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## PRESS RELEASE

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17 June 2013

### **Sweco and Vectura join forces**

**– Creating the Nordic region's leading engineering consultancy with 9,000 employees**

**Sweco has signed an agreement with the Swedish Government to acquire 100 per cent of the shares in the consulting engineering firm Vectura with 1,200 employees. The acquisition will create the largest engineering consultancy in the Nordic market, with annual sales of approximately SEK 8,800 million and around 9,000 employees. The acquisition is expected to boost Sweco's operating profit with SEK 100 million by 2015, including identified synergies of more than 70 MSEK. This is expected to increase earnings per share by nine per cent. The total purchase consideration amounts to SEK 927 million and will be paid in cash (equity value).**

Vectura is the Nordic region's leading provider of consulting services for transport infrastructure and has an especially strong position in the Swedish railway sector. The company has a presence at some 40 locations in Sweden, Norway and Denmark. Vectura was formed in 2009 through the merger and incorporation of the Swedish Road Administration Consulting Services and the Swedish Railway Administration's engineering services. Since then, the company has shown average annual growth of 7 per cent.

The acquisition is in line with Sweco's strategy to consolidate its leading positions in the Nordic region and grow in the infrastructure segment.

"We are delighted to join forces with Vectura and together form the Nordic region's leading consulting engineering company. By combining Vectura's comprehensive expertise in transport infrastructure with Sweco's forefront position in sustainable engineering and design, we will boost our growth in the Nordic region, in particular in Sweden and also in the fast growing Norwegian market," says Tomas Carlsson, President and CEO of Sweco.

### **Rationale for the acquisition**

Sustained value creating growth for Sweco's shareholders:

- Consolidates Sweco's position as the leading consultancy in sustainable engineering and design.
- Vectura supplements Sweco's offering with a market-leading position in the railway sector.
- Reinforces both companies' capabilities in road engineering, project management and traffic planning.

- Opens up greater opportunities for expansion in the fast-growing Nordic infrastructure market, in particular Norway.
- Realises significant cost synergies, mainly through reduced overhead and through coordination of administration and facilities.

“Sweco has a powerful offering in sustainable engineering and design and with our in-depth knowledge and longstanding experience in transport infrastructure, we complement each other very well. Against this background, it feels great to unite with Sweco and become even stronger together. The combination is an excellent move for both our clients and our 1,200 employees,” says Jan Colliander, President and CEO of Vectura.

The merger will provide new opportunities for the employees, among other things by giving Vectura's staff increased opportunities to develop in an international environment and to use their expertise in other market segments, such as mining, hydropower and industrial engineering.

### **The transaction**

The total purchase consideration of SEK 927 million will be paid in cash (equity value). The enterprise value is expected to amount to approximately SEK 900 million on the transaction date.

The transaction is conditional on approval from the competition authorities in Sweden and Norway, and the goal is for the change of ownership to take place in August. Vectura will be integrated in Sweco Sweden under the Sweco brand. The integration is scheduled for completion around year-end 2013.

### **Impact on Sweco's income and financial position**

In 2012 Vectura reported annual sales of SEK 1,327 million and an operating profit of SEK 31 million (EBIT). The acquisition is expected to boost Sweco's operating profit with SEK 100 million by 2015. Sweco's earnings per share are expected to increase by SEK 0.47 including synergies, or 9 per cent from 2012's level. Long-term business is expected to perform with the same profitability as Sweco's current infrastructure activities.

The improvement in earnings will be achieved primarily through the realisation of cost synergies, e.g., reduction of external corporate costs, coordination of administration and co-locations of operations. Combining Vectura's operations in Norway and the Traffic & Urban planning businesses with Sweco's operations, will enhance their profitability. Identified synergies exceed SEK 70 million.

The integration costs are estimated at SEK 100 million and will be recognised mainly in the second half of 2013 and first half of 2014. Transaction costs amount to approximately SEK 5 million and will be recognised in the second quarter of 2013.

The acquisition will be financed through a combination of existing loans and a new three-year credit facility. The financing cost is around 3 per cent.

Sweco's financial target is that the net debt should not exceed 40 per cent of equity. As a consequence of the acquisition and its financing, this level will be exceeded, which can be permitted temporarily as long as it takes place with balanced risk. Sweco's financial target is to maintain a net debt position over time, while at the same time upholding a capital structure that enables development and investment in the Group's core business.

**Illustrative income statement**  
2012, SEK millions

	Sweco	Vectura	Adjustment	Combined
<b>Operating income</b>	<b>7,504</b>	<b>1,326</b>		<b>8,830</b>
Operating expenses	-6,747	-1,295		-7,972
<b>EBITA</b>	<b>757</b>	<b>31</b>	<b>70</b>	<b>858</b>
<i>EBITA margin</i>	10.1%	2.3%		9.7%
Amortisation, depreciation and impairment losses	-75	0	-12	-88
<b>EBIT (operating profit)</b>	<b>682</b>	<b>31</b>	<b>58</b>	<b>770</b>
<i>EBIT margin</i>	9.1%	2.3%		8.7%
Net financial items	-29	-1	-29	-58
<b>Profit before tax</b>	<b>653</b>	<b>30</b>	<b>29</b>	<b>712</b>
Income tax expense	-177	-6	-9	-192
<b>Profit for the period</b>	<b>476</b>	<b>24</b>	<b>20</b>	<b>519</b>
Non-controlling interests	-6			-6
<b>Profit attributable to owners of the Parent Company</b>	<b>470</b>	<b>24</b>	<b>20</b>	<b>514</b>
<b>Earnings per share</b>	<b>5.15</b>	<b>0.26</b>	<b>0.22</b>	<b>5.63</b>

The presented financial information has not been reviewed by the company's auditors. The information is based on a combination of the two company's annual accounts for 2012. Adjustments have been made to reflect the anticipated synergies and estimated consequences of the transaction.

The combined figures are hypothetical and should not be seen as pro forma accounts, since only rough adjustments have been made for the acquisition. No adjustments have been made for integration or transaction costs.

**Press conference today at 10:00 a.m.**

Sweco will present the acquisition at Carnegie, Regeringsgatan 56, in Stockholm. The speakers will be Sweco's President and CEO Tomas Carlsson, Sweco's CFO Jonas Dahlberg and Vectura's President and CEO Jan Colliander. The presentation can be viewed at

[www.swecogroup.com](http://www.swecogroup.com).

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*Sweco is an international consulting group with combined expertise in consulting engineering, environmental technology and architecture. Sweco has annual sales of approximately SEK 7.5 billion and around 7,800 employees in the Nordic region and Central and Eastern Europe. The company has projects currently underway in some 80 countries worldwide. Sweco is listed on NASDAQ OMX Stockholm AB.*

*Sweco discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08:20 CET on 17 June 2013.*