

Interim report January-March 2022

CONTINUED STRONG GROWTH AND PROFITABILITY.

First quarter

- **Net sales** of SEK 495 million [418], up 18.2%
- **Operating profit** excluding non-recurring costs related to the separation project amounted to SEK 65 million [46], yielding an adjusted operating margin of 13.2% [11.0]
- **Operating profit** amounted to SEK 62 million [46], yielding an operating margin of 12.6% [11.0]
- **Profit after tax** amounted to SEK 47 million [34]
- **Earnings per share (EPS) after dilution** amounted to 2.65 kr [1.96]
- **Net cash** excluding lease liabilities amounted to SEK 235 million [259]



**Comment from CEO
Markus Granlund**

CONTINUED STRONG GROWTH AND PROFITABILITY.

Digitalisation and the green transition facing companies in all industries are supporting high demand for Semcon's specialist services in innovative and sustainable product and production development as well as digital aftersales solutions. Growth was strong in the quarter, driven by high demand and acquisitions, at the same time as a highly favourable profitability trend was reported. We welcomed even more new colleagues and further strengthened our position in sustainability through the acquisition of Goodpoint. The separation project is proceeding as planned and in parallel, preparations for a possible listing of Product Information are ongoing.

Sustained high demand

During the first quarter, the Group reported sales of SEK 495 million [418], corresponding to total sales growth of 18.2 per cent. Organic growth amounted to 4.4 per cent. I can see that the willingness to invest in research and development remains high in all industries. For the rolling twelve month [RTM] period, sales growth was 15 per cent, which is well in line with our financial objective.

Adjusted operating profit amounted to SEK 65 million [46], yielding a margin of 13.2 per cent [11.0]. The internal separation to split Semcon's business areas into two stand-alone companies is well under way and operating profit was SEK 62 million and margin 12.6 per cent, including non-recurring costs for the project. The Group's RTM adjusted operating margin was 10.9 per cent,

up 0.7 percentage points on the full year 2021. I am pleased that the positive trend from 2021 has continued and view this as additional confirmation that our strategic shift in terms of our offering and industry diversification has positioned us well.

Strong development during the quarter, with sales growth of 18 per cent and an operating margin of 13 per cent.

Top class sustainability offering

During the quarter, we completed a long-awaited and exciting acquisition when we welcomed Goodpoint into the Semcon family. Goodpoint is one of Sweden's leading consulting companies in sustainability and has broad expertise in the entire area, from social sustainability to climate and the environment. Through a combination of expertise in sustainability and innovative technology, we cover the entire lifecycle for sustainable product and production development and I look forward to expanding our cooperation as we move forward. Together, we will become an even stronger partner for companies that must future-ready their operations.

We have now completed four acquisitions in less than 12 months, and these businesses make a total contribution to the Group's annual sales of approximately SEK 200 million. All of these contribute new competences that strengthen our ex-

expertise in strategically prioritised areas, such as sustainability, digital services and learning. Integration work linked to the acquisitions of Squeed, Tedsys and Walkgrove is progressing as planned and we are creating new business opportunities through positive collaborations. Net cash at the end of the quarter was SEK 235 million, a strong financial position that provides scope for further strategic acquisitions.

Strong growth and earnings improvement

The Engineering & Digital Services (EDS) business area grew by 25.1 per cent during the first quarter, of which 6.6 per cent was organic growth. Demand was high from customers in all industries. We deliver many exciting development projects to our customers. These include a new strategic collaboration with Thule, where our cross-functional team is supporting its product development. Operating margin for the business area was 13.4 per cent [10.0], remaining at a record level, driven by healthy demand and a high level of productivity in operations. Completed acquisitions also made a positive contribution to sales and earnings. The labour market continued to be mobile for engineers and system developers, but we receive many applicants for our job vacancies and maintain a high level of new recruitments.

Stronger sustainability offering through the acquisition of Goodpoint.

Retained high operating margin

The Product Information business area reported total growth of 7.7 per cent for the quarter, with a positive contribution from the acquisition of Walkgrove and from currency effects. Organic growth amounted to 1.7 per cent. There was strong demand for digital product information and learning, yielding healthy growth, particularly in Sweden. Growth was slowed due to the high level of mobility in the labour market, with the clearest impact in Germany and China. During the quarter we signed a new and interesting agreement with the global train manufacturer Talgo, whereby we are supporting the company with digital maintenance documentation for its high-speed trains. Operating margin was 16.2 per cent [16.6], remaining at a very high level. Growth, high productivity in deliveries and a lower cost level, partly due to remote working, continues to drive healthy profitability.

One step closer to separate listing

The internal separation is proceeding as planned and we expect to have crucial parts, such as two independent IT environments and finance func-

tions, in place at the end of the second quarter. Alongside of this, work is ongoing to prepare for a possible listing of the Product Information business area. As previously announced, the intention is to propose a distribution and listing in the fourth quarter of 2022.

Moving forward

Currently, I can see that demand remains at the same high level and we have not noted any slow-down to date relating to the effects of Russia's deeply tragic invasion of Ukraine. Semcon has no sales to or employees in the countries in question. Many companies must still, and some even more than ever before, future-proof their operations and prioritise investments in research and development.

As we communicated in December, volumes will decrease to an automotive customer in Product Information's operations in the UK from the second quarter. We have been able to retain most of the employees affected by the lower volumes by increasing volumes to existing customers and through additional assignments. Sales in the UK are therefore expected to decline slightly less than previously announced.

Non-recurring costs for the separation and listing project are expected to rise in the future and from the second quarter additional costs will also gradually be incurred for double IT environments and new and expanded functions to support the new Group.

Global uncertainty has increased, but in total, I remain optimistic about the market, see good momentum in the business and a high level of energy in the organisation. I am proud of our successful strategic shift in recent years, which resulted in another record quarter with strong growth and profitability.

Göteborg, 29 April 2022

Markus Granlund,
President and CEO

GROUP FINANCIAL DEVELOPMENT

Net sales and result

Net sales amounted to SEK 495 million [418], corresponding to growth of 18.2 per cent. Organic growth amounted to 4.4 per cent. Total growth in the Engineering & Digital Services business area was 25.1 per cent and in the Product Information business area 7.7 per cent. Sales to public sector demonstrated continued highly favourable growth and sales to the telecom sector also displayed healthy growth. The quarter included one extra working day compared with last year.

Operating profit, before non-recurring costs for the separation of the Product Information business area, amounted to SEK 65 million [46], yielding an adjusted operating margin of 13.2 per cent [11.0]. After costs for the separation of SEK -3 million [-], operating profit amounted to SEK 62 million [46], yielding an operating margin of 12.6 per cent [11.0]. The Engineering & Digital Services business area increased its operating margin to 13.4 per cent [10.0] and the Product Information business area reported a continued high operating margin of 16.2 per cent [16.6].

Net financial items amounted to SEK -1 million [-1], yielding profit before tax of SEK 61 million [45]. Income tax for the quarter amounted to SEK -14 million [-10]. Profit after tax amounted to SEK 47 million [34] and earnings per share after dilution totalled SEK 2.65 [1.96].

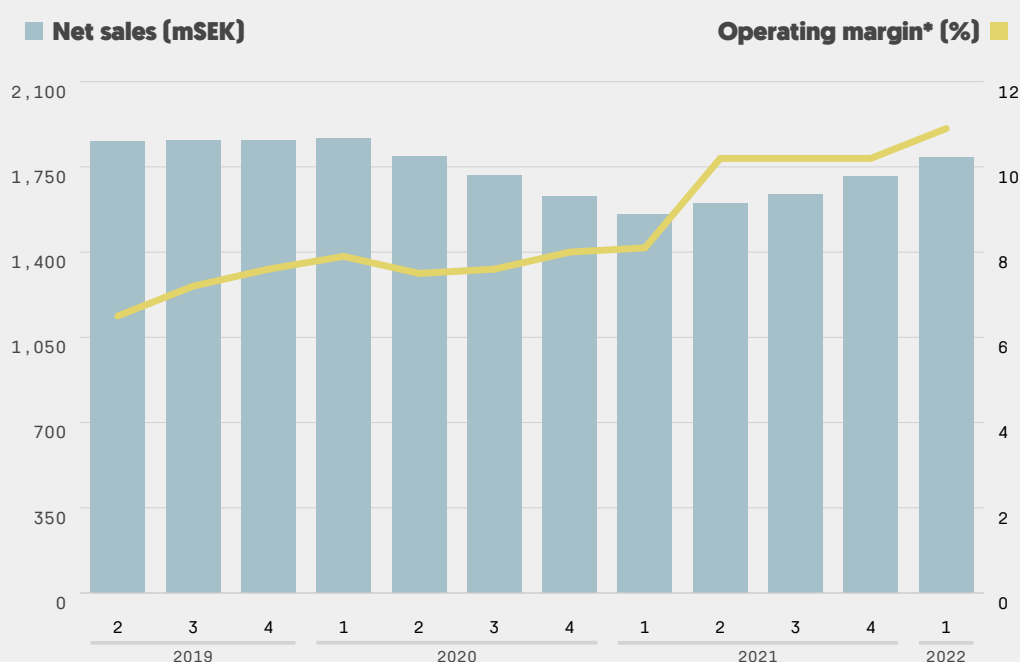
Financial position

Cash flow from current activities was SEK 44 million [69]. Investments in hardware, licenses, office supplies and equipment amounted to SEK 4 million [2]. The Group's cash and cash equivalents amounted to SEK 265 million [259]. In addition, the Group had unutilised credit of SEK 250 million [250] as of 31 March. Shareholders' equity amounted to SEK 855 million [737] and the equity/assets ratio was 61 per cent [60]. The Group's net cash, excluding lease liabilities, amounted to SEK 235 million [259].

Important events during the quarter

- Semcon acquired one of Sweden's leading consulting companies in sustainability, Goodpoint, and strengthened its existing expertise in areas such as the circular economy, life cycle analyses and climate calculations. The acquisition also provides expertise in areas such as sustainability-related legislation, human rights and sustainability reporting.
- Semcon has published its Annual and Sustainability Report 2021, which for the first time has been prepared in accordance with GRI and TCFD standards. The report also constitutes Semcon's Communication on Progress [CoP] according to the UN Global Compact's reporting principles.

Rolling 12 months, per quarter



* From Q1 2022, operating margin refers to the margin excl. non-recurring items for the separation project.

- Semcon is supporting an automation project for large-scale production of green hydrogen.
- Semcon signed a new framework agreement for automation solutions in life science.
- Semcon signed an agreement with a global train manufacturer for digital maintenance documentation of its high-speed trains.

For more detailed information about the above events and other projects, visit www.semcon.com.

Employees

The number of employees on 31 March was 2,072 [1,898] and the number of employees in active service was 1,968 [1,827]. In the respective business areas the head count is as follows: Engineering & Digital Services 1,269 [1,108] and Product Information 803 [790]. In response to rising demand in the market, we have increased the pace of recruitment and accelerated growth through acquisitions. The number of employees is concurrently influenced by greater mobility in such sectors as software development and life science.

Acquisitions

At the turn of the quarter, the Engineering & Digital Services business area acquired the Swedish sustainability consulting company Goodpoint. Through the combination of sustainability expertise and innovative technology, Semcon and Goodpoint cover the entire life cycle for sustainable product and production development. For further information about the acquisi-

tion, see Note 2.

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 2022 have had no material effect on the Group's accounts during the year. In general, the same accounting policies and methods of calculation have been used in this interim report as in the latest Annual Report.

Risks and uncertainties

The Group and parent company's significant risks and uncertainties include IT-related risks and business risks in the form of high exposure towards a single industry or customer. A pandemic, increased geopolitical concerns or disruptions to financial markets are events that may lead to an economic downturn, which could 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 2021, pages 52-54 and 71-73, include a detailed description of the Group and Parent Company's risk exposure and risk management.

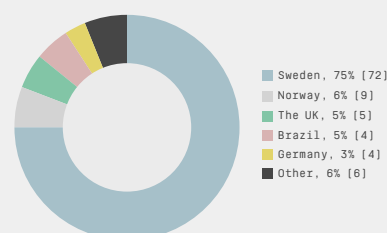
Parent company

Net sales for the Parent Company amounted to SEK 9 million [9] and relate to payment for intra-Group services. Profit/loss before tax amounted to SEK -2 million [-2].

Total sales growth (%)

	Jan-Mar 2022	Jan-Dec 2021
Acquisition and divestment	10.9	5.6
Currency effects	2.9	-2.3
Organic growth	4.4	1.9
Total	18.2	5.2

Net sales per market Jan-Mar 2022

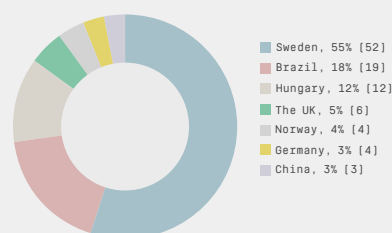


No. of working days in Sweden

	2020	2021	2022	2023
Q1	63	62	63	64
Q2	58	59	59	58
Q3	66	66	66	63
Q4	63	64	64	63
Total	250	251	252	250

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

Employees per country 31 Mar, 2022



Transactions with related parties

There were no material transactions with related parties during the quarter.

Ownership structure

As of 31 March, Semcon had 5,918 shareholders [4,930], of whom 54.9 per cent [56.2] were registered in Sweden and 45.1 per cent [43.8] were registered abroad. The most recent list of the ten largest shareholders is available on www.semcon.com. 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 502,005 [698,772] of the company's shares on December 31. The change in holding is attributable to the allocation of shares within the framework of the Performance-based share savings schemes 2017 and 2018 and part-payment of acquisitions using own shares. For more information about these schemes and acquisitions in 2021, see note 9 and 26 in Semcon's 2021 Annual and Sustainability Report and for more information about the acquisition of Goodpoint, see note 2 in this report.

Events after the end of the period

No significant events occurred after the end of the period.

Key figures

	Jan-Mar 2022	2021	Jan-Dec 2021
Total sales growth [%]	18.2	-14.8	5.2
Organic sales growth [%]	4.4	-12.4	1.9
EBITDA margin [%]	15.0	13.8	13.0
EBITA margin [%]	12.7	11.2	10.4
Operating margin [%]	12.6	11.0	10.2
Profit margin [%]	12.3	10.7	10.0
Return on shareholders' equity [%]	18.6	14.2	17.7
Return on operating capital [%]	29.0	20.1	27.3
Return on capital employed [%]	20.9	15.8	20.2
Equity/assets ratio [%]	60.7	59.9	58.8
Number of employees at the end of the period	2,072	1,898	2,045

Key figures for the Semcon share

	Jan-Mar 2022	2021	Jan-Dec 2021
Earnings per share before dilution [SEK]	2.67	1.98	7.60
Earnings per share after dilution [SEK]	2.65	1.96	7.57
Shareholders' equity per share before dilution [SEK]	48.75	42.33	45.41
Shareholders' equity per share after dilution [SEK]	47.20	40.70	43.98
Share price/Shareholders' equity per share [times]	2.48	2.45	2.88
Cash flow per share [SEK]	2.43	3.80	12.20
Share price at the end of the period [SEK]	117.00	99.90	126.80
Market cap at the end of the period [mSEK]	2,119	1,809	2,297
Number of shares at the end of the period with the quotient value of SEK 1 [000]	18,113	18,113	18,113
Number of own shares at the end of the period [000]	502	699	573
Average number of shares [000]	18,113	18,133	18,113

Financial objectives

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

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

- 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.

BUSINESS AREAS.

Engineering & Digital Services

- High demand in sustainability and digitalisation
- The acquisition of Goodpoint strengthens Semcon's sustainability offering
- Positive margin trend continues

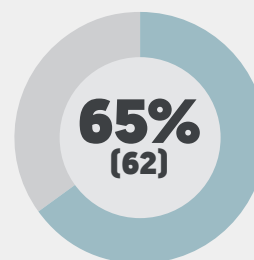
Financial development

	Jan-Mar	Jan-Dec
	2022	2021
Net sales [mSEK]	325.5	260.2
Total sales growth [%]	25.1	-22.9
Organic growth [%]	6.6	-18.3
Operating result [mSEK]	43.5	26.0
Operating margin [%]	13.4	10.0
No. of employees	1,269	1,108

The business area's net sales amounted to SEK 326 million [260], corresponding to growth of 25.1 per cent. Organic growth amounted to 6.6 per cent. Demand for offerings in digitalisation and sustainability was healthy and sales to the public sector and other sectors demonstrated continued highly favourable growth. The Swedish and Brazilian markets reported an increase in sales of 33 per cent and 40 per cent, respectively, while developments in the quarter were weaker in the Norwegian market, where activity was high in a few customer projects during the year-earlier period. The acquisitions of Squeed and Tedsys in 2021 made a positive contribution to total growth.

Share of Group

Net sales Jan-Mar 2022

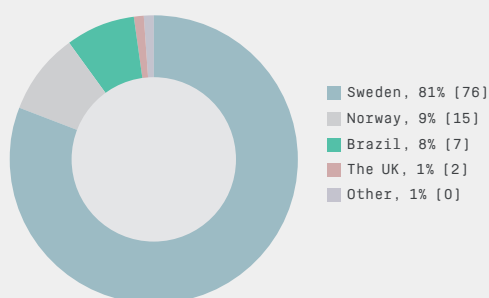


Operating profit amounted to SEK 44 million [26], yielding an operating margin of 13.4 per cent [10.0]. Increased income and high productivity contributed to the positive trend.

Work is continuing with full focus on growth in prioritised areas.

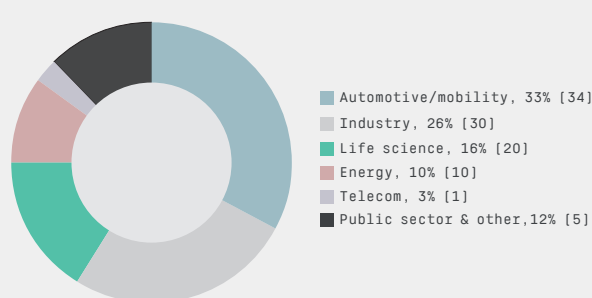
Net sales per market

Jan-Mar 2022



Net sales per industry

Jan-Mar 2022



About Engineering & Digital Services

The business area's approximately 1,300 employees combine digital excellence with advanced engineering skills to develop products, services and production processes. We take responsibility for the whole product development cycle and create user experiences that make a difference – for people and our planet. Our main offerings are: Digital Services, Product Development, Production Development, Strategic Design & Innovation, Project Management, Quality and Validation.

Engineering & Digital Services has offices in Sweden, Norway, the UK and Brazil. Customers include AstraZeneca, CEVT, Dentsply, Epiroc, Getinge, Husqvarna, Kongsberg Group, Powercell, Siemens, Trafikverket, Traton Group, Vattenfall, Volvo Cars Group and Volvo Group..

BUSINESS AREAS CONT.

Product Information

- Successful integration of Walkgrove and total sales growth of 7.7 per cent
- Continued high level of profitability, successful multi-site operations
- Functional sourcing and solution-based deliveries account for more than 75 per cent of sales

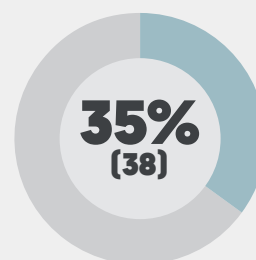
Financial development

	Jan-Mar		Jan-Dec
	2022	2021	2021
Net sales [mSEK]	171.8	159.5	628.0
Total sales growth [%]	7.7	2.7	8.6
Organic growth [%]	1.7	0.6	8.3
Operating result [mSEK]	27.8	26.4	96.2
Operating margin [%]	16.2	16.6	15.3
No. of employees	803	790	813

The business area's net sales amounted to SEK 172 million [159] and sales growth and organic growth were 7.7 per cent and 1.7 per cent, respectively, for the quarter. Growth remained good in Sweden, including in digital learning, though certain other countries outside Sweden were impacted by greater staff mobility and lower levels of activity in some customer projects during the quarter. The acquisition of Walkgrove at the end of 2021 made a positive contribution to total growth, as did currency effects.

Share of Group

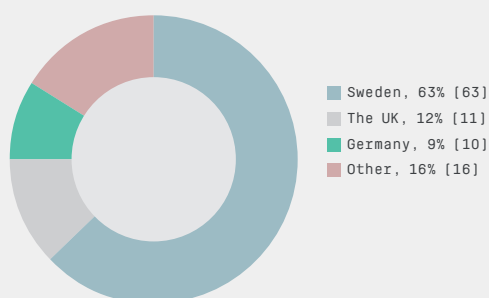
Net sales Jan-Mar 2022



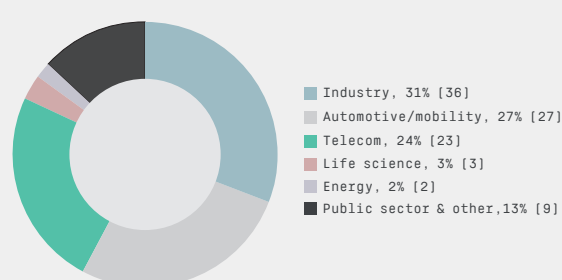
Operating profit amounted to SEK 28 million [26], yielding a continued high operating margin of 16.2 per cent [16.6].

Part of the business area's strategy is focused on a high proportion of functional sourcing and a high level of resource efficiency through deliveries involving networking teams from several countries, known as multi-site operations.

Net sales per market Jan-Mar 2022



Net sales per industry Jan-Mar 2022



About Product Information

The business area's approximately 800 employees provide complete product information solutions and digital learning experiences, with the primary focus on customers' aftersales business. The business area's offerings supports the use and management of products and systems throughout the product life cycle: from sales and marketing to installation, maintenance, diagnostics, repairs, as well as training service staff.

Product Information has offices in Sweden, the UK, Hungary, Germany and China. Customers include ABB, AGCO, Alstom, Baxter, Lynk & Co, Jaguar Land Rover, Knorr Bremse, Siemens, London Electric Vehicle Company, Polestar, SAP, Swedish National Board of Health and Welfare and Volvo Cars.

Group CONDENSED FINANCIAL STATEMENTS.

Income statement

mSEK	Note	Jan-Mar 2022	2021	Jan-Dec 2021
Net sales	1	494.6	418.4	1,711.3
Purchase of goods and services		-75.1	-62.3	-262.5
Other external operating expenses		-27.6	-20.6	-89.6
Staff costs		-317.7	-277.6	-1,137.4
Operating profit before depreciation/amortisation		74.2	57.9	221.8
Amortisation of intangible assets		-0.8	-0.8	-3.2
Depreciation of tangible fixed assets		-2.5	-2.2	-9.4
Depreciation of right-of-use assets		-8.8	-9.0	-34.1
Operating profit		62.1	45.9	175.1
Net financial items		-1.3	-1.2	-4.3
Profit before tax		60.8	44.7	170.8
Tax		-14.0	-10.3	-38.0
Profit after tax		46.8	34.4	132.8
Profit attributable to:				
Parent company's shareholders		46.8	34.4	132.8
Earnings per share before dilution [SEK]		2.67	1.98	7.60
Earnings per share after dilution [SEK]		2.65	1.96	7.57
No. of working days in the period		63	62	251

Statement of comprehensive income

mSEK	Jan-Mar 2022	2021	Jan-Dec 2021
Profit after tax	46.8	34.4	132.8
Items that can be reclassified as profit or loss			
Translation differences for the period	6.4	5.1	7.4
Total other comprehensive income	6.4	5.1	7.4
Total comprehensive income for the period	53.2	39.5	140.2

Balance sheet

mSEK	31 Mar		31 Dec
	2022	2021	2021
Assets			
Intangible assets, goodwill	517.5	368.5	497.7
Other intangible assets	6.6	7.3	5.0
Tangible fixed assets	23.0	23.7	22.9
Right-of-use assets	86.6	107.3	91.1
Financial assets	3.2	7.9	3.1
Accounts receivable	265.4	249.0	313.4
Accrued non-invoiced income	201.7	168.6	123.5
Other current assets	39.1	40.1	44.4
Cash and cash equivalents	265.1	259.1	254.1
Total assets	1,408.2	1,231.5	1,355.2
Shareholders' equity and liabilities			
Shareholders' equity	855.0	737.2	796.5
Non-current lease liabilities	51.4	75.7	57.5
Non-current contingent considerations	8.4	-	24.1
Deferred tax liabilities	63.8	60.5	49.6
Accounts payable	66.3	44.0	65.5
Current lease liabilities	34.9	31.3	33.6
Current contingent considerations	22.1	-	16.1
Invoiced non-accrued income	16.1	16.1	18.3
Other non interest-bearing current liabilities	290.2	266.7	294.0
Total shareholders' equity and liabilities	1,408.2	1,231.5	1,355.2

Change in shareholders' equity

mSEK	31 Mar		31 Dec
	2022	2021	2021
Shareholders' equity at the start of the period	796.5	697.8	697.8
Total comprehensive income	53.2	39.5	140.2
Acquisition consideration own shares	5.0	-	9.0
Share-based remuneration	0.3	-0.1	1.9
Shareholder dividend	-	-	-52.4
Shareholders' equity at the end of the period	855.0	737.2	796.5

Net cash

mSEK	31 Mar		31 Dec
	2022	2021	2021
Cash and cash equivalents	265.1	259.1	254.1
Contingent considerations	-30.5	-	-40.2
Net cash	234.6	259.1	213.9

Capital employed

mSEK	31 Mar		31 Dec
	2022	2021	2021
Total assets	1,408.2	1,231.5	1,355.2
Deferred tax liabilities	-63.8	-60.5	-49.6
Accounts payable	-66.3	-44.0	-65.5
Invoiced non-accrued income	-16.1	-16.1	-18.3
Other non interest-bearing liabilities	-290.2	-266.7	-294.0
Total capital employed	971.8	844.2	927.8
Average capital employed	905.6	798.9	873.7

Cash flow statement

mSEK	Note	Jan-Mar 2022	2021	Jan-Dec 2021
Cash flow from current activities before change in working capital		59.8	48.8	194.2
Change in working capital		-15.7	20.1	26.8
Cash flow from current activities		44.1	68.9	221.0
Investments		-4.4	-1.7	-7.2
Acquisition of subsidiaries	2	-23.1	-	-87.8
Divestment in associated companies		-	-	11.5
Cash flow from investment activities		-27.5	-1.7	-83.5
Repayment of lease liabilities		-9.0	-8.4	-33.2
Shareholder dividend		-	-	-52.4
Cash flow from financing activities		-9.0	-8.4	-85.6
Cash flow for the period		7.6	58.8	51.9
Cash and cash equivalents at the start of the period		254.1	199.1	199.1
Translation differences		3.4	1.2	3.1
Cash and cash equivalents at the end of the period		265.1	259.1	254.1

Change in net cash

mSEK	Note	Jan-Mar 2022	2021	Jan-Dec 2021
Opening balance		213.9	199.1	199.1
Cash flow from current activities		44.1	68.9	221.0
Net investments		-4.4	-1.7	-7.2
Acquisition of subsidiaries		-23.1	-	-87.8
Contingent considerations		9.7	-	-40.2
Divestment in associated companies		-	-	11.5
Shareholder dividend		-	-	-52.4
Repayment of lease liabilities		-9.0	-8.4	-33.2
Translation differences		3.4	1.2	3.1
Closing balance		234.6	259.1	213.9

Quarterly information by Business Area

	2020					2021					2022
	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2021	Q1
Net sales (mSEK)											
Engineering & Digital Services	337.3	256.7	207.1	250.6	1,051.7	260.2	285.6	231.0	311.7	1,088.5	325.5
Product Information	155.2	144.8	127.2	151.3	578.5	159.5	160.2	140.4	167.9	628.0	171.8
Group items/eliminations	-1.2	-1.1	0.2	-1.1	-3.2	-1.3	-0.6	-0.5	-2.8	-5.2	-2.7
Total	491.3	400.4	334.5	400.8	1,627.0	418.4	445.2	370.9	476.8	1,711.3	494.6
Operating profit (mSEK)											
Engineering & Digital Services	31.0	-15.7	10.0	30.6	55.9	26.0	25.5	18.4	41.4	111.3	43.5
Product Information	24.6	22.2	19.5	22.5	88.8	26.4	22.1	20.0	27.7	96.2	27.8
Group items/eliminations	-5.4	-3.7	-1.1	-4.5	-14.7	-6.5	-7.9	-5.1	-12.9	-32.4	-9.2
Total	50.2	2.8	28.4	48.6	130.0	45.9	39.7	33.3	56.2	175.1	62.1
Operating margin (%)											
Engineering & Digital Services	9.2	-6.1	4.8	12.2	5.3	10.0	8.9	8.0	13.3	10.2	13.4
Product Information	15.9	15.3	15.3	14.9	15.4	16.6	13.8	14.2	16.5	15.3	16.2
Total	10.2	0.7	8.5	12.1	8.0	11.0	8.9	9.0	11.8	10.2	12.6
Number of employees											
Engineering & Digital Services	1,489	1,296	1,253	1,039	1,039	1,108	1,213	1,181	1,232	1,232	1,269
Product Information	778	764	763	782	782	790	803	808	813	813	803
Total	2,267	2,060	2,016	1,821	1,821	1,898	2,016	1,989	2,045	2,045	2,072
Number of working days											
	63	58	66	63	250	62	59	66	64	251	63

Definitions

Return on shareholders' equity

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

Return on operating capital

Operating profit [RTM] divided by the average operating capital.

Return on capital employed

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

EBITA margin

Operating profit before amortisation as a percentage of net sales.

EBITDA margin

Operating profit before amortisation/depreciation as a percentage of net sales.

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.

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.

Net cash/net debt

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

Sales growth (total)

Change in sales during the period expressed as a percentage of sales during the year-earlier period.

Operating capital

Capital employed minus cash and cash equivalents.

Organic growth

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

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.

RTM

Rolling twelve months.

Operating margin (EBIT)

Operating result as a percentage of net sales.

Operating result before amortisation (EBITA)

Operating result plus amortisation of intangible assets.

Operating result before amortisation/depreciation (EBITDA)

Operating result plus amortisation/depreciation of intangible assets, tangible assets and right-of-use assets.

Net debt/EBITDA ratio

Net debt divided by EBITDA [RTM]. Excluding impact of IFRS 16, meaning net debt excluding lease liability and EBITDA adjusted so the total lease cost is charged to EBITDA.

Equity/assets ratio

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

Capital employed

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

Profit margin

Profit before tax as a percentage of net sales.

CONDENSED FINANCIAL STATEMENTS.

Income statement

		Jan-Mar	Jan-Dec	
mSEK	Note	2022	2021	2021
Net sales		9.3	8.9	33.9
Other external operating expenses		-3.1	-2.6	-12.5
Staff costs		-8.6	-8.7	-40.7
Operating loss		-2.4	-2.4	-19.3
Net financial items*		-	-0.1	21.0
Profit/loss after net financial items		-2.4	-2.5	1.7
Appropriations**		-	-	79.8
Profit/loss before tax		-2.4	-2.5	81.5
Tax		0.5	0.6	-13.2
Profit/loss for the period		-1.9	-1.9	68.3
* of which translation differences		0.1	0.2	0.6
of which dividend		-	-	21.0
** of which group contribution received		-	-	92.7

Statement of comprehensive income

	Jan-Mar	Jan-Dec	
mSEK	2022	2021	2021
Profit/loss for the period	-1.9	-1.9	68.3
Other comprehensive income	-	-	-
Total comprehensive income for the period	-1.9	-1.9	68.3

Balance sheet

	31 Mar	31 Dec
mSEK	2022	2021
2021		
Assets		
Financial fixed assets	226.2	227.1
Current assets	172.0	145.0
Cash and cash equivalents	218.3	215.3
Total assets	616.5	587.4
Shareholders' equity and liabilities		
Shareholders' equity	415.2	385.2
Untaxed reserves	69.4	56.6
Non interest-bearing current liabilities	131.9	145.6
Total shareholders' equity and liabilities	616.5	587.4

NOTES.

Note 1: Distribution of Net Sales

mSEK	Engineering & Digital Services		Product Information		Group	
Jan-Mar	2022	2021	2022	2021	2022	2021
Distribution per country						
Sweden	263.8	198.5	107.6	100.8	371.4	299.3
Norway	29.6	37.9	0.1	0.4	29.7	38.3
Brazil	26.1	18.6	-	-	26.1	18.6
UK	4.2	4.1	20.7	17.6	24.9	21.7
Germany	0.8	0.8	15.5	15.7	16.3	16.5
Other	1.0	0.3	27.9	25.0	28.9	25.3
Eliminations	-	-	-	-	-2.7	-1.3
Total	325.5	260.2	171.8	159.5	494.6	418.4
Distribution per industry						
Automotive/mobility	106.2	89.0	46.1	42.8	152.3	131.8
Industry	85.2	77.3	52.6	56.7	137.8	134.0
Life Science	50.5	51.3	5.2	4.8	55.7	56.1
Telecom	10.8	1.8	41.3	36.9	52.1	38.7
Energy	31.8	27.3	3.9	3.7	35.7	31.0
Public sector & other	41.0	13.5	22.7	14.6	63.7	28.1
Eliminations	-	-	-	-	-2.7	-1.3
Total	325.5	260.2	171.8	159.5	494.6	418.4

Note 2: Acquisitions

Goodpoint

At the end of March, Semcon acquired Goodpoint which is one of Sweden's leading consulting companies in sustainability. The company has extensive expertise and 28 experts spanning the entire field from social sustainability to climate and environment. With the acquisition of Goodpoint, Semcon strengthens its existing expertise in areas such as the circular economy, chemicals,

life cycle analyses and climate calculations, and expands its expertise in sustainability-related legislation, human rights, sustainability reporting, communication and sustainable business development. The company had net sales of SEK 24 million during the 2021 financial year.

External acquisition-related costs are recognised in operating profit and total SEK 0.3 million.

Acquired net assets on the date of acquisition

mSEK	
Current assets	5.0
Cash and cash equivalents	7.0
Deferred tax liabilities	-0.8
Current liabilities	-5.2
Net assets and liabilities	6.0
Intangible assets, goodwill	19.4
Contingent considerations	-4.9
Consideration own shares	-5.0
Total purchase price	15.5
Less cash and cash equivalents in acquired companies	-7.0
Impact on consolidated cash and cash equivalents	8.5
Contingent considerations paid [previous acquisitions]	14.6
Net cash flow from acquisitions	23.1

The analysis of the acquisitions 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 expertise, which is why the acquired companies' intangible assets have been assigned to goodwill.

TO TURN TECHNOLOGY INTO EXCELLENT USER EXPERIENCES.

Telephone conference and audio cast

Today, 29 April 2022 at 10:00 a.m. CET, investors, analysts and media are invited to a conference call on the Interim report January-March 2022. President and CEO Markus Granlund and CFO Björn Strömberg will present the report and host a Q&A session.

For more information about the presentation or to access the on demand version, please visit www.semcon.com/investor-relations.

Financial calendar

Interim report January-March 2022	19 July 2022, at 08.00
Interim report January-September 2022	26 October 2022, at 08.00
Year-end report 2022	8 February 2023, at 08.00

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Markus Granlund, President and CEO

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

This is a translation of the Swedish original of the Interim report January-March 2022. 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 29 April 2022.

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