

11 February 2021

# A challenging end to a strong year

## October–December 2020

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- Net sales decreased to SEK 5,142 million (5,692)
- EBITA, excl. items affecting comparability, decreased to SEK 514 million (532), margin 9.5 per cent (9.4)
- EBITA decreased to SEK 224 million (532), margin 4.4 per cent (9.4)
- EBIT decreased to SEK 248 million (596), margin 4.8 per cent (10.5)
- Profit after tax decreased to SEK 235 million (472), corresponding to SEK 0.66 per share (1.34)

## January–December 2020

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- Net sales increased to SEK 20,858 million (20,629)
- EBITA, excl. items affecting comparability, increased to SEK 2,056 million (1,869), margin 9.7 per cent (9.1)
- EBITA decreased to SEK 1,766 million (1,869), margin 8.5 per cent (9.1)
- EBIT decreased to SEK 1,706 million (1,892), margin 8.2 per cent (9.2)
- Profit after tax decreased to SEK 1,293 million (1,393), corresponding to SEK 3.64 per share (3.95)
- Net debt decreased to SEK 943 million (2,114)
- Net debt/EBITDA decreased to 0.5x (1.0)
- The Board of Directors proposes a dividend distribution of SEK 2.20 per share (2.07)

# CEO comment

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## A challenging quarter ends a strong year

I am proud that we continued to grow our business and improve profitability in seven of our eight markets during such a challenging year. I am pleased that our two largest Business Areas, Sweden and Finland, outperformed the group profitability target and show EBITA margins well above 12 per cent. We end the year with a quarter impacted by the second wave of Covid-19 and a significant write-down in Germany. Demand and orders received remained stable and we see that the trends that drive our business – urbanisation, digitalisation and sustainability – will remain important drivers in society going forward.

## Market uncertainty affects growth – profitability and cash-flow remains stable

Organic growth in the quarter was -5 per cent, adjusted for calendar effects and the write-down. Parts of the industry, and the private building and real estate segments continued to be impacted by Covid-19 during the fourth quarter, with an additional negative effect from lockdowns and other restrictions. The impact has been most visible in the UK.

We had strong, double-digit EBITA margins in Finland, Sweden and Belgium in the quarter and five of our eight Business Areas strengthened their operating margin compared with 2019. EBITA decreased 3 per cent to SEK 514 million (532), adjusted for the write-down in Germany. The negative impact from lower billing ratios and weak operating performances in Germany and the UK was only partly outweighed by cost reductions.

Net sales growth for the full year was -1 per cent (5), excluding the write-down in Germany and calendar effects. The full-year EBITA margin, excluding the write-down in Germany, improved to 9.7 per cent (9.1).

The order book remains stable. We have a strong financial position with stable cash flow and low net debt, giving us flexibility and allowing us to leverage opportunities.

## Write-down in Germany

As previously communicated, the extensive review of the German project portfolio was completed at the end of 2020 and a decision was made to conduct a write-down of SEK 290 million.

Sweco Germany now has full focus on implementing the Sweco model, including strict project governance and execution. With a new leadership, we have taken signifi-

cant actions and I am positive about the long-term outlook for our German operations. This will be a change journey that will take time.

## Acquisitions – an important part of our growth strategy

There was significant acquisition activity during 2020. In total, we completed ten acquisitions that strengthened our offerings and market positions. In January 2021, we announced two acquisitions, one of them strengthening our position in sustainable building design and architecture in Finland and the other in climate adaptation, urban planning and landscape architecture in the Belgian market.

## Continued focus on profitable growth

We have a clear strategic focus on organic and acquired growth as well as on establishing market leading positions in all our Business Areas. By continuing to implement the Sweco model, we will achieve higher efficiency and continued profitable growth. We have a broad geographical footprint and a diversified offering, which creates stability. We will continue to work closely with our clients and to stay relevant, and maintain high efficiency in our projects. We will continue to monitor the development of Covid-19 closely to take advantage of opportunities, but also to be prepared to take necessary action.

With a strong financial position and a stable full-year result, the Board proposes a dividend of SEK 2.20 per share.

I would also like to take the opportunity to thank all clients, partners and employees for everything that we have achieved together during 2020.



A handwritten signature in black ink, appearing to read 'Åsa Bergman'.

**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>20.9 bn</b> Net sales R12	SEK <b>1.8 bn</b> EBITA R12	<b>8.5%</b> EBITA margin R12

# Group performance

EBITA in the quarter decreased approximately 14 per cent or SEK 73 million year-on-year after adjustment for calendar effects and the write-down in Germany. Organic growth amounted to approximately -5 per cent after the same adjustments. Acquired growth amounted to 3 per cent.

## October–December

During the quarter, the review of the German project portfolio was concluded and, as announced on 21 December 2020, this review has resulted in a write-down of trade working capital of SEK 290 million. This write-down had a negative impact on net sales and EBITA of the same amount.

Net sales decreased 10 per cent to SEK 5,142 million (5,692). Organic growth amounted to approximately -10 per cent after adjustment for calendar effects. Excluding the effect of the German write-down, organic growth amounted to -5 per cent after adjustment for calendar effects. Acquired growth amounted to 3 per cent and currency effects impacted growth with -3 per cent.

Organic growth was heavily impacted by the write-down in Germany. Leaving the effects of the write-down aside, organic growth was impacted negatively mainly by lower average fees and lower subconsultant revenue.

EBITA decreased to SEK 224 million (532). The EBITA margin decreased to 4.4 per cent (9.4).

The write-down of working capital of SEK 290 million in the German operations is included in Items affecting comparability in the Business Area Sweco Germany & Central Europe.

EBITA excluding items affecting comparability (IAC) totalled SEK 514 million (532) and the EBITA margin excluding IAC amounted to 9.5 per cent (9.4).

EBITA excluding IAC declined by approximately 14 per cent or SEK 73 million

year-on-year after adjustment for calendar effects. EBITA was impacted by lower average fees and lower billing ratio. Lower operating expenses and the contribution from acquisitions contributed positively. Cost savings, mainly related to Covid-19, had a positive impact on EBITA of approximately SEK 90 million.

At the end of the period, around 70 employees remained on temporary lay-off. The majority of these were in the UK and in Finland.

The quarter had 6 more working hours compared with the same period last year. This corresponded to a positive year-on-year impact of approximately SEK 55 million on net sales and EBITA. The net positive calendar effect was entirely in December and only partly materialised, due to

KPIs	Oct–Dec 2020	Oct–Dec 2019	Full-year 2020	Full-year 2019
Net sales, SEK M	5,142	5,692	20,858	20,629
Organic growth, %	-9	5	-1	5
Acquisition-related growth, %	3	5	4	3
Currency, %	-3	2	-2	2
Total growth, %	-10	11	1	10
Organic growth adj. for calendar, %	-10	5	-2	5
Organic growth adj. for calendar & IAC, %	-5	5	-1	5
EBITA excl. IAC, SEK M <sup>1</sup>	514	532	2,056	1,869
Margin, %	9.5	9.4	9.7	9.1
EBITA, SEK M <sup>1</sup>	224	532	1,766	1,869
Margin, %	4.4	9.4	8.5	9.1
Profit after tax, SEK M	235	472	1,293	1,393
Earnings per share, SEK <sup>2</sup>	0.66	1.34	3.64	3.95
Number of full-time employees	17,470	17,084	17,328	16,412
Billing ratio, %	74.1	74.6	74.3	74.3
Normal working hours	491	485	1,974	1,962
Net debt/EBITDA, x <sup>3</sup>			0.5	1.0

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. IAC stands for Items affecting comparability, see definition on page 18. The whole write-down of SEK 290 million is reported as IAC in the full year 2020 since a split of the amount over the current and previous years is not possible to make.

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 27.

more vacation taken during the holiday period.

The billing ratio decreased to 74.1 per cent (74.6).

Total net financial items improved to SEK -21 million (-26) primarily due to a lower interest cost for leasing and capital gains from sales of associated companies. Income tax declined to SEK 9 million (-97) due to an increase in deferred tax assets related to the write-down in Germany.

Earnings per share decreased to SEK 0.66 (1.34). Last year, EPS were impacted positively by SEK 90 million due to divestments. EPS for the fourth quarter last year amounted to SEK 1.08 excluding the impact from divestments.

## January–December

Organic growth amounted to approximately -2 per cent after adjustment for calendar effects. Acquired growth amounted to 4 per cent. Currency effects were -2 per cent. In total, net sales increased 1 per cent to SEK 20,858 million (20,629). Excluding the write-down in Germany, organic growth amounted to approximately -1 per cent after adjustment for calendar effects.

Apart from the write-down in Germany, organic growth was mainly driven by an increased number of employees, while lower revenue from subconsultants and lower average fees had a negative impact.

EBITA decreased to SEK 1,766 million (1,869) and the EBITA margin decreased to 8.5 per cent (9.1).

Items affecting comparability encompassed the write-down of working capital of SEK 290 million in the German operations and are reported in Business Area Sweco Germany & Central Europe.

EBITA excluding items affecting comparability increased to SEK 2,056 million (1,869) and the EBITA margin

## Net sales by quarter and rolling 12 months



## EBITA by quarter and rolling 12 months



excluding items affecting comparability increased to 9.7 per cent (9.1).

EBITA excluding items affecting comparability improved approximately 5 per cent or SEK 85 million year-on-year after adjustment for calendar effects. The EBITA improvement was attributable to Finland, Sweden, Belgium, the Netherlands and the UK. Overall for the Group, lower operating expenses, contributions from acquisitions and an increased number of employees were the main improvement drivers, while lower average fees impacted negatively.

The calendar effect of 12 more hours corresponded to a positive year-on-year impact of approximately SEK 102 million on net sales and EBITA.

The billing ratio was stable at 74.3 per cent (74.3).

Total net financial items improved to SEK -98 million (-115) primarily due to a lower interest cost for leasing and capital gains from sales of associated companies.

Earnings per share decreased to SEK 3.64 (3.95). Last year, EPS were impacted positively by SEK 90 million due to divestments. EPS for 2019 amounted to SEK 3.70 excluding the impact from divestments.

## Employees

The number of full-time employees amounted to 17,328 (16,412) in the period.

## Market

Overall, the underlying market for Sweco's services was somewhat weaker in the fourth 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 significant 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. A negative medium-term impact on demand can therefore be expected from the economic effects of Covid-19. However, this impact will most likely be partly mitigated by increased public spending.

Sweco does not provide forecasts.

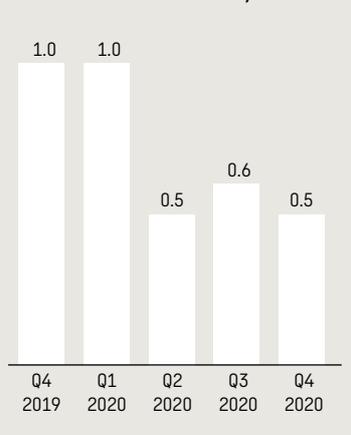
## Events during the quarter

On 22 October, an extraordinary general meeting was held. The Extraordinary General Meeting resolved, in accordance with the proposal of the Board of Directors, to distribute an extraordinary dividend of SEK 3.10 per share to the shareholders and to authorise a split of the company's shares. One existing share of the company will be divided into 3 shares of the same class of shares (3:1 share split), and a connected amendment of the articles of association was decided upon. The share split was conducted in November 2020.

On 29 October, the extraordinary dividend of SEK 367 million was distributed to Sweco AB's shareholders.

On 30 October, Sweco completed the acquisition of the Norwegian architect

## Net debt/EBITDA, x



company TAG Arkitekter. TAG Arkitekter, with its 97 employees, is mainly active within the real estate and landscape architecture segments. The company has offices in Oslo, Bergen and Trondheim and net sales amounted to NOK 113 million in 2019.

On 1 November, there was a change of leadership in Sweco Germany and Karsten Gruber, Division Manager Civil Engineering Structures, took on the position as acting Business Area President Sweco Germany and Central Europe and joined the Executive Team for Sweco Group.

On 21 December, Sweco announced that the review of the German project portfolio, which was initiated during the third quarter, would result in a write-down of trade working capital of SEK 290 million. Sweco Germany has full focus on taking necessary actions to ensure strict project governance and project accounting standards going forward in order to ensure profitable growth. Accelerating the implementation of the Sweco Model is a key priority.

## Events after the quarter

On 12 January, Sweco announced the acquisition of the Finnish engineering and architecture consultancy Optiplan with approximately 150 employees.

The acquisition was completed on 29 December 2020. The acquisition strengthens Sweco's expertise in the

area of designing sustainable and energy efficient residential and non-residential buildings. The revenue of Optiplan during 2019 was EUR 13 million.

On 19 January, Sweco announced the acquisition of BUUR in Belgium. BUUR has a strong reputation in the Belgian market with expertise focusing on urban planning, landscape architecture, infrastructure design and mobility studies. BUUR has over 60 employees and a full year revenue of approximately EUR 4.5 million.

## Cash flow and financial position

Group cash flow from operating activities totalled SEK 3,249 million (2,299) for the full year. Net debt decreased significantly to SEK 943 million (2,114), primarily as a result of the increased operating cash flow.

The Net debt/EBITDA ratio was 0.5x (1.0).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 3,898 million (2,699) at the end of the quarter.

Purchase considerations paid to acquire companies and operations totalled SEK 588 million (713) and had an impact of SEK -535 million (-672) on the Group's cash and cash equivalents. No divestments were made during the period. Last year, divestments of companies and operations generated considerations of SEK 156 million and had an impact of SEK -97 million on the Group's cash and cash equivalents.

No repurchases of Sweco shares were made during the period. Last year, repurchases of Sweco shares totalled SEK 2 million and had the same effect on the Group's cash and cash equivalents.

Dividends totalling SEK 732 million (644) were distributed to Sweco AB's shareholders during the period.

## Investments, January–December 2020

Investments in equipment totalled SEK 187 million (226) and were primarily attributable to IT investments. Depreciation of equipment amounted to SEK 226 million (241) and amortisation of intangible assets totalled SEK 136 million (149).

### Examples of new projects

Sweco Belgium is contracted to support Eval Europe (Kuraray Group) with detailed engineering for a new compounding installation. The project will increase the production capacity and flexibility of the existing production lines and will support reducing the use of materials as well as a reduction in emissions from traffic. The contract value is SEK 10 million.

Sweco Belgium has also won the assignment to redevelop a large industrial site with brownfield liability into a sustainable economic hub, with added economic and ecological value for the city of Charleroi and its inhabitants. The contract value is SEK 1 million.

Sweco Denmark has been selected for a four-year framework agreement for consultancy of Boliggården, including maintaining, renovating and building new public housing in and around Helsingør municipality. The project provides services within architecture, design and building, landscaping, sustainability and user involvement. The contract value is SEK 81 million.

Sweco Denmark has also been assigned to provide architectural services in a project covering nearly 30,000 m<sup>2</sup>, which has been gold-pre-certified within the sustainability standard DGNB. The client is Green-square Garden in Copenhagen.

Sweco is a design partner in all ongoing tramline project alliances

in Finland. During the fourth quarter, Sweco was assigned to deliver design services for two larger tramway projects supporting cities in meeting their carbon neutrality 2030 goals. Sweco has been contracted to provide planning services connected to the western 9-kilometre section of Vantaa tramway from Tikkurila to Helsinki Airport as well as the second phase of Tampere Tramway with a total length of 24 kilometres.

In the Czech Republic, Sweco has been assigned by the Prague Water Company to provide services connected to the flood control measures of the sewage system to a total sum of SEK 7 million.

Sweco has been assigned by the Vilnius municipality, Lithuania, to select and design the most optimal infrastructure engineering solutions including clover-type openings, roundabouts, underground pedestrian crossings, pedestrian viaducts and public transport stops. A total contract value of SEK 3 million.

Another newly won contract includes supporting the Lithuanian Inland Waterways Authority (a state enterprise) to find solutions to reduce river channel sediment build-up and increase natural erosion of the navigation channel, as a means of reconstructing existing and building new spur-dikes. A total contract value of SEK 4 million.

In the Netherlands, Sweco has been assigned by chemical company Chemours to assist with the design of a new waste treatment plant and the tendering process for the realisation. The new treatment plant will reduce the proportion of potentially harmful substances released towards the sewage treatment plant of the Hollandsche Delta Water Board by more than 99 percent. A total contract value of SEK 10 million.

Sweco Sweden has won the contract to support Sustainable Development Capital LLP (SDCL) in identifying risks and opportunities associated with the asset, in order to arrive at a valuation with the aim of submitting a bid for the Stockholm gas grid.

Sweco Sweden has also been commissioned by the Swedish Transport Administration to produce a railway plan and system document, including permit management for the section between Uppsala Central and Söder Bergsbrunna.

In Gothenburg, Sweco Sweden won an assignment to create a green and vibrant urban environment in Västra Masthuggskajen. The project will weave together existing buildings with new homes and workplaces along the area by Södra Älvstranden. The client is Swedish Transport Administration and the contract value is SEK 20 million.

Sweco UK, as part of the Triskelion consortium, has been awarded Lot 2 of the framework to provide infrastructure consultancy services to Scotland's local authorities and other public sector bodies. Sweco's estimated fee for the duration of the framework is SEK 56 million.

Sweco UK has been assigned to help establish the UK as a global leader in digital creative media through the design and delivery of a one million square foot state-of-the-art creative media complex, which will house film and television studios, workshops and offices. Sweco is involved in the overall project planning, providing civil and structural engineering expertise and working alongside our partners. The client is Shinfield Studios.

Sweco creates a green and vibrant urban environment weaving together existing buildings with new homes and workplaces along the area by Södra Älvstranden, Sweden.



Sweco is assigned to work with renewal of waste-to-energy plant in Schwandorf, Germany.

# 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 14 markets. We have 8 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

Positive EBITA margin development in Sweden, despite negative organic growth in the quarter. The market remains relatively good, but there was negative impact from Covid-19 in some segments.

## Sales and profit, October–December

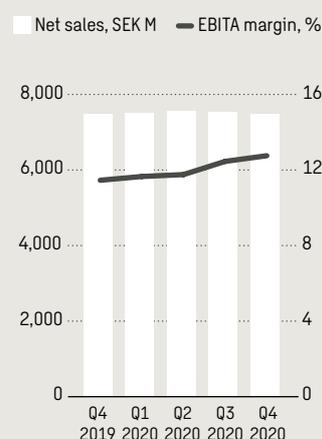
Net sales decreased to SEK 1,992 million (2,054). Organic growth was -4 per cent adjusted for calendar effects. Organic growth was mainly impacted by lower average fees, a lower number of employees and a lower billing ratio. There were 8 more working hours in the quarter compared to last year, which contributed positively to net sales and EBITA with approximately SEK 26 million.

EBITA decreased approximately 5 per cent, corresponding to SEK 14 million after adjusting for calendar effects. The EBITA margin increased to 14.2 per cent (13.2). The EBITA development was impacted positively by lower operating expenses, while lower billing ratio and lower average fees had a negative impact.

The Swedish market remained relatively good during the fourth quarter but there were variations between the different segments. Demand for infrastructure services was good, backed by major public investments. The markets for industrial investments, water and environmental services were also good. The real estate market was divided, with good demand within public buildings, whereas demand related to residential construction remained weak with the exception of larger cities where the situation was somewhat better. The market for power transmission services was strong while demand in energy generation remained challenging.

During the fourth quarter, the overall impact of the Covid-19 pandemic on the business was limited as ongoing projects continued. However, caution prevailed in the quarter with regard to starting new projects within the

## Net sales & EBITA margin, rolling 12 months



private building and real estate market. The negative effect on projects for the automotive industry remained. During the quarter, the project export business was also negatively impacted by the pandemic.

## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	1,992	2,054	7,481	7,482
Organic growth, %	-3	2	0	4
Acquisition-related growth, %	0	0	0	0
Currency, %	0	0	0	0
Total growth, %	-3	3	0	3
Organic growth adj. for calendar, %	-4	4	-1	4
EBITA, SEK M	282	271	954	858
EBITA margin, %	14.2	13.2	12.8	11.5
Number of full-time employees	5,877	6,011	5,828	5,870

# Sweco Norway

EBITA was impacted by project adjustments, outweighing the positive effects of FTE growth. Negative organic growth and a significant negative FX effect. The market weakened, due to heavy Covid-19 restrictions from November onwards impacting projects in the commercial building sector.

## Sales and profit, October–December

Net sales declined 10 per cent to SEK 620 million (692) mainly due to a weaker Norwegian krona. Organically, net sales decreased 4 per cent. The negative organic growth was mainly driven by lower revenue from subconsultants and higher negative project adjustments, while increased number of employees impacted positively. The acquisition of TAG Arkitekter contributed growth of 3 per cent. There was no year-on-year difference in the number of available working hours.

EBITA decreased SEK 21 million, corresponding to 33 per cent, to SEK 44 million (65) and the EBITA margin declined to 7.1 per cent (9.4). EBITA was impacted negatively by

higher negative project adjustments, lower billing ratio and a weaker Norwegian krona, whereas higher number of employees contributed positively.

Overall, the Norwegian market was weakening during the fourth quarter due to the heavy Covid-19 restrictions implemented in November 2020. The commercial building sector has been affected by postponement or cancellation of new projects. The infrastructure and energy markets were stable, but were not yet showing signs of compensating for the weaker building market.

On October 30, Sweco completed the acquisition of the Norwegian architect company TAG Arkitekter with 97 employees.

## Net sales & EBITA margin, rolling 12 months



## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	620	692	2,414	2,606
Organic growth, %	-4	6	1	8
Acquisition-related growth, %	3	0	1	0
Currency, %	-10	-1	-9	1
Total growth, %	-10	5	-7	9
Organic growth adj. for calendar, %	-4	6	0	8
EBITA, SEK M	44	65	209	216
EBITA margin, %	7.1	9.4	8.6	8.3
Number of full-time employees	1,723	1,605	1,660	1,563

# Sweco Finland

Finland continues to increase EBITA, and returned to positive organic growth in the quarter. The main improvement drivers were lower operating expenses and the contribution from acquisitions, which also drove top-line growth. The market remains relatively good.

## Sales and profit, October–December

Net sales increased to SEK 729 million (663). Organic growth was approximately 5 per cent adjusted for calendar effects. Organic growth was impacted positively by an increased number of employees and higher revenue from subconsultants. The year-on-year calendar effect of 9 more hours had a positive impact of approximately SEK 10 million on net sales and EBITA. Acquired growth contributed 7 per cent and related to the acquisition of the design operations of NRC Group, which were consolidated into Sweco Finland as of November 2019, and to Saraco which was acquired in October 2020.

EBITA increased approximately 17 per cent, corresponding to SEK 11 million adjusted for calendar effects and the EBITA margin increased to 11.7 per cent (9.6). The increase in EBITA was mainly attributable to lower operating

expenses, a higher number of employees and the contribution from acquisitions.

Overall, the Finnish market was relatively good during the fourth quarter, with slight differences between segments. Demand within the building and real estate segments was relatively good, but decline in residential construction continued. The renovation, maintenance and improvement market was stable. The market for industrial services was quite stable and the market for infrastructure-related services was good.

During the fourth quarter, the impact of Covid-19 on the construction segment was limited, with only some projects postponed or cancelled. At the end of the quarter, around 30 employees were on temporary lay-off.

On 1 October, Sweco acquired Saraco DM Ltd, a consultancy specialising in project management and property development that employs 34 pro-

## Net sales & EBITA margin, rolling 12 months



fessionals in Helsinki, Turku and Tampere, Finland.

At the end of the year, Sweco completed the acquisition of the engineering and architecture consultancy Optiplan, with approximately 150 employees.

## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	729	663	2,777	2,388
Organic growth, %	6	4	3	7
Acquisition-related growth, %	7	13	15	5
Currency, %	-3	3	-1	3
Total growth, %	10	19	16	15
Organic growth adj. for calendar, %	5	4	3	7
EBITA, SEK M	85	64	369	287
EBITA margin, %	11.7	9.6	13.3	12.0
Number of full-time employees	2,478	2,212	2,493	2,160

# Sweco Denmark

Net sales growth in Denmark was driven by the acquisition of KANT Arkitekter. EBITA improved with a higher billing ratio and higher average fees. The market was overall fairly stable, despite some negative impact from Covid-19.

## Sales and profit, October–December

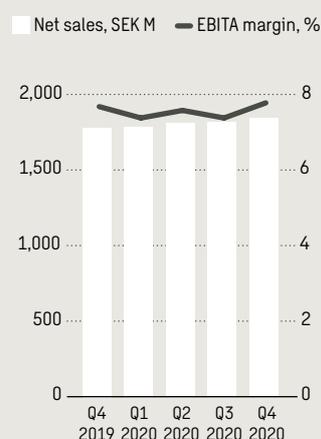
Net sales increased to SEK 500 million (477). Acquired growth contributed 7 per cent and related to the acquisition of KANT Arkitekter. Organic growth was -1 per cent, adjusted for calendar effects. Organic growth was impacted positively by higher average fees and a higher billing ratio, while lower revenue from subconsultants impacted negatively. The year-on-year calendar effect of 8 more hours had a positive impact of approximately SEK 6 million on net sales and EBITA.

EBITA increased approximately 5 per cent, corresponding to SEK 2 million adjusted for calendar effects and the EBITA margin increased to 9.9 per

cent (8.6) The earnings increase was mainly impacted by higher average fees and a higher billing ratio.

During the fourth quarter, the market in Denmark was affected by the Covid-19 pandemic with delayed and cancelled projects, but there were still several segments with satisfactory development. Demand in the water and environmental sectors remained stable, driven by climate-related services in the larger cities. The energy market remained relatively weak. The infrastructure market was fairly stable in the municipal market, whereas state investments in road infrastructure in particular remained weak. The market for building services and the residential market were relatively stable.

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



## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	500	477	1,846	1,784
Organic growth, %	1	1	-1	-2
Acquisition-related growth, %	7	0	5	4
Currency, %	-3	3	-1	3
Total growth, %	5	4	3	4
Organic growth adj. for calendar, %	-1	1	-2	-2
EBITA, SEK M	50	41	143	137
EBITA margin, %	9.9	8.6	7.8	7.7
Number of full-time employees	1,265	1,169	1,230	1,173

# Sweco Netherlands

Significant EBITA margin improvement, but negative top-line and EBITA growth, driven by fewer FTEs. The market remained relatively good, even if Covid-19 had some impact on projects within infrastructure and buildings.

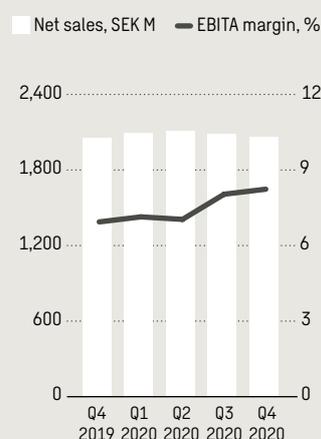
## Sales and profit, October–December

Net sales decreased to SEK 515 million (542). Organic growth adjusted for calendar effects amounted to -3 per cent and was driven by lower revenue from subconsultants and a lower number of employees. A higher billing ratio contributed positively. There was 8 more working hours in the quarter compared to last year which contributed positively with approximately SEK 6 million in net sales and EBITA.

EBITA decreased approximately 9 per cent, corresponding to SEK 4 million, after adjusting for calendar effects. Earnings were negatively impacted by one-off costs for an onerous office lease and a lower number of employees, whereas higher average fees and a higher billing ratio contributed positively. The EBITA margin improved to 8.1 per cent (7.2).

At the end of the fourth quarter 2020, although the Netherlands went into a lockdown due to Covid-19, the Dutch market was relatively good during the fourth quarter, with slight differences between segments. Demand within the residential building remained high due to the continued shortage of residential homes. Both the buildings/residential homes and the infrastructure market have delays in some projects coming to the market due to Covid-19. The market for industrial services is diversified, in the sense that the food sector is stable but the chemical sector remains under pressure. Within the energy market there is a substantial demand to increase the infrastructure to facilitate green energy like solar- and windfarms.

## Net sales & EBITA margin, rolling 12 months



## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	515	542	2,066	2,055
Organic growth, %	-1	1	1	4
Acquisition-related growth, %	0	0	0	0
Currency, %	-3	3	-1	3
Total growth, %	-5	4	1	7
Organic growth adj. for calendar, %	-3	1	1	3
EBITA, SEK M	42	39	172	143
EBITA margin, %	8.1	7.2	8.3	7.0
Number of full-time employees	1,378	1,403	1,390	1,403

# Sweco Belgium

Significant net sales growth from acquisitions, combined with EBITA growth. FTE growth slowed down in the quarter and acquisitions and higher average fees drove EBITA. Mixed picture in the market with some strong segments and others that are more impacted.

## Sales and profit, October–December

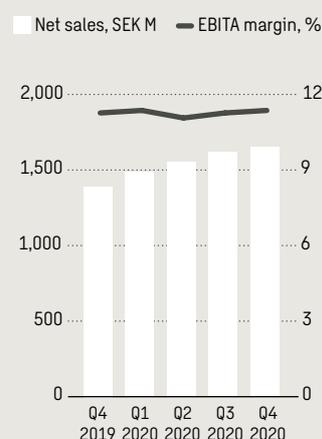
Net sales increased to SEK 414 million (381), and organic growth was approximately -1 per cent adjusted for calendar effects. Organic growth was impacted negatively mainly by lower revenue from subconsultants. Recent acquisitions contributed 14 per cent to growth. The year-on-year calendar effect of 8 less hours had a negative impact of approximately SEK 4 million on net sales and EBITA.

EBITA increased approximately 22 per cent, corresponding to SEK 9 million adjusted for calendar effects and the EBITA margin increased to 11.0 per cent (10.7). The improvement in earnings was mainly attributable to recent acquisitions and higher average fees.

The market was good within most segments during the fourth quarter and both the private and the public sector building market remained stable. The residential market and the office market weakened further. The public infrastructure market was stable. Belgium is in the middle of a complete energy transition with a new government clearly committed to the European Green Deal. The electrification in industry and the public domain increased. The pharma industry was running at full speed, while recovery in the more traditional industry markets was somewhat delayed due to the second Covid-19 wave.

At the end of the year, three employees were on temporary lay-off.

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



## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	414	381	1,655	1,394
Organic growth, %	-2	15	6	19
Acquisition-related growth, %	14	0	13	2
Currency, %	-3	3	-1	3
Total growth, %	9	18	19	24
Organic growth adj. for calendar, %	-1	15	6	19
EBITA, SEK M	46	41	189	158
EBITA margin, %	11.0	10.7	11.4	11.3
Number of full-time employees	1,124	943	1,071	870

# Sweco UK

The UK is the market most impacted by Covid-19 and organic growth remained significantly negative in the quarter. EBITA was negatively impacted by project adjustments and employees on furlough. The market remains uncertain, but with some positive signs in the quarter.

## Sales and profit, October–December

Net sales amounted to SEK 280 million (348). Organic growth was -13 per cent and the decline was mainly driven by negative project adjustments, a lower number of employees and lower revenue from subconsultants. There was no year-on-year difference in the number of available working hours.

EBITA decreased to SEK 6 million (24) and the EBITA margin declined to 2.2 per cent (7.0). Earnings were negatively impacted by negative project adjustments and employees on furlough.

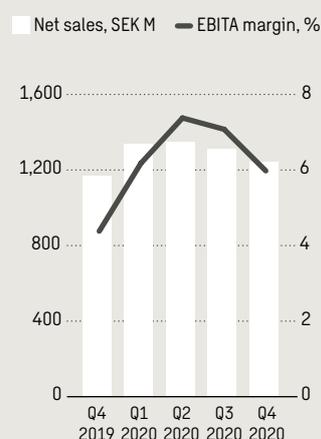
The UK market remains challenging. The fourth quarter began with an improving picture in demand for services following easing of national restrictions in the third quarter. As the national government support scheme

for temporary lay-off (“furlough”) came to a close at the end of October, a new national lockdown was imposed on the back of rising cases. The furlough scheme was then re-introduced.

Demand in the buildings market remained fairly stable in the fourth quarter, however, a number of larger projects that were anticipated to re-commence, did not. The energy and environment markets remained stable with moderate impact from Covid-19. The water market improved due to increased project call-offs by clients under framework contracts. The transportation infrastructure market remained fairly stable given the ongoing projects within the high-ways sector.

At the end of the year, 30 employees were on furlough.

Net sales & EBITA margin, rolling 12 months



## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	280	348	1,247	1,170
Organic growth, %	-13	1	-7	-4
Acquisition-related growth, %	0	60	16	37
Currency, %	-7	6	-2	4
Total growth, %	-20	68	7	36
Organic growth adj. for calendar, %	-13	1	-7	-4
EBITA, SEK M	6	24	75	51
EBITA margin, %	2.2	7.0	6.0	4.4
Number of full-time employees	1,215	1,277	1,236	1,136

# Sweco Germany and Central Europe

A quarter significantly impacted by the SEK 290 million working capital write-down and otherwise a weak quarter in Germany, with negative organic growth and a significant decline in EBITA. The market remained overall stable with Covid-19 impacting the private real estate market.

## Sales and profit, October–December

During the quarter, the review of the German project portfolio was concluded and, as announced on 21 December 2020, this review has resulted in a write-down of trade working capital of SEK 290 million. The write-down had a negative impact on net sales and EBITA of the same amount and was the main reason for the decline in net sales and EBITA of the Business Area.

Net sales decreased 71 per cent to SEK 175 million (605). Organic growth was around -21 per cent, adjusted for calendar effects and the write-down in Germany, and was impacted by a lower billing ratio, lower average fees and fewer employees.

EBITA decreased to SEK -317 million (21). The decrease was driven by the project write-down of SEK 290 million

and additional one-off costs and YTD corrections. The underlying EBITA in the Business Area was at break-even in the quarter.

Overall, the German market remained stable in the fourth quarter despite Covid-19 and no major construction sites had to be closed due to the crisis. 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.

At the end of the year, 9 employees remained on temporary lay-off.

On 1 November, the Business Area President in Germany, Ina Brandes left Sweco and was replaced by Karsten Gruber as acting Business Area President.

## Net sales & EBITA margin, rolling 12 months



## In brief

	Oct–Dec 2020	Oct–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
<b>Net sales and profit</b>				
Net sales, SEK M	175	605	1,657	1,941
Organic growth, %	-67	18	-20	11
Acquisition-related growth, %	0	17	7	9
Currency, %	-4	3	-2	3
Total growth, %	-71	39	-15	23
Organic growth adj. for calendar, %	-69	18	-21	11
Organic growth adj. for calendar & IAC, %	-21	18	-6	11
EBITA excl. IAC, SEK M	-27	21	-9	77
EBITA margin excl. IAC, %	-5.7	3.5	-0.5	3.9
EBITA, SEK M	-317	21	-299	77
EBITA margin, %	-180.8	3.5	-18.1	3.9
Number of full-time employees	2,367	2,410	2,375	2,171

# Other information

## Parent Company, January–December 2020

Parent Company net sales totalled SEK 874 million (771) and were attributable to intra-group services. Profit after net financial items totalled SEK 1,036 million (743). Investments in equipment totalled SEK 32 million (33). Cash and cash equivalents at the end of the period totalled SEK 1,387 million (184).

## 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 2019.

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.sweco.se/en/IR/financial-data/definitions/>

The adoption of IFRS 16 had a significant impact on the presentation of financial statements. Sweco has chosen to maintain its key financial metrics close to previous definitions to facilitate comparability with previous periods.

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:* 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 includes 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 20 and 27. 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 151.00 at the end of the period, representing a 9 per cent decrease during the quarter. Nasdaq Stockholm OMXSPI increased 5 per cent over the same period.

In November, the number of shares and votes increased as a result of the share split (ratio 3:1) that was resolved by Sweco AB's extraordinary General Meeting on 22 October, 2020, through which each existing share was split into three new shares of the same class.

The total number of shares at the end of the period was 363,251,457: 31,157,139 Class A shares and 332,094,318 Class B shares. The total number of shares outstanding was 355,197,471: 31,157,139 Class A shares and 324,040,332 Class B shares.

## Board proposals to the AGM

**Dividend:** The Board of Directors proposes the dividend be increased to SEK 2.20 per share (2.07), not to exceed a dividend amount of SEK 799 million (732).

**2021 Share savings scheme:** The Board of Directors proposes that the 2021 AGM resolves to implement a long-term share savings scheme for up to 100 Sweco Group senior executives and other key employees. The proposal principally corresponds to the terms in last year's proposal, with the exception of the performance targets, which for the Share Savings Scheme 2021 includes both absolute and relative total shareholder return, as well as earnings per share ("EPS").

**2021 Share bonus scheme:** The Board of Directors also proposes that the 2021 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 and the effects of political decisions. The Group is also exposed to various types of financial risk, such as foreign currency, interest rate and credit risk. The risks to which Sweco is exposed are detailed in Sweco's 2019 Annual Report (page 100, Risks and Risk Management). No significant risks are deemed to have arisen since then apart from the Covid-19 pandemic.

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

## Calendar effects

### Year 2020

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

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

### 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

## Acquisition-related amortisation

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

2020 Actual	SEK -132 million
2021 Estimate	SEK -130 million
2022 Estimate	SEK -87 million
2023 Estimate	SEK -46 million

## Annual General Meeting

The 2021 Annual General Meeting will be held on Thursday, 22 April 2021 at 3:00 PM in Stockholm. Sweco's 2020 Annual Report will be available for shareholder perusal at Sweco's headquarters, Gjörwellsгатan 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

Interim report January–March	11 May 2021
Interim report January–June	16 July 2021
Interim report January–September	29 October 2021
Year-end report 2021	11 February 2022

Stockholm, 11 February 2021

Åsa Bergman

President and CEO, Member of the Board of Directors

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This report has not been audited.

## KPIs

KPIs <sup>1</sup>	Oct-Dec 2020	Oct-Dec 2019	Full-year 2020	Full-year 2019
<b>Profitability</b>				
EBITA margin excl. IAC, %	9.5	9.4	9.7	9.1
EBITA margin, %	4.4	9.4	8.5	9.1
Operating margin (EBIT), %	4.8	10.5	8.2	9.2
Profit margin, %	4.4	10.0	7.7	8.6
<b>Revenue growth<sup>2</sup></b>				
Organic growth, %	-9	5	-1	5
Acquisition-related growth, %	3	5	4	3
Currency, %	-3	2	-2	2
Total growth, %	-10	11	1	10
Organic growth adj. for calendar, %	-10	5	-2	5
Organic growth adj. for calendar & IAC, %	-5	5	-1	5
<b>Debt</b>				
Net debt, SEK M			943	2,114
Interest-bearing debt, SEK M			3,031	2,774
<b>Financial strength</b>				
Net debt/Equity, %			12.5	29.5
Net debt/EBITDA, x			0.5	1.0
Equity/Assets ratio, %			37.9	37.1
Available cash and cash equivalents, SEK M			3,898	2,699
– of which unutilised credit, SEK M			1,811	2,039
<b>Return</b>				
Return on equity, %			17.6	20.9
Return on capital employed, %			12.9	15.3
<b>Share data<sup>3</sup></b>				
Earnings per share, SEK	0.66	1.34	3.64	3.95
Diluted earnings per share, SEK	0.66	1.30	3.58	3.84
Equity per share, SEK <sup>4</sup>			21.25	20.24
Diluted equity per share, SEK <sup>4</sup>			21.07	19.71
Number of shares outstanding at reporting date			355,197,471	353,395,377
Number of repurchased Class B shares			8,053,986	9,856,080

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) 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	Oct-Dec 2020	Oct-Dec 2019	Full-year 2020	Full-year 2019
<b>Operating profit (EBIT)</b>	<b>248</b>	<b>596</b>	<b>1,706</b>	<b>1,892</b>
Acquisition-related items	-5	-41	135	58
Lease expenses <sup>1</sup>	-207	-196	-782	-736
Depreciation and impairments, right-of-use assets	188	173	708	656
<b>EBITA<sup>2</sup></b>	<b>224</b>	<b>532</b>	<b>1,766</b>	<b>1,869</b>
Amortisation/depreciation and impairment, tangible and intangible fixed assets	67	73	278	291
<b>EBITDA<sup>3</sup></b>	<b>292</b>	<b>606</b>	<b>2,044</b>	<b>2,160</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	Oct-Dec 2020	Oct-Dec 2019	Full-year 2020	Full-year 2019
<b>EBITA</b>	<b>224</b>	<b>532</b>	<b>1,766</b>	<b>1,869</b>
Items affecting comparability (IAC) <sup>1</sup>	290	–	290	–
<b>EBITA excl. IAC</b>	<b>514</b>	<b>532</b>	<b>2,056</b>	<b>1,869</b>

1) Items affecting comparability encompassed the write-down of working capital of SEK 290 million in the German operations and are reported in Business Area Germany & Central Europe.

## Consolidated income statement

SEK M	Oct–Dec 2020	Oct–Dec 2019	Full-year 2020	Full-year 2019
Net sales	5,142	5,692	20,858	20,629
Other income	3	2	7	17
Other external expenses	-1,089	-1,231	-4,180	-4,373
Personnel expenses	-3,558	-3,661	-13,859	-13,377
Amortisation/depreciation and impairment, tangible and intangible fixed assets <sup>1</sup>	-67	-73	-278	-291
Depreciation and impairment, right-of-use assets	-188	-173	-708	-656
Acquisition-related items <sup>2</sup>	5	41	-135	-58
<b>Operating profit (EBIT)</b>	<b>248</b>	<b>596</b>	<b>1,706</b>	<b>1,892</b>
Net financial items <sup>3</sup>	-11	-11	-46	-46
Interest cost of leasing <sup>4</sup>	-13	-16	-54	-65
Other financial items <sup>5</sup>	3	1	2	-4
<b>Total net financial items</b>	<b>-21</b>	<b>-26</b>	<b>-98</b>	<b>-115</b>
<b>Profit before tax</b>	<b>226</b>	<b>570</b>	<b>1,608</b>	<b>1,777</b>
Income tax	9	-97	-316	-384
<b>PROFIT FOR THE PERIOD</b>	<b>235</b>	<b>472</b>	<b>1,293</b>	<b>1,393</b>
<b>Attributable to:</b>				
Parent Company shareholders	235	472	1,292	1,393
Non-controlling interests	0	0	1	0
Earnings per share attributable to Parent Company shareholders, SEK <sup>6</sup>	0.66	1.34	3.64	3.95
Average number of shares outstanding <sup>6</sup>	355,197,471	353,395,377	354,626,159	352,712,302
Dividend per share, SEK <sup>6, 7</sup>			2.20	2.07

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.

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

7) Dividend 2020 is the proposed dividend.

## Consolidated statement of comprehensive income

SEK M	Oct–Dec 2020	Oct–Dec 2019	Full-year 2020	Full-year 2019
Profit for the period	235	472	1,293	1,393
<b>Items that will not be reversed in the income statement</b>				
Revaluation of defined benefit pensions, net after tax <sup>1, 2</sup>	-12	-44	-34	-42
<b>Items that may subsequently be reversed in the income statement</b>				
Translation differences, net after tax	-187	-59	-314	165
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>37</b>	<b>369</b>	<b>945</b>	<b>1,516</b>
<b>Attributable to:</b>				
Parent Company shareholders	37	369	945	1,516
Non-controlling interests	0	0	0	1
1) Tax on revaluation of defined benefit pensions	4	15	11	15

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

## Consolidated cash flow statement

SEK M	Oct-Dec 2020	Oct-Dec 2019	Full-year 2020	Full-year 2019
Profit before tax	226	570	1,608	1,777
Amortisation/depreciation and impairment	275	280	1,071	1,048
Other non-cash items	331	-54	502	131
<b>Cash flow from operating activities before changes in working capital, tax paid, interest paid and received</b>	<b>832</b>	<b>795</b>	<b>3,181</b>	<b>2,955</b>
Interest cost leasing	-13	-16	-54	-65
Net interest paid	-6	-6	-28	-33
Tax paid	-22	-49	-337	-418
Changes in working capital	363	330	488	-141
<b>Cash flow from operating activities</b>	<b>1,155</b>	<b>1,054</b>	<b>3,249</b>	<b>2,299</b>
Acquisition and divestment of subsidiaries and operations	-207	-328	-535	-769
Purchase and disposal of intangible and tangible assets	-50	-19	-220	-212
Other investing activities	4	-4	9	-4
<b>Cash flow from investing activities</b>	<b>-253</b>	<b>-350</b>	<b>-746</b>	<b>-985</b>
Borrowings and repayment of borrowings	-6	-431	376	-112
Principal elements of lease payments	-176	-168	-700	-645
Dividends paid	-367	0	-733	-645
Repurchase of treasury shares	-	-	-	-2
<b>Cash flow from financing activities</b>	<b>-548</b>	<b>-599</b>	<b>-1,056</b>	<b>-1,404</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>353</b>	<b>104</b>	<b>1,447</b>	<b>-90</b>

## Consolidated balance sheet

SEK M	31 Dec 2020	31 Dec 2019
Goodwill	7,593	7,471
Other intangible assets	340	339
Property, plant and equipment	519	580
Right-of-use assets	2,705	3,043
Financial assets	391	389
Current assets excl. cash and cash equivalents	6,312	6,821
Cash and cash equivalents incl. short-term investments	2,088	660
<b>TOTAL ASSETS</b>	<b>19,948</b>	<b>19,303</b>
Equity attributable to Parent Company shareholders	7,548	7,154
Non-controlling interests	10	10
<b>Total equity</b>	<b>7,557</b>	<b>7,164</b>
Non-current lease liabilities	2,135	2,522
Non-current interest-bearing debt	2,996	1,665
Other non-current liabilities	832	877
Current lease liabilities	706	688
Current interest-bearing debt	34	1,109
Other current liabilities	5,688	5,279
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,948</b>	<b>19,303</b>
Pledged assets	-	1
Contingent liabilities	942	1,010

## Consolidated statement of changes in equity

SEK M	Jan–Dec 2020			Jan–Dec 2019		
	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity, opening balance	7,154	10	7,164	6,158	10	6,168
Comprehensive income for the period	945	0	945	1,516	1	1,516
Transfer to shareholders	-732	0	-733	-644	0	-645
Buy-back of treasury shares	–	–	–	-2	–	-2
Share bonus scheme	177	–	177	122	–	122
Share savings schemes	5	–	5	4	–	4
<b>EQUITY, CLOSING BALANCE</b>	<b>7,548</b>	<b>10</b>	<b>7,557</b>	<b>7,154</b>	<b>10</b>	<b>7,164</b>

## Acquisitions

The following acquisitions 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)
Talboom Group	January	Sweco Belgium	100	133	69
Morgenroth & Landwehr, asset deal	February	Sweco Germany & CE	–	8	6
Temco, asset deal	March	Sweco Belgium	–	37	31
KANT Arkitekter A/S	March	Sweco Denmark	100	136	81
Automation unit of Eurocon, asset deal	March	Sweco Sweden	–	5	5
SGL Ingénieurs SA/NV	June	Sweco Belgium	100	58	31
Aries Real Estate Solutions s.a.	September	Sweco Belgium	100	12	12 <sup>4</sup>
Saraco Oy Group	October	Sweco Finland	100	45	34
TAG Arkitekter AS Group	November	Sweco Norway	100	97	97
Optiplan Oy	December	Sweco Finland	100	124	143
<b>TOTAL</b>				<b>655</b>	<b>509</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 11 self employed.

During the period, the acquired companies contributed SEK 313 million in net sales, SEK 26 million in EBITA and SEK 10 million in operating profit (EBIT). If the companies had been owned as of 1 January 2020 they would have contributed approximately SEK 643 million in net sales, about SEK 62 million in EBITA and about SEK 33 million in operating profit (EBIT). The transaction costs for the acquisitions during this period and the previous period totalled SEK 11 million.

### Cont. Acquisitions

The purchase considerations of the acquisitions carried out in the period totalled SEK 588 million and had a negative impact on cash and cash equivalents of SEK 535 million. The acquisition analyses regarding Morgenroth & Landwehr, KANT Arkitekter, Temco, Automation unit of Eurocon, SGI Ingénieurs, Aries Real Estate Solutions, Saraco, TAG Arkitekter and Optiplan are preliminary. The acquisitions impacted the consolidated balance sheet as detailed in the table below.

Acquisitions, SEK M	
Intangible assets	545
Property, plant and equipment	12
Right-of-use assets	21
Financial assets	5
Current assets	305
Non-current liabilities	-7
Lease liabilities	-20
Deferred tax	-39
Other current liabilities	-234
<b>Total purchase consideration</b>	<b>588</b>
Purchase price outstanding	-44
Payment and repayment of deferred purchase price	58
Cash and cash equivalents in acquired companies	-67
<b>DECREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>535</b>

## Acquisition-related items

SEK M	Oct-Dec 2020	Oct-Dec 2019	Full-year 2020	Full-year 2019
Amortisation of acquisition-related intangible assets	-20	-33	-85	-101
Revaluation of additional purchase price	0	-1	-38	-1
Profit/loss on divestment of buildings and land	6	19	6	20
Profit/loss on divestment of companies and operations <sup>1</sup>	29	71	29	62
Cost for received future service	-11	-15	-47	-37
<b>ACQUISITION-RELATED ITEMS</b>	<b>5</b>	<b>41</b>	<b>-135</b>	<b>-58</b>

1) Provision for exposure in a previous divestment is released during the quarter and amounted to SEK 29 million.

## Fair value of financial instruments

The Group's financial instruments measured at fair value totalled SEK 10 million (10). The derivative instruments are forward currency contracts, the fair value of which is determined based on listed prices for forward currency contracts on the balance sheet date (Level 2). The fair value of unlisted financial assets is determined through market valuation techniques (observable market inputs) such as recent transactions, listed prices of similar instruments and discounted cash flows. In the event no reliable inputs are available for determining fair value, financial assets are reported at acquisition value (Level 3). There were no transfers between levels during the period.

## Quarterly review per business area

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

	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4
<b>Net sales, SEK M</b>									
Sweco Sweden	1,992	1,489	2,015	1,985	2,054	1,519	1,952	1,958	2,003
Sweco Norway	620	489	598	708	692	550	658	706	661
Sweco Finland	729	584	726	738	663	536	611	579	556
Sweco Denmark	500	421	467	458	477	410	442	455	460
Sweco Netherlands	515	466	538	547	542	488	519	506	520
Sweco Belgium	414	392	418	431	381	326	352	335	323
Sweco UK	280	280	305	382	348	317	291	214	207
Sweco Germany & Central Europe	175	481	504	497	605	502	438	397	436
Group-wide, Eliminations, etc.	-83	-56	-81	-65	-71	-26	-49	-47	-55
<b>TOTAL NET SALES</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>	<b>5,214</b>	<b>5,101</b>	<b>5,112</b>
Items affecting comparability (IAC) <sup>4</sup>	290	-	-	-	-	-	-	-	-
<b>TOTAL NET SALES excl. IAC</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>5,214</b>	<b>5,101</b>	<b>5,112</b>
<b>EBITA, SEK M<sup>2</sup></b>									
Sweco Sweden	282	149	253	269	271	102	233	252	284
Sweco Norway	44	44	24	97	65	55	18	78	60
Sweco Finland	85	80	104	101	64	76	73	74	53
Sweco Denmark	50	41	22	30	41	44	16	36	17
Sweco Netherlands	42	44	35	51	39	24	37	43	31
Sweco Belgium	46	48	45	50	41	38	41	38	37
Sweco UK	6	9	21	40	24	15	4	8	-6
Sweco Germany & Central Europe	-317	0	8	9	21	26	18	11	27
Group-wide, Eliminations, etc. <sup>3</sup>	-13	2	-18	-17	-34	3	-18	-9	-8
<b>EBITA</b>	<b>224</b>	<b>417</b>	<b>495</b>	<b>630</b>	<b>532</b>	<b>384</b>	<b>422</b>	<b>531</b>	<b>494</b>
Items affecting comparability (IAC) <sup>4</sup>	290	-	-	-	-	-	-	-	-
<b>EBITA excl. IAC</b>	<b>514</b>	<b>417</b>	<b>495</b>	<b>630</b>	<b>532</b>	<b>384</b>	<b>422</b>	<b>531</b>	<b>494</b>
<b>EBITA margin, %<sup>2</sup></b>									
Sweco Sweden	14.2	10.0	12.6	13.6	13.2	6.7	11.9	12.9	14.2
Sweco Norway	7.1	8.9	4.1	13.7	9.4	10.0	2.7	11.0	9.0
Sweco Finland	11.7	13.7	14.3	13.7	9.6	14.2	12.0	12.8	9.5
Sweco Denmark	9.9	9.7	4.8	6.7	8.6	10.7	3.6	8.0	3.7
Sweco Netherlands	8.1	9.4	6.6	9.4	7.2	5.0	7.1	8.6	5.9
Sweco Belgium	11.0	12.3	10.8	11.5	10.7	11.6	11.7	11.4	11.5
Sweco UK	2.2	3.1	6.8	10.4	7.0	4.8	1.4	3.7	-3.0
Sweco Germany & Central Europe	-180.8	0.0	1.7	1.8	3.5	5.2	4.1	2.9	6.3
<b>EBITA margin</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>	<b>8.1</b>	<b>10.4</b>	<b>9.7</b>
Items affecting comparability (IAC) <sup>4</sup>	5.1	-	-	-	-	-	-	-	-
<b>EBITA margin excl. IAC</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>	<b>8.1</b>	<b>10.4</b>	<b>9.7</b>
Billing ratio, %	74.1	73.8	75.5	73.6	74.6	73.6	74.8	74.1	74.5
Number of normal working hours	491	518	465	500	485	519	462	496	489
Number of full-time employees	17,470	16,988	17,555	17,330	17,084	16,463	16,281	15,823	15,665

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

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

4) Items affecting comparability encompassed the write-down of working capital of SEK 290 million in the German operations and are reported in Business Area Sweco Germany & Central Europe.

## Period review per business area

January–December Business Area <sup>1</sup>	Net sales, SEK M		EBITA, SEK M <sup>2</sup>		EBITA margin, % <sup>2</sup>		Number of full-time employees	
	2020	2019	2020	2019	2020	2019	2020	2019
Sweco Sweden	7,481	7,482	954	858	12.8	11.5	5,828	5,870
Sweco Norway	2,414	2,606	209	216	8.6	8.3	1,660	1,563
Sweco Finland	2,777	2,388	369	287	13.3	12.0	2,493	2,160
Sweco Denmark	1,846	1,784	143	137	7.8	7.7	1,230	1,173
Sweco Netherlands	2,066	2,055	172	143	8.3	7.0	1,390	1,403
Sweco Belgium	1,655	1,394	189	158	11.4	11.3	1,071	870
Sweco UK	1,247	1,170	75	51	6.0	4.4	1,236	1,136
Sweco Germany & Central Europe	1,657	1,941	-299	77	-18.1	3.9	2,375	2,171
Group-wide, Eliminations, etc. <sup>3</sup>	-285	-193	-47	-58	-	-	45	65
<b>TOTAL GROUP</b>	<b>20,858</b>	<b>20,629</b>	<b>1,766</b>	<b>1,869</b>	<b>8.5</b>	<b>9.1</b>	<b>17,328</b>	<b>16,412</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.

	Oct–Dec 2020	Oct–Dec 2019	Growth, % Oct–Dec 2020	Jan–Dec 2020	Jan–Dec 2019	Growth, % Jan–Dec 2020
Reported net sales	5,142	5,692	-10	20,858	20,629	1
Adjustment for currency effects		-186	-3		-372	-2
<b>Net sales, currency-adjusted</b>	<b>5,142</b>	<b>5,505</b>	<b>-6</b>	<b>20,858</b>	<b>20,257</b>	<b>3</b>
Adjustment for acquisitions/divestments	-155	-9	3	-999	-103	4
<b>Comparable net sales, currency-adjusted</b>	<b>4,987</b>	<b>5,497</b>	<b>-9</b>	<b>19,860</b>	<b>20,154</b>	<b>-1</b>
Adjustment of calendar effect	-55		1	-102		0
<b>Comparable net sales, adjusted for currency and calendar effects</b>	<b>4,932</b>	<b>5,497</b>	<b>-10</b>	<b>19,758</b>	<b>20,154</b>	<b>-2</b>
Adjustment of items affecting comparability	290		-5	290		1
<b>Comparable net sales, adjusted for currency, calendar effects and items affecting comparability</b>	<b>5,222</b>	<b>5,497</b>	<b>-5</b>	<b>20,048</b>	<b>20,154</b>	<b>-1</b>

	Oct–Dec 2019	Oct–Dec 2018	Growth, % Oct–Dec 2019	Jan–Dec 2019	Jan–Dec 2018	Growth, % Jan–Dec 2019
Reported net sales	5,692	5,112	11	20,629	18,735	10
Adjustment for currency effects		78	2		317	2
<b>Net sales, currency-adjusted</b>	<b>5,692</b>	<b>5,190</b>	<b>10</b>	<b>20,629</b>	<b>19,051</b>	<b>8</b>
Adjustment for acquisitions/divestments	-374	-125	5	-646	-50	3
<b>Comparable net sales, currency-adjusted</b>	<b>5,317</b>	<b>5,065</b>	<b>5</b>	<b>19,983</b>	<b>19,001</b>	<b>5</b>
Adjustment of calendar effect	25		0	7		0
<b>Comparable net sales, adjusted for currency and calendar effects</b>	<b>5,342</b>	<b>5,065</b>	<b>5</b>	<b>19,990</b>	<b>19,001</b>	<b>5</b>

## Net debt

SEK M	31 Dec 2020	31 Dec 2019
Non-current interest-bearing debt	2,996	1,665
Current interest-bearing debt	34	1,109
Cash and cash equivalents incl. short-term investments	-2,088	-660
<b>NET DEBT<sup>1</sup></b>	<b>943</b>	<b>2,114</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	Full-year 2020	Full-year 2019
Net sales	874	771
Operating expenses	-909	-818
<b>Operating loss</b>	<b>-35</b>	<b>-48</b>
Net financial items	1,071	791
<b>Profit/loss after net financial items</b>	<b>1,036</b>	<b>743</b>
Appropriations	-180	-120
<b>Profit/loss before tax</b>	<b>856</b>	<b>623</b>
Tax	-117	-77
<b>PROFIT/LOSS AFTER TAX</b>	<b>739</b>	<b>546</b>

## Parent Company balance sheet

SEK M	31 Dec 2020	31 Dec 2019
Intangible assets	24	26
Property, plant and equipment	60	59
Financial assets	6,541	6,537
Current assets	4,593	3,371
<b>TOTAL ASSETS</b>	<b>11,218</b>	<b>9,994</b>
Equity	4,673	4,480
Untaxed reserves	654	474
Non-current liabilities	2,906	1,569
Current liabilities	2,985	3,471
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,218</b>	<b>9,994</b>