



Sustainable engineering & design

**Q2 2010 Presentation**

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# Company Highlights and Outlook Q2 2010

- Continued stabilising market – but with large variations
- Strong financial position and leading position gives Sweco good growth opportunities
  - Organic
  - Strategic acquisitions on key markets (e g Central and Eastern Europe)
- Growth drivers:
  - Environmental awareness
  - Urbanisation
  - EU expansion

## Interim report April-June 2010

- Operating profit of SEK 112.2 million (117.5)
- Operating margin of 8.2 per cent (8.4)
- Net sales amounted to SEK 1,365.5 million (1,394.9)
- Profit before tax of SEK 111.1 million (116.1)
- Cash flow from operating activities of SEK 111,1 million (152,5)
- Profit after tax of SEK 82.5 million (78.9) and earnings per share of SEK 0.91 (0.89)

## Interim report January-June 2010

- Operating profit of SEK 234.6 million (283.7)
- Operating margin of 8.7 per cent (10.0)
- Net sales amounted to SEK 2,704.5 million (2,846.8)
- Profit before tax of SEK 230.5 million (289.9)
- Solid financial position with net cash of SEK 34.6 million (150.8)
- Cash flow from operating activities of SEK 42.7 million (214.7)
- Profit after tax of SEK 169.1 million (207.1) and earnings per share of SEK 1.88 (2.35)

# Income statement

Income statement, SEK M	April-June 2010	April-June 2009	Jan-June 2010	Jan-June 2009	July 2009- June 2010	Full year 2009
Net sales	1,365.5	1,394.9	2,704.5	2,846.8	5,196.4	5,338.7
Other operating income	3.6	0.8	3.6	6.0	9.1	11.5
Other external expenses	-368.1	-361.7	-682.3	-720.3	-1,417.3	-1,455.3
Personnel costs	-865.4	-889.6	-1,743.3	-1,795.2	-3,279.3	-3,331.2
Amortisation/depreciation and impairment losses	-23.4	-26.9	-47.9	-53.6	-114.4	-120.1
<b>Operating profit</b>	<b>112.2</b>	<b>117.5</b>	<b>234.6</b>	<b>283.7</b>	<b>394.5</b>	<b>443.6</b>
Net financial items	-1.1	-1.4	-4.1	6.2	-10.3	0.0
<b>Profit before tax</b>	<b>111.1</b>	<b>116.1</b>	<b>230.5</b>	<b>289.9</b>	<b>384.2</b>	<b>443.6</b>
Income tax expense	-28.6	-37.2	-61.4	-82.8	-127.6	-149.0
<b>Profit for the period</b>	<b>82.5</b>	<b>78.9</b>	<b>169.1</b>	<b>207.1</b>	<b>256.6</b>	<b>294.6</b>
Operating margin	8.2	8.4	8.7	10.0	7.6	8.3
Billing ratio	73.8	74.5	73.5	74.2	73.2	73.6
Basic EPS	0.91	0.89	1.88	2.35	2.85	3.31
Diluted EPS	0.90	0.88	1.85	2.32	2.83	3.28

- Continued weak demand on certain industry and building-related services in Finland
- Great geographical variations

# Balance sheet

<b>Balance sheet, SEK M</b>	<b>30 June 2010</b>	<b>30 June 2009</b>	<b>31 Dec 2009</b>
Goodwill	750.6	799.0	783.5
Other intangible assets	48.1	67.9	53.4
Tangible assets	199.0	186.9	173.9
Financial assets	68.2	74.3	59.3
Current assets excl. cash and cash equivalents	1,652.2	1,587.2	1,523.9
Cash and cash equivalents	193.3	381.6	557.3
<b>Total assets</b>	<b>2,912.4</b>	<b>3,096.9</b>	<b>3,151.3</b>
Equity attributable to equity holders of the Parent Company	1,336.4	1,472.7	1,584.9
Non-controlling interests	10.4	10.4	10.8
<b>Total equity</b>	<b>1,346.8</b>	<b>1,483.1</b>	<b>1,595.7</b>
Non-current liabilities	137.5	138.2	127.0
Current liabilities	1,428.1	1,475.6	1,428.6
<b>Total equity and liabilities</b>	<b>2,912.4</b>	<b>3,096.9</b>	<b>3,151.3</b>
Contingent liabilities	217.3	134.8	260.3

Solid financial position

- Equity/assets ratio of 46.2 %. Net debt/equity ratio of -2.6 %
- Disposable cash and unutilised bank overdraft facilities of SEK 755.7 million
- Net interest-bearing receivable of SEK 34.6 million

# Cash flow

Cash flow, SEK M	April-June 2010	April-June 2009	Jan-June 2010	Jan-June 2009	July 2009- June 2010	Full year 2009
Cash flow from operating activities before changes in working capital and paid tax	130.0	178.8	273.6	358.5	534.5	619.4
Paid tax	-52.1	-53.3	-114.2	-116.0	-155.0	-156.8
Changes in working capital	33.3	27.0	-116.7	-27.8	-21.8	67.1
<b>Cash flow from operating activities</b>	<b>111.1</b>	<b>152.5</b>	<b>42.7</b>	<b>214.7</b>	<b>357.7</b>	<b>529.7</b>
Cash flow from investing activities	-34.8	-30.1	-59.2	-50.7	-102.1	-93.6
Cash flow from financing activities	-334.6	-100.5	-336.3	-105.3	-432.3	-201.3
<b>Cash flow for the period</b>	<b>-258.3</b>	<b>21.9</b>	<b>-352.8</b>	<b>58.7</b>	<b>-176.7</b>	<b>234.8</b>

# Sweco Sweden

## Highlights

- Stable development for most areas
- Good long-term demand within water and environment
- Market for building-related services to industry and private construction and real estate companies improved
- Improved market situation for architects

	<i>Apr-Jun 2010</i>	<i>Apr-jun 2009</i>	<i>Jan-Jun 2010</i>	<i>Jan-jun 2009</i>
Net sales, SEK M	803.0	782.1	1,575.7	1,555,1
Operating profit, SEK M	98.1	91.9	183.9	192.2
Operating margin, %	12.2	11.8	11.7	12.4
Average # of Employees.			2,556	2,576

# Sweco Norway

## Highlights

- General economic outlook improved, but less subsidies from the Government
- Growing demand for construction and building-related services – especially in the healthcare sector
- Infrastructure: higher activity is being noted in the road and railway sector
- A greater interest in wind power is visible

	<i>Apr-Jun 2010</i>	<i>Apr-jun 2009</i>	<i>Jan-Jun 2010</i>	<i>Jan-jun 2009</i>
Net sales, SEK M	345.6	329.8	696.2	677.8
Operating profit, SEK M	36.2	25.4	75.4	73.6
Operating margin, %	10.5	7.7	10.8	10.9
Average # of Employees.			901	852

# Sweco Finland

## Highlights

- Demand in the construction sector still weak, especially for offices and commercial space
- Residential building is showing signs of a modest recovery
- Infrastructure: fairly stable market

	<i>Apr-Jun 2010</i>	<i>Apr-jun 2009</i>	<i>Jan-Jun 2010</i>	<i>Jan-jun 2009</i>
Net sales, SEK M	19.3	22.8	38.9	49.6
Operating profit, SEK M	2.1	1.9	3.3	5.3
Operating margin, %	10.7	8.3	8.5	10.7
Average # of Employees.			63	72

# Sweco Central & Eastern Europe

## Highlights

- Strategic acquisitions in Poland
- The Baltic region still affected by the economic downturn
- Stable situation in Poland, Bulgaria and the Czech Republic

	<i>Apr-Jun 2010</i>	<i>Apr-jun 2009</i>	<i>Jan-Jun 2010</i>	<i>Jan-jun 2009</i>
Net sales, SEK M	64.2	72.4	128.6	141.6
Operating profit, SEK M	3.4	-2.2	4.4	-3.6
Operating margin, %	5.3	-3.1	3.5	-2.6
Average # of Employees.			668	763

# Sweco Russia

## Highlights

- Stable market for publicly-funded water and wastewater treatment projects
- Weak demand for privately-funded water and environmental services

	<i>Apr-Jun 2010</i>	<i>Apr-jun 2009</i>	<i>Jan-Jun 2010</i>	<i>Jan-jun 2009</i>
Net sales, SEK M	7.3	8.3	13.7	15.4
Operating profit, SEK M	0.5	0.7	1.0	0.0
Operating margin, %	6.6	9.3	7.2	0.2
Average # of Employees.			99	158










# Sweco Industry

## Highlights

- Market still suffering from economic downturn
- Continued weak demand in Finland, 70 employees on temporary lay-off
- Stable development in Sweden and Norway

	<i>Apr-Jun 2010</i>	<i>Apr-jun 2009</i>	<i>Jan-Jun 2010</i>	<i>Jan-jun 2009</i>
Net sales, SEK M	129.4	207.8	279.5	458.6
Operating profit, SEK M	0.7	5.7	2.3	25.9
Operating margin, %	0.5	2.8	0.8	5.7
Average # of Employees.			607	895

# Market outlook

Trend	Segment	Share of net sales
	Water & Environment	18%
	Infrastructure	15%
	Building Service Systems	15%
	Energy systems	14%
	Structural Engineering	13%
	Industry	9%
	Architecture	8%
	Project Management	6%
	Geographic IT	2%

## General Drivers and Trends:

- Environmental awareness
- Urbanisation
- EU expansion