

INTERIM REPORT JANUARY – JUNE 2017 SWECO AB (PUBL)



20 July 2017

SOLID OPERATIONAL PERFORMANCE IN A GOOD MARKET

APRIL – JUNE 2017

- Net sales decreased to SEK 4,262 million (4,370)
- EBITA decreased to SEK 312 million (462), margin 7.3 per cent (10.6)
- EBIT decreased to SEK 299 million (438), margin 7.0 per cent (10.0)
- Profit after tax decreased to SEK 225 million (342), corresponding to SEK 1.88 per share (2.85)

JANUARY – JUNE 2017

- Net sales increased to SEK 8,670 million (8,387)
- EBITA increased to SEK 807 million (690), margin 9.3 per cent (8.2)
- EBIT increased to SEK 776 million (643), margin 8.9 per cent (7.7)
- Profit after tax increased to SEK 585 million (489), corresponding to SEK 4.89 per share (4.09)
- Net debt decreased to SEK 2,064 million (2,534)
- Net debt/EBITDA decreased to 1.2 times (2.0)

COMMENTS FROM PRESIDENT AND CEO TOMAS CARLSSON:

Sweco delivered a solid operational performance during the second quarter. Increased hourly fees and lower project adjustments contributed positively to the development. Adjusted for calendar effects and last year's extraordinary items, EBITA increased approximately SEK 23 million. However, the reported numbers show a negative development as the quarter had less working hours than last year.

Sweco was awarded several important projects during the quarter to plan and design the cities and communities of the future, including designing the encapsulation plant for Sweden's spent nuclear fuel, planning three new city districts in Amsterdam and advising on the construction of a power plant that will double power generation in Rwanda.

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.

Overall, the market for Sweco's services is good. The Swedish market remains strong. The markets in Norway, Denmark, Western Europe and Central Europe are generally good. The markets in the Netherlands and Finland are improving.

PROFIT AND OPERATIONS

APRIL-JUNE

Adjusted for calendar effects and last year's negative extraordinary items, EBITA increased SEK 23 million. Finland and Germany were the main contributors to the improvement, but the Netherlands also contributed positively. Sweco Sweden is the most profitable Business Area in the group, with a margin of 11.2 per cent.

Overall for the Group, lower project adjustments and a positive trend in hourly fees were the main drivers of improved operational performance. Increased synergies from the Grontmij acquisition also contributed positively.

Adjusted for calendar effects, EBITA increased SEK 35 million. There were no extraordinary items related to the Grontmij acquisition (-12), which consequently contributed to the improvement by SEK 12 million.

The billing ratio improved to 75.5 per cent (75.1), mainly due to positive development in the Netherlands, Western Europe and Central Europe.

Since the Easter holiday fell during the second quarter of 2017 (rather than during the first quarter as in 2016), there were 26 fewer working hours during the second quarter compared to last year. This had a negative year-on-year impact on sales and EBITA of approximately SEK 184 million.

Net sales decreased to SEK 4,262 million (4,370). The calendar effect was the main driver of the negative development. EBITA amounted to SEK 312 million (462).

Net financial items decreased to SEK -11 million (-8) due primarily to foreign exchange revaluation effects.

Earnings per share decreased to SEK 1.88 per share (2.85).

JANUARY-JUNE

Net sales increased 3 per cent to SEK 8,670 million (8,387). Organic growth was 1 per cent. Acquired growth contributed 1 per cent, while currency effects made up the remainder.

EBITA increased to SEK 807 million (690), an improvement of SEK 117 million. The improvement is mainly due to higher average fees and lower project adjustments, as well as increased synergies from the Grontmij acquisition.

The absence of extraordinary items related to the Grontmij acquisition contributed SEK 48 million to the EBITA improvement.

Calendar effects of 2 hours had a positive year-on-year impact of approximately SEK 18 million on net sales and EBITA.

Adjusted for calendar effects and last year's negative extraordinary items, EBITA increased SEK 51 million. The improvement is mainly attributable to Finland and Germany.

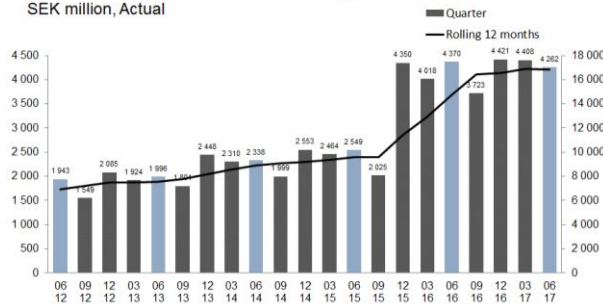
The billing ratio was essentially stable at 74.9 per cent (74.8).

Net financial items decreased to SEK -23 million (-19) primarily due to foreign exchange revaluation effects.

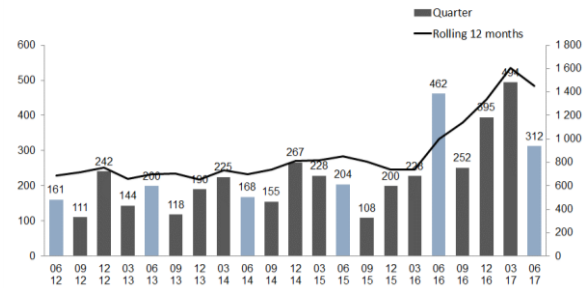
Earnings per share increased to SEK 4.89 per share (4.09).

Key ratios	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Full-year 2016
Net sales, SEK M	4,262	4,370	8,670	8,387	16,814	16,531
Acquisition-related growth, %	1	66	1	65		42
Organic growth, %	-5	7	1	4		3
EBITA, excl. extraordinary items, SEK M	312	474	807	737	1,551	1,482
Margin, %	7.3	10.8	9.3	8.8	9.2	9.0
EBITA, SEK M	312	462	807	690	1,453	1,336
Margin, %	7.3	10.6	9.3	8.2	8.6	8.1
Profit after tax, SEK M	225	342	585	489	1,027	931
Earnings per share, SEK	1.88	2.85	4.89	4.09	8.57	7.78
Number of full-time employees	14,548	14,507	14,477	14,403	14,402	14,365
Billing ratio, %	75.5	75.1	74.9	74.8	74.9	74.9
Normal working hours	464	490	970	968	1,981	1,979
Net debt/EBITDA, x			1.2	2.0		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

Sweco has been commissioned by the Swedish Nuclear Fuel and Waste Management Company (SKB) for the planned encapsulation plant in Oskarshamn, Sweden. Sweco will finalise the plant's plan, design and technical building services and its safety, control and power supply systems. Sweco will contribute expertise in several disciplines, including energy, environment, architecture and structural engineering. The contract value may exceed SEK 200 million provided that SKB obtains all necessary authorisations. The project will continue until the middle of year 2020.

In the Netherlands, Sweco has been commissioned by the municipality of Amsterdam to develop three major city districts. Sweco's experts will provide advice and services in design, engineering, procurement and contract management throughout the development of the IJburg-2, Zeeburgereiland and Overamstel city districts. The estimated contract value is approximately SEK 9 million per year. The project runs through April 2021 with four further one-year options for continuation.

Sweco has been engaged as advisor for a new peat-fired power plant that will double Rwanda's power generation capacity. Sweco's energy experts conducted feasibility studies and provided assistance during the tender and contract phase. Sweco will oversee project compliance during the construction process which will be completed in 2020.

MARKET

Overall, the market for Sweco's services is good. The Swedish market remains strong. The markets in Norway, Denmark, Western Europe and Central Europe are generally good. The markets in Finland and the Netherlands are improving.

OUTLOOK

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

The Northern European GDP development is solid. Political uncertainty, the global macro-economic situation and financial market events are risks to the development.

Sweco does not provide forecasts.

EVENTS DURING THE QUARTER

On 1 April Dariush Rezai became President of Sweco Denmark.

On 1 June Sweco announced the acquisition of M&R Engineering, a Belgian engineering consultancy specialised in building service systems with approximately 40 employees in Brussels and Antwerp. The acquisition strengthens Sweco's position in Belgium.

During the quarter Sweco divested the Naarderbos golf course (with approximately 25 full-time employees) in the Netherlands, which was part of a portfolio of non-core real estate assets of the former Grontmij group. The divestment had no significant impact on Group profits.

CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 319 million (-21) during the first six months of the year. Net debt decreased to SEK 2,064 million (2,534).

The net debt/EBITDA ratio was 1.2 times (2.0).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 1,600 million (1,267) at the end of the reporting period.

INVESTMENTS, JANUARY-JUNE 2017

Investments in equipment totalled SEK 139 million (101) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 112 million (107) and amortisation of intangible assets totalled SEK 52 million (68).

Purchase consideration paid to acquire companies and operations totalled SEK 77 million (150) and had an impact of SEK -63 million (-135) 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 139 million 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, APRIL-JUNE

Adjusted for calendar, EBITA improved by approximately SEK 4 million. EBITA was positively affected by an increasing trend in hourly fees and positive project adjustments, while a lower billing ratio contributed negatively.

Net sales and EBITA were impacted by a large negative calendar effect due to the Easter holiday falling during the second quarter this year, rather than during the first quarter as in 2016. The year-on-year calendar effect of -28 hours had a negative impact of approximately SEK 82 million on net sales and EBITA.

Sweco continues to be successful in the market and is one of Sweden's most attractive employers. Growth continues, although competition for talent is increasing. Organic revenue growth from own consultants, adjusted for the calendar effect, was 2 per cent. Nominally, organic growth was -6 per cent, mainly due to the negative calendar effect. A reduction in income from sub consultants also impacted organic growth negatively. The reduced income from sub consultants is mainly related to the completion of large projects with a major share of sub-consultants.

The Swedish market remains strong. 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Net sales, SEK M	1,798	1,913	3,652	3,649
Organic growth, %	-6	8	0	4
Currency, %	0	0	0	0
EBITA, SEK M	202	280	453	450
EBITA margin, %	11.2	14.6	12.4	12.3
Number of full-time employees	5,564	5,551	5,533	5,509

SWECO NORWAY

SALES AND PROFIT, APRIL-JUNE

EBITA decreased to SEK 7 million (68). Net sales and EBITA were impacted by a large negative calendar effect due to the Easter holiday falling during the second quarter this year, rather than during the first quarter as in 2016. The year-on-year calendar effect of -56 hours had a negative impact of approximately SEK 50 million on net sales and EBITA. EBITA was also negatively impacted by lower billing ratio of consulting staff and lower contribution from subconsultants.

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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Net sales, SEK M	506	568	1,096	1,067
Organic growth, %	-13	10	-2	6
Currency, %	2	-7	5	-8
EBITA, SEK M	7	68	95	97
EBITA margin, %	1.5	12.0	8.7	9.1
Number of full-time employees	1,331	1,349	1,329	1,351

SWECO FINLAND

SALES AND PROFIT, APRIL-JUNE

Net sales increased to SEK 498 million (471). EBITA increased SEK 7 million and the margin improved 1.0 percentage point to 9.9 per cent, despite a significant negative calendar effect of -17 hours with a negative year-on-year impact of approximately SEK 15 million on EBITA and net sales. Adjusted for calendar effects, EBITA increased approximately SEK 22 million. The improvements were mainly attributable to higher average fees and a combination of acquired and organic growth.

The Finnish economy has gradually improved over the last 18 months. 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 improving, 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Net sales, SEK M	498	471	985	896
Organic growth, %	-2	19	4	15
Acquisition-related growth, %	3	0	3	0
Currency, %	5	-1	3	-1
EBITA, SEK M	49	42	111	63
EBITA margin, %	9.9	8.9	11.2	7.0
Number of full-time employees	2,096	2,019	2,052	1,996

SWECO DENMARK

SALES AND PROFIT, APRIL-JUNE

Organic growth was impacted negatively by calendar effects of -4 per cent during the quarter. The remaining organic decline was mainly attributable to a reduction of staff related to ongoing operational improvements.

EBITA declined SEK 27 million. The calendar effect of -22 hours had a negative impact of approximately SEK 14 million on EBITA. The remainder of the decline is mainly attributable to restructuring costs.

Since 1 April, Dariush Rezai is the President of Sweco Denmark. He continues the work to sustainably improve the performance of Sweco Denmark.

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 energy sector is stable, while demand for climate adaption services in the larger cities is improving.

IN BRIEF

Net sales and profit	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Net sales, SEK M	343	361	732	691
Organic growth, %	-9	9	2	4
Currency, %	5	0	4	0
EBITA, SEK M	-4	23	26	27
EBITA margin, %	-1.1	6.5	3.5	4.0
Number of full-time employees	1,013	1,062	1,018	1,090

SWECO NETHERLANDS

SALES AND PROFIT, APRIL-JUNE

EBITA increased SEK 2 million and the margin improved 0.7 percentage points to 3.4 per cent. This 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 7 million. The profit improvement was mainly attributable to an improved billing ratio.

Net sales decreased to SEK 421 million (455), mainly due to a reduction in the number of own consultants. Sweco Netherlands is continuing on its journey to sustainably improve operational performance. The implementation of a new customer-focused organisational model and staff reductions were completed in 2016. Sweco Netherlands continues the implementation of Sweco's operating model supported by a cultural change programme focused on collaboration and leadership.

The market in the Netherlands has been challenging for several years due to the country's real estate and financial crisis. The market is improving, 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Net sales, SEK M	421	455	861	878
Organic growth, %	-11	2	-4	-4
Acquisition-related growth, %	-1	-4	-1	-2
Currency, %	5	-1	3	-1
EBITA, SEK M	14	12	42	31
EBITA margin, %	3.4	2.7	4.9	3.5
Number of full-time employees	1,367	1,441	1,380	1,466

SWECO WESTERN EUROPE

SALES AND PROFIT, APRIL-JUNE

Net sales increased to SEK 401 million (395). Calendar effects of -12 hours had a negative year-on-year impact of approximately SEK 8 million on net sales and EBITA.

Adjusted for calendar effects, EBITA increased approximately SEK 4 million mainly due to positive operational development in Belgium and the UK. Due to negative calendar effects, EBITA decreased to SEK 29 million (33) and the margin declined 1.1 percentage points to 7.3 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 start of 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Net sales, SEK M	401	395	801	794
Organic growth, %	0	7	2	7
Currency, %	1	-6	-1	-4
EBITA, SEK M	29	33	57	57
EBITA margin, %	7.3	8.4	7.1	7.1
Number of full-time employees	1,581	1,528	1,569	1,510

SWECO CENTRAL EUROPE

SALES AND PROFIT, APRIL-JUNE

Net sales increased to SEK 329 million (243) due to both double-digit organic and acquisition-related growth in Germany. A calendar effect of -23 hours had a negative year-on-year impact of approximately SEK 9 million on net sales and EBITA.

EBITA increased to SEK 18 million (11) and the EBITA margin improved 0.7 percentage points to 5.4 per cent. Adjusted for calendar effects, the improvement of EBITA was approximately SEK 16 million. The main contributions to the improved profit came from Germany, with positive operational momentum in the existing business and contribution 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 expected to gradually increase. The Czech market shows signs of recovery with a 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Net sales, SEK M	329	243	615	464
Organic growth, %	19	-5	14	-1
Acquisition-related growth, %	11	7	14	2
Currency, %	6	-2	4	-2
EBITA, SEK M	18	11	31	14
EBITA margin, %	5.4	4.7	5.0	3.0
Number of full-time employees	1,520	1,449	1,516	1,384

OTHER INFORMATION

PARENT COMPANY, JANUARY-JUNE 2017

Parent Company net sales totalled SEK 309 million (258) and were attributable to intra-group services. Profit after net financial items totalled SEK 385 million (-15). Investments in equipment totalled SEK 4 million (11). Cash and cash equivalents at the end of the period totalled SEK 229 million (187).

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 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

As of third quarter 2016 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 208.30 at the end of the period, representing a 2.0 per cent increase during the quarter. The Nasdaq Stockholm General Index increased by 4 per cent over the same period.

In May 2017 Sweco conducted a new share issue totalling 500,000 Class C shares at a price of SEK 1.00 per share. Pursuant to the Articles of Association, Sweco also reduced its share capital in June 2017 by way of repayment to the shareholders through the redemption of 900,000 Class C shares.

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 119,870,436: 10,533,731 Class A shares and 109,336,705 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 -65 million
2018 Estimate	SEK -55 million
2019 Estimate	SEK -29 million

FORTHCOMING FINANCIAL INFORMATION

Interim report January-September	27 October 2017
Year-end report 2017	13 February 2018

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This report has not been audited.

The Board of Directors and the President give their assurance that this interim report gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Stockholm, 20 July 2017

Johan Nordström
Board Chairman

Anders G. Carlberg
Board member

Gunnel Duveblad
Board member

Eva Lindqvist
Board member

Johan Hjertonsson
Board member

Christine Wolff
Board member

Elaine Grunewald
Board member

Maria Ekh
Employee representative

Anna Leonsson
Employee representative

Görgen Edenhagen
Employee representative

Tomas Carlsson
President and CEO
Board member

KEY RATIOS

Key ratios ¹⁾	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Full-year 2016
Profitability						
EBITA margin, %	7.3	10.6	9.3	8.2	8.6	8.1
Operating margin (EBIT), %	7.0	10.0	8.9	7.7	8.2	7.6
Profit margin, %	6.8	9.8	8.7	7.4	8.0	7.4
Revenue growth²⁾						
Organic growth, %	-5	7	1	4		3
Acquisition-related growth, %	1	66	1	65		42
Currency, %	2	-2	2	-2		0
Total growth, %	-2	71	3	67		45
Debt						
Net debt, SEK M			2,064	2,534		1,558
Interest-bearing debt, SEK M			2,381	2,851		2,451
Financial strength						
Net debt/Equity, %			38.3	51.9		28.7
Net debt/EBITDA, x			1.2	2.0		1.0
Equity/Assets ratio, %			38.3	35.5		39.3
Available cash and cash equivalents, SEK M			1,600	1,267		2,138
-of which unutilised credit, SEK M			1,283	950		1,245
Return						
Return on equity, %			20.0	18.9		18.0
Return on capital employed, %			18.2	16.6		16.8
Share data						
Earnings per share, SEK	1.88	2.85	4.89	4.09	8.57	7.78
Diluted earnings per share, SEK	1.85	2.81	4.79	4.03	8.41	7.65
Equity per share, SEK ³⁾			44.89	40.75		45.37
Diluted equity per share, SEK ³⁾			44.30	39.97		44.47
Number of outstanding shares at reporting date			119,870,436	119,624,270		119,554,270
Number of repurchased Class B and Class C shares			1,713,383	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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Full-year 2016
Net sales	4,262	4,370	8,670	8,387	16,814	16,531
Other income	2	0	2	0	2	0
Other external expenses	-1,007	-1,016	-2,042	-1,968	-4,126	-4,052
Personnel expenses	-2,878	-2,826	-5,690	-5,595	-10,970	-10,875
EBITDA	378	528	940	824	1,720	1,605
Amortisation/depreciation and impairments	-66	-66	-133	-135	-267	-269
EBITA	312	462	807	690	1,453	1,336
Acquisition-related items ¹⁾	-14	-24	-31	-47	-71	-87
Operating profit (EBIT)	299	438	776	643	1,382	1,249
Net financial items	-11	-8	-23	-19	-38	-33
Profit before tax	288	429	753	624	1,345	1,216
Income tax	-62	-88	-167	-134	-318	-285
PROFIT FOR THE PERIOD	225	342	585	489	1,027	931
Attributable to:						
Parent Company shareholders	225	342	584	489	1,025	930
Non-controlling interests	0	0	1	0	1	1
Earnings per share attributable to Parent Company shareholders, SEK	1.88	2.85	4.89	4.09	8.57	7.78
Average number of shares	119,727,277	119,694,871	119,613,250	119,585,036	119,612,927	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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Full-year 2016
Profit for the period	225	342	585	489	1,027	931
Items that will not be reversed in the income statement						
Revaluation of defined benefit pensions, net after tax ^{1,2)}	0	-9	0	-30	0	-30
Items that may subsequently be reversed in the income statement						
Translation differences, net after tax	-19	15	-28	-13	23	38
Translation differences transferred to profit for the period	-	-	-	-	1	1
COMPREHENSIVE INCOME FOR THE PERIOD	207	348	557	447	1,051	940
Attributable to:						
Parent Company shareholders	206	348	556	447	1,048	939
Non-controlling interests	1	0	1	0	2	1
¹⁾ Tax on revaluation of defined benefit pensions	-	2	-	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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Full-year 2016
Cash flow from operating activities before changes in working capital and tax paid	415	547	967	821	1,823	1,677
Tax paid	-57	-54	-140	-135	-201	-196
Changes in working capital	-229	-270	-508	-707	-117	-316
Cash flow from operating activities	129	223	319	-21	1,505	1,165
Cash flow from investing activities	-88	-183	-191	-239	-353	-401
Cash flow from financing activities	-219	-72	-693	38	-1,159	-428
CASH FLOW FOR THE PERIOD	-178	-32	-565	-222	-7	336

Balance sheet SEK M	30 Jun 2017	30 Jun 2016	31 Dec 2016
Goodwill	6,137	5,916	6,098
Other intangible assets	312	380	346
Property, plant and equipment	609	643	616
Financial assets	219	172	219
Current assets excl. cash and cash equivalents	6,488	6,328	5,650
Cash and cash equivalents incl. short-term investments	317	317	892
TOTAL ASSETS	14,081	13,756	13,820
Equity attributable to Parent Company shareholders	5,381	4,875	5,424
Non-controlling interests	11	8	10
Total equity	5,393	4,884	5,435
Non-current interest-bearing liabilities	1,415	2,511	1,515
Other non-current liabilities	845	758	833
Current interest-bearing liabilities	966	340	936
Other current liabilities	5,462	5,264	5,102
TOTAL EQUITY AND LIABILITIES	14,081	13,756	13,820
Pledged assets	21	-	22
Contingent liabilities	704	633	706

Changes in equity SEK M	Jan-Jun 2017			Jan-Jun 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	556	1	557	447	0	447
Transfer to shareholders	-513	-	-513	-418	-1	-419
Preferential rights issue	0	-	0	-2	-	-2
Buy-back of treasury shares	-139	-	-139	-114	-	-114
Sales of treasury shares	-	-	-	3	-	3
Share-based incentive schemes	50	-	50	59	-	59
Share savings schemes	3	-	3	1	-	1
EQUITY, CLOSING BALANCE	5,381	11	5,393	4,875	8	4,884

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

ACQUISITION OF SUBSIDIARIES AND OPERATIONS

During the period Sweco acquired the Finnish operations of Karves Yhtiöt Ltd and M&R Engineering, a Belgian engineering consultancy. The acquired businesses have an aggregate total of approximately 94 employees. Purchase consideration totalled SEK 77 million and had a negative impact on cash and cash equivalents of SEK 63 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below whereof the acquisition analysis regarding M&R Engineering is preliminary. Of the unsettled purchase price commitment of SEK 3 million, SEK 3 million refers to conditional contingent consideration. During the period the acquired companies contributed SEK 21 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 55 million in net sales and about SEK 8 million in operating profit.

Acquisitions, SEK M	
Intangible assets	59
Property, plant and equipment	3
Financial assets	0
Current assets	35
Non-current liabilities	-3
Deferred tax	-2
Other current liabilities	-15
Total purchase consideration	77
Unsettled purchase price commitment	-3
Cash and cash equivalents	-11
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	63

DIVESTMENT OF SUBSIDIARIES AND OPERATIONS

During the period Sweco divested Golfexploitatie maatschappij Naarderbos B.V and Naarderbos Ontwikkeling B.V., with total 65 employees (approximately 25 full-time employees). The businesses contributed SEK 11 million in net sales and SEK -4 million in operating profit. 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 GROUP EQUIVALENTS	13

ACQUISITION-RELATED ITEMS

Acquisition-related items SEK M	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Full-year 2016
Amortisation of acquisition-related intangible assets	-16	-24	-33	-47	-78	-92
Revaluation of additional purchase price	-	-	-	-	3	3
Profit/ loss on the divestment of buildings and land	2	-	2	-	2	0
Profit/loss on divestment of companies and operations	0	0	0	1	2	3
ACQUISITION-RELATED ITEMS	-14	-24	-31	-47	-71	-87

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial assets measured at fair value totalled SEK 14 million (14). 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 Q2-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 Q2	Actual 2017 Q1	Actual 2016 Q4	Actual 2016 Q3	Actual 2016 Q2	Actual 2016 Q1	Actual 2015 Q4	Pro forma 2015 Q3	Pro forma 2015 Q2
Net sales, SEK M									
Sweco Sweden	1,798	1,854	1,951	1,465	1,913	1,736	1,900	1,372	1,775
Sweco Norway	506	590	530	457	568	499	508	401	551
Sweco Finland	498	487	462	402	471	425	483	372	400
Sweco Denmark	343	389	351	334	361	330	365	320	331
Sweco Netherlands	421	440	434	434	455	423	450	445	465
Sweco Western Europe	401	400	420	365	395	398	428	389	393
Sweco Central Europe	329	285	297	289	243	221	261	218	244
Group-wide, Eliminations, etc.	-36	-36	-24	-22	-36	-15	-46	-12	-39
TOTAL GROUP	4,262	4,408	4,421	3,723	4,370	4,018	4,350	3,504	4,120
EBITA, SEK M									
Sweco Sweden	202	251	273	129	280	170	211	91	186
Sweco Norway	7	88	58	40	68	29	52	24	44
Sweco Finland	49	61	41	35	42	21	35	27	10
Sweco Denmark	-4	30	44	27	23	4	28	18	-8
Sweco Netherlands	14	28	0	-4	12	18	-1	12	0
Sweco Western Europe	29	28	30	18	33	23	25	22	23
Sweco Central Europe	18	13	26	18	11	3	19	7	11
Group-wide, Eliminations, etc.	-4	-4	-77	-12	-9	-40	-170	-63	-79
EBITA	312	494	395	252	462	228	200	138	187
Extraordinary items ³⁾	-	-	83	15	12	36	190	59	70
EBITA excl. extraordinary items	312	494	478	266	474	263	390	197	257
EBITA margin, %									
Sweco Sweden	11.2	13.5	14.0	8.8	14.6	9.8	11.1	6.6	10.5
Sweco Norway	1.5	14.9	11.0	8.8	12.0	5.8	10.2	6.1	8.0
Sweco Finland	9.9	12.6	8.8	8.7	8.9	4.8	7.2	7.4	2.6
Sweco Denmark	-1.1	7.6	12.6	8.0	6.5	1.2	7.7	5.6	-2.3
Sweco Netherlands	3.4	6.3	-0.1	-0.8	2.7	4.4	-0.3	2.6	0.1
Sweco Western Europe	7.3	7.0	7.1	5.0	8.4	5.9	5.9	5.7	5.8
Sweco Central Europe	5.4	4.5	8.9	6.2	4.7	1.1	7.2	3.0	4.5
EBITA margin	7.3	11.2	8.9	6.8	10.6	5.7	4.6	3.9	4.5
Extraordinary items ³⁾	-	-	1.9	0.4	0.2	0.9	4.4	1.7	1.7
EBITA margin excl. extraordinary items	7.3	11.2	10.8	7.2	10.8	6.6	9.0	5.6	6.2
Billing ratio, %	75.5	74.4	75.3	74.6	75.1	74.5	74.7	74.1	74.8
Number of normal working hours	464	506	493	518	490	478	492	519	469
Number of full-time employees	14,548	14,412	14,482	14,172	14,507	14,302	14,344	14,049	14,436

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-June	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	3,652	3,649	453	450	12.4	12.3	5,533	5,509
Sweco Norway	1,096	1,067	95	97	8.7	9.1	1,329	1,351
Sweco Finland	985	896	111	63	11.2	7.0	2,052	1,996
Sweco Denmark	732	691	26	27	3.5	4.0	1,018	1,090
Sweco Netherlands	861	878	42	31	4.9	3.5	1,380	1,466
Sweco Western Europe	801	794	57	57	7.1	7.1	1,569	1,510
Sweco Central Europe	615	464	31	14	5.0	3.0	1,516	1,384
Group-wide, Eliminations, etc. ¹⁾	-72	-51	-7	-49	-	-	81	98
TOTAL GROUP	8,670	8,387	807	690	9.3	8.2	14,477	14,403

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.

REVENUE GROWTH

	2017 Apr-Jun	2016 Apr-Jun	Growth, % Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Growth, % Jan-Jun
Revenue growth						
Net sales	4,262	4,370	-2%	8,670	8,387	3%
Currency effects	0	94	2%	0	152	2%
Net sales currency-adjusted	4,262	4,464	-5%	8,670	8,540	2%
Acquisitions/divestments	-28	1	1%	-47	22	1%
Comparable net sales currency-adjusted	4,234	4,465	-5%	8,623	8,562	1%

PARENT COMPANY INCOME STATEMENT AND BALANCE SHEET

Parent Company income statement, SEK M	Jan-Jun 2017	Jan-Jun 2016	Full-year 2016
Net sales	309	258	538
Operating expenses	-328	-310	-600
Operating loss	-19	-52	-63
Net financial items	404	37	551
Profit/loss after net financial items	385	-15	488
Appropriations	-	-	10
Profit/loss before tax	385	-15	499
Tax	-	-	-86
PROFIT/LOSS AFTER TAX	385	-15	413

Parent Company balance sheet, SEK M	30 Jun 2017	31 Dec 2016
Intangible assets	62	75
Property, plant and equipment	44	54
Financial assets	6,346	6,346
Current assets	1,886	2,572
TOTAL ASSETS	8,339	9,047
Equity	4,426	4,626
Untaxed reserves	12	12
Non-current liabilities	1,312	1,379
Current liabilities	2,589	3,030
TOTAL EQUITY AND LIABILITIES	8,339	9,047