

Year-end report 2020

GAINING MOMENTUM WITH NEW FINANCIAL OBJECTIVES.

Fourth quarter

- Revenue of SEK 401 million [489] and the organic growth was -17%
- Operating profit amounted to SEK 49 million [49], yielding an operating margin of 12.1% [10.0]
- Profit after tax amounted to SEK 40 million [38]
- Earnings per share [EPS] after dilution amounted to SEK 2.28 [2.18]

January-December

- Revenue of SEK 1,627 million [1,858] and the organic growth was -13%
- Operating profit before restructuring costs amounted to SEK 167 million [150], yielding an adjusted operating margin of 10.3% [8.1]
- Operating profit after restructuring costs of SEK -37 million [-8] amounted to SEK 130 million [142], yielding an operating margin of 8.0% [7.6]
- Profit after tax amounted to SEK 100 million [106]
- Earnings per share [EPS] after dilution amounted to SEK 5.70 [6.04]
- Net cash excluding lease liabilities amounted to SEK 199 million [63]
- The Board of Director's intention is to consider the issue of dividend payments after the end of May

Comment from CEO Markus Granlund



Gaining momentum with new financial objectives

It is gratifying to see how the trend from previous quarters is continuing, with margin improvements and a strong cash flow at the end of the year. Revenue continued to be affected by lower volumes due to the COVID-19 pandemic, but we can see a gradual increase in investment willingness in several sectors. Our adaptability during the year has paid off – during Q4 we achieved an operating profit of SEK 49 million [49], which is in line with a strong year-earlier period and corresponds to a historically high operating margin of 12.1 per cent [10.0].

Despite SEK 37 million [8] in non-recurring costs for restructuring in the second quarter, we reported an operating profit for 2020 of SEK 130 million [142] and an operating margin of 8.0 per cent [7.6] – which means we have now reached all of the financial objectives previously set by the Board. An outstanding achievement by our dedicated employees.

Accelerated strategic shift

The past year has been challenging in many ways, but it also saw some positive progress resulting from e.g. the stronger digital trend. The strength of our digital aftermarket solutions is apparent in the Product Information business area [PI], which grew 8 per cent in 2020. Most of the business area's largest customers reported organic growth during the final quarter of the year, at the same time as productivity was high, there was continued growth in the share of multi-site deliveries and the proportion of long-term managed service contracts reached 75 per cent. The operating margin for PI was 15.4 per cent in 2020, a rise of 6 percentage points compared with 2019.

The Engineering & Digital Services business area [EDS] was negatively affected to a greater extent than PI from COVID-19, but ended the year on a positive note with an operating margin of 12.2 per cent [10.9] for the fourth quarter. Growth was adversely affected by the pandemic, in part through weaker demand from the automotive industry. The restructuring conducted in the second quarter has accelerated the strategic shift through competence renewal and industry diversification. Technology development is a crucial component in creating a sustainable world and investments in innovative technology, such as digitisation, electrification and automation, have continued to increase. Semcon,

with its combination of advanced engineering skills and digital excellence, is in a good position to grow.

Updated objectives with new focus on growth

Since 2015, the Group's operating margin has risen from 3.5 per cent to 8.0 per cent. During the same period, we have strengthened our financial position from a net debt of SEK 78 million [2015] to the current net cash of SEK 199 million. Now that we have been strengthening our profitability and financial position, we are entering a new phase, where we can build on our strong position and increase our focus on growth, both organic and through strategic acquisitions.

The new financial objectives adopted by the Board make this ambition clear. We have added a financial objective for annual growth of at least 10 per cent including acquisitions. We have also raised our operating margin objective from at least 8 per cent [EBIT] to at least 10 per cent [EBITA] and aim to retain a strong financial position with a net debt/EBITDA ratio of no more than approximately 1.5x. Our ambition is also to continue to offer a high dividend yield with a new dividend policy of approximately 50 per cent of profit after tax over time, an increase from the previous long-term objective of at least one third. Our new objectives mark the beginning of the next chapter in our journey – focusing on growth.

We are optimistic about the future

I am proud that we could strengthen profitability in 2020 despite lower volumes, and am optimistic about the future, despite some continued uncertainty over the pandemic. In early 2021, revenue will be adversely impacted from the restructuring in 2020 and one fewer working day compared with the first quarter of 2020. The measures taken are expected to enable continued profitability improvements as of the second quarter.

Government grants for temporary lay-offs have reduced costs during the year, but since end of November we no longer receive these grants. The option to pay dividends has been restricted by the grants and the Board's intention is to consider the issue of dividend after the end of May.

Göteborg, 10 February 2021
Markus Granlund, President and CEO

Income and result

Fourth quarter

Revenue amounted to SEK 401 million [489] and organic growth was -17 per cent. Due to the COVID-19 pandemic, the Group noted a decline in revenue during the quarter, mainly from automotive and industrial customers while revenue from life science customers demonstrated continued positive growth. The quarter included one extra working day compared with last year. Operating profit amounted to SEK 49 million [49], yielding an operating margin of 12.1 per cent [10.0]. Operating profit during the fourth quarter was affected by gains from completed projects amounting to SEK 9 million [3] and a capital loss pertaining to the divestment of operations in India of SEK -2 million [-]. Government grants received due to COVID-19 reduced costs by SEK 6 million [-]. Net financial items amounted to SEK -2 million [-2], yielding profit before tax of SEK 47 million [47]. Tax expense for the quarter amounted to SEK -7 million [-8]. Profit after tax amounted to SEK 40 million [38] and earnings per share after dilution totalled SEK 2.28 [2.18].

January-December

Revenue amounted to SEK 1,627 million [1,858] and organic growth was -13 per cent. The year included one extra working day compared with last year. Operating profit before restructuring costs amounted to SEK 167 million [150], yielding an operating margin of 10.3 per cent [8.1]. A number of measures have been taken to limit the effects of the drop in revenue, which included short-time 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 [-8]. After restructuring costs, operating profit amounted to SEK 130 million [142], yielding an operating margin of 8.0 per cent [7.6]. Operating profit was affected by gains from completed projects amounting to SEK 9 million [3] and a capital loss pertaining to the divestment of operations in India of SEK -2 million [-]. Government grants received due to COVID-19 reduced costs by SEK 41 million [-] for the year. Net financial items amounted to SEK -5 million [-7], yielding profit before tax of SEK 125 million [135]. Tax expense for the year amounted to SEK -25 million [-29]. Profit after tax amounted to SEK 100 million [106] and earnings per share after dilution totalled SEK 5.70 [6.04].

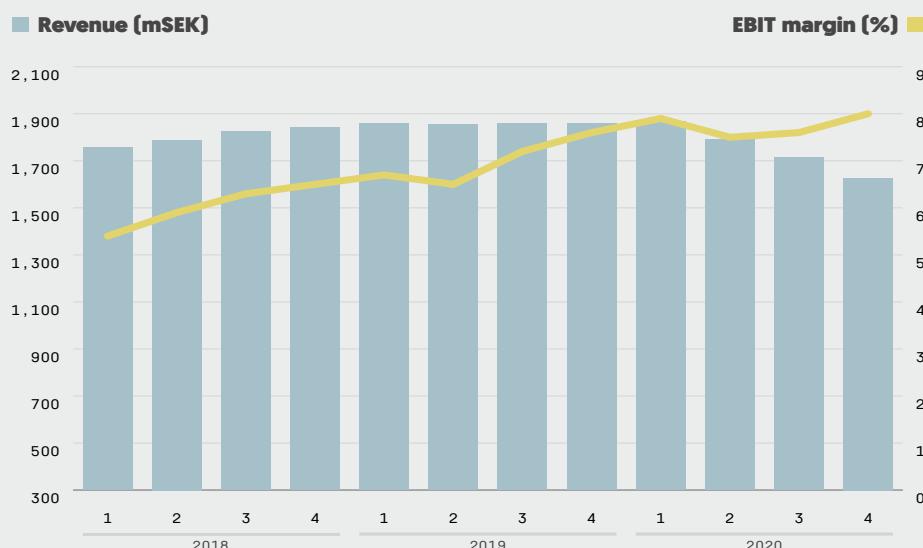
Financial position

Operating cash flow from current activities was SEK 248 million [131]. A decrease in tied-up working capital of SEK 102 million [-32] helped to strengthen cash flow. Investments in hardware, licenses, office supplies and equipment amounted to SEK 7 million [10]. Acquisitions and divestments had a net impact on cash flow of SEK -56 million [-]. The Group's cash and cash equivalents amounted to SEK 199 million [63]. In addition, the Group had non-utilised credit of SEK 250 million [251] as of 31 December. Shareholders' equity amounted to SEK 698 million [620] and the equity/assets ratio was 60 per cent [55]. The Group's net cash amounted to SEK 199 million [63].

Parent company

Revenue for the parent company amounted to SEK 37 million [43] and pertains to compensation for intra-Group services. The profit before tax totalled SEK 36 million [79].

Rolling 12 months, per quarter



New financial objectives

The Semcon board has resolved on new financial objectives:

- Revenue growth including acquisitions of at least 10 per cent / year.
- EBITA margin of at least 10 per cent.

The Board also adopted a new dividend policy and guideline for the net debt/EBITDA ratio.

Read more on page 6.

Important events during 2020

Fourth quarter

- In October, Semcon divested its Indian operations, which were part of the Engineering & Digital Services business area, to ASM Technologies.
- Semcon is conducting a feasibility study for Yilport to investigate how transport flows in the Port of Gävle can be made more efficient by using autonomous vehicles. The aim is to create automated logistics processes, which reduce costs while also improving safety and quality. Yilport is responsible for operating 22 ports worldwide.
- Semcon is technical partner to Norsk Luftambulanse in a project that will save more stroke patients by providing CT scanners outside of hospitals.
- Semcon is developing, partly within the framework of the Group's CSR programme, an app for the Rescue Mission's MatRätt supermarket in Göteborg. The aim is to provide a fairer distribution of groceries in the supermarket, which opened to reduce food waste and offers additional discounts to low-income customers.
- Heidi Östlund has been recruited as new Head of Sustainability. Semcon has a long history of sustainable innovation and its ambition is to push and reinforce the company's position in sustainability even further.

January-September

- 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 is strengthening Semcon's position within digital training.

- 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.
- Semcon 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.
- Xtractor has secured a contract from Stockholms Tekniska Institut to deliver and maintain a modern and flexible learning environment using the Totara Learn platform.
- Semcon has deepened its collaboration with the fuel cell manufacturer PowerCell. Both through a new framework agreement and by deve-

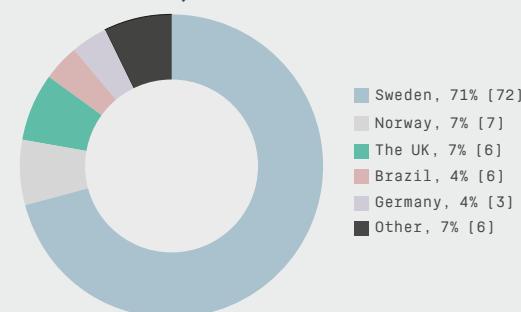
Revenue growth		
	Jan-Dec	
	2020	2019
Acquisition and divestment	2.2	-0.2%
Currency effects	-1.9	0.6%
Organic growth	-12.7	0.5%
Total	-12.4	0.9%

No. of working days in Sweden				
	2019	2020	2021	2022
Q1	63	63	62	63
Q2	58	58	59	59
Q3	66	66	66	66
Q4	62	63	64	64
Total	249	250	251	252

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

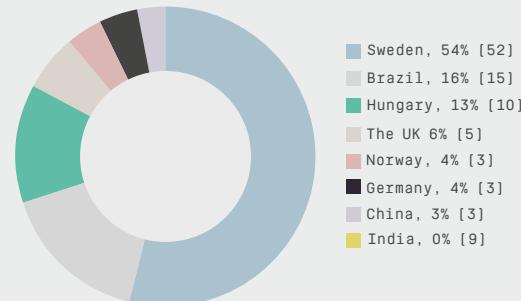
Group revenue per market

Jan-Dec, 2020



Employees per country

31 Dec, 2020



loping a new robotic cell with the use of vision technology, which will streamline the production of fuel cells for the vehicles of the future.

- Semcon has been trusted by Lynk & Co to develop all digital technical training for the European workshop network in its preparation for the European launch of the O1 car model.
- Semcon has signed a product development agreement with the Norwegian technology company ELOP. The collaboration will result in a concrete scanner for critical infrastructure, ready for commercial sales later this year.

Employees

The number of employees on Dec. 31 was 1,821 [2,262] and the number of employees in active service was 1,746 [2,182]. In the respective business areas the head count is as follows: Engineering & Digital Services 1,039 [1,528] and Product Information 782 [734]. The reduction in Engineering & Digital Services during the year was primarily attributable to the restructuring that took place in the second quarter and the divestment of Indian operations in the fourth quarter.

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, with operations in Stockholm. The company has approx. 40 employees with revenues of about SEK 50 million. For further information, see Note 2. In October, the Indian operations, which were part of the Engineering & Digital Services business area, were divested to ASM Technologies. For the

Key figures

	Jan-Dec	
	2020	2019
Revenue growth [%]	-12.4	0.9
Organic revenue growth [%]	-12.7	0.5
EBITDA margin [%]	11.2	10.5
EBITA margin [%]	8.2	7.8
Operating margin [EBIT] [%]	8.0	7.6
Profit margin [%]	7.7	7.3
Return on shareholders' equity [%]	15.2	18.1
Return on capital employed [%]	15.9	19.4
Equity/assets ratio [%]	59.9	55.2
Number of employees at the end of the year	1,821	2,262

Key figures for the Semcon share

	Jan-Dec	
	2020	2019
Earnings per share before dilution [SEK]	5.75	6.11
Earnings per share after dilution [SEK]	5.70	6.04
Shareholders' equity per share before dilution [SEK]	40.15	35.72
Shareholders' equity per share after dilution [SEK]	38.53	34.24
Share price/Shareholders' equity per share [times]	2.05	2.02
Cash flow per share [SEK]	13.69	7.22
P/E ratio	14	11
P/S ratio	0.88	0.67
Share price at the end of the year [SEK]	79.00	69.20
Market cap at the end of the year [mSEK]	1,431	1,253
Number of shares at the end of the year with the quotient value of SEK 1 [000]	18,113	18,113
Number of own shares at the end of the year [000]	731	754
Average number of shares [000]	18,113	18,113

January-September 2020 period, Indian operations contributed revenue of SEK 17 million to the Group. Approximately SEK 2 million in costs were charged to operating profit during the fourth quarter due to the divestment, though it is not expected to have a material impact on future operating profit.

Risks and uncertainties

The Group and parent company's significant risks and uncertainties 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.

Events after the end of the period

Change in financial objectives

After the end of the year, the Board has resolved on new financial objectives for Semcon:

- Revenue growth including acquisitions of at least 10 per cent per year.
- EBITA margin of at least 10 per cent.

In addition, the Board adopted a new dividend policy and guideline for financial position:

- Approximately half of profit after tax over time is to be distributed to shareholders.
- Based on the premise of a strong balance sheet and financial flexibility, the net debt/EBITDA ratio should not exceed approximately 1.5x.

Changes to Board and Group management

As announced in a press release on 18 January, Semcon's Chairman of the Board Tore Bertilsson has declined re-election at the 2021 Annual General Meeting. The Nomination Committee has begun work to find a replacement.

On 22 January, it was also announced that Semcon's President and CEO Markus Granlund will assume responsibility for the Engineering & Digital Services business area after Daniel Rundgren, who is to focus on growth and acquisitions in EDS.

Nomination committee

It was decided at Semcon's 2020 AGM that the Chairman of the Board should convene a Nomina-

tion Committee, consisting of one representative from each of the three largest shareholders in the company in terms of voting rights according to the shareholder's register on 31 August 2020. The Nomination Committee will, until the next AGM, consist of: Karin Dennford, JCE Group Aktiebolag, Mats Andersson, Nordea Investment Funds, Johan Hagberg and Tore Bertilsson, Chairman of Semcon AB [co-opted member].

Annual General Meeting

Semcon's AGM for 2021 will be held at 3:00 p.m. [CET] on Thursday, 29 April 2021 at Semcon's head office in Göteborg. The record day is Wednesday, 21 April. The interim report for January- March 2021 will be published on Thursday, 29 April.

Share dividend

The Board's intention is to consider the issue of dividend payments after the end of May. The company received government grants relating to short-time working until November 2020 and therefore cannot approve any share dividends for six months following this grant period. No share dividend was paid in 2020 as a precautionary measure in response to the substantial uncertainty that existed over the development of COVID-19.

Annual report

Semcon's 2020 Annual Report in English is expected to be available on Semcon's website in April. Shareholders who wish to receive a printed version of the Annual Report is welcome to order a copy on Semcon's website: semcon.com, by phone on +46 [0]31 721 00 00 or by e-mail from ir@semcon.se. The Annual Report will also be available from Semcon's head office, Lindholmsallén 2, Göteborg.

Ownership structure

As of December 31, JCE Group owned 25.9% [25.9] of Semcon's shares, Nordea Investment Funds 11.7% [10.2], Northern Trust Company RE 7.7 [3.2], BNY Mellon 4.5% [4.7] and Avanza Pension 3.5% [3.8]. Foreign ownership was 42.5% [39.4] and the number of shareholders was 4,890 [5,310]. 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 730,658 [754,416] of the company's shares on December 31. Semcon is listed on Nasdaq Stockholm, small cap under the SEMC ticker. For more information about Semcon's ownership structure and share price development visit www.semcon.com.

BUSINESS AREAS

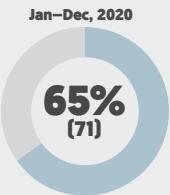
Engineering & Digital Services

The business area's revenue amounted to SEK 1,052 million [1,327] and organic growth was -18 per cent. Due to the COVID-19 pandemic, growth was negatively impacted by lower revenue, mainly from automotive and industrial customers, while revenue from life science customers demonstrated continued positive growth. Operating profit amounted to SEK 56 million [107], yielding an operating margin of 5.3 per cent [8.1]. Restructuring costs were charged to earnings for the second quarter in

the amount of SEK -35 million [-7]. Profit during the fourth quarter was affected by gains from completed projects amounting to SEK 9 million [3] and a capital loss pertaining to the divestment of operations in India of SEK -2 million [-]. Government grants received, mainly pertaining to short-time working, reduced costs by SEK 26 million [-], of which SEK 4 million [-] during the fourth quarter. Work is continuing with full focus on industry diversification and growth in prioritised areas.

	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Revenue, mSEK	250.6	350.2	1,051.7	1,326.5
Operating profit, mSEK	30.6	38.1	55.9	107.3
Operating margin, %	12.2	10.9	5.3	8.1
No. of employees	1,039	1,528	1,039	1,528

Share of Semcon's total revenue



About Engineering & Digital Services

The business area's close to 1,050 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 and Brazil. Business activities mainly focus on the automotive, industry, energy and life science sectors. Customers include ABB, AB Volvo, Alstom, AstraZeneca, Autoliv, Bombardier, CEVT, Geely, Fortum, Getinge, Husqvarna, MAN, Metso, Powercell, Rolls-Royce Marine, Saab, Scania, Siemens, Swedish Transport Administration (Trafikverket), Vattenfall and Volvo Cars.

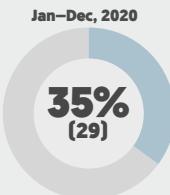
Product Information

The business area's revenue amounted to SEK 579 million [536] and organic growth was 2 per cent. Growth was favourable in Sweden and the UK, but slowed slightly after the first quarter as revenue, 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 revenue in the UK and other markets. Operating profit amounted to SEK 89 million [50], yielding an operating margin of 15.4 per cent [9.4]. Productivity in a number of major projects was at

a high level, which had a positive impact on profitability. The acquisition of Xtractor and lower costs also contributed to the improvement in earnings. Earnings for the second quarter were charged with restructuring costs in the amount of SEK -2 million [-]. Government grants received reduced costs by SEK 12 million, of which SEK 1 million during the fourth quarter. Part of the business area's strategy is focused on a high proportion of Managed Service contracts and a high level of resource efficiency through deliveries involving networking teams from several countries.

	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Revenue, mSEK	151.3	141.2	578.5	535.8
Operating profit, mSEK	22.5	14.9	88.8	50.4
Operating margin, %	14.9	10.6	15.4	9.4
No. of employees	782	734	782	734

Share of Semcon's total revenue



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 life science. These include ABB, AGCO, Baxter, Bombardier, Lynk & Co, ESAB, Jaguar Land Rover, Saab, Siemens, London Electric Vehicle Company, Logisnext and Volvo Cars.

Consolidated FINANCIAL, SUMMARY

Income statements

mSEK	Note	Oct-Dec		Jan-Dec	
		2020	2019	2020	2019
Revenue	1	400.8	488.8	1,627.0	1,858.2
Purchase of goods and services		-65.2	-91.3	-265.1	-336.6
Other external operating expenses		-21.8	-25.6	-93.2	-99.7
Staff costs		-252.4	-310.3	-1,087.2	-1,227.3
Operating profit before depreciation/amortisation		61.4	61.6	181.5	194.6
Amortisation of intangible assets		-0.9	-0.8	-3.3	-3.1
Depreciation of tangible fixed assets		-2.2	-2.4	-9.1	-9.2
Depreciation of right-of-use assets		-9.7	-9.4	-39.1	-40.5
Operating profit		48.6	49.0	130.0	141.8
Net financial items		-1.6	-2.3	-5.2	-6.8
Profit before tax		47.0	46.7	124.8	135.0
Tax		-7.1	-8.4	-25.0	-28.7
Profit after tax		39.9	38.3	99.8	106.3
Profit attributable to:					
Parent company's shareholders		39.9	38.3	99.8	106.3
Earnings per share before dilution [SEK]		2.30	2.20	5.75	6.11
Earnings per share after dilution [SEK]		2.28	2.18	5.70	6.04
No. of working days in period		63	62	250	249

Statement of comprehensive income

mSEK		Oct-Dec		Jan-Dec	
		2020	2019	2020	2019
Profit after tax		39.9	38.3	99.8	106.3
Items that can be reclassified as profit or loss					
Translation differences for the period		-4.0	-2.1	-23.2	2.4
Total		-4.0	-2.1	-23.2	2.4
Total other comprehensive income		35.9	36.2	76.6	108.7
Total comprehensive income for the period		35.9	36.2	76.6	108.7

Balance sheets

	Dec 31	
	2020	2019
Assets		
Intangible assets, goodwill	367.3	317.1
Other intangible assets	8.0	10.2
Tangible fixed assets	23.6	30.1
Right-of-use assets	115.5	148.6
Financial assets	10.2	5.6
Accounts receivable	273.9	372.7
Accrued non-invoiced income	124.1	145.5
Other current assets	42.4	30.3
Cash and cash equivalents	199.1	63.0
Total assets	1,164.1	1,123.1
Shareholders' equity and liabilities		
Shareholders' equity	697.8	620.1
Non-current lease liabilities	82.8	109.1
Deferred tax liabilities	51.0	48.2
Accounts payable	49.0	55.7
Current lease liabilities	31.8	36.8
Non-accrued invoiced income	24.2	16.5
Other non interest-bearing current liabilities	227.5	236.7
Total shareholders' equity and liabilities	1,164.1	1,123.1

Change in shareholders' equity

	Dec 31	
	2020	2019
mSEK		
Shareholders' equity at the start of the year	620.1	566.9
Total comprehensive income	76.6	108.7
Acquisition of own shares	-	-4.7
Share-based remuneration	1.1	1.5
Shareholder dividend	-	-52.3
Shareholders' equity at the end of the year	697.8	620.1

Capital employed

	Dec 31	
	2020	2019
mSEK		
Total assets	1,164.1	1,123.1
Deferred tax liabilities	-51.0	-48.2
Accounts payable	-49.0	-55.7
Other non interest-bearing liabilities	-251.7	-253.2
Total capital employed	812.4	766.0
Average capital employed	783.3	699.1

Cash flow statements

mSEK	Note	Oct-Dec		Jan-Dec	
		2020	2019	2020	2019
Cash flow from current activities					
before change in working capital		49.4	65.2	146.0	162.9
Change in working capital		-14.8	-60.5	101.9	-32.1
Cash flow from current activities		34.6	4.7	247.9	130.8
Investments		-1.9	-3.7	-6.8	-9.6
Acquisition of subsidiaries	2	-	-	-48.1	-
Investment in associated companies		-11.3	-	-11.3	-
Divestment of subsidiaries		3.1	-	3.1	-
Divestment of fixed assets		-0.1	0.1	0.2	0.1
Cash flow from investment activities		-10.2	-3.6	-62.9	-9.5
Repayment of lease liabilities		-9.2	-10.5	-37.3	-44.0
Acquisition of own shares		-	-	-	-4.7
Shareholder dividend		-	-	-	-52.3
Cash flow from financing activities		-9.2	-10.5	-37.3	-101.0
Cash flow for the period		15.2	-9.4	147.7	20.3
Cash and cash equivalents at the start of the period		186.0	71.6	63.0	43.5
Translation differences		-2.1	0.8	-11.6	-0.8
Cash and cash equivalents at the end of the period		199.1	63.0	199.1	63.0

Change in net cash

mSEK		Oct-Dec		Jan-Dec	
		2020	2019	2020	2019
Opening balance		186.0	71.6	63.0	43.5
Cash flow from current activities		34.6	4.7	247.9	130.8
Net investments		-2.0	-3.6	-6.6	-9.5
Acquisition of subsidiaries		-	-	-48.1	-
Investment in associated companies		-11.3	-	-11.3	-
Divestment of subsidiaries		3.1	-	3.1	-
Shareholder dividend		-	-	-	-52.3
Repayment of lease liabilities		-9.2	-10.5	-37.3	-44.0
Acquisition of own shares		-	-	-	-4.7
Translation differences		-2.1	0.8	-11.6	-0.8
Closing balance		199.1	63.0	199.1	63.0

Quarterly information by Business Area

	2018				2019				2020							
	Q1	Q2	Q3	Q4	2018	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2020	
Revenue [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	207.1	250.6	1,051.7	
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	127.2	151.3	578.5	
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	0.2	-1.1	-3.2	
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	334.5	400.8	1,627.0	
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	10.0	30.6	55.9	
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	19.5	22.5	88.8	
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	-1.1	-4.5	-14.7	
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	28.4	48.6	130.0	
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	4.8	12.2	5.3	
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	15.3	14.9	15.4	
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	8.5	12.1	8.0	
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	1,253	1,039	1,039	
Product Information	637	668	695	705	705	722	728	737	734	734	778	764	763	782	782	
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	2,016	1,821	1,821	
Number of working days	63	59	65	62	249	63	58	66	62	249	63	58	66	63	250	

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.

EBITA margin

Operating profit before amortisation as a percentage of revenue.

EBITDA margin

Operating profit before depreciation and amortisation as a percentage of revenue.

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 revenue adjusted for currency effects, acquisitions and divestments.

Operating margin [EBIT]

Operating profit as a percentage of revenue.

Profit margin

Profit before tax as a percentage of revenue.

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.

Parent company

FINANCIAL, SUMMARY

Income statements

mSEK	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Revenue	8.5	11.1	37.4	43.1
Other external operating expenses	-2.3	-2.9	-10.8	-11.7
Staff costs	-9.4	-8.5	-32.1	-36.3
Operating loss	-3.2	-0.3	-5.5	-4.9
Net financial items*	-0.2	-0.5	41.7	31.4
Profit after net financial items	-3.4	-0.8	36.2	26.5
Appropriations**	-0.2	52.3	-0.2	52.3
Profit before tax	-3.6	51.5	36.0	78.8
Tax	-	-12.2	0.5	-11.8
Profit for the period	-3.6	39.3	36.5	67.0
* of which translation differences	-0.1	-0.7	-1.5	1.0
of which dividend	-	-	42.0	29.0
** of which group contribution paid	-0.2	-	-0.2	-
of which group contribution received	-	70.4	-	70.4

Statements of comprehensive income

mSEK	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Profit for the period	-3.6	39.3	36.5	67.0
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-3.6	39.3	36.5	67.0

Balance sheets

mSEK	31 Dec	
	2020	2019
Assets		
Financial fixed assets	235.5	234.1
Current assets	157.2	222.5
Cash and cash equivalents	153.4	24.6
Total assets	546.1	481.2
Shareholders' equity and liabilities		
Shareholders' equity	387.1	350.6
Untaxed reserves	56.6	56.6
Non interest-bearing current liabilities	102.4	74.0
Total shareholders' equity and liabilities	546.1	481.2

Note 1

DISTRIBUTION OF REVENUE

mSEK	Engineering & Digital Services		Product Information		Group	
Oct-Dec	2020	2019	2020	2019	2020	2019
Distribution per country						
Sweden	197.7	272.2	95.7	86.7	293.4	358.9
Norway	32.1	32.7	0.3	-	32.4	32.7
UK	4.1	10.5	17.3	18.7	21.4	29.2
Brazil	13.4	30.6	-	-	13.4	30.6
Germany	0.6	0.8	14.0	12.8	14.6	13.6
Other	2.7	3.4	24.0	23.0	26.7	26.4
Eliminations	-	-	-	-	-1.1	-2.6
Total	250.6	350.2	151.3	141.2	400.8	488.8

mSEK	Engineering & Digital Services		Product Information		Group	
Oct-Dec	2020	2019	2020	2019	2020	2019
Distribution per industry						
Automotive	86.4	147.8	38.3	42.3	124.7	190.1
Industry	72.5	107.7	51.0	55.1	123.5	162.8
Life Science	48.6	45.9	4.7	4.0	53.3	49.9
Telecom	1.9	6.3	35.3	33.3	37.2	39.6
Energy	27.8	30.6	3.6	5.5	31.4	36.1
Other	13.4	11.9	18.4	1.0	31.8	12.9
Eliminations	-	-	-	-	-1.1	-2.6
Total	250.6	350.2	151.3	141.2	400.8	488.8

mSEK	Engineering & Digital Services		Product Information		Group	
Jan-Dec	2020	2019	2020	2019	2020	2019
Distribution per country						
Sweden	803.6	1,010.2	351.6	322.2	1,155.2	1,332.4
Norway	119.3	126.1	0.5	0.2	119.8	126.3
UK	32.3	42.1	73.6	73.4	105.9	115.5
Brazil	72.8	117.5	-	-	72.8	117.5
Germany	2.4	2.2	59.3	60.3	61.7	62.5
Other	21.3	28.4	93.5	79.7	114.8	108.1
Eliminations	-	-	-	-	-3.2	-4.1
Total	1,051.7	1,326.5	578.5	535.8	1,627.0	1,858.2
Distribution per industry						
Automotive	404.9	575.7	158.6	171.7	563.5	747.4
Industry	319.2	409.9	198.5	201.1	517.7	611.0
Life Science	163.9	145.2	13.7	13.6	177.6	158.8
Telecom	9.9	15.5	140.5	126.7	150.4	142.2
Energy	105.2	122.4	14.9	17.8	120.1	140.2
Other	48.6	57.8	52.3	4.9	100.9	62.7
Eliminations	-	-	-	-	-3.2	-4.1
Total	1,051.7	1,326.5	578.5	535.8	1,627.0	1,858.2

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.

Revenue for the January–December 2020 period amounted to SEK 55.0 million and operating profit to SEK 7.2 million. Revenue for the holding period amounted to SEK 44.8 million and operating profit to SEK 5.5 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
Less: liquid assets in acquired companies	-7.5
Impact on consolidated cash and cash equivalents	48.1

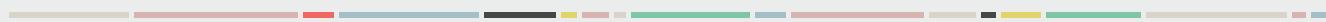
The analysis of the acquisition of Xtractor found that the purchase price was larger than the carrying amount of net assets, and therefore gave rise to goodwill. In the acquisition of a consultancy firm, the main item acquired consists of human capital in the form of employee expertise, which is why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

SEMCON'S MISSION



To turn technology into excellent user experiences.

FINANCIAL CALENDAR



Interim report January-March 2021

29 April 2021, at 08.00

Annual General Meeting 2021

29 April, 2021

Interim report January-June 2021

16 July 2021, at 08.00

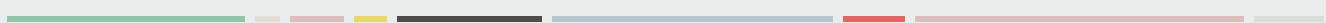
Interim report January-September 2021

19 October 2021, at 08.00

Year-end report 2021

9 February 2022, at 08.00

CONTACT INFORMATION



Contact persons

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

Contact information

Semcon AB [publ]

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

417 80 Göteborg, Sweden

Göteborg 10 February, 2021

Semcon AB [publ] Co.reg.no 556539-9549

Markus Granlund, President and CEO

Visiting address:

Lindholmsallén 2

417 80 Göteborg, Sweden

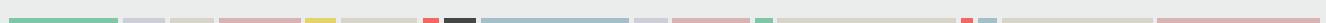
Phone: +46 31-721 00 00

www.semcon.com

This report has not been subject to a review by the company's auditors.

This is a translation of the Swedish original of the Year-end report 2020. In the event of inconsistency or discrepancy, the Swedish version shall prevail.

This information is such information as Semcon AB [publ] is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 a.m. CET on 10 February 2021.



Semcon is an international technology company. We turn technology into excellent user experiences by combining digital edge and engineering expertise. With diverse multi-disciplinary teams we add new perspectives creating sustainable and competitive businesses. Regardless if you aim to recharge a current product or service, reinvent new technology or reimagine future needs, our focus is always on human needs and behaviour in order to develop solutions with the clearest benefits to people and our planet. By combining our 40 years of advanced engineering, strategic innovation, digital services and product information solutions, we drive transformation in a wide range of industries with more than 1,800 dedicated employees based in seven different countries. Read more on semcon.com.

