

INTERIM REPORT JANUARY – SEPTEMBER 2017 SWECO AB (PUBL)



27 October 2017

STABLE DEVELOPMENT AND MAJOR INFRASTRUCTURE WINS

JULY – SEPTEMBER 2017

- Net sales decreased to SEK 3,635 million (3,723)
- EBITA decreased to SEK 237 million (252), margin 6.5 per cent (6.8)
- EBIT decreased to SEK 219 million (228), margin 6.0 per cent (6.1)
- Profit after tax decreased to SEK 158 million (166), corresponding to SEK 1.32 per share (1,38)

JANUARY – SEPTEMBER 2017

- Net sales increased to SEK 12,305 million (12,111)
- EBITA increased to SEK 1,044 million (941), margin 8.5 per cent (7.8)
- EBIT increased to SEK 995 million (871), margin 8.1 per cent (7.2)
- Profit after tax increased to SEK 743 million (655), corresponding to SEK 6.21 per share (5.47)
- Net debt decreased to SEK 2,311 million (2,315)
- Net debt/EBITDA decreased to 1.4 times (1.6)

COMMENTS FROM PRESIDENT AND CEO TOMAS CARLSSON:

Sweco had a stable development during the third quarter. We continue to streamline our business towards increasing profitability. Increased hourly fees and lower project adjustments contributed positively to the development. EBITA increased approximately SEK 20 million adjusted for calendar effects and last year's extraordinary items. However, the reported numbers are nominally lower than last year as the quarter had less working hours.

Sweco was awarded several major infrastructure projects, during and after the quarter. The modernisation of Stockholm Central Station, design of Paris metro Line 15 and extension of E6 motorway in Norway are examples demonstrating Sweco's market-leading capabilities within transportation infrastructure.

Our main priority is continued operational improvements. We remain focused on our customers, internal efficiency and having the best people in our business, in line with Sweco's operating model. Backed by a strong financial position and as the market-leading architecture and engineering consultancy in Europe, Sweco is well-positioned for continued value-creating growth. Our strategy for the future is to repeat our history. We will continue to strengthen our Northern European footprint, through acquisitions and organic growth.

The market situation is similar across markets and is good overall. The market in Sweden remains strong, but growth is slowing down. The markets in Finland and the Netherlands continue to improve, from an earlier challenging environment. Essentially all other markets remain good.

PROFIT AND OPERATIONS

JULY-SEPTEMBER

EBITA increased approximately SEK 20 million adjusted for calendar effects and last year's negative extraordinary items. The Netherlands, Western Europe and Finland were the main contributors to the improvement. Finland was the most profitable Business Area in the quarter, with a margin of 10.2 per cent.

Overall for the Group, lower project adjustments and a positive trend in hourly fees were the main drivers of improved operational performance.

The billing ratio improved to 75.1 per cent (74.6), mainly due to positive developments in the Netherlands, Central Europe and Western Europe.

Adjusted for calendar effects, EBITA increased SEK 35 million. There were no extraordinary items related to the Grontmij acquisition (-15), which consequently contributed to the improvement by SEK 15 million.

There were 7 less working hours during the third quarter compared to last year. This had a negative year-on-year impact on sales and EBITA of approximately SEK 50 million.

Net sales decreased to SEK 3,635 million (3,723). Organic growth excluding calendar effects was 1 per cent. EBITA amounted to SEK 237 million (252).

Net financial items decreased to SEK -14 million (-9) due primarily to foreign exchange revaluation effects.

Earnings per share decreased to SEK 1.32 per share (1.38).

JANUARY-SEPTEMBER

Adjusted for extraordinary items, EBITA increased SEK 40 million. The improvement was mainly due to higher average fees and lower project adjustments. The improvement was mainly attributable to Finland, the Netherlands and Central Europe.

EBITA increased to SEK 1,044 million (941), an improvement of SEK 103 million. The absence of extraordinary items related to the Grontmij acquisition contributed SEK 63 million to the EBITA improvement.

Calendar effects of 5 hours had a negative year-on-year impact of approximately SEK 32 million on net sales and EBITA.

Net sales increased 2 per cent to SEK 12,305 million (12,111). Acquired growth contributed 1 per cent, while currency effects was 1 per cent. Excluding calendar effects, organic growth was 1 per cent.

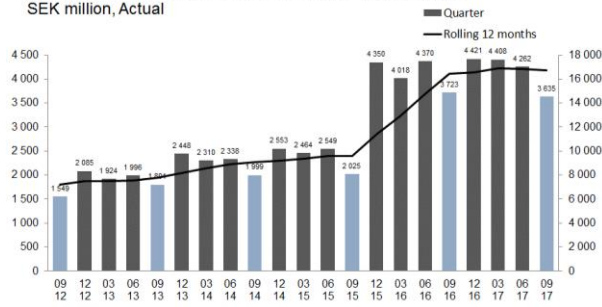
The billing ratio increased to 75.0 per cent (74.7), mainly due to positive developments in the Netherlands, Central Europe and Western Europe.

Net financial items decreased to SEK -37 million (-28) primarily due to foreign exchange revaluation effects.

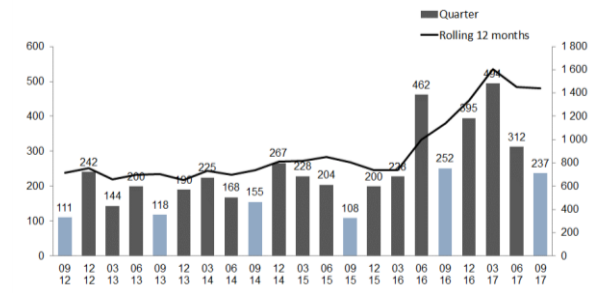
Earnings per share increased to SEK 6.21 per share (5.47).

Key ratios	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Full-year 2016
Net sales, SEK M	3,635	3,723	12,305	12,111	16,726	16,531
Acquisition-related growth, %	1	77	1	69		42
Organic growth, %	0	4	0	4		3
EBITA, excl. extraordinary items, SEK M	237	266	1,044	1,004	1,521	1,482
Margin, %	6.5	7.2	8.5	8.3	9.1	9.0
EBITA, SEK M	237	252	1,044	941	1,438	1,336
Margin, %	6.5	6.8	8.5	7.8	8.6	8.1
Profit after tax, SEK M	158	166	743	655	1,019	931
Earnings per share, SEK	1.32	1.38	6.21	5.47	8.51	7.78
Number of full-time employees	14,396	14,172	14,448	14,321	14,457	14,365
Billing ratio, %	75.1	74.6	75.0	74.7	75.1	74.9
Normal working hours	511	518	1,481	1,486	1,974	1,979
Net debt/EBITDA, x			1.4	1.6		1.0

Net sales by quarter and rolling 12 months
SEK million, Actual



EBITA by quarter and rolling 12 months
SEK million, Actual



EXAMPLES OF NEW PROJECTS

The Swedish Transport Administration has commissioned Sweco to plan and design the modernisation of Stockholm Central Station, the busiest railway station in Sweden with around 1,000 daily arrivals and departures. Sweco's consultants will work in all of the project's technical areas and work will continue through 2022. Sweco estimates the order value to exceed SEK 300 million.

Sweco Belgium has been commissioned by Société du Grand Paris for the detailed design work and project management of the maintenance complex for Line 15 East of the Grand Paris Express metro network in Paris, France. With 200 kilometres of new underground metro lines and 68 new stations, it is the largest metro project in Europe. The objective is to support urban expansion and make travelling more efficient, reduce traffic, and improve the city's air quality. The line will be opened in stages from 2025 to 2030. The order value for Sweco is approximately SEK 100 million.

After the quarter, Sweco Norway was commissioned to design the new 24-kilometre long E6 motorway in Hedmark. It is one of the largest upcoming infrastructure projects in Norway. Sweco has been commissioned by the construction company Veidekke to design the four-lane motorway and the responsible authority is Nye Veier, the Norwegian infrastructure development company. The project will start immediately and the motorway is scheduled to open in December 2020. The order value for Sweco is approximately SEK 70 million.

MARKET

The market situation is similar across markets and is good overall. The market in Sweden remains strong, but growth is slowing down. The markets in Finland and the Netherlands continue to improve, from an earlier challenging environment. Essentially all other markets remain good.

OUTLOOK

Demand for Sweco's services predominantly follows the general macroeconomic trend in Sweco's markets, with some time lag.

The Northern European GDP development is solid. Political uncertainty, the global macroeconomic

situation and financial market events are risks to the development.

Sweco does not provide forecasts.

EVENTS DURING THE QUARTER

On 25 August Sweco announced the acquisition of Snoeck & Partners, a Belgian building consultancy with 24 employees. It has a well-established market position in western Belgium and offers services in architecture, structural engineering and infrastructure.

EVENTS AFTER THE QUARTER

On 23 October Sweco announced the acquisition of Dimensjon Rådgivning AS, a Norwegian engineering consultancy based in Stavanger with 47 employees that offers services in urban planning, building engineering, municipal engineering and infrastructure.

CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 313 million (309) during the first nine months of the year. Net debt essentially remained stable at SEK 2,311 million (2,315).

The net debt/EBITDA ratio was 1.4 times (1.6).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 1,351 million (1,552) at the end of the reporting period.

INVESTMENTS, JANUARY-SEPTEMBER 2017

Investments in equipment totalled SEK 189 million (140) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 170 million (164) and amortisation of intangible assets totalled SEK 80 million (102).

Purchase consideration paid to acquire companies and operations totalled SEK 104 million (154) and had an impact of SEK -77 million (-136) on Group cash and cash equivalents. Purchase consideration on the divestment of companies and operations totalled SEK 15 million (9) and had an impact of SEK 13 million (9) on Group cash and cash equivalents. Repurchases of Sweco shares totalled SEK 289 million (114) and had the same effect on Group cash and cash equivalents.

Dividends totalling SEK 513 million (418) were distributed to Sweco AB shareholders during the period.

SWECO SWEDEN

SALES AND PROFIT, JULY-SEPTEMBER

EBITA was positively affected by an increasing trend in hourly fees and positive project adjustments, while a lower billing ratio contributed negatively. The year-on-year calendar effect of -8 hours had a negative impact of approximately SEK 24 million on net sales and EBITA.

Sweco continues to be successful in the market and is one of Sweden's most attractive employers. Organic revenue growth from own consultants, adjusted for the calendar effect, was 2 per cent. Nominally, organic growth was -2 per cent, mainly due to a reduction in income from subconsultants and the negative calendar effect. The reduced income from subconsultants was mainly related to the completion of large projects with a major share of sub-consultants.

The Swedish market remains strong, but growth is slowing down and competition for talent is increasing. There is strong demand in the construction and real estate sector, particularly in the larger cities. The infrastructure market is also strong, supported by major public investments. The industrial market is stable and the market for IT-related services is developing positively. The market for power transmission services is strong, while the energy generation market is weak.

IN BRIEF

Net sales and profit	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	1,437	1,465	5,089	5,113
Organic growth, %	-2	7	0	5
Currency, %	0	0	0	0
EBITA, SEK M	95	129	548	579
EBITA margin, %	6.6	8.8	10.8	11.3
Number of full-time employees	5,392	5,327	5,480	5,441

SWECO NORWAY

SALES AND PROFIT, JULY-SEPTEMBER

EBITA decreased to SEK 24 million (40). EBITA was impacted by a negative calendar effect and increased project write-downs. The year-on-year calendar effect of -8 hours had a negative impact of approximately SEK 7 million on net sales and EBITA.

Net sales decreased by 10 per cent, largely due to negative currency translation effects of 7 per cent. Organic growth was impacted negatively by the calendar effect and a reduction in income from subconsultants. Organic revenue growth from own consultants, adjusted for the calendar effect, was 1 per cent.

The Norwegian market is good, but demand is distributed unevenly. The markets in the greater Oslo region are strong within public infrastructure, private and public commercial construction and residential construction. The markets in southern and western Norway are still challenging, while the northern areas are experiencing moderate growth.

IN BRIEF

Net sales and profit	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	413	457	1,509	1,525
Organic growth, %	-3	6	-2	6
Currency, %	-7	7	1	-4
EBITA, SEK M	24	40	119	137
EBITA margin, %	5.8	8.8	7.9	9.0
Number of full-time employees	1,329	1,330	1,329	1,343

SWECO FINLAND

SALES AND PROFIT, JULY-SEPTEMBER

Net sales increased to SEK 420 million (402). EBITA increased to SEK 43 million and the margin improved 1.5 percentage points to 10.2 per cent. The improvements were mainly attributable to higher average fees and a combination of acquired and organic growth. The year-on-year calendar effect of -2 hours had a negative impact of approximately SEK 1 million on net sales and EBITA.

The Finnish economy has gradually improved over the last two years. Demand for Sweco's services is stable and developing positively, primarily in the building market in the Helsinki region. Demand for industry, construction and real estate-related services is good, while the infrastructure market remains challenging.

As the Finnish economy improves, Sweco Finland is well-positioned to benefit from a market-leading position, high internal efficiency and strong customer focus.

IN BRIEF

Net sales and profit	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	420	402	1,405	1,298
Organic growth, %	8	2	5	10
Acquisition-related growth, %	2	1	3	0
Currency, %	-5	6	1	1
EBITA, SEK M	43	35	153	98
EBITA margin, %	10.2	8.7	10.9	7.5
Number of full-time employees	2,069	2,008	2,058	2,000

SWECO DENMARK

SALES AND PROFIT, JULY-SEPTEMBER

EBITA declined SEK 13 million. The decline was mainly attributable to restructuring costs and a negative calendar effect. The calendar effect of -7 hours had a negative impact of approximately SEK 4 million on EBITA.

Organic growth was impacted negatively by calendar effects of 1 per cent during the quarter. The remaining organic decline was mainly attributable to a reduction of staff related to ongoing operational improvements.

The market in Denmark is generally good and developing positively. The construction and real estate sector is developing well and is particularly strong in the larger cities. The infrastructure market is stable, with the exception of weaker demand in road construction. Demand in the water and environmental sectors is increasing, driven by an higher demand for climate adaption services in the larger cities. The energy market is weak due to a decreasing activity level.

IN BRIEF

Net sales and profit	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	290	334	1,022	1,024
Organic growth, %	-9	-2	-1	2
Currency, %	-5	6	1	2
EBITA, SEK M	14	27	39	54
EBITA margin, %	4.7	8.0	3.8	5.3
Number of full-time employees	992	1,027	1,009	1,068

SWECO NETHERLANDS

SALES AND PROFIT, JULY-SEPTEMBER

EBITA increased SEK 9 million, despite a negative calendar effect of 8 hours with a year-on-year impact of approximately SEK -5 million. Adjusted for calendar effects, the improvement in EBITA was approximately SEK 14 million. The profit improvement was mainly attributable to an improved billing ratio and overhead cost savings.

Net sales decreased to SEK 389 million (434), mainly due to a reduction in the number of own consultants. Sweco Netherlands is continuing on its journey to sustainably improve operational performance. The focus is on the implementation of Sweco's operating model supported by a cultural change programme focused on customers, leadership and collaboration.

Due to the gradual improvement of the Dutch economy, the engineering market in the Netherlands is developing positively, particularly within private building construction. Sweco Netherlands delivers services primarily in the areas of public infrastructure, energy, water and public sector buildings. These markets typically lag behind the private construction market.

IN BRIEF

Net sales and profit	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	389	434	1,249	1,312
Organic growth, %	-6	-5	-5	-4
Acquisition-related growth, %	0	-4	-1	-2
Currency, %	-5	6	1	1
EBITA, SEK M	5	-4	47	27
EBITA margin, %	1.4	-0.8	3.8	2.1
Number of full-time employees	1,348	1,408	1,369	1,446

SWECO WESTERN EUROPE

SALES AND PROFIT, JULY-SEPTEMBER

Net sales increased to SEK 390 million (365), mainly due to solid growth in the UK and the newly acquired company M&R in Belgium which was consolidated for the first time during the third quarter. Organic growth amounted to 3 per cent. Calendar effects of -6 hours had a negative year-on-year impact of approximately SEK 5 million on net sales and EBITA.

Adjusted for calendar effects, EBITA increased approximately SEK 12 million mainly due to positive operational development in the UK and the acquisition of M&R in Belgium. The EBITA margin improved 1.4 percentage points to 6.4 per cent.

Demand for Sweco's services in the UK remains good. The infrastructure and water markets are good. The energy and building markets are stable. Although there are no tangible signs of a slowdown, there is uncertainty about market development following the negotiations on the EU referendum ("Brexit").

The market in Belgium is generally stable within all market segments. The private and public building markets are improving. The industry market and public infrastructure markets are good.

IN BRIEF

Net sales and profit	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	390	365	1,191	1,159
Organic growth, %	3	2	2	5
Acquisition-related growth, %	5	0	2	0
Currency, %	-1	-8	-1	-6
EBITA, SEK M	25	18	82	75
EBITA margin, %	6.4	5.0	6.9	6.5
Number of full-time employees	1,649	1,532	1,596	1,518

SWECO CENTRAL EUROPE

SALES AND PROFIT, JULY-SEPTEMBER

Net sales increased to SEK 317 million (289) due to strong organic and acquisition-related growth in Germany. A calendar effect of -8 hours had a negative year-on-year impact of approximately SEK 3 million on net sales and EBITA.

EBITA increased to SEK 19 million (18). Adjusted for calendar effects, the improvement of EBITA was approximately SEK 4 million. The main contributions to improved profits came from Germany, with positive operational momentum in the existing business and contributions from last year's acquisition of Jo. Franzke.

The German market is good overall and is developing positively. The health care and commercial markets are good. Demand is strong in the transport and environmental sector due to public investments, while the energy market remains challenging.

The Lithuanian market is experiencing weak development due to delayed EU investments in public infrastructure, water and environment. The new rounds of EU investments were initiated during third quarter 2016 and are gradually increasing. The Czech market is showing signs of a recovery with good demand for Sweco's services. The Polish market is developing positively with good investments in energy, transportation and water.

IN BRIEF

Net sales and profit	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	317	289	932	753
Organic growth, %	8	10	12	3
Acquisition-related growth, %	5	16	10	7
Currency, %	-3	6	1	1
EBITA, SEK M	19	18	50	32
EBITA margin, %	6.0	6.2	5.3	4.2
Number of full-time employees	1,561	1,450	1,531	1,406

OTHER INFORMATION

PARENT COMPANY, JANUARY-SEPTEMBER 2017

Parent Company net sales totalled SEK 461 million (389) and were attributable to intra-group services. Profit after net financial items totalled SEK 391 million (26). Investments in equipment totalled SEK 6 million (14). Cash and cash equivalents at the end of the period totalled SEK 218 million (284).

ACCOUNTING PRINCIPLES

Sweco complies with the International Financial Reporting Standards (IFRS) and interpretive statements from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. This interim report was prepared in accordance with IAS 34, Interim Reporting; the Swedish Annual Accounts Act; and the Swedish Financial Reporting Board's RFR 2, Reporting for Legal Entities.

To align internal and external reporting, Sweco has as of 1 January 2017 changed the definition of Net sales, EBITA and Number of full-time employees as below.

The definition of Acquisition-related items, and therefore also the definition of EBITA, has been adjusted. Profit on the divestment of buildings and land has been moved from Net sales to Acquisition-related items, and loss on the divestment of buildings and land has been moved from Other expenses to Acquisition-related items. The definition of Acquisition-related items has thus been changed to "Amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, profit and loss on the divestment of companies and operations, and profit and loss on the divestment of buildings and land". Historical figures have been restated, but the change has no material impact on reported figures.

The definition of Net sales has been adjusted to exclude internal revenues concerning internal administrative services. This change only affects Net sales of the business areas. Net sales for previous periods has been restated. This change has no impact on consolidated Group sales and no impact on the Group's or business areas' reported EBITA.

As of 1 January 2017, the accounting treatment of "agency staff" has been aligned across the group. Accordingly agency staff that were previously reported as employees by former Grontmij entities will now be reported as subconsultants. Historical financial figures have not been restated due to this change in accounting treatment; however, the Number of full-time employees has been restated for previous periods.

In all other respects, the Group applies the same accounting and valuation principles as those described in Note 1 of the 2016 annual report. In this interim report, amounts in brackets refer to the corresponding period of the previous year. Because table items are individually

rounded off, table figures do not always tally. The interim report comprises pages 1 - 16; interim financial information presented on pages 1 - 16 is therefore part of this financial report.

DEFINITIONS

Sweco follows the guidelines from ESMA (European Securities and Markets Authority) regarding APMs (Alternative Performance Measures). In brief, these are measures of historical or ongoing operating results and financial performance that are not specified or defined in IFRS. The presentation of non-IFRS financial measures is limited as an analytical tool and should not be used as a substitute for key ratios pursuant to IFRS. Sweco believes that the APMs will enhance the investor's evaluation of our ongoing operating results, aid in forecasting future periods and facilitate meaningful comparison of results between periods. The non-IFRS financial measures presented in this report may differ from similarly titled measures used by other companies. A complete list of all Sweco's definitions can be found on our website: <http://www.sweco.se/en/IR/definitions/>.

Key ratio calculations that cannot be obtained directly from the income statement and balance sheet can be found on page 16 (revenue growth) and page 15 (EBITA excluding extraordinary items).

THE SWECO SHARE

The Sweco share is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 199.50 at the end of the period, representing a 4.0 per cent decrease during the quarter. The Nasdaq Stockholm General Index increased by 1 per cent over the same period.

The total number of shares at the end of the period was 121,583,819: 10,533,731 Class A shares, 110,550,088 Class B shares and 500,000 Class C shares. The total number of outstanding shares was 119,124,596: 10,533,731 Class A shares and 108,590,865 Class B shares.

RISKS AND UNCERTAINTIES

Significant risks and uncertainties affecting the Sweco Group and the Parent Company include business risks associated with the general economic trend and investment level in various markets, the capacity to attract and retain skilled personnel and the effects of political decisions. The Group is also exposed to various types of financial risks, such as foreign currency, interest rate and credit risks. No significant risks are deemed to have arisen apart from the risks detailed in Sweco's 2016 annual report (page 94, Risks and Risk Management).

SEASONALITY

The number of normal working hours in 2017, based on the 12-month sales-weighted business mix as of September 2016, is broken down as follows:

	<u>2017</u>	<u>2016</u>	
Quarter 1:	506	478	+28
Quarter 2:	464	490	-26
Quarter 3:	511	518	-7
Quarter 4:	490	493	-3
Total:	1,971	1,979	-8

ACQUISITION-RELATED INTANGIBLE ASSETS

Acquisition-related intangible assets will be amortised pursuant to the following schedule, based on acquisitions to date:

2016 Actuals	SEK -92 million
2017 Estimate	SEK -68 million
2018 Estimate	SEK -60 million
2019 Estimate	SEK -33 million

FORTHCOMING FINANCIAL INFORMATION

Year-end report 2017	13 February 2018
Interim report January-March	9 May 2018
Interim report January-June	19 July 2018
Interim report January-September	8 November 2018

Stockholm, 27 October 2017

Tomas Carlsson
President and CEO, Member of the Board of Directors

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AUDITOR'S REPORT

This is the Auditor's review report on interim financial information, prepared in accordance with IAS 34 and chapter 9 of the Swedish Annual Accounts Act.

INTRODUCTION

We have reviewed the interim report of Sweco AB (publ) for the period 1 January 2017 through 30 September 2017. The board of directors and the President and CEO are responsible for the preparation and presentation of the interim financial statements in accordance with IAS 34 and the Swedish annual Accounts Act. Our responsibility is to express an opinion on the interim financial statements based on our review.

FOCUS AND SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially smaller scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act and, for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Stockholm, 27 October 2017
PricewaterhouseCoopers AB

Michael Bengtsson
Authorised public accountant
Auditor in charge

KEY RATIOS

Key ratios ¹⁾	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Full-year 2016
Profitability						
EBITA margin, %	6.5	6.8	8.5	7.8	8.6	8.1
Operating margin (EBIT), %	6.0	6.1	8.1	7.2	8.2	7.6
Profit margin, %	5.6	5.9	7.8	7.0	8.0	7.4
Revenue growth²⁾						
Organic growth, %	0	4	0	4		3
Acquisition-related growth, %	1	77	1	69		42
Currency, %	-3	3	0	-1		0
Total growth, %	-2	84	2	72		45
Debt						
Net debt, SEK M			2,311	2,315		1,558
Interest-bearing debt, SEK M			2,642	2,767		2,451
Financial strength						
Net debt/Equity, %			42.6	45.0		28.7
Net debt/EBITDA, x			1.4	1.6		1.0
Equity/Assets ratio, %			38.9	37.8		39.3
Available cash and cash equivalents, SEK M			1,351	1,552		2,138
-of which unutilised credit, SEK M			1,020	1,100		1,245
Return						
Return on equity, %			19.3	20.8		18.0
Return on capital employed, %			17.4	18.0		16.8
Share data						
Earnings per share, SEK	1.32	1.38	6.21	5.47	8.51	7.78
Diluted earnings per share, SEK	1.30	1.36	6.09	5.39	8.35	7.65
Equity per share, SEK ³⁾			45.45	42.87		45.37
Diluted equity per share, SEK ³⁾			44.57	42.04		44.47
Number of outstanding shares at reporting date			119,124,596	119,624,270		119,554,270
Number of repurchased Class B and Class C shares			2,459,223	2,359,549		2,429,549

¹⁾ Key ratio definitions are available on Sweco's website.

²⁾ See page 16 for details on Sweco's calculation of revenue growth.

³⁾ Refers to portion attributable to Parent Company shareholders.

CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

Income Statement SEK M	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Full-year 2016
Net sales	3,635	3,723	12,305	12,111	16,726	16,531
Other income	0	0	2	0	2	0
Other external expenses	-986	-987	-3,029	-2,955	-4,125	-4,052
Personnel expenses	-2,343	-2,417	-8,032	-8,012	-10,896	-10,875
EBITDA	306	319	1,246	1,143	1,707	1,605
Amortisation/depreciation and impairments	-69	-67	-202	-202	-269	-269
EBITA	237	252	1,044	941	1,438	1,336
Acquisition-related items ¹⁾	-18	-23	-49	-70	-66	-87
Operating profit (EBIT)	219	228	995	871	1,373	1,249
Net financial items	-14	-9	-37	-28	-42	-33
Profit before tax	205	219	957	843	1,330	1,216
Income tax	-47	-53	-215	-188	-312	-285
PROFIT FOR THE PERIOD	158	166	743	655	1,019	931
Attributable to:						
Parent Company shareholders	157	166	742	655	1,017	930
Non-controlling interests	0	0	1	0	2	1
Earnings per share attributable to Parent Company shareholders, SEK	1.32	1.38	6.21	5.47	8.51	7.78
Average number of shares	119,377,524	119,624,270	119,534,675	119,598,114	119,551,240	119,598,820
Dividend per share, SEK						4.30

¹⁾ Acquisition-related items are defined as amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, and profit and loss on the divestment of companies, operations and land and buildings. See pages 8 and 14 for additional details.

Consolidated income statement and other comprehensive income, SEK M	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Full-year 2016
Profit for the period	158	166	743	655	1 019	931
Items that will not be reversed in the income statement						
Revaluation of defined benefit pensions, net after tax ^{1,2)}	-1	-1	-1	-31	0	-30
Items that may subsequently be reversed in the income statement						
Translation differences, net after tax	-3	63	-31	50	-43	38
Translation differences transferred to profit for the period	-	-	-	-	-	1
COMPREHENSIVE INCOME FOR THE PERIOD	154	227	711	674	977	940
Attributable to:						
Parent Company shareholders	154	225	710	672	977	939
Non-controlling interests	0	1	1	1	1	1
¹⁾ Tax on revaluation of defined benefit pensions	-	-	-	9	-4	5

²⁾ Revalued annually. Reviewed quarterly in the event of material changes to actuarial assumptions.

CONSOLIDATED BALANCE SHEET, STATEMENTS OF CONSOLIDATED CASH FLOW AND CHANGES IN EQUITY

Cash flow statement SEK M	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Full-year 2016
Cash flow from operating activities before changes in working capital and tax paid	314	358	1,281	1,179	1,779	1,677
Tax paid	-40	-35	-180	-170	-206	-196
Changes in working capital	-280	7	-788	-700	-404	-316
Cash flow from operating activities	-6	330	313	309	1,169	1,165
Cash flow from investing activities	-80	-53	-271	-292	-380	-401
Cash flow from financing activities	102	-146	-591	-108	-911	-428
CASH FLOW FOR THE PERIOD	16	131	-549	-91	-122	336

Balance sheet SEK M	30 Sep 2017	30 Sep 2016	31 Dec 2016
Goodwill	6,136	5,979	6,098
Other intangible assets	314	366	346
Property, plant and equipment	615	640	616
Financial assets	220	183	219
Current assets excl. cash and cash equivalents	6,341	5,981	5,650
Cash and cash equivalents incl. short-term investments	331	452	892
TOTAL ASSETS	13,957	13,601	13,820
Equity attributable to Parent Company shareholders	5,414	5,129	5,424
Non-controlling interests	11	10	10
Total equity	5,425	5,139	5,435
Non-current interest-bearing liabilities	1,421	2,552	1,515
Other non-current liabilities	844	747	833
Current interest-bearing liabilities	1,222	215	936
Other current liabilities	5,045	4,948	5,102
TOTAL EQUITY AND LIABILITIES	13,957	13,601	13,820
Pledged assets	21	-	22
Contingent liabilities	677	631	706

Changes in equity SEK M	Jan-Sep 2017			Jan-Sep 2016		
	Equity at- tributable to Parent Company shareholders	Non- controlling interests	Total equity	Equity at- tributable to Parent Company shareholders	Non- controlling interests	Total equity
Equity, opening balance	5,424	10	5,435	4,899	9	4,908
Comprehensive income for the period	710	1	711	674	1	675
Transfer to shareholders	-513	-	-513	-418	-1	-419
Preferential rights issue	-	-	-	-2	-	-2
Divestments of non-controlling interests	-	-	-	-	1	1
Buy-back of treasury shares	-289	-	-289	-114	-	-114
Sales of treasury shares	-	-	-	3	-	3
Share-based incentive schemes	77	-	77	83	-	83
Share savings schemes	5	-	5	4	-	4
EQUITY, CLOSING BALANCE	5,414	11	5,425	5,129	10	5,139

ACQUISITIONS, DIVESTMENTS, ACQUISITION-RELATED ITEMS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

ACQUISITION OF SUBSIDIARIES AND OPERATIONS

During the period Sweco acquired the operations of Karves Yhtiöt Ltd, MR-Group NV, Byggteam Bodö AS and Snoeck & Partners NV. The acquired businesses have an aggregate total of approximately 125 employees. Purchase consideration totalled SEK 104 million and had a negative impact on cash and cash equivalents of SEK 77 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below whereof the acquisition analysis regarding Snoeck & Partner is preliminary. Of the unsettled purchase price commitment of SEK 5 million, SEK 5 million refers to conditional contingent consideration. During the period the acquired companies contributed SEK 53 million in net sales and SEK 4 million in operating profit (EBIT). If all of the companies had been owned as of 1 January 2017 they would have contributed approximately SEK 105 million in net sales and about SEK 6 million in operating profit.

Acquisitions, SEK M	
Intangible assets	74
Property, plant and equipment	9
Financial assets	0
Current assets	65
Non-current liabilities	-11
Deferred tax	-6
Other current liabilities	-27
Total purchase consideration	104
Unsettled purchase price commitment	-5
Cash and cash equivalents	-22
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	77

DIVESTMENT OF SUBSIDIARIES AND OPERATIONS

During the period Sweco divested Golfexploitatie maatschappij Naarderbos B.V and Naarderbos Ontwikkeling B.V., with a total of 65 employees (approximately 25 full-time employees). The businesses contributed SEK 11 million in net sales and SEK -4 million in operating profit during the period. The divestments had a positive impact on profit of SEK 0.1 million and a positive impact on the Group's cash and cash equivalents of SEK 13 million. The divestments impacted the consolidated balance sheet as detailed below.

Divestments, SEK M	
Property, plant and equipment	40
Current assets	10
Non-current liabilities	-35
Current liabilities	0
Capital gain recorded on divestment	0
Total purchase consideration	15
Cash and cash equivalents in divested companies	-2
INCREASE IN GROUP CASH AND CASH EQUIVALENTS	13

ACQUISITION-RELATED ITEMS

Acquisition-related items SEK M	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Full-year 2016
Amortisation of acquisition-related intangible assets	-17	-23	-51	-70	-73	-92
Revaluation of additional purchase price	0	-	0	-	2	3
Profit/ loss on the divestment of buildings and land	0	-	2	-	2	0
Profit/loss on divestment of companies and operations	-	-	0	1	3	3
ACQUISITION-RELATED ITEMS	-18	-23	-49	-70	-66	-87

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial assets measured at fair value totalled SEK 13 million (15). The derivative instruments are forward currency contracts, the fair value of which are determined based on listed prices for forward currency contracts on the balance sheet date (Level 2). The fair value of unlisted financial assets is determined through market valuation techniques (observable market inputs) such as recent transactions, listed prices of similar instruments and discounted cash flows. In the event no reliable inputs are available for determining fair value, financial assets are reported at acquisition value (Level 3). There were no transfers between levels during the period.

QUARTERLY REVIEW PER BUSINESS AREA

Sweco has restated historical figures for Q3 2015 to reflect the new Sweco Group organisational structure, effective as of 1 October 2015. Grontmij is included pro forma as if the acquisition had taken place on 31 December 2014¹⁾. Further, the figures of 2015 and 2016 have been restated to reflect the new definition of Net sales, EBITA and Number of full-time employees as described on page 8.

Quarterly summary ²⁾	Actual 2017 Q3	Actual 2017 Q2	Actual 2017 Q1	Actual 2016 Q4	Actual 2016 Q3	Actual 2016 Q2	Actual 2016 Q1	Actual 2015 Q4	Pro forma 2015 Q3
Net sales, SEK M									
Sweco Sweden	1,437	1,798	1,854	1,951	1,465	1,913	1,736	1,900	1,372
Sweco Norway	413	506	590	530	457	568	499	508	401
Sweco Finland	420	498	487	462	402	471	425	483	372
Sweco Denmark	290	343	389	351	334	361	330	365	320
Sweco Netherlands	389	421	440	434	434	455	423	450	445
Sweco Western Europe	390	401	400	420	365	395	398	428	389
Sweco Central Europe	317	329	285	297	289	243	221	261	218
Group-wide, Eliminations, etc.	-20	-36	-36	-24	-22	-36	-15	-46	-12
TOTAL GROUP	3,635	4,262	4,408	4,421	3,723	4,370	4,018	4,350	3,504
EBITA, SEK M									
Sweco Sweden	95	202	251	273	129	280	170	211	91
Sweco Norway	24	7	88	58	40	68	29	52	24
Sweco Finland	43	49	61	41	35	42	21	35	27
Sweco Denmark	14	-4	30	44	27	23	4	28	18
Sweco Netherlands	5	14	28	0	-4	12	18	-1	12
Sweco Western Europe	25	29	28	30	18	33	23	25	22
Sweco Central Europe	19	18	13	26	18	11	3	19	7
Group-wide, Eliminations, etc.	12	-4	-4	-77	-12	-9	-40	-170	-63
EBITA	237	312	494	395	252	462	228	200	138
Extraordinary items ³⁾	-	-	-	83	15	12	36	190	59
EBITA excl. extraordinary items	237	312	494	478	266	474	263	390	197
EBITA margin, %									
Sweco Sweden	6.6	11.2	13.5	14.0	8.8	14.6	9.8	11.1	6.6
Sweco Norway	5.8	1.5	14.9	11.0	8.8	12.0	5.8	10.2	6.1
Sweco Finland	10.2	9.9	12.6	8.8	8.7	8.9	4.8	7.2	7.4
Sweco Denmark	4.7	-1.1	7.6	12.6	8.0	6.5	1.2	7.7	5.6
Sweco Netherlands	1.4	3.4	6.3	-0.1	-0.8	2.7	4.4	-0.3	2.6
Sweco Western Europe	6.4	7.3	7.0	7.1	5.0	8.4	5.9	5.9	5.7
Sweco Central Europe	6.0	5.4	4.5	8.9	6.2	4.7	1.1	7.2	3.0
EBITA margin	6.5	7.3	11.2	8.9	6.8	10.6	5.7	4.6	3.9
Extraordinary items ³⁾	-	-	-	1.9	0.4	0.2	0.9	4.4	1.7
EBITA margin excl. extraordinary items	6.5	7.3	11.2	10.8	7.2	10.8	6.6	9.0	5.6
Billing ratio, %	75.1	75.5	74.4	75.3	74.6	75.1	74.5	74.7	74.1
Number of normal working hours	511	464	506	493	518	490	478	492	519
Number of full-time employees	14,396	14,548	14,412	14,482	14,172	14,507	14,302	14,344	14,049

¹⁾ Pro forma information is based on the consolidated income statements for the first three quarters of 2015 for Sweco and Grontmij, respectively. Sweco and Grontmij both apply IFRS. Financial pro forma information has been compiled and presented in accordance with Sweco's accounting policies as described in Sweco's 2015 annual report. Grontmij's financials have been adjusted to correspond with Sweco's income statement presentation. Pro forma information is only intended to describe a hypothetical situation and has been prepared solely for illustrative purposes.

²⁾ Pro forma information excludes Grontmij's French activities which were divested during 2015 and reported by Grontmij as Assets held for sale. Group-wide, Eliminations, etc. includes Group functions, Grontmij's real estate operations and the operations in China which were divested in Q4 2016.

³⁾ Extraordinary items include Sweco's and Grontmij's extraordinary items to the extent they are part of Sweco's definition of EBITA. All extraordinary items are included in Group-wide.

PERIOD REVIEW PER BUSINESS AREA

January-September	Net sales, SEK M		EBITA, SEK M		EBITA margin, %		Number of full-time employees	
Business area	2017	2016 ²⁾	2017	2016 ²⁾	2017	2016 ²⁾	2017	2016 ²⁾
Sweco Sweden	5,089	5,113	548	579	10.8	11.3	5,480	5,441
Sweco Norway	1,509	1,525	119	137	7.9	9.0	1,329	1,343
Sweco Finland	1,405	1,298	153	98	10.9	7.5	2,058	2,000
Sweco Denmark	1,022	1,024	39	54	3.8	5.3	1,009	1,068
Sweco Netherlands	1,249	1,312	47	27	3.8	2.1	1,369	1,446
Sweco Western Europe	1,191	1,159	82	75	6.9	6.5	1,596	1,518
Sweco Central Europe	932	753	50	32	5.3	4.2	1,531	1,406
Group-wide, Eliminations, etc. ¹⁾	-92	-73	4	-61	-	-	76	98
TOTAL GROUP	12,305	12,111	1,044	941	8.5	7.8	14,448	14,321

¹⁾ Group-wide, Eliminations, etc. includes Group functions and Grontmij's real estate operations. All extraordinary items are included in Group-wide.

²⁾ 2016 restated to reflect the new definition of Net sales, EBITA and Number of full-time employees as of 1 January 2017.

NET SALES GROWTH

The below table shows the calculation of organic growth, i.e., net sales growth adjusted for the impact of acquisitions and divestments as well as the effect of foreign currency fluctuations.

	2017 Jul-Sep	2016 Jul-Sep	Growth, % Jul-Sep 2017	2017 Jan-Sep	2016 Jan-Sep	Growth, % Jan-Sep 2017
Net sales growth						
Reported Net sales	3,635	3,723	-2%	12,305	12,111	2%
Adjustment for currency effects	0	-106	-3%	0	46	0%
Net sales currency-adjusted	3,635	3,617	1%	12,305	12,157	1%
Adjustment for acquisitions/divestments	-56	-20	1%	-103	2	1%
Comparable net sales currency-adjusted	3,579	3,597	0%	12,202	12,159	0%

	2016 Jul-Sep	2015 Jul-Sep	Growth, % Jul-Sep 2016	2016 Jan-Sep	2015 Jan-Sep	Growth, % Jan-Sep 2016
Net sales growth						
Reported Net sales	3,723	2,024	84%	12,111	7,039	72%
Adjustment for currency effects	0	57	3%	0	-36	-1%
Net sales currency-adjusted	3,723	2,081	79%	12,111	7,003	73%
Adjustment for acquisitions/divestments	-41	1,463	77%	-77	4,563	69%
Comparable net sales currency-adjusted	3,683	3,544	4%	12,033	11,566	4%

PARENT COMPANY INCOME STATEMENT AND BALANCE SHEET

Parent Company income statement, SEK M	Jan-Sep 2017	Jan-Sep 2016	Full-year 2016
Net sales	461	389	538
Operating expenses	-481	-447	-600
Operating loss	-20	-57	-63
Net financial items	410	83	551
Profit/loss after net financial items	391	26	488
Appropriations	-	-	10
Profit/loss before tax	391	26	499
Tax	-	-	-86
PROFIT/LOSS AFTER TAX	391	26	413

Parent Company balance sheet, SEK M	30 Sep 2017	31 Dec 2016
Intangible assets	64	75
Property, plant and equipment	40	54
Financial assets	6,345	6,346
Current assets	1,880	2,572
TOTAL ASSETS	8,330	9,047
Equity	4,310	4,626
Untaxed reserves	12	12
Non-current liabilities	1,312	1,379
Current liabilities	2,696	3,030
TOTAL EQUITY AND LIABILITIES	8,330	9,047