

# INTERIM REPORT JANUARY – MARCH 2020 SWECO AB (PUBL)



15 May 2020

## STRONG START OF THE YEAR – BUT UNCERTAIN TIMES AHEAD

### JANUARY – MARCH 2020

- Net sales increased to SEK 5,680 million (5,101)
- EBITA increased to SEK 630 million (531), margin 11.1 per cent (10.4)
- EBIT increased to SEK 615 million (537), margin 10.8 per cent (10.5)
- Net debt increased to SEK 2,225 million (1,706)
- Net debt/EBITDA increased to 1.0 x (0.8)
- Profit after tax increased to SEK 443 million (391), corresponding to SEK 3.76 per share (3.34)

### COMMENTS FROM PRESIDENT AND CEO ÅSA BERGMAN:

We continue to see that our work with delivering sustainable solutions connected to societal trends such as urbanisation, digitalisation and climate transition makes us relevant in the market and for our clients. The positive development in 2019 laid the foundations to enter 2020 with a strong market and financial position. As we summarise the beginning of the year, I can conclude that we delivered a strong quarter, despite the global concern for the consequences of Covid-19.

Net sales increased 11 per cent, corresponding to SEK 579 million, and organic growth amounted to 4 per cent, adjusted for calendar effects. At the same time, earnings improved and EBITA increased 13 per cent, corresponding to SEK 71 million, adjusted for calendar effects. All in all, this resulted in a strong EBITA margin of 11.1 per cent (10.4). The positive performance was mainly driven by positive fee development, positive contributions from acquisitions and an increased number of employees.

Five of eight business areas reported double-digit margins for the quarter. Sweden, Norway and Finland showed solid EBITA improvements and margins well above 13 per cent. Belgium continued to deliver strong growth and margins. UK developed well, with MLM and the commencement of previously postponed projects contributing to growth and improved earnings. Netherlands also improved, whereas Denmark had a weaker quarter, and Germany continued to have challenges with profitability.

### THE IMPACT OF COVID-19 AND THE MEASURES TAKEN AS A RESULT

As the impact of Covid-19 and government measures became visible, we quickly reorganized the way we work, reaching a peak of some 14,000 employees working from home. With a high degree of digitalisation, our capacity to deliver has remained relatively unchanged. We have maintained close contact with our clients, won new assignments and delivered according to plan in most projects. Moreover, many of the projects we are involved in are vital to society and are therefore prioritised even during the current circumstances.

However, we are also experiencing lower demand in certain sectors, particularly within industry and the private building and real estate segments. We have seen a number of cancelled or delayed projects, which will have a negative impact on our revenue going forward. As a result of this, we announced on 6 April organisational adjustments with a total of 200 employees in Sweden being affected, and with 50 employees in Norway and 35 employees in Belgium being temporarily laid off. We have thereafter made the decision to place some 150 employees in the UK, 25 employees in Finland and an additional 30 employees in Norway on temporary lay-off, primarily due to lower demand in the aforementioned sectors.

**SHORT-TERM ADJUSTMENTS, LONG-TERM FOCUS**

We have adapted to the current conditions, but we maintain focus on our strategic direction and our long-term goals. Our decentralised business model with small and efficient teams working closely with clients has allowed us to act quickly and adapt our operations to the new circumstances.

In the quarter, we made two new strategic acquisitions: Talboom Group and KANT Arkitekter. With the acquisition of Talboom Group in Belgium, we are creating a leading position in the growing segment for engineering services in pharmaceuticals, biotechnology and infrastructure. With the Danish company KANT Arkitekter, we are strengthening our position in the public-sector learning and housing segments. Both acquisitions contribute to our strategic objective of taking leading positions in our primary markets.

**WELL-POSITIONED FOR THE FUTURE**

Sweco stands on stable ground and has a low risk profile. We have a broad offering with a combination of private and public sector clients, as well as a well-diversified project portfolio. Our broad geographical footprint allows us to meet temporary and local changes in demand. We also have a strong financial position with relatively low net debt and good liquidity. This creates endurance and flexibility, which allows us to leverage opportunities as they present themselves.

All in all, this makes us well-equipped for the future, even if we remain humble in light of the challenges that we are now facing. Looking ahead, our long-term focus is to continue to stay relevant and develop sustainable solutions together with our clients.

## PROFIT AND OPERATIONS

### JANUARY-MARCH

Organic growth amounted to approximately 4 per cent after adjustment for calendar effects. Acquired growth amounted to 7 per cent. In addition, currency effects contributed 1 per cent to net sales, which in total increased 11 per cent to SEK 5,680 million (5,101).

Organic growth was mainly driven by positive fee development and an increased number of employees. Organic growth adjusted for calendar effects was particularly strong in Belgium, Finland and the United Kingdom. Acquired growth was predominantly driven by the acquisitions of MLM in the UK, Imp GmbH in Germany and the design operations of NRC Group in Finland.

EBITA increased to SEK 630 million (531), an improvement of SEK 98 million. The EBITA margin increased to 11.1 per cent (10.4).

EBITA increased approximately 13 per cent or SEK 71 million year-on-year after adjustment for

calendar effects. The EBITA improvement was mainly attributable to Finland, the United Kingdom, Sweden and Norway. Overall for the Group, a positive trend in hourly fees, contribution from acquisitions and an increased number of employees were the main drivers of the improvement.

The quarter had 4 more working hours compared with same period last year. This had a positive year-on-year impact of approximately SEK 28 million on earnings and net sales.

The billing ratio declined to 73.6 per cent (74.1).

Total net financial items reduced to SEK -38 million (-27), primarily due to changed exchange rates and revaluation effects. Improved net interest and the lower interest cost of leasing had a positive impact on the quarter.

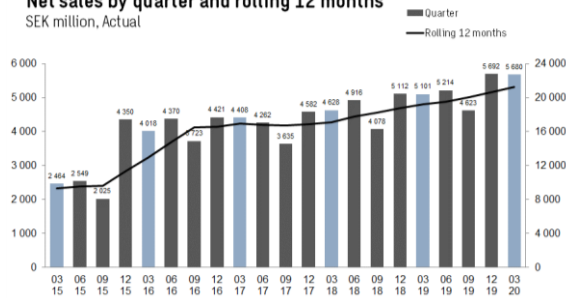
Earnings per share increased to SEK 3.76 (3.34).

Key ratios	Jan-Mar 2020	Jan-Mar 2019	Apr 2019-Mar 2020	Full-year 2019
Net sales, SEK M	5,680	5,101	21,208	20,629
Organic growth, %	4	6		5
Acquisition-related growth, %	7	2		3
Currency, %	1	3		2
Total growth, %	11	10		10
Organic growth adj. for calendar, %	4	5		5
EBITA, SEK M <sup>1)</sup>	630	531	1,968	1,869
Margin, %	11.1	10.4	9.3	9.1
Profit after tax, SEK M	443	391	1,445	1,393
Earnings per share, SEK	3.76	3.34	12.27	11.85
Number of full-time employees	17,330	15,823	16,793	16,412
Billing ratio, %	73.6	74.1	74.1	74.3
Normal working hours	500	496	1,966	1,962
Net debt/EBITDA, x <sup>2)</sup>	1.0	0.8		1.0

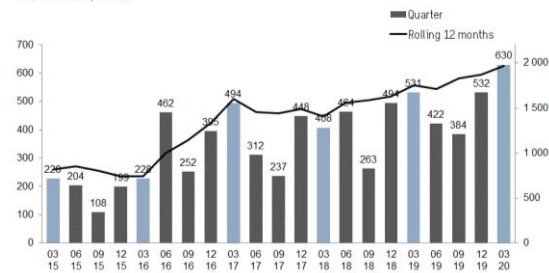
<sup>1)</sup> EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA. For further information, see pages 10 and 12.

<sup>2)</sup> Net debt/EBITDA is an alternative performance measure (APM). Net debt is an alternative performance measure (APM) defined as financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from Net debt. EBITDA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes, Depreciation & amortisation and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITDA. For further information, see pages 10 and 12.

**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 won an assignment connected to SCA building a new paper machine for the production of kraftliner - paper for transport packaging - in Umeå, Sweden. Sweco's assignments include architecture, land use and construction planning, as well as geotechnics. It will be the world's largest machine for power lines and production capacity will be greatly increased while reducing the need for oil by 8,000 cubic meters per year.

As part of a consortium, Sweco has been awarded a contract with the State Water Holding Polish Waters, for the review and preparation of flood risk management plans. The assignment also includes a public information campaign and public consultation in the areas that are close to the river basins. The review and update of the flood risk management plans are expected to be finalised by the end of Q1 2022. The value of the contract is approximately SEK 100 million.

In alliance with Nordic industrial partners ABB and Fineweld, Sweco has been selected to deliver the production units to the battery industry disruptor Northvolt, establishing one of Europe's largest battery factories in Skellefteå, northern Sweden. Sweco will take responsibility for project management tasks and key engineering services such as process, technical safety, layout, equipment, piping, steel structures, electrification instrumentation and automation.

Sweco will provide services to Helsinki City Transport for construction of the new Kalasatama tramline, which is 4.5 kilometres long and planned to be in service 2024. Sweco carries out the work in alliance with Destia and WSP.

Sweco has won the assignment to design a plan for refurbishing the neighborhood Bijvanck, in Blaricum, in the Netherlands. Sweco will advise on climate change, energy transition and sustainability of this neighborhood. The total contract value is approximately SEK 1.6 million.

Sweco Belgium has been awarded a framework agreement for the City of Antwerp, covering environmental and safety reports, and several large road projects for the Agency for Roads and Traffic. The latter have a total contract value of around SEK 16 million

## MARKET

Overall, the underlying market for Sweco's services was good in Q1 and largely unchanged compared with recent quarters. Essentially all Business Areas experienced a good market for Sweco's services in the infrastructure, water and industry segments. Demand for services in the real estate segment was good overall while the residential segment remained weak in several countries. Towards the end of the quarter, the Covid-19 development started to impact primarily the industry and private building and real estate segments.

## OUTLOOK

The Covid-19 situation creates significant uncertainty regarding future market development. Demand for Sweco's services normally follows the general macroeconomic trend in Sweco's markets, with some time lag. A negative medium-term impact on demand can therefore be expected from the economic effects of Covid-19. However, this impact will most likely be partly mitigated by increased public spending.

## EVENTS DURING THE QUARTER

On 15 January, Sweco acquired Talboom Group, a Belgian consulting company with around 110 employees including agency staff. Talboom is active predominantly in the pharmaceutical and infrastructure markets and has annual net sales of approximately SEK 133 million.

On 2 March, Sweco acquired the Danish architecture firm KANT Arkitekter A/S. KANT Arkitekter has a strong position in the public sector learning and housing segments, particularly in the eastern part of Denmark. The company has around 80 employees in Copenhagen and annual net sales of approximately SEK 136 million.

## EVENTS AFTER THE QUARTER

On 6 April, Sweco informed about the effects of Covid-19 and mitigating actions. The financial position remained strong and large parts of the project portfolio relatively unaffected. However, the industry and private building and real estate segments, equalling about 25 per cent of total business, had been affected to some extent. Mitigating actions in Sweden, Norway and Belgium were announced.

On 21 April, Sweco's Board of Directors announced an adjustment of the dividend proposal to the AGM, from

SEK 6.20 to SEK 3.10 per share, given the general level of uncertainty resulting from Covid-19.

On 30 April, dividends totalling SEK 365 million (644) were distributed to Sweco AB shareholders.

In April, Helene Hasselskog was appointed Chief HR Officer. She will assume her new position and become a member of Sweco's executive team on June 1.

#### **CASH FLOW AND FINANCIAL POSITION**

Group cash flow from operating activities totalled SEK 467 million (430) during the quarter. Net debt increased to SEK 2,225 million (1,706), primarily as a result of recent acquisitions.

The Net debt/EBITDA ratio was 1.0 x (0.8).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 2,838 million (3,111)

at the end of the quarter. In April, a new short-term credit facility of SEK 1,000 million was agreed with one of the existing lenders.

Purchase considerations paid to acquire companies and operations totalled SEK 268 million (17) and had an impact of SEK -264 million (-14) on the Group's cash and cash equivalents.

Repurchases of Sweco shares totalled SEK 0 million (2) and had the same effect on the Group's cash and cash equivalents.

#### **INVESTMENTS, JANUARY-MARCH 2020**

Investments in equipment totalled SEK 44 million (56) and were primarily attributable to IT investments. Depreciation of equipment amounted to SEK 58 million (56) and amortisation of intangible assets totalled SEK 36 million (25).

## SWECO SWEDEN

### SALES AND PROFIT, JANUARY-MARCH

Net sales increased to SEK 1,985 million (1,958) and EBITA increased SEK 17 million to SEK 269 million (252). The EBITA margin increased to 13.6 per cent (12.9). The EBITA improvement was driven by improved hourly fees and an increased number of employees. However, a slightly lower billing ratio 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 remained good during the period but there were variations between the different segments. Demand for infrastructure services remained strong, backed by major public investments. The markets for industrial investments, water and environmental services were good. The real estate market was divided, with good demand within public buildings, whereas demand related to residential construction remained weak with the exception of larger cities where the situation improved somewhat. The market for power transmission services was strong while demand in energy generation remained challenging.

During Q1, the impact of the Covid-19 pandemic on the business was overall limited, as ongoing projects continued. However, the Covid-19 situation has had a negative impact on the start of new projects within the private building and real estate market. Also, it has had an effect on projects for the automotive industry. After the end of the period, Sweco announced that about 200 employees will be affected due to this impact.

### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	1,985	1,958
Organic growth, %	0	5
Acquisition-related growth, %	1	-1
Currency, %	0	0
Total growth, %	1	4
Organic growth adj. for calendar, %	0	4
EBITA, SEK M	269	252
EBITA margin, %	13.6	12.9
Number of full-time employees	5,911	5,842

## SWECO NORWAY

### SALES AND PROFIT, JANUARY-MARCH

Organic growth was 4 per cent, adjusted for calendar effects. Organic growth was mainly driven by an increased number of employees and higher hourly fees. The year-on-year calendar effect of 8 more hours had a positive impact of approximately SEK 9 million on net sales and EBITA.

EBITA increased 25 per cent to SEK 97 million (78) and the EBITA margin increased to 13.7 per cent (11.0). EBITA increased SEK 10 million, adjusted for calendar effects. EBITA was impacted positively by higher hourly fees and an increased number of employees, whereas a lower billing ratio had a negative impact.

Overall, the Norwegian market remained good during the period, with a historically strong infrastructure market dominated by large-scale rail and road projects. The public buildings market was relatively resilient and the energy market was stable.

Mid March, the Norwegian market was affected by government measures to combat the further spread of Covid-19, which effectively led to a partial shut-down of the Norwegian economy. The decline in oil price has had an additional negative effect. As Sweco Norway has been impacted negatively by postponed and cancelled projects primarily in the industry segment, 50 employees were temporarily laid off late March, as were an additional 30 employees after the period.

### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	708	706
Organic growth, %	5	19
Acquisition-related growth, %	-	-
Currency, %	-5	3
Total growth, %	0	22
Organic growth adj. for calendar, %	4	13
EBITA, SEK M	97	78
EBITA margin, %	13.7	11.0
Number of full-time employees	1,631	1,542



## SWECO FINLAND

### SALES AND PROFIT, JANUARY-MARCH

Net sales increased to SEK 738 million (579). Organic growth was 9 per cent adjusted for calendar effects. Organic growth was mainly driven by an increased number of employees and improved average fees. The year-on-year calendar effect of 6 fewer hours had a negative impact of approximately SEK 7 million on net sales and EBITA. Acquired growth contributed 17 per cent and relates to the acquisition of the design operations of NRC Group, which were consolidated into Sweco Finland as of November.

EBITA increased 46 per cent, corresponding to SEK 34 million, adjusted for calendar and the EBITA margin reached 13.7 per cent (12.8). The increase in EBITA was mainly attributable to improved average fees and an increased number of employees as well as the contribution from the newly acquired design operations of NRC Group.

The Finnish and Estonian markets were overall quite good during the period, with some differences between segments. Demand within the building and real estate segments was overall good, but saw a decline in residential construction. The market in industrial services was quite stable and the market for infrastructure-related services was good.

At the end of Q1, the Covid-19 situation started to affect Finland and Estonia. Initially, there has been limited impact on the construction segment with only a few postponed and cancelled projects. In order to mitigate the effects of this, 25 people have been temporarily laid off after the end of the period.

### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	738	579
Organic growth, %	8	8
Acquisition-related growth, %	17	3
Currency, %	2	5
Total growth, %	27	15
Organic growth adj. for calendar, %	9	8
EBITA, SEK M	101	74
EBITA margin, %	13.7	12.8
Number of full-time employees	2,473	2,113

## SWECO DENMARK

### SALES AND PROFIT, JANUARY-MARCH

Net sales increased to SEK 458 million (455). Organic growth amounted to -5 per cent adjusted for calendar effects and was impacted by a lower number of employees and lower average fees. The year-on-year calendar effect of 8 more hours had a positive impact of approximately SEK 6 million on net sales and EBITA.

EBITA decreased to SEK 30 million (36). The EBITA decline was primarily attributable to lower average fees and lower billing ratio.

The market in Denmark was satisfactory during the period. Demand in the water and environmental sectors remained stable, driven by climate-related services in the larger cities. The energy market was driven by transmission, gas and wind power, but remained weak. The infrastructure market was fairly stable, however still affected by the lack of a new national infrastructure plan. The market for building services has weakened, the residential, office and retail markets remain weak.

Towards the end of Q1, the market in Denmark was affected by the Covid-19 pandemic. Sweco Denmark has been impacted primarily by international projects being delayed or cancelled.

### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	458	455
Organic growth, %	-4	0
Acquisition-related growth, %	2	17
Currency, %	2	4
Total growth, %	1	21
Organic growth adj. for calendar, %	-5	-1
EBITA, SEK M	30	36
EBITA margin, %	6.7	8.0
Number of full-time employees	1,182	1,195

## SWECO NETHERLANDS

### SALES AND PROFIT, JANUARY-MARCH

Net sales increased to SEK 547 million (506). Organic growth amounted to 4 per cent adjusted for calendar effects and was driven by higher average fees and more subconsultant revenue. The year-on-year calendar effect of 8 more hours had a positive impact of approximately SEK 6 million on net sales and EBITA.

EBITA increased 19 per cent to SEK 51 million (43). The EBITA margin increased to 9.4 per cent (8.6). EBITA improved SEK 2 million, adjusted for calendar effects. The improvement of EBITA was mainly attributable to higher average fees.

In the Netherlands, the engineering market remained positive during the period, as did the demand for Sweco's services within infrastructure, energy, water and public sector buildings.

Towards the end of Q1, Sweco Netherlands was affected by the Covid-19 situation with some delayed and cancelled projects in industry and buildings. However, there is still satisfactory development within large parts of the markets.

### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	547	506
Organic growth, %	6	4
Acquisition-related growth, %	-	-
Currency, %	2	5
Total growth, %	8	9
Organic growth adj. for calendar, %	4	5
EBITA, SEK M	51	43
EBITA margin, %	9.4	8.6
Number of full-time employees	1,404	1,403

## SWECO BELGIUM

### SALES AND PROFIT, JANUARY-MARCH

Net sales increased to SEK 431 million (335), and organic growth was 14 per cent adjusted for calendar effects. Organic growth was primarily driven by increased revenue from subconsultants and an increased number of employees. The year-on-year calendar effect of 8 more hours had a positive impact of approximately SEK 4 million on net sales and EBITA.

EBITA increased 30 per cent to SEK 50 million (38). EBITA improved SEK 7 million adjusted for calendar effects. The improvement in earnings in the quarter was mainly attributable to an increased number of employees.

The market was good within most segments during the period and both the private and the public sector building markets remained stable. The industry and public infrastructure markets also remained strong. Belgium is in the middle of a complete energy transition with a focus on decarbonisation in the transportation, building and industry sectors as well as transforming energy production. The electrification in industry and the public domain increased.

Towards the end of the period, the industry segment was impacted by the Covid-19 situation as were some infrastructure projects. As a result of this, some 35 employees have been temporarily laid off since late March.

### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	431	335
Organic growth, %	15	8
Acquisition-related growth, %	11	3
Currency, %	2	5
Total growth, %	29	15
Organic growth adj. for calendar, %	14	9
EBITA, SEK M	50	38
EBITA margin, %	11.5	11.4
Number of full-time employees	1,025	834



## SWECO UK

### SALES AND PROFIT, JANUARY-MARCH

Net sales increased 79 per cent to SEK 382 million (214). Organic growth was 8 per cent adjusted for calendar effects and was mainly driven by higher average fees and an improved billing ratio. The acquisition of MLM contributed with acquired growth of 66 per cent. The year-on-year calendar effect of 8 more hours had a positive impact of approximately SEK 3 million on net sales and EBITA.

EBITA improved SEK 29 million adjusted for calendar and the EBITA margin improved to 10.4 per cent (3.7). The earnings improvement was attributable to the contribution from MLM and to an improvement of average fees and billing ratio in the existing UK business, primarily due to commencement of several key projects within transport infrastructure.

In general, the market for Sweco's services during Q1 in the UK was good with some uncertainty remaining following the UK's exit from the EU on 31 January. Key public projects in major transportation infrastructure and water cycles commenced. The London commercial building market remained strong.

At the end of the period, the Covid-19 situation started to cause delayed and cancelled projects. The private developer, buildings and water utilities sectors have been impacted by closure of non-critical construction sites. As a result of this, approximately 150 employees have been temporarily laid off after the end of the period.

#### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	382	214
Organic growth, %	9	-6
Acquisition-related growth, %	66	-
Currency, %	4	6
Total growth, %	79	0
Organic growth adj. for calendar, %	8	-6
EBITA, SEK M	40	8
EBITA margin, %	10.4	3.7
Number of full-time employees	1,245	856

## SWECO GERMANY & CENTRAL EUROPE

### SALES AND PROFIT, JANUARY-MARCH

Net sales increased 25 per cent to SEK 497 million (397). Organic growth was around 6 per cent after adjustment for calendar effects. Organic growth was primarily impacted by fewer negative project adjustments compared to same period last year. Acquired growth amounted to 16 per cent and related to the acquisition of Imp GmbH which was consolidated into Sweco Germany & Central Europe as of July. The year-on-year calendar effect of 7 more hours had a positive impact of approximately SEK 5 million on net sales and EBITA.

EBITA decreased approximately SEK 8 million after adjustment for calendar effects. The change was mainly driven by weaker performance in the existing German business, whereas the acquisition of Imp GmbH contributed positively.

The German market remained good overall during the period. The construction market for healthcare facilities and commercial buildings were good. Demand was strong in the transport and environmental sector due to public investment. Power transmission continued to be a good market, while power generation remained challenging.

In the last weeks of March, the impact from Covid-19 became visible. Private investors started to slow down or stop projects and tenders in the real estate market. Public spending, especially in infrastructure, remains at a good level.

#### IN BRIEF

Net sales and profit	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK M	497	397
Organic growth, %	7	6
Acquisition-related growth, %	16	3
Currency, %	2	4
Total growth, %	25	13
Organic growth adj. for calendar, %	6	6
EBITA, SEK M	9	11
EBITA margin, %	1.8	2.9
Number of full-time employees	2,417	1,966

## OTHER INFORMATION

### PARENT COMPANY, JANUARY-MARCH 2020

Parent Company net sales totalled SEK 212 million (192) and were attributable to intra-group services. Profit after net financial items totalled SEK -11 million (-7). Investments in equipment totalled SEK 5 million (7). Cash and cash equivalents at the end of the period totalled SEK 805 million (124).

### 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. The Group applies the same accounting and valuation principles as those described in Note 1 in the Annual Report for 2019.

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 1-18; the interim financial information presented on pages 1-18 is therefore part of this financial report.

### KEY PERFORMANCE MEASURES

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 investors' 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: <https://www.sweco.se/en/IR/financial-data/definitions/>

The adoption of IFRS 16 had a significant impact on the presentation of financial statements. Sweco has chosen to maintain its key financial metrics close to previous definitions, producing minor differences to previously presented values. The objective is to facilitate comparability with previous periods and provide transparency regarding Sweco's operational performance and the Group's financial strength, apart from the accounting effects of IFRS 16.

Sweco's key financial metrics, defined as Alternative Performance Measures (APMs) in accordance with IFRS, are EBITA and Net debt/EBITDA.

EBITA is the Group's key metric for operational performance at Group and BA level. Sweco's EBITA measure is defined as Earnings Before Interest, Taxes and Acquisition-related items. All leases are treated as operating leases and the total cost of the lease affects EBITA. Operating lease treatment follows IAS 17 (the standard for leases applicable through 31 December 2018).

Net debt/EBITDA is Sweco's key metric for financial strength. The definition remains essentially in line with the covenants defined in Sweco's bank financing agreements. Net debt is defined as financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from Net debt. As with the calculation of EBITA, when calculating EBITDA all leases are assumed to comprise operating leases pursuant to IAS 17.

Organic growth adjusted for calendar is an APM and is reported for the group and for the business areas as of this interim report. Organic growth adjusted for calendar is calculated as total net sales growth less the impact of acquisitions and divestments, the effect of foreign currency fluctuations and calendar effect.

The reconciliation of Sweco's key financial metrics, described above, and IFRS measures is presented on page 12. Organic growth calculation is presented on page 17.

### THE SWECO SHARE

The Sweco share is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 283.60 at the end of the period, representing a 21 per cent decrease during the quarter. Nasdaq Stockholm OMXSPI decreased 18 per cent over the same period.

The total number of shares at the end of the period was 121,083,819: 10,385,713 Class A shares and 110,698,106 Class B shares. The total number of shares outstanding was 117,837,422: 10,385,713 Class A shares and 107,451,709 Class B shares.

### RESOLUTIONS AT THE 2020 AGM

Dividend: The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to distribute a dividend of SEK 3.10 per share (5.50) to the shareholders.

2020 share savings scheme: Pursuant to the Board's proposal, the 2020 AGM resolved to implement a long-term share savings scheme for up to 100 Sweco Group senior executives and other key employees.

2020 share bonus scheme: Pursuant to the Board's proposal, the 2020 AGM resolved to implement a share-based incentive scheme for employees in Sweden.

Pursuant to the Nomination Committee's proposal, the 2020 AGM resolved that the Board of Directors comprised of seven members. Pursuant to the Nomination Committee's proposal, Gunnel Duveblad, Elaine Grunewald, Alf Göransson, Johan Hjertonsson, Johan Nordström, Christine Wolff and Åsa Bergman were re-elected as directors. Johan Nordström was re-elected as Chairman of the Board of Directors. Eva Lindquist declined re-election.

#### 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 risk, such as foreign currency, interest rate and credit risk. The risks to which Sweco is exposed are detailed in Sweco's 2019 Annual Report (page 100, Risks and Risk Management). No significant risks are deemed to have arisen since then apart from the Covid-19 pandemic.

The risks and uncertainties related to the Covid-19 pandemic are briefly described on page 89 and page 100 in the 2019 Annual Report. At the time of writing the interim report, there is still significant uncertainty as to the extent of the Covid-19 impact on Sweco, the form this impact may take, and the time horizon during which an impact may be felt.

#### CALENDAR EFFECTS

##### Year 2020

The number of normal working hours in 2020, based on the 12-month sales-weighted business mix as of September 2019, is broken down as follows:

	<u>2020</u>	<u>2019</u>	
Quarter 1:	500	496	+4
Quarter 2:	465	462	+3
Quarter 3:	518	519	-1
Quarter 4:	491	485	+6
Total:	1,974	1,962	+12

#### ACQUISITION-RELATED AMORTISATION

Acquisition-related intangible assets and expensed costs for future services will be amortised pursuant to the following schedule, based on acquisitions to date:

2020 Estimate	SEK -132 million
2021 Estimate	SEK -113 million
2022 Estimate	SEK -74 million
2023 Estimate	SEK -38 million

#### FORTHCOMING FINANCIAL INFORMATION

Interim report January-June	16 July 2020
Interim report January-September	4 November 2020
Year-end report 2020	11 February 2021

Stockholm, 15 May 2020

Åsa Bergman

President and CEO, Member of the Board of Directors

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This report has not been audited.

## KEY RATIOS

Key ratios <sup>1)</sup>	Jan-Mar 2020	Jan-Mar 2019	Apr 2019-Mar 2020	Full-year 2019
<b>Profitability</b>				
EBITA margin, %	11.1	10.4	9.3	9.1
Operating margin (EBIT), %	10.8	10.5	9.3	9.2
Profit margin, %	10.2	10.0	8.7	8.6
<b>Revenue growth<sup>2)</sup></b>				
Organic growth, %	4	6		5
Acquisition-related growth, %	7	2		3
Currency, %	1	3		2
Total growth, %	11	10		10
<b>Debt</b>				
Net debt, SEK M	2,225	1,706		2,114
Interest-bearing debt, SEK M	3,267	2,236		2,774
<b>Financial strength</b>				
Net debt/Equity, %	29.0	25.5		29.5
Net debt/EBITDA, x	1.0	0.8		1.0
Equity/Assets ratio, %	37.0	37.8		37.1
Available cash and cash equivalents, SEK M	2,838	3,111		2,699
-of which unutilised credit, SEK M	1,796	2,581		2,039
<b>Return</b>				
Return on equity, %	20.1	20.9		20.9
Return on capital employed, %	15.2	15.2		15.3
<b>Share data</b>				
Earnings per share, SEK	3.76	3.34	12.27	11.85
Diluted earnings per share, SEK	3.66	3.23	11.95	11.52
Equity per share, SEK <sup>3)</sup>	65.00	57.11		60.73
Diluted equity per share, SEK <sup>3)</sup>	63.32	55.30		59.14
Number of outstanding shares at reporting date	117,837,422	117,134,064		117,798,459
Number of repurchased Class B shares	3,246,397	3,949,755		3,285,360

<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 revenue growth.

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

Reconciliation of EBIT and the APMs EBITA and EBITDA, SEK M	Jan-Mar 2020	Jan-Mar 2019	Apr 2019-Mar 2020	Full-year 2019
<b>Operating profit (EBIT)</b>	<b>615</b>	<b>537</b>	<b>1,970</b>	<b>1,892</b>
Acquisition-related items	36	13	81	58
Lease expenses <sup>1)</sup>	-195	-173	-758	-736
Depreciation and impairments, right-of-use assets	174	155	675	656
<b>EBITA<sup>2)</sup></b>	<b>630</b>	<b>531</b>	<b>1,968</b>	<b>1,869</b>
Amortisation/depreciation and impairment, tangible and intangible fixed assets	71	69	294	291
<b>EBITDA<sup>3)</sup></b>	<b>701</b>	<b>600</b>	<b>2,261</b>	<b>2,160</b>

<sup>1)</sup> Lease expenses pertain to adjustments made in order to treat all leases as operating leases.

<sup>2)</sup> EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA.

<sup>3)</sup> EBITDA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes, Depreciation & amortisation and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITDA.

Net debt, SEK M <sup>1)</sup>	31 Mar 2020	31 Mar 2019	31 Dec 2019
Non-current interest-bearing debt	3,208	2,160	1,665
Current interest-bearing debt	59	77	1,109
Cash and cash equivalents incl. short-term investments	-1,043	-530	-660
<b>NET DEBT</b>	<b>2,225</b>	<b>1,706</b>	<b>2,114</b>

<sup>1)</sup> Net debt is an alternative performance measure (APM) defined as financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from Net debt.

# CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

Income Statement SEK M	Jan-Mar 2020	Jan-Mar 2019	Apr 2019-Mar 2020	Full-year 2019
Net sales	5,680	5,101	21,208	20,629
Other income	5	2	20	17
Other external expenses	-1,119	-1,028	-4,464	-4,373
Personnel expenses	-3,671	-3,302	-13,746	-13,377
Amortisation/depreciation and impairment, tangible and intangible fixed assets <sup>1)</sup>	-71	-69	-294	-291
Depreciation and impairment, right-of-use assets	-174	-155	-675	-656
Acquisition-related items <sup>2)</sup>	-36	-13	-81	-58
<b>Operating profit (EBIT)</b>	<b>615</b>	<b>537</b>	<b>1,970</b>	<b>1,892</b>
Net financial items <sup>3)</sup>	-11	-12	-45	-46
Interest cost of leasing <sup>4)</sup>	-15	-16	-64	-65
Other financial items <sup>5)</sup>	-12	0	-16	-4
<b>Profit before tax</b>	<b>577</b>	<b>510</b>	<b>1,844</b>	<b>1,777</b>
Income tax	-134	-119	-399	-384
<b>PROFIT FOR THE PERIOD</b>	<b>443</b>	<b>391</b>	<b>1,445</b>	<b>1,393</b>
<b>Attributable to:</b>				
Parent Company shareholders	443	391	1,445	1,393
Non-controlling interests	0	0	0	0
Earnings per share attributable to Parent Company shareholders, SEK	3,76	3,34	12,27	11,85
Average number of shares	117,824,434	117,109,157	117,749,587	117,570,767
Dividend per share, SEK				3,10

<sup>1)</sup> Includes tangible assets and intangible assets that are not acquisition-related.

<sup>2)</sup> Acquisition-related items consist of amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of purchase price, profit and losses on the divestment of companies, operations, land and buildings, as well as expensed costs for future service. See page 15 for additional details.

<sup>3)</sup> Net financial items comprise interest expenses on credit facilities and costs related to credit facilities less interest income on cash and cash equivalents.

<sup>4)</sup> Interest cost of leasing comprises the interest cost of leasing pursuant to IFRS 16.

<sup>5)</sup> Other financial items: Result and distributions from participation in associated companies and other securities, result from sale of participations in associated companies and other securities, foreign exchange gains and losses on financial assets and liabilities, and other interest income and interest expenses.

Consolidated income statement and other comprehensive income, SEK M	Jan-Mar 2020	Jan-Mar 2019	Apr 2019-Mar 2020	Full-year 2019
Profit for the period	443	391	1,445	1,393
<b>Items that will not be reversed in the income statement</b>				
Revaluation of defined benefit pensions, net after tax <sup>1,2)</sup>	-	-	-42	-42
<b>Items that may subsequently be reversed in the income statement</b>				
Translation differences, net after tax	62	142	85	165
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>505</b>	<b>533</b>	<b>1,488</b>	<b>1,516</b>
<b>Attributable to:</b>				
Parent Company shareholders	505	533	1,488	1,516
Non-controlling interests	0	0	1	1
<sup>1)</sup> Tax on revaluation of defined benefit pensions	-	-	15	15

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

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

Cash flow statement SEK M	Jan-Mar 2020	Jan-Mar 2019	Apr 2019-Mar 2020	Full-year 2019
Profit before tax	577	510	1,844	1,777
Amortisation/depreciation and impairment	269	237	1,080	1,048
Other non-cash items	8	26	112	131
<b>Cash flow from operating activities before changes in working capital, tax paid, interest paid and received</b>	<b>854</b>	<b>773</b>	<b>3,036</b>	<b>2,955</b>
Interest cost leasing	-15	-16	-64	-65
Net interest paid	-6	-10	-29	-33
Tax paid	-106	-118	-406	-418
Changes in working capital	-259	-199	-201	-141
<b>Cash flow from operating activities</b>	<b>467</b>	<b>430</b>	<b>2,335</b>	<b>2,299</b>
Acquisition and divestment of subsidiaries and operations	-264	-14	-1,019	-769
Purchase and disposal of intangible and tangible assets	-55	-65	-202	-212
Other investing activities	2	2	-4	-4
<b>Cash flow from investing activities</b>	<b>-318</b>	<b>-78</b>	<b>-1,225</b>	<b>-985</b>
Borrowings and repayment of borrowings	390	-451	729	-112
Principal elements of lease payments	-173	-154	-665	-645
Dividends paid	-	-	-645	-645
Repurchase of treasury shares	-	-2	-	-2
<b>Cash flow from financing activities</b>	<b>217</b>	<b>-607</b>	<b>-580</b>	<b>-1,404</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>366</b>	<b>-255</b>	<b>531</b>	<b>-90</b>

Balance sheet SEK M	31 Mar 2020	31 Mar 2019	31 Dec 2019
Goodwill	7,765	6,780	7,471
Other intangible assets	376	294	339
Property, plant and equipment	568	590	580
Right-of-use assets	3,010	2,780	3,043
Financial assets	536	496	389
Current assets excl. cash and cash equivalents	7,451	6,254	6,821
Cash and cash equivalents incl. short-term investments	1,043	530	660
<b>TOTAL ASSETS</b>	<b>20,749</b>	<b>17,724</b>	<b>19,303</b>
Equity attributable to Parent Company shareholders	7,660	6,689	7,154
Non-controlling interests	10	10	10
<b>Total equity</b>	<b>7,670</b>	<b>6,699</b>	<b>7,164</b>
Non-current leasing liabilities	2,462	2,357	2,522
Non-current interest-bearing debt	3,208	2,160	1,665
Other non-current liabilities	1,058	928	877
Current leasing liabilities	708	607	688
Current interest-bearing debt	59	77	1,109
Other current liabilities	5,584	4,897	5,279
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,749</b>	<b>17,724</b>	<b>19,303</b>
Pledged assets	1	20	1
Contingent liabilities	1,035	788	1,010

Changes in equity SEK M	Jan-Mar 2020			Jan-Mar 2019		
	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity, opening balance	7,154	10	7,164	6,158	10	6,168
Comprehensive income for the period	505	0	505	533	0	533
Buy-back of treasury shares	-	-	-	-2	-	-2
Share savings schemes	2	-	2	1	-	1
<b>EQUITY, CLOSING BALANCE</b>	<b>7,660</b>	<b>10</b>	<b>7,670</b>	<b>6,689</b>	<b>10</b>	<b>6,699</b>



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

### ACQUISITIONS

The following acquisitions of companies and operations were carried out during the period.

Company or operations	Included from	Business area	Acquired share, % <sup>1)</sup>	Annual Net Sales in MSEK <sup>2)</sup>	Number of employees (individuals)
Talboom Group	January	Sweco Belgium	100	133	69
Morgenroth & Landwehr, asset deal	February	Sweco Germany & CE	-	8	6
Temco, asset deal	March	Sweco Belgium	-	37	31
KANT Arkitekter A/S	March	Sweco Denmark	100	136	81
Automation unit of Eurocon, asset deal	March	Sweco Sweden	-	5	5
<b>TOTAL</b>				<b>319</b>	<b>192</b>

<sup>1)</sup> No acquired share reported for asset deals.

<sup>2)</sup> Estimated annual Net Sales

The purchase consideration of the acquisitions carried out in the period totalled SEK 268 million and had a negative impact on cash and cash equivalents of SEK 264 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below.

The acquisition analyses regarding Talboom, Morgenroth & Landwehr, KANT Arkitekter, Temco and Automation unit of Eurocon are preliminary. During the period, the acquired companies contributed SEK 46 million in net sales, SEK 2 million in EBITA and SEK -1 million in operating profit (EBIT). If the companies had been owned as of 1 January 2020 they would have contributed approximately SEK 74 million in net sales, about SEK 7 million in EBITA and about SEK 3 million in operating profit (EBIT). The transaction costs for the acquisitions during this period and the previous period totalled SEK 4 million.

Acquisitions, SEK M	
Intangible assets	239
Property, plant and equipment	4
Financial assets	6
Current assets	192
Non-current liabilities	-1
Deferred tax	-28
Other current liabilities	-144
<b>Total purchase consideration</b>	<b>268</b>
Payment of deferred purchase price	8
Cash and cash equivalents in acquired companies	-11
<b>DECREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>264</b>

### ACQUISITION-RELATED ITEMS

Acquisition-related items SEK M	Jan-Mar 2020	Jan-Mar 2019	Apr2019-Mar 2020	Full-year 2019
Amortisation of acquisition-related intangible assets	-23	-13	-111	-101
Revaluation of additional purchase price	-	0	-1	-1
Profit/loss on divestment of buildings and land	0	0	19	20
Profit/loss on divestment of companies and operations	-	-	62	62
Expensed cost for future service	-12	-	-49	-37
<b>ACQUISITION-RELATED ITEMS</b>	<b>-36</b>	<b>-13</b>	<b>-81</b>	<b>-58</b>

### FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments measured at fair value totalled SEK 10 million (12). The derivative instruments are forward currency contracts, the fair value of which is 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

In the table below, 2018 segment information has been restated to reflect the adjusted business area structure applicable from 1 January 2019.

Quarterly summary restated for adjusted business area structure <sup>1)</sup>	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1
<b>Net sales, SEK M</b>									
Sweco Sweden	1,985	2,054	1,519	1,952	1,958	2,003	1,427	1,926	1,874
Sweco Norway	708	692	550	658	706	661	516	639	577
Sweco Finland	738	663	536	611	579	556	465	549	502
Sweco Denmark	458	477	410	442	455	460	403	469	375
Sweco Netherlands	547	542	488	519	506	520	447	492	466
Sweco Belgium	431	381	326	352	335	323	240	271	290
Sweco UK	382	348	317	291	214	207	212	225	213
Sweco Germany & Central Europe	497	605	502	438	397	436	397	387	352
Group-wide, Eliminations, etc.	-65	-71	-26	-49	-47	-55	-29	-41	-22
<b>TOTAL GROUP</b>	<b>5,680</b>	<b>5,692</b>	<b>4,623</b>	<b>5,214</b>	<b>5,101</b>	<b>5,112</b>	<b>4,078</b>	<b>4,916</b>	<b>4,628</b>
<b>EBITA, SEK M<sup>2)</sup></b>									
Sweco Sweden	269	271	102	233	252	284	83	234	234
Sweco Norway	97	65	55	18	78	60	41	49	29
Sweco Finland	101	64	76	73	74	53	46	63	35
Sweco Denmark	30	41	44	16	36	17	27	41	23
Sweco Netherlands	51	39	24	37	43	31	13	34	38
Sweco Belgium	50	41	38	41	38	37	12	24	26
Sweco UK	40	24	15	4	8	-6	6	6	11
Sweco Germany & Central Europe	9	21	26	18	11	27	24	25	19
Group-wide, Eliminations, etc. <sup>3)</sup>	-17	-34	3	-18	-9	-8	11	-11	-7
<b>EBITA</b>	<b>630</b>	<b>532</b>	<b>384</b>	<b>422</b>	<b>531</b>	<b>494</b>	<b>263</b>	<b>464</b>	<b>408</b>
<b>EBITA margin, %<sup>2)</sup></b>									
Sweco Sweden	13.6	13.2	6.7	11.9	12.9	14.2	5.8	12.1	12.5
Sweco Norway	13.7	9.4	10.0	2.7	11.0	9.0	8.0	7.7	5.0
Sweco Finland	13.7	9.6	14.2	12.0	12.8	9.5	9.9	11.5	7.0
Sweco Denmark	6.7	8.6	10.7	3.6	8.0	3.7	6.7	8.8	6.1
Sweco Netherlands	9.4	7.2	5.0	7.1	8.6	5.9	2.8	6.8	8.1
Sweco Belgium	11.5	10.7	11.6	11.7	11.4	11.5	5.1	8.8	9.0
Sweco UK	10.4	7.0	4.8	1.4	3.7	-3.0	2.8	2.7	5.2
Sweco Germany & Central Europe	1.8	3.5	5.2	4.1	2.9	6.3	6.1	6.4	5.5
<b>EBITA margin</b>	<b>11.1</b>	<b>9.4</b>	<b>8.3</b>	<b>8.1</b>	<b>10.4</b>	<b>9.7</b>	<b>6.5</b>	<b>9.4</b>	<b>8.8</b>
Billing ratio, %	73.6	74.6	73.6	74.8	74.1	74.5	73.7	75.2	74.4
Number of normal working hours	500	485	519	462	496	489	511	474	490
Number of full-time employees	17,330	17,084	16,463	16,281	15,823	15,665	15,197	15,387	14,981

<sup>1)</sup> Sweco is not applying IFRS 16 at the business area level. In the table above, business area EBITA values for 2018 therefore remain unchanged from previous values.

<sup>2)</sup> EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA.

<sup>3)</sup> Group EBITA for 2018 differs slightly from previously reported 2018 figures due to the change in treatment of leases previously reported as finance leases. This difference between reported and restated Group EBITA is reported in Group-wide, Eliminations, etc.

## PERIOD REVIEW PER BUSINESS AREA

January-March	Net sales, SEK M		EBITA, SEK M <sup>2)</sup>		EBITA margin, % <sup>2)</sup>		Number of full-time employees	
Business Area <sup>1)</sup>	2020	2019	2020	2019	2020	2019	2020	2019
Sweco Sweden	1,985	1,958	269	252	13.6	12.9	5,911	5,842
Sweco Norway	708	706	97	78	13.7	11.0	1,631	1,542
Sweco Finland	738	579	101	74	13.7	12.8	2,473	2,113
Sweco Denmark	458	455	30	36	6.7	8.0	1,182	1,195
Sweco Netherlands	547	506	51	43	9.4	8.6	1,404	1,403
Sweco Belgium	431	335	50	38	11.5	11.4	1,025	834
Sweco UK	382	214	40	8	10.4	3.7	1,245	856
Sweco Germany & Central Europe	497	397	9	11	1.8	2.9	2,417	1,966
Group-wide, Eliminations, etc. <sup>3)</sup>	-65	-47	-17	-9	-	-	43	72
<b>TOTAL GROUP</b>	<b>5,680</b>	<b>5,101</b>	<b>630</b>	<b>531</b>	<b>11.1</b>	<b>10.4</b>	<b>17,330</b>	<b>15,823</b>

<sup>1)</sup> Sweco is not applying IFRS 16 at the business area level.

<sup>2)</sup> EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA.

<sup>3)</sup> Group-wide, Eliminations, etc. includes Group functions and the Dutch real estate operations.

## NET SALES GROWTH

The table below 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.

	2020 Jan-Mar	2019 Jan-Mar	Growth, % Jan-Mar 2020
<b>Net sales growth</b>			
Reported net sales	5,680	5,101	11
Adjustment for currency effects		28	1
<b>Net sales, currency-adjusted</b>	<b>5,680</b>	<b>5,129</b>	<b>11</b>
Adjustment for acquisitions/divestments	-378	-34	7
<b>Comparable net sales, currency-adjusted</b>	<b>5,302</b>	<b>5,095</b>	<b>4</b>
Adjustment of calendar effect	-28		1
<b>Comparable net sales, adjusted for currency and calendar effects</b>	<b>5,275</b>	<b>5,095</b>	<b>4</b>

	2019 Jan-Mar	2018 Jan-Mar	Growth, % Jan-Mar 2019
<b>Net sales growth</b>			
Reported net sales	5,101	4,628	10
Adjustment for currency effects		118	3
<b>Net sales, currency-adjusted</b>	<b>5,101</b>	<b>4,746</b>	<b>7</b>
Adjustment for acquisitions/divestments	-3	73	2
<b>Comparable net sales, currency-adjusted</b>	<b>5,098</b>	<b>4,819</b>	<b>6</b>
Adjustment of calendar effect	-53		1
<b>Comparable net sales, adjusted for currency and calendar effects</b>	<b>5,045</b>	<b>4,819</b>	<b>5</b>

## PARENT COMPANY INCOME STATEMENT AND BALANCE SHEET

Parent Company income statement, SEK M	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
Net sales	212	192	771
Operating expenses	-225	-199	-818
Operating loss	-13	-7	-48
Net financial items	3	0	791
Profit/loss after net financial items	-11	-7	743
Appropriations	-	-	-120
Profit/loss before tax	-11	-7	623
Tax	-	-	-77
<b>PROFIT/LOSS AFTER TAX</b>	<b>-11</b>	<b>-7</b>	<b>546</b>

Parent Company balance sheet, SEK M	31 Mar 2020	31 Dec 2019
Intangible assets	28	26
Property, plant and equipment	57	59
Financial assets	6,541	6,537
Current assets	4,025	3,371
<b>TOTAL ASSETS</b>	<b>10,650</b>	<b>9,994</b>
Equity	4,471	4,480
Untaxed reserves	474	474
Non-current liabilities	2,962	1,569
Current liabilities	2,743	3,471
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,650</b>	<b>9,994</b>