



8 November 2018

## STABLE DEVELOPMENT

### JULY – SEPTEMBER 2018

- Net sales increased to SEK 4,078 million (3,635)
- EBITA increased to SEK 264 million (237), margin 6.5 per cent (6.5)
- EBIT increased to SEK 244 million (219), margin 6.0 per cent (6.0)
- Profit after tax increased to SEK 168 million (158), corresponding to SEK 1.42 per share (1.32)

### JANUARY – SEPTEMBER 2018

- Net sales increased to SEK 13,623 million (12,305)
- EBITA increased to SEK 1,137 million (1,044), margin 8.3 per cent (8.5)
- EBIT increased to SEK 1,079 million (995), margin 7.9 per cent (8.1)
- Profit after tax increased to SEK 795 million (743), corresponding to SEK 6.69 per share (6.21)
- Net debt increased to SEK 2,747 million (2,311)
- Net debt/EBITDA increased to 1.5 times (1.4)

### COMMENTS FROM PRESIDENT AND CEO ÅSA BERGMAN:

Sweco continued to develop positively during the third quarter. EBITA increased SEK 27 million and organic growth amounted to 4 per cent. Overall, the growth was supported by a solid order backlog and an increased number of employees. There were no year-on-year calendar effects.

On the Business Area level, the positive development continued in Denmark, the Netherlands and Central Europe. Norway also improved significantly year-on-year, while Finland had a stable performance compared to same period last year. Sweden had a slower than normal start of the fall, while Western Europe was impacted by weakness in the UK business.

Overall, the market for Sweco's services remains good, with variations between countries and segments. Essentially all eight core countries are experiencing good demand for Sweco's services in infrastructure, water and the industry segments. Also demand in the real estate segment remains good in most countries, except in the UK and residential construction in Sweden and Denmark where demand is slowing down.

Our strategic direction remains firm. Sweco designs the communities and cities of the future. We are the European market leader, with strong customer relationships, highly motivated employees and a strong financial position. We will continue to strengthen our European leadership through organic growth and acquisitions in Northern Europe. Our operating model is based on decentralised responsibility, combining customer focus, internal efficiency and having the best people in the business.

## PROFIT AND OPERATIONS

### JULY-SEPTEMBER

Organic growth amounted to approximately 4 per cent. Acquired growth was 3 per cent. Currency effects contributed 5 per cent to Net Sales, which in total increased to SEK 4,078 million (3,635).

Organic growth was mainly driven by positive fee development and an increased number of employees. Organic growth was particularly strong in Norway, Central Europe, Western Europe and the Netherlands. Growth is supported by a solid order backlog throughout the group.

EBITA increased to SEK 264 million (237). The improvement was mainly attributable to Norway, Denmark and the Netherlands. Overall for the Group, a positive trend in hourly fees, an increased number of employees, positive FX translation effects and acquired growth were the main drivers of increased EBITA.

There was no year-on-year difference in the number of available working hours.

The billing ratio decreased to 73.7 per cent (75.1), mainly due to a decrease in Western Europe, Finland, and Sweden.

Net financial items decreased to SEK -26 million (-14) mainly due to foreign exchange revaluation effects and higher net interest expenses.

Earnings per share increased to SEK 1.42 per share (1.32).

### JANUARY-SEPTEMBER

Net sales increased 11 per cent to SEK 13,623 million (12,305). Organic growth adjusted for calendar effects was approximately 5 per cent. Acquired growth contributed 3 per cent, while currency effects made up the remainder.

EBITA increased to SEK 1,137 million (1,044), an improvement of SEK 93 million.

Adjusted for calendar effects, EBITA increased by approximately SEK 133 million. The improvement was mainly attributable to Denmark, the Netherlands and Central Europe. Overall for the Group, a positive trend in hourly fees, an increased number of employees, acquired growth and positive FX translation effects were the main drivers of the improvement.

Calendar effects of -6 hours had a negative year-on-year impact of approximately SEK 40 million on net sales and EBITA.

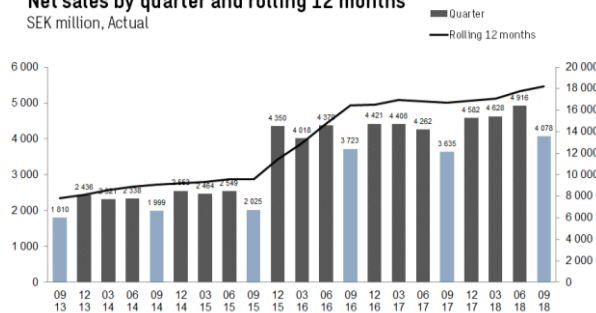
The billing ratio decreased to 74.5 per cent (75.0).

Net financial items decreased to SEK -40 million (-37) primarily due to higher net interest expenses.

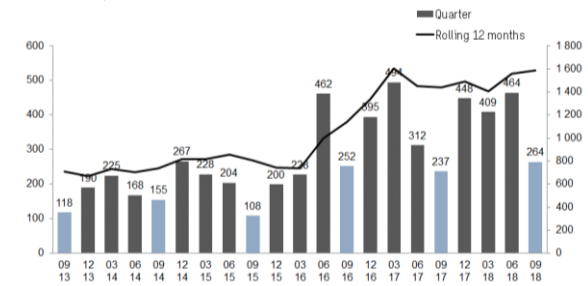
Earnings per share increased to SEK 6.69 per share (6.21)

Key ratios	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct 2017- Sep 2018	Full-year 2017
Net sales, SEK M	4,078	3,635	13,623	12,305	18,205	16,887
Acquisition-related growth, %	3	1	3	1		1
Organic growth, %	4	0	4	0		0
Currency, %	5	-3	3	0		1
EBITA, SEK M	264	237	1,137	1,044	1,585	1,492
Margin, %	6.5	6.5	8.3	8.5	8.7	8.8
Profit after tax, SEK M	168	158	795	743	1,275	1,223
Earnings per share, SEK	1.42	1.32	6.69	6.21	10.72	10.23
Number of full-time employees	15,197	14,396	15,187	14,448	15,084	14,530
Billing ratio, %	73.7	75.1	74.5	75.0	74.8	75.2
Normal working hours	511	511	1,475	1,481	1,965	1,971
Net debt/EBITDA, x			1.5	1.4		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 to supervise the construction of a tunnel under the Świna River in Poland. The tunnel will connect the islands Uznam and Wolin, facilitating mobility and supporting economic growth in the region. The tunnel will have a length of approximately 3.2 kilometres and significantly shorten travel time, benefitting everyone travelling or living in the region. The order value exceeds EUR 4 million. The project is expected to be completed in the second half of 2022.

Terrafame has developed a technology to produce high quality battery chemicals with low carbon footprint. Sweco has been commissioned by Terrafame to design a new production plant in Sotkamo, Finland. The plant will produce high quality battery chemicals for electric vehicles and ultimately contribute to more sustainable transportation. The design phase began in October and the construction of the plant will commence in early 2019. Sweco will be involved in the project for more than two years and 100 Sweco experts will be involved during the peak of the design phase.

Sweco and two other partners have been commissioned by the Dutch energy system operator TenneT to expand and replace the high-voltage grid in several locations in the Netherlands. This is to ensure a reliable and secure electricity supply in the country. The project is a three-year framework agreement to deliver System-based Contract Management.

A lack of collective wastewater solutions in Sri Lanka has created pollution issues along the coastline and in the lagoons. A major investment is now being made through the Sanitation and Hygiene Initiative for Towns (SHIFT) project, aimed at creating new wastewater solutions on the island. Together with two joint venture partners, Sweco has been chosen to design and supervise part of the project. Over the course of the next five years Sweco will be instrumental in protecting the coastline and marine life diversity from pollution.

## MARKET

Overall, the market for Sweco's services remains good, with variations between countries and segments. Essentially all eight core countries are experiencing good demand for Sweco's services in infrastructure, water and the industry segments. Also demand in the real estate

segment remains good in most countries, except in the UK and residential construction in Sweden and Denmark where demand is slowing down.

## OUTLOOK

Demand for Sweco's services predominantly follows the general macroeconomic trend in the markets where the company is active, with some time lag. Northern European GDP development is solid. Political uncertainty, the global macroeconomic situation and financial market events are risks to development.

Sweco does not provide forecasts.

## EVENTS DURING THE QUARTER

On 28 August and 26 September, Sweco released reports #6 ([Wholesome Air, Serene Cities – Reduced Noise and Air Pollution in Urban Areas](#)) and #7 ([Urban Space for People on the Move – The Living City](#)) in its Urban Insight series.

On 7 September Sweco announced that it had reached the milestone of offering 100 immigrants to Sweden internship opportunities as part of the "Sweden Together" (Sverige Tillsammans) initiative.

## EVENTS AFTER THE QUARTER

On 19 October Sweco announced the acquisitions of Planet Engineering and Nexilis in Belgium and Götzelmann + Partner in Germany, in total having 45 employees.

## CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 389 million (313) during the first nine months of the year. Net debt increased to SEK 2,747 million (2,311). The increase in net debt is mainly related to increased working capital, acquisitions and currency translation effects on EUR-denominated debt.

Working capital increased in line with normal seasonal patterns. Overall, working capital is on a somewhat higher-than-historical level, but within normal variations.

The net debt/EBITDA ratio was 1.5 times (1.4).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 995 million (1,351) at the end of the reporting period.

**INVESTMENTS, JANUARY-SEPTEMBER 2018**

Investments in equipment totalled SEK 208 million (189) and were primarily attributable to IT investments.

Depreciation of equipment totalled SEK 174 million (170) and amortisation of intangible assets totalled SEK 85 million (80).

Purchase consideration paid to acquire companies and operations totalled SEK 241 million (104) and had an impact of SEK -233 million (-77) on Group cash and cash equivalents. Purchase consideration on the divestment

of companies and operations totalled SEK 5 million (15) and had an impact of SEK -1 million (13) on Group cash and cash equivalents.

Repurchases of Sweco shares totalled SEK 283 million (289) and had the same effect on Group cash and cash equivalents.

Dividends totalling SEK 593 million (513) were distributed to Sweco AB shareholders during the period.

## SWECO SWEDEN

### SALES AND PROFIT, JULY-SEPTEMBER

Order back log, number of employees and hourly fees continued to develop positively during the quarter. However, lower billing ratio, less sub consultant revenues and increased project adjustments had a negative impact on net sales and profit. There was no year-on-year difference in the number of available working hours.

The Swedish market is good overall, but there are differences between segments. Demand for infrastructure services remains strong, backed by major public investments. The markets for industrial investments, water and environmental services are good. The real estate market is divided, with strong demand within public buildings, whereas demand related to residential construction is continuing to slow down. The market for power transmission services is strong while demand in energy generation remains challenging.

Sweco Sweden's market leadership, diversified exposure and customer driven organization provides a competitive advantage in a market with mixed demand between segments.

#### IN BRIEF

Net sales and profit	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
Net sales, SEK M	1,427	1,437	5,227	5,089
Organic growth, %	0	-2	3	0
Acquisition-related growth, %	-1	0	0	0
Currency, %	0	0	0	0
EBITA, SEK M	83	95	550	548
EBITA margin, %	5.8	6.6	10.5	10.8
Number of full-time employees	5,490	5,392	5,584	5,480

## SWECO NORWAY

### SALES AND PROFIT, JULY-SEPTEMBER

Organic growth was approximately 13 per cent, mainly driven by an increased number of employees and a strong order back log. Higher hourly fees and higher income from subconsultants also contributed. Acquired growth contributed an additional 4 per cent.

EBITA increased SEK 17 million and the margin increased to 8.0 per cent (5.8). The improvement was mainly driven by strong performance in the Buildings and Infrastructure divisions, due primarily to an increased number of employees and higher hourly fees. The Energy division's performance is gradually improving. There was no year-on-year difference in the number of available working hours.

The Norwegian market is good overall. The market for infrastructure remains strong. The real estate market is good in all segments, except residential construction that has slowed down. The power transmission market is strong, while the market for power generation remains weak. The greater Oslo area is strong in all segments and the markets in southern and western Norway are developing in a positive direction. The markets in northern Norway are experiencing moderate growth.

#### IN BRIEF

Net sales and profit	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
Net sales, SEK M	516	413	1,732	1,509
Organic growth, %	13	-3	8	-2
Acquisition-related growth, %	4	0	4	0
Currency, %	7	-7	3	1
EBITA, SEK M	41	24	119	119
EBITA margin, %	8.0	5.8	6.9	7.9
Number of full-time employees	1,474	1,329	1,455	1,329



## SWECO FINLAND

### SALES AND PROFIT, JULY-SEPTEMBER

Net sales increased by 11 per cent to SEK 465 million (420). Positive FX translation effect and acquisitions were the main contributors to the growth. There was no year-on-year difference in the number of available working hours. EBITA increased SEK 3 million year-on-year. Higher hourly fees and a positive FX translation effect more than compensated for the lower billing ratio.

The Finnish economy has gradually improved over the last two years and the market is good. Demand for Sweco's services is stable. Demand for industrial and real-estate services is good. The market for infrastructure related services is satisfactory.

#### IN BRIEF

Net sales and profit	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
Net sales, SEK M	465	420	1,516	1,405
Organic growth, %	-1	8	0	5
Acquisition-related growth, %	2	2	1	3
Currency, %	9	-5	7	1
EBITA, SEK M	46	43	144	153
EBITA margin, %	9.9	10.2	9.5	10.9
Number of full-time employees	2,071	2,069	2,077	2,058

## SWECO DENMARK

### SALES AND PROFIT, JULY-SEPTEMBER

EBITA nearly doubled and amounted to SEK 27 million (14) and the margin improved to 6.7 per cent (4.7). The EBITA increase was primarily driven by higher average fees and an improved billing ratio as well as the turnaround of the Water and Energy division. The acquisition of Årstiderne Arkitekter, which was consolidated in Sweco Denmark as of 1 March, also contributed positively.

Organic growth was approximately 2 per cent. The restructuring of Sweco Denmark was completed during the first half of 2018 and focus is now on profitable growth. The acquisition of Årstiderne Arkitekter contributed acquired growth of 27 per cent. There was no year-on-year difference in the number of available working hours.

The market in Denmark is satisfactory overall. Demand in the water and environmental sectors remains at a high level, driven by increased demand for climate adaption services in the larger cities. The infrastructure market is stable, with the exception of weaker demand in road construction and larger public infrastructure projects. The market for real estate services is good but has weakened in residential construction in the largest cities. The energy market remains weak.

#### IN BRIEF

Net sales and profit	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
Net sales, SEK M	403	290	1,247	1,022
Organic growth, %	2	-9	-4	-1
Acquisition-related growth, %	27	0	19	0
Currency, %	9	-5	7	1
EBITA, SEK M	27	14	91	39
EBITA margin, %	6.7	4.7	7.3	3.8
Number of full-time employees	1,210	992	1,184	1,009

## SWECO NETHERLANDS

### SALES AND PROFIT, JULY-SEPTEMBER

EBITA more than doubled and amounted to SEK 13 million (5). The EBITA margin doubled to 2.8 per cent (1.4). The profit improvement was mainly attributable to higher average fees and an increased number of employees. There was no year-on-year difference in the number of available working hours.

Net sales increased to SEK 447 million (389). Organic growth amounted to 6 per cent and was driven by higher average fees and an increased number of employees. Sweco Netherlands continues the journey to improve operational performance and growth. Focus is on customers, leadership and collaboration in accordance with Sweco's operating model.

Due to the continued improvement of the Dutch economy, the engineering market in the Netherlands has improved and demand for Sweco's services is good in essentially all segments. Sweco Netherlands is well-positioned for continued growth and delivers services primarily in the areas of public infrastructure, energy, water and public sector buildings.

#### IN BRIEF

Net sales and profit	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
Net sales, SEK M	447	389	1,406	1,249
Organic growth, %	6	-6	5	-5
Acquisition-related growth, %	0	0	0	-1
Currency, %	9	-5	7	1
EBITA, SEK M	13	5	84	47
EBITA margin, %	2.8	1.4	6.0	3.8
Number of full-time employees	1,373	1,348	1,362	1,369

## SWECO WESTERN EUROPE

#### SALES AND PROFIT, JULY-SEPTEMBER

Net sales increased to SEK 456 million (390). Organic growth was approximately 7 per cent. Organic growth was primarily driven by higher average fees and an increased number of employees. There was no year-on-year difference in the number of available working hours. EBITA decreased SEK 6 million, mainly due to lower profits in the UK.

The development in Belgium was strong with tailwind from an accommodating market. Net sales and EBITA increased driven by organic and acquired growth, improved billing ratio and higher average fees. The market in Belgium is good within all market segments. The private and public building markets are improving. The industry market and public infrastructure markets are good.

The development in the UK was mixed. Organic growth was strong as Sweco continues to be successful in the market. However, profitability was impacted by lower billing ratio due to intermissions in ongoing projects. In general, demand for Sweco's services in the UK is satisfactory. Demand in the infrastructure market remains good. The water market is fundamentally good, but negatively impacted by the public tender cycle. The London building market is impacted by uncertainty related to Brexit and reduced foreign investments. The energy generation market remains weak.

#### IN BRIEF

Net sales and profit	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
Net sales, SEK M	456	390	1,465	1,191
Organic growth, %	7	3	13	2
Acquisition-related growth, %	1	5	4	2
Currency, %	9	-1	6	-1
EBITA, SEK M	19	25	87	82
EBITA margin, %	4.2	6.4	6.0	6.9
Number of full-time employees	1,701	1,649	1,686	1,596

## SWECO CENTRAL EUROPE

### SALES AND PROFIT, JULY-SEPTEMBER

Net sales increased to SEK 393 million (317). Organic growth was approximately 12 per cent and was mainly driven by an increased number of employees in Germany. There was no year-on-year difference in the number of available working hours.

EBITA increased to SEK 24 million (19) and the EBITA margin was stable at 6.0 per cent. The main contribution to the improved profit came from Poland and Lithuania. The recent acquisition of BML Ingenieurgesellschaft mbH also contributed.

The German market is good overall and is developing positively. The healthcare and commercial markets are good. Demand is strong in the transport and environmental sector due to public investments. Power transmission continues to be a good market, while power generation remains challenging.

The Lithuanian market has stabilised, and the Czech market is improving, with satisfactory demand for Sweco's services. The Polish market is developing positively with increasing investments in energy, transportation and water.

### IN BRIEF

Net sales and profit	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
Net sales, SEK M	393	317	1,122	932
Organic growth, %	12	8	11	12
Acquisition-related growth, %	3	5	2	10
Currency, %	9	-3	7	1
EBITA, SEK M	24	19	67	50
EBITA margin, %	6.0	6.0	5.9	5.3
Number of full-time employees	1,790	1,561	1,735	1,531



## OTHER INFORMATION

### PARENT COMPANY, JANUARY-SEPTEMBER 2018

Parent Company net sales totalled SEK 525 million (461) and were attributable to intra-group services. Profit after net financial items totalled SEK 204 million (391). Investments in equipment totalled SEK 33 million (6). Cash and cash equivalents at the end of the period totalled SEK 222 million (218).

### 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.

From 1 January 2018, Sweco has applied two new IFRS standards: IFRS 15, Revenue from Contracts with Customers, and IFRS 9, Financial Instruments. The accounting principles for these are described in Note 1 of the Annual Report for 2017 on pages 54–56. In all other respects, the Group applies the same accounting and valuation principles as those described in Note 1 in the Annual Report for 2017.

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 – 17; interim financial information presented on pages 1 – 17 is therefore part of this financial report.

### NEW ACCOUNTING PRINCIPLES FOR 2018

IFRS 15, Revenue from Contracts with Customers, has been applied as from 1 January 2018 and was implemented using the retrospective approach. Comparative figures for 2017 have not been restated.

The new standard has not had a significant impact on the Group's financial statements for 2017 and for the first nine months of 2018, due mainly to the fact that Sweco still is able to continue to recognise revenue over time for professional consulting services. Therefore, Sweco has not made an adjustment to the opening balance of equity and will not disclose what the financial statements would have looked like if IAS 18 had still been applied. For further information, see Note 1 in the Annual Report for 2017.

IFRS 9, Financial Instruments, has been applied as from 1 January 2018 and previous periods have not been restated.

The standard has not had a significant effect on the Group's financial statements for 2017 and for the first nine months of 2018. The new classification, based on Sweco's business model, did not entail any change in

valuation method and the new impairment model did not materially affect Sweco's financial statements. For further information, see Note 1 in the Annual Report for 2017.

### NEW ACCOUNTING PRINCIPLES FOR 2019

IFRS 16, Leases, will become effective as from 1 January 2019. IFRS 16 supersedes existing standards related to the recognition of leases, such as IAS 17, Leases, and IFRIC 4, Determining Whether an Agreement Contains a Lease. Sweco continues to evaluate the effects of the new standard. For further information, see Note 1 in the Annual Report for 2017.

### DEFINITIONS

Sweco follows the guidelines from ESMA (the 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 17 (net sales growth) and page 16 (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 234.20 at the end of the period, representing a 11 per cent increase during the quarter. The Nasdaq Stockholm General Index increased by 7 per cent over the same period.

The total number of shares at the end of the period was 121,083,819: 110,627,758 Class A shares and 10,456,061 Class B shares. The total number of outstanding shares was 118,305,118: 10,456,061 Class A shares and 107,849,057 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 2017 Annual Report (page 98, Risks and Risk Management).

#### SEASONALITY

The number of normal working hours in 2018, based on the 12-month sales-weighted business mix as of September 2017, is broken down as follows:

	<u>2018</u>	<u>2017</u>	
Quarter 1:	490	506	-16
Quarter 2:	474	464	+10
Quarter 3:	511	511	0
Quarter 4:	489	490	-1
Total:	1,964	1,971	-7

The number of normal working hours in 2019, based on the 12-month sales-weighted business mix as of September 2018, is broken down as follows:

	<u>2019</u>	<u>2018</u>	
Quarter 1:	496	490	+6
Quarter 2:	462	474	-12
Quarter 3:	519	511	+8
Quarter 4:	485	489	-4
Total:	1,962	1,964	-2

#### ACQUISITION-RELATED INTANGIBLE ASSETS

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

2018 Estimate	SEK -76 million
2019 Estimate	SEK -49 million
2020 Estimate	SEK -37 million
2021 Estimate	SEK -34 million

#### FORTHCOMING FINANCIAL INFORMATION

Year-end report 2018	13 February 2019
Interim report January-March	10 May 2019
Interim report January-June	16 July 2019
Interim report January-September	25 October 2019

Stockholm, 8 November 2018

Åsa Bergman

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 2018 through 30 September 2018. 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, 8 November 2018  
PricewaterhouseCoopers AB

Michael Bengtsson  
Authorised public accountant  
Auditor-in-charge

## KEY RATIOS

Key ratios <sup>1)</sup>	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct 2017- Sep 2018	Full-year 2017
<b>Profitability</b>						
EBITA margin, %	6.5	6.5	8.3	8.5	8.7	8.8
Operating margin (EBIT), %	6.0	6.0	7.9	8.1	8.3	8.4
Profit margin, %	5.3	5.6	7.6	7.8	8.0	8.2
<b>Net Sales growth<sup>2)</sup></b>						
Organic growth, %	4	0	4	0		0
Acquisition-related growth, %	3	1	3	1		1
Currency, %	5	-3	3	0		1
Total growth, %	12	-2	11	2		2
<b>Debt</b>						
Net debt, SEK M			2,747	2,311		1,698
Interest-bearing debt, SEK M			3,105	2,642		2,271
<b>Financial strength</b>						
Net debt/Equity, %			44.6	42.6		28.4
Net debt/EBITDA, x			1.5	1.4		1.0
Equity/Assets ratio, %			39.9	38.9		41.9
Available cash and cash equivalents, SEK M			995	1,351		1,991
-of which unutilised credit, SEK M			637	1,020		1,418
<b>Return</b>						
Return on equity, %			22.0	19.3		21.4
Return on capital employed, %			17.5	17.4		17.8
<b>Share data</b>						
Earnings per share, SEK	1.42	1.32	6.69	6.21	10.72	10.23
Diluted earnings per share, SEK	1.39	1.30	6.55	6.09	10.50	10.04
Equity per share, SEK <sup>3)</sup>			52.01	45.45		50.09
Diluted equity per share, SEK <sup>3)</sup>			50.87	44.57		49.12
Number of outstanding shares at reporting date			118,305,118	119,124,596		119,124,596
Number of repurchased Class B and Class C shares			2,778,701	2,459,223		2,459,223

<sup>1)</sup> Key ratio definitions are available on Sweco's website.

<sup>2)</sup> See page 17 for details on Sweco's calculation of net sales growth.

<sup>3)</sup> Refers to portion attributable to Parent Company shareholders.

# CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

Income Statement SEK M	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct 2017- Sep 2018	Full-year 2017
Net sales	4,078	3,635	13,623	12,305	18,205	16,887
Other income	5	0	12	2	12	2
Other external expenses	-1,069	-986	-3,379	-3,029	-4,538	-4,187
Personnel expenses	-2,681	-2,343	-8,913	-8,032	-11,819	-10,938
EBITDA	333	306	1,342	1,246	1,860	1,763
Amortisation/depreciation and impairments	-69	-69	-205	-202	-275	-272
EBITA	264	237	1,137	1,044	1,585	1,492
Acquisition-related items <sup>1)</sup>	-20	-18	-58	-49	-76	-67
Operating profit (EBIT)	244	219	1,079	995	1,509	1,425
Net financial items	-26	-14	-40	-37	-51	-49
Profit before tax	218	205	1,039	957	1,458	1,377
Income tax	-50	-47	-244	-215	-183	-154
PROFIT FOR THE PERIOD	168	158	795	743	1,275	1,223
Attributable to:						
Parent Company shareholders	168	157	794	742	1,273	1,221
Non-controlling interests	0	0	1	1	2	2
Earnings per share attributable to Parent Company shareholders, SEK	1.42	1.32	6.69	6.21	10.72	10.23
Average number of shares	118,374,481	119,377,524	118,654,377	119,534,675	118,771,932	119,432,155
Dividend per share, SEK						5.00

<sup>1)</sup> 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 page 15 for additional details.

Consolidated income statement and other comprehensive income, SEK M	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct 2017- Sep 2018	Full-year 2017
Profit for the period	168	158	795	743	1,275	1,223
Items that will not be reversed in the in- come statement						
Revaluation of defined benefit pensions, net after tax <sup>1,2)</sup>	0	-1	0	-1	2	1
Items that may subsequently be re- versed in the income statement						
Translation differences, net after tax	-40	-3	180	-31	236	25
COMPREHENSIVE INCOME FOR THE PE- RIOD	128	154	975	711	1,513	1,249
Attributable to:						
Parent Company shareholders	128	154	973	710	1,510	1,247
Non-controlling interests	0	0	2	1	3	2
<sup>1)</sup> Tax on revaluation of defined benefit pensions	-	-	-	-	-3	-3

<sup>2)</sup> 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 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct 2017- Sep 2018	Full-year 2017
Cash flow from operating activities before changes in working capital and tax paid	335	314	1,402	1,281	1,911	1,790
Tax paid	-63	-40	-260	-180	-306	-226
Changes in working capital	-231	-280	-753	-788	-469	-504
Cash flow from operating activities	41	-6	389	313	1,136	1,060
Cash flow from investing activities	-112	-80	-474	-271	-567	-364
Cash flow from financing activities	50	102	-123	-591	-537	-1,005
CASH FLOW FOR THE PERIOD	-21	16	-208	-549	32	-309

Balance sheet SEK M	30 Sep 2018	30 Sep 2017	31 Dec 2017
Goodwill	6,685	6,136	6,278
Other intangible assets	314	314	315
Property, plant and equipment	677	615	610
Financial assets	334	220	343
Current assets excl. cash and cash equivalents	7,076	6,341	6,161
Cash and cash equivalents incl. short-term investments	358	331	572
<b>TOTAL ASSETS</b>	<b>15,445</b>	<b>13,957</b>	<b>14,279</b>
Equity attributable to Parent Company shareholders	6,153	5,414	5,967
Non-controlling interests	9	11	12
<b>Total equity</b>	<b>6,163</b>	<b>5,425</b>	<b>5,979</b>
Non-current interest-bearing liabilities	2,216	1,421	2,192
Other non-current liabilities	870	844	796
Current interest-bearing liabilities	889	1,222	79
Other current liabilities	5,308	5,045	5,234
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,445</b>	<b>13,957</b>	<b>14,279</b>
Pledged assets	21	21	21
Contingent liabilities	731	677	711

Changes in equity SEK M	Jan-Sep 2018			Jan-Sep 2017		
	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	5,967	12	5,979	5,424	10	5,435
Comprehensive income for the period	973	2	975	710	1	711
Transfer to shareholders	-593	-1	-594	-513	-	-513
Acquisition of non-controlling interests	-	0	0	-	-	-
Divestments of non-controlling interests	-	-3	-3	-	-	-
Buy-back of treasury shares	-283	-	-283	-289	-	-289
Sales of treasury shares	-	-	-	-	-	-
Share-based incentive schemes	84	-	84	77	-	77
Share savings schemes	4	-	4	5	-	5
<b>EQUITY, CLOSING BALANCE</b>	<b>6,153</b>	<b>9</b>	<b>6,163</b>	<b>5,414</b>	<b>11</b>	<b>5,425</b>



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

### ACQUISITION OF SUBSIDIARIES AND OPERATIONS

During the period Sweco acquired the operations of Royal HaskoningDVH, BML Ingenieurgesellschaft mbH, Årstiderne Arkitekter, and Avecon Ltd. The acquired businesses have an aggregate total of approximately 328 employees. Purchase consideration totalled SEK 241 million and had a negative impact on cash and cash equivalents of SEK 233 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below; the acquisition analyses for BML Ingenieurgesellschaft mbH, Årstiderne Arkitekter, and Avecon Ltd are preliminary. During the period the acquired companies contributed SEK 234 million in net sales and SEK 18 million in operating profit (EBIT). If all of the companies had been owned as of 1 January 2018 they would have contributed approximately SEK 303 million in net sales and about SEK 24 million in operating profit. Transaction costs for these acquisitions during this and previous periods totalled SEK 4 million.

Acquisitions, SEK M	
Intangible assets	220
Property, plant and equipment	11
Financial assets	0
Current assets	114
Non-current liabilities	-3
Deferred tax	-30
Other current liabilities	-71
Non-controlling interest	0
Total purchase consideration	241
Unsettled purchase price commitment	0
Cash and cash equivalents	-8
<b>DECREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>233</b>

### DIVESTMENT OF SUBSIDIARIES AND OPERATIONS

During the period Sweco divested Sweco Mecaplan Oy, with 29 employees. The business contributed SEK 8 million in net sales and SEK 2 million in operating profit. The divestment had a positive impact on profit of SEK 2 million and a negative impact on the Group's cash and cash equivalents of SEK 1 million. The divestment impacted the consolidated balance sheet as detailed below.

Divestments, SEK M	
Property, plant and equipment	0
Current assets	14
Non-current liabilities	-4
Current liabilities	-4
Non-controlling interest	-3
Capital gain recorded on divestment	2
Total purchase consideration	5
Cash and cash equivalents in divested companies	-6
<b>INCREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>-1</b>

### ACQUISITION-RELATED ITEMS

Acquisition-related items SEK M	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct 2017- Sep 2018	Full-year 2017
Amortisation of acquisition-related intangible assets	-20	-17	-59	-51	-77	-69
Revaluation of additional purchase price	0	0	0	0	0	0
Profit/loss on the divestment of buildings and land	-	0	-1	2	-1	2
Profit/loss on divestment of companies and operations	0	-	2	0	2	0
<b>ACQUISITION-RELATED ITEMS</b>	<b>-20</b>	<b>-18</b>	<b>-58</b>	<b>-49</b>	<b>-76</b>	<b>-67</b>

### FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial assets measured at fair value totalled SEK 13 million (13). 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

Figures for 2016 have been restated to reflect the new definition of Net sales, EBITA and Number of full-time employees as described on page 54 in the 2017 Annual Report.

Quarterly summary	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
<b>Net sales, SEK M</b>									
Sweco Sweden	1,427	1,926	1,874	1,936	1,437	1,798	1,854	1,951	1,465
Sweco Norway	516	639	577	561	413	506	590	530	457
Sweco Finland	465	549	502	488	420	498	487	462	402
Sweco Denmark	403	469	375	349	290	343	389	351	334
Sweco Netherlands	447	492	466	459	389	421	440	434	434
Sweco Western Europe	456	501	508	446	390	401	400	420	365
Sweco Central Europe	393	382	348	371	317	329	285	297	289
Group-wide, Eliminations, etc.	-29	-41	-23	-28	-20	-36	-36	-24	-22
<b>TOTAL GROUP</b>	<b>4,078</b>	<b>4,916</b>	<b>4,628</b>	<b>4,582</b>	<b>3,635</b>	<b>4,262</b>	<b>4,408</b>	<b>4,421</b>	<b>3,723</b>
<b>EBITA, SEK M</b>									
Sweco Sweden	83	234	234	296	95	202	251	273	129
Sweco Norway	41	49	29	29	24	7	88	58	40
Sweco Finland	46	63	35	34	43	49	61	41	35
Sweco Denmark	27	41	23	5	14	-4	30	44	27
Sweco Netherlands	13	34	38	18	5	14	28	0	-4
Sweco Western Europe	19	31	38	32	25	29	28	30	18
Sweco Central Europe	24	24	19	34	19	18	13	26	18
Group-wide, Eliminations, etc.	12	-12	-6	-1	12	-4	-4	-77	-12
<b>EBITA</b>	<b>264</b>	<b>464</b>	<b>409</b>	<b>448</b>	<b>237</b>	<b>312</b>	<b>494</b>	<b>395</b>	<b>252</b>
Extraordinary items <sup>1)</sup>	-	-	-	-	-	-	-	83	15
<b>EBITA excl. extraordinary items</b>	<b>264</b>	<b>464</b>	<b>409</b>	<b>448</b>	<b>237</b>	<b>312</b>	<b>494</b>	<b>478</b>	<b>266</b>
<b>EBITA margin, %</b>									
Sweco Sweden	5.8	12.1	12.5	15.3	6.6	11.2	13.5	14.0	8.8
Sweco Norway	8.0	7.7	5.0	5.2	5.8	1.5	14.9	11.0	8.8
Sweco Finland	9.9	11.5	7.0	7.0	10.2	9.9	12.6	8.8	8.7
Sweco Denmark	6.7	8.8	6.1	1.5	4.7	-1.1	7.6	12.6	8.0
Sweco Netherlands	2.8	6.8	8.1	4.0	1.4	3.4	6.3	-0.1	-0.8
Sweco Western Europe	4.2	6.1	7.4	7.3	6.4	7.3	7.0	7.1	5.0
Sweco Central Europe	6.0	6.3	5.5	9.2	6.0	5.4	4.5	8.9	6.2
<b>EBITA margin</b>	<b>6.5</b>	<b>9.4</b>	<b>8.8</b>	<b>9.8</b>	<b>6.5</b>	<b>7.3</b>	<b>11.2</b>	<b>8.9</b>	<b>6.8</b>
Extraordinary items <sup>1)</sup>	-	-	-	-	-	-	-	1.9	0.4
<b>EBITA margin excl. extraordinary items</b>	<b>6.5</b>	<b>9.4</b>	<b>8.8</b>	<b>9.8</b>	<b>6.5</b>	<b>7.3</b>	<b>11.2</b>	<b>10.8</b>	<b>7.2</b>
<b>Billing ratio, %</b>									
Number of normal working hours	511	474	490	490	511	464	506	493	518
Number of full-time employees	15,197	15,387	14,981	14,774	14,396	14,548	14,412	14,482	14,172

<sup>1)</sup> 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	2018	2017	2018	2017	2018	2017	2018	2017
Sweco Sweden	5,227	5,089	550	548	10.5	10.8	5,584	5,480
Sweco Norway	1,732	1,509	119	119	6.9	7.9	1,455	1,329
Sweco Finland	1,516	1,405	144	153	9.5	10.9	2,077	2,058
Sweco Denmark	1,247	1,022	91	39	7.3	3.8	1,184	1,009
Sweco Netherlands	1,406	1,249	84	47	6.0	3.8	1,362	1,369
Sweco Western Europe	1,465	1,191	87	82	6.0	6.9	1,686	1,596
Sweco Central Europe	1,122	932	67	50	5.9	5.3	1,735	1,531
Group-wide, Eliminations, etc. <sup>1)</sup>	-92	-92	-6	4	-	-	105	76
<b>TOTAL GROUP</b>	<b>13,623</b>	<b>12,305</b>	<b>1,137</b>	<b>1,044</b>	<b>8.3</b>	<b>8.5</b>	<b>15,187</b>	<b>14,448</b>

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

## NET SALES GROWTH

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

Net sales growth	2018 Jul-Sep	2017 Jul-Sep	Growth, % Jul-Sep 2018	2018 Jan-Sep	2017 Jan-Sep	Growth, % Jan-Sep 2018
Reported net sales	4,078	3,635	12%	13,623	12,305	11%
Adjustment for currency effects		192	5%		428	3%
Net sales, currency-adjusted	4,078	3,828	7%	13,623	12,733	7%
Adjustment for acquisitions/divestments	-91	11	3%	-234	86	3%
Comparable net sales, currency-adjusted	3,987	3,838	4%	13,389	12,819	4%
Adjustment for calendar effect	0			40		
Comparable net sales, adjusted for currency and calendar effect	3,987	3,838	4%	13,429	12,819	5%

Net sales growth	2017 Jul-Sep	2016 Jul-Sep	Growth, % Jul-Sep 2017	2017 Jan-Sep	2016 Jan-Sep	Growth, % Jan-Sep 2017
Reported net sales	3,635	3,723	-2%	12,305	12,111	2%
Adjustment for currency effects		-106	-3%		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%
Adjustment for calendar effect	50			32		
Comparable net sales, adjusted for currency and calendar effect	3,629	3,597	1%	12,234	12,159	1%

## PARENT COMPANY INCOME STATEMENT AND BALANCE SHEET

Parent Company income statement, SEK M	Jan-Sep 2018	Jan-Sep 2017	Full-year 2017
Net sales	525	461	621
Operating expenses	-536	-481	-650
Operating loss	-11	-20	-29
Net financial items	215	410	1,200
Profit/loss after net financial items	204	391	1,171
Appropriations	1	-	-178
Profit/loss before tax	204	391	994
Tax	-	-	-127
<b>PROFIT/LOSS AFTER TAX</b>	<b>204</b>	<b>391</b>	<b>866</b>

Parent Company balance sheet, SEK M	30 Sep 2018	31 Dec 2017
Intangible assets	48	61
Property, plant and equipment	51	36
Financial assets	6,346	6,347
Current assets	2,029	2,594
<b>TOTAL ASSETS</b>	<b>8,474</b>	<b>9,038</b>
Equity	4,219	4,796
Untaxed reserves	189	190
Non-current liabilities	1,691	1,991
Current liabilities	2,374	2,061
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,474</b>	<b>9,038</b>