

29 October 2021

# Mixed performance in the quarter

## July–September 2021

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- Net sales increased to SEK 4,691 million (4,547)
- EBITA, excl. items affecting comparability, amounted to SEK 415 million (417), margin 8.8 per cent (9.2)
- EBITA increased 1 per cent year-on-year after adjustment for calendar effects and items affecting comparability
- EBITA amounted to SEK 359 million (417), margin 7.6 per cent (9.2)
- EBIT amounted to SEK 360 million (404), margin 7.7 per cent (8.9)
- Profit after tax amounted to SEK 267 million (295), corresponding to SEK 0.75 per share (0.83)

## January–September 2021

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- Net sales increased to SEK 15,872 million (15,716)
- EBITA, excl. items affecting comparability, amounted to SEK 1,484 million (1,542), margin 9.3 per cent (9.8)
- EBITA decreased 1 per cent year-on-year after adjustment for calendar effects and items affecting comparability
- EBITA amounted to SEK 1,428 million (1,542), margin 9.0 per cent (9.8)
- EBIT amounted to SEK 1,392 million (1,459), margin 8.8 per cent (9.3)
- Profit after tax amounted to SEK 1,038 million (1,057), corresponding to SEK 2.91 per share (2.98)
- Net debt increased to SEK 2,119 million (1,410)
- Net debt/EBITDA increased to 1.1 x (0.6)

Sweco plans and designs the sustainable communities and cities of the future. Together with our clients and the collective knowledge of our 17,500 architects, engineers and other specialists, we co-create solutions to address urbanisation, capture the power of digitalisation and make our societies more sustainable. Sweco is Europe's leading engineering and architecture consultancy, with sales of approximately SEK 21 billion (EUR 2 billion). The company is listed on Nasdaq Stockholm. This information is information that Sweco is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons, at around 07:20 CEST on 29 October 2021.

# CEO comment

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## Mixed performance in the quarter

In the third quarter net sales increased 3 per cent. EBITA increased slightly during the quarter, adjusted for calendar effects and one-off cost related to execution of the turnaround plan in Germany, with mixed performance across our business areas. The fee development continued the positive trend from previous quarters and we are back to FTE growth. At the same time, we saw more vacation used and increasing costs compared to last year.

We maintain a strong financial position and continue to act on opportunities in the market, with two new acquisitions in the quarter.

The order book also remains strong. During the quarter, we won several new, exciting projects. In the UK, we have been appointed to design one of London's largest data centres. In Sweden, we have been selected to design the expansion of one of Stockholm's largest water treatment plants. Two examples of how we are part of transforming society together with our clients.

## Strong performance in Belgium, Finland and Denmark

Net sales amounted to SEK 4,691 million (4,547) in the quarter. Organic growth was positive in Belgium, Denmark, the UK, and Norway, while it was negative in Sweden and the Netherlands, resulting in a total organic growth of 1 per cent, adjusted for items affecting comparability (IAC) and calendar effects. We noted a somewhat slower quarter in Sweden, partly driven by more and later vacation than usual.

EBITA increased 1 per cent to SEK 415 million, with an EBITA margin of 8.8 per cent (9.2), adjusted for IAC and calendar effects.

Sweco Belgium's strong business momentum remains, delivering yet another strong quarter with double-digit margins and a high growth rate. Sweco Finland has returned to strong margins after a slower first half of the year. Sweco Denmark delivered continued solid growth and strong margins in the quarter. We noted improvements in growth and margins in the UK, even if the market conditions remain challenging.

As all business areas have gradually returned to their offices, normal activities increased during the third quarter, resulting in higher costs in most of our business areas.

## Execution on turnaround plan in Sweco Germany

The new leadership in Sweco Germany has taken an important step in the turnaround plan in the quarter, closing down underperforming parts of the architecture business. The IACs of SEK 56 million in the quarter are provisions related to the execution of the turnaround plan. Focus going forward in Germany is to secure profitable growth based on the right leadership, offering and project portfolio.

## Continued focus on acquisitions

In August, we acquired the Swedish consultancy firm AdviceU, specialising in IT-centric management and business development. AdviceU is a perfect fit in the expansion of Sweco's highly qualified and innovative digital service offering.

In September, we acquired Bureau Stedelijke Planning. The Dutch consultancy firm is mainly involved in the early planning phase of urban development, specialised in residential and workspace areas, shopping districts and leisure facilities. This acquisition strengthens our offering in urban planning and strategic advisory.

## A call for climate action

In August, the Intergovernmental Panel on Climate Change (IPCC) issued yet another report. The world is off-track to meet the goals of the Paris Agreement of limiting global warming to 1.5°C.

COP26 is arranged in Glasgow, Scotland. Sweco will take part in the climate conference as well as initiate dialogues with our clients to jointly work to create sustainable communities and cities. Limiting climate change is the single greatest challenge of our time and we are committed to work together with our clients and other stakeholders to continue to transform society in a sustainable direction.



A stylized handwritten signature in black ink.

**Åsa Bergman**  
President and CEO

# Europe's leading architecture and engineering consultancy

Urbanisation, digitalisation and sustainability are transforming society. Together with our clients, we are committed to ensuring that we have clean water, clean air, clean energy and a physical environment where we all can live, work and prosper. With more than 17,500 experts in Europe, we have the knowledge to solve the most challenging projects, no matter size or location.

## Key figures

<b>#1</b> In the European market	<b>8</b> Business Areas	<b>17,500</b> Full-time employees
SEK <b>21.0 bn</b> Net sales R12	SEK <b>1.7 bn</b> EBITA R12	<b>7.9%</b> EBITA margin R12

# Group performance

Organic growth amounted to approximately 1 per cent after adjustment for calendar effects and IAC. Acquired growth amounted to 3 per cent. EBITA increased approximately 1 per cent year-on-year after adjustment for calendar effects and IAC.

## July–September

Net sales increased 3 per cent to SEK 4,691 million (4,547). Organic growth amounted to approximately 1 per cent after adjustment for calendar effects and for items affecting comparability. Acquired growth amounted to 3 per cent and currency effects had limited impact on growth.

Organic growth adjusted for calendar effects and IAC was driven mainly by higher average fees and a higher number of FTEs, while higher absence impacted negatively.

EBITA excluding items affecting comparability (IAC) remained stable at SEK 415 million (417) corresponding to an EBITA margin of 8.8 per cent (9.2).

EBITA excluding IAC increased approximately 1 per cent or SEK 2 million year-on-year after adjustment for calendar effects. The UK, Belgium, Denmark and Finland noted increasing EBITA levels. EBITA was impacted by lower earnings mainly in Norway, the Netherlands and Sweden. Overall for the Group, the EBITA increase was primarily driven by higher average fees, while higher operating expenses and higher absence had a negative impact. The contribution from acquisitions also had a positive impact. Compared with the third quarter last year, the advantage of lower costs, mainly related to effects of Covid-19, has been partly reversed, as employees are returning to offices.

Items affecting comparability in the quarter amounted to SEK 56 million and are related to the execution of the turnaround plan in Germany. IAC are reported in the Business Area Sweco Germany & Central Europe.

EBITA decreased to SEK 359 million (417). The EBITA margin decreased to 7.6 per cent (9.2).

At the end of the period, no employees were on temporary lay-off.

The quarter had one less working hour compared with the same period last year. This corresponded to a negative year-on-year impact of approximately SEK 4 million on net sales and EBITA.

The billing ratio decreased slightly to 73.7 per cent (73.8).

KPIs	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Oct 2020– Sep 2021	Full-year 2020
Net sales, SEK M	4,691	4,547	15,872	15,716	21,014	20,858
Organic growth, %	0	-2	0	1		-1
Acquisition-related growth, %	3	3	3	5		4
Currency, %	0	-3	-2	-1		-2
Total growth, %	3	-2	1	5		1
Organic growth adj. for calendar, %	0	-2	1	1		-2
Organic growth adj. for calendar & IAC, %	1	-2	1	1		-1
EBITA excl. IAC, SEK M <sup>1</sup>	415	417	1,484	1,542	1,999	2,056
Margin, %	8.8	9.2	9.3	9.8	9.4	9.7
EBITA, SEK M <sup>1</sup>	359	417	1,428	1,542	1,653	1,766
Margin, %	7.6	9.2	9.0	9.8	7.9	8.5
Profit after tax, SEK M	267	295	1,038	1,057	1,273	1,293
Earnings per share, SEK <sup>2</sup>	0.75	0.83	2.91	2.98	3.57	3.64
Number of full-time employees	17,627	16,988	17,716	17,282	17,655	17,328
Billing ratio, %	73.7	73.8	74.1	74.3	74.1	74.3
Normal working hours	517	518	1,477	1,483	1,968	1,974
Net debt/EBITDA, x <sup>3</sup>			1.1	0.6		0.5

1) 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 18 and 21. IAC stands for Items affecting comparability, see definition on page 18.

2) Due to the share split conducted during Q4 2020, historical data has been restated in accordance with IAS 33.

3) 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 18 and 28.

Total net financial items improved to SEK -21 million (-25), primarily due to a better interest net and lower interest cost of leasing. Revaluation effects related to foreign exchange had a negative impact on the quarter. Earnings per share decreased to SEK 0.75 (0.83).

## January–September

Net sales increased 1 per cent to SEK 15,872 million (15,716). Organic growth amounted to approximately 1 per cent after adjustment for calendar effects and IAC. Acquired growth amounted to 3 per cent and currency effects impacted growth with -2 per cent.

Organic growth adjusted for calendar effects was driven mainly by higher average fees and lower absence, while lower subconsultant revenue impacted negatively.

EBITA excluding IAC totalled SEK 1,484 million (1,542) and the EBITA margin excluding IAC amounted to 9.3 per cent (9.8).

EBITA excluding IAC decreased approximately 1 per cent or SEK 19 million year-on-year after adjustment for calendar effects. Overall for the Group, the EBITA decline was primarily driven by higher operating expenses and a lower billing ratio. Higher average fees, lower absence and acquisitions had a positive impact.

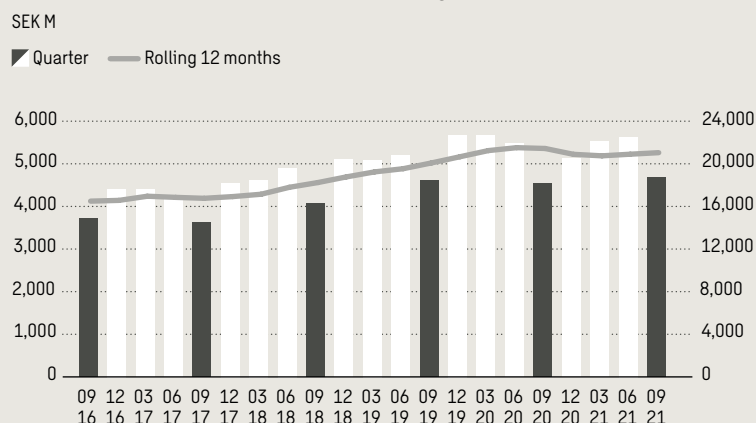
The calendar effect of six fewer hours had a negative year-on-year impact of approximately SEK 39 million on net sales and EBITA.

EBITA decreased to SEK 1,428 million (1,542). The EBITA margin decreased to 9.0 per cent (9.8).

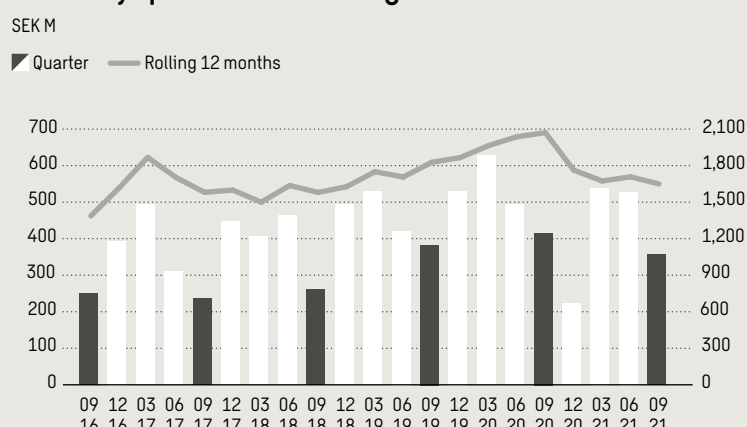
The billing ratio decreased to 74.1 per cent (74.3).

Total net financial items improved to SEK -58 million (-77), primarily due to a better interest net and lower interest cost for leasing. Revaluation effects

## Net sales by quarter and rolling 12 months



## EBITA by quarter and rolling 12 months



related to foreign exchange also had a positive impact.

Earnings per share decreased to SEK 2.91 (2.98).

## Employees

The number of full-time employees amounted to 17,716 (17,282) in the period.

## Market

Overall, the underlying market for Sweco's services remained somewhat weak in the third quarter, due to the continued Covid-19 impact. Still, essentially all Business Areas experienced a relatively good market for

Sweco's services in the infrastructure, water, environment and energy segments. Demand for services in the building and real estate segment and in parts of the industry market remained weaker.

## Outlook

The Covid-19 situation continues to create uncertainty regarding future market development. Demand for Sweco's services normally follows the general macro-economic trend in Sweco's markets, with some time lag. Some remaining 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.

Sweco does not provide forecasts.

## Events during the quarter

On 26 August, Sweco announced the acquisition of AdviceU, a consultancy in Sweden specialised in renewal of IT systems and IT management. AdviceU was founded in 2008, and has 30 employees and annual net sales of around SEK 33 million.

On 24 September, Sweco announced the acquisition of Bureau Stedelijke Planning in the Netherlands. The company is mainly involved in the early planning phase of urban development, specialised in residential and workspace areas, shopping districts and leisure facilities. Bureau Stedelijke Planning employs 32 professionals, with an additional 20 self-employed consultants associated with the company, and has annual net sales of around SEK 56 million.

## Events after the quarter

No significant events after the end of the quarter.

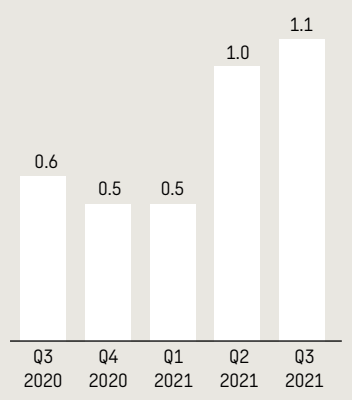
## Cash flow and financial position

Group cash flow from operating activities totalled SEK 724 million (2,094) for the first nine months of the year. Net debt increased to SEK 2,119 million (1,410), primarily as a result of the increased working capital and higher dividend payment.

The Net debt/EBITDA ratio was 1.1 x (0.6).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 2,903 million (4,546) at the end of the quarter. Apart from the net debt increase, the reason for the decrease was a short-term credit line of SEK 1,000 million being terminated in December 2020.

### Net debt/EBITDA, x



Purchase considerations paid to acquire companies and operations totalled SEK 392 million (288) and had an impact of SEK -363 million (-328) on the Group's cash and cash equivalents. Purchase considerations received on the divestment of companies and operations totalled SEK 17 million (-) and had an impact of SEK 17 million (-) on the Group's cash and cash equivalents.

No repurchases of Sweco shares were made during the period or during the same period last year.

## Investments, January–September 2021

Investments in equipment totalled SEK 125 million (144) and were primarily attributable to IT investments. Depreciation of equipment amounted to SEK 163 million (172) and amortisation of intangible assets totalled SEK 114 million (103).

## Examples of new projects

Sweco Belgium has been awarded a contract by the property developer Revive for the redevelopment of the iconic Vynckier site in Ghent, an industrial zone of 10 hectares between the city and the port area. Here, an innovative ecosystem will take shape, building solutions for societal challenges in the field of

energy transition and industry 4.0. The contract value is SEK 10 million and includes environmental infrastructure, the sustainability concept, and an environmental impact assessment.

Sweco Belgium has been engaged by water-link, the water company for the Antwerp region, to conduct the entire study for the new water reservoir in Oelegem, from the initial concept to the follow-up of the implementation. This reservoir will contain about six million m<sup>3</sup> of drinking water, providing the wider region with sufficient drinking water during periods of extreme drought. The ecohydrological study is of great significance, as the reservoir will be built near a protected nature reserve. The contract value is SEK 8 million and includes project management, stakeholder & process management, a regional spatial implementation plan, an environmental impact assessment, an ecohydrological study, modelling of water flows in the reservoir and civil engineering.

Sweco Belgium has been assigned by the Flemish transport company De Lijn to conduct a study and provide support during modification works, as part of the electrification of its bus depots. De Lijn's goal is to have only green buses, a mix of hybrid and e-buses, on the road by 2025. Only electric buses will be used in the city centres, therefore the company must adapt its depots structurally. Sweco will be responsible for the reconstruction of three depots and is in pole position to transform another 30 depots into new ports for this future electric fleet. The contract value is SEK 15 million and includes civil engineering and site preparation and architecture/building services.

Sweco Belgium has been assigned by 3FBIO Ltd to support in the construction of a new mycoprotein (a meat substitute) production plant on Cargill's site in Sas van Ghent. This will be a complete greenfield installation and

a zero-waste production plant, the first of its kind. The site will include office buildings, a tank farm, a clean-in-place (CIP) installation, a production building that includes reactors and spin dryers, a packaging and freezing area and cooling towers. The contract value is SEK 38 million.

Sweco Germany has been awarded engineering services in connection with the 6-lane expansion of the B1 road by 8.3 km to the A40, the section between Dortmund-Ost and the Interchange Dortmund/Unna. The contract value is SEK 13 million and the assignment involves site management and property management for traffic facilities, as well as engineering structures connected to the construction.

Sweco Denmark has been engaged to conduct a comprehensive lifetime assessment of 46 coastal facilities such as piers, quays, dikes, and dams along a 350 km stretch of the west coast of the Jutland peninsula. The purpose is to form a clear picture of the condition of the coastal infrastructure and its ability to withstand potentially extreme climate conditions in the future. Sweco's assessment and subsequent report will help the Danish Coastal Authority to prioritise their investments in structures that will protect citizens from the North Sea. The total contract value is SEK 27 million.

Sweco Finland is part of the alliance group that will construct the three new Crown Bridges and a 10 km tramline in Helsinki. When completed in 2026, the combined length of 1,200 m will make Crown Bridges the longest in Finland. Sweco is responsible for building plans and assessments for almost all engineering elements within the project. The design of the new tramway is strongly driven by the principle of sustainable development.

Sweco's part of the first phase of the new Crown Bridges tramway accounts for approximately SEK 41 million.

Sweco Netherlands has been awarded a framework contract with Prorail, the national rail company. The contract, known as Stations 4.0, is for projects concerning the company's stations and other frequently occurring engineering work for stations. This is the first engineering contract in the Netherlands in which quality, sustainability aspects, such as CO<sub>2</sub> level, is included. The framework contract has a duration of four years with an optional extension of one year.

Sweco Netherlands has been selected for two major framework agreements for Rijkswaterstaat, the executive agency of the Dutch Ministry of Infrastructure and Water Management. The three-year assignment encompasses services within the field of road and hydraulic engineering, connected to implementation of large integrated projects and challenging tasks that the client is facing concerning the replacement of existing infrastructure.

Sweco Norway has been awarded, a contract to perform project management in connection with the construction of a new airport in Mo i Rana, by the state-owned company Avinor, under the Norwegian Ministry of Transport and Communications. The airport will have a 2,200-metre runway, taxiways, an operating road, five aircraft parking spaces, two parking spaces for helicopters, a terminal building of approx. 5,000 m<sup>2</sup>, and an operations and service building of approx. 4,200 m<sup>2</sup>. The contract value is SEK 150–200 million and includes management of contracts, partnering for a turnkey contract that covers construction through to completion, testing and delivery.

Sweco Sweden has been assigned to be responsible for electrical and automation design for the renovation and expansion of the water treatment plant Görvälverket. The assignment involves both updating the existing plant and expanding a complementary plant, as well as the construction design. The plant supplies northern Greater Stockholm with drinking water. The contract value is SEK 70 million.

Sweco UK has been assigned a data centre development in West London. Once built, this site will be one of the largest data centre developments in the UK and represents a significant investment in the UK market. Sweco is the Design Manager and is providing civil, structural and architectural (CSA) services as well as sustainability consultancy to the client's global build programme reviewing LEAD, biodiversity, and embodied carbon.



Sweco part of constructing the Crown Bridges tramway in Helsinki.

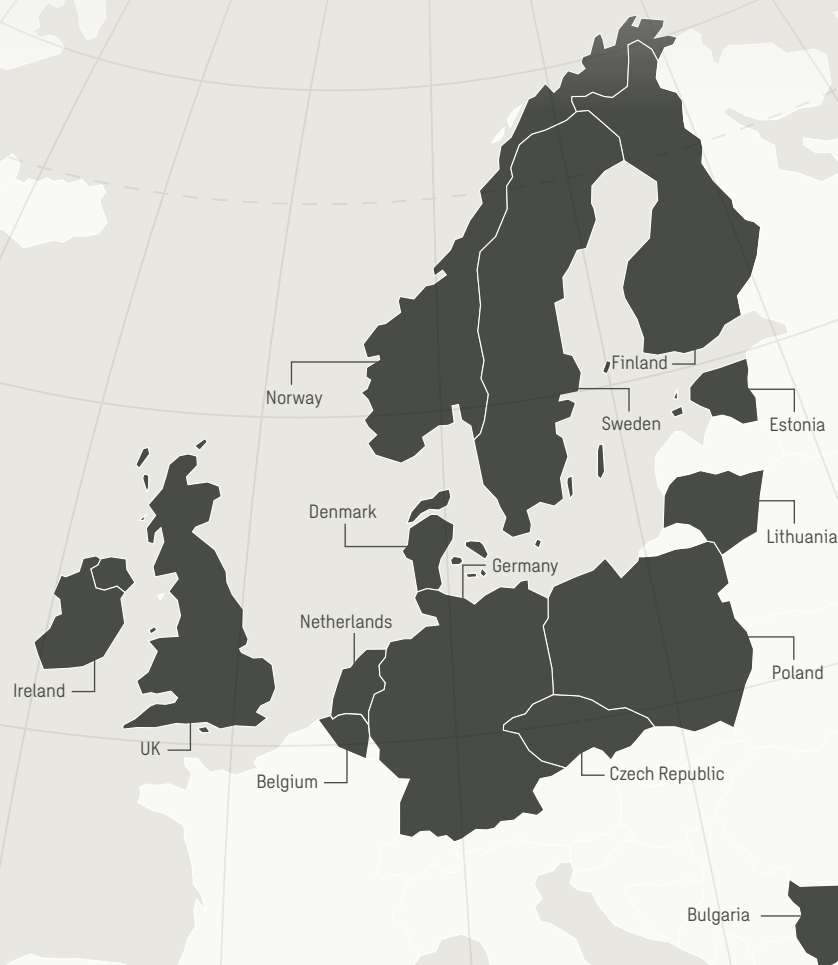


Sweco supports the update and expansion of Görvälnverket water treatment plant.



# Business Area Overview

Sweco's Business Areas are Sweden, Norway, Finland, Denmark, the Netherlands, Belgium, the UK and Germany and Central Europe.



## Our markets

Sweco operates in fourteen markets. We have eight Business Areas where Sweco holds well-established positions and it is primarily here that we will grow in the future. These markets are economically and politically stable, while also being close to each other geographically and culturally.

# Sweco Sweden

Good margin, but EBITA declined mainly due to higher absence and higher operating expenses. Net sales were impacted by higher absence and lower subconsultant revenue. The market remains relatively good, but there was negative impact from Covid-19 in some segments.

## Sales and profit, July–September

Net sales amounted to SEK 1,446 million (1,489). Organic growth was -3 per cent. Organic growth was impacted negatively mainly by higher absence and lower revenue from sub-consultants, while higher average fees contributed positively. There was no year-on-year difference in the number of available working hours.

EBITA decreased 11 per cent, corresponding to SEK 17 million. The EBITA margin decreased to 9.1 per cent (10.0). The EBITA decline was mainly driven by higher absence, higher operating expenses and a lower billing ratio, while higher fees impacted positively.

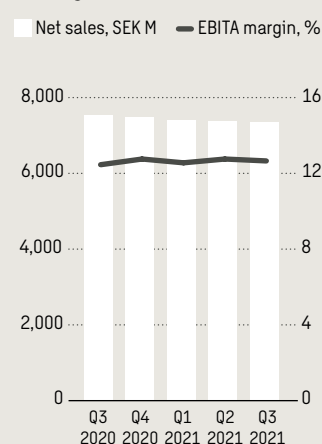
The Swedish market remained relatively good during the third quarter but there were variations between

the different segments. Demand for infrastructure services was strong, backed by major public investments. The markets for industrial investments, water and environmental services were good. In the real estate market, there was good demand within public buildings and demand related to residential construction improved somewhat, with larger cities continuing to provide better conditions. The market for power transmission services was strong, while demand in energy generation remained challenging.

During the third quarter, the business remained impacted by the Covid-19 pandemic. Caution prevailed in the quarter with regard to starting new projects within the private building and real estate market.

On 26 August, Sweco announced the acquisition of AdviceU, a consultancy

## Net sales & EBITA margin, rolling 12 months



in Sweden specialised in renewal of IT systems and IT management. AdviceU was founded in 2008 and has 30 employees and annual net sales of around SEK 33 million.

## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	1,446	1,489	5,363	5,489
Organic growth, %	-3	-2	-2	1
Acquisition-related growth, %	0	0	0	0
Currency, %	0	0	0	0
Total growth, %	-3	-2	-2	1
Organic growth adj. for calendar, %	-3	-2	-2	0
EBITA, SEK M	132	149	651	672
EBITA margin, %	9.1	10.0	12.1	12.2
Number of full-time employees	5,607	5,607	5,772	5,812

# Sweco Norway

Net sales and EBITA were positively impacted by lower negative project adjustments and higher hourly fees, while higher absence impacted negatively. EBITA was also impacted by higher operating expenses. The market weakness continued due to Covid-19 restrictions.

## Sales and profit, July–September

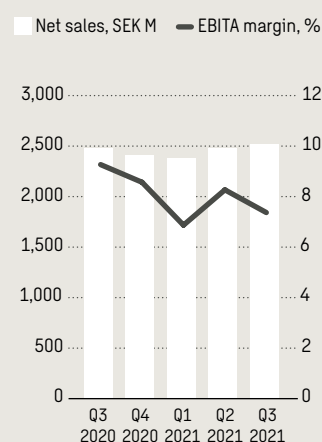
Net sales increased 9 per cent to SEK 533 million (489), to a large extent impacted by the acquisition of TAG Arkitekter, a positive Norwegian krona as well as positive organic growth. The acquisition of TAG Arkitekter contributed 5 per cent to growth. There was no year-on-year difference in the number of available working hours.

Organically, net sales increased 2 per cent. The positive organic growth was mainly driven by lower negative project adjustments, while higher absence had a negative impact.

EBITA decreased to SEK 24 million (44) and the EBITA margin decreased to 4.6 per cent (8.9). The EBITA decrease was mainly driven by higher operating expenses and higher absence, while lower negative project adjustments contributed positively.

Covid-19 restrictions continued into the third quarter, with a negative effect on the market. The national infrastructure market remained good and stable, while local public markets were affected by delayed decision making. The commercial building market remained weak. On 25 September almost all Covid-19 restrictions were lifted, raising the market expectations.

### Net sales & EBITA margin, rolling 12 months



## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	533	489	1,903	1,795
Organic growth, %	2	0	0	3
Acquisition-related growth, %	5	0	5	0
Currency, %	2	-11	1	-9
Total growth, %	9	-11	6	-6
Organic growth adj. for calendar, %	2	0	0	2
EBITA, SEK M	24	44	143	165
EBITA margin, %	4.6	8.9	7.5	9.2
Number of full-time employees	1,725	1,627	1,740	1,640

# Sweco Finland

Finland had a strong quarter with an EBITA margin of 13.0 per cent. The EBITA increase was driven by higher average fees, a higher billing ratio and the contribution from acquisitions. Growth was impacted by increased use of vacation days. The market was relatively good, with Covid-19 having a limited impact on the construction segment.

## Sales and profit, July–September

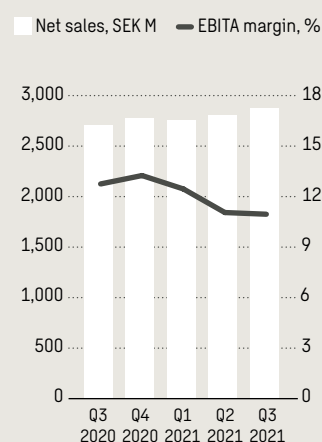
Net sales increased 11 per cent to SEK 646 million (584). Acquired growth contributed 12 per cent and pertained to recent acquisitions. Organic growth was approximately 0 per cent. Organic growth was impacted negatively by higher absence, while higher average fees had a positive effect. There was no year-on-year difference in the number of available working hours.

EBITA increased 5 per cent, corresponding to SEK 84 million (80). The EBITA margin amounted to 13.0 per cent (13.7). The increase in EBITA was mainly attributable to higher average fees, a higher billing ratio and the contribution from acquisitions, while higher operating expenses and more absence impacted negatively.

Overall, the Finnish market was relatively good during the third quarter, with differences between segments. Demand for services within the building and real estate segments was relatively good, but there were variations between subsegments. The renovation, maintenance and improvement market was relatively stable. The market for industrial services was good, as was the market for infrastructure-related services.

During the third quarter, there was relatively limited impact from Covid-19 on the construction segment.

### Net sales & EBITA margin, rolling 12 months



## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	646	584	2,146	2,048
Organic growth, %	0	-6	-1	1
Acquisition-related growth, %	12	18	9	18
Currency, %	-1	-3	-4	0
Total growth, %	11	9	5	19
Organic growth adj. for calendar, %	0	-4	-1	2
EBITA, SEK M	84	80	231	284
EBITA margin, %	13.0	13.7	10.8	13.9
Number of full-time employees	2,762	2,470	2,750	2,499

# Sweco Denmark

The positive momentum in Denmark from the first half year continued. Higher average fees and FTE growth drove positive organic growth and increased EBITA. Overall, the market was relatively stable.

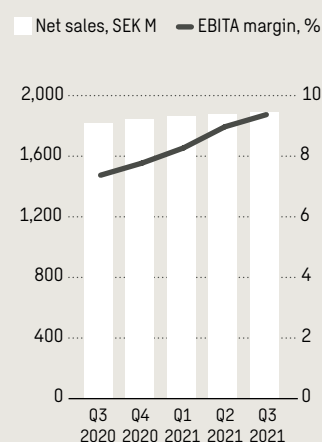
## Sales and profit, July–September

Net sales increased 4 per cent to SEK 436 million (421). Organic growth was 5 per cent. Organic growth was impacted positively by higher average fees and a higher number of employees, while more absence and lower revenue from subconsultants impacted negatively. There was no year-on-year difference in the number of available working hours.

EBITA increased 21 per cent, corresponding to SEK 9 million and the EBITA margin increased to 11.4 per cent (9.7). The EBITA improvement was mainly driven by higher average fees and FTE growth, while more absence and higher operating expenses impacted negatively.

Overall, the Danish market was relatively stable during the third quarter, with slight differences between segments. Demand in the water and environmental sectors remained stable, driven by climate-related services in the larger cities. The infrastructure market was fairly stable in the municipal market. The Danish state has agreed on an infrastructure investment plan, which is expected to increase demand in the market for state financed road, rail and public infrastructure. The market for building services and the residential market were relatively stable.

### Net sales & EBITA margin, rolling 12 months



## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	436	421	1,392	1,347
Organic growth, %	5	0	6	-2
Acquisition-related growth, %	0	6	1	5
Currency, %	-1	-3	-4	0
Total growth, %	4	3	3	3
Organic growth adj. for calendar, %	5	0	6	-2
EBITA, SEK M	50	41	128	94
EBITA margin, %	11.4	9.7	9.2	7.0
Number of full-time employees	1,258	1,224	1,279	1,218



# Sweco Netherlands

Net sales and EBITA declined due to less subconsultant revenue, fewer FTEs and more absence. EBITA was also impacted by higher operating expenses. At the end of the quarter, the Dutch operations completed its first acquisition since becoming part of Sweco. The market remained relatively good during the quarter.

## Sales and profit, July–September

Net sales decreased to SEK 448 million (466). Organic growth amounted to -3 per cent as an effect of less subconsultant revenue, fewer FTEs and more absence. There was no year-on-year difference in the number of available working hours.

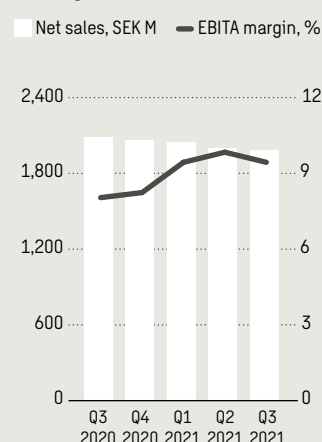
EBITA decreased 23 per cent, corresponding to SEK 10 million. The EBITA margin declined to 7.5 per cent (9.4). The EBITA decline was mainly attributable to higher operating expenses and more absence.

Despite the Covid-19 situation, the Dutch market remained relatively good during the third quarter, albeit with differences between segments. Demand for infrastructure services was good, backed by major public investments. Demand within residen-

tial building remained high due to the continued shortage of residential homes. In addition, the market for building services systems was good. In the market for industrial services, the food sector was stable but the chemical sector remained under pressure. Within the energy market there was substantial demand to increase infrastructure to facilitate green energy like solar energy and wind farms, and there was an increasing interest in hydrogen.

On 24 September, Sweco announced the acquisition of Bureau Stedelijke Planning in the Netherlands. The company is mainly involved in the early planning phase of urban development, specialised in residential and workspace areas, shopping districts and leisure facilities. Bureau Stedelijke Planning employs 32 professionals, with an additional 20 self-

## Net sales & EBITA margin, rolling 12 months



employed consultants associated with the company, and has annual net sales of around SEK 56 million.

## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	448	466	1,470	1,550
Organic growth, %	-3	-2	-1	3
Acquisition-related growth, %	0	0	0	0
Currency, %	-1	-3	-4	0
Total growth, %	-4	-5	-5	2
Organic growth adj. for calendar, %	-3	-2	-1	3
EBITA, SEK M	34	44	147	131
EBITA margin, %	7.5	9.4	10.0	8.4
Number of full-time employees	1,362	1,380	1,360	1,394

# Sweco Belgium

Significant growth, organically and from acquisitions. The EBITA margin improved, driven by FTE growth and the contribution from acquisitions. The market was generally good and the industry market recovered from Covid-19 effects.

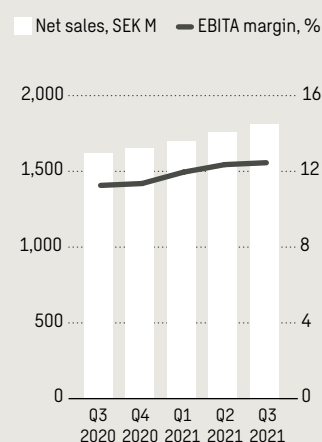
## Sales and profit, July–September

Net sales increased 15 per cent to SEK 450 million (392), and organic growth was approximately 7 per cent adjusted for calendar effects. Organic growth was mainly driven by FTE growth. Recent acquisitions contributed 10 per cent to growth. The year-on-year calendar effect of eight fewer hours had a negative impact of approximately SEK 5 million on net sales and EBITA.

EBITA increased approximately 27 per cent, corresponding to SEK 13 million, adjusted for calendar effects and the EBITA margin increased to 12.6 per cent (12.3). The improvement in earnings was mainly attributable to FTE growth and the contribution from acquisitions.

The market remained good within most segments and both the private and the public sector building markets were stable. The residential market was stable as was the office market. The industry market was fully recovered from Covid-19 effects. The public infrastructure markets 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 is increasing.

### Net sales & EBITA margin, rolling 12 months



## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	450	392	1,403	1,241
Organic growth, %	6	7	9	10
Acquisition-related growth, %	10	16	8	13
Currency, %	-2	-3	-4	0
Total growth, %	15	20	13	23
Organic growth adj. for calendar, %	7	6	10	9
EBITA, SEK M	57	48	181	143
EBITA margin, %	12.6	12.3	12.9	11.5
Number of full-time employees	1,357	1,082	1,234	1,054

# Sweco UK

Net sales and EBITA increased, driven by higher average fees and less absence. The UK has been the market most impacted by Covid-19 and remains challenging. Some segments show signs of improvement, but Brexit-related supply problems and subsequent increases in material prices are impacting the construction market.

## Sales and profit, July–September

Net sales increased 8 per cent to SEK 302 million (280). Organic growth was 3 per cent and the increase was mainly driven by higher average fees and less absence, while fewer FTEs had a negative impact. There was no year-on-year difference in the number of available working hours.

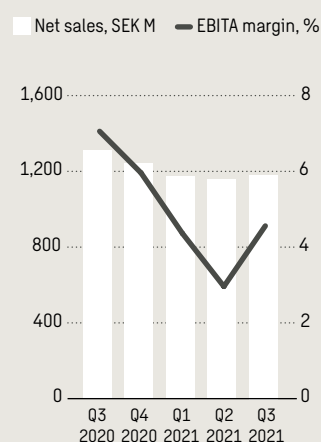
EBITA was three times higher than same quarter last year, increasing by SEK 19 million. The EBITA margin improved to 9.3 per cent (3.1). The earnings improvement was driven by higher average fees and less absence.

The UK market remained challenging over all in the third quarter. Demand in the buildings market improved somewhat. The energy, environment and water markets remained stable. The transport infrastructure market continued to be challenging.

The market has shown signs of recovery, with increased customer enquiries. At the same time, recent Brexit-related supply problems and subsequent increases in material prices are impacting the construction market negatively.

The government's temporary furlough scheme came to an end on 30 September 2021.

### Net sales & EBITA margin, rolling 12 months



## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	302	280	904	967
Organic growth, %	3	-9	-5	-5
Acquisition-related growth, %	0	0	0	22
Currency, %	5	-3	-2	0
Total growth, %	8	-12	-6	18
Organic growth adj. for calendar, %	3	-9	-4	-5
EBITA, SEK M	28	9	48	69
EBITA margin, %	9.3	3.1	5.3	7.1
Number of full-time employees	1,173	1,239	1,186	1,243

# Sweco Germany and Central Europe

The new leadership continued to execute on the turnaround plan for the business. As part of this, the quarter was impacted by provisions for closing down part of the architecture business. The market remained stable with Covid-19 primarily impacting the private real estate market.

## Sales and profit, July–September

During the quarter, the new leadership in Germany continued to execute on the turnaround plan. As an important step in the improvement program, it was decided to close down an underperforming part of the architecture business including the Jo Franzke operations. Provisions for laying off employees, winding down the project portfolio and onerous office leases constitute the main part of the SEK 56 million reported as items affecting comparability (IAC).

Net sales decreased 1 per cent to SEK 477 million (481). Organic growth was around 4 per cent, adjusted for IAC, and was mainly driven by higher average fees and a higher number of employees, while more absence

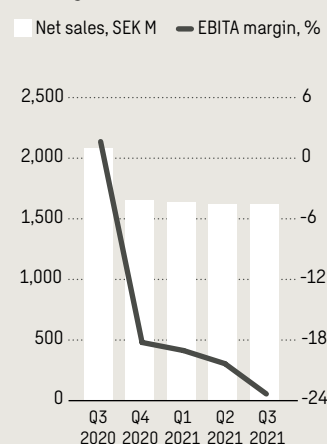
impacted negatively. There was no year-on-year difference in the number of available working hours.

EBITA amounted to SEK -48 million (0). The EBITA decrease was primarily a result of the costs related to the turnaround of parts of the architecture business.

EBITA excluding IAC increased SEK 7 million and was driven by higher average fees, while more absence impacted negatively.

Overall, the German market remained stable in the third quarter despite Covid-19. However, private investors continued to slow down or stop projects and tenders in the real estate market. On the other hand, the German publicly funded sector remained good and energy transition projects have continued as planned.

### Net sales & EBITA margin, rolling 12 months



## In brief

	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
<b>Net sales and profit</b>				
Net sales, SEK M	477	481	1,447	1,482
Organic growth, %	1	-2	2	2
Acquisition-related growth, %	0	0	0	10
Currency, %	-2	-3	-4	-1
Total growth, %	-1	-4	-2	11
Organic growth adj. for calendar, %	1	-2	1	1
Organic growth adj. for calendar & IAC, %	4	-2	3	1
EBITA excl. IAC, SEK M	8	0	-3	17
EBITA margin excl. IAC, %	1.6	0.0	-0.2	1.2
EBITA, SEK M	-48	0	-59	17
EBITA margin, %	-10.1	0.0	-4.1	1.2
Number of full-time employees	2,341	2,314	2,345	2,378

# Other information

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## Parent Company, January–September 2021

Parent Company net sales totalled SEK 700 million (654) and were attributable to intra-group services. Profit after net financial items totalled SEK 305 million (288). Investments in equipment totalled SEK 36 million (29). Cash and cash equivalents at the end of the period totalled SEK 155 million (1,337).

## 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 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 2020.

In this 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 1–28; the interim financial information presented on pages 1–28 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.swecogroup.com/investor-relations/financial-information/definitions>

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.

Items affecting comparability (IAC): To assist in understanding its operations, Sweco believes that it is useful to consider certain measures and ratios exclusive of items affecting comparability. Items affecting comparability include items that are non-recurring, have a significant impact and are considered to be important for understanding the operating performance when comparing results between periods. Items affecting comparability relate to restructuring and integration costs, costs related to acquisitions and divestments, project write-downs and other one-off items when amounts are significant. The items affecting comparability are disclosed in this report. All measures and ratios in this report have been disclosed including items affecting comparability first and then excluding items affecting comparability as a second measure when deemed appropriate.

The reconciliation of Sweco's key financial metrics, described above, and IFRS measures is presented on page 21 and 28. Organic growth calculation is presented on page 27.

## The Sweco share

The Sweco share is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 138.20 at the end of the period, representing a decrease of 11 per cent during the quarter. Nasdaq Stockholm OMXSPI increased 1 per cent over the same period.

The total number of shares at the end of the period was 363,251,457: 31,086,598 Class A shares and 332,164,859 Class B shares. The total number of shares outstanding was 357,485,070: 31,086,598 Class A shares and 326,398,472 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, the effects of political decisions as well as risks and uncertainties related to the Covid-19 pandemic. 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 2020 Annual Report (page 96–97, Risks and Risk Management).

## Calendar effects

### Year 2021

The number of normal working hours in 2021, based on the 12-month sales-weighted business mix as of September 2020, is broken down as follows:

	2021	2020	
Quarter 1:	487	500	-13
Quarter 2:	473	465	8
Quarter 3:	517	518	-1
Quarter 4:	496	491	5
Total:	1,973	1,974	-1

### Year 2022

The number of normal working hours in 2022, based on the 12-month sales-weighted business mix as of September 2021, is broken down as follows:

	2022	2021	
Quarter 1:	497	487	10
Quarter 2:	468	473	-5
Quarter 3:	516	517	-1
Quarter 4:	490	496	-6
Total:	1,971	1,973	-2

## 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:

2021 Estimate	SEK -141 million
2022 Estimate	SEK -94 million
2023 Estimate	SEK -51 million
2024 Estimate	SEK -21 million

## Annual general meeting

The 2022 annual general meeting will be held on Thursday, 21 April 2022 at 3:00 PM in Stockholm. Sweco's 2021 Annual Report will be available for shareholder perusal at Sweco's headquarters, Gjörwellsgatan 22, Stockholm, and on the company's website, [www.swecogroup.com](http://www.swecogroup.com), approximately three weeks prior to the AGM.

## Forthcoming financial information

Year-end report 2021	11 February 2022
Interim report January–March	12 May 2022
Interim report January–June	15 July 2022
Interim report January–September	27 October 2022

Stockholm, 29 October 2021

Åsa Bergman

President and CEO, Member of the Board of Directors

## For further information, please contact:

Åsa Bergman, President and CEO

[asa.bergman@sweco.se](mailto:asa.bergman@sweco.se)

Olof Stålnacke, CFO

Phone +46 70 306 46 21

[olof.stalnacke@sweco.se](mailto:olof.stalnacke@sweco.se)

Katarina Grönwall, CCO

Phone +46 73 258 93 33

[katarina.gronwall@sweco.se](mailto:katarina.gronwall@sweco.se)

**SWECO AB (publ) Org. nr. 556542-9841**

Gjörwellsgatan 22, Box 34044, 100 26 Stockholm,

Phone: +46 8 695 60 00

Email: [info@sweco.se](mailto:info@sweco.se)

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

# Auditor's report

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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 condensed interim financial information (interim report) of Sweco AB as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of

the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do 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 interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 29 October 2021  
PricewaterhouseCoopers AB

**Aleksander Lyckow**  
Authorised public accountant

# KPIs

KPIs <sup>1</sup>	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Oct 2020– Sep 2021	Full-year 2020
<b>Profitability</b>						
EBITA margin excl. IAC, %	8.8	9.2	9.3	9.8	9.4	9.7
EBITA margin, %	7.6	9.2	9.0	9.8	7.9	8.5
Operating margin (EBIT), %	7.7	8.9	8.8	9.3	7.8	8.2
Profit margin, %	7.2	8.3	8.4	8.8	7.4	7.7
<b>Revenue growth<sup>2</sup></b>						
Organic growth, %	0	-2	0	1		-1
Acquisition-related growth, %	3	3	3	5		4
Currency, %	0	-3	-2	-1		-2
Total growth, %	3	-2	1	5		1
Organic growth adj. for calendar, %	0	-2	1	1		-2
Organic growth adj. for calendar & IAC, %	1	-2	1	1		-1
<b>Debt</b>						
Net debt, SEK M			2,119	1,410		943
Interest-bearing debt, SEK M			2,542	3,155		3,031
<b>Financial strength</b>						
Net debt/Equity, %			26.4	18.0		12.5
Net debt/EBITDA, x			1.1	0.6		0.5
Equity/Assets ratio, %			41.7	39.2		37.9
Available cash and cash equivalents, SEK M			2,903	4,546		3,898
– of which unutilised credit, SEK M			2,479	2,802		1,811
<b>Return</b>						
Return on equity, %			16.1	21.0		17.6
Return on capital employed, %			12.2	15.3		12.9
<b>Share data<sup>3</sup></b>						
Earnings per share, SEK	0.75	0.83	2.91	2.98	3.57	3.64
Diluted earnings per share, SEK	0.74	0.81	2.90	2.91	3.56	3.58
Equity per share, SEK <sup>4</sup>			22.42	22.02		21.25
Diluted equity per share, SEK <sup>4</sup>			22.38	21.55		21.07
Number of shares outstanding at reporting date			357,485,070	355,197,471		355,197,471
Number of repurchased Class B shares			5,766,387	8,053,986		8,053,986

1) The definitions of the Key Performance Indicators (KPIs) are available on Sweco's website.

2) See page 27 for details on Sweco's calculation of revenue growth.

3) Due to the share split conducted during Q4 2020, all historical share data have been restated in accordance with IAS 33.

4) Refers to portion attributable to Parent Company shareholders.

Reconciliation of EBIT and the APMs EBITA and EBITDA, SEK M	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Oct 2020– Sep 2021	Full-year 2020
<b>Operating profit (EBIT)</b>	<b>360</b>	<b>404</b>	<b>1,392</b>	<b>1,459</b>	<b>1,640</b>	<b>1,706</b>
Acquisition-related items	14	30	85	140	80	135
Lease expenses <sup>1</sup>	-196	-189	-593	-576	-800	-782
Depreciation and impairments, right-of-use assets	180	171	545	519	734	708
<b>EBITA<sup>2</sup></b>	<b>359</b>	<b>417</b>	<b>1,428</b>	<b>1,542</b>	<b>1,653</b>	<b>1,766</b>
Amortisation/depreciation and impairment, tangible and intangible fixed assets	68	69	205	211	272	278
<b>EBITDA<sup>3</sup></b>	<b>427</b>	<b>485</b>	<b>1,633</b>	<b>1,753</b>	<b>1,925</b>	<b>2,044</b>

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

2) 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.

3) 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.

Reconciliation of the APMs EBITA and EBITA excl. IAC, SEK M	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Oct 2020– Sep 2021	Full-year 2020
<b>EBITA</b>	<b>359</b>	<b>417</b>	<b>1,428</b>	<b>1,542</b>	<b>1,653</b>	<b>1,766</b>
Items affecting comparability (IAC) <sup>1</sup>	56	–	56	–	346	290
<b>EBITA excl. IAC</b>	<b>415</b>	<b>417</b>	<b>1,484</b>	<b>1,542</b>	<b>1,999</b>	<b>2,056</b>

1) Items affecting comparability encompass the provisions related to the execution of the turn-around plan in Germany of SEK 56 million in Q3 2021 and the write-down of working capital of SEK 290 million in the German operations in Q4 2020. Both are reported in Business Area Germany & Central Europe.

## Consolidated income statement

SEK M	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020– Sep 2021	Full-year 2020
Net sales	4,691	4,547	15,872	15,716	21,014	20,858
Other income	6	-1	9	4	11	7
Other external expenses	-954	-931	-2,978	-3,091	-4,066	-4,180
Personnel expenses	-3,120	-2,940	-10,676	-10,302	-14,234	-13,859
Amortisation/depreciation and impairment, tangible and intangible fixed assets <sup>1</sup>	-68	-69	-205	-211	-272	-278
Depreciation and impairment, right-of-use assets	-180	-171	-545	-519	-734	-708
Acquisition-related items <sup>2</sup>	-14	-30	-85	-140	-80	-135
<b>Operating profit (EBIT)</b>	<b>360</b>	<b>404</b>	<b>1,392</b>	<b>1,459</b>	<b>1,640</b>	<b>1,706</b>
Net financial items <sup>3</sup>	-9	-14	-27	-34	-38	-46
Interest cost of leasing <sup>4</sup>	-11	-13	-35	-42	-47	-54
Other financial items <sup>5</sup>	-1	2	3	-1	6	2
<b>Total net financial items</b>	<b>-21</b>	<b>-25</b>	<b>-58</b>	<b>-77</b>	<b>-80</b>	<b>-98</b>
<b>Profit before tax</b>	<b>339</b>	<b>379</b>	<b>1,333</b>	<b>1,382</b>	<b>1,560</b>	<b>1,608</b>
Income tax	-73	-84	-295	-325	-286	-316
<b>PROFIT FOR THE PERIOD</b>	<b>267</b>	<b>295</b>	<b>1,038</b>	<b>1,057</b>	<b>1,273</b>	<b>1,293</b>
<b>Attributable to:</b>						
Parent Company shareholders	267	295	1,038	1,057	1,273	1,292
Non-controlling interests	0	0	0	0	1	1
Earnings per share attributable to Parent Company shareholders, SEK <sup>6</sup>	0.75	0.83	2.91	2.98	3.57	3.64
Average number of shares outstanding <sup>6</sup>	357,485,070	355,197,799	356,515,403	354,435,722	356,185,920	354,626,159
Dividend per share, SEK <sup>6</sup>						2.20

1) Includes tangible assets and intangible assets that are not acquisition-related.

2) 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 costs for received future service. See page 25 for additional details.

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

4) Interest cost of leasing comprises the interest cost of leasing pursuant to IFRS 16.

5) 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.

6) Due to the share split conducted during Q4 2020, historical data has been restated in accordance with IAS 33.

## Consolidated statement of comprehensive income

SEK M	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020– Sep 2021	Full-year 2020
Profit for the period	267	295	1,038	1,057	1,273	1,293
<b>Items that will not be reversed in the income statement</b>						
Revaluation of defined benefit pensions, net after tax <sup>1, 2</sup>	–	0	–	-22	-12	-34
<b>Items that may subsequently be reversed in the income statement</b>						
Translation differences, net after tax	2	4	91	-127	-96	-314
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>269</b>	<b>299</b>	<b>1,129</b>	<b>908</b>	<b>1,166</b>	<b>945</b>
<b>Attributable to:</b>						
Parent Company shareholders	269	299	1,129	908	1,166	945
Non-controlling interests	0	0	0	0	0	0
1) Tax on revaluation of defined benefit pensions	–	0	–	7	4	11

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

## Consolidated cash flow statement

SEK M	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	Full-year 2020
Profit before tax	339	379	1,333	1,382	1,560	1,608
Amortisation/depreciation and impairment	273	260	823	795	1,099	1,071
Other non-cash items	48	62	175	172	506	502
<b>Cash flow from operating activities before changes in working capital, tax paid, interest paid and received</b>	<b>660</b>	<b>702</b>	<b>2,332</b>	<b>2,349</b>	<b>3,164</b>	<b>3,181</b>
Interest cost leasing	-11	-13	-35	-42	-47	-54
Net interest paid	-3	-8	-12	-22	-18	-28
Tax paid	-116	-91	-399	-315	-422	-337
Changes in working capital	-385	-395	-1,162	125	-799	488
<b>Cash flow from operating activities</b>	<b>144</b>	<b>193</b>	<b>724</b>	<b>2,094</b>	<b>1,879</b>	<b>3,249</b>
Acquisition and divestment of subsidiaries and operations	-60	-96	-347	-328	-553	-535
Purchase and disposal of intangible and tangible assets	-44	-40	-161	-170	-211	-220
Other investing activities	0	4	-2	5	2	9
<b>Cash flow from investing activities</b>	<b>-104</b>	<b>-132</b>	<b>-509</b>	<b>-493</b>	<b>-762</b>	<b>-746</b>
Borrowings and repayment of borrowings	95	1	-592	382	-598	376
Principal elements of lease payments	-186	-175	-555	-524	-731	-700
Dividends paid	-	-	-782	-365	-1,149	-733
<b>Cash flow from financing activities</b>	<b>-91</b>	<b>-174</b>	<b>-1,929</b>	<b>-508</b>	<b>-2,477</b>	<b>-1,056</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-51</b>	<b>-113</b>	<b>-1,714</b>	<b>1,094</b>	<b>-1,361</b>	<b>1,447</b>

## Consolidated balance sheet

SEK M	30 Sep 2021	30 Sep 2020	31 Dec 2020
Goodwill	8,030	7,598	7,593
Other intangible assets	310	336	340
Property, plant and equipment	500	534	519
Right-of-use assets	2,507	2,738	2,705
Financial assets	379	384	391
Current assets excl. cash and cash equivalents	7,068	6,623	6,312
Cash and cash equivalents incl. short-term investments	424	1,744	2,088
<b>TOTAL ASSETS</b>	<b>19,218</b>	<b>19,957</b>	<b>19,948</b>
Equity attributable to Parent Company shareholders	8,014	7,821	7,548
Non-controlling interests	10	10	10
<b>Total equity</b>	<b>8,023</b>	<b>7,831</b>	<b>7,557</b>
Non-current lease liabilities	1,908	2,162	2,135
Non-current interest-bearing debt	2,341	3,104	2,996
Other non-current liabilities	834	909	832
Current lease liabilities	709	716	706
Current interest-bearing debt	201	51	34
Other current liabilities	5,202	5,185	5,688
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,218</b>	<b>19,957</b>	<b>19,948</b>
Contingent liabilities	908	957	942



## Consolidated statement of changes in equity

SEK M	Jan–Sep 2021			Jan–Sep 2020		
	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	7,548	10	7,557	7,154	10	7,164
Comprehensive income for the period	1,129	0	1,129	908	0	908
Share bonus scheme	114	–	114	121	–	121
Share savings schemes	5	–	5	3	–	3
Transfer to shareholders	-782	0	-782	-365	0	-365
<b>EQUITY, CLOSING BALANCE</b>	<b>8,014</b>	<b>10</b>	<b>8,023</b>	<b>7,821</b>	<b>10</b>	<b>7,831</b>

## Acquisitions

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

Company or operations <sup>1</sup>	Included from	Business area	Acquired share, % <sup>2</sup>	Annual net sales in SEK M <sup>3</sup>	Number of employees (individuals)
Bureau voor Urbanisme (BUUR) BV	January	Belgium	100	47	65 <sup>4</sup>
Linja Arkkitehdit Oy	April	Finland	100	54	59
Gaia Consulting Oy	April	Finland	100	67	58
Boydens Engineering Group	June	Belgium	100	103	140
AdviceU Group	August	Sweden	100	33	30
Bureau Stedelijke Planning	September	Netherlands	100	56	32
Other <sup>5</sup>			–	15	19
<b>TOTAL</b>				<b>375</b>	<b>403</b>

1) Acquired goodwill attributable to acquisition of assets is tax deductible in event of future write-downs.

2) No acquired ownership share reported for asset deals.

3) Estimated annual net sales.

4) Of which 63 self employed.

5) Acquisition of Wendelbo Landskap AS (Norway), Arcade Concept Engineering (Belgium) and Mark & Pieler Ingeniure (Germany).

During the period, the acquired companies contributed SEK 118 million in net sales, SEK 8 million in EBITA and SEK -2 million in operating profit (EBIT). If the companies had been owned as of 1 January 2021 they would have contributed approximately SEK 271 million in net sales, about SEK 18 million in EBITA and about SEK 2 million in operating profit (EBIT). The transaction costs for the acquisitions during this period and the previous period totalled SEK 7 million.

The purchase considerations of the acquisitions carried out in the period totalled SEK 392 million and had a negative impact on cash and cash equivalents of SEK 363 million. The acquisition analyses regarding Bureau voor Urbanisme (BUUR) BV, Linja Arkkitehdit Oy, Gaia Consulting Oy, Arcade Concept Engineering, Mark & Pieler Ingeniure, Boydens Engineering, AdviceU and Bureau Stedelijke Planning are preliminary. The acquisitions impacted the consolidated balance sheet as detailed in the table below.

### Acquisitions, SEK M

Intangible assets	379
Property, plant and equipment	10
Right-of-use assets	21
Financial assets	2
Current assets	135
Non-current lease liabilities	-10
Non-current other liabilities	-7
Deferred tax	-10
Current lease liabilities	-9
Other current liabilities	-118
<b>Total purchase consideration</b>	<b>392</b>
Purchase price outstanding	-5
Payment of deferred purchase price	19
Cash and cash equivalents in acquired companies	-42
<b>DECREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>363</b>

## Divestments

In the beginning of the year, Sweco divested its Norwegian subsidiary Årstiderne Arkitekter AS with 3 employees. During the third quarter, Sweco divested the Geolab business in Sweden with 11 employees. The divestment contributed SEK 9 million in net sales and SEK 1 million in operating profit during the period. The divestment had a positive impact on profit and Group's cash and cash equivalents of SEK 17 million. The impact of the divestments on the consolidated balance sheet was limited.

## Acquisition-related items

SEK M	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Oct 2020– Sep 2021	Full-year 2020
Amortisation of acquisition-related intangible assets	-25	-20	-73	-65	-92	-85
Revaluation of additional purchase price	-2	1	-2	-38	1	-38
Profit/loss on divestment of buildings and land	–	0	–	0	6	6
Profit/loss on divestment of companies and operations <sup>1</sup>	23	–	23	–	52	29
Cost for received future service	-11	-11	-33	-36	-46	-47
<b>ACQUISITION-RELATED ITEMS</b>	<b>-14</b>	<b>-30</b>	<b>-85</b>	<b>-140</b>	<b>-80</b>	<b>-135</b>

1) Provision for exposure in a previous divestment is released during the quarter and amounted to SEK 5 million. The divestment of the Geolab business in Sweden during the third quarter resulted in a book profit of SEK 17 million.

## Fair value of financial instruments

The Group's financial instruments consist of shares, trade receivables, other receivables, cash and cash equivalents, trade payables, forward exchange contracts, interest bearing liabilities, other liabilities, and contingent considerations. Descriptions of each category and valuation techniques for the different levels are shown below and in the 2020 Annual Report, Note 33 Financial instrument per category. No transfers between any of the levels took place during the period.

Forward exchange contracts are measured at fair value based on Level 2 inputs. As per 30 September 2021, forward contracts with a positive market value amounted to SEK 0 million compared to SEK 1 million as per 31 December 2020 and forward contracts with a negative market value amounted to SEK 1 million compared to SEK 0 million as per 31 December 2020. Unlisted financial assets and contingent considerations are measured at fair value based on Level 3 inputs. The fair value of unlisted financial assets amounted to SEK 10 million as per 30 September 2021 compared to SEK 10 million as per 31 December 2020, and financial liabilities for contingent considerations amounted to SEK 32 million compared to SEK 49 million as per 31 December 2020. Other financial assets and liabilities are measured at accrued amortised cost. Accrued amortised cost is considered a good approximation of fair value since the fixed interest period for all loans is less than one year.

## Quarterly review per business area

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
<b>Net sales, SEK M</b>									
Sweco Sweden	1,446	2,012	1,905	1,992	1,489	2,015	1,985	2,054	1,519
Sweco Norway	533	696	675	620	489	598	708	692	550
Sweco Finland	646	776	723	729	584	726	738	663	536
Sweco Denmark	436	476	480	500	421	467	458	477	410
Sweco Netherlands	448	495	528	515	466	538	547	542	488
Sweco Belgium	450	474	478	414	392	418	431	381	326
Sweco UK	302	289	313	280	280	305	382	348	317
Sweco Germany & Central Europe	477	487	483	175	481	504	497	605	502
Group-wide, Eliminations, etc.	-48	-62	-47	-83	-56	-81	-65	-71	-26
<b>TOTAL NET SALES</b>	<b>4,691</b>	<b>5,643</b>	<b>5,538</b>	<b>5,142</b>	<b>4,547</b>	<b>5,489</b>	<b>5,680</b>	<b>5,692</b>	<b>4,623</b>
Items affecting comparability (IAC) <sup>2</sup>	16	–	–	290	–	–	–	–	–
<b>TOTAL NET SALES excl. IAC</b>	<b>4,707</b>	<b>5,643</b>	<b>5,538</b>	<b>5,432</b>	<b>4,547</b>	<b>5,489</b>	<b>5,680</b>	<b>5,692</b>	<b>4,623</b>
<b>EBITA, SEK M<sup>1</sup></b>									
Sweco Sweden	132	272	247	282	149	253	269	271	102
Sweco Norway	24	65	53	44	44	24	97	65	55
Sweco Finland	84	72	76	85	80	104	101	64	76
Sweco Denmark	50	37	41	50	41	22	30	41	44
Sweco Netherlands	34	40	73	42	44	35	51	39	24
Sweco Belgium	57	59	65	46	48	45	50	41	38
Sweco UK	28	4	16	6	9	21	40	24	15
Sweco Germany & Central Europe	-48	-9	-3	-317	0	8	9	21	26
Group-wide, Eliminations, etc.	-1	-12	-27	-13	2	-18	-17	-34	3
<b>EBITA</b>	<b>359</b>	<b>529</b>	<b>540</b>	<b>224</b>	<b>417</b>	<b>495</b>	<b>630</b>	<b>532</b>	<b>384</b>
Items affecting comparability (IAC) <sup>2</sup>	56	–	–	290	–	–	–	–	–
<b>EBITA excl. IAC</b>	<b>415</b>	<b>529</b>	<b>540</b>	<b>514</b>	<b>417</b>	<b>495</b>	<b>630</b>	<b>532</b>	<b>384</b>
<b>EBITA margin, %<sup>1</sup></b>									
Sweco Sweden	9.1	13.5	13.0	14.2	10.0	12.6	13.6	13.2	6.7
Sweco Norway	4.6	9.4	7.8	7.1	8.9	4.1	13.7	9.4	10.0
Sweco Finland	13.0	9.2	10.5	11.7	13.7	14.3	13.7	9.6	14.2
Sweco Denmark	11.4	7.7	8.6	9.9	9.7	4.8	6.7	8.6	10.7
Sweco Netherlands	7.5	8.1	13.8	8.1	9.4	6.6	9.4	7.2	5.0
Sweco Belgium	12.6	12.5	13.5	11.0	12.3	10.8	11.5	10.7	11.6
Sweco UK	9.3	1.5	5.1	2.2	3.1	6.8	10.4	7.0	4.8
Sweco Germany & Central Europe	-10.1	-1.8	-0.5	-180.8	0.0	1.7	1.8	3.5	5.2
<b>EBITA margin</b>	<b>7.6</b>	<b>9.4</b>	<b>9.8</b>	<b>4.4</b>	<b>9.2</b>	<b>9.0</b>	<b>11.1</b>	<b>9.4</b>	<b>8.3</b>
Items affecting comparability (IAC) <sup>2</sup>	1.2	–	–	5.1	–	–	–	–	–
<b>EBITA margin excl. IAC</b>	<b>8.8</b>	<b>9.4</b>	<b>9.8</b>	<b>9.5</b>	<b>9.2</b>	<b>9.0</b>	<b>11.1</b>	<b>9.4</b>	<b>8.3</b>
Billing ratio, %	73.7	75.0	73.6	74.1	73.8	75.5	73.6	74.6	73.6
Number of normal working hours	517	473	487	491	518	465	500	485	519
Number of full-time employees	17,627	17,904	17,628	17,470	16,988	17,555	17,330	17,084	16,463

1) 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.

2) Items affecting comparability encompass the provisions related to the execution of the turn-around plan in Germany of SEK 56 million in Q3 2021 and the write-down of working capital of SEK 290 million in the German operations in Q4 2020. Both are reported in Business Area Germany & Central Europe.

## Period review per business area

January–September	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>	2021	2020	2021	2020	2021	2020	2021	2020
Sweco Sweden	5,363	5,489	651	672	12.1	12.2	5,772	5,812
Sweco Norway	1,903	1,795	143	165	7.5	9.2	1,740	1,640
Sweco Finland	2,146	2,048	231	284	10.8	13.9	2,750	2,499
Sweco Denmark	1,392	1,347	128	94	9.2	7.0	1,279	1,218
Sweco Netherlands	1,470	1,550	147	131	10.0	8.4	1,360	1,394
Sweco Belgium	1,403	1,241	181	143	12.9	11.5	1,234	1,054
Sweco UK	904	967	48	69	5.3	7.1	1,186	1,243
Sweco Germany & Central Europe	1,447	1,482	-59	17	-4.1	1.2	2,345	2,378
Group-wide, Eliminations, etc. <sup>3</sup>	-156	-202	-41	-33	–	–	49	45
<b>TOTAL GROUP</b>	<b>15,872</b>	<b>15,716</b>	<b>1,428</b>	<b>1,542</b>	<b>9.0</b>	<b>9.8</b>	<b>17,716</b>	<b>17,282</b>

1) Sweco is not applying IFRS 16 at the business area level.

2) 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.

3) 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 and items affecting comparability – i.e., net sales growth adjusted for the impact of acquisitions and divestments as well as the effect of foreign currency fluctuations, calendar effect and items affecting comparability.

	Jul–Sep 2021	Jul–Sep 2020	Growth, % Jul–Sep 2021	Jan–Sep 2021	Jan–Sep 2020	Growth, % Jan–Sep 2021
Reported net sales	4,691	4,547	3	15,872	15,716	1
Adjustment for currency effects		-9	0		-304	-2
<b>Net sales, currency-adjusted</b>	<b>4,691</b>	<b>4,538</b>	<b>3</b>	<b>15,872</b>	<b>15,413</b>	<b>3</b>
Adjustment for acquisitions/divestments	-139	-3	3	-415	-3	3
<b>Comparable net sales, currency-adjusted</b>	<b>4,552</b>	<b>4,535</b>	<b>0</b>	<b>15,457</b>	<b>15,409</b>	<b>0</b>
Adjustment of calendar effect	4		0	39		0
<b>Comparable net sales, adjusted for currency and calendar effects</b>	<b>4,557</b>	<b>4,535</b>	<b>0</b>	<b>15,495</b>	<b>15,409</b>	<b>1</b>
Adjustment of items affecting comparability	16		1	16		0
<b>Comparable net sales, adjusted for currency, calendar effects and items affecting comparability</b>	<b>4,573</b>	<b>4,535</b>	<b>1</b>	<b>15,512</b>	<b>15,409</b>	<b>1</b>

	Jul–Sep 2020	Jul–Sep 2019	Growth, % Jul–Sep 2020	Jan–Sep 2020	Jan–Sep 2019	Growth, % Jan–Sep 2020
Reported net sales	4,547	4,623	-2	15,716	14,938	5
Adjustment for currency effects		-138	-3		-186	-1
<b>Net sales, currency-adjusted</b>	<b>4,547</b>	<b>4,485</b>	<b>1</b>	<b>15,716</b>	<b>14,752</b>	<b>6</b>
Adjustment for acquisitions/divestments	-176	-29	3	-843	-95	5
<b>Comparable net sales, currency-adjusted</b>	<b>4,370</b>	<b>4,456</b>	<b>-2</b>	<b>14,873</b>	<b>14,657</b>	<b>1</b>
Adjustment of calendar effect	3		0	-47		0
<b>Comparable net sales, adjusted for currency and calendar effects</b>	<b>4,373</b>	<b>4,456</b>	<b>-2</b>	<b>14,826</b>	<b>14,657</b>	<b>1</b>

## Net debt

SEK M	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current interest-bearing debt	2,341	3,104	2,996
Current interest-bearing debt	201	51	34
Cash and cash equivalents incl. short-term investments	-424	-1,744	-2,088
<b>NET DEBT<sup>1</sup></b>	<b>2,119</b>	<b>1,410</b>	<b>943</b>

1) 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.

## Parent Company income statement

SEK M	Jan-Sep 2021	Jan-Sep 2020	Full-year 2020
Net sales	700	654	874
Operating expenses	-745	-673	-909
<b>Operating loss</b>	<b>-46</b>	<b>-20</b>	<b>-35</b>
Net financial items	350	308	1,071
<b>Profit/loss after net financial items</b>	<b>305</b>	<b>288</b>	<b>1,036</b>
Appropriations	1	–	-180
<b>Profit/loss before tax</b>	<b>305</b>	<b>288</b>	<b>856</b>
Tax	–	–	-117
<b>PROFIT/LOSS AFTER TAX</b>	<b>305</b>	<b>288</b>	<b>739</b>

## Parent Company balance sheet

SEK M	30 Sep 2021	31 Dec 2020
Intangible assets	20	24
Property, plant and equipment	71	60
Financial assets	6,541	6,541
Current assets	1,984	4,593
<b>TOTAL ASSETS</b>	<b>8,616</b>	<b>11,218</b>
Equity	4,316	4,673
Untaxed reserves	654	654
Non-current liabilities	2,234	2,906
Current liabilities	1,413	2,985
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,616</b>	<b>11,218</b>