Q3 2020

4 NOVEMBER

Åsa Bergman, President & CEO
Olof Stålnacke, CFO

WELCOME!

Europe's leading architecture and engineering consultancy

#1 In the European market	8 Business Areas	17,500 Full-time employees
SEK 21.4 bn Net sales R12	SEK 2.1 bn EBITA R12	9.7 % EBITA margin R12

Business Areas

Sweden	Netherlands
Norway	Belgium
Finland	United Kingdom
Denmark	Germany and Central Europe

Continued stable performance

Net sales SEK 4,547 million (4,623)

EBITA SEK 417 million (384)

- EBITA increased 9 per cent, adj. for calendar

Growth affected by Covid-19 in the quarter

- Organic -2 per cent
- Acquired 3 per cent
- Currency effects -3 per cent

Stable cash flow and strong financial position

Acquisition in Belgium

Strong client focus

Sweco continues to provide services for construction of the second phase of the new tramway in Tampere, Finland – an important step in Tampere's journey towards carbon neutrality by 2030.

Market situation

The overall demand remained stable in Q3

- Most projects have been relatively unaffected
- Order book remains on a stable level

Some negative impact from Covid-19

- Primarily in the private building and real estate segments and parts of the industry segment

The long-term demand for Sweco's services continues to be driven by strong trends in society

- Urbanisation
- Digitalisation
- Sustainability

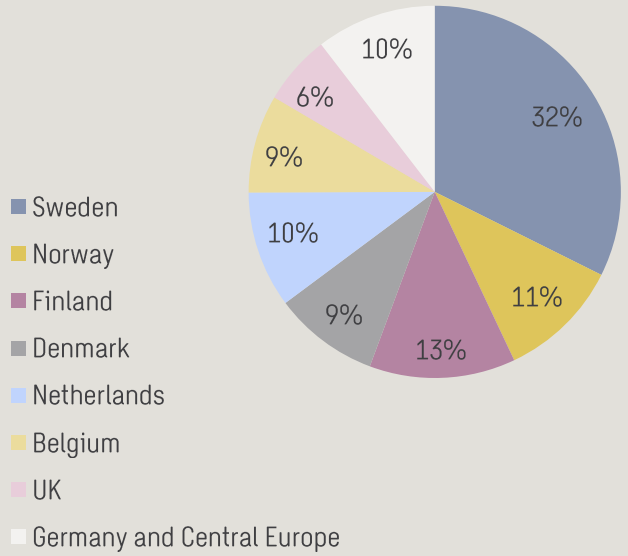
Our well-diversified business creates stability

Innovation and collaboration made Randselva bridge in Norway, awarded as the best BIM project in the world at the Tekla Global BIM awards.

Well-diversified footprint and portfolio

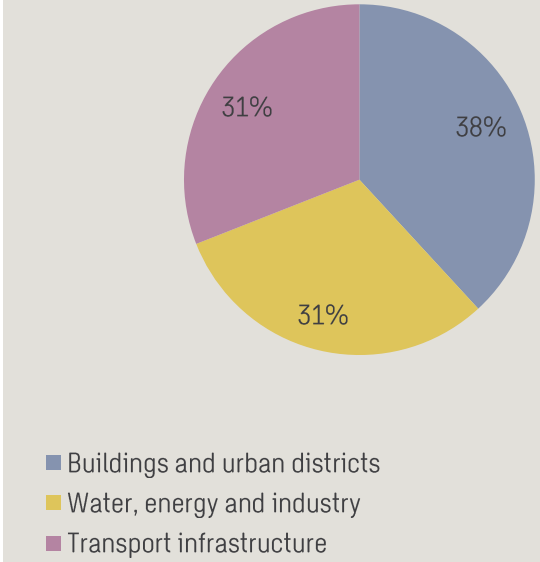
Broad geographic footprint

Net sales by market in Q3, %



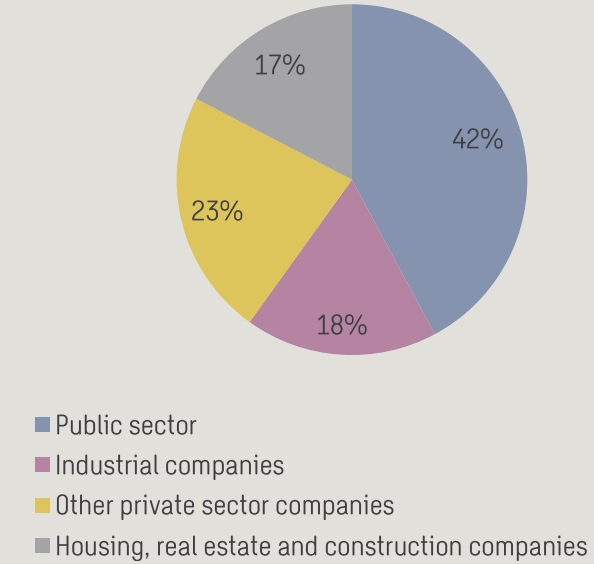
Diversified offering

Net sales by service offering in 2019, %



Balanced mix of clients

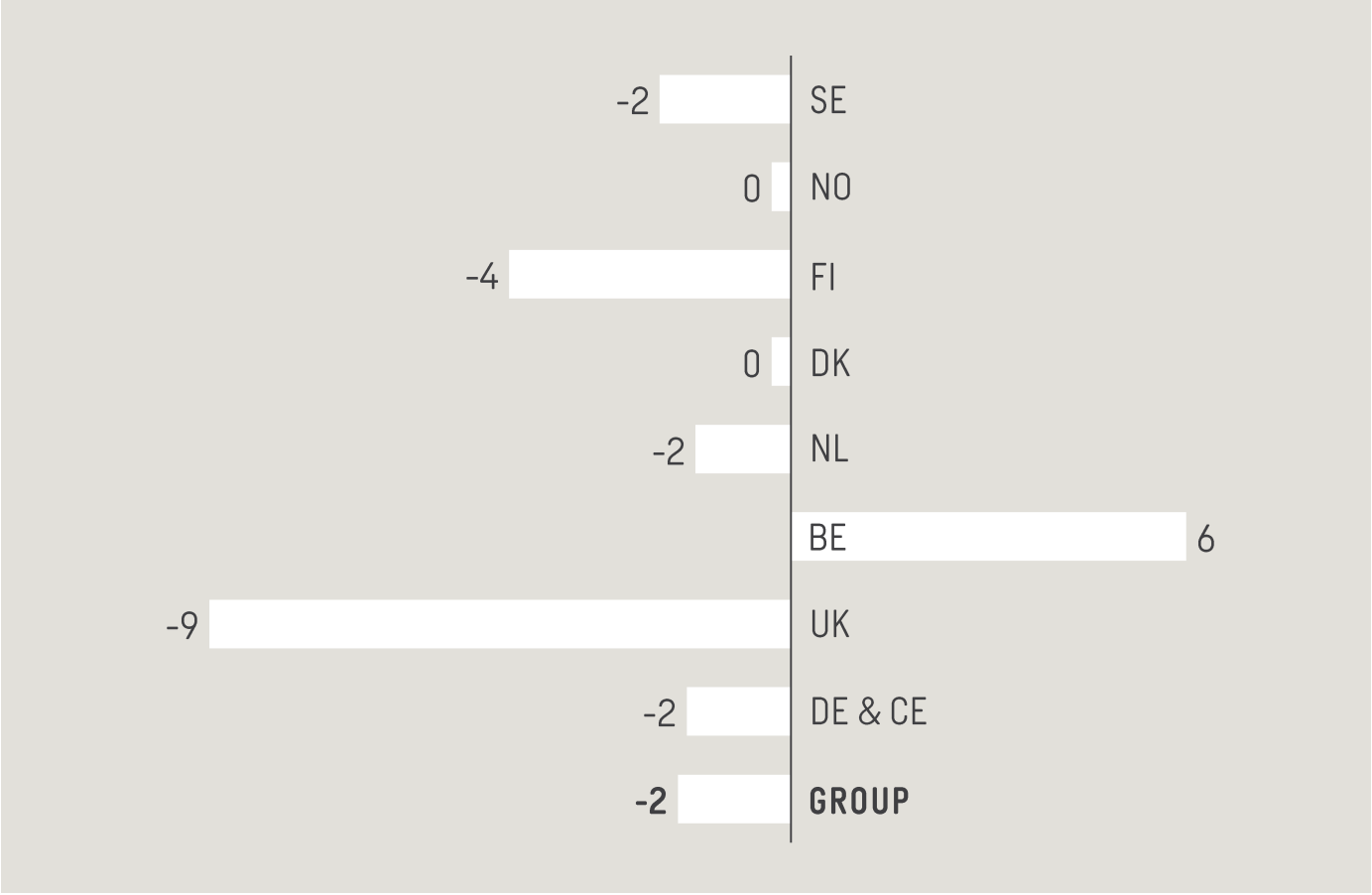
Net sales by client category in 2019, %



Organic growth affected by Covid-19

Organic growth of Net sales Q3 2020 vs LY in %, adjusted for FX, acquisitions & divestments and calendar

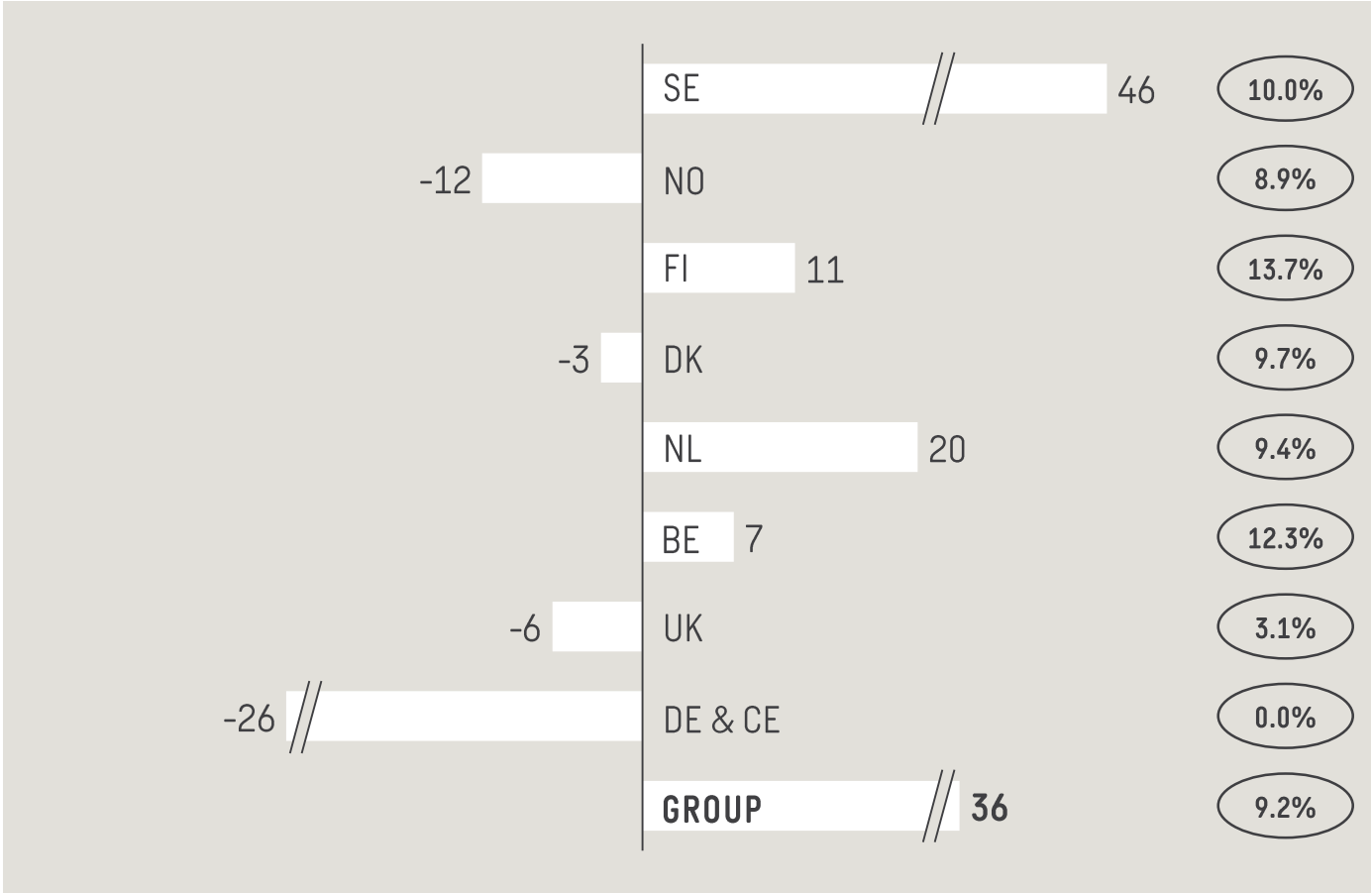
- Organic growth of -2 per cent, adjusted for calendar
- Strong performance in BE
- Challenging in UK



Good result in the quarter

EBITA improvement Q3 2020 vs LY by Business area in SEK million, adjusted for calendar

- EBITA increased 9 per cent or SEK 36 million, adj. for calendar
- Strong margins in FI, BE and SE
- Stable margins in DK, NL and NO
- UK impacted by challenging market & one-off costs
- Weak performance in DE



Acquisitions during and after the quarter

Acquisition of A-RES on 30 September, 2020

- Strong reputation within construction supervision and related services in Flanders, Brussels and Wallonia. 12 employees.

Acquisition of Saraco DM Ltd on 1 October, 2020

- Experts in project management, property development and buildings in the areas of Helsinki, Turku and Tampere. 34 employees.

Interesting companies with strong local presence

Recently announced milestone acquisition in Norway

- Acquisition of TAG Arkitekter on 15 October, 2020
- Founded in 2009 – 95 employees and a revenue of MNOK 113 in 2019
- Experts in the real estate and landscape architecture segments in the areas of Oslo, Bergen and Trondheim
- Establishes a fully integrated architectural and technical consultancy service offering in Norway
- Sweco is one of the world's leading companies within architecture with approx. 1,300 architects and landscape architects

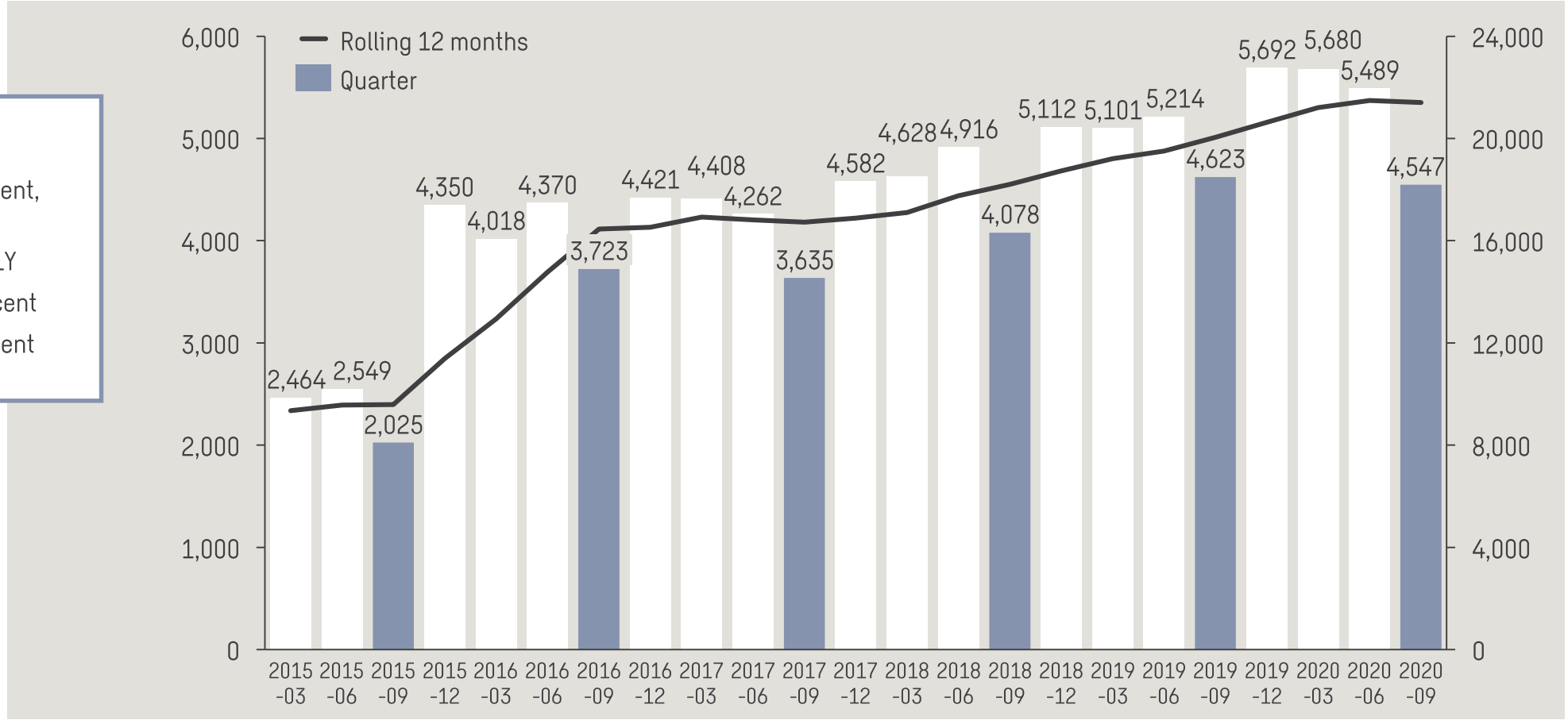
Lars Eirik Ulseth, TAG Arkitekter and Grete Aspelund, President of Sweco Norway.

Net sales slightly declining

Net sales, Quarter and rolling 12 months, SEK million

Quarter

- Organic growth -2 per cent, adjusted for calendar
- 1 less working hour vs LY
- Acquired growth 3 per cent
- Currency effect -3 per cent

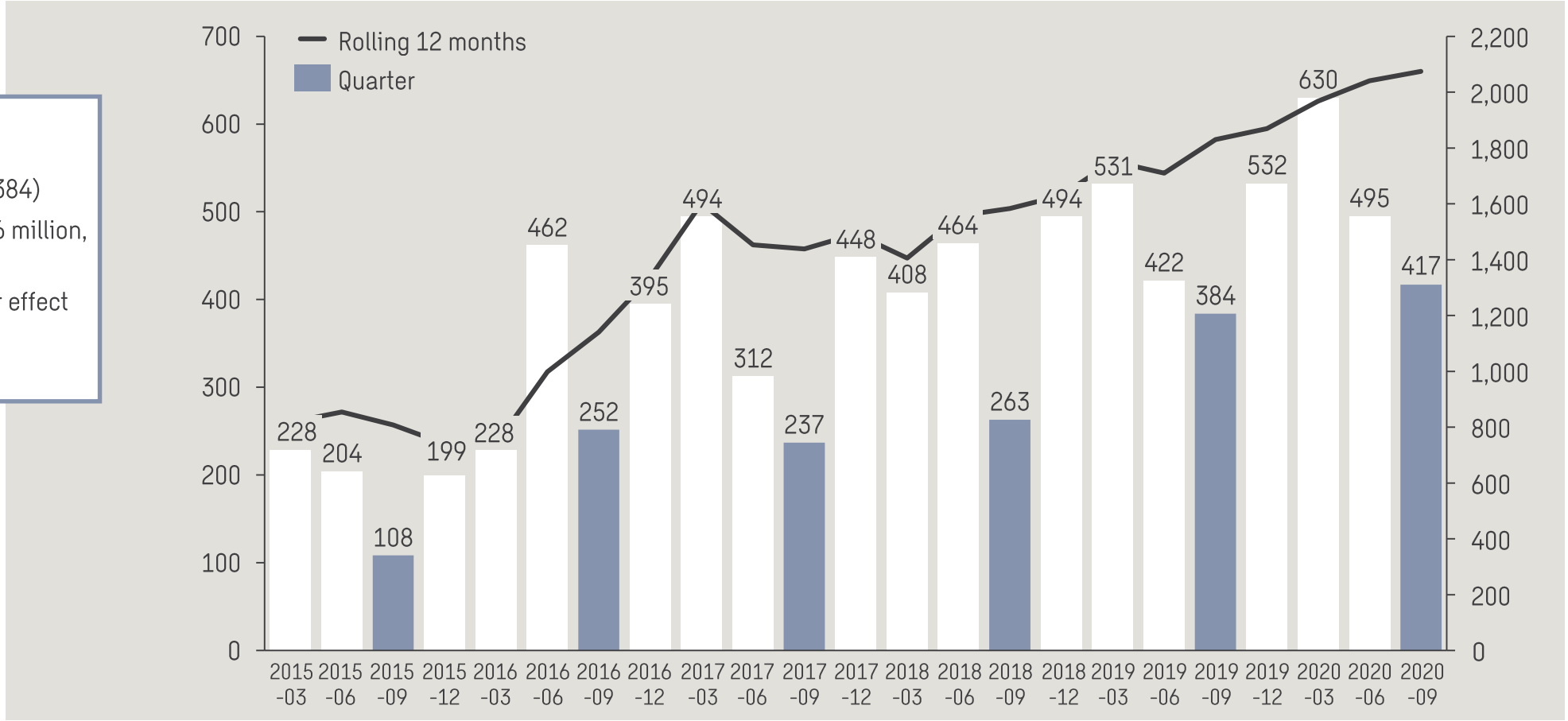


EBITA improving SEK 36 million calendar adjusted

EBITA, Quarter and rolling 12 months, excl. E/O items, SEK million

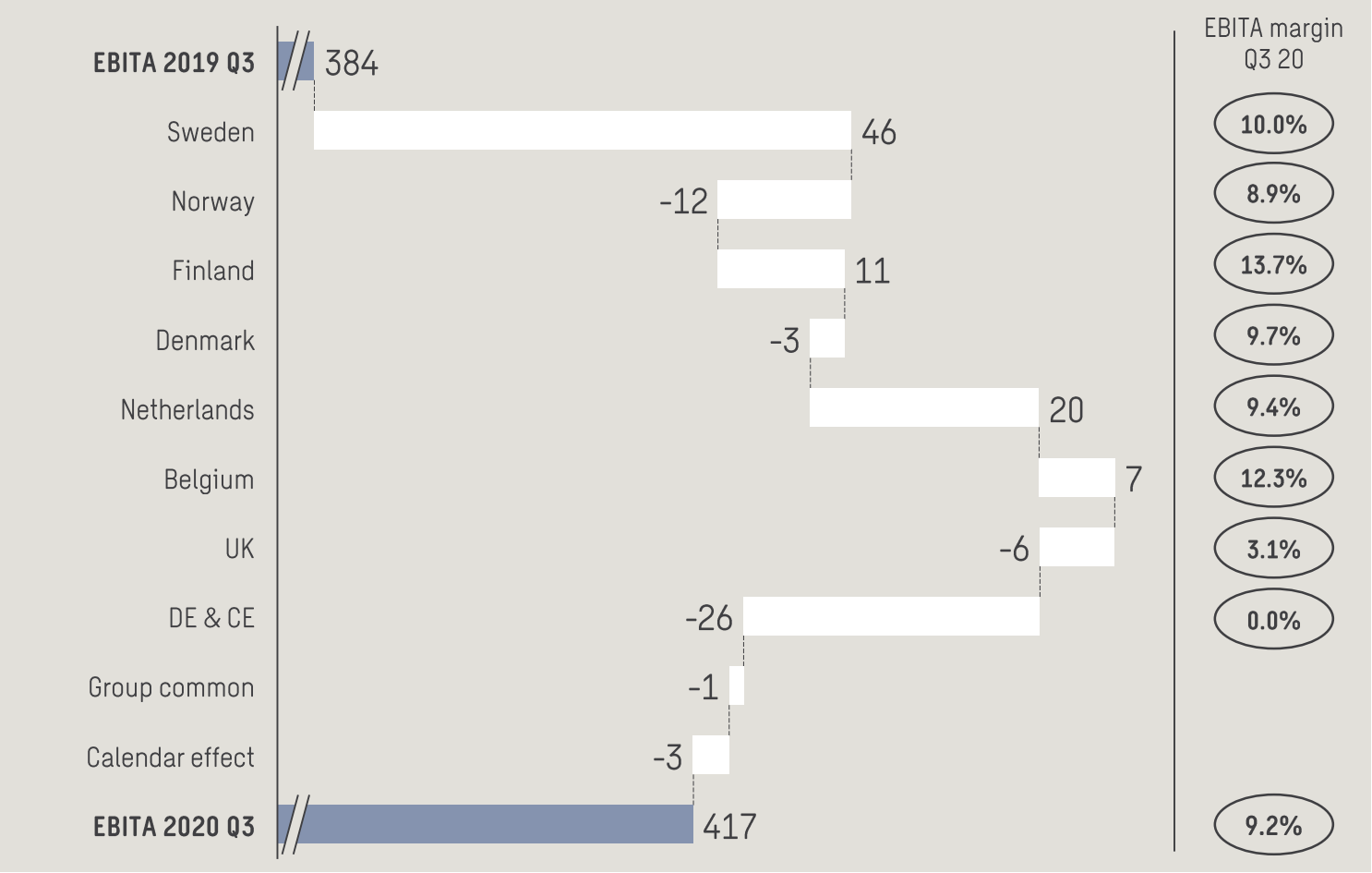
Quarter

- EBITA SEK 417 million (384)
- Improvement of SEK +36 million, adjusted for calendar
- Small negative calendar effect of SEK 3 million



4 BAs contributing to EBITA improvement

EBITA Q3 bridge by Business Area – calendar adjusted, SEK million

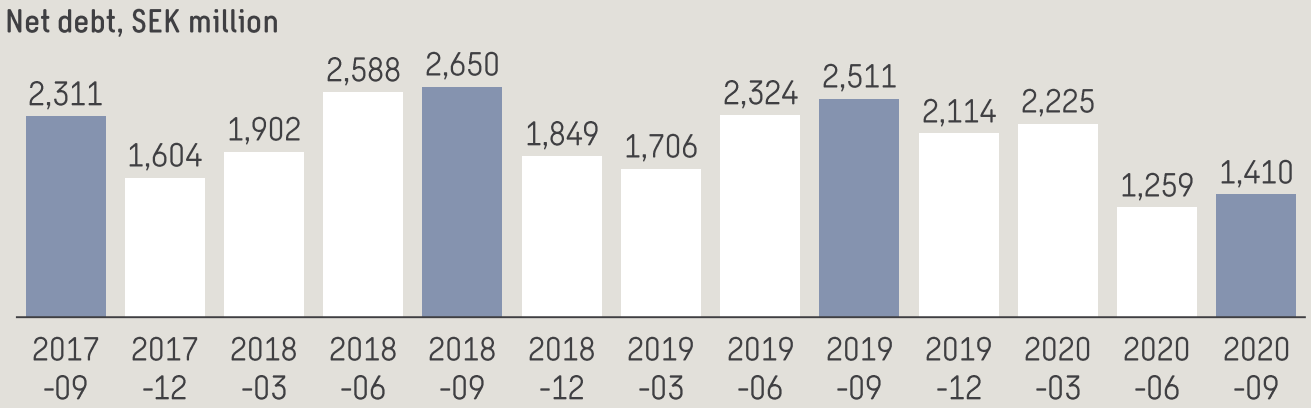


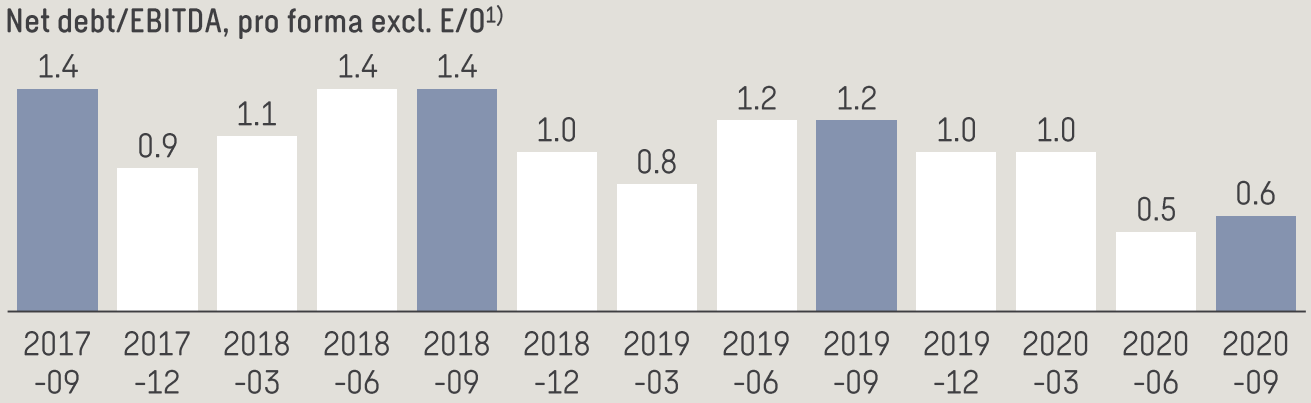
- Largest improvements in Sweden & the Netherlands
- Cost savings, mainly related to Covid-19, of approximately SEK 70 million
- Positive contribution from acquisitions and higher average fees
- Negative calendar effect of SEK 3 million (-1 hour)

Project portfolio review in Germany

- Increased management focus on the relatively high working capital levels in Germany last twelve months
- Delayed client negotiations and disputes in some large projects during the year
- Internal audit of one of the Sweco Germany divisions in Q3 indicated potential lack of prudence in revenue recognition
- A full review of the German project portfolio is ongoing and will be concluded before year end
- The negative effect of a more prudent revenue recognition could potentially be up to SEK 120 million
- No provision made in Q3

Strong financial position





Net debt decreased by SEK 1,101 million compared to same period last year

- Strong cash flow from operating activities of SEK 2,094 million (1,245) for the first nine months of the year
- M&A SEK 328 million (441)
- Dividends SEK 365 million (645)

Strong financial position with Net debt/EBITDA at 0.6 x (1.2)

Available liquid assets, including unutilised credit lines, of SEK 4,546 million (2,377)

Concluding Q3

- Continued stable performance with good result
- Stable cash flow and strong financial position
- Continued impact from Covid-19, primarily in the private building and real estate segments and parts of the industry segment
- Our well-diversified business model creates stability
- Solid underlying long-term demand driven by trends in society

Sweco has been appointed to pre-plan the rebuilding of the Käppala wastewater treatment plant in Sweden, to serve 900,000 people in 2040.

Focus going forward

- Executing on strategy and implementing the Sweco model on all markets
- Staying close and relevant to our clients, delivering according to plan and winning new projects
- Continue developing sustainable and innovative solutions together with our clients

THANK YOU!

SWECO