Q4 | Year-end Report 2023
Sweco AB (publ)

SWECO

9 February 2024

A strong year despite a weaker fourth quarter

October–December 2023

- Net sales increased to SEK 7,717 million (6,732)
- EBITA amounted to SEK 654 million (709), margin 8.5 per cent (10.5)
- EBITA decreased 4 per cent year-on-year after adjustment for calendar effects
- EBIT amounted to SEK 618 million (693), margin 8.0 per cent (10.3)
- Profit after tax amounted to SEK 417 million (502), corresponding to SEK 1.16 per share (1.40)

January–December 2023

- Net sales increased to SEK 28,523 million (24,296)
- EBITA increased to SEK 2,531 million (2,225), margin 8.9 per cent (9.2)
- EBITA increased 18 per cent year-on-year after adjustment for calendar effects
- EBIT increased to SEK 2,416 million (2,245), margin 8.5 per cent (9.2)
- Net debt/EBITDA amounted to 1.1 x (0.4)
- Net debt amounted to SEK 2,961 million (1,075)
- Profit after tax increased to SEK 1,667 million (1,652), corresponding to SEK 4.65 per share (4.61)
- The Board of Directors proposes a dividend distribution of SEK 2.95 per share (2.70)

CEO comment

A strong year

In 2023, we continued to execute on our strategy by delivering profitable growth and strengthening Sweco's position as the leading architecture and engineering consultancy in Europe. Net sales increased 17 per cent and EBITA 18 per cent, adjusted for calendar, for the full year.

We ended the year with another quarter of strong growth. Net sales increased 15 per cent, and organic growth amounted to 6 percent, supported by continued solid demand. We also continued to deliver on our acquisition strategy, with 7 per cent growth from acquisitions. EBITA decreased 4 per cent, adjusted for calendar effects and was negatively impacted by the restructuring actions taken in UK and Finland.

The demand for Sweco's services remained solid in most segments and markets, with continued strong demand in energy, water, environmental services and transport infrastructure, while demand in parts of the building segments remained weak.

Mixed development in the quarter

Net sales increased to SEK 7,717 million (6,732) and EBITA decreased to SEK 654 million (709), resulting in an EBITA margin of 8.5 per cent (10.5). Higher average fees and contribution from acquisitions had a positive impact, while higher costs, project write-downs and lower billing ratio had a negative effect.

Six out of eight business areas reported positive organic growth, and four out of eight reported double-digit margins. Belgium delivered yet another quarter of strong growth and EBITA. Sweden and Denmark reported good organic growth and solid margins, and the Netherlands reported a strong uplift in EBITA. Germany continued to deliver significant profit improvement, supported by positive project adjustments.

Norway posted a lower EBITA and has taken restructuring actions within architecture. Finland reported a decline in EBITA in the quarter due to continued weakening demand within buildings and traditional industry. The quarter was impacted by the previously announced Finnish redundancy program.

However, Sweco's negative EBITA development in the quarter was mainly linked to the UK. As previously communicated we are taking firm actions to position our UK business toward existing and new growth segments. In the fourth quarter, this resulted in significant project write-downs and reductions in personnel and office space.

Acquisitions and projects

Acquisitions are essential to our growth strategy and to our ambition to build market leading positions in all business areas. In 2023, we completed ten acquisitions that added SEK 1.8 billion in revenue, more than 1,200 new experts, and extended our expertise and reach.

In January 2024, we announced the acquisition of Econsultancy, one of the leading environmental consultancies in the Netherlands. This acquisition is in line with our ambition to reach a top three market position in the Netherlands with a leading sustainability offering.

Planning and designing Europe's green transition of energy systems, urban areas, transportation and industries is the core of our business. This is manifested by many of the projects we won in the fourth quarter. In Norway, we won a large framework agreement with Statnett to upgrade the Norwegian energy grid. In Sweden, Sweco will support the expansion of the Stockholm metro, a major urban development project for sustainable public transportation. We have also won exciting projects to establish modern healthcare facilities both in Belgium and in Norway.

Executing on our growth strategy

All in all, 2023 was yet another strong year for Sweco. We are well-positioned as the European leader and we are committed to accelerate our growth journey to capture the opportunities that arise from the large transformative trends in society. To achieve our goals, we will focus on attractive growth segments, act on acquisition opportunities and increase our efforts to improve the internal efficiency.

I would like to conclude by thanking all our employees for your dedicated work this year. In partnership with our clients, we are truly transforming society together.

Åsa Bergman
President and CEO

Europe's leading architecture and engineering consultancy

Sweco operates at the centre of the green transition. With the collective knowledge of our more than 22,000 architects, engineers and other experts, we co-create solutions with our clients that transform societies. Our work approach enables us to offer a combination of global expertise together with local presence and understanding, and by this we are adapting to our clients' business and reality.

Key figures

#1 In the European market	8 Business Areas	20,000 Full-time employees
SEK 28.5 bn Net sales R12	SEK 2.5 bn EBITA R12	8.9% EBITA margin R12

Group performance

The fourth quarter resulted in organic growth of 6 per cent, adjusted for calendar effects, and acquired growth of 7 per cent. EBITA decreased approximately 4 per cent or SEK 30 million year-on-year, after adjustment for calendar effects.

October–December

Net sales increased 15 per cent to SEK 7,717 million (6,732). Organic growth amounted to approximately 6 per cent, after adjustment for calendar effects. Acquired growth amounted to 7 per cent and currency effects were 2 per cent in the quarter.

Organic growth was largely driven by higher average fees and a higher number of employees, while negative project adjustments and lower billing ratio had a negative impact.

EBITA amounted to SEK 654 million (709) and the EBITA margin amounted to 8.5 per cent (10.5).

EBITA decreased approximately 4 per cent or SEK 30 million year-on-year after adjustment for calendar effects. The decrease in EBITA was mainly attributable to the performance decline and restructuring actions in the UK and Finland. The business areas Germany & Central Europe, Belgium and the Netherlands achieved increasing EBITA levels.

Overall for the Group, EBITA was positively affected by higher average fees and contributions from acquisitions, while higher personnel expenses, higher negative project adjustments and higher other operating expenses as well as a lower billing ratio had a negative impact.

The quarter had two less working hours compared with the same period last year. This corresponded to a negative year-on-year impact of approximately SEK 25 million on net sales and EBITA.

The billing ratio decreased to 73.3 per cent (74.4).

Total net financial items reduced to SEK -72 million (-27), primarily due to higher average net debt and higher interest rates.

Earnings per share decreased to SEK 1.16 (1.40).

January–December

Net sales increased 17 per cent to SEK 28,523 million (24,296). Organic growth amounted to approximately 8 per cent, after adjustment for calendar effects. Acquired growth amounted to 6 per cent and currency effects impacted growth with 4 per cent.

Organic growth adjusted for calendar effects was driven mainly by higher average fees and a higher number of employees.

KPIs

KPIs	Oct–Dec 2023	Oct–Dec 2022	Full-year 2023	Full-year 2022
Net sales, SEK M	7,717	6,732	28,523	24,296
Organic growth, %	*6*	*7*	*8*	*6*
Acquisition-related growth, %	*7*	*2*	*6*	*2*
Currency, %	*2*	*5*	*4*	*3*
Total growth, %	*15*	*14*	*17*	*11*
Organic growth adj. for calendar, %	*6*	*8*	*8*	*6*
EBITA, SEK M	654	709	2,531	2,225
Margin, %	*8.5*	*10.5*	*8.9*	*9.2*
Profit after tax, SEK M	417	502	1,667	1,652
Earnings per share, SEK	1.16	1.40	4.65	4.61
Number of full-time employees	20,874	19,265	20,157	18,651
Billing ratio, %	73.3	74.4	73.3	73.9
Normal working hours	487	490	1 962	1,971
Net debt/EBITDA, x[2]			1.1	0.4

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 20.
2) 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 27.

EBITA increased to SEK 2,531 million (2,225). The EBITA margin amounted to 8.9 per cent (9.2).

EBITA increased approximately 18 per cent or SEK 395 million year-on-year after adjustment for calendar effects. Belgium, Germany & Central Europe, Denmark, the Netherlands, Sweden and Norway noted increasing EBITA levels, adjusted for calendar effects. The UK and Finland reported lower earnings. Overall for the Group, the EBITA increase was primarily driven by higher average fees, a higher number of employees and contribution from acquisitions, while higher personnel expenses, higher other operating expenses, higher negative project adjustments and a lower billing ratio had a negative impact.

The calendar effect of eight less hours had a negative year-on-year impact of approximately SEK 90 million on net sales and EBITA.

The billing ratio decreased to 73.3 per cent (73.9).

Total net financial items reduced to SEK -236 million (-89), primarily due to higher average net debt and higher interest rates.

Earnings per share increased to SEK 4.65 (4.61).

Employees

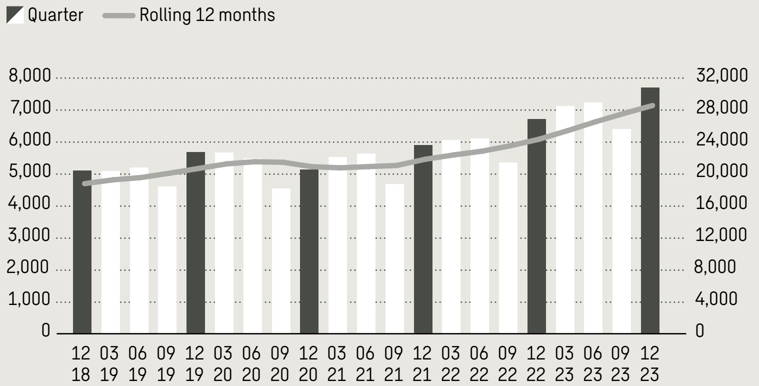
The number of full-time employees amounted to 20,157 (18,651) in the period.

Market

Most Business areas experienced good demand for Sweco's services in the infrastructure, water, environment, energy and industry segments. However, demand for services in parts of the building and real estate segments continued to weaken, with a negative impact primarily in residential and commercial real estate.

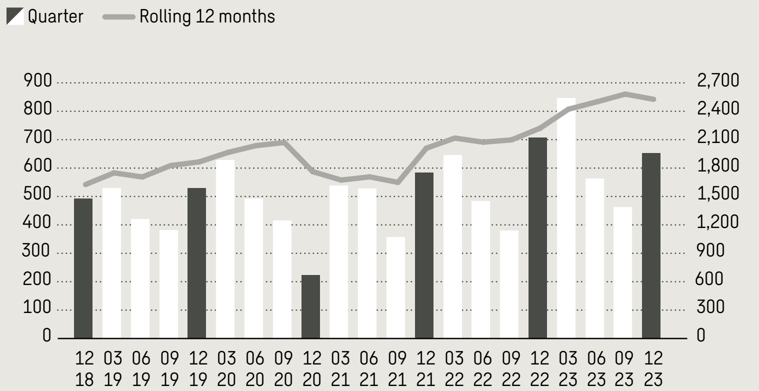
Net sales by quarter and rolling 12 months

SEK M



EBITA by quarter and rolling 12 months

SEK M



Outlook

Geopolitical instability is continuing to impact the general economy and Sweco's markets have been impacted by increased inflation, higher interest rates and energy supply risk. While some of Sweco's market segments are negatively impacted, there is a concurrent increase in demand in other segments. Overall demand for Sweco's services normally follows the general macro-economic trend, with some time lag.

Sweco does not provide forecasts.

Events during the quarter

As previously announced, the acquisition of OJ Rådgivende Ingeniører was completed on 2 October and consolidated into Sweco Denmark as of October.

Events after the quarter

On 10 January, Sweco announced the acquisition of Econsultancy B.V. in the Netherlands. The company offers solutions and support within the areas of climate change and the green transition, with a strong focus on ecological and environmental sustainability. Econsultancy has over 200 experts and annual net sales in 2022 of approximately SEK 160 million.

Cash flow and financial position

Group cash flow from operating activities totalled SEK 2,504 million (2,515) for the full year. Net debt increased to SEK 2,961 million (1,075), primarily as a result of increased outflows for acquisitions.

The Net debt/EBITDA ratio was 1.1x (0.4).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 3,941 million (4,869) at the end of the quarter.

Purchase considerations paid to acquire companies and operations had an impact of SEK -1,686 million (-675) on the Group's cash and cash equivalents. No divestments were made during the period. Last year, divestments of companies and operations had an impact of SEK 65 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.

On 27 April, dividends totalling SEK 968 million (876) were distributed to Sweco AB shareholders.

Investments, January–December 2023

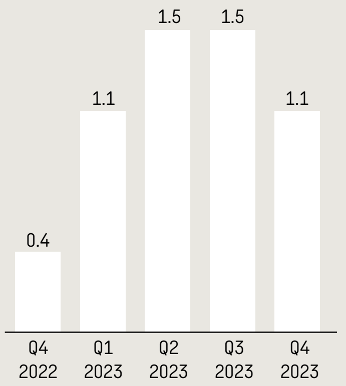
Investments in equipment totalled SEK 336 million (248) and were primarily attributable to IT investments. Depreciation of equipment amounted to SEK 240 million (211) and amortisation of intangible assets totalled SEK 214 million (133).

New projects

Energy

Sweco has signed several framework agreements encompassing project planning, engineering, and project and construction management for Statnett, the state-owned Transmission System Operator in Norway. Statnett aims to double the transmission grid investments in the coming years, with support from Sweco experts and other parties. A steep increase in electric transmission enables decreased fossil energy consumption and is therefore key to Norway meeting its climate targets. The contract period is four years, with an estimated volume for Sweco of more than SEK 500 million, and a potential four-year extension.

Net debt/EBITDA, x



Hamburg Airport will build a wind farm with six turbines in Heidmoor in Germany, which is to supply around 100 airport buildings with green electricity by 2028. Sweco has been commissioned as the general planner for the entire wind farm, the infrastructure and the wind turbines, and will be responsible for coordinating the project. Sweco's tasks include positioning the turbines on the site and identifying grid connection points for feeding electricity from the wind farm into the grid.

Sweco is supporting Equinor in the concept phase of a project for a CO_2-pipeline from mainland Europe to permanent storage facilities in the Norwegian North Sea. Sweco will do mapping services for permitting requirements, ground conditions and other potential impacting factors for landfall locations in France, Belgium, the Netherlands and Germany. Further on, Sweco will also assist with services for landfall methods, including geotechnical- and structural disciplines and tunnelling.

Transport

Sweco has won a new SEK 250 million contract in connection to the ongoing expansion of the Stockholm metro – a major urban development project for a growing region in need of more sustainable public transport systems. Sweco and partner TYPSA will deliver site supervision, works coordination and expert support services for the implementation of a 11.5 kilometres metro line, including seven new stations. The project started in November 2023 and is planned to be completed in 2030.

Sweco is conducting a study for the Ministry of Infrastructure and Water management for the construction of a new rail connection of 25 kilometres and three stations between Groningen and Emmen in the Netherlands. This is the first greenfield rail connection in the Netherlands for 20 years and will contribute to the implementation of durable public transport in the region. Sweco is responsible for the design of the rail infrastructure and estimation of the construction costs.

Sweco has been appointed as integrated consultancy partner for Denmark's largest train operating company DSB, to take the lead on the transformation of over 80 train stations in the Copenhagen region. Sweco's team of architects, landscape architects, engineers, traffic experts and other specialists in lighting design, accessibility and railway safety will develop a catalogue of analyses and ideas on how to give the stations a visual and functional boost. The objective is also to transform stations into areas where commuters will feel even more safe.

Sweco is part of an alliance that has been contracted to provide design services in a project for expanding the light rail system in the City of Tampere in Finland. The tram system plays an important role in the City of Tampere's efforts to reduce traffic emissions and thereby become carbon-neutral by 2030. Some 50 Sweco consultants will be engaged in the project and provide design services for street, traffic, bridge, light rail, electricity and technology systems, for permit and environmental advice, and for information and risk management, until late 2024. The value of Sweco's part of the project is SEK 37 million.

Industry
Nyrstar, global leader in zinc smelting, has commissioned Sweco for a concept study. The goal is to increase production flexibility by creating additional electrolysis capacity. This allows Nyrstar to use peak green electricity in zink production when there is abundant wind or sun. During periods of low green energy, less zinc is produced. This approach turns their electrolysis hall into a virtual battery, absorbing the varying supply of green electricity and contributing to the stability of the high-voltage grid in Belgium. The contract value is SEK 5 million.

Sweco and Metsä Group have signed the agreement to start a new collaboration project to build the Kerto LVL wood product mill in Äänekoski, Finland. The new mill will mainly serve the European construction industry, producing laminated veneer lumber beam and panel materials for low-carbon construction. Sweco is responsible for the complete implementation planning of the mill project, including structural, process and plant design. The project will employ approximately 100 Sweco experts. Operations will start at the end of 2026.

Urban Planning
Hôpitaux Iris Sud (HIS), Belgium's largest hospital network, is partnering with Sweco for a large renovation project. Located in the heart of the Brussels Region, HIS provides over a million medical consultations per year and operates the country's largest emergency service. The "Old Tech" building will be refurbished to high energy performance standards using modern sustainable and circular design techniques. Sweco will provide services related to building installations, energy performance and indoor climate. The contract value is SEK 9 million.

Sweco has been rewarded a contract by long-term client Veidekke for multidisciplinary engineering services for a new healthcare building in Aksdal in Norway. The facility includes services for elderly care, medical services, emergency reception, dentist services and more. The project has high standards for sustainability and includes Sweco's sustainability advisory services. The project also consists of advanced technical solutions such as client alert systems and waste transportation systems. Sweco's assignment is from 2024, ending in 2026 and Sweco's contract value is SEK 37 million.

Sweco has signed a contract with the town of Šenov in the Czech Republic to prepare design documentation for the revitalisation of the Town Hall Square and its surroundings. The project is to comply with blue-green infrastructure standards. Transportation and civil engineering experts, water engineers, greenery and furnishing specialists, electrical specialists, HVAC experts and structural engineers are involved in the project. The project ends in 2026 and Sweco's fee is SEK 4 million.

Sweco will be supporting main contractor Multiplex in a major refurbishment of the office building One Exchange Square in London in the UK, to transform the 30-year-old building into a modern area for work and retail. The project is set to exceed the city authority's carbon targets. Sweco provides expertise in building services design, vertical transportation design, building energy performance and sustainability, acoustics, and fire strategy.

Sweco is advising the architect Bureau Fraai in the Netherlands on the conceptual design for the Timber Pirouette – a vision for an iconic timber tower, soaring 72 meters in height, featuring a versatile open building structure. Constructed using repetitive prefabricated timber floor modules, this building exemplifies sustainable construction adhering to stringent Dutch building regulations and ensuring the highest standards. Featuring well-insulated facades, the rotating terraces not only enhance the aesthetic appeal but also function as canopies, mitigating direct sunlight and minimising interior heat buildup.

Water
Sweco will partake in the ongoing rebuilding of Ukraine by contributing expertise in a project to secure a potable water supply for the 220,000 inhabitants in the City of Kremenchuk. Specialists from Sweco will deliver expertise in urban water engineering, process engineering, hydrology and environmental impact analysis in a project financed by Swedfund. The result will be an improved, expanded and more resilient drinking water infrastructure with special attention to energy efficiency. The Sweco project started in November 2023 and is estimated to be completed in August 2024.

Sweco has won a contract from MDK, the Flemish maritime and coastal services agency, to design and implement flood protection measures for the inner port of Ostend. The project is part of the Coastal Safety Master Plan, which aims to protect the coast from flooding due to extreme storm surges and sea level rise. Sweco will also integrate architecture, prepare implementation specs, permit documents and environmental impact assessments as well as manage stakeholders and use BIM for project coordination. The contract value is SEK 26 million.

Sweco is conducting a study for the Ministry of Infrastructure and Water management for the construction of a new rail connection of 25 kilometres and three stations between Groningen and Emmen in the Netherlands.

Sweco is supporting Equinor in the concept phase of a project for a CO_2-pipeline from mainland Europe to permanent storage facilities in the Norwegian North Sea. Sweco will do mapping services for permitting requirements, ground conditions and other potential impacting factors for landfall locations in France, Belgium, the Netherlands and Germany.

Business Area Overview

Sweco operates its business in and through eight geographical business areas: Sweden, Norway, Finland, Denmark, the Netherlands, Belgium, the UK and Germany and Central Europe.

1) Part of Business Area Finland
2) Part of Business Area Germany and Central Europe
3) Part of Business Area Belgium
4) Part of Business Area UK

Sweco's markets

Sweco is present in some 15 European markets and holds well-established positions in its business areas. It is primarily in these areas that the company will grow in the future. These markets are economically and politically stable, while also being close to each other geographically and culturally.

Sweco Sweden

Organic growth amounted to 6 per cent, driven by higher average fees and FTE growth, but EBITA declined 1 per cent. The market was stable, with green transition and climate adaptation driving demand in many segments, but with residential and commercial real estate remaining weak.

Sales and profit, October–December

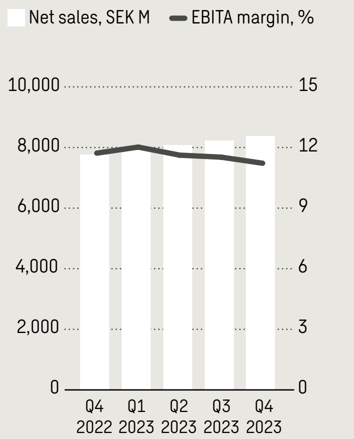
Net sales increased 7 per cent to SEK 2,359 million (2,201). Organic growth was 6 per cent and was mainly driven by a higher number of employees and higher average fees. There was no year-on-year difference in the number of available working hours.

EBITA decreased 1 per cent, corresponding to SEK 3 million. The EBITA decrease was mainly driven by higher personnel expenses, a lower billing ratio and higher other operating expenses, while higher average fees and a higher number of employees impacted positively. The EBITA margin decreased to 13.4 per cent (14.4).

Market

The Swedish market was stable during the quarter, albeit with large variations between the segments. The market for energy investments as well as for water and environmental services was good, partly driven by the green transition and climate adaptation services. Demand for infrastructure services remained stable. The trend in the industry segment remained somewhat uncertain, with the exception of northern Sweden, which continues to be a booming market driven by the green transition. In the real estate market, the weakness in the residential and commercial segments continued. The demand in the public building segment was stable.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	2,359	2,201	8,405	7,785
Organic growth, %	*6*	*7*	*7*	*4*
Acquisition-related growth, %	*2*	*1*	*1*	*1*
Currency, %	*0*	*0*	*0*	*0*
Total growth, %	*7*	*8*	*8*	*5*
Organic growth adj. for calendar, %	*6*	*7*	*7*	*4*
EBITA, SEK M	315	318	952	915
EBITA margin, %	*13.4*	*14.4*	*11.3*	*11.8*
Number of full-time employees	6,643	6,235	6,380	5,978

Sweco Norway

Organic growth amounted to 2 per cent and EBITA decreased 38 per cent. Both revenue and earnings were impacted by a lower billing ratio. Residential and commercial buildings segments remained weak, but other segments were overall stable.

Sales and profit, October–December

Net sales decreased 3 per cent to SEK 903 million (933). The decline was driven by negative currency effects impacting growth with -6 per cent. Organic growth was 2 per cent. Higher average fees had a positive effect on growth, while a lower billing ratio impacted negatively. Acquisitions contributed 1 per cent to growth. There was no year-on-year difference in the number of available working hours.

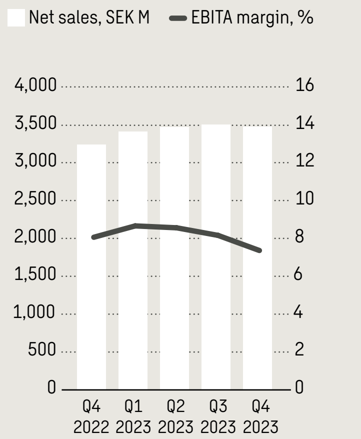
EBITA decreased 38 per cent, corresponding to SEK 29 million. Higher average fees could not compensate for higher personnel expenses and a lower billing ratio. The EBITA margin decreased to 5.3 per cent (8.3).

Norway has taken restructuring actions within architecture, which have impact from the first quarter 2024.

Market

The Norwegian market was stable during the quarter, albeit with variations between the different segments. The demand for services in the industry, energy, environment and water markets was good, partly driven by the shift towards electrification. The demand for infrastructure services was stable and supported by the revised national budget allocating new funds to infrastructure projects. In the real estate market, the weakness in the residential and commercial segments continued, while the public building segment was stable.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	903	933	3,483	3,245
Organic growth, %	*2*	*15*	*7*	*11*
Acquisition-related growth, %	*1*	*11*	*5*	*7*
Currency, %	*-6*	*4*	*-5*	*5*
Total growth, %	*-3*	*30*	*7*	*24*
Organic growth adj. for calendar, %	*2*	*15*	*7*	*11*
EBITA, SEK M	48	77	259	263
EBITA margin, %	*5.3*	*8.3*	*7.4*	*8.1*
Number of full-time employees	2,097	2,049	2,071	1,918

Sweco Finland

Organic growth amounted to -2 per cent and EBITA decreased 46 per cent, adjusted for calendar effects. The decline was driven by a lower billing ratio in a market that weakened further in the residential and commercial building segments. The energy and infrastructure markets remained good.

Sales and profit, October–December

Net sales increased 3 per cent to SEK 960 million (930). Organic growth amounted to approximately -2 per cent, adjusted for calendar effects. Higher average fees impacted growth positively, while a lower billing ratio and higher negative project adjustments impacted negatively. The year-on-year calendar effect of eight less hours had a negative impact of approximately SEK 11 million on net sales and EBITA.

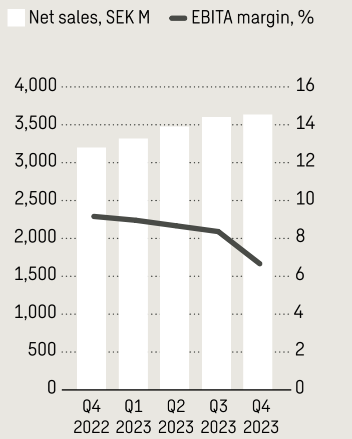
EBITA decreased approximately 46 per cent, corresponding to SEK 50 million, adjusted for calendar effects. The EBITA decrease was mainly driven by higher other operating expenses, higher personnel expenses, a lower billing ratio and higher negative project adjustments, while higher average fees impacted positively. The EBITA margin decreased to 5.0 per cent (11.7).

In the quarter, Finland concluded negotiations regarding personnel reductions that were initiated in the third quarter. In addition to temporary lay-offs, some 50 FTEs have been permanently laid off and redundancy costs of approximately SEK 15 million have been taken in the quarter.

Market

Overall, demand in the Finnish market weakened further during the fourth quarter, but with large differences between segments. The energy market and the market for infrastructure-related services were good. The market for industrial services continued to be weaker in its traditional segments, whereas demand in the segments related to the green transition was good. The residential and commercial building segments became more challenging, while the public building segment was stable.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	960	930	3,641	3,210
Organic growth, %	*-3*	*8*	*5*	*3*
Acquisition-related growth, %	*1*	*0*	*1*	*1*
Currency, %	*5*	*8*	*8*	*5*
Total growth, %	*3*	*16*	*13*	*9*
Organic growth adj. for calendar, %	*-2*	*10*	*6*	*3*
EBITA, SEK M	48	109	243	297
EBITA margin, %	*5.0*	*11.7*	*6.7*	*9.2*
Number of full-time employees	2,884	2,833	2,915	2,851

Sweco Denmark

Organic growth amounted to 6 per cent and EBITA decreased 4 per cent, adjusted for calendar effects. Both revenue and earnings were impacted by higher average fees, while project adjustments impacted negatively. The market was overall good, albeit with continued weakness in the private residential building segment.

Sales and profit, October–December

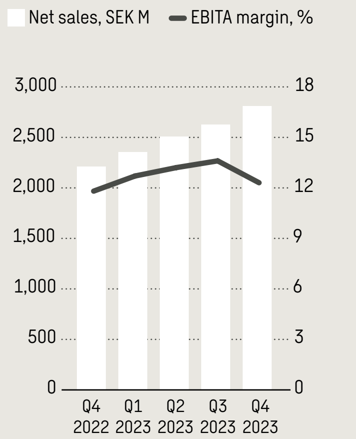
Net sales increased 28 per cent to SEK 825 million (642). Organic growth amounted to approximately 6 per cent, adjusted for calendar effects, and was mainly driven by higher average fees and a higher number of employees while negative project adjustments impacted negatively. Acquired growth amounted to 19 per cent and was mainly attributable to the acquisition of OJ Rådgivende Ingeniører. The year-on-year calendar effect of eight less hours had a negative impact of approximately SEK 7 million on net sales and EBITA.

EBITA decreased approximately 4 per cent, corresponding to SEK 4 million, adjusted for calendar effects. The EBITA decrease was mainly driven by negative project adjustments and higher personnel expenses, while higher average fees, the contribution from OJ Rådgivende Ingeniører and a higher billing ratio had a positive impact. The EBITA margin decreased to 10.9 per cent (15.7).

Market

The Danish market was overall good during the fourth quarter. Activity within the public sector increased moderately, while most of the private sector remained stable during the period. The industry market showed increasing demand, mainly driven by large investments in pharma. The weakness in the residential building segment continued, while the commercial and public building segments were stable.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	825	642	2,818	2,218
Organic growth, %	*5*	*15*	*12*	*11*
Acquisition-related growth, %	*19*	*2*	*8*	*1*
Currency, %	*5*	*8*	*8*	*5*
Total growth, %	*28*	*25*	*27*	*16*
Organic growth adj. for calendar, %	*6*	*15*	*12*	*11*
EBITA, SEK M	90	101	350	263
EBITA margin, %	*10.9*	*15.7*	*12.4*	*11.9*
Number of full-time employees	1,849	1,473	1,591	1,396

Sweco Netherlands

Organic growth amounted to 1 per cent and EBITA increased 37 per cent, adjusted for calendar effects. The EBITA increase was mainly driven by a higher billing ratio and contributions from acquisitions. While the market was overall stable, differences remained between segments.

Sales and profit, October–December

Net sales increased 16 per cent to SEK 726 million (627). Acquired growth contributed 11 per cent and was mainly attributable to the acquisitions of VK architects+engineers and VAN AKEN. Organic growth amounted to approximately 1 per cent, adjusted for calendar effects, and was mainly driven by a higher billing ratio. The year-on-year calendar effect of eight less hours had a negative impact of approximately SEK 7 million on net sales and EBITA.

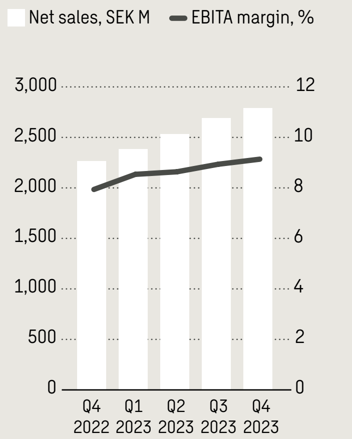
EBITA increased approximately 37 per cent, corresponding to SEK 22 million, adjusted for calendar effects. The EBITA increase was mainly attributable to a higher billing ratio and contribution from acquisitions, while higher personnel expenses impacted negatively. The EBITA margin increased to 10.3 per cent (9.6).

Market

The Dutch market was overall stable in the quarter, albeit with differences between segments. The water and environment markets were stable. The energy market was good due to increased demand from the energy transition.

Demand in the infrastructure and building segments remained subdued caused by the so-called nitrogen issue, related to uncertainties around the impact from the EU regulation of nitrogen emissions in the Netherlands. Furthermore, the residential building segment remained weak.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	726	627	2,799	2,274
Organic growth, %	*0*	*8*	*6*	*6*
Acquisition-related growth, %	*11*	*-2*	*9*	*2*
Currency, %	*5*	*8*	*8*	*5*
Total growth, %	*16*	*13*	*23*	*12*
Organic growth adj. for calendar, %	*1*	*10*	*6*	*6*
EBITA, SEK M	75	60	258	183
EBITA margin, %	*10.3*	*9.6*	*9.2*	*8.0*
Number of full-time employees	1,590	1,417	1,572	1,414

Sweco Belgium

Organic growth amounted to 28 per cent, adjusted for calendar effects. EBITA increased 70 per cent, adjusted for calendar effects, and was driven by higher average fees and contributions from acquisitions. The market was overall stable with continued investments within infrastructure and energy transition.

Sales and profit, October–December

Net sales increased 73 per cent to SEK 997 million (577). Organic growth was approximately 28 per cent, adjusted for calendar effects, and was mainly driven by higher revenue from sub-consultants and higher average fees. Acquisitions contributed 39 per cent to growth and mainly pertained to the acquisition of VK architects+engineers. The year-on-year calendar effect of eight more hours had a positive impact of approximately SEK 7 million on net sales and EBITA.

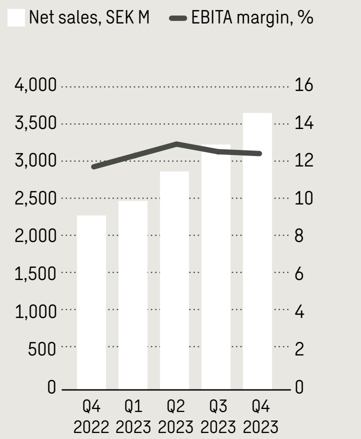
EBITA increased approximately 70 per cent, corresponding to SEK 43 million, adjusted for calendar effects. The EBITA increase was mainly attributable to higher average fees and contribution from the acquisition of VK architects+engineers, while higher other operating expenses and higher personnel expenses had a negative impact. The EBITA margin increased to 11.1 per cent (10.6).

Market

The Belgian market was overall stable during the quarter. In the building market, investments in healthcare and industrial buildings continued, while the slowdown in the residential market continued.

Demand in the energy and environment segments was good, driven by the ongoing energy transition. Demand in the chemicals and pharmaceutical industry segments slowed down somewhat, while the infrastructure market remained good.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	997	577	3,665	2,310
Organic growth, %	*29*	*0*	*20*	*9*
Acquisition-related growth, %	*39*	*6*	*31*	*7*
Currency, %	*5*	*8*	*8*	*5*
Total growth, %	*73*	*14*	*59*	*21*
Organic growth adj. for calendar, %	*28*	*3*	*20*	*9*
EBITA, SEK M	111	61	459	272
EBITA margin, %	*11.1*	*10.6*	*12.5*	*11.8*
Number of full-time employees	2,186	1,643	1,995	1,534

Sweco UK

Net sales and EBITA decreased significantly, both mainly driven by negative project adjustments, a lower billing ratio and continued restructuring actions. The UK market remained challenging, especially within the infrastructure market and the market for residential and commercial buildings.

Sales and profit, October–December

Net sales decreased 10 per cent to SEK 321 million (355). Organic growth was -18 per cent and the decline was mainly driven by negative project adjustments, a lower number of employees and a lower billing ratio. There was no year-on-year difference in the number of available working hours.

EBITA decreased SEK 83 million and the EBITA margin decreased to -22.6 per cent (3.1). The EBITA decrease was mainly attributable to significant negative project adjustments, higher personnel expenses and a lower billing ratio.

In light of the weak market development and the significant impact on the business, the UK operations took further improvement actions in the quarter. In addition to the approximately 80 FTE redundancies provisioned for in the third quarter, further redundancies and also reductions of office space have been provided for in the quarter.

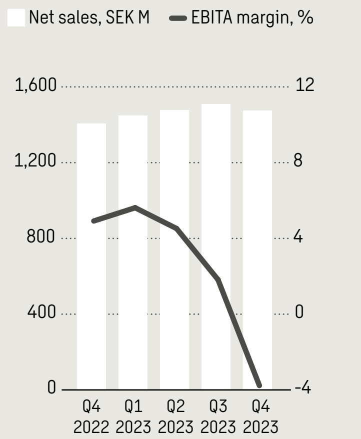
Market

The UK market remained challenging in the fourth quarter, especially within transport infrastructure, with the cancellation by the government of major projects.

The water and environment markets were stable. The demand for services in the energy market was very good, driven by energy storage and green energy generation investments.

In the real estate market, the weakness in the residential and commercial segments remained. Other building segments such as data centres, life sciences and healthcare reported good demand.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	321	355	1,480	1,411
Organic growth, %	*-18*	*15*	*-3*	*12*
Acquisition-related growth, %	*3*	*0*	*2*	*0*
Currency, %	*5*	*5*	*6*	*6*
Total growth, %	*-10*	*20*	*5*	*18*
Organic growth adj. for calendar, %	*-18*	*17*	*-4*	*13*
EBITA, SEK M	-73	11	-55	71
EBITA margin, %	*-22.6*	*3.1*	*-3.7*	*5.0*
Number of full-time employees	1,176	1,212	1,232	1,181

Sweco Germany and Central Europe

Organic growth amounted to 30 per cent, adjusted for calendar effects, and EBITA increased significantly, both driven by higher average fees and positive project adjustments. The market remained somewhat weak, mainly in private real estate, whereas energy transition and infrastructure investments continued to drive demand.

Sales and profit, October–December

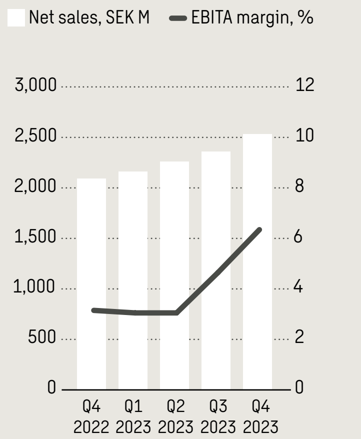
Net sales increased 31 per cent to SEK 727 million (553). Organic growth amounted to approximately 30 per cent, adjusted for calendar effects, and was mainly driven by higher average fees including positive project adjustments. The year-on-year calendar effect of seven less hours had a negative impact of approximately SEK 7 million on net sales and EBITA.

EBITA increased approximately 280 per cent, corresponding to SEK 57 million, adjusted for calendar effects. The EBITA increase was mainly driven by higher average fees including positive project adjustments, while higher other operating expenses and higher personnel expenses impacted negatively. The EBITA margin increased to 9.8 per cent (3.7).

Market

Overall, the German market remained somewhat weak in the fourth quarter. This effect was in particular driven by weaker demand in the commercial real estate sector and overall in the private sector due to market uncertainty and higher construction costs. The demand for services in the energy, environment and water markets was good, with energy transition and new regulation for waste treatment driving demand. The demand for infrastructure services was good.

Net sales & EBITA margin, rolling 12 months



In brief

Net sales and profit	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net sales, SEK M	727	553	2,542	2,099
Organic growth, %	*28*	*-9*	*13*	*0*
Acquisition-related growth, %	*-3*	*-1*	*-1*	*0*
Currency, %	*6*	*7*	*9*	*5*
Total growth, %	*31*	*-3*	*21*	*4*
Organic growth adj. for calendar, %	*30*	*-7*	*14*	*0*
Organic growth adj. for calendar & IAC, %	*30*	*-7*	*14*	*-1*
EBITA, SEK M	71	21	160	65
EBITA margin, %	*9.8*	*3.7*	*6.3*	*3.1*
Number of full-time employees	2,365	2,329	2,322	2,321

Other information

Parent Company, January–December 2023

Parent Company net sales totalled SEK 1,166 million (1,061) and were attributable to intra-group services. Profit after net financial items totalled SEK 656 million (1,051). Investments in equipment totalled SEK 71 million (19). Cash and cash equivalents at the end of the period totalled SEK 35 million (134).

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 2022.

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 1–27; the interim financial information presented on pages 1–27 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 main 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 Business Area 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 are presented on pages 20 and 27. The organic growth calculation is presented on page 26.

The Sweco share

The Sweco share is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 135.10 at the end of the period, representing an increase of 32 per cent during the quarter. Nasdaq Stockholm OMXSPI increased 14 per cent over the same period.

The total number of shares at the end of the period was 363,251,457: 31,065,598 Class A shares and 332,185,859 Class B shares. The total number of shares outstanding was 359,141,452: 31,065,598 Class A shares and 328,075,854 Class B shares.

Board proposals to the AGM

Dividend: The Board of Directors proposes the dividend be increased to SEK 2.95 per share (2.70), with the total dividend limited to not more than SEK 1,072 million (968).

Share savings scheme 2024: The Board of Directors proposes that the 2024 AGM resolves to implement a long-term share savings scheme for up to 100 senior executives and other key employees within the Sweco Group. The proposed terms and conditions essentially correspond to those applicable in last year's proposal.

Share bonus scheme 2024: The Board of Directors also proposes that the 2024 AGM resolves to implement a share-based incentive scheme for employees in Sweden. The proposal principally corresponds to the terms in last year's proposal.

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 war in Ukraine. 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 2022 Annual Report (page 54–58, Risks and Risk Management).

Calendar effects

Year 2023

The number of normal working hours in 2023, based on the 12-month sales-weighted business mix as of September 2022, is broken down as follows:

	2023	**2022**	
Quarter 1:	504	497	8
Quarter 2:	462	468	-6
Quarter 3:	508	516	-7
Quarter 4:	487	490	-2
Total:	**1,962**	**1,971**	**-8**

Year 2024

The number of normal working hours in 2024, based on the 12-month sales-weighted business mix as of September 2023, is broken down as follows:

	2024	**2023**	
Quarter 1:	489	504	-15
Quarter 2:	475	462	13
Quarter 3:	516	508	7
Quarter 4:	484	487	-3
Total:	**1,964**	**1,962**	**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:

2023 Actual	SEK -193 million
2024 Estimate	SEK -164 million
2025 Estimate	SEK -134 million
2026 Estimate	SEK -121 million

Annual general meeting

The 2024 annual general meeting will be held on Friday, 19 April 2024 at 3:00 PM in Stockholm. Sweco's 2023 Annual Report will be available for shareholder perusal at Sweco's headquarters, Gjörwellsgatan 22, Stockholm, and on the company's website, www.swecogroup.com, latest three weeks prior to the AGM.

Forthcoming financial information

Interim report January–March	16 May 2024
Interim report January–June	16 July 2024
Interim report January–September	30 October 2024
Year-end report 2024	7 February 2025

Stockholm, 9 February 2024

Åsa Bergman
President and CEO, Member of the Board of Directors

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This report has not been subject to an audit or review.

KPIs

KPIs[1]	Oct–Dec 2023	Oct–Dec 2022	Full-year 2023	Full-year 2022
Profitability				
EBITA margin, %	8.5	10.5	8.9	9.2
Operating margin (EBIT), %	8.0	10.3	8.5	9.2
Revenue growth[2]				
Organic growth, %	6	7	8	6
Acquisition-related growth, %	7	2	6	2
Currency, %	2	5	4	3
Total growth, %	15	14	17	11
Organic growth adj. for calendar %	6	8	8	6
Debt				
Net debt, SEK M			2,961	1,075
Interest-bearing debt, SEK M			4,065	1,926
Financial strength				
Net debt/Equity, %			28.0	10.8
Net debt/EBITDA, x			1.1	0.4
Equity/Assets ratio, %			41.5	45.4
Available cash and cash equivalents, SEK M			3,941	4,869
– of which unutilised credit, SEK M			2,837	4,018
Return				
Return on equity, %			16.2	17.8
Return on capital employed, %			15.5	16.5
Share data				
Earnings per share, SEK	1.16	1.40	4.65	4.61
Diluted earnings per share, SEK	1.16	1.39	4.64	4.60
Equity per share, SEK[3]			29.49	27.71
Diluted equity per share, SEK[3]			29.37	27.60
Number of shares outstanding at reporting date			359,141,452	358,619,404
Number of repurchased Class B shares			4,110,005	4,632,053

1) The definitions of the Key Performance Indicators (KPIs) are available on Sweco's website.
2) See page 26 for details on Sweco's calculation of revenue growth.
3) Refers to portion attributable to Parent Company shareholders.

Reconciliation of EBIT and the APMs EBITA and EBITDA, SEK M	Oct–Dec 2023	Oct–Dec 2022	Full-year 2023	Full-year 2022
Operating profit (EBIT)	**618**	**693**	**2,416**	**2,245**
Acquisition-related items	55	32	192	43
Lease expenses[1]	-263	-211	-972	-829
Depreciation and impairments, right-of-use assets	243	195	895	767
EBITA[2]	**654**	**709**	**2,531**	**2,225**
Amortisation/depreciation and impairment, tangible and intangible fixed assets	74	68	280	256
EBITDA[3]	**728**	**777**	**2,811**	**2,481**

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.

Consolidated income statement

SEK M	Oct–Dec 2023	Oct–Dec 2022	Full-year 2023	Full-year 2022
Net sales	7,717	6,732	28,523	24,296
Other income	23	27	39	31
Other external expenses	-1,662	-1,378	-5,836	-4,930
Personnel expenses	-5,088	-4,393	-18,943	-16,087
Amortisation/depreciation and impairment, tangible and intangible fixed assets[1]	-74	-68	-280	-256
Depreciation and impairment, right-of-use assets	-243	-195	-895	-767
Acquisition-related items[2]	-55	-32	-192	-43
Operating profit (EBIT)	**618**	**693**	**2,416**	**2,245**
Net financial items[3]	-57	-18	-172	-51
Interest cost of leasing[4]	-19	-12	-68	-44
Other financial items[5]	5	3	4	7
Total net financial items	**-72**	**-27**	**-236**	**-89**
Profit before tax	**546**	**666**	**2,179**	**2,156**
Income tax	-129	-164	-513	-505
PROFIT FOR THE PERIOD	**417**	**502**	**1,667**	**1,652**
Attributable to:				
Parent Company shareholders	417	501	1,667	1,651
Non-controlling interests	0	1	0	1
Earnings per share attributable to Parent Company shareholders, SEK	1.16	1.40	4.65	4.61
Average number of shares outstanding	359,141,452	358,619,404	358,881,667	358,269,726
Dividend per share, SEK			2.95	2.70

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 24 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.

Consolidated statement of comprehensive income

SEK M	Oct–Dec 2023	Oct–Dec 2022	Full-year 2023	Full-year 2022
Profit for the period	417	502	1,667	1,652
Items that will not be reversed in the income statement				
Revaluation of defined benefit pensions, net after tax[1, 2]	-29	39	-29	39
Items that may subsequently be reversed in the income statement				
Translation differences, net after tax	-285	191	-72	447
COMPREHENSIVE INCOME FOR THE PERIOD	**103**	**733**	**1,566**	**2,138**
Attributable to:				
Parent Company shareholders	103	731	1,566	2,136
Non-controlling interests	0	1	0	2
1) Tax on revaluation of defined benefit pensions	*9*	*-14*	*9*	*-14*

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

Consolidated cash flow statement

SEK M	Oct–Dec 2023	Oct–Dec 2022	Full-year 2023	Full-year 2022
Profit before tax	546	666	2,179	2,156
Amortisation/depreciation and impairment	364	287	1,354	1,116
Other non-cash items	68	54	233	111
Cash flow from operating activities before changes in working capital, tax paid, interest paid and received	**978**	**1,008**	**3,766**	**3,384**
Interest cost leasing	-19	-12	-68	-44
Net interest paid	-52	-12	-144	-25
Tax paid	-38	89	-525	-389
Changes in working capital	890	600	-526	-412
Cash flow from operating activities	**1,760**	**1,674**	**2,504**	**2,515**
Acquisition and divestment of subsidiaries and operations	-279	-208	-1,686	-610
Purchase and disposal of intangible and tangible assets	-108	-106	-358	-302
Other investing activities	6	3	2	5
Cash flow from investing activities	**-382**	**-311**	**-2,042**	**-907**
Borrowings and repayment of borrowings	-1,086	-814	1,654	-22
Principal elements of lease payments	-235	-198	-889	-790
Dividends paid	–	–	-968	-876
Cash flow from financing activities	**-1,321**	**-1,013**	**-203**	**-1,688**
CASH FLOW FOR THE PERIOD	**57**	**350**	**259**	**-80**

Consolidated balance sheet

SEK M	31 Dec 2023	31 Dec 2022
Goodwill	10,465	9,198
Other intangible assets	754	273
Property, plant and equipment	709	589
Right-of-use assets	2,522	2,438
Financial assets	285	319
Current assets excl. cash and cash equivalents	9,674	8,249
Cash and cash equivalents incl. short-term investments	1,103	850
TOTAL ASSETS	**25,512**	**21,916**
Equity attributable to Parent Company shareholders	10,590	9,939
Non-controlling interests	5	4
Total equity	**10,595**	**9,943**
Non-current lease liabilities	1,770	1,740
Non-current interest-bearing debt	2,628	1,410
Other non-current liabilities	932	779
Current lease liabilities	805	773
Current interest-bearing debt	1,437	516
Other current liabilities	7,345	6,756
TOTAL EQUITY AND LIABILITIES	**25,512**	**21,916**
Contingent liabilities	1,256	1,211

Consolidated statement of changes in equity

SEK M	Jan–Dec 2023 Equity attributable to Parent Company shareholders	Jan–Dec 2023 Non-controlling interests	Jan–Dec 2023 Total equity	Jan–Dec 2022 Equity attributable to Parent Company shareholders	Jan–Dec 2022 Non-controlling interests	Jan–Dec 2022 Total equity
Equity, opening balance	9,939	4	9,943	8,594	10	8,604
Comprehensive income for the period	1,566	0	1,566	2,136	2	2,138
Share bonus scheme	50	–	50	78	–	78
Share savings schemes	6	–	6	6	–	6
Changes in non-controlling interests	-2	1	-1	–	-3	-3
Transfer to shareholders	-968	0	-968	-876	-4	-880
EQUITY, CLOSING BALANCE	**10,590**	**5**	**10,595**	**9,939**	**4**	**9,943**

Acquisitions

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

Company	Included from	Business area	Acquired share, %	Annual net sales in SEK M[1]	Number of employees (individuals)
VAN AKEN concepts, Architecture & Engineering B.V.	January	Netherlands	100	78	48
Pro-Consult	February	Norway	100	66	35
VK architects+engineers Group	March	Belgium[2]	100	888	520[3]
Metria, asset deal	May	Sweden		139	102
Ball & Berry Limited	May	UK	100	46	42
Arkkitehtitoimisto Neva Oy	May	Finland	100	36	25
DS-Engineering, asset deal	June	Belgium		12	8
FPC Risk Group	July	Belgium	100	44	23
Medins Havs och Vattenkonsulter AB	September	Sweden	100	37	35
OJ Rådgivende Ingeniører Group	October	Denmark	100	433	325
TOTAL				**1,778**	**1,163**

1) Estimated annual net sales.
2) Part of VK Group was consolidated into Sweco Netherlands, representing about 14 per cent of net sales.
3) The number of employees in the table excludes self-employed. Including self-employed, VK Group has some 600 experts.

During the period, the acquired companies contributed SEK 1,092 million in net sales, SEK 122 million in EBITA and SEK 20 million in operating profit (EBIT). If the companies had been owned as of 1 January 2023, they would have contributed approximately SEK 1,770 million in net sales, about SEK 190 million in EBITA and about SEK 21 million in operating profit (EBIT). The transaction costs for the acquisitions during this period and the previous period totalled SEK 42 million.

Of the considerations paid, SEK 97 million is classified in accordance with IFRS as the cost for future service of staff. The cost for future service is thus accounted for as a prepaid asset and will be expensed over the coming three years on the line Acquisition-related items. Since the amount is prepaid, it impacts the operating cash flow on the line Changes in working capital. The purchase consideration, excluding cost for future service, totalled SEK 1,843 million and had a negative impact on cash and cash equivalents of SEK 1,686 million. The acquisition analyses during the period are preliminary. The acquisitions impacted the consolidated balance sheet as detailed in the table below.

Acquisitions, SEK M	
Intangible assets	2,025
Property, plant and equipment	48
Right-of-use assets	168
Financial assets	18
Current assets	886
Non-current lease liabilities	-111
Other non-current liabilities	-504
Deferred tax	-193
Current lease liabilities	-52
Other current liabilities	-443
Non-controlling interest	0
Total purchase consideration	**1,843**
Purchase price outstanding	-16
Payment of deferred purchase price	20
Cash and cash equivalents in acquired companies	-161
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	**1,686**

Acquisition-related items

SEK M	Oct–Dec 2023	Oct–Dec 2022	Full-year 2023	Full-year 2022
Amortisation of acquisition-related intangible assets	-47	-24	-178	-94
Revaluation of additional purchase price	0	–	0	11
Profit/loss on divestment of companies and operations	–	-8	1	58
Cost for received future service	-9	–	-15	-17
ACQUISITION-RELATED ITEMS	**-55**	**-32**	**-192**	**-43**

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 2022 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 31 December 2023, forward contracts with a positive market value amounted to SEK 1 million compared with SEK 0 million as per 31 December 2022 and forward contracts with a negative market value amounted to SEK 1 million compared with SEK 3 million as per 31 December 2022. 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 31 December 2023 compared with SEK 11 million as per 31 December 2022, and financial liabilities for contingent considerations amounted to SEK 10 million compared with SEK 0 million as per 31 December 2022. 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

	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net sales, SEK M									
Sweco Sweden	2,359	1,691	2,177	2,178	2,201	1,549	2,067	1,968	2,035
Sweco Norway	903	745	840	994	933	712	778	822	719
Sweco Finland	960	808	969	904	930	680	812	788	802
Sweco Denmark	825	636	683	674	642	517	527	531	512
Sweco Netherlands	726	686	701	686	627	528	552	567	554
Sweco Belgium	997	900	980	788	577	549	587	597	504
Sweco UK	321	398	375	386	355	365	347	344	295
Sweco Germany & Central Europe	727	631	607	577	553	532	505	509	568
Group-wide, Eliminations, etc.[1]	-102	-78	-81	-49	-87	-59	-59	-50	-70
TOTAL NET SALES	**7,717**	**6,417**	**7,249**	**7,140**	**6,732**	**5,372**	**6,116**	**6,077**	**5,920**
EBITA, SEK M[2]									
Sweco Sweden	315	106	221	309	318	97	245	255	269
Sweco Norway	48	20	41	150	77	33	38	116	58
Sweco Finland	48	45	74	77	109	46	67	75	89
Sweco Denmark	90	93	66	100	101	68	33	61	55
Sweco Netherlands	75	61	48	74	60	40	34	49	54
Sweco Belgium	111	97	134	117	61	65	68	78	50
Sweco UK	-73	-6	-3	27	11	33	12	15	7
Sweco Germany & Central Europe	71	54	16	19	21	12	14	17	30
Group-wide, Eliminations, etc.[1]	-31	-6	-34	-23	-48	-12	-25	-17	-26
EBITA	**654**	**465**	**564**	**849**	**709**	**382**	**486**	**648**	**585**
EBITA margin, %[2]									
Sweco Sweden	13.4	6.3	10.2	14.2	14.4	6.3	11.9	12.9	13.2
Sweco Norway	5.3	2.7	4.8	15.1	8.3	4.6	4.8	14.1	8.1
Sweco Finland	5.0	5.5	7.6	8.5	11.7	6.7	8.3	9.5	11.1
Sweco Denmark	10.9	14.7	9.7	14.9	15.7	13.2	6.3	11.4	10.7
Sweco Netherlands	10.3	9.0	6.9	10.7	9.6	7.5	6.1	8.7	9.8
Sweco Belgium	11.1	10.8	13.7	14.8	10.6	11.9	11.5	13.0	9.8
Sweco UK	-22.6	-1.6	-0.7	6.9	3.1	9.0	3.5	4.3	2.3
Sweco Germany & Central Europe	9.8	8.5	2.6	3.2	3.7	2.3	2.8	3.4	5.3
EBITA margin	**8.5**	**7.2**	**7.8**	**11.9**	**10.5**	**7.1**	**7.9**	**10.7**	**9.9**
Billing ratio, %	73.3	72.5	74.2	73.2	74.4	73.0	74.3	73.6	74.1
Number of normal working hours	487	508	462	504	490	516	468	497	496
Number of full-time employees	20,874	20,062	20,310	19,416	19,265	18,464	18,626	18,263	18,058

1) Group-wide, Eliminations, etc. includes Group functions, the Dutch real estate operations and Twinfinity AB.
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.

Period review per business area

January–December	Net sales, SEK M		EBITA, SEK M[2]		EBITA margin, %[2]		Number of full-time employees	
Business Area[1]	2023	2022	2023	2022	2023	2022	2023	2022
Sweco Sweden	8,405	7,785	952	915	11.3	11.8	6,380	5,978
Sweco Norway	3,483	3,245	259	263	7.4	8.1	2,071	1,918
Sweco Finland	3,641	3,210	243	297	6.7	9.2	2,915	2,851
Sweco Denmark	2,818	2,218	350	263	12.4	11.9	1,591	1,396
Sweco Netherlands	2,799	2,274	258	183	9.2	8.0	1,572	1,414
Sweco Belgium	3,665	2,310	459	272	12.5	11.8	1,995	1,534
Sweco UK	1,480	1,411	-55	71	-3.7	5.0	1,232	1,181
Sweco Germany & Central Europe	2,542	2,099	160	65	6.3	3.1	2,322	2,321
Group-wide, Eliminations, etc.[3]	-311	-255	-94	-102	–	–	78	59
TOTAL GROUP	**28,523**	**24,296**	**2,531**	**2,225**	**8.9**	**9.2**	**20,157**	**18,651**

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, the Dutch real estate operations and Twinfinity AB.

Net sales growth

The table below shows the calculation of organic growth excluding calendar effects 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 effects and items affecting comparability.

	Oct–Dec 2023	Oct–Dec 2022	Growth, % Oct–Dec 2023	Jan–Dec 2023	Jan–Dec 2022	Growth, % Jan–Dec 2023
Reported net sales	7,717	6,732	15	28,523	24,296	17
Adjustment for currency effects		132	2		903	4
Net sales, currency-adjusted	**7,717**	**6,864**	**13**	**28,523**	**25,199**	**14**
Adjustment for acquisitions/divestments	-481	-2	7	-1,418	-30	6
Comparable net sales, currency-adjusted	**7,235**	**6,862**	**6**	**27,104**	**25,169**	**8**
Adjustment of calendar effect	25		0	90		0
Comparable net sales, adjusted for currency and calendar effects	**7,261**	**6,862**	**6**	**27,194**	**25,169**	**8**

	Oct–Dec 2022	Oct–Dec 2021	Growth, % Oct–Dec 2022	Jan–Dec 2022	Jan–Dec 2021	Growth, % Jan–Dec 2022
Reported net sales	6,732	5,920	14	24,296	21,792	11
Adjustment for currency effects		268	5		722	3
Net sales, currency-adjusted	**6,732**	**6,188**	**9**	**24,296**	**22,514**	**8**
Adjustment for acquisitions/divestments	-141	-17	2	-490	-39	2
Comparable net sales, currency-adjusted	**6,590**	**6,171**	**7**	**23,807**	**22,476**	**6**
Adjustment of calendar effect	54		-1	6		0
Comparable net sales, adjusted for currency and calendar effects	**6,645**	**6,171**	**8**	**23,812**	**22,476**	**6**
Adjustment of items affecting comparability					16	0
Comparable net sales, adjusted for currency, calendar effects and items affecting comparability	**6,645**	**6,171**	**8**	**23,812**	**22,492**	**6**

Net debt

SEK M	31 Dec 2023	31 Dec 2022
Non-current interest-bearing debt	2,628	1,410
Current interest-bearing debt	1,437	516
Cash and cash equivalents incl. short-term investments	-1,103	-850
NET DEBT[1]	**2,961**	**1,075**

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	Full-year 2023	Full-year 2022
Net sales	1,166	1,061
Operating expenses	-1,243	-1,145
Operating loss	**-77**	**-84**
Net financial items	734	1,135
Profit/loss after net financial items	**656**	**1,051**
Appropriations	59	-189
Profit/loss before tax	**715**	**862**
Tax	-77	-115
PROFIT/LOSS AFTER TAX	**638**	**748**

Parent Company balance sheet

SEK M	31 Dec 2023	31 Dec 2022
Intangible assets	10	15
Property, plant and equipment	97	59
Financial assets	6,535	6,578
Current assets	3,380	3,236
TOTAL ASSETS	**10,022**	**9,889**
Equity	4,363	4,639
Untaxed reserves	895	954
Non-current liabilities	978	1,204
Current liabilities	3,786	3,092
TOTAL EQUITY AND LIABILITIES	**10,022**	**9,889**