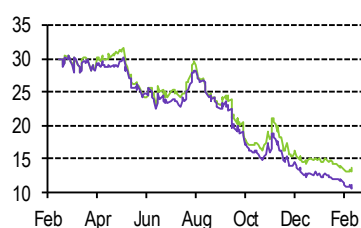
### Estimate Revisions (%)

	2019E	2020E	2021E
Revenues	(1)	(2)	(3)
Adj. EBIT	(63)	(23)	(18)
Adj. EPS	(78)	(24)	(19)

### Fair valuation mid-point kept unchanged at SEK 18

We have adjusted our fair valuation range on PE to SEK 16-20 (15-21) per share after changing our valuation approach to DCF. The mid-point value of SEK 18 implies a 2020E EV/EBITA of 13.5x and 2021E EV/EBITA of 8.4x.

### Share Price (12M)



Absolute (green) / Relative to Sweden (purple).

### Marketing communication.

### Financials (SEK)

Year end: Dec	2017	2018	2019E	2020E	2021E
Revenues (m)	1,171	1,224	1,356	1,346	1,415
Adj. EBIT	94	77	6	47	75
Pre-tax profit (m)	57	68	(30)	36	64
EPS	2.05	2.33	(1.00)	1.15	2.07
Adj. EPS	3.10	2.54	0.10	1.46	2.38
DPS	0.65	1.00	0.00	0.00	1.00
Revenue growth (%)	40.5	4.5	10.8	(0.8)	5.1
Adj. EBIT growth (%)	95.8	(18.1)	(91.8)	651.6	59.7
Adj. EPS growth (%)	(20.2)	(18.1)	(96.1)	n.m.	63.0
Adj. EBIT margin (%)	8.0	6.3	0.5	3.5	5.3
ROE (%)	17.8	14.0	(4.4)	5.1	8.6
ROCE (%)	19.2	11.1	0.7	5.8	8.8
PER (x)		13.8	138.2	9.4	5.8
Free cash flow yield (%)		4.0	(6.6)	11.9	13.1
Dividend yield (%)		2.9	0.0	0.0	7.3
P/BV (x)		1.47	0.63	0.60	0.55
EV/Sales (x)		0.87	0.47	0.44	0.39
EV/Adj. EBITDA (x)	0.0	10.7	10.9	7.9	5.3
EV/Adj. EBIT (x)	0.0	13.9	100.5	12.5	7.2
Operating cash flow/EV (%)		3.5	(2.3)	8.5	9.9
Net debt/Adj. EBITDA (x)	2.06	2.09	8.94	3.38	2.03

Source for all data on this page: SEB (estimates) and Millstream/Thomson Reuters (prices)

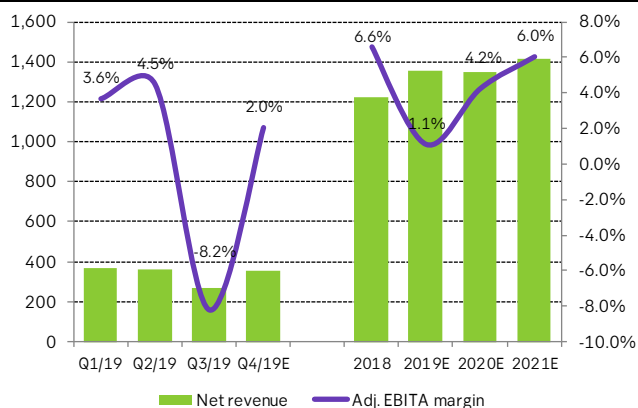
# Q4 revisions

## Earnings revision

(SEK)	2019E	2020E	2021E
<b>Revenues (m)</b>			
Old	1,371	1,376	1,458
New	1,356	1,346	1,415
Change (%)	(1)	(2)	(3)
<b>Operating profit (m)</b>			
Old	(8)	62	92
New	(19)	47	75
Change (%)	(133)	(23)	(18)
<b>Pre-tax profit (m)</b>			
Old	(20)	50	81
New	(30)	36	64
Change (%)	(54)	(29)	(21)
<b>EPS (reported)</b>			
Old	(0.66)	1.62	2.62
New	(1.00)	1.15	2.07
Change (%)	(52)	(29)	(21)
<b>EPS (adjusted)</b>			
Old	0.46	1.92	2.92
New	0.10	1.46	2.38
Change (%)	(78)	(24)	(19)

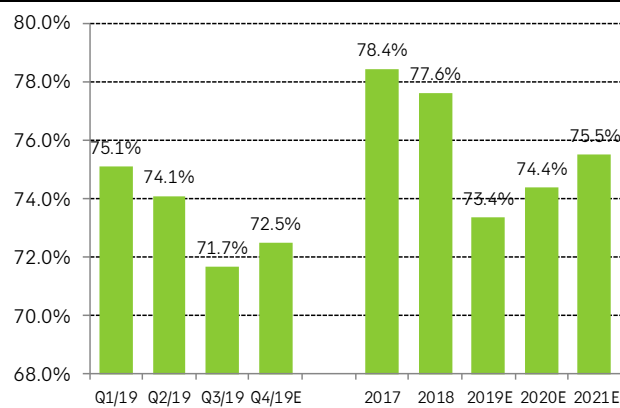
Source: SEB

## Sales and EBITA development



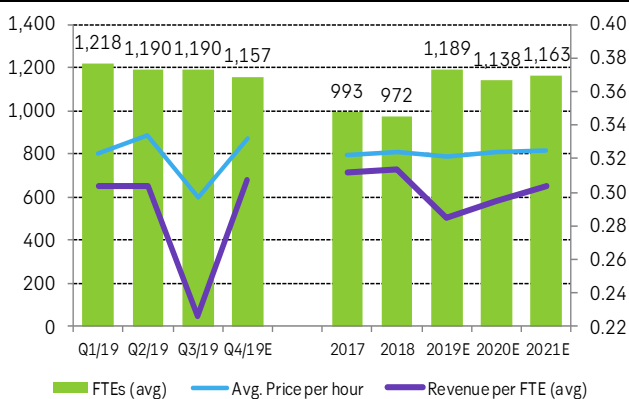
Source: SEB

## Billing ratio estimates



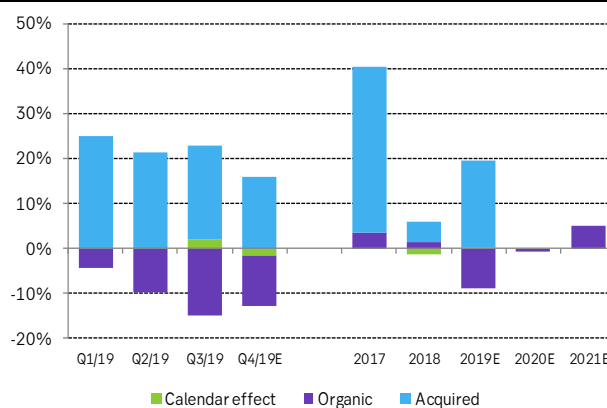
Source: SEB

## FTE assumptions



Source: SEB

## Sales growth split



Source: SEB

## Interim financials

SEKm	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19E	2017	2018	2019E	2020E	2021E
<b>Net revenue</b>	<b>307</b>	<b>324</b>	<b>249</b>	<b>344</b>	<b>370</b>	<b>362</b>	<b>269</b>	<b>355</b>	<b>1,171</b>	<b>1,224</b>	<b>1,356</b>	<b>1,346</b>	<b>1,415</b>
Other external expenses	-75	-99	-78	-97	-80	-83	-76	-79	-338	-348	-317	-291	-308
Personnel costs	-198	-202	-164	-223	-257	-242	-195	-248	-742	-787	-942	-915	-940
Share of ass. Companies	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total costs</b>	<b>-272</b>	<b>-300</b>	<b>-242</b>	<b>-320</b>	<b>-337</b>	<b>-325</b>	<b>-270</b>	<b>-327</b>	<b>-1,080</b>	<b>-1,134</b>	<b>-1,259</b>	<b>-1,207</b>	<b>-1,247</b>
One-offs	-2	-7	0	0	0	0	0	-25	-8	-10	-25	0	0
<b>EBITDA, adj.</b>	<b>37</b>	<b>31</b>	<b>7</b>	<b>24</b>	<b>34</b>	<b>37</b>	<b>-1</b>	<b>28</b>	<b>120</b>	<b>99</b>	<b>97</b>	<b>139</b>	<b>167</b>
Depreciation & amortization	-5	-4	-5	-5	-20	-21	-21	-21	-22	-22	-82	-82	-82
EBITA	30	20	2	19	14	16	-22	-18	69	71	-10	57	85
<b>EBITA, adj.</b>	<b>32</b>	<b>27</b>	<b>2</b>	<b>19</b>	<b>14</b>	<b>16</b>	<b>-22</b>	<b>7</b>	<b>97</b>	<b>80</b>	<b>15</b>	<b>57</b>	<b>85</b>
<b>EBITA (IFRS 16 adj.)</b>	<b>32</b>	<b>27</b>	<b>2</b>	<b>19</b>	<b>13</b>	<b>15</b>	<b>-23</b>	<b>6</b>	<b>97</b>	<b>80</b>	<b>11</b>	<b>52</b>	<b>80</b>
Acquisition related items	-1	-1	-1	6	0	-3	-3	-3	-4	3	-8	-10	-10
<b>EBIT, adj.</b>	<b>31</b>	<b>26</b>	<b>1</b>	<b>18</b>	<b>13</b>	<b>13</b>	<b>-25</b>	<b>4</b>	<b>94</b>	<b>77</b>	<b>6</b>	<b>47</b>	<b>75</b>
Financial items	-1	-2	-1	-2	-3	-2	-4	-3	-8	-6	-12	-11	-11
<b>Pre-tax profit</b>	<b>28</b>	<b>17</b>	<b>0</b>	<b>24</b>	<b>10</b>	<b>11</b>	<b>-29</b>	<b>-23</b>	<b>58</b>	<b>69</b>	<b>-30</b>	<b>36</b>	<b>64</b>
Tax	-5	-4	-1	-2	-2	-3	6	5	-20	-11	6	-8	-13
<b>Net profit</b>	<b>22</b>	<b>13</b>	<b>0</b>	<b>22</b>	<b>8</b>	<b>8</b>	<b>-23</b>	<b>-18</b>	<b>38</b>	<b>57</b>	<b>-25</b>	<b>28</b>	<b>51</b>
<b>EPS, reported</b>	<b>na</b>	<b>0.54</b>	<b>-0.02</b>	<b>0.89</b>	<b>0.33</b>	<b>0.33</b>	<b>-0.93</b>	<b>-0.74</b>	<b>2.05</b>	<b>2.33</b>	<b>-1.00</b>	<b>1.15</b>	<b>2.07</b>
<b>EPS, adjusted</b>									<b>3.10</b>	<b>2.54</b>	<b>0.10</b>	<b>1.46</b>	<b>2.38</b>
<b>Sales growth (%)</b>	<b>1.5</b>	<b>8.2</b>	<b>-0.2</b>	<b>7.7</b>	<b>20.6</b>	<b>11.6</b>	<b>8.1</b>	<b>3.3</b>	<b>40.5</b>	<b>4.5</b>	<b>10.8</b>	<b>-0.8</b>	<b>5.1</b>
Organic growth (%)	1.2	6.1	-7.0	2.7	-4.4	-9.8	-14.9	-11.2	3.5	1.5	-8.8	-0.8	5.1
Acquired growth (%)	1.0	3.8	6.8	7.8	25.0	21.4	20.9	16.1	37.0	4.3	19.5	0.0	0.0
Adj. EBITDA-%	12.0	9.6	2.8	7.0	9.1	10.1	-0.5	7.9	10.2	8.1	7.1	10.3	11.8
Reported EBITA-%	9.7	6.1	0.8	5.6	3.6	4.5	-8.2	-5.0	5.9	5.8	-0.8	4.2	6.0
Adj. EBITA-%	10.4	8.3	0.8	5.6	3.6	4.5	-8.2	2.0	8.3	6.6	1.1	4.2	6.0
Adj. EBIT-%	10.1	8.0	0.5	5.3	3.6	3.7	-9.3	1.3	8.0	6.3	0.5	3.5	5.3

Source: SEB

## DCF mid-point assumptions

DCF valuation (SEKm)	Weighted average cost of capital (%)
NPV of FCF in explicit forecast period	441
NPV of continuing value	301
<b>Value of operation</b>	<b>741</b>
Net debt	294
Share issue/buy-back in forecast period	-
Value of associated companies	-
Value of minority shareholders' equity	-
Value of marketable assets	-
<b>DCF value of equity</b>	<b>447</b>
<b>DCF value per share (SEK)</b>	<b>18</b>
Current share price (SEK)	13.10
DCF performance potential (%)	39
Risk free interest rate	2.5
Risk premium	5.0
<b>Cost of equity</b>	<b>7.5</b>
<b>After tax cost of debt</b>	<b>7.7</b>
<b>WACC</b>	<b>7.6</b>
<b>Assumptions</b>	
Number of forecast years	10
EBIT margin - steady state (%)	2.9
EBIT multiple - steady state (x)	12.7
Continuing value (% of NPV)	40.5

Source: SEB

## DCF sensitivity

		Absolute change in EBITDA margin - all years				
		-2%	-1%	0	+1%	+2%
<b>Abs. change in sales growth - all years</b>	-2%	6	11	16	21	26
	-1%	7	12	17	23	28
	0	7	13	18	24	29
	+1%	7	13	19	25	31
	+2%	8	14	20	27	33

Source: SEB

## Projektengagemang: valuation range summary (SEK)

DCF mid-point value per share	18		
Share price	<b>13.1</b>		
2020E adj. EBITA	52		
	<b>Low</b>	<b>High</b>	<b>Avg.</b>
Target range	16	20	18
<b>Share price potential (%)</b>	<b>22</b>	<b>53</b>	<b>40</b>
2019E dividend yield (%)	0.0	0.0	0.0
<b>Total return potential (%)</b>	<b>22</b>	<b>53</b>	<b>40</b>
2020E EV/EBITA (x) at target range	12.4	14.3	13.5
Market cap, current (SEKm)	322		
Market cap at DCF (SEKm)	449		

Source: SEB, TR

# Overview

## Investment considerations

As a Swedish technical consultancy firm with a multi-disciplinary offering, Projektengagemang is set to benefit from global megatrends such as urbanisation and sustainability, which we believe represent secular growth drivers for demand. In addition, we are optimistic regarding the cyclical prospects for a recovery in industrial investments. Strong domestic public finances speak in favour of buoyant investment in the public sector.

## Company profile

Projektengagemang (PE) is a Swedish multi-disciplinary engineering services company active in architecture, civil engineering, electricity, industry, energy, infrastructure, project management and HVAC. In 2018, the company had approximately 3,000 clients, 10,000 individual assignments and total revenues of SEK 1.2bn. PE is divided into four divisions: Architecture & Management (29% of 2018 revenues), Civil Engineering & Infrastructure (21% of revenues), Systems (35% of revenues) and Industry & Energy (14% of revenues).

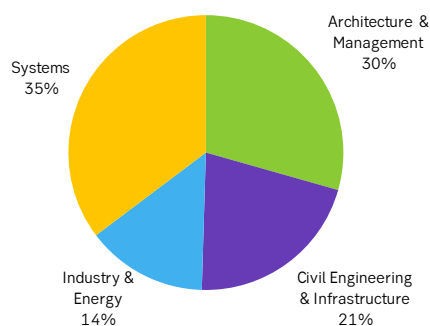
## Valuation approach

In our valuation of Projektengagemang, we have used a DCF based approach to arrive at our fair valuation range.

## Risks

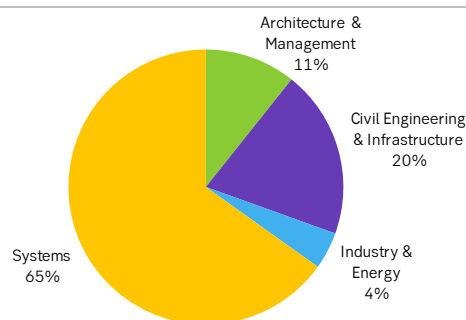
As PE relies heavily on acquisitions to reach its financial targets, we believe there will always be a risk relating to the nature of the acquired businesses as well as prices for these on the market. Furthermore, PE is exposed to residential development (some 5-10% of total revenues) and is likely to see some business sensitivity relating to the economic cycle.

## Revenues by division



Source: SEB

## EBIT by division



Source: SEB

<b>Profit &amp; loss statement - Projektengagemang</b>							
<b>(SEKm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Net Sales	684	833	1,171	1,224	1,356	1,346	1,415
Other revenues	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>684</b>	<b>833</b>	<b>1,171</b>	<b>1,224</b>	<b>1,356</b>	<b>1,346</b>	<b>1,415</b>
Total expenses	(623)	(785)	(1,080)	(1,134)	(1,284)	(1,207)	(1,247)
<b>Profit before depreciation</b>	<b>61</b>	<b>48</b>	<b>91</b>	<b>90</b>	<b>72</b>	<b>139</b>	<b>167</b>
Depreciation - Fixed assets	(35)	(49)	(26)	(19)	(82)	(82)	(82)
Depreciation - Other assets	0	0	0	0	0	0	0
Amortisation - Goodwill	0	0	0	3	(8)	(10)	(10)
Amortisation - Other intangibles	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>28</b>	<b>(1)</b>	<b>65</b>	<b>74</b>	<b>(19)</b>	<b>47</b>	<b>75</b>
Associated companies	4	1	0	0	0	0	0
Net interest expenses	(8)	(5)	(8)	(6)	(12)	(11)	(11)
Foreign exchange items	0	0	0	0	0	0	0
Other financial items	(1)	(4)	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0
<b>Reported pre-tax profit</b>	<b>24</b>	<b>(9)</b>	<b>57</b>	<b>68</b>	<b>(30)</b>	<b>36</b>	<b>64</b>
Minority interests	0	(0)	(0)	0	0	0	0
Total taxes	(1)	4	(20)	(11)	6	(8)	(13)
<b>Reported profit after tax</b>	<b>23</b>	<b>(5)</b>	<b>37</b>	<b>57</b>	<b>(25)</b>	<b>28</b>	<b>51</b>
Discontinued operations	0	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>23</b>	<b>(5)</b>	<b>37</b>	<b>57</b>	<b>(25)</b>	<b>28</b>	<b>51</b>
<b>Adjustments:</b>							
Discontinued operations	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	0	0	(3)	8	10	10
Restructuring charges	8	18	29	10	25	0	0
Other adjustments	17	30	0	0	0	0	0
Tax effect of adjustments	(1)	(20)	(10)	(1)	(6)	(2)	(2)
<b>Adjusted profit after tax</b>	<b>47</b>	<b>23</b>	<b>56</b>	<b>62</b>	<b>2</b>	<b>36</b>	<b>58</b>
<b>Margins, tax &amp; returns</b>							
Operating margin	4.1	(0.1)	5.6	6.1	(1.4)	3.5	5.3
Pre-tax margin	3.5	(1.0)	4.9	5.6	(2.2)	2.7	4.5
Tax rate	3.4	41.9	34.7	16.5	19.0	21.4	20.6
ROE	23.7	(2.7)	17.8	14.0	(4.4)	5.1	8.6
ROCE	44.4	12.5	19.2	11.1	0.7	5.8	8.8
<b>Growth rates y-o-y (%)</b>							
Total revenues	n.a.	21.9	40.5	4.5	10.8	(0.8)	5.1
Operating profit	n.m.	n.m.	n.m.	14.2	n.m.	n.m.	59.7
Pre-tax profit	n.m.	n.m.	n.m.	19.2	n.m.	n.m.	77.6
EPS (adjusted)	0.0	(52.2)	(20.2)	(18.1)	(96.1)	1,365.0	63.0
<b>Cash flow</b>							
<b>(SEKm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Net profit	23	(5)	37	57	(25)	28	51
Non-cash adjustments	24	50	41	23	28	18	18
<b>Cash flow before work cap</b>	<b>48</b>	<b>45</b>	<b>78</b>	<b>81</b>	<b>3</b>	<b>46</b>	<b>69</b>
Ch. in working capital / Other	26	(60)	(1)	(43)	(17)	4	(14)
<b>Operating cash flow</b>	<b>74</b>	<b>(16)</b>	<b>77</b>	<b>38</b>	<b>(14)</b>	<b>50</b>	<b>54</b>
Capital expenditures	(39)	(10)	(6)	(4)	(8)	(10)	(10)
Asset disposals	0	0	1	0	0	0	0
L/T financial investments	9	2	0	0	0	0	0
Acquisitions / adjustments	(69)	(227)	(14)	(272)	(25)	0	0
<b>Free cash flow</b>	<b>(25)</b>	<b>(252)</b>	<b>58</b>	<b>(237)</b>	<b>(47)</b>	<b>40</b>	<b>44</b>
Net loan proceeds	(35)	231	(67)	67	(64)	0	0
Dividend paid	(14)	(3)	0	(12)	(25)	0	0
Share issue	88	0	0	329	0	0	0
Other	(0)	(0)	(0)	(42)	0	0	0
<b>Net change in cash</b>	<b>14</b>	<b>(24)</b>	<b>(10)</b>	<b>105</b>	<b>(136)</b>	<b>40</b>	<b>44</b>
<b>Adjustments</b>							
C/flow bef chng in work cap	48	45	78	81	3	46	69
Adjustments	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0
Cash earnings	48	45	78	81	3	46	69
<b>Per share information</b>							
Cash earnings	8.13	7.62	4.29	3.28	0.12	1.88	2.79
Operating cash flow	12.6	(2.68)	4.22	1.54	(0.58)	2.04	2.21
Free cash flow	(4.24)	(43.0)	3.17	(9.67)	(1.93)	1.64	1.81
<b>Investment cover</b>							
Capex/sales (%)	5.7	1.2	0.5	0.3	0.6	0.7	0.7
Capex/depreciation (%)	120	21	22	19	10	12	12

Source for all data on this page: SEB

<b>Balance sheet - Projektengagemang</b>							
<b>(SEKm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Cash and liquid assets	37	13	4	110	(27)	13	58
Debtors	170	259	263	394	427	424	446
Inventories	0	0	0	0	0	0	0
Other	27	65	67	0	0	0	0
<b>Current assets</b>	<b>234</b>	<b>338</b>	<b>333</b>	<b>504</b>	<b>401</b>	<b>437</b>	<b>503</b>
Interest bearing fixed assets	0	0	0	0	0	0	0
Other financial assets	30	32	4	146	146	146	146
Capitalized development cost	0	0	0	0	0	0	0
Goodwill	90	303	323	573	577	568	558
Other intangibles	28	20	16	51	51	51	51
Fixed tangible assets	52	58	47	62	1	(72)	(144)
Other fixed assets	0	0	0	0	0	0	0
<b>Fixed assets</b>	<b>199</b>	<b>412</b>	<b>390</b>	<b>832</b>	<b>774</b>	<b>692</b>	<b>611</b>
<b>Total assets</b>	<b>433</b>	<b>750</b>	<b>724</b>	<b>1,335</b>	<b>1,175</b>	<b>1,130</b>	<b>1,114</b>
Creditors	40	50	69	59	67	68	72
Other trade financing	40	72	69	70	78	77	81
S/T interest bearing debt	43	79	76	67	67	67	67
Other	64	101	94	115	115	115	115
<b>Current liabilities</b>	<b>187</b>	<b>301</b>	<b>307</b>	<b>311</b>	<b>327</b>	<b>327</b>	<b>335</b>
L/T interest bearing debt	30	229	174	265	200	200	200
Other long-term liabilities	0	0	0	142	142	142	142
Convertible debt	0	0	0	0	0	0	0
Pension provisions	3	3	0	0	0	0	0
Other provisions	0	(0)	(0)	(0)	(63)	(137)	(211)
Deferred tax	16	26	14	31	31	31	31
<b>Long term liabilities</b>	<b>49</b>	<b>258</b>	<b>188</b>	<b>438</b>	<b>310</b>	<b>237</b>	<b>163</b>
Minority interests	(0)	1	1	1	1	1	1
<b>Shareholders' equity</b>	<b>197</b>	<b>190</b>	<b>228</b>	<b>586</b>	<b>537</b>	<b>565</b>	<b>616</b>
<b>Total liabilities and equity</b>	<b>433</b>	<b>750</b>	<b>724</b>	<b>1,336</b>	<b>1,175</b>	<b>1,130</b>	<b>1,114</b>
Net debt (m)	40	298	246	208	294	254	210
Working capital (m)	53	103	98	150	167	163	178
Capital employed (m)	273	502	478	904	805	833	884
Net debt/equity (%)	20	156	108	35	55	45	34
Net debt/EBITDA (x)	0.5	4.4	2.1	2.1	8.9	3.4	2.0
Equity/total assets (%)	45	25	32	44	46	50	55
Interest cover	2.8	0.0	8.0	12.8	(1.6)	4.2	6.6

<b>Valuation</b>							
<b>(SEK)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
No of shares, fully dil. (y/e)	5.9	5.9	18.2	24.6	24.6	24.6	24.6
No of shares, fully dil. avg.	5.9	5.9	18.2	24.6	24.6	24.6	24.6
Share price, y/e				35.0	13.8	13.8	13.8
Share price, high				170.0	35.5		
Share price, low				33.0	14.3		
Share price, avg				44.1	25.1		
EPS (reported)	3.98	(0.89)	2.05	2.33	(1.00)	1.15	2.07
EPS (adjusted)	8.11	3.88	3.10	2.54	0.10	1.46	2.38
Cash earnings/share	8.13	7.62	4.29	3.28	0.12	1.88	2.79
Dividend/share	0.00	0.00	0.65	1.00	0.00	0.00	1.00
Enterprise value/share				43	26	24	22
Book value/share	34	33	12.5	24	22	23	25
Adjusted equity/share	34	33	12.5	24	22	23	25
PER (adjusted)				13.8	138.2	9.4	5.8
CEM				10.7	117.4	7.3	4.9
Dividend yield				2.9	0.0	0.0	7.3
EV/EBITDA				10.7	19.2	7.9	5.3
EV/EBITA				13.3	43.0	10.4	6.4
EV/EBIT				13.9	100.5	12.5	7.2
EV/Sales (x)				0.87	0.47	0.44	0.39
Price/Book value				1.47	0.63	0.60	0.55
Price/adjusted equity				1.47	0.63	0.60	0.55
Free cash flow/Market cap (%)				4.0	(6.6)	11.9	13.1
Operating cash flow/EV (%)				3.5	(2.3)	8.5	9.9
EV/Capital employed (x)				1.2	0.8	0.7	0.6

<b>Main shareholders</b>			<b>Management</b>		<b>Company information</b>	
<b>Name</b>	<b>(%)</b>	<b>Votes</b>	<b>Capital</b>	<b>Title</b>	<b>Name</b>	<b>Contact</b>
Projektengagemang Holding	60.5		21.5	COB	Gunnar Grönkvist	Internet www.projektengagemang.se
Investment AB Öresund	3.5		10.7	CEO	Per Hedebäck	Phone number 010-516 00 00
Swedbank Robur Fonder	2.8		8.5	CFO	Peter Sandberg	
				IR	Krister Lindgren	

Source for all data on this page: SEB

**About this publication**

This report is a marketing communication prepared by Skandinaviska Enskilda Banken AB (publ). It does not constitute investment research; as such, it has not been prepared in accordance with the legal requirements to promote the independence of investment research, nor is it subject to any prohibition on dealing ahead of the dissemination of investment research.

**This statement affects your rights**

This report is confidential and may not be reproduced, redistributed or republished by any recipient for any purpose or to any person. Redistributing this report to third parties may invoke legal requirements on the person engaging in such activities.

**Producers and Recipients**

SEB Research is approved and issued by Skandinaviska Enskilda Banken AB (publ) ("SEB"), a bank organized under the laws of the Kingdom of Sweden, on behalf of itself and its affiliates for institutional investors. When SEB Research is issued by an SEB subsidiary, the subsidiary itself is subject to this disclaimer.

**Use**

This material has been prepared by SEB for information purposes only. It does not constitute investment advice and is being provided to you without regard to your investment objectives or circumstances. The document does not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever. Opinions contained in the report represent the authors' present opinion only and may be subject to change. In the event that the authors' opinion should change, we shall endeavour (but do not undertake) to disseminate any such change, within the constraints of any regulations, applicable laws, internal procedures within SEB, or other circumstances.

**Good faith and limitations**

All information, including statements of fact, contained in this research report have been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by SEB with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgement by you. Recipients are urged to base their investment decisions upon such investigations as they deem necessary. To the extent permitted by applicable law, no liability whatsoever is accepted by SEB for any direct or consequential loss arising from the use of this document or its contents.

**Distribution**

This research report has been prepared by SEB or its affiliates and is being distributed by SEB offices in Stockholm, Copenhagen, Oslo, Helsinki, Frankfurt, London, Tallinn, Vilnius and Riga. Research reports are prepared and distributed in Lithuania by AB SEB bankas and in Estonia by AS SEB Pank in accordance with the requirements of the local laws and Financial Supervision Authority's conduct of business rules. This document may not be distributed in the United States, Canada, Japan or Australia or in any other jurisdiction where to do so would be unlawful. Addresses and Phone numbers for each office can be found at the end of the report.

**The SEB Group: members, memberships and regulators**

SEB is a member of, inter alia, Nasdaq OMX Nordic, Oslo Stock Exchange, the London Stock Exchange, NYSE Euronext, SIX Swiss Exchange, Frankfurt Stock Exchange, Tallinn Stock Exchange as well as certain European MTF's such as BATS-Chi-X, Turquoise and Burgundy. SEB is regulated by Finansinspektionen in Sweden and, for the conduct of investment services business, in (i) Denmark by Finanstilsynet, (ii) Norway by Finanstilsynet, (iii) Finland by Finanssivalvonta, (iv) Germany by Bundesanstalt für Finanzdienstleistungsaufsicht, (v) the UK by the Financial Conduct Authority and Prudential Regulation Authority (details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request), (vi) Estonia by the Estonian Financial Supervision Authority, (vii) Lithuania by the Bank of Lithuania, (viii) Latvia by the Financial and Capital Markets Commission and Futures Commission.

SEB's research reports are prepared in accordance with the industry standards and codes of conduct applicable to financial analysts in the countries where they are based. In Denmark, Finland, Norway and Sweden, analysts act in accordance with the rules of ethics of each country's Society of Financial Analysts. Analysts comply with the recommendations and industry standards of the Danish, Norwegian and the Swedish Securities Dealers Associations and with those of the Federation of Finnish Financial Services. Analysts certified by the CFA Institute also comply with the Code of Ethics of the CFA Institute.

**Prevention and avoidance of conflicts of interest**

The remuneration of staff within the Research department is determined exclusively by research management and senior management and may include discretionary awards based on the firm's total earnings, including investment banking and markets (sales and trading businesses) income; however, no such staff receive remuneration based upon specific investment banking or markets transactions. SEB's Compliance department monitors the production of research and the observance of the group's procedures designed to prevent any potential conflicts of interest from affecting the content of research; the latter are described in greater detail in the "Statement of Policies for dealing with potential conflicts of interest surrounding our Research activities" which is available on our SEB Research website.

**Your attention is also drawn to the fact that:**

The current market price of the securities shown in this report is the price prevailing at the close of the business day preceding the date of publication, save where such price was more than 5% different from the price prevailing as at the time of publication, in which case it is the latter.

Unless explicitly stated otherwise in this report, SEB expects (but does not undertake) to issue updates to this report following the publication of new figures or forecasts by the company covered, or upon the occurrence of other events which could potentially have a material effect on it.

The securities discussed in this research report may not be eligible for sale in all countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in this research report, and the distribution of this report, may be made only in countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements. A copy of this report, not including the recommendation, has been provided to the issuer prior to its dissemination to check factual statements for accuracy; as a result, some amendments have been made.

A full list of disclosures for other companies mentioned herein (in which SEB has research coverage), can be found on our SEB Research website



**Methodology**

Final consideration as to any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties, and their inclusion in this report should not be regarded as a representation or warranty by or on behalf of the Group or any person or entity within the Group that they or their underlying assumptions and estimates will be met or realized. Different assumptions could result in materially different results. Past performance is not a reliable indicator of future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities, such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk.

**Company specific disclosures and potential conflicts of interest**

A member of, or an entity associated with, SEB or its affiliates, officers, directors, employees or shareholders of such members (a) is not, and has never been, represented on the board of directors or similar supervisory entity of Projektengagemang, (b) has from time to time bought or sold the securities issued by the company or options relating to the company, and (c) SEB does not hold any short / long position exceeding 0.5% of the total issued share capital of Projektengagemang as of 31 Jan 2020.

The analyst(s) responsible for this research report (jointly with their closely related persons) hold(s) 0 shares in Projektengagemang and do(es) not have holdings in other instruments related to the company.

Skandinaviska Enskilda Banken AB (publ). All rights reserved.

---

**Copenhagen**

Bernstorffsgade 50  
P.O. Box 100  
DK-1577 Copenhagen V

Telephone: (45) 3328 2828

**Oslo**

Filipstad Brygge 1,  
P.O. Box 1363 Vika  
NO-0113 Oslo

Telephone: (47) 2100 8500

**Frankfurt**

Stephanstrasse 14-16  
D-60313 Frankfurt am Main

Telephone: (49) 69 9727 7740

**Stockholm**

Kungsträdgårdsgatan 8  
S-106 40 Stockholm

Telephone: (46) 8 522 29500

**Helsinki**

Eteläesplanadi 18  
P.O. Box 630  
FIN-00101 Helsinki

Telephone: (358) 9 616 28700

**Tallinn**

Tornimäe 2  
EE-Tallinn 15010

Telephone: (372) 665 7762

**London**

One Carter Lane  
London, EC4V 5AN

Telephone: (44) 20 7246 4000