Stable results in Q1

**THE COMBINED COMPANY**

Net sales: SEK 5,255 million (5,423)
EBITA*: SEK 474 million (467)
EBITA-margin*: 9.0% (8.6)

---

• Improved profitability, due to cost synergies and strong development within Process Industries and Energy
• Sales affected negatively by challenging market conditions in automotive, the repositioning of Division Energy and the completion of a large EPC+ project
• Solid cash flow development
• Extensive measures to mitigate future effects on operations

**REPORTED NUMBERS**

Net sales: SEK 5,255 million (4,389)
EBITA*: SEK 474 million (390)
EBITA-margin*: 9.0% (8.9)

---

*Excl Items affecting comparability
Measures to address the challenges of Covid-19

— Remote work and digital collaborations as well as other safety precautions

— Short term work allowances for approximately 1,600 employees mainly within automotive, but also support functions

— Reduction of all cost spending

— Increased pace of ongoing cost and synergy program of 120 MSEK

— Investment program connected to the systems platform reviewed

— Withdrawal of dividend and renewal of credit facilities
Flexible cost structure allows quick measures

Q1, 2020

Materials and services:
Mainly related to project deliveries and adjusts according to volume

Personnel expenses:
Fixed and variable pay schemes
Quick reaction through work time allowances

Other expenses:
IT related expenses especially – short time impact difficult to achieve

SEK 4.6 billion in total cost, excl depreciation and amortisation
Market update

— Overall good activity in Q1 in majority of business segments, however uncertain market situation.
— Risk of delayed projects and investment decisions.
— In Infrastructure, core markets show continued solid demand, however some impact in buildings segment.
— In Industrial & Digital Solutions significantly lower volumes in automotive. Continued good demand in defense and food & pharma.
— Strong demand in Process Industries, no impact yet of the crisis.
— Stable demand in Energy and effects of repositioning faster than expected.
— Solid demand in Management Consulting driven by the transition in Energy and Bioindustry
— We expect the effects of Covid-19 to have a negative impact of net sales in Q2.
Diversified portfolio balances risks

Net sales by segment

Dec 2019

- Infrastructure: 21%
- Energy and Power: 4%
- Process Industry: 5%
- Real Estate: 14%
- Automotive and Vehicles: 14%
- Life Science, Food & Pharma: 14%
- Telecom and ICT: 14%
- Manufacturing Industry: 20%
- Management Consulting: 21%
- Defence: 10%
- Other: 30%

30% Public business

70% Private business
New projects

— ABB ready for 5G together with AFRY, Ericsson and Telia

— Selected as Metsä Fibre’s partner in the world’s most modern sawmill and new bioproduct mill projects in Finland

— Site management contract for secondary Gotthard tunnel in Switzerland

— Develop new ferry terminal at Skeppsbron in Stockholm

— Planning mandate for wastewater treatment plant in Switzerland

— New EPCM services assignment for the LD Cellulose S.A. pulp mill in Brazil

— Implement light rail project in Helsinki

— Lead project planning of new hospital in Västerås, Sweden
Growth impacted by challenging market conditions

**COMBINED, Q1 2020**
- Total growth: -3.1%

**REPORTED, Q1 2020**
- Total growth: 19.7%
- Organic growth: -2.7%
- Adjusted/underlying organic growth: -3.0%

**COMMENTS**
- Growth affected by lower demand in automotive, the repositioning of Division Energy and the completion of a large EPC+ project
- Positive growth in three out of five divisions
- Reduction of materials and subconsulting of 230 MSEK (combined operations) and divestment of a unit in Energy of appr. 35 MSEK
Improved profitability

**COMBINED, Q1 2020***
- EBITA increased to SEK 474 million (467)
- EBITA margin up to 9.0% (8.6)

**REPORTED, Q1 2020***
- EBITA increased to SEK 474 million (390)
- EBITA margin up to 9.0% (8.9)

**COMMENTS**
- Strong development within Process Industries and Energy
- Positive impact from synergy program and general cost savings
- Negative impact mainly from the challenging situation within automotive

* Excl. items affecting comparability

---

**REPORTED EBITA, MSEK**
excl. items affecting comparability

Quarter          Rolling 12 month
Q1 18            200
Q2 18            400
Q3 18            600
Q4 18            800
Q1 19            1 000
Q2 19            1 200
Q3 19            1 400
Q4 19            1 600
Q1 20            1 800

* Excl. items affecting comparability
Improved profitability

Q1 PROFITABILITY STABLE BUT DIVISIONS IN DIFFERENT POSITIONS

EBITA CHANGE COMPARED TO PREVIOUS YEAR

- Minor calendar effects; 2 hours more vs. 2019
- Except for Industrial & Digital Solutions, only minor impact by Covid-19 in Q1
- Cost synergies visible, especially in group expenses
Growth and profitability

**INFRASTRUCTURE**
— Solid growth in most segments, profitability in line with Q4. Some neg impact in Buildings.

**INDUSTRIAL & DIGITAL SOLUTIONS**
— Growth and profitability down due to a sharp drop in volumes in automotive segment

**PROCESS INDUSTRIES**
— Strong growth mainly in the Nordics and South America, profitability on a high level.

**ENERGY**
— Decline in growth due to the material completion of a large EPC+ project, improved profitability due to the repositioning and strong development in nuclear.

**MANAGEMENT CONSULTING**
— Growth and profitability impacted negatively by lack of success fees and minor impact from Covid-19

---

**Q1 ORGANIC GROWTH, ADJUSTED WITH CALENDAR EFFECTS**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 ORG GROWTH (%)</th>
<th>Q1 Calendar Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Industrial &amp; Digital</td>
<td>-8.5</td>
<td></td>
</tr>
<tr>
<td>Process Industries</td>
<td>-11.0</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>2.4</td>
<td></td>
</tr>
</tbody>
</table>

**Q1 EBITA % (previous year)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 EBITA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>7.6 (9.2)</td>
</tr>
<tr>
<td>Industrial &amp; Digital</td>
<td>10.8 (10.7)</td>
</tr>
<tr>
<td>Process Industries</td>
<td>10.1 (12.9)</td>
</tr>
<tr>
<td>Energy</td>
<td>9.3 (6.6)</td>
</tr>
</tbody>
</table>

* Combined operations
Net debt development – strong liquidity

— Solid operating cash flow in Q1 pushing adjusted Net Debt/EBITDA to 2.3 (reported at 2.7)
— Net Debt reduced by 67 MSEK compared to end of last year
  — Reduced due to operating cash flow by 249 MSEK
  — Increased due to investments and acquisition related items by 106 MSEK
  — Other impact mainly non-cash related and increased net debt by 76 MSEK
— Available liquid assets of 887 MSEK and unutilised credit lines of 3,300 MSEK and in addition committed term loan of 500 MSEK to replace bond maturing in May 2020
— Board of Directors proposes no dividend for 2019 given the uncertain and challenging market
Focus moving forward

React & adjust  
(Q1/Q2)

- React to Covid-19 crisis - distance work using digital platforms
- Cost savings across all areas including short term allowances
- Focus on operational efficiency and adjusting investments

Sustain & lean  
(Q2/Q3)

- Based on 120 MSEK cost program, and short-term savings in Q2, setting lean operational structure:  
  - Increased efficiency
  - Increased flexibility
- Review of strategy and scenario planning: Where to play and how to win in new normal

Win in new normal  
(Q3/Q4)

- Leverage from lean and flexible structure with strong position in key segments and regions.
- Growth, M&A, brand-building and attractive employer
- Execution of strategy with focus on:  
  - Sustainability
  - Digitalisation
Thank you!