

Interim report January-June 2020

STRONG RESILIENCE IN CHALLENGING TIMES.

Second quarter

- The **operating income** amounted to SEK 400 million [476] and the organic growth was -16.5%
- The **operating profit** amounted to SEK 3 million [17], yielding an operating margin of 0.7% [3.6]. Restructuring costs have, among other things, burdened the operating profit with SEK -37 million [-6]
- The **profit after tax** amounted to SEK 1 million [12]
- **Earnings per share [EPS] after dilution** amounted to SEK 0.06 [0.69]

January-June

- The **operating income** amounted to SEK 892 million [959] and the organic growth was -6.5%
- The **operating profit** amounted to SEK 53 million [61], yielding an operating margin of 5.9% [6.4]. Restructuring costs have, among other things, burdened the operating profit with SEK -37 million [-8]
- The **profit after tax** amounted to SEK 39 million [45]
- **Earnings per share [EPS] after dilution** amounted to SEK 2.20 [2.52]



Comment from CEO Markus Granlund:

It is highly gratifying that we, despite a challenging market situation and significant restructuring costs due to COVID-19, have reported an operating profit and strong cash flow in the second quarter. Decisive factors in achieving this were the constructive collaboration with our customers, the swift transition to remote working while retaining productivity, the rapid pace of the restructuring measures taken and efficient cost control. I am impressed by the commitment and decisiveness shown by my colleagues at this difficult time, with the rapid switch to a new market situation. The strategy shift in recent years to new fields of technology, industry diversification and the efficiency measures to increase profitability have been crucial elements in our greater resilience in a less favourable business environment.

Operating profit was burdened by restructuring costs of approximately SEK 37 million, which is slightly higher than previously communicated. The measures are largely attributable to our decreased exposure towards the automotive industry and entail an acceleration of our strategic transformation through a skills shift and industry diversification. During the quarter, we reduced our costs by approximately SEK 26 million through state support, primarily related to short-time working. We expect demand to steadily increase and that our employees who are subject to short-time working will gradually return to full working hours over the coming quarters.

Our offerings and cutting-edge expertise, not least in digital services and aftermarket, have great potential to streamline our customers' operations – particularly in the current market. The Product Information business area noted a positive impact on earnings, with a operating margin of 15.3 per cent for the quarter – more than double the operating profit in the year-earlier period. As approximately 75 per cent of sales are generated from long-term managed service contracts, the business area has to date noted only a relatively limited impact from the change in the market. Demand from customers in the telecom sector and the manufacturing industry has been at high levels during the period. The interest for digital

training and e-learning has also been substantial and our delivery capacity was strengthened through the acquisition of Xtractor earlier this year. At the end of the quarter, we were also contracted by Lynk & Co to develop all technical training for the European workshop network in its preparation for the launch of a new car model. During the first half of the year, the rate of productivity in a number of larger projects and profitability in the business area was higher than normal, but the same high levels are not expected to continue in the second half of 2020.

Even if several customers have slowed the pace of some product and production development projects during COVID-19, the Engineering & Digital Services business area has, despite the challenging market situation, continued to generate favourable earnings when adjusted for restructuring costs. The business area successfully implemented measures to counter a declining market and accelerate our strategic shift. For example, the percentage of sales to Life Science continued to increase significantly. During the quarter, we extended our cooperation with Getinge, initiated a project with Novavax to develop a COVID-19 vaccine, and began developing a world-unique proton treatment for cancer together with Kongsberg Beam Technology. We are proud to be one of the leading consultancy firms in the Nordic region in Life Science.

Our customers' needs to enhance efficiency and embrace technology shifts have not decreased due to COVID-19, though in the short term it has resulted in a slight restraint in investments from the hardest hit customers. The market remains highly uncertain, and we were quick in taking the necessary measures to adapt operations, though we are still prepared to make additional adjustments in the future if required. Our stable finances and strong position in product development, production optimisation and aftermarket solutions have provided us with the right conditions to gain new market shares in prioritised areas to generate gradually increased and profitable growth.

Göteborg, 15 July 2020
Markus Granlund, President and CEO

Income and result

Second quarter

Operating income amounted to SEK 400 million [476] and organic growth was -16.5 per cent. Due to the COVID-19 pandemic, the Group noted a decline in demand during the quarter, mainly from automotive customers but also from certain other industrial customers. The quarter included the same number of working days compared with the corresponding period last year. Operating profit amounted to SEK 3 million [17], yielding an operating margin of 0.7 per cent [3.6]. A number of measures have been taken to limit the effects of a drop in demand, which include short-term working, further efficiency enhancements and a reduction in the number of staff by approximately 170. Restructuring costs for this were charged to earnings for the second quarter in the amount of SEK -37 million [-6]. State support received due to COVID-19 reduced costs by SEK 26 million [-]. Net financial items amounted to SEK -1 million [-2], yielding profit before tax of SEK 1 million [15]. Tax expense for the quarter amounted to SEK - million [-3]. Profit after tax amounted to SEK 1 million [12] and earnings per share after dilution totalled SEK 0.06 [0.69].

January-June

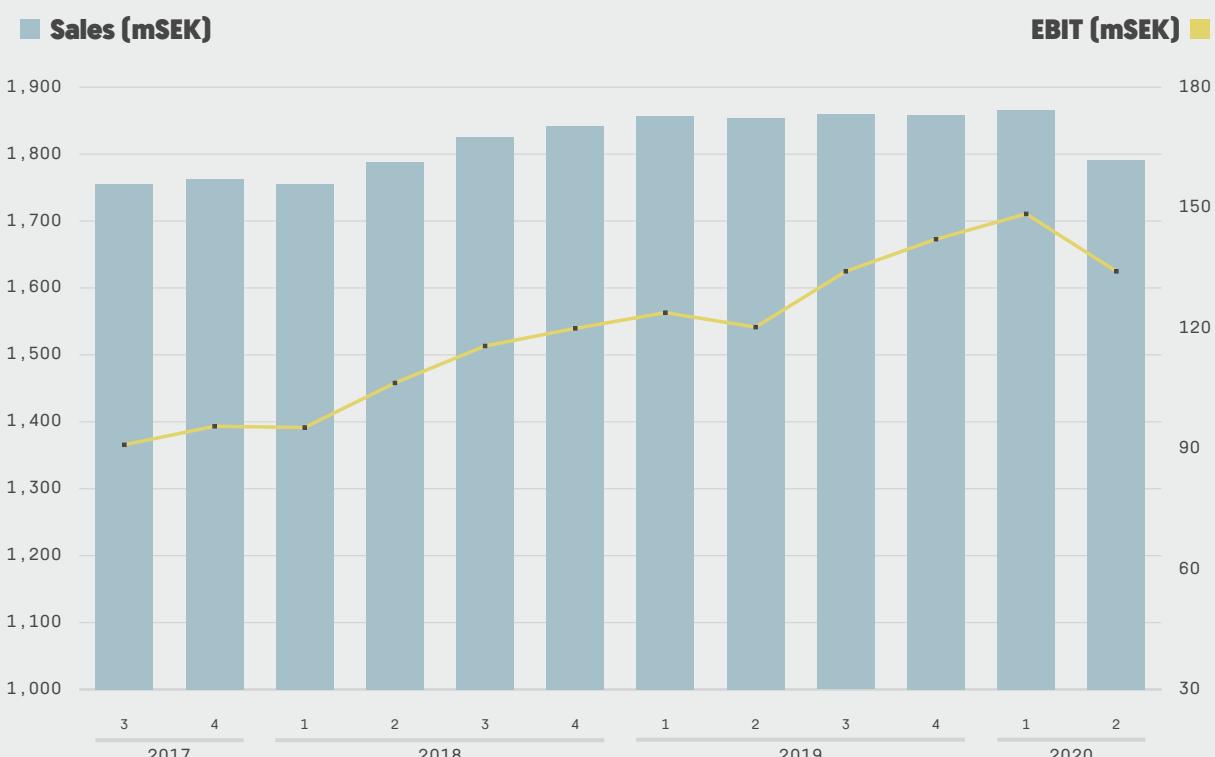
Operating income amounted to SEK 892 million [959] and organic growth was -6.5 per cent. The period included the same number of working

days compared with last year. Operating profit amounted to SEK 53 million [61], yielding an operating margin of 5.9 per cent [6.4]. Restructuring costs of SEK -37 million [-8] were charged to operating profit for the period. State support received due to COVID-19 reduced costs by SEK 26 million [-]. Net financial items amounted to SEK -3 million [-3], yielding profit before tax of SEK 50 million [58]. Tax expense for the period amounted to SEK -12 million [-13]. Profit after tax amounted to SEK 39 million [45] and earnings per share after dilution totalled SEK 2.20 [2.52].

Financial position

Operating cash flow from current activities was SEK 168 million [68]. A decrease in tied-up working capital of SEK 111 million [2] helped to strengthen cash flow. Investments in hardware, licenses, office supplies and equipment amounted to SEK 4 million [4]. The Group's cash and cash equivalents, after the acquisition of Xtractor, amounted to SEK 158 million [31]. In addition, the Group had non-utilised credit of SEK 250 million [251] as of 30 June. Shareholders' equity amounted to SEK 643 million [563] and the equity/assets ratio was 55 per cent [52]. The Group's net cash amounted to SEK 158 million [31].

Rolling 12 months, per quarter



Employees

The number of employees on June 30 was 2,060 [2,168] and the number of employees in active service was 1,989 [2,098]. In the respective business areas the head count is as follows: Engineering & Digital Services 1,296 [1,440] and Product Information 764 [728].

Parent company

Operating income for the parent company amounted to SEK 20 million [22] and pertains to compensation for intra-Group services. The profit before tax totalled SEK 38 million [29].

Important events during the period

- The Engineering & Digital Services business area entered into a partnership with Imagimob. The company develops software for Edge AI, which means that even more and smaller products can be both connected and intelligent.
- In March, the Product Information business area acquired Xtractor, with operations in Stockholm. The company has approximately 40 employees with revenues of about SEK 50 million. The acquisition will strengthen Semcon's position within digital training.
- Through the Engineering & Digital Services business area, Semcon has acted as technology partner to Jotun with the revolutionary proactive cleaning solution for large vessels - Jotun Hull Skating Solutions. The solution is contributing to healthier oceans and cost savings for Jotun's customers.

- Semcon has developed an AI-powered intelligent assistant for professional use, which can help companies to structure security classified data and present required information in a way tailored to their end users.
- The Engineering & Digital Services business area worked together with Getinge to develop a new digital platform to make it easier to identify where the risk of infections during surgery is greatest. Semcon is contributing to the project excellence in embedded, sensing systems and UX.
- Semcon became development partner to Kongsberg Beam Technology, which is using new technology to develop a world-unique proton treatment - with minimal side effects for multiple types of cancer. Semcon is responsible for technical and digital development in the project.
- The Product Information business area has, through Xtractor, secured a contract from Stockholms Tekniska Institut to deliver and maintain a modern and flexible learning environment using the Totara Learn platform.
- The Engineering & Digital Services business area has deepened its collaboration with the fuel cell manufacturer PowerCell. Both through a new framework agreement and by developing a new robotic cell with the use of vision technology, which will streamline the production of fuel cells for the vehicles of the future.

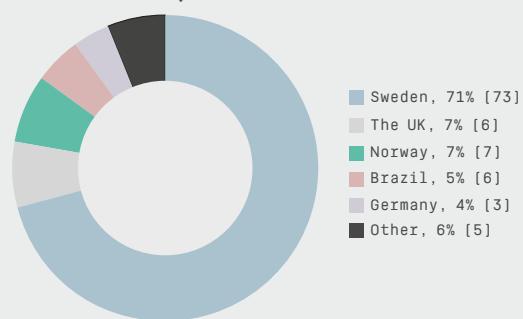
Change in operating income			
	Jan-June 2020	Jan-Dec 2019	
Acquisition and divestment	2.0%	-0.2%	
Currency effects	-2.5%	0.6%	
Organic growth	-6.5%	0.5%	
Total	-7.0%	0.9%	

No. of working days in Sweden				
	2018	2019	2020	2021
Q1	63	63	63	62
Q2	59	58	58	59
Q3	65	66	66	66
Q4	62	62	63	64
Total	249	249	250	251

The change in one working day represents around SEK 7 million in income and impacts operating profit by about SEK 6 million.

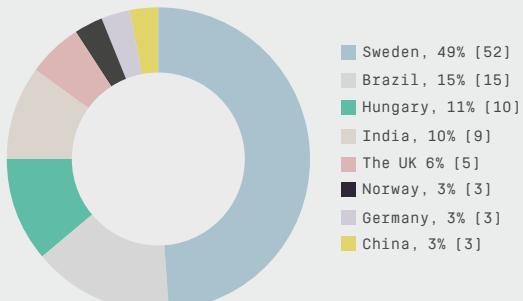
Group income per market

Jan-June, 2020



Employees per country

30 June, 2020



Ownership structure

As of June 30, JCE Group owned 25.8% [25.8] of Semcon's shares, Nordea Investment Funds 11.3% [9.8], BNY Mellon 5.0% [4.6], Northern Trust Company RE 3.6% [-] and Northern Trust Company IEDP 3.4% [3.1]. Foreign ownership was 42.1% [35.1] and the number of shareholders was 5,001 [5,388]. The number of ordinary shares at the end of the period was 18,112,534 [18,112,534], all with the quotient value of SEK 1 and equal voting rights. Semcon owned 754,416 [685,738] of the company's share on June 30. Semcon is listed on Nasdaq Stockholm, small cap under the SEMC ticker. For more information about Semcon's ownership structure and share price movements visit www.semcon.com.

Risk and instability factors

The Group and parent company's significant risks and instability factors include business risks in the form of high exposure towards a single industry or customer. An economic downturn or disruptions to financial markets can have a negative effect on the Group's services. In general terms acquisitions and divestments incur increased risks. This also includes financial risks mainly concerning currency risks. Semcon's Annual Report 2019, pages 42-43 and 61-63, include a detailed description of the Group and parent company's risk exposure and risk management. The global outbreak of COVID-19 in 2020 has resulted in greater uncertainty in terms of the above risks and uncertainties.

Accounting principles

Semcon follows the IFRS standards adopted by the EU and its interpretations of these [IFRIC]. This interim report has been drawn up in accordance with IAS 34. The new standards that came into force as of 1 January 2020 have had no material effect on the Group's accounts during the year. As a consequence of the COVID-19 pandemic, Semcon received state support in 2020, mainly in the form of short-time working. Support received is allocated and recognised for the period when the short-time working took place. The support is recognised in profit or loss as a reduction in the staff costs item. In general, the same accounting policies and methods of calculation have been used in this interim report as in the latest Annual Report.

Acquisitions and divestments

In March, the Product Information business area acquired Xtractor. The acquisition is expected to have a positive impact on both the business area's operating margin and Semcon's earnings per share in 2020. Xtractor has operations in Stockholm and approximately 40 employees with revenues of about SEK 50 million. For further information about the acquisition, see Note 2. No other acquisitions or divestments took place during the period.

Events after the end of the period

No significant events occurred after the end of the period.

BUSINESS AREAS

Engineering & Digital Services

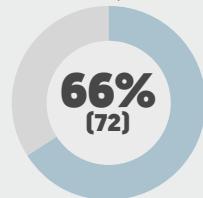
The business area's income amounted to SEK 594 million [689] and organic growth was -10.4 per cent. Growth was adversely impacted by weaker demand, primarily from automotive customers and from certain industrial customers, due to the COVID-19 pandemic. However, growth remained healthy in relation to customers in the Life Science sector. Operating profit amounted to SEK 15 million [47], yielding an operating margin of 2.6 per cent [6.8]. Restructuring costs were charged to earnings for the second

quarter in the amount of SEK -35 million [-6]. State support received, mainly pertaining to short-time working, reduced costs by SEK 16 million [-] during the quarter. Even if the market remains very uncertain, the business area is cautiously optimistic about developments in the second half of 2020 and that employees who are encompassed by a short-time working scheme will gradually return to full working hours during coming quarters.

	April-June		Jan-June		Jan-Dec
	2020	2019	2020	2019	2019
Operating income, mSEK	256.7	340.1	594.0	688.9	1,326.5
Operating profit, mSEK	-15.7	12.5	15.3	46.6	107.3
Operating margin, %	-6.1	3.7	2.6	6.8	8.1
No. of employees	1,296	1,440	1,296	1,440	1,528

Share of Semcon's total income

Jan-June, 2020



About Engineering & Digital Services

The business area's almost 1,300 employees provide services in areas such as digitization, product development, plant engineering and production development services. The offer is aimed at requirement and concept studies, design, calculations, construction, embedded systems, testing, simulation, quality control, project management, production and process development and expertise in lean production and service development. Engineering & Digital Services has offices in Sweden, Norway, the UK, India and Brazil. Business activities mainly focus on the automotive, industry, energy and life science sectors. Customers include ABB, AB Volvo, Alstom, Aston Martin, AstraZeneca, Autoliv, Bombardier, CEVT, Geely, Fortum, Getinge, Husqvarna, Jaguar Land Rover, MAN, McLaren, Metso, Rolls-Royce Marine, Saab, Scania, Siemens, Vattenfall and Volvo Cars.

Product Information

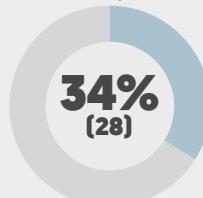
The business area's income amounted to SEK 300 million [270] and organic growth was 4.3 per cent. Growth was favourable in Sweden and the UK, but slowed slightly during the second quarter as demand, particularly from automotive customers, decreased due to the COVID-19 pandemic. The partnership with AGCO [one of the world's largest manufacturers of agricultural equipment] has progressed well and has, for example, contributed to the improved income in the UK and other markets. Operating profit amounted to SEK 47 million [22], yielding an operating margin of 15.6 per cent [8.2]. Operating profit improved due to rising income and

improved productivity. The acquisition of Xtractor also contributed to the improvement in earnings. Earnings for the second quarter were charged with restructuring costs in the amount of SEK -2 million [-]. State support received during the second quarter reduced costs by SEK 8 million [-]. During the first half of the year, the rate of productivity in a number of larger projects and profitability in the business area was higher than normal, but the same high levels are not expected to continue into the second half of 2020.

	April-June		Jan-June		Jan-Dec
	2020	2019	2020	2019	2019
Operating income, mSEK	144.8	136.0	300.0	270.5	535.8
Operating profit, mSEK	22.2	9.1	46.8	22.1	50.4
Operating margin, %	15.3	6.7	15.6	8.2	9.4
No. of employees	764	728	764	728	734

Share of Semcon's total income

Jan-June, 2020



About Product Information

The business area's almost 800 employees provide complete product information solutions with the primary focus on customers' aftermarket business. The business area's offering supports products and systems throughout the product life cycle: from sales and marketing to installation, maintenance, diagnostics, repairs, as well as training service staff. The business area has offices in Sweden, the UK, Hungary, Germany and China. Customers are mainly in the engineering, automotive, telecom and IT, energy sectors and med-tech. These include ABB, AGCO, Baxter, Bombardier, CEVT/Lynk & Co, ESAB, Jaguar Land Rover, Saab, Siemens, London Electric Vehicle Company, Uni-Carriers and Volvo Cars.

Consolidated FINANCIAL, SUMMARY

Income statements

mSEK	Note	April-June		Jan-June		Jan-Dec
		2020	2019	2020	2019	2019
Operating income	1	400.4	476.0	891.7	959.2	1,858.2
Purchase of goods and services		-57.5	-89.7	-144.1	-174.4	-336.6
Other external operating expenses		-21.6	-23.0	-46.9	-48.1	-99.7
Staff costs		-305.6	-332.9	-621.8	-648.9	-1,227.3
Operating profit before depreciation		15.7	30.4	78.9	87.8	194.6
Depreciation of tangible fixed assets		-2.4	-2.4	-4.7	-4.6	-9.2
Depreciation of right-of-use assets		-9.7	-10.1	-19.6	-20.7	-40.5
Depreciation of other intangible assets		-0.8	-0.8	-1.6	-1.5	-3.1
Operating profit		2.8	17.1	53.0	61.0	141.8
Net financial items		-1.4	-1.7	-2.8	-3.2	-6.8
Profit before tax		1.4	15.4	50.2	57.8	135.0
Tax		-0.3	-3.5	-11.5	-13.3	-28.7
Profit after tax		1.1	11.9	38.7	44.5	106.3
Profit attributable to:						
Parent company's shareholders		1.1	11.9	38.7	44.5	106.3
Earnings per share before dilution [SEK]		0.06	0.68	2.23	2.55	6.11
Earnings per share after dilution [SEK]		0.06	0.69	2.20	2.52	6.04
No. of working days in period		58	58	121	121	249

Statement of comprehensive income

mSEK		April-June		Jan-June		Jan-Dec
		2020	2019	2020	2019	2019
Profit after tax		1.1	11.9	38.7	44.5	106.3
Items that can be reclassified as profit or loss						
Translation differences for the period		-9.5	-0.2	-16.6	4.4	2.4
Total		-9.5	-0.2	-16.6	4.4	2.4
Total other comprehensive income		-8.4	11.7	22.1	48.9	108.7
Total comprehensive income for the period		-8.4	11.7	22.1	48.9	108.7

Balance sheets

mSEK	June 30		Dec 31
	2020	2019	2019
Assets			
Intangible assets, goodwill	369.1	317.6	317.1
Right-of-use assets	129.2	143.2	148.6
Other intangible assets	9.0	10.6	10.2
Tangible fixed assets	26.8	30.4	30.1
Financial assets	2.8	7.4	5.6
Accounts receivable	271.6	326.3	372.7
Accrued non-invoiced income	160.7	188.7	145.5
Other current assets	37.6	30.4	30.3
Cash and cash equivalents	157.6	31.3	63.0
Total assets	1,164.4	1,085.9	1,123.1
Shareholders' equity and liabilities			
Shareholders' equity	642.7	563.0	620.1
Non-current lease liabilities	94.2	102.2	109.1
Deferred tax liabilities	55.0	50.2	48.2
Accounts payable	40.4	50.2	55.7
Current lease liabilities	33.2	37.0	36.8
Non-accrued invoiced income	19.0	10.0	16.5
Other non interest-bearing current liabilities	279.9	273.3	236.7
Total shareholders' equity and liabilities	1,164.4	1,085.9	1,123.1

Change in shareholders' equity

mSEK	June 30		Dec 31
	2020	2019	2019
Shareholders' equity at the start of the year			
Shareholders' equity at the start of the year	620.1	566.9	566.9
Total comprehensive income	22.1	48.9	108.7
Acquisition of own shares	-	-1.1	-4.7
Share-based remuneration	0.5	0.6	1.5
Shareholder dividend	-	-52.3	-52.3
Shareholders' equity at the end of the year	642.7	563.0	620.1

Capital employed

mSEK	June 30		Dec 31
	2020	2019	2019
Total assets			
Total assets	1,164.4	1,085.9	1,123.1
Deferred tax liabilities	-55.0	-50.2	-48.2
Accounts payable	-40.4	-50.2	-55.7
Other non interest-bearing liabilities	-298.9	-283.3	-253.2
Total capital employed	770.1	702.2	766.0
Average capital employed	747.3	620.1	699.1

Cash flow statements

mSEK	Note	April-June		Jan-June		Jan-Dec	
		2020	2019	2020	2019	2019	
Cash flow from current activities							
before change in working capital		16.8	26.3	57.2	65.4	162.9	
Change in working capital		88.5	10.1	111.0	2.3	-32.1	
Cash flow from current activities		105.3	36.4	168.2	67.7	130.8	
Investments		-1.4	-3.3	-3.7	-4.2	-9.6	
Acquisition of subsidiaries	2	-1.1	-	-43.1	-	-	
Sales of fixed assets		0.1	-	0.1	-	0.1	
Cash flow from investment activities		-2.4	-3.3	-46.7	-4.2	-9.5	
Repayment of lease liabilities		-9.2	-11.0	-18.4	-22.4	-44.0	
Acquisition of own shares		-	-	-	-1.1	-4.7	
Shareholder dividend		-	-52.3	-	-52.3	-52.3	
Cash flow from financing activities		-9.2	-63.3	-18.4	-75.8	-101.0	
Cash flow for the period		93.7	-30.2	103.1	-12.3	20.3	
Cash and cash equivalents at the start of the period		65.1	61.2	63.0	43.5	43.5	
Translation differences		-1.2	0.3	-8.5	0.1	-0.8	
Cash and cash equivalents at the end of the period		157.6	31.3	157.6	31.3	63.0	

Change in net cash

mSEK		April-June		Jan-June		Jan-Dec	
		2020	2019	2020	2019	2019	
Opening balance		65.1	61.2	63.0	43.5	43.5	
Cash flow from current activities		105.3	36.4	168.2	67.7	130.8	
Net investments		-1.3	-3.3	-3.6	-4.2	-9.5	
Acquisitions of subsidiaries		-1.1	-	-43.1	-	-	
Shareholder dividend		-	-52.3	-	-52.3	-52.3	
Repayment of lease liabilities		-9.2	-11.0	-18.4	-22.4	-44.0	
Acquisition of own shares		-	-	-	-1.1	-4.7	
Translation differences		-1.2	0.3	-8.5	0.1	-0.8	
Closing balance		157.6	31.3	157.6	31.3	63.0	

Key figures

	Jan-June 2020	Jan-Dec 2019	Jan-Dec 2019
Growth in sales [%]	-7.0	1.2	0.9
Organic growth in sales [%]	-6.5	0.1	0.5
Operating margin before depreciation [%]	8.8	9.2	10.5
Operating margin [%]	5.9	6.4	7.6
Profit margin [%]	5.6	6.0	7.3
Return on shareholders' equity [%]*	16.4	16.5	18.1
Return on capital employed [%]*	17.1	19.0	19.4
Equity/assets ratio [%]	55.2	51.8	55.2
Number of employees at the end of the year	2,060	2,168	2,262

* Rolling 12 months.

Key figures for the Semcon share

	Jan-June 2020	Jan-Dec 2019	Jan-Dec 2019
Earnings per share before dilution [SEK]	2.23	2.55	6.11
Earnings per share after dilution [SEK]	2.20	2.52	6.04
Shareholders' equity before dilution [SEK]	37.03	32.31	35.72
Shareholders' equity after dilution [SEK]	35.48	31.08	34.24
Share price/Shareholders' equity [times]	1.41	1.78	2.02
Cash flow from current activities [SEK]	9.29	3.74	7.22
Share price at the end of the year [SEK]	50.00	55.30	69.20
Market cap at the end of the year [mSEK]	906	1,002	1,253
Number of shares at the end of the year with the quotient value of SEK 1 [000]	18,113	18,113	18,113
Number of own shares at the end of the year [000]	754	686	754
Average number of shares [000]	18,113	18,113	18,113

Definitions

Capital employed

The balance sheet total minus non-interest-bearing provisions and liabilities.

Cash flow per share

Cash flow from current activities divided by the weighted average number of outstanding shares adjusted for the dilution effect on potential shares.

Earnings per share [EPS] before dilution

Profit/loss after tax attributable to the parent company's owners divided by the average number of outstanding ordinary shares excluding shares held as own shares by the parent company.

Earnings per share [EPS] after dilution

Profit/loss after tax attributable to the parent company's owners divided by the average number of outstanding shares adjusted for the dilution effect of potential shares.

Equity/assets ratio

Shareholders' equity as a percentage of the balance sheet total.

Net cash/net debt

Cash and cash equivalents and interest-bearing receivables with deductions for interest-bearing provisions and liabilities, excluding lease liabilities.

Organic growth

Year-on-year increase in income adjusted for currency effects, acquisitions and divestments.

Operating margin

Operating profit as a percentage of operating income.

Operating margin before depreciation

Operating profit before depreciation as a percentage of operating income.

Profit margin

Profit before tax as a percentage of operating income.

Return on shareholders' equity

Profit for the period after tax divided by the average shareholders' equity.

Return on capital employed

Profit before tax plus financial costs divided by the average capital employed.

Shareholders' equity per share before dilution

Shareholders' equity divided by the number of shares at end of the period excluding shares held as own shares by the parent company.

Shareholders' equity per share after dilution

Shareholders' equity divided by the number of shares at end of the period adjusted for the dilution effect on potential shares.

Quarterly information by Business Area

	2018				2018	2019				2020		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	2019	Q1	Q2
Operating income [mSEK]												
Engineering & Digital Services	359.6	362.7	293.1	355.6	1,371.0	348.8	340.1	287.4	350.2	1,326.5	337.3	256.7
Product Information	109.0	116.7	112.5	135.9	474.1	134.5	136.0	124.1	141.2	535.8	155.2	144.8
Group items/eliminations	-0.2	-0.2	-0.7	-1.8	-2.9	-0.1	-0.1	-1.3	-2.6	-4.1	-1.2	-1.1
Total	468.4	479.2	404.9	489.7	1,842.2	483.2	476.0	410.2	488.8	1,858.2	491.3	400.4
Operating profit [mSEK]												
Engineering & Digital Services	36.8	25.5	10.0	31.6	103.9	34.1	12.5	22.6	38.1	107.3	31.0	-15.7
Product Information	6.7	1.1	9.7	15.5	33.0	13.0	9.1	13.4	14.9	50.4	24.6	22.2
Group items/eliminations	-3.5	-5.9	-1.8	-6.1	-17.3	-3.2	-4.5	-4.2	-4.0	-15.9	-5.4	-3.7
Total	40.0	20.7	17.9	41.0	119.6	43.9	17.1	31.8	49.0	141.8	50.2	2.8
Operating margin [%]												
Engineering & Digital Services	10.2	7.0	3.4	8.9	7.6	9.8	3.7	7.9	10.9	8.1	9.2	-6.1
Product Information	6.1	0.9	8.6	11.4	7.0	9.7	6.7	10.8	10.6	9.4	15.9	15.3
Total	8.5	4.3	4.4	8.4	6.5	9.1	3.6	7.8	10.0	7.6	10.2	0.7
Number of employees												
Engineering & Digital Services	1,405	1,458	1,427	1,414	1,414	1,421	1,440	1,498	1,528	1,528	1,489	1,296
Product Information	637	668	695	705	705	722	728	737	734	734	778	764
Total	2,042	2,126	2,122	2,119	2,119	2,143	2,168	2,235	2,262	2,262	2,267	2,060
Number of working days	63	59	65	62	249	63	58	66	62	249	63	58

Parent company

FINANCIAL, SUMMARY

Income statements

mSEK	April-June		Jan-June		Jan-Dec
	2020	2019	2020	2019	2019
Operating income	9.4	10.7	19.9	21.7	43.1
Other external operating expenses	-3.4	-3.0	-6.2	-6.3	-11.7
Staff costs	-7.1	-9.5	-16.6	-18.2	-36.3
Operating loss	-1.1	-1.8	-2.9	-2.8	-4.9
Net financial items*	40.7	30.3	41.2	31.4	31.4
Profit after net financial items	39.6	28.5	38.3	28.6	26.5
Appropriations**	-	-	-	-	52.3
Profit before tax	39.6	28.5	38.3	28.6	78.8
Tax	0.5	0.1	0.8	0.1	-11.8
Profit for the period	40.1	28.6	39.1	28.7	67.0
* of which translation differences	-1.8	0.8	-1.7	1.6	1.0
of which dividend	42.0	29.0	42.0	29.0	29.0
** of which group contribution received	-	-	-	-	70.4

Statements of comprehensive income

mSEK	April-June		Jan-June		Jan-Dec
	2020	2019	2020	2019	2019
Profit for the period	40.1	28.6	39.1	28.7	67.0
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	40.1	28.6	39.1	28.7	67.0

Balance sheets

mSEK	30 June		Dec 31
	2020	2019	2019
Assets			
Financial fixed assets	235.8	234.3	234.1
Current assets	196.8	162.4	222.5
Cash and cash equivalents	116.9	-	24.6
Total assets	549.5	396.7	481.2
Shareholders' equity and liabilities			
Shareholders' equity	389.7	316.0	350.6
Untaxed reserves	56.6	38.5	56.6
Interest-bearing current liabilities	-	0.2	-
Non interest-bearing current liabilities	103.2	42.0	74.0
Total shareholders' equity and liabilities	549.5	396.7	481.2

Note 1

DISTRIBUTION OF REVENUE

mSEK	Engineering & Digital Services		Product Information		Group	
April-June	2020	2019	2020	2019	2020	2019
Distribution per country						
Sweden	194.8	260.6	92.5	84.1	287.3	344.7
UK	8.4	10.4	15.9	18.7	24.3	29.1
Norway	31.4	32.5	0.1	-	31.5	32.5
Brazil	15.4	28.9	-	-	15.4	28.9
Germany	0.6	0.4	15.6	14.7	16.2	15.1
Other	6.1	7.3	20.7	18.5	26.8	25.8
Eliminations	-	-	-	-	-1.1	-0.1
Total	256.7	340.1	144.8	136.0	400.4	476.0

	Engineering & Digital Services		Product Information		Group	
Jan-June	2020	2019	2020	2019	2020	2019
Distribution per country						
Sweden	451.9	535.8	181.4	163.8	633.3	699.6
UK	22.6	22.1	40.6	37.9	63.2	60.0
Norway	61.4	62.4	0.1	0.2	61.5	62.6
Brazil	43.6	54.3	-	-	43.6	54.3
Germany	1.1	1.1	31.9	31.6	33.0	32.7
Other	13.4	13.2	46.0	37.0	59.4	50.2
Eliminations	-	-	-	-	-2.3	-0.2
Total	594.0	688.9	300.0	270.5	891.7	959.2
Distribution per industry						
Automotive	238.3	298.8	88.3	89.2	326.6	388.0
Industry	188.1	214.4	104.4	100.7	292.5	315.1
Life Science	78.8	69.7	6.1	6.8	84.9	76.5
Energy	55.5	67.4	8.3	8.6	63.8	76.0
Telecom	6.6	8.1	70.3	63.1	76.9	71.2
Other	26.7	30.5	22.6	2.1	49.3	32.6
Eliminations	-	-	-	-	-2.3	-0.2
Total	594.0	688.9	300.0	270.5	891.7	959.2

Note 2

ACQUISITIONS

In March, Semcon acquired 100 per cent of the shares in Xtractor Interactive AB, with its registered office in Stockholm, Sweden. Xtractor provides complete digital training solutions to companies within several different industries. The company has approximately 40 employees, with competencies within e-learning and development of LMS [Learning Management System] and LXP [Learning eXperience Platform]. The acquisition of Xtractor further strengthens Semcon's position, enabling it to become one of the largest service providers in Sweden within digital training.

Operating income for the January-June 2020 period amounted to SEK 29.1 million and operating profit to SEK 4.1 million. Operating income for the holding period amounted to SEK 18.9 million and operating profit to SEK 2.4 million. External acquisition-related costs are recognised in operating profit and total SEK 0.2 million. Based on preliminary acquisition analyses, the acquisition has impacted the consolidated balance sheet and cash and cash equivalents according to the table below.

Acquired net assets on the date of acquisition
mSEK

Current assets	28.1
Current liabilities	-24.3
Net assets and liabilities	3.8
Intangible assets, goodwill	51.8
Total purchase price	55.6
Purchase price not paid	-5.0
Less: liquid assets in acquired companies	-7.5
Impact on consolidated cash and cash equivalents	43.1

The analysis of the acquisition of Xtractor found that the purchase price was larger than the carrying amount of net assets, and therefore gave rise to goodwill. In the acquisition of a consultancy firm, the main item acquired consists of human capital in the form of employee expertise, which is why the acquired companies' intangible assets have been assigned to goodwill.

The Board and the president certify that the Interim report provides an accurate picture of the parent company's and Group's activities, position and earnings and describes the significant risks and uncertainties facing the parent company and Group companies.

Göteborg 15 July, 2020

SEMCON AB [PUBL]
Co.reg.no 556539-9549

Markus Granlund
President and CEO

Tore Bertilsson
Chairman of the Board

Carl Backman
Board member

Eva Elmstedt
Board member

Jeanette Reuterskiöld
Board member

Karl Thedéen
Board member

Lars-Ove Jansson
Employee representative

Maria Svedinger Andersson
Employee representative

Mats Sällberg
Employee representative

FINANCIAL CALENDAR



Interim report January-September 2020
Year-end report 2020

October 22, 2020, at 08.00
February 10, 2021, at 08.00

CONTACT INFORMATION

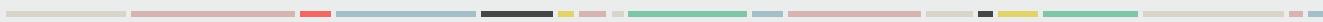


Contact persons

Markus Granlund, CEO Semcon AB, +46 31-721 03 06
Björn Strömberg, CFO Semcon AB, +46 31-721 03 06

Contact information

Semcon AB [publ]
417 80 Göteborg, Sweden
Visiting address:
Lindholmsallén 2
417 80 Göteborg, Sweden
Phone: +46 31-721 00 00
www.semcon.com



Göteborg 15 July, 2020
Semcon AB [publ] Co.reg.no 556539-9549
Markus Granlund, President and CEO

This report has not been reviewed by the company's auditors.

This information is such information as Semcon AB [publ] is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 a.m. CET on 15 July 2020.



Semcon is an international technology company that develops products based on human needs and behaviours. We strengthen our customers' competitiveness by always starting from the end user, because the person who knows most about the user's needs creates the best products and the clearest benefits to humans. Semcon collaborates mainly with companies in the automotive, industry, energy, life science and telecom sectors. With more than 2,000 specialised employees, Semcon has the ability to take care of the entire product development cycle, from strategy and technology development to design and product information. Semcon was founded in Sweden in 1980 and has offices in over 30 locations in eight different countries. In 2019, the Group reported annual sales of SEK 1.9 billion. Read more on semcon.com.

