

A young boy with brown hair, wearing a light blue jacket over a white t-shirt and brown pants, is captured mid-air while performing a skateboard trick. He is in a crouched position with his arms outstretched. The background shows a park setting with a bridge in the distance and a sunset sky with soft, warm colors. The text 'INTERIM REPORT Q2 2021.' is overlaid in large, bold, white capital letters across the middle of the image.

# INTERIM REPORT Q2 2021.

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**Published on 16 July 2021**

**CEO Markus Granlund and CFO Björn Strömberg**



## Q2 Highlights.

An organic growth of 9 per cent.

Acquisition of Squeed.

Positive margin trend - RTM margin historically high.

Cash position remained strong.

Four new sustainability initiatives.

We are well-positioned for further growth.

# Strong growth during the quarter and historically high profitability.

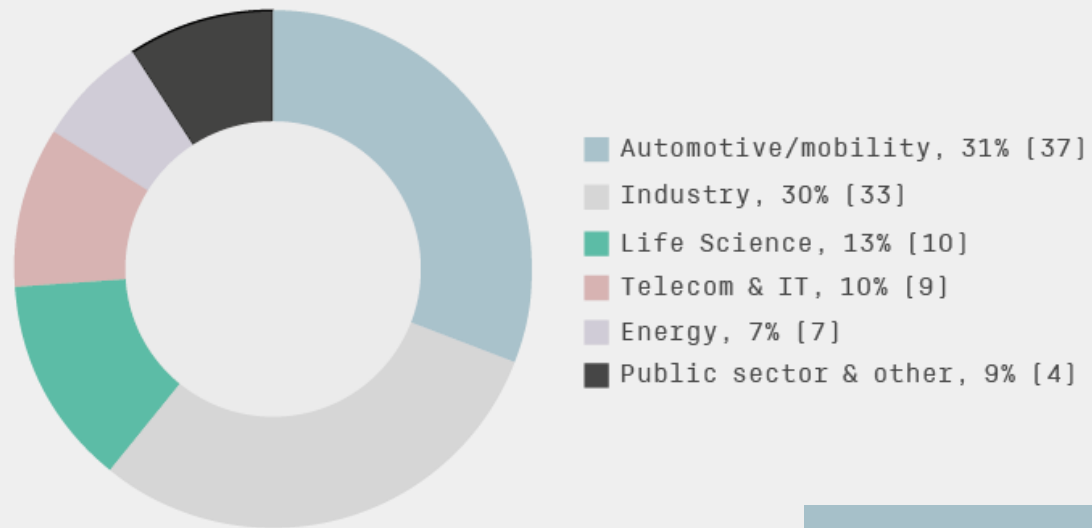
## Group financial development

	Apr-Jun		Jan-Jun		FY
	2021	2020	2021	2020	2020
Net sales, mSEK	445	400	864	892	1,627
Total sales growth, %	11	-16	-3	-7	-12.4
Organic growth, %	9	-17	-3	-7	-12.7
Operating profit, mSEK	40	3	86	53	130
Operating margin, %	8.9	0.7	9.9	5.9	8.0
EPS after dilution, SEK	1.69	0.06	3.65	2.20	5.70
No. of employees at the end of the period	2,016	2,060	2,016	2,060	1,821

- Organic growth driven by e.g. growth in life science and digital learning
- Positive margin trend continued
  - RTM EBIT margin on a historically high 10.2%
- After the period, an EGM resolved on a dividend of SEK 3, corresponding to 53% of the 2020 earnings per share after dilution

# Net sales distribution.

Group net sales per industry  
Jan-Jun 2021



Increased industry diversification

Good growth in Life Science

# A strong cash flow and financial position.

- Cash flow in Q2 2020 positively impacted by COVID-19 volume effects
- Cash conversion > 100% - stable cash flow in Q2 2021
- Net cash of close to mSEK 200

Cash position remains strong

post acquisition and dividend

Group financial development	Jan-Jun		FY
	2021	2020	2020
Cash flow from current activities, mSEK	95	168	248
Free cash flow, mSEK 1)	75	146	204
Cash conversion, % 2)	116	378	204
Working capital/RTM net sales, % 3)	5.6	4.2	5.5
Net cash, mSEK	198	158	199
Equity ratio, %	59	55	60

1) Cash flow from current activities less investments and repayment of lease liabilities [rental payments]

2) Free cash flow divided by profit after tax

3) Working capital excl. cash incl. deferred tax liabilities

# Engineering & Digital Services.



**Advisory services**

**Project & Quality Management**

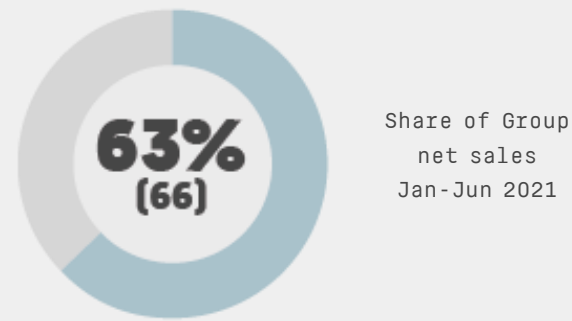
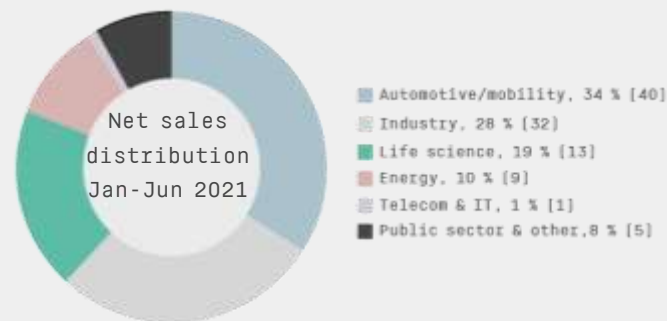


# Engineering & Digital Services

	Apr - Jun		Jan - Jun		FY
	2021	2020	2021	2020	2020
Net sales, mSEK	285.6	256.7	545.8	594.0	1,051.7
Total sales growth, %	11.3	-24.5	-8.1	-13.8	-20.4
Organic growth, %	6.7	-21.8	-7.3	-10.4	-18.5
Operating profit [EBIT], mSEK	25.5	-15.7	51.5	15.3	55.9
Operating margin [EBIT], %	8.9	-6.1	9.4	2.6	5.3
No. of employees*	1,213	1,296	1,213	1,296	1,039

- Strong growth in priority areas such as life science [39% in Q2] and digital services
- Acquisition of Squeed -adds digital excellence and new customers and industries

\* At end of period



The positive margin

trend continued

# The acquisition of Squeed.

- Stronger digital position

	FY 2020
Net sales, mSEK	105
Operating profit [EBIT], mSEK	14
Operating margin [EBIT], %	13
No. of employees*	95
Initial purchase price**	61
Possible earn-out [max]	39

\* At the time of acquisition

\*\* on a cash and debt-free basis and before adjustment for normalized working capital

- Complements and strengthens our existing digital offering
- New customers and industries



Part of our growth journey



# Product Information.



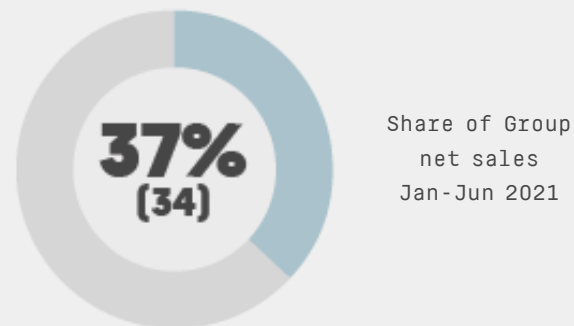
**Strategic support and operational excellence**

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# Product Information.

	Apr - Jun		Jan - Jun		FY
	2021	2020	2021	2020	2020
Net sales, mSEK	160.2	144.8	319.7	300.0	578.5
Total sales growth, %	10.6	6.5	6.6	10.9	8.0
Organic growth, %	12.8	-2.5	6.5	4.3	1.6
Operating profit [EBIT], mSEK	22.1	22.2	48.5	46.8	88.8
Operating margin [EBIT], %	13.8	15.3	15.2	15.6	15.4
No. of employees*	803	764	803	764	782

\* At end of period



- High demand for digital aftermarket solutions
- Continued high level of profitability, successful multi-site operations
- Functional sourcing and solution-based deliveries account for more than 75 per cent of sales

Growing with

high profitability



# Digital training.

- Interest in digital training has grown in the wake of the pandemic
- A flexible and effective form of training with greater opportunities for personalization
- The trend is expected to continue as we move forward
- One of the leading suppliers of digital training solutions

# Intensified sustainability focus.

Accelerated climate action agenda -  
committed to several new sustainability  
initiatives

- Exponential Roadmap Initiative
- Science Based Targets Initiative
- UN Race to Zero
- UN Global Compact

Need for sustainable transformation

- impacting all industries





**PHYSICAL**

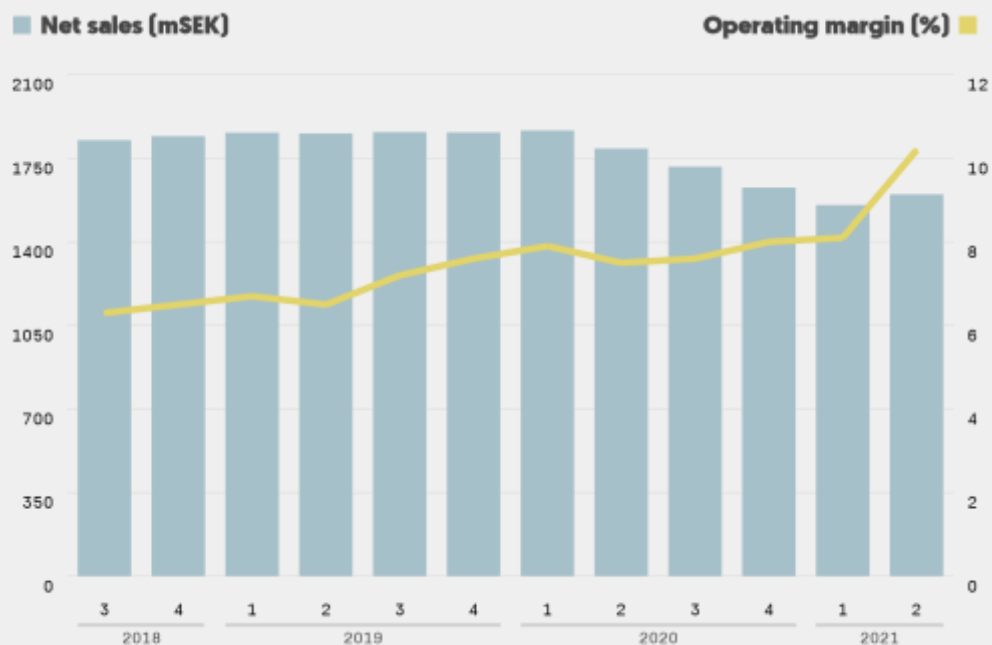
**DIGITAL**

## **Our sweet spot.**

By uniting physical  
and digital solutions,  
we create user  
experiences that make  
a difference. To people,  
and our planet.

# Well positioned for further growth.

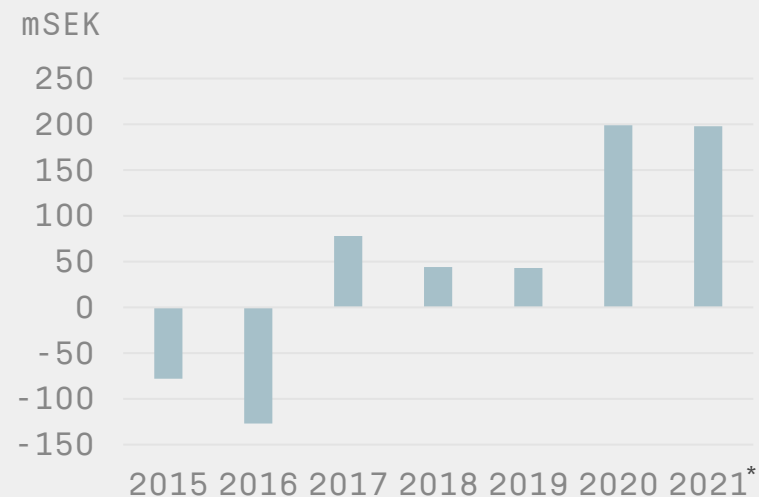
## Positive profitability trend



Rolling twelve month, per quarter

\* Q2-Q4 2020 RTM and Q1 2021 RTM include restructuring costs of mSEK 37

## Good cash generation and strong financial position



Net debt / net cash development

\* 2021 refers to 30 Jun 2021

Enables investments in organic

and acquisitive growth

# Financial objectives.

Total annual revenue growth of at least 10%

Operating margin [EBITA] of at least 10%

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Dividend policy approx. 50% of profit after tax over time

The net debt / EBITDA ratio should not exceed approx. 1.5 times



## SEMCON'S FINANCIAL CALENDAR 2021/2022

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Interim report January-September 2021

October 19, 2021, 08.00

Year-end report 2021

February 9, 2022, 08.00





# Any questions?

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An aerial photograph of two people floating on yellow inflatable rings in clear, turquoise water. The person on the left is on their back with arms raised, while the person on the right is on their stomach. The water shows some ripples and splashes around the rings.

**PEOPLE FIRST.  
THEN TECHNOLOGY.**