

Interim report January-June 2022

CONTINUED HIGH DEMAND AND PROFITABILITY.

Second quarter

- **Net sales** of SEK 500 million [445], up 12.4%
- **Adjusted operating profit**, excluding non-recurring costs related to the separation project, amounted to SEK 43 million [40], yielding an adjusted operating margin of 8.5% [8.9]
- **Operating profit** amounted to SEK 35 million [40], yielding an operating margin of 7.1% [8.9]
- **Profit after tax** amounted to SEK 28 million [30]
- **Earnings per share [EPS] after dilution** amounted to 1.58 kr [1.69]

January-June

- **Net sales** of SEK 995 million [864], up 15.2%
- **Adjusted operating profit** excluding non-recurring costs related to the separation project amounted to SEK 108 million [86], yielding an adjusted operating margin of 10.8% [9.9]
- **Operating profit** amounted to SEK 97 million [86], yielding an operating margin of 9.8% [9.9]
- **Profit after tax** amounted to SEK 75 million [64]
- **Earnings per share [EPS] after dilution** amounted to 4.23 kr [3.65]
- **Net cash** excluding lease liabilities amounted to SEK 168 million [198]



Comment from CEO
Markus Granlund

CONTINUED HIGH DEMAND AND PROFITABILITY.

The performance during the second quarter continued to be positive and growth and profitability for the rolling twelve month period remained stable at levels above the financial objectives. The internal separation of the Product Information business area has largely been completed and the timetable for a possible separate listing is becoming clearer. Our best estimate is that a listing can take place at the earliest in the first quarter of 2023.

Continued healthy demand

We continued to grow during the second quarter, driven by high demand for sustainable and digital solutions. Net sales increased 12.4 per cent to SEK 500 million [445]. Growth was strong for Engineering & Digital Services and in Product Information the new and expanded business offset almost entirely the previously communicated volume decrease to a UK automotive customer. Developments in the quarter were affected by one fewer working day in the Swedish operations [76 per cent of sales] compared with the second quarter of 2021. For the rolling twelve month [RTM] period, sales growth was 15.2 per cent, remaining at a level above our financial objective.

Adjusted operating profit amounted to SEK 43 million [40] for the second quarter and the margin was 8.5 per cent [8.9]. Profitability was impacted by one fewer working day in Sweden and by salary increases. Price adjustments carried out earlier in the year had some effect and I can see that further adjustments will be gradually implement-

ed during the second half of the year. Including non-recurring costs for the internal separation project, whereby we are reorganising Semcon's business areas into two independent companies, operating profit was SEK 35 million and margin 7.1 per cent for the second quarter. The RTM adjusted operating margin was 10.7 per cent, remaining at a level above our financial objective.

Demand remains favourable, driven by investments in digitalisation and sustainability.

High demand in both business areas

The Engineering & Digital Services [EDS] business area continued its healthy growth during the quarter, through organic growth and contributions from acquired operations. There is a substantial need for sustainable and digital solutions and, for example, we are the strategic automation partner for Boliden in a new, exciting project where it is expanding zinc production in Norway with a minimal environmental footprint. In response to customer demand, we must further raise the pace of recruitment and we have continued to invest in our employer brand. I am, therefore, particularly pleased that we reached a new record level for our employee Net Promoter Score [eNPS] in the most recent employee survey from June.

For the Product Information business area we are pleased to report that we have almost completely offset the previously communicated sales decrease in the UK. The performance of new and expanded businesses was favourable, which supported growth, particularly in Sweden. For example, we have a new, exciting project with Volvo Cars, where we work together to develop digital workshop information for an upcoming electric vehicle model. The acquisition of Walkgrove contributed positively to total sales growth.

*At a time of increased uncertainty,
I feel confident and proud that our
offering is more relevant than ever.*

During the second quarter, we were in many markets finally able to return to our offices, travel for face-to-face meetings and carry out long-awaited staff activities again. As expected, this led to a slight increase in cost levels for both Engineering & Digital Services and Product Information compared with the year-earlier period.

Timetable for separate listing

Work to split the Group into two separate parts continued successfully during the quarter, with major milestones reached in, for example, IT and the finance function. The separation project has, therefore, largely been completed and the timetable for a possible separate listing is becoming clearer. Our best estimate is that a listing of the Product Information business area can take place at the earliest in the first quarter of 2023.

Our offering is relevant and timely

Demand for our services remains favourable, driven by a high level of investments in digitalisation and sustainability. I am aware of the increased uncertainty in the world around us, but taking into account our strong offering and the strategic shift in recent years in terms of the offering and industry diversification, Semcon is more relevant than ever. Have a great summer!

Göteborg, 19 July 2022

Markus Granlund,
President and CEO

GROUP FINANCIAL DEVELOPMENT

Net sales and result

Second quarter

Net sales amounted to SEK 500 million [445], corresponding to growth of 12.4 per cent. Organic growth amounted to 2.8 per cent. Total growth in the Engineering & Digital Services business area was 18.2 per cent and in the Product Information business area 3.0 per cent. Sales to public sector and telecom demonstrated continued favourable growth. In Sweden, the quarter included one fewer working day compared with the year-earlier period.

Operating profit, before non-recurring costs for the internal separation of the Product Information business area, amounted to SEK 43 million [40], yielding an adjusted operating margin of 8.5 per cent [8.9]. After costs for the separation of just over SEK 7 million [-], operating profit amounted to SEK 35 million [40], yielding an operating margin of 7.1 per cent [8.9]. Operating margin for the Engineering & Digital Services business area was 8.8 per cent [8.9], in line with the year-earlier period, while the margin for the Product Information business area decreased to 11.4 per cent [13.8].

Net financial items amounted to SEK 1 million [-1], yielding profit before tax of SEK 36 million [39]. Income tax for the quarter was SEK -8 million [-9]. Profit after tax was SEK 28 million [30] and earnings per share after dilution totalled SEK 1.58 [1.69].

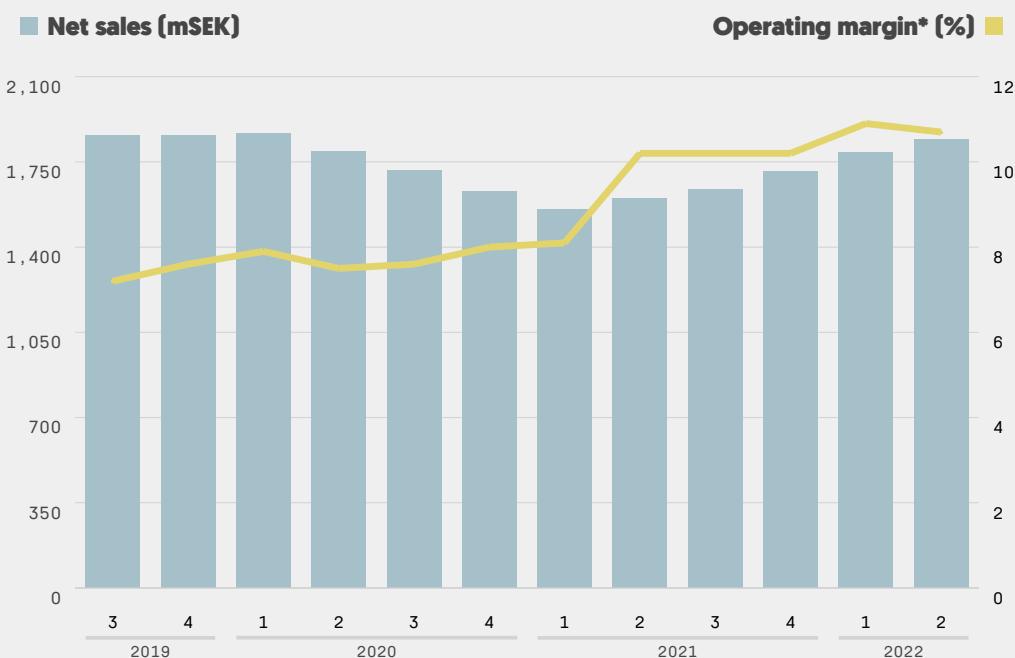
January-June

Net sales amounted to SEK 995 million [864], corresponding to growth of 15.2 per cent. Organic growth amounted to 3.6 per cent. Total growth in the Engineering & Digital Services business area was 21.5 per cent and in the Product Information business area 5.3 per cent. Sales to the public sector demonstrated favourable growth, as did sales to the telecom sector. The period included one extra working day compared with last year, though Sweden had the same number of working days as the year-earlier period.

Operating profit, before non-recurring costs for the separation of the Product Information business area, amounted to SEK 108 million [86], yielding an adjusted operating margin of 10.8 per cent [9.9]. After costs for the separation of just over SEK 10 million [-], operating profit amounted to SEK 97 million [86], yielding an operating margin of 9.8 per cent [9.9]. The Engineering & Digital Services business area increased its operating margin to 11.0 per cent [9.4] and the Product Information business area reported a continued high operating margin of 13.8 per cent [15.2].

Net financial items amounted to SEK - million [-2], yielding profit before tax of SEK 97 million [83]. Income tax for the period was SEK -22 million [-19]. Profit after tax was SEK 75 million [64] and earnings per share after dilution totalled SEK 4.23 [3.65].

Rolling 12 months, per quarter



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

Financial position

Cash flow from current activities during the January–June period was SEK 59 million [95]. The lower cash flow is mainly due to higher tax payments, but also the payment of incentive-related remuneration in connection with 2021. Investments in hardware, licenses, office supplies and equipment amounted to SEK 8 million [4]. The Group's cash and cash equivalents amounted to SEK 196 million [230]. In addition, the Group had unutilised credit of SEK 250 million [250] as of 30 June. Shareholders' equity amounted to SEK 812 million [775] and the equity/assets ratio was 61 per cent [59]. During the second quarter, a dividend of SEK 70 million [–] was paid to shareholders. The Group's net cash, excluding lease liabilities, amounted to SEK 168 million [198].

Important events during the second quarter

- Semcon was awarded a new product information project for Volvo Cars and is to work together with the customer to develop digital workshop information for an upcoming electric vehicle model. Semcon is contributing a broad mix of expertise to the project, which will continue until September 2023. Up to about 30 people are expected to be part of the international team, which will be comprised of employees in Sweden, China and Hungary.
- Semcon is strategic automation partner for Boliden's zinc production expansion in Odda, Norway. This expansion is aiming to increase the zinc production by 75 per cent while maintaining a minimal environmental footprint.

Total sales growth (%)			
	Jan-Jun 2022	Jan-Dec 2021	
Acquisition and divestment	9.4	5.6	
Currency effects	2.2	-2.3	
Organic growth	3.6	1.9	
Total	15.2	5.2	

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.

* The number of working days according to the calendar. The actual number of days may vary and is dependent on when employees choose to take flexible leave, such as if 6 June [the national day of Sweden] falls on a weekend.

Semcon is providing its expertise in process efficiency and transport automation for the project.

For more detailed information about the above events and other projects as well as events during the first quarter, visit www.semcon.com.

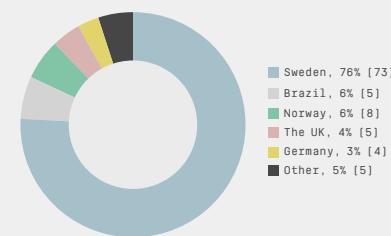
Employees

The number of employees on 30 June was 2,112 [2,016] and the number of employees in active service was 2,051 [1,949]. In the respective business areas the head count is as follows: Engineering & Digital Services 1,288 [1,213] and Product Information 824 [803]. 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.

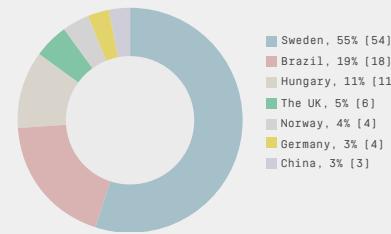
Acquisitions

On 31 March 2022, 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 acquisition, see Note 2.

Net sales per market Jan-Jun 2022



Employees per country 30 Jun, 2022



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

During the January-June period, net sales for the Parent Company amounted to SEK 19 million [18] and relate to payment for intra-Group services. Profit/loss before tax amounted to SEK -3 million [-6].

Transactions with related parties

In the second quarter 2022, in addition to regular Board fees, consultancy fees of SEK 75,000 were also paid to Chair of the Board Eva Elmstedt.

Ownership structure

As of 30 June, Semcon had 5,773 shareholders [4,835], of whom 55.2 per cent [55.4] were registered in Sweden and 44.8 per cent [44.6] 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 485,972 [636,071] of the company's shares on 30 June. 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-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Total sales growth [%]	15.2	-3.2	5.2
Organic sales growth [%]	3.6	-2.6	1.9
EBITDA margin [%]	12.2	12.6	13.0
EBITA margin [%]	9.8	10.1	10.4
Operating margin [%]	9.8	9.9	10.2
Profit margin [%]	9.8	9.6	10.0
Return on shareholders' equity [%]	18.0	17.8	17.7
Return on operating capital [%]	27.2	26.4	27.3
Return on capital employed [%]	20.8	19.8	20.2
Equity/assets ratio [%]	60.5	58.7	58.8
Number of employees at the end of the period	2,112	2,016	2,045

Key figures for the Semcon share

	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Earnings per share before dilution [SEK]	4.25	3.68	7.60
Earnings per share after dilution [SEK]	4.23	3.65	7.57
Shareholders' equity per share before dilution [SEK]	46.08	44.36	45.41
Shareholders' equity per share after dilution [SEK]	44.84	42.80	43.98
Share price/Shareholders' equity per share [times]	2.52	2.79	2.88
Cash flow per share [SEK]	3.24	5.22	12.20
Share price at the end of the period [SEK]	112.80	119.60	126.80
Market cap at the end of the period [mSEK]	2,043	2,166	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]	486	636	573
Average number of shares [000]	18,113	18,113	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

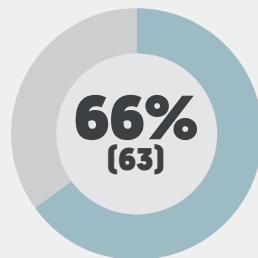
- High demand in sustainability and digitalisation
- Continued focus on growth in strategic areas
- Profitability remains at high level

Financial development

	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales [mSEK]	337.5	285.6	663.0	545.8	1,088.5
Total sales growth [%]	18.2	11.3	21.5	-8.1	3.5
Organic growth [%]	6.0	6.7	6.3	-7.3	-1.5
Operating result [mSEK]	29.7	25.5	73.2	51.5	111.3
Operating margin [%]	8.8	8.9	11.0	9.4	10.2
No. of employees	1,288	1,213	1,288	1,213	1,232

The business area's net sales amounted to SEK 338 million [286], corresponding to growth of 18.2 per cent. Organic growth was 6.0 per cent, driven by high demand for services that support a sustainable and digital transition, for example in industry and public sector. Operations in Sweden had a positive momentum and grew by 22 per cent. Norwegian operations also developed positively during the quarter with deliveries to customers outside Norway and a number of new, exciting projects that were signed and will start in the autumn. Acquisitions made a positive contribution to growth and the integration of the most recent acquisition, Goodpoint, is progressing as planned and has strengthened the sustainability offering.

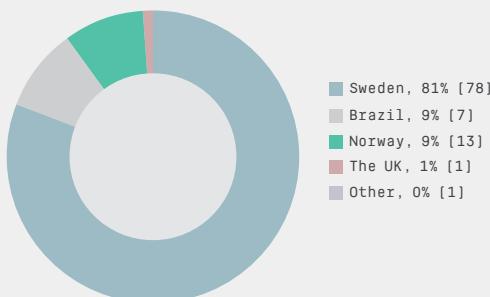
Share of Group Net sales Jan-Jun 2022



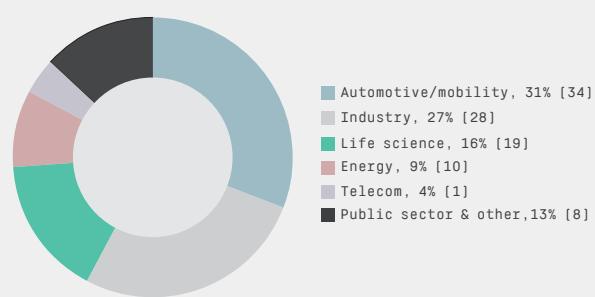
Operating profit amounted to SEK 30 million [26], yielding an operating margin of 8.8 per cent [8.9]. Productivity in deliveries was high and in response to strong demand, the percentage of subconsultants rose during the quarter, which had a slightly negative impact on margins. Salary increases, which came into effect in most markets on 1 April, affected profit during the quarter, while price increases are largely expected to make a positive contribution to the second half of the year.

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

Net sales per market Jan-Jun 2022



Net sales per industry Jan-Jun 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, Boliden, CEVT, Dentsply, Epiroc, Getinge, Husqvarna, Kongsberg Group, Powercell, Siemens, Trafikverket, Traton Group, Vattenfall, Volvo Cars Group and Volvo Group.

BUSINESS AREAS CONT.

Product Information

- New and expanded business offset almost entirely the volume decrease in the UK
- New project with Volvo Cars that will continue until September 2023
- Functional sourcing and solution-based deliveries account for more than 75 per cent of sales

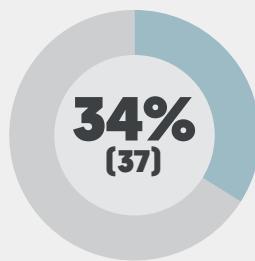
Financial development

	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales [mSEK]	165.0	160.2	336.8	319.7	628.0
Total sales growth [%]	3.0	10.6	5.3	6.6	8.6
Organic growth [%]	-1.9	12.8	-0.1	6.5	8.3
Operating result [mSEK]	18.8	22.1	46.6	48.5	96.2
Operating margin [%]	11.4	13.8	13.8	15.2	15.3
No. of employees	824	803	824	803	813

During the second quarter, the business area's net sales amounted to SEK 165 million [160] and sales growth and organic growth were 3.0 per cent and -1.9 per cent, respectively. New and expanded business offset almost entirely the previously communicated lower volume to a UK automotive customer and that has had a negative impact on sales from April. Despite one fewer working day, growth in Sweden was healthy, for example in digital learning. The acquisition of Walkgrove at the end of 2021 made a positive contribution to total growth, as did currency effects.

Operating profit amounted to SEK 19 million [22],

Share of Group Net sales Jan-Jun 2022

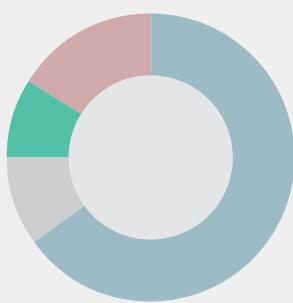


yielding an operating margin of 11.4 per cent [13.8]. Salary increases, which came into effect in most markets on 1 April, affected salary costs during the quarter, while price increases are expected to make a positive contribution to the second half of the year. As expected, costs for staff activities and travel have risen slightly as most countries have now lifted COVID-19 restrictions.

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

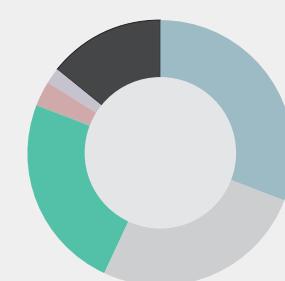
Jan-Jun 2022



- Sweden, 65% [64]
- The UK, 10% [11]
- Germany, 9% [9]
- Other, 16% [16]

Net sales per industry

Jan-Jun 2022



- Industry, 31% [35]
- Automotive/mobility, 26% [26]
- Telecom, 24% [23]
- Life science, 3% [3]
- Energy, 2% [2]
- Public sector & other, 14% [11]

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.

Income statement

mSEK	Note	Apr-Jun		Jan-Jun		Jan-Dec
		2022	2021	2022	2021	2021
Net sales	1	500.2	445.2	994.8	863.6	1,711.3
Purchase of goods and services		-80.8	-65.3	-155.9	-127.6	-262.5
Staff costs		-340.3	-304.1	-658.0	-581.7	-1,137.4
Other operating income and expenses		-31.7	-24.5	-59.3	-45.1	-89.6
Operating profit before depreciation/amortisation		47.4	51.3	121.6	109.2	221.8
Amortisation of intangible assets		-0.9	-0.8	-1.7	-1.6	-3.2
Depreciation of tangible fixed assets		-2.3	-2.4	-4.8	-4.6	-9.4
Depreciation of right-of-use assets		-8.9	-8.4	-17.7	-17.4	-34.1
Operating profit		35.3	39.7	97.4	85.6	175.1
Net financial items		1.1	-1.2	-0.2	-2.4	-4.3
Profit before tax		36.4	38.5	97.2	83.2	170.8
Tax		-8.4	-8.8	-22.4	-19.1	-38.0
Profit after tax		28.0	29.7	74.8	64.1	132.8
Profit attributable to:						
Parent company's shareholders		28.0	29.7	74.8	64.1	132.8
Earnings per share before dilution [SEK]		1.59	1.70	4.25	3.68	7.60
Earnings per share after dilution [SEK]		1.58	1.69	4.23	3.65	7.57
No. of working days in the period		59	59	122	121	251

Statement of comprehensive income

mSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Profit after tax	28.0	29.7	74.8	64.1	132.8
Items that can be reclassified as profit or loss					
Translation differences for the period	-0.6	2.1	5.8	7.2	7.4
Total other comprehensive income	-0.6	2.1	5.8	7.2	7.4
Total comprehensive income for the period	27.4	31.8	80.6	71.3	140.2

Balance sheet

mSEK	30 Jun	31 Dec	
	2022	2021	2021
Assets			
Intangible assets, goodwill	519.3	451.1	497.7
Other intangible assets	6.1	6.7	5.0
Tangible fixed assets	23.3	23.2	22.9
Right-of-use assets	76.9	99.8	91.1
Financial assets	3.2	6.2	3.1
Accounts receivable	282.6	291.1	313.4
Accrued non-invoiced income	195.0	169.9	123.5
Other current assets	40.3	42.3	44.4
Cash and cash equivalents	195.5	229.7	254.1
Total assets	1,342.2	1,320.0	1,355.2
Shareholders' equity and liabilities			
Shareholders' equity	812.2	775.3	796.5
Non-current lease liabilities	43.1	68.5	57.5
Non-current contingent considerations	4.7	18.8	24.1
Deferred tax liabilities	70.6	70.5	49.6
Accounts payable	64.0	48.1	65.5
Current lease liabilities	33.7	31.3	33.6
Current contingent considerations	22.7	12.9	16.1
Invoiced non-accrued income	14.7	14.2	18.3
Other non interest-bearing current liabilities	276.5	280.4	294.0
Total shareholders' equity and liabilities	1,342.2	1,320.0	1,355.2

Change in shareholders' equity

mSEK	30 Jun	31 Dec	
	2022	2021	2021
Shareholders' equity at the start of the period			
Shareholders' equity at the start of the period	796.5	697.8	697.8
Total comprehensive income	80.6	71.3	140.2
Acquisition consideration own shares	5.0	5.0	9.0
Share-based remuneration	0.5	1.2	1.9
Shareholder dividend	-70.4	-	-52.4
Shareholders' equity at the end of the period	812.2	775.3	796.5

Cash flow statement

mSEK	Note	Apr-Jun		Jan-Jun		Jan-Dec
		2022	2021	2022	2021	2021
Cash flow from current activities						
before change in working capital		23.0	47.3	82.8	96.1	194.2
Change in working capital		-8.4	-21.7	-24.1	-1.6	26.8
Cash flow from current activities		14.6	25.6	58.7	94.5	221.0
Investments		-3.1	-1.8	-7.5	-3.5	-7.2
Acquisition of subsidiaries	2	-1.8	-47.2	-24.9	-47.2	-87.8
Divestment in associated companies		-	-	-	-	11.5
Cash flow from investment activities		-4.9	-49.0	-32.4	-50.7	-83.5
Repayment of lease liabilities		-8.8	-8.1	-17.8	-16.5	-33.2
Shareholder dividend		-70.4	-	-70.4	-	-52.4
Cash flow from financing activities		-79.2	-8.1	-88.2	-16.5	-85.6
Cash flow for the period		-69.5	-31.5	-61.9	27.3	51.9
Cash and cash equivalents at the start of the period		265.1	259.1	254.1	199.1	199.1
Translation differences		-0.1	2.1	3.3	3.3	3.1
Cash and cash equivalents at the end of the period		195.5	229.7	195.5	229.7	254.1

Change in net cash

mSEK	Note	Apr-Jun		Jan-Jun		Jan-Dec
		2022	2021	2022	2021	2021
Opening balance		234.6	259.1	213.9	199.1	199.1
Cash flow from current activities		14.6	25.6	58.7	94.5	221.0
Net investments		-3.1	-1.8	-7.5	-3.5	-7.2
Acquisition of subsidiaries		-1.8	-47.2	-24.9	-47.2	-87.8
Contingent considerations		3.1	-31.7	12.8	-31.7	-40.2
Divestment in associated companies		-	-	-	-	11.5
Shareholder dividend		-70.4	-	-70.4	-	-52.4
Repayment of lease liabilities		-8.8	-8.1	-17.8	-16.5	-33.2
Translation differences		-0.1	2.1	3.3	3.3	3.1
Closing balance		168.1	198.0	168.1	198.0	213.9

Quarterly information by Business Area

	2020				2021				2022			
	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2
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	337.5
Product Information	155.2	144.8	127.2	151.3	578.5	159.5	160.2	140.4	167.9	628.0	171.8	165.0
Eliminations	-1.2	-1.1	0.2	-1.1	-3.2	-1.3	-0.6	-0.5	-2.8	-5.2	-2.7	-2.3
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	500.2
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	29.7
Product Information	24.6	22.2	19.5	22.5	88.8	26.4	22.1	20.0	27.7	96.2	27.8	18.8
Non-recurring costs related to the separation project	-	-	-	-	-	-	-	-	-	-	-3.0	-7.2
Group items/eliminations	-5.4	-3.7	-1.1	-4.5	-14.7	-6.5	-7.9	-5.1	-12.9	-32.4	-6.2	-6.0
Total	50.2	2.8	28.4	48.6	130.0	45.9	39.7	33.3	56.2	175.1	62.1	35.3
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	8.8
Product Information	15.9	15.3	15.3	14.9	15.4	16.6	13.8	14.2	16.5	15.3	16.2	11.4
Total	10.2	0.7	8.5	12.1	8.0	11.0	8.9	9.0	11.8	10.2	12.6	7.1
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	1,288
Product Information	778	764	763	782	782	790	803	808	813	813	803	824
Total	2,267	2,060	2,016	1,821	1,821	1,898	2,016	1,989	2,045	2,045	2,072	2,112
Number of working days	63	58	66	63	250	62	59	66	64	251	63	59

Definitions

Return on shareholders' equity	ing receivables with deductions for interest-bearing provisions and liabilities, excluding lease liabilities.	Operating result before amortisation [EBITA]
Profit for the period after tax [RTM] divided by the average shareholders' equity.	Operating result plus amortisation of intangible assets and fair value adjustments of contingent consideration.	Operating result plus amortisation of intangible assets and fair value adjustments of contingent consideration.
Return on operating capital	Sales growth [total]	Operating result before amortisation/ depreciation [EBITDA]
Operating profit [RTM] divided by the average operating capital.	Change in sales during the period expressed as a percentage of sales during the year-earlier period.	Operating result plus amortisation/ depreciation of intangible assets, tangible assets and right-of-use assets.
Return on capital employed	Operating capital	Net debt/EBITDA ratio
Profit before tax plus financial costs [RTM] divided by the average capital employed.	Capital employed minus cash and cash equivalents.	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.
EBITA margin	Organic growth	Equity/assets ratio
EBITA result as a percentage of net sales.	Year-on-year increase in net sales adjusted for currency effects, acquisitions and divestments.	Shareholders' equity as a percentage of the balance sheet total.
EBITDA margin	Earnings per share [EPS] before dilution	Capital employed
EBITDA result as a percentage of net sales.	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.	The balance sheet total minus non interest-bearing provisions and liabilities.
Shareholders' equity per share before dilution	Earnings per share [EPS] after dilution	Profit margin
Shareholders' equity divided by the number of shares at end of the period excluding shares held as own shares by the parent company.	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.	Profit before tax as a percentage of net sales.
Shareholders' equity per share after dilution	RTM	
Shareholders' equity divided by the number of shares at end of the period adjusted for the dilution effect on potential shares.	Rolling twelve months.	
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	Operating margin [EBIT]	
Cash and cash equivalents and interest-bear-	Operating result as a percentage of net sales.	

ALTERNATIVE PERFORMANCE MEASURES.

Organic growth

%	Jan-Jun	Jan-Dec
	2022	2021
Total sales growth	15.2	-3.2
(-) Acquisition and divestment	9.4	1.6
(-) Currency effects	2.2	-2.2
Organic growth	3.6	-2.6
		1.9

EBITA

mSEK	Jan-Jun	Jan-Dec
	2022	2021
Operating result [EBIT]	97.4	85.6
Amortisation of intangible assets	1.7	1.6
Fair value adjustments of contingent considerations	-2.0	-
EBITA	97.1	87.2
		178.3

Net cash

mSEK	30 Jun	31 Dec
	2022	2021
Cash and cash equivalents	195.5	229.7
Contingent considerations	-27.4	-31.7
Net cash	168.1	198.0
		213.9

Capital employed

mSEK	30 Jun	31 Dec
	2022	2021
Total assets	1,342.2	1,320.0
Deferred tax liabilities	-70.6	-70.5
Accounts payable	-64.0	-48.1
Invoiced non-accrued income	-14.7	-14.2
Other non interest-bearing liabilities	-276.5	-280.4
Total capital employed	916.4	906.8
Average capital employed	920.0	822.8
		873.7

Income statement

mSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales	9.6	9.0	18.9	17.9	33.9
Staff costs	-8.5	-9.1	-17.1	-17.8	-40.7
Other operating income and expenses	-4.5	-3.0	-7.6	-5.8	-12.5
Operating loss	-3.4	-3.1	-5.8	-5.5	-19.3
Net financial items*	2.7	-0.3	2.7	-0.4	21.0
Profit/loss after net financial items	-0.7	-3.4	-3.1	-5.9	1.7
Appropriations**	-	-	-	-	79.8
Profit/loss before tax	-0.7	-3.4	-3.1	-5.9	81.5
Tax	0.1	0.6	0.6	1.2	-13.2
Profit/loss for the period	-0.6	-2.8	-2.5	-4.7	68.3
* of which translation differences	2.7	-0.2	2.8	-	0.6
of which dividend	-	-	-	-	21.0
** of which group contribution received	-	-	-	-	92.7

Statement of comprehensive income

mSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Profit/loss for the period	-0.6	-2.8	-2.5	-4.7	68.3
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-0.6	-2.8	-2.5	-4.7	68.3

Balance sheet

mSEK	30 Jun		31 Dec
	2022	2021	2021
Assets			
Financial fixed assets	226.4	227.9	225.7
Current assets	158.8	130.2	166.4
Cash and cash equivalents	149.8	163.8	176.2
Total assets	535.0	521.9	568.3
Shareholders' equity and liabilities			
Shareholders' equity	344.2	387.4	412.1
Untaxed reserves	69.4	56.6	69.4
Non interest-bearing current liabilities	121.4	77.9	86.8
Total shareholders' equity and liabilities	535.0	521.9	568.3

NOTES.

Note 1: Distribution of Net Sales

mSEK Apr-Jun	Engineering & Digital Services		Product Information		Group	
	2022	2021	2022	2021	2022	2021
Distribution per country						
Sweden	273.1	224.5	110.0	102.9	383.1	327.4
Brazil	30.9	21.1	-	-	30.9	21.1
Norway	26.8	33.7	-	0.3	26.8	34.0
UK	3.6	3.9	12.0	16.5	15.6	20.4
Germany	0.8	0.7	14.1	13.9	14.9	14.6
Other	2.3	1.7	28.9	26.6	31.2	28.3
Eliminations	-	-	-	-	-2.3	-0.6
Total	337.5	285.6	165.0	160.2	500.2	445.2
Distribution per industry						
Automotive/mobility	98.6	95.3	39.7	41.4	138.3	136.7
Industry	92.5	73.7	52.4	54.8	144.9	128.5
Life Science	54.4	55.4	5.5	4.6	59.9	60.0
Telecom	12.4	6.2	40.6	37.1	53.0	43.3
Energy	29.8	25.9	3.3	3.8	33.1	29.7
Public sector & other	49.8	29.1	23.5	18.5	73.3	47.6
Eliminations	-	-	-	-	-2.3	-0.6
Total	337.5	285.6	165.0	160.2	500.2	445.2
mSEK Jan-Jun	Engineering & Digital Services		Product Information		Group	
	2022	2021	2022	2021	2022	2021
Distribution per country						
Sweden	536.9	423.0	217.6	203.7	754.5	626.7
Brazil	57.0	39.7	-	-	57.0	39.7
Norway	56.4	71.6	0.1	0.7	56.5	72.3
UK	7.8	8.0	32.7	34.1	40.5	42.1
Germany	1.6	1.5	29.6	29.6	31.2	31.1
Other	3.3	2.0	56.8	51.6	60.1	53.6
Eliminations	-	-	-	-	-5.0	-1.9
Total	663.0	545.8	336.8	319.7	994.8	863.6
Distribution per industry						
Automotive/mobility	204.8	184.3	85.8	84.2	290.6	268.5
Industry	177.7	151.0	105.0	111.5	282.7	262.5
Life Science	104.9	106.7	10.7	9.4	115.6	116.1
Telecom	23.2	8.0	81.9	74.0	105.1	82.0
Energy	61.6	53.2	7.2	7.5	68.8	60.7
Public sector & other	90.8	42.6	46.2	33.1	137.0	75.7
Eliminations	-	-	-	-	-5.0	-1.9
Total	663.0	545.8	336.8	319.7	994.8	863.6

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.

Goodpoint's net sales for the January-June 2022 period amounted to SEK 14.5 million and operating profit to SEK 0.3 million. Consolidation takes place from 31 March and net sales for the holding period amounted to SEK 6.9 million and operating profit to SEK -0.3 million.

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]	16.4
Net cash flow from acquisitions	24.9

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.

Change in contingent considerations

mSEK	
Opening balance 1 January 2022	40.2
Acquisitions for the year	4.7
Payments	-16.4
Change in value recognised in profit or loss	-2.0
Discounting	0.8
Translation differences for the period	0.1
Closing balance	27.4

Contingent considerations are valued at market value in accordance with level 3, financial instruments. The calculation of contingent consideration is dependent on specific parameters in the relevant agreements. These are mainly linked to the expected operating result [EBIT] of the acquired companies over the next two to three years. The change in the balance sheet item is recognised in the table above. Change in value for the year pertains to acquisitions in the Engineering & Digital Services business area and has affected the business area's operating profit.

SIGNATURES.

The Board and the president certify that the Interim report provides an accurate overview 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 19 July, 2022

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

Markus Granlund
President and CEO

Eva Elmstedt
Chair of the Board

Carl Backman
Board member

Carsten Browall
Board member

Jeanette Reuterskiöld
Board member

Karl Thedéen
Board member

Lars-Ove Jansson
Employee representative

Maria Svedinger Andersson
Employee representative

Mats Sällberg
Employee representative

TO TURN TECHNOLOGY INTO EXCELLENT USER EXPERIENCES.

Financial calendar

Interim report January-September 2022
Year-end report 2022

26 October 2022, at 08.00
8 February 2023, at 08.00

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Göteborg 9 February, 2022
Semcon AB [publ] Co.reg.no 556539-9549
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 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. CEST on 19 July 2022.

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